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PROCEEDINGS AND DEBATES OF THE *100th* CONGRESS, SECOND SESSION

SENATE—*Friday, October 21, 1988*

(Legislative day of Tuesday, October 18, 1988)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore [Mr. STENNIS].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

I will lift up mine eyes unto the hills, from whence cometh my help. My help cometh from the Lord, which made heaven and earth.—Psalm 121:1,2.

Gracious Lord, relentless in love, infinite in patience and forgiveness, make Your presence felt in this place today. Overcome indifference— preoccupation — frustration — unbelief — pride—every resistance in us that would hinder our awareness of Your presence.

We need You—individually and collectively—we need You. We need Your peace—Your love—Your wisdom—we need You. In spite of us, if necessary, heavenly Father infuse our hearts and our environment with the reality of Your presence—so that somehow we will know before this day is over that God has touched us today. The Lord bless you and keep you. The Lord make His face to shine upon you and be gracious of you. The Lord lift up His countenance upon you and give you His peace. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader, under the order, is recognized.

THE CHAPLAIN'S PRAYER

Mr. BYRD. Mr. President, I thank the Chaplain again for his prayer. This is the last time that I will stand in this place as majority leader, and I have many things to be thankful for and many pleasant memories. And one of those memories and one of the things that I happen to be thankful for is in being here for the Lord's Prayer and the Chaplain's prayer. It has had a great impact on this body, on me, and I am sure on hundreds of thousands of people who witness this broadcast every day the Senate is in session.

MY GOOD FRIEND, ROBERT DOLE

Mr. BYRD. I again want to thank my good friend, ROBERT DOLE, who is a fine leader, and I will always remember with fondness our associations in these two positions. I have absolute trust in BOB DOLE. I have developed a great affection for him as an individual. I think that he is a great leader, and if I were to serve in this position for a 100 years, I would always want to be able to look across the aisle and see BOB DOLE. He is my favorite Republican—[Laughter]—Senator, and I have some other favorites on that side as well.

I will always remember the Senator from Wisconsin who stands just behind me in the same row, and who is always here to speak and who, through his speeches and determination and unflagging dedication and devotion in respect to certain issues, has

NOTICE

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None of the material printed in the Congressional Record after adjournment may contain subject matter, or relate to any event, which occurred after the date that Congress officially adjourned.

No provision herein shall be construed to supersede the two-page rule.

All material must be signed by the Member and delivered to the respective offices of the Official Reporters of Debate, Room HT-60 or S-220 of the Capitol. These offices are open Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m.

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By order of the Joint Committee on Printing.

FRANK ANNUNZIO, *Chairman.*

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

left his impact not only on the Senate but also on the country.

GRATITUDE FOR MY COLLEAGUES

Mr. BYRD. Mr. President, I have also deep gratitude for my colleagues on both sides of the aisle and especially on this side. We have had our weekly Tuesday conferences. We have always let our hair down in those conferences, and my colleagues, if they have not always agreed with me, I believe that they nevertheless have always trusted me. I have tried never to embarrass them, and I have tried to instill some of my own self-discipline into our party. I think that as we have traveled through the 6 years in the desert, which seemed like 40 years, we have developed a spirit of unity and togetherness that I think have reflected well upon the legislative product and upon the Nation.

THE SENATE

Mr. BYRD. Mr. President, I thank all who have contributed so much to the operation of the Senate. The Senate, as I have said, leaves its mark upon us. We come here thinking that we will leave our mark on the Senate, but as the years come and go, we find that it is the Senate that leaves its mark upon us. More important, it leaves its mark upon the Nation and the Nation's history.

I have tried very hard to make the Senate, again, a powerful influence upon the Nation's foreign policy as well as upon its domestic policy. It has a very peculiar and unique and special role in the Constitution in dealing with foreign policy, and in dealing with the confirmation of nominees, and in many other respects. And I look back with a feeling of comfort and satisfaction in my belief that the Senate has, during these years, lived up to its responsibilities, fulfilled its role under the Constitution, and kept the faith of our fathers who devised this pillar of our representative democracy.

I believe that the 100th Congress has been the best Congress in 20 years. It has exercised its prerogatives, its powers, in connection with the principle of checks and balances.

We have upheld the principle of separation of powers. We have upheld to the fullest the principle that the Senate is an equal body with the House; and that the Congress, which is made up of both Houses, is equal to the executive branch and the judicial branch—not above, not below, not more, not less.

And so I leave this position with no regrets. I have enjoyed it as I have enjoyed any challenge, and I have achieved all that I could achieve, all that was within me because I have given my best. I have not kept anything back. I have not withheld any ounce of my strength. And so it is with a feeling of satisfaction that I have served the institution. If I had it to do over again, I do not think I could do it any better than I have done it. There has been a splendid example of cooperation between the two Senate leaders that I think is the epitome of cooperation. The marvelous record that the 100th Congress has established could not have been achieved without that kind of cooperation. We could not have passed the 13 appropriations bills by 1 minute of midnight before the beginning of the fiscal year without the cooperation that I have had from Senator DOLE. I could not have done it alone. The Democrats could not have done it alone. The approval of the INF Treaty required close cooperation on the part of both parties, and so, one after another of the accomplishments of this Congress are due, in equal credit, to those who sit on the other side of the aisle. We have not always agreed, but that is the nature of the legislative institution.

Mr. President, I thank JOHN STENNIS, the President pro tempore, for the inspiration that he has been to me and to my colleagues, and I thank the press, the fourth estate, to which Edmund Burke referred, and I thank the pages, the official reporters, the doorkeepers, the security personnel, those who work in the restaurants, in the physician's office—all who work together to make this the most remarkable of all the inventions of modern politics, to use the words of Gladstone, who was Prime Minister of Great Britain four times.

Mr. President, I leave this desk with the hope that the Senate in the future will continue to be the institution that I think BOB DOLE and I and 98 other Senators have made it during the 100th. It is greater than the sum of all its parts. We will come and we will go, but the Senate will be here centuries hence. As long as we have an American Senate, as long as it fulfills its proper role and responsibilities under this Constitution, this country will be a free people.

I have seen America here, and I will not forget you.

RECOGNITION OF THE REPUBLICAN LEADER

The PRESIDENT pro tempore. Under the standing order, the Republican leader now is recognized.

THE END OF THE 100TH CONGRESS

Mr. DOLE. Mr. President, I congratulate the distinguished majority leader. This has been a remarkable 2 years, and I hope—the majority leader may hope—this will be the end of it today, but not for his sake. I think there is a way to cap all the success that we have had on both sides of the aisle, but particularly the majority leader, if we complete action today on the drug bill and the technical corrections bill. I think both are within reach. A few little items cropped up in the drug bill overnight. Members who are some distance from the Capitol have been getting messages and they have been calling in with questions and some hopefully only minor objections.

But it would seem to me that we can complete action on those two measures. As far as the tax bill is concerned, it will take a little give on the House side, but if they are willing to be reasonable I think we can work out something on the technical corrections and hopefully do that between now and tomorrow morning.

SPECIAL RECOGNITION

A number of times, almost 300, I have either stood here and delivered or at times placed in the RECORD bicentennial minutes, and after today, assuming this is the last day, this will be my last opportunity, and so I wanted to thank the people behind the scenes who helped produce our daily moments of history.

Special recognition goes to Senate historian Richard Baker, whose knowledge and tireless research and, above all, affection for this great institution, made our bicentennial minutes possible. It is not easy churning out daily history lessons, but he always made it interesting and he also did it with style.

I also salute my press office, Walt Riker, Dale Tate, and the support staff, Susan Pelter and Marilyn Sayler, for putting it all together day in and day out. The bicentennial journey has been a memorable experience for me, both an education and reminder again of the true greatness of the Senate.

SENATOR ROBERT C. BYRD

Mr. DOLE. In my last bicentennial minute—and I presented, as I have said, about 300 vignettes designed to illuminate the personalities and issues that are interwoven in the rich fabric of this institution—I wish to observe the conclusion of Senator ROBERT C. BYRD's 22 years as a leader of the Senate's Democratic Party and a leader for all of us in the Senate.

Those of us privileged to call him our colleague and our friend recognize that ROBERT BYRD is a remarkable human being, possessed of an extraordinary memory, which boggles the minds of most of us out here every day, and a keen sense of vision. His service to the Senate, as I just indicated, has been characterized by hard work, attention to detail, boundless energy—we were together last night until about midnight working on the drug bill—and intense loyalty. He is an unrivaled master of the Senate's rules and precedents, no doubt about it. I assume next year we will be going to Senator BYRD, those on this side of the aisle and that side of the aisle, to check up on the Parliamentarian to see if the Parliamentarian had it right. And long after we have passed from the stage of public life, ROBERT C. BYRD will be remembered by those who care about the Senate because he treasured its history. Alone among all who have served during the first 100 Congresses, ROBERT BYRD has worked to make the remembered history of this institution accessible to the widest possible audience. A century ago the Senate allowed its 100th anniversary to pass virtually unobserved. Determined to avoid a repetition of this on the occasion of the Senate's second centennial in 1989, ROBERT BYRD initiated action that will bring us next year a rich program of conferences, publications, exhibits, and ceremonial events.

The final chapter in ROBERT BYRD's Senate career is not likely to be written for some time, yet it is safe to say that he has set a standard as a Senator, as a legislative leader, and as a statesman that will stand among the best as long as there is a Senate.

I would like to take this opportunity to thank the people behind the scenes, as I have indicated, who have not only helped me but helped Senator BYRD. We are always the ones standing up and making the noises but somebody out there has been working day after day to put it together to help us with it.

In the final analysis, there is a penalty for leadership. You have to give up a lot and sometimes even your own colleagues are a little out of sorts. But ROBERT BYRD has demonstrated that if you are willing to pay the price, you can demonstrate leadership on a daily basis, and he has done it day after day. As I have said before, I have to believe that when I first became the majority leader, and Senator BYRD and I had not had a lot of contact, there may have been a bit of suspicion: How is this BOB DOLE going to be out here on the floor? But I had learned a lot from the likes of Senator BYRD and Senator LONG and Senator STENNIS and others just observing. I made a lot of mistakes, but in the final analysis we became close friends. We trust each other. We do not surprise each other.

I can recall only about a month ago the Senator came to me and said, "I'm going to do this today. I do not want any surprise parties." So I have learned a lot from the master, Senator ROBERT C. BYRD, and I appreciate his friendship. He will have many more years of service, next year as the chairman of the Appropriations Committee, or maybe ranking member on Appropriations depending on the outcome of the election. I am always optimistic.

So I say, "Thank you, Senator BYRD, on behalf of all Republicans who have had the privilege working with you in the past 22 years." Some are no longer with us, but many of the Senator's best friends are still here. They are on that side of the aisle; they are on this side of the aisle, because we know that when the going gets tough, somehow Senator BYRD will lead us out of the jungle, as he has done many, many times.

So I wish you and your wife, Erma, the best, and I salute you for outstanding service.

Mr. BYRD. Mr. President, I thank my friend.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. PRYOR). Under the previous order, there will now be period for the transaction of morning business, not to extend beyond 12:30 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Mississippi is recognized.

A FAREWELL MESSAGE

Mr. STENNIS. Mr. President, I want to pay tribute to the splendid service and leadership in his field of our friend the Chaplain, who is always on duty and who is always effective.

I want to pay my respects and a partial farewell to the floor leaders we have had for some years now. It is a very difficult job. With deference to others who have served in this position, I believe that these two have proven most effective and have proven the necessity of cooperation. I commend them and praise them for the splended work they have done.

Mr. President, in thinking about the years that have passed so rapidly, the years I have been here, one of the outstanding things that has happened here which has given me renewed faith in our system—is what we called the economic summit conference, where the Democrats and the Republicans, the President of the United States, and membership of the Senate and the House of Representatives met together. It was a solid month, day and night. They filed a report which went a long way toward making it possible to complete action on all 13 appropriations bills separately before the beginning of the fiscal year, the first time in more than a decade with all these problems and with all these difficulties. In the last 2 years, we have reviewed the work of the summit conference as a foundation and found it very effective. It gives me strength, as I leave now, to think of what was achieved there, the direct impact, which has lasted for 2 years.

Mr. President, again I want to applaud heartily the tributes here to the floor leaders. I have seen the problems of many floor leaders, and I speak with deference with respect to all of them for their special efforts. I say with emphasis that, under all the conditions, with the cooperation they inspired, these two leaders turned out more constructive legislation, time and again. It is marvelous, what they have done, and I want to thank them.

I especially thank the members of the committees of which I have been chairman for their cooperation, spirit, energy, and application—the Armed Services Committee, Appropriations Committee. I believe the members of those committees have displayed more activity, more achievement, more work, more concern, more dedication than we could fairly expect in this wonderful organization.

People are asking me: "What's the matter? What's going to happen?" I think the Senate, as an organization, is stronger than it has ever been, reinforced by the membership. I do not praise them just for the use of words on my part. I think it is functioning exceptionally well, even though perhaps it faces problems unequalled in our history.

If I may, I want to mention a man whom I succeeded as chairman of our Appropriations Committee, Senator Hatfield. I am grateful for his inspiration, counsel, active assistance—but most of all for his good friendship which I value so highly.

So I have a personal feeling in my heart of thanks and appreciation for every member of this body who have meant so much to me.

I will not take the further time. I yield the floor.

The PRESIDING OFFICER (Mr. HOLLINGS). The Senator from Wisconsin.

THE MAJORITY LEADER

Mr. PROXMIRE. Mr. President, first, I pay tribute to the majority leader. This is his last day as majority leader in this body. He has been an excellent majority leader.

I have been very lucky. When I came here, we had Lyndon Johnson as majority leader, then many years of Mike Mansfield as majority leader, and now we have BOB BYRD. Nobody could ask for more in leadership.

IS THE U.S. SENATE REALLY THE BEST JOB IN THE WORLD?

Mr. PROXMIRE. Mr. President, why is U.S. Senator the best job in the world?

Answer: Because it has everything. There is no job that provides greater real freedom. As a Senator, you are truly your own boss. Of course you have your obligation to your constituents. They elected you. Their taxes pay your salary. You are going to be directly accountable to them if and when you run for re-election. For most Senators, however, the relationship with constituents is a joy. There is not even a whisper of master and servant. Maybe there should be. But when you have several million bosses you know that no one of them can pull your string. Assuming that you, as a U.S. Senator, have the same general value judgments that your constituents have. Assume, therefore, that you try to be honest. Assume you have a natural sympathy for their problems. Assume that you really do want to help them in any way you can. Make those assumptions; then if you live up to your own values, you will very likely have your job on your own terms. What job could possibly be better? You can do exactly what you think is right. You can work in the public interest as you see it. Sure you should explain your public conduct constantly to your constituents. But what's so hard about that? It simply means that you are open to press inquiries. You issue releases to the media to explain your position on leading issues. You answer your mail, all your mail, no matter how heavy it may be. You answer it promptly. Does that sound like a lot of work? It's not. Not for you. The Senate provides you with ample money for clerk hire. As a Senator you are legally entitled to hire staff to respond to constituents inquiries and to help them solve their problems with the Federal Government. Of course all this is under your direction as a Senator. It is in accordance with your policies. You can and should take full responsibility.

Just think of a job where your prime responsibility is to do your best to improve your country and the world. It's even better. Think of a job in which you can hire top talent to help you do the job. With patience and persistence, you can work your way on to those Senate committees on which you believe you can do the most to serve the country. As a new Senator, you can not always and immediately select exactly the committee where you want to serve. But every committee has its exciting challenges and as time passes and you accrue increasing seniority, you can move into exactly or almost exactly the committee and subcommittee that you want.

Of course it's one thing to have this golden opportunity to make a difference in building a better country. It's something else to have access to the information that enables you to understand the problems you face and to act prudently to solve them. What you can achieve in a legislative body depends primarily on how much you know and how effectively you convey what you know to your colleagues. Here again, the Senate today is a joy. Very few people on Earth are free to hire a staff to mine the enormous mountains of up-to-date, relevant information produced each day by the Federal Government.

Just consider the vast information at the fingertips of a U.S. Senator. The General Accounting Office [GAO] has 6,000 employees. They are deployed in offices all over the world. They include accountants, legal experts, engineers, and a variety of technical specialists. Their job: Whatever a Member of Congress asks them to investigate in the area of public policy. As a Senator the GAO is yours to command. The GAO enjoys a well-earned reputation for painstaking accuracy and thoroughness.

The Library of Congress includes a Congressional Research Service that is also at the beck and call of you as a Senator. It has an array of highly competant scholars and researchers. The Congress has also created a well-manned Office of Technology Assessment. This office has the expertise and the manpower to thoroughly evaluate and report on the complex and rapidly moving technology thoughout the world and the problems it raises. The National Academy of Science has become the most prestigious scientific group in the world. It responds promptly to a Senator's inquiry not only in the natural but in the social sciences.

There is more. Every agency of the Federal Government will provide detailed information quickly to any congressional office requesting it on virtually any subject involving Federal Government policy. Each major agency has an inspector general. His job is to consider and report on waste, fraud, and abuse in the agency. These reports are also available to the Congress. The independent Federal Reserve Board has long had one of the most accomplished economic research staffs in the world. Their findings are only a phone call away from every Senate office. The President's Council of Economic Advisers is staffed with economic experts who inform the Congress, as well as the administration, on economic policy matters.

And, don't forget the endless array of lobbyists in Washington. In this Senator's 31 years in the Senate, I have found the organizations representing special interests to be a Niagara Falls of information. Isn't this lobbyist information biased and one-sided? Of course it is. It is also highly selective. It is always designed to advance the lobbyists' cause. But whether it is a banking group, a real estate organization, a labor union, an environmental or consumer or arms control organization, the viewpoints and the relevant facts are invaluable. Often a Senator can swiftly secure argument in writing on both sides of controversial issues. All you have to do is call each of the competing lobbying groups and ask them for a concise statement of their side of whatever issue is pending. You will get same-day service with a smile—a broad and happy smile.

In this maelstrom of information and argument, with this ocean of fact, how can a Senator make up his mind quickly and decisively? Sometimes this vast information makes decision more difficult. Often it makes the decision on complex issues tentative, rarely absolute. But this Senator has found that in most cases the more accurate, relevant information available, the more certain and comfortable the decision becomes. This is true even in the many cases where the narrow balance of information makes the decision tentative.

So U.S. Senator is a great job exactly because it gives a U.S. Senator a chance to make up his mind based on enormously comprehensive information. The better armed you and your colleagues are with relevant information, the better the decisions you will make for your country.

Mr. President, I yield the floor.

ACTIVITIES OF THE ARMED SERVICES COMMITTEE DURING THE 100TH CONGRESS (1987 AND 1988)

Mr. NUNN. Mr. President, as we near the end of the 100th Congress, I would like to take a few minutes to review the activities of the Armed Services Committee during the past 2 years. This period of time has been marked by an extraordinary amount of hard work by the members and staff of the committee and, in my judgment, by major accomplishments in terms of providing for and overseeing our national defense. The committee has also made major improvements in its organization, administration, and procedures.

SUBCOMMITTEE REORGANIZATION

Early in 1987, the Armed Services Committee prepared for the work of the 100th Congress by reorganizing its subcommittee structure into six subcommittees: Three with a mission orientation and three with a functional orientation. This structure is designed to enhance the committee's oversight of military missions, military commands, and defense agencies as well as budget accounts. I ask unanimous consent that a paper describing my approach to the subcommittee structure be placed in the Record at the end of my remarks as exhibit A.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. NUNN. In order to sharpen its focus on the major defense missions of the United States and to give impetus to an effort to examine broad policy issues, the committee created a new Subcommittee on Conventional Forces and Alliance Defense. Toward the same ends, it also carefully delineated the mission, command, and resource jurisdictions of all three of the mission subcommittees: the Subcommittees on Strategic Forces and Nuclear Deterrence, Projection Forces and Regional Defense, and Conventional Forces and Alliance Defense. These subcommittees were charged with linking missions, policies, regions, and programs instead of just reviewing budget line items, such as those in the research and development and procurement accounts.

At the same time, the previous two Subcommittees on Preparedness and Military Construction were consolidated into a larger, more comprehensive Subcommittee on Readiness, Sustainability, and Support. The purpose of this merger was to ensure that the tools needed to operate, sustain, and support our fighting units were examined as a whole. Finally, the scope of the former Defense Acquisition Policy Subcommittee was changed to focus on the defense technology base and the need to maintain a robust defense research and development program and the U.S. technological lead. The new title of the "Subcommittee on Defense Industry and Technology" reflects a broader set of responsibilities and this key new focus. The Manpower and Personnel Subcommittee remained unchanged.

NATIONAL SECURITY STRATEGY HEARINGS

With its new subcommittee structure in place, the Armed Services Committee began its legislative work in 1987 even before the President submitted his defense budget request to the Congress in February. In early January, the full committee initiated an extensive series of hearings on U.S. national security strategy and its military component. Over the course of 4 months, the Armed Services Committee conducted a total of 16 hearings on a wide variety of topics bearing on our national security strategy. Testimony was taken from 34 distinguished civilian and military witnesses from the executive branch, research institutions, and the private sector. At the conclusion of these hearings, the committee published a 1,112-page hearing volume, which marked the first time we can find that a committee in Congress had reviewed U.S. national security strategy in such a comprehensive fashion.

Strategy is the logical starting point for both the development and consideration of our national security policies and budgets. Therefore, these hearings in early 1987 formed a baseline or framework which the committee subsequently used to evaluate the policies and programs in the President's defense budget requests for fiscal years 1988 and 1989. In addition, they provided the strategic context for the committee's review of the Intermediate Nuclear Forces [INF] Treaty in 1988 and its relationship to NATO defense. It is my intent for the committee to review U.S. national security strategy at the beginning of each Congress.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989

From the strategy hearings, the committee turned to a detailed review of the defense budget request for fiscal years 1988 and 1989. Following the traditional presentation of the defense budget request by the Secretary of Defense and the Chairman of the Joint Chiefs of Staff, additional overview hearings were held by the full committee with witnesses from the Congressional Budget Office, the General Accounting Office, and the Defense Department. These hearings put the defense budget in the broader context of the entire Federal budget and addressed the critical issue of the implications of static defense spending levels over the next several years for current and planned defense programs.

The Armed Services Committee then reviewed the contents of the President's defense budget request with detailed briefings for the committee and personal staff on the programs in the budget request. These staff briefings were designed to address detailed issues so that the members could focus during full committee and subcommittee hearings primarily on major issues and policy questions. Reflecting its new subcommittee structure, the committee tried to concentrate on broad defense missions and outputs instead of individual line item inputs.

To underscore the key role of the war-fighting commanders in the field, who are responsible for our day-to-day military capability, we invited these commanders to testify before the committee prior to the leadership of the military services. Then the service secretaries and service chiefs of staff appeared as separate groups to emphasize the need for joint approaches to defense requirements. In addition, the committee asked the services' leadership to relate their budget requests to the needs of the war-fighting commanders, as required by the Goldwater-Nichols Defense Reorganization Act.

The actual markup of the bill began the week after the Easter recess and lasted 2½ weeks. Unfortunately, however, the authorization process then came to a halt after the bill, the National Defense Authorization Act for Fiscal Years 1988 and 1989 (S. 1174), was reported from the Armed Services Committee on May 8. Because of a filibuster by Senators opposed to a provision in the bill that would restrict the testing of space-based antiballistic missile [ABM] systems, the Senate was unable to begin debating the authorization bill until September 11. This provision was ultimately modified in conference to prohibit the Defense Department from deviating from the strategic defense initiative testing plan that it had presented to the Congress during the fiscal year 1988 budget hearings. This testing plan was consistent with the traditional interpretation of the ABM Treaty.

Once Senate debate on the bill began, it consumed 3 full weeks, including one Saturday session. A total of 118 amendments were considered and 52 rollcall votes conducted, more than for any other defense authorization bill since the Senate instituted annual authorization legislation in 1961. Similarly, the Senate spent more hours in debate on this bill than at any time except during the peak 2 years of the Vietnam conflict.

The conference with the House of Representatives that followed Senate approval of the bill on October 2, 1987, was a massive undertaking. The 12 Senate conferees and 78 House conferees were confronted with hundreds of language differences between the Senate and House bills, and literally thousands of differences in funding for individual defense programs. There were some deep and fundamental policy differences, particularly in the arms control area, between the Senate and House bills, and between the Congress and the administration. However, intense negotiations with the House and the administration over the course of a month resulted in a number of compromises that finally allowed the conference to complete its work. The conference agreement was then approved by the House on November 18, 1987, and the Senate on November 19 and signed into law by the President on December 4 (Public Law 100-180).

The National Defense Authorization Act for Fiscal Years 1988 and 1989 generally struck a balance among the four pillars of a sound defense: readiness, sustainability, modernization, and force structure. In specific budgetary terms, the act minimized, to the maximum extent possible, funding reductions to readiness and sustainability programs; allowed higher, more efficient production rates for important conventional weapon systems; and increased the investment in high technology research. At the same time, noting the very significant increases that have already occurred since 1980, the act reduced the substantial funding that has been requested for the research and procurement of strategic weapon systems.

TWO-YEAR DEFENSE BUDGETING

For the first time in its history, the Armed Services Committee reported in 1987 a 2-year defense authorization bill for most of the programs under its jurisdiction. In response to an amendment that I sponsored in the fiscal year 1986 Defense Authorization Act, the President submitted a 2-year budget request for defense programs for fiscal years 1988 and 1989. Stability and predictability in defense budget levels are extremely important for efficient and effective defense expenditures. Two-year budgeting contributes directly to greater budget stability and permits the executive and legislative branches to spend more time on execution and oversight and less time drowning in annual budget detail.

The committee made a concerted effort to implement the 2-year budget to the maximum extent possible. However, the overall budget request for fiscal year 1989 that the President submitted early in 1987 failed to meet the Gramm-Rudman-Hollings deficit reduction target for fiscal year 1989. This shortfall made it impossible for the committee to establish an overall spending level for national defense in fiscal year 1989. Nonetheless, by focusing on stable, noncontroversial programs in the second year of the budget request, the conference on the National Defense Authorization Act for Fiscal Years 1988 and 1989 was able to approve two-thirds of the request for fiscal year 1989. The original Senate bill had included over 75 percent of the second year request. Unfortunately, difficulties in the appropriations process and the large defense spending reductions of $33 billion required in fiscal year 1989 by the budget summit agreement of November 1987 made it necessary to enact a separate authorization bill for fiscal year 1989.

In spite of these difficulties, I am very pleased with the results of this first attempt at biennial budgeting. It is clear that it can and should work. Two-year budgeting will improve congressional oversight of defense programs and achieve long-term savings and better management of national security programs as the Defense Department and the defense industry stabilize their planning and procurement processes. I look forward to continuing the implementation of biennial budgeting when the 101st Congress convenes next January. I also want to compliment Senator WENDELL FORD for leading the way in terms of legislation to implement 2-year budgeting across the board in both the executive and legislative branches. I hope that his legislation will be seriously considered by the 101st Congress.

REVIEW OF THE INF TREATY

The first order of business for the Armed Services Committee in the 2d session of the 100th Congress was an extensive and detailed examination of the Intermediate Nuclear Forces Treaty and its relationship to NATO defense. On the eve of the Washington summit at which the INF Treaty was signed, the majority leader and the chairmen of the Committees on Foreign Relations, Armed Services, and Intelligence agreed that the three committees would work together on the Senate's review of the treaty. In particular, each committee would provide a report to the Senate within its specific areas of expertise on the treaty and its ramifications.

The Armed Services Committee's objective was to establish a broad strategic framework in which the INF Treaty and other critical NATO defense issues could be comprehensively examined. The committee focused specifically on the requirements for maintaining and strengthening NATO's conventional and nuclear deterrent posture in the environment brought about by the attainment of an INF Treaty. This review considered NATO strategy, the military balance of Europe, conventional force improvements, alliance resource policies, conventional arms control policy, and theater nuclear weapons modernization. The Armed Services Committee also coordinated with the Foreign Relations and Intelligence Committees on specific issues related to details of the treaty and verification.

As part of its inquiry, the committee conducted 29 hearings on "NATO Defense and the INF Treaty." The committee's witnesses included the Secretary of Defense, the Chairman and Vice Chairman of the Joint Chiefs of Staff, the service chiefs, the supreme allied commander, Europe, and such distinguished outside experts as Dr. James Schlesinger, Dr. Harold Brown, Dr. Henry Kissinger, Dr. Zbigniew Brzezinski, and Ambassador Jeane Kirkpatrick.

After examining the broad issues of NATO defense, the committee turned its attention to the treaty itself and devoted substantial effort to establishing an authoritative baseline as to its meaning. The committee comprehensively reviewed possible ambiguities in the treaty text, particularly in the area of futuristic, or "exotic," types of conventionally armed ground-launched cruise missiles [GLCM's], and identified an extensive list of questions concerning necessary clarifications. In 4 days of hearings with Ambassador Glitman, the chief negotiator on INF, and his negotiating team, the committee went through the treaty on an article-by-article basis and elicited detailed answers to these questions. These sessions included a day-long hearing with Ambassador Glitman on questions related to the negotiating history.

In order to reach agreement on its report on the INF Treaty, the Armed Services Committee conducted 3 days of markup meetings, discussing in detail various options for dealing with issues that arose during the hearings. On March 28, 1988, the committee approved a report to the Senate that incorporated a series of recommendations and possible understandings. The committee worked diligently to ensure that all of its hearings were printed and available prior to the Senate floor debate on the INF Treaty. As a result, the committee published the first hearing volume on March 23, 1988, and eventually issued a total of five volumes. Members of the committee were deeply involved in the Senate floor debate on the INF Treaty and a key amendment on the treaty's application to future INF weapons and certain important verification procedures was cosponsored by the committee leadership.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1989

In November 1987, the President and the Congress reached a deficit reduction agreement that specified a defense spending level for fiscal year 1989 much lower than that requested by the President in 1987. As a result, early in the 2d session of the 100th Congress, the President submitted a revision, or amendment, to the second year of his original 2-year budget request. This revised budget request formed the basis for the Armed Services Committee's consideration of the National Defense Authorization Act for Fiscal Year 1989.

Although the authorization process within the committee, on the Senate floor, and in the Senate-House conference unfolded in much the same sequence as in the past, it proceeded in a much more orderly and timely fashion in 1988. Evidence of this accelerated schedule is found in the almost 50-percent decrease from 1987 in the number of days of committee markup, days of Senate floor debate, rollcall votes, and hours of Senate debate. The most important reasons for this dramatic change were the consensus that had been reached on the overall level of defense spending for fiscal year 1989 and the work that the committee had done in 1987 on the second year of the President's original biennial budget request. This, again, underscores the value of 2-year budgets.

The result was a conference agreement between the Senate and House of Representatives that was presented to the Senate for its approval on July 14, 1988—the earliest date that the Senate has been able to consider the conference report on the defense authorization bill in the last 10 years. To my regret, the President then vetoed this conference agreement on August 3. I have expressed my strong objections to this decision which the record clearly demonstrates was not made on the basis of substance.

Despite this disappointment, the leadership of the Senate and House Armed Services Committees worked with officials of the executive branch during the month of September to assemble a second conference agreement. This conference report differed from the original, vetoed conference report in only six areas. I presented my detailed views on those changes during the floor debate on the revised conference report. Both the Senate and House approved it on September 28, 1988, and the President signed it on September 29 (Public Law 100-456).

Mr. President, I would like to take just a moment to mention one aspect of the complex situation in which this new authorization bill was enacted. At one point in the proceedings, the original Senate authorization bill was both included by reference in the defense appropriations bill and passed again as a separate piece of legislation. When the decision was made late on the afternoon of September 27 to move forward with a separate bill, the staff—to their great credit—was able to incorporate the necessary changes into the bill and statement of managers overnight, we filed it in the Senate in the morning, and both Houses approved it the same day. The President then signed it into law within a day of passage and before the appropriations bill.

The content of the National Defense Authorization Act for Fiscal Year 1989 was largely shaped by the need to reduce the original budget request for fiscal year 1989 by $33 billion or 10 percent. To meet this demanding budget target, Secretary Carlucci made the difficult decision to reduce the size of the existing force structure and to terminate older or marginal weapon programs in order to maintain ready and capable military forces. The conference agreement on the fiscal year 1989 Authorization Act incorporated this approach and resisted any attempts to reverse these difficult decisions.

DRUG INTERDICTION

In June 1988, the committee held an important series of hearings, including a joint hearing with the House Armed Services Committee, on the critical question of how to most usefully and responsibly involve the military in the war on drugs. During floor debate on the fiscal year 1989 defense authorization bill, the Senate had approved a provision on drug interdiction that required careful review. In addition, the Senate's position on this issue was very different from that in the House bill.

The hearings were held against the backdrop of widespread discontent with the present effort to stem the tide of illicit drugs. This frustration had led to calls for more dramatic and even drastic changes in the role of the military, including assigning the unrealistic mission of sealing the borders to the Armed Forces and authorizing military personnel to arrest suspects. Testimony was received from the Comptroller General, the Secretary of Defense, the Vice Chairman of the Joint Chiefs of Staff, and experts on the subject of drug abuse and drug interdiction.

The hearings succeeded in promoting a thoughtful, careful debate on the appropriate role of the military in the war on drugs. As a result of the hearings, an agreement was developed in the conference on the National Defense Authorization Act for Fiscal Year 1989 to significantly increase the role of the Department of Defense in the national effort against drug trafficking in an effective and responsible manner.

Because intelligence is the key to a successful drug interdiction program, the conference agreement required the Secretary of Defense to ensure that civilian law enforcement officials are promptly provided with intelligence information collected by the Armed Forces that is related to drug interdiction. The conferees directed the Secretary of Defense to work with the Director of Central Intelligence to ensure that the collection of drug interdiction information is established as a high priority for the intelligence community.

Under the conference agreement, the Armed Forces will concentrate on the detection and monitoring of air and sea traffic, a role that is consistent with the traditional military mission. By undertaking the major role in air and sea surveillance, the military can eliminate the unnecessary duplication of assets and efforts by civilian agencies, and enable those agencies to focus on the law enforcement activities for which they are trained and equipped.

The conferees recognized that the magnitude of the drug problem has led to calls for the military to be directly involved in search, seizures, and arrests. The conferees, however, did not believe that it was appropriate to make such a radical break with the historic separation between military and civilian functions without clear and compelling evidence that such an action would result in a substantial reduction in the drug problem. The hearings established a record which permitted a bipartisan agreement that there should not be any relaxation of the current restrictions on the use of the military to search, seize, and arrest.

OVERSIGHT OF ENERGY DEPARTMENT DEFENSE ACTIVITIES

The conference agreement on the National Defense Authorization Act for Fiscal Year 1989 contains sweeping new legislation to provide independent safety oversight of the defense-related nuclear facilities and operations of the Department of Energy [DOE]. This legislation creates a five-member board to review standards relating to the design, construction, operation, and decommissioning of DOE defense nuclear facilities. This board will also make recommendations to ensure that public health and safety are adequately protected at these facilities.

This legislation, on which the Armed Services Committee held five hearings in 1987, is made even more urgent by recent disclosures concerning the operation of our defense nuclear facilities. Recent events raise important questions about the safety procedures and operator training at the Savannah River plant, the Rocky Flats plant, and other locations.

In other areas of the DOE defense programs, the conference approved the recommendation of the Senate Armed Services Committee to add $50 million for environmental restoration of DOE defense facilities, an area that has been grossly underfunded in the past.

BASE CLOSURE AND REALIGNMENT ACT

The last major piece of defense legislation sponsored by the Armed Services Committee in the 100th Congress was S. 2749, the Defense Authorization Amendments for Fiscal Year 1989 and Base Closure and Realignment Act. The Senate version of this groundbreaking legislation was first approved on May 27, 1988, as part of the National Defense Authorization Act for Fiscal Year 1989. On July 12, the House passed a similar bill. The conference agreement on S. 2749 was then approved by both Houses on October 12 and sent to the President for his signature.

Earlier this year, Secretary of Defense Carlucci recognized the need to reduce the structure of military bases in the United States. After extensive consultations between the leadership of the Senate and House Armed Services Committees and Secretary Carlucci, a consensus was reached around the following concept: An Executive Branch Base Closure Commission would make a set of recommendations to the Secretary of Defense. If the Secretary accepted these recommendations, he would submit them to the Congress for its review and implementation.

In May 1988, Secretary Carlucci formed a bipartisan Base Closure and Realignment Commission. What was still lacking was a means of executing the Commission's recommendations in an expedited manner that still preserved strong congressional oversight. Title II of S. 2749 responds to this problem in three ways:

First, it establishes a decisionmaking process for the Secretary of Defense and review procedures for the Congress.

Second, it selectively waives key laws that have delayed or frustrated closure proposals in the past.

Third, it provides a flexible structure to fund the upfront costs of closing and realigning military bases before the annual savings are realized.

In light of the tremendous constraints on defense spending, this legislation offers an opportunity to eventually realize badly needed savings in future defense budgets.

ALLEGATIONS OF PROCUREMENT FRAUD

In June 1988, the committee learned that the Federal Bureau of Investigation had initiated a major investigation involving significant allegations of fraud in the defense acquisition process.

The Armed Services Committee held a series of hearings in order to put the allegations in perspective. Witnesses included the Comptroller General, the Secretary of Defense, Mr. David Packard, Mr. James Woosley, Mr. J. Ronald Fox, Mr. Richard Stubbing, and Dr. Lawrence J. Korb. Because the investigation was at a very early stage, the committee was careful to ensure that the hearings were conducted in a manner that did not interfere with the investigation or any subsequent prosecutions or administrative actions.

In addition to the full committee hearings, the Subcommittee on Defense Industry and Technology conducted a detailed review of the iterim steps undertaken by the Defense Department in response to the investigation. The testimony received by the subcommittee from the DOD inspector general revealed major defects in the Department's management of the acquisition process. The subcommittee and full committee hearings demonstrated the need for the senior leadership of the Department to undertake a more aggressive role in achieving meaningful procurement reform on a variety of issues, including the management of source selection information, the conduct of the selection process, guidance on the use of consultants, and the identification and evaluation of conflicts of interest.

OTHER OVERSIGHT HEARINGS

During the 100th Congress, the Armed Service Committee exercised oversight over various activities of the Defense Department by holding hearings in several different areas. These hearings addressed topics such as U.S. military operations in the Persian Gulf, the capabilities of our special operations forces, the conventional military balance in Europe, requirements for general and flag officers, and international armaments cooperation.

REDUCED MICROMANAGEMENT OF DEFENSE ACTIVITIES.

During the committee's work on the Goldwater-Nichols Defense Reorganization Act, the former chairman of the committee, Senator Goldwater, and I spoke of the need to substantially reorder and improve Congress' oversight of defense activities. We argued that Congress spends too much time in redundant review of the details of defense programs, focuses too much on accounting and budgeting considerations, and spends too little time on major policy issues.

Throughout the 100th Congress, the Armed Services Committee responded to this self-criticism with several steps to reduce congressional micromanagement of defense activities. As I have already explained, even before the committee began its work in 1987, it reorganized its subcommittees around broad mission and resource areas. Then it held a lengthy series of strategy hearings that served to place the budget requests for fiscal years 1988 and 1989 and the INF Treaty into a comprehensive policy context.

Several changes in the committee's consideration of the two defense authorization bills that it assembled during the 100th Congress indicate its progress in diminishing micromanagement. For example, the length of the committee's reports on these two bills declined dramatically from those of previous years. In 1987 and 1988, the reports were about 60 percent shorter than those of each of the 4 previous years. Also, the defense authorization conference reports in the last 2 years made far fewer changes to the thousands of line items in the procurement and research and development requests. In fact, the conference reports in the 100th Congress changed 39 percent fewer line items than in the 99th Congress.

In another effort to relieve the unnecessarily large administrative burden imposed upon the Defense Department by the Congress, the committee made a conscious decision to reduce the number of "questions for the record" that members may ask witnesses at hearings and the number of studies that the executive branch is required to prepare. The implementation of more formal staff briefings on the details of the budget request, coupled with our leadership decision to reduce the number of duplicative and excessive questions for the record, resulted in a reduction of almost 50 percent in the number of such questions during the 100th Congress. In terms of studies and reports, at the initiative of the Armed Services Committee, the Goldwater-Nichols Defense Reorganization Act of 1986 eliminated fully two-thirds of the existing reporting requirements. Since that legislation was enacted, the committee has required far fewer new studies than previously. Unfortunately, other committees have not focused on or emphasized the need to reduce micromanagement and marginal questions, studies, and reports, so additional reductions are still needed.

Finally, the Defense Authorization Acts for fiscal years 1988 and 1989 include a number of proposals by the Armed Services Committee to increase the flexibility of Defense Department managers to execute their programs. For example, in a significant departure from historical practice, these most recent acts fund several milestone authorization programs for 5 years. Instead of having to rely on annual authorizations for their funding, these programs were authorized for their entire research and development and up to 5 years of their procurement. In addition, the committee continued to work with the Defense Department in identifying and authorizing new multiyear programs.

IMPROVEMENTS TO THE COMMITTEE'S ADMINISTRATION

The final activities that I would like to mention today, Mr. President, are the committee's efforts to improve its own administrative practices and procedures. In particular, during the 100th Congress, the committee strengthened its procedures governing the consideration of civilian statutory nominations and the handling of classified material.

During the last 2 years, the committee considered 36 nominations for senior civilian positions in the Department of Defense. In order to effectively carry out its important responsibility to review these statutory nominations, the committee developed and published a set of procedures that specifies information and requirements that nominees must fulfill as part of their consideration by the committee. Also, new rules were formalized that govern the scope of the investigations conducted into nominees and the committee's review of FBI background reports. The leadership and other Members of the Armed Services Committee are committed to continuing this close scrutiny of statutory nominations.

A total of 75,573 military nominations were considered by the committee during the 100th Congress. A number of these nominations were controversial and required a large amount of the committee's time and effort. For example, the committee uncovered substantial irregularities in the conduct of a Marine Corps promotion board for major generals and held a series of six meetings on this matter. An extensive report was prepared and only 8 of the 10 officers on the promotion list were approved. As a result of this investigation, the committee made changes to the statutes governing promotion boards to ensure their objectivity and to preclude undue influence.

Because it handles a large volume of classified documents, the committee established and formalized stringent rules for the handling of this sensitive material and for obtaining security clearances. These procedures not only comply with the regulations promulgated by the executive agencies from whom the committee receives classified documents, but they are more strict than those established by the Office of Senate Security as well.

The committee has always sought to conduct its business in the most cost-effective manner. For example, at the beginning of the 100th Congress, the committee decided not to reprint in our hearing volumes all of the standard military posture statements which are available from the Government Printing Office and House records. This decision resulted in a 16-percent decrease in our printing costs from the previous year while, at the same time, we printed a significantly larger number of hearings.

Mr. President, I should also mention that the committee's very busy schedule during the 2d session of the 100th Congress proceeded during a major renovation of the committee's office spaces. This renovation resulted in a much more efficient and effective use of the same amount of space. Despite this significant disruption, the staff maintained the high quality and quantity of their work.

Mr. President, I hope that my remarks today effectively convey a sense of how busy and productive the Armed Services Committee has been during the 100th Congress. I ask unanimous consent that a table displaying numerical measures of the committee's workload be inserted into the RECORD immediately after my statement as exhibit B. Although statistics alone cannot convey the full measure of the committee's work, they do provide a useful insight.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit B.)

Mr. NUNN. These accomplishments would not have been possible without the splendid work of Senator WARNER, the ranking minority member. Through the committee's work, including all of the trials and tribulations, over the course of the last 2 years, he and I have worked together in a spirit of perseverance, trust, and friendship. I am deeply grateful to him for his help. I would also like to thank all the other members of the committee for their hard work and outstanding cooperation.

Finally, Mr. President, let me express my gratitude to the staff of the committee for their energetic support and assistance. It is worth noting that the Armed Services Committee budget is the 11th smallest in the Senate even though its jurisdiction and workload are among the largest. The overall size of the committee staff is only 46 and is the 8th smallest in the Senate. In fact, the majority professional staff numbers only 17 people. It is a tribute to their dedication and hard work that so few people have accomplished so much.

Mr. President, I look forward to building on our record of accomplishment with the members and staff of the Armed Services Committee in the 101st Congress.

EXHIBIT A

STRENGTHENED MISSION-ORIENTED SUBCOMMITTEE STRUCTURE FOR THE SENATE ARMED SERVICES COMMITTEE

In preparing a proposed organization for the Armed Services Committee, I reviewed the history of the Armed Services Committee since it was formed in 1948 by combining the Military Affairs and Naval Affairs Committees. The various subcommittee organizations were studied, and their strengths and weaknesses were analyzed. The major missions of the Department of Defense were also examined. In particular, I evaluated the impact of the shift from a subcommittee organization along budgetary categories such as procurement, research and development, operation and maintenance, and so forth, to the "mission approach" organization which was adopted in 1981. This focus on major military missions, to tasks, of the Department of Defense has allowed the Committee to improve its ability to relate the budget request to the national security goals that we were trying to achieve.

Our goal in this new subcommittee organization is to strengthen the mission orientation of the subcommittees and improve their ability to deal with overlapping issues as well as oversight of the Department of Defense. This organization will also help Congress improve its supervision of broad policy issues rather than focus disproportionately on budget accounting details.

Four subcommittees will be responsible for specific Department of Defense missions. They will oversee the military warfighting commands responsible for executing those missions, those defense agencies and elements of the Military Departments responsible for supporting those missions, and those research and development and procurement programs related to those missions. Subcommittees will also be given special additional areas for focus as well as a series of specific questions for resolution to guide their work. There will need to be close cooperation among the subcommittees, specifically those that have overlapping responsibilities in terms of major military missions, warfighting commands, and research and procurement programs.

Two subcommittees—Readiness, Sustainability and Support and Manpower and Personnel—will continue to have a functional orientation. However, the work of these subcommittees should be guided by the requirements of the major military missions of the Department of Defense.

It was with both this approach in mind and the need to ensure that all elements of the Department of Defense are joined in a coherent whole that I am recommending the following subcommittee structure:

CONVENTIONAL FORCES AND ALLIANCE DEFENSE

The Conventional Forces and Alliance Defense subcommittee will have as its primary focus two key military missions—defense of NATO and of East Asia, particularly Northeast Asia. This subcommittee will oversee the major warfighting commands with these responsibilities, including the U.S. European Command, the U.S. Atlantic Command, and the U.S. Pacific Command—the latter two jointly with the Projection Forces subcommittee. Special focus will be on the need to improve cooperation and coordination with our allies and to improve cooperative weapons research and procurement. The subcommittee will review the appropriate assigned elements of the Military Departments that support these key missions and the Defense Advanced Research Projects Agency.

Its budget oversight duties will include those research and procurement programs and activities related to conventional forces in support of those military missions, including land combat equipment such as tanks and artillery pieces, tactical aviation such as helicopters and fighters, and tactical missiles. The subcommittee will also review, on a collaborative basis with the Projection Forces subcommittee, those overlapping aspects of naval programs.

PROJECTION FORCES AND REGIONAL DEFENSE

This subcommittee will be concerned with the military missions of defense of Southwest Asia and of other regional areas where the United States does not have substantial forces deployed in peacetime. It will also review policies and programs for the sea control and maritime force projection missions needed in regional areas as well as in NATO and East Asia.

It will have special responsibilities for looking at the requirements of low intensity conflict as well as the security assistance programs. It will oversee those military commands the U.S. Southern Command, the U.S. Atlantic Command and the U.S. Pacific Command—the latter two jointly with the Conventional Forces subcommittee. It will oversee assigned elements of the Military Departments, the Joint Deployment Agency, the Military Sealift Command, the Military Traffic Management Command, and the Defense Security Assistance Agency.

It will have responsibility for those budget elements of research and procurement related to these force projection missions, including airlift and sealift programs, Marine Corps programs, and amphibious warfare programs. Overlapping naval programs will be reviewed by the Conventional Forces subcommittee as well.

STRATEGIC FORCES AND NUCLEAR DETERRANCE

The Strategic Forces and Nuclear Deterrence subcommittee will have responsibility for review of one of the primary Department of Defense missions—deterrence. In addition to reviewing U.S. policy and doctrine in this area, the subcommittee will be responsible for oversight of the major military commands that support the mission of nuclear deterrence, including the Strategic Air Command, the U.S. Space Command, and the Aerospace Defense Command. The subcommittee will review the programs and activities of those defense agencies directly involved in strategic issues, including the Defense Nuclear Agency and the Defense Mapping Agency.

This subcommittee will review the major research and development and procurement budget accounts in the area of strategic offensive and defensive forces, including ballistic missiles, nuclear warheads, strategic bombers, and ballistic missile submarines. It will also have oversight of the Strategic Defense Initiative Organization and the research and development activities which constitute the Strategic Defense Initiative. Finally, the subcommittee will have as additional responsibilities review of chemical weapons and nuclear arms control issues.

MANPOWER AND PERSONNEL

The Manpower and Personnel subcommittee will continue to have one of the largest areas of legislative oversight responsibility on the Committee. It will review defense manpower policy, including military and civilian personnel and active and reserve forces. It will also review pay and benefits, health care and mobilization capabilities. As an area of special focus, the subcommittee will review the personnel requirements of our major hardware investment programs. It will have specific oversight responsibility for the personnel organizations of the Military Departments, the Defense Medical Support Activity, the Uniformed Services University of the Health Sciences, and the DoD Dependent Schools. Its budget oversight will include military personnel and military retirement.

DEFENSE INDUSTRY AND TECHNOLOGY

Defense Industry and Technology is a new subcommittee whose major mission focus is to marshal defense resources and policies in such a way as to ensure U.S. technological superiority over potential adversaries. The subcommittee will be looking at the health and vitality of the industrial and technological foundations of our defense programs. It's responsibilities will include the defense industrial base, the technology base, oversight of certain defense laboratories, and defense acquisition policy. The subcommittee will review the reforms stemming from the Packard Commission in the area of acquisition policy and will attempt to develop sound policy foundations for our technological base. Those foundations must be based on a thorough review of the management and personnel policies in the DoD and DoE laboratories.

The subcommittee is responsible for the national defense stockpile policies and programs as well as technology transfer. Its oversight of specific DoD agencies includes the Under Secretary of Defense for Acquisition and his organization, the Defense Investigative Service, the Defense Contract Audit Agency, the Director of Operational Test and Evaluation, and the Defense Technology Security Administration. In the budget area, the subcommittee will review the technology base research and development accounts, certain defense laboratories, and certain other technology programs.

READINESS, SUSTAINABILITY AND SUPPORT

This subcommittee has as its primary focus the readiness of U.S. military forces, including the training, support and wartime sustainability of those forces. The subcommittee will also review the installations requirements of the forces. This subcommittee will have a broad charter to oversee two key measures of military capability—the ability to go to war today and the ability to sustain deployed forces as required during conflict. It will oversee appropriate defense agencies in this area, such as the Defense Logistics Agency and the Defense Communications Agency. The subcommittee will review those elements of the budget which are primarily associated with the operations and maintenance of our forces, and with those items of procurement particularly related to readiness, such as conventional ammunition and spare parts. It will also review the budget for military construction.

EXHIBIT B

	100th Congress, First Session	100th Congress, Second Session	Totals
DoD authorization:			
Days in markup	14	9	23
Days on floor	15	8	23
Amendments	118	97	215
Roll call votes	52	26	78
Hours of debate	115	61	176
Hearings/meetings:			
Full Committee	70	65	135
Strategic Subcommittee	26	19	45
Conventional Subcommittee	10	4	14
Projection Subcommittee	4	3	7
Defense Industry Subcommittee	7	6	13
Readiness Subcommittee	6	7	13
Manpower Subcommittee	7	5	12
Joint Sessions (Projection and Conventional)	4	0	4
Joint Sessions (Conventional and Defense Industry)	3	0	3
Joint Sessions (Strategic and Conventional)	0	1	1
Joint Sessions (Readiness and Manpower)	0	1	1
Totals	137	111	248
Statutory nominations	21	15	36
Military nominations:			
Army	9,725	12,137	21,862
Navy	12,009	10,167	22,176
Marine Corps	1,973	1,593	3,566
Air Force	12,756	15,213	27,969
Totals	36,463	39,110	75,573

RETIREMENT OF SENATOR WILLIAM PROXMIRE

Mr. DURENBERGER. Mr. President, the Senate and the people of this country are about to suffer a great loss when the distinguished Senator from Wisconsin, Senator WILLIAM PROXMIRE, retires at the end of the 100th Congress.

Senator PROXMIRE is truly a model that every Senator and every citizen can look to with pride and dignity. It is not just the fact that Senator PROXMIRE holds the record for continuous votes in the Senate. But it is because the Senator from Wisconsin has served as a conscience not only for this country, but for all of mankind.

For nearly two decades, on every day that the Senate was in session, the Senator from Wisconsin stood on this floor and implored us to adopt the Genocide convention. It is only fitting that in this year of his retirement, Congress has finally adopted the legislation implementing the Genocide Convention.

Senator PROXMIRE has often spoken eloquently on the propensity of this Nation to buy now and pay later. I share the Senator's concern over the enormous debt, both public and private, that has built up in the past 20 years. I would have hoped that I could have worked with him in the next Congress to tackle the public debt. His leadership will be sorely missed.

Mr. President, all of us owe a debt of gratitude to the Senator from Wisconsin, for he is a man of dignity and honor. I wish him many years of good fortune and good health in his retirement.

TRIBUTE TO SENATOR STENNIS

Mr. DECONCINI. Mr. President, I rise to pay tribute to a true gentleman and statesman, Senator JOHN STENNIS. His 41 years in the Senate and over 60 years in public service establish a model of courtesy and courage for us all. No Senator has done more for his State and no Senator has done more for the security of this Nation. He is a man of indomitable will. He has conquered cancer, and, like Superman, not even the proverbial speeding bullet could stop him.

Senator STENNIS and I share a hero—Carl Hayden, an Arizonan who also devoted over four decades of service to this body. Senator STENNIS enjoys quoting a particular observation of Senator Hayden's, that "some men come to Congress to grow. Others just come and swell." Both men grew to legendary status in the Senate. The tribute to Senator STENNIS last June which drew over 1,000 people, including President Reagan, celebrated something more than a Senator's longevity. It saluted a legend, a man who has passed George Washington's "fitness of character" test with flying colors.

Back in 1947, in his first campaign for the Senate, JOHN STENNIS declared that he wanted "to plow a straight furrow right down to the end of the row." It was a line that became his credo. At the June tribute to Senator STENNIS, President Reagan announced that because the Senator is "like a ship of the line * * * of high purpose," the Nation's next nuclear-powered aircraft carrier will be christened the U.S.S. *Stennis.*

The christening of this ship will establish a memorial to JOHN STENNIS' service in the Senate that could not be more fitting. JOHN STENNIS dedicated himself to the strengthening of our Nation's security. Through his work on the Armed Services Committee and on the Appropriations Committee, Senator STENNIS vigilantly shaped our defense budget. He ruthlessly cut waste, but generously guarded the welfare of our fighting men and women. I received no greater honor in the Senate than the opportunity to work with him on this most noble goal as a member of the Defense Appropriations Subcommittee.

In his work in the Senate, JOHN STENNIS always look toward the preparation of this country for the future. I remember a particular vote almost 5 years ago that highlights in my mind the fact that Senator STENNIS has a wonderful ability to look to the needs of the average American. In 1983, the issue of day care for our Nation's children was not yet the cause celebre that it has now become. Some of us in the Senate were beginning to recognize that quality child care was a growing need in this Nation. We set out to establish in the Senate a model for employer-sponsored child care centers, an example that businesses throughout the United States could emulate. Senator STENNIS was with us in this effort, voting to provide our staff in the Senate with the ability to establish a self-supporting center for the care of their children while they are working. Senator STENNIS realized that no sounder investment can be made than one which fosters the welfare of our Nation's children. The Senate Employees' Child Care Center is thriving and has lived up to the highest expectations of Senator STENNIS and the many others who contributed to its creation. It is certainly no wonder that the State of Mississippi has placed such faith and trust in this man.

At 86, JOHN STENNIS continues to look toward the future. When consulting his doctor about the possibility of running for an eighth term, the doctor said, "Sure, Senator, you can do it." And when given this OK, Senator STENNIS said that he actually gave some thought to making the Senate a career. I just want to say that even though JOHN STENNIS decided against another 6 years in the Senate, I know that whatever task he takes up next, he will continue to inspire others with his unerring judgment and sense of decency. He will continue to plow that straight furrow, and for the colleagues he leaves behind, he will continue to epitomize the highest qualities of leadership and statesmanship. God bless you, Senator.

THE FRANK CHURCH MEMORIAL LECTURE

Mr. PELL. Mr. President, at the end of last month, Arthur Schlesinger, the distinguished historian, gave the Frank Church memorial lecture at Boise State University. As Professor Schlesinger points out in his speech, the Founding Fathers saw foreign policy—

> Not as the exclusive possession of the President, but as a power shared in partnership with Congress; indeed, they saw Congress as the senior partner.

Frank Church devoted his political career to preserving the prerogatives of Congress and to trying to make the partnership work.

Professor Schlesinger notes that foreign policy—

> Is hardly that esoteric and unfathomable. It does of course require knowledge of other lands, concern for our own national interest and steadiness of nerve. But a person with political judgment, intellectual curiosity, analytical ability, a retentive memory, a discipline temperament and sense of the way history runs can grasp the dynamics of foreign policy quickly enough—as the career of Frank Church brilliantly shows.

Frank Church was a close friend and political ally. In the Senate we miss his intelligence and his courage. Fortunately, Professor Schlesinger's lecture does service to the things Senator Church believed in. I ask unanimous consent that the lecture be printed in the RECORD at this point.

There being no objection, the lecture was ordered to be printed in the RECORD, as follows:

UNITED STATES FOREIGN POLICY

(Arthur Schlesinger, Jr., Frank Church Memorial Lecture)

It is an honor for me to speak at this public affairs conference dedicated to the memory of Frank Church. It is also a joy, because Frank Church was a good friend, a man I greatly liked and greatly admired—a man, I might add, whose eloquent voice has been terribly missed both in the United States Senate and in the republic's permanent town meeting on foreign policy.

Frank Church was a man of famous eloquence. But he combined eloquence with an unusual capacity for lucid and organized analysis—a rare combination, for many eloquent men are so transported by rhetoric that they have little time and energy left over for reason. And he added to eloquence and reason that most vital element of all—courage. In the late 1950s Frank Church served on the Senate Rackets Committee, of which Robert Kennedy was counsel. "He was absolutely fearless," Robert Kennedy wrote later, "asking some of the most astute and penetrating questions that I heard put. I envied his articulateness."

Frank Church's boyhood hero had been another senator from Idaho, William E. Borah. Borah, though coming from this remote mountain state, far from the Atlantic Ocean and not all that close to the Pacific, had a consuming interest in foreign affairs. In due course he had become chairman of the Senate Foreign Relations Committee. So, toward the end of his senatorial career, did Frank Church.

There is a moral, I believe, in the fact that two senators from this small inland state have occupied so august a position in connection with external affairs. The moral is that no citizen should be intimidated by those sages who declare foreign policy so arcane a matter that ordinary Americans can never hope to understand the sacred mysteries and should therefore surrender the conduct of foreign affairs to a self-anointed priesthood.

Foreign policy is hardly that esoteric and unfathomable. It does of course require knowledge of other lands, concern for our own national interest and steadiness of nerve. But a person with political judgment, intellectual curiosity, analytical ability, a retentive memory, a disciplined temperament and sense of the way history runs can grasp the dynamics of foreign policy quickly enough—as the career of Frank Church brilliantly shows.

It is further claimed in some quarters that only the executive has the knowledge and the right to make foreign policy, that foreign affairs is the personal property of the president and that mere members of Congress should obey his every wish. This is hardly the way the framers of the Constitution saw the matter. They saw foreign policy, not as the exclusive possession of the president, but as a power shared in partnership with Congress; indeed, they saw Congress as the senior partner.

The constitutional convention had no stronger champion of executive energy than Alexander Hamilton. Yet Hamilton heartily approved this allocation of powers over foreign policy and wrote in the 75th Federalist, "The history of human conduct does not warrant that exalted opinion of human virtue which would make it wise to commit interests of so delicate and momentous a kind, as those which concerns its intercourse with the rest of the world, to the sole disposal of * * * a President of the United States."

The Framers were right. Congressional criticism alerts a president to flaws in his policies. Congressional support strengthens his hand and increases his authority. And it is a delusion—sedulously encouraged, it need hardly be said, by presidents—that they are necessarily wiser or even better informed than Congress. Sometimes they are. Sometimes they aren't. Franklin D. Roosevelt, it must be confessed, was wiser and better informed than William E. Borah. But which body made more sense about Vietnam twenty years ago, the Senate Foreign Relations Committee or the president's National Security Council? Which body makes more sense about Central America today?

Congress has made its share of mistakes in foreign policy, but so, heaven knows, have presidents. The separation of powers is a mandate for consultation and gives each branch the opportunity to correct the excesses of the other. That is why the Founding Fathers made the conduct of foreign affairs what Hamilton called a "joint possession."

Presidents in recent times have tried to evade the Constitution and to seize exclusive control of foreign policy by making a great fetish of the alleged need for secrecy. Secrecy is the bane of democracy because it is the enemy of accountability. No one can question the right of the state to keep certain things secret—weapons technology and deployment, intelligence methods and sources, diplomatic negotiating positions, military contingency plans and the like. But the contemporary state has extended the secrecy system far beyond its legitimate bounds.

In doing so, the object is far less to keep information from our adversaries than it is to keep information from the American Congress, press and people. For governments have discovered that secrecy is a source of power and an efficient way of covering up their own embarrassments, blunders, follies and crimes. The religion of secrecy has become the all-purpose means by which the executive dissembles his purposes, buries his mistakes, manipulates his citizens and maximizes his power.

Even in the Soviet Union, even within the notorious KGB itself, criticism has arisen over excesses of the secrecy system. Only the other day a KGB official wrote, "The preservation of the secrecy cult . . . is a way of supporting faith in the infallibility of bureaucratic thinking and a chance for power to be used irresponsibly and uncontrollably in the narrow interests of small groups of people" (New York Times, 8 September 1988). Vladimir A. Rubanov of the KGB was speaking about his own country, but his words apply equally to the United States and might indeed be taken as a description of the Iran/Contra affair.

People have forgotten the Iran/Contra scandal all too quickly. The decision to sell arms to Iran and to use the proceeds to fund the Contras in Nicaragua was the work of a reckless and duplicitous administration. It was also the work of a sublimely incompetent administration; for the idea of using the Ayatollah to subsidize the Contras sounds as if it had been dreamed up by Rube Goldberg, and the execution of that scheme seems to have been confided to Inspector Clouseau. As George Shultz, the exasperated Secretary of State put it, "Look at the structure of this deal—it's pathetic that anybody would agree to anything like that. It's crazy."

This ridiculous and shameful deal was made possible only by the religion of secrecy; and, so long as Congress and the voters accept the claim of presidents that they own foreign policy and have the right to do whatever they want behind the veil of secrecy, we can expect more of these crazy initiatives. If President Reagan had discussed the Iran/Contra scheme with the Senate Foreign Relations Committee or with the Senate Intelligence Committee, we can be reasonably sure he would never have gone ahead with it.

The secrecy system thus not only shields the executive branch from accountability for its incompetence and venality but, even worse, it emboldens presidents to undertake such rash and mindless adventures. Lord Bryce, who was distinguished as a diplomat as well as a political scientist, put it well: "Though secrecy in diplomacy is occasionally unavoidable, it has its perils. * * * Publicity may cause some losses, but may avert some misfortunes."

The Iran/Contra affair raised in stark form the question of the role of covert action and of the CIA in foreign policy—and here Frank Church made one of his greatest contributions. Now as one who served as an intelligence officer with the OSS during the Second World War, I am well aware that covert action has its uses. I am also well aware of the limits of covert action, especially in peacetime, and of the problems it creates for a democracy.

For covert action is at best a marginal instrument of policy. Its importance in the conduct of foreign affairs is greatly overrated. The very term is a misnomer. Covert action often turns out in practice to be overt action. It is not seldom easy to detect, always hard to control and in its nature illegal and immune to normal procedures of accountability. Founded as it is on law-breaking, deception and lies, covert action imports bad habits into a democratic polity. It has become primarily a means by which presidents escape the constitutional system of accountability—and by which intelligence agencies escape accountability to presidents.

In 1975 Frank Church was named chairman of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities. The American people had little idea of the extent of the CIA's dark deeds—including assassination plots against foreign leaders—until the Church Committee produced its splendid series of reports in 1976. These reports were careful, sober, factual and documented. For a season, the Church Committee awakened Americans to the dangers covert action posed to democracy and strengthened the mechanisms for congressional oversight.

Frank Church described the CIA as a "rogue elephant," for which he was much criticized at the time. This criticism seems to me unjustified. The CIA was precisely that. All intelligence services become rogue elephants. In their hallucinatory world, intelligence operatives rapidly come to believe that they know the requirements of national security far better than their civilian masters. Trained in the arts of deception, they readily turn those arts against those to whom they are nominally responsible and strike out rashly on their own. This is as true of the KGB as of the CIA, as true of Britain's MI-5 as of Israel's Mossad—rogue elephants all, as governments and citizens are belatedly coming to recognize.

Covert action should be carefully vetted and controlled by higher authority in both the executive and legislative branches; and it should be reserved for only the most acute and demonstrable national emergencies. It should never be used as a routine instrument of foreign policy. I am interested to note that this thought belatedly dawned on Robert C. McFarlane, the former national security adviser, as he prepared for the Iran/Contra hearings. "It was clearly unwise," McFarlane told Congress, "to rely on covert activity as the core of our policy. * * * You must have the American people and the U.S. Congress solidly behind you. Yet it is virtually impossible, almost as a matter of definition, to rally public support behind a policy that you can't even talk about" (New York Times, 12 May 1987).

Presidents should regard the constitutional requirement of congressional collaboration in foreign affairs not as a burden from which to be delivered but as an opportunity to be embraced—in order to give their policies critical review and a solid basis in consent. As our wisest diplomat of the century, Averell Harriman (and a good friend of Frank Church) once put it, "No foreign policy will stick unless the American people are behind it. And unless Congress understands it, the American people aren't going to understand it."

Frank Church made other contributions to sensible thinking about foreign affairs. Speaking in the Senate on 5 February 1965, he noted that over a span of thirty years "an excess of isolationism has been transformed into an excess of interventionism." The reason for this transformation, he continued, had been "our intensely ideological view of the cold war." The policy of promiscuous interventionism, he said, had at least two defects: it exceeded our national capability; and in a world of rampant nationalism such a policy was self-defeating (*Father and Son*, 60).

This was the speech in which Frank Church declared his opposition to the Vietnam War, and the themes he sounded then he sounded again and again for the rest of his life. His last statement before his death, an article in the Washington Post (weekly edition, 26 March 1984) entitled "It's Time We Learned to Live with Third World Revolutions," was his message to posterity.

"Nationalism, not capitalism or communism," he wrote, "is the dominant political force in the modern world." But Americans, despite historic sympathy with anti-colonial movements, tend to "come unhinged" when a nationalist uprising is combined with a Marxist element or with violent revolutionary behavior. Instead of seeing the hand of Moscow in every Third World revolution, we should understand the bitterness bred by proverty and oppression, and we should stop "exaggerating the threat to us of Marxist revolution in Third World countries. * * * The falling domino theory is no more valid in Central America than it was in Southeast Asia."

Frank Church's understanding of the power of nationalism lay behind his fight for the Panama Canal treaties. If we are in trouble today in Central America, one shudders to think how much worse our troubles would be had this fight not succeeded. His last words were directed against the self-defeating folly of our policy toward Nicaragua.

To sum up Frank Church's legacy: his aims were to vindicate the role of Congress in the making of foreign policy, to bring the CIA under rational control, to restrain our penchant for global meddling and to recognize the dominating force of nationalism in the Third World, to urge political rather than military solutions to international dilemmas, to abandon the messianic idea of the United States as a redeemer nation commissioned by the Almighty to regenerate a fallen world and to replace it by an enlightened conception of national interest—all within a framework of responsible internationalism, of due regard for international law and international institutions, of respect for our alliances and our allies and of unswerving commitment to human rights.

The Reagan decade has been a systematic effort to repudicate all these propositions. The Reagan administration did its best to gather all foreign policly authority into the White House and to deny Congress any serious role in the making of foreign policy. It reverted to an intensely ideological view of the Cold War, condemning the Soviet Union as an "evil empire" that we are enjoined to oppose "with all our might." It spent nearly $2 trillion on rearmament, too much of which went into the bank accounts of crooked defense contractors and crooked Pentagon officials. It deluded the American people with the dream of an astrodome shield that would infallibly protect everybody and everything against Soviet nuclear missiles. It unleashed the CIA and made it once again the president's private army. It saw the hand of Moscow in Third World civil wars. It blamed Jimmy Carter's human rights campaign for the overthrow of such great "friends" of America as the Shah of Iran and the Somozas in Nicaragua.

Repudiating the traditional American view that a world of law is in the interest of the United States, our government in the 1980s vied with the Kremlin in proclaiming its right to act as a law unto itself around the planet. No administration has shown such scorn for the United Nations, the World Court and other international agencies. Under the so-called Reagan Doctrine, the Reagan administration embarked on a course of global unilateralism, driven furiously on by an anti-communist crusade. It created and subsidized the Contras in order to overthrow the government of Nicaragua and launched sneak attacks on other small countries like Grenada and Libya.

The case of Nicaragua was much on Frank Church's mind in the days before his death, and it remains much on the mind of America still. Though Nicaragua is a desperately poor country with a population of less than 3 million, President Reagan actually pronounced it, in some of the most astonishing words ever uttered by an American president, "an unusual and extraordinary threat to the national security" of the United States—a remarkable instance of a lion recoiling in fright before a mouse. Nicaragua is so fearful a threat, one is solemnly told, because it might provide the Soviet Union a military base in Central America and because it might lead through the falling-domino effect to the spread of communism throughout Central America.

Obviously the Soviet Union is happy to exploit American troubles anywhere on a low-cost, low-risk basis. But it already has in

Cuba a military base far more secure than any it could establish in Nicaragua, and it knows that it cannot set up nuclear missile bases in the western hemisphere in the 1980s any more than it could in the 1960s. Moscow well appreciates the Latin American proverb: Why feed a goat in the jaws of a tiger?

As for the falling-domino thesis, it is, as Frank Church wisely said, no more valid in Central America than it has proved to be in Southeast Asia. Remember when we were told we had to send our boys to Vietnam in order to prevent those dominos falling against us all the way back to Malibu Beach? Well, after the defeat of South Vietnam, the dominos have indeed fallen in Southeast Asia, but they have not fallen against us: they have fallen against each other. Communist China has invaded communist Vietnam because communist Vietnam invaded communist Cambodia. Meanwhile Thailand, Singapore, Malaysia, Indonesia—the dominos that were supposed to fall—remain independent and intact. Instead of going on about falling dominos, we would have been much better advised to stick to the old balance-of-power theory, under which threatened neighbors, instead of bowing down to an aggressive state, are more likely to join together to oppose it.

If Marxist Nicaragua is a threat to the hemisphere, it is a more dire threat to Mexico, to Costa Rica, to Panama, to Venezuela, to Colombia than to the United States; they are closer to the scene and considerably more knowledgeable about it; and their leaders are just as determined as the United States is on their behalf to resist their own overthrow. When the people on the spot don't see the danger as apocalyptically as President Reagan does, only ideologues can conclude with divine assurance that they are wrong and we are right.

In Central America, the threatened neighbors reject President Reagan's quest for a military solution, believing that the military remedy promotes rather than impedes the spread of Marxism. But President Reagan, in his determination to make the Sandinistas cry uncle, has systematically ignored Latin assessments of the problem and has systematically disparaged and sabotaged the Latin search for a political solution—first the Contadora effort, then the peace plan presented by President Arias of Costa Rica. The Arisa plan finally brought about the beginning of talks between the Managua regime and the Contras. Does anyone doubt that, had the United States government wished these negotiations to succeed, they would have succeeded? But Speaker Jim Wright confirmed everyone's suspicions the other day when he exposed the role of the CIA in making sure that they won't succeed.

"Support for freedom fighters," President Reagan has opined, "is self-defense, and totally consistent with the OAS and UN Charters." This is a perilously elastic interpretation of self-defense and not one that legal scholars or our allies are inclined to endorse. Even Mrs. Thatcher, the president's best friend among world leaders, protested his unilateral action against Grenada. "If you are going to pronounce a new law that, wherever communism reigns against the will of the people * * * the United States shall enter," Mrs. Thatcher said, "then we are going to have really terrible wars in the world."

The Soviet Union in Khrushchev's day asserted a similar right of global intervention in support of "wars of national liberation." Americans did not hail this principle when Khrushchev announced it a quarter of a century ago. Does it really sound better on the lips of an American president?

The Reagan principles in foreign policy represented an across-the-board rejection of the principles of responsible internationalism as advocated by Franklin Roosevelt, Harry Truman, Dwight Eisenhower and John Kennedy and as restated by Frank Church. History generally takes a little time to render its verdict, but in this particular case it can be said that the verdict is already in. For at the end of the Reagan presidency his administration has itself repudiated one after another of the foreign policy principles with which Mr. Reagan began. And it has done so for a very simple reason—because these principles, when applied, turned out to be against the national interest of the United States and therefore had to be modified or abandoned.

President Reagan began, as we have noted, by doing his ideological best to renew and intensify the Cold War. He has ended by spurning his own Cold Warriors, deciding that the Soviet Union is no longer bent on world domination, undertaking a personal mission to Moscow and signing an arms control agreement with the evil empire.

President Reagan began, as we have noted, by railing against Jimmy Carter's human rights campaign. He has ended by giving Marcos in the Philippines, Duvalier in Haiti and, most ineptly, Noriega in Panama the same treatment he condemned when Carter gave it to the shah and the Somozas.

President Reagan began, as we have noted, by embarking on a course of unilateralism and by disdaining the United Nations and the World Court. He has ended by hailing the United Nations, by belatedly paying up the U.S. debt to that suddenly valued institution and, after snubbing the World Court in the Nicaraguan dispute, by proposing binding arbitration by the Court on specified matters in contention between the United States and the Soviet Union.

As for the Reagan Doctrine, the president never carried it as far as some of his supporters wished, refraining, for example, from aiding anti-communist insurgencies in Ethiopia and Mazambique. And his Vice President, now his party's candidate for the succession, has notably failed to talk about the Reagan Doctrine or even much, for that matter, about aid to the Contras in his campaign for the presidency. George Bush, like the Pentagon itself, has also backed away from the original Reagan astrodome conception of Star Wars toward a notion of missile defense as a means of reinforcing rather than of replacing deterrence.

All these reversals, let me repeat, have been dictated by the imperatives of national interest. Reaganite unilateralism makes little sense when the United States lacks the power, even if it had the wisdom, to attain any significant international objectives on its own. As Henry Kissinger put it recently, "We can no longer maintain the balance of power all by ourselves; we must learn to relay on coalitions and equilibrium" ("A Memo to the Next President," Newsweek, 19 September 1988). And, if anyone seriously believed that the United States was militarily inferior to the Soviet Union with its ramshackle and inefficient economy, few sensible people can retain that belief $2 trillion later.

The underlying theme of the Reaganite foreign policy has been the idea that, through a crusade of military and psychological renewal, the United States can once again become the undisputed top dog in the world, numero uno, the big enchilada. Actually even when we could lay claim to being top dog, when we were the only nation in the world with the atomic bomb, we could not prevent the Soviet Union from consolidating its position in Eastern Europe nor the communists from taking over China. And, once the Soviet Union achieved the bomb, we had to recognize the limits of our power to make the world over to our liking and to decide the destiny of suffering humanity.

President Nixon recognized the limits of our power when he propounded the Nixon Doctrine. The "central thesis," as Nixon said in 1970, was that "the United States will participate in the defense and development of allies and friends, but cannot—and will not—conceive all the plans, design all the program, execute all the decisions and undertake all the defense of the free nations of the world. We will help where it will make a real difference and is considered in our interest." President Kennedy put it even more forcefully in 1961: "We must face the fact that the United States is neither omnipotent nor omniscient—that we are only 6 percent of the world's population—that we cannot impose our will upon the other 94 percent of mankind—that we cannot right every wrong or reverse each adversity—and that therefore there cannot be an American solution to every world problem."

President Reagan ignored the wisdom and judgment of Presidents Nixon and Kennedy. But the Reaganite aberration in foreign affairs has run its course. His own latter-day reversals prove the folly and bankruptcy of the course on which he tried to set the republic. It is at last truly bedtime for Bonzo—and time to return to the foreign policy mainstream.

It is also time for new imagination and initiative in American statesmanship. For in the years ahead the United States faces a radically new situation in foreign policy—a new situation compounded of new opportunities and new dangers.

The new opportunities arise from the dramatic, indeed nearly incredible, changes in the Soviet Union. Who could have imagined a few years back the opening up of Soviet society that is taking place today? Who would ever have supposed that the Soviet Union would be moving away from a bleak totalitarianism toward a measure of economic decentralization, literary freedom and of political choice?

As a historian who lives in New York City, I have been called on for years by Soviet historians and political scientists. In the past those encounters were uniformly unrewarding, and I came to dread the boring reption of whatever the party line of the moment might be. Now it is suddenly possible to talk almost freely and frankly with Soviet scholars and journalists as one talks with scholars and journalists from Britain or France or Italy. The old dogmatism is in shreds. The appeal of Leninism is dead. Democracy has won the Cold War.

Reaganites like to claim credit for these changes. They say that the American military build-up has forced Gorbachev into new initiatives in foreign and domestic policy. We will not know whether or not this is so until Soviet archives of the 1980s are available for scholarly investigation. But surely the deeper reason behind the Gorbachev revolution is the brutal fact that, without economic and political reform, the

Soviet Union will no longer be a superpower.

The deeper reason that compels Gorbachev to cut back the arms race and to open up Soviet society—and would have so compelled him whether or not Reagan had launched his military build-up—is his desperate need to transfer capital, resources, scientists and engineers from military tasks to his prime objective, the modernization of the Soviet economy. Modernization is the passport to Soviet survival. It is Gorbachev's top priority—and it would be his top priority whatever the United States has thrown $2 trillion at the Pentagon.

Still, whatever the motives behind the Gorbachev revolution, this revolution presents the world with unprecedented and truly historic opportunities to wind down the nuclear arms race and enter into a new plateau of peaceful relations. Competition will continue, but it will take forms less angry, less obsessive and less dangerous to the future of humanity. To seize this opportunity we need to emancipate ourselves from the cliches of the old Cold War. We need the self-examination and the sense of possibility that John Kennedy called for in his great speech at American University twenty-five years ago.

Some claim, President Kennedy said, that the quest for peace will be useless until Soviet leaders adopt a more enlightened attitude. "I hope they do," Kennedy said then—and perhaps they have now. "But I also believe," Kennedy added, "that we must reexamine our own attitude—as individuals and as a Nation—for our attitude is as essential as theirs." World peace "does not require that each man love his neighbor—it requires only that they live together in mutual tolerance. * * * And history teaches us that enmities between nations, as between individuals, do not last forever, However fixed our likes and dislikes may seem, the tide of time and events will often bring surprising changes in the relations between nations and neighbors."

Kennedy warned his countrymen "not to fall into the same trap as the Soviets, not to see only a distorted and desperate view of the other side, not to see conflict as inevitable, accommodation as impossible, and communication as nothing more than an exchange of threats. * * * We are both caught up in a vicious and dangerous cycle in which suspicion on one side breeds suspicion on the other, and new weapons beget counterweapons."

"If we cannot end now our differences," Kennedy said, "at least we can help make the world safe for diversity. For, in the final analysis, our most basic link is that we all inhabit this small planet. We all breathe the same air. We all cherish our children's future. And we are all mortal."

Privately Kennedy remarked that spring to Norman Cousins, then editor of the Saturday Review, "Mr. Khrushchev and I occupy approximately the same political positions inside our governments. He would like to prevent a nuclear war but is under severe pressure from his hard-line crowd, which interprets every move in that direction as appeasement. I've got similiar problems. * * * The hard-liners in the Soviet Union and the United States feed on each other."

That is as true in 1988 as it was in 1963; and to take full advantage of the opportunities created by the Gorbachev revolution we must revive the spirit of John Kennedy's American University speech. We must reexamine our own attitudes and stop repeating stale slogans from the angry past. The supreme responsibility of the next president of the United States will be to grasp this unparalleled chance to test Gorbachev by offering peaceful initiatives of our own. The supreme responsibility will be to work with this possibly chastened and reformed Soviet Union to abolish the manifold dangers to world peace.

I said that the new era in world affairs presents dangers as well as opportunities. And the great danger is a new one. It is no longer the ideological threat of communism, that burnt-out, used-up, bankrupt faith, nor is it the military threat of the Soviet Union, a nation turning inward in a belated effort to hoist itself into the 20th century. The great danger lies in the new economic vulnerability of the United States.

The economic policy of the Reagan administration has had one notable success: tight money (along with the collapse of OPEC's high oil prices) has brought inflation down to tolerable levels. The tax cut of 1981 and the ensuing deficits also have provided economic stimulus, reducing unemployment and producing an appearance of prosperity.

But the tax cut, joined with the staggering defense budgets and high interest rates, ushered in a period of unprecedented peacetime budget deficits. The supply-side prediction that tax cuts would pay for themselves turned out to be an illusion. The gross federal debt, as accumulated in the two centuries since the start of the republic, has tripled in the eight Reagan years.

The United States in the 1980s lived considerably beyond its means. When Reagan was elected in 1980, the United States was the world's largest creditor nation. Today we are the world's largest debtor nation. Our competitiveness in world markets is in decay. Our hectic prosperity is based on the injection of foreign capital, a trillion dollars of it, into the American economy. We are living on borrowed money—and on borrowed time.

Every day foreigners are buying up more of our land, our banks, our corporations. Foreigners now own about 10 percent of our manufacturing base and 20 percent of all bank assets. They own 33 percent of prime commercial real estate in Washington, D.C., nearly 40 percent in Houston, 46 percent in Los Angeles. As this national fire sale goes on, one expects to hear any day that the Japanese have bought Pearl Harbor.

Never before in American history has the American economy been so much at the mercy of decisions taken by foreigners. Two centuries after the declaration of independence, the banker Felix Rohatyn has said, "the United States has lost its position as an independent power." Our precarious prosperity rests on bubbles of debt, much of it owned abroad—bubbles that in due course are bound to burst.

Of course, modern developments in communication and transport have internationalized economic life for all nations. But, if the United States is to play a constructive role in the world economy, it must regain control over its own economic policies. To restore American economic independence, to restore American competitiveness in world markets, to render the American economy less vulnerable to foreign governments and investors and to international economic gusts and storms, to make the United States an effective and dependable partner in the world economy, we require a project of national renovation at home. This is the vital area where foreign and domestic policies intersect; for foreign policy in the end is the face a nation wears to the world.

National renovation cannot be carried through, in my view, without resort (as in other national crises) to affirmative government. Consider the problems that will assail the next administration. Let me list a few:

The need for education that will equip Americans for a high-technology era and replenish American productivity and competitiveness. Will market forces give our young people the education they need for the 21st century?

The need to retrain workers dispossessed by the flight of heavy industry to the Third World. Will this be done by the operation of market forces?

The need to rebuild the nation's infrastructure, that network of highways, railroads, bridges, dams, tunnels, harbors, waterways, sewage systems, waste disposal facilities, on which our quality of life depends. Is the free market going to undertake this task?

The need to protect the planet against acid rain, radon gas, the greenhouse effect, the depletion of the ozone layer and other environmental scourge. Laissez-faire is the cause of many of these scourges; it is not going to be the cure.

The need to bring education and employment into the ghettos and to resume the effort to give racial minorities economic opportunity and social justice. Does anyone think that the market is going to take care of racial justice?

The need to give our countrymen decent health care and decent housing. We know all too well what has happened when we have left health and housing to the free play of market forces.

The need to reduce the staggering burden of public and private debt—a debt created by the proponents of free markets.

The need to reform our casino economy and to subject stock exchange chicanery and fraud and unbridled speculation to effective regulation in the public interest. The current situation is precisely the result of the decision to sacrifice regulation in the public interest to the profits of private speculators.

The need to stop the spread of drugs, AIDS, crime and senseless violence. I would not wish to confide these problems to the unassisted play of market forces.

These are needs the republic must meet if it is to play a large role in the world's future. Not a single need on this list can be met by the laissez-faire marketplace beloved of President Reagan. Free markets will not save us. Each one of these problems call on the resources of affirmative government. Each one calls for the progressive liberalism practiced by Theodore Roosevelt and Woodrow Wilson, by Franklin Roosevelt and Harry Truman and John Kennedy.

We need not despair about the future of the republic. There is much talk these days about the decline of America. Professor Paul Kennedy has warned that the United States, like other world powers before it, may well have succumbed to "imperial overstretch"—that is, the assumption of military and political commitments beyond our economic power to fulfill.

Now imperial overstretch is a real problem. But it is a remediable problem. It need not be an inexorable cause of national decay. Japan and Germany have survived not only imperial overstretch but devastating military defeat to become mighty economic forces in the contemporary world.

The recognition of limits on our power and wisdom does not doom us to impotence. It only challenges us to find way to make our strengths effective. The United States still has the ideological, scientific and technological dynamism, the political and economic resilience, the diverse and resourceful population, the robust national ideals that, when joined to creative statesmanship, will make it a world leader for generations to come. But to begin, we must re-think our national problems and rehabilitate our national society, giving a restrained and purposeful foreign policy solid foundation in a balanced and productive national economy.

"America," Woodrow Wilson wrote a century ago, "is now sauntering through her resources and through the mazes of her politics with easy nonchalance; but presently there will come a time when she will be surprised to find herself grown old—a country crowded, strained, perplexed—when she will be obliged * * * to pull herself together, adopt a new regimen of life, husband her resources, concentrate her strength, steady her methods, sober her views, restrict her vagaries, trust her best, not her average, members. That will be the time of change."

The time of change foreseen by Woodrow Wilson is now upon us. What we do with it will depend on our leaders—and on ourselves.

COMMENDING SENATOR ROBERT BYRD

Mr. DURENBERGER. Mr. President, I would like to take this opportunity to say a few words concerning the distinguished majority leader, Senator ROBERT BYRD.

Mr. President, I have been a Member of the U.S. Senate for 10 years. In that time, I have had the opportunity to work with the majority leader in crafting legislative initiatives that we both believed were in the best interests of the people of the United States. Although there have been times that we have differed in our approach to particular issues, our differences have often been a matter of the means toward an end, rather than the end in itself.

Mr. President, if there is one word that describes Senator ROBERT BYRD's approach to public service I think that word would be "tenacity." He upholds his values and beliefs with a strength and vigor that is formidable. No matter whether I agree or disagree with his views on a particular issue, I always feel a sense of deep respect for the Senator's dignified and passionate eloquence on all issues.

Mr. President, I think everyone would agree that ROBERT BYRD is the master of the rules of the Senate. But he has never used those rules to diminish the rights of any Senator and he has, in fact, always used those rules to protect the rights of Senators on both sides of the aisle.

Mr. President, when historians look back at the work of the U.S. Senate over the past two centuries, they will be grateful that ROBERT BYRD was there during the 1980's to provide an oral history of the U.S. Senate. He has a passion for this institution which I believe is unique and unparalleled. I believe that in losing ROBERT BYRD as majority leader the Senate will suffer an irreplaceable loss.

I am pleased that Senator BYRD will still be a Member of the Senate next year. And I look forward to working with him on the many issues that both of us share in common. I believe that the Appropriations Committee's gain is in some ways the Senate's loss.

Mr. President, I ask unanimous consent that a colloquy from last October between Senator BYRD and myself be included in the RECORD. In this colloquy Senator BYRD shares with us his passion for the people that he represents in West Virginia as well as giving us an insight into the many facets of this truly remarkable man.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

Mr. DURENBERGER. Reserving the right to object, and I shall not, I would remind the majority leader and my colleagues that during that period of recess it is my expectation that the Minnesota Twins will be at lunch in some dining room in the Capitol and the majority leader, the Presiding Officer and everyone here will be invited to share in the joy of winning the World Series.

Mr. BYRD. I thank the distinguished Senator.

The PRESIDING OFFICER. Without objection, the request of the majority leader is ordered.

Mr. BYRD. Mr. President, does the distinguished Senator have any further statement he would like to make or any further business to conduct?

THE WORLD SERIES

Mr. DURENBERGER. I think we have made our point. I would certainly invite the majority leader and anyone else who is interested, who has not had the opportunity to enjoy what we call the homer dome, to enjoy baseball in Minnesota in that special way in which we in Minnesota have come to enjoy it.

I also have, if you have not noticed, one of those famous homer hankies in my pocket. If the majority leader would promise to come to the final game which we now expect to be on Sunday rather than Saturday, I would be happy to provide the majority leader with my homer hankie which worked very well in the first two games of the Series and which I expect to work very will in the last two as well.

Mr. BYRD. Mr. President, I thank the distinguished Senator. He is very generous and considerate, I must say. However, I must say that, while I will be watching the seventh game of the Series Sunday on television, I have attended only three baseball games in 35 years. I have been in Washington 35 years as a Member of Congress. I attended three baseball games here in Washington when the Washington Senators were here. Two of those games were on the same afternoon, a doubleheader. I took a troop of boys to the game.

Incidentally, I have gone to one football game in 35 years in the Washington area. That was at halftime to crown the queen when West Virginia played Maryland. I might finish the story by saying I have been to one movie in 35 years here, and I walked out of that one before it was over.

I have enjoyed good movies like those that Alistair Cooke used to produce that involved British actors—such as "Elizabeth R", "The Six Wives of Henry the Eighth," "The Gambler," "Jude the Obscure," "The Last of the Mohicans."

I have seen one good movie since I have been in Washington over these 35 years. That was "Patton," I saw it twice. Once at the White House, and once on television.

Mr. DURENBERGER. If the leader would yield not on the point of movies but on the point of baseball, I would make the observation that I might not be standing here today if it had not been for the fact that a Minnesotan moved the last baseball team out of Washington and moved it to another State, which will go nameless, but which is full of braggarts about the size of their State and a lot of other things that go on in a large Southern State, sort of in the middle of the country, bordering on Mexico. It will otherwise go nameless.

But the person who had the audacity to take baseball from Washington, DC, then had the audacity in 1978 to stand for election to the U.S. Senate. He was fortunate enough to be able to survive a very difficult primary of the majority leader's party in my State. But he lost in the general election by a rather substantial margin.

I would say that I was aided in my victory that year, at least in some small part, by the many people who, unlike the majority leader, had become devotees of baseball and resented the idea that this particular individual would take this pastime away from Washingtonians.

I will make a second observation. That is that if you come from a State that is big league in baseball, it is much easier to find yourself wrapped up in the sport. I would say probably that West Virginians, while they do not have the opportunity to participate in the big leagues in baseball so that their senior Senator does not have the same opportunity that I might have to attend a game, they certainly get their big league in politics, in government, as the majority leader has indicated on so many occasions, not only to West Virginians but to people all over the country.

So I would once again renew my offer that despite the lack of past association that the majority leader might have with baseball and despite the lack of a major league baseball team in West Virginia or other opportunities that might in the past have presented the majority leader, this is a unique year in baseball. This is one of the youngest teams, certainly one of the most Cinderelish of baseball teams, and the experience of enjoying that sport under a roof in a State like Minnesota, with a whole lot of people, including their Senators, standing around waving their homer hankies, so to speak, is really something that this body and its leader ought not to pass up.

Mr. BYRD. I thank the distinguished Senator. I used to like to play a little baseball myself back in the days when we could not afford to buy a good catcher's mitt and mask. I liked to play the position of catcher in sandlot baseball. I watched the Cardinals last night put it over the Minnesota Twins.

Mr. DURENBERGER. Reserving the right to object.

Mr. BYRD. And I watched them on the previous day do the same, and I am kind of pulling for them on tomorrow because I do want to watch on Sunday the seventh game of the series.

I know West Virginia does not have a big league baseball team. West Virginians do like to watch baseball. They like football and they like basketball. They are also sharpshooters. Of course, we have all heard of Mary Lou Retton. But at the same time Mary Lou Retton was winning her honors, we had a young West Virginian by the name of Ed Etzel who won the award in shooting. Of a possible score of 600—60 rounds, 10 points on each round, he hit the bull's eye for 10 points each on 59 of them, and got nine points on the 60th one, a total score of 599. So West Virginians not only like politics, but they are also good marksmen. I would be so bold as to say that it would take 50 Soviet divisions and they still would not be able to take West Virginia, if it just depended on infantry, cavalry, and artillery.

Incidentally, as a footnote, in World War II, West Virginians were, as to the percentage of the eligible male population serving, No. 5 among the States, and in Vietnam and Korea, West Virginia was No. 1 in casualties as to the percentage of the total eligible male population. So we take seriously our politics, and West Virginians generally like sports. I do not mean to say I do not like sports. I like boxing I like baseball, and I like football, but I just cannot do everything else that I do and go to the games.

I have never played a game of golf in my life, but I have done a few other things. I have read all of Shakespeare's plays within the last year, 37 of them. I read the entire Old Testament, 853 pages of the King James Version of the Bible, during the August recess, and I just finished the New Testament last Saturday, the last word thereof being the word "amen." I have read most of "Plutarch's Lives" within the last year, and am on my second turn at reading Webster's Abridged Dictionary. I also find time to read poetry and play the fiddle.

But I do not say that my interests need to be the interests of every other person. Some people like to go the ball games, some like to watch TV, and some like to play the fiddle. All of these are really good American "sports" whatever else we may call them.

So I say to the distinguished Senator that on the seventh game I will be pulling with him for the Twins to show that I am evenhanded. I like to feel that I have a balanced approach to things. I pulled for the Cardinals when they were behind. Now, in order to see the seventh game on Sunday, because tomorrow I have to go back to the Mountain State and be at a Jefferson-Jackson Day dinner, I will not get to see that game. So I am hoping the Cards will win tomorrow. Let us see. If they win tomorrow, how many will that make them?

Mr. DURENBERGER. If the distinguished majority leader will yield, if they win tomorrow, he will not have the opportunity to pull for the Twins on Sunday. So why doesn't he just forget about tomorrow, and I will take care of tomorrow. With him pulling for the Twins on Sunday, that will be the best I have been able to get of the majority leader in 9 years. [Laughter.]

Mr. BYRD. OK. That is a deal.

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER**. The time for morning business has expired.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the time for morning business be extended for 10 minutes.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The Senator from West Virginia.

SUPERCALIFRAGILISTICEXPIALIDOCIOUS SENATOR PROXMIRE

Mr. BYRD. Mr. President, the distinguished Senator from Wisconsin has been a supercalifragilisticexpialidocious Senator.

Mr. PROXMIRE. I like that word.

Mr. BYRD. He has just made a supercalifragilisticexpialidocious speech.

Mr. PROXMIRE. Words of one syllable.

Mr. BYRD. And it has been supercalifragilisticexpialidocious to listen to him once again. I thank him.

Mr. PROXMIRE. I thank my leader.

The **PRESIDING OFFICER**. The Senator from Kentucky.

THE TIME FOR A BIENNIAL BUDGET HAS COME

Mr. FORD. Mr. President, as the 100th Congress winds to a close, we can reflect with pride on our record of completing all 13 appropriations bills before the beginning of the new fiscal year. There were many factors which contributed to this accomplishment, including the able leadership of the majority leader, ROBERT C. BYRD, and the bipartisan cooperation of the minority leader, ROBERT DOLE, and our colleagues on the other side of the aisle.

But in addition to the leadership of the Senate, I believe that another event contributed significantly to the ability of Congress to get our work done on time: the 2-year budget summit agreement. The participation of the White House was key to achieving this agreement and proved that Congress is able to make the hard decisions necessary to eliminating the Federal budget deficit. This agreement was important for another reason: It was an experiment in biennial budgeting, and if the results are any indication of what we can expect from moving to a 2-year budget, the time has come to do so.

I first introduced my proposal to put the Federal budget on a 2-year cycle in the first session of the 97th Congress, and continued to reintroduce this legislation up through, and including, the 100th Congress. Then in June of this year, I was most pleased to introduce, along with my colleague from Delaware, Senator ROTH, a bipartisan proposal to establish a biennial budget for the Federal Government: S. 2478, the Biennial Budget Act of 1988, Senators KASSEBAUM, HEINZ, NICKLES, and DANFORTH joined us initially in introducing this measure, and we have since been joined by 25 other cosponsors, for a total of 15 Democrats and 16 Republicans. Although provisions of this proposal have not been without its critics, there has been a ground-swell of bipartisan support for this idea. A recent survey by the Center for Responsive Politics revealed that more than 85 percent of the Members of Congress favored a 2-year budget cycle.

Support for the concept of biennial budgeting has been equally strong off the Hill as well. In his budget message submitted earlier this year President Reagan called upon Congress to adopt biennial budgeting. The U.S. Chamber of Commerce has also endorsed the idea. At hearings before the National Economic Commission this summer there was uniform support expressed for moving to a 2-year budget cycle as a procedural reform which would assist Congress in our efforts to address the Federal budget deficit. Additionally, at hearings before the Senate Govenmental Affairs Committee on June 7 there was uniform support expressed for the concept of biennial budgeting. Those testifying in support of this idea included Charles Bowsher, Comptroller General of the United States, Jim Miller, then director of the Office of Management and Budget, representatives of the Committee for a Responsible Federal Budget, and Robert W. Helm, Comptroller of the Department of Defense.

In addition to the increased control Congress gains over the budget process and the completion of appropriation bills, there are many other advantages to a biennial process. It would reduce repetitive decisionmaking and improve congressional control over the Federal budget process by providing Congress the time to fully review funding programs before spending decisions are made. A 2-year cycle would give executive agencies more time for careful compliance review and promote better accountability of taxpayer dollars to the public. Biennial budgeting would help moderate spending by providing increased funding certainty to executive agencies and State and local governments, thereby giving them the lead time necessary for more effective and efficient planning. As a former Governor I know first hand the saving that can be achieved through multiyear planning.

The proposal Senator ROTH and I introduced envisioned Congress moving to a biennial budget next October 1. While that may have been overly optimistic, we believed that the time was right to take advantage of the changing leadership in the White House and Congress to move the Federal budget to a 2-year cycle. While I regret that we were not able to complete action on this proposal this year, I am grateful to my colleague Senator JOHN GLENN, chairman of the Senate Governmental Affairs Committee, for his extraordinary efforts to get this measure reported from his committee this year. He and his staff went the extra mile to assist us in getting a full hearing on the issue of biennial budgeting and to schedule two mark-up sessions to complete action on our proposal.

While the Senate Budget Committee also had jurisdiction over this issue, no action was taken on the measure and pursuant to the 1977 unanimous consent agreement governing referral of budget related legislation, the committee was discharged from consideration of the bill following 30 days of continuous session. Although I regret that the Budget Committee was unable to take action on this bill, I remain hopeful that this committee will also review the biennial budget proposal when it is reintroduced in the next Congress. Several members of that committee were cosponsors of the Ford-Roth proposal and I believe that there is broad, bipartisan support for this idea among members of the Budget Committee as well.

I also want to thank my colleague from Delaware, Senator ROTH, and his staff for their dedication to this bill. Under Senator ROTH's leadership, the Governmental Affairs Committee reported this measure by a unanimous vote. Although I regret that we did not have time to bring our proposal before the Senate for debate this year, I can assure my colleagues that I intend to reintroduce this legislation at the beginning of the 101st Congress. I look forward to working with Senator ROTH and members of the Governmental Affairs Committee and the Budget Committee to produce a biennial budget bill which can be enacted in the next Congress.

Biennial budgeting is not a panacea for our Federal budgetary problems. But it is a management tool which can make the Federal Government run more efficiently and allow Congress the time to make reasoned and informed budgetary decisions. It is an idea whose time has come and I invite my colleagues to work with us in the 101st Congress to fashion a biennial budget bill which will give Congress the tool to put our fiscal house in order.

BIENNIAL BUDGETING

Mr. ROTH. Mr. President, for the first time in more than a decade, the Congress completed action on all 13 regular appropriation bills before the start of the fiscal year. While I differ with the level of Federal spending in these bills, I want to commend the Congress for finishing the budget on time.

Both the leadership of the Congress and of the Committee on Appropriations deserve credit for moving in a timely fashion. I also want to commend President Reagan for his strong leadership in vowing to veto a continuing resolution. The $600 billion continuing appropriations bill the Congress presented last year symbolized the increasing problems of the budget process.

Mr. President, I strongly believe the Congress completed the budget on time because of the 2-year budget summit agreement reached last November between the President and the Congress. This 2-year agreement set out the spending and revenue levels for the next 2 fiscal years. I did not support the levels in that agreement, nor the increased taxes, but I supported the concept of multiyear budgeting. This agreement played a fundamental role in helping the Congress proceed with the Federal budget in a timely fashion.

A biennial budget process should be made a permanent aspect of our budget deliberations. I plan to continue my efforts toward this objective. In 1981 the distinguished Senator from Kentucky WENDELL FORD and I both introduced bills to establish a Federal biennial budget. Earlier this year, on June 7, Senator FORD and I joined forces and introduced a bipartisan biennial budget bill.

Senator FORD's foresight, persistence, and conviction have helped us to gain approval by the Committee on Governmental Affairs. For the first time since 1981, the Committee on Governmental Affairs reported the legislation favorably, 13 to 0. Mr. President, the progress we made this session should be viewed as a step toward eventual passage in the 101st Congress. With comparable legislation introduced in the House of Representatives, I can assure my colleagues that we will be back with this issue at the very start of the 101st Congress.

I would like to briefly point to six reasons why we should move to a 2-year process on the Federal level.

First, the current process needs reform—deadlines are often missed and we end up with massive continuing resolutions.

This year notwithstanding, only once since 1974, when the Budget Act was established, has the Congress passed all 13 regular appropriation bills by the beginning of the fiscal year. Between fiscal year 1980 and 1988, the Congress passed only 12 regular appropriation bills on time. In 8 years, the Congress passed less than the number we are suppose to pass each year. In fiscal years 1987 and 1988, the Congress passed all 13 in a continuing resolution. It is clear the process calls out for reform.

Because the Congress does not meet its deadlines and ends up voting in the late hours of the night, very few Members, if any, have a good understanding of the entire legislation contained in these massive continuing resolutions. This procedure is frustrating at best. Authorizing legislation is frequently attached without due consideration. It is my impression that the public does not have a good understanding of what is contained in these bills either. And with this lack of understanding, it makes it very difficult to hold Members accountable for their votes.

A 2-year budget will allow more time for consideration of underlying authorizations, which will promote a smoother appropriations process, and one which is more accountable to the American people.

Second, budget summit agreement shows system can work.

The budget summit agreement reached last November set out spending and tax guidelines for a 2-year period. The overall totals have helped us move briskly this year. As I stated earlier, this is the first time in more than a decade that the Congress completed action on all 13 regular appropriation bills before the beginning of the fiscal year.

The summit agreement laid the foundation for a 2-year period. The leadership did not let the so-called uncertainty of economic forecasts deter them in moving toward a multiyear plan. This legislation would make permanent the success we have had so far with the 2-year agreement.

Third, reduce repetitive nature of the process.

A 2-year budget reduces the repetitive nature of the current budget process. Each year the Congress considers the budget resolution, annual authorizations, appropriations, and reconciliation. This does not include the extra layer of debate provided by the Gramm-Rudman sequestration or debt-limit deliberations.

For fiscal year 1988, the Congress debated the level of defense five different times—during consideration of the budget resolution, the defense authorization bill, defense appropriations, the revision in Gramm-Rudman, and the budget summit agreement.

This redundancy causes widespread frustration. Streamlining the process could reduce the repetitive nature of the process. This legislation does not eliminate any of the processes—they all play a significant role in our deliberations, but by making the decisions once every 2 years instead of twice, we reduce the burden. In addition, we avoid debating an issue which might have been decided earlier in the Congress.

Fourth, recipients of Federal funds will be more secure.

By providing funds for a 2-year period, recipients of these funds will be able to plan better and administer their funds better. On June 7, the Committee on Governmental Affairs held a hearing on S. 2478, the Biennial Budget Act. The comptroller of the Department of Defense, Mr. Robert Helm, made a very persuasive argument to this effect at the hearing.

As a result of the current process he said:

> Defense budgets are plagued with uncertainty * * * program managers have little time to develop rational program execution plans based on available resources, when the available resources become known mere weeks before the next year's budget is transmitted to the Congress * * * ironically, in this period of concern over the deficit, the budget process lends itself to the least economical use of our Nation's resources by denying program managers the very tools they need—stability, predictability, and commitment.

These same arguments apply to procurement officers in every agency in the Government, as well as State and local governments and individual recipients of Federal funds.

Fifth, might help reduce the deficit.

Two-year budgeting would allow authorizing committees a stronger ability to review entitlements and other Government functions.

It would help to reduce gimmickry such as the transfer of spending from 1 fiscal year to the next just to hide the effect on the deficit. Some have suggested that the Department of Defense not pay its bills the last 10 days of the fiscal year simply to appear to lower the deficit.

Multiyear budgeting could reduce the potential for pork-barrel spending in an election year, since appropriations are made in the first session of each Congress.

Provides a better means to consider the long-term savings in reconciliation bills. Currently, Congress concentrates on savings in the first year and sometimes ignores the out-year effects. This may convince us to consider more than the first year effects.

By retaining the Gramm-Rudman enforcement mechanisms, the Congress can assure that it does not spend more in the second year of the cycle on supplementals. Supplementals will occur, but all decisions must be made within the parameters of the deficit targets.

Sixth, broad, bipartisan support.

The President has recommended 2-year process.

In a recent survey by the Center for Responsive Politics, over 85 percent of Senate and House Members polled favored 2-year appropriations. This was the overwhelming favorite among the seven process reforms offered.

Since its introduction, 27 Members of the Senate have cosponsored, indicating strong bipartisan support. This includes the ranking member of the Budget Committee, Senator DOMENICI, and members of the leadership of both parties, Senators INOUYE and SIMPSON.

The Committee on Governmental Affairs held a hearing on this issue June 7 and the concept of biennial budgeting received tremendous support, OMB Director James Miller, Senators DOMENICI, FORD, KASSEBAUM, and NICKLES, and representatives from the Committee for a responsible budget favored the idea.

The chamber of commerce, former Director of the Congressional Budget Office Alice Rivlin, now at the Brookings Institution, and a host of other budget and policy analysts support the idea.

Again, I would like to extend my appreciation to the Senator from Kentucky for forging a bipartisan approach on this issue. It has been a pleasure working with him on this issue and I am confident that together we can get this bill passed during the 101st Congress.

THE DISTINGUISHED LEADER OF THE SENATE

Mr. STEVENS. Mr. President, I see my good friend, the distinguished leader of the Senate, is here and, as many think this will be his last day as leader of the Senate, I want to say a word about ROBERT BYRD.

He is not leaving the Senate in any sense. He will become President pro tempore and become chairman of the Appropriations Committee, two roles that are substantial. This is unless we are successful in the election. I want to put that postscript there. If so I will be more than pleased to work with my good friend in any respect.

But I rise to talk about the days when I was privileged to serve with Howard Baker as the assistant leader on our side of the aisle for 8 years and during that time Howard Baker had other pursuits from time to time, and I had the honor to stand in for him and to work with the distinguished Senator from West Virginia, both when he was a leader and I was the acting leader.

I cannot remember 8 years of my life that mean more to me than those years with daily close association with ROBERT BYRD, with the exception of my great loss when my wife was killed in an aircraft accident.

I heard him speak the other day about himself in a very candid way and he made remarks about things that he had heard that other people said about him, and I have heard those same things from time to time. But I saw a side of ROBERT BYRD that most people do not see.

The Senator from Kansas has now had the honor of working with the distinguished leader for 4 years, and he has seen that same side and they have grown to respect one another very deeply.

Men do not often use the word in the sense that it is commonly used, but I know that it is true that I have a deep respect and love for my friend from West Virginia.

I have seen him respond to Senators in need as he did to me, and I have seen him respond to the challenges of leadership in the way that few understand. There is a challenge to leadership here to be fair, to be extremely fair.

That was taught to me when I was first here as a Senator, and appointed Senator, and one Senator that I shall not name had taken what amounted to a small advantage of me as a new Senator. The then majority leader, Mike Mansfield, heard about it, asked me to go visit the Senator and asked him if he had done it and walked back on the floor and asked unanimous consent that the action be rescinded and took the bill back to second reading and allowed me to offer my amendment.

It taught me a lesson very quickly, in my life here in the Senate: that fairness has no political hue and a Senator's rights stem from his inherent right as 1 of 100, not as his right from whether he sits on one side of the aisle or the other in this Senate.

We have witnessed a swing of leadership—and I hope that I live to see that swing again—but the swing meant nothing to individual Senators because the leadership of the Senate has understood individual Senators' prerogatives and their rights to represent the people who sent them here as part of this great system.

I know of no one who understands this system better than ROBERT BYRD. History will know the true story of the Senate because of the time he took to deliver those long statements, most of which I was here for and benefited from in the days when he was giving those long statements, the product of his research on the history of the Senate.

But, when we finally elect a leader, the final vote is for the Senate as a whole. I have always taken the position that the leader of the Senate was really the leader of the Senate. Without regard to the fact that he was elected by one side of the aisle or the other in the first instance in a caucus, the final vote is here on the floor.

We used to go through the charade of putting up Everett Dirksen, if you will recall, so that Everett could have his vote, and then we would have a vote for the whole Senate for Senator Mansfield. We do not do that any more, and I think probably it is a good thing.

But I want the record to show that, from this Senator's viewpoint, the Senate has not had a finer leader than ROBERT BYRD, one who is dedicated to the Senate as a whole, represented a small State and devoted his whole life, body and soul, to the best interests of the Senate.

I am delighted to have been able to share some of those years with my good friend, and I am delighted to have the opportunity today to say for the record, that those were good years and they will continue to be good years as we work together.

Thank you very much, Mr. President.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the time for morning business be extended for an additional 10 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

SENATOR TED STEVENS

Mr. BYRD. Mr. President, Senator STEVENS has demonstrated on many occasions to me and to others of his colleagues that he is evenhanded, fairminded, very human, kind, and thoughtful. I want to express, to the best of my ability at this moment, my deep, deep appreciation and love for him. He is a Senator who can be partisan—he knows when to be and when not to be—but there is something about TED STEVENS that is real and genuine and very down to earth that comes through as we serve with him in this body.

I served with him on the Appropriations Committee. When I served as chairman of the subcommittee, he served as the ranking member. He is the kind of man you could turn your back on. He will be the same yesterday, today, and tomorrow. He is honest. He is up front. He is frank, candid, tough, courageous, and he has a head full of brains and, more importantly, common sense.

He will fight my battles for me in a conference between the two Houses perhaps more assiduously and more effectively than I could. I am sure he does the same for other Senators.

I knew TED before his family tragedy. I do not recall where I was traveling at the time. It seems to me, I was in the Middle East. On the airplane, I put in a call when I heard that TED had been in a plane crash but that he had survived. I put in a call to find out as much as I could about his condition, the conditions of others, of his family, his staff. I am grateful to the Good Lord that TED survived that crash and that tragedy.

He has shown the high sense of purpose, the courage, and the equanimity of a man, and, more than that, of a Christian gentleman. I do not know what his religion is, but he has always demonstrated that, above all, even when things are stormy, partisan, very partisan here, he has that human, personable side that we remember. And it means so much to us. It means so much to me.

Faithful are the wounds of a friend. And I consider TED my friend, have good reasons to, and I will always be his friend.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, does the Senator from Alabama wish to speak in morning business?

Mr. HEFLIN. Yes, I would love to have a minute or 2 to speak.

Mr. BYRD. Mr. President, I ask unanimous consent that the time for morning business be extended for an additional 10 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

SENATOR ROBERT C. BYRD

Mr. HEFLIN. I will not take but a brief time. I only have a few brief remarks.

I would like to say some remarks about our great leader, Senator ROBERT BYRD, who is stepping down as majority leader.

I spoke when he announced that he would not seek the majority leadership in the next Congress and expressed my opinion on what he had done and what a very able majority leader he had been.

I notice that Senator STEVENS says there has not been a finer majority leader in the history of the Senate. Senator BYRD has been my only leader, whether it was when we were in the majority or minority. I do not know the others, but I have been here 10 years and I know that he does a tremendous job.

From the Democrat's side, there are many diverse elements. And I have said many times that ROBERT BYRD is the only one that keeps the diverse and unusual characters—you might even say prima donnas—under their umbrella and subject to some reins. But he has done a remarkable job.

On the other hand, he has worked well with the Republicans. He and Senator DOLE, Senator Baker, and others, had an arrangement which was dependent on their word is their bond. And that arrangement has meant so much for this great country.

In very brief remarks, we wish Senator BYRD the best in whatever he does. He likes to quote poetry. I do not remember all the poems. I like, every once in a while, to paraphrase a few words. I remember, there is an old Irish prayer and I would like to express that as my wish, and I believe the wish from every Member of this body:

May the road rise to meet you,
May the wind always be at your back,
May the sun shine warm on your face,
And the rains fall soft on your feet.

And, during the remainder of your days in the Senate and during your life, if it be after you leave the Senate, may the Good Lord hold you in the hollow of his hand and may you continue to be the same ROBERT C. BYRD that you are today.

Mr. BYRD. Mr. President, I thank my good friend for his kind wishes, for the old Gaelic benediction.

The **PRESIDING OFFICER.** The Senator from Arkansas.

SENATOR ROBERT C. BYRD

Mr. PRYOR. Mr. President, in no way can I match the eloquence of the distinguished Senator from Alabama, my good and faithful seatmate here on the Senate floor, not the eloquence of my friend from Alaska or Mississippi who paid tribute to Senator BYRD today.

But, Mr. President, I was on the floor a few moments ago when the distinguished majority leader was sort of giving his swan song. I, too, was reminiscing about 10 years in this great body, this Chamber.

I think I told the Senator from West Virginia the story about the very first time that I had ever been in the Senate Chamber. It was when I was a page boy in 1951. I was actually a page in the House during that period, but they ran out of Democratic pages in the Senate one day and the first day of work, they sent me over here to the Senate. Because of the experiences that I had that day I sort of fell in love with the Senate, although in no way can I match the love and affection that the Senator from West Virginia has given it his many years.

But I could not help, Mr. President, but be stricken by something the majority leader stated a while ago when he stated, "I am about to give up my desk."

I can only imagine next year when the 101st Congress convenes, or it may be the year after that or a decade after that when tourists come to these galleries and watch the Senate in session. Sometimes I wonder what perception they have because they may not know that we are in committees or with constituents or what have you. But I imagine that when the constituents or people from this Nation turn to the officers in the gallery and say, "Where does ROBERT C. BYRD of West Virginia sit?" I can only imagine that their answer will be, "Anywhere he wants to," because he occupies that sort of a preeminence, or let me say presence in the Senate Chamber. And I, too, would like to stand today, Mr. President, and participate in the accolades to this great leader.

Finally, yesterday in one of his history lessons, he told us about the be-heading of King James, I believe in the 17th century.

Mr. BYRD. King Charles I.

Mr. PRYOR. Pardon me, you were talking about the King James version of the Bible. That threw me off a little.

It could not help but remind me just a little bit of a story, what happened up in the hills of Arkansas before we had the electric chair.

This was the hanging judge in Sebastian County, Fort Smith. He was notorious, once the jury brought in the verdict, of an absolute immediate hanging outside in the courtyard.

The hanging judge had that reputation and he lived up to his reputation.

One day there was a defendant before the court for horse thievery. And the defendant was pronounced guilty by the jury. They did not stay out very long. And he asked the defendant to rise and the judge said to the defendant: I am going to have to take you out and hang you now. But do you have any final words? And the defendant looked back and said: No, your honor, I do not have anything else to say.

Well, the courtroom was packed with people. And one gentleman got up in the middle of the courtroom and said: Your honor, may I be recognized?

And he said: Make your statement.

He said, your honor, if the defendant is not going to take his time, I wonder if he would yield me 5 minutes because I am a candidate for Congress and I would like to make a speech.

The judge turned to the defendant and said: You have heard the request. Would you yield this candidate for Congress 5 minutes so he can make his speech?

The defendant looked up at the judge and said: Your honor, I do not mind doing that at all. However, I wish you would hang me first so I would not have to listen to it.

Well, we have had a great opportunity to serve with this great leader and I must say that he has nurtured the Senate through some very tumultuous times. It has been an honor and a pleasure to have served with him, to have learned from him, to have been inspired by him and I know that our colleagues, as has been stated before today, on both sides of the aisle, share in that deep appreciation.

Because, when we leave here at 6 o'clock at night, this leader is here until 8 or 9 o'clock. If we leave at 8 or 9 o'clock at night, this leader is here to midnight every time.

For those many hours, those many years of dedication we not only express our congratulations but our salute to you.

I thank the Chair.

Mr. BYRD. Mr. President, I thank my friend from Arkansas. He makes a fine contribution to this Senate. I predict in the years ahead, he will make even greater contributions as he gains in length of service and brings his dedicatory powers to bear on the legislation and the work, the overall work of the Senate. He is a member not only of the Appropriations Committee, but of the Governmental Affairs Committee, and he is interested in the operations of the whole Government. He does a good job and I appreciate so much his kind remarks here today.

The PRESIDING OFFICER. The Senator from South Carolina [Mr. HOLLINGS] is recognized.

COMMENDING SENATOR ROBERT C. BYRD

Mr. HOLLINGS. Mr. President, I have listened to my colleagues' laudatory remarks as we approach the end of ROBERT BYRD's tenure as leader. I, too, would like to commend the Senator from West Virginia for his exceptional accomplishments at the helm of the Senate. The fact is that this is a very jealous body. We each have a high regard for our individual strengths and talents.

When I first came to the Senate, the feeling toward the studious parliamentarian, ROBERT BYRD of West Virginia, was more one of respect than adoration. There was no denying his technical virtuosity and wizardry. But the truth of the matter is that through his perseverance and dedication and diligence and sheer hard work, in a word, his clearly superior performance, the Senator from West Virginia has taught this body to respect and admire his results-oriented brand of leadership.

That might sound peculiar, but not to my friend from Alaska who knows me and the Senator from West Virginia intimately. There were many contenders—including this Senator—for the majority leader post. In the heat of those contests, it is natural to focus on your opponent's alleged deficiencies or misgivings. Let me set the record straight, today, by noting that there are no deficiencies or misgivings with respect to ROBERT BYRD. His candor and sincerity in the presentations he has made on the floor, most recently in several speeches the other evening, not only had us reading the dictionary and Shakespeare's plays, but more than anything else, appreciating the character of this man who has truly raised himself up by his own bootstraps, to the point that not only is he well liked and respected by all of us, but in a general sense he is the envy of us all. So I commend the Senator from West Virginia on his decision to move forward now to the Appropriations Committee. I look forward to continuing our strong, productive working relationship.

(Mr. PELL assumes the chair.)

Mr. BYRD. Mr. President, I thank the distinguished Senator from South Carolina [Mr. HOLLINGS] for his generous and very charitable remarks concerning me and concerning our service together.

I can remember when Senator HOLLINGS came to the Senate, and I can remember the years since during which we have served together.

He is a member of the Appropriations Committee, a very active and effective member of the Appropriations Committee. He is a first-rate Senator. He is a very courageous, candid, and forthright individual. He has an unlimited amount of brass. I do not say that in a pejorative sense but in a complimentary one. He is absolutely fearless, and if I were, God forbid, caught in a street brawl out here, I would want Senator HOLLINGS with me.

He is a man of very high intelligence and supreme dedication to his State, to his country, and to the Senate. I cherish the remarks that he made.

THE CALENDAR

Mr. BYRD. Mr. President, I inquire of the distinguished acting Republican leader if the following calendar items have been cleared on his side of the aisle: Calendar No. 1095, 1104, 1105, and 1106?

Mr. STEVENS. Mr. President, I am pleased to reply to my friend they are cleared.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the aforementioned items en bloc, that they be passed en bloc, and that motions to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELIEF OF THE HEIRS OF M. SGT. NAMANIEL SCOTT, U.S. ARMY, RETIRED, DECEASED

The bill (H.R. 441) for the relief of the heirs of M. Sgt. Namaniel Scott, U.S. Army, retired, deceased, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF ROSA PRATTS

The bill (H.R. 2109) for the relief of Rosa Pratts, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF MILENA MESIN AND BOZANA MESIN

The bill (H.R. 2461) for the relief of Milena Mesin and Bozana Mesin, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF TAREK MOHAMAD MAHMOUD

The bill (H.R. 2511) for the relief of Tarek Mohamad Mahmoud, was considered, ordered to a third reading, read the third time, and passed.

MEASURES INDEFINITELY POSTPONED

Mr. BYRD. Mr. President, I ask unanimous consent that the following calendar orders be indefinitely postponed: Calendar 853, 983, 1069, 1123, and 1131.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT

Mr. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2209.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2209) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes.

(The amendment of the House is printed in the RECORD of October 19, 1988 beginning at page H10386).

Mr. DANFORTH. Mr. President, this version of the NASA authorization bill, which has been agreed to by both the House and Senate, contains H.R. 3779, the Controller Performance Research Act, which passed the House of Representatives on September 20. This legislation was introduced by Representative JACK BUECHNER of St. Louis, MO. I introduced an identical bill in the Senate, S. 2876, on October 7. This legislation will require the Federal Aviation Administration [FAA] to study the effect of automation of the air traffic control system on the people responsible for the day-to-day operation of the system—the air traffic controllers.

The FAA has begun an ambitious overhaul of its existing air traffic control system. That program will culminate in the mid-1990's with implementation of the advanced automation system [AAS] and several other enhancements. The hardware and software which make up these systems will change significantly the role of air traffic controllers, who will be freed from many of the routine functions they now perform.

The FAA has a detailed program for the development and production of AAS and related systems. However, the FAA does not have a plan for ensuring that controllers will be able to perform at their peak in a more automated air traffic control environment. A recent report issued by the Office of Technology Assessment, entitled "Safe Skies for Tomorrow," concluded that current FAA programs to understand human error and enhance controller performance are inadequate.

Mr. President, the Controller Performance Research Act requires the FAA to conduct research to study the effect of automation on the performance of air traffic controllers and the air traffic control system. Specific topics which the FAA must investigate include methods for accelerating air traffic controller training, physical and psychological effects of automation on air traffic controllers, identification of aptitudes needed to function well in a highly automated system, and new technologies and procedures for exploiting automated communications systems.

This bill also authorizes the FAA Administrator to enter into an agreement with the Administrator of the National Aeronautics and Space Administration [NASA] for use of NASA's human factor facilities and expertise. The legislation authorizes to be appropriated such sums as may be necessary from the airport and airway trust fund.

Mr. President, this legislation will ensure that the FAA performs the research necessary to ensure that air traffic controllers are able to get the maximum benefits from automated equipment intended to improve the safety and efficiency of the air traffic control system. I commend Representative BUECHNER for his leadership on this important issue.

Mr. RIEGLE. Mr. President, I rise in support of S. 2209, the fiscal year 1989 NASA authorization. The bill that is before the Senate today reflects an agreement between the House of Representatives and the Senate, and it should be supported by the Senate and sent to the President.

The bill will authorize $11.2 billion for NASA programs. This level of funding is sufficient to continue space station activities, maintain the Space Shuttle Program and to permit NASA to meet its current program needs in other areas.

The legislation contains several other features that deserve mention. NASA is authorized to spend up to $8 million to initiate the Space Grant College Program. This is a concept that was developed by Senator BENTSEN and will assist in attracting qualified students to space science, math, and engineering disciplines. NASA, other Federal agencies and the private sector face a growing problem of not being able to replace engineers and space scientists. For NASA, this problem is more acute since Apollo-generation scientists and engineers are now reaching retirement age and top caliber replacements will be required if the United States is to maintain leadership in space.

Private industry and other high technology areas have proven to be more attractive to university graduates than NASA and this presents great difficulties for the Civil Space Program. The space station, space telescope, and planetary missions all will require large numbers of trained and dedicated personnel. the Space Grant College Program will begin the process where NASA can again attract the highest talent to the space program.

Mr. President, I think it significant to mention one other aspect of this legislation, and that is the space station. The bill authorizes $900 million for fiscal year 1990 to begin the construction of the space station. This represents a commitment by the Congress to the space station and is a statement of the critical role that the space station plays in the long-term future of the Civil Space Program. This level of funding will permit the space station to move forward in a deliberate manner. Funds are authorized for the space station in fiscal year 1990, $2.1 billion and for fiscal year 1991, $2.9 billion, so there is further indication that the Congress intends this program to move forward.

We are already far behind the initial schedule for deployment, and I do not need to remind anyone that the Soviet Union has a functioning space station in orbit and permanently occupied. The United States cannot afford to wait any longer to begin this program, and I believe that this legislation does send a signal to our allies and to the world that the United States is serious in its intent to pursue this program.

Agreements have now been completed with our space station partners, Japan, the European Space Agency and Canada, and those nations are prepared to move ahead with the Space Station Program. They have made significant financial commitments to the success of the program, and in my view the international aspect of the Space Station Program is critical to its success. In light of this, it is of extreme importance that we signal our serious intention to begin construction and move toward deployment at the earliest possible date.

Mr. President, I believe that the Senate should agree to S. 2209 as it has been amended. It represents a great deal of effort on the part of the House and Senate to reach an accord which is realistic in its funding levels while providing the direction and guidance that NASA will need to continue the Civil Space Program.

Mr. HOLLINGS. Mr. President, I rise in support of S. 2209 and ask that the Senate accept the House amendments to the Senate-passed NASA authorization bill.

Mr. President, about the only good thing you can say about an election year session that runs into late October is that it lets you get a lot of legislation off the calendar.

Today, the Senate has an opportunity to pass S. 2209, a bill that contains the fiscal year 1989 authorizations for the National Aeronautics and Space Administration, NASA, the National Oceanographic and Atmospheric Administration, NOAA, and the Department of Transportation Office of Commercial Space Transportation, as well as the Controller Performance Research Act.

Mr. President, I am pleased that we are able to address these matters before the 100th Congress adjourns because these bills contain a variety of provisions that are important to the respective agencies.

The major changes in the bill before us today, compared to the Senate-passed version of S. 2209, occur in the NASA authorization, so let me leave those to last. The other changes are more minor.

First, the bill before us today contains the Controller Performance Research Act that was originally passed by the House on September 20, 1988, and is strongly endorsed by the Senate.

Second, the amended version of S. 2209 includes a Hollings/Kerry amendment to the Senate-passed version of the NOAA bill to permit the National Weather Service to maintain an updated data base describing the acid content in precipitation in the United States. This latter amendment is the result of many years of hard work in the Senate and would not have been possible without the cooperation of the distinguished majority leader. Senator KERRY and I are both pleased that this amendment could be worked out in time to be included in this bill.

With the exception of this amendment and a few technical corrections, the NOAA provisions of the bill are identical to the Senate-passed version and will equip NOAA for the challenges of the 1990's.

Third, I should also note that the authorization for DOT is identical to the Senate-passed bill.

As for the changes to the NASA bill, most of these consists of the inclusion of House-passed provisions that were not part of the Senate-passed bill. These include additional legislative findings, a request for a multiyear budget submission, a requirement to submit a 5-year capital development plan and a 10-year strategic plan, inclusion of a Buy America provision, insertion of a Drug Free Workplace provision, a manufacturing technology proposal, and a variety of reporting requirements.

The major difference between the House- and Senate-passed versions of the fiscal year 1989 NASA authorization bill was the fact that the House bill was a 3-year authorization and the Senate bill was a 1-year authorization.

Mr. President, the issue of multiyear budgets and multiyear authorizations is one that has confronted the Congress for quite some time and has never been successfully resolved. In the eyes of some Members, multiyear bills offer distinct advantages; to other Members, they offer distinct disadvantages. One thing is clear, the Congress needs to resolve this matter so that individual bills are not caught up in this difficult debate.

Thanks to the cooperation of the chairman of the House Science, Space, and Technology Committee, this issue was successfully resolved this year, and a 1-year bill will be enacted. However, it will be explored again next year, and the committee will need the direction of the Senate as it evaluates multiyear budgeting.

Mr. President, finally concerning this matter of multiyear budgets, I should note that the fiscal year 1989 authorization bill requires NASA to submit a budget request starting in fiscal year 1990, for the immediate fiscal year, the following fiscal year, and to provide budget estimates for the third fiscal year. Normally, the annual budget process involves about 8 months of preparation and review requiring extensive coordination between NASA centers, NASA headquarters, and participation by external advisory councils. Since the fiscal year 1990 budget proposal covering the fiscal year 1990 proposed program and runout has already been submitted to OMB, it will be very difficult for NASA to provide equivalent budget content and detail for fiscal year 1991 and fiscal year 1992. The Congress recognizes that this initial submission of multiyear budgets by NASA will reflect the limited time available to prepare the budget material.

As for funding, the final number contained in the fiscal year 1989 NASA authorization is $11.213 billion compared to the President's request of $11.488 billion and the Senate-passed bill of $11.1 billion. The increases to the Senate-passed bill are primarily for high priority budget items that were not fully funded in the appropriations bill due to the budget constraints or for possible later requirements recognized by the committee. An example of the latter is the research and program management account that was increased to provide ample authority for NASA to initiate the hiring of 2,200 additional civil servants.

Mr. President, resolving the differences between the House- and Senate-passed bills was not an easy task. But there was a real motivation this year since the authorization bill contains a variety of general provisions required to conduct NASA activities as diverse as the acquisition of plutonium for planetary missions and the construction of additional ammonium perchlorate production facilities for space shuttle missions.

Furthermore, there was a consensus between the two authorizing committees as to the value of the authorization process and authorization bills in setting policies and establishing priorities in the Civil Space Program. The two committees may not have agreed on a multiyear authorization bill, but they are in total agreement that successful implementation of the Civil Space Program will require: First, a firm and long lasting commitment on behalf of the President, Congress, and the American public; second, the necessary budgetary resources; and third, a team of highly skilled, dedicated civil servants, and industry/university personnel. The fact of the matter is, the Congressional Budget Office was right in the report it compiled for the Senate Commerce Committee, "The NASA Program in the 1990's and Beyond"—NASA's budget will need to increase substantially to implement the core program. Additional resources will be needed—dollar resources and people resources. More importantly, a commitment to the Civil Space Program is required—a commitment to maintain U.S. technological leadership in space, a commitment that says the United States is ready to meet the challenge and will not let our space program experience the decline suffered in the auto, steel, textile, and electronics industries.

The bill before us today supports a strong and diversified Civil Space Program. It strongly reiterates the congressional support of development and deployment of a permanently manned space station and provides a 3-year authorization for the Space Station Program. It supports a balanced and diversified space science and applications program including new start status for the advanced x-ray astrophysics facility and continued support of the advanced communications technology satellite. It supports a strong space and aeronautics technology development program including the initiation of the Pathfinder Program at a reduced level of support. It provides the resources critical to the return to flight of a safer, more reliable space shuttle, including funding for an advanced solid rocket motor, and the funds critical to implementation of a mixed fleet strategy. It includes funds for construction of facilities necessary to enhance the civil space and aeronautics infrastructure and to maintain the Nation's technological leadership. In particular, it fully funds the wind tunnel modernization program and initiation of the advanced solid rocket motor production facility. Language is included in the bill to give NASA the authority to ensure the availability of additional ammonium perchlorate production capacity and to ensure implementation of the National Space Grant College and Fellowship Program. Finally, adequate funds are authorized for the research and program management account to accommodate the future transfer of funds to initiate the hiring of 2,200 full-time civil servants for NASA. This personnel augmentation provision is an important initiative, strongly endorsed by the committee, that did not surface until very recently. It is currently anticipated that funds will be reprogrammed in the NASA fiscal year 1989 budget to initiate the hiring of additional personnel until the required transfer authority is provided in a subsequent appropriations bill.

Mr. President, there are many initiatives that are not funded in this bill that the committee would have liked to see included in the fiscal year 1989 budget. Unfortunately, the severe budget pressures prevent their inclusion. As noted in this committee's report, Senate Report 100-429, authorization committees must play an active role in establishing budget priorities in times of limited resources. These choices are not easy; they're quite hard. But it is a role that the committee must play if it is to influence the scope and direction of the Nation's Civil Space Program.

Mr. President, although I do not want to dwell on the NASA bill, I would like to address three additional issues that have garnered a lot of attention and that were part of the House and Senate deliberations. I'm referring to the commercially developed space facility, CDSF, the appropriate role of the Department of Commerce in commercial space activities and the National Space Council.

Mr. President, the final bill includes the House-passed language which instructs the Administrator of NASA to contract with the National Academy of Sciences and the National Academy of Public Administration to conduct studies to determine the need for and best funding mechanism for a commercially developed space facility, CDSF. It does not include the House-passed language that allowed the request for proposal, RFP, for the CDSF to be issued in parallel with the initiation of the studies. This final position on CDSF is consistent with the long held Senate position that the studies must be completed and the requirements justified before a RFP is issued. It is the position of the Senate that the release of any RFP for the CDSF is an issue that will be resolved by the next Congress and administration.

Second, the House amended version of S. 2209 contains a provision that was inadvertently deleted from the National Institute of Standards and Technology Authorization Act that was passed by the Senate and the house and has been sent to the President for signature. This amendment to the National Institute of Standards and Technology authorization indicates that nothing under this section authorizes the Department of Commerce to establish an Office of Commercial Space Programs or to place such an Office into the Technology Administration without the prior authorization of the Congress. The Senate hopes this language resolves this matter.

Third, the amended version of S. 2209 that stands before the Members of the Senate today includes a provision to reestablish in the Executive Office of the President, effective February 1, 1989, a National Space Council to be chaired by the Vice President. The language further provides that the President shall submit to the Congress by March 1, 1989, a report that outlines the composition and functions of the National Space Council.

Mr. President, in 1986, the fiscal year 1987 NASA authorization bill was vetoed because the Congress enacted a provision that would both reestablish the National Space Council in the Executive Office of the President and outlined the functions and composition of that council. Since then, the concept of an improved space policymaking apparatus, a space council, chaired by the Vice President, has been endorsed by a variety of different groups and policymakers. Most recently the Space Council has been endorsed by both Presidential candidates—Vice President BUSH and Governor Dukakis. The message is simple, space policy is so important to our national and economic security that it warrants consideration at the highest levels of Government.

Mr. President, there have been rumors circulating that the White House would veto the fiscal year 1989 NASA bill if it contained a space council provision because the creation of such a council in the Executive Office of the President is the prerogative of the White House, and the Congress should not create offices in the Executive Office of the President.

Mr. President, normally I do not infringe on the prerogatives of the Executive Office of the President. However, when a bad situation exists, and it does in the space policymaking arena, and when both of the candidates for the Presidency and the Congress endorse the proposed remedy to that situation, I think the Congress does have the right to say that a national space council should be reestablished and to legislate its creation.

Mr. President, we have all learned a lot since 1986. The White House has learned that a national space council should be established, and the Congress has learned that it is the prerogative of the White House to determine the functions and composition of such a council. Rather than veto the NASA authorization, let us correct a serious deficiency. Let us acknowledge that this congressional action is an exception to the rule concerning the Executive Office of the President, and let us put the wheels in motion to have a viable, operational national space council in the next White House.

Obviously, the Members of the Senate Commerce Committee have definite ideas about the functions and composition of the National Space Council, and it would willingly convey those to the next administration since one of those views is a more cooperative approach to space policymaking by the executive and legislative branches. But whatever changes are made, the emphasis has to be on creation of an apparatus that places the national interest above agency interests and on the information of a space policy and implementation plan that maintains U.S. technological leadership in space and maintains a dominant U.S. presence in the world space and aeronautics markets. The United States has not invested over $200 billion in the Space Program to abandon our lead in critical technologies or market areas. Second best is not good enough for the U.S. Space Program.

Mr. President, finally, I would be remiss if I did not address one issue that is not included in the House-passed bill in the manner preferred by the Senate. This is the decision of the House not to include in section 207 of the bill the additional contingent liability language that was part of the Senate-passed bill.

Mr. President, the Senate-passed version of S. 2209 included an additional contingent liability provision for the Advanced Solid Rocket Motor [ASRM] Program that would have permitted NASA to provide for the payment for contingent liability in excess of available appropriations in the event the Government for its convenience terminates the contract. If such a termination were to occur and the Senate language was in effect, the Government would pay any costs it was liable for from funds appropriated to the ASRM account. If this amount of money was inadequate, the Government would then use any unobligated funds appropriated for other NASA activities.

I should note that this approach is but one option, but it was the Senate's preference. Another option is to set aside or appropriate funds annually in an account in an amount adequate to reimburse the contractor for their expenditures in case a termination were to occur. Using this approach, you basically set up an escrow account for the potential liability. Each year that account would be augmented by an amount adequate to cover the Government's potential liability.

Or, finally, you can provide contingent liability in the manner provided for in the House-passed bill. That is, you can specify an amount of funds adequate to initiated activity under the contract recognizing that additional forms of contingent liability are required.

Whatever form of contingent liability is provided, it requires legislative action, in particular an appropriations bill. It would be nice to have the authorizing committees agree on the type of protection to provide. But I should remind everybody that the Senate language deleted by the House specifically addressed appropriations acts. Whatever type of contingent liability is provided, it must be backed by appropriated funds.

Unfortunately, the House would not agree to the Senate approach at this time. The House position, the House's unyielding position, was that if after NASA reviewed the bids for the ASRM proposals such additional legislative authority were required, then the House would provide the necessary contingent liability authority in legislation. However, the House would not agree to provide this additional authority in advance.

While the chances of ever needing contingent liability for a program as necessary and as well supported as the ASRM Program are remote because of the importance of the ASRM to space shuttle safety, reliability, and performance, the House wanted more information about the types of contingent liability options that were available before it agreed upon final language. It also wanted to know if any additional authority might be required because of the uniqueness of the ASRM request for proposals. Despite these concerns, the House did agree to a form of contingent liability as provided for in section 207 of the bill that allows this program to proceed.

Mr. President, let me explain what the absence of this Senate provision means based on my discussions with senior officials of the Office of Management and Budget. It means that bids can still be submitted for a privately financed facility on a private site or a government site, that NASA can still select a contractor for such a proposal, and that NASA, pursuant to the authority contained in section 207, can still enter into a contractual agreement for a privately financed option if NASA selects such a proposal. This is because section 207 of the bill permits the Administrator of NASA to use the $27 million authorized in section 201(a)(3)(x) for construction of a government-owned facility to be used for a privately financed facility on a government site or a nongovernment site if the Administrator determines it is in the best interest of the United States to select such a proposal. These funds should be more than adequate for the period of time covered by this authorization and by the already passed appropriations bill. In fact, these funds should be adequate to cover possible contingent liability into the next fiscal year.

Based on this agreement, I can, with great confidence, assure the Members that silence of House language does not in any way effect the fairness of this competition, nor should it deter any potential bidder from proposing a privately financed option.

Mr. President, at this point, I also would like for the record to quote from a letter from Dr. Fletcher, the Administrator of NASA. This letter states, "that the absence of the legislative authority contained in S. 2209 will not prevent NASA from conducting a fair and open competition which will consider both privately and publically financed facilities." The letter dated October 20, 1988, goes on to say that Dr. Fletcher has "obtained assurances from the chairmen of both of our authorization committees that they would consider appropriate ASRM contingent liability legislation early in the 101st Congress."

Mr. President, not including this additional authority now is not the Senate's preference. But it is clear that the House will not yield on this provision and that further legislative action would risk the entire bill. We all realize that the 100th Congress is quickly approaching its conclusion and that it would be impossible to further amend the House-passed bill with the preferred Senate language and to send the bill back to the House. There are too many Members waiting in the wings with additional killer amendments to permit this action at this late date.

Mr. President, therefore, I strongly urge the Senate to adopt S. 2209, as amended by the House, despite the absence of this provision. I also pledge to continue to pursue this matter in the 101st Congress and to provide this additional authority, or other additional authority if an unforeseen type of proposal is selected, if NASA does select a privately financed option.

Mr. President, if there is one thing that all Members of this committee and the House committee agree upon, it is that the final ASRM contract must result in a safer, more reliable solid rocket motor. And I pledge to work toward that goal.

Mr. President, S. 2209, as amended, is the result of many hours of meetings and discussions. I recommend that the Senate pass the House-passed bill and that the bill, as amended, be sent to the President for signature.

In closing, I want to thank the distinguished ranking member of the committee and the distinguished chairman and ranking member of the Subcommittee on Science, Technology, and Space for their efforts on behalf of this bill. This bill's success is the result of strong bipartisan support, and these three Members have a lot to do with that support.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I have listened to the statement of the distinguished Senator from South Carolina as he explained the issues surrounding the advanced solid rocket motor bidding and contracting, particularly with regard to the issue of contingent liability.

As my colleagues know, I am a strong and outspoken supporter of the space program. I believe that our Nation's space program will need a follow-on solid rocket motor, which will enhance reliability and safety, thereby providing the shuttle system with a greater payload capacity, if we are to do many of the things in space that have been planned for the 1990's and beyond. In my judgment, the ASRM will meet that need.

I am very much interested in this project in that NASA has designated, in its plan to build the ASRM, a government-owned/contractor-operated facility [GOCO], to be located at Yellow Creek, should NASA choose to go that route. Yellow Creek is, of course, located just across the Alabama border in the State of Mississippi, and if a Yellow Creek site is used for the construction and operation of this facility, it would provide a great number of jobs for north Alabama.

One of the prospective bidders has evidenced an interest in a site near Montgomery, AL. This company has indicated its intention to bid on a private contractor-owned/contractor operated facility [COCO] on this site, which is allowed under the NASA plan for bidding on the rocket motor. If this site were selected it also would mean a great number of jobs for people in and around the Montgomery area. This makes me likewise very much interested in this project.

Mr. President, let me say a little bit about the position in which I have found myself as a result of this acquisition plan. The acquisition plan has put me in kind of a position of a conflict of interest. I have been working on the ASRM project for a number of years, as has the Senator from South Carolina. I believe that our Nation needs the ASRM. Thousands of Alabamians were employed building the abandoned TVA nuclear powerplant at Yellow Creek which NASA has selected. Since the nuclear plant construction ended, I began to work toward the establishment of the ASRM facility at this site to provide jobs for thousands of unemployed north Alabamians. We already knew that NASA would need a facility to build this rocket motor.

Before the Montgomery site was considered by anyone as a possible facility to build this motor, I had supported the Yellow Creek location because it will, if selected by NASA, in the end provide many jobs for Alabamians. In addition, it offers NASA some unique cost savings benefits, such as existing infrastructure, should they locate this new facility there. When Montgomery came into the picture, it caused a conflict of interest for me with regard to Alabama jobs.

Mr. President, not only will the ASRM be a major benefit to our Nation and our Nation's space program, it will also be a great economic benefit to the State of Alabama because the rocket motor will be built by Alabamians. Someone once said to me that it was like having an American League team and a National League team in your State both playing in the World Series.

I have taken a good deal of criticism from the press in Montgomery saying that I am supporting Mississippi and not Alabama. This is simply not so. My conflict of interest is with Montgomery area jobs versus north Alabama jobs. The conflict is not a matter of Alabama versus Mississippi. When this conflict of interest arose, I did not think I should show partiality between north Alabama and the Montgomery area. I cannot turn my back on one part of my State for another part. I represent all Alabamians and all of Alabama—north Alabama, as well as central Alabama; and when a conflict of interest develops, I do not think I should show partiality.

However, my position of impartiality does not in any way keep me from trying to take every step possible to see that fairness prevails. I want to be fair to the Alabamians in and around Montgomery just as much as I want to be fair to the Alabamians in the northern part of the State. I do not want to see any congressional action taken which could be construed as being unfair to any part of the State or to the competitiveness of any ASRM proposal.

In that regard, I would like to ask the distinguished Senator from South Carolina, the chairman of the Commerce Committee, Senator HOLLINGS, a few question. The Senate-passed version of the NASA authorization bill provided some specific language providing contingent liability, but the House language was silent on this issue. As I understand what the Senator from South Carolina has stated on the floor of the Senate, the language of this bill, as it concerns the advanced solid rocket motor, is sufficient to provide for contingent liability. There is $27 million authorized in this bill for the construction of an advanced solid rocket motor facility on a Government-owned site—a GOCO. Your interpretation of the language means that if NASA selects a privately owned site, a COCO, and awards a contract to a company, then a liability arises due to the cancellation of the contract by the Government, those funds are available to take care of that liability. Am I correctly stating the interpretation of the Senator from South Carolina?

Mr. HOLLINGS. Mr. President, yes, the senior Senator from Alabama is exactly correct. That is an accurate interpretation of section 207 of this bill.

Mr. HEFLIN. Thus, the language of the bill will not prevent the bidding of a privately financed and non-Government-owned production facility. Is that right?

Mr. HOLLINGS. Yes, that is correct.

Mr. HEFLIN. The language of the bill will not prevent NASA from selecting a proposal offering a privately financed and non-Government-owned production facility? Is that right?

Mr. HOLLINGS. Yes, again the Senator has interpreted the language correctly.

Mr. HEFLIN. The language of the bill does not in any way prevent the awarding of a contract by NASA for a proposal offering a privately financed, non-Government-owned production facility? Is that correct?

Mr. HOLLINGS. Yes, once again, the senior Senator from Alabama has stated the situation exactly correct.

Mr. HEFLIN. Do I understand the Senator to interpret the language in the bill that up to $27 million is available for contingent liability should NASA select a bid to build and operate a COCO facility, that is privately financed, on a non-Government site?

Mr. HOLLINGS. Yes, that is correct.

Mr. HEFLIN. In the event that the sum of money authorized in this bill is inadequate, what would happen then?

Mr. HOLLINGS. As I interpret the language of the bill, there is available the sum of $27 million in contingent liability for a privately owned facility which in any normal course of events would take care of the contingent liability for this program for the length of this authorization and the already passed appropriations bill and into the next fiscal year. Dr. Fletcher has been assured, and I have been assured, that since the House bill is silent on this matter, Congress would address this matter in the event a company or company-operated site is selected. This means that we should be able to address this issue easily in the next Congress, I would predict that we could address it within 3 to 4 months after a bid is selected which involves a privately financed and non-Government-owned production facility on a non-Government site.

Mr. HEFLIN. Has the Senator from South Carolina obtained assurances that in the event there is a need for further contingent liability legislation after the awarding of a contract that it will be taken up promptly by the Congress?

Mr. HOLLINGS. Yes, I have discussed this issue with high level officials at NASA and OMB, and I have their assurance that if any additional legislative authority is required that they will immediately notify the Congress. Also, as I have indicated, Dr. Fletcher has my assurance and that of the chairman of the House Committee on Science, Space, and Technology to consider appropriate ASRM contingent liability legislation, if required, early in the 101st Congress.

As the Senator knows, my preference is to further amend this bill to include the Senate language and to send it back to the House. However, time does not permit and any further amendments would jeopardize the entire bill. Considering the fact this bill contains the fiscal year 1989 authorizations for NASA, NOAA, and DOT's Office of Commercial Space Transportation as well as important FAA initiative, we cannot risk any further amendments.

Mr. HEFLIN. I thank the distinguished chairman of the Commerce Committee for making this matter crystal clear. Mr. President, the playing field is level and all bids, be they on a GOCO or COCO, can be accepted by NASA and judged fairly.

Mr. HOLLINGS. Mr. President, I move that the Senate concur in the House amendment.

The **PRESIDING OFFICER.** The question is on agreeing to the motion.

The motion was agreed to.

Mr. HOLLINGS. I move to reconsider the vote by which the motion was agreed to.

Mr. HEFLIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

MARINE MAMMAL PROTECTION ACT AMENDMENTS

Mr. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 4189.

The **PRESIDING OFFICER** laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to the bill (H.R. 4189) to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 for fiscal years 1989 through 1993.

(The amendment of the House is printed in the RECORD of October 19, 1988, beginning at page 31944.)

Mr. BREAUX. Mr. President, there has been some concern expressed about the meaning of new section 101(a)(2)(C) of the Marine Mammal Protection Act, a provision that would be added by section 4(a) of this bill regarding the importation of yellowfin tuna from intermediary nations.

I would appreciate it if my good friend, the chairman of the Committee on Commerce, Science, and Transportation, would be willing to discuss this provision.

Mr. HOLLINGS. Mr. President, it would be a pleasure to discuss this matter with the Senator from Louisiana.

Mr. BREAUX. I would like to clarify that the Secretary may exercise discretion in implementing new paragraph (C). In the case of nations that do not themselves import yellowfin tuna from a nation embargoed by the United States, this provision does not require unnecessarily burdensome certifications or proof if those nations wish to export yellowfin tuna to the United States. The purpose of this paragraph is, as the Commerce Committee's report states on page 25, "to prevent embargoed nations from circumventing U.S. restrictions, thereby weakening the effectiveness of U.S. law." Many of the nations exporting tuna to the United States are known to be exporting tuna caught entirely in areas other than the eastern tropical Pacific Ocean. The Secretary need not require certifications from the governments of those nations, so long as the Secretary is satisfied that all of their tuna products continue to be derived, directly or indirectly, from sources other than an embargoed nation. A requirement that such nations formally adopt an embargo in such circumstances may be unnecessarily burdensome and pointless, since the Secretary would already know that those nations are not, in fact, importing from the nation we embargoed. It would also be counterproductive to our efforts to solicit the cooperation of all nations in reducing the incidental taking of marine mammals.

Mr. Chairman, does this interpretation agree with your understanding of the intent of this provision?

Mr. HOLLINGS. I agree entirely with the interpretation of the Senator from Louisiana. In summary, new section 101(a)(2)(C) of the Marine Mammal Protection Act provides the Secretary with discretion to consider its requirements and purposes satisfied without requiring formal governmental certifications when there is no reason to suspect that nations are importing tuna from embargoed nations.

Mr. BREAUX. I thank my colleague for engaging in this discussion to clarify that point.

Mr. STEVENS. Mr. President, I support H.R. 4189 to reauthorize the Marine Mammal Protection Act of 1972. This bill is the result of considerable negotiations and compromise among fishermen, environmentalists, and both Houses of Congress. The Senate unanimously approved the bulk of this legislation when we approved S. 2810, a Senate bill which I also supported, as an amendment to H.R. 4189. The House has now amended one section of this bill, and returned it for our approval.

The House amendment significantly reduced a proposed expansion of the sanction authority made available to the President by the Pelly amendment to the Fishermen's Protective Act of 1967. The Senate unanimously approved language that would have enabled the President, at his discretion and when consistent with the GATT, to embargo any product from a nation that reduces the effectiveness of an international fishery conservation program. The amended House language does not go as far. It only expands the definition of "fish products."

Many Members of the House supported the expansion of Pelly, and I am disappointed that the House would not allow the broader language the Senate approved to remain in the bill. However, this still represents a step forward in the expansion of options available to the President to help encourage effective fisheries conservation. I am encouraged by the step we have taken, and expect the Congress will consider further expansion of the Pelly sanction authority as a continued warning to nations that would compromise the effectiveness of our conservation regimes. These nations know who they are, and they must now recognize the seriousness with which the Senate views their reckless exploitation of living marine resources.

Mr. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TECHNICAL CORRECTIONS IN ENROLLMENT OF H.R. 1807

Mr. BYRD. Mr. President, I send to the desk a concurrent resolution on behalf of Mr. BUMPERS and ask unanimous consent that it be immediately considered.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 167) to correct technical errors in the enrollment of the bill H.R. 1807.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. STEVENS. Mr. President, I believe that the resolution should show that it is cosponsored by the Senator from Connecticut [Mr. WEICKER].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, the purpose if this concurrent resolution is to instruct the Clerk of the House of Representatives to correct a series of technical errors and omissions in the enrollment of the bill H.R. 1807, the Business Opportunity Development Reform Act of 1988, which was passed by the Senate on a voice vote on October 18, 1988. This bill makes important reforms to the Small Business Administration's Minority Small Business and Capital Ownership Development Program, and the contract assistance authorized under section 8(a) of the Small Business Act.

Specifically, Mr. President, most of the provisions of the concurrent resolution are directed at correcting several cross-references to other sections of the bill and citations to existing regulatory material, all of which are important to the effective implementation of the legislation. It also calls for the elimination of an essentially duplicative provision, which SBA's program managers and counsel pursuasively assert could adversely affect the implementation of important reforms relating to the certification of firms owned and controlled by socially and economically disadvantaged individuals as program participants.

Most importantly, Mr. President, it directs the inclusion of a subparagraph inadvertently omitted from the bill. This provision assures timely consideration of applications for admission to the Program, one of the most vexing administrative problems which the legislation is designed to rectify.

Finally, Mr. President, the concurrent resolution clarifies a provision relating to the eligibility of firms owned by Indian tribes. The bill includes several provisions enhancing the program's effectiveness regarding participation by tribally owned corporations. Without the proposed clarification, there is substantial concern that the intent of the provision might be negated.

Mr. President, I urge my colleagues to support the adoption of the resolution.

The concurrent resolution was agreed to, as follows:

S. Con. Res. 167

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (H.R. 1807) to amend the Small Business Act to reform the Capital Ownership Development Program, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) In section 201(a) of the bill, strike out the proposed subparagraph (B) of section 7(j)(11) of the Small Business Act, and insert in lieu thereof the following:

"(B)(i) Except as provided in paragraph (10)(D), no individual who was determined pursuant to 8(a) to be socially and economically disadvantaged before the effective date of this subparagraph shall be permitted to assert such disadvantage with respect to any other concern making application for certification after such effective date.

"(ii) Except as provided in section 602 of the Business Opportunity Development Reform Act of 1988, any individual upon whom eligibility is based pursuant to section 8(a)(4) shall be permitted to assert such eligibility for only one small business concern.

(2) In section 201(a) of the bill, in the proposed section 7(j)(11)(F) of the Small Business Act—

(A) strike out clause (vi); and

(B) redesignate clauses (vii) and (viii) as clauses (vi) and (vii), respectively.

(3) In section 201(a) of the bill, in section 7(j)(11) of the Small Business Act—

(A) redesignate proposed subparagraph (H) as subparagraph (I); and

(B) insert after proposed subparagraph (G) the following new subparagraph:

"(H) Not later than 90 days after receipt of a completed application for Program certification, the Associate Administrator for Minority Small Business and Capital Ownership Development shall issue a certificate as a Program Participant to a small business concern which is owned and controlled by socially and economically disadvantaged individuals as determined in accordance with paragraphs (4), (5), (6), and (7) of section 8(a), or deny such application.

(4) In section 712(b)(1) of the bill, strike out "section 718" and insert in lieu thereof "section 717".

(5) In section 714(c)(2) of the bill, strike out "section 712(d)" and insert in lieu thereof "section 712(c)".

(6) In section 717(b)(2) of the bill, strike out "(Construction Other Than Building Construction—General Contractors and Dredging)" and insert in lieu thereof "(Heavy Construction Other Than Building Construction—Contractors)".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, while our staffs are preparing additional work to be completed before the sine die of adjournment, and while Senators are involved in discussions with the other body and in the several places on the premises, I ask unanimous consent that there be a recess until 3 p.m. today.

Mr. President, I withdraw my request momentarily and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Pell). Without objection, it is so ordered.

CONTINUATION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that morning business continue for not to exceed 45 minutes and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Vermont.

ORDER OF PROCEDURE

Mr. LEAHY. Mr. President, I thank the distinguished majority leader for his usual courtesy in making it possible for the Senator from Vermont to be able to speak on some items.

I also want to thank the distinguished holder of the Chair, the chairman of the Foreign Relations Committee, who is one of the most senior Members of the Senate and to my mind I might say a man who was a hero in the eyes of the junior Senator from Vermont before I came here and has only grown in that capacity since I have been here and I appreciate him taking over the chair.

VINCENT D'ACUTI

Mr. LEAHY. Mr. President, I take this opportunity to call to the attention of the Senate an article in the Vermont newspaper, the Burlington Free Press, announcing the retirement of Vincent D'Acuti from the city council of South Burlington.

Vin D'Acuti's civic contributions in the greater Burlington area are legend. He has worked tirelessly on behalf of the Burlington International Airport Commission. He served as chairman of the board of selectmen for the town of South Burlington for 5 years. In these and other positions too numerous to mention, he has made a major contribution to the greater Burlington area.

Vin and I first knew each other when I was States attorney and he was one of the civic leaders in South Burlington. We had clashed over the idea of a unified police force for the area and our squabbling actually made it into the papers. Shortly after that my grandmother, who was born and raised in Italy, asked me why I was picking on such a nice young man, Mr. D'Acuti. It was not until sometime later that I told Vin why we reached our initial truce. Whatever the reason, I am delighted because I have enjoyed my association with him over the years, and I feel that we have had the opportunity to work together for many things important to our community.

It is with deep respect that I salute my friend Vincent D'Acuti of South Burlington, VT, for a job well done.

I ask unanimous consent to print the article in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

"Mr. South Burlington"—After 37 Years, D'Acuti's Ready to Call it Quits

(By Mike Donoghue)

Vincent J. D'Acuti, who has served South Burlington in numerous positions during the past 37 years, was honored during the City Council meeting Monday night.

"I think of Vin as Mr. South Burlington," said Councilor Mike Flaherty as a plaque was presented to D'Acuti, who has announced his retirement from active city business. D'Acuti plans to spend winters in Florida.

D'Acuti for the past 23 years has represented South Burlington on the Burlington International Airport Commisson. When South Burlington was a town, D'Acuti was on the Board of Selectmen from 1961 to 1970 and was the chairman for five years.

City Manager William J. Szymanski noted that D'Acuti began his service to South Burlington in 1951 as the town's building inspector, a post he held for one year. He was then zoning administrator in 1952 and 1953.

He was chairman of the Correctional Center Liaison Committee from 1982 to 1988. He was a justice of the peace from 1952 to 1961, 1970, and 1981 to 1988.

Besides his actual government work, D'Acuti was also a member of the Kiwanis Club and other service organizations.

The council also passed a resolution praising the work of Councilor Frank Murray, who resigned this month. He had been on the council for more than three years and was the city's representative to the Metropolitan Planning Organization.

In other action, the council noted that plans to have a new entrance for Central School on Corporate Way off Dorset Street in time for school this fall have failed. Councilor Molly Lambert said she is concerned about the safety of the elementary school children trying to get into the Williston Road School.

Chairman Paul Farrar said a possible land swap has been discussed with Munson Earthmoving Corp. that would allow the city to get the land needed to extend Corporate Way to the school property. Otherwise the city must wait until the land is developed by Munson, he said.

Lambert questioned whether an agreement could be reached for construction of a temporary road so buses wouldn't need to use Williston Road. Lambert said as an alternative, "the school district has to make it (the driveway) more significant."

Street Superintendent Albert Audette said the school district had said last fall it would put up a sign prohibiting left-hand turns out of the school yard onto Williston Road, but still had done nothing about it.

SENATOR ROBERT STAFFORD

Mr. LEAHY. Mr. President, earlier this year on at least a couple of different occasions I spoke about my distinguished senior colleague, Robert Stafford. I know that those matters that I mentioned are in the Record.

I would like to speak about Bob Stafford again today. I am doing this intentionally today because at least on one other occasion when I spoke Senator Stafford, my distinguished senior colleague, was on the floor and he is a modest man, although a man who has a great deal in his background to be proud of. When he hears himself being praised by Senate colleagues as he has heard praises come from both Republicans and Democrats, I think Bob Stafford has been a little bit embarrassed to be sitting there, again not because we have said anything he does not deserve, in fact the page after page of praise in the Congressional Record only begins to touch the career of this magnificent public servant, but I think Bob gets embarrassed just because of his basic modesty.

So I made sure he is not in the cloakroom or on the floor today, and I thought I just might say what is a farewell to my senior colleague, a farewell because after the 100th Congress adjourns sine die Bob Stafford will, within a couple of months, cease his service as U.S. Senator, as Vermont's senior Senator. He does this voluntarily, and I say that with the full meaning of the word. There is no question in my mind, and I come from the other party, that had Bob Stafford run for reelection the State of Vermont would have reelected him. He would have had both Republicans and Democrats supporting him. But he chose this time when he is at the height of his powers as a political leader to retire, to go back to the beloved Green Mountains.

Bob Stafford is a native Vermonter. In fact, Vermont has not had a nonnative serving as U.S. Senator since I believe around 1850. I do not know what happened to the one in 1850, whether that was an aberration or not, but certainly during the last 130 or 140 years we have always had native Vermonters.

Bob speaks of Tinmouth in Vermont with a broad Vermont accent when he does and tells childhood tales of Tinmouth. But Bob could tell many more tales if he wanted to, how he was State's attorney of Rutland County, and this was after a distinguished military career, went on then to be the deputy attorney general of the State of Vermont, and then attorney general, became Lieutenant Governor, went from the Lieutenant Governor to Governor, went from Governor to a Member of the House of Representatives where he served for years with distinction for Vermont and then upon the death of his predecessor, Senator Prouty, became Senator from Vermont.

Throughout that time if there was one thing that distinguished Bob Stafford among all the other matters, it is his integrity. Nobody, Republican, Democrat, or Independent, in Vermont ever questioned Bob Stafford's integrity.

We all saw him as a leader in all the positions that he held.

It was his leadership in the areas of education where he served with distinction with the distinguished Presiding Officer, Senator Pell, and in the areas of environment where he brought that Vermonter's keen sense of the preservation of the environment.

I have seen him speak of the environment in Vermont. I have seen him speak of it here. I have heard him speak of it in China where we were recently together this summer. Throughout all of it he speaks again of a strong sense of a true conservative, a true conservative in that he wants to conserve what is best in our environment and take those steps necessary to do it, not just for himself but for his children and his grandchildren and all our children and grandchildren.

So, rather than go through the bills that he has helped write and help pass, rather than go through the time after time that he has formed those coalitions between Republicans and Democrats to get major legislation through, rather than go through the steps that he took as Governor and Congressman, because so many of those have already been stated here, I would like to just talk of a couple personal recollections.

I knew Bob Stafford from the time I was a child. My father's and mother's printing shop in Montpelier did Gov. Bob Stafford's printing.

We knew him then, and I delivered printing to him from the Leahy Press. As I was home from school, I would bring printing up to the Governor's office and deliver it to him there. I remember having a winter's job when I was home from college at Christmastime delivering mail to the then Governor of the State of Vermont, as he was leaving his house, dressed heading toward the ski slopes and having him tell me, "It's OK for me to take an afternoon off. I'm the Governor." I thought, "The way he works, I agree."

And I think of a story that we had between Bob and Helen Stafford and my wife and I. We say in many ways they are the ones who brought us together. It used to be Vermont's tradition always to elect Republicans. Bob Stafford was being inaugurated, as Governor and my parents, staunch, loyal Democrats, as they were, had a party on the night of the Governor's ball, one of many in the capital city of Montpelier, in honor of Bob Stafford. They had been long-time friends.

And another couple, friends of my parents, came to that, bringing yet another couple from Burlington. They were the parents of my wife. At that point, the Leahys and the Pomerleaus first met. Subsequently, I met Marcelle.

We have always told Bob and Helen Stafford that it was their introduction that way that brought the two of us together.

We celebrated our 26th wedding anniversary with the Staffords at the top of the world in Tibet. The Staffords celebrated their 50th wedding anniversary this past week, certainly setting a model, not only a political model for the junior Senator from Vermont, but certainly a marital model, also.

But it was when I came to the U.S. Senate that I remember most fondly what Bob Stafford did. At that time, we had no provisions for Senators-elect. You had no provision to help out with staffing or telephones or office space between the time you were elected and the time you took office. Bob Stafford contacted me within hours of my election being declared and offered his help, set aside a room in his own office suite, provided secretaries and telephones for the first Democrat ever elected from the State of Vermont to sit there with the soon-to-be Senior Republican Senator from the State of Vermont. His help was invaluable to me. I needed his quiet advice during that time as he helped a Senator from another party and another generation.

It was during that time that Helen Stafford sent a long, handwritten note to my wife, Marcelle, offering to help in anything from babysitting our children—and with our three children at that time, that was quite an offer—everything from babysitting our children to helping us house hunt. From that time, I believe there was a strong bond, probably a stronger bond than any that exists between any senior and junior Senator from any State in the Union, the bond between Bob Stafford and myself.

In the 14 years I have served in the Senate, I have gone time and time again to him for advice. In the 14 years I have been in the Senate, time and time again Bob and Helen Stafford and Marcelle and I have been together at various events in Vermont, political or otherwise, socially and personally sealing this strong bond.

Maybe the best way to describe it was in 1980. I was running in a very difficult race for reelection. It was also, in July of that year, my father's 80th birthday. We were taking time out from campaigning to have a family gathering for him, just the immediate family, at my home in Vermont. My father and mother were there, Marcelle and I, our children, my brother and my sister, and only one other couple, Bob and Helen Stafford, who came there because of the friendship they had with my parents and with us.

I remember so well that afternoon my father and Bob Stafford swimming back and forth in the pool. It started out with the courtly greeting from my father to Bob and Helen, as he said, "Good afternoon, Governor," a term so many still use in talking with Bob Stafford; and Bob, "Good afternoon, Mr. Leahy. Happy birthday." And, of course, it was Bob and Howard from then on for the rest of the afternoon.

I think of that occasion. I think of occasions when we would watch football games at the Staffords. I think of occasions on their boat; times when we have ridden up together—many, many times we have ridden up together—on a plane to Vermont, talking about how the crocodile tears would be shed by many political aspirants if the plane suddenly disappeared on the way up and the number of calls to whoever was Governor as to who would be appointed Senator: a terrible thing it was, of course, but so many people would be willing to take over the burdens of office from us; to the very special humor that Bob Stafford has.

Probably it was fitting, in a way, that Senator Stafford and the Leahys spent 2½ weeks together this summer traveling maybe, I think it was, between airplanes and buses and cars, maybe 60 or 70 hours of travel, going over 25,000 miles to China, Tibet, and back here. It was a very pleasant thing for me, but a very sad thing in a way knowing it would be the last such trip.

I can honestly say, Mr. President, that I wish throughout all my career in the Senate, whatever time that could be, that I could have Bob Stafford here as my colleague. I would be very happy to stay as the junior Senator. I take no great joy in becoming the senior Senator in January, knowing it means that Bob Stafford leaves. I think this body owes him a great deal.

Senator Byrd, the other day, said that many come here to make their mark on the Senate and the Senate ends up making its mark on the Senator. Senator Byrd is right in that. But I also think that, as the Senate makes its mark on everyone of us here, it is Senators like Bob Stafford that help develop that mark, the mark is made through his quiet integrity, his consummate competence, his understanding of the State that he represents, but also his putting his country and his State ahead of any political consideration time and time again.

I have literally never, in my 14 years, heard any Senators saying anything against Bob Stafford. I remember the day that he announced that he was not going to run again. In typical fashion, as he was going out the door for a weekend, he told his loyal chief of staff, Neal Houston: "You might tell the press I am not going to run. Here is the statement. Good-bye."

That next week when I was back here, Senator after Senator, both Republicans and Democrats, came to me and said, "We are so sorry to hear the news." Well, the Senate has had the opportunity of having him here. We have all benefited greatly by it. My own State of Vermont now benefits by having him come back.

So I wish him Godspeed on that. But I also want him to know how much it has meant to me to be able to serve with a man I admire so much as Bob Stafford and how much I will miss him. He and Helen are special people indeed.

IN MEMORY OF PHILIPPE POMERLEAU

Mr. LEAHY. Mr. President, as I see the 100th Congress coming to an end, I have to think of those members of my family who rejoiced with my wife and I when I have been elected and twice reelected. I think of the first two terms I served; both my father and my wife's father were alive to see that. My third term, when I won really by a landslide, neither my father nor my father-in-law were there to join with us.

I have spoken in the past of my own beloved father and how much he would have liked to have been here at that time. But I also think often of my father-in-law, whom I loved dearly, Phil Pomerleau. I think of the number of times that I used to go home to Vermont and Phil would say that he had seen something about me in the paper. We would talk about politics, he with a French-Canadian accent he carried throughout his life, and I thought of the love and warmth that he showed me, really as a third son. But I also thought of how special he was in the life of his only daughter, my wife. He always referred to Marcelle as his "preferred daughter." Then, when our daughter was born, his only granddaughter, she became his "preferred granddaughter."

There are so many things that I could say about him and so many things that I have said at home and so many things that I have said about Phil and my beloved mother-in-law Cecile in my daily journal. But I think the thing that means the most is that my parents-in-law always loved me as a son and loved their grandchildren as their own. Phil would tell us when we were wrong, without any hesitation. And that would be by his standards.

He would take our children fishing and teach them how to fish. And he would tell them exactly how to do it. They would say, when I would ask them how it was, they would say, "Well, you know Grandpa. He will tell you when you make a mistake." But he was always there to help you correct the mistakes and he was always there when you needed him.

But at his funeral, one who spoke was his "preferred daughter." She said it so much better than anybody else could, and I ask unanimous consent to be able to include in the Record what Marcelle said about her father, Phil Pomerleau at the time of his funeral; and I ask also, Mr. President, unanimous consent that an obituary that was in the Burlington Free Press of Monday, July 1, 1985, also be printed in the Record following that.

There being no objection, the material was ordered to be printed in the Record, as follows:

A Eulogy by Marcelle Pomerleau Leahy for Her Father Given At His Funeral

In this life we are often too busy from day to day to tell our loved ones how we really feel about them. Because we knew our Dad was ill we had the time to have conversations we might never have had.

I wish my father had not had to suffer as much as he did, but I am grateful for the time we had to tell him how much he was loved and how very proud we were of him. The strength, the courage, and most importantly, the faith in God Dad had is what we all wish to achieve, but rarely are able to sustain as he did. It was an incredible example for the whole family.

Dad worked hard to provide for our Mother, my brothers and myself, and he always did, both spiritually and physically. His daily example left us all with a strong set of values: Because of this, in spite of our sorrow we will continue and he will always be with us.

We are sad today for the loss of a husband, brother, father, grandfather, uncle, and friend. I thank you for that, but I also ask you to say a prayer of thanksgiving for the blessings we had because of him and that his time of suffering is over. He was a good man. May he rest in peace.

[From the Burlington Free Press, July 1, 1985]

Louis Philippe "Phil" Pomerleau

Phil Pomerleau of Burlington died June 30, 1985, at the Medical Center Hospital of Vermont.

Mr. Pomerleau was born in St. Ephrem de Beauce, Quebec, on April 1, 1908. He was the son of Ernest and Alma (Poulin) Pomerleau. The family moved to Barton, Vt., in 1919. He had been a resident of Burlington since 1954.

He attended St. Charles Borromeo College in Sherbrooke, Quebec. He worked for Vermont Tobacco Co. in Newport. Since 1954 he had been associated in business with his brother, Antonio, at Pomerleau Real Estate in Burlington.

As a young man, Mr. Pomerleau was known as a talented tenor. He studied voice in Montreal with Salvatore Issaurel. He was the Vermont winner of the Atwater Kent Radio Auditions in 1931 and in 1932, and then he represented Vermont in the International contest in New York City during both years.

He was a well-known area sportsman and a founder and president of the Addison Goose Club. He was a member of St. Mark's parish, the Ethan Allen Club and a Fourth Degree Knights of Columbus.

He is survived by his wife, Cecile (Bouchard) Pomerleau, and children, Rene and his wife, Sylvia Pomerleau of Chicago, the Rev. Claude Pomerleau, CSC, of South Bend, Ind., and Marcelle and her husband, Patrick Leahy of Burlington. Grandchildren are Mark and Paul Pomerleau, Kevin, Alicia and Mark Leahy. He is survived also by a sister, Ida Bushnell, and her husband, Eli, of Florida, and a brother, Antonio Pomerleau and his wife, Rita, of Burlington; many loved nephews and nieces, and Sister M. Consolata, OSC, Greenville, S.C.

A Mass of Christian Burial will be celebrated at 11 a.m. Tuesday at St. Mark's Church, 1271 North Ave., Burlington. Interment will follow in Resurrection Park Cemetery, South Burlington.

In lieu of flowers, the family requests contributions be made to the charity of your choice.

Visiting hours will be held Monday from 2 to 4 and 7 to 9 p.m. with parishioners of St. Mark's parish meeting for prayers at 7:30 p.m. at the Ready Funeral Home, North Chapel, 934 North Ave.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PELL). Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the morning business be extended for the necessary time to accommodate my esteemed colleague, Senator ROCKEFELLER.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that, upon the completion of the remarks of the Senator from West Virginia [Mr. ROCKEFELLER] the Senate stand in recess for 1½ hours.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. LEAHY). The Senator from West Virginia.

(By unanimous consent the remarks of Mr. ROCKEFELLER are printed later in today's RECORD during consideration of the Omnibus Anti-Substance Abuse Act.)

RECESS

The PRESIDING OFFICER (Mr. LEAHY). Under the previous order, the Senate will stand in recess for 90 minutes.

Thereupon, at 2:08 p.m. the Senate recessed until 3:37 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. BYRD].

RECESS UNTIL 4:30 P.M.

The PRESIDING OFFICER (Mr. BYRD). Without objection, the Senate will stand in recess until 4:30 p.m. today.

Thereupon, at 3:38., the Senate recessed until 4:30 p.m.; whereupon, the Senate reassembled when, called to order by the Presiding Officer (Mr. LEVIN).

The PRESIDING OFFICER. The Chair in his capacity as a Senator from Michigan suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be recinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELIEF OF MICHAEL WILDING

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1919.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives.

Resolved, That the bill from the Senate (S. 1919) entitled "An Act for the relief of Michael Wilding", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

SECTION 1. TEMPORARY RESIDENT STATUS FOR BENEFICIARY AND ADJUSTMENT OF STATUS.

(a) TEMPORARY RESIDENCE.—Notwithstanding section 212(a)(23) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(23)) or any other provision of that Act, Michael Wilding may have his status adjusted by the Attorney General to that of an alien lawfully admitted to the United States for temporary residence if—

(1) he is found to be otherwise admissible as an immigrant under the provisions of that Act; and

(2) a petition for immediate relative status is filed on his behalf with the Attorney General by a United States citizen spouse of the alien within 60 days after the date of the enactment of this Act.

(b) PREVIOUSLY KNOWN GROUND FOR EXCLUSION.—The exemption under subsection (a) shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge before the date of the enactment of this Act.

(c) ADJUSTMENT TO PERMANENT RESIDENCE.—The Attorney General shall, at the end of the 3-year period beginning on the date on which the beneficiary was granted lawful temporary residence status under subsection (a), adjust the status of the beneficiary to that of an alien lawfully admitted for permanent residence if—

(1) the Attorney General finds that the beneficiary has exhibited conduct during such period which demonstrates good moral character (including community ties and the performance of community service, prescribed by the Attorney General at the time of adjustment of status under subsection (a), directed toward publicizing the dangers of using controlled substances);

(2) the beneficiary establishes that he has resided continuously in the United States since the date he was granted such temporary status; and

(3) the beneficiary establishes that he—

(A) is admissible to the United States as an immigrant, and

(B) has not been convicted of any felony or three or more misdemeanors committed in the United States.

(d) TREATMENT OF BRIEF, CASUAL, AND INNOCENT ABSENCES.—During the period the beneficiary is in temporary status under subseciton (a), the beneficiary shall not be considered to have failed to maintain continuous residence in the United States for purposes of subsection (c) by virtue of brief, casual, and innocent absences from the United States.

(e) AFFIDAVITS.—The Attorney General may require the beneficiary to submit affidavits for purposes of determinations made under subsection (c).

ON S. 1919, AN ACT FOR THE RELIEF OF MICHAEL WILDING

Mr. WARNER. Mr. President, I rise today in support of S. 1919, an act for the relief of Michael Wilding. I introduced this bill on December 4, 1987, and it was favorably reported by the Senate Committee on the Judiciary on September 14, 1988. The Senate passed this measure on September 20, 1988, and it was sent to the House of Representatives. The House amended the bill, and it has now been returned to the Senate.

My knowledge and respect for Michael Wilding developed during my marriage to his mother Elizabeth Taylor. I was his stepfather during that 5-year period. I would like to repeat for the benefit of my colleagues and the public the circumstances of Mr. Wilding's case and why the Congress has determined that he merits the extraordinary relief afforded by a private immigration bill.

S. 1919 would lawfully admit Michael Wilding for permanent residence in the United States despite a 1974 conviction, along with six other persons with whom he was living in England, of cultivating 12 marijuana plants, including seedlings, and possessing 13.6 milligrams of cannibas resin. These convictions were 14 years ago when Mr. Wilding was only 21 years old. This was a mistake for which he has paid and which has since been expunged from his record as is common practice under British law.

The amendment by the House of Representatives would require Mr. Wilding to spend 3 years as a temporary resident alien before he would be granted permanent resident alien status. During this period, he would also be required to perform public service, primarily educating others about the dangers of using controlled substances and the penalties he had experienced as a consequence. The Attorney General of the United States will determine the details of this public service with Mr. Wilding.

Mr. President, I concur with the House amendment and know Mr. Wilding will willingly perform the requested public service to publicize the dangers of drug abuse. His current position as a media personality should assist in these efforts.

Mr. President, I want to provide my colleagues with more background on this case. Mr. Wilding was born in the United States on January 6, 1953, thereby acquiring U.S. citizenship, and he currently has a very promising career in the United States and is married to an American citizen.

In 1971, he made a formal renunciation of his United States citizenship on the mistaken belief that at age 18 he was required to choose between his dual United States and British citizenships. Although this belief was erroneous as a matter of U.S. law, Mr. Wilding was not informed to this effect by the U.S. consular officer before whom the oath of renunciation was executed. Contrary to normal State Department procedures which contemplate the consul advising U.S. citizens to postpone renunciation for a period to reflect on the consequences of such a serious action, Mr. Wilding's renunciation was accomplished in 1 day. His recollection is that the entire procedure took less than 1 hour.

In 1974, when he was 21 years old, Mr. Wilding was charged, along with six other persons with whom he shared a house, with possession of a very small quantity of cannabis resin and cultivation of cannabis in violation of the British Misuse of Drugs Act of 1971. Although the police records do not specify what fraction of the evidence Mr. Wilding was charged with possessing, his counsel's file shows that 10 milligrams of cannabis resin were recovered from evidence pertaining to him out of a total of 13.6 milligrams of resin found in the house occupied by a total of seven persons. Mr. Wilding was convicted and fined 100 British pounds for possessing and cultivating cannabis. Under British law, his conviction was automatically expunged 5 years after the date of conviction.

In 1980, Mr. Wilding applied for a B-2 visitor's visa to enter the United States. He volunteered the fact of his 1974 conviction and obtained the visa, but with only a temporary waiver of excludability on the basis of his past drug convictions.

After entering the United States, Mr. Wilding initially applied for an "adjustment of status" based on the permanent residency of his mother. This adjustment was denied on the grounds that he was excludable from the United States because of his 1974 drug convictions.

In 1982, Mr. Wilding married a U.S. citizen and refiled an adjustment of status application. He also applied for a waiver of excludability because of his 1974 convictions. Again, this application was denied, and the denial was upheld on appeal in 1987 by the Immigration and Naturalization Service. The basis for the denial was that Mr. Wilding was not eligible for reflief under the "simple possession" clause as he was convicted on two separate counts of both possession and cultivation of marijuana.

Although Mr. Wilding was married to an American citizen and had a promising career in the United States, the Immigration and Naturalization Service, as required by law, commenced proceedings to exclude him from the United States on January 15, 1988.

Mr. President, today the Congress passed an Omnibus Anti-Drug Abuse Act which contained some tough penalties for the personal use of drugs. I supported these measures because I am convinced that the only way to attack the drug problem in this country is to eliminate the social acceptability of illegal drug use, reduce the demand for illegal drugs, and end the profits that fuel the illegal drug market.

An important aspect of these penalty and forfeiture provisions was that they are fair, balanced. and compassionate. These measures give an individual an incentive and an opportunity for rehabilitation. These provisions discourage use by imposing a penalty, but also give an offender the opportunity to redeem one's name and benefits—if they keep clear of drugs. After a period of time, one penalized for drug use may apply to have the record of the violation expunged. Federal benefits are only lost for a finite period of time which increases with successive violations of the law.

In the final analysis, the goal of the Omnibus Anti-Drug Abuse Act is not only to discourage and prevent drug use, but also to give those who have violated the law the opportunity and incentive to return to productive, drug-free, and law-abiding lives absent the stigma of their past mistakes. In my judgment, this private immigration bill is in consonance with the philosophy and objectives of the drug bill passed by the Congress today.

Mr. President, the private bill before us today gives one individual the type of opportunity that we have provided for in this drug legislation. Mr. Wilding made a mistake. I do not condone his actions nor do I ask the Congress to do so. However, Mr. Wilding's drug convictions in Great Britain were 14 years ago when he was only 21 years old. He paid for those mistakes under British law, they were expunged from his record under British law, and he regrets his past conduct. I can attest from my personal knowledge, and that of his mother, that Mr. Wilding would continue to be a law-abiding resident of the United States, as he has been since his return to this country 6 years ago, and in no way would pose a threat to the national welfare, safety, or security of the United States. He should not be barred from the United States for the rest of his life because of a youthful mistake.

Mr. BYRD. Mr. President, I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. I thank the majority leader and my colleagues in the Senate for the courtesy.

Mr. BYRD. I thank my friend.

SENATOR PAUL S. TRIBLE, JR.

Mr. WARNER. Mr. President, I rise to pay tribute to my friend and colleague, Senator PAUL TRIBLE, who is retiring from the Senate at the end of this 100th Congress.

Elected in 1976 to the House of Representatives from Virginia's First Congressional District, PAUL TRIBLE has earned an impressive list of accomplishments in the 12 years he has served in the House and Senate. He has been an unwavering supporter of President Reagan and an advocate of the fiscal and national defense policies that have renewed the American spirit both at home and abroad.

Earlier this year, Senator TRIBLE announced that because of his strong belief in spending more time with his family, he felt obligated to retire from the Senate. Anyone who has had the joy of being with his lovely wife Rosemary—a full partner in his career—and his children, Mary Katherine and Paul III, will understand his decision. Senator TRIBLE is in the enviable position of retiring from this body at the relatively young age of 41. Before him lies a range of future possibilities in the area of public service; indeed, he has indicated to Virginians that he wishes to serve them as their Governor in the term beginning in 1989. He would carry into that position, the most respected public office in our State, an experienced understanding of the executive and legislative branches of the Federal Government.

As he prepares to leave office, Senator Trible can look with pride at his record of accomplishments in the Senate. While I will not attempt to list them all, I do wish to mention a few of which I know he has devoted considerable time and effort, particularly in the areas of education, transportation, defense, environment, drugs, and economic growth.

EDUCATION

As a Member of the Senate and as chairman of the Task Force on Educational Excellence and Literacy, Senator Trible has:

Visited schools throughout Virginia to meet with teachers and students to talk about educational excellence.

Supported educational legislation that increased assistance for math, science, and reading for elementary and secondary students and stengthened antidrug and school dropout programs.

Helped secure funding for a school dropout program in southwest Virginia, a new veterinary teaching hospital at Virginia Tech, adult literacy programs and special education and job placement for the mentally retarded in our State.

TRANSPORTATION

We worked together in converting Washington National and Washington Dulles Airports from a Federal responsibility to a regional authority and to modernize these airports which are of such great importance to northern Virginia. His membership on the Senate Commerce Committee enabled him to take a leadership role on this issue vital to Virginia's and the Washington metropolitan area's future economy.

Joined me securing funding to deepen the Port of Hampton Roads.

Intervened with the Secretary of Transportation to win funding for new airport terminals in Roanoke and Lynchburg.

ENVIRONMENT

Worked with me on legislation to clean up the Chesapeake Bay.

He took the initiative on legislation to stop the highly toxic marine paints to protect the Chesapkeake Bay, our creeks and rivers.

Joined me in preventing the Department of Energy from locating a high-level nuclear waste site in Virginia.

Joined me in adding wilderness areas in Virginia which will be enjoyed by this and future generations.

ECONOMIC DEVELOPMENT

Served as my teammate in championing the 600-ship Navy, a strong national defense and space program that created tens of thousands of jobs in northern Virginia and Hampton Roads and made our Nation more secure.

Worked with me to ensure that the Continuous Electron Beam Accelerator Facility [CEBAF] was located in Newport News, creating important job opportunities and ensuring that Virginia remains on the cutting edge of technology.

Worked to secure Federal grants for numerous Virginia localities to develop new industries and create jobs.

DRUGS

Introduced legislation that was passed by Congress 2 years ago to impose life imprisonment without parole sentences for large-scale drug traffickers.

Introduced legislation that was passed by the Senate calling on President Reagan to convene an antidrug summit of the heads of state of the Western Hemisphere nations.

Authored legislation passed by Congress to suspend foreign aid to countries that fail to crack down on drug money laundering.

In sum, we worked as equal partners and avoided the competitive jealousies which often lessen the effectiveness of two Senators from the same State.

In conclusion, Mr. President, I say to my good friend Senator Trible, it has been a privilege to work with you on behalf of all Virginia and the people of our great Nation. And as you bid us farewell and accept new challenges for public service or in private life, I say, in the naval tradition that is so identified with the Commonwealth of Virginia, may you have fair winds and following seas wherever you go.

SENATOR ROBERT C. BYRD

Mr. WARNER. Mr. President, while we have a moment here I would want to express my gratitude again to our distinguished majority leader.

I am privileged to be on the floor as this is likely to be the concluding few hours of his distinguished career as the majority leader in the Senate.

I and other Senators recognize he is going on to even greater heights in the Senate for the chairmanship, if that be the case, after the elections in November, of the Senate Appropriations Committee is one that I think he is eminently qualified to take on this great challenge.

We have experienced this year from the Armed Services Committee and other committees certain conflicts between the authorizing committee and the Appropriations Committee. I know that my good friend and strong leader in this Senate will help to work next year to minimize those conflicts which are basically inherent in this procedure, and I do not think we will ever get rid of them all, I say to my good friend, but I look forward in the next 2 years in working with him in that capacity.

Mr. BYRD. Mr. President, I look forward always to working with the distinguished senior Senator from Virginia [Mr. Warner]. In whatever capacity we have traveled together, we have worked together. And I remember distinctly our visit to five NATO capitals back in February of this year. We visited and talked with government leaders in London, Rome, Antwerp, Bonn, and Paris.

We talked with the opposition leaders, we talked with opinion makers, we talked with business people about the INF Treaty, and it was a bipartisan delegation.

This bipartisan delegation is always nonpartisan with Sam Nunn, chairman of the Armed Services Committee; David Boren, chairman of the Intelligence Committee; Claiborne Pell, chairman of the Foreign Relations Committee; and Senator Warner and me.

I will always reflect with great pride upon the meetings that we had as we went about our busy work in those capitals.

I think of the contribution that we made to the final approval by the Senate of the INF Treaty. It was a contribution that left a mark on the treaty, and I shall always be grateful for the opportunity to have served with my friend from just across the mountains not only in that instance as we traveled about the NATO capitals but always as we worked together on the Senate floor.

There have been several occasions in which we have joined and walked forward hand-in-hand and arm-in-arm together on issues.

I shall treasure my friendship with the Senator from the Old Dominion, the State which is the mother of Presidents, a State from which my State, during the great Civil War, separated, and a State which will always make a proud contribution to the Nation's history.

Mr. WARNER. Mr. President, I thank the distinguished leader. Indeed, the two States did separate. But, while there is a legal boundary, the people of the two States have a very, very close affinity. The problems, in many ways, are common, particularly in the Appalachian region. I look forward in the next 2 years to work with the distinguished leader to help those people, and it makes no difference which side of the border they are on.

While the Senator is speaking of trips, I remember one in September 1985, when we were the first Senate delegation to go over and visit with Mr. Gorbachev, and the manner in which the distinguished leader of the U.S. Senate had a lengthy discourse. It was 2 hours and 21 minutes.

Mr. BYRD. Forty-five minutes.

Mr. WARNER. Two hours and 45 minutes, during the course of which we covered many, many subjects. I believe there were seven of us on that trip; again, another bipartisan delegation.

Mr. BYRD. Well, it was our group that came back and said to the President of the United States: "You are going to the summit, and you will be up against a very formidable, brassy"——

Mr. WARNER. Tough.

Mr. BYRD. "Tough, bright, new type of Soviet leader."

I remember saying to the President, "When it comes to PR, Gorbachev understands it. But, Mr. President, when it comes to public relations and PR, you can beat him hands down."

Mr. WARNER. Mr. President, I think the record shows the President of the United States has beaten or equaled him at almost every opportunity.

Mr. BYRD. Mr. President, I thank my friend for his reminiscences. From time to time, we will get together and talk about the future, as well as the experiences we have had together in the Senate.

Mr. WARNER. Mr. President, I thank the distinguished leader.

PROTECTION OF CAVE RESOURCES ON FEDERAL LAND

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 1015, H.R. 1975.

The **PRESIDING OFFICER.** The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1975) to protect cave resources on Federal land, and for other purposes.

The **PRESIDING OFFICER.** Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following:

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Federal Cave Resources Protection Act of 1988".

SEC. 2. FINDINGS, PURPOSES, AND POLICY.

(a) FINDINGS.—The Congress finds and declares that—

(1) significant caves on Federal lands are an invaluable and irreplaceable part of the Nation's natural heritage; and

(2) in some instances, these significant caves are threatened due to improper use, increased recreational demand, urban spread, and a lack of specific statutory protection.

(b) PURPOSES.—The purposes of this Act are—

(1) to secure, protect, and preserve significant caves on Federal lands for the perpetual use, enjoyment, and benefit of all people; and

(2) to foster increased cooperation and exchange of information between governmental authorities and those who utilize caves located on Federal lands for scientific, education, or recreational purposes.

(c) POLICY.—It is the policy of the United States that Federal lands be managed in a manner which protects and maintains, to the extent practical, significant caves.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) CAVE.—The term "cave" means any naturally occurring void, cavity, recess, or system of interconnected passages which occurs beneath the surface of the earth or within a cliff or ledge (including any cave resource therein, but not including any vug, mine, tunnel, aqueduct, or other manmade excavation) and which is large enough to permit an individual to enter, whether or not the entrance is naturally formed or manmade. Such term shall include any natural pit, sinkhole, or other feature which is an extension of the entrance.

(2) FEDERAL LANDS.—The term "Federal lands" means lands the fee title to which is owned by the United States and administered by the Secretary of Agriculture or the Secretary of the Interior.

(3) INDIAN LANDS.—The term "Indian lands" means lands of Indian tribes or Indian individuals which are either held in trust by the United States for the benefit of an Indian tribe or subject to a restriction against alienation imposed by the United States.

(4) INDIAN TRIBE.—The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

(5) CAVE RESOURCE.—The term "cave resource" includes any material or substance occurring naturally in caves on Federal lands, such as animal life, plant life, paleontological deposits, sediments, minerals, speleogens, and speleothems.

(6) SECRETARY.—The term "Secretary" means the Secretary of Agriculture or the Secretary of the Interior, as appropriate.

(7) SPELEOTHEM.—The term "speleothem" means any natural mineral formation or deposit occurring in a cave or lava tube, including but not limited to any stalactite, stalagmite, helictite, cave flower, flowstone, concretion, drapery, rimstone, or formation of clay or mud.

(8) SPELEOGEN.—The term "speleogen" means relief features on the walls, ceiling, and floor of any cave or lava tube which are part of the surrounding bedrock, including but not limited to anastomoses, scallops, meander niches, petromorphs and rock pendants in solution caves and similar features unique to volcanic caves.

SEC. 4. MANAGEMENT ACTIONS.

(a) REGULATIONS.—Not later than nine months after the date of the enactment of this Act, the Secretary shall issue such regulations as he deems necessary to achieve the purposes of this Act. Regulations shall include, but not be limited to, criteria for the identification of significant caves. The Secretaries shall cooperate and consult with one another in preparation of the regulations. To the extent practical, regulations promulgated by the respective Secretaries should be similar.

(b) IN GENERAL.—The Secretary shall take such actions as may be necessary to further the purposes of this Act. Those actions shall include (but need not be limited to)—

(1) identification of significant caves on Federal lands:

(A) The Secretary shall prepare an initial list of significant caves for lands under his jurisdiction not later than one year after the publication of final regulations using the significance criteria defined in such regulations. Such a list shall be developed after consultation with appropriate private sector interests, including cavers.

(B) The initial list of significant caves shall be updated periodically, after consultation with appropriate private sector interests, including cavers. The Secretary shall prescribe by policy or regulation the requirements and process by which the initial list will be updated, including management measures to assure that caves under consideration for the list are protected during the period of consideration. Each cave recommended to the Secretary by interested groups for possible inclusion on the list of significant caves shall be considered by the Secretary according to the requirements prescribed pursuant to this paragraph, and shall be added to the list if the Secretary determines that the cave meets the criteria for significance as defined by the regulations.

(2) regulation or restriction of use of significant caves, as appropriate;

(3) entering into volunteer management agreements with persons of the scientific and recreational caving community; and

(4) appointment of appropriate advisory committees.

(c) PLANNING AND PUBLIC PARTICIPATION.—The Secretary shall—

(1) ensure that significant caves are considered in the preparation or implementation of any land management plan if the preparation or revision of the plan began after the enactment of this Act; and

(2) foster communication, cooperation, and exchange of information between land managers, those who utilize caves, and the public.

SEC. 5. CONFIDENTIALITY OF INFORMATION CONCERNING NATURE AND LOCATION OF SIGNIFICANT CAVES.

(a) IN GENERAL.—Information concerning the specific location of any significant cave may not be made available to the public under section 552 of title 5, United States Code, unless the Secretary determines that disclosure of such information would further the purposes of this Act and would not create a substantial risk of harm, theft, or destruction of such cave.

(b) EXCEPTIONS.—Notwithstanding subsection (a), the Secretary may make available information regarding significant caves upon the written request by Federal and State governmental agencies or bona fide educational and research institutions. Any such written request shall, at a minimum—

(1) describe the specific site or area for which information is sought;

(2) explain the purpose for which such information is sought; and

(3) include assurances satisfactory to the Secretary that adequate measures are being taken to protect the confidentiality of such information and to ensure the protection of the significant cave from destruction by vandalism and unauthorized use.

SEC. 6. COLLECTION AND REMOVAL FROM FEDERAL CAVES.

(a) PERMIT.—The Secretary is authorized to issue permits for the collection and removal of cave resources under such terms and conditions as the Secretary may impose, including the posting of bonds to insure compliance with the provisions of any permit:

(1) Any permit issued pursuant to this section shall include information concerning the time, scope, location, and specific pur-

pose of the proposed collection, removal or associated activity, and the manner in which such collection, removal, or associated activity is to be performed must be provided.

(2) The Secretary may issue a permit pursuant to this subsection only if he determines that the proposed collection or removal activities are consistent with the purposes of this Act, and with other applicable provisions of law.

(b) Revocation of Permit.—Any permit issued under this section shall be revoked by the Secretary upon a determination by the Secretary that the permittee has violated any provision of this Act, or has failed to comply with any other condition upon which the permit was issued. Any such permit shall be revoked by the Secretary upon assessment of a civil penalty against the permittee pursuant to section 8 or upon the permittee's conviction under section 7 of this Act. The Secretary may refuse to issue a permit under this section to any person who has violated any provision of this Act or who has failed to comply with any condition of a prior permit.

(c) Transferability of Permits.—Permits issued under this Act are not transferable.

(d) Cave Resources Located on Indian Lands.—(1)(A) Upon application by an Indian tribe, the Secretary is authorized to delegate to the tribe all authority of the Secretary under this section with respect to issuing and enforcing permits for the collection or removal of any cave resource, or to carrying out activities associated with such collection or removal, from any cave resource located on the affected Indian lands.

(B) In the case of any permit issued by the Secretary for the collection or removal of any cave resource, or to carry out activities associated with such collection or removal, from any cave resource located on Indian lands (other than permits issued pursuant to subparagraph (A)), the permit may be issued only after obtaining the consent of the Indian or Indian tribe owning or having jurisdiction over such lands. The permit shall include such reasonable terms and conditions as may be requested by such Indian or Indian tribe.

(2) If the Secretary determines that issuance of a permit pursuant to this section may result in harm to, or destruction of, any religious or cultural site, the Secretary, prior to issuing such permit, shall notify any Indian tribe which may consider the site as having significant religious or cultural importance. Such notice shall not be deemed a disclosure to the public for purposes of section 5.

(3) A permit shall not be required under this section for the collection or removal of any cave resource located on Indian lands or activities associated with such collection, by the Indian or Indian tribe owning or having jurisdiction over such lands.

(e) Effect of Permit.—No action specifically authorized by a permit under this section shall be treated as a violation of section 7.

SEC. 7. PROHIBITED ACTS AND CRIMINAL PENALTIES.

(a) Prohibited Acts.—

(1) Any person who, without prior authorization from the Secretary knowingly destroys, disturbs, defaces, mars, alters, removes or harms any significant cave or alters the free movement of any animal or plant life into or out of any significant cave located on Federal lands, or enters a significant cave with the intention of committing any act described in this paragraph shall be punished in accordance with subsection (b).

(2) Any person who possesses, consumes, sells, barters or exchanges, or offers for sale, barter or exchange, any cave resource from a significant cave with knowledge or reason to know that such resource was removed from a significant cave located on Federal lands shall be punished in accordance with subsection (b).

(3) Any person who counsels, procures, solicits, or employs any other person to violate any provisions of this subsection shall be punished in accordance with section (b).

(4) Nothing in this section shall be deemed applicable to any person who was in lawful possession of a cave resource from a significant cave prior to the date of enactment of this Act.

(b) Punishment.—The punishment for violating any provision of subsection (a) shall be imprisonment of not more than one year or a fine in accordance with the applicable provisions of title 18 of the United States Code, or both. In the case of a second or subsequent violation, the punishment shall be imprisonment of not more than 3 years or a fine in accordance with the applicable provisions of title 18 of the United States Code, or both.

SEC. 8. CIVIL PENALTIES.

(a) Assessment.—(1) The Secretary may issue an order assessing a civil penalty against any person who violates any prohibition contained in this Act, any regulation promulgated pursuant to this act, or any permit issued under this Act. Before issuing such an order, the Secretary shall provide such person written notice and the opportunity to request a hearing on the record within 30 days. Each violation shall be a separate offense, even if such violations occurred at the same time.

(2) The amount of such civil penalty shall be determined by the Secretary taking into account appropriate factors, including (A) the seriousness of the violation; (B) the economic benefit (if any) resulting from the violation; (C) any history of such violations; and (D) such other matters as the Secretary deems appropriate. The maximum fine permissible under this section is $10,000.

(b) Judicial Review.—Any person aggrieved by an assessment of a civil penalty under this section may file a petition for judicial review of such assessment with the United States District Court for the District of Columbia or for the district in which the violation occurred. Such a petition shall be filed within the 30-day period beginning on the date the order assessing the civil penalty was issued.

(c) Collection.—If any person fails to pay an assessment of a civil penalty—

(1) within 30 days after the order was issued under subsection (a), or

(2) if the order is appealed within such 30-day period, within 10 days after court has entered a final judgment in favor of the Secretary under subsection (b),

the Secretary shall notify the Attorney General and the Attorney General shall bring a civil action in an appropriate United States district court to recover the amount of penalty assessed (plus costs, attorney's fees, and interest at currently prevailing rates from the date the order was issued or the date of such final judgment, as the case may be). In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

(d) Subpoenas.—The Secretary may issue subpoenas in connection with proceedings under this subsection compelling the attendance and testimony of witnesses and subpoenas duces tecum, and may request the Attorney General to bring an action to enforce any subpoena under this section. The district courts shall have jurisdiction to enforce such subpoenas and impose sanctions.

SEC. 9. MISCELLANEOUS PROVISIONS.

(a) Authorization.—There are authorized to be appropriated $100,000 to carry out the purposes of this Act.

(b) Effect on Land Management Plans.—Nothing in this Act shall require the amendment or revision of any land management plan the preparation of which began prior to the enactment of this Act.

(c) Fund.—Any money collected by the United States as permit fees for collection and removal of cave resources; received by the United States as a result of the forfeiture of a bond or other security by a permittee who does not comply with the requirements of such permit issued under section 7; or collected by the United States by way of civil penalties or criminal fines for violations of this Act shall be placed in a special fund in the Treasury. Such moneys shall be available for obligation or expenditure (to the extent provided for in advance in appropriation Acts) as determined by the Secretary for the improved management, benefit, repair, or restoration of significant caves located on Federal lands.

(d) Nothing in this Act shall be deemed to affect the full operation of the mining and mineral leasing laws of the United States, or otherwise affect valid existing rights.

SEC. 10. SAVINGS PROVISIONS.

(a) Water.—Nothing in this Act shall be construed as authorizing the appropriation of water by any Federal, State, or local agency, Indian tribe, or any other entity or individual. Nor shall any provision of this Act—

(1) affect the rights or jurisdiction of the United States, the States, Indian tribes, or other entities over waters of any river or stream or over any ground water resource;

(2) alter, amend, repeal, interpret, modify, or be in conflict with any interstate compact made by the States; or

(3) alter or establish the respective rights of States, the United States, Indian tribes, or any person with respect to any water or water-related right.

(b) Fish and Wildlife.—Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the States with respect to fish and wildlife.

Mr. DASCHLE. Mr. President, I rise in support of H.R. 1975, the Federal Cave Resource Protection Act of 1988.

There are 40,000 known caves in the United States. More than 4,000 lie beneath Federal lands, making the Federal Government the single largest cave owner in the United States. The legislation before us today reaffirms the national commitment to the protection of caves located on Federal lands.

The majority of these federally owned caves are located on lands managed by the National Forest Service and the Bureau of Land Management. The regulations used by these Federal entities to manage cave resources are inadequate to provide sufficient protections. The regulations that do exist are broad and lack specificity. In some areas of the country, no regulations or controls are in effect. As a result, vandalism and pollution are allowed to destroy these precious resources.

Through the identification and protection of significant caves, this legislation provides a mechanism to stop the destruction of these national treasures and resources. The bill also will help foster greater communication between the Nation's cavers and the Federal managers responsible for the protection of the Nation's caves.

The legislation before the Senate will establish a mechanism for the identification of significant caves. Once this list is compiled, in close consultation with the Nation's cavers, and the significant caves are identified, these caves will receive the management and protection of the Federal land managers. The bill establishes civil and criminal penalties to deter deliberate destruction of caves and the resources contained within.

Mr. President, there are many individuals who deserve special commendation for the compromise legislation we have before us today. Without the commitment and dedication of the Committee on Energy and Natural Resources, this legislation would not have been possible. Chairman JOHNSTON of the full committee, Senator DALE BUMPERS, chairman of the Public Lands, National Parks and Forest Subcommittee, and the committee's ranking minority member, Senator JAMES MCCLURE, played important roles in the passage of this legislation. Senator WENDELL FORD, serving in the role as "acting Chairman" on the day this legislation was reported from committee, added his assistance at a critical time.

In addition, the National Speleological Society's President John Shelton of Hot Springs, SD, and Janet Thorne, chair of the NSS's Conservation Committee, provided the impetus for this legislation and technical advice at crucial points during the legislative process.

I would be remiss if I didn't acknowledge the role that Congressman RICK BOUCHER has played in this process. It was he who introduced the initial version of this legislation, lead the negotiations between the House and the administration, and continued to closely monitor the progress of the legislation once it reached the Senate. He shares my commitment to preserving the Nation's cave resources and has been a true leader in this effort.

Finally, Mr. President, I want to acknowledge the important role that the committee's staff played in fashioning this compromise. Beth Norcross of the majority staff and Gary Ellsworth of the minority staff were particularly helpful in drafting of this compromise.

As a result of the efforts of so many, we have this important legislation before us today. A comprehensive Federal cave policy is long overdue. With this legislation, protection of Federal caves will become a reality. I urge the adoption of this legislation.

Mr. BYRD. Mr. President, I ask unanimous consent that the committee substitute be agreed to, that the bill be advanced to third reading, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 1975) was passed.

ESTABLISHMENT OF FORMER HOME OF ALEXANDER HAMILTON AS A NATIONAL MEMORIAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 971, H.R. 4212.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4212) to amend the joint resolution of April 27, 1962, to permit the Secretary of the Interior to establish the former home of Alexander Hamilton as a national memorial at its present location in New York, NY.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources, with an amendment:

On page 4, line 3, strike "Act.".", and insert in lieu thereof "Act, but not to exceed $2,500,000 million for development."."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Joint resolution of April 27, 1962 (76 Stat. 57), is amended by striking all after the resolving clause and inserting the following:

"SECTION 1. HAMILTON GRANGE NATIONAL MEMORIAL.

"(a) ESTABLISHMENT.—In order to provide for the benefit, inspiration, and education of the American people, there is hereby established the Hamilton Grange National Memorial (hereinafter in this Act referred to as the 'memorial') in the State of New York.

"(b) MAP.—The memorial shall consist of the lands and interests in lands and improvements as generally depicted on the map entitled 'Hamilton Grange National Memorial Boundary Map', number 416/80,002 and dated June 1988.

"SEC. 2. ACQUISITION OF PROPERTY.

"The Secretary of the Interior (hereinafter in this Act referred as the 'Secretary') is authorized to acquire lands, interests in lands, and improvements thereon within the boundaries of the memorial by donation. The Secretary is authorized to reimburse the owner not more than $15,000 for administrative costs directly related to the transfer of ownership of this property. The Secretary may also acquire by the donation, purchase with donated or appropriated funds or by exchange, personal property associated with and appropriate for interpretation of the memorial.

"SEC. 3. ADMINISTRATION OF MEMORIAL.

"The Secretary shall administer the memorial in accordance with the provisions of law generally applicable to units of the National Park System, including the Act of August 21, 1916 (39 Stat. 535; 16 U.S.C. 1, 2-4) and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461). In administering the memorial, the Secretary shall—

"(1) provide for the interpretation of the life of Alexander Hamilton;

"(2) preserve and interpret the history of The Grange, home of Alexander Hamilton; and

"(3) present the history of the United States as a young Nation.

"SEC. 4. GENERAL MANAGEMENT PLAN.

"Within 3 complete fiscal years after the enactment of this section, the Secretary shall submit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate a general management plan for the memorial. The plan shall be prepared in accordance with section 12(b) of the Act of August 18, 1970 (84 Stat. 825; 16 U.S.C. 1a-1—1a-7). Such plan shall identify appropriate facilities for proper interpretation of the site for visitors.

"SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary to carry out this Act, but not to exceed $2,500,000 million for development.".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

AMENDMENT NO. 3761

Mr. BYRD. Mr. President, on behalf of Mr. JOHNSTON, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. JOHNSTON, proposes an amendment numbered 3761.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 4, strike the word "million".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3761) was agreed to.

AMENDMENT NO. 3762

Mr. WARNER. Mr. President, on behalf of Senators HATCH and GARN, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. Warner], for Mr. Hatch, for himself and Mr. Garn, proposes an amendment numbered 3762.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

That, notwithstanding any other provision of law or any order of land classification based thereon, the Secretary of the Interior is authorized to consider an application for desert land entry covering approximately 280 acres of public lands, 105 of which constitute a part of a scenic easement area of the Dinosaur National Monument, Utah, as identified on a map entitled "Desert Land Entry—Dinosaur National Monument—October 1, 1987.". If the applicant meets the requirement of section 2 of this Act, the Secretary shall issue a patent to the applicant in accordance with the Desert Land Entry Act (43 U.S.C. 321 et seq.). Such patent shall reserve to the United States a right-of-way 200 feet in width for the Dinosaur National Monument entrance road.

Sec. 2. The Secretary shall not issue a patent to the lands described in section 1 until the applicant has: (a) complied with the requirements of the Desert Land Entry Act; and (b) conveyed to the United States, at no cost, title to scenic easements for purposes of Dinosaur National Monument on lands identified by the National Park Service as tracts 07-114, south half; 07-115, the complete tract.

Sec. 3. The scenic easements acquired by the Secretary and any patients issued by him under this Act shall be subject to the restrictions set forth in the scenic easement deed dated March 16, 1967, and filed in the records of Moffat County, Colorado, at pages 2 and 3 of book 341 of the deed of records of the county.

● Mr. HATCH. Mr. President, I would like to address the intent of this amendment briefly. A comment was made on the House floor when this matter was approved by that body, implying that the desert land entry application could be considered only after the applicant had surrendered to the United States, at no cost, title to scenic easements for purposes of the Dinosaur National Monument.

As the legislative sponsor of this proposal, I would like to point out that this legislation was specifically written to preclude the possibility of the applicant turning over the scenic easements until he received notification that he has complied with the requirements of the Desert Land Entry Act.

The enacting clause specifically states that, "notwithstanding any other provision of law or any order of land classification, the Secretary of the Interior is authorized to consider an application for Desert Land Entry."

No stipulation is placed on the consideration of this application. However, once it is determined that the applicant is or is not eligible for the desert land entry application, he will not be able to receive a patent until the scenic easements identified as tracts 07-114, south half; 07-115, the complete tract on the map entitled Dinosaur National Monument, Land Status Map 07, have been surrendered to the U.S. Government.

I would envision that the exchange of a patent and easement would thus be done concurrently, and that is certainly my intent.●

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3762) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the bill be advanced to third reading, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 4212), as amended, was passed.

ISSUANCE OF PATENTS WITH RESPECT TO LANDS DEVOTED TO SOLID WASTE DISPOSAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 1020, H.R. 4362.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4362) to amend section 3 of the act of June 14, 1926, as amended (43 U.S.C. 869.2), to authorize the issuance of patents with a limited reverter provision on lands devoted to solid waste disposal, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3763

Mr. WARNER. Mr. President, I send two technical amendments en bloc to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. Warner], for Mr. McClure, proposes an amendment numbered 3763.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 3, line 21 through page 4, line 4, strike subparagraph (6)(A) and insert:

"'(A) Except as otherwise provided in subparagraphs (B) and (D) of this paragraph, the document of conveyance shall provide that the lands conveyed under this subsection shall revert to the United States, unless substantially all of the lands have been used, on or before the date five years after the date of conveyance, for the purpose or purposes specified in the application, or for other use or uses authorized under section 3(a) with the consent of the Secretary.".

On page 4, line 15, at the beginning of the last sentence of subparagraph (6)(B) strike the word "all" and insert "Subject to appropriations, all".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3763) was agreed to.

AMENDMENT NO. 3764

Mr. BYRD. Mr. President, on behalf of Mr. Johnston, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. Byrd], for Mr. Johnston, proposes an amendment numbered 3764.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Sec. 4. Congressional Review.—(a) The Secretary shall not make any conveyance of land or renunciation of reversionary interests under this Act until he has published in the Federal Register regulations implementing this Act and until sixty days (not counting days on which the House of Representatives or the Senate has adjourned for more than three days) after these regulations have been submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives.

(b) During the first three years after enactment of this Act the Secretary shall not make any conveyance of land or renunciation of reversionary interests under this Act until thirty days (not counting days on which the House of Representatives or the Senate has adjourned for more than three days) after notice of intention to do so has been submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3764) was agreed to.

Mr. WALLOP. Mr. President, many western communities are completely landlocked by federally owned lands and are therefore dependent on those lands for uses such as solid waste disposal. This amendment is intended to allow the transfer of Federal lands to State or local governments, without reverter, where such land is necessary for solid waste management because lands otherwise cannot be secured by the governmental entity at a reasonable cost. The amendment permits conveyance of Federal land to a municipality if such land is determined to be available and suitable for sanitary landfill purposes. The Secretary cannot act on an application until the applicant warrants that the use of the lands will be in compliance with all applicable Federal and State laws and also warrants to hold the United States harmless from liability arising out of any violation of such laws and regulations. Moreover, the amendment assures that Federal land will not be conveyed if investigation indicates that a hazardous substance is present on the land.

The Secretary can approve an application for conveyance without reverter only if the applicant demonstrates compliance with all applicable State and local requirements and the land is appropriate in character and acreage to meet existing or reasonably anticipated local needs for solid waste disposal.

This amendment incorporates by reference the pricing provisions of section 2 of this act. The sale price for land conveyed pursuant to this section shall be set by the Secretary upon consideration of the purpose for which the lands are to be used.

Mr. BYRD. Mr. President, I ask unanimous consent that the bill be advanced to third reading, read the third time, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 4362), as amended, was passed.

GOSHUTE RESERVATION LEGISLATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 966, H.R. 2839.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2839) to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, to simplify the boundaries of the Goshute Reservation, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

H.R. 2839

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LANDS HELD IN TRUST FOR THE TRIBE PURSUANT TO EXECUTIVE ORDERS.

(a) Lands Held in Trust.—In recognition and confirmation of the actions of the President in Executive Order 1539 (May 29, 1912; IR 168) and Executive Order 1903 (March 23, 1914; IV K 1048), the lands in Utah described in such orders are hereby declared to be held in trust by the United States for the use and benefit of the Tribe.

(b) Effective Date for Determining Water Rights and Priorities.—For purposes of determining water rights, and priorities related to such rights, in the lands held in trust for the Tribe under subsection (a), such lands shall be deemed to have been held in trust by the United States as of the dates of the respective executive orders referred to in subsection (a) or such earlier dates as may be indicated by any applicable order or law.

SEC. 2. IMPLEMENTATION; PROTECTION OF THE RIGHTS OF THIRD PARTIES; RIGHTS OF ACCESS.

(a) Valid Existing Rights.—Except as otherwise provided in this section, nothing in this Act shall be construed to deprive any person of any valid existing right or interest (including, but not limited to, a real property right or interest, water right or priority, right of ingress and egress, right of way, easement, license, grazing permit oil and gas lease, mining claim, or other legal property or contract right or interest) which such person may have in the lands described in this Act on the date of enactment of this Act.

(b) Transfer of Rights to Tribe.—Upon the effective date of this Act, all valid rights of way, leases, permits, and other land use rights or authorizations, except mining claims, existing on the date of enactment of this Act in the lands described in this Act, including the right to receive compensation for use of the lands, shall cease to be the responsibility of, or inure to the benefit of, the United States, and shall become the responsibility of the Tribe and the Secretary as trustee. The Tribe or the Secretary as trustee shall succeed to the interests of the United States and shall continue to maintain those interests under the same terms and conditions as they were maintained by the United States.

(c) Determination of Validity of Unpatented Mining Claims.—[(1)] Not later than two years after the date of enactment of this Act, the Secretary shall determine the validity of all mining claims existing on the date of enactment of this Act on the lands within the exterior boundaries of the Reservation. Those mining claims which the Secretary determines to be valid shall be maintained thereafter in compliance with the mining laws of the [United States, but the holders of such claims shall not be entitled to a patent.

[(2) Any such valid mining claim—

[(A) shall carry all the rights incident to mining claims, including the right of ingress and egress over the land referred to in sections 3(a) and 3(f);

[(B) shall carry the right to occupy and use so much of the surface of such land within its boundaries as is required for all purposes reasonably necessary to mine and remove the minerals; and

[(C) shall terminate when it is determined by the Secretary to be invalid or is abandoned.] *United States.*

SEC. 3. ADDITION OF LANDS TO THE RESERVATION.

(a) Lands Unintentionally Omitted From Inclusion by Executive Order of 1914.—All right, title, and interest of the United States in and to the lands described in section 10(a) is hereby declared to be held by the United States in trust for the use and benefit of the Tribe and to be part of the Reservation.

(b) Federal But Non-Indian Lands Within the Boundaries of the 1912 and 1914 Executive Order Reservations.—All right, title, and interest of the United States in and to the lands described in section 10(b) is hereby declared to be held by the United States in trust for the use and benefit of the Tribe and to be part of the Reservation.

(c) Lands Held in Trust But Not Part of the Reservation.—All lands described in section 10(c), title to which is held by the United States in trust for the Tribe are hereby declared to be part of the Reservation.

(d) Unification of Subsurface Estates.—All right, title, and interest of the United States in and to the subsurface estates described in section 10(d) is hereby declared to be held by the United States in trust for the use and benefit of the Tribe and to be part of the Reservation.

(e) Lands Held by the Tribe as a Private Party.—The Secretary may accept a conveyance by the Tribe of all right, title, and interest of the Tribe in and to the lands described in section 10(e). Any such land accepted by the Secretary shall be held by the United States in trust for the use and benefit of the Tribe and shall become part of the Reservation.

(f) Federal Lands Surrounding Goshute Tribal Cemetery.—All right, title, and interest of the United States in and to the lands described in section 10(f) is hereby declared to be held by the United States in trust for the use and benefit of the Tribe and to be part of the Reservation.

(g) Maps and Legal Descriptions.—Within 90 days after the date of enactment of this Act, the Secretary shall publish a legal description in the Federal Register of the lands added by this Act to the Reservation. During such period, the Secretary is authorized to correct any technical errors in the legal descriptions contained in this Act. A map depicting the lands added to the Reservation by this Act shall be on file and available for public inspection in the Bureau of Indian Affairs' Land Title Record Office having jurisdiction over these lands.

SEC. 4. CONTINGENT ADDITION OF LANDS AND INTERESTS HELD BY THE STATE OF UTAH; CONTINGENT UNIFICATION OF SPLIT ESTATES.

(a) Lands Held by the State of Utah.—If any right, title, and interest in and to any or all portions of the tracts of land described in section 10(g)(1) ever vests in the [United States, the] *United States as the result of an exchange of public domain land, the* United States shall hold all of its right, title, and interest in and to such tracts in trust for the use and benefit of the Tribe and such tracts shall become part of the Reservation.

(b) Unification of Split Estates.—If any right, title, and interest in and to any subsurface estate in any or all portions of the tracts of land described in section 10(g)(2) shall ever vest in the United States, the

United States shall hold all of its right, title, and interest in and to the minerals in such tracts in trust for the use and benefit of the Tribe and such interests shall become part of the Reservation.

[SEC. 5. AUTHORIZATION FOR THE PURCHASE OF LANDS WITHIN, ADJACENT TO, OR IN CLOSE PROXIMITY TO THE RESERVATION.

[(a) Authority.—The Secretary is authorized to acquire by donation, exchange, purchase any lands or interests in lands within, adjacent to, or in close proximity to the boundaries of the Reservation for the use and benefit of the Tribe.

[(b) Limitation on Exchanges.—Land may be exchanged under subsection (a) only if that land is within the State of Utah and is equal in value to the land being exchanged; except, that the Secretary may accept cash from, or pay cash to, the grantors in such exchanges in order to equalize the values of the properties exchanged.

[(c) Funds for Purchase.—The Secretary is authorized to purchase, with funds made available by the Tribe for this purpose, any lands or interests in lands within, adjacent to, or in close proximity to the Reservation.

[(d) Advice and Consent of Goshute Tribal Business Council.—Before entering into any transaction under this section, the Secretary shall obtain the advice and consent of the Goshute Tribal Business Council. The terms and conditions of any such transaction shall be mutually agreed upon by the Secretary, the Goshute Tribal Business Council, and the States or individuals concerned (as the case may be).

[(e) Addition to Reservation.—Title to any land or interests in land acquired under this section shall be taken in the name of the United States in trust for the use and benefit of the Tribe and shall become part of the Reservation.

[(f) The provisions of this section are in addition to and not in derogation of any authority under any other Federal law.]

SEC. [6.] 5. RESTRICTION ON DISPOSAL OF CERTAIN FEDERAL LANDS ADJACENT TO THE GOSHUTE INDIAN RESERVATION.

Any right, title, or interest of the United States in and to the lands described in section 10(h) may not be conveyed, sold, or otherwise transferred by the Bureau of Land Management, or any other Federal agency, without the approval of the Secretary, after consideration of the desire and need of the Tribe for such lands.

SEC. [7.] 6. EXTINGUISHMENT OF RIGHT OF UNITED STATES TO CONSTRUCT DITCHES AND CANALS.

The reserved right of the United States to construct ditches and canals on the lands described in this [Act, and any lands acquired pursuant to section 5, is] *Act is* hereby extinguished.

SEC. [8.] 7. APPLICATION OF UNITED STATES LAWS TO LANDS ADDED TO RESERVATION.

The lands which are declared to be held in trust for the Tribe and added to the Reservation under this Act shall be subject to the laws of the United States relating to Indian land to the same extent and in the same manner as the lands comprising the Reservation of the Tribe on the day of the enactment of this Act.

SEC. [9.] 8. DEFINITIONS.

For the purposes of this Act—

(1) the term "Reservation" means the reservation of the Tribe;

(2) the term "Secretary" means the Secretary of the Interior; and

(3) the term "Tribe" means the Confederated Tribes of the Goshute Reservation.

SEC. [10.] 9. LAND DESCRIPTIONS.

(a) Lands Unintentionally Omitted From Inclusion by Executive Order of 1914.—The lands referred to in section 3(a), comprising approximately 1753.51 acres of [public domain] *acquired* lands, are described as follows:

Fractional Township 11 South, Range 20 West, Salt Lake Base and Meridian, Juab County, Utah

Section 1: All.

Section 12: Lots 1-4, the northeast ¼, and the northeast ¼ of the southeast ¼.

Section 13: Lots 1-4, the west ½ of the southeast ¼, and the southeast ¼ of the southeast ¼.

Section 24: All.

Section 25: All.

Fractional Township 12 South, Range 20 West, Salt Lake Base and Meridian, Juab County, Utah

Section 1: All.

Section 12: Lots 1 and 2.

(b) Federal but Non-Indian Lands Within the Boundaries of the 1912 and 1914 Executive Order Reservations.—The lands referred to in section 3(b), comprising approximately 80 acres, are described as follows:

1926 ALLOTMENT RECONVEYANCE

Township 11 South, Range 19 West; Salt Lake Base and Meridian, Juab County, Utah

Section 8: The southeast ¼ of the southeast ¼.

Section 9: The southwest ¼ of the southwest ¼.

(c) Lands Held in Trust but Not Part of the Reservation.—The lands referred to in section 3(c), comprising approximately 5,075.69 acres, are described as follows:

(1) Headquarters Unit

Township 9 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 33: The southeast ¼ of the northeast ¼, the southeast ¼, the southeast southwest ¼ of the southwest ¼.

Section 34: The southwest ¼ of the northwest ¼, the west ½ of the southwest ¼, the northeast ¼ of the southwest ¼, the southeast ¼ of the northwest ¼.

Township 10 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 3: Lot 4 and the southwest ¼ of the northwest ¼.

Section 4: Lot 1 and Lot 2, the south ½ of the northeast ¼, the southeast ¼.

(2) Halstead Purchase

Township 9 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 22: The southeast ¼ of the southwest ¼.

Section 27: The east ½ of the west ½.

Section 34: The north ½ of the northwest ¼.

Township 10 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 9: The northeast ¼ of the northwest ¼, the south ½ of the northwest ¼, the north ½ of the southwest ¼, the north ½ of the northeast ¼.

(3) Various Purchased Inholdings in 11 South, 19 West

Township 11 South, Range 19 West, Salt Lake Base and Meridian, Juab County, Utah

Section 19: The northeast ¼ of the southwest ¼.

Section 20: The east ½ of the west ½.

Section 22: The north ½ of the southeast ¼, the northeast ¼, the west ½, the south ½ of the southeast ¼.

(4) Purchased and Exchanged Land in 12 South, 19 West

Township 12 South, Range 19 West, Salt Lake Base and Meridian, Juab County, Utah

Section 27: The southwest ¼ of the northwest ¼, the northwest ¼ of the southwest ¼.

Section 28: The east ½ of the northeast ¼, the east ½ of the northwest ¼, the northwest ¼ of the northwest ¼, the southeast ¼ of the southwest ¼.

Section 29: The southeast ¼, the southwest ¼ of the northeast ¼, the north ½ of the northeast ¼.

Section 30: The south ½ of the northeast ¼.

Section 33: The northeast ¼ of the northwest ¼, the northwest ¼ of the northeast ¼.

Section 34: The southeast ¼, the southeast ¼ of the northeast ¼, the north ½ of the northeast ¼, the northeast ¼ of the northwest ¼.

Section 27: The northwest ¼ of the northwest ¼, the southeast ¼ of the northwest ¼, the east ½ of the southwest ¼, the southwest ¼ of the southwest ¼.

Section 28: The west ½ of the northeast ¼, the southwest ¼ of the northwest ¼, the northeast ¼ of the southwest ¼, the southwest ¼ of the southeast ¼, the east ½ of the southeast ¼.

Section 29: The southeast ¼ of the northeast ¼.

Section 33: The northeast ¼ of the northeast ¼.

Section 34: The northwest ¼ of the northwest ¼.

Section 35: The northwest ¼ of the southwest ¼.

Section 28: The west ½ of the southwest ¼, the northwest ¼ of the southeast ¼.

Section 30: The north ½ of the northeast ¼, the northeast ¼ of the northwest ¼ and Lot 1.

Section 33: The south ½ of the northeast ¼.

Section 34: The southwest ¼ of the northeast ¼, the south ½ of the northwest ¼, the southwest ¼.

(5) Purchased and Exchanged Land in 12 South, 20 West

Fractional Township 12 South, Range 20 West, Salt Lake Base and Meridian, Juab County, Utah

Section 12: Lots 3 and 4.

Section 13: Lots 1, 2, 3 and 4.

Section 24: Lots 1, 2, 3 and 4.

(d) Unification of Subsurface Estates.—The lands referred to in section 3(d) are described as follows:

Township 9 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 22: The southeast ¼ of the southwest ¼ (oil and gas).

Section 34: The southeast ¼ of the northwest ¼, and the northeast ¼ of the southwest ¼ (all minerals).

Township 10 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 4: The south ½ of the southwest ¼ of the southeast ¼ of the northwest ¼ (oil and gas).

Township 12 South, Range 19 West, Salt Lake Base and Meridian, Juab County, Utah

Section 28: The north ½ of the northwest ¼ and the southeast ¼ of the northwest ¼ (all minerals).

Section 29: The west ½ of the east ½, the northeast ¼ of the northeast ¼, and the east ½ of the southeast ¼ (all minerals).

Section 30: The south ½ of the northeast ¼ (all minerals).

Township 12 South, Range 20 West, Salt Lake Base and Meridian, Juab County, Utah

Section 12: Lots 3 and 4 (all minerals).

Section 13: All (all minerals).

Section 24: All (all minerals).

(e) Lands Held by the Goshute Indian Tribe as a Private Party.—The lands referred to in section 3(e), comprising approximately 5 acres, are described as follows:

GOSHUTE TRIBAL CEMETERY

Township 10 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 4: The south ½ of the southwest ¼ of the southeast ¼ of the northwest ¼.

(f) Federal Lands Surrounding Goshute Tribal Cemetery.—The lands referred to in section 3(f), comprising approximately 360 acres, are described as follows:

(1) Township 10 South, Range 19 West; Salt Lake Base and Meridian, Tooele County, Utah

Section 4: Lots 3 and 4, the southwest ¼ of the northwest ¼, the east ½ of the southeast ¼ of the northwest ¼, the northwest ¼ of the southeast ¼ of the northwest ¼, the north ½ of the southwest ¼ of the southeast ¼ of the northwest ¼, [the southwest ¼, and the southwest ¼ of the northwest ¼.] *and the southwest ¼.*

Section 9: The northwest ¼ of the northwest ¼.

(g) Lands Held by the State of Utah.—(1) The lands referred to in section 4(a), comprising approximately 860.16 acres and including the surface and subsurface estates, are described as follows:

Township 11 South, Range 19 West, Salt Lake Base and Meridian, Juab County, Utah

Section 16: The east ½ of the west ½ and the east ½.

Fractional Township 11 South, Range 20 West, Salt Lake Base and Meridian, Juab County, Utah

Section 36: All.

(2) The lands referred to in section 4(b), comprising approximately 1,275.91 acres and including only the subsurface estate, are described as follows:

Township 12 South, Range 19 West, Salt Lake Base and Meridian, Juab County, Utah

Section 30: Lot 1, the north ½ of the northeast ¼, the northeast ¼ of the northwest ¼.

Section 33: The south ½ of the northeast ¼.

Section 34: The southwest ¼ of the northeast ¼, the south ½ of the northwest ¼ and the southwest ¼.

Section 28: The southwest ¼ of the northwest ¼.

Section 29: The southeast ¼ of the northeast ¼.

Section 27: The southeast ¼ of the northwest ¼, the northeast ¼ of the southwest ¼, the southwest ¼ of the southwest ¼.

Section 28: The east ½ of the southeast ¼.

Section 27: The northwest ¼ of the northwest ¼.

Section 35: The northwest ¼ of the southwest ¼.

Section 27: The southeast ¼ of the southwest ¼.

Section 33: The northeast ¼ of the northeast ¼.

Section 34: The northwest ¼ of the northwest ¼.

Section 28: The west ½ of the northeast ¼, the northeast ¼ of the southwest ¼, the southwest ¼ of the southeast ¼.

Section 28: The west ½ of the southwest ¼, the northwest ¼ of the southeast ¼.

(h) Certain Federal Lands Adjacent to the Goshute Indian Reservation.—The lands referred to in section 6, comprising approximately 640.00 acres, are described as follows:

Township 9 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 21: The southeast ¼ of the southeast ¼.

Section 27: The west ½ of the west ½.

Section 28: The east ½ of the east ½.

Section 33: The northeast ¼ of the northeast ¼.

Section 34: The southeast ¼ of the southwest ¼.

Township 10 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 9: The south ½ of the northeast ¼, the north ½ of the southeast ¼, the southeast ¼ of the southeast ¼, the east ½ of the southwest ¼ of the southeast ¼, east ½ of the northwest ¼ of the southwest ¼ of the southeast ¼.

Sec. 10. The conveyance of interests of the United States under sections 3 and 4 of this Act in lands located in Tooele County, Utah and of the lands in section 3(b) of this Act shall be subject to the payment by the Tribe of fair market value for those interests as determined by the Secretary.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

AMENDMENT NO. 3765

Mr. WARNER. Mr. President, on behalf of Mr. Garn, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. Warner], for Mr. Garn, proposes an amendment numbered 3765.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 14, strike "10(a)" and insert "9(a)".

On page 4, line 20, strike "10(b)" and insert "9(b)".

On page 4, at the end of line 22, and on page 5, at the end of line 19, add the following sentence: "So long as such lands are held in trust, they shall not be developed for commercial purposes."

On page 4, line 24, strike "10(c)" and insert "9(c)".

On page 5, line 5, strike "10(d)" and insert "9(d)".

On page 5, line 11, strike "10(e)" and insert "9(e)".

On page 5, line 17, strike "10(f)" and insert "9(f)".

On page 6, line 10, strike "10(g)(1)" and insert "9(g)(1)".

On page 6, line 18, strike "10(g)(2)" and insert "9(g)(2)".

On page 8, line 12, strike "10(h)" and insert "9(h)".

On page 18, line 9, strike "The conveyance" and insert in lieu thereof: "Except for the conveyance of lands pursuant to subsections 3(e) or 3(f), the conveyance".

On page 18, lines 11 and 12, strike the phrase "and of the lands in section 3(b) of this Act".

On page 18, line 15, insert the following new section:

"SEC. 11. LANDS HELD IN TRUST FOR THE UTE MOUNTAIN UTE INDIAN TRIBE.

(a) Land Held in Trust.—The land described in subsection (b) is declared—

(1) to be held in trust by the United States for the benefit of the Ute Mountain Ute Indian Tribe, and

(2) to be part of the Ute Mountain Ute Indian Reservation.

(b) Land Descriptions.—The land referred to in subsection (a) is the parcel of land withdrawn from the public domain and reserved for use as a site for a school for the Ute Indians under the Act approved May 31, 1924 (43 Stat. 246) and more particularly described as follows:

The 40-acre parcel which is approximately the northeast quarter of the southwest quarter of section 7, township 36 south, range 21 east, Salt Lake meridian, San Juan County, Utah, and is bordered by Indian allotment number 15 on the east, by Indian allotment number 55 on the north, and by public domain land on the south and west.

(c) The Act approved May 31, 1924 (43 Stat. 246) is repealed.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3765) was agreed to.

● Mr. GARN. Mr. President, I rise today to express my support for passage of H.R. 2839, with an amendment, a bill making modifications to the Goshute Indian Reservation. As the original sponsor of the Senate companion bill, S. 1687, I wholeheartedly voice my support for this bill and my hope that my colleagues will see fit to pass this important legislation before the 100th Congress adjourns.

Mr. President, this bill is designed to correct several historical and geographical oversights in the original establishment of the Utah component of the Confederate Tribes of the Goshute Reservation. This bill will unify the land base, which currently constitutes the Goshute Reservation, as well as simplify the external boundaries of the "Utah" portion of the reservation. The Goshute Reservation is located in both western Utah and eastern Nevada, and straddles the Utah-Nevada border. I am pleased to note that my colleagues from Nevada are in support of this legislation.

The Goshute Indian Tribe is a small tribe, when compared to other federally recognized tribes throughout the country. Total membership is now at 400 members. However, the Goshute Indians have occupied the lands on or near the existing reservation since the first settlers began exploring the Western portion of the United States. The creation of a reservation by President Wilson along the Utah-Nevada border almost 85 years ago recognized the longstanding existence of the tribe in this area. Since that time, the tribe has been beset by boundary problems which have plagued the administration of tribal affairs on their lands. H.R. 2839 will resolve these problems.

The primary boundary problem lies in a section of land known as "the strip." When President Wilson issued the executive order creating the reservation, the order did not extend the "Utah" portion of the reservation all the way to the Utah-Nevada border. This oversight has left a strip of land one-quarter mile wide and 8 miles long between the current western boundary of the reservation and the Utah-Nevada border. The "Nevada" portion of the reservation was created in 1938, and the eastern border of that portion was extended to the Utah-Nevada border with the intent of forming one continuous reservation with the "Utah" portion.

It is my belief, as well as the tribe's, that the omission of this "strip" was an oversight, and that the United States—both Congress and the administration—intended both portions to be physically joined providing consistency to the reservation's boundary. The lands in this strip consist of 1,754 acres of Bureau of Land Management [BLM] land and an enclave of 320 acres of private land. The BLM acres will be added to the existing reservation with no impact on the private lands.

The bill will also add existing lands held in trust for the tribe by the Federal Government as part of the reservation. This includes 80 acres of land within the existing boundaries and 1,440 acres of land adjacent to the reservation. To further streamline the reservation's boundaries, the bill adds 5 acres of land used by the tribe as cemetery plus a small surrounding area to the headquarters part of the reservation. This action will provide unrestricted access by the tribe to the cemetery. To complete this transfer, H.R. 2839 unifies the surface and subsurface rights of these lands and places them in trust for the Tribe as a part of the reservation.

Mr. President, I appreciate the cooperation of the Senate Energy and Natural Resources Committee with regards to this bill. The committee's Subcommittee on Public Lands, National Parks, and Forests has been very helpful in making appropriate changes in the bill since its introduction. I appreciate their willingness to report the bill out in a timely manner and to bring it before the Senate today.

The main thrust of H.R. 2839 is to transfer close to 2,200 acres to the Goshute Indian Reservation. It is important to note that all of this land was at one time part of the aboriginal area of the Goshutes. The Goshute chairman indicated in testimony submitted to the subcommittee regarding the 1977 court case on how these lands were "lost" to the tribe. It is only proper that Congress restore this acreage to the tribe as well as "cleanup" historical oversights in the creation and the development of the reservation. I appreciate the work of my colleague, Senator HATCH, who has conducted public hearings during the past several years on this proposed legislation. I am pleased to report to the Senate that comments from all interested parties were taken into consideration in the development of this legislation and have produced a final product which I believe should be passed.

The 100th Congress has a unique opportunity to correct the unintended drafting oversights and simplify the Goshute Reservation's boundaries. I believe this small band of Indians of western Utah deserves the Congress' recognition of past drafting mistakes and a willingness to equitably resolve them.

Mr. President, there is an important part of my amendment to H.R. 2839 which I would like to mention here. In 1924, Congress passed H.R. 2882 withdrawing a 40-acre tract of public domain land lying in Allen Canyon, San Juan County, near Blanding, UT. This land was set aside form public use for the benefit of a small band of members of the Ute Mountain Ute Indian Tribe, the White Mesa Utes, for use as a school site. Since this legislation became public law on May 31, 1924 (Public Law 163), the school has long been discontinued and only traces of buildings remain on the site. At present, the land is only occasionally used by tribal members because of the uncertainty of the land's status.

My amendment to H.R. 2839 is to declare this 40-acre tract held in trust by the United States for the benefit of the Ute Mountain Ute Indian Tribe, and to repeal the earlier public law. This action will permit the 300 White Mesa Utes living in Allen Canyon to use this land productively, for example, in such activities as grazing and gardening. Although the land adjoins two tribally owned allotments on two sides, it is not within or adjacent to the exterior boundaries of the Ute Mountain Ute Reservation, which is primarily located in Colorado.

I am pleased to inform my colleagues that support for this amendment has been received from the White Mesa Ute Council, the San Juan County Commission, and the Utah State Division of Indian Affairs Board.

Mr. President, it is my hope that the Senate will rectify a situation that is causing uncertainty for the White Mesa Utes of Utah and accept this amendment. We need to change the designation of these acres so that the White Mesa Utes can use this land, which Congress set aside for them, in a productive and efficient manner. Otherwise, the land, like the buildings on it, will just sit there and continue to deteriorate without providing use to anyone living near it. The White Mesa Utes deserve updated action by Congress.

Again, I thank the chairman of the full committee for bringing this legislation before the Senate. I urge the adoption of the amendment and final passage on H.R. 2839.●

Mr. BYRD. Mr. President, I ask unanimous consent that the bill be read a third time, and passed, and that motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 2839), as amended, was passed.

SOUTHWESTERN PENNSYLVANIA HERITAGE PRESERVATION COMMISSION

Mr. BYRD. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Calendar Order No. 968, H.R. 3313.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3313) to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3766

(Purpose: To coordinate the industrial preservation activities between the Greater Allegheny County area and the nine county area represented by the Southwestern Pennsylvania Heritage Preservation Commission)

Mr. WARNER. Mr. President, on behalf of the Senator from Pennsylvania [Mr. HEINZ] I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. HEINZ, proposes an amendment numbered 3766.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

After section 104(c) of H.R. 3313 add the following new subsection (d) as follows and redesignate the existing subsection (d) as subsection (e):

"(d) STUDY REPORT.—The Commission in consultation with the Secretary, the Pittsburgh Area Steel Industry Heritage Task Force and other interested parties which represent the greater Allegheny and Washington Counties/Mon-Valley area shall within 2 years of enactment of this Act, submit a report concerning the cultural and historical resource values of the greater Allegheny and Washington Counties/Mon-Valley area to the Secretary. Such report shall include an analysis of the methods and means of inventorying, preserving and interpreting the cultural and historical resources of the area, along with recommendations concerning the coordination of activities in the 11 counties represented by the Commission and the Pittsburgh Area Steel Industry Heritage Task Force and other interested parties. The Secretary shall review the report and submit it along with any comments or recommendations that the Secretary may wish to make to the Committee on Interior and Insular Affairs of the U.S. House of Representatives and the Committee on Energy and Natural Resources of the U.S. Senate within 180 days after receipt of such report from the Commission."

● Mr. HEINZ. Mr. President, I rise to offer a noncontroversial amendment to H.R. 3313, legislation which establishes the Southwestern Pennsylvania Heritage Preservation Commission in the Department of the Interior. I want to also thank and commend Senators BUMPERS, WALLOP, JOHNSTON, and McCLURE and Representatives MURTHA and VENTO for their efforts which have successfully brought this important legislation to a final vote.

The Commission this legislation establishes will coordinate efforts directed at preserving and promoting the history of development and growth of heavy industry in southwestern Pennsylvania and in America. Already, local, State, and Federal officials have been working closely with private groups and individuals to form an integrated public-private partnership.

America's industrial heritage project began in 1985 with a National Park Service study identifying the region's cultural and historic resources. The creation of the Commission followed, and an "Action Plan" was drafted. Included in this plan was a recommendation to formally establish this Commission in Interior. Before us now, is the legislation to implement this recommendation.

My amendment provides a vehicle for the coordination of industrial preservation activities between the Greater Allegheny and Washington Counties area, particularly the Pittsburgh Area Steel Industry Heritage Task Force, and the nine-county area represented by the Commission. Within 2 years after enactment, the Commission in consultation with the task force and the Secretary of the Interior will submit a report to the Congress detailing preservation efforts in Allegheny and Washington Counties and making recommendations concerning further coordination between the groups.

My amendment recognizes the fact that any effort to preserve and interpret the best structures, records, and artifacts of America's industrial heritage must incorporate these counties, which include the Monongahela Valley and the city of Pittsburgh. The language of this amendment has been cleared on both sides of this body's aisle and with the House sponsors.

America's industrial heritage project has already begun to revitalize the attitudes of people toward their communities, communities which bore the brunt of the decline of America's heavy industries. This project is not only regionally significant, but its success is important to the entire country. The physical evidence of America's industrial heritage is fast disappearing. Through this project, and the enactment of this legislation, all Americans will have the opportunity to appreciate first-hand some of the forces that helped shape America's industrial development and progress.●

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3766) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the bill be read the third time, and passed, and that a motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 3313), as amended, was passed.

AMENDMENT TO THE FEDERAL LAND POLICY AND MANAGEMENT ACT OF 1976

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be discharged from further consideration of H.R. 2806, a bill to permit the temporary use for military purposes of public lands in Alaska, that the Senate proceed to its immediate consideration, that it be considered as having been read the third time, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 2806) was passed.

OMNIBUS PUBLIC LANDS AND NATIONAL FORESTS ADJUSTMENTS ACT OF 1988

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be discharged from further consideration of H.R. 3680, that the Senate proceed to its immediate consideration, that it be advanced to third reading, read the third time, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 3680) was passed.

STEEL AND ALUMINUM ENERGY CONSERVATION AND TECHNOLOGY COMPETITIVENESS ACT

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2470.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2470) entitled "An Act to promote energy conservation and technology competitiveness in the American steel and aluminum industries", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Steel and Aluminum Energy Conservation and Technology Competitiveness Act of 1988".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) maintaining viable domestic steel, aluminum, copper, and other metals industries is vital to the national security and economic well being of the United States; and

(2) the promotion of technology competitiveness and energy conservation in the American steel and aluminum industries by the Federal Government through a program of joint research and development will help maintain viable domestic steel and aluminum industries.

(b) PURPOSES.—The purposes of this Act are to—

(1) increase the energy efficiency and enhance the competitiveness of American steel, aluminum, and copper industries by providing Federal incentives for the establishment of public-private sector research and development partnerships to undertake scientific research and development to develop advanced technologies utilizing the expertise of the steel, aluminum, copper, and other metals industries, Government-owned laboratories of the Department of Energy and the National Institute of Standards and Technology, universities, State development agencies, and others; and

(2) continue steel research and development initiative efforts begun under title II of the Interior and Related Agencies portion of the joint resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190).

SEC. 3. DEFINITIONS.

As used in this Act—

(1) the term "Secretary" means the Secretary of Energy;

(2) the term "domestic company" means a company which is substantially involved in the United States domestic production, processing, or use of steel, aluminum, copper, or other metals and has a substantial percentage of its operations located within the United States;

(3) the terms "management plan" and "plan" mean the Steel Initiative Management Plan issued on April 1, 1987, by the Department of Energy, which establishes the management framework for the steel research and development initiative, and updates to that plan; and

(4) the term "research plan" means the Steel Initiative Research Plan issued in April 1988 by the Department of Energy, and updates to that plan.

SEC. 4. ESTABLISHMENT OF SCIENTIFIC RESEARCH AND DEVELOPMENT PROGRAM TO DEVELOP COMPETITIVE MANUFACTURING TECHNOLOGIES AND INCREASE ENERGY EFFICIENCY IN THE STEEL AND ALUMINUM INDUSTRIES.

(a) General Authority.—The Secretary, pursuant to the authority provided under provisions of the Federal Nonnuclear Research and Development Act of 1974 (42 U.S.C. 5901, et seq.), shall reestablish an industrial energy conservation and competitive technology program to conduct scientific research and development of steel and aluminum technologies to carry out the purposes of this Act. Such program shall provide the financial and technical assistance and other incentives which, in the judgment of the Secretary, are necessary to carry out the purposes of this Act.

(b) Management Plan.—Within 6 months after the date of enactment of this Act, the Secretary shall publish an update of the management plan to expand the steel research and development initiative to include aluminum and to carry out the purposes of this Act. The Secretary, from time to time, may further update the management plan. The management plan shall be subject to the following conditions:

(1) For newly initiated research and development proposals submitted under the revised management plan, the non-Federal financial share shall equal at least 30 percent of the total cost of any project.

(2) Existing facilities, equipment, supplies, and other property may be included in the non-Federal share under this section only when they are directly relevant to the project.

(3) The knowledge resulting from research and development activities conducted under this Act shall be developed for the benefit of the domestic companies who provide financial resources to the program.

(4) The Secretary, for a period of up to 5 years after the development of information that—

(A) results from research and development activities conducted under this Act; and

(B) would be a trade secret or commercial or financial information that is privileged or confidential, as described in section 5(a), if the information had been obtained from a domestic company,

may provide appropriate protections against the dissemination of such information, including exemption from subchapter II of chapter 5 of title 5, United States Code.

(5) The plan shall assure basic research support, for the research carried out under the research plan, from independent laboratories, universities, and nonprofit organizations, by coordinating activities under the research plan with the basic research efforts of the Department of Energy, such as the Energy Conversion and Utilization Technologies Program and the Materials Processing and Sensor and Controls Programs within the Office of Industrial Programs.

(c) Priorities.—Within 6 months after the date of enactment of this Act, the Secretary shall publish an update of the research plan. In reviewing research and development activities for possible inclusion in the research plan, the Secretary shall consider the following:

(1) Steel projects.—

(A) The direct production of liquid steel from domestic materials.

(B) The production of near-net shape forms from liquid, powder, or solid steel.

(C) The development of universal grades of steel.

(D) The application of automatic processing technology.

(E) The removal of residual elements from steel scrap.

(F) The treatment and storage of waste materials and other byproducts from steel production and processing.

(G) The development of super-plastic steel processing.

(H) The development of advanced coatings for sheet steels.

(I) The development of technologies and equipment related to the production of steel that enhance the protection of the environment and the safety and health of workers.

(J) Other steel technologies which, in the judgment of the Secretary, further the purposes of this Act.

(2) Aluminum and other projects.—

(A) The production of aluminum.

(B) The application of automatic processing technology.

(C) The treatment and storage of waste materials and other byproducts from aluminum production and processing.

(D) The manufacture of aluminum mill products.

(E) Aluminum recycling technologies.

(F) The development of technologies and equipment related to the production of aluminum that enhance the protection of the environment and the safety and health of workers.

(G) Aluminum, copper, and other metals technologies which, in the judgment of the Secretary, further the purposes of this Act.

(d) Industry Participation and Review.—The Secretary shall arrange for participation and review by representatives of each affected industry and by labor in the updating of the management and research plans and in the evaluation of the progress of research and development activities for their industry conducted under this Act.

SEC. 5. PROTECTION OF PROPRIETARY RIGHTS.

(a) Proprietary Rights.—No trade secrets or commercial or financial information that is privileged or confidential, under the meaning of section 552(b)(4) of title 5, United States Code, which is obtained from a domestic company shall be disclosed in the conduct of the management plan or research plan, or as a result of activities under this Act.

(b) Patent Rights Vested in the United States.—All patent rights from inventions developed under the management plan or the research plan implemented pursuant to this Act shall be vested in accordance with section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901).

SEC. 6. COORDINATION.

The Secretary shall coordinate the research and development conducted under this Act with other research and development being conducted by the Department of Energy and other Federal agencies in order to increase efficiency and avoid duplication of effort.

SEC. 7. EXPANDED STEEL AND ALUMINUM RESEARCH PROGRAM IN NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

The National Institute of Standards and Technology, through its Institute for Materials Science and Engineering and, as appropriate, in coordination with the Department of Energy and other Federal agencies, shall conduct an expanded program of steel and aluminum research to provide necessary instrumentation and measurement research and development in support of activities conducted under this Act.

SEC. 8. REPORTS.

The Secretary shall prepare and submit annually to the President and the Congress at the close of each fiscal year a complete report of the research and development activities carried out under this Act during the fiscal year involved, including the actual and anticipated obligation of funds, for such activities, together with such recommendations as the Secretary may consider appropriate for further legislative, administrative, and other actions, including actions by the American steel and aluminum industries, which should be taken in order to achieve the purposes of this Act. The report submitted at the close of fiscal year 1991 shall also contain a complete summary of activities under the management plan and the research plan from the first year of their operation, along with an analysis of the extent to which they have succeeded in accomplishing the purposes of this Act.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

(a) To the Secretary.—(1) There are authorized to be appropriated to the Secretary, to carry out the functions of the Department of Energy under this Act, $2,000,000 for fiscal year 1989, $20,000,000 for fiscal year 1990, and $25,000,000 for fiscal year 1991.

(2) Funds previously appropriated for the steel research and development initiative—

(A) under title II of the Interior and Related Agencies portion of the joint resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190); or

(B) under subsequent appropriation Acts, which remain available under the terms of such Acts may be used for the purposes of this Act.

(b) To the Institute.—There are authorized to be appropriated to the Director of the National Institute of Standards and Technology to carry out the functions of the Institute under this Act, $3,000,000 for each of the fiscal years 1989, 1990, and 1991.

SEC. 10. RELATION OF EXISTING PROGRAM.

Proposals received by the Department of Energy before the date of enactment of this Act may be carried out without regard to changes in the management plan and research plan required by this Act.

SEC. 11. DRUG-FREE WORKPLACE.

(a) No department, agency, or instrumentality of the United States receiving funds authorized to be appropriated under this Act for fiscal year 1989, fiscal year 1990, or fiscal year 1991, or under any other Act authorizing appropriations for fiscal year 1989, fiscal year 1990, or fiscal year 1991, shall obligate or spend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its work places are free from illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act) by the officers and employees of such department, agency, or instrumentality.

(b) No funds so authorized to be appropriated to any such department, agency, or instrumentality shall be available for payment in connection with any grant, contract, or other agreement, unless the recipient of such grant, contract, or party to such agreement, as the case may be, has in place and will continue to administer in good faith a written policy, adopted by such recipient, contractor, or party's board of directors or other governing authority, satisfactory to the head of the department, agency, or instrumentality making such payment, designed to ensure that all of the workplace of such recipient, contractor, or party are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act) by the officers and employees of such recipient, contractor, or party.

Mr. METZENBAUM. Mr. President, I rise in support of S. 2470. I introduced this measure to help restore the competitiveness of the American steel industry.

The United States once led the world in developing state-of-the-art steelmaking technologies. But following a decade of depression, losses exceeding $12 billion and layoffs of 60 percent of its work force, the U.S. steel industry is just trying to keep up with the competition abroad. Foreign governments funnel millions of dollars into steel R&D efforts. Today, more often than not, we turn to foreign companies to supply the latest in steelmaking technology and hardware.

Mr. President, the American steel industry has rationalized, downsized, and economized to work its way back into a competitive position. The U.S. steel industry is now the most labor efficient in the world.

But that is not enough to compete with massively subsidized foreign competition. Mr. President, the American steel industry needs and deserves the Government's help to meet the challenge of subsidized technology developments abroad.

This bill meets that need. S. 2470 creates a public-private sector partnership to help the American steel industry retake the lead in steelmaking technology development. It authorizes a 3-year, $56 million research and development program pooling the resources of the Department of Energy's national labs with the talents of industry and university researchers. It requires cost-sharing by industry, but allows full Federal financing for nonprofit groups through existing basic R&D programs.

Mr. President, a strong steel industry is essential to America's economic well being and national security. This bill is vital to the future competitiveness of the American steel industry. I urge my colleagues to support this measure.

Mr. BYRD. Mr. President, I move that the Senate concur in the amendment of the House.

The **PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITION OF OHIO TO THE MIDDLE ATLANTIC INTERSTATE FOREST FIRE PROTECTION COMPACT

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H.R. 2756, the Senate proceed to its immediate consideration, it be advanced to a third reading, passed, and the motion to reconsider laid on the table.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

So the bill (H.R. 2756) was passed.

UNDETECTABLE FIREARMS ACT

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 4445.

The **PRESIDING OFFICER** laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 4445) entitled "An Act to amend title 18, United States Code, to prohibit certain firearms especially useful to terrorists", with the following amendment:

In lieu of the matter inserted by said amendment, insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Undetectable Firearms Act of 1988".

SEC. 2. UNDETECTABLE FIREARMS.

(a) PROHIBITIONS.—Section 922 of title 18, United States Code, is amended by adding at the end the following:

"(p)(1) It shall be unlawful for any person to manufacture, import, sell, ship, deliver, possess, transfer, or receive any firearm—

"(A) that, after removal of grips, stocks, and magazines, is not as detectable as the Security Exemplar, by walk-through metal detectors calibrated and operated to detect the Security Exemplar; or

"(B) any major component of which, when subjected to inspection by the types of x-ray machines commonly used at airports, does not generate an image that accurately depicts the shape of the component. Barium sulfate or other compounds may be used in the fabrication of the component.

"(2) For purposes of this subsection—

"(A) the term 'firearm' does not include the frame or receiver of any such weapon;

"(B) the term 'major component' means, with respect to a firearms, the barrel, the slide or cylinder, or the frame or receiver of the firearms; and

"(C) the term 'Security Exemplar' means an object, to be fabricated at the direction of the Secretary, that is—

"(i) constructed of—

"(I) during the 12-month period beginning on the date of the enactment of this subsection, 3.7 ounces of material type 17-4 PH stainless steel in a shape resembling a handgun; and

"(II) after the close of such 12-month period, 3.7 or fewer ounces of such metal (as prescribed by the Secretary in regulations as state-of-the-art in weapons detection technology advances) in such shape, to permit the manufacture, importation, sale, shipment, delivery, possession, transfer, or receipt of firearms that are detectable and contain 3.7 or fewer ounces of such metal; and

"(ii) suitable for testing and calibrating metal detectors.

"(3) Under such rules and regulations as the Secretary shall prescribe, this subsection shall not apply to the manufacture, possession, transfer, receipt, shipment, or delivery of a firearm by a licensed manufacturer or any person acting pursuant to a contract with a licensed manufacturer, for the purpose of examining and testing such firearm to determine whether paragraph (1) applies to such firearms. The Secretary shall ensure that rules and regulations adopted pursuant to this paragraph do not impair the manufacture of prototype firearms or the development of new technology.

"(4) The Secretary shall permit the conditional importation of a firearm by a licensed importer or licensed manufacturer, for examination and testing to determine whether or not the unconditional importation of such firearm would violate this subsection.

"(5) This subsection shall not apply to any firearm which—

"(A) has been certified by the Secretary of Defense or the Director of Central Intelligence, after consultation with the Secretary and the Administrator of the Federal Aviation Administration, as necessary for military or intelligence applications; and

"(B) is manufactured for and sold exclusively to military or intelligence agencies of the United States.

"(6) This subsection shall not apply with respect to any firearm manufactured in, imported into, or possessed in the United States before the date of the enactment of the Undetectable Firearms Act of 1988.".

(b) PENALTY.—Section 924 of title 18, United States Code, is amended—

(1) in subsection (a)(1), by striking "or (c)" and inserting in lieu thereof ", (c), or (f)"; and

"(2) by adding at the end the following:

"(f) In the case of a person who knowingly violates section 922(p), such person shall be fined under this title, or imprisoned not more than 5 years, or both.".

"(c) CONFORMING AMENDMENTS.—Section 925 of title 18, United States Code, is amended—

(1) in subsection (a), by inserting after "chapter" the following: ", except for provi-

sions relating to firearms subject to the prohibitions of section 922(p),"; and

(2) by adding at the end the following:

"(f) The Secretary shall not authorize, under subsection (d), the importation of any firearms the importation of which is prohibited by section 922(p).".

"(d) Research and Development of Improved Airport Security Systems.—The Administrator of the Federal Aviation Administration shall conduct such research and development as may be necessary to improve the effectiveness of airport security metal detectors and airport security x-ray systems in detecting firearms that, during the 10-year period beginning on the effective date of this Act, are subject to the prohibitions of section 922(p) of title 18, United States Code.

"(e) Studies To Identify Equipment Capable of Distinguishing Security Exemplar From Other Metal Objects Likely To Be Carried on One's Person.—The Attorney General, the Secretary of the Treasury, and the Secretary of Transportation shall each conduct studies to identify available state-of-the-art equipment capable of detecting the Security Exemplar (as defined in section 922(p)(2)(C) of title 18, United States Code) and distinguishing the Security Exemplar from innocuous metal objects likely to be carried on one's person. Such studies shall be completed within 6 months after the date of the enactment of this Act and shall include a schedule providing for the installation of such equipment at the earliest practicable time at security checkpoints maintained or regulated by the agency conducting the study. Such equipment shall be installed in accordance with each schedule. In addition, such studies may include recommendations, where appropriate, concerning the use of secondary security equipment and procedures to enhance detection capability at security checkpoints.

(f) Effective Date and Sunset Provision.—

(1) Effective date.—This Act and the amendments made by this Act shall take effect on the 30th day beginning after the date of enactment of this Act.

(2) 10-year sunset.—Effective 10 years after the effective date of this Act—

(A) subsection (p) of section 922 of title 18, United States Code, is hereby repealed;

(B) subsection (f) of section 924 of such title is hereby repealed;

(C) subsection (f) of section 925 of such title is hereby repealed;

(D) section 924(a)(1) of such title is amended by striking ", (c), or (f)" and inserting in lieu thereof "or (c)"; and

(E) section 925(a) of such title is amended by striking ", except for provisions relating to firearms subject to the prohibitions of section 922(p)."

AMENDMENT NO. 3767

Mr. BYRD. Mr. President, I move that the Senate concur in the amendment of the House with a further amendment which I send to the desk on behalf of Senator Metzenbaum.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. Byrd], for Mr. Metzenbaum, proposes an amendment numbered 3767.

Mr. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out paragraph 2(c) of subsection (p) as added by section 2 and insert in lieu thereof the following:

"(C) the term 'Security Exemplar' means an object, to be fabricated at the direction of the Secretary, that is—

"(i) constructed of, during the 12-month period beginning on the date of the enactment of this subsection, 3.7 ounces of material type 17-4 PH stainless steel in a shape resembling a handgun; and

"(i) suitable for testing and calibrating metal detectors;

"Provided, however, That at the close of such 12-month period, and at appropriate times thereafter the Secretary shall promulgate regulations to permit the manufacture, importation, sale, shipment, delivery, possession, transfer, or receipt of firearms previously prohibited under this subparagraph that are as detectable as a 'Security Exemplar' which contains 3.7 ounces of material type 17-4 PH stainless steel, in a shape resembling a handgun, or such lesser amount as is detectable in view of advances in state-of-the-art developments in weapons detection technology;

● Mr. METZENBAUM. Mr. President, I am pleased that once again the Senate is passing legislation banning the sale of plastic and other undetectable guns. This bill originated as S. 465, legislation introduced by myself and cosponsored by Senator Thurmond, The ranking minority member of the Judiciary Committee, as well as several other Senators. When we became convinced that the detectability standard in S. 465 could be reduced if state-of-the-art metal detectors were installed in airports and other Federal facilities, we introduced a revised version of the bill, S. 2180.

From the beginning of our efforts on this legislation, we attempted to persuade the Justice Deparment to join us in devising an effective and workable bill. Unfortunately, the Justice Department initially decided to endorse a fundamentally different approach embodied in S. 2051, a bill which would have banned only totally plastic guns. This bill would have had no real impact in barring undetectable weapons, and, fortunately, the Justice Department was persuaded to reverse its position and endorse the approach taken by Senator Thurmond and myself.

The credit for the reversal in the Justice Department's position, as well as in the broad public support for this bill, goes first and foremost to the Nation's law enforcement organizations. Every major law enforcement organization in this country, which together constitute the law enforcement steering committee, worked long and hard to make sure this bill became law. I wish to thank again the efforts of these groups, which include the Fraternal Order of Police, the International Association of Chiefs of Police, the International Brotherhood of Police Officers, the Major City Chiefs Organization, the National Association of Police Organizations, the National Organization of Black Law Enforcement Executives, the National Sheriffs Association, the National Troopers Coalition, the Police Executive Research Forum, the Police Foundation, and the Police Management Association.

Over the last few months, my staff has worked with the staff of Congressman Hughes to resolve the few differences between the House and Senate bills. With a few minor changes, this is the version that has been incorporated into the bill. I wish to commend Congressman Hughes and this staff for their cooperation and leadership in the House on this issue.

We are amending the House bill for the purpose of making clear that authority granted to the Secretary to revise the exemplar standard extends only to reducing the metal content, and would be exercised in the event that advances in weapons detection technology makes such a reduction practical, consistent with the objectives of this legislation.●

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DISASTER RELIEF AND EMERGENCY ASSISTANCE AMENDMENTS

Mr. BYRD. Mr. President, I ask unanimous consent the Committee on Environment and Public Works be discharged from further consideration of H.R. 2707 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2707) to amend the Disaster Relief Act of 1974 to provide for more effective assistance in response to major disasters and emergencies, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3768

Mr. BYRD. Mr. President, I send an amendment to the desk on behalf of Senator Burdick and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] for Mr. BURDICK, proposes an amendment numbered 3768.

Mr. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 3768) was agreed to.

Mr. GLENN. Mr. President, at my request, the Committee on Environment and Public Works has included a modified version of my bill, S. 1955, as part of the Disaster Relief Act amendments. The modified S. 1955, which is nearly identical to a bill offered by Congressman DAVIS in the House, directs the Secretary of the Interior to update and prepare maps of all unprotected, undeveloped Great Lakes coastal barrier areas. Interior will be required to recommend to Congress the inclusion of the appropriate coastal units within 3 months. Congress will then be free to act upon the recommendations as it chooses.

Though my original bill would have moved the process of inclusion of Great Lakes areas into the Coastal Barriers Resources System along much more quickly, I am apprised that the committee members and staff will proceed speedily with hearings upon completion of the maps. The emphasis on speed is important in this case because the recent low-water levels encourage builders to consider development in sensitive areas that should be included in the Coastal Barriers Resources System.

Mr. President, I would like to engage the distinguished chairman of the Committee on Environment and Public Works, Senator BURDICK, in a short colloquy regarding the coastal barriers provision in this bill.

This section calls for the Secretary of the Interior to submit his recommendations to Congress within 90 days of enactment of the Disaster Relief Act of 1988. If this bill becomes law this Congress, the Secretary's recommendations will probably be received by the Committee on Environment and Public Works early in the 101st Congress. It is my hope that the committee will act speedily to consider the inclusion of designated Great Lakes areas into the Coastal Barriers Resources System.

Mr. BURDICK. Mr. President, I can assure my colleague that the Committee on Environment and Public Works will begin deliberations on the recommendations of the Department of Interior as expeditiously as possible. Every effort will be made to complete consideration in a timely manner.

Mr. GLENN. I look forward to working with the Senator and the committee, and I am sure the other Great Lakes Senators will be participating as well.

I wish to clarify the intent of my contribution to the bill and alleviate the concerns of the Senator from Louisiana. Senator BREAUX has voiced his concern over the section of the bill providing an exception for shoreline areas which contain existing highways within the State of Michigan.

The draft maps that were prepared by the Department of the Interior in 1985 indicated that certain small segments of the four public highways in Michigan that could possibly be eligible for inclusion in the Coastal Barrier Resources System. These highways are U.S. Route 2, which runs along the upper peninsula of the State; U.S. Route 23 which crosses through Alpena; U.S. Route 31, which travels along the western edge of the lower peninsula of the State; and Michigan Route 25 which runs along the thumb of the State.

The State of Michigan is concerned that if these four roads are included in the Coastal Barrier System, Federal highway funds which could be used to develop much needed passing lanes might be affected. Therefore, the State has requested that we ensure that public safety is not compromised and exclude areas containing these roads from consideration at the outset. Parts of these roads have already been expanded to include a passing lane, and the State needs Federal funds to complete the work. Without this exception, Michigan, the State possibly most affected by this legislation, would not support extension of the Coastal Barrier System to the Great Lakes.

The State of Michigan has vast undeveloped areas, and these roads serve, in many cases, as major arteries between populated sites. To restrict the ability of the State to protect lives is unnecessary, especially given that one of the purposes behind the Coastal Barriers Resources System is to save lives and property from destruction. This exception will have limited effect and is in no way intended as a wholesale exemption for massive highway development in the State.

This coastal barriers provision is an important step for the Great Lakes. It is a fair step. It is a germane step within the scope of this legislation. It begins the process of refusing Federal benefits, such as flood protection and direct improvements, to anyone unwisely building in environmentally sensitive areas prone to disaster. Discouraging development in these areas will save Federal disaster relief moneys from being spent twice in the same place. Inclusion of the areas recommended because of this provision will protect the environment and the Treasury from severe damage that could be done by overeager, shortsighted builders.

This section of the bill seeks only to provide the Great Lakes with the attention they deserve and makes no significant deviation from the process followed in the original Coastal Barriers Act. I am pleased that the Committee on Environment and Public Works has agreed to include it in the bill.

Mr. MOYNIHAN. Mr. President, today I commend my support as chairman of the Subcommittee on Water Resource, Transportation and Infrastructure of the Committee on Environment and Public Works to H.R. 2707, the Disaster Relief and Emergency Assistance Act Amendments of 1988. This bill represents an important reform of the Federal system of dealing with natural disasters such as floods, hurricanes, and tornadoes, and is much needed.

As has been pointed out, the Senate has passed virtually this same bill for the last several Congresses, but the House always failed to take action. This year the House of Representatives has acted, and there is an opportunity to get this project finished once and for all.

The provisions of the disaster relief portions of this bill are explained in great detail in the report that accompanies the bill, and so I should say just a few words about several amendments the committee has agreed to accept.

The first is a technical amendment to a provision I and Senators D'AMATO, LAUTENBERG, and BRADLEY attached to the energy and water development section of the continuing resolution for fiscal year 1988. Our original amendment removed a 200-by-800 foot section of the Hudson River from the Federal channel deepening project for the Hudson so that the New York/New Jersey Port Authority could construct a ferry terminal and institute commuter ferry service across the Hudson. Unfortunately, the description of the particular piece of water contained in our amendment was incorrectly worded, and this may stand in the way of construction. The language contained in the amendment I am sponsoring today would make a more precise definition of the exact area we propose to use for the ferry terminal, and I hope all of my colleagues can support it. Mr. President, I ask unanimous consent that the attached letter from Mr. Stephen Berger, executive director of the port authority, be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOYNIHAN. Mr. President, the other amendment of interest concerns mapping of the Great Lakes for possible later inclusion into the coastal barrier resource system, and is sponsored by Senator GLENN, and myself and several of our Great Lakes colleagues. This bill differs from Senator GLENN's bill S. 1955 in that the areas identified by the Department of the Interior in its mapping exercise would not be included in the coastal barrier system without positive action by Congress sometime in the future. I hope, and I am sure Senator GLENN shares this view, that as soon as these maps are ready the Congress will examine them and vote on whether the areas they identify as suitable should be included in the coastal barrier system.

Also being attached to the bill is an amendment by Senator REID regarding FEMA disaster declaration that he sponsored during committee markup and was inadvertently left out of the bill.

Mr. President, this bill and these amendments all have my support, and I urge their adoption.

EXHIBIT 1

THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY,
New York, NY, August 8, 1988.

Hon. DANIEL PATRICK MOYNIHAN,
Water Resources, Transportation and Infrastructure Subcommittee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Port Authority ferry project has been presented with a complication that I am hopeful will be resolved with your assistance.

As you will recall, through the efforts of you and Senator Lautenberg, Public Law 100-202 (the Continuing Resolution for FY 88) contains a provision to aid in the construction of the planned mass transit scale ferry system in New York Harbor. The law enables a terminal to be located in a relatively small area of the Hudson River channel alongside Battery Park City. However, we have since determined that the boundary description is mis-worded in one small respect. Instead of reading "northerly side of Vesey Street" the modifier in the law is "southerly". This, unfortunately, reduces the dimension of the planned terminal area. It also complicates the process we are about to enter into with regard to the necessary Federal permits.

In order to avoid problems as we move ahead with this project, our counsel recommends legislation to substitute a more precise provision in the law for that enacted last year. The substitute employs the exactness of metes and bounds in lieu of using streets to describe the subject area.

The amendment required is technical, involving no substantive alterations whatsoever. Furthermore, the past issue with regard to the location adjacent to Battery Park City has since been resolved through an agreement with the Battery Park City Authority and we are proceeding with plans for initial service at the earliest possible date.

I am seeking your assistance to attach this technical amendment to the most immediate legislative vehicle you consider appropriate so that the law may be amended during this 100th Congress. Paul Bea of my Washington office has provided your subcommittee staff with background information and is available to you and them for the necessary follow up. Thank you for your continuing assistance in this matter.

Sincerely yours,

STEPHEN BERGER.

Mr. BURDICK. Mr. President, today the Senate takes up for the sixth time legislation amending the Disaster Relief Act, which has not been amended since its enactment in 1974.

H.R. 2707, the bill now being considered, is similar to legislation which has been reported three times by the Committee on Environment and Public Works and passed five times by the Senate in the last three Congresses. The House of Representatives failed to act on disaster relief legislation until this Congress, when the House passed H.R. 2707, which contained many of the reforms contained in the Senate-passed legislation. The House and Senate committees have worked over the past several weeks to produce a package which authorizes much-needed reforms while remaining budget-neutral, a prerequisite to administration approval. That package is what is before the Senate today.

I repeat, Mr. President, that this legislation is budget neutral and is acceptable to the administration. I ask unanimous consent that a letter from Joseph R. Wright, Acting Director of the Office of Management and Budget, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BURDICK. Mr. President, under the Disaster Relief Act of 1974, the Federal Emergency Management Agency coordinates the Federal Government's response to all civil disasters and emergencies, whether natural or manmade in origin.

H.R. 2707 establishes, for the first time, a clear distinction between disasters occurring from natural causes and emergencies stemming from humanly caused events, and provides separate sets of authorities for use in Presidentially-declared disasters and emergencies.

The legislation incorporates into law the requirement that non-Federal entities share the cost of both disaster and emergency assistance at the minimum rate of 75-percent Federal and up to 25-percent non-Federal. This codifies FEMA policy which has been in effect since 1980, and will prevent any administrative effort to increase the non-Federal share, which was attempted in 1986.

Should a non-Federal entity be unable to assume its responsibility for cost sharing, this bill authorizes the President to lend or advance the required amount, but only under tightly defined conditions.

This legislation also contains a provision which codifies existing FEMA practice of providing Federal assistance for expenses incurred by local governments in anticipation of and immediately preceding a disaster. Such activities would include, but not be limited to, issuance of warnings, public health and safety information, mobilization of emergency resources, and construction or preparation of temporary hazard reduction facilities which might reduce or eliminate damages from an impending disaster. Measures which are not eligible under this provision are those of a long-term or permanent nature or those which have been previously authorized under local, State, or Federal statute or authority. This provision is not intended to either expand or diminish current assistance.

H.R. 2707 also contains a provision limiting the use of sliding scales in determining assistance under this act. The intention of this language is not to preclude the use of arithmetic formulas or sliding scales to assist in determining which geographic areas should receive assistance, but to assure that such formulas or scales would not be the sole basis for such determination. The procedure for determining which geographic areas should receive assistance should also include the use of other factors such as, but not limited to, disasters in the current or previous fiscal year for which a Governor has declared a state of emergency; hazard mitigation efforts undertaken by State or local governments; significant loss of tax base; imminent threat to public health and safety; extent and type of insurance available; assistance available from other Federal programs; and impact of damages on affected individuals as well as States and local governments.

Other provisions of the bill would increase Federal matching grants for State preparedness planning from $25,000 to $50,000 annually, would deny Federal disaster assistance for the repair or replacement of public facilities not covered by available flood insurance, and would give greater flexibility to State and local governments in choosing the type of facility which would be replaced following a disaster.

In conclusion, I wish to note that the amendments contained in H.R. 2707 will take effect immediately upon enactment. I would urge the Federal Emergency Management Agency to act as expeditiously as possible to formulate rules and regulations for the implementation of this legislation, so that procedures will be in place at such time as disaster strikes in any part of this Nation.

Mr. President, I urge Senate passage of H.R. 2707. Enactment of this legislation is long overdue.

EXHIBIT 1

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF

MANAGEMENT AND BUDGET,
Washington, DC, October 20, 1988.
Hon. QUENTIN N. BURDICK,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I would like to commend you and your colleagues on the Committee on Environment and Public Works for making substantial improvements in the "Disaster Relief and Emergency Assistance Amendments of 1988."

The Administration has always supported the major provisions of the bills to reform and improve major provision of the Disaster Relief Act, especially the cost-sharing principle and the easing of administrative and paperwork burdens on State and local governments. The new provision for Federal payment of administrative expenses by formula should be particularly helpful to State and local governments, as it removes burdensome tracking and record-keeping efforts, and eliminates non-productive disputes over costs at all levels of government.

In those areas of the bill where we have disagreed, we have discussed the different points of view and agreed on mutually acceptable language. Accordingly, the Office of Management and Budget will recommend that the President approve the amended version of the "Disaster Relief and Emergency Assistance Amendments of 1988," if it is passed without further amendment.

Sincerely,
JOSPEH R. WRIGHT, Jr.,
Acting Director.

The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The **PRESIDING OFFICER**. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 2707) as amended, was passed.

CONTRIBUTION OF THE IROQUOIS CONFEDERACY OF NATIONS

Mr. **BYRD**. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be discharged from further consideration of House Concurrent Resolution 331 and the Senate proceed to its immediate consideration.

The **PRESIDING OFFICER**. The clerk will state the resolution by title.

The legislative clerk read as follows:

A concurrent resolution to acknowledge the contribution of the Iroquois Confederacy of Nations to the development of the United States Constitution and to reaffirm the continuing government-to-government relationship between Indian tribes and the United States established in the Constitution.

Mr. **BYRD**. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to and the motion to reconsider be laid on the table.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

So the concurrent resolution (H. Con. Res. 331) was agreed to.

ACTORS FUND OF AMERICA APPRECIATION MONTH

Mr. **BYRD**. Mr. President, I ask unanimous consent that House Joint Resolution 650 be discharged from the Judiciary Committee; that the Senate proceed to its immediate consideration; that it be considered as having been read the third time, passed; that the preamble be agreed to, and that a motion to reconsider be laid on the table.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

So the joint resolution (H.J. Res. 650) was passed.

The preamble was agreed to.

APPROVAL OF GOVERNING INTERNATIONAL FISHERIES AGREEMENT BETWEEN THE UNITED STATES AND THE SOVIET UNION

Mr. **BYRD**. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 4919.

The **PRESIDING OFFICER** laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendment of the Senate to the bill (H.R. 4919) entitled "An Act to approve the governing international fishery agreement between the United States and the Union of Soviet Socialist Republics, and for other purposes.".

Mr. **BYRD**. Mr. President, I move that the Senate recede from its amendment.

The **PRESIDING OFFICER**. The question is on agreeing to the motion.

The motion was agreed to.

Mr. **BYRD**. Mr. President, I ask unanimous consent that a motion to reconsider be laid on the table.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BYRD**. Mr. President, I thank my friend, the acting Republican leader.

THANKS TO SENATE PERSONNEL

Mr. **WARNER**. Mr. President, as this marks the closing of the 100th Congress, I would like to take a moment to share my thoughts—thoughts which I am sure other Senators share—to express my gratitude to the many persons who provide us with the support by which we perform the duties as U.S. Senators.

We come each day. Many of us enjoy a well-prepared meal here for breakfast, lunch, oftentimes dinner. The persons who operate the elevators, the security forces, I think on the whole they do a very commendable job. Of course, our staffs and the persons who serve us here in the Chamber of the U.S. Senate.

This Senator expresses his gratitude to all who provide the infrastructure that enables this institution to carry forth these burdensome and heavy responsibilities, responsibilities which require, by the very nature of the work we perform, long, unusual, and unexpected hours. And this in turn reflects hardship on families of those who serve this institution. But they accept these hardships in a spirit of serving the Senate and they should take with them a measure of pride as does every Senator who is priviliged to serve.

I thank the Chair, and I again thank my distinguished colleague from West Virginia.

SOME THANKS I NEED TO EXTEND

Mr. **BYRD**. Mr. President, the distinguished Senator in expressing his thanks reminded me of some thanks I need to extend also. I have not thanked, to the degree that I should, my excellent staffs. I took an occasion some days ago to express thanks to them, but as I approach the end of this day and the sunset of my career as majority leader of the Senate, I thank again the excellent Democratic Policy Staff, which has served not only me as the leader but also all of the other Democratic Senators, and served us all well and with great dedication.

I also thank my office staff, which helps me in responding to the many inquiries and the needs of my constituents, and works long hours and does a fine job.

Finally, I would like to thank my wife, Erma. I married Erma over 51 years ago, and I have to pay her the tribute for rearing two fine daughters, because at that most formative age when I should have been spending hours with them as a father, I was spending hours out on the campaign trail, working to enter the House of Delegates in West Virginia, and then the West Virginia Senate, and then the U.S. House of Representatives, and now completing five terms in the U.S. Senate. She played the part of mother and father, and they were well-raised daughters. I smoke cigars, but I have two daughters who have never smoked a cigarette. They have never indulged in alcoholic beverages. They do not drink, have not drunk, and I do not think they ever will drink. They do not use profanity. They have never used God's name in vain in their lives. They have been excellent daughters.

The credit goes to Erma, certainly for the most part. I can say a lot about some fine grandchildren also. They receive a great deal of their inspiration from their grandmother. She has been an excellent wife, dedicated to the utmost, a wonderful asset to a politician who has been in politics now for 42 years. She has exhibited an indefatigable patience in view of the hours and hours and hours, and days and weekends that I have had to spend away from home over the long years.

I know how imposed upon my colleagues feel from time to time as they have had to go home late for their "supper," as we call it in West Virginia, and I know how imposed upon their wives have been also. There is a schedule here that nobody can predict with certitude. It is an honorable task, it is a patriotic task, it is a difficult task, it is a demanding task. And when we answer the call, we answer the call. We sign up for duty. We do not punch a time clock as I did during World War II when I was in the shipyards welding on the Liberty and Victory ships.

My wife has with great patience and fortitude stood this kind of life now for all these years. For 22 years I have been in the leadership in the Senate in one capacity or another, having run 11 times, having asked my Democratic colleagues to elect me to one or another of the Democratic leadership posts 11 times and they have favored me 11 times. The demands upon my time increased geometrically over the demands that were on me prior to my being in the leadership, because during those 22 years I have been on this floor just as my colleagues have seen me on the floor today and yesterday and the day before. I have never missed a Democratic conference. We began having weekly conferences when we became the minority in 1981 January, and we have continued them since we returned to the majority. I have never missed a party conference. There have been few times over these 22 years when I have not been here to open the Senate, few times when I have not been here to close the Senate, and yet my wife Erma has many, many, many times been left alone there at home. With our daughters married and having families of their own, she has been left alone, spent countless long hours alone, but she has never grumbled. She knows that this is a tough business, a demanding job. It is a serious business, and I think she has been put upon a great deal. But we have accepted this as part of the service that we both can and should perform for the people of West Virginia.

My wife put me through law school. Andrew Johnson and others—I know there have been others who have sat in the Senate, who were helped by their wives to get an education.

I finished high school in 1934, during the Great Depression, and it was 16 years before I could start college. I had to go to work.

I started in a gas station, glad to get a job—any job. Too many people these days do not want to start at the bottom; they want to start at the top. I was happy to start at the bottom, pumping gas, and I was making $50 a month—$50 a month, working 13 days out of every 14.

Then I became a produce salesman, then I learned the trade of meat cutting. All those years, my wife stayed at home with the two daughters, and I stayed there building up the meat business for my employers.

I wanted to be the best butcher in the whole chain of Kopper Stores. I do not know that I was, but that is what I wanted to be and I tried to be. I tried to win the fish-selling contests, the beef-selling contests, the dairy-selling contests, and sometimes I did win them.

Then it took me 10 years after I came to Washington to get my law degree, going to school at night. Before I came here, while I was in the West Virginia House and Senate, I started attending college across the river from the State capital.

I had a grocery store of my own then, and my wife kept the store. We had one employee; at times I think we had as many as two. Erma tended the store, and I went to college. She put me through 2 years of college in West Virginia. I had 70 hours of college work when I came to Washington, straight A work.

I came to Washington, and the late Senator Harley Kilgore, my predecessor said, "Why don't you go to law school?"

I said, "Well, I haven't finished my prelaw work."

He said, "That doesn't make any difference. Go on downtown and enroll in law school."

So I went down to George Washington University, and I enrolled there as a special student.

After a while, I found out that I would not be recommended for a law degree because I did not have the prerequisite bachelor of arts or bachelor of science degree.

So I went down to American University and told the same sad tale. The dean there said; "We require the same thing here at American University. We require a prerequisite BA degree or BS degree. But I'll tell you what I'll do. If you can finish the required courses in law with no lower than a B average, I'll recommend you for an LLB degree."

So I took on the challenge. It was tough.

I used to leave the House, when I was a Member of the House—I could not take courses every year, because in the House I had to run every other year. In a campaign year, I could not take courses at the school. Finally, when I came to the Senate, I could finish.

My wife would come here after I had worked the day in the House or in the Senate. She would come here and wait on me, outside on the parking lot. We had one car in those days, when I first came to Washington.

By the way, I did not learn to drive a car until I was in the West Virginia State Senate. I was 31 or 32 years old then.

She would come to the Hill and bring a jar of milk and some white bread and a pork chop, and a little jar of peaches or pineapples, and on the way down to American University, I would eat my supper. She would drop me off there at the law college, go home, and come back that night and pick me up after class.

So she put me through school, and never with any complaint, never any grumbling about the sacrifices she made.

Mr. WARNER. Mr. President, if the Senator will yield, I remember when she accompanied us on the codel, when we went to visit the five heads of state.

I can say, as one of the members of that group, that she protected us from you. She enabled us to get a good meal on occasion and not work more than 12 or 14 hours a day.

So, apart from our respect for her as a Senate wife, from time to time she is vitally needed for other roles.

Mr. BYRD. I thank the Senator.

She has been good for me and to me, and I think I would be recreant if I did not take these final moments, as majority leader, to call attention to her sacrifices and to thank her publicly. I can never repay that debt I owe to her.

RECESS

Mr. WARNER. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, at 5:05 p.m. the Senate recessed until 5:37 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SHELBY].

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I am authorized by the distinguished Republican leader, even though he is not momentarily on the floor, to proceed with the following:

POST EMPLOYMENT RESTRICTIONS ACT

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 5043.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 5043) entitled "An Act to amend section 207 of title 18, United States Code, relating to restrictions on post-employment activities", with the following Amendment:

In lieu of the matter inserted by said amendment, insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Post-Employment Restrictions Act of 1988".

SEC. 2. RESTRICTIONS ON POST-EMPLOYMENT ACTIVITIES.

(a) RESTRICTIONS.—Section 207 of title 18, United States Code, is amended to read as follows:

"§ 207. Restrictions on former officers, employees, and elected officials of the executive and legislative branches; restrictions on partners of certain current officers and employees of the executive branch

"(a) RESTRICTIONS ON ALL OFFICERS AND EMPLOYEES OF THE EXECUTIVE BRANCH AND CERTAIN OTHER AGENCIES.—

"(1) PERMANENT RESTRICTIONS.—Any person who is an officer or employee of the executive branch of the United States Government, or of any independent agency of the United States (including the Government Printing Office and the General Accounting Office), including the President, the Vice President, and any special Government employee, and who, after his or her service or employment with the United States Government terminates—

"(A) knowingly acts as agent or attorney for, or otherwise represents, aids, or advises any other person (except the United States) concerning any formal or informal appearance before, or

"(B) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any department, agency, court, or court-martial of the United States, or any officer or employee thereof, in connection with any judicial or other proceeding, application, request for ruling or other determination, contact, claim, controversy, investigation, charge, accusation, arrest, or other particular matter—

"(i) in which the United States is a party or has a direct interest,

"(ii) the person participated personally and substantially as such officer or employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, and

"(iii) which involved a specific party or specific parties at the time of such participation,

shall be punished as provided in subsection (h).

"(2) TWO-YEAR RESTRICTIONS.—Any person subject to the restrictions contained in paragraph (1) who, within 2 years after his or her service or employment with the United States Government terminates—

"(A) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(B) knowingly makes, with the intent to influence, any communication of behalf of any other person (except the United States) to,

any department, agency, court, or court-martial of the United States, or any officer or employee thereof, in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter—

"(i) in which the United States is a party or has a direct interest,

"(ii) which such person knows was actually pending under his or her official responsibility as such officer or employee within a period of 1 year before the termination of his or her service or employment with the United States Government, and

"(iii) which involved a specific party or specific parties at the time it was so pending,

shall be punished as provided in subsection (h).

"(3) ONE-YEAR RESTRICTIONS WITH RESPECT TO TRADE NEGOTIATIONS.—Any person subject to the restrictions contained in paragraph (1) who, within 1 year after his or her service or employment with the United States Government terminates—

"(A) knowingly acts as agent or attorney for, or otherwise represents, aids, or advises any other person (except the United States) concerning any formal or informal appearance before, or

"(B) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any department, agency, court, or court-martial of the United States, or any officer or employee thereof, in connection with any trade negotiation—

"(i) in which the United States is a party or has a direct interest, and

"(ii)(I) which such person knows was actually pending under his or her official responsibility as such officer or employee within a period of 1 year before the termination of his or her service or employment with the United States Government, or

"(II) in which such person participated personally and substantially as such officer or employee within a period of 1 year before the termination of his or her service or employment with the United States Government,

shall be punished as provided in subsection (h). For purposes of this paragraph, the term 'trade negotiation' means negotiations undertaken to enter into a trade agreement pursuant to section 1102 of the Omnibus Trade and Competitiveness Act of 1988. This paragraph applies only in a case in which neither paragraph (1) or (2) of this subsection applies.

"(b) ONE-YEAR RESTRICTIONS ON CERTAIN SENIOR EXECUTIVE BRANCH PERSONNEL.—

"(1) RESTRICTIONS.—In addition to the restrictions set forth in subsection (a), any person who is an officer or employee of the executive branch or an independent agency (including the Government Printing Office and the General Accounting Office), who is referred to in paragraph (2) (other than a special Government employee who serves less than 60 days in the 1-year period before his or her service or employment as such employee terminates), and who, within, 1 year after his or her service or employment as such officer or employee terminates—

"(A) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or,

"(B) knowingly makes, with the intent to influence, any communication on behalf of any person (except the United States) to,

any department or agency in which such person served within 1 year before such person's service or employment as such officer or employee terminated, or any officer or employee thereof, in connection with any judicial, rulemaking, or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter, which is pending before such department or agency or in which such department or agency has a direct interest, shall be punished as provided in paragraph (h).

"(2) PERSONS TO WHOM RESTRICTIONS APPLY.—(A) Paragraph (1) shall apply to a person (other than a person subject to the restrictions of subsection (c) or (d))—

"(i) employed at a rate of pay fixed according to subchapter II of chapter 53 of title 5, or a comparable or greater rate of pay under other authority, or

"(ii) employed in a position which involves significant decisionmaking or supervisory responsibility, as designated by the Director of the Office of Government Ethics, in consultation with the department or agency concerned.

Only positions which are not referred to in clause (i), and for which the basic rate of pay is equal to or greater than the basic rate of pay payable for GS-17 of the General Schedule, or positions which are established within the Senior Executive Service pursuant to the Civil Service Reform Act of 1978, or positions held by active duty commissioned officers of the uniformed services who are serving in a grade or rank for which the pay grade (as specified in section 201 of title 37) is pay grade O-7 or O-8, may be designated under clause (ii).

"(B) With respect to persons in positions designated under subparagraph (A)(ii), the Director of the Office of Government Ethics may limit the restrictions of paragraph (1) to permit a former officer or employee, who served in a separate agency or bureau within a department or agency, to make appearances before or communications to persons in an unrelated agency or bureau, within the same department or agency, having separate and distinct subject matter jurisdiction, upon a determination by the Director that there exists no potential for use of undue influence or unfair advantage based on past government service. On an annual basis, the Director of the Office of Government Ethics shall review the designations made under subparagraph (A)(ii) and the determinations made under this subparagraph and, in consultation with the department or agency concerned, make such additions and deletions as are necessary. Departments and agencies shall cooperate to the fullest extent with the Director of the Office of Government Ethics in the exercise of the Director's responsibilities under this paragraph.

"(c) RESTRICTIONS ON OTHER SENIOR EXECUTIVE BRANCH PERSONNEL.—In addition to the restrictions set forth in subsection (a), any person who—

"(1) is appointed to a position in the executive branch or an independent agency (including the Government Printing Office and the General Accounting Office) which is listed in section 5314, 5315, or 5316 of title 5, or

"(2) is appointed by the President to a position under section 105(a)(2)(B) of title 3 or by the Vice President to a position under section 106(a)(1)(B) of title 3,

and who, within 1 year after that person's service in that position terminates—

"(A) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(B) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to

any department or agency in which such person served within 1 year before such person's service in such position terminated, or any officer or employee thereof, in connection with any judicial, rulemaking, or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct interest, shall be punished as provided in subsection (h).

"(d) Restrictions on Very Senior Executive Branch Personnel.—(1) In addition to the restrictions set forth in subsection (a), any person who—

"(A) serves in the position of President or Vice President of the United States,

"(B) is appointed to a position in the executive branch or an independent agency (including the Government Printing Office and the General Accounting Office) which is listed in section 5312 or 5313 of title 5,

"(C) is appointed by the President to a position under section 105(a)(2)(A) of title 3 or by the Vice President to a position under section 106(a)(1)(A) of title 3, or

"(D) serves on active duty as a commissioned officer of a uniformed service in a grade or rank for which the pay grade (as specified in section 201 of title 37) is pay grade 0-9 or 0-10,

and who, within 1 year after that person's service in that position terminates—

"(i) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(ii) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

"(ii) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any department, agency, or person described in paragraph (2), in connection with any judicial, rulemaking, or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct interest, shall be punished as provided in subsection (h).

"(2) The departments, agencies, and persons referred to in paragraph (1) with respect to appearances or communications by a person in a position described in subparagraph (A), (B), (C), or (D) of paragraph (1) are—

"(A) any department or agency in which such person served in such position within a period of 1 year before such person's service or employment with the United States Government terminated, and any officer or employee of such department or agency,

"(B) any other person appointed to a position in the executive branch which is listed in section 5312, 5313, 5314, 5315, or 5316 of title 5, and

"(C) in the case of a former President or Vice President, the following: any department or agency in the executive branch of the United States Government, any independent agency of the United States, and any officer or employee of any such department or agency.

"(e) Restrictions on Members of Congress and Officers and Employees of the Legislative Branch.—

"(1) Members of congress and elected officers.—(A) Any person who is a Member of Congress or an elected officer of either House of Congress and who, within 1 year after that person leaves office—

"(i) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(ii) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any of the persons described in subparagraph (B), in connection with any matter which is pending before the Congress or any matter on which such former Member of Congress or elected officer seeks action by the Congress or by a Member of Congress in his or her official capacity, shall be punished as provided in subsection (h).

"(B) The persons referred to in subparagraph (A) with respect to appearances or communications by a former Member of Congress or elected officer, are any Member of Congress, elected officer, or employee of either House of Congress.

"(2) Personal staff.—(A) Any person who is an employee of a Senator or an employee of a Member of the House of Representatives and who, within 1 year after that employment terminates—

"(i) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(ii) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any of the persons described in subparagraph (B), in connection with any matter which is pending before the Congress or any matter on which such former employee seeks actions by the Congress or by a Member of Congress in his or her official capacity, shall be punished as provided in subsection (h).

"(B) The persons referred to in subparagraph (A) with respect to appearances or communications by a person who is a former employee are the following:

"(i) the Senator or Member of the House of Representatives of whom that person was an employee; and

"(ii) any employee of that Senator or Member of the House of Representatives.

"(3) Committee staff.—Any person who is an employee of a committee of Congress and who, within 1 year after that person's employment as such employee terminates—

"(A) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(B) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any person who is a Member, or an employee, of that committee of Congress, in connection with any matter which is pending before the Congress or any matter on which such former employee seeks action by the Congress or by a member of Congress in his or her official capacity, shall be punished as provided in subsection (h).

"(4) Leadership staff.—(A) Any person who is an employee on the leadership staff of the House of Representatives or an employee on the leadership staff of the Senate and who, within 1 year after that person's employment on such staff terminates—

"(i) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(ii) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any of the persons described in subparagraph (b), in connection with any matter which is pending before the Congress or any matter on which such former employee seeks action by the Congress or a Member of Congress in his or her official capacity, shall be punished as provided in subsection (h).

"(B) The persons referred to in subparagraph (A) with respect to appearances or communications by a former employee are the following:

"(i) in the case of a former employee on the leadership staff of the House of Representatives, those persons are any Member of the leadership of the House of Representatives, and any employee on the leadership staff of the House of Representatives; and

"(ii) in the case of a former employee on the leadership staff of the Senate, those persons are any Member of the leadership of the Senate, and any employee on the leadership staff of the Senate.

"(5) Limitation on restrictions.—(A) The restrictions contained in paragraphs (2), (3), and (4) apply only to acts by a former employee who was paid for services rendered as such employee at a rate of pay equal to or greater than the basic rate of pay payable for GS-17 of the General Schedule under section 5332 of title 5, for a period of more than 60 days during the 1-year period before that former employee's service as such employee terminated.

"(B) The restrictions contained in paragraphs (2), (3), and (4) shall not apply to any appearance, communication, or representation by a former Member of Congress, elected officer, or employee which is made in carrying out official duties as an officer or employee of the United States Government.

"(6) Definitions.—As used in this subsection—

"(A) the term 'committee of Congress' includes standing committees, joint committees, and select committees;

"(B) a person is an employee of a House of Congress if that person is an employee of the Senate or an employee of the House of Representatives;

"(C) the term 'employee of the House of Representatives' means an employee of a Member of the House of Representatives, an employee of a committee of the House of Representatives, an employee of a joint committee of the Congress whose pay is disbursed by the Clerk of the House of Representatives, and an employee on the leadership staff of the House of Representatives;

"(D) the term 'employee of the Senate' means an employee of a Senator, an employee of a committee of the Senate, an employee of a joint committee of the Congress whose pay is disbursed by the Secretary of the Senate, and an employee on the leadership staff of the Senate;

"(E) a person is an employee of a Member of the House of Representatives if that person is an employee of a Member of the House of Representatives under the clerk hire allowance;

"(F) a person is an employee of a Senator if that person is an employee in a position in the office of a Senator;

"(G) the term 'employee on the leadership staff of the House of Representatives' means an employee of the office of a Member of the leadership of the House of Representatives described in subparagraph (K), and any elected minority employee of the House of Representatives;

"(H) the term 'employee on the leadership staff of the Senate' means an employee of the office of a Member of the leadership of the Senate described in subparagraph (L);

"(I) the term 'Member of Congress' means a Senator or a Member of the House of Representatives;

"(J) the term 'Member of the House of Representatives' means a Representative in, or a Delegate or Resident Commissioner to, the Congress;

"(K) the term 'Member of the leadership of the House of Representatives' means the Speaker, majority leader, minority leader, majority whip, minority whip, chief deputy majority whip, chief deputy minority whip, Democratic Steering Committee, chairman and vice chairman of the Democratic Caucus, chairman, vice chairman, and secretary of the Republican Conference, Republican Research Committee, and Republican Policy Committee, of the House of Representatives; and

"(L) the term 'Member of the leadership of the Senate' means the Vice President, and the President pro tempore, Deputy President pro tempore, majority leader, minority leader, majority whip, minority whip, chairman and secretary of the Conference of the Majority, chairman and secretary of the Conference of the Minority, Majority Policy Committee, and Minority Policy Committee, of the Senate.

"(f) Restrictions Relating to Foreign Entities.—

"(1) Restrictions.—Any person who is subject to the restrictions contained in subsection (b), (c), (d), or (e) and who knowingly, within 1 year after leaving the position, office, or employment referred to in subsection (b), (c), (d), or (e), as the case may be—

"(A) represents the interests of a foreign entity before any department, agency, or official of the Government of the United States with the intent to influence a decision of such department or agency or of such official in carrying out his or her official duties, or

"(B) aids or advises a foreign entity with the intent to influence a decision of any department or agency of the Government of the United States, or of any official of the Government of the United States in carrying out his or her official duties,

shall be punished as provided in subsection (h).

"(2) Definitions.—For purposes of this subsection—

"(A) the term 'foreign entity' means—

"(i) the government of a foreign country; and

"(ii) a foreign organization which the Director of the Office of Government Ethics has determined, upon the Director's own initiative or pursuant to request, to be acting as an instrumentality of the government of a foreign country.

"(B) the term 'government of a foreign country' has the meaning given that term in section 1(e) of the Foreign Agents Registration Act of 1938, as amended; and

"(C) an organization is acting as an 'instrumentality of the government of a foreign country' when the organization acts under the direction or control—

"(i) of the government of a foreign country, or

"(ii) of a person any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by such a government.

"(g) Offenses Limited to Acts for Compensation.—(1) An act does not constitute an offense under subsection (a), (b), (c), (d), (e), or (f) unless the act is done for compensation.

"(2) As used in this subsection, the term 'compensation' means anything of value which is provided, directly or indirectly, for services rendered, including a payment, gift, benefit, reward, favor, or gratuity.

"(h) Penalties.—The punishment for an offense under subsection (a), (b), (c), (d), (e), or (f) is the following:

"(1) Any person who engages in the conduct constituting the offense shall be imprisoned for not more than 1 year or fined in the amount set forth in this title, or both.

"(2) Any person who willfully engages in the conduct constituting the offense shall be imprisoned for not more than 2 years or fined in the amount set forth in this title, or both.

"(i) General Exceptions.—

"(1) Certain elected officials and employees.—(A) The restrictions contained in subsection (a) shall not apply to any appearance, communication, or representation which is made in carrying out official duties as an elected official of a State or local government.

"(B) The restrictions contained in subsection (a)(2), (a)(3), (b), (c), (d), (e), and (f) shall not apply to any appearance, communication, or representation by a former Member of Congress or officer or employee of the executive or legislative branch, which is made in carrying out official duties as—

"(i) an elected official of a State or local government, or

"(ii) an employee of (I) an agency or instrumentality of a State or local government, (II) an institution of higher education, as defined in section 1201(a) of the Higher Education Act of 1965, or (III) a hospital or medical research organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code, if the appearance, communication, or representation is on behalf of such government, institution, hospital, or organization.

"(2) International organizations.—The restrictions contained in subsections (a)(2), (a)(3), (b), (c), (d), (e), and (f) shall not apply to the representation of, or advice or aid to, an international organization of which the United States is a member.

"(3) Public speeches and appearances.—The restrictions contained in subsections (b), (c), (d), (e), and (f) shall not apply to the making of public speeches or public appearances.

"(j) Designations of Separate Statutory Agencies and Bureaus.—

"(1) Designations.—For purposes of subsections (b) and (c), and except as provided in paragraph (2), whenever the Director of the Office of Government Ethics determines that a separate statutory agency or bureau within a department or agency in the executive branch exercises functions which are distinct and separate from the remaining functions of the department or agency, the Director shall by rule designate such agency or bureau as a separate department or agency.

"(2) Inapplicability of designations.—(A) A designation of an agency or bureau under paragraph (1) shall not apply with respect to—

"(i) a former head of that designated agency or bureau; and

"(ii) any former officer or employee of the department or agency within which the designated agency or bureau exists, if the official responsibilities of the officer or employee included supervision of that designated agency or bureau.

"(B) No agency or bureau within the Executive Office of the President may be designated under paragraph (1) as a separate department or agency.

"(C) Even if an agency or bureau is designated under paragraph (1), a person subject to the restrictions set forth in subsection (c) may not make any representation or other appearance prohibited by that subsection before, and may not make any communication prohibited by that subsection to, any person who is serving in a position set forth in section 5312, 5313, 5314, 5315, or 5316 of title 5, in the department or agency within which the designated agency or bureau exists.

"(k) Exception for Scientific or Technological Information.—The restrictions contained in subsections (a), (b), (c), and (d) shall not apply with respect to the making of communications by a former officer or employee solely for the purpose of furnishing scientific or technological information, if such communications are made under procedures acceptable to the department or agency concerned or if the head of the department or agency concerned with the particular matter, in consultation with the Director of the Office of Government Ethics, makes a certification, published in the Federal Register, that the former officer or employee has outstanding qualifications in a scientific, technological, or other technical discipline, and is acting with respect to a particular matter which requires such qualifications, and that the national interest would be served by the participation of the former officer or employee.

"(l) Restrictions on Partners of Officers and Employees.—Any person who is a partner of an officer or employee of the executive branch of the United States Government, or of any independent agency of the United States (including the Government Printing Office and the General Accounting Office), including the President, the Vice President, and any special Government employee, and who knowingly acts as agent or attorney for anyone other than the United States before any department, agency, court, or court-martial of the United States, or any officer or employee thereof, in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter in which such person knows that—

"(1) the United States is a party or has a direct and substantial interest, and

"(2) such officer or employee or special Government employee participates or has participated personally and substantially as an officer or employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise,

shall be imprisoned for not more than 1 year or fined in the amount set forth in this title, or both.

"(m) EXCEPTION FOR TESTIMONY.—Nothing in this section shall prevent a former Member of Congress or officer or employee of the executive or legislative branch from giving testimony under oath, or from making statements required to be made under penalty of perjury.

"(n) ADMINISTRATIVE DEBARMENT.—

"(1) AUTHORITY.—If the head of a department or agency in which a former officer or employee of the executive branch or of an independent agency served finds, after notice and an opportunity for a hearing, that such former officer or employee knowingly engaged in conduct constituting an offense under subsection (a), (b), (c), (d), or (f) of this section, such department or agency head may prohibit that person from making, on behalf of any other person (except the United States), any informal or formal appearance before, or, with the intent to influence, any communications to, such department or agency on a pending matter of business for a period of not more than 5 years, or may take other appropriate disciplinary action. For purposes of this subsection, proof of conduct constituting an offense must be established by a preponderance of the evidence.

"(2) REVIEW OF DISCIPLINARY ACTION.—Any disciplinary action under paragraph (1) shall be subject to review in an appropriate United States district court.

"(3) PROCEDURES.—Departments and agencies in the executive branch and independent agencies shall, in consultation with the Director of the Office of Government Ethics, establish procedures to carry out this subsection.

"(o) CIVIL PENALTIES.—The Attorney General may bring a civil action in the appropriate United States district court against any person who engages in conduct constituting an offense under subsection (a), (b), (c), (d), (e), (f), or (l) and, upon proof of such conduct by a preponderance of the evidence, such person shall be subject to a civil penalty of not more than $50,000, or the amount of compensation which the person receives for the prohibited conduct, whichever amount is greater. The imposition of a civil penalty under this subsection does not preclude any other remedy which is available by law to the United States or any person.

"(p) INJUNCTIVE RELIEF.—If the Attorney General has reason to believe that a person is engaging in conduct constituting an offense under subsection (a), (b), (c), (d), (e), (f), or (l), the Attorncy General may petition an appropriate United States district court for an order prohibiting that person from engaging in such conduct. The court shall order the trial of the action on the merits to be advanced and consolidated with the hearing on the petition. The court may issue such order if it finds that such conduct constitutes such an offense. The filing of a petition under this subsection does not preclude any other remedy which is available by law to the United States or any other person.".

(b) CONFORMING AMENDMENT—The table of sections at the beginning of chapter 11 of title 18, United States Code, is amended by amending the item relating to section 207 to read as follows:

"207. Restrictions on former officers, employees, and elected officials of the executive and legislative branches; restrictions on partners of certain current officers and employees of the executive branch.".

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b), this Act and the amendments made by this Act take effect 9 months after the date of the enactment of this Act.

(b) EFFECT ON EMPLOYMENT.—(1) The amendments made by this Act apply only to persons whose service as a Member of Congress or an officer or employee to which such amendments apply terminates on or after the effective date of such amendments.

(2) With respect to service as an officer or employee which terminates before the effective date of this Act, section 207 of title 18, United States Code, as in effect at the time of the termination of such service, shall continue to apply, on and after such effective date, with respect to such service.

SEC. 4. SEVERABILITY.

If any provision of this Act or the amendments made by this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act and the amendments made by this Act and the application of such provision to other persons not similarly situated or to other circumstances shall not be affected by such invalidation.

Mr. LEVIN. Mr. President, this version of the postemployment lobbying bill is the result of negotiations over the past few days between Members and staff of the House and Senate. It is intended to represent the best elements in both the original House- and Senate-passed bills. There are several changes which have been made, however, which I would like to briefly discuss with my fellow sponsors.

The bill changes the structure of the current statute in setting out the elements of the offense for 207 (a), (b), (c), and (d). The bill includes the word "knowingly" before both the paragraphs barring representation as well as the paragraphs barring the making of a communication with the intent to influence. At the same time, there is, as with current law, no—I repeat—no requirement to prove knowledge as to the other elements of the prohibited conduct, such as that the United States is a party or has a direct interest in the matter which is the subject of the lobbying. I would ask Senator METZENBAUM if that is their understanding.

Mr. METZENBAUM. I agree with that statement.

Mr. LEVIN. We are reaffirming here what I believe has been clear legislative intent all along—that the law does not require knowledge by the lobbying party that the United States is a party or has a direct—and substantial, under current law—interest in the matter or the other such elements of the offense. Is that correct?

Mr. METZENBAUM. Mr. President, I agree totally with the description of Senator LEVIN.

Mr. LEVIN. I would like to ask my fellow cosponsors a question on another matter as well. In accepting this latest House-passed version of the bill, we are limiting the prohibited conduct to that made for compensation "directly or indirectly" paid. When we confronted this provision on the Senate floor when we first passed S. 237, we developed a compromise which would have made the issue of compensation an affirmative defense. The House was not willing to accept that. But, in using the words "directly or indirectly," is it my understanding that this is to have a very broad interpretation and is to cover situations in which a person has a general commercial relationship, even though that person may not be specifically paid for the specific lobbying contact in question. Is that correct?

Mr. METZENBAUM. That is correct.

Take for example a person who has been hired by company X for advice and lobbying assistance on some matters of interest to the company. Any contact made by that person on behalf of company X within the terms of this bill would be deemed to have been made for compensation, regardless of whether or not a specific request or payment was made by company X to the person for that contact. A covered person may not use as an excuse the argument that although he or she was on retainer, the particular contact was for free and not part of the retainer agreement. That simply will not fly. Where there is an ongoing commercial relationship between a covered person and his or her client or employer, a prohibited contact is "compensated for" within the meaning of this definitiion of "compensation."

Mr. LEVIN. I thank the Senator.

On a final point, Mr. President, I would like to engage my fellow cosponsors in answering one more question. Under current law, an element of the offense is proof that the covered person made a communication or representation in connection with a matter "in which the United States * * * is a party or has a direct and substantial interest." This bill strikes the words "and substantial." The reason we are striking "substantial" is to avoid the pitfall of a prosecutor having to prove that at the time a prohibited contact was made, the United States had a substantial interest in the matter. Many of the most significant lobbying efforts are made in order to get the United States to have a substantial interest in the matter. And those are some of the very contacts we want to prohibit. By striking "substantial," we are saying that the matter has to be one in which the U.S. Government has a direct interest—that is an interest that is of relevance to the United States or has an effect on the United States or could have an effect on the United States, but it does not have to be a matter in which at the time of the contact the United States has a substantial interest. Is that correct?

Mr. METZENBAUM. That is correct.

As Congressman FRANK said earlier today on the House floor when this bill was being considered, we have to apply a commonsense meaning to these terms. It would be ridiculous to exclude from coverage of this statute contacts made in an effort to get the U.S. Government interested in a matter. Those can be the most meaningful contacts a lobbyist can make. By striking the word "substantial" we are intending to clarify this provision, in the event it was otherwise misinterpreted.

Mr. LEVIN. Mr. President, with these important clarifications, I think we have achieved a successful bill, and I am pleased to have worked on it with my colleagues from Ohio and South Carolina. I congratulate them for this achievement.

Mr. BOREN. Mr. President, I am pleased to cosponsor the legislation to set ethical standards for high-level Federal employees and Members of Congress who leave Government service to represent or consult foreign governments or other domestic interests.

There are numerous stories of mostly Washington-based lobby or consulting groups which have been hired by foreign countries, corporate, trade, or other interests to help them gain access to certain key officials with whom the lobbyists previously worked or associated. There exists a real threat to the necessary integrity in public service when former officials and former Congressmen sell this access.

This legislation, which previously passed the Senate overwhelmingly and subsequently passed the House of Representatives, has been strengthened by its Senate sponsors once again in hopes of providing for an effective ethics bill.

I am especially pleased that this bill has had such active interest in this 100th Congress. In March 1986, in the previous Congress, Senator PRYOR and I introduced S. 2176, a similar, yet narrower bill to prohibit lobbying for foreign interests by high-ranking Government officials. I am pleased that Senators THURMOND and METZENBAUM have provided such leadership in pushing this legislation since that time.

At a time when public perceptions of Congress are so negative, we must put up this barrier to prevent an abuse of public office. I urge the Senate to vote its approval of this bill.

● Mr. THURMOND. Mr. President, I am pleased that the House had acted today on legislation regarding restrictions related to postemployment activities by former Members of Congress, their staffs, and executive branch officials.

I have advocated adoption of such restrictions for a long time. In fact, this proposal we are acting on today is a result of legislation introduced by me on April 17, 1986. Although it has been a long, arduous process, the enactment of this momentous legislation will vastly improve the public's perception of Federal officials who serve them.

Briefly, I would like to comment on the proposal before this body. It is not as strong as I would prefer. However, it is certainly acceptable. Current law has been ineffective to address the problems that arise when Federal employees leave public service and immediately are allowed to lobby their former colleagues and advise foreign governments. Without question, this legislation substantially strengthens current law.

Regarding this important legislation, it will protect the integrity of our democratic process. This bill substantially strengthens the current law on postemployment activity by former Federal officials. It provides a uniform, straightforward, and enforceable way to prevent those who are employed by the Federal Government from leaving public service and marketing their access and influence for financial gain. In addition, the legislation prevents Federal employees from vending sensitive information vital to national interests to foreign entities for profit.

Passage of this legislation is important because clear threats arise out of the abusive use of access and influence and the vending of sensitive information: First, damage to the integrity of Government, as undue and improper influence is brought to bear on decisionmaking processes; second, erosion of public confidence in the operation of the Government, as the American people sense former employees are exerting, or appear to be exerting, improper influence on current Government decisions; and third, jeopardy to the national interests, as some former employees advise foreign clients based on sensitive information gained while in positions of trust with the Federal Government.

Regarding the history of this bill, I originally introduced the Integrity in Post Employment Act in the 99th Congress. After some revision, the legislation was voice voted out of the Judiciary Committee in June 1986. As no floor action occurred before adjournment, the bill was reintroduced in the 100th Congress. In May 1987, the legislation was again voice voted out of committee without opposition. After this legislation was originally reported by the Senate Judiciary Committee, I agreed to some modifications of the proposal to broaden support for the bill which unanimously passed the Senate on April 19, 1988.

In summary, I believe this bill must be enacted so that much needed improvements to the weak, confusing, and oftentimes conflicting laws governing former Members and Federal officials who lobby the Government or work for a foreign entity will be put into place. When we face a serious problem such as the misuse of influence and access or vending of sensitive information vital to national interests, we have two alternatives—do nothing, or take steps to resolve the problem. I believe we must take action to prevent irreparable damage to our Nation and to restore public confidence and integrity in our system of government. It is time that public service be just that—not merely a stepping stone for future employment or profit.

The American people demand, deserve, and expect a standard of ethics which will instill confidence in all of us that this Government makes decisions based on the merits of an issue—not based on positions taken by those who have the most access, influence, or finanical clout.

I urge passage of this bill.●

Mr. BYRD. Mr. President, I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTING ENROLLMENT OF H.R. 5043

Mr. BYRD. Mr. President, on behalf of Senators THURMOND, METZENBAUM, and LEVIN, I submit the following correcting concurrent resolution and I ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 168) to correct the enrollment of H.R. 5043.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate resolution was considered and agreed to, as follows:

S. CON. RES. 168

Resolved by the Senate (the House of Representatives concurring), that in the enrollment of H.R. 5043, an Act entitled the "Integrity in Post-Employment Act of 1988," the Clerk of the House shall make the following corrections in the bill:

(1) In the last paragraph of Subsection 207(d)(1) as added by Section 2, delete "and substantial".

(2) In subsection 207(1) as added by Section 2, strike "such persons knows that" and in subsection 207(1)(1), strike "and substantial".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 7 o'clock p.m.

There being no objection, the Senate, at 5:40 p.m., recessed until 7:02 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ROCKEFELLER).

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PATENT AND TRADEMARK OFFICE AUTHORIZATION ACT

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 4972.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 4972) entitled "An Act to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes", with the following amendment:

In lieu of the matter inserted by said amendment, strike out all after the enacting clause, and insert:

TITLE I—PATENT AND TRADEMARK OFFICER AUTHORIZATIONS

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Patent and Trademark Office—

(1) for salaries and necessary expenses, $117,504,000 for fiscal year 1989, $125,210,000 for fiscal year 1990, and $111,984,000 for fiscal year 1991; and

(2) such additional amounts as may be necessary for each fiscal year for increases in salary, pay, retirement, and other employee benefits authorized by law.

SEC. 102. APPROPRIATIONS AUTHORIZED TO BE CARRIED OVER.

Amounts appropriated under this Act and such fees as may be collected under title 35, United States Code, and the Trademark Act of 1946 (15 U.S.C. 1051 and following) may remain available until expended.

SEC. 103. OVERSIGHT OF AND ADJUSTMENTS TO TRADEMARK AND PATENT FEES.

(a) TRADEMARK FEES.—The Commissioner of Patents and Trademarks may not, during fiscal years 1989, 1990, and 1991, increase fees established under section 31 of the Trademark Act of 1946 (15 U.S.C. 1113) except for purposes of making adjustments which in the aggregate do not exceed fluctuations during the previous three years in the Consumer Price Index, as determined by the Secretary of Labor. The Commissioner also may not establish additional fees under such section during such fiscal years.

(b) PATENT FEES.—The Commissioner of Patents and Trademarks may not, during fiscal years 1989, 1990, and 1991, increase fees established under section 41(d) of title 35, United States Code, except for purposes of making adjustments which in the aggregate do not exceed fluctuations during the previous three years in the Consumer Price Index, as determined by the Secretary of Labor. The Commissioner also may not establish additional fees under such section during such fiscal years.

(c) REPORT TO CONGRESS.—The Secretary of Commerce shall, on the day on which the President submits the annual budget to the Congress, provide to the Committees on the Judiciary of the Senate and the House of Representatives—

(1) a list of patent and trademark fee collections by the Patent and Trademark Office during the preceding fiscal year;

(2) a list of activities of the Patent and Trademark Office during the preceding fiscal year which were supported by patent fee expenditures, trademark fee expenditures, and appropriations;

(3) budget plans for significant programs, projects, and activities of the Office, including out-year funding estimates;

(4) any proposed disposition of surplus fees by the Office; and

(5) such other information as the committees consider necessary.

SEC. 104. PUBLIC ACCESS TO PATENT AND TRADEMARK OFFICE INFORMATION.

(a) REPEAL.—Section 4 of Public Law 99-607 (35 U.S.C. 41 note) is repealed.

(b) MAINTENANCE OF COLLECTIONS.—The Commissioner of Patents and Trademarks shall maintain, for use by the public, paper or microform collections of United States patents, foreign patent documents, and United States trademark registrations arranged to permit search for and retrieval of information. The Commissioner may not impose fees for use of such collections, or for use of public patent or trademark search rooms or libraries. Funds appropriated to the Patent and Trademark Office shall be used to maintain such collections, search rooms, and libraries.

(c) FEES FOR ACCESS TO SEARCH SYSTEMS.—Subject to section 105(a), the Commissioner of Patents and Trademarks may establish reasonable fees for access by the public to automated search systems of the Patent and Trademark Office in accordance with section 41 of title 35, United States Code, and section 31 of the Trademark Act of 1946 (15 U.S.C. 1113). If such fees are established, a limited amount of free access shall be made available to all users of the systems for purposes of education and training. The Commissioner may waive the payment by an individual of fees authorized by this subsection upon a showing of need or hardship, and if such waiver is in the public interest.

SEC. 105. FUNDING OF AUTOMATED DATA PROCESSING RESOURCES.

(a) ALLOCATIONS.—Of amounts available to the Patent and Trademark Office for automatic data processing resources for fiscal years 1989, 1990, and 1991, not more than 30 percent of such amounts in each such fiscal year may be from fees collected under section 31 of the Trademark Act of 1946 (15 U.S.C. 1113) and section 41 of title 35, United States Code. The Commissioner of Patents and Trademarks shall notify the Committee on the Judiciary of the Senate and the House of Representatives of any proposed reprogrammings which would increase or decrease the amount of appropriations expended for automatic data processing resources.

(b) USE OF REVENUES BY PATENT AND TRADEMARK OFFICE.—Except as otherwise specifically provided in this title, Public Law 99-607, and section 42(c) of title 35, United States Code, the Patent and Trademark Office is authorized to use appropriated or apportioned fee revenues for any of its operations or activities.

SEC. 106. USE OF EXCHANGE AGREEMENTS RELATING TO AUTOMATIC DATA PROCESSING RESOURCES PROHIBITED.

The Commissioner of Patents and Trademarks may not, during fiscal years 1989, 1990, and 1991, enter into any agreement for the exchange of items of services (as authorized under section 6(a) of title 35, United States Code) relating to automatic data processing resources (including hardware, software and related services, and machine readable data), and the Commissioner may not, on or after the date of the enactment of this Act, continue existing agreements for the exchange of such items or services. The preceding sentence shall not apply to an agreement relating to data for automation programs which is entered into with a foreign government or with an international intergovernmental organization.

TITLE II—PATENT MISUSE REFORM

SEC. 201. PERMISSIBLE ACTS BY PATENT OWNER.

Section 271(d) of title 35, United States Code, is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "; (4) refused to license or use any rights to the patent; or (5) conditioned the license of any rights to the patent or the sale of the patented product on the acquisition of a license to rights in another patent or purchase of a separate product, unless, in view of the circumstances, the patent owner has market power in the relevant market for the patent or patented product on which the license or sale is conditioned.".

SEC. 202. EFFECTIVE DATE.

The amendment made by this title shall apply only to cases filed on or after the date of the enactment of this Act.

● Mr. DECONCINI. Mr. President, I am pleased to see that the Senate today is visiting for the last time during this Congress the issue of patent misuse, as we approve H.R. 4972. As chairman of the Subcommittee on Patents, Copyrights, and Trademarks, I have had the opportunity to shepherd this proposal, in one form or another, through the Senate during this Congress. I want to recognize up front the immense contributions made by my colleague from Vermont [Mr. LEAHY], chairman of the Subcommittee on Technology and the Law, first in advocating for inclusion of patent misuse reform legislation as part of last year's trade package and most recently for pressing for its enactment as part of S. 438 and the subsequent bills to which it has been appended.

Also, Mr. President, I want to acknowledge the work of the Congressman from Wisconsin [Mr. KASTENMEIER] who chairs the House subcommittee with jurisdiction over patent laws. His interest in this subject has been responsible for moving the bill forward in the House.

The provision we are approving today is a narrow portion of what my subcommittee originally approved as title II of S. 1200. That bill would have provided that a patent owner cannot be guilty of misuse unless the court finds that the conduct being challenged constituted a violation of the antitrust laws. That bill, in turn, grew out of a proposal by the administration to enact into law a list of activities that do not constitute patent misuse. The American Intellectual Property Law Association proposed the general antitrust standard instead of the administration's specific list, and the Senate adopted that view in my legislation.

While I support the bill before us, I emphasize, Mr. President, that it deals only with a small piece of the patent misuse problem—tying arrangements—and leaves the rest for us to address in the future. I am aware that application of the misuse doctrine to tying is an acute problem area and believe this legislation should not be the last word on the subject.

I also believe it is important to point out some of the essential features of the patent misuse provision in this legislation, so that there will be no mistaking congressional intent. Let me focus on three points.

First, this bill moves away from a per se approach used in the past by the courts in applying patent misuse principles to tying arrangements. While not mandating an antitrust test, the legislation nonetheless imposes a rule-of-reason-type analysis before a court can conclude that a tie-in is misuse.

Second, the bill establishes a market power threshold test to precede any misuse finding involving tying. If the alleged infringer cannot prove that the patent owner has market power in the relevant market for the patent or patented produce, the tying product, then there can be no patent misuse by virtue of the tie-in, and that is the end of the inquiry.

Third, even if the defendant in a patent infringement action proves that the patent owner has market power, this does not automatically mean that the court must find that the patent owner has misused the patent. The patent owner may still argue that any substantially anticompetitive impact of the tie-in is outweighed by benefits of the arrangement, including both procompetitive benefits and other potential business justifications. This will constitute the heart of this misuse rule-of-reason analysis, but, as I indicated above, it will not even be reached if the patent owner does not wield market power by virtue of his or her patent.

Mr. President, this is a modest provision but a good one. A strong case has been made before the Congress that the patent misuse laws must be changed. Today we take the first step to do this regarding how the misuse doctrine applies to tying. Perhaps, after further study in the next Congress, we will be able to replace even this modest change by a more generic antitrust approach.●

Mr. LEAHY. Mr. President, I am pleased that the Senate today is taking this opportunity to support enhancement of intellectual property rights by providing for statutory reform of the patent misuse doctrine. This change is included as an amendment to the Patent and Trademark Office authorization legislation, H.R. 4972. This amendment is similar to the one I offered and which the Senate approved on October 14 as an amendment to H.R. 5347 (134 CONGRESSIONAL RECORD S16320). Of course, it finds its lineage in the patent misuse legislation approved by the Senate first as part of S. 1200 last year and again as title II to S. 437 earlier this month.

Patent misuse is a defense in patent infringement suits. It penalizes a patent holder who attempts to extend the patent beyond the limited statutory monopoly. The sanction of misuse is harsh: A patent owner loses the right to enforce his patent, at least until the conduct that has constituted misuse has ceased and its effects have been purged.

As outlined in the Judiciary Committee's report on S. 437, courts have been inconsistent in their application of the misuse doctrine to analogous practices. Misuse has been found even where the conduct has no anticompetitive effect or where it has not injured the infringing party who raises misuse as a defense.

Reform of patent misuse will ensure that the harsh misuse sanction of unenforceability is imposed only against those engaging in truly anticompetitive conduct. Currently, courts impose the misuse doctrine using vague and shifting public policy grounds. As Prof. Donald Chisum has recognized:

> Unfortunately, decisions considering analogous practices are not always consistent. In part, this is attributable to the absence of a clear and general theory for resolving the problem of what practices should be viewed as appropriate exercises of the patent owner's statutory patent rights. 4 D. Chisum, Patents 19-91 (1987).

There is ample legislative history on the need to reform the patent misuse doctrine. Much of it is detailed in the Senate Judiciary Committee report on S. 438, Report No. 100-492 and before that, the report on S. 1200, Report No. 100-83.

Patent misuse reform legislation has been the subject of hearings in the House and in the Senate. Reform efforts were initiated by the administration and have been endorsed by the American Bar Association and the Association of Intellectual Property Lawyers. As a general proposition, reform of the misuse doctrine is supported by high technology trade associations, including the Computer and Business Equipment Manufacturers Association and the Semiconductor Industry Association and by companies like Digital Equipment Corp. I thank those groups for their tireless efforts in bringing this legislation to the point we are today.

The language of the patent misuse provision appearing in H.R. 4972 has been changed by our counterparts in the House. The purpose of the legislation has remained the same throughout.

This legislation differs from previous proposals in two important respects: First, the patent misuse doctrine is no longer reformed across the board, but only as it relates to refusals to license or use patents, and to tying arrangements. Second, as the misuse doctrine is applied to tying, the generic antitrust violation standard adopted by the Senate has been replaced by a market power test. That is, there can be no patent misuse by virtue of a tie-in unless, among other things, the patent owner has market power in the market for the patented tying product.

While this approach is indeed different from our original patent misuse proposal, it does not mean that Congress has rejected the earlier Senate proposal and now believes that the traditional misuse doctrine should be retained intact in the many other areas in which it may be applied by courts. It only means that, because of the short time available at the end of this Congress, the House and Senate committees interested in this issue were able to agree on a narrower reform.

I expect this issue to be back on our desks in the next Congress. But this reform is important because courts have gone farthest astray in applying the patent misuse doctrine to tying arrangements.

Courts' current application of the misuse doctrine has become increasingly troublesome to the creation, distribution, and enforcement of intellectual property rights in the high technology arena. While courts have relied on the policy of the antitrust laws to find patent misuse with respect to tying arrangements, they have refused to confine misuse to antitrust violations and unfortunately apply the doctrine to a variety of practices, including tying, without regard to competitive implications. The leading case in this respect is *Motion Picture Patents Co.* v. *Universal Film Mfg. Co.*, 243 U.S. 502 (1917). Thus, although the misuse doctrine is supposed to be an equitable doctrine, applied where the patent owner has "unclean hands," it has been applied to tying in a per se manner, foreclosing any evaluation of factors that courts of equity would otherwise consider.

This legislation makes absolutely clear that the misuse doctrine must not be applied to tying arrangements in a per se or inflexible manner, without regard to an evaluation of the effects of the practice in the marketplace and the business justifications for the tie-in.

While the courts, especially the Federal circuit, have been moving toward a more flexible, fact-oriented approach to tying generally, there is a need for Congress to step in now. As I indicated earlier, this amendment will be especially important for high technology companies whose products' life cycles are far shorter than the full patent term and often shorter than the life of a patent infringement action in our Federal courts.

Inflexible and per se misuse rules work to the benefit of infringers and unnecessarily raise litigation costs and risks to patent owners. This legislation makes its most important contributions by requiring alleged patent infringers to prove—and courts to evaluate—that the patent owner, under all of the circumstances in which the patent is utilized, wields market power in the relevant market for the tying patent or patented product. It is true that this approach falls short of a strict antitrust standard—the Senate approach, which I prefer. But it does at least require a threshold showing that conditions exist under which anticompetitive results are likely to occur; that is, that market power exists, before a tying arrangement may be condemned under patent misuse principles.

In short, by requiring proof of a patent owner's actual market power with respect to the tying product, this legislation continues to reject the notion that a patent can be rendered unenforceable based on allegations that the patent owner has acted in some way "beyond the scope of the patent." Through the use of the phrase "in view of the circumstances," Congress is making clear that courts are never automatically to conclude that a tie-in constitutes misuse, even where market power is present, unless the court has considered and assessed all of the circumstances surrounding, the justifications for, and the impact of, the tie-in in the marketplace. The equitable nature of the misuse doctrine is thereby plainly restored by this amendment.

The approach taken by this amendment was first contained in a Senate amendment constituting title II of H.R. 5347, the municipal bankruptcy bill. That Senate amendment, which has been slightly modified by the House in form but not in objective, would have stated more clearly on its face that market power is but one element of a tying misuse offense—a necessary but, standing alone, insufficient element. The House sponsor of the amendment, Chairman **Kastenmeier**, apparently did not want to limit the court's inquiry to business justification. So the bill does not state what else the court is to consider besides market power. Chairman **Kastenmeier** does mention business justification, among other considerations, in his explanation of the provision.

It therefore seems to me that the statute's use of the words "in view of the circumstances" means that after the alleged infringer has proven that the patent owner has market power, a balancing test of circumstances, including business justification, must be employed. Courts will have to go through the process of evaluating the patent owner's market power—the ability to raise prices or exclude competition—and must consider the availability of substitutes, and the existence of any business justifications or ther benefits, before concluding that a patent has been misused.

I want to make clear, Mr. President, that the term "market power" is used in the provision on misuse in no new or unique way. Congress is definitely not attempting to create a definition or usage of the term by statute that would bind courts in either patent misuse or antitrust litigation. We are neither directing nor guiding the courts with regard to the level of nature of "market power" required for a misuse finding.

One of the purposes of this bill is to deter misuse claims that unnecessarily burden infringement litigation. It would thus be a tragedy if this legislation made patent infringement actions more complicated and protracted, rather than simpler and shorter. We would therefore expect any "market power" determination made for patent misuse purposes to be the same as that used with respect to an antitrust matter relating to the same factual circumstances.

Mr. President, I want to applaud the leadership and commitment provided by the Senator from Arizona [Mr. **DeConcini**], the Senator from Utah [Mr. **Hatch**], and the Congressman from Wisconsin [Mr. **Kastenmeier**] in bringing about enactment of this important patent misuse reform legislation.

Recognizing that it addresses only part of the problem, however, I will look forward to working with them in the next Congress to complete our work in this area.

Mr. President, the Congress will soon adjourn with a number of matters of unfinished antitrust business. The Senate must take responsibility for our failure to enact S. 430, to facilitate enforcement of the antitrust proscription against vertical price fixing. The House approved legislation on this subject some time ago, and the Senate Judiciary Committee favorably reported the compromise legislation Senators **Metzenbaum**, **DeConcini**, **Grassley**, and I worked out last summer. That bill would have ensured consumers access to competitively priced products at the retail level. A filibuster against this bill by Senators on the other side of the aisle has doomed the legislation this Congress, but I am confident that we have not seen the last of this subject.

Four antitrust provisions approved by the Senate, will also see their demise when the Congress adjourns. Two of them S. 431 and S. 432 would amend the Hart-Scott-Rodino Act. Another, S. 1068, amends section 8 of the Clayton Act relating to interlocking directorates. All three of these valuable, noncontroversial bills, authored by the chairman of the Antitrust Subcommittee, Senator **Metzenbaum**, will no doubt return when the Senate reconvenes for the 101st Congress.

Finally, Mr. President, I would like to spend a moment on my Intellectual Property Antitrust Protection Act (S. 438). The Antitrust and Technology and the Law Subcommittees—indeed, the whole Judiciary Committee—worked extraordinarily hard on this legislation. Title I of the bill as reported by the Judiciary Committee, would eliminate any presumption of market power arising from the existence of an intellectual property right in antitrust litigation. I regret that the House did not have time to consider and approve this measure, but I look forward to seeing it become a public law early in the next Congress.

S. 438 has been broadly supported by a bipartisan effort in the Senate and widely endorsed by technology companies and experts in intellectual property and antitrust law. Senators **Hatch**, **Thurmond**, **Humphrey**, **Baucus**, **DeConcini**, **Kennedy**, and **Metzenbaum**, all cosponsor this bill. I thank them for working with me this Congress on this important legislation.

In passing S. 438 three times, the Senate is clearly sending a message to the courts that they would be mistaken to continue to apply any presumption of market power involving intellectual property rights as automatically granting meaningful economic power over a particular market in antitrust cases. Commentators writing on the subject and witnesses before our joint hearing in the Antitrust and Technology and the Law Subcommittees denounced that presumption.

The courts themselves might well purge this erroneous notion as the law evolves, but the need for legislative action has been made manifest by some cases that appear to insist on perpetuating it. This is especially important for high technology industries selling technologically related products with short life expectancies. That is why the Technology and the Law Subcommittee focused so much of its attention on this subject this year, and why I intend to see this market power legislation enacted early in the next Congress.

Mr. President, in closing I would like to thank the following Judiciary Committee staff members for their fine work in getting this legislation to this point: Randy Rader now at the Court of Claims after working for many years for Senator HATCH, and Abby Kuzma, counsel to Senator HATCH; Patricia Vaughan and Terry Wooten with Senator THURMOND; George Smith with Senator HUMPHREY; Diana Huffman and Jeff Peck with Senator BIDEN; Ed Baxter and Tara McMahon with Senator DECONCINI; Eddie Correia and Priscilla Budeiri with Senator METZENBAUM. Finally, I would like to thank my own staff on this legislation: Milo Cividanes who recently returned to private practice and my chief counsel, Ann Harkins.

Let me also thank Chairman KASTENMEIER, and Mike Remington and David Beier of his staff for their hard work in the House on this important legislation.

And speaking of hard work, special thanks and tribute go to Congressman HAM FISH who first introduced the House companion measure to S. 438, and his chief counsel, Alan Coffey, who deserves a great deal of credit for his work on this legislation as well.

Mr. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

CORRECTION IN THE ENROLLMENT OF S. 1382

Mr. STEVENS. Mr. President, I send a concurrent resolution to the desk on behalf of Senator HUMPHREY and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 169) to authorize a correction in the enrollment of S. 1382.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 169) was considered and agreed to as follows:

S. CON. RES. 169

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the text of the bill (S. 1382) to amend the National Energy Conservation Policy Act to improve the Federal Energy Management program and for other purposes, the Clerk of the Senate shall make the following corrections:

(1) In section 4(c), strike out "metallic".

(2) In section 4(g)(ii) strike out "metallic".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTIONS IN THE ENROLLMENT OF H.R. 3911

Mr. STEVENS. Mr. President, I send a concurrent resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 170) directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 3911.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 170) was considered and agreed to as follows:

S. CON. RES. 170

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (H.R. 3911), an Act to amend title 18, United States Code, to provide increased penalties or certain major fraud against the United States, the Clerk of the House of Representatives shall make the following corrections:

(1) Omit section 3.

(2) Redesignate the succeeding sections accordingly and make any corrections to cross references necessary to reflect the redesignations of such sections.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMMIGRATION REFORM AND CONTROL ACT OF 1988

Mr. BYRD. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of H.R. 5115 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 5115) to extend for 2 years section 314 of the Immigration Reform and Control Act of 1986 and so forth.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

● Mr. KENNEDY. Mr. President, the House of Representatives has sent over to us H.R. 5115, the "Immigration Amendments of 1988," and I urge the Senate to adopt this legislation.

The provisions before us fall short of the immigration reforms we need, and which have been before Congress for nearly a decade, but this measure is an important step in the right direction for Ireland and other countries which have been suffering unfairly under our current immigration laws.

Last March the Senate, by an overwhelming vote of 88 to 4, adopted the major immigration reforms nearly everyone agrees we need, and which were strongly recommended by the Select Commission on Immigration and Refugee Policy in 1981—a Commission upon which both Senator SIMPSON and I served.

Our legislation sought to make our present immigration system fairer and more flexible. It opened up new opportunities for immigrants short-changed by current laws, while protecting those with family ties to the United States.

By addressing the imbalances in immigration which have inadvertently developed in recent years, our bill would have opened America's doors again to lands that no longer have immediate family ties in the United States. And we added 100,000 additional visas for each of the coming 3 years.

It was a generous and compassionate bill, and I deeply regret that the House of Representatives failed to complete action upon it. It is truly a missed opportunity.

What we have before us now is a stopgap measure that is nevertheless of great importance. The bill continues the special "Non-Preference 5" Visa Program established in 1986 that offered new opportunities for immigration from 36 nations disadvantaged by the restrictions of current law. It was a step in the right direction, and this bill continues it and expands it.

The bill extends the "NP-5" Visa Program for 2 more years—1989 and 1990—at a level of 15,000 visas each year—triple the level under current law—and it gives us an opportunity in the next Congress to enact the more general and permanent reforms which are clearly needed.

The bill also extends this program worldwide for 1990 and 1991 at a level of 10,000 visas each year.

Finally, the bill extends for 1 year the existing extension of H-1 visas for nurses, to help deal with the crisis that many hospitals are facing because of the shortage of skilled nurses.

I urge the Senate to adopt the bill. We must not shut the door on immigrants who benefit from this program. It is a temporary, stopgap compromise, but it is essential nonetheless.

I know that many nations have been following our action on this issue, including many of our closest friends, who find it difficult to understand why America permits its modern immigration laws to discriminate so severely against Ireland and other nations that have contributed so much to our immigrant heritage in the past. We must continue to open our doors to those in other lands who look to America as a land of hope and opportunity. But we must be equally vigilant to keep that hope and opportunity available to all nations. The NP-5 Program in effect for 1987 and 1988 has meant that thousands of additional visas are available to Ireland and other nations. As a result of this legislation, even more will be available for 1989 and 1990. My only regret is that we were unable in this Congress to enact a permanent program to end the discrimination in our current laws once and for all. But we shall be back again next year, and we hope to complete the effort.

Finally, I want to pay tribute to four colleagues who have worked hard to reach this goal. Few challenges are more controversial or more complex than reforming the immigration laws. But we owe a special debt of gratitude to Senator ALAN SIMPSON, Congressman PETER RODINO, and Congressman RON MAZZOLI for their skillful leadership. And I also commend Congressman BRIAN DONNELLY for his tireless leadership in developing the measure now before us. I urge the Senate to adopt it.●

● Mr. SIMON. Mr. President, I rise in support of H.R. 5115, the Legal Immigration Reform Amendments of 1988. I wish to commend our chairman on the Immigration Subcommittee, Senator KENNEDY and the retiring chairman of the House Judiciary Committee, Mr. RODINO, for their determination and leadership in reaching agreement on these amendments.

While the amendments contained in H.R. 5115 are not as comprehensive as those passed by the Senate in March, they make significant improvements in the lives of many people not only here in the United States but in nations throughout the world.

This legislation provides important relief for foreign nurses who hold expiring H-1 visas. As a member of the Labor and Human Resources Committee, I have worked to expand opportunities for nursing education. However, in light of the current nursing shortage, in fairness to these foreign nurses, their patients and participating hospitals, I support lifting the H-1 visa cap in this instance to permit these nurses to work in the United States until the end of 1989.

This legislation also expands the current NP-5 program so that its visas will be made available to approximately 15,000 persons who applied when the program started last year. The overwhelming high demand for NP-5 visas requires that this expansion go forward for the program to be meaningful. I hope, however, that Congress has equally high regard for those hundreds of thousands of brothers and sisters of U.S. citizens who have waited patiently in line for fifth-preference visas. I support the NP-5 program as an important step to keep open immigration opportunities to the United States for people from all countries. That is why I also support the third part of this legislation which makes visas available to nationals of countries that use less than one-fourth of the visas available to them.

In enacting these minor but important changes to the Immigration and Nationality Act, Congress must not move away from family reunification as a core principle in our legal immigration policy. When Congress looks at legal immigration reform proposals in the 101st Congress, we must not treat those who have abided by our laws patiently waiting in the legal immigration line with any less regard than those who we have permitted to enter in front of them.●

● Mr. BRADLEY. Mr. President, I am pleased that the Senate is about to pass legislation to provide a 1-year extension for foreign nurses working in the United States on temporary visas. This legislation is designed to give us some breathing room as we work to develop long-term solutions to the nurse shortage.

Mr. President, the United States is suffering from an extreme nursing shortage. There are an estimated 300,000 vacant nursing positions across the country, and the nursing vacancy rate averages 13 percent nationwide. In New Jersey, the vacancy rate has reached over 17 percent.

Last May, in response to several of us in the Senate, the Immigration and Naturalization Service agreed to a short-term extension of the current 5-year visa limit for visiting foreign nurses. However, the problem remains and further extension is needed. Without this legislation at least 400 New Jersey nurses, most in center-city hospitals such as University Hospital in Newark, will be forced to return to their native countries, exascerbating the current severe nurse shortage. Permitting these fully trained and qualified foreign nurses to stay in this country will help alleviate the strain on hospitals and nursing homes across the Nation. While the use of foreign nurses is not a permanent solution to the nursing shortage, it does provide critical temporary relief. I urge the passage of this legislation.●

Mr. SIMPSON. Mr. President, I rise to express some very serious reservations about H.R. 5115, a bill which increases the numerical limits on immigration, also changes the means by which we select immigrants to the United States, and permits foreign nurses working here on temporary visas to remain for 1 additional year in order to address a national nursing shortage.

Mr. President, I have long argued on this floor in support of legal immigration reform since I introduced the first version of the Immigration Reform and Control Act more than 6 years ago, but I am troubled by some provisions of this bill.

First, the bill provides that an additional 15,000 immigrant visas per year, for 2 years, will be distributed to immigrants from 36 countries which, 25 years ago, were the principal sources of immigration to the United States. I do not object to the diversity in immigration sought by this provision, but I do object to the admission of immigrants without any selection crtieria whatsoever. Such a process is not in the national interest.

This body passed a comprehensive immigration reform bill in March that Senator TED KENNEDY and I floor managed, which created a carefully crafted point system by which we would select immigrants on the basis of age, education, occupations needed in the United States, and English language ability. A selection process based on those criteria is, in my mind, a much better immigration policy, and a policy that is truly in the national interest.

Mr. President, the second provision of this bill would make available, through a lottery system, an additional 10,000 visas per year for 2 years to persons from countries which have not been using their share of immigrant visas. As we understand it, more than 160 countries will qualify for the lottery. Again, the immigrants will be selected at random with no selection criteria. As with the first provision I described, this amounts to an abdication of responsibility by the Congress to decide which immigrants would best serve our interests.

I think what is particularly troubling about the second provision is the precedent it will set. For many years now, we have admitted immigrants to the United States based upon their family connections with residents of this country, or on the basis of a job offer from a U.S. employer for a position that could not be filled by a U.S. worker. I believe it is unwise to now revert to some random, or "lottery," selection of immigrants. That is surely not in the national interest.

The third provision of this bill will extend the temporary worker status of certain foreign nurses working in the United States through December 31, 1989. This provision is occasioned by the acute shortage of nurses in our hospitals and clinics, and is obviously a stopgap measure. It is exactly this type of shortage which Senator KENNEDY and I addressed with the immigration reform bill the Senate passed in March. That bill gave special preference to persons in occupations which are needed in the United States and it gave additional points to those who have had experience or special training in those occupations. A country that admits more than a half million legal immigrants a year should certainly be able to find a way to include among those admitted immigrants who have occupations which are needed in this country, such as nurses.

I am particularly concerned that if we are to continue passing stopag measures such as this bill, there will be increasing pressure on the Congress to extend such measures—as we are doing today for the nurses holding temporary worker visas, and for applicants under the "NP-5" program—rather than enact legislation which will provide a thoughtful and rational immigrant selection system. We have witnessed recent attempts to extend programs, such as the amnesty program, which were described as "one time only" proposals. I believe we will see efforts to extend the programs this bill proposes as well. I will vigorously resist it.

These provisions are but makeshift, temporary expedients. We can, and should, and must do better. However, to address our current urgent need for trained and experienced nurses, and to provide some relief to the present heavy immigration demand of nationals of countries which can no longer qualify for a fair share of our immigrant visas, I will withhold my present opposition to these provisions despite the deep concern and serious reservations which I have expressed. I will not be supportive of such a process in the future.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 5115) was ordered to a third reading, was read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VIETNAM WOMEN'S MEMORIAL PROJECT

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2042.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

> *Resolved,* That the House disagree to the amendments of the Senate to the amendments of the House to the bill (S. 2042) entitled "An Act to authorize the Vietnam Women's Memorial Project, Inc., to construct a statue at the Vietnam Veterans Memorial in honor and recognition of the women of the United States who served in the Vietnam conflict.".

(At the request of Mr. BYRD, the following statement was ordered printed in the RECORD at this point:)

● Mr. CRANSTON. Mr. President, on October 12, 1988, I explained to the Senate why the House amendment to the original Senate bill was not acceptable and why I offered, along with Senator DURENBERGER, a compromise Senate amendment which the Senate agreed to that day.

Yesterday evening in order to reach a compromise on this legislation, I sent a personal letter to the chairwoman of the House Subcommittee on Libraries and Memorials setting forth the same analysis, and outlining the following possible compromise:

> If there is a way further to amend S. 2042 to meet both our concerns while giving the VWMP complete statutory authority to construct a commemorative piece at the existing Vietnam Veterans Memorial, I am open to exploring it. For instance, would you consider adopting the provision, or some form thereof, that appeared in the original Senate bill (section 3) which would require the Secretary of the Interior and the Administrator of the General Services Administration to jointly prepare and transmit to the Senate Energy and the House Interior Committees a list of all commemorative works which are deemed completed, and provide that no significant modifications or additions be made without an Act of Congress? A slightly different approach would be to include a provision that directly amends the CWA to provide that, except for the general siting of the addition, the CWA would apply to all modifications or additions. Lastly, I understand that you may have some reluctance to include the language in the Senate amendment concerning the role of the Vietnam Veterans Memorial Fund. If this is so, I am certainly willing to discuss striking that language with the express understanding that the law would not in any way be abrogating the Memorandum of Conveyance provision on that score.

This morning Representative OAKAR made it clear to me that she is unwilling to deviate from the language in the House amendment. Because I believe that the women who served in Vietnam should be honored, today I am reluctantly acquiescing to the House position. I believe the House position is most unfortunate, but I also understand the House jurisdictional problems as between the Administration Committee and the Interior Committee in the other body.

Thus, in order to accommodate to that jurisdictional problem and to remove the obstacle posed by the claim on jurisdiction by the House Administration Committee, I am yielding to the entreaties of the Vietnam Women's Memorial Project to accept the House position in this matter since it is clear nothing else can be worked out.

If this memorial is approved by the Secretary of the Interior, the Commission of Fine Arts, and the National Capitol Planning Commission and it comes time to consider the legislation for the siting of this memorial at the Vietnam Veterans Memorial, we will have to deal only with the Interior Committee, as I understand it.●

● Mr. BUMPERS. Mr. President, one of the first orders of business for the Subcommittee on Public Lands, National Parks and Forests in the 2d session of the 100th Congress was to hold hearings on S. 2042, a bill to authorize the construction of a statue at the Vietnam Veterans Memorial in honor and recognition of the women of the United States who served in the Vietnam conflict. The Energy and Natural Resources Committee subsequently ordered it reported on May 11, 1988, after modifying the bill to make it more consistent with the Commemorative Works Act, which guides the establishment of memorials on Federal lands in the District of Columbia. The Senate passed the measure on June 14.

The House did not act on this measure until September 23, 1988, when it passed an amended version of the measure. While we are told that the House amendments were designed to bring the bill even more in line with the Commemorative Works Act, in actuality, the amended version does just the opposite—it violates the guidelines set forth in the Commemorative Works Act and in so doing establishes very bad precedent in regard to the development of other new memorials.

With the short time remaining before the end of the session, Senators CRANSTON and DURENBERGER responded to the House-passed measure with a sound and reasonable compromise which included much of the House-passed language and was completely consistent with the Commemorative Works Act. The amendment, which enjoyed bipartisan support in the Senate as well as the support of the Energy and Natural Resources Committee and the Vietnam Women's Memorial Project, passed the Senate unanimously.

Now, with only a few short hours remaining until the end of the 100th Congress, the House has sent us back its original language totally ignoring the Senate proposal. I am advised that the House is, in fact, not willing to compromise and we in the Senate are faced with accepting the House language or losing the memorial.

Mr. President, I am convinced that this legislation is seriously flawed and is inconsistent with the Commemorative Works Act. Last Congress, the subcommittee of which I am now chairman, worked long and hard to hammer out the Commemorative Works Act, which gives guidance to the Congress for the construction of memorials in the very limited amount of Federal land still available in the District. The act provides very specific criteria for the types of memorials that may be placed on Federal lands in the District; the siting and design of such memorials; and their construction and maintenance.

The House-passed measure violates the provisions of this act in two primary ways. By requiring that a new memorial be established in honor of women who served in the Armed Forces in Vietnam in accordance with the Commemorative Works Act, it violates the act's provisions which specifically preclude the establishment of a military commemorative work which would commemorate anything less than a major military conflict or a branch of the Armed Forces. Further, by providing that it is the sense of the Congress that the memorial be located within the existing site of the Vietnam Veterans Memorial, the measure is inconsistent with section 7(b)(2) which directs that any new commemorative work be located "as to prevent interference with, or encroachment upon, any existing commemorative work."

Mr. President, I am greatly troubled to be faced with the decision to either live with the measure as it now stands, which will set very bad precedent for the establishment of other new memorials on Federal lands in the District, or to allow a measure, which would honor the significant contribution made by the brave women who served in the Vietnam war, to die. I am particularly concerned since the compromise measure passed by the Senate on October 12 would allow for the establishment of the memorial and still meet the provisions of the Commemorative Works Act.

Reluctantly, I am supporting S. 2042, as amended by the House, because the women who served in Vietnam deserve the honor and tribute which I believe will ultimately result from it. However, I believe that the Commemorative Works Act offers the appropriate guidance to the Congress for the development of memorials on Federal lands within the District of Columbia, and I will oppose efforts in the future to allow memorials to be built which do not meet the provisions of this act.●

● Mr. DURENBERGER. Mr. President, I rise today as the Senate completes action on S. 2042, authorizing the Vietnam Women's Memorial, Inc., to build a memorial to women who served in the Armed Forces in the Vietnam war.

Since I first introduced legislation on this issue in November 1987, there have been many twists and turns in the struggle to commemorate the women who served in Vietnam. But today, after months of effort, we are passing legislation that will make our goal one giant step closer to reality.

The bill we are passing today bears the same number of the bill I introduced with Senator CRANSTON and 41 colleagues: S. 2042. There are, however, significant differences between the language passed by the House and my original language. I have expressed concerns about treating this worthy project as a completely new memorial—when it is clearly meant to be a modification of an existing memorial. The Vietnam Women's Memorial Project, Inc., understands my concerns but wants to move forward with this bill. I have been assured that Congresswomen OAKAR, the chair of the House subcommittee of jurisdiction, will closely monitor progress toward my goal of honoring the women who served in the Vietnam war.

Legislation always involves compromises. I do not want to lose the chance to advance the goal I have had for so long. The bill we are passing today is not ideal—but it will help to honor the women who sacrified so much in service for their country.

I want to highlight one more crucial point: the role of the Vietnam Veterans Memorial Fund. The VVMF has been very supportive of efforts to honor the women who served. My original bill named them specifically in the consultation process, but the bill we are passing today does not mention the VVMF. The House report does address the role of the VVMF. I want the record to be very clear: the VVMF continues to be a part of the Vietnam Veterans Memorial and that this legislation in no way changes their role.

Mr. President, I ask unanimous consent that a colloquy between myself and Senator WARNER on this issue be printed in the RECORD.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

[Congressional Record—Senate, Oct. 12, 1988]

Mr. WARNER. Mr. President, I rise today to engage in a colloquy with Senator DURENBERGER.

First, I commend the Senator from Minnesota [Mr. DURENBERGER] for his dedication to ensuring that America's women veterans of the Vietnam war are duly recognized and commemorated at the Vietnam Veterans Memorial.

I was proud to be associated with the original efforts to erect a memorial to the valiant men and women who served our country so faithfully during the Vietnam war. I am equally pleased to associate myself with the efforts of Senator DURENBERGER and Senator CRANSTON to more fully recognize the contributions of the women of the Armed Forces at the memorial.

As you know, the Vietnam Veterans Memorial Fund as sponsors of the memorial continue a major financial and supportive commitment to the preservation of the memorial. I want to be sure that this legislation recognizes their contributions in organizing Memorial Day and Veterans Day ceremonies and in financing the maintenance of the memorial.

Is my understanding correct that the Vietnam Veterans Memorial Fund under this legislation will retain a consulting role with respect to any modifications of the Vietnam Veterans Memorial?

Mr. DURENBERGER. The Senator from Virginia [Mr. WARNER] is correct. Under the Memorandum of Conveyance, the Vietnam Veterans Memorial Fund places the names of persons who died of wounds onto the memorial plus the addition of names for other purposes. The VVMF provides financial support for emergency repairs, and conduct the Memorial Day and Veterans Day ceremonies.

Due to recent damage of some of the panels of the granite wall, the fund assumed the responsibility of purchasing additional panels in the event portions of the existing structure must be replaced.

The fund continues a close working relationship with the National Park Service and this legislation affirms that responsibilities under its chartering statute and the Memorandum of Conveyance. The intent of this legislation clearly is for the fund to continue its consulting role over the management of the entire site of the Vietnam Veterans Memorial grounds.

Mr. DURENBERGER. Mr. President, the efforts of Senator CRANSTON and myself to honor the unique contributions of the women who served in Vietnam pale in comparison to what these women gave up. That is why we are passing this legislation. And that is why I will do what I can to make the goals of this bill a reality.●

● Mr. WALLOP. Mr. President, while I am a strong supporter of the Vietnam Women's Memorial project, and a co-sponsor of S. 2042 as it passed the Senate, I will very reluctantly agree to the language of the House-passed amendment. I do so only because the end of the 100th Congress is now upon us and I want the authorization for the project to move forward to the President's desk.

While I believe all supporters of the Vietnam Women's Memorial project in both the Senate and the House share the same goal, we differ in our views on the appropriate legislative language to accomplish that objective. On October 12, 1988, the Senate rejected the House-passed language that we are considering again today. In doing so, we approved an amendment in the nature of a substitute which was intended to address the concerns expressed by Members in the other body and to authorize the project in accordance with applicable provisions of the Commemorative Works Act. This was achieved by treating the project as a modification to an existing memorial, which it is, and subjecting the sponsoring organization to the same rigid requirements imposed on groups authorized to establish new memorials with one exception. Since the amendment specified that the modification would be made to the Vietnam Veterans Memorial, it also stated that the location for the addition would be within the existing memorial's 2.2 acre site.

My concern with the House-passed measure is that it violates the basic criteria contained in the Commemorative Works Act for the establishment of new military memorials. The statute is unambiguous in stating that new military memorials shall only be authorized to commemorate a branch of the Armed Forces or a war or similar major military conflict. Despite their meritorious service, women who serve in the Vietnam conflict clearly do not meet the criteria for a new, and perhaps separate, military memorial. Additionally, enactment of the House-passed measure will require the women Vietnam veterans to come back to Congress to seek approval of a resolution to permit siting their project in area I, the monumental core of Washington and the location of the existing Vietnam Veterans Memorial. In my view, this is not the way to legislate the project's goal, which is to authorize a specific commemoration of women who served in Vietnam at the Vietnam Veterans Memorial.

I am pleased to support the efforts of those who seek to recognize and honor the women who serve this country so well in Vietnam. However, I believe the House-passed language we will send to the President today sets a bad precedent for future Congresses and erodes the integrity of the Commemorative Works Act which we worked so hard to enact in the 99th Congress.●

Mr. BYRD. Mr. President, on behalf of Mr. CRANSTON, I move that the Senate recede from the amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

NATIONAL TEACHER APPRECIATION DAY

Mr. BYRD. Mr. President, I ask that the Senate proceed to the consideration of House Joint Resolution 438.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 438) designating November 4, 1988, as National Teacher Appreciation Day.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution (H.J. Res. 438) was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

ADMIRALTY JURISDICTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 1098, H.R. 1149, that the bill be read the third time and passed, and that the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 1149) was passed.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session; that the Armed Services Committee be discharged from further consideration of 11 nominations in the Medical Corps of the U.S. Naval Reserve; that the Senate proceed to their immediate consideration; that they be considered en bloc, confirmed en bloc; that the motion to reconsider en bloc be laid on the table, and the President be immediately notified of the confirmation of the nominees, that a statement by Mr. NUNN be appropriately placed in the RECORD; and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

The following named Ex-U.S. Navy officers to be appointed permanent commander in the medical corps of the U.S. naval reserve, pursuant to title 10, United States Code, section 593.

Charles L. Rice, Theodore G. Goldfarb, Josiah Lilly, Robert B. Armstrong, Daryl J. Hulsing, and Richard B. Salsitz.

The following medical college graduates to be appointed permanent commander in the medical corps of the U.S. naval reserve, pursuant to title 10, United States Code, section 593.

Bernhard Penner, Stuart A. Brodsky, and Paul H. Barnett.

The following Ex-U.S. Army officers to be appointed permanent commander in the medical corps of the U.S. naval reserve, pursuant to title 10, United States Code section 593.

Paul S. Drohan and Franklin J. Derusso.

NAVY MEDICAL CORPS NOMINATIONS

Mr. NUNN. Mr. President, to date the Senate Committee on Armed Services has handled over 75,000 military nominations in the 100th Congress. The committee takes our responsibilities in this area very seriously; we do not consider any military nomination to be routine since insuring fairness and objectively of the promotion system is the heart and soul of the management of the military officer corps. The committee conducts hearings on many military nominations and we look into any problem areas we know about.

Last Thursday, October 13, the committee established a quorum and handled all the nominations that we were prepared to act on at that time. The Senate confirmed all these 839 nominations the next day, Friday, October 14. We had intended that this would be our last action on nominations.

On last Friday, however, the nominations of 11 officers for appointment as commanders in the Navy Medical Corps were referred to the committee. Senators FORD and McCONNELL have brought to my attention the fact that a significant hardship will occur to at least one individual on this list if not confirmed by the Senate prior to adjournment.

As I understand it from them, one nominee on the list is a doctor in Kentucky who has closed his medical practice, sold his home, and is awaiting orders to come serve as a doctor in the Navy. Without confirmation, he cannot be brought on active duty at the rank he was promised. Of course, the medical area is one in which we have real shortfalls and recruiting is always difficult. I regret that this list did not arrive in the Senate in a more timely fashion, but I believe we should act on these nominations.

I want to make it clear that we are not establishing a precedent with this procedure. We are only taking this action of discharging the committee since we all recognize that a committee quorum on the last day of the session is impractical. Further, we have checked through staff with all committee members and the committee supports this procedure due to the potential hardships to certain individuals on the list.

Mr. President, I recommend that the Senate confirm this list. There are no problems with anyone on the list; all the paperwork is in order. We are following this procedure only because this is the last day of the session. No committee quorum is possible, and a real hardship would occur to an individual on the list through no fault of his own since it would be 3 to 4 months before the Senate would otherwise be able to consider the list of nominations in the 101st Congress.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 8 o'clock today.

Ther being no objection, the Senate, at 7:14 p.m., recessed until 8 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. ROCKEFELLER].

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from West Virginia, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ABANDONMENT OF CERTAIN CALIFORNIA LANDS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be discharged from further consideration of H.R. 4039, the California lands bill; that the Senate proceed to its immediate consideration; that it be advanced to third reading, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 4039) was passed.

EXTENSION OF RECORD RENTAL PROVISIONS

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2201.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2201) entitled "An Act to make certain record rental provisions in title 17, United States Code, the Copyright Act, permanent", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SECTION 1. EXTENSION OF RECORD RENTAL AMENDMENT.

Section 4(c) of the Record Rental Amendment of 1984 (17 U.S.C. 109 note) is amended by striking out "five" and inserting in lieu thereof "13".

SEC. 2. TECHNICAL AMENDMENTS.

Section 109(d) of title 17, United States Code, is amended—

(1) by striking out "(b)" and inserting in lieu thereof "(c)"; and

(2) by striking out "copyright" and inserting in lieu thereof "copyright".

Amend the title so as to read: "An Act to extend for an additional 8-year period certain provisions of title 17, United States Code, relating to the rental of sound recordings, and for other purposes.".

Mr. BYRD. Mr. President, I move that the Senate concur in the amendments of the House.

Mr. STEVENS. There is no objection.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF CONSUMER PRODUCT SAFETY COMMISSION REGULATIONS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 5552, a bill to revise the Consumer Products Safety Commission's regulations on lawn darts.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5552) to provide that the Consumer Product Safety Commission amend its regulations regarding lawn darts.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HOLLINGS. Mr. President, I urge my colleagues to support the bill now before the Senate. This bill is the same provision that has previously been considered by the Commerce Committee and approved unanimously. Unfortunately, other matters have prevented the consideration of S. 1882, which contains this language.

Lawn darts have been shown to cause death and injury. As the recent "60 Minutes" program demonstrated, the Snow family in California has suffered the loss of their young daughter to one of these darts. This is in spite of the fact that regulations of the Consumer Product Safety Commission [CPSC] are intended to preclude the darts from being sold or used by children.

Obviously, those regulations have not achieved their purpose. The CPSC indicates that over three-fourths of lawn dart victims are younger than 15 years of age. An average of 670 injuries a year from lawn darts are being treated in our Nation's hospital emergency rooms.

I was pleased that the CPSC moved forward with its rulemaking proceeding following the adoption by the Commerce Committee of this language late last year. This bill which we consider today will ensure that the rulemaking is concluded promptly.

To prevent a recurrence of the kinds of lawn dart tragedies that we have witnessed, I encourage my colleagues to support this bill.

Mr. GORE. Mr. President, I am very pleased that the Senate is considering this bill which would effectively ban the sale of lawn darts as we know them today. The language is identical to a provision that I introduced last year as part of legislation to reauthorize the Consumer Product Safety Commission, S. 1882. The full Commerce Committee unanimously adopted that bill; unfortunately, due to matters unrelated to lawn darts, S. 1882 has not come before the Senate for its consideration.

Lawn darts are devices that are intended to be used outdoors and that are designed so that, when they are thrown into the air, they will contact the ground point first. Often, lawn darts are used in a game where the darts are thrown at a target or other feature on the ground and the darts stick in the ground on impact. The types of lawn darts that have generally been available in the past and that have demonstrated their ability to cause skull puncture injuries typically have a metal or weighted plastic body, on the front of which is a metal shaft. The shaft sometimes has a pointed tip. They are about one foot in length and weigh about one quarter to one-half pound.

Lawn darts have been banned under the Federal Hazardous Substances Act since 1970. However, under an exemption granted pursuant to that act, they have been permitted to be sold for adult use. They cannot be sold in toy stores, and a label must accompany the packaging of the darts.

In April 1987, a tragedy befell a young girl from California who was struck in the head and killed by one of these darts. She was the third reported fatality since 1970 from lawn darts, though the CPSC indicates that 6,700 injuries from this product have been reported between 1978 and 1986. A majority of these injuries involved the head, face, eye, or ear. Over 75 percent of the victims were under the age of 15. Obviously, the ban on lawn darts, with its exemption, has not kept children from using them.

The CPSC has issued a notice of proposed rulemaking regarding actions to be taken by the CPSC to ensure that lawn darts do not continue to cause injuries. Given the fact that the exemption has been shown not to have served its purpose, the CPSC has indicated that it is considering an amendment of its 1970 regulation so as to extend the ban on lawn darts being sold to adults, unless the CPSC finds that they do not present the possibility of puncture wound injury. This is consistent with the language contained in the bill. The bill will mandate that this rulemaking be concluded satisfactorily.

I am pleased that this bill is being considered. Too many injuries and loss of life have indicated that this game cannot be permitted to be available in its current form. I urge my colleagues to join me in support of this bill.

● Mr. WILSON. Mr. President, earlier today, the House of Representatives approved H.R. 5552, which is identical to legislation I introduced in March to ban the sale of lawn darts, a seemingly harmless toy which has caused serious injuries to thousands of children and which caused the death of a small child in California last year. I urge the Senate to approve this very important bill.

The agency with jurisdiction over lawn darts, the Consumer Products Safety Commission, estimates that at least 500,000 lawn dart sets are sold annually. Since 1978, over 6,000 people have been treated in hospital emergency rooms for injuries resulting from playing with lawn darts. Over 80 percent of the victims were children under the age of 15; over half of the victims were under the age of 10. At least three children have died after being struck by a lawn dart.

However, the CPSC has not acted responsibly in either its enforcement of its current lawn dart regulations or in its speed of promulgating regulations to ban the dangerous toy. Indeed, until a few months ago, the CPSC would not hear of banning lawn darts. Instead, it made mandatory five previously voluntary provisions designed to provide more information on the packages in which lawn darts are sold. Yet, CPSC staff visited 31 retail stores selling lawn darts and found that packages in half violated these standards. Indeed, 17 of 18 distributors overall were found to be in violation, and some importers have said that they would only implement some of these five standards if they become mandatory.

The CPSC could not ensure that a voluntary ban would force distributors and importers to comply with the standards; yet, the CPSC is still dragging its feet as it considers a total ban on lawn darts. It is further evident that children will continue to play the game if they have the chance to do so. Parents cannot supervise their children all the time. Therefore, unless lawn darts are banned, we will continue to see small children injured and killed by these toys.

I cannot let this opportunity go by without singing the praises of Mr. David Snow, whose daughter was killed by a lawn dart last year at their home in Riverside, CA. Mr. Snow has been a tireless crusader in his fight to educate both the Congress and the executive branch about the dangers of lawn darts. As the Congress approves this legislation, we need to thank David Snow for his unflagging and tireless work on this issue.

The language of S. 2130 and H.R. 5552 is identical to that in S. 1882, the CPSC reauthorization bill introduced by Senator GORE and cosponsored by Senator KERRY and myself. It was approved unanimously by the Committee on Commerce, Science, and Transportation. Unfortunately, the bill was stalled by events unrelated to the lawn dart provision. Any further delay will cause more injuries and, possibly, more deaths. I urge my colleagues to vote for this important piece of consumer legislation.●

Mr. BYRD. Mr. President, I ask unanimous consent that the bill be advanced to third reading, passed, and a motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration en bloc of the following joint resolutions just received from the House: House Joint Resolution 573, House Joint Resolution 654, House Joint Resolution 649, House Joint Resolution 604, House Joint Resolution 626, House Joint Resolution 564, House Joint Resolution 446; that these various and sundry resolutions be considered en bloc, advanced to third reading en bloc, passed en bloc, and the motion to reconsider en bloc be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the preambles are agreed to.

NATIONAL CRANIOFACIAL AWARENESS WEEK

The Senate proceeded to consider the joint resolution (H.J. Res. 573) to designate the week beginning November 13, 1988, as "National Craniofacial Awareness Week."

Mr. BYRD. Mr. President, earlier today the House of Representatives passed its joint resolution designating the week of November 13-19, 1988, as "Craniofacial Awareness Week." (H.J. Res. 573). This joint resolution is identical to the joint resolution I introduced earlier this year and was cosponsored by 46 Senators.

With the designation of the week of November 13-19, 1988, as "National Craniofacial Awareness Week," organizations such as the National Craniofacial Deformities Foundation, let's face it, and the National Foundation for Facial Reconstruction, can focus attention on the victims of craniofacial deformity, continuing to provide treatment, education, research, and patient assistance programs to these individuals and their families.

Thousands of children suffer from the physicial and emotional trauma brought on by craniofacial deformities. The research, support, and public awareness these organizations are providing is helping victims of craniofacial deformities live normal and productive lives. I urge that the Senate pass this joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

WEEK OF REMEMBRANCE OF KRISTALLNACHT

The joint resolution (H.J. Res. 654) designating November 4 though 10, 1988, as the "Week of Remembrance of Kristallnacht" was considered, ordered to a third reading, read the third time, and passed.

NATIONAL FIREFIGHTERS DAY

The joint resolution (H.J. Res. 649) designating November 12, 1988, as "National Firefighters Day," was considered, ordered to a third reading, read the third time, and passed.

NATIONAL BURN AWARENESS WEEK

The joint resolution (H.J. Res. 604) designating February 5 through 11, 1989, as "National Burn Awareness Week," was considered, ordered to a third reading, read the third time, and passed.

UNCLE SAM DAY

The joint resolution (H.J. Res. 626) designating September 13, 1989, as "Uncle Sam Day," was considered, ordered to a third reading, read the third time, and passed.

NATIONAL EARTHQUAKE AWARENESS WEEK

The joint resolution (H.J. Res. 564) designating the first week of April 1989 as "National Earthquake Awareness Week," was considered, ordered to a third reading, read the third time, and passed.

NATIONAL JUKEBOX WEEK

The joint resolution (H.J. Res. 446) designating October 30 through November 5, 1988, as "National Jukebox Week," was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CALVIN L. GRAHAM

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 1142.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 610) for the relief of Calvin L. Graham.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WARD R. BURKE U.S. COURTHOUSE

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 1473 and that the Senate proceed to its immediate consideration.

THE PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 1473) to designate the building which will house the U.S. District Court for the Eastern District of Texas in Lufkin, TX, as the "Ward R. Burke U.S. Courthouse."

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMPROVEMENT OF THE EFFICIENCY AND EFFECTIVENESS OF MANAGEMENT OF PUBLIC BUILDINGS

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2186.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2186) entitled "An Act to improve the efficiency and effectiveness of management of public buildings", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Public Buildings Amendments of 1988".

SEC. 2. INCREASED THRESHOLD FOR APPROVAL PROCESS.

Sections 4(b) and 7(a) of the Public Buildings Act of 1959 (40 U.S.C. 603(b) and 606(a)) are amended by striking out "$500,000" each place it appears and inserting in lieu thereof "$1,500,000".

SEC. 3. LIMITATIONS ON LEASING AUTHORITY.

(a) LIMITATION ON APPROPRIATIONS FOR LEASING CERTAIN SPACE.—Section 7(a) of the Public Buildings Act of 1959 (40 U.S.C. 603(a)) is amended by inserting after the second sentence the following new sentence: "No appropriation shall be made to alter any building, or part thereof, which is under lease by the United States for use for a public purpose if the cost of such alteration would exceed $750,000 unless such alteration has been approved by resolutions adopted by the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.".

(b) LIMITATION ON LEASING CERTAIN SPACE.—Section 7 such Act (40 U.S.C. 606 is amended by adding at the end thereof the following new subsection:

"(e) LIMITATION ON LEASING CERTAIN SPACE.—

"(1) GENERAL RULE.—The Administrator may not lease any space to accommodate—

"(A) computer and telecommunications operations;

"(B) secure or sensitive activities related to the national defense or security, except in any case in which it would be inappropriate to locate such activities in a public building or other facility identified with the United States Government; or

"(C) a permanent courtroom, judicial chamber, or administrative office for any United States court;

if the average rental cost of leasing such space would exceed $1,500,000.

"(2) EXCEPTION.—The Administrator may lease any space with respect to which paragraph (1) applies if the Administrator first determines, for reasons set forth in writing, that leasing such space is necessary to meet requirements which cannot be met in public buildings and submits such reasons to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.".

SEC. 4. DOLLAR AMOUNT ADJUSTMENT.

Section 7 of the Public Buildings Act of 1959 (40 U.S.C. 606) is further amended by adding at the end the following new subsection:

"(f) DOLLAR AMOUNT ADJUSTMENT.—Any dollar amount referred to in this section and section 4(b) of this Act may be adjusted by the Administrator annually to reflect a percentage increase or decrease in construction costs during the preceding calendar year, as determined by the composite index of construction costs of the Department of Commerce. Any such adjustment shall be expeditiously reported to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.".

SEC. 5. STATE ADMINISTRATION; SPECIAL RULES FOR LEASED BUILDINGS.

The Public Buildings Act of 1959 (40 U.S.C. 601-616) is amended by adding at the end thereof the following new sections:

"SEC. 19. STATE ADMINISTRATION OF CRIMINAL AND HEALTH AND SAFETY LAWS.

"Notwithstanding any other provision of law, the Administrator may, whenever the Administrator considers it desirable, assign to a State, or to a commonwealth, territory, or possession of the United States, all or part of the authority of the United States to administer criminal laws and health and safety laws with respect to lands or interests in lands under the control of the Administrator located in such State, commonwealth, territory, or possession. Assignment of authority under this section may be accomplished by filing with the chief executive officer of such State, commonwealth, territory, or possession a notice of assignment to take effect upon acceptance thereof, or in such other manner as may be prescribed by the laws of the State, commonwealth, territory, or possession in which such lands or interests in lands are located.

"SEC. 20. SPECIAL RULES FOR LEASED BUILDINGS.

"(a) SPECIFICATIONS.—Notwithstanding the provisions of section 210(h)(1) of the Federal Property and Administrative Services Act of 1949, the Administrator shall not make any agreement or undertake any commitment which will result in the construction of any building which is to be constructed for lease to, and for predominant use by, the United States until the Administrator has established detailed specification requirements for such building.

"(b) COMPETITIVE PROCEDURES.—The Administrator may acquire a leasehold interest in any building which is constructed for lease to, and for predominant use by, the United States only by the use of competitive procedures required by section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253).

"(c) INSPECTIONS.—The Administrator shall inspect every building to be constructed for lease to, and for predominant use by, the United States during the construction of such building in order to determine that the specifications established for such building are complied with.

"(d) ENFORCEMENT.—

"(1) POST-CONSTRUCTION EVALUATION.—Upon completion of a building constructed for lease to, and for predominant use by, the United States, the Administrator shall evaluate such building for the purpose of determining the extent, if any, of failure to comply with the specifications referred to in subsection (a).

"(2) CONTRACT CLAUSE.—The Administrator shall ensure that any contract entered into for a building described in paragraph (1) shall contain provisions permitting a reduction of rent during any period when such building is not in compliance with such specifications.".

SEC. 6. COMPLIANCE WITH NATIONALLY RECOGNIZED CODES.

(a) IN GENERAL.—The Public Buildings Act of 1959 (40 U.S.C. 601-616) is further amended by adding at the end the following new section:

"SEC 21. COMPLIANCE WITH NATIONALLY RECOGNIZED CODES.

"(a) BUILDING CODES.—Each building constructed or altered by the General Services Administration or any other Federal agency shall be constructed or altered, to the maximum extent feasible as determined by the Administrator or the head of such Federal agency, in compliance with one of the nationally recognized model building codes and with other applicable nationally recognized codes. Such other codes shall include, but not be limited to, electrical codes, fire and life safety codes, and plumbing codes, as determined appropriate by the Administrator. In carrying out this subsection, the Administrator or the head of the Federal agency authorized to construct or alter the building shall use the latest edition of the nationally recognized codes referred to in this subsection.

"(b) ZONING LAWS.—Each building constructed or altered by the General Services Administration or any other Federal agency shall be constructed or altered only after consideration of all requirements (other than procedural requirements) of—

"(1) zoning laws, and

"(2) laws relating to landscaping, open space, minimum distance of a building from the property line, maximum height of a building, historic preservation, and esthetic qualities of a building, and other similar laws,

of a State or a political subdivision of a State which would apply to the building if it were not a building constructed or altered by a Federal agency.

"(c) Special Rules.—

"(1) State and local government consultation, review, and inspections.—For purposes of meeting the requirements of subsections (a) and (b) with respect to a building, the Administrator or the head of the Federal agency authorized to construct or alter the building shall—

"(A) in preparing plans for the building, consult with appropriate officials of the State or political subdivision, or both, in which the building will be located;

"(B) upon request, submit such plans in a timely manner to such officials for review by such officials for a reasonable period of time not exceeding 30 days; and

"(C) permit inspection by such officials during construction or alteration of the building, in accordance with the customary schedule of inspections for construction or alteration of buildings in the locality, if such officials provide to the Administrator or the head of the Federal agency, as the case may be—

"(i) a copy of such schedule before construction of the building is begun; and

"(ii) reasonable notice of their intention to conduct any inspection before conducting such inspection.

"(2) Limitation on state responsibilities.—Nothing in this section shall impose an obligation on any State or political subdivision to take any action under paragraph (1).

"(d) State and Local Government Recommendations.—Appropriate officials of a State or a political subdivision of a State may make recommendations to the Administrator or the head of the Federal agency authorized to construct or alter a building concerning measures necessary to meet the requirements of subsections (a) and (b). Such officials may also make recommendations to the Administrator or the head of the Federal agency concerning measures which should be taken in the construction or alteration of the building to take into account local conditions. The Administrator or the head of the Federal agency shall give due consideration to any such recommendations.

"(e) Effect of Noncompliance.—No action may be brought against the United States and no fine or penalty may be imposed against the United States for failure to meet the requirements of subsection (a), (b), or (c) of this section or for failure to carry out any recommendation under subsection (d).

"(f) Limitation of Liability.—The United States and its contractors shall not be required to pay any amount for any action taken by a State or a political subdivision of a State to carry out this section (including reviewing plans, carrying out on-site inspections, issuing building permits, and making recommendations).

"(g) Applicability to Certain Buildings.—This section applies to any project for construction or alteration of a building for which funds are first appropriated for a fiscal year beginning after September 30, 1989.

"(h) National Security Waiver.—This section shall not apply with respect to any building if the Administrator or the head of the Federal agency authorized to construct or alter the building determines that the application of this section to the building would adversely affect national security. A determination under this subsection shall not be subject to administrative or judicial review.".

(b) Notification of Federal Agencies.—Not later than 180 days after the date of the enactment of this section, the Administrator of General Services shall notify the heads of all Federal agencies of the requirements of section 21 of the Public Buildings Act of 1959.

SEC. 7. LIMITATION ON MAXIMUM RENTAL RATE.

Section 322 of the Act of June 30, 1932 (47 Stat. 412; 40 U.S.C. 278a), is repealed.

SEC. 8. PROTECTION OF FEDERAL PROPERTY.

(a) Reference to GSA.—The Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318-318d) is amended—

(1) by striking out "Federal Works Agency" each place it appears and inserting in lieu thereof "General Services Administration"; and

(2) by striking out "Federal Workers Administrator" each place it appears and inserting in lieu there of "Administrator of General Services".

(b) Inclusion of Leased Property.—The first section of such Act (40 U.S.C. 318) is amended to read as follows:

SECTION 1. SPECIAL POLICE.

"(a) Appointment.—The Administrator of General Services, or officials of the General Services Administration duly authorized by the Administrator, may appoint uniformed guards of such Administration as special policemen without additional compensation for duty in connection with the policing of all buildings and areas owned or occupied by the United States and under the charge and control of the Administrator.

"(b) Powers.—Special policemen appointed under this section shall have the same powers as sheriffs and constables upon property referred to in subsection (a) to enforce the laws enacted for the protection of persons and property, and to prevent breaches of the peace, to suppress affrays of unlawful assemblies, and to enforce any rules and regulations promulgated by the Administrator of General Services or such duly authorized officials of the General Services Administration for the property under their jurisdiction; except that the jurisdiction and policing powers of such special policemen shall not extend to the service of civil process.".

(c) Conforming Amendments.—

(1) Section 2.—Section 2 of such Act (40 U.S.C. 318a) is amended by striking out "Federal property" each place it appears and inserting in lieu thereof "property".

(2) Section 3.—Section 3 of such Act (40 U.S.C. 318b) is amended by striking out "and over which the United States has acquired exclusive or concurrent criminal jurisdiction".

SEC. 9. CERTAIN OTHER AUTHORITIES.

Nothing in this Act (including any amendment made by this Act) shall be construed to affect the authorities granted in sections 5, 6, and 8 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f, 403g, and 403j).

SEC. 10. TECHNCAL AMENDMENT.

The Act entitled "An Act to designate the United States Post Office and Courthouse in Pendleton, Oregon, as the 'John F. Kilkenny United States Post Office and Courthouse' ", approved October 17, 1984 (Public Law 98-492; 98 Stat. 2271), is amended by striking out "Dorian" and inserting in lieu thereof "Dorion".

SEC. 11. NAMINGS.

(a) Lawton Chiles, Jr. Federal Building, Lakeland, Florida.—

(1) Designation.—The Federal Building to be constructed in Lakeland, Florida, that will replace the existing Federal Building in Lakeland, Florida, shall be known and designated as the "Lawton Chiles, Jr. Federal Building".

(2) Legal references.—Any reference in any law, regulation, document, record, map, or other paper of the United States to the building designated by paragraph (1) is deemed to be a reference to the "Lawton Chiles, Jr. Federal Building".

(3) Effective date.—This subsection shall take effect on whichever of the following occurs later:

(A) The date of the enactment of this Act.

(B) January 3, 1989.

(b) Robert A. Young Federal Building, St. Louis, Missouri.—

(1) Designation.—The Federal building located at 405 South Tucker Boulevard, St. Louis, Missouri, shall be known and designated as the "Robert A. Young Federal Building".

(2) Legal references.—Any reference in a law, map, regulation, document, record, or other paper of the United States to the Federal building referred to in paragraph (1) shall be deemed to be a reference to the "Robert A. Young Federal Building".

Mr. BYRD. Mr. President, I move that the Senate concur in the House amendment.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL ASPARAGUS MONTH

Mr. BYRD. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of H. J. Res. 137 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 137) Designating the month of May as "National Asparagus Month".

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

AMENDMENT NO. 3769

Mr. STEVENS. Mr. President, I send to the desk an amendment on behalf of the Senator from California (Mr. WILSON).

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] for Mr. WILSON proposes an amendment numbered 3769. On page 2, line 3, after the word "May", insert ", 1989,".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3769) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the joint resolution.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 137) was read the third time.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass?

So, the joint resolution (H.J. Res. 137) was passed.

The preamble was agreed to.

The title was amended as follows:

Amend the title so as read "Joint Resolution designating the month of May 1989, as "National Asparagus Month".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF ENERGY CIVILIAN RESEARCH AND DEVELOPMENT AUTHORIZATION ACT

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 997, H.R. 4505, a bill to reauthorize the Department of Energy Office of Civilian Research.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4505) to authorize appropriations to the Department of Energy for civilian research and development programs for fiscal year 1989.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

That this Act may be cited as the "Department of Energy Research Initiatives and Technology Competitiveness Act of 1988".

TITLE I—NATIONAL LABORATORY COOPERATIVE RESEARCH INITIATIVES

SEC. 101. SHORT TITLE.

This title may be cited as the "Department of Energy National Laboratory Cooperative Research Initiatives Act".

SEC. 102. DEFINITIONS.

For purposes of this title, the term—

(a) "National Laboratory" means the following Department of Energy laboratories—

(1) Lawrence-Livermore National Laboratory;

(2) Lawrence-Berkeley National Laboratory;

(3) Los Alamos National Laboratory;

(4) Sandia National Laboratory;

(5) Fermi National Accelerator;

(6) Princeton Plasma Physics Laboratory;

(7) Idaho National Engineering Laboratory;

(8) Argonne National Laboratory;

(9) Brookhaven National Laboratory;

(10) Oak Ridge National Laboratory;

(11) Pacific Northwest Laboratory;

(12) Ames Laboratory;

(13) Stanford Linear Accelerator Center;

(14) Bates Linear Accelerator Facility;

(15) Center for Energy and Environment Research;

(16) Coal Fired Flow Facility;

(17) Energy Technology Engineering Center;

(18) Hanford Engineering Development Laboratory;

(19) Inhalation Toxicology Research Institute;

(20) Laboratory for Energy-Related Health Research;

(21) Laboratory of Biomedical and Environmental Sciences;

(22) Laboratory of Radiobiology and Environmental Health;

(23) Michigan State University-DOE Plant Research Laboratory;

(24) Notre Dame Radiation Laboratory;

(25) Oak Ridge Associated Universities;

(26) Radiobiology Laboratory;

(27) Savannah River Ecology Laboratory;

(28) Savannah River Laboratory;

(29) Solar Energy Research Institute; and

(30) Stanford Synchrotron Radiation Laboratory.

Such term also includes any future government-owned, contractor-operated laboratory facilities established as Department of Energy Multi-program Laboratories or Program-Dedicated Facilities. Such term does not include Naval Nuclear Propulsion Reactor Laboratories, or their contractors or subcontractors performing work covered under Executive Order 12344, as codified in section 7158 of title 4, United States Code.

(b) "Secretary" means the Secretary of Energy.

(c) "Federal Agency" means any executive agency as defined in section 105 of title 5, United States Code, and the military departments defined by section 102 of title 5, United States Code.

(d) "contract" means any contract, grant, or cooperative agreement as those terms are used in sections 6303, 6304, and 6305 of title 31, United States Code, entered into between any Federal agency and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government. Such term includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a contract.

(e) "cooperative research and development agreement" means any agreement between one or more National Laboratories and one or more non-Federal parties under which the Government, through its National Laboratories, provides personnel, services, facilities, equipment, or other resources with or without reimbursement (but not funds to non-Federal parties) and the non-Federal parties provide funds, personnel, services, facilities, and equipment, or other resources toward the conduct of specified research and development efforts which are consistent with the missions of the National Laboratory; except that such term does not include a procurement contract or cooperative agreement as those terms are used in sections 6303, 6304, and 6305 of title 31, United States Code.

(f) "funding agreement" means any contract, grant, or cooperative agreement entered into between the Secretary of Energy and a contractor operating a National Laboratory of the Department of Energy that provides for such contractor to perform research and development at such National Laboratory.

SEC. 103. POLICY.

(a) It is a mission of the National Laboratories to foster, consistent with the national security and a fair return on the taxpayers' investment, the commercialization of technology developed in connection with activities of such Laboratories authorized under subtitle A and other law.

(b) The Secretary shall take such actions as he finds appropriate and consistent with law to further the mission set forth in subsection (a).

Subtitle A—The Department of Energy National Laboratories Centers for Research on Enabling Technologies for High Temperature Superconducting Applications.

SEC. 110. FINDINGS.

For purposes of this subtitle, Congress finds that—

(1) the Department of Energy has conducted extensive research in superconducting materials to support its programmatic activities in High Energy Physics, Magnetic Fusion Energy, Energy Storage Systems, Electric Energy Systems, and Energy Conservation, pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93-577), the Energy Reorganization Act of 1974 (Public Law 93-483), and the Department of Energy Organization Act (Public Law 95-91);

(2) recent developments in high-temperature superconducting materials hold great promise for highly efficient energy storage and transmission, medical diagnostics, magnets for physics research and fusion reactors, and smaller supercomputers;

(3) the United States is a world leader in basic research on high-temperature superconducting materials, and programs supporting this research at the Department of Defense, the National Science Foundation,

and the Department of Energy should be maintained and strengthened;

(4) international interest in the commercialization of high-temperature superconducting materials is high and the key to success in commercialization lies in the rapid development of these materials and the identification of their applications; and

(5) the National Laboratories have demonstrated expertise in high-temperature superconductivity research and a proven record in research in enabling technologies which can benefit industrial efforts in product development.

SEC. 112. PURPOSES.

The purposes of this subtitle are—

(1) to provide for research on critical enabling technologies to assist United States industry in the commercialization of high-temperature superconductors;

(2) to provide national organization and coordination in the research, development and commercialization of high-temperature superconductors; and

(3) to encourage private industry, university, and National Laboratory interaction through centers for research on enabling technologies for high-temperature superconductivity at the National Laboratories.

SEC. 113. ESTABLISHMENT OF THE HIGH-TEMPERATURE SUPERCONDUCTOR RESEARCH INITIATIVE.

The Secretary of Energy shall initiate and carry out a cooperative program of research on enabling high-temperature superconductor technology and on the practical applications of such technology (hereafter in this subtitle referred to as the "Initiative").

SEC. 114. PARTICIPATION OF NATIONAL LABORATORIES.

(a) Mission of National Laboratories.—The Secretary shall ensure that the National Laboratories participate in the Initiative, to the extent that such participation does not detract from the primary mission of any participating National Laboratory.

(b) Agreements.—The Secretary shall enter into such agreements with other Federal agencies, with United States private industrial or research organizations, or consortia, or with any college or university, as may be necessary to provide for the active participation of the National Laboratories in the Initiative.

(c) Required Provisions.—The Initiative shall include provisions for one or more National Laboratories to conduct research and development activities relating to research on high-temperature superconductivity. Such activities may include research and development in associated technologies including thin film and bulk ceramic synthesis and processing and the characterization of physical, chemical, and structural properties in materials.

SEC. 115. FORMATION OF COUNCIL AND CENTERS FOR RESEARCH ON ENABLING TECHNOLOGIES.

(a) Council.—The Secretary of Energy shall form the "Council for Research on Enabling Technologies" (hereafter in this subtitle referred to as the "Council") that shall be composed or representatives of appropriate government agencies, universities, and industry to provide advice to the Secretary in setting goals and strategies for the Initiative. The Council shall recommend guidelines for the release of the technical findings and developments made by the cooperative research centers established pursuant to subsection (b). Guidelines for releasing technical findings set forth by the Council shall be consistent with guidelines set forth by affected Federal agencies.

(b) Cooperative Research Centers.—(1) The Secretary shall establish cooperative research centers in enabling technology for high-temperature superconducting materials and applications (hereafter in this subtitle referred to as "Centers") at one or more National Laboratories with appropriate university and private industry participants.

(2) The Centers shall be located at National Laboratories that demonstrate expertise in—

(A) high-temperature superconductivity research; and

(B) researh in associated technologies including—

(i) thin film and bulk ceramic synthesis and processing; and

(ii) characterization of physical, chemical, and structural properties in materials.

(c) Avoidance of Duplication.—The Council shall keep appraised of activities taking place at the existing Research Centers on Superconductivity and Superconductivity Pilot Centers. In carrying out the responsibilities of subsection (a), the Council shall recommend to the Secretary and such Centers measures to ensure that unnecessarily duplicative research or activities are not being carried out at these Centers.

SEC. 116. PERSONNEL EXCHANGES.

The Initiative may include provisions for temporary exchanges of personnel between any domestic firm or university referred to in this title and the National Laboratories that are participating in the Initiative. The exchange of personnel may be subject to such restrictions, limitations, terms and conditions as the Secretary considers necessary in the interest of national security.

SEC. 117. OTHER DEPARTMENT OF ENERGY RESOURCES.

(a) Availability of Resources.—The Secretary shall make available to other departments or agencies of the Federal Government, and to any participation in research and development projects under the Initiative, any facilities, personnel, equipment, services, and other resources of the Department of Energy for the purpose of conducting research and development projects under the Initiative.

(b) Reimbursement.—The Secretary may make facilities available under this section only to the extent that the cost of the use of such facilities is reimbursed by the user.

SEC. 118. BUDGETING FOR HIGH-TEMPERATURE SUPERCONDUCTIVITY RESEARCH.

To the extent the Secretary considers appropriate and necessary, the Secretary, in preparing the research and development budget of the Department of Energy to be included in the annual budget submitted to the Congress by the President for fiscal years 1990, 1991, 1992, 1993, 1994, and 1995 under section 1105(a) of title 31, United States Code, shall provide for programs, projects, and activities that encourage the development of new technology in the field of high-temperature superconductivity.

SEC. 119. COST-SHARING AGREEMENTS.

(a) Permitted Provisions.—The Secretary shall ensure that contracts for the operation of National Laboratories provide the director of each National Laboratory that is participating in the Initiative or the contractor operating any such National Laboratory the authority to receive funds under any cooperative research and development agreement entered into with a domestic firm or university under the Initiative.

(b) Considerations.—The director of each National Laboratory that is participating in the Initiative, in determining the type and extent of its laboratory participation in carrying out work for others, shall undertake such work only when facilities are available and when it would not interfere with Department of Energy programs, and such work shall be conducted in such a way as to not create a future detrimental burden on the National Laboratory.

(c) Limitations.—(1) An amount equal to not more than 10 percent of any National Laboratory's annual budget may be received from non-appropriated funds derived from work for others contracts entered into under the Initiative in any fiscal year, except to the extent approved in advance by the Secretary.

(2) Under subsection (a) no National Laboratory may receive from any person more than $10,000,000 of nonappropriated funds under any cooperative research and development agreement entered into under the Initiative, except to the extent approved in advance by the Secretary.

SEC. 120. OVERSIGHT OF COOPERATIVE AGREEMENTS RELATING TO THE INITIATIVE.

(a) Provisions Relating to Disapproval and Modification of Agreements.—(1) The Secretary may review a cooperative research and development agreement for the purpose of disapproving or requiring the modification of the cooperative research and development agreement. If the Secretary notifies the parties to the agreement of his intent to review the agreement, the agreement may be disapproved or modified beginning on the date the agreement is submitted to the Secretary.

(2) In any case in which the Secretary disapproves or requires the modification of any agreement presented under this section, the Secretary shall transmit a written explanation of such disapproval or modification to the head of the National Laboratory concerned.

(b) Record of Agreements.—Each National Laboratory shall maintain a record of all agreements entered into under this subtitle section and submit such record to the Secretary on an annual basis.

SEC. 121. AVOIDANCE OF DUPLICATION.

In carrying out the Initiative, the Secretary shall ensure that unnecessarily duplicative research is not performed at the research facilities of the Department of Energy (including the National Laboratories) that are participating in the Initiative.

SEC. 122. INTERNAL REVENUE CODE TREATMENT.

(a) Tax Exemptions.—Any cooperative agreement, association, or consortium established by the Secretary or the National Laboratories is consistent with the purposes of this subtitle shall be treated as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and shall be exempt from tax under section 501(a) of such Code with respect to activities under this subtitle.

(b) Basic Research Payments.—Any amounts transferred to an organization described in paragraph (a) by a participating member of such an organization shall be taken into account as basic research payments for purposes of section 41(a)(2) of such Code.

(c) Capital Gains Treatment.—(1) No gain or loss shall be recognized in connection with the transfer pursuant to this subtitle of any patent, copyright, trademark, trade secret, mask work, or other intellectual property by or between an organization described in subsection (a) and any participating member of such an organization.

(2) If property is received in a transfer described in paragraph (1), the basis of the

property in the hands of the transferee shall be the same as it would be in the hands of the transferor.

SEC. 123. ANTITRUST TREATMENT.

Any cooperative agreement, association, or consortia related by the Secretary or the National Laboratories under this subtitle, shall be considered a joint research and development venture within the meaning of section 2(a)(6) of the National Cooperative Research Act of 1984 (15 U.S.C. 4301 et seq.), for purposes of such Act.

Subtitle B—Technology Management at the Department of Energy National Laboratories

SEC. 131. FINDINGS AND PURPOSE.

(a) Findings.—For purposes of this subtitle, Congress finds that—

(1) private industry has great interest in scientific collaboration with the National Laboratories but only if the present laboratory contracting process can be streamlined and intellectual property associated with joint ventures, adequately protected;

(2) contracts for the operation of the National Laboratories must provide the directors of such Laboratories with sufficient management authority for intellectual property to ensure that the director can negotiate with industry to set up cooperative research and development agreements.

(3) the authority provided to the directors of the National Laboratories should be subject to periodic audit and oversight by the Secretary, the Inspector General and the Comptroller General as well as Congress.

(4) there should be timely, consistent review procedure to ensure that commercialization potential is considered when software is developed under a Department of Energy contract or may have involved some Department of Energy funding;

(5) the National Laboratories must be perceived as "user-friendly" in order for industry to seriously consider the laboratories partners for collaborative research and development ventures;

(6) the National Laboratories must aggressively seek contact with private industries to ensure that they recognize the technical and scientific expertise resident in these laboratories, in addition to publicizing the availability of user facilities and technological projects in progress;

(7) the National Laboratories have demonstrated successes in technology transfer into the private sector but the effort can be significantly enhanced if—

(A) industry becomes more aware of the National Laboratory research and development projects and capabilities;

(B) technology transfer is considered a significant part of the National Laboratories' mission;

(C) the National Laboratories become better educated in industry market requirements; and

(D) industry gets involved with the National Laboratories early enough in the research and development process to direct development of commercially viable products; and

(8) nuclear weapons design, development, production, and maintenance comprise the primary mission of the Department of Energy nuclear weapons complex.

(b) Purpose.—The purpose of this subtitle is to better meet the continuing responsibility of the Federal Government to ensure the full use of the results of the Nation's Federal investment in the National Laboratories' research and development in meeting international competition.

SEC. 132. DUTIES AND AUTHORITIES TO THE SECRETARY.

(a)(1) The Secretary shall review all existing regulations, policy guidelines, orders, directives, procedures, and administrative processes associated with the National Laboratories directors' ability to:

(A) enter into cooperative relationships and cooperative research and development agreements with private industry or universities;

(B) undertake work-for-others; and

(C) operate user facilities.

(2) The Secretary shall review existing standards for resolving potential conflicts of interests to ensure that such standards adequately establish guidelines for situations likely to arise through the use of the authorities granted in this title, including but not limited to cases where present or former National Laboratory employees or their partners negotiate licenses or assignments of titles to inventions or negotiate cooperative research and development agreements with Federal agencies (including the Department of Energy or the contractor-operator with which the employee involved is or was formerly employed).

(b) The Secretary shall—

(1) review the impact of the exchange of scientific information, scientific innovation, and commercialization resulting from cooperative research and development agreements.

(2) survey non-Federal parties interested in entering into cooperative research and development agreements with the National Laboratories to determine if adequate measures exist to encourage scientific innovation and commercialization resulting from cooperative research and development agreements; and

(3) based on the results of such review and survey develop policy recommendations that shall be submitted to the Congress.

(c) The Secretary shall—

(1) formulate and carry out a comprehensive set of policy guidelines to advance the goals of this title, based on the review under subsection (a);

(2) report to Congress and the President within ninety days after the date of the enactment of this title on the status of this review; and

(3) within one hundred and eighty days after the date of the enactment of this title, implement the policy guidelines under paragraph (1) that do not require regulations under section 142.

SEC. 133. POLICY.

It is the policy of Congress that—

(a) intellectual property rights in technology developed at the National Laboratories be managed so as to promote the competitiveness of United States industries;

(b) the Secretary prescribe regulations for cooperative research and development agreements and intellectual property rights arising under such agreements; and

(c) the directors of the National Laboratories devise implementing procedures consistent with the policy and guidelines set forth by the Secretary.

SEC. 134. DEFINITIONS.

(a) For purposes of this subtitle, the term—

(1) "collaborative party" means a party to a cooperative research and development agreement as defined in section 102(e);

(2) "computer software" means recorded information, regardless of form or the media on which it may be recorded, comprising computer programs or documentation thereof;

(3) "director of a National Laboratory" means the Department of Energy contractor operator's employee who directs the management and operation of such National Laboratory;

(4) "intellectual property" means patents, trademarks, copyrights, mask works, and other forms of comparable property rights;

(5) "invention" means any invention that that is or may be patentable or otherwise protected under title 35, United States Code, or any novel variety of plant that is or may be protected under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.);

(6) "laboratory manager or operator" means the contractor who has signed a management and operating contract with the Secretary (but only with respect to activities relating to such management or operation);

(7) "laboratory owned" means any rights in intellectual property conveyed under this title to a contractor operating a National Laboratory or any rights in intellectual property arising under the operating contract for a National Laboratory where rights are not expressly taken by the United States Government or by a subcontractor;

(8) "made" when used in conjunction with any invention means the conception or first actual reduction to practice of such invention;

(9) "subject invention" means any invention of a National Laboratory first conceived or reduced to practice in the performance of work under a contract or funding agreement for the operation of a National Laboratory;

(10) "technical data" means recorded information of a scientific or technical nature regardless of form or the media on which it may be recorded;

(11) the term "third parties" means domestic entities located in the United States who agree to manufacture and to conduct research, and development substantially in the United States including—

(A) Federal agencies other than the Department of Energy;

(B) units of State or local government;

(C) industrial organizations, such as corporations, partnerships, limited partnerships, consortia, or industrial development organizations;

(D) public and private foundations;

(E) nonprofit organizations such as universities; and

(F) licensees of inventions, technical data, or computer software owned by the laboratory manager or operator.

SEC. 135. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

(a) General Authority.—The Secretary shall prescribe regulations ensuring that the contract for the operation of any National Laboratory authorizes the director of such Laboratory:

(1) to enter into cooperative research and development agreements and to negotiate the terms and conditions of such agreements with—

(A) other Federal agencies;

(B) units of State or local government;

(C) industrial organizations including corporations, partnerships, and limited partnerships, consortia, and industrial development organizations;

(D) public and private foundations;

(E) nonprofit organizations including universities; or

(F) other persons including licensees of inventions, technical data or computer software owned by the National Laboratory.

(2) to negotiate intellectual property licensing agreements for National Laboratory owned inventions, technical data or com-

puter software, assigned or licensed to the National Laboratory by third parties including voluntary assignment by employees.

(b) Specific Authority.—Each director of a National Laboratory may negotiate and include provisions in any cooperative research and development agreement entered into pursuant to this section permitting the laboratory manager or operator, on behalf of the United States to—

(1) accept, retain, and use funds, personnel, services, and property from collaborative parties and provide personnel, services, and property to collaborating parties;

(2) grant or agree to grant in advance to a collaborative party, intellectual property licenses or assignments, or options thereto, in any invention, technical data or computer software, made in whole or in part by an employee of a laboratory manager or operator under the cooperative research and development agreement; and

(3) to the extent consistent with Department of Energy regulations, orders, and directives pertaining to conflict of interest, permit employees or former employees of a laboratory manager or operator to participate in efforts to transfer to the private sector inventions, technical data or computer software, such employees developed or made while in the service of such laboratory manager or operator.

(c) In determining whether to enter into a cooperative research and development agreement the director of a National Laboratory shall determine that—

(1) facilities at the National Laboratory are available to do the work that is the subject of the cooperative research and development agreement;

(2) the work that is the subject of the cooperative research and development agreement would not interfere with Department of Energy programs;

(3) the work that is the subject of the cooperative research and development agreement would not create a future detrimental burden on the National Laboratory; and

(4) the proposed cooperative research and development agreement is consistent with applicable guidelines of the Secretary for cooperative research and development agreements.

(d) Approval of Agreement by Secretary.—The Secretary may disapprove or require the modification of an agreement under subsection (a). Such agreement shall provide a thirty-day period beginning on the date the agreement is presented to the Secretary by the director of the National Laboratory concerned, within which period such action may be taken by the Secretary. In any case in which the Secretary disapproves or requires the modification of any cooperative agreement presented under this section, the Secretary shall transmit a written explanation of such disapproval or modification to the director of the National Laboratory concerned. If such action is not taken within this thirty-day period, the cooperative research and development agreement shall be deemed approved.

(e) Limit on Percentage of the Total Work Cooperative Research and Development Agreements Can Comprise at the National Laboratories.—The cumulative total of nonappropriated funds received in any year under all agreements entered into by the director of any National Laboratory under this subtitle shall not exceed an amount equal to 10 per centum of the annual budget of such National Laboratory.

(f) Records of Agreements.—Each National Laboratory shall maintain a record of all agreements entered into under this subtitle, and shall submit it to the Secretary on an annual basis.

SEC. 136. AGREEMENT CONSIDERATIONS.

In deciding which cooperative research and development agreements to enter into, the director of a National Laboratory shall—

(a) give special consideration to small business firms and consortia involving small business firms;

(b) give preference to business units located in the United States that agree that products embodying inventions, technical data or computer software, made under the cooperative research and development agreement or produced through the use of such inventions, technical data or computer software, will be developed and manufactured substantially in the United States;

(c) in the case of any industrial organizations or other person subject to the control of a foreign company or government, as appropriate, take into consideration whether or not such foreign government permits United States agencies, organizations, or other persons to enter into cooperative research and development agreements and licensing agreements; and

(d) provide universities the opportunity to participate in such cooperative agreements when such participation will contribute to the purpose of this subtitle.

SEC. 137. PATENT OWNERSHIP AND THE CONDITIONS OF OWNERSHIP.

(a) Disposal of Title to Inventions.—Notwithstanding section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182), section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908), or other provision of law, the Secretary shall dispose of the title to any subject invention made in the performance of a Department of Energy contract to operate any National Laboratory in the same manner as applied to small business and nonprofit organizations under chapter 18 of title 35, United States Code.

(b) Retention of Title by United States.—(1) Whenever a manager or operator of a National Laboratory under a contract makes a subject invention to which the Secretary has determined (at the time of contracting for the management and operation of the National Laboratory) to retain title for exceptional circumstances under section 202(a)(ii) of title 35, United States Code, the title to the subject invention shall be retained by the Government unless the National Laboratory at which the invention is made requests title to such invention and the Secretary does not notify the director of the National Laboratory within ninety days after receipt of such request that the invention—

(A) is covered by a determination under such section 202(a)(ii); or

(B) has been classified or has been designated sensitive technical information as authorized by Federal statutes.

(2) Whenever a manager or operator of a National Laboratory under a contract makes a subject invention to which the Secretary has determined (at the time of contracting for the management and operation of the National Laboratory) to retain title because the invention is made in the course of or under a funding agreement described in section 202(a)(iv) of title 35, United States Code, the title to the subject invention shall be retained by the Government unless the National Laboratory at which the invention is made requests title to such invention and the Secretary does not notify the director of the National Laboratory within ninety days after receipt of such request that the invention—

(A) has been classified or has been designated sensitive technical information as authorized by Federal statutes; and

(B) is covered by a determination under such subsection 202(a)(iv).

(3) The Secretary may not use export control statutes or regulations as the sole basis for refusing a request for title to a subject invention.

(4) If the Secretary does not notify a National Laboratory that has requested title to a subject invention in accordance with this section, such Laboratory shall be deemed to have elected title to the invention under the Governmentwide contractor patentable ownership provisions of chapter 18 of title 35, United States Code.

SEC. 138. SPECIAL RULE FOR WAIVER OF GOVERNMENT LICENSE RIGHTS.

Any of the rights of the Government or obligations of a National Laboratory described in chapter 18 of title 35, United States Code, including the license reserved in section 202(c)(4) of title 35, United States Code, may be waived or omitted if the Secretary determines that the interests of the United States and the general public will be better served or the objectives and policies of this subtitle will be better promoted by such waiver or omission. A waiver or omission shall be considered—

(1) if it is necessary to obtain a uniquely or highly qualified contractor; or

(2) if such waiver or omission relates to a subject invention involving cosponsored, cost sharing or joint venture research and development, and the contractor, cosponsor or joint venturer is making substantial contribution of funds, facilities, or equipment to the work performed on such invention; or

(3) if the subject invention will require substantial additional investment in development before a product is created and it is expected that the primary market for such product is the United States Government.

SEC. 139. INTELLECTUAL PROPERTY CONTRACT PROVISIONS.

(a) Contract Provisions.—Any Department of Energy funding agreement to operate a National Laboratory shall provide—

(1) that any royalties or income that is earned by the manager or operator of a National Laboratory from the licensing of laboratory-owned intellectual property rights in any fiscal year shall be used as authorized under subsection 202(c)(7)(E) of title 35, United States Code and section 13(a)(1)(B)(i)-(iv) and section 13(a)(2)-(4) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710c(a)(1)(B)(i)-(iv) and 3710c(a)(2)-(4); and

(2) that the costs of obtaining and protecting intellectual property rights in any invention, technical data, or computer software, owned by the National Laboratory shall be paid for by such National Laboratory as a cost shared expense under a cooperative research and development agreement.

(b) The Secretary shall establish procedures to have the management of intellectual property rights, including procurement and retention of such rights as well as licensing of such rights, in connection with laboratory-owned inventions, commercially valuable technical data, and computer software shall be the responsibility of the director of the National Laboratory at which the invention, technical data, or computer software are made, developed, or assigned.

(c) The Secretary shall prescribe regulations, orders, or directives prohibiting any manager or operator of a National Laboratory who has received title to intellectual property under this section from receiving money or other benefit from the use or licensing of such property for the benefit of the laboratory manager or operator, except for research and development associated with activities at the National Laboratory to promote technology transfer as authorized by law, or in special circumstances, as may be approved by the appropriate Department of Energy manager of the Operations Office.

(d) COMPENSATION.—(1) Subject to paragraph (2), in return for retaining title to any intellectual property rights in any invention or discovery made in performance of a Department of Energy cooperative research agreement, the manager or operator of any National Laboratory contractor shall pay to the United States reasonable compensation based on the value of the technology transferred. The amount of the payment arising as a result of the transfer shall be set by an arbitration board consisting of one member selected by the contractor, one member selected by the Secretary, and one member jointly selected by the contractor and the Secretary. In determining the payment, the arbitration boards shall set an amount that is proportionate with the research and development costs funded by the United States. The arbitration board shall have discretion to permit the payment to be made in installments according to the extent the contractor uses or employs the intellectual property.

(2) Paragraph (1) shall not apply if—

(A) the contractor is operating the National Laboratory for no profit or fee beyond expenses; and

(B) such contractor is offering the intellectual property for fair market value and any value or royalties the contractor derives from the intellectual property will be returned to the National Laboratory or the Federal Treasury in accordance with section 202(c)(7)(E) of title 35, United States Code.

SEC. 140. MARCH-IN RIGHTS.

The Secretary may require the licensing to third parties of all intellectual property owned by the laboratory manager or operator that is subject to the provisions of this title in the same manner as provided under section 203 of title 35, United States Code.

SEC. 141. OVERSIGHT.

The Secretary, the Inspector General of the Department of Energy, and the Comptroller General shall conduct periodic audits of activities of the National Laboratory under this subtitle.

SEC. 142. REGULATIONS.

(a) Within one hundred and eithty days after the date of enactment of this subtitle, the Secretary shall prescribe regulations for implementing sections 135, 137, and 139. In prescribing regulations under this section the Secretary shall provide opportunity for public comment on proposed regulations.

(b) Any regulations under this section shall be guided by the purpose of this subtitle.

(c) Before the Secretary issues regulations under this section, the Office of Federal Procurement Policy shall review such regulations for consistency with this subtitle.

SEC. 143. EFFECTIVE DATE.

This subtitle shall take effect on the date of enactment. The Secretary shall immediately enter into negotiations with the contractors of the National Laboratories to amend all existing contracts for the operation of the National Laboratories, to reflect this subtitle. Pending such amendment, the provisions of this subtitle shall govern the disposition of all intellectual property rights covering laboratory-owned inventions, technical data, and computer software, generated in performance of Department of Energy contracts for the operation of the National Laboratories.

TITLE II—RENEWABLE ENERGY AND ENERGY EFFICIENCY

SECTION 201. SHORT TITLE.

This title may be cited as the "Renewable Energy and Energy Effeciency Technology Competitiveness Act of 1988".

SEC. 202. FINDINGS AND PURPOSE.

(a) FINDINGS.—For purposes of this title, Congress finds that—

(1) a secure and diverse supply of energy is in the Nation's best interest, and it is appropriate for the Federal Government to sponsor a balanced program of energy research and energy technology development and demonstration to insure diverse supplies of energy by the year 2000;

(2) a strategic plan to pursue a program that balances Federal investments among energy supply and technology options is needed to assure that a well- managed, cost-effective research, development, and demonstration program will be implemented;

(3) renewable energy resources and energy efficiency technologies can make the energy sources of the United States secure and diverse with minimal environmental risks;

(4) the development and use of renewable energy and energy efficiency technologies can significantly reduce United States dependence on foreign energy sources; however, the extent of such contribution is dependent upon increasing efficiencies and reducing costs of renewable energy and energy efficiency technologies;

(5) the technological lead of United States firms and their capability to compete with foreign renewable energy and energy efficiency technology has declined in recent years, and many foreign firms are selling renewable energy and energy efficiency technology in the United States;

(6) competitiveness of United States firms overseas depends in part on long-term stable Federal support of research and development efforts to maintain United States preeminence in technology; it is appropriate for the Federal Government to support near-term commercial and proof-of-concept demonstrations so that United States firms will have not only technology, but also products to market;

(7) the development and export of renewable energy and energy efficiency products and technology can contribute positively to the balance of trade; and

(8) the volatility of world energy markets underscores the need for sustained levels of support for the research and development of renewable energy and energy efficiency technologies.

(b) PURPOSE.—It is the purpose of this title to direct the Secretary of Energy, acting in accordance with authority contained in the Federal Nonnuclear Energy Research and Development Policy Act of 1974 (42 U.S.C. 5901-5920) and other law applicable to the Secretary, to pursue an aggressive national program of research, development, and demonstration of renewable energy and energy efficiency technologies in order to ensure a stable and secure future energy supply by—

(1) providing a long-term stable environment for renewable energy and energy efficiency technology research and development activities through the establishment of long-term goals and multiyear funding levels;

(2) directing the Secretary to undertake initiatives to hasten the commercialization in the near term of renewable energy and energy efficiency technologies; and

(3) fostering collaborative research and development efforts involving the private sector through government support of a vigorous program of innovative joint research and development venture projects.

SEC. 203. DEFINITIONS.

As used in this title the term—

(1) "Secretary" means the Secretary of Energy; and

(2) "joint research and development venture" means a joint research and development venture under the National Cooperative Research Act of 1984 (98 Stat. 1815).

SEC. 204. NATIONAL GOALS AND MULTI-YEAR FUNDING FOR FEDERAL WIND, PHOTOVOLTAICS AND SOLAR THERMAL PROGRAMS.

(a) NATIONAL GOALS.—The following are declared to be the national goals for the wind, photovoltaics and solar thermal energy programs currently being carried out by the Secretary under existing law:

(1) WIND.—(A) In general, the goals for the Wind Energy Research Program include improving design methodologies and developing more reliable and efficient wind turbines to increase the cost competitiveness of wind energy. Research efforts shall emphasize—

(i) activities that address near-term technical problems and permit exploitation of current market opportunities of the wind energy industry;

(ii) developing advanced airfoils and variable speed generators to increase wind turbine output and reduce maintenance costs by decreasing structural stress and fatigue;

(iii) increasing the basic knowledge of aerodynamics, structural dynamics, fatigue and electrical systems interactions as applied to current wind energy technology; and

(iv) improving the compatibility of electricity produced from windfarms with conventional utility needs.

(B) Specific goals for the Wind Energy Research Program shall be to—

(i) reduce average wind energy costs to 3 to 5 cents per kilowatt hour by 1995;

(ii) reduce capital costs of new wind energy systems to $500 to $700 per kilowatt of installed capacity by 1995;

(iii) increase installed wind generating capacity to 4,000 to 8,000 megawatts by 1995;

(iv) reduce operation and maintenance costs for wind energy systems to less than 1.0 cents per kilowatt hour by 2,000; and

(v) increase capacity factors for new wind energy systems to 25 to 30 per centum by 1995.

(2) PHOTOVOLTAICS.—(A) In general, the goals of the Photovoltaic Energy Systems Program shall include improving the reliability and conversion efficiencies and lowering the costs of photovoltaic conversion. Research efforts shall emphasize advancements in the performance, stability and durability of photovoltaic materials.

(B) Specific goals of the Photovoltaic Energy Systems Program shall be to—

(i) improve operational reliability of photovoltaic modules to thirty years by 1995;

(ii) increase photovoltaic conversion efficiency of new photovoltaic amorphous silicon modules to 15 percent by 1995;

(iii) decrease new photovoltaic module direct manufacturing costs to $800 per kilowatt by 1995; and

(iv) increase installed capacity of photovoltaic electric power production capacity to 100 to 200 megawatt by 1991.

(3) SOLAR THERMAL.—(A) In general, the goal of the Solar Thermal Energy Systems Program shall be to advance research and development to a point where solar thermal technology is cost-competitive with conventional energy sources and to promote the integration of this technology into the production of industrial process heat and the conventional utility network. Research and development shall emphasize development of a thermal storage technology to provide capacity for shifting power to periods of demand when full insolation is not available; improvement in receivers, energy conversion devices, and innovative concentrators using stretch membranes, lenses and other materials; and exploration of advanced manufacturing techniques.

(B) Specific goals of the Solar Thermal Energy Systems Program shall be to—

(i) reduce solar thermal costs for industrial process heat to $9 per million Btu; and

(ii) reduce average solar thermal costs for electricity to 4 to 5 cents per kilowatt hour.

(4) The President's budget request for fiscal year 1991 shall contain the Secretary's recommendations for specific cost, installed capacity, and other pertinent goals for 1995 for Department of Energy research, development, and demonstration programs in Biofuels Energy Systems, Solar Buildings Energy Systems, Ocean Energy Systems and Geothermal Energy.

(b) AUTHORIZATION.—There is authorized to be appropriated to the Secretary—

(1) for the Wind Energy Research Program, an amount not to exceed $19,000,000 in fiscal year 1990; $22,000,000 in fiscal year 1991; and $26,000,000 in fiscal year 1992;

(2) for the Photovoltaic Energy Systems Program an amount not to exceed $43,100,000 in fiscal year 1990; $45,000,000 in fiscal year 1991; and $50,000,000 in fiscal year 1992;

(3) for the Solar Thermal Energy Systems Program, an amount not to exceed $28,700,000 in fiscal year 1990; $32,000,000 in fiscal year 1991; and $35,000,000 in fiscal year 1992;

(4) for the Biofuels Energy Systems Program, an amount not to exceed $32,100,000 in fiscal year 1990; $35,100,000 in fiscal year 1991; and $40,000,000 in fiscal year 1992;

(5) for the Solar Buildings Energy Systems Program, an amount not to exceed $8,000,000 in fiscal year 1990; $9,000,000 in fiscal year 1991; and $10,000,000 in fiscal year 1992;

(6) for the Ocean Energy Systems Program, an amount not to exceed $5,000,000 in fiscal year 1990; $5,000,000 in fiscal year 1991; and $5,000,000 in fiscal year 1992; and

(7) for the Geothermal Program, an amount not to exceed $34,900,000 in fiscal year 1990; $38,700,000 in fiscal year 1991; and $35,700,000 in fiscal year 1992.

(c) PROJECTS.—(1) The President's budget request for fiscal year 1992 shall include the Secretary's recommendations for at least one proposed proof-of-concept or near-commercial demonstration project in each of the categories represented by paragraphs (1), (2), and (3) of subsection (b). Each proposed project shall be described in sufficient detail to support congressional authorization and solicitation of bids for construction of necessary facilities.

(2) A list and description of alternative project plans under this subsection shall be submitted in the President's fiscal year 1991 budget request. Such plans shall require funding or in-kind contributions from private sources in support of up to 50 per centum of total project costs.

(3) In selecting projects under this subsection, the Secretary shall take into account the extent to which such projects will contribute to earlier commercialization of key technologies within such categories than might occur without Federal support under this subsection and the extent to which such projects will contribute to the competitiveness of United States firms engaged in international trade in renewable energy technologies.

(d) REPORT ON OPTIONS.—On or before May 1, 1991, the Secretary shall submit to Congress a report analyzing options available to the Secretary under existing law to accelerate the timely commercialization of wind, photovoltaic, solar thermal, biofuels, biomass, solar buildings, ocean, and geothermal renewable energy technologies through emphasis on development and demonstration assistance to specific technologies in the research, development, and demonstration programs of the Department of Energy that are near commercial application.

(e) AMENDED GOALS.—Whenever the Secretary determines that any of the goals established under this section is no longer appropriate, he shall notify Congress of the reason for the determination and provide an amended goal that is consistent with the purposes of this title.

SEC. 205. ENERGY EFFICIENCY RESEARCH AND DEVELOPMENT.

(a) NEW INITIATIVES.—The President's budget request for fiscal years 1991 and 1992 shall include the Secretary's recommendations of amounts to be set aside for new initiatives in energy efficiency research, development, and demonstration. Funds made available for new initiatives shall supplement and not supplant funds available to complete ongoing energy efficiency research, development, and demonstration projects supported in whole or in part by the Secretary during fiscal year 1990. Funds made available for new initiatives shall be used by the Secretary to support the most promising and deserving new ideas in energy efficiency research, development, and demonstration brought to the attention of the Secretary during the previous fisacl year.

(b) AUTHORIZATION.—

(1) FISCAL YEAR 1990.—There is hereby authorized to be appropriated to the Secretary for the energy efficiency research, development, and demonstration programs of the Secretary, an amount not to exceed $187,137,000 in fiscal year 1990, of which $20,250,000 shall be available for new initiatives, as set forth below—

(A) for transportation energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $58,200,000, of which $3,200,000 shall be made available for new initiatives;

(B) for industrial energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $42,300,000, of which $5,800,000 shall be available for new initiatives;

(C) for buildings and community systems energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $51,975,000, of which $9,250,000 shall be available for new initiatives;

(D) for multisector energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $33,000,000, of which $2,000,000 shall be available for new initiatives; and

(E) for energy efficiency research, development, and demonstration policy and management, there is authorized to be appropriated to the Secretary an amount not to exceed $1,662,000.

(2) FISCAL YEAR 1991.—There is hereby authorized to be appropriated to the Secretary for the energy efficiency research, development, and demonstration programs of the Secretary, an amount not to exceed $201,403,000 in fiscal year 1991, of which $6,000,000 shall be available for new initiatives, as set forth below:

(A) for transportation energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $63,200,000, of which $2,000,000 shall be made available for new initiatives;

(B) for industrial energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $45,000,000, of which $1,000,000 shall be available for new initiatives;

(C) for buildings and community systems energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $55,775,000, of which $2,000,000 shall be available for new initiatives;

(D) for multisector energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $35,700,000, of which $1,000,000 shall be available for new initiatives; and

(E) for energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $1,728,000.

(3) FISCAL YEAR 1992.—There is hereby authorized to be appropriated to the Secretary for the energy efficiency research, development, and demonstration programs of the Secretary, an amount not to exceed $209,147,000 in fiscal year 1992, of which $6,000,000 shall be available for new initiatives, as set forth below:

(A) for transportation energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $65,460,000, of which $2,000,000 shall be made available for new initiatives;

(B) for industrial energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $46,740,000, of which $1,000,000 shall be available for new initiatives;

(C) for buildings and community systems energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $58,100,000, of which $2,000,000 shall be available for new initiatives;

(D) for multisector energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $37,050,000, of which $1,000,000 shall be available for new initiatives; and

(E) for energy efficiency research, development, and demonstration policy and management, there is authorized to be appropriated to the Secretary an amount not to exceed $1,797,000.

SEC. 206. JOINT RESEARCH AND DEVELOPMENT VENTURES.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—For purposes of this section, Congress finds that joint research and development ventures can—

(A) improve coordination in technology development among firms in industries attempting to commercialize renewable energy and energy efficiency technologies;

(B) assist in setting national standards to improve the operation of markets for these technologies; and

(C) enhance the ability of domestic firms to compete with foreign enterprises in sales of renewable energy and energy efficiency technologies.

(2) PURPOSE.—The purpose of this section is to direct the Secretary of Energy to make use of joint research and development ventures to further commercialization of renewable energy and energy efficiency technologies.

(b) ESTABLISHMENT.—

(1) The Secretary shall establish six joint research and development ventures in accordance with the provisions of this section. Each joint research and development venture under this section shall include manufacturing firms, investors, an advisory committee appointed in accordance with this section, and such other participation as the Secretary deems appropriate to achieve the purposes of this section. Any facilities constructed under this section shall be located in the United States, Puerto Rico, the Virgin Islands, or the territories and possessions of the United States.

(2) The Secretary shall establish at least one joint research and development venture in accordance with subsection (c) to develop technology and expertise in each of the following areas—

(A) Photovoltaics technology;

(B) wind energy technology;

(C) solar thermal technology;

(D) factory-made housing;

(E) advanced district cooling technology; and

(F) renewable energy and energy efficiency technology exports.

(3) Not later than one hundred and eighty days after the date of the enactment of this section the Secretary shall publish plans to implement this section and report to Congress on such plans.

(c) VENTURES.—

(1) PHOTOVOLTAICS TECHNOLOGY.—(A) The Secretary shall establish and provide financial assistance to a joint research and development venture for the development of high-efficiency thermal and electrical distribution, storage, and end-use systems employing electricity from photovoltaic conversion of solar energy that may be deployed in remote or rural areas, including villages in developing countries.

(B) The purpose of the venture under subparagraph (A) shall be to design, test, and demonstrate an integrated, cost efficient energy system, including components for electrical and thermal production, conversion, distribution, storage, and use under electronic control.

(C) Subsystems of the energy system under this paragraph may include—

(i) advanced photovoltaic concentrators or other photovoltaic arrays;

(ii) an electronically controlled electrical system;

(iii) a potable water desalination system employing multistage flash distillation technology; and

(iv) a small scale refrigeration system employing a low-termperature chiller driven by waste heat from the village energy system or by photovoltaic arrays.

(D) The Secretary shall appoint members to an Advisory Committee on Photovoltaic Village Energy Systems to assist the Secretary in carrying out his responsibilities with respect to the joint venture under this paragraph. Such committee shall include at least one member representing each of the following—

(i) firms in the photovoltaic manufacturing industry;

(ii) the Secretary of Commerce;

(iii) the Director of the Agency for International Development;

(iv) the Director of the Export-Import Bank;

(v) the Electric Power Research Institute;

(vi) the Solar Energy Research Institute; and

(vii) such other groups or institutions as the Secretary deems appropriate.

(E) There is authorized to be appropriated to the Secretary a total of not more than $1,200,000 for each of the fiscal years 1990, 1991, and 1992 to carry out the purposes of this paragraph.

(2) WIND ENERGY TECHNOLOGY.—(A) The Secretary shall establish and provide financial assistance to a joint research and development venture for the development of high-efficiency thermal and electrical distribution, storage, and end-use systems employing wind-diesel systems designed for use where diesel generation of electricity currently is being used at a remote or rural site with significant wind energy potential.

(B) The purpose of the venture under subparagraph (A) shall be to design, test, and demonstrate an integrated, cost-efficient wind-diesel energy system including components for electrical and thermal production, conversion, distribution, storage, and use under electronic control.

(C) Subsystems of the energy system under this paragraph may include—

(i) a diesel generator operating in conjunction with one or more wind turbines;

(ii) an electronically controlled electrical system;

(iii) a potable water desalination system employing multistage flash distillation technology; and

(iv) a small scale refrigeration system employing a low-temperature chiller driven by excess wind generated energy or a combination of wind-generated and diesel-generated energy.

(D) The Secretary shall appoint members to an Advisory Committee on Wind Energy Village Energy Systems to assist the Secretary in carrying out his responsibilities with respect to the joint venture under this paragraph. Such committee shall include at least one member representing each of the following—

(i) firms in the wind energy equipment manufacturing industry;

(ii) the Secretary of Commerce;

(iii) the Director of the Agency for International Development and;

(iv) the Director of the Export-Import Bank;

(v) the Electric Power Research Institute;

(vi) the Solar Energy Research Institute; and

(vii) such other groups or institutions as the Secretary deems appropriate.

(E) There is authorized to be appropriated to the Secretary a total of not more than $1,200,000 for each of the fiscal years 1990, 1991, and 1992 to carry out the purposes of this paragraph.

(3) SOLAR THERMAL TECHNOLOGY.—(A) The Secretary shall establish and provide financial assistance to a joint research and development venture for the efficient use of solar thermal energy deployed in planned communities in the United States and overseas as a total energy system for the supply of electricity, industrial energy, potable water, refrigeration, and community heating and cooling needs, and the treatment of community-generated wastes.

(B) The purpose of the venture under paragraph (A) shall be to design, test and demonstrate an integrated, cost-effective community total energy system including components for thermal production, conversion, distribution, storage, and use under automated control.

(C) Subsystems of the community total energy system under this paragraph may include—

(i) advanced solar thermal concentrators;

(ii) a potable water desalination system employing advanced thermal distillation technology;

(iii) an automated energy distribution and control system;

(iv) a thermally driven solar refrigeration system; and

(v) advanced waste treatment systems using thermal energy or direct concentrated solar flux.

(D) The Secretary shall appoint members to an Advisory Committee on Solar Thermal Community Total Energy Systems to assist the Secretary in carrying out his responsibilities with respect to the joint venture under this paragraph. Such committee shall include at least one member representing each of the following—

(i) firms in the solar thermal manufacturing industry;

(ii) the Secretary of Commerce;

(iii) the Director of the Agency for International Development;

(iv) the Director of the Export-Import Bank;

(v) the Electric Power Research Institute;

(vi) the Gas Research Institute;

(vii) the Solar Energy Research Institute; and

(viii) such other groups or institutions as the Secretary deems appropriate.

(E) There is authorized to be appropriated to the Secretary a total of not more than $900,000 for each of the fiscal years 1990 through 1992 to carry out the purposes of this paragraph.

(4) FACTORY-MADE HOUSING.—(A) For purposes of this paragraph Congress finds that—

(i) the United States is moving toward the industrialization of homebuilding;

(ii) 90 per centum of new homes have factory-made components and over four hundred thousand of the approximately two million homes built each year are largely factory-made;

(iii) the United States is facing competition from foreign home builders who make use of factory-made housing techniques;

(iv) foreign firms have begun to penetrate United States markets for homes and housing- related products, while United States exports in these categories have stagnated;

(v) housing construction and materials comprises 21 per centum of the gross national product;

(vi) the Office of Technology Assessment has found that the technological innovations that could improve the quality and reduce the cost of housing in the United States are being needlessly slowed by inadequate research and development;

(vii) the Department of Commerce has warned that foreign competitors have tar-

geted the United States market for residential construction in the same way that domestic markets for automobiles and steel have been targeted in the past; and

(viii) a joint research and development venture supported in part by the Federal Government is needed to assist the United States home building industry in competing with housing products and technology from overseas.

(B) The Secretary shall establish and provide financial assistance to a joint research and development venture with such specialized private firms and investors as the Secretary deems appropriate in order to establish at least three regional centers to develop techniques to improve the energy performance of factory-made housing offered by United States firms. In locating the regional centers under this paragraph, the Secretary shall consider regional differences in housing needs, housing design, construction technique, marketing practices, and construction materials.

(C) The regional centers under this paragraph shall carry out research, development, and demonstration efforts to improve the quality, energy efficiency, and adaptability to renewable forms of energy of factory-made housing offered for sale in the United States and the productivity and energy efficiency of the housing construction process. The research, development, and demonstration programs at these centers shall consider housing design, fabrication, delivery systems, construction processes, marketing, and product export.

(D) The research, development, and demonstration strategy under this paragraph shall be guided by—

(i) a detailed characterization of the needs of the home building industry;

(ii) a close working relationship with all sectors of the home building industry; and

(iii) coordination among the centers to pool and conserve resources.

(E) The Secretary shall appoint members to an Advisory Committee on Energy Performance in Factory-Made Housing to assist the Secretary in carrying out his responsibilities with respect to the joint research and development venture established under this paragraph. Such committee shall include at least one member representing each of the following—

(i) the Secretary of Housing and Urban Development;

(ii) the Secretary of Commerce;

(iii) the National Institute of Building Sciences;

(iv) the National Association of Home Builders;

(v) the National Laboratories of the Department of Energy;

(vi) the National Bureau of Standards; and

(vii) such other groups or institutions as the Secretary deems appropriate.

(F) There is authorized to be appropriated to the Secretary a total of not more than $10,000,000 for each of the fiscal years 1990 through 1992 to carry out the purposes of this paragraph.

(5) ADVANCED DISTRICT COOLING TECHNOLOGY.—(A) The Secretary shall establish and provide financial assistance to a joint research and development venture with such specialized private firms and investors as the Secretary deems appropriate in order to develop advanced district cooling technologies that are applicable in cities with high cooling loads.

(B) The joint research and development venture under this paragraph shall—

(i) develop technical strategies for decreasing the capital cost and increasing the energy efficiency of major district heating and cooling system components;

(ii) encourage the use of cogeneration and renewable energy technologies in district heating and cooling; and

(iii) assist in transfer of district heating and cooling technology to local governments.

(C) The Secretary shall select three cities for application of advanced district cooling technologies developed by the joint venture under this paragragh. The activities to be carried out in such application shall include district cooling assessment, feasibility, and engineering design studies.

(D) The Secretary shall appoint members to an Advisory Committee on Advanced District Cooling Technology to assist the Secretary in carrying out his responsibilities with respect to the joint research and development venture under this paragraph. Such Committee shall include at least one member representing each of the following—

(i) the Secretary of Housing and Urban Development;

(ii) the Secretary of Commerce;

(iii) firms manufacturing district cooling equipment;

(iv) the National League of Cities; and

(v) such other groups or institutions as the Secretary deems appropriate.

(E) There is authorized to be appropriated for each of the fiscal years 1990 through 1992 not more than $1,000,000 per year to carry out the purposes of this paragraph.

(6) EXPORT TECHNOLOGY PROJECTS.—(A) For purposes of this paragraph Congress finds that—

(i) the United States has several advanced energy efficiency and renewable energy technologies that lack only sufficient coordination, support, and emphasis to become important export items capable of reducing the United States' trade deficit;

(ii) a major barrier to export of energy efficiency and renewable energy technology is the lack of information on overseas markets and technology development by foreign competitors;

(iii) the industry that markets energy efficiency technology is highly fragmented, and the renewable energy industry is comprised of small firms that lack the necessary resources to identify and target overseas markets; and

(iv) a joint research and development venture is needed to bring together a broad array of manufacturing firms, financial institutions, and Federal agencies to identify and develop promising technologies and export markets for energy efficiency and renewable energy technologies.

(B) The Secretary shall establish and provide financial assistance to a joint research and development venture with such specialized private firms and investors as the Secretary determines appropriate for the purpose of improving energy efficiency and renewable energy manufacturing processes in order to enhance product reliability and cost competitiveness relative to foreign-made products. The joint venture under this paragraph shall be coordinated with research, assessment, and targeting of foreign markets for energy efficiency and renewable energy products.

(C) The Secretary shall appoint members to an Advisory Committee on Energy Conservation and Renewable Energy Technology Exports to assist the Secretary in carrying out his responsibilities with respect to the joint research and development venture under this paragraph. Such Committee shall include at least one member representing each of the following—

(i) the Secretary of Commerce;

(ii) the Director of the Agency for International Development;

(iii) the Director of the Export-Import Bank;

(iv) the United States Export Council for Renewable Energy;

(v) the National Laboratories of the Department of Energy; and

(vi) such other groups or institutions as the Secretary deems appropriate.

(D) There is authorized to be appropriated to the Secretary to carry out the purposes of this paragraph a total amount for each of the fiscal years 1990 through 1992 not to exceed $5,000,000 with respect to renewable energy activities under this paragraph and $5,000,000 with respect to energy efficiency activities under this paragraph.

SEC. 207. RENEWABLE ENERGY EXPORTS.

(a) FINDINGS AND PURPOSE.—(1) For purposes of this section, Congress finds that—

(A) Among the major problems in promoting exports of renewable energy technology are the lack of available information on overseas markets and the absence of financing for the purchase of the technologies; and

(B) the Committee Renewable Energy, Commerce, and Trade ("CORECT") established under the Renewable Energy Industry Development Act (Public Law 98-370) currently coordinates Federal Government activities to promote renewable energy exports.

(2) The purpose of this section is to evaluate current efforts to promote exports of renewable energy technology; to establish a joint Government-industry plan to identify promising technologies and increase the financing available for exports of renewable energy technologies, to target potential markets for these technologies, and to authorize funding of these activities.

(b) REVIEW OF CORECT.—In order to provide reliable information on overseas markets for renewable energy technology, the Secretary shall review the activities of the Committee on Renewable Energy, Commerce, and Trade in order to determine if current efforts by such Committee to promote exports of renewable energy technology are sufficient and whether additional efforts are necessary. The Secretary shall report to Congress the results of such review within six months after the date of the enactment of this Act.

(c) REPORT.—Each participating member of the Committee on Renewable Energy, Commerce, and Trade shall report annually to Congress on the actions of such agency during the previous fiscal year to achieve the purposes of the Committee on Renewable Energy, Commerce, and Trade and of this section. Such report shall describe the exports of renewable energy technology that have occurred as a result of such agency actions.

(d) PLAN.—The Committee on Renewable Energy, Commerce, and Trade shall—

(1) establish a joint government-industry plan to maintain or increase the market share of the United States in international trade in renewable energy technologies, including technologies for production of alcohol fuels, biomass energy, geothermal energy, wood energy and in technologies for passive solar energy conversion, photovoltaics, solar thermal energy conversion and wind energy conversion. Such plan shall include guidelines for agencies that are members of the

Committee with respect to the financing of exports of such renewable energy technologies;

(2) develop, in consultation with representatives of affected industries, administrative guidelines for Federal export loan programs to simplify application by firms seeking export assistance for renewable energy technologies from agencies implementing such programs; and

(3) target renewable energy technology markets for primary emphasis by Federal export loan programs, development programs, and private sector assistance programs.

(e) AUTHORIZATIONS.—There is hereby authorized to be appropriated to the Secretary for activities of the Committee on Renewable Energy, Commerce, and Trade an amount not to exceed—

(1) $1,500,000 in fiscal year 1990;

(2) $2,200,000 in fiscal year 1991; and

(3) $2,500,000 in fiscal year 1992.

SEC. 208. RENEWABLE ENERGY.

(a) DISSEMINATION OF INFORMATION.—Section 523 of the National Energy Conservation Policy Act (42 U.S.C. 8243) is amended by adding a new subsection (d) as follows:

"(d) In order to more widely disseminate information about the program under this part and under part 3 and the benefits of solar heating and solar heating and cooling technology, the Secretary shall establish a program to disseminate such information for Federal procurement officers and Federal loan officers that shall include site visits and technical briefings. The Secretary shall utilize available funds for the program under this subsection.".

(b) RENEWABLE ENERGY IN THE CARIBBEAN INITIATIVE.—Section 212(c)(7) of the Caribbean Basin Economic Recovery Act (97 Stat. 387; 19 U.S.C. 2703(c)(7)) is amended to read as follows:

"(7) the degree to which such country is undertaking self-help measures to promote its own economic development and energy self-sufficiency using locally available renewable resources;"

(c) DEPARTMENT OF DEFENSE HOUSING.—Section 2857(b)(1) of title 10, United States Code, is amended by inserting after "has the potential for" the following: "reduced energy costs".

(d) EXPORT-IMPORT BANK LOANS.—Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635e) is amended by adding at the end thereof the following:

"(c)(1) Not less than 0.025 per centum of the loan authority of the Bank in any fiscal year shall be available only for solar and renewable energy loans.

"(2) The President of the Bank may waive the requirements of paragraph (1) if he determines, after June 30 of the fiscal year in question, that the Bank is unlikely to receive during such fiscal year a sufficient number of qualified proposals to exhaust the loan authority made available for solar and renewable energy loans under such paragraph. Any determination by the President of the Bank under this paragraph shall be promptly transmitted in writing to Congress.".

(e) OVERSEAS PRIVATE INVESTMENT CORPORATION LOANS.—Section 234(e) of the Foreign Assistance Act of 1961 is amended—

(1) in the first sentence, by inserting after "cooperatives" the following: "and including the initiation of incentives, grants, and studies for renewable energy and other small business activities"; and

(2) by adding at the end thereof the following new sentence: "Administrative funds may not be made available for incentives, grants, and studies for renewable energy and other small business activities.".

(f) SMALL BUSINESS LOANS.—(1) Section 7(l) of the Small Business Act (15 U.S.C. 636(l)) is repealed.

(2) Section 7(a)(12) of such Act (15 U.S.C. 636(a)(12)) is amended to read as follows:

"(12)(A) The Administrator may provide loans under this subsection to assist any small business concern, including startup, to enable such concern to design architecturally or engineer, manufacture, distribute, market, install, or service energy measures. Proceeds of loans under this paragraph shall not be used for research and development.

"(B) Not less than .025 per centum of the loan authority provided in any fiscal year under this subsection shall be available only for loans under this paragraph. The Administrator shall include a list of solar and renewable energy loans in an annual report to Congress.

"(C) The Administrator may waive the requirements of subparagraph (B) if he determines, after June 30 of the fiscal year in question, that the Administrator is unlikely to receive during such fiscal year a sufficient number of qualified proposals to exhaust the loan authority made available for solar and renewable energy loans under such sentence. Any determination under this subparagraph shall be promptly transmitted in writing to Congress.".

(3) Section 7(a)(14) of such Act (15 U.S.C. 636(a)(14)) is amended to read as follows:

"(14) The Administrator under this subsection may provide extensions and revolving lines of credit for export purposes to enable small business concerns to develop foreign markets and for preexport financing. No such extension or revolving line of credit may be made for a period or periods exceeding eighteen months. A bank or participating lending institution may establish the rate of interest in extensions and revolving lines of credit as may be legal and reasonable. The Administrator shall give due consideration to the export potential of solar and renewable energy products in implementing his authorities under this subsection and shall include a list of solar and renewable energy loan guarantees in an annual report to the Congress.".

SEC. 209. REPORTS.

(a) REPORT BY THE SECRETARY.—One year after the date of the enactment of this title and annually thereafter, the Secretary shall report to Congress on the programs, projects, and joint research and development ventures conducted under this title and the progress being made towards accomplishing the goals and purposes set forth in this title, including the national goals set forth in section 204(a).

(b) NATIONAL ENERGY POLICY PLAN REPORT.—Each annual submission of the National Energy Policy Plan under title VIII of Public Law 95-91 shall be accompanied by a three-year strategic plan for energy technology research, development, and demonstration. Such plan shall address the role of federally assisted research, development, and demonstration in the achievement of the national policy goals of the National Energy Policy Plan and shall assess both the level of support for energy research, development, and demonstration reasonably necessary to achieve these goals and the basis for allocating the support recommended by the President among the available alternatives. At a minimum, these alternatives shall include energy efficiency and renewable energy technologies.

AMENDMENT NO. 3770

(Purpose: In lieu of the Committee amendment, to substitute for the text of H.R. 4505 the text of H.R. 3048 as passed by the Senate, with modifications to reflect concerns of jurisdictional House Committees, and for the other purposes)

Mr. BYRD. Mr. President, I send an amendment to the desk on behalf of Mr. JOHNSTON and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] for Mr. JOHNSTON (for himself, Mr. FOWLER, Mr. DOMENICI, Mr. BINGAMAN, and Mr. BUMPERS) proposes an amendment numbered 3770.

Mr. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3770) was agreed to.

● Mr. JOHNSTON. Mr. President, I urge the Senate to adopt the substitute amendment being offered to H.R. 4505, the Department of Energy's fiscal year 1989 authorization legislation. The appropriations for the Department of Energy for fiscal year 1989 have already been enacted by Congress and signed by the President, so there is little point in voting on the authorizations for fiscal year 1989 contained in the original House version of H.R. 4505.

This substitute amendment for the House bill is the "National Superconductivity and Competitiveness Act of 1988," which passed the Senate unanimously on October 5 as H.R. 3048. We have held extensive discussions with House staff about the text of H.R. 3048 the Senate sent to them on October 5. The substitute amendment being offered today to H.R. 4505 reflects those discussions.

This amendment preserves the text of H.R. 3048 as it originally passed the House last month. The substitute contains the modified texts of two important bills reported by the Committee on Energy and Natural Resources, S. 1480 and S. 1554. These bills modified to meet concerns raised in the House since the Senate passed the bills as amendments to H.R. 3048 on October 5.

In the case of S. 1480, the language has been modified to bring the superconductivity initiative under subtitle A of title II into parallel construction with the sematech initiative already enacted into law. Subtitle B has been modified in several respects to accommodate concerns of the House Armed

Services Committee. Technology transfer from the national laboratories must be subordinate to the needs of national security. That should be understood from the beginning, and we felt that principle to be embodied amply in the original version of S.1480 sent to the House. The modifications made in subtitle B of title II offered today only underline this principle in the substitute we are sending back on H.R. 4505. This substitute leaves no doubt that the national security will be protected, and the Secretary of Energy is granted additional flexibility to control the technology transfer activities of the national laboratories proposed in S. 1480 to ensure that classified or sensitive intellectual property is appropriately under Government control.

On the other hand, no new restrictions on the availability of information are included. This legislation is an improvement over existing law in making technology developed in national laboratories available for civilian use. It may not go as far as we might like, but nothing in the legislation constitutes authority to withhold information that is disclosable under existing law.

The second bill included in the substitute is S.1554, the "Renewable Energy and Energy Efficiency Technology Competitiveness Act", developed under the leadership of Senator FOWLER. This bill has been modified from the Senate-passed text at the request of the House Committee on Energy and Commerce to grant the Secretary of Energy additional flexibility to design joint ventures with the private sector in commercialization of renewable energy and energy efficiency technologies.

Mr. President, once again I want to thank Senator McCLURE, the ranking member of the Committee on Energy and Natural Resources, and his senior professional staff, Richard Grundy, for their help in negotiating with the House to improve this legislation. And on the House side, Representatives LLOYD and ROE and their staffs have been particularly helpful and professional in arriving at the compromise we are offering today.

Mr. President, I ask the following be printed in the RECORD at this point:

—summary of the substitute, and

—a side-by-side comparison with the substitute we are offering of technology transfer issues raised by the House in discussing S.1480.

The material follows:

SUBSTITUTE FOR H.R. 4505 (CALENDAR No. 997)

THE DEPARTMENT OF ENERGY FISCAL YEAR 1989 AUTHORIZATION ACT

Title I

Title I of the substitute consists of the text of H.R. 3048, the "National Superconductivity and Competitiveness Act of 1988", which passed the House on September 20, 1988 and passed the Senate on October 5, 1988.

Title II

Title II of the substitute consists of the text of S. 1480, the "Department of Energy National Laboratory Cooperative Research Initiatives Act", which passed the Senate on October 5, 1988 as an amendment to H.R. 3048. S.1480 is endorsed by the Department of Energy, and has been modified to meet concerns of the Office of Management and Budget and the House Committee on Science, Space and Technology; Ways and Means; Judiciary; and Armed Services.

Title III

Title III of the substitute consists of the text of S. 1554, the "Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1988", which passed the Senate on October 5, 1988 as an amendment to H.R. 3048. S.1554 has been modified to meet concerns of the House Committees on Science, Space, and Technology; Small Business, Banking, Finance, and Urban Affairs, Ways and Means; and Energy and Commerce.

Title IV

Title IV of the substitute renames the Los Alamos Neutron Scattering Center as the Manuel Lujan, Jr. Neutron Scattering Center. Title IV passed the Senate on October 5, 1988 as an amendment to H.R. 3048.

ISSUES ADDRESSED IN TECH TRANSFER BILLS

Issues raised by House	Senate position in H.R. 4505
1. Delete all findings	1. Agree with House, findings deleted.
2. Use definition of "military research" to exempt from coverage defense programs	2. Disagree with House use of "military research" exception, but give Secy. authority to exempt certain research from automatic tech transfer mechanism.
3. Approval authority with the Secretary	3. Agree with House, no change needed.
4. No model agreement authority for defense-related agreements	4. Agree with House, no change needed.
5. Provisions apply notwithstanding AEA	5. Agree with House, no change needed.
6. Classified or sensitive property vests w/Secy	6. Agree with House, provision included assuring Secy. can take title to classified property.
7. U.S. receives a royalty free license	7. Agree with House, language added to clarify.
8. U.S. not liable for damages from property developed	8. Agree with House, include House language
9. Clarify that tech transfer may not interfere with military mission	9. Agree with House, House language included.
10. Limits use of defense program funds for coop R&D to specific annual authorizations	10. Disagree with House. DOE objects such provisions and cited this as a reason to recommend a veto.
11. Royalties from defense program used only for defense research	11. Disagree with House. DOE objects to this as well and would recommend veto.
12. Safeguards against conflict of interest of lab managers	12. Agree with House. House language included.
13. Totally exempt Naval Nuclear Propulsion Labs	13. Agree with House. No change needed.
14. Disclaim intent to confer new authority on DOE to obtain copyright or patent	14. Agree with House. Language included.
15. Delete provisions allowing DOE or labs to protect property from disclosure	15. Agree with House. No changes needed.
16. Disclaimer of intent to limit DOE authority to control classified or sensitive research or own classified or sensitive information.	16. Agree with House by including similar provision.
17. Disclaim intent to affect Naval Nuclear Prop. Labs	17. Agree with House. No changes needed.
18. Codify section 3131	18. Disagree with House, Senate Judiciary objects.
19. Act effective 180 days after enactment regardless reg promulgation status	19. Agree with House. Language changed.
20. Technical provisions assuring Secy. cannot retain title of defense-program products unless classified or sensitive	20. Agree with House. No change needed.●

● Mr. DOMENICI. Mr. President, I urge Senate passage of the Energy and Natural Resources Committee substitute to H.R. 4505, the Department of Energy Authorization Act. This substitute bill replaces House-passed language with a package of legislation designed to enhance technology management activities at the Department of Energy National Laboratories and to advance the development of energy-related technologies.

This substitute, with only a few changes that I will describe here, is the same package that the Senate passed unanimously on October 5 of this year as H.R. 3048, the National Superconductivity and Competitiveness Act.

This legislation includes initiatives to advance research and technology development in superconductivity and solar energy, as well as improving the process for technology transfer from the Department of Energy National Laboratories. This includes legislation I have been working on for the past 18 months, S. 1480, the Department of Energy National Laboratory Cooperative Research Initiatives Act. This bill has been cosponsored by Senators BINGAMAN, WILSON, and MURKOWSKI.

S. 1480 is title 2 of the substitute measure being considered by the Senate today. This title would enable the Department of Energy National Laboratories to negotiate and enter into cooperative research and development agreements with outside parties, and manage property rights to inventions and technology developed at the laboratories.

Since H.R. 3048 passed the Senate, concerns have been raised in the House Subcommittee on Procurement and Military Nuclear Systems about a similar bill introduced by Congresswoman LLOYD. It has been suggested that additional safeguards need to be taken to protect the national security of our nuclear weapons development programs.

Mr. President, I do not believe that my bill in any way compromises national security at our defense program laboratories. This is not just my opinion, but the opinion of the Department of Energy, which is the agency overseeing these laboratories. The provisions contained in this bill are consistent with the President's Executive Order 12591 on facilitating access to science and technology, and recommendations by the National Security Council.

While this legislation would improve technology transfer from laboratories that conduct nuclear weapons research, safeguards already exist in this bill assuring that the national security missions of the laboratories are not compromised. All agreements laboratory managers enter into are subject to the review and approval of the Department of Energy. All technology to which the laboratories can elect title and transfer to private companies are also subject to DOE approval.

I believe that the version of this bill passed by the Senate on October 5, 1988, as H.R. 3084 included all the safeguards that are necessary, while making important and needed strides to improve technology transfer from our laboratories. Indeed, I prefer that bill to the one we are proposing today.

However, Mr. President, I think it is important to pass this legislation this year, and considering the short time left in this session, today we are proposing to pass a version of title II that includes additional safeguards that I believe should address many of the concerns expressed by some in the House of Representatives.

The Senate has been able to work out and to accept 16 of the 20 items the House Subcommittee on Procurement and Military Nuclear Systems and the House Science and Technology Committee requested. The items that were not incorporated in the Senate version of the bill were legislation passed by the Senate and against administration positions. Generally these provisions were rejected because they were inconsistent with the President's Executive order, dated April 10, 1987, on technology transfer, National Security Council recommendations, the Bayh-Dole Act, and Department of Defense technology transfer policy.

The most significant of the 16 issues that the Energy Committee was willing to agree with the House include insulating the U.S. Government from liability; providing additional safeguards against conflicts of interest; providing additional secretarial discretion dealing with weapons related inventions; restricting flexibility regarding paid up U.S. Government licenses.

However, we are proposing to pass this legislation again today to include several new provisions that I hope will allay concerns about the national security implications of this legislation.

Let me just briefly explain the changes made in this substitute bill in response to concerns that special precautions be taken with respect to transferring technology arising from weapons research. New language is included to assure that agreements involving research and development on inventions and technology directly related to nuclear weapons design receive special, additional review. Since the bill does not change current procedues, it actually adds an additional security tool.

These new provisions will assure that special consideration is given to the disposition of inventions and technology directly related to our nuclear weapons research. Yet, it will assure that America is still able to take advantage of the tremendous resources of these laboratories.

This version of the bill expands from 90 to 150 days the time the Secretary of Energy has to decide whether to classify or designate as sensitive a particular invention.

Current law is 150 days, however, a study was requested in last years DOD authorization bill. The Department of Energy will be reporting back to Congress whether 150 days it too long, or too short. The Department of Energy has made very commendable progress in processing these requests in a timely fashion and I hope that the study will suggest a turnaround time of 60 or 90 days.

There is nothing in this bill that changes the Freedom of Information Act regarding information available under it. There were no provisions in the bill as it passed the Senate the first time that had any impact on FOIA. The same is true with the version the Senate is passing today.

It is very important that this legislation be enacted as quickly as possible, and, though I would prefer enactment of the Senate-passed H.R. 3048, I hope that the House of Representatives will see fit to accept the bill we are sending them today.

I would like to state for the record what I consider to be the most important reasons for this legislation:

Private industry has significant interest in scientific collaboration with the national laboratories but only if they present Department of Energy's cooperative research contracting procedures can be streamlined and intellectual property rights guaranteed.

The laboratory directors must be given sufficient management authority for intellectual property to ensure that the director can negotiate cooperative research and development agreements with private industry.

The national laboratories must be perceived by industry as "user friendly" in order for industry to seriously consider the laboratories as partners for collaborative research.

The national laboratories have demonstrated successes in technology transfer into the private sector but the effort can be significantly enhanced if industry becomes more aware of the 23,000 scientists and the multibillion dollar research infrastructure available at the national laboratories;

Technology transfer needs to be a part of the national laboratories' missions.

Title III was the bill was modified at the request of the House Energy and Commerce Committee to provide more flexibility to the Secretary in designating joint venture projects in renewable energy and energy efficiency.

Again, I hope the House of Representatives will see the importance of passing this legislation this year, and will act quickly on this measure.●

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment, as amended, and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 4505), as amended, was passed.

The title was amended so as to read: "A bill to better integrate universities and private industry into the National Laboratory System of the Department of Energy so as to speed the development of technology in areas of significant economic potential, to provide Federal assistance and leadership to a program of research, development, and demonstration of renewable energy and energy efficiency technologies, and for other purposes.".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. I thank the Chair.

Mr. BYRD. Mr. President, I thank the acting Republican leader, Mr. STEVENS.

RECESS UNTIL 9 P.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 9 p.m. today.

There being no objection, the Senate, at 8:13 p.m., recessed until 9:01 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. PRYOR].

NATIONAL COMMISSIONED CORPS OF THE PUBLIC SERVICE CENTENNIAL DAY

Mr. STEVENS. Mr. President, I send a joint resolution to the desk on behalf of the Senator from Utah [Mr. HATCH], and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 395) to designate January 4, 1989, as "National Commissioned Corps of the Public Service Centennial Day."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

● Mr. HATCH. Mr. President, today Senator KENNEDY and I are introducing a joint resolution to mark the 100th anniversary of the U.S. Public Health Service Commissioned Corps. It is important for this Congress to recognize the commissioned corps in its centennial year of service, and to support efforts to educate the public on its achievements and future goals.

This resolution will designate January 4, 1989, as "National U.S. Public Health Service Commissioned Corps Centennial Day." The theme of the celebration will be "A Century of Service with Distinction," one which the corps truly deserves. In a span of 100 years, they have been instrumental in accomplishing such notable achievements as the eradication of smallpox and pellagra, the development of protective vaccines, and control of tuberculosis, yellow fever, and cholera.

These outstanding contributions, along with continuing research, educational efforts, and daily health care service, have had an impact on the quality of health of all Americans, as well as people around the globe. And yet, the centennial does not end with recognition of past accomplishments. The celebration also marks the beginning of a new century of goals including the eradication of AIDS, and the realization of a smoke- and drug-free society.

Please join me in supporting "National U.S. Public Health Commissioned Corps Centennial Day."●

● Mr. D'AMATO. Mr. President, I rise today in support of legislation introduced by my colleagues, Senators HATCH and KENNEDY, designating January 4, 1989, as "National U.S. Public Health Service Commissioned Corps Centennial Day."

The commissioned corps of the U.S. Public Health Service is truly deserving of recognition for its many contributions to our Nation's public health over the past 100 years. During this span of time, the corps has contributed greatly to such achievements as the eradication of smallpox and pellagra; the development of effective vaccines against childhood diseases; and the control of tuberculosis, yellow fever, and cholera. Moreover, the corps has benefited the health of all Americans through its continuing efforts in education, research and the improvement of daily health care services.

While the centennial celebration on January 4, 1989, will focus primarily on the achievements of the past, we recognize that it marks as well the beginning of a new century—one during which we must strive to tackle such difficult threats to the public health as AIDS, cancer, heart disease, and drug abuse. As in the past, the commissioned corps has an indispensable role to play in these vital endeavors.

Numerous activities have already been planned for the centennial celebration on January 4, 1989. These activities, which include Presidential, Gubernatorial, and world health organizations proclamations, as well as the publication of an educational book detailing the history of the corps, will serve not only to recognize past and present corps participants, but also to educate the public about the corps' activities and its impact on the health of the Nation.

Congressional support will be crucial to the success of the corps' centennial celebration. I therefore ask my colleagues to join me in cosponsoring this joint resolution, and I urge its immediate passage.●

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The Preamble was agreed to.

The joint resolution (S.J. Res. 395), with its preamble, reads as follows:

S.J. RES. 395

Whereas the commissioned corps of the Public Health Service of the United States has compiled an exceptional record of service to the health of the people of the United States and the world through concerted efforts at disease prevention, health promotion, environmental intervention, disease control, biomedical research, health care delivery, health program management, policy development, and implementation;

Whereas the commissioned corps of the Public Health Service has been instrumental in the achievement of many innovations and breakthroughs throughout the field of health care;

Whereas because of diverse and varied training and background, the commissioned corps of the Public Health Service have maintained a highly effective, mobile, and adaptive cadre of health and medical experts that have performed efficiently during emergencies, epidemics, and other adverse situations with courage, proficiency, and valor;

Whereas the officers of the commissioned corps of the Public Health Service have worked to eradicate diseases such as pelagra and smallpox and improved the health of mothers, children, and handicapped individuals through significant accomplishments such as the control of tuberculosis and the development of protective vaccines;

Whereas the officers of the commissioned corps of the Public Health Service have worked to increase the protection of consumers through the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) and the Mental Health System Act (42 U.S.C. 9401 et seq.) and provided health care services for the Merchant Marine, the Coast Guard, the Bureau of Prisons, American Indians, and Native Alaskans;

Whereas on January 4, 1989, the commissioned corps of the Public Health Service celebrates the completion of its first century of existence and begins its second century with the goal of further enhancing the health of the people of the United States through measures such as achieving a drug-free society and eradicating the disease of acquired immune deficiency syndrome: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 4, 1989, is designated as "National Commissioned Corps of the Public Health Service Centennial Day". The President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with approriate ceremonies and activities.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RELIEF OF RAJANI LAL

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 3917.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 3917) entitled "An Act for the relief of Rajani Lal", with the following amendment:

In lieu of the matter inserted by said amendment, strike out all after the enacting clause, and insert:

That (a) subject to subsection (b), in the administration of the Immigration and Nationality Act, Rajani Lal shall be classified as a child within the meaning of section 101(b)(1)(E) of the Act, upon the approval of a petition filed under section 204 of the Act by Sandip Lal, a citizen of the United States and Swaran Kanta Lal, a permanent resident. The petition may be filed in the United States.

(b) Subsection (a) shall only apply if the classification petition is filed within two years after the date of enactment of this Act.

(c) The natural parents, brothers, sisters of the beneficiary under subsection (a) shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Upon admission to the United States, Rajani Lal shall proceed to be adopted in accordance with the laws of the State of Florida.

Mr. BYRD. Mr. President, I move that the Senate concur in the amendment of the House to the Senate amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to and I move to lay that on the table.

The motion to lay on the table was agreed to.

RELIEF OF RICK HANGARTNER, RUSSELL STEWART, AND DAVID WALDEN

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H.R. 1418, an act for the relief of Rick Hangartner, Russell Stewart, and David Walden; that the Senate proceed to its immediate consideration; that it be advanced to third reading, read the third time, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 1418) was passed.

LICENSING OF CERTAIN FACILITIES ON PORTIONS OF SALMON AND SNAKE RIVERS

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2102.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2102) entitled "An Act to prohibit the licensing of certain facilities on portions of the Salmon and Snake Rivers in Idaho, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

SECTION 1. SALMON AND SNAKE RIVERS.

(a) The Federal Energy Regulatory Commission shall not issue any preliminary permit, license, or exemption from licensing for the construction of any dam, diversion or bypass under the Federal Power Act (41 Stat. 1063), as amended, on:

(1) the Salmon River, Idaho, from Long Tom Bar to the confluence of the Snake River, or

(2) the Snake River, Idaho, from the eastward extension of the north boundary of section 1, township 5 north, range 47 east, Willamette Meridian to the pool formed behind Lower Granite Dam.

(b) In order to further the purposes of the Wild and Scenic Rivers Act (82 Stat. 906), as amended, and to protect the values for which certain portions of the Salmon River, Idaho and the Snake River, Idaho were designated as components of the system, no dam may be constructed on the segments of the Salmon or Snake Rivers referred to in subsection (a).

SEC. 2. LAKE TOBESOFKEE.

In the case of any hydroelectric power project located or proposed to be located at Lake Tobesofkee in Bibb County, Georgia, the provisions of the Federal Power Act shall continue to apply, except that the Federal Energy Regulatory Commission shall not issue any permit, license, or exemption under that Act or under any other provision of law administered by the Commission to any person or public or private entity for such project or for any transmission or other facilities used in connection with, or appurtenant to, such project without having obtained the prior consent of the governing body of Bibb County.

Mr. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. BYRD. Mr. President, I inquire of the distinguished acting Republican leader as to whether or not Calendar Order No. 1109 has been cleared on his side.

Mr. STEVENS. Mr. President, that item has been cleared on our side.

Mr. BYRD. I thank my friend.

RELIEF OF MARIA LINDA SY GONZALEZ

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 1109, H.R. 3238, a bill for the relief of Maria Linda Sy Gonzalez; that it be advanced to third reading, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 3238) was passed.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business not to extend beyond 30 minutes and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

INFORMATION POLICY AND COMPETITIVENESS

Mr. LEAHY. Mr. President, the Subcommittee on Technology and the Law examined the issue of information policy and competitiveness this past spring. During that hearing, scientists, engineers, business representatives, and science policy experts all stated that our country simply cannot afford new Government restrictions on the dissemination of scientific information. This view has been restated by many during the last several years. I am glad that we were able to work out a national labs policy that will maintain our commitment to the open exchange of scientific information.

The rapid international developments in superconductivity remind us all that the American scientific community and hi-tech industry must not be "out of the loop" on new advancements. We must encourage commercial applications that will strengthen our hi-tech base. We must be wary of shortsighted restrictions that could chill innovation or produce retaliatory measures by other countries.

I would like to thank Senator Johnston, Senator Domenici, and Senator McClure along with their staff—Ben Cooper with Senator Johnston, Denise Greenlaw and Andy Bush with Senator Domenici, and Richard Grundy with Senator McClure—and my own staff, Ann Harkins and Marc Rotenberg, for all of their work on this legislation and particularly for building upon the open exchange of information that is the root of innovation and discovery.

THE ROLE OF COMMUNITY ACTION AGENCIES IN WELFARE REFORM

Mr. ROCKEFELLER. Mr. President, last Thursday I witnessed the signing of the Family Support Act by President Reagan. No longer will this country have to throw up its arms in frustration over the welfare problem. States will now be manned with the tools to bring about real improvement in the lives of so many people dependent on welfare.

I would like to bring to the Senate's attention a particularly effective network of service providers whose track record in helping families regain independence is well established: the Community Action Agencies. As the National Governor's Associations "Blueprint for Prevention of Dependency" said:

> "An effective *Blueprint for Prevention* cannot be implemented by the state government alone. The state's (program) needs to be integrated into the priorities, structures, and systems of a variety of communities and

organizations . . . (it) will need to involve people from the voluntary sector, such as the United Way and local foundations; and community-based organizations." (p. 9)

Personally, I would have preferred to establish a clearer role for Community Action Agencies and other equally effective community-based organizations in this legislation. I regret that we left unspecified some important management questions. Community Action Agencies provide services in 98 percent of our Nation's counties and are largely unsung. When States are deciding how to manage and administer their JOBS programs, Community Action Agencies should be recognized for their innovative and effective advocacy and service delivery programs.

First, Community Action Agencies are the Nation's pioneers in the area of employability plans. Community Action Agencies have broad experience in the assessment process and the development of employability plans.

Dozens of Community Action Agencies have pioneered case management systems that include comprehensive assessments of, and planning sessions with, the family. The end result of which is a client/agency "contract." The contracts outline mutually agreed on goals and objectives that will eventually result in self-sufficiency and independence.

Other programs labeled "Family Self Sufficiency" or "Family Support Programs" provide the framework for the administration and management of a vast range of support services from both the public and private sector. These programs exphasize the importance of family participation and not merely the receipt of services. In turn, this makes the clients ultimately responsible for their own personal successes.

Community Action Agencies' records of success with hard-to-employ clients is impressive. Some long-running model programs are located in Moorefield, WV; Hiawatha, KS; Lancaster County, PA; St. Paul, MN; Rockford, IL; Presque Isle, ME; Battle Creek, MI; Fort Smith, AR; and Baltimore, MD.

Mr. RIEGLE. Will the Senator yield?

Mr. ROCKEFELLER. Certainly.

Mr. RIEGLE. I would like to support the Senator's remarks. Community Action Agencies are appropriate providers of the services described in the JOBS Program legislation. States should seriously consider taking advantage of the Community Action Agencies' experience, skills, and resources.

A program in Battle Creek, MI, which the Senator from West Virginia referred to in passing, as an excellent example of a Community Action Agency's capabilities and accomplishments. The Single Parents Advancement Network [SPAN] Program has coordinated basic education programs with vocational training, transition-to-work support, and ongoing counseling. It has brought dozens of young parents from poverty to economic independence. These programs, conceived and carried out locally in communities across America, are the seeds from which the work and training initiatives included in the welfare legislation have sprouted.

Community Action Agencies deserve more than credit. They should be given the opportunity to use their extensive experience in this area to assist States as they begin to develop and implement their State JOBS programs. I, too, wish the Family Support Act had carved out a larger role for Community Action Agencies. However, I expect the Nation's Governors will use these proven service providers to the fullest extent possible.

Mr. ROCKEFELLER. I thank my colleague. There are other services which Community Action Agencies can provide and these services should also be tapped into by States.

For example, in the provision of day care services, Community Action Agencies have extensive experience in managing community-based day care centers for high-risk children of welfare families. In Connecticut, Community Action Agencies are primary service providers for State day care programs. In other States, Community Action Agencies have established home-based Head Start programs. Still others have linked day care services and job creation. In Fort Smith, AR, the State and a Community Action Agency jointly developed a Job Training Partnership Act [JTPA] Program to train both home day care providers and the trainers of the home day care providers. JTPA funds are used to pay the trainers and their travel expenses, as well as the costs of the equipment and play materials. The program also includes long-term followup and support services for the home day care providers.

Mr. RIEGLE. Will the Senator yield for another example? In Pontiac, MI, the Oakland-Livingston Community Action Agency runs the Community Coordinated Child Care Council, a resource and referral center which provides training and support for over 1,400 day care providers to help them provide quality day care. This is exactly the kind of initiatives that will be needed because of the increased demand for day care services as a result of passage of the Family Support Act.

Mr. ROCKEFELLER. I thank the Senator for that example. Community Action Agencies are leaders in providing many services to AFDC families, including large-scale job training programs such as Boston's Emergency Medical Technician Program, and literally hundreds of neighborhood literacy and remedial math training centers. Another example is Delaware's "First Step" Job Readiness Program that provides basic skills and job training for welfare families.

Past experience in running the Summer Youth Program makes Community Action Agencies especially suited to address the problems of high-risk youths. The Hawaiian Community Action Agencies have an all too rare relationship with their school system and provide specialized training programs to prevent students from dropping out of school. The Hilo Program has a 99-percent graduation rate. Baltimore's Urban Services Project Uplift provides support and counseling for AFDC mothers still in school. "Teen Parenting" programs across the Nation report a high-participation rate and a record of success that is both extraordinary and also sad, in that it demonstrates the desperate need and demand for such appropriate and well-targeted help to our neediest youth. Community Action Agencies have also played a role in many States' Community Work Experience programs.

Mr. President, the success of the Family Support Act depends a great deal on how well JOBS programs are developed and implemented at the State and local level. It is important that States use the agencies that can best to the job, and Community Action Agencies are high on that list.

OUTSTANDING SENATORS TO RETIRE

Mr. GLENN. Mr. President, I rise today to recognize those Members of the Senate who are retiring. It has been my pleasure to have served with these gentlemen. Their contributions to the Senate and the Nation are numerous and their presence will be missed.

Mr. President, JOHN STENNIS from Mississippi, chairman of the Senate Appropriations Committee, is truly a Senator's Senator. His service began in 1947 when he succeeded Theodore Bilbo. During his long service, the Senate has often turned to him in times of controversy. Senator STENNIS was called upon to investigate Senator Joseph McCarthy, Bobby Baker, and Senator Thomas Dodd. Although there were personal tragedies along the way, his judgment, his temperament, and his integrity have always served the Senate well. All of us will miss the advice and counsel of the President pro tempore.

Next year, another Senate institution will no longer be with us. The independent BILL PROXMIRE of Wisconsin, chairman of the Senate Banking Committee, will end his Senate career. BILL succeeded Joseph McCarthy in 1957. Next year, the man with the longest rollcall vote record, will no longer begin the Senate day with his usual floor speech and to the relief of some, there will be no more Golden Fleece Awards. I am told that you cannot attend a Packer's game without shaking hands with Bill. Although his election campaigns spent only a few hundred dollars, it is said that school children from all over the State believe that Bill Proxmire is from their hometown. In the days of 30-second television spots and PAC fundraisers, campaigns like this will not likely come again.

"Walkin' Lawton" Chiles walked across Florida and into the Senate in 1970. As chairman of the Senate Budget Committee he has drawn the blueprint for Federal spending. When the political art of compromise is needed Lawton Chiles has proved himself a master. Senator Chiles is a deeply religious and hard-working Senator. As chairman of the Federal Spending Subcommittee of the Governmental Affairs Committee I chair, I know firsthand of the outstanding contributions he has made.

When it comes to the environment and education Robert Stafford of Vermont will long be remembered. Senator Stafford has held statewide office in Vermont since 1954. He is one of the few men in history to have served as Governor, a Member of the House of Representatives, and as U.S. Senator. His experience and judgment have been highly valued in this body.

Paul Trible of Virginia served in the House of Representatives from 1977 until his election to the Senate in 1982. He served on the Iran-Contra Investigating Committee and has actively supported issues of importance of his State.

Senator Daniel Evans of Washington has brought a great deal of experience to the Senate as State legislator, Governor, and university president. Dan Evans succeeded the late Henry Jackson and has served his State in the highest tradition of the Senate.

Mr. President, it has been an honor and a privilege to have served with these men and I bid each farewell and extend my best wishes.

THE UNITED STATES-PHILIPPINE BASE AGREEMENT

● Mr. KERRY. Mr. President, I would like to take a few minutes to express my support for the recently concluded United States-Philippine base negotiations.

The agreement is the product of months of intense and sometimes contentious negotiations—Secretary Shultz and Foreign Minister Manglapus—can be proud of this accomplishment; it is a good agreement and demonstrates strong U.S. support for the government of Corazon Aquino.

The agreement guarantees the smooth and continuous operation of the two largest U.S. bases overseas: Clark Air Base and Subic Bay Naval Station through 1991, when the current treaty expires.

Mr. President, the agreement goes a long way toward fulfilling the initial request by the Philippines for $1.2 billion per year in compensation for the bases and represents the United States' best efforts during a time of dwindling United States foreign assistance resources.

Specifically the agreement provides for: $481 million for the Philippines; in both fiscal year 1990 and fiscal year 1991; $160 million in economic support funds [ESF]; $200 million in grant military assistance [MAP]; $96 million in food and development aid; and $25 million in housing guarantees.

The agreement also will allow the United States to provide some of the funds as a fast-disbursing ESF Program in order to help the Philippine Government ease its staggering $28 billion foreign debt. Moreover, the agreement pledges the United States to commit, to the extent possible, an additional amount of $500 million in loans and insurance through OPIC and the Exim Bank to encourage investment in the Philippines and promote Philippine exports to the United States.

This is a significant increase in American assistance to the Philippines. The people of the Philippines must realize that such a commitment at this time of severe budgetary problems in the United States is a tremendous demonstration of American commitment to mutual cooperation between our two nations. No other nation in the world will receive such a large increase in American economic and military assistance. Moreover, this commitment is not a new agreement, but the renegotiation of the current agreement. It is a testament to the popularly elected government of President Aquino.

This is not the end of the process, but only an interlude. Base negotiations for the period after 1992 will have to be conducted in less than 2 years. Moreover, the United States Government is committed to work with other nations of Europe and Asia to provide a multilateral assistance initiative [MAI] designed to help provide economic stability and debt relief for the Philippines. All things considered, the current agreement is a great success for the Government and people of the Philippines.

Similarly, it is a great success for the Government and people of the United States. Some have criticized the cost as unreasonable at this time of budget deficits. Failure to fulfill the agreement would be foolish. No foreign bases are more important to the national interest of the United States. Without them, are very costly alternatives, the ability of the United States to protect our interests from the Persian Gulf to East Asia would be sharply curtailed. The agreement with President Marcos for $900 million over 5 years was patently unfair. To have insisted on that formula would have been legal but shortsighted. The just concluded agreement more accurately reflects the value of these facilities. At the same time, inflated Philippine demands were rejected.

Both sides have settled on a fair agreement which accurately reflects the cost and benefits of our relationship. This agreement can now serve as a foundation upon which to build stronger ties between our two democracies.●

IRVING KING JORDAN, GALLAUDET UNIVERSITY

● Mr. KENNEDY. Mr. President, today is truly a historic day. Irving King Jordan was installed as the eighth president of Gallaudet University. He is also the first deaf president in this institution's 124-year history. Senator Tom Harkin, the chairman of the Subcommittee on the Handicapped, and a true champion for the rights of Americans with disabilities, gave the address at this morning's inauguration.

I ask that the text of Senator Harkin's remarks be printed in the Record at this time, as well as the statement of Alex Patterson, a board member of Gallaudet University who introduced Senator Harkin.

The material is as follows:

Introduction of the Honorable Tom Harkin

I have a very pleasant task on this historic day, and the distinct honor of introducing a very distinguished American who is a leading figure in the cause which unites us all.

We are very fortunate that he is a person who knows that we cannot rest on our accomplishments; that a day of celebration such as this is only the beginning of the hard work yet to come.

He is the son of an immigrant mother and hard-working father who has attained the lofty heights of the U.S. Senate, where he was elected in 1984 after serving 10 years in the House of Representatives from Iowa. When he was sworn in as a U.S. Senator he made sure that an interpreter was present so that his brother, who is deaf, could enjoy his moment of pride and participate fully in the event.

This unusual action did not surprise those people who knew him; it was no token gesture. In fact, no Member of the U.S. Senate has been more concerned with the special challenges deaf people face, and no Senator is in a better position to address these challenges, as our guest speaker is currently chairman of the Senate Subcommittee on the Handicapped.

Our speaker is the author of legislation creating the National Institute on Deafness and other communication disorders that is expected to become a new entity within the National Institutes of Health. He has been a pioneer in efforts to change the tax code so that businesses can deduct the cost of acquiring TDD equipment, and he is the chief sponsor of legislation that will help States deliver assistive technology to handicapped persons.

Everywhere you look there is evidence of his caring, his commitment and his accomplishments. He is an advocate of closed captioning of the U.S. Senate proceedings and a cosponsor of the Americans with Disabilities Act. And legislation passed just last week in the Congress to expand the Federal telecommunications system has his strong support.

In his 13 years in the U.S. Congress, he has become a force to be reckoned with for his courage and willingness to take on difficult issues in the area of human rights. He is a man composed of genuine ingredients ("the right stuff") who earned his way to the top through hard work, perseverance and with an unfailing commitment to improve the quality of life for disabled Americans of every age.

It is a great pleasure to present the Democratic Senator from the great State of Iowa, the honorable Tom Harkin.

Remarks of Senator Tom Harkin, Inauguration of President I. King Jordan

Thank you. It's great to be here. Last Spring, the day after Dr. Zinser resigned, I wrote to the students and faculty of Gallaudet:

"You have succeeded in educating the world about deafness and that deaf people are entitled to dignify and respect.

"You communicated your message with force and clarity. Your actions will have a positive impact on future generations of hearing and deaf people.

"By your actions, you have brought the deaf community together around the world. You are my heros. I look forward to meeting the next president of Gallaudet University, who I expect will be deaf."

Today, I am very excited to be with you at the inauguration of your new President, Dr. Jordan, who is deaf.

Some of you may know that my brother is deaf. I learned sign language when I was growing up, but now I have forgotten many signs because I do not use sign language every day. So I am too slow. If I sign more of my remarks, we will be here all day. So, from now on, I will use the interpreters.

Today is a great day for the deaf community. But it didn't happen by accident, it didn't happen because some benevolent souls granted your wish, it happened because you made it happen.

Americans who can hear, but would not listen, now hear and respond to the concerns of deaf Americans.

I was proud to give my support, in whatever way I could.

I heard that when Phil Bravin, the first deaf Chair of the Board, called Greg Hlibok to announce the appointment of Dr. Jordan, you had a fantastic beer bash at the "Ole Jim"! From what I heard it was the best party this campus has ever seen. You earned it!

As I stand here with Dr. Jordan—the first deaf president in Gallaudet's 124 year history—I share your pride. He is truly a man worthy of your hopes and dreams.

Deaf children, brought up in a world that tells them what they can't do, now see they can do anything, that the only limit to their achievements is their ability to dream. And their inspiration is President Jordan.

When I was home in Iowa, I saw my brother. He is not a young man anymore, but you filled him with youthful enthusiasm. You inspired him, and fired him with pride.

And when I was in Europe this summer, I was approached by a small group of deaf people, who asked me about the President. They weren't interested in Ronald Reagan, they wanted to know about the new President of Gallaudet.

We often talk about the symbolism of the first deaf presidency, and for good reason. But Dr. Jordan is far more than a symbol, he is a sensitive and caring individual, a strong and forceful leader.

Harry Truman once said, "There is only one test of friendship. It is a test of the heart. You know without being told who is your friend and who is not your friend."

I. King Jordan has been a friend of the heart to me. He is a friend of the heart to all Americans with disabilities.

The inauguration of President Jordan is the beginning of a new era for deaf people around the world.

No more will deaf people tolerate the paternalism and charity of those who seek to control your future. You are the masters of your own destiny.

Deaf people working hard in hand with other disabled and nondisabled Americans can make a difference.

Together, we will not rest until every child with a disability can get an education that allows that child to achieve his or her full potential.

Together, we will not rest until Americans with disabilities take their places in the working world, side-by-side and not one step below nondisabled Americans.

Together, we will not rest until deaf and other Americans with disabilities seek and win office in our courthouses, our statehouses, and in the Congress of the United States.

Together, we will not rest until every vestige of discrimination against Americans with disabilities is removed from our society and every citizen with a disability is accorded the respect and dignity he or she deserves.

Our founders declared in the Declaration of Independence, that we are all created equal. Yet it took almost a century for black men and women to break the yoke of slavery. It took another sixty years for women to earn the right to vote. It took another forty-five years to pass the historic Civil Rights Act of 1964.

So, as you can see, the history of the United States has been a constant evolution of opening more doors, of breaking down barriers, of extending basic human rights to more and more people.

But, no one gave women or black people their rights; they had to fight for them.

No one will give Americans with disabilities their rights—you will have to fight for them. And you *must* fight, because your civil rights have not yet been secured.

Under our nation's civil rights laws, an employer can no longer say to a prospective employee, "I will not hire you because of the color of your skin, or because you're a woman or Irish or Jewish or Catholic."

If the employer did, that person could march over to the courthouse, file a law suit, win and collect damages and attorney's fees.

But as Greg Hlibok testified before my Subcommittee, there is still one group of Americans who are not accorded their rights. To this day, the courthouse door is still closed to Americans with disabilities.

It's time we opened that courthouse door. It's time, nearly a quarter-century after we passed the Civil Rights Act, for this nation to recognize the civil rights of Americans with disabilities.

And next year, with your help, we will pass the Americans with Disabilities Act to make this dream a reality. This bill will ban discrimination on the basis of disability in areas such as employment, public accommodations, transportation, communications, and public services.

I know we can do it. You have already shown the world that anything is possible.

It will be a long tough road. But I am reminded of Rosa Parks who got off that bus in Montgomery, Alabama and said she was not going to ride in the back of the bus anymore.

She led her people in a boycott of the buses and they walked to work, they walked home, some of them three, four, five miles a day, rather than take the buses.

They were harrassed, they were threatened, they were physically beaten, but they would not surrender. Because they were right. They had been second-class citizens too long, and they would not stand it any longer.

They held on—and after it was all over, black people broke the back of the bus company and sat anywhere they wanted on those buses.

Afterwards, someone asked Rosa Parks how she felt. She said, "It's been a long tough battle, my feets are tired but my soul is at rest."

So let us work hard and work for the day when those Americans with disabilities have their full share of the American Dream. let us work hard, so when that day arrives, we can all say together, and paraphrase Rosa Parks, "our bodies are tired, but our souls are at rest".

Thank you.●

Mr. BYRD. Mr. President, Senator CRANSTON is not in town today and has asked me to have printed in the RECORD on his behalf the following statement.

PEACE CORPS VOLUNTEERS FEATURED IN BUSINESS WEEK

● Mr. CRANSTON. Mr. President, as my colleagues are aware, I have often called attention to the valuable contributions that Peace Corps volunteers have made and are making to world peace, mutual understanding between Americans and the people of other countries, and the economic development of the countries in which volunteers serve.

Since the Peace Corps' inception in 1960, more than 130,000 have served as Peace Corps volunteers.

I am delighted that the Peace Corps is currently enjoying a new surge of popularity. More and more Americans from all walks of life are volunteering for what has been called the toughest job you'll ever love.

Recently, Business Week honored Peace Corps volunteers in a feature article appearing in its August 22 edition. The authors pointed out that the scope of Peace Corps programs has expanded beyond the basics of "health, education, and agriculture," which are still its primary focus, to encompass business concerns, including microenterprises. American businesses deserve our gratitude for allowing their workers to volunteer to use their skills and knowledge to help others. I would like to encourage all American businesses to do all they can to assist the Peace Corps in its efforts to help build a better and more peaceful world.

Mr. President, I ask that the Business Week article be printed in the RECORD at this point.

The article follows:

THE PEACE CORPS' NEW FRONTIER

In 1985, Michael J. Daly's career was ticking along smartly. An accountant who spent six years as a bank analyst, the 27-year-old New Yorker had just bought a sharp new Honda Prelude. Then it hit him: the feeling that life was passing him by. Beguiled by TV ads for "the toughest job you'll ever love," Daly phoned a Peace Corps recruiter.

Co-workers at Manufacturers Hanover Bank "thought I was crazy," he recalls. Daly walked off his $45,000-a-year job for a $200-a-month stipend plus room and board in the Dominican Republic. There he teaches peasant-owned financial cooperatives to operate profitably and to compete with commercial banks.

The Peace Corps is getting down to business. Health, education, and agriculture are still its main concerns, as they were when President Kennedy created the agency in 1961. But it is also concerned with the lack of capital and grass-roots entrepreneurial knowhow that have condemned much of the Third World to poverty. "We've grown a lot wiser," declares Peace Corps Director Loret M. Ruppe, a 1981 Reagan appointee. To promote economic development, Ruppe is calling for private-sector help and business skills. She is finding them.

Dropouts. After years of scraping for volunteers, the Peace Corps now gets five applications for every position. They come from nontraditional quarters: executives yearning for midcareer adventures, financially secure retirees enlisting in the war on hunger, and growing numbers of yuppie dropouts.

Volunteerism is chic again. The agency's image has improved overseas. But it is Director Ruppe who "deserves credit for saving the agency," says E. Timothy Carroll, director of the National Council of Returned Peace Corps Volunteers.

When President Reagan took office in 1981, liberals feared that the corps might be dismantled or forced to promote right-wing policies in the Third World. At first the Administration argued for budget cuts, installed hardline conservatives in top posts, and insisted on reviewing the assignments of country directors. It also enforced a long-ignored provision of the Peace Corps Act requiring volunteers to be briefed on the communist "menace."

Ruppe, a moderate Republican whose husband, a former U.S. congressman, ran George Bush's 1980 Presidential campaign in Michigan, proved a shrewd politician. She isolated the hardliners and weathered a harsh attack from the Heritage Foundation, the conservative think tank, for being "out of step with the Reagan agenda." That won her the backing of Democrats such as Connecticut Senator Christopher J. Dodd, a Peace Corps veteran. Meanwhile, Ruppe violated liberal taboos by collaborating with the U.S. Agency for International Development (AID) and openly courting big business. In recruiting professionals and focusing on small-business development, she is adapting the Kennedy-era Peace Corps to "the 1980s personality," notes alumni group head Carroll.

That helped bring the White House around. In 1985, with its blessing, Congress mandated the corps to double its volunteer count to 10,000 by 1992. In the past two years, the corps' budget has grown by 20%, to $146 million in 1988.

Dispatching white-collar missionaries is a sharp turn from the Peace Corps' early days, when 60% of the volunteers were liberal arts graduates armed with little more than altruism and a desire to experience the Third World. They taught English or health or worked at "community development."

In vogue. Only 7% of all volunteers have been placed in the new "income-generation" projects so far. But the future seems to lie there. Indeed, one reason for Ruppe's widespread support is that "microenterprises"—tiny businesses that can be as simple as a shoe-shine stand—are in vogue in economic development circles. Conservatives like the idea because it promotes capitalism. Liberals see it as empowering the poor. The concept, pioneered by Mahatma Gandhi's cottage industry movement, also is rather cheap.

In December, Congress ordered AID to earmark $50 million for microenterprise loans of less than $300 each. Lending agencies such as the World Bank, the Inter-American Development Bank, and the U.N.'s International Fund for Agricultural Development are pushing similar agendas. Even private charities that specialize in famine relief, such as CARE and Save the Children, have begun funding small enterprises.

"It's cool for projects to make money," says Donald Odermann, the Peace Corps' director in the Dominican Republic and a former volunteer in Colombia. "In the 1960s it was almost shameful." Odermann, on leave from his San Jose stock brokerage firm, keeps cassette tapes of Tom Peters' new book *Thriving on Chaos* in his Jeep Cherokee.

One-third of Odermann's 140 volunteers work on microenterprise. Perhaps the most successful Dominican project is a lending unit that two volunteers helped found in 1983. It has loaned $1.2 million to 4,674 microenterprises that have created nearly 6,000 jobs. Less than 2% of the loans are nonperforming. One volunteer on the project, MBA Oscar Bernardini—a former Hilton hotels controller in Texas—recently helped a street vendor set up a doughnut business.

Shrimp marketers. Often, volunteers have great latitude in finding projects. Anthony L. Pinder, a 24-year-old commodities trader from Philadelphia, was assigned to work with the state coffee board of Ecuador in 1987. Pinder, who is black, was more intrigued by an account of an isolated community of black fishermen. He set out for their village by canoe and stayed to help them form a cooperative. Now he is teaching the fishermen bookkeeping and how to market their sea bass and shrimp.

To recruit more professionals, Director Ruppe is urging corporations to grant volunteers leaves of absence. Most companies balk at keeping the jobs open or continuing seniority and benefits during the typical two-year stint. Joining up thus often means temporary impoverishment. Once back home, the usual $4,800 accumulated stipend buys but a few months' rent and a used car.

Nevertheless, Patrick Sheridan, 32, persuaded Texas Instruments Inc., where he is an accounting manager, to grant him a two-year Peace Corps sabbatical. Now he and his wife, Susan, an ex-banker at First City National Bank of Houston, work with a group of Ecuadorian peasants who weave straw goods.

The Sheridans' combined business acumen quickly became evident. First they got a $5,000 grant from AID to buy raw materials and purchase the finished goods. Then they found U.S. buyers. Now they are training locals to do the accounting. In nine months the number of artisans has quadrupled to 1,200.

Retirees are coming aboard. Helen Murphy, a 63-year-old grandmother who ran a flight school near Yosemite National Park, has decamped to Nairobi, Kenya. There she teaches vegetable vendors, seamstresses, and others the rudimentary cash management and bookkeeping skills they need to get low-interest loans from a Peace Corps trust for women.

The Peace Corps also is trying to get alumni to donate money, or even make another tour in their former host countries, since they already know the language and how to operate in the culture. In response, alumni groups have sprung up. The Friends of Malawi have set up a loan fund for handicapped artisans there and are helping market their crafts.

Ruppe thinks she has barely begun. She wants Corporate America to grant more leaves and heed her calls for donations. "I'd like to get a cadre of businessmen we can count on," she says, "but for some reason the private sector doesn't like to donate services to the government."

Just a fad? Not everybody thinks the Peace Corps should cozy up to big business. Some critics fear it could lead to programs that cater to corporate interests. Others worry that the agency is becoming too involved with the local elite. In Belize City, for excample, one volunteer works for the chamber of commerce. Washington development economist Stephen Hellinger, co-director of the Development Group for Alternative Policies, calls the microenterprise movement a "fad" that overemphasizes economic rather than social improvement. Too, often, he says, "a handful of people do better, but nothing fundamentally changes for the community."

Still, the 1980s Peace Corps is a vastly more effective organization than it was in its more innocent days. "The Peace Corps was kind of a Foreign Legion for refugees from Nixon," recalls Richard Shafer, a 1973 volunteer assigned to the remote south Korean island of Cheju-do. He estimates that 60 percent of his colleagues dropped out of the corps, possibly because they were disillusioned with ill-defined jobs and a lack of supervision.

Today's Peace Corps is still idealistic. But it also wants results. In the Dominican Republic, Odermann notes, much of the pressure to succeed comes from the volunteers, "who are demanding a lot more of us." He makes his point by citing the example of his new recruit: a hard-driving young woman who gave up a $60,000-a-year New York banking job for the privilege of helping the poor.●

U.S. TRAVEL AND TOURISM ADMINISTRATION

Mr. PRESSLER. Mr. President, my years in Congress have helped me develop a strong interest in the workings of the travel and tourism industry. Growing up in South Dakota, I have an appreciation for what tourism means to a State's economy.

Tourism is my State's second largest industry—second only to agriculture—and is responsible for over 25,000 jobs for South Dakotans. The South Dakota Tourism Department will spend over $2.3 million in fiscal year 1988 in an effort to attract even more visitors to South Dakota.

Nationally, there are over 1 million enterprises in the travel and tourism industry. I am proud of legislation I sponsored to create the U.S. Travel and Tourism Administration [USTTA]. It provides assistance in promoting tourism to the United States from abroad. An Under Secretary of Commerce position was created to manage this office.

The USTTA is doing a commendable job of carrying out its responsibility. I recently met with Charles Cobb, current Under Secretary of Commerce for Travel and Tourism, to discuss new developments at the USTTA. I am pleased to bring the Senate up to date on a major accomplishment by the USTTA.

For example, I have often stated that Foreign Service officers should be given additional training in how to promote tourism as they serve their country overseas. Since our embassies already have agricultural and other commercial trade specialists, it would be profitable to have specially trained personnel who are familiar with the tourism industry.

I am pleased that Under Secretary Cobb has begun working with the State Department to institute my suggestion. I hope that this effort will increase the number of foreign visitors to the United States.

The USTTA performs its duties with an annual appropriation of less than $12 million. As the 100th Congress comes to a close, I urge my colleagues to recognize the importance of the USTTA to the future of U.S. tourism. I hope that next year we will see fit to provide a substantial increase to this effective agency's budget.

NATIONAL FIREFIGHTERS DAY

Mr. PRESSLER. Mr. President, it gives me great pleasure to join in support of Senate Joint Resolution 388, which designates November 12, 1988, as "National Firefighters Day."

The citizens of my home State of South Dakota know all too well what an invaluable service such men and women perform. As of August 24, 1988, 368 fires had been reported in the Black Hills area alone. Over 24,000 acres of Black Hills land had been destroyed by fire this year by that date. Statewide, 570 fires had occurred, with 62,107 acres and much property lost. It is frightening to imagine the greater loss of lives, property, and resources which would have occurred if our firefighters had not risked their own safety to carry out their job.

Because of the devastating drought conditions of last summer, combating fires required an unusually high number of firefighters to be in the field at once. Last summer's two major Black Hills blazes saw a total of 3,500 people working on fire suppression and containment. For the first time in South Dakota history, volunteer fire departments from communities around the State were called on to help the professional firefighters. The States of Wyoming, Montana, and Colorado also joined in the effort by contributing firefighting personnel.

Mr. President, it is fitting that the Senate honor these courageous men and women with a national day of observance. I am proud to cosponsor this resolution.

(At the request of Mr. BYRD, the following statement was ordered printed in the RECORD at this point:)

VA RESPONDS FORCEFULLY TO WASHINGTON POST ARTICLE REGARDING VA HEALTH CARE QUALITY ASSURANCE STUDY

● Mr. CRANSTON. Mr. President, on October 13, I described and had printed in the RECORD, a letter I had sent to the General Accounting Office and the Office of Technology Assessment requesting that they jointly conduct an investigation of allegations contained in an October 11, 1988, Washington Post article regarding a VA study of hospital mortality rates at VA medical centers. Before my letter was dispatched and before he knew of its existence, the VA's Chief Medical Director, Dr. John Gronvall, at a briefing on the morning of October 13 invited such an investigative effort by the Congress. Although I had approved the letter on October 11—it was signed on October 12—I had instructed the committee staff not to transmit the letter until after the October 13 briefing, in order to make sure that nothing said there would reiterate any changes in the letter. It did not, and the letter was transmitted on October 13.

Mr. President, I want to correct one apparent misstatement in my October 13 statement. In that statement, I noted that the VA study in question was a "statutorily mandated study." In fact, although the VA is under mandate to "periodically evaluate" VA mortality and morbidity rates and report its findings to the Congress, the particular study discussed in the Post article was carried out on the VA's own initiative.

Mr. President, the Chief Medical Director and the Veterans' Administration very strongly and indignantly dispute the full thrust of the Post article. I think it is important that Senators and the public have the benefit of the VA's version of this situation while the GAO and the OTA carry out their investigation. Thus, Mr. President, I ask that the following be printed in the RECORD at this point: A VA press release of October 11; an October 13 letter to the Post from Dr. Gronvall; an October 19 letter to me from Dr. Gronvall; and a point-by-point analysis of the Post article by Dr. Terry L. Thomas, the epidemiologist who was the principal investigator on the study.

The material follows:

VA MEDICAL CHIEF BLASTS POST STORY

The chief of the Veterans Administration medical system today labeled as "grossly inaccurate" a Washington Post (Oct. 11, 1988) story that accused him of ordering changes in a hospital mortality study because the results would make the VA look bad.

VA Chief Medical Director John A. Gronvall said the results of a very sophisticated statistical analysis whose methods were praised by the General Accounting Office, the investigative arm of Congress, "were and are intact." The first phase of the VA-initiated study, completed last February, examined mortality rates at the agency's 172 hospitals and the results are now being validated before their expected release in February 1989.

GAO also praised the VA for including a review of hospital records as part of its study. The VA's approach differed from a recent government study of community hospital mortality which GAO had criticized. The agency is conducting an intensive records review at the hospitals identified in its initial analysis.

Gronvall issued a statement today in which he said, "The Post accuses me of 'directing researchers to produce a smaller number of questionable hospitals." That is not only grossly inaccurate but is a totally outrageous accusation. I personally initiated this study so that if we found problems in VA's quality of care we could correct them.

"When the study is finished and we have verified results, we will make it public," Gronvall added. "That process, not the initial data, will provide the validation we think is essential to a thorough and meaningful quality assurance study."

Another VA official, Terry L. Thomas, Ph.D., an epidemiologist who directed the study, said she was misquoted by the Post. "There was absolutely no pressure applied to me to change results," she said, "and I never made the remark attributed to me that I 'wasn't happy with' (the study) or that I saw 'too many red flags.' "

The Post article relied on internal memoranda and notes prepared by the late Dr. Francis E. Conrad who directed the VA Department of Medicine and Surgery's office of quality assurance until his death last April. Conrad, a psychiatrist, named Thomas—a former National Institutes of Health scientist—to design the study. Thomas described Conrad's sometimes strong statements as a matter of "style more than conflict."

"There are always healthy exchanges in making decisions about methodology," Thomas said. "But I was Frank Conrad's colleague and I know it would have been very upsetting to him to read the Post's account of how this study evolved."

Gronvall said he would continue with the study and fully expects it to provide helpful information on the quality of individual VA medical centers.

Veterans' Administration,
Washington, DC, October 13, 1988.

Mr. Benjamin C. Bradlee,
Editor, the Washington Post,
Washington, DC.

Dear Mr. Bradlee: Your October 11, 1988 front page story headlined, "VA Researchers Ordered to Report Fewer Problem Hospitals," was a disappointment to those who regularly deal with the Post in good faith, and a disservice to the health care system that serves some of America's most deserving patients. The story's false assertion that I ordered researchers to change the outcome of a VA study also came as a personal affront to someone who has spent an entire medical career—from working as a pathologist, to serving as dean of a medical school, to my current position as a federal health official—respecting the importance and sanctity of medical research findings.

But I was even more dismayed at the clear—and totally unfounded—implication that this VA study indicated VA facilities have higher mortality rates than other hospitals in the medical community at large.

The fact is, no such comparisons can be made based on these studies. The VA's review of mortality used a statistical analysis which is of necessity different from the measurement technique used by the Health Care Financing Administration (HCFA) in reviewing mortality rates of Medicare patients treated at community hospitals. Moreover, the report by HCFA was careful to point out that there is as yet no concrete evidence to show whether mortality results are a valid indicator of quality of care. In an attempt to assist in answering that crucial question, the VA study is being carried beyond the point at which HCFA concluded its study and published the results.

In an independent review of the methods used by VA and HCFA, the General Accounting Office (GAO) noted this distinction and praised VA's methodology. It is significant that all VA medical centers hold the highest mark of approval currently available to any hospital in America, in the form of full accreditation from the Joint Commission on Accreditation of Health Care Organizations.

I personally ordered that this mortality analysis be conducted when HCFA announced, in August 1987, its analytic model for assessing the mortality experience of Medicare patients. We were not directed to undertake this mortality analysis, but did so wholly on our own initiative in order to see whether this additional quality review tool might help us identify any problems in VA quality so that we could correct them.

The VA is now validating the methodology by analyzing, through peer review, a statistical sample of medical records from the medical centers that were identified for review in the first phase of the study. When this follow-up process (also complimented by GAO and referred to as a "validation effort") is completed, we will publish the full report, and take steps to correct any quality problems so identified. We expect that our report will also make a contribution to answering the crucial question of whether a mortality analysis model is a useful screening tool to indicate which hospitals do in fact have problems with quality. VA evidence on this point would be a significant contribution to the broader medical community.

Dr. Francis E. Conrad, former Director of the Office of Quality Assurance, and I agreed that the effort devoted to this analysis was justified as an exploration of a new approach which might improve our ability to review and them improve quality of care. Instead of focusing on that, however, your reported chose to write a different kind of story, by misquoting, skewing and ignoring the facts about a very complex study process, and sensationalizing some sketchy information obtained somehow from the files of a deceased VA colleague.

In spite of the complexity of the matter, two simple facts stand out:

1. As Chief Medical Director, I personally initiated this study to see if it could identify problems in VA care so that they could then be corrected. The study continues on that basis. I want VA hospitals to be good, not just "look" good.

2. Although your reporter apparently has little understanding of the whole effort, a review by competent and independent analysts from the General Accounting Office led to praise for the VA.

I believe such important subjects as veterans health care and these pioneering efforts to obtain objective evidence of medical care quality deserve more credible reporting.

Sincerely,

John A. Gronvall, M.D.,
Chief Medical Director.

Veterans' Administration,
Washington, DC, October 19, 1988.

Hon. Alan Cranston,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: This letter is to follow up the meeting held at my request on October 13, 1988, with several Members of Congress and with House and Senate Veterans Affairs Committee staff regarding an October 11 newspaper article about the VA hospital mortality study. At the meeting, I was asked to provide a written statement to the Chairman and Ranking Minority Members of the House and Senate Veterans Affairs Committees clarifying decisions made regarding our mortality analysis. That statement is enclosed. In addition to the statement, I have also enclosed a copy of an October 11 VA press release and an October 13 letter to the Editor of The Washington Post.

At the October 13 meeting I said that the nature of the allegation made by The Washington Post was so serious that I planned to find some means of ensuring that there would be a full and impartial review. I mentioned, as possibilities, asking for a Congressional hearing, a review by the Office of Technology Assessment (OTA), or a review by a panel of non-VA experts. A staff member from the Senate Veterans Affairs Committee reported later in the meeting that Senator Cranston was considering making such a request to OTA. I have now received a copy of the request made by Senator Cranston to OTA and the General Accounting Office (GAO), asking each to look into the matter.

I appreciated the opportunity provided by the meeting, and by the request for this further communication, to describe this additional effort to develop a highly reliable model to assess the quality of VA care so that where problems are found, they can and will be corrected.

Similar letters have been sent to the Ranking Minority Member and to the Chairman and Ranking Minority Member of the House Veterans Affairs Committee.

Sincerely,

John A. Gronvall, M.D.,
Chief Medical Director.

Response to The Washington Post Article

The 10/11/88 Washington Post article concerning a VA mortality survey contains significant inaccuracies and misleading statements. The story falsely asserted that the Agency's Chief Medical Director ordered VA researchers to change the outcome of the survey. The Chief Medical Director ordered no such changes. As with any scientific study, regular discussions were held during the development of the methodology regarding the approach to be followed. The Chief Medical Director had originally asked that the survey, which he voluntarily initiated, be as similar as possible to methodology used by the Health Care Financing Administration (HCFA) which surveyed death rates of Medicare patients in community hospitals. However, VA's Office of Quality Assurance proposed a more rigorous methodology which was adopted and supported by the Chief Medical Director prior to any data analyses. The results of this first phase of the survey were not altered in any way. The confidence level at which the proposed statistical test was to be performed was determined by the Office of Quality Assurance, and the Chief Medical Director did not propose any changes in the confidence levels at which the analyses were conducted. Currently, the phase I results are being "verified," through peer review of actual medical records, to determine whether mortality rates are in fact useful in evaluating the quality of medical care and to determine if quality of care problems exist at facilities where higher than predicted rates occurred. Where problems are found, they will be corrected. This was the primary reason for undertaking the survey.

The article also implies that the VA survey reflects higher mortality rates than non-VA hospitals. No valid comparison can be made based on these separate studies. The data base used to conduct the separate analyses are significantly different. Numerous adaptations of the HCFA methodology were made in the VA analysis, and a different statistical test was applied to determine the relative importance of results. The VA used a statistical test that is more sensitive to differences between observed and predicted mortality rates than that used by HCFA. The General Accounting Office (GAO) has complimented VA on these refinements of the analytic model.

SUMMARY OF MORTALITY SURVEY

VA's mortality rate survey was based on an analysis of patient records during fiscal year 1986. The purpose of the survey is to provide data regarding individual hospitals to VA's peer review boards for use as a screening tool in quality assurance activities. In conducting the survey, VA's Office of Quality Assurance evaluated the risk of death within 30 days of admission (or surgical procedure) at each of VA's 172 medical centers. The data then were compared with aggregate data on all VA patients discharged during fiscal year 1986. Patients were classified into 13 high- or low-risk primary diagnosis categories and divided into four patient groups based on whether or not a procedure was performed during the inpatient stay.

Analyses were conducted to determine for each medical center the predicted number of deaths in each of the 13 categories and patient groups, making adjustments for age, sex, race, total length of hospital stay, source of admission, complicating diseases, and number of hospitalizations during the previous 12 months. (Included in the analyses were patients who died from any cause within 30 days of discharge.) The total number of actual deaths in each category and group then were compared with the predicted number of deaths to determine whether a medical center's actual death rate was statistically consistent with the overall VA experience.

To determine whether a mortality rate for a particular patient group or diagnosis category was different from the predicted to a degree that would be considered statistically significant, a statistical test was applied at the 95 percent level of confidence. The same statistical test was applied to each hospital's overall mortality experience but at the 99 percent level of confidence. Six VA medical centers had an overall mortality rate that exceeded the predicted rate to a degree that was considered statistically significant at the 99 percent level. Followup peer review of a sample of actual medical records is now being conducted based on identification of higher than predicted mortality rates in each of the diagnosis and patient subgroups, as well as the aggregate mortality analysis. This peer review involves records from a total of 43 VA medical centers.

This phase II peer review effort will assists in validating the results to assess the effectiveness of the study in locating quality of care problems. This second phase of the study is expected to be completed in February 1989. It should be noted that in a review comparing VA's and HCFA's methods for analyzing hospital mortality rates, the GAO praised VA's methodology and stated that "the Agency deserves credit for its validation efforts."

ANALYSIS OF WASHINGTON POST ARTICLE "VA RESEARCHERS ORDERED TO REPORT FEWER PROBLEM HOSPITALS," OCTOBER 11, 1988

(Prepared by Terry L. Thomas, Ph.D., Epidemiologist)

Warned that a preliminary survey indicated that as much as 12 percent of Veterans Administration hospitals appear to have excessively high mortality rates, the VA's chief medical officer directed researchers to produce a smaller number of questionable hospitals.

(1) This statement is false. Dr. Gronvall ordered no such changes.

The decision by Dr. John A. Gronvall, the VA's senior medical executive, provoked an angry protest from the doctor in charge of the survey, who complained that the action might be seen as "self-serving" and could make the VA "vulnerable to charges of a coverup."

(2) This is also false. Dr. Conrad was frustrated during the discussions about which methodology should be employed by the VA in its self-initiated analysis of hospital mortality rates. Dr. Gronvall was urging him to adopt the same methodology and statistical test that HCFA used, but VA's Office of Quality Assurance proposed a statistical test that is more sensitive to differences between observed and predicted mortality rates than the statistical test applied by HCFA and which would identify a larger, but unknown, proportion of statistically significant results. This decision came prior to the production of any results from the VA study, and was supported by Dr. Gronvall prior to any data analyses.

Gronvall acknowledged in an interview that he ordered researchers to come up with a lower number earlier this year, fearing that the VA could not withstand the criticism that "inevitably" would result from comparison between its survey and another federal survey that found 2.5 percent of the nation's private hospitals had higher-than-expected mortality rates.

(3) This statement is false. Dr. Gronvall was concerned that results obtained using the methodology proposed by the Office of Quality Assurance would be inappropriately compared with those obtained by HCFA, and urged us to use the HCFA statistical test. After consulting with a panel of experts, Dr. Gronvall agreed that we should proceed with our own proposed methodology rather than that used by HCFA.

The VA's 172 hospitals have long been plagued by questions about the quality of medical care, and Gronvall said he feared the study would create a new image problem for the agency.

(4) This statement is inaccurate and misleading. Dr. Gronvall ordered that the study be done in the first place. He recognized that image problems could arise from the results, but wanted us to proceed with the study despite its public relations impact.

Officials of two major statistical organizations declined comment on the VA study, but each said that planning any study to reach a predetermined answer is considered improper.

(5) This statement implies that the Va study was designed to reach a predetermined percentage of statistically significant results. This allegation is false. Nothing of the sort was proposed by anyone at any time.

"You don't design a study to fit another study," said Barbara Bailar, executive director of the American Statistical Association and a former associate director of statistical standards for the Census Bureau. Her comments were echoed by an official of the American Association of Public Opinion Research.

(6) Barbara Bailar of the American Statistical Association and the "Official of the American Association of Public Opinion Research" have never had any contact with me and know little or nothing about the VA methodology. The VA study was not designed to fit another study. It was designed to answer a specific question—whether mortality rates are useful in evaluating quality of medical care in VA hosptials.

In the interview, Gronvall rejected an accusation by the late Dr. Francis E. Conrad, the VA's director of quality assurance, that he was attempting to mask problems inside the VA, the nation's largest hospital system. By insisting on a lower number. "That is a wholly . . . outrageous and inappropriate comment," Gronvall said.

(7) The reporter contradicts here the statements he made in paragraph 3. Dr. Conrad did not charge Dr. Gronvall with "attempting to mask problems inside the VA". In support of using the proposed VA methodology and statistical test, Dr. Conrad argued that if the VA followed the HCFA approach, that the VA would be "vulnerable to charges of cover-up". In the end, Dr. Gronvall supported the proposed VA approach over the HCFA approach.

Gronvall's directive upset Conrad. The psychiatrist, who was killed in April after he came to the aid of an apartment manager in Chicago, fought the directive and warned in memorandums prepared before meetings with Gronvall that the director was making a serious mistake.

(8) There was no "directive" from Dr. Gronvall, except to undertake this project as a part of the quality assurance program. Dr. Conrad was frustrated by Dr. Gronvall's initial insistence that we use the HCFA statistical test.

"The PR [public relations] potential for negative reaction is certainly a factor to be considered, but it can be countered and is short-lived in any event," Conrad said in a memo prepared for a Jan. 29 meeting. Conrad also argued that the VA has a greater responsibility for the quality of care in its system than the federal officials who survey private hospitals, because the VA owns and operates the hospitals it is checking.

(9) Again this was an argument that Dr. Conrad used in support of following the proposed VA methodology rather than that used by HCFA. The methodology used in the final analysis was that which was originally propsoed by the Office of Quality Assurance.

Before the meetings with Gronvall. Conrad's office had prepared a statistical model, patterned after one used by the Health Care Financing Administration (HCFA) in a similar study. Like the HCFA study, Conrad initially planned to test his results at what statisticians call a 95 percent confidence level, which the VA acknowledges is the generally accepted level for such studies. A confidence level is essentially a statement of the mathematical probability that the test could be duplicated, in this case in 95 to 100 times, and produce the same general result. Such a statement gives researchers confidence that their findings are an accurate reflection of reality.

(10) This paragraph is not accurate. The methodology proposed by the Office of Quality Assurance was slightly different than that proposed by HCFA and used a different statistical test. The confidence level at which the proposed statistical test was to be performed was set by the Office of Quality Assurance and was never an issue of concern to Dr. Gronvall.

Memos prepared by Conrad do not indicate when the VA decided to use a higher confidence level for measuring overall mortality rates between its hospitals, but an individual familiar with the discussions said it was after Gronvall's intervention.

(11) Dr. Gronvall never proposed any changes in the level at which the statistical test was to be applied.

The standard that the VA selected called for a certainty that the results be considered accurate in 99 of 100 cases. That seemingly minor change had the immediate effect of reducing the number of hospitals that would be suspect.

(12) This statement is inaccurate. For the analyses that were conducted examining four patient groups and several disease categories for each hospital, a statistical test at the 95% level was used. When a summary figure was calculated for each hospital, the Office of Quality Assurance used the same statistical test but at the 99% level because the summary figures included very large numbers of patients. The 99% level was used in this summary table because a lower level would have caused very small differences between observed and predicted mortality rates to be designated as "statistically

significant" but operationally would have little meaning and could be due to random variation. The summary table was calculated for the information of the Chief Medical Director and was not distributed to individual hospitals. It was not the primary source of data considered in determining which hospitals would be reviewed. It was not part of any official report or document.

Peter V. Miller, an associate professor of communications at Northwestern University and chairman of the American Association of Public Opinion Research's standards committee, said the "textbook" approach for research studies calls for confidence levels to be set before any findings are calculated. To change confidence levels afterward is "really fudging," he said.

(13) Peter V. Miller of Northwestern University has never had any contact with me and knows little or nothing about the VA study. The paragraph implies that the VA data were "fudged". This is a false allegation.

Although overall mortality for each VA hospital was calculated at the 99 percent level, separate calculations for various disease categories were run at a 95 percent rate. Terry L. Thomas, the VA epidemiologist who handled the statistical work on the study, said in an interview that she made the decision to run the overall results at the 99 percent level, but she said she could not recall if she made the decision after Gronvall voiced his concerns about the potential findings.

(14) The decision about confidence levels was made independently of Dr. Gronvall's concerns. Dr. Gronvall's concerns were voiced in a discussion of whether to apply the statistical test used by HCFA or whether to use the more rigorous statistical test proposed by the VA Office of Quality Assurance. The decision about confidence levels had nothing to do with the statistical test used, and was made by the Office of Quality Assurance based on the numbers of patients included in the analyses.

Thomas said she opted for the higher level because the overall patient numbers were large and at the 95 percent level she was likely to get "too many red flags"—a large number of hospitals that had relatively small differences between their actual and predicted mortality rates.

(15) I never used the words "too many red flags" at any time during the interview. The interpretation of my explanation of the facts is inaccurate. See discussion of paragraph 12.

At the 99 percent level, Thomas said she was more confident that she would be highlighting hospitals that deserved study by Gronvall. Thomas said she "wasn't too happy with" the study and believed the most useful data was the data by patient and disease category given for each of the 172 hospitals.

(16) The summary of my remarks made in the interview is again inaccurate. See discussion of paragraph 12. The summary data tested at the 99 percent level were not used as a primary source to determine in which hospitals the peer reviews of medical records would be conducted. A special panel of VA physicans and Quality Assurance professionals from the field was convened to examine individual hospital mortality rates by patient groups and disease categories. Medical records for patients in any category with an observed mortality rate that exceeded the predicted rate to a degree which was statistically significant at the 95% level are the subjects of peer reviews being conducted as a follow-up to the mortality rate survey. Any hospital for which the overall mortality rate exceeded the predicted to a degree that was statistically significant at the 99% level, but which was not selected for review on the basis of results of individual patient groups or diagnosis categories would also be subject to peer review of patient records. The criteria for medical record review were developed by the panel shortly after Dr. Conrad's death, and Dr. Gronvall and I had no part in selecting which hospitals or categories would be peer reviewed. These selections were made by the panel of VA physicians and Quality Assurance professionals from the field. I never said I "wasn't too happy with" the study. On the contrary, when directly asked about this by the reporter, I replied that I hesitated conducting such analyses because of the likelihood of misinterpretation of the results; however, that I felt that the analysis was a good one, used a solid statistical methodology, and was the best analysis that could be done with data that were available.

Conrad, however, told Gronvall he considered use of data at the 99 percent confidence level to be a major deviation from the HCFA study and one that would allow some VA hospitals with potentially serious mortality problems to escape scrutiny.

(17) I am unaware of any such statement by Dr. Conrad.

The medical director said his decision was based on the belief, shared by Thomas, that HCFA officials deliberately limited the number of problem hospitals they would find to 2.5 percent of the 6,000 they surveyed.

(18) This is only slightly inaccurate. The HCFA statistical test adjusts for inter-hospital variation in mortality rates, thus limiting the likelihood of a result being statistically significant.

Using the 99 percent confidence level, the study came up with six problem hospitals, or 3.5 percent of the 172 VA hospitals, St. John said. She and Thomas said they were unfamiliar with the 12.8 percent figure mentioned by Conrad in his briefing papers and by another source familiar with the VA study.

(19) The survey to data has not identified "problem hospitals." Only after the detailed medical records review is completed will there be a basis for making informed judgements about what problems may exist and where. The statistical tests used—99% for a hospital's overall mortality rate, and 95% for diagnostic subgroups (heart, cancer, etc.) where the number of records was smaller—identified hospitals and diagnostic subgroups within hospitals for review. Follow-up peer review of medical records is now underway in each of the diagnostic subgroups, as well as the aggregate hospital level. This involves records from a total of 43 VA medical centers, including the 6 hospitals mentioned in the article where overall mortality is being reviewed. The orgin of the 12.8% figure used by Dr. Conrad is unknown to me.

Thomas and Gronvall said in separate interviews that HCFA executives had decided before they began their study that they would identify 2.5 percent of the private hospitals as troublesome. Gronvall said he merely was making the same "policy decision" to keep the VA study in line with the HCFA investigation.

(20) This is not totally accurate. The HCFA statistical test inherently would produce fewer statistically significant results than the statistical test used by the VA, thus limiting the number of statistically significant results. 2.5% on the high end and 2.5% on the low end is what would be expected due to chance alone, and these are the percentages which resulted from the HCFA analyses.

Even so, in initially setting out the criteria for the VA mortality study, Gronvall declared in an Oct. 22, 1987, memo to Conrad that "it is understood that, although highly desirable, the analysis will not permit statistically meaningful comparisons to be made directly between VA and non-VA mortality rates because of significant differences in the responsive data bases."

(21) This and the following paragraphs are accurate. Unfortunately, most readers probably never read the end of the article.●

TRIBUTE TO SENATOR EVANS

● Mr. KERRY. Mr. President, I would like to express my respect and admiration for Senator Dan Evans, who will be retiring from the Senate at the end of this session. He will be missed by all of us.

Dan Evans has been a Senator of conviction and conscience in this body. He has not been afraid to differ with the White House and the leadership of his own party when his own convictions differed with the party line. On the matter of aid to the Contras, which this administration has made a litmus test of ideological purity, Dan Evans has repeatedly broken with the President and the Republican Party to vote against that misguided policy. I know that those votes were not easy for him to make, especially when the politically easy and expedient thing to do would have been to follow orders from the White House.

Likewise on the balanced budget amendment, Dan Evans cast the decisive vote against this misguided administration effort, despite intense pressure from the White House. Dan Evans knows that the Constitution is not something to be tinkered with for partisan political purposes, and he has voted his conscience on this vital issue. It may have cost him a few invitations to White House dinners, but Dan Evans knew that there are more important things in life than being popular with those in power.

Dan Evans has also not been afraid to vote against some of the worst judicial nominees put forth by this administration, such as Daniel Manion and Robert Bork. Again, they were not easy votes for him to make, but it was the right thing to do.

I know that Dan Evans has experienced frustration with the limitations and institutional quirks of the Senate. As a former Governor of his State, he is a man of action who is accustomed to getting things done. I can understand the frustrations, but I respect the fact that he has played by the rules and has not "gone along to get along."

Having served with DAN EVANS on the Senate Foreign Relations Committee, I know that he is a man of strong beliefs and principles. I respect him for his intellect and ability and for his commitment to his principles. He will be missed in the Senate.●

TRIBUTE TO SENATOR PROXMIRE

● Mr. KERRY. Mr. President, I wish to pay tribute and offer my respects to one of our most distinguished colleagues who is retiring from this body, Senator WILLIAM PROXMIRE. He has served the Senate for over three decades, and his voice will be missed in this Chamber.

The recent passage by the Senate of the International Convention on Genocide is perhaps the most fitting tribute that we in this body could make to BILL PROXMIRE. Over the years, he has been a lonely voice of courage and conviction, speaking out on this issue literally every day. The ratification of this treaty, 40 years after it was signed by President Truman, is a tribute to the dedication of one individual, Senator BILL PROXMIRE. He has truly proven that one man can make a difference.

BILL PROXMIRE has also stood for the American virtues of thrift and frugality throughout his career. His "Golden Fleece Awards" have called attention to boondoggles and projects which wasted taxpayers' money. His refusal to accept PAC money, and his nonspending in his own Senate races, set an example for the rest of us which will probably never be equalled. And as chairman of the Senate Banking Commitee, he has overseen important reforms in our banking system.

BILL PROXMIRE has always been an advocate for the little guy—for the consumers, the workers, the housewives, the average men and women of America. He has been a voice of common sense and good judgment in the Senate. He is blunt and outspoken, and he tells it like it is. I will miss BILL PROXMIRE in the Senate. He leaves with my great respect and best wishes.

I ask that an editorial from today's New York Times about BILL PROXMIRE be printed in the RECORD.

The editorial follows:

SENATOR PROXMIRE'S MONUMENT

At last, at long last, after 40 years, the United States has joined 97 other countries in a treaty outlawing genocide. Approval should have come long ago when, with the horror of the Holocaust fresh, Harry Truman first sent the treaty to the Senate. That approval now comes at all testifies to the tenacity of Senator William Proxmire, Democrat of Wisconsin, who retires this session.

The treaty is straightforward. It defines genocide (an attempt to destroy a national, ethnic, racial or religious group) and commits signatories to work to prevent it and to punish offenders. Yet a handful of conservatives persistently stalled it. Just as persistently, Mr. Proxmire fought for it, in 3,000 speeches on the Senate floor. Now the Senator ends a 30-year tenure, his battle finally won.

It's been a maverick career from the day Mr. Proxmire took the seat vacated by Joseph McCarthy. If liberalism fires some senators and conservatism others, Mr. Proxmire's cussed independence has been driven by frugality. In the brutal SST fight in 1970 he opposed the Nixon Administration, Boeing and two powerful Washington State senators and defeated the costly supersonic transport. His penny-pinching has been the bane of defense contractors, social scientists—and fellow senators, whose raises, new gym and hefty campaign funds he has opposed.

"I think fully two-thirds of the senators could get re-elected without spending a penny," he once said. Independently wealthy, he financed his own campaigns. The amount needed in 1982 was $145.10.

Mr. Proxmire may be best known for his Golden Fleece award, presented monthly to agencies that exemplify wastefulness. The Army won one for spending $6,000 to study the best way to buy Worcestershire sauce. The National Institute of Alcohol Abuse won for spending $102,000 to see if drunken fish are more aggressive than sober ones.

It has often been easier to see what Mr. Proxmire was against than what he was for. But he has been unswervingly *for* the genocide treaty, opening every legislative day since 1967 with calls for its approval. Last week, the Senate took the final step at last. By so doing, it honored humanity, and William Proxmire.●

SENATOR JOHN C. STENNIS

● Mr. BOREN. Mr. President, the end of this session represents the end of a long and distinguished political career for JOHN STENNIS. Second only to Carl Hayden in seniority, Senator STENNIS has dedicated over 40 years of service to this body. Representing the State of Mississippi since the days of Harry Truman, few men have equaled the service which Senator STENNIS has rendered to his country. He has gained the respect and friendship of many. Along with many other admirers of JOHN STENNIS, President Eisenhower publically recognized his qualities as being fit to be a good President.

I have greatly enjoyed working with Senator STENNIS since I came to this body 10 years ago. He is energetic, responsible, level-headed, duty-minded, honest and dedicated. He has set high standards for himself, his office, and this body—an example for all to follow.

Even in his final year to serve the Senate, JOHN STENNIS continues to maintain a high level of commitment to this Nation. He serves as President pro tempore; chairman of the Senate Appropriations Committee, of which he also chairs the Defense Appropriations Subcommittee; and member of the Senate Armed Services Committee, of which he chaired from 1969 to 1980. His committee chairmanship establishes Senator STENNIS as an ex officio member of every Appropriations Subcommittee. I admire his experience and devotion in working to formulate the national defense policy, reflected by his unique membership on both Appropriations and Armed Services. Senator STENNIS is a true leader in the Senate, earning a strong and global reputation over the past 40 years.

In addition, his keen sense of legal judgment, backed by service as a circuit judge and district prosecuting attorney before election to the Senate in 1947, have prompted many to point to his characteristics as being qualified for a judgeship on the Supreme Court.

No other man has brought so many jobs to the State of Mississippi. He has played a key role in supporting projects that enhance the State's economy. He is an ardent supporter of farm and forestry improvement programs as well as agricultural research. He is well-known for his call for a sound fiscal policy. Added to all this, Senator STENNIS always puts the interests of the United States and its citizens ahead of partisan politics or personal political gain or ambition.

Senate President pro tempore JOHN STENNIS was not only an original cosponsor of S. 2 in 1987, but was a motivating force with the Boren-Goldwater legislation in the previous session. No one in this Congress has the perspective from an historic point of view as does my friend JOHN STENNIS. Nothing has been of more inspiration to me than the strength of conviction that Senator STENNIS possesses. His willingness to speak on the floor, manage the bill when I could not, offer advice on substance and strategy, all stand as proof of his commitment and respect for the Senate and his hope for its future. I will miss his presence from this Chamber, but will always benefit from the counsel and support he so ably shared.

Senator STENNIS is a rare breed. I respect and admire his experience and diligence, his talent and judgment, and his dedication and stamina. He has been a valued friend to me, always there with a word of encouragement when I needed it most. I will miss working with him on a daily basis but will continue to call upon him for advice and wise counsel. We all wish him well in his retirement.●

SENATOR PAUL TRIBLE

● Mr. BOREN. Mr. President, I want to extend my best wishes for the future to Senator PAUL TRIBLE as he retires from the Senate. I regret that he is not seeking reelection; he is certainly a talented and committed public servant.

While in the Senate, his accomplishments have been impressive. His merits earned him a seat on the Special Committee Investigating the Iran/Contra Affair for which I commend him for his scrutiny during this difficult time of mixed emotions and troubled alliances. I saw first hand as a friend, and as a member of that committee, that PAUL TRIBLE is a man of integrity who is not afraid to take a stand for what he thinks is right.

He also chaired the Committee on Committees, responsible for making Republican committee assignments. He has actively supported legislation providing merit pay, day care and second chance survivor benefits.

He has done much to support legislation beneficial to his State of Virginia. He played a key role in bringing the National and Dulles Airports into the authority of local governments. He has brought thousands of new jobs to Virginia through projects such as the construction of two new nuclear aircraft at the Newport News shipbuilding facility.

Senator TRIBLE is known for his commitment to jobs, education and Virginia's Chesapeake Bay. In addition to heading the Task Force on Educational Excellence and Literacy, he has taken productive steps toward cleaning up the Chesapeake Bay and the rivers and streams around it.

These achievements and others reflect the aspirations, insight, and dedication of Senator TRIBLE. I wish him and his family well in their future aspirations.●

THE CONSUMER PRODUCT SAFETY COMMISSION

● Mr. GORE. Mr. President, I rise today to express my disappointment that, apparently, the Senate will not be able this session to consider S. 1882, legislation which would authorize funds to be appropriated for the Consumer Product Safety Commission [CPSC]. This bill contains many provisions that will address some of the serious concerns surrounding the CPSC.

The last time that an authorization bill was enacted for the CPSC was during the reconciliation process in 1981. Since then, the urgency of producing such a bill has only increased. This Congress, as chairman of the Consumer Subcommittee, I made it a high priority to do everything I could to see that a bill was enacted.

It is critical that we enact such a bill because the CPSC is a beleaguered agency. Beset by internal squabbles and demoralized staff, the CPSC has been sending the message that it's open hunting season on consumers and their interests. But it is not just the American consumer who is harmed by this message. American business as well suffers when an agency as important as the CPSC is mired in inactivity and inconsistency, for then our businesses do not even know what to expect from the very unit of the Federal Government that is charged with overseeing their activities regarding products.

In September 1987, the Consumer Federation of America presented testimony to the Consumer Subcommittee which showed that the creation of Federal safety agencies like the CPSC has contributed to a significant decline in injuries and deaths. In recent years, however, this has not always been the case. Products of all sorts touch the lives of Americans more directly and more often than we can imagine, and it is essential that we act to revitalize the CPSC and stop this erosion of public confidence in the Federal Government's product safety activities. The CPSC is too important an agency to permit it to wither and die.

Having said this, I am cognizant of the fact that Congress established the CPSC in 1972 with the view that it is not appropriate or practical for Congress to exercise day-to-day supervision of the quality of items in the marketplace. Rather, it is desirable to have a Federal entity with expertise in consumer products and safety actively oversee product safety. But if we have entrusted our safety to the CPSC, then we need to ensure that the agency will do its job. I am not interested in micro-managing the CPSC; I am interested in spurring it on to act on behalf of all of us in fulfilling its statutory mandate.

S. 1882 attempts to provide this impetus in several ways. First, it addresses the administration and structure of the CPSC. Anyone familiar with the recent history of the CPSC knows that it has been a contentious time at that agency, with allegations of abuse of administrative authority and countercharges of subversion and lack of collegiality. This does not advance the public safety; it hinders its progress, and needs to be eliminated. We need a CPSC that will work together on behalf of product safety. But how does one legislate responsibility and discretion? The short answer is that we cannot. Instead, we should seek to appoint individuals who are aware of safety issues and dedicated to furthering them. That is why this legislation requires the President to consider individuals with safety experience in making appointments to the CPSC.

When the Consumer Product Safety Act was enacted in 1972, it was envisioned that a collegial body would exchange ideas and suggest alternative solutions to safety problems. That objective has succeeded to a limited extent. I continue to believe that the basic premise behind that legislative determination is valid: several minds are better than one. However, to address some of the internal difficulties that have recently crept into the CPSC, this legislation also provides that the heads of all of the major departments at the CPSC shall be appointed by the Chairman of the CPSC, with the approval of the full Commission. Likewise, these department officials would also be subject to removal only by the full Commission, to avoid any employee from feeling that disagreement with a particular commissioner or point of view will bring retribution.

Finally, since the CPSC is currently limited to three members by appropriations constraints, S. 1882 provides that, during the life of this authorization, two members of the CPSC shall constitute a quorum for the transaction of business. Current law requires that three members must be present for action to occur. Today, in the event of illness or other absence of one member, the CPSC is unable to act. This bill will permit the CPSC to meet to further public safety even when it is operating with less than the full complement of members provided under the Consumer Product Safety Act.

Second, we must consider the question of how the CPSC approaches its substantive responsibilities. In 1981, the Congress expressed its preference that the CPSC defer to a voluntary standard developed by industry whenever the CPSC determined that substantial compliance with the standard was likely and that compliance with the standard would eliminate or adequately reduce the risk of injury involved. I believe this authority was restricted to situations in which the CPSC had already undertaken action with regard to a problem by commencing an advance notice of proposed rulemaking. it has been suggested that this authority has been misapplied and/or misperceived as an indication that the CPSC cannot or should not act to address safety matters. Some industries have been forthcoming and active participants in the development of voluntary standards; others have failed miserably.

This legislation addresses the issue of voluntary standards by permitting certain parties to file a petition with the CPSC alleging that the development of a voluntary standard is either proceeding too slowly or that the standard will not be adequate to address the risk of injury. The CPSC would be required to act on the petition within 120 days of its filing. This will ensure that the CPSC will focus on a potential safety matter in a timely, responsible manner.

In addition, the bill requires that the CPSC defer to a voluntary standard pursuant to section 9 of the Consumer Product Safety Act only where the standard actually exists. This should preclude even the appearance that the CPSC is to defer to a mere hope or promise that an industry will take some action. Also, the bill requires that interested persons have the opportunity to comment on a voluntary standard before the CPSC defers to it.

Finally, the bill provides that the CPSC establish a system to monitor compliance with the voluntary standards which are used by industry, to ensure that these standards are being met.

This legislation also requires the CPSC to conclude any rulemaking proceeding within 1 year after it is begun by the publication of an advance notice of proposed rulemaking. In those circumstances where the CPSC requires more time to develop a rule—for example, because of complex subject matter—the bill permits a 6-month extension. Testimony produced at the Consumer Subcommittee hearing on the CPSC suggested that some rulemakings take as long as 3 or 4 years to be completed. This provision will ensure that the CPSC will act expeditiously to conclude its formal rulemaking process.

There are a number of other provisions in S. 1882 that are related to specific products. One product specifically covered by the bill is lawn darts. Lawn darts, a game intended to be played out-of-doors, has been banned under the Federal Hazardous Substances Act since 1970. However, under an exemption granted pursuant to that act, they have been permitted to be sold for adult use. They cannot be sold in toy stores, and a label must accompany the packaging of the darts.

In April 1987, a tragedy befell a young girl from California who was struck in the head and killed by one of these darts. She was the third reported fatality since 1970 from lawn darts, though the CPSC indicates that 6,700 injuries from this product have been reported between 1978 and 1986. A majority of these injuries involved the head, face, eye or ear. Approximately 75 percent of the victims were under the age of 15. Obviously, the ban on lawn darts, with its exception, has not kept children from using them.

The CPSC has issued a notice of proposed rulemaking regarding actions to be taken by the CPSC to ensure that lawn darts do not continue to cause injuries. Given the fact that the exemption has been shown not to have served its purpose, the CPSC has indicated that it is considering an amendment of its 1970 regulation so as to extend the ban on lawn darts being sold to adults, unless the CPSC finds that they do not present the possibility of puncture would injury. This is consistent with the language contained in the bill. I expect that the CPSC will conclude this matter satisfactorily. I am pleased that the Congress will likely pass separate legislation to address this issue before it adjourns.

This legislation also requires that the CPSC study indoor air pollution and adult sleepwear flammability. These subjects are currently being considered by the CPSC, and the legislation requires the CPSC to review its activities and report to the Congress.

Finally, the legislation mandates a review by the CPSC of its activities related to small toy parts which present an ingestion or aspiration hazard. This is an important issue, as it has been suggested that the current truncated cylinder used by the CPSC to test the suitability of toys with small parts for little children is not adequate. The CPSC began a rulemaking in this area in June of this year, and I expect that careful consideration will be given to this matter.

Another issue that needs to be addressed concerning product safety is that of all-terrain vehicles [ATV's]. This is one of the most serious safety hazards to come before the CPSC. Since 1982, over 1,075 deaths and 350,000 injuries treated in hospital emergency rooms have occurred. Together with Senator D'AMATO, I have introduced separate legislation to address the hazards associated with ATV's. I believe that the approach taken by S. 2599, requiring further action by the CPSC to consider training, refunds and restrictions on the sale of used three-wheel ATV's, is the prudent course that should be followed in addressing the ongoing problem of ATV-related deaths and injuries. When I announced my intention to offer those provisions as an amendment to the bill before us, the ATV industry broke out its lobbyists and stalled the legislation. This investment of resources by the industry only confirms the negative image that it has today.

Unfortunately, the ATV problem is not going away. Between December 1987 and May 1988, the CPSC tabulated 60 additional deaths from ATVs. These deaths have occurred despite the fact that there is in existence a consent decree between the industry and the CPSC. Also, I have received information from a survey conducted in Virginia that shows that dealers are still willing to sell large-sized ATV's for 8-year-old children, 58 percent of the dealers surveyed said that ATV's were safe enough for an 8-year-old; 55 percent of the dealers questioned said they were safer to use than bicycles. The consent decree was intended to restrict the sale of ATV's; this survey raises serious questions as to whether it is achieving its objectives. Unfortunately, it continues to appear that Congress will need to confront this issue, because the situation is not improving significantly.

There is another issue which has delayed the consideration of this vitally important consumer safety legislation, and that is worm probes. A worm probe is a device designed to deliver by means of metal shafts electric current into the earth, to cause worms to come to the surface. The CPSC has received reports of 28 deaths and 3 injuries from worm probes. Some of these deaths are known to have occurred with homemade worm probes, others with commercial products.

The CPSC determined as a result of tests conducted by its engineers that it had reason to believe that a particular worm probe manufactured for commercial distribution by an Idaho business—P&M Enterprises—presented an electrical hazard. The CPSC thereupon voted to begin an administrative proceeding regarding the electrical hazard presented by the product. It also voted to seek a preliminary injunction against the distribution of the product. The district court in Idaho rejected the CPSC's motion for the preliminary injunction, based on the fact that it would cause irreparable harm to P&M and that the CPSC was unlikely to prevail on the merits of the action. In addition, the judge stated that granting the injunction might actually increase the risk of danger, since the commercial device would no longer be available and therefore people would utilize homemade devices.

According to the CPSC, it approached P&M and suggested safer, alternative worm probe designs, particularly seeking to reduce the voltage. P&M responded with a very rough design of corrective action. The CPSC requested that P&M submit a prototype of the corrected probe, which P&M declined to do because of the development costs. Since the court's action, the CPSC has learned of at least one injury known to have been casued by the P&M worm probe.

The CPSC has stated that, whether homemade or commercial, in almost every case where it has sufficient detail to form an opinion, it believes that the victim would have been killed just as surely using a P&M worm probe as he was using his own worm probe. The administrative proceeding will be held in November 1988.

This is not a joking matter; the instructions for this device suggest watering the ground where the probe is to be inserted, and then placing one's hands on the handles after the probe is plugged in. The instructions do say that the user should use rubber soled footwear, but the possibility for touching the exposed prods aganist some metal object is very great.

The constituents from Idaho have managed to get their Senators to delay considering S. 1882 due to the CPSC's action in this area, even though there is nothing in the bill that remotely affects this matter! Evidently, they believe that this will punish the CPSC for its efforts. I think that the CPSC should be allowed to pursue its action to determine whether there is a hazard with this product. It is unbelievable that the entire CPSC bill could be held hostage to this issue.

I am committed to ensuring that America's products are safe, and that consumers can use them with confidence. Our products cannot be competitive in the marketplace if they are not safe and if our citizens cannot rely on their construction. The CPSC has a vitally important function to perform, and this legislation is intended to spur the CPSC on toward that goal. Some have called for more "punitive" measures with regard to certain commissioners at the CPSC; others have encouraged that we not address any issue at the CPSC for fear of making the situation worse; still others would prefer that we ignore the situation at the CPSC. The objective of this legislation is not to get anyone or to target any industry, but to make the CPSC become a more vital and consistent agency.

Enactment of this legislation would leave the CPSC more strengthened than it is, with clearer direction as to its responsibilities. We will need to press forward in the next Congress with this kind of initiative, and I deeply regret the fact that isolated, individual special interests have prevented us from acting to protect American consumers, most especially our children.●

TRIBUTE TO SENATOR CHILES

● Mr. KERRY. Mr. President, I would like to pay tribute to a man whom I admire greatly, Senator Lawton Chiles. Lawton Chiles has been one of the most effective and respected Members of this body, and I am sad to see him go.

Lawton has contributed to his State and to the Nation in many areas. As chairman of the Budget Committee, he has worked in a bipartisan and statesman-like manner to fashion a responsible and credible budget which commanded support from both sides of the aisle. This year's budget summit agreement is largely due to the hard work of Lawton Chiles, and all of us should be grateful to him for those often unappreciated efforts. Lawton has been willing to grapple with problems which often seem unsolvable, and has managed to come up with solutions that work.

Lawton Chiles has also been a leader in the fight against drugs. As one who has also participated in that effort in the Senate, I am deeply appreciative of the work that Lawton has done in fashioning the drug bill which we are about to pass in the Senate, and for his leadership in the war against drugs. Florida has been hit harder than almost any other State by the epidemic of drugs and drug-related crime. And Lawton Chiles has done more than just about anyone in public life to combat drugs, to raise the level of public awareness, and to come up with legislative answers.

Lawton has also been a leader on the issue of infant mortality. As the Chairman of the National Commission of Infant Mortality, he has done much to call attention to this serious problem in America, and to outline the path to better health care for the youngest among us. It is a true national shame that, in some major cities in our country, an infant has less chance of surviving the first year of life than a child born in Cuba or Costa Rica. Many Americans do not realize that America ranks 19th in the world in infant mortality rates. Lawton Chiles knows that, and he has been a leader in the Senate in addressing that vital issue for our future.

In Florida, they call him "Walkin' Lawton," and he is known for his legendary walking tours throughout the length and breadth of Florida. No one knows and loves his own State better than Lawton Chiles, and no Senator has done more for his State and its people. In a quiet, modest way, Lawton Chiles has set a standard for leadership in the Senate.

When "Walkin' Lawton" walks out of this Chamber, all of us will be poorer for his loss. Lawton Chiles leaves a legacy of leadership on the crucial issues facing America. While we will miss him in the Senate, I know that he will continue to contribute in other arenas for many years to come.●

HANDICAPPED PARKING AMENDMENT TO H.R. 3227

Mr. KERRY. Mr. President, I rise to commend the Senator from Minnesota for his action, and join with him as a cosponsor of this provision which will enable millions of disabled individuals to travel freely across this Nation without worrying about whether or not they can park their car in handicapped parking spaces. Mr. President, I sponsored the original legislation, S. 550, from which this amendment is based. It was added to the National Highway Traffic Safety Act, and unanimously passed the Senate in April 1987. Unfortunately, that bill was stalled in the House because of issues unrelated to this amendment.

Mr. President, there are millions of Americans throughout this Nation who use their automobiles every day. However, for handicapped citizens this is not always an easy task, and with regard to interstate travel it can often prove exceptionally difficult. Our amendment is designed to eliminate a critical transportation barrier. It establishes a uniform national parking system which requires all States to honor other States' handicapped license plates. And it mandates that the international symbol of access be displayed on all handicapped license plates. The legislation also provides for the issuance of removable windshield placards to individuals with handicaps. In addition, the legislation calls for the Secretary of Transportation to develop regulations establishing uniform minimum standards requirement for handicapped parking. It is my belief, Mr. President, that the Secretary should develop a process which looks to all interested parties affected by handicapped parking to assist in the development of these necessary regulations.

Our amendment is supported by the Consortium for Citizens With Developmental Disabilities an organization that is comprised of 50 national consumer, service provider, and professional agencies which advocate on behalf of people with disabilities. It is also supported by the Paralyzed Veterans of America.

Currently, there are over 6.5 million disabled Americans who are in need of special parking permits to enable them personal mobility for everyday travel. State governments across the country have met this need by allocating parking spaces for handicapped individuals in their own State and have made available special license plates or placards to identify cars able to access these parking spaces. However, because a national uniform parking system does not exist, many States are unable to recognize other States' handicap parking plates. In addition, approximately one-quarter of the States do not have total reciprocity in honoring other States' handicapped parking permits. Consequently, when a handicapped citizen goes from one State to another they are not sure if their disability will be recognized or not. I cannot tell you the number of stories that I have heard where constituents, who are clearly disabled, have traveled to other States and utilized parking spaces designated for handicapped persons and have been issued costly parking citations because police either did not recognize or did not honor their out-of-State handicap identification. This, Mr. President, poses a serious threat to the safety of these individuals, not to mention an obvious unnecessary inconvenience when they travel across State lines.

Great efforts have been made to alleviate the unfortunate burdens placed on drivers who suffer from disabilities. An increasing number of State legislatures are adopting uniform parking systems, tougher penalties are being enforced when nonauthorized vehicles park in special zones, and public awareness to recognize and honor the international symbol of access is quickly growing. However, the lack of a national uniform parking system places restrictions on where a handicapped driver can and cannot travel.

Transportation is an essential part of one's daily life. I regrettably note, that public transportation has lagged far behind its need to serve disabled Americans. Citizens with disabilities should enjoy the same equal access to travel that nonhandicapped individuals have. Being assured accessible parking when one travels from one State to another, while on vacation, business trips, visiting friends or for medical appointments should be one's fundamental right.

Today a majority of our society depends on the automobile as its main source of transportation. Citizens with disabilities who operate motor vehicles need to be able to operate safely across State lines. It is the responsibility of Congress to take the leading role in ensuring that their safety is not threatened or their mobility impeded by interstate differences in recognizing the needs of handicapped drivers. It is for this reason that I urge my colleagues to support this amendment which upholds the basic rights of transportation for handicapped Americans.

Mr. DURENBERGER. I ask the Senator from Massachusetts to yield for a question. It is my understanding that the Federal Advisory Committee Act provides for such a process of inclusion, for drafting regulations by using regulatory negotiations. Do you envision that this process be utilized in drafting the regulations under this legislation?

Mr. KERRY. Yes, I think it is very important that those individuals who are most knowledgeable and affected by the problems associated with handicapped parking be directly involved with the Secretary in developing the implementing regulations.

Mr. DURENBERGER. I agree completely with Senator Kerry, particularly because our amendment eliminates any form of fiscal sanctions on the States. Originally, the previous legislation which passed the Senate, included a penalty which would have withheld 2 percent of a States' Federal Highway Safety Funds for noncompliance with the provisions of this amendment. This amendment instead reflects our belief that the regulatory negotiating process is a better method to solving the problems of handicapped parking rather than withholding Federal highway safety funds. Handicapped parking affects nearly 7 million people with mobility impairments all over the United States and without this measure they are not free to travel from one State to another without the fear of being ticketed when using handicapped parking spaces in another State.

Mr. KERRY. I agree with Senator Durenberger and thank him for addressing that point.

TRIBUTE TO SENATOR ROBERT T. STAFFORD

● Mr. GORE. Mr. President, as Senate chairman of the Environmental and Energy Study Conference, I rise today in tribute to Senator Robert T. Stafford.

Senator Stafford has served Vermont and the Nation with honor and distinction since 1961, when he was elected to the House of Representatives. For the past 17 years, this body has had the benefit of his commitment, expertise, and courage of conviction.

Senator Stafford has championed the entire range of environmental issues during his congressional career—and did so with particular effectiveness as chairman of the Environment and Public Works Committee from 1981 to 1987. He has been stalwart in antipollution efforts: Clean water, Superfund, clean air. Ever forward looking, in July he introduced the first comprehensive regulatory bill to mitigate global warming, an issue that has been a particular concern of mine since my own days in the House, and a bill I am proud to have joined him in introducing.

I am deeply grateful for Senator Stafford's steadfast support over the years of the work of the Environmental and Energy Study Conference. He recognizes the important contribution that is made by the study conference's balanced, objective analysis of environmental, energy, and natural resource issues.

On May 24, Senator Stafford was honored by the off-the-Hill, nonprofit Environmental and Energy Study Institute at a dinner for the benefit of the Institute's congressional leadership series.

Senator Stafford has dedicated most of his working life to meeting the needs of Vermont and the Nation. On behalf of the study conference subscribers and staff, it is my privilege to convey to him our heartfelt thanks and warmest wishes for many happy and healthful years ahead.●

PLEASANT COMMENTS ON SENATOR ORRIN HATCH

Mr. KENNEDY. Mr. President, I would like to take this opportunity to thank a friend and colleague, the Senator from Utah, Orrin Hatch. Although we have disagreed about a variety of social issues, we have also worked together on spearheading several crucial public health measures. Last week, as a result of our cooperative efforts, we were able to pass the Health Omnibus Program Extension [HOPE] Act, which finally declares this Nation's war on AIDS as well as reauthorizes efforts vital to the maintenance of our public health. Senator Hatch's assistance was invaluable in securing this worthwhile legislation and his tireless efforts have not, and should not, go unrecognized. Further, Senator Hatch's steadfast commitment to a drug bill which places a strong emphasis on treatment will greatly expand the availability of much needed services to thousands of Americans. I sincerely appreciate his friendship and look forward to our continued struggle for sound public health policy.

THE BANKING REFORM PROCESS

Mr. SANFORD. Mr. President, it is with frustration and deep regret that I rise today to mourn the death of S. 1886, the Proxmire Financial Modernization Act. Surely, a bill this important that passed out of committee by a vote of 18 to 2 and on the Senate floor by 94 to 2 deserves to meet a better fate.

The demise of the bill is not the result of lack of effort or commitment on the part of Members in this Chamber. In particular, I commend the chairman of the Senate Banking Committee, Senator William Proxmire, for his fine work in building consensus and momentum for this bill. Senator Proxmire's fine leadership and tenacity will surely be missed. I very much wish that Senator Proxmire could have been given a better going away gift than a bill that became stalled not by any of its own shortcomings, but because of jurisdictional disputes between the House Banking and House Energy and Commerce Committees.

Before this legislation hit a jurisdictional brick wall, I believe the Senate lived up to the promise many of us made when we passed the Competitive Equality Banking Act [CEBA]. At that time, we agreed that the moratorium on granting banks new power contained in CEBA would be used as a breathing period to give us time to evaluate how best to proceed in modernizing our Nation's banking system. Based on the Banking Committee's series of hearings that presented the views and concerns of all sectors of the banking industry, we were able to craft legislation that greatly enhanced our banks, while preserving the safety and soundness of the overall banking system.

Despite the fact that we produced a very good bill, our efforts have been stymied in the House. Much has already been said on this subject and I am not sure there is much usefulness in further berating any of the parties involved. What does need to be stressed is the reality that in the process of legislative battles, Congress has lost its initiative on banking reform and that modernization simply will not wait for Members of Congress to resolve their differences. Thus, the Federal Reserve and the courts have and should continue to fill the void left by congressional inaction.

As we wage our battle, bank reform has occurred in a piecemeal and ever increasing fashion through actions taken by the Federal Reseve under "section 20" of the Bank Holding Company Act. The most recent decision by the Fed was affirmed by the court of appeals and the U.S. Supreme Court. Under this decision, bank holding companies are permitted to have affiliates exercise three securities powers. In the near future, it is likely that bank holding companies will apply directly to the Fed for corporate debt underwriting authority. Moreover, it would not be at all surprising to see Fed action in raising the current 5-percent CAP on new activities to 10 percent, if not higher. After all, the section 20 case made clear that securities affiliates can have at least 10 percent of their total activities in new areas without violating the "principally engaged" language contained in Glass-Steagall.

Certainly, I am not happy to see Congress lose its hold over bank reform and modernization for this is an area in which we have historically demonstrated great expertise and decisiveness. However, with devisiveness now replacing decisiveness, and with our recent record of achievement dubious at best, I believe it would be disingenuous for Members of Congress to object to the Fed taking action.

Mr. President, in this session Congress has achieved a great number of accomplishments. However, in the area of bank reform, our work remains incomplete and unresolved. I will not give up on the effort to modernize our banking system. Indeed, I will continue to work for comprehensive banking reform and I urge my colleagues to begin the next session with redoubled determination to see our banking system provided with a structure to best able it to compete and thrive.

TRIBUTE TO NANCY HANKS

Mr. SANFORD. Mr. President, October 1988 marks the 19th anniversary of the swearing-in of Nancy Hanks as the second chair of the National Endowment for the Arts and it also marks the publication of "Nancy Hanks, An Intimate Portrait: The Creation of a National Commitment to the Arts," by Michael Straight, recently released by Duke University Press.

For 8 important years, Miss Hanks shaped the arts policy of a nation, guiding the NEA as it became the major instrument for government support of the arts in the United States. A chronicle of the life and influence of this important figure has been created through oral remembrances by her colleagues and Miss Hanks' papers. Straight has shaped vivid portrait of an energetic, enthusiastic and gifted woman who took a strong and activist role in the development of the Endowment. Her policies continue to positively influence the arts policy of the country. As a nation, we owe a great thanks to Nancy Hanks; for like many of us, she could neither paint nor dance, but the importance of the arts in the daily lives of all Americans was of paramount importance to her. As Laurance Rockefeller quoted during the memorial service for Miss Hanks, "Let us now sing the praises of the heroes of our Nation's history through whom the Lord established his renown and revealed his majesty."

While not a native North Carolinian, Nancy Hanks had a residence in North Carolina for many years up until the time of her death, served for years on the board of her alma mater, Duke University, and considered North Carolina her second home. I am proud to join in a tribute to our adopted North Carolinian who was a premier patron of the arts for all America.

THE RETIREMENT OF SENATOR LAWTON CHILES

Mr. DURENBERGER. Mr. President, as the 100th Congress prepares to come to a close, I would like to spend a few moments commenting on the retirement of one of this institutions hardest working Members—LAWTON CHILES. You did not have to be a Member of the Senate to remember how LAWTON first won his seat—he walked the entire length of Florida. As the voters in the Sunshine State have made clear for three straight elections, they liked what they saw and appreciated his work.

All good things come to an end however, and so it is with LAWTON's record of service and accomplishment in the U.S. Senate. For when the Senate adjourns sine die, LAWTON will become the rare politician who bows out gracefully and voluntarily. For the reasons I am about to state, he will not be easily replaced.

I first came to know LAWTON during our years on the Senate Governmental Affairs Committee. As an 8-year veteran of the committee, he had been a champion for many of the causes important to State and local governments, especially the Grant Contract and Cooperative Agreement Act of 1978. And for my first 8 years in the Senate, it was a pleasure to join LAWTON in this effort. Serving on the Subcommittee on Intergovernmental Relations gave us a unique opportunity to work together in a bipartisan effort to help States cope with the loss of most of the traditional sources of Federal assistance. Though I am no longer a member of that committee, I know that LAWTON's retirement will deprive the Senate of one of its most experienced statesmen on State and local issues.

LAWTON and I also spent a good deal of time together in our successful effort to establish the Infant Mortality Commission. We were both shocked and dismayed at the infant mortality rate which exists in this country, and felt quite strongly that this tragedy deserved greater attention from the Federal Government. The Commission, whose recommendations were released this summer, was an excellent starting point in our effort. As the Congress prepares to implement the Commission's recommendations, LAWTON's presence will be sorely missed, for he was clearly one of the Senate's most articulate voices on infant mortality.

Perhaps more than any other issue, LAWTON may well best be known for his tireless efforts to rein in deficit spending. As a quick review of LAWTON's committee assignments illustrates, coming to grips with the painful consequences of a $2 billion-plus national debt has been his No. 1 priority these last few years. Always a voice of reason during our annual debates on the budget, LAWTON has used his position as chairman of the Senate Budget Committee and chairman of the Governmental Affairs Subcommittee on Federal Spending, Budget, and Accounting to focus greater public scrutiny on our profligate spending. And as the Senate struggles to comply with the Gramm-Rudman-Hollings deficit targets next year, we will miss LAWTON's counsel.

Mr. President, whenever the Senate loses someone of the caliber of LAWTON CHILES, the institution suffers. There will be others who will follow in LAWTON's footsteps. I wish them the best of luck. But I suspect they will find out what many of us already know—his shoe's were big and will be hard to fill.

In closing, I just want to thank LAWTON CHILES for being a positive force for the Senate, this country, and for me. He will be missed.

A TRIBUTE TO YANKTON

Mr. PRESSLER. Mr. President, recently, I had the pleasure of participating with the citizens of Yankton, SD, in two major celebrations: First, the dedication of the Yankton Minimum Security Prison Camp which utilized the abandoned campus of Yankton College; and second, the groundbreaking for construction of a replica of our first territorial capitol which is being built in the Riverside Park project area along the Missouri River. As a result of my pride in this fine community, I would like to share with my colleagues a special day.

First, I might mention an interesting slice of history concerning South Dakota. There was a famous conflict over the location of our capital. Although historic Yankton claimed the original site of the territorial capital, it's a fact that Pierre ultimately won the battle for our current State capital. Wrapped up in the great compromise finally permitting Pierre to house the capital were two large political "prizes" to be awarded after we achieved statehood 100 years ago: a capital and a prison. Pierre won the capital while Sioux Falls claimed the prison.

Ironically, on September 6 of this year, I had the honor of breaking ground at Yankton Riverside Park for the construction of a replica of our first territorial capitol, and helped dedicate our new Federal prison camp—both in the Yankton community. It was a unique opportunity, and I was proud to have played a role in each of these projects.

First of all, the citizens of Yankton are to be commended for their positive contribution to our State by utilizing the abandoned Yankton College facilities. The new facility will be a strong economic force. Although it leaves us all with a sense of sadness because we have lost a well-respected institution of higher education, it is encouraging to see new life return to the abandoned campus. The new Federal facility brings 125 new jobs and $6 million annually into the community.

My heartfelt thanks and appreciation goes out to numerous key people who've aided the progress of this conversion project. We all know the immense amount of hard work involved in such an endeavor. The Bureau of Prisons, for starters, deserves much credit. The people there have been a pleasure to deal with this past year. The Bureau has more than earned my respect as a highly competent Federal organization.

My sincere thanks and appreciation to Mike Quinlan and Bill Patrick for guiding us through the project. A major concern of mine was that the prison not be "forced" on Yankton. It was not. The community voted more than 2 to 1 in favor of the facility.

Steve Pontesso, our new camp superintendent, and his staff also deserve special recognition. They have done a great job in making the facility a positive force in Yankton.

Our second project, the Riverside Park project, which includes construction of the replica of our first territorial capitol as well as developing a recreation, park, scenic, picnic area along the Missouri, also gave us a reason to celebrate. What better time for the project to be in progress than for the 100th anniversary of our home State of South Dakota. I was thrilled to have a role in this. Developing our parks and environment are so crucial to improving our quality of life. Again, I appreciate the support and patience of all citizens of Yankton.

Two individuals; namely, Noel Hamiel and Frank Thieman, need to be recognized for their role in both of these projects. As publisher of the Yankton Press & Dakotan, Noel Hamiel's creative writing abilities, his powerful pen, his civic leadership, and his professional journalism have provided us with accurate and interesting information on the evaluation and progress of the projects. Noel challenged us to get involved in developing a solution to the Yankton College problem, and was the sparkplug behind the territorial capitol replica project, as well as the entire Riverside Park complex.

Frank Thieman, whom I've known for many years, has proven to be a strong but quietly effective leader. He brought us to the Riverside Park project area to show us the importance of obtaining Federal funds to launch the project. Also, it was in Frank's office where the brainstorm developed to conduct a comprehensive search within the Federal Government to find a user for the abandoned college campus.

Many other local citizens played a key role in both of these projects. These were the result of a strong, coordinated community effort. It is refreshing to see a town pull together and accomplish the kinds of things Yankton has accomplished this past year. I am very proud of Yankton, and congratulate the entire community for its efforts.

It is in the participation, completion, and celebration of projects like this that allow me to place my complete trust and confidence in the people of South Dakota, and make this such a rewarding job.

PROBLEM OF TEEN PREGNANCY

Mr. PRESSLER. Mr. President, teen pregnancy is a serious social problem. Dr. M.G. Mutch, Jr., of Sioux Falls, SD, shared with me an interesting editorial on teenage mothers written by Dr. John T. Queenan of Georgetown University School of Medicine. Dr. Queenan's editorial provides an interesting perspective on teen pregnancy. I ask unanimous consent that this editorial be placed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TEENAGE MOTHERS; WHAT DO THEY REALLY WANT?

(John T. Queenan)

Today, in the United States, we are in the midst of an epidemic. It is an epidemic of teenage pregnancy, and it has been raging for many years. Sadly, we are no closer to stopping it now than we were a decade or two ago. Even though statistics just reported in *JAMA* show a 10.8% drop in pregnancies for 15- to 19-year-olds between 1980 and 1983, the overall rate is still more than double that of most other western nations. Since 1974, any decrease in live births to US teens has been almost matched by the increase in induced abortions for this group. Even if the slight downtrend in teen pregnancies is real, the actual numbers—more than 800,000 per year—are staggering.

Why do we lag behind other developed countries in solving this problem? Is it a matter of sexual mores or sex education? Is it our larger and more heterogeneous population? Or our socioeconomic problems? Some have blamed lack of access to the health-care system. That's a little like standing in a triage center during a disaster and talking about prevention.

In fact, the causes are probably many. But whatever they are, if we hope to improve matters, we will have to stop assuming all teenage pregnancies are unwanted but just not prevented.

During the 1970s, while I was chairman of the department of ob-gyn at the University of Louisville, we had a federally funded teenage pregnancy program. I interviewed numerous young mothers both prenatally and postpartum. While my recollections don't constitute a controlled social science study, I offer this observation: The majority of those teenage pregnancies were not unwanted. Those young mothers had agendas, clear or unclear, thought-out or circumstantial.

On reflection, they seem to be of two distinct types. The first is the teenager from a poor, single-parent family. Food stamps, unemployment, unpaid rent, no car or telephone, total reliance on the welfare system—these are the facts of life for her. Growing up with no hope for the future, she can't imagine holding a good job, much less ever being a valuable member of society. Then she becomes pregnant. She sees a potential change in her life situation. After all, what she's had has not been so wonderful. Almost any change could be for the better. Why not pregnancy? She has little else to look forward to.

The second type is the teenager who's had a revolving cast of people taking care of her. Desertion, alcohol and drugs, physical abuse, and often just plain desperation describe her home setting. She's had to make frequent changes in the people she relates to. Along comes the prospect of a child of her own. The youngster decides this may be the only constant human relationship she will ever experience. Why not have the baby?

These portraits may oversimplify things somewhat, but I think they offer a useful insight. The babies of many teenage mothers are not unwanted. Rather they are simply being brought into the world under circumstances the mainstream of US society would find hard to accept. If we are ever to make real inroads against teenage pregnancies in the US, we must look at changing the way society deals with such young people. We can't afford to let so many of them grow up without the expectation of a better life or without the constancy of living relationships.

How can we do that? Some might suggest more government programs—that has been the traditional solution. But this approach has not worked for two decades, so how can we expect it to work now?

What's needed is a total commitment at all levels of society to helping these young people think of themselves in a truly positive way. Today's youngsters commonly lack good role models in their families. Well-known political figures and athletes aren't providing good examples either, much less inspiration. Clearly, we need to make some major efforts to give teens better models and choices. In short, we have to be ready to demand that the resources of the government, the schools, the churches, the media, the private sector, and yes, even the celebrities, be harnessed in new and creative ways.

We had better. We are in the midst of an epidemic, and its efforts on this country are devastating.

Mr. PRESSLER. Congress has tried to legislate several solutions to this problem. Unfortunately, as this editorial points out, while the teen birth rate has declined, the number of teen pregnancies is still alarmingly high. I urge our colleagues to take the time to read this editorial. We all talk about what the future will be like for our young people. Unless this problem is brought under control, the future will be very bleak for many of them. As Dr. Queenan puts it, "We are in the midst of an epidemic, and its effects on this country are devastating."

A TRIBUTE TO BOB STAFFORD

● Mr. DURENBERGER. Mr. President, I want to pay tribute to Senator Robert Stafford who will be leaving the Senate at the conclusion of this session. I have had the privilege of serving on the Environment and Public Works Committee with Bob Stafford who so ably chaired that committee through much of this decade. I can attest to his diligence as a Senator, his leadership as a chairman and his vision as a friend of the environment and champion of public health through some very difficult days.

When Bob took the helm of the committee in January 1981 he found stormy seas. The administration began immediately an effort to dismantle the environmental law and programs that the Congress and the executive branch had created in the previous 10 years. But Bob Stafford resisted. He held course. In fact, his tenure as chairman led to remarkable advances in many areas.

In 1984 Congress reauthorized the Resource Conservation and Recovery Act requiring treatment of hazardous waste before land disposal and providing for the regulation of leaking underground storage tanks.

In 1986 Congress amended and extended the Superfund, of which Bob Stafford was an original architect making it an $8.5 billion cleanup program for hazardous waste facilities.

In 1986 Congress passed water resource legislation that contained a significant reform in project financing which will reduce environmental degradation by avoiding projects which are not needed.

In 1986 Congress reauthorized the Safe Drinking Water Act giving EPA a schedule for the promulgation of 83 drinking water standards.

In 1987 Congress reauthorized the Clean Water Act making a transition from the current construction grants program to an innovative State revolving fund for wastewater treatment projects that will provide dollars to meet these needs long into the future. The bill also included a new program to control nonpoint sources of surface water pollution.

In 1986 Congress also passed Bob's bill to remove hazardous asbestos materials from school buildings. This legislation had a special meaning for the Senator from Vermont as it combined the two issues about which he cared the most, public health and the education of our children.

The Congress accomplished these and many important reforms under constant threat of Presidential veto and in a climate of deficit budgets largely due to the leadership of Bob Stafford. These public laws will stand forever as a tribute to his efforts here in the Senate.

He didn't get it all done. I know that one of his great disappointments is that we did not rewrite the Clean Air Act during his final years on the committee. There are pressing air pollution problems—acid rain, global warming, urban smog and air toxics. And we have heard much lately about the reasons the Congress has failed to pass a reauthorization. But we need also to remember that for most of this decade even the existing law has been under attack. Retreat has been the agenda for many. But, thank goodness and thanks to Bob Stafford, retreat on clean air has been avoided.

As he now leaves the Senate, I am sure that he reflects on the irony of the moment. The Nation seems poised to make new efforts on the environment and on education. Both candidates for President now stress these themes in the campaign. And they do so because these themes hit responsive chords with the American people. Some are now calling it the "vision thing." Well, vision has never been lacking. We have simply too often lacked the good sense to follow Bob Stafford's lead.

If I may add a personal note to this statement, I would say to the Senate that I joined the Environment and Public Works Committee in 1983 at the urging of Bob Stafford. And I will always be glad that I accepted his invitation. Service on the committee under his leadership and as the result of his efforts led to legislative opportunities for this Senator which I will always treasure.

We will miss this Senator from Vermont and his able staff here in the Senate. But I am sure that the course that he has set and the vision that he has shared with each of us will be of benefit to the Senate and to the Nation for many years to come.●

THANKS FOR YOUR HELP

Mr. DOLE. Mr. President, before closing out the 100th Congress, I want to offer my sincere appreciation to the dozens and dozens of people who have helped me during the past 2 years in my job as Republican leader.

I am always loathe to start listing names, because, invariably, someone is inadvertently forgotten. But let me try, and apologize in advance for anyone who may be missed.

First of all, I want to single out Alan Simpson, the extraordinarily able assistant Republican leader. During the early days of 1988 when I was spending a good deal of time on the road, Al Simpson carried out my duties, and protected the rights of my Republican colleagues, while working with the majority leader, Senator Byrd, to move the Senate's schedule forward. He did this with grace, humor, and equanimity. For all his help, and all his consideration, I will be forever grateful.

Of course, the other members of the Senate Republican leadership: John Chafee, chairman of the Republican Conference; Thad Cochran, conference secretary; Bill Armstrong; chairman of the Republican Policy Committee; Rudy Boschwitz, chairman of the Republican Senatorial Committee; and Strom Thurmond, our President pro tempore emeritus; all of whom have made significant contributions to the success of this Congress, for Republicans and for all Americans.

But in addition to these members, there are the people behind the scenes, who every day, put in many hours to see to it that we can get our work done. I'm talking about the secretary for the minority, Howard Greene and his assistant John Doney; and floor assistant Elizabeth Greene; plus all the men and women on our cloakroom staff and the Republican pages. And thanks to all the Democratic floor staff, for all their cooperation and patience, as well.

Thanks to Joe Stewart and the many people who come under the jurisdiction of the Secretary of the Senate's office; Henry Giugni, the Sergeant at Arms, and Loretta Fuller, our Republican representative in that office, as well as all the dedicated personnel who make this Capitol a safe place to work and visit.

A special word of thanks to Reverend Halverson, whose daily spiritual offering provides each of us with much-needed and appreciated solace and inspiration.

The Senate's physician, Dr. William Narva, is always there, ready to offer his expert care.

To all the men and women in the restaurants, cafeterias, and carryouts, and those who operate the elevators, the official record keepers, and the door keepers,

Thank you.

And how would the world know what we were doing, if it were not for the members of the press. Thanks especially to the Press Gallery staff, who spend as much time here as most Members.

And closer to home, thanks to my personal staff for holding down the fort and enabling me to carry out my responsibilities as Republican leader.

I know that my personal staff do a lot of work that is unseen and may never come to my direct attention. I especially thank my administrative assistant, Christina Bolton, my special assistant, Marcie Adler, and my executive assistant, Betty Meyer. Also, my legislative staff, Greg Schnacke, Mark Scanlan, Stacy Hoffhaus, and Jeff House take care of a lot of details and really do great work in areas of particular interest to me. I may not see them everyday, but I know they are out there working.

There are some individuals who did an outstanding job who left at the end of this summer to attend law school. Special thanks to Nancy Dickinson, Robert Borthwick, and Doug Wurth. Nancy went to Yale, Rob to the University of Michigan, and Doug to the University of Virginia. In addition, I would like to thank Ruth Ann Komarek, Candi Merrifield, Sara Belden, Ann Kroenert, Don Lee, Jan Benson, Janeal Cabbage, Kay Luther, and Mariam Bechtel, as well as Molly Walsh and Morrell Taggart, both of whom have recently left my Senate staff.

My State offices should receive recognition as well. I would like to thank my State director, Ron Wineinger, who has done a great job and traveled all around the State. Also, Judy Kay, Rose Mary Mong, Ramona Corbin, Dee Dee Lemmond, Gale Grosch, Diana Dooms, and Susan Hoffman have been very responsive to constituent needs.

Finally, my sincere appreciation goes to everyone who works in the Republican leader's office for their time, effort, and dedication from the front desks where Pat Wade and Jon Lynn Kerchner greet visitors; to the Office Manager Joyce McCluney and Marilyn Sayler and Richard Quinn; to Senior Aide Jo-Anne Coe and her assistant, Judy Biviano; to my Chief of Staff Sheila Burke; Deputy Chief of Staff, Jim Whittinghill; Al Lehn, my national security adviser: Rich Belas, chief counsel; Dave Smith, assistant on arms control and Tom Carter, assistant on defense issues; David Taylor, legislative assistant; to Bob Dove our parliamentary consultant; and to the press staff, Walt Riker, Dale Tate and Susan Pelter; to all of them, my thanks for a job well done.

NOMINATION OF JUDITH RICHARDS HOPE

Mr. DOLE. Mr. President, as the 100th Congress adjourns, there is one piece of unfinished business that I would like to mention—the judicial nominations that were not completed. In particular, I am referring to that of Judith Richards Hope who was nominated to the D.C. circuit on April 14, 1988, 8 years to the day after Ruth Bader Ginsburg was nominated by former President Carter. Judge Ginsburg was confirmed 2 months later—the Hope nomination was never acted upon—and for no reason.

The Judiciary Committee found Judy Hope's record to be flawless and exemplary. Her nomination was widely viewed as excellent and noncontroversial. However, it was caught in the politics of an election year, which is a tragedy for the D.C. circuit, because they still have a vacancy which could have been filled by a woman of great talent and intelligence.

It is rare that the Senate has the opportunity to act upon a judicial nominee with such impeccable credentials. Judy Hope is a 1964 graduate of Harvard Law School. She has spent 24 years as a trial lawyer in Washington, DC, and California, specializing in complex litigation in the Federal courts. She is currently a senior partner at Paul, Hastings, Janofsky and Walker, and a member of the four-person executive committee.

Besides having a distinguished legal career, Judy Hope has managed to raise two children and maintain a very successful marriage. In effect, she has had it all, and would have been a fantastic judge and probably still will be, on the D.C. circuit.

SENATE SECURITY OFFICE

Mr. DOLE. Mr. President, as we move toward adjournment, I want to take note of one very significant accomplishment of this, the 100th Congress, that has received too little notice—the establishment of the Office of Senate Security, OSS. It is one of those achievements that is going to make a real difference, for the better, in how the Senate goes about its business in the future.

During the 99th Congress, when I was privileged to serve as majority leader, I became very concerned about the adequacy of our procedures for managing national security clearances, and handling classified national security information. I asked three of our committees—Governmental Affairs, Rules and Intelligence—to undertake a study of those procedures, and make recommendations for improvements.

The resulting study was an eye-opener. The bottom line message was that we had better "get our act together" quickly, or risk major compromises of classified national security information.

I asked Senator Byrd, who then served as minority leader, to join with me in an effort to take the needed steps—and I could not have had a more positive and enthusiastic response.

Because the committees' study was completed only in the waning days of the last Congress, we were unable to actually implement needed reforms then. But—under the continued enthusiastic leadership of the majority leader of this Congress, and with my strong support—the program to implement needed reforms has moved forward quickly and smoothly.

The most important single step was formation of the Office of Senate Security, accomplished with the adoption of Senate Resolution 243, on July 1, 1987. OSS has been given a broad mandate to bring order to, and set high and uniform standards for, the handling of classified national security information in the Senate. Under the able and energetic leadership of Mike DiSilvestro, whom Senator Byrd has appointed as Acting Director of OSS, the Office has been set up; a badly needed personnel security survey completed; a security training and briefing system established; and an excellent security manual drafted and given preliminary approval. I understand it will soon be distributed to all Senators, for final approval.

When approved, the manual will lay out clear, effective new guidelines and procedures for handling classified material, and for managing the personnel aspects of a good security system. It is a landmark achievement—which will close a gaping window of security vulnerability in the Senate.

I want to commend Senator Byrd, who has provided such effective leadership in this area. Without his enthusiastic efforts, we would not have accomplished this vital reform.

I would also cite Secretary of the Senate Joe Stewart, and two of his able staff, Jim English and Tom Gonzalez, for their work in setting up this Office.

Last but certainly not least, I want to cite, again, the work of Mike DiSilvestro and his staff in OSS—Al Safford; Dick Kimmel, whose recovery from a recent illness we all welcome; Theresa Martin; and Jennifer Osborne. To all of them: congratulations on a much needed job, well done.

GOP ACCOMPLISHMENTS IN 100TH CONGRESS

Mr. DOLE. Mr. President, when historians look back to the 100th Congress, I have no doubt that they will judge it a watershed session. In addition to its historical significance, this will be because of the landmark legislation that was enacted during the final 2 years of the Reagan administration: From welfare reform, and catastrophic health insurance coverage, to the INF Treaty.

As the Republican leader, I am very proud that Members of this side of the aisle made major contributions in shaping, refining, and improving these important bills. Without the willingness and skill of Republicans who helped forge compromises on these thorny issues, the list of accomplishments would have been much shorter. Efforts by Republicans to contain costs, cut redtape, and provide more freedom and flexibility to State and local entities where warranted, will enhance the workability of these bills and the likelihood their goals will be achieved. And in regard to national security and arms control matters, it was the initiative and vigilance of Republican Senators that insured that we moved forward with our eyes wide open, knowing how and why we were making decisions of such national and international consequence.

In addition, I think it is worth noting that some of the most significant achievements of the 100th Congress were things we did not do—rather than things we did do. Two actions that would have radically, and in my view wrongly, altered the exercise of Presidential authority, would have been invoking the War Powers Act because of U.S. escort exercises in the Persian Gulf; and imposing by congressional edict, a narrow interpretation of the ABM Treaty.

Because of GOP efforts, led by Senator HATCH, we did not push ahead and adopt minimum wage legislation that did not adequately provide for a training wage. And with the leadership of Senator COCHRAN, we delayed action on child care legislation that would have forced Federal Government control of child care in the hope that next session, we can fashion legislation that will give families the help and options they want in child care.

Because of the efforts of Senator MITCH MCCONNELL and others, neither did we allow for Federal financing of House and Senate political races.

CRIME AND DRUGS

But, to get back to some of the areas where we have made progress. First, an issue that is foremost on the minds of most Americans, crime and drugs. In addition to the omnibus drug bill, which contained a number of long-needed initiatives to combat drug use and abuse—such as AL D'AMATO's death penalty for drug kingpins provision—because of Senator DANFORTH's efforts, the Senate approved a provision requiring the Department of Transportation to perform random drug testing in the aviation, rail, and motor carriers industries.

And while we were not as successful as we might have been, we fought for the confirmation of law and order judges, including two fine new Supreme Court Justices, Antonin Scalia and Anthony Kennedy.

ARMS CONTROL

Certainly, one of the great legacies of the Reagan administration, and this Congress, is the ratification of the INF Treaty. And, thanks to the diligence and foresight of Republican Senators led by JOHN WARNER and DAN QUAYLE, the Senate adopted an amendment to the treaty which carried United States-Soviet obligations regarding futuristies weapons. Without this amendment, ambiguities in the treaty could have led to future battles of interpretation.

And, as we all discovered, interpreting arms control treaties, can cause serious problems. Thankfully, Republicans fought back all attempts to tie the President's hands on interpretation of the ABM Treaty.

In addition, we led the fight to reject prohibitions on antisatellite testing, and led the fight to urge the administration not to enter into any future strategic arms control agreements unless Soviet ABM violations have been corrected.

As a result of Republican pressure, the final Defense authorization bill this year does not contain funding restrictions on important SDI programs; funding for ICBM modernization was increased; and a prohibition on flight testing for depressed trajectory ballistic missiles was dropped.

In foreign policy, because of the steadfastness on Republicans freedom fighters around the world—in Nicaragua, Angola, and Afghanistan—were provided help, not always as much as we would have preferred, but more than they would have had otherwise.

And I think it is fair to say that at least in some measure, it is because of this aid that the Soviets are in the process of pulling out of Afghanistan, and the Civil War in Angola is winding down.

Republican support of the U.S.-reflagging effort in the Persian Gulf, kept this effort alive, and the operation's success has been an important element in Iran's decision to agree to sit down and negotiate a peace settlement with Iraq.

Finally, although it is not technically a foreign affairs issue, the adoption of implementing legislation for the Genocide Treaty, culminating 39 years of effort, is an achievement everyone in this body should take pride in.

DOMESTIC POLICY

On the domestic front, this year's success in approving all of the fiscal 1989 appropriations bills before the beginning of the fiscal year is clearly an achievement we should all take pride in. However, we were able to attain this goal because of the so-called budget summit agreement—in which Senator DOMENICI played a pivotal role.

In addition, in 1987 Senators DOMENICI and GRAMM led the successful effort to amend the original Gramm-Rudman-Hollings law so that it complied with the constitution. Without Gramm-Rudman in place, there would have been no fiscal mechanism to force Congress to cut the deficit.

The final omnibus trade bill, which the President signed into law, will hopefully further reduce the trade deficit by expanding markets for U.S. goods abroad with imposing protectionist restrictions.

Because of the determination of Senators like BILL ARMSTRONG, the historic overhaul of our welfare system includes an unprecendented work requirement. DAVE DURENBERGER and JOHN HEINZ were keys to forging a consensus on catastrophic health insurance legislation that includes the most significant expansion of Medicare coverage ever. And LOWELL WEICKER followed through as one of the Senate's most consistent advocates of adequate Federal funding to combat AIDS.

Republicans like DICK LUGAR, PETE WILSON, RUDY BOSCHWITZ and DAVE KARNES also made major contributions in the farm credit restructuring bill; drought assistance; and FIFRA bills. JOHN CHAFEE was a key player in environmental battles like endangered species. And Republicans were there helping to create Cabinet-level office for the Veterans' Administration; require the prompt payment of Government bills; Inspector General Act amendments; rail safety; 65-mile-per-hour-speed limit on rural interstate highways; bilingual education and religious freedom.

Mr. President, this compilation does not nearly reflect all of the many achievements of the Senate during the 100th Congress. But I hope it gives some indication of how profound the work we have done these last 2 years is.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION REAUTHORIZATION

Mr. HOLLINGS. Mr. President, over the past several weeks, this Congress has passed six important communications bills. These range from the children's television legislation to the satellite copyright bill to the reauthorization of the Corporation for Public Broadcasting. I want to congratulate all parties, both in the Congress and on the outside, for their fine work in helping move these bills through the Congress.

I would like to take a moment to discuss further a subject raised by the House in its debate on one of these

communications bills, H.R. 2472, legislation to reauthorize the National Telecommunications and Information Administration [NTIA]. During this debate, the chairman of the Energy and Commerce Committee, Congressman Dingell, discussed the pending reorganization of the Commerce Department and the establishment of an Undersecretary for Technology. This reorganization was authorized pursuant to the recently passed National Institute of Science and Technology reauthorization legislation. The reorganization authority in this bill, however, neither endorsed nor prohibited the inclusion of NTIA within this newly established structure. I agree with Chairman Dingell that Congress had no specific intent to put NTIA under this new Undersecretary. Chairman Dingell and I have also agreed to discuss the possibility of considering next year how to elevate telecommunications matters within the executive branch.

A GOOD WEEK FOR GOOD GOVERNMENT

Mr. BYRD. Mr. President, this week has been a good week for good Government in the Senate. Even as the 100th Congress nears a close, we have continued to keep our shoulder to the wheel and deal with legislation that will improve the quality of the people's Government.

For instance, we passed a lobbying reform bill. Too often, the revolving door of public service has become a trap door for the public interest. This legislation would clamp down on lobbying activities not only by former members of the executive branch, but also by former Members of Congress and congressional staff as well.

The bill should help restore the faith of the people that their Government is not subject to undue influence in the pursuit of the public interest.

We also passed the Major Fraud Act of 1988. That bill increases penalties for fraud against the Government in cases of defense and other procurement. Over the past years we have witnessed a number of major procurement fraud cases. The stiffer penalties in this bill should make those who would cheat the Government think twice before they do it. It should also help restore the confidence of the American people in the competency of their Government.

We have also passed two other bills that will contribute to better Government. The first extends the Office of Government Ethics, the agency that watches over Government employees to avoid ethical lapses. The second reauthorizes the Office of Federal Procurement Policy. That Office oversees the procurement activities of the entire Government, an especially important task when getting the most from each tax dollar is more important than ever.

Better Government took a step forward this week when we passed three bills to better serve the Nation's veterans. We provided for a cost-of-living increase for veterans' compensation and made other improvements in veterans' programs. We also passed a bill establishing new procedures for review of veterans' benefit claims. And we elevated the Veterans' Administration to a full Cabinet-level Department. These actions will improve service to all of America's veterans, who have given America so much.

Finally, we agreed to the conference report on the Ocean Dumping Reform Act, a bill that marks a milestone in our efforts to eliminate the dumping of wastes in our oceans.

Mr. President, this week has been very productive.

This has been an exceptionally productive Congress. We have addressed many of the challenges that confront our Nation's future. And we continue to do so, up to the very end.

CORPS OF ENGINEERS POSITION ON H.R. 1807

Mr. LEVIN. Mr. President, the Army Corps of Engineers has released material on section 722 of H.R. 1807 that it would like to have included in the Record. I want to be clear that by putting this information in the Record I am not necessarily endorsing this position, but I do believe it is important to allow the corps to have this material included in the record. I ask unanimous consent that the attached position paper be printed in the Record.

There being no objection, the position paper was ordered to be printed in the Record, as follows:

Army Corps of Engineers Position Paper on Section 722 of H.R. 1807

(1) During Fiscal Years 1989, 1990, 1991, and 1992, the USACE would be required to conduct a program to expand the participation of small business concerns and emerging small business concerns in contracting opportunities for dredging.

(a) Of the total dollar value of contracts for dredging, each contracting office shall make every reasonable effort to award to small business concerns:

(i) 20 percent during fiscal year 1989, including 5 percent of the total dollar value of contracts which is reserved for emerging small business concerns;

(ii) 25 percent during fiscal year 1990, including 7.5 percent of the total dollar value of contracts which is reserved for emerging small business concerns;

(iii) 30 percent during fiscal years 1991 and 1992, including 10 percent of the total dollar value of contracts which is reserved for emerging small business concerns.

Subcontract awards may be counted towards the attainment of such goals, provided that there is available a system for the collection of data relating to the award of subcontracts under dredging contracts awarded.

(2) Currently there is no separate goal assigned for the dredging program. However, USACE awarded approximately $385 million of dredging work in 1987. Of this amount, approximately $90 million was awarded for hopper dredging. Of the $385 million awarded to industry, approximately 20% was awarded to small business.

(a) USACE recommends that work done by large sea-going industry dredges (Hoppers) not be considered as a factor in determining the total work available to Small Business dredging companies. Small dredging companies would not be capable of financing the construction of multi-million dollar hopper dredges or competing. Therefore, it would seem logical that approximately $90 million be removed from the computation. This will more accurately reflect work available to small dredging and more accurately reflect their annual share of work.

(3) Currently USACE has a problem setting aside dredging projects in some regions since in most cases there are not 2 SB concerns available to bid the project. The proposed amendment would not greatly affect our dredging program except for goals for emerging small business concerns.

(4) SB emerging concern goals could be hard to meet since the size of these firms would be 50% of the SB size standard or $6.75M per annum.

(5) Since there is no reporting mechanism available in the applicable SIC Code for dredging only, a system would have to setup to meet the reporting requirements.

LOCAL RAIL SERVICE ASSISTANCE

Mr. HARKIN. Mr. President, I had introduced legislation authorizing the Local Rail Service Assistance Program along with Senators Rockefeller and Pressler. Senator Burdick also introduced authorizing legislation. During the consideration of the Transportation appropriations bill, I offered an amendment to fund the program at a $14.3 million level which did pass. In conference, after objections from the authorizing committee being unauthorized, I agreed to recede to the House position. At that time, the chairman of the authorizing committee indicated that he would do what he could to work toward the authorizing committee reporting and the House passing the authorization as quickly as possible. And, I was very pleased with the progress that he made. I do, however, believe that this program should be funded at a much higher level than the $10 million which was passed by the House.

The Local Rail Service Assistance Program has, since its creation in 1973, provided assistance to rehabilitate rail branch lines and purchase lines in 47 States that would have otherwise been abandoned.

Without railroad branch lines, farmers would have to move their grain by truck, which is more costly. Small coal companies and many small manufacturers would have to do the same. For many of them, the loss of rail service

can mean the loss of their ability to operate economically.

In addition to the higher costs to business when we must use roads instead of rail, the Government also incurs higher costs for additional repairs and maintenance. For every 100 railroad cars filled with corn that we take out of commission, our deteriorating roads will have to endure 387 more trucks.

In my own State of Iowa, the Grain and Feed Association figures that farmers can increase their profit margin 3 to 12 cents per bushel when they ship by rail instead of truck. At present, the handling of high volume bulk agricultural products on branch lines is not easy. When the jumbo 100-ton hoppers were introduced, most light duty branch lines were inadequate to handle the loads. To compound the problem, unit train shipments of 25 to 50 cars have become popular and these heavy train loads place much greater stress on tracks than general train operations.

But, lower product cost and greater competitiveness of rail shippers are directly related to the condition of track maintenance. LRSA rail maintenance has allowed increased operating speeds, reduced derailments, and it has made possible heavier car loads. These are attributes that shippers can directly translate into fewer cars, shipments that arrive more quickly, and of course, lower costs.

I am told that the American Association of State Highway and Transportation Officials has identified a need for $1.3 billion in 47 States. And, recent events in the rail industry are likely to increase that need considerably. The Federal Railroad Administration is aware of many projects that can use far more funds than are provided for in this amendment.

In my home State of Iowa, our State rail division has developed a program which provides for a considerable leveraging of the Federal funds. The State matches the Federal LRSA contribution and often acquires a 60-percent match of the Government funds from the railroad or the shippers. In fiscal year 1988, Iowa received $900,000 from the FRA. The State will match that amount and the Chicago, Central and Pacific Railroad will match the resulting $1.8 million with $2.7 million. In this way, the Federal funds have multiplied five times to a total of $4.5 million. This sum will be used to rehabilitate a branch line between LeMars and Fort Dodge, IA.

When loans are issued, the repaid funds go back to the States to be used for new railroad assistance. In Iowa, over a span of 14 years, $25 million in Federal funds has been matched with $22 million in State funds, $33 million in shipper funds and $41 million in railroad funds for a total of $121 million for rehabilitation. That is almost a 4 to 1 match.

This is a program that really works. Lines are saved and our entire economy benefits. Over 1,200 miles of track which were rehabilitated are in use today in Iowa. A lot of the track would have been abandoned had it not been for local rail service assistance.

I am pleased to report to the Senate that the White House has agreed to send to the Congress a request for a reprogramming of funds for local rail service assistance for $10 million by January 3, 1989 or at the latest to have then a few days after that date working with this Senator on an appropriate source of funds.

ORTEGA—A "NATURAL DISASTER," ALL RIGHT; DICTATOR USES HURRICANE TO CENSOR PRESS, FREEDOM OF SPEECH

Mr. DOLE. Mr. President, just when you think you've heard the ultimate outrage from Nicaraguan Dictator Daniel Ortega, he somehow manages to top himself.

Well, he's done it again. This week he is capitalizing on the threat of Hurricane Joan to issue a new threat of his own: He has ordered a 30-day nationwide state of emergency.

Is this order designed to protect his citizens from the fast-approaching storm? Is it a way to marshall medical and evacuation forces? No! No way—in truth, it's a shameless scheme to censor freedom of speech.

The state of emergency allows the Communists to crack down on the press again; to control what is said—and what can't be said—about the government—Ortega's dictatorship, that is.

It's a 30-day showcase of arrogance and cruelty from the Communist gang in Managua.

It's pretty sad.

And what's even sadder is that Ortega will get away with it again. Just as he has gotten away with his tragic destruction of human rights in Nicaragua; his ruthless exporting of terrorism throughout Central America; and his Soviet-sponsored military state on our doorstep.

There's a natural disaster threatening the people of Nicaragua, all right—and his name is Daniel Ortega.

MARIE BOYD

Mr. DOLE. Mr. President, on October 26, a good friend of mine, Marie Boyd will be celebrating her birthday, and my thoughts will be with her. Marie was the wife of one of my best friends in Kansas—Huck Boyd. He was a legend in the Kansas newspaper world, one of the last of the great smalltown editors. A giant in Republican State politics, he was also a close adviser, a role model, and yes, a mentor to me.

McDill "Huck" Boyd and Marie Kreikenbaum were married in 1930, and, in the early years of their marriage, she joined him in the publication of the Phillipsburg Review. Following Huck's death on January 9, 1987, Marie and their daughters, Marcia and Patricia, became owners and publishers, with Marcia continuing the operation of the Review as general manager. Recently, the newspaper was sold to a Missouri couple, who have promised to continue its proud heritage.

Huck was a well-known and influential figure, but he would be the first to tell you that much of his success was due to Marie's guiding hand. Even though the Boyds knew many important, powerful people in politics and business, they remained true to their smalltown roots and lived by the kinds of traditional values that have made this country great. They were a special couple, and a wonderful family. I have always cherished the warm, generous friendship I have had with Marie and Huck, and I would like to wish her a very happy birthday later this month.

REMARKS OF VICE PRESIDENT GEORGE BUSH AT THE UNIVERSITY OF CALIFORNIA

Mr. STEVENS. Mr. President, 1 week ago, Vice President BUSH delivered an address at the University of California, San Diego, which deserves some attention.

The focus of the speech was the condition of our environment, and the steps we should be taking to improve it. I noted with particular interest his commitment to protect our oceans. The Vice President dwelled upon the efforts we have made to stop the destructive practice of dumping wastes in the ocean. He also rightly pointed out that much more can be done.

Because of the importance of the living resources of the ocean to my home State, I have always regarded the preservation and restoration of clean waters as an obligation, and not an option. We are making progress. The ocean dumping legislation which has just passed will eventually bring the disposal of barely treated sewage to an end. And we have made great strides in eliminating the disposal of plastics at sea.

Regulations should go into effect this December implementing annex V of MARPOL, the international convention on maritime pollution. All that is needed now is a strong commitment to enforcement from the next administration. And with regard to this problem my hope is that we can concentrate on conservation of the living marine resources.

While the Congress may not always agree on how to address environmental problems, we do agree, as do the people of this Nation, that the condition of our environment is critical to us all. I am pleased to see that Vice President Bush is committed to improving our environment.

Mr. President, I ask unanimous consent that the text of Mr. Bush's remarks be printed in the Record at this point, and I encourage my colleagues to read them.

There being no objection, the article was ordered to be printed in the Record, as follows:

Remarks of Vice President George Bush

I don't know how many of you saw the debate last night; but if you did, you saw two men with two distinct—and I believe different—visions of how to lead America into the next decade and prepare America for the next century.

I'd like to talk to you today about my vision for this country; about how I would set about building a better America. One part of that vision—a very big part—is working for a cleaner and safer environment. The mission of a President is to lead—and I'd like to lead this country, and the other nations of the world, to a greater understanding of the threats facing our planet, and to a greater commitment to meeting and resolving them.

The other night, I flew here to southern California from Seattle. As I looked out the window, past the silvery wing of Air Force Two. I could see sun setting over the Pacific, casting its orange, purple, and pink hues across the sky. I could see the dark, jagged mountains of the Coastal Range, draped in white mist. And in that moment, I knew once again why you in California—with its special beauty—have a special appreciation for the environment which surrounds you.

I spent my life enjoying what nature has to offer, whether fishing or camping or enjoying the open sea. I've worked—as a Congressman, and since—to protect that natural beauty, whether by creating a national park in my home State of Texas, or pushing last year for a worldwide agreement to cut CFC production and protect the ozone layer.

So I say this from the bottom of my heart: In George Bush, you will have a President who is committed to conservation. As I've said before in this campaign, I am an environmentalist. The kind of beauty I spied through that small window on the plane the other night must be preserved. A better America is a cleaner America.

Building a cleaner America won't always be easy. There are sometimes tough choices to be made. One person who has had trouble making those choices is my opponent. In fact, his hometown newspaper, the Boston Globe said that "On the two biggest environment versus development issues of the past five years, the Dukakis Administration has made environmentally unsound decisions."

So a second thing I hope to do this afternoon is point out the facts about my opponent's record. Because while his rhetoric and his promises with respect to the environment are outstanding, his record is far more checkered. And I ask Californians—before you go to the polls—to consider my opponent's record. Because it's one thing to make promises, and it's another to stand fast by your principles.

Here in California—a State adding 680,000 new residents a year—you know the strains which rapid growth can place on the environment. But if we don't see the need to act clearly, future generations will not only see it dramatically in retrospect, they'll have to live with the consequences of our inaction. After all, it's no mistake that in Jackson, Wyoming, the man who championed the creation of Yellowstone National Park—Horace Albright—was hailed as a savior by the grandchildren of the people who hung him in effigy in the town square.

The fact is that, ultimately, the goal of a clean and healthy environment is not in conflict with the need to create jobs in a growing economy. Quite the contrary: in the long run, successful environmental protection is a prerequisite to solid, sustainable economic growth.

There is another truth—and that is that we Americans cannot protect our environment alone.

You at Scripps recognize that fact better than most. I read just this week of your Collaborative Research program, under which your scientists will team up to study those global processes which are contributing to a warming in the earth's climate.

The point is that many of the major environmental problems we face—warming, acid rain, the deterioration of the oceans, tropical deforestation—are truly international in nature. Their solution will require a President who is adept at negotiating with friend and foe alike—a President who is willing to lead on a global scale and who has the experience and knowledge to do so. Frankly, I believe this is one strength I possess that my opponent may well lack.

And that is why I have pledged that in my first year in office, I will convene a global conference on the environment, at the White House, to address global warming, acid rain, and the full range of challenges before us.

Here in southern California, perhaps the most pressing environmental concern is air quality. Your growth, not only here in San Diego but especially up in Los Angeles, has not come without a price—a price commonly described with four letters: s-m-o-g.

I believe that we can take immediate steps to make our air healthier to breathe, beyond those we're already taking. One of the little-known successes of this Administration has been to eliminate the overwhelming majority of airborne lead. Levels of ambient lead in the air have declined by nearly 90 percent in the last ten years; and one of the key accomplishments of the task force on Regulatory Relief which I headed was to accelerate this reduction.

Contrast this with my opponent: As Governor, he actually vetoed a Massachusetts lead prevention program which would have provided for blood testing of children and helped remove lead from homes.

So on lead, there are great differences in our record, and I am quite proud of mine.

But now there is much more to be done—as the quality of the air this summer proved beyond doubt. The most pressing need is to reduce levels of ambient ozone, which contributes to smog and has too often made the air dangerous to breathe.

One of my priorities as Vice President has been to lead the search for alternative fuels—so-called "clean fuels" such as methanol made from remote natural gas and ethanol made from grain—and to promote their use. I am proud to report that progress is on the horizon.

Already, we've got demonstration projects underway in Los Angeles, Denver, Albuquerque, and Phoenix is which buses are using these fuels.

And today in Washington, President Reagan signed a bill—the Alternative Motor Fuels Act of 1988—that will encourage the production of cars, trucks and buses that can run exclusively on these fuels, and of "dual-fuel" vehicles that can run on any combination of gasoline and alternative fuels.

That bill was one of the principal goals of the Task Force I mentioned; it was pushed through Congress with the strong support of Congressman Lowery and his colleagues Carlos Moorhead and Bill Dannemeyer in the House, and your own great Senator Pete Wilson; and, most importantly, it will help lead to cleaner air for southern California.

A "dual-fuel" car will be able to emit only half as much ozone as a regular car. The goal is have several million clean-fuel vehicles operating in southern California by the year 2000. And that will lead to cleaner, safer air.

There is another step that's needed—and that is reauthorization of the Clean Air Act. Frankly, I am disappointed that the Congress is now set to adjourn without passing clean air legislation in this session. So let me say today that, next January, if I am sworn in as your President, one of my first priorities will be to win passage of clean air legislation, one that will help not only with the solution to problems here in southern California, but one that will provide for reductions in those substances that contribute to acid rain. The time for action, on clean air and for acid rain, is now.

Here in San Diego, on this beautiful coast, you have another special concern—one that this Institution has taken a leadership role in addressing—and that is the protection of the ocean.

I have to confess that I've spent more hours than perhaps a hard-working man should enjoying the fruits of that ocean—and if Izaak Walton is correct that God does not deduct from time on earth time spent fishing, I've got a long life still ahead of me.

But there are threats to that ocean, and one of my priorities as President will be to address them. One is the dumping of barely treated sewage and sludge from sewage plants in the ocean.

Here in California, we've made some progress. Our EPA has required Los Angeles, for example, to stop dumping sludge in the ocean. And San Diego is now close to agreement with EPA on a schedule to achieve secondary treatment of its sewage.

On the East Coast, the problems that arise from neglect of the ocean have been especially apparent this summer. Closed beaches. Medical waste washing up on the shores. It should serve as a warning to all of us.

I'm for taking strong steps—immediately—to protect our oceans. Many months ago, I called for the enactment of legislation which would ban the practice of dumping sewage sludge in the ocean. I am happy to report that now the Congress has taken action on that legislation. It has passed both houses, and may be sent to the President shortly. I believe he should sign it.

I favor beefing up the Coast Guard, and, if need be, calling in the FBI, to help track down and crack down on those who dump illegally.

My opponent has made it a practice to call for a clean ocean, both on this coast and back east, but his record is less promising.

You may know that he delayed, over the fierce objections of our EPA, the cleanup of

Boston Harbor. And the lawsuit we brought has now resulted in a schedule for that cleanup.

But what is less well known is that his Administration applied to dump his state's sludge in the ocean off the beaches of New Jersey—the same beaches on which he later stood to call for a cleaner ocean. In my view, that takes a certain amount of gall.

His record on offshore drilling is equally troubling. My opponent painted himself, with some success I must say, as a staunch opponent of offshore drilling. But again it is less well known that in his first term as Governor of Massachusetts, he strongly favored drilling, he went before the Congress to advocate drilling off Georges Bank, and later said that it would be (quote) "a tremendous boom."

Let me be clear about my position on offshore drilling. I do believe that development of our most promising oil and gas reserves is called for, because continued domestic production of oil and gas is essential to the national security of the United States.

At the same time, I oppose drilling in those environmentally sensitive areas where the risk of damage is too great. I have said that I would delay any drilling under Lease Sale 91 in northern California pending resolution of these environmental concerns.

And let me add today that we should take a very close look at those environmentally sensitive areas which would be available for development under Lease Sale 95 here in southern California before proceeding with the sale. Senator Pete Wilson has proposed protecting Santa Monica Bay and the near shore ocean from Newport Beach to San Diego, and I agree that we must subject these areas to the most careful study before allowing any drilling. I will not allow California's golden shores, its most precious treasure, to be put at risk.

Another treasure not only for Californians but for all Americans is our national park system. As I said last night, I am a strong supporter of protecting our parks—they are America's pride and joy. Ever since the first Republican President, Abraham Lincoln, granted Yosemite Valley to the state of California as a preserve back in 1864, the idea of setting aside land for national parks has been one of America's best. It is a concept that has been respected, honored, and imitated around the world.

The overwhelming success of our parks has sometimes taxed our ability to protect them, but we have tried. After adjusting for inflation, our Administration has increased the budget for the operation and maintenance of our parks by almost 30 percent. We've asked visitors to chip in their fair share, and the expanded fee program we've enacted will add some 500 million dollars to the budget for maintaining our parks over the next ten years. And volunteers have chipped in as well—last year alone, some 42,000 Americans came forward to help us manage our parks better.

But more can be done, and I'd like to be known as a President who strengthened our park system and passed it on to the next generation of Americans in better shape than we found it.

I followed closely the work of the President's Commission on Americans Outdoors, and I support many of the recommendations it produced. I believe we should create "greenways", using such areas as abandoned railroad corridors, to connect parks in different parts of the country. I believe we should continue the Land and Water Conservation Fund, which funds the acquisition of new parklands and wildlife refuges. I think we can reconstitute it as a National Endowment of the Environment, and, using a portion of our non-renewable oil and gas revenues, allow it to continue to give Americans the chance to enjoy our land and water resources.

There was one recommendation of the Commission which I believe was especially important—and that was to pay greater attention to urban parks. Parks are for people, and we should take the greatest care to enhance and protect those parks which are near enough for people to enjoy.

I know that Congress has authorized further acquisitions in the Santa Monica Mountains Recreation Area, and I would like to announce today that, as President, I would pursue such acquisitions. Parks near our urban centers should be our highest priority; and this park would be one of mine.

Just last week, I talked about another idea I have for this country that can help with brushing up our parks. It's called YES—Youth Entering Service to America. I'd like to see legions of our young people volunteer to keep our parks in shape—the way many already do here in California.

You know, last summer, we took my oldest grandson to Grand Teton National Park. We hiked, fished, rafted, and watched wildlife. It was a marvelous experience for all of us, but especially for Barbara and me. We watched the gleam in George P.'s eye as he saw those rugged and sparkling mountains for the first time.

I'm sure that many of you have had similar experience with your own kids—in Yosemite, or King's Canyon, or elsewhere.

I knew then that this is one legacy which we must preserve for generations to come. So I have resolved that if I am elected President, I will undertake a program to strengthen and preserve our parks. I'll call it America the Beautiful, because that's exactly what this great country of ours is—beautiful beyond all comprehension.

Perhaps Irving Berlin said it best in his magnificent song, "God Bless America." Remember the words? "From the mountains, to the prairies, to the oceans white with foam."

He pictured pristine and magestic mountains, clear air and a clean ocean. That's the America I want God to bless, too. And that's the America I'm committed to fighting for as your President.

Thank you, and God bless you.

ROBERT C. BYRD

Mr. ROCKEFELLER. Mr. President, my first act as a Senator, I am proud to say, was to have the opportunity to place in nomination before the Democratic Senate Caucus the name of ROBERT C. BYRD for majority leader in 1985.

As we close the 100th Congress, 4 years later, I must rise for a final time on this last day of the session to honor a man who has become the symbol of statemanship and honor—not only for our party, but this institution and our country.

Mr. President, ordinarily one speaks through the Presiding Officer to the Senator that one wishes to address. In this case I am going to, with the permission of the Chair, talk to the majority leader and I hope the Chair will find that within propriety of Senate protocol.

You have been my friend and my mentor. You are respected and admired not only by your peers, but by the people of West Virginia who have sent you here to work for them.

Your courage and convictions have inspired me to try to lead as you do—with determination, with compassion, and with the utmost integrity, insisting on excellence at every step.

Today marks your last day as majority leader of the U.S. Senate. Your indelible marks are an index to achievement and accomplishment. And all of us who serve with you know that the same leadership you have provided as majority leader will continue as you serve our Nation and West Virginia as chairman of the Appropriations Committee.

Although everyone here has heard me speak during the past few months of my great respect for you, the significance of this day moves me to thank you and pay tribute to your great achievements.

The 100th Congress has seen tremendous accomplishments. The historic trade bill, plant closing notification, catastrophic health care, welfare reform, drought relief, civil rights extension—all of these were ships captained by ROBERT C. BYRD.

My own proudest moment, in which my alternative fuels bill passed the Congress, could not have happened without the enormous assistance, support, and diligence given by you.

Your mark has been left on tough drug legislation, the INF Treaty, the creation of the Department of Veterans' Affairs, the textile bill, and many, many other landmark pieces of legislation that will change this Nation and maybe this planet for generations to come.

For these are not just lines of achievement. These are real-life issues that speak to the heart of America. They impact people's lives and people's families.

Your record is impressive, in many ways historic. You have been the one, singular, driving force that made the 100th Congress a benchmark by which Congresses of the future will be measured.

You should be proud of what has been accomplished in these last 2 years, and just as proud of your work throughout your 12-year service as our Democratic leader, and your work as party whip and party secretary, which dates all the way back to 1967.

As majority and minority leader, you have been a leader in this Chamber through the most difficult challenges our Nation has faced in a generation.

I was not privileged to have served with you during all these past 12 years, but I know what you have done for America and know what you have done for our home State of West Virginia.

I have watched you lead and watched you fight. I have watched you battle uncaring cuts imposed by the Reagan adminstration—cuts in programs precious to our State and to our people.

Time afer time, you defended the onslaught against the EDA, the Appalachian Regional Commission, education, housing, health care, and Social Security. And more times than not, you won—and for that West Virginia and America won, too.

Your nature is not confrontational—you seek cooperation and negotiation. In addition to the stellar achievements of the 100th Congress, you have sowed new seeds in national energy and environmental policy, through coal utilization, conversion, and clean coal technology.

Your visionary leadership has focused on "people" issues such as child nutrition programs, minimum wage, black lung benefits, and the equal rights amendment.

You have worked to establish the Departments of Education and Energy, ensure veterans health care, authorize the Civil Rights Commission, and open up the Senate to TV coverage.

You have pushed for Social Security reform, clean water amendments, tax reform, DOD reorganization, and dozens of other initiatives.

And as the junior Senator from West Virginia, I would be remiss if I did not take this opportunity to share with my colleagues a bit about you as ROBERT C. BYRD, the West Virginian.

You are the epitome of a West Virginia mountaineer. West Virginia has come up the hard way, and so has BOB BYRD. The State was born in the crucible of the Civil War, a difficult period in our Nation's history and a difficult period for West Virginia as well.

But mountaineers are proud, tough, and independent. Our State has a strong work ethic. The original settlers came from Virginia making their way up over the Appalachian Mountains to carve new communities out of wild mountain side. Their descendents carved coal out of the mountains, with only a pick and shovel.

You have fought adversity and sometimes great odds, always seeking new challenge, always seeking positive change. That challenge inspired you to work your way through law school, studying at night while working during the day.

You have shown that through tragedy, you come out stronger than ever. I know how the death of your grandson Jon in a car accident in April 1982, has touched you, how it has had a deep and profound personal impact on your life. Your determination to move forward, to serve the public good, led you to establish the Jon Michael Moore Trauma Center at West Virginia University in Morgantown.

I can remember several occasions when you and my wife Sharon and I were in your office, the Office of the Majority Leader, and we discussed that. And we circled, joined hands, and prayed about the death of your beloved grandson.

We in West Virginia understand the meaning of hard work. And I do not know anyone who works harder than you do, Mr. Majority Leader.

The bad news is that you have decided to step down and you will no longer lead this great body you helped build. The good news is that you will still be here, working on the Appropriations Committee, to help manage our national budget and help as best you can the needs of West Virginia.

Your imprint has been legendary; your contributions, historic; your commitment, undying. Your service as majority leader, your understanding of Senate rules and knowledge of the Senate as an institution, your reverence for this body, will ensure your place, as one of the greatest majority leaders in the history of our Nation.

I am a better person, Senator BYRD, for having served under you, and America is a better Nation because of you.

On behalf of my colleagues and my country, thank you, Senator ROBERT C. BYRD, majority leader of the U.S. Senate, the 100th Congress.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia, the majority leader.

Mr. BYRD. Mr. President, it is with great pride that I say here and elsewhere that JAY ROCKEFELLER is my colleague from West Virginia. JAY ROCKEFELLER has a great name that was well-known to all of us before we knew JAY ROCKEFELLER. I have watched him over these 4 years during which he has served in this Senate. Yet, he has been, as it were, oblivious of the fact that his name preceded him.

He came here under some disadvantages, I am sure. I think I can understand some of the problems attendant to being a scion of wealthy parents.

Oftentimes we are quick to attribute things to one who carries a name that is internationally known as being something that they did not earn, but I have watched my colleague. He came here as every other Senator comes when he enters this institution. It does not make any difference really what a man's standing may have been in the financial world, in the social world, in the outside world when he comes here.

JAY ROCKEFELLER was a former Governor of West Virginia. Others have come here after having been Governors of their States. The distinguished Senator from Arkansas who presently presides over the Senate was a former Governor of Arkansas. But this Senate has a leveling influence on all who enter it. They all come into this institution as equals. Whether they have been poor or whether they have been more fortunate, whether they have been Governors or mayors or coal miners, they come into this Senate at all the same level when they enter.

JAY ROCKEFELLER has impressed every person in this body. He went to work when he came here. He did not ask for special treatment. He did not expect anything to be given to him that was not equally open to everybody else. He has worked diligently and hard. He wanted on committees that would deal with the important issues of our times.

On the Committee on Finance, he has been in the forefront of much of the legislation that has passed in this 100th Congress. That is a great committee. Tax legislation, welfare legislation, catastrophic illness, Social Security legislation, trade legislation—these are all legislative stars in the crown of the 100th Congress. They came out of that Finance Committee. He took the lead in many of these measures, worked hard in the committee and almost singlehandedly got a methanol bill passed through both Houses.

He sits at the same table as does every other Senator. He asks for no special favors. He intends to make it on his own—not as a Rockefeller, but as a man who is dedicated to the service of the people of West Virginia and the people of the Nation. And to the close observer and those who watch the floor as I have done, they see in this colleague of mine a man who can make it on his own. He has integrity. He is candid, forthright, honest to a fault, conscientious, effective, and he has grown in stature in this body.

He is liked by every Member, and as I say back in West Virginia, I have not been able to say that about myself. He will go far. I expect that he will and I pray that he will because he brings tremendous talents to the Senate.

I thank him for his kind remarks, and I am proud that JAY ROCKEFELLER is my colleague.

I was in this body 26 years as a junior Senator to a very fine colleague. Junior-senior meant little to me then and means little to me today. Senator ROCKEFELLER is my equal in every respect except for the fact that I have been here longer than he, but that is all. I see him as my equal and in many respects as my senior.

Mr. President, I will always remember with gratitude and satisfaction the words that have been spoken here by JAY ROCKEFELLER. I know him better than he knows that I know him, and I know that every word he has spoken has been uttered only because he wanted to say it. He does not owe me anything. He is not attempting to ingratiate himself with me. He does not have to do that. He is saying these things because he believes them, and I accept them in that light.

I am proud to be a West Virginian. Mountaineers are always free, as we saw in the mountaineers of Afghanistan a steel that is in the gut of mountain people. We mountaineers are somewhat accustomed to being looked down upon, but we feel that we are the equal of anybody else anywhere.

We do not gloat in that fact. We just realize it as a fact. Just as mountaineers are always free, mountaineers are always friendly. They are a kind people. They do not take too quickly to strangers. They first stand around and look them over a while. It does not take us long to figure them out. We long ago accepted JAY ROCKEFELLER as a West Virginian. I, too, was born outside the State of West Virginia, so from that standpoint I am a bit of an outsider, but once a West Virginian always a West Virginian. And so I speak to my friend in the second person also. I thank you, JAY. You will be here long after I am gone, God willing, and the people of West Virginia willing, because you will give them the best of service you can give them. That is all they ask, and that is what they deserve.

Mr. President, I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

SENATOR ROBERT BYRD

Mr. FORD. Mr. President, I find what I am about to say to be very difficult because I cannot say what I really feel. I have listened to the eloquence of Senators like Senator ROCKEFELLER from West Virginia and others as they are saying things about our majority leader that I feel and I think we all feel. So I feel inadequate to say how I really feel. I guess it is the way you love a child and it is hard to express to them your total love. But I would like to take this opportunity to say a word about a man whom I have had the good fortune to know and work with since 1975, my friend and leader, Senator ROBERT BYRD.

When I think of ROBERT BYRD, Senator BYRD, the word that comes to mind is "honorable." He is a good and generous man, one who has devoted his life in two arenas, public service of the highest caliber and his wife and children and grandchildren. His accomplishments are numerous, from service in West Virginia—and he talks very proudly of once a West Virginian, always a West Virginian—the house of delegates, the State senate in the forties, the House of Representatives in the fifties, and then finally to this tremendous institution in 1958. I wish all States could recognize their Senators as West Virginia has recognized this one man, but very few of us are like him so our States do not recognize us with the tremendous, overwhelming support every 6 years that he receives. The greatest electoral majorities ever accorded any candidate in the history of West Virginia at election time says something about the man, says something about his representation, says something about his ability to relate to his people.

Oh, I think we have all said it and acknowledged it, but I want to say it one more time. Senator BYRD is a master of the Senate rules. He is a genius with the intricacies of parliamentary procedure, an expert in understanding legislation, and a master in bringing together the diverse and divergent views of his colleagues for the welfare of the Nation and its people. He has been a strong, and I might even add tough at times, majority leader, yet has been respectful—and I underscore respectful—of this institution and always courteous to its Members. He never fails to have that little time you need with him. He has always strived to be fair to the minority and protect the rights of all Senators regardless of which side of the aisle they sit.

I have watched him stand in this Chamber and protect the rights of those on the other side at a time when it was not necessarily in the best interests of this side, but he was fair to that individual and was dedicated to see that we all could share in what the rules allow a Member.

Senator BYRD's role as majority leader has been as the Senate's mediator, coordinator, and collaborator, the Senate's prime mover. He has labored long and tirelessly getting the work of this institution done.

He is a man who has been concerned about the rights and privileges of all of his 99 colleagues, who has extended to them courtesy and thoughtfulness and who has cherished the tradition and practices of this Senate.

Senator BYRD has never forgotten his humble beginnings, his modest upbringing, and his struggle for higher education taught him something because he has worked unceasingly for the improvement of the lives of the less fortunate, for better education, better health care, nutrition, housing, and wages. His every task is guided by his firm adherence to the Judeo-Christian values and teachings he knows so well.

Senator BYRD, I salute you. I shall miss your leadership, but I do look forward to our continuing friendship and working together in the 101st Congress. God bless you, my friend.

Mr. BYRD. Mr. President, it is always a little difficult for me—and I am sure I am like every other human being—to listen to others utter such words of praise. I feel a bit uncomfortable, but at the same time I am glad to hear the kind words from other Senators. I am pleased that they take the floor and the time to express such very charitable words.

I have had a pleasant several years of service with WENDELL FORD. He comes from next door, the State of Kentucky, another mountain people who have problems common to our own in West Virginia. His is a great coal-mining State, a farm State, and we are pretty naturally thrown together when it comes to our services for our people. Tennyson said, "I am a part of all that I have met." WENDELL, I will always be a part and you will always be a part, each of the other. I admire your courage and your stamina, your dedication to your people. You are here every day working for them. Sometimes you stand against odds, but that does not daunt you. And the people of Kentucky are fortunate indeed to have this former Governor of the State of Kentucky, WENDELL FORD, serving in this body. I like him, too, because he is down to earth. He does not put on any sophisticated airs or pretend to be anything other than a fine piece of Kentucky clay that comes through loud and clear.

He speaks the language of practical men—simple and plain, and we all understand it.

I shall always count it my good fortune to have served with WENDELL, and I look forward to continuing to work with him in this body. He is my chairman on the Rules Committee. He is diligent there, and spends many, many hours—thankless hours—in working for the Senate and working for his State and working for the Nation.

There are truly some remarkable men in this body. Most of them have something to start with or they would not be here. WENDELL has that rock-ribbed integrity and that mountain man's courage and supreme devotion to the people who have placed this honor on his shoulders. I am glad to have him as my friend.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXECUTIVE CALENDAR

Mr. BYRD. Mr. President, I inquire of the distinguished acting Republican leader, Mr. STEVENS, as to whether or not the nominations placed on the Secretary's desk in the Foreign Service, on the Executive Calendar, have been cleared on his side, and also with respect to the second paragraph on page 5 of the Executive Calendar, Foreign Service nominations, except for the nominations of Everett Ellis Briggs and David Bryan Dlouhy.

Mr. STEVENS. Mr. President, the nominations have been cleared on this side, and we have been informed of the deletion of those two names.

Mr. BYRD. I thank the distinguished Senator.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations placed on the Secretary's desk in the Foreign Service, with the exceptions of the nominations of Everett Ellis Briggs and David Bryan Dlouhy; that the Senate proceed to the confirmation of these nominations, consider them en bloc, confirm them en bloc; that the motion to reconsider en bloc be laid on the table; and that the President of the United States be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations referred to were considered and confirmed en bloc, as follows:

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

Foreign Service nominations beginning Shirley Elizabeth Barnes, and ending Peter D. Whitney, which nominations were received by the Senate and appeared in the Congressional Record of September 7, 1988.

Foreign Service nominations beginning Everett Ellis Briggs, and ending Peter A. West, which nominations were received by the Senate and appeared in the Congressional Record of September 16, 1988.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER (Mr. ROCKEFELLER). Without objection, it is so ordered.

ORDER FOR RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that following the remarks of Mr. PRYOR, the Chair recess the Senate for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas.

THE TAXPAYERS' BILL OF RIGHTS

Mr. PRYOR. Mr. President, the Internal Revenue Service is now 124 years old. The first Internal Revenue Service was established by President Abraham Lincoln. The first Internal Revenue Service consisted of about three employees, and it was in the basement of this Capitol, in which we sit tonight, this late October night of 1988.

We have seen a massive growth of the Internal Revenue Service, not only in terms of employees, which number 111,000; we have also seen a commensurate growth of the powers of the Internal Revenue Service to collect and levy the taxes and necessary funding that we must have to perform the services of our federal system of government.

Some say that we do not need the Internal Revenue Service. I do not agree with that. Some people say that the Internal Revenue Service is illegal. I do not agree with that.

But what we have seen, especially during these last four decades, is a growing power through court decisions, through regulations of the Internal Revenue Service and also through legislation passed by Congress mandating the Internal Revenue Service to collect more and more and more taxes.

For 40 years we have never seen a piece of legislation which has given to the American taxpayer a strengthening of their hands, especially for the little guy, the rights that the taxpayer might have in dealing with the Internal Revenue Service.

Tonight, we are hopefully on the brink—hopefully a few hours from now, or maybe within 2 hours from now, this Congress will pass a monumental piece of legislation. It is called the taxpayers' bill of rights.

I might add that the present occupant of the Chair not only is a member of the Finance Committee but also was one of the early cosponsors of the taxpayers' bill of rights. We have 72 of our colleagues on the Democratic side and the Republican side of the aisle who now are cosponsors, and 250 of our friends and colleagues in the other body, the House of Representatives, have cosponsored the taxpayers' bill of rights.

We know we have to collect taxes, but we know something else: We know that the small taxpayers have to be protected against some of the overzealous and some of the abuses of the Internal Revenue Service which have been heaped upon them through complicated tax laws, through an absolute array of unbelievable complexities that we have passed even in the 10 years that I have been here in the changes of the Tax Code.

This is the first time in the history of the relationship between the taxpayer and the tax collector that we are attempting to level that playing field, especially for the small business person and the individual taxpayer.

This is the first time that this Congress or any Congress in one comprehensive piece of legislation has attempted to strengthen the hand of the taxpayer in dealing with the Internal Revenue Service.

A lot of people think that the taxpayers' bill of rights is a sense-of-the-Senate resolution, that it just sets out sort of broad concepts. A lot of people think that it is just a statement of principle, mandating the Internal Revenue Service by Congress to treat the taxpayer as a customer or to treat the average taxpayer a little more kindly or a little more gently.

Mr. President, the taxpayers' bill of rights is 72 pages, 25 sections, and for 2 years this piece of legislation has not only been the subject of 4 hearings in the Finance Committee, 2 intensive markups or actually 3 days of markups by the Finance Committee, it has also received the support of such diverse groups as the National Taxpayers Union, the U.S. Chamber of Commerce, the ACLU, if I may mention that word on the floor of this Senate, the NFIB [National Federation of Independent Businesses]; it also has the support of the National Society of Public Accountants, the Small Business United, and the Small Business Legislative Council.

We have debated this issue on two occasions with the tax section of the American Bar Association, one in San Francisco in 1987 and one in New Orleans in 1988.

I have spent countless hours not only with this Commissioner of the Internal Revenue Service, Mr. Gibb, but also every former Commissioner of the Internal Revenue Service with whom I have had the privilege of talking about the necessity of restoring credibility to the Tax Code and to the system by which we collect taxes.

Today, Mr. President, the taxpayers' bill of rights among other things would attempt to eliminate the bounty hunter mentality that the Internal Revenue Service has had in dealing with many of our smaller and certainly more vulnerable taxpayers across America.

We do this by stating it in the law that we are about to pass either in a few moments or a few hours. We establish by statute that the Internal Revenue Service no longer can continue promoting or demoting employees of the Internal Revenue Service based upon the number of dollars they collect. We have seen case after case. We have read letter after letter. We have received testimony from IRS agents who have literally risked their jobs in coming before the Subcommittee on IRS Oversight to tell how the real Internal Revenue Service really works in the collection, the seizure, and the levy process.

Let me say what has happened over these years I do fear has been a system based upon the number of dollars that these agents collect in the seizure and collection areas.

I had the privilege of visiting with several of these IRS agents. They were from California. They were from Texas. They were from Baltimore, MD. They were from Kansas City. And I said, "gentlemen, let me tell you that there is a great deal of fear today by the average American taxpayer of the Internal Revenue Service."

I will never forget, Mr. President, that one of these agents looked at me—he was somewhat timid, a little bit shy—and he said: "Senator PRYOR, I cannot tell you the amount of fear that the Internal Revenue Service agents have with regard to the Internal Revenue Service, the pressure to seize, the pressure to collect, even when the law and the facts are not on the side of the tax collector."

I strongly believe, notwithstanding the fact that a lot of people say or have said in the past that this is an anti-IRS piece of legislation, it is not.

The distinguished chairman of the Finance Committee some months ago confirmed this fact when he, too, became a formal endorser and advocate of the taxpayers' bill of rights, when he opened the Senate Finance Committee's markup on this monumental piece of legislation and when he stated before the press and before the Commissioner of the IRS that this is not an IRS-bashing piece of legislation. I think that set the tone that the time has come in this country that we must level that playing field and to give that small taxpayer, that independent business person who does not have the help, the counsel, the tax attorneys, and the CPA's to advise him through this complex morass of tax laws that we have visited upon him especially in the last decade.

One thing that is so important, and after reading and receiving almost 20,000 letters from every State in our Union, we have taken those letters and those problems that were enunciated and eloquently stated in each of those letters and in each of those problems that we have seen we have attempted to draft a solution that would answer some of the problems expressed to me and to the members of this committee and to the Members of the U.S. Senate in making a fairer system of taxation.

I think that the taxpayers' bill of rights will not hamper, it will not impede, it will not damage, it will not handcuff the Internal Revenue Service collection procedures. I think it will encourage negotiation, it will delay the time in which property can be seized from 10 days to 30 days, and it will enable those safeguards, those basic safeguards, to go to the taxpayer rather than extra rights and extra powers to the Internal Revenue Service. And I think it is long overdue.

Mr. President, also, there has been something remiss in the relationship between the tax collector and the taxpayer, and that is that we have seen 50 State jurisdictions many times implementing the rules and the regulations of tax collections very, very differently. In Little Rock, AR, they might allow you to have a tape recorder or to send a CPA to represent you in their first interview or audit. In Huntington, WV, the taxpayer may walk into that office of the IRS and be denied that same right that in Little Rock or Amarillo or Miami or Baltimore a taxpayer was given.

We are saying that these rules and procedures can no longer be made just by internal changes. We are saying today that the changes brought about by the taxpayers' bill of rights, that these changes can only be made by statute, making this the law of the land, making every taxpayer in this country not only aware of the rules of the game, but, Mr. President, the obligations and the responsibilities of the taxpayer, and the rights of the individual taxpayer are going to be spelled out in no uncertain terms.

Mr. President, we have a great Commissioner of the Internal Revenue Service. His name is Larry Gibbs.

But I have done a little research on IRS Commissioners. I have found that, during the course of the history of the Internal Revenue Service, the average Commissioner of the Internal Revenue Service remains in that job for 2 years and 2 months, then they are gone. They usually go back to their law practice or go with a major CPA firm or go with a big accounting firm or go back into business, wherever. But the remainder of the 111,000 personnel of the Internal Revenue Service, they stay here. They are part of the bureaucracy. They are part of a bureaucracy and the mentality that this taxpayers' bill of rights to which, once again, I mention, the distinguished occupant of the Chair was an early cosponsor, is attempting to change and rectify.

Many of those employees, Mr. President, of the Internal Revenue Service I respect greatly.

I also would like to repeat, as I stated just a week or two ago on the floor, that I was at an airport waiting to get on a plane early one morning. A young man came up to me and said, "Aren't you Senator PRYOR?"

"Yes."

He said, "Senator PRYOR, I support the IRS legislation. I support your taxpayers' bill of rights."

And I said, "My goodness, what do you do? Where do you work? Who are you employed by?"

He said, "Senator PRYOR, I am employed by the Internal Revenue Service."

I said, "Why do you support the taxpayers' bill of rights?"

He said, very simply, but, I may say, very eloquently, "I support the taxpayers' bill of rights because this legislation is going to make us a better agency of the Federal Government. It is going to help to give us the credibility that we need to deal with the average American taxpayer, and it is going to help at long last to give us respect rather than to have us motivate this system based upon fear."

That is what it is all about, Mr. President. A lot of people said, "You are very naive. There is no way that you can have a tax collection system that is not based upon fear."

Mr. President, I disagree. I think that we can have a tax collection system based upon respect. The distinguished occupant of the Chair was the Governor of West Virginia, a most distinguished Governor, I might add. The speaker at this time, the Senator from Arkansas, was a Governor of that great State. And I would just wager that in West Virginia and Arkansas, that our particular tax collection system was not, in fact, based upon fear. It was not. It was based upon respect. It was based upon fairness and it was based upon the tax collector being willing and able and desirous, working with the largest business or the smallest business or the richest taxpayer or the poorest taxpayer, of them all being treated equal, none getting favors that others did not get.

Mr. President, this is a far-reaching bill. It has come a long way in 2 years. It has been a piece of legislation that, frankly, has been most educational for me. I have said on many occasions that we probably know more about the KGB in the Soviet Union than we do about our own Internal Revenue Service.

I might have overspoken, Mr. President. I might have used a little hyperbole from time to time. From time to time, during the formation of this legislation, I may have been a little rough on the Internal Revenue Service. A lot of people tell me that I am going to be audited and I will wind up in Fort Leavenworth, and whatever.

Mr. President, I am willing to take that chance, because I have enough faith in the system and I have enough faith in the people that motivate this system. I am going to have a lot more faith, Mr. President, on January 1 1989, when I know that the taxpayers' bill of rights has become a part, and an integral part, of the law of this land.

It is not going to be out there in some procedural manual on an agent's desk in Omaha. It is not going to be out there in some dusty regulation book in Tallahassee. It is going to be the law of this land. It will not be an internal process which was changed by regulation in Washington. It is going to be changed by the U.S. Congress, Mr. President, which created and gave the powers and gave the authority to the Internal Revenue Service in its inception 124 years ago.

It is time to make those changes, Mr. President. I know in 1986 we used to say to the taxpayer, "Oh, you're going to get a great tax reform bill. It is going to be simple. It is going to be easy. It is going to be fair." We did not live up to that commitment.

But we can live up to a commitment tonight, Mr. President, by including the taxpayers' bill of rights in the technical corrections bill, by making it the law of this land, and by saying to the average American taxpayer, "You are going to have a better chance, you are going to have a better shot, you are going to have a better opportunity when you deal with the awesome and tremendous power of the Internal Revenue Service."

This is the first stage, Mr. President. Next year, in 1989, I plan to chair many hearings on the issues of penalties—penalties—of the Internal Revenue Service. Ten years ago, there were 40 penalties that the Internal Revenue Service could tack onto an individual taxpayer's deficit, or amount owed the Service. Today there are 152 penalties, most of which can be arbitrarily attached to the taxpayer's debt. And, in most cases we have seen, in fact 8 out of 10 that we have studied, we have seen that the interest and the penalties on that tax liability are many times, 2 and 3 and 4 and even up to 15 times what the original liability was.

This is a problem. We are going to deal with that problem in 1989. But the problem that we are going to deal with at long last on October 22, 1988, is, for the first time in 124 years, in one composite package, we are going to give some rights to the little taxpayer, that have been eroded year after year.

I think it will be a good day for the taxpayer, Mr. President. I want to thank the occupant of the Chair for being a supporter of this legislation. Seventy two of our colleagues, right here in the U.S. Senate, sense that this bill needs to be leveled and balances need to be placed into that system.

Mr. President, ask unanimous consent that I be allowed to have printed in the RECORD a side-by-side chart on what the present law is and, God help us, what the law will be on January 1, 1989 assuming that the taxpayers' bill or rights becomes the law of this land.

Mr. President, I yield the floor and I thank the Chair.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Summary of the Highlights of the Taxpayers' Bill of Rights as Passed in the Miscellaneous Revenue Act of 1988

1. PREINTERVIEW EXPLANATION OF RIGHTS

Past law: Past law did not require the IRS to explain a taxpayer's rights and obligations before an initial audit or collection interview.

Taxpayers' bill of rights: The Act would require prior to initial audit or collection interviews that the IRS explain the audit and collection process and the taxpayer's right under that process. The explanation must provide that the taxpayer has the right to suspend the interview to consult with an attorney or accountant.

2. POWER OF ATTORNEY

Past law: The IRS had administrative procedures governing the use of powers of attorney.

Taxpayers' bill of rights: The Act gives taxpayers a statutory right to execute powers of attorney to be represented before the IRS by qualified representatives. Under the new law, the taxpayer could not be forced to attend an interview, but could instead send a representative with a properly executed power of attorney.

3. ABATEMENT OF PENALTIES FOR ERRONEOUS WRITTEN ADVICE OF THE IRS

Past law: The IRS could, at its discretion, abate penalties.

Taxpayers' bill of rights: The Act requires the IRS to abate any portion of any penalty or addition to tax that is attributable to erroneous written advice furnished by the IRS.

4. TAXPAYER ASSISTANCE ORDERS

Past law: The Taxpayer Ombudsman had no statutory right to intervene on the part of taxpayers.

Taxpayers' bill of rights: The Act provides the Taxpayer Ombudsman with the authority to issue a taxpayer assistance order, if, in the determination of the Ombudsman, the taxpayer is suffering or about to suffer a significant hardship as a result of the manner in which the IRS is administering the internal revenue laws. The order would suspend any action of the IRS until modified or rescinded by the Ombudsman.

5. PROHIBITION OF PRODUCTION QUOTAS FOR COLLECTION OFFICERS

Past Law: The IRS administrative manual disallows quotas or goals based on sums collected to evaluate enforcement officers.

Taxpayers' bill of rights: The Act provides a statutory prohibition against the IRS using statistics to suggest enforcement goals or quotas. The Act would make each IRS District Director personally responsible for administering the new rule.

6. EXPLANATION OF TAX LIABILITIES AND PENALTIES

Past Law: The IRS Code does not specify the content of notices sent to taxpayers.

Taxpayers' bill of rights: The Act requires all tax notices to contain a description of the basis for taxes due, interest, and penalties. Additionally. The Act requires the IRS to identify the amount of tax due, interest, and penalties.

7. INSTALLMENT AGREEMENTS

Past Law: The IRS could enter into agreements with taxpayers to pay tax liabilities in installments, but could unilaterally cancel such agreements.

Taxpayers' bill of rights: The Act grants the IRS the statutory power to enter into installment agreements, and restricts the IRS' ability to cancel such agreements.

8. ADMINISTRATIVE APPEAL OF LIENS

Past Law: In the past, there was no formal appeals process for wrongful liens.

Taxpayers' bill of rights: The Act requires the IRS to establish an administrative review process for wrongful liens.

9. PROFESSIONAL FEES AND COSTS

Past Law: Under past law, taxpayers could only recover professional fees and costs incurred for unreasonable claims by the IRS in court.

Taxpayers' bill of rights: Under the new Act, taxpayers can recover professional fees (for accountants and attorneys) incurred during the administrative appeals process.

10. CIVIL CAUSE OF ACTION FOR DAMAGES DUE TO FAILURE TO RELEASE LIENS

Past Law: Taxpayers could not recover damages if the IRS failed to remove wrongful liens.

Taxpayers' bill of rights: Taxpayers could recover damages up to $1,000 from the IRS for failure to remove a wrongful lien. The IRS would also have to publish that the lien was wrongful and should not be considered a "blemish" on the taxpayer's credit record.

11. CIVIL CAUSE OF ACTION FOR DAMAGES DUE TO UNREASONABLE ACTIONS OF THE IRS

Past Law: Taxpayers could not sue the IRS directly for damages incurred for wrongful actions by IRS agents.

Taxpayers' bill of rights: The Act would grant taxpayers the right to sue the IRS if an agent recklessly or intentionally disregards the Internal Revenue Code in the collection of taxes. The damages would be capped at $100,000.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, there are very few times that you really feel good about something that has happened and I feel good today that we have really finally given the taxpayer an opportunity, if I might say, to fight city hall.

We get fussed at a lot in this job. It is not one where everybody comes up and pats you on the back and gives you accolades that something has occurred. But it is like taking your children to a new civic center and not having to receive a plaque saying that you helped raise a few dollars to help build this new civic center for your community, but you say to yourself as you take your children into this new civic center: This is something I did for you. You feel good about it.

I just want to say to my distinguished friend from Arkansas, Senator PRYOR, we feel good about the Senator because he took this challenge and tonight, as I understand it, it will become law.

I have been a small businessman. We did not have unkind IRS people in my community, but they changed from time to time. And they would come by your place of business and tell you how they wanted the reports and how they should be prepared, and when you would send this in. They would be with you for a couple of years—about as long as the Commissioner of IRS.

Then when they turn over, a new man would come in. He would say no, you are doing it wrong. You have got to change it. So we were always changing it, always doing something else, always fearful, as the Senator said. Let us get the fear out. We were always fearful we would be doing something wrong. A new man was coming in, we would have to change. We were not sure whether he was right or the man before. Then you say "He told me how to do it," and they say, "No, he was wrong. This is the way you should have done it."

So tonight, as we approach the hour of, I think, conquest, the taxpayers in this country should be thankful that there are people here that fight their battles. As the distinguished Senator said, there are 72 of us that have signed on to this piece of legislation. I do not know whether I will get a letter or not thanking me for this. But I feel good about it, I say to Senator PRYOR, distinguished Senator from Arkansas. I feel like we have accomplished something.

If I never get a letter, I feel like we have put something together that is important. And the important thing here also is it is not going to quit. Next year we are going to have hearings on penalties; 10 years ago there were 40, now there are 152. And they are arbitrary. You never know whether you are going to get 1, 2, 3, or 10 times. Poor, unsuspecting individuals out there have been honest about it but they do not understand all that paper, they do not have the money to hire a CPA. Probably the CPA, at a minimum, would charge them more than their taxes. And yet they make a mistake and it is multiplied.

So I want to compliment the Senator from Arkansas for the job he has done and the Chair for being one of the early cosponsors. Senators can feel good here tonight that this is about to transpire and that we will accomplish something for the people that we represent.

I feel inadequate to say it, to appropriately compliment the Senator. As I heard one fellow say, "I only come hard with the silver tongue of the truth." The truth is, this is good. The truth is, we are going to do better. Because we are not going to stop here. We are going to make things work a little better. And, Lord willing, as we would say down home, if the creeks do not rise we will all be back here in the 101st, and I look forward to working with my colleague.

I say to my good friend, more power to the Senator from Arkansas, and I will support him any way I can. I yield the floor.

Mr. PRYOR. Mr. President, I ask unanimous consent that I may be permitted to respond to the distinguished Senator.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. PRYOR. Mr. President, first I would like to take this opportunity to apologize to the Chair and to the Senate. I did not know that I was under any time constraints. I was only going to speak about 2 minutes. I probably spoke about 20 minutes.

As we say, I got a little bit carried away on one of my favorite subjects, Mr. President, so I apologize to the Chair for taking the time of the Senate. But I did not see any other business that was pressing at the moment so I thought I would just take that opportunity.

Mr. President, let me also say, if I might, and I did not see the Senator from Kentucky—this is my bad eye over here—sitting in the Chamber at the time that I was addressing the Senate.

But, Mr. President, the distinguished Senator from Kentucky ever since I have known him has been a champion of the little people. He has been a champion of the little people.

And the little people know it. And once again, he has been able to champion the little people tonight with the taxpayers' bill of rights. I have stated two or three times on this floor that I received all these thousands of letters. But one person that I have not received a letter from is Lee Iacocca. He has plenty of tax lawyers. He has plenty of CPA's, Mr. President. I have not received a letter from the chairman of the board of General Motors or IBM or AT&T. They have plenty of tax counsel.

But the little people are confused and they need some help and I know that those little people, even though they may not write a letter to Senator FORD from Kentucky, they will know that Congress ultimately cared, that we as an institution cared. I will bet you, back into Kentucky they will know that the great Senator and former Governor of that State was there on their side, there to support them. And, Mr. President, there to not only vote for but to cosponsor the taxpayers' bill of rights.

Mr. President, I thank the Chair. Once again, I apologize to the Chair, and I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess for 15 minutes.

Thereupon, at 10:14 p.m., the Senate recessed until 10:29 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ROCKEFELLER).

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business and that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask that that period extend until 11 o'clock p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SUPERCONDUCTIVITY AND COMPETITIVENESS ACT

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 3048.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the text of the bill (H.R. 3048) entitled "An Act to establish a national Federal program effort in close collaboration with the private sector to develop as rapidly as possible the applications of superconductivity to enhance the Nation's economic competitiveness and strategic well-being, and for other purposes" with the following amendment:

In lieu of the matter inserted by said amendment, insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Superconductivity and Competitiveness Act of 1988".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) recent discoveries of high-temperature superconducting materials could result in significant new applications of these materials in such areas as microelectronics, computers, power systems, transportation, medical imaging, and nuclear fusion, yet most potential applications may well lie beyond our ability to predict them;

(2) full application of the new superconductors is expected to require 10 to 20 years, thus calling for long-term commitments by the public and private sector to appropriate research and development programs;

(3) the Nation's economic competitiveness and strategic well-being depend greatly on the development and application of critical advanced technologies such as those anticipated to evolve from the new superconducting materials;

(4) the United States manufacturing industries confront strong competition in both domestic and world markets as other countries are increasingly taking advantage of modern technology and production techniques and innovative management focused on quality;

(5) whereas we have as a Nation been highly successful in the conduct of basic research in a variety of scientific areas, including superconductivity, other nations have been highly successful in the commercial and military application of the results of such fundamental research;

(6) if the United States is to begin its competitive advantage, it must commit sufficient long-term resources to solving processing and manufacturing problems in parallel with basic research and development;

(7) Federal agencies have responded aggressively to this exciting challenge by reprogramming funds to basic superconduc-

tivity research while informally coordinating their efforts to avoid unnecessary duplication; and further commitment of Federal funding and efforts directed to developing manufacturing, materials processing, and fabrication technologies is essential so that these activities may be conducted in parallel;

(8) successful development and application of the new superconducting materials will require close collaboration between the Federal Government and the industrial and academic components of the private sector, as well as coordinating among the Federal departments and agencies involved in research and development on superconductors;

(9) a committed Federal program effort with appropriate long-term goals, priorities, and adequate resources is necessary for the rapid development and application of the new superconducting materials; and

(10) a national program should serve as a test of new agency authorities directed at technological competitiveness such as those provided to the Department of Energy.

(b) PURPOSES.—The purposes of this Act are—

(1) to establish a 5-year national action plan to research and develop new high-temperature superconducting materials with appropriate goals and priorities;

(2) to designate the appropriate roles, mechanisms, and responsibilities of various Federal departments and agencies in implementing such a national research and development action plan.

SEC. 3. NATIONAL ACTION PLAN ON SUPERCONDUCTIVITY RESEARCH AND DEVELOPMENT.

(a) ESTABLISHMENT.—(1) The Director of the Office of Science and Technology Policy shall establish a 5-year National Action Plan on Advanced Superconductivity Research and Development (hereinafter in this Act referred to as the "Superconductivity Action Plan").

(2) The Office of Science and Technology Policy shall coordinate the development of the Superconductivity Action Plan and any recommendations required by this Act with the National Critical Materials Council and the National Commission on Superconductivity.

(b) CONTENT AND SCOPE.—The Superconductivity Action Plan shall include—

(1) goals and priorities for advanced superconductivity research and development to be carried out by individual departments and agencies and organizational elements therein;

(2) the assignment of responsibility for the conduct of advanced superconductivity research and development among the departments, agencies, and organization elements therein;

(3) recommendation of proposed funding levels for activities relating to superconductivity of the 5 years following the date of enactment of this Act for each of the participating departments, agencies, and organizational elements therein; and

(4) proposals for the participation by industry and academia in the planning and implementation of the Superconductivity Action Plan.

(c) ACTION PLAN REPORT.—The Office of Science and Technology Policy, in conjunction with the National Critical Materials Council, shall submit a report detailing the Superconductivity Action Plan to the Committee on Science, Space, and Technology of the House of Representatives, and to the Committees on Energy and Natural Resources, and Commerce, Science, and Transportation of the Senate, within 9 months after the date of enactment of this Act.

(d) UPDATE REPORTS.—The Office of Science and Technology Policy, with the assistance of the National Critical Materials Council as specified in the National Critical Materials Act of 1984 (30 U.S.C. 1801 et seq.), shall prepare an annual report setting forth and evaluating the progress of the Superconductivity Action Plan. This report shall include a description of the amount of funds expended in the previous year by all Federal departments and agencies involved with superconductivity. This report shall be submitted with the President's annual budget request to the Committee on Science, Space, and Technology of the House of Representatives, and to the Committees on Energy and Natural Resources, and Commerce, Science, and Transportation of the Senate.

SEC. 4. DEPARTMENT OF ENERGY.

The Secretary of Energy shall conduct a program in superconductivity research and development. Within 180 days after the date of enactment of this Act, and for the two succeeding years thereafter, the Secretary shall submit annual reports on the implementation of technology transfer activities under the Stevenson-Wydler Technology Innovation Act of 1980 and related legislation with respect to superconductivity research and development to the Committee on Science, Space, and Technology of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate. Such report shall include recommendations for improvements in the technology transfer between government and industry, and in the management of property developed or made at the National Laboratories.

SEC. 5. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

In pursuance of the goals of this Act, the National Institute of Standards and Technology shall promote fundamental research and materials standards to accelerate the use and application of the new superconducting materials, and shall utilize the Superconductivity Center Focusing on Electronic Applications at the National Institute of Standards and Technology in Boulder, Colorado.

SEC. 6. NATIONAL SCIENCE FOUNDATION.

The National Science Foundation shall promote fundamental research in pursuance of the goals of this Act.

SEC. 7. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

The National Aeronautics and Space Administration shall utilize existing programs in technology transfer, aeronautics and space technology, and space commercialization to promote the commercial applications of high-temperature superconductors, including applications relating to thin film technology, communications technology, sensors, space power, and propulsion.

SEC. 8. THE DEPARTMENT OF DEFENSE.

(a) FOCUS OF RESEARCH.—In conformance with the Superconductivity Action Plan, the Secretary of Defense, in the superconductivity research and development activities of the Department of Defense, shall give emphasis to fundamental research, materials processing, and applications of new superconducting materials.

(b) ADDITIONAL ACTIVITIES.—In conducting research under subsection (a), the Secretary of Defense shall—

(1) systematically define the engineering parameters for high-temperature superconducting materials; and

(2) conduct the necessary development, engineering, and operational prototype testing considered appropriate to the overall mission of the Department of Defense. Such operational prototype testing shall, where appropriate, utilize criteria developed by the Defense Advanced Research Projects Agency.

(c) DEFENSE ADVANCED RESEARCH PROJECTS AGENCY.—The Director of the Defense Advanced Research Projects Agency shall, in conformance with the Superconductivity Action Plan, conduct activities to—

(1) augment, as appropriate, basic and applied superconductivity research conducted in other Federal agencies and industry; and

(2) develop criteria for operational prototype testing within the Department of Defense.

SEC. 9. INTERNATIONAL COOPERATION.

The President, as part of the Superconductivity Action Plan, shall establish a program of international cooperation in the conduct of fundamental and basic research on superconducting materials. Such program of international cooperation shall include the exchange of basic information and data, as well as the development of international standards for the use and application of superconducting materials.

SEC. 10. TECHNOLOGY TRANSFER.

(a) PROMOTION.—In pursuance of the goals of this Act, all Federal departments and agencies shall conduct technology transfer activities as appropriate to the overall mission of each department or agency to—

(1) complement basic superconductivity research by promoting the rapid development of manufacturing and processing technologies necessary for the commercialization of high-temperature superconductors; and

(2) promote collaborative arrangements and consortia of industry (which shall include small business) in order to lower the barriers to deployment of advanced high-temperature superconductor technology; such consortia to also include, as appropriate, universities and independent research organizations.

(b) IMPEDIMENTS TO COMMERCIALIZATION.—The Director of the Office of Science and Technology Policy, in collaboration with the Secretary of Commerce and the Secretary of Energy, shall identify those Federal policies and regulations which impede the ability of the private sector to undertake long-term investment programs to commercialize superconductivity applications.

SEC. 11. MANUEL LUJAN, JR. NEUTRON SCATTERING CENTER

(a) RENAMING FACILITY.—The Los Alamos Neutron Scattering Center is hereby redesignated as the "Manuel Lujan, Jr. Neutron Scattering Center".

(b) REFERENCES.—Any reference in any law, regulation, map, record, or other document of the United States to the Los Alamos Neutron Scattering Center shall be considered a reference to the "Manuel Lujan, Jr. Neutron Scattering Center".

Resolved, That the House disagree to the amendment of the Senate to the title of the aforesaid bill.

Mr. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR THE OFFICE OF ENVIRONMENTAL QUALITY

Mr. BYRD. Mr. President, I ask unanimous consent that the previous action by which S. 1792, the bill to authorize the Office of Environmental Quality, was postponed be vitiated and that the Senate proceed to its immediate consideration.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1792) to authorize appropriations for the Office of Environmental Quality for fiscal years 1987, 1988, and 1989.

The **PRESIDING OFFICER.** Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Environment and Public Works with an amendment in the nature of a substitute as follows:

TITLE I

SEC. 101. Section 204 of the National Environmental Policy Act of 1969 (42 U.S.C. 4344), is amended by—

(1) striking the "and" at the end of paragraph (7);

(2) striking the "." at the end of paragraph (8) and insert in lieu thereof "; and"; and

(3) adding the following new paragraph:

"(9) to promulgate regulations implementing the National Environmental Policy Act for all Federal agencies, including independent regulatory commissions.".

REVIEW FUNCTIONS OF COUNCIL

SEC. 102. (a) AMENDMENTS.—Section 204 of the National Environmental Policy Act of 1969 (42 U.S.C. 4344) is further amended—

(1) by inserting "(a)" before "It"; and

(2) by adding at the end thereof the following:

"(b)(1) In addition to any other review and appraisal carried out under subsection (a)(3), the Council shall evaluate, and annually report in writing to the Congress on the results of, the reviews carried out by Federal agencies under paragraph (2) and may include in the report such recommendations for legislation as the Council considers appropriate regarding issues raised incident to the evaluation.

"(2) Each Federal agency shall (i) on a continuing basis and subject to such guidelines as the Council shall establish, select and review a statistically significant random sample of the detailed statements prepared under section 102(2)(C) by the agency in which measures were specified for the mitigation of any adverse impact on the environment, including fish and wildlife populations and habitat, that was predicted to occur as a result of the agency action; and (ii) promptly submit to the Council all reviews prepared by the agency under this paragraph.

"(3) The guidelines established by the Council under paragraph (2) shall require that each Federal agency review—

"(A) the extent to which the mitigation measures specified in the statement were implemented in connection with the action;

"(B) the accuracy of the predicted adverse impact which the implemented action would have on the environment, including fish and wildlife populations and habitat; and

"(C) the effectiveness of the implemented mitigation measures.".

(b) INITIAL REVIEWS.—In carrying out subsection (b) of section 204 of the National Environmental Policy Act of 1969 (as added by subsection (a)), each Federal agency, within twenty-four months after the date of the enactment of this Act, shall—

(1) select and review under such subsection a statistically significant random sample of detailed statements that were prepared for appropriate projects which were completed before such date of enactment; and

(2) submit the reviews to the Council on Environmental Quality.

SEC. 103. Section 205 of the Environmental Quality Improvement Act of 1970, as amended (42 U.S.C. 4374), is amended by adding the following new subsection:

"(e) $750,000 for each of the fiscal years ending on September 30, 1987, 1988, and 1989.".

SEC. 104. A State or interstate water pollution control agency shall, notwithstanding any other provision of law, have one year from the date of enactment of this Act to satisfy the certification requirement provided for in section 401 of the Clean Water Act (33 U.S.C. 134(a)(1)) with respect to each hydroelectric project for which a request for certification had been made pursuant to section 401 of the Clean Water Act but for which no license had been issued prior to February 11, 1987, by the Federal Energy Regulatory Commission, and for which, prior to June 10, 1987, either—

(1) more than one year had elapsed since the State certifying agency had received a certification request and the State has neither certified nor specifically denied certification, or

(2) the State agency had either issued water quality certification or denied certification, but the issuance or denial occurred more than one year after State receipt of the request:

Provided, That any such water quality certification that was issued or denied by a State or interstate water pollution control agency prior to such date of enactment may, at the election of the State, be deemed to have been issued or denied on such date of enactment.

SEC. 105. Section 102(C) of the National Environmental Policy Act of 1969 is amended by inserting after "actions" the following: "(including extraterritorial actions)".

TITLE II—SPECIAL USE AIR SPACE

DEFINITIONS

SEC. 201. As used in this Act—

(1) "special use airspace" is defined in accordance with regulations promulgated by the Federal Aviation Administration;

(2) "expansion of a special use airspace" means any increase in the physical dimensions of a special use airspace previously designated; and

(3) "designated" or "designation" means allocated, awarded, set aside, granted, or otherwise made available, and such term includes the expansion of a special use airspace.

NOTIFICATION

SEC. 202. (a) Effective upon the date of enactment of this Act, in the administration of the provisions of section 102 of the National Environmental Policy Act of 1969, and the laws and regulations of the United States relating to the designation of military special use airspace including but not limited to, prohibited areas, restricted areas, military operation areas (including but not limited to, routes for military training, research, development, testing and evaluation), the Secretary of Defense shall provide notice in writing including an opportunity to comment on any such proposed special use airspace designation, to—

(1) the Governor of any State whose airspace is sought to be designated as special use airspace;

(2) the head of an Indian tribe on any Indian lands, if such lands are likely to be affected by any such designation; and

(3) the Secretary of the Interior, if such designation includes airspace above any unit of the National Park System, the National Wildlife Refuge System, the National Wild and Scenic Rivers System, the National Trails System, or the National Wilderness Preservation System administered by the Department of the Interior.

(b) In addition to the notice required under subsection (a), notice of any significant proposed designation including an opportunity to submit written comments shall be published in newspapers of general circulation (rather than legal papers) within the affected area.

(c) Upon the request of any Governor made within thirty days following the receipt of a proposed designation of an airspace pursuant to subsection (a), the Secretary of Defense shall hold a public meeting and consider oral and written comments prior to making a determination with respect to such designation.

FAA RESPONSIBILITY

SEC. 203. (a) The Administrator of the Federal Aviation Administration shall, in consultation with the Council on Environmental Quality, adopt procedures to assure that designations of special use airspace are in compliance with the National Environmental Policy Act of 1969 no later than ninety days after enactment of this section.

(b) The Administrator of the Federal Aviation Administration shall establish procedures for the review of each special use airspace designation not less than every three years. If in the course of any such review, it is determined that the use of such airspace cannot justify the continued designation of such special use airspace, such designation shall be terminated or modified by the Administrator.

AMENDMENT NO. 3771

Mr. BYRD. Mr. President, I send an amendment to the desk on behalf of Senators BAUCUS and MCCLURE and ask for its immediate consideration.

The **PRESIDING OFFICER.** The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] for Mr. BAUCUS for himself and Mr. MCCLURE, proposes an amendment numbered 3771:

On page 1, strike "Sec. 104" and all that follows through page 8, line 15 and insert in lieu the following:

SEC. 104. RECONSIDERATION BY FEDERAL ENERGY REGULATORY COMMISSION.

(a) RECONSIDERATION.—Notwithstanding a November 23, 1987, order of the Federal Energy Regulatory Commission dismissing petitions under the Federal Power Act for reconsideration of Commission Order Number 464 (52 FR 5446) submitted by several States (Docket Number RM85-6-002; Order Number 464-B), any State may file within 60 days after the enactment of this Act a petition with the Commission to reconsider the retroactive application of Order Number 464 to any proposed hydroelectric project in such State for which a license application was pending as of February 11, 1987 (and is still pending on the date the State files such petition) and for which Order Number 464 deemed certification requirements referenced in such order to have been waived and the Commission shall reconsider such retroactive application of the order. Each petition shall identify all such projects within the State, and only such projects. In considering any such petition, the Commission shall exercise such reasonable discretion as it may have under applicable law to apply or not to apply Order Number 464 retroactively to any such petition, taking into consideration the water quality intent of Congress in the statutory provision referenced in Order Number 464 and the State's role under that provision. The Commission shall, to the greatest extent practicable, decide all such petitions within 6 months after their filing. The Commission may consolidate some or all such petitions in order to expedite such reconsideration and decision. Where appropriate, the Commission shall grant the petition and provide an additional period of time, which shall be not more than 9 months after the petition is granted, for a State to comply with the applicable certification requirement. It is the intent of Congress that the Commission should exercise its discretion in favor of granting such petitions except where circumstances clearly show that granting a petition would not be warranted. If the Commission denies any such petition, the Commission shall explain the basis for such denial. Such denial shall be subject to judicial review under the Federal Power Act and this section. If a State fails to comply within such additional period, Order Number 464 shall continue to apply in the manner that it applied prior to enactment of this section. If a petitioning State granted or denied a certification for any project identified in the petition and that certification or denial was waived by retroactive application of the Order Number 464, such certification or denial (1) shall be reinstated ab initio (in lieu of providing additional time) on the date the State's petition is filed and (2) shall not be subject to review or change by the State. The participation of the State in the rulemaking proceeding leading to Order Number 464 shall not be a basis for denial of any petition.

(a) SAVINGS PROVISION.—Nothing in this section shall be construed as affecting in any way the legal sufficiency of the Commission's Orders Number 464 or 464-B. Nothing in this section shall be construed to affect the authority of the States to enforce the Federal Water Pollution Control Act.

(c) TERM.—For purposes of this section, the term "State" shall have the same meaning as in Order Number 464 and shall include, where appropriate, an applicable interstate agency.

On page 8, strike "Sec. 105" lines 16 through 18.

Mr. BIDEN. Mr. President, title III, the Office of Environmental Quality authorization bill, establishes a Demonstration Waste Reduction Program in the Environmental Protection Agency.

This program is scheduled to sunset in 30 months. But I am convinced that this Demonstration Program will prove to be just the beginning of a successful approach to managing our Nation's hazardous waste problem.

Prior to the start of the 100th Congress, the Congressional Office of Technology Assessment [OTA] issued a report titled "Serious Reduction of Hazardous Waste," a comprehensive look at the potential for waste reduction. The report found that companies and States had established programs to encourage to use of waste reduction and that they were not only cutting hazardous wastes, but also saving money.

But the OTA report also found that Federal support for these nascent efforts was woefully inadequate. Only the smallest fraction of EPA's budget, about four-tenths of 1 percent, went to preventing pollution. The overwhelming bulk of it focused on "end-of-pipe" regulations and controls, after the polllutants were created. The most effective form of pollution control was overlooked.

Encouraged by the findings of the OTA and other studies, I introduced S. 1331, to provide a start on a Federal program in support of waste reduction. I note that the bill we are passing today contains two provisions similar to what I proposed in S. 1331: First, the establishment of a separate office to administer a Waste Reduction Program at the Federal level; and second, an information clearinghouse on technologies and practices that have been found to cut wastes.

Title III adds other provisions for an effective Waste Reduction Program, including increased funding for State technical assistance programs. To illustrate the need for greater resources in this area, my home State of Delaware has applied for two grants offered by the EPA to help establish or expand waste reduction programs. Mr. President, 38 States applied for the 10 grants available under one program, and 40 States applied for the 15 grants available under the other. The interest of States in using waste reduction to help clean up their environment is evident.

A stronger Federal role is also required to set the tone for waste reduction. With the bulk of EPA's resources committed to end-of-pipe regulations, that is where companies are forced to commit their resources. Title III sends the message that there is an alternative, indeed a preferred one. Congress is finally signaling that waste reduction should be the first option in hazardous waste management.

I understand that Senator BAUCUS, as chairman of the Hazardous Wastes and Toxic Substances Subcommittee, plans to consider proposals to establish a permanent Waste Reduction Program as part of the RCRA reauthorization bill. The early results from the title III program will help answer some of the questions about specific details of the proper Federal role.

A few good provisions were left out of this bill. Their absence is not crucial to the success of the program at this point, but I believe they should be addressed when a permanent program is established. In testimony last month during a hearing on the RCRA reauthorization bill, I described one of those tools—clarifying the authority of State programs to require, at the States option, a thorough review of waste reduction as a condition of a discharge or emission permit.

There are other provisions that should be included in a permanent program. First, the Waste Reduction Program should be given a stature equal to the other media-specific program offices in EPA. Second, Senate advice and consent for the person who heads up that office is also important to lend credibility to the whole effort.

Third, the reporting requirements for industry waste reduction efforts should encourage companies to project what their future waste reduction plans are, not just what they have done in the past. The companies should not be legally bound to meet those projections. At a minimum they should indicate what they think is possible.

Fourth, the Waste Reduction Program should have a steady and reliable source of funding, so EPA resources are not stretched or shifted in response to the latest fire alarm. We need to make it clear that the Federal Government is making a long-term commitment to reducing waste at the source.

The most important point is that we are finally starting to give waste reduction the backing it needs at the top of the waste management hierarchy. The issues I have mentioned can wait for next year, particularly when weighed against the far greater value of putting a Federal Waste Reduction Program in place.

I would like to commend Senator LAUTENBERG and Senator BAUCUS for their efforts on this side, and Congressman WOLPE for pushing this legislation through the other body. I think any of us would find points that we would like to improve on it, but that should not overshadow the fact that a giant step toward redirecting our Nation's pollution control efforts is being made.

Mr. BYRD. Mr. President, I ask unanimous consent that the committee substitute be adopted, as amended, that the bill be advanced to third reading, read the third time, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 1792), as amended, was passed, as follows:

S. 1792

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SEC. 101. Section 204 of the National Environmental Policy Act of 1969 (42 U.S.C. 4344), is amended by—

(1) striking the "and" at the end of paragraph (7);

(2) striking the "." at the end of paragraph (8) and insert in lieu thereof "; and"; and

(3) adding the following new paragraph;

"(9) to promulgate regulations implementing the National Environmental Policy Act for all Federal agencies, including independent regulatory commissions."

REVIEW FUNCTIONS OF COUNCIL

SEC. 102. (a) AMENDMENTS.—Section 204 of the National Environmental Policy Act of 1969 (42 U.S.C. 4344) is further amended—

(1) by inserting "(a)" before "It"; and

(2) by adding at the end thereof the following:

"(b)(1) In addition to any other review and appraisal carried out under subsection (a)(3), the Council shall evaluate, and annually report in writing to the Congress on the results of, the reviews carried out by Federal agencies under paragraph (2) and may include in the report such recommendations for legislation as the Council considers appropriate regarding issues raised incident to the evaluation.

"(2) Each Federal agency shall (i) on a continuing basis and subject to such guidelines as the Council shall establish, select and review a statistically significant random sample of the detailed statements prepared under section 102(2)(C) by the agency in which measures were specified for the mitigation of any adverse impact on the environment, including fish and wildlife populations and habitat, that was predicted to occur as a result of the agency action; and (ii) promptly submit to the Council all reviews prepared by the agency under this paragraph.

"(3) The guidelines established by the Council under paragraph (2) shall require that each Federal agency review—

"(A) the extent to which the mitigation measures specified in the statement were implemented in connection with the action;

"(B) the accuracy of the predicted adverse impact which the implemented action would have on the environment, including fish and wildlife populations and habitat; and

"(C) the effectiveness of the implemented mitigation measures.".

(b) INITIAL REVIEWS.—In carrying out subsection (b) of section 204 of the National Environmental Policy Act of 1969 (as added by subsection (a)), each Federal agency, within twenty-four months after the date of the enactment of this Act, shall—

(1) select and review under such subsection a statistically significant random sample of detailed statement that were prepared for appropriate projects which were completed before such date of enactment; and

(2) submit the reviews to the Council on Environmental Quality.

SEC. 103. Section 205 of the Environmental Quality Improvement Act of 1970, as amended (42 U.S.C. 4374), is amended by adding the following new subsection.

"(e) $750,000 for each of the fiscal years ending on September 30, 1987, 1988, and 1989.".

SEC. 104. RECONSIDERATION BY FEDERAL ENERGY REGULATORY COMMISSION.

(a) RECONSIDERATION.—Notwithstanding a November 23, 1987, order of the Federal Energy Regulatory Commission dismissing petitions under the Federal Power Act for reconsideration of Commission Order Number 464 (52 FR 5446) submitted by several States (Docket Number RM85-6-002; Order Number 464-B), any State may file within 60 days after the enactment of this Act a petition with the Commission to reconsider the retroactive application of Order Number 464 to any proposed hydroelectric project in such State for which a license application was pending as of February 11, 1987 (and is still pending on the date the State files such petition) and for which Order Number 464 deemed certification requirements referenced in such order to have been waived and the Commission shall reconsider such retroactive application of the order. Each petition shall identify all such projects within the State, and only such projects. In considering any such petition, the Commission shall exercise such reasonable discretion as it may have under applicable law to apply or not to apply Order Number 464 retroactively to any such petition, taking into consideration the water quality intent of Congress in the statutory provision referenced in Order Number 464 and the State's role under that provision. The Commission shall, to the greatest extent practicable, decide all such petitions within 6 months after their filing. The Commission may consolidate some or all such petitions in order to expedite such reconsideration and decision. Where appropriate, the Commission shall grant the petition and provide an additional period of time, which shall be not more than 9 months after the petition is granted, for a State to comply with the applicable certification requirement. It is the intent of Congress that the Commission should exercise its discretion in favor of granting such petitions except where circumstances clearly show that granting a petition would not be warranted. If the Commission denies any such petition, the Commission shall explain the basis for such denial. Such denial shall be subject to judicial review under the Federal Power Act and this section. If a State fails to comply within such additional period, Order Number 464 shall continue to apply in the manner that it applied prior to enactment of this section. If a petitioning State granted or denied a certification for any project identified in the petition and that certification or denial was waived by retroactive application of the Order Number 464, such certification or denial (1) shall be reinstated ab initio (in lieu of providing additional time) on the date the State's petition is filed and (2) shall not be subject to review or change by the State. The participation of the State in the rulemaking proceeding leading to Order Number 464 shall not be a basis for denial of any petition.

(b) SAVINGS PROVISION.—Nothing in this section shall be construed as affecting in any way the legal sufficiency of the Commission's Orders Number 464 or 464-B. Nothing in this section shall be construed to affect the authority of the States to enforce the Federal Water Pollution Control Act.

(c) TERM.—For purposes of this section, the term "State" shall have the same meaning as in Order Number 464 and shall include, where appropriate, an applicable interstate agency.

TITLE II—SPECIAL USE AIR SPACE

DEFINITIONS

SEC. 201. As used in this Act—

(1) "special use airspace" is defined in accordance with regulations promulgated by the Federal Aviation Administration;

(2) "expansion of a special use airspace" means any increase in the physical dimensions of a special use airspace previously designated; and

(3) "designated" or "designation" means allocated, awarded, set aside, granted, or otherwise made available, and such term includes the expansion of a special use airspace.

NOTIFICATION

SEC. 202. (a) Effective upon the date of enactment of this Act, in the administration of the provisions of section 102 of the National Environmental Policy Act of 1969, and the laws and regulations of the United States relating to the designation of military special use airspace including but not limited to, prohibited areas, restricted areas, military operation areas (including but not limited to, routes for military training, research, development, testing and evaluation), the Secretary of Defense shall provide notice in writing including an opportunity to comment on any such proposed special use airspace designation, to—

(1) the Governor of any State whose airspace is sought to be designated as special use airspace;

(2) the head of an Indian tribe on any Indian lands, if such lands are likely to be affected by any such designation; and

(3) the Secretary of the Interior, if such designation includes airspace above any unit of the National Park System, the National Wildlife Refuge System, the National Wild and Scenic Rivers System, the National Trails System, or the National Wilderness Preservation System administered by the Department of the Interior.

(b) In addition to the notice required under subsection (a), notice of any significant proposed designation including an opportunity to submit written comments shall be published in newspapers of general circulation (rather than legal papers) within the affected area.

(c) Upon the request of any Governor made within thirty days following the receipt of a proposed designation of an airspace pursuant to subsection (a), the Secretary of Defense shall hold a public meeting and consider oral and written comments prior to making a determination with respect to such designation.

FAA RESPONSIBILITY

SEC. 203. (a) The Administrator of the Federal Aviation Administration shall in consultation with the Council on Environmental Quality, adopt procedures to assure that designations of special use airspace are in compliance with the National Environmental Policy Act of 1969 no later than ninety days after enactment of this section.

(b) The Administrator of the Federal Aviation Administration shall establish procedures for the review of each special use airspace designation not less than every three years. If in the course of any such review, it is determined that the use of such airspace cannot justify the continued designation of such special use airspace, such designation shall be terminated or modified by the Administrator.

AUTHORIZATION OF APPROPRIATIONS FOR THE INTERNAL REVENUE SERVICE

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 1120.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2869) to authorize appropriations for the completion of certain walls of the Internal Revenue Service building located in Washington, DC.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3772

(Purpose: To designate the Federal Building and United States Courthouse located at 301 West Main Street in Benton, Illinois, as the "Kenneth J. Gray Federal Building and United States Courthouse"; to make certain technical amendments)

Mr. BYRD. Mr. President, I send to the desk an amendment on behalf of Mr. MOYNIHAN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. MOYNIHAN, proposes an amendment numbered 3772:

Mr. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end thereof, add the following new sections:

SEC. 1. (a) DESIGNATION.

The Federal Building and United States Courthouse located at 301 West Main Street in Benton, Illinois, shall be known and is designated as the "Kenneth J. Gray Federal Building and United States Courthouse".

(b) LEGAL REFERENCES.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the building referred to in section 1 is deemed to be a reference to the "Kenneth J. Gray Federal Building and United States Courthouse".

SEC. . (a) There is hereby authorized to be appropriated the following sums:

(1) To the Department of Commerce, Bureau of the Census, for renovations of Federal Center Buildings 63 and 64 in Jeffersonville, Indiana, $1,603,000;

(2) To the United States Tax Court, for renovations of the United States Tax Court Building in Washington, D.C., $1,250,000.

(b) The Administrator of the General Services Administration is authorized, on a reimbursable basis, to perform any renovations, or portions thereof, authorized by this section.

(c) Any funds, or portions thereof, appropriated pursuant to this Act may be transferred for deposit into the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, amended, and obligated by the Administrator of the General Services Administration in accordance with subsection (b) of this section.

SEC. REPEAL OF THE REQUIREMENT THAT UNITED STATES CURRENCY NOTES BE REISSUED AFTER REDEMPTION.

Section 5119(b)(2) of title 31, United States Code, is amended by adding at the end the following: "The Secretary is not required to reissue United States currency notes upon redemption.".

SEC. . AUTHORITY TO ENGRAVE AND PRINT.

(a) IN GENERAL.—Section 5114 of title 31, United States Code, is amended by adding at the end thereof the following subsection:

"(d) The Secretary, after apprising the Secretary of State, may engrave and print currency and other security documents, or engage in research and development for the engraving and printing of currency and other security documents, on behalf of a foreign country if the engraving and printing or research and development does not interfere with the production of the Bureau of Engraving and Printing necessary for domestic use. Foreign nations shall be charged their proportionate share of the costs for activities carried out under this section.".

(b) CONFORMING AMENDMENTS.—Section 5143 of title 31, United States Code, is amended—

(1) in the first sentence, by inserting "or a foreign country" after "agency", and

(2) in the last sentence, by inserting "or the foreign country" after "agency".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3772) was agreed to.

Mr. BYRD. Mr. President, I ask that the bill be advanced to third reading, read the third time, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The following proceedings occurred subsequently:)

Mr. BYRD. Mr. President, with respect to the action taken earlier, I ask unanimous consent that the Senate recede from its amendment to the title to H.R. 3048, the superconductivity bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I ask unanimous consent that amendment No. 3772 to S. 2869 be modified with the corrections that are at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

At the end thereof, add the following new sections:

SEC. 1. (a) DESIGNATION.—The Federal Building and United States Courthouse located at 301 West Main Street in Benton, Illinois, shall be known and is designated as the "Kenneth J. Gray Federal Building and United States Courthouse".

(b) LEGAL REFERENCES.—Any reference in any law, regulation, document, record, map, or other paper of the United States to the building referred to in section 1 is deemed to be a reference to the "Kenneth J. Gray Federal Building and United States Courthouse".

SEC. . (a) There is hereby authorized to be appropriated the following sums:

(1) To the Department of Commerce, Bureau of the Census, for renovations of Federal Center Buildings 63 and 64 in Jeffersonville, Indiana, $1,603,000;

(2) To the United States Tax Court, for renovations of the United States Tax Court Building in Washington, D.C., $1,250,000.

(b) The Administrator of the General Services Administration is authorized, on a reimbursable basis, to perform any renovations, or portions thereof, authorized by this section.

(c) Any funds, or portions thereof, authorized pursuant to this Act may be transferred for deposit into the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, amended, and obligated by the Administrator of the General Services Administration in accordance with subsection (b) of this section.

So the bill (S. 2869), as amended, was passed, as follows:

S. 2869

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated such sums as may be necessary for the completion of the existing external walls on 11 Street and 12 Street of the Internal Revenue Service Building, located at 1111 Constitution Avenue, NW, Washington, District of Columbia.

SEC. 2. (a) DESIGNATION.—The Federal Building and United States Courthouse located at 301 West Main Street in Benton, Illinois, shall be known and is designated as the "Kenneth J. Gray Federal Building and United States Courthouse".

(b) LEGAL REFERENCES.—Any reference in any law, regulation, document, record, map, or other paper of the United States to the building referred to in section 1 is deemed to be a reference to the "Kenneth J. Gray Federal Building and United States Courthouse".

SEC. 3. (a) There is hereby authorized to be appropriated the following sums:

(1) To the Department of Commerce, Bureau of the Census, for renovations of Federal Center Buildings 63 and 64 in Jeffersonville, Indiana, $1,603,000;

(2) To the United States Tax Court, for renovations of the United States Tax Court Building in Washington, D.C., $1,250,000.

(b) The Administrator of the General Services Administration is authorized, on a reimbursable basis, to perform any renovations, or portions thereof, authorized by this section.

(c) Any funds, or portions thereof, authorized pursuant to this Act may be transferred for deposit into the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, amended, and obligated by the Administrator of the General Services Administration in accordance with subsection (b) of this section.

RECESS

Mr. BYRD. Mr. President, I ask unanimous consent the Senate stand in recess until 11:15 p.m.

There being no objection, the Senate, at 10:47 p.m., recessed until 11:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. ROCKEFELLER].

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that morning business be extended for 15 minutes and that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTIFICATION TO THE PRESIDENT CONCERNING THE PROPOSED ADJOURNMENT OF THE SESSION

Mr. DOLE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 513

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join a similar committee of the House of Representatives to notify the President of the United States that the two Houses have completed their business of the session and are ready to adjourn unless he has some further communication to make to them.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

The PRESIDING OFFICER. Pursuant to the resolution just adopted, the Chair appoints the majority leader and the minority leader as members of the committee to inform the President of the United States that the two Houses have completed their business of this session and are ready to adjourn unless he has some further communication to make to them.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

(The remarks of Mr. GORE pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT

Mr. BYRD. Mr. President, our distinguished colleague and leader on the other side of the aisle and I have fulfilled our responsibilities in accordance with the resolution that was adopted appointing a committee to call upon the President and to state to him that the Senate was about to complete its business and to inquire of him as to whether or not he had any additional business that he wished to transact.

We found the President in good humor and good mood, as always. He indicated that he had nothing further. He expressed his thanks to the Senate and to the Congress for the work that had been done. He complimented the 100th Congress on a splendid record of achievement.

I said to the President that he and I both had something in common in this event, that I was leaving the leadership of the Senate and he was leaving the leadership of the country.

He commented especially on the passage of the 13 appropriations bills this past fiscal year. We told him also that we were on the verge of passing a good antidrug bill and a tax technical corrections bill.

We, of course, exchanged the good wishes that would be natural on an occasion like this, not saying goodbye altogether, but we wished them a good Thanksgiving, a good season, him and the First Lady, and good health in the future.

I call on my distinguished colleague, Mr. DOLE, if he would have anything to add concerning our conversation.

Mr. DOLE. Mr. President, I think the majority leader has pretty well explained our telephone visit. I did note, it is fact, that we have two outstanding American leaders who are leaving their posts voluntarily: Senator BYRD stepping down as majority leader; President Reagan will be stepping down as President of the United States. And I believe, as I have indicated to the President, because of their leadership we have had a remarkable record for the past 8 years.

I thanked the President for his leadership. It was a good visit. I told him we would not be able to call him again at the end of a session, unless he just insisted we call him again next year even though he will not be President. If he wanted us to, we would still call him when Congress ends. He did not respond to that.

But he was very gracious and complimentary to both of us. He commended Senator BYRD for his outstanding leadership. And said he had no further business.

TECHNICAL CORRECTIONS TO TAX REFORM ACT OF 1986—CONFERENCE REPORT

Mr. BYRD. M. President, I submit a report of the committee of conference on H.R. 4333 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4333) to make technical corrections relating to the Tax Reform Act of 1986, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, October 21, 1988.)

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, as the Senate and the House wind down the 100th Congress, we have finally passed the technical corrections bill. I think that Members of the Senate and the House, indeed, the American public, will be proud of the fine provisions of this bill.

Like any conference agreement this is a compromise. We won some and we lost some.

Overall, the conference agreement achieves all of the objectives of the Senate bill.

First and foremost the agreement makes long-overdue technical corrections to the Tax Reform Act.

In addition, it includes the four key pro-taxpayer provisions: repeal of the diesel tax for farmers and other off-road users, repeal of the heifer tax, repeal of the artists accounting rules, and the taxpayer bill of rights.

It also extends several important tax provisions that either have expired or are scheduled to expire, including the mortgage revenue bond program for first-time home buyers, the educational assistance exclusion, the low-income housing credit, and the targeted jobs credit.

It extends two provisions critical to our international economic competitiveness—the R&D credit and the section 861 exclusion. These provisions have been championed by Senator DANFORTH and, at his request, the statement of managers affirms our commitment to expanded incentives for research and development.

The conference report also suspends the tax on the so-called phantom income of mutual fund shareholders.

And it includes most of the important Senate "Members' amendments" that make minor adjustments in the tax rules. For example, it includes Senator Kennedy's proposal to establish an Education Savings Bond Program, and Senator Wilson's proposal to make elderly people who are confined to nursing homes eligible for a tax exemption if they sell their homes.

One of the basic issues, of course, is revenue. I think we came out well. The final version raises $4.1 billion, which is significantly closer to the Senate's $2.4 bill than to the House $7.1 bill.

Like the Senate bill, the conference agreement meets the revenue target without resort to any broad-based tax increases. Most of the revenue comes from the three Senate loophole closers. A small additional amount comes from miscellaneous, noncontroversial House revenue-raising provisions.

An additional $1.3 billion comes from a further modification of the completed contract method of accounting.

This provision was especially hard for the Senate conferees to swallow. In the end, we faced a simple, but painful, choice. We could reduce the completed contract method percentage from 30 to 10 percent. Or we could kill the bill. It came down to that.

Ultimately, a majority of the conferees ultimately decided that this bill was too important to abandon. So we negotiated a compromise version of the House completed contract provision.

Mr. President, we have spent a lot of long days and nights, since early September, struggling to complete action on this bill. As acting manager of the bill, I have benefited from the advice and assistance of many Senators.

I am especially grateful to the majority leader, whose skills have been invaluable to the process. And I am also grateful for the assistance of Senators Packwood and Dole and the other Senate conferees.

Finally I would like to thank our tax staff, on the Finance Committee, the Joint Tax Committee, and our personal staffs. They have not slept much lately, and they've worn their fingers to the bone drafting complex new compromises.

These are the people who keep the tax system going. I appreciate their expertise and hard work.

Mr. President, this conference agreement is the product of more than 2 years of work. It corrects mistakes. It helps honest taxpayers. It extends expiring provisions. And it closes unjustified loopholes.

I urge support of the conference agreement.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I apologize to my colleagues for taking a little time on this matter, but I feel I have been a bit shortchanged and I want to express my thoughts.

Occasionally our legislative process works in a way the American people can understand and appreciate. September 9, 1988, was such an occasion. On that day the Senate unanimously passed sweeping sanctions against Iraq in response to its poison gas attacks on its Kurdish minority.

The sanctions we voted that day would have denied Iraq access to most American technology, would have ended United States taxpayer subsidies for Iraq's purchases in this country, would have stopped an Iraqi petroleum trade with this country valued at $500 million, and would have damaged Iraq's credit rating by having the United States oppose loans to Iraq in the international financial institutions.

These sanctions represented an appropriate response to Iraq's callous disregard for international law and the most basic standards of human decency. The Senate action also had an impact. Within days of the Senate action the Iraqi government staged the largest anti-American demonstration in Baghdad in 20 years. Clearly, our vote caught their attention.

Most importantly, the Iraqis responded by stopping the use of poison gas.

Unfortunately, the special interests got into the act. Agricultural interests objected to the suspension of taxpayer subsidies for agricultural exports to Iraq; the oil industry protested the oil boycott—although alternative supplies are readily available. Even a chemical company called to inquire how its products might be impacted.

The House of Representatives declined to go along with the tough Senate approach. It passed a milder sanctions bill and ultimately the two Chambers arrived at a compromise. The compromise is not as strong as I would like but it still sends a message to the Iraqis that the use of chemical weapons on innocent civilians has a price.

Now we are in a situation where a parliamentary maneuver in the House of Representatives has aborted the Iraq sanctions legislation altogether. In the hopes of forcing the Senate to act on a package that was objectionable to some Senators, the House stripped the Iraq sanctions legislation from the technical corrections bill, notwithstanding an 87-0 Senate vote in favor of the sanctions bill. This was done after the House staff had notified the Senate that it had accepted the Iraq sanctions provision and after we had proceeded in reliance on that statement.

The net effect of all this maneuvering has been to kill the Iraq sanctions legislation for this Congress. Some Americans may be tempted to view this result cynically—that the Congress is willing to talk tough on a moral issue but not willing to act. I regret deeply the result but this should not obscure the overwhelming support in both Houses for tough action against Iraq.

This issue will be revisited in the next Congress and I am confident that, with enough time, the parliamentary roadblocks that derailed this bill can be overcome. I am very concerned, however, that the Iraqi government will get the wrong message from our failure to complete action on this sanctions bill. The real victims could be the innocent civilians in Kurdistan.

I do not believe this is the message intended by Congress and the Iraqi regime would be sadly mistaken to misconstrue our inaction. I know that I and others will continue to press for tough sanctions against Iraq unless I am convinced it will not again use poison gas and that it has stopped its cruel policies aimed at its Kurdish minority.

It seems a tragedy that here in this body where we would like to see Iraq sanctions now passed—it was passed earlier by an overwhelming vote; and in the House they also approved of sanctions against Iraq; we see the parliamentary maneuvering and wishes of one or two Members of the House in senior positions, violating the will of the Congress. I regret this very much indeed.

I could ask for a separate vote on this matter. But out of mercy to my colleagues, I will not do so. However, if these actions are repeated, we will have no other resort but to use allowable legislative rules to preserve the position of the Senate.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, we are finally about to send to the President the corrections which will fully implement the Tax Reform Act of 1986. The Tax Reform Act was a major achievement which the distinguished Senator from Oregon, Bob Packwood, led through the Senate just over 2 years ago. This will be a fitting capstone to that bill.

But, as Senator Baucus pointed out, this conference report is more than simply a technical corrections bill in a strict sense of the term. It makes major policy changes in the tax laws. For example, it reaffirms that farmers and other off-road users of diesel fuel will not have to pay the diesel fuel tax and then ask for a refund from the Government. That was a silly thing to do anyway. We never meant for these people to pay the tax. There is no reason why they should have to go through the red tape of having to pay the tax and then seek a refund. That problem is going to be eliminated.

It also corrects a problem created by an oversight in this year's drought relief legislation. There was an amendment offered by the Senator from South Dakota [Senator DASCHLE], which I was pleased to cosponsor. Thanks to this bill, farmers who receive drought assistance payments because they lost income as a result of the drought will not have their income doubled up for tax purposes. They will be able to treat the drought assistance payments the same way they would have treated the income had their crops prospered.

On the farm front, there is another little thing the Senator from Montana referred to called the "heifer tax." I guess it seemed like a reasonable idea to some when it was proposed. But, unfortunately, in practice it turned out to be a nighmare of paperwork for little benefit to the Treasury. So that has been repealed.

But it's not just the farmers who will benefit from this bill. For example, employees who receive education assistance from their employers will receive a tax benefit. People who will find jobs because of the targeted jobs tax credit will benefit. First-time homebuyers who will be able to afford their mortgage because of mortgage revenue bonds will benefit. And people who will have a place to live because of the tax credit for low-income housing will benefit, too.

This conference report also includes a provision originated by the Senator from California, Mr. WILSON, which will make lives easier for many of our older citizens. Because of his hard work, persons who have spent up to 3 years in a nursing home will still be able to take advantage of the one-time exclusion from tax upon the sale of a personal residence. Until now, this benefit has been available only if a person still lives in his residence.

Now this benefit will be available even though a person has been forced to move from his own residence to a nursing home. That is very important for a lot of people.

I am particularly pleased that we were able to include the education savings bond provision from the Senate bill. As many of my colleagues know, I have been advocating incentives of this type since 1978.

The administration included education savings bonds in its budget; it is advocated by Vice President BUSH, and it was also proposed by Senator KENNEDY. It has taken a long time, but I think we finally have a consensus. With a little luck, it will be a significant help to those who will be hoping to go to college in the coming years.

I should also emphasize that this agreement recognizes the importance of encouraging research and development. Thanks to the leadership and tireless efforts of the distinguished senior Senator from Missouri, Senator DANFORTH, along with Senator BAUCUS, there is a 1-year extension of the research and development tax credit.

I must say, as a matter of great importance to the Senator from Missouri, there is going to be a comprehensive GAO study to help the Finance Committee and the Congress decide if additional incentives would be appropriate. I think it's fair to say the Senator from Missouri did not get everything he would have preferred in this bill, but I can say to my colleagues that his efforts were invaluable and this bill is genuinely a better bill for his efforts. And there is assurance in the RECORD from the chairman of the merit of R&D credits and the role they play in making us more competitive. The language in the statement of managers has been included at the request of the Senator from Missouri, Senator DANFORTH.

Senator BAUCUS has done a superb job in leading the Senate conferees on this bill. It has not been an easy conference, but he has done a fine job. He had the help of our experienced ranking member, Senator PACKWOOD, but he has shown in his own right that he can steer a difficult bill through conference.

As always, we have had invaluable help from the staff in this effort. Ed Mihulski, Lindy Paull and the rest of the Republican staff have worked hours and weeks to put this conference agreement in shape. Jim Gould, Pat Oglesby and the rest of the majority staff have worked for all of us on both sides of the aisle, as they should. We had the great assistance of Ron Pearlman, Randy Weiss, and others on the Joint Committee staff. And we have had the administration's help from time to time.

Mr. President, I know the hour is late, but we are going to be here a while anyway waiting on the drug bill. I am a conferee. I am the only conferee on this side in town. It fell on my lot not only to be one of the conferees but one of the managers.

I want to thank the distinguished Senator from Montana. At any moment on tax bills, you do not think it will pass, but they almost always do. It seemed to me we did not want to get into the argument early because you get all tied up in knots. It is better to stay back and wait until people get a little antsy. I will say there has been a lot of cooperation in the last several hours from people in town, out of town, Republicans, Democrats, and members of the staff.

So we have a tax bill. It passed the House. I do not remember what the final vote was, but I think there was one vote against it.

In the final analysis, we are here, 10 after 12, with a good tax bill, one that ought to be passed unanimously on a voice vote and one that I think will be passed unanimously on a voice vote.

I urge my colleagues to support this measure. I again, on this side of the aisle, since I am not the ranking member in the Finance Committee, extend my thanks to the distinguished Senator from Oregon, Senator PACKWOOD. He had one real problem with this bill, a problem he feels deeply about. He could have at this late hour objected, and this bill would not have become law. It would have been dead in its tracks until next year. But BOB PACKWOOD decided—properly, I think—to let this bill go.

And I want to thank the Senator from Montana for his work with Senator PACKWOOD. I think in the final analysis it is a good piece of legislation. And I want to thank the chairman of the Ways and Means Committee, my friend, DAN ROSTENKOWSKI.

I think I knew when he rolled into town last night that we were going to get a tax bill. We are about to get one, and I commend it to all of my colleagues on both sides of the aisle as a good piece of work—never perfect. Tax bills are never perfect. Someone can find things that should have been added and maybe things that should not have been added may be found in this bill, but by and large it is a good piece of legislation. I can tell you there are thousands and thousands and thousands of people who are going to be beneficiaries, and they will thank us for doing our job.

I yield the floor.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, this has been an extraordinary journey in having before us today this technical corrections bill. It is more than just technical corrections, of course. It represents for the members of our committee, which includes the Presiding Officer, Senator BAUCUS, who has managed this bill with such skill and on relatively short notice, I might add, given the additional responsibility of Senator BENTSEN as the Vice Presidential candidate on the other side, of many people who have worked to try to make a very complicated situation, innumerable provisions, a reality. I am sure there were times, over the last week in particular, there were doubts whether there would be a tax bill, whether or not here would ever be a negotiation, and I commend the managers, the leadership of both bodies for not giving up, for staying in session, for working long hours, for doing all the tough, behind-the-scenes work that it takes to produce a competent legislative product. That is what this is. This bill is the product of much hard work, tremendous give and take. Some people gave a lot, some people took, but the end result is on balance a very good bill.

My colleagues from the Senate Finance Committee who are here know that I have an interest in many of the provisions in this bill. I am delighted with the extension of employer educational assistance. We live in a country where our educational system is failing both the students and the employers who hire the students once they get out of high school or college. The skills required for the jobs of the future are going to be greater. Sixty percent, we are told, are going to require the equivalent of college or postcollege education, and those young men and women, maybe some of them not so young, are only going to get it through on-the-job training. That is why the employer educational assistance is to important and why I am glad to see it restored.

Of course, for the last 8 years I have been fighting to retain the targeted jobs tax credit, probably the least known and most successful Federal Jobs Program we have. It provides a modest tax credit of a few thousand dollars, not to exceed 40 percent of the salary of the worker's paycheck for the first year.

This program, which was first written in 1977 or 1978 and then extended in 1981 and 1982 and 1984 and 1986, and now this year—and I may have missed an extension in between—since 1980 this program has helped some 3 million Americans, men and women, who were absolutely hopeless when it came to finding a job, and by vouchering them gave employers an incentive to take a chance on welfare mothers, disadvantaged youth aged 18 to 21, poor people, ex offenders, disadvantaged Vietnam veterans, all of whom may have searched for jobs for months or even years. I remember in a hearing one woman had in excess of 200 job interviews, no luck, and on becoming vouchered under the targeted jobs tax credit program, on her second job interview she was hired. And she is still gainfully employed. Multiply that story nearly 3 million times, Mr. President, and you have, I submit, the most successful employment program bar none.

Why do not more people know about it? Because still only a relative handful are familiar with it. A lot do not like to do business with the Federal Government, and there are certain times when the various State bureaus of employment security do not have, because they do not have their expenses properly covered under this program by the Department of Labor, enough money to support it; the States do not push it like they should.

I am delighted that the phantom income provision has been taken care of at least for 2 years. I cannot imagine a more unfair provision than to tax people, some of them very small people indeed, millions of them, on income that they are never going to receive. That has been postponed for 2 years, but it ought to be repealed, and I hope we will someday repeal it.

I am delighted Bob Dole, our minority leader, singled out the diesel fuel tax, the exemption for off-road users; the heifer tax, both important in my State, a very rural State. We have the largest rural population of any State in the Nation. And, of course, something Dave Pryor, as chairman of our oversight subcommittee of the Finance Committee, has been working on, the taxpayer bill of rights. As ranking member on that subcommittee and having sat through those hearings that he so meticulously organized and chaired with so much insight, and I might add good humor and wisdom, I am pleased for him and I am pleased for the taxpayers of this country; instead of hiring an army of IRS agents to go out and check up on honest taxpayers, we are going to make sure that the taxpayers, before they are manhandled or mishandled, at least get a break, get some fairness. It is not right for the taxpayer who is honest to be considered guilty until he or she can prove themselves innocent. The taxpayer bill of rights will be of tremendous assistance to honest taxpayers.

In my home State, and maybe two or three other States, there is a provision that is of enormous significance which is the result of a serious, unintended drafting error in the 1986 Tax Act. In my State they refer to it as the taxation of option IV. It is a deferred annuity program enjoyed mainly by schoolteachers and some other public employees. This is an annuity where money from teachers' paychecks, on which they have paid taxes as they earned it, was put into a fund, and under the 1986 Tax Act, accidentally, any time the annuity was withdrawn in the form of a lump sum, it was subject to taxation, double taxation therefore, and as a result there have been literally hundreds, perhaps thousands, of people who have been very unfairly penalized who will now, fortunately, be able to file for a refund. They will get that refund. They should never have had the money taken away in the first place. Everybody agrees with that.

I thank the conferees for watching out for those little people. They are small people with a small voice. I thank my colleagues for being big and standing tall and speaking up for them.

I commend the Senator from California, Mr. Wilson, who has in this legislation a very fine and important provision for the most part that will benefit senior citizens who own their own homes but who are going to have to move into nursing homes. We have a provision in the law that permits people, if they sell their home and buy another home, an exclusion from taxation, but until tonight that exclusion did not apply if the individual had to sell their home to go into a nursing home. We all know that if you are going into a nursing home, it is very expensive. It is $30,000 a year on average, you need every penny you can put together in order to keep from impoverishing yourself, your spouse more likely, and becoming, in extreme circumstances, a very serious drain on your family.

The Senator from California, Mr. Wilson, championed that nursing home provision that provides for the one-time exclusion to be available in those circumstances. I commend him. I thank him. It is something we probably should have done years ago. It means a lot.

Finally, Mr. President—and I will take no more time of our colleagues—I commend the conferees on including the provision for educational savings bonds. That will help give an incentive, a modest one perhaps, but an incentive, for people to do more saving and to save it for a valuable investment, the investment in the intellectual endowment and capacity of young minds. We talk a lot about the need to make investments in this country. I can think of no better purpose for employing savings than investing in human capital.

Mr. President, I would not go so far as to say this bill is perfect. Of course it is not; it is the product of compromise, but it is good legislation. I am grateful to the conferees who worked so long and so hard, to Senator Baucus, Senator Packwood, Congressman Rostenkowski, all who made it possible for this measure to come before us this evening.

Mr. President, I urge my colleagues to pass this measure.

The PRESIDING OFFICER. Is there further debate on the conference report?

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, I rise primarily to commend the conferees, particularly the manager of the bill, the chairman of the Subcommittee on Taxation of the Finance Committee, who did such a yeoman job in bringing about the agreement on this conference report, and also the minority leader and ranking member of the Finance Committee, Senator Dole. Had it not been for their effort, we would not now be considering the conference report on the Technical Corrections Act of 1988.

For 2 years we have been working to bring about some agreement between the House and the Senate, and we have finally agreed. I must say that this is truly a bipartisan effort and one which Members on both sides of the aisle can be truly proud.

Mr. President, I am especially pleased to note that the conference report agreement contains a number of important changes which are of particular importance to may constituents in the State of Hawaii. For example, this legislation contains a provision which will provide significant pension relief to participants of the Hawaii Employees' State Retirement System. This change is necessary to prevent an unfair and retroactive tax on the pension contributions of Hawaiian retirees.

My colleagues will recall that the Tax Reform Act of 1986 contained transitional relief for State pension plans from the tax changes in the pension distribution rules. The Tax Reform Act provided a special grandfather rule for State plans which, as of May 5, 1986, allowed for the withdrawal by the employee of employee contributions. In the case of such plans, the modification in the basis recovery rules for distributions prior to the annuity starting date apply only to the extent that the amount distributed exceeds the employee's basis as of December 31, 1986. Due to an ambiguity in the statutory language of this grandfather rule, the Hawaii plan was unable to avail itself of this transition rule. The conference agreement simply places the Hawaii Employees' State Retirement System within the general grandfather or transition rule for pre-annuity distributions which is contained in the Tax Reform Act of 1986. Under this provision members of the Hawaii Employees' State Retirement System who retired before the end of 1986 and selected a refund retirement option will not be subject to tax on their withdrawals. Further, individuals who retire after December 31, 1986, and choose a refund retirement option can withdraw their pre-1987 contributions on a tax free basis. Only employee contributions made after December 31, 1986, will be subject to the new pro-rata recovery rules which blend taxable employer contributions with nontaxable employee contributions.

Mr. President, this conference report also contains a technical change in the tax-exempt bond rules which will benefit the Hawaii Housing Authority's Hula Mae housing program. Current Treasury Department mortgage revenue bond regulations do not permit the capitalization of ground leases in those cases where the lease payment is not specified for the entire term of the lease. In the State of Hawaii the rental payment on ground leases is not fixed over the term of the lease but is renegotiated over time. As a result, Hawaii land subject to ground leases is rendered ineligible for the mortgage revenue bond program. The conference report to the Technical Corrections Act directs the Treasury Department to amend its regulations to provide a method of determining a capitalized value for ground leases where the lease term has at least 35 years remaining and the rent is known for at least the first 10 years of the remaining term.

The conference report to the Technical Corrections Act also provides for the reinstatement of the tax exclusion for cost of living allowances [COLA's] for judicial branch employees working outside of the continental United States. Under current law, civilian employees of the U.S. Government stationed outside of the contiguous 48 States and the District of Columbia can exclude from gross income cost-of-living allowances received in accordance with regulations approved by the President. As a result of Revenue Ruling 87-29, judicial branch employees stationed outside of the United States are rendered ineligible for this tax exclusion. Under the conference agreement to the Technical Corrections Act, judicial branch employees stationed outside of the contiguous United States and the District of Columbia would be eligible for the tax exclusion of the cost of living allowances if they were received either under regulations approved by the President or under other approved pay scales of salary plans. This provision is of particular benefit to judicial branch employees in Hawaii and Alaska.

Mr. President, the conference report also provides for a clarification of the exemption from the ad valorem harbor maintenance tax for cargo transported between the U.S. possessions and the State of Hawaii. The Harbor Maintenance Revenue Act of 1986 (P.L. 99-662) contained a series of exemptions from the tax for cargo transported to and from Hawaii, Alaska, and the U.S. possessions for ultimate use or consumption in the state or possession. The Technical Corrections Act clarifies this law by providing a specific exemption for cargo transported between the U.S. possessions and Hawaii or Alaska and between Hawaii and Alaska.

Mr. President, as the author of the renewable energy tax credits I am particularly pleased that the conference report before us renews this important commitment to energy self-sufficiency. The Senate version of the Technical Corrections Act contained a 6-month extension of the geothermal, solar, and ocean thermal energy tax credits through June 30, 1989. I am pleased to report that the conferees have agreed to extend this program for 1 year through December 31, 1989. This will provide the Congress with the opportunity to assess this important program next year.

Mr. President, I strongly urge my colleagues to support passage of the pending conference report on the long over-due Technical Corrections Act of 1988.

Mr. STEVENS. Mr. President, I want to join in commending those who managed this bill.

Again, I apologize for my persistence in trying to be certain concerning some of the provisions as they apply to my State. I remarked at the time this bill was before the Senate about the importance of the commercial fishing industry and the maritime industry in my State. Alaska has more than half of the coastline of the United States, and it has many communities that can be reached neither by road, rail, nor air. They are reached by boat.

The provision in this bill that deals with the application of the new diesel fuel tax exemption to marine users is a significant provision. The provision is section 3003, and it is entitled "Marine Retailers Treated as Purchasers." I take it that the term "retailer" means a person who sells to an end user.

When a commercial fishing vessel pulls up to a marine facility and loads on 45,000 gallons of diesel, it is not what we normally think of as a retail sale, but in fact the vessel is an end user and the marine facility is a retailer.

I hope that this retail concept, the retailer selling diesel fuel exclusively to purchasers as supplies for commercial and noncommercial vessels, means just that—the sales to an end user.

Beyond that, the provision goes on to state that, to the extend provided in regulations, retailers shall not be treated as not described in clause 3 by reason of selling de minimis amounts of diesel fuel other than as supplies for commercial and noncommercial vessels.

When the bill was before the Senate, I had a colloquy with my good friend from Montana concerning the question of marine fuel suppliers who make de minimis sales of fuel to nonmarine users from facilities that are exclusively for the purpose of selling to the marine users.

I cite the specific example of an island community that has a marina with commercial fishing vessels and a canning facility and has small, diesel-powered pieces of equipment that take the boxes of fish from the fishing vessels to the cannery or take the supplies from the warehouse out to the fishing boats. Those are going to be supplied by a marine facility that is there to supply the diesel to the fishing boats. Although these pieces of equipment are not literally marine users, they are users of diesel fuel as part of the fishing operation right there on the docks, and I believe that supplying them should be treated as a de minimis activity.

Another problem arises when the owner of the marine facility also sells diesel fuel in another location, let's say a service station, to the pickup trucks and the station wagons that are now powered by diesel, and all that diesel fuel comes from a central storage tank on the island.

We need some understanding of how the de minimis standard will be applied in this situation, and I would like to ask my good friend from Montana if he is prepared to discuss with me the application of this exemption to marine fuel purchasers under the circumstances I have described.

I would like to be as specific as possible because I think everyone realizes this is a very important thing to me. Fishing employs more Alaskans than any other industry. Some people talk about logging. Some people talk about oil and gas. It is the fishing industry that primarily employs the people who send me here, and I want to be very specific about it if I can.

Is my friend prepared to respond to me on some of my problems concerning this provision?

Mr. BAUCUS. Mr. President, the Senator has raised this problem when we first considered the bill before the Senate. At that time we attempted to fashion a de minimis rule so that marine diesel suppliers could still supply diesel fuel to marine users and still maintain the exemption so long as they meet the de minimis standard. That is so that there could be only a de minimis amount of fuel sold to on-road users.

The caveat was this would be acceptable so long as the Treasury was assured of no compliance problems.

The Senator is also correct that I have just been presented with his additional refinement, and I believe that the refinement that the Senator from Alaska has mentioned is probably appropriate so long as the separate facility is geographically removed from any other facility owned by the same owner or so long as all of the facilities involved that are supplied by the same tank are geographically removed from one another.

We are trying to avoid the situation were one or two or more of the facilities are so close together that that would create the compliance problem that the Treasury would be faced with under those circumstances.

So I think that so long as the separate facilities are geographically removed from one another and so long as the Treasury is assured that there are no compliance problems then, yes, each separate facility under the expectation the Senator from Alaska assured the Senator from Montana would be accorded the de minimus provisions.

Mr. STEVENS. Mr. President, I am delighted with that. My friend has added even more specificity than I expected, and his statement is entirely correct.

We are talking about situations where, for example, there is one bulk center for storage and there is a facility for marine sales and there is a facility for nonmarine sales. The marine facility is normally for the exclusive sale to marine users, but as I said, there are incidental sales to those who are involved in the operation of the docks and others.

My friend is absolutely correct that we are talking about separate facilities for sale: one facility for sale to marine users and another distinct and geographically separated facility for sale to nonmarine users who are not exempt and from whom the distributor is collecting tax in compliance with Federal law.

It is extremely important to understand that the de minimis standard which we are trying to get Treasury to apply would apply to the marine facility and would not take in the sales at the nonmarine facility that is geographically remote from the marine facility.

If that is the case, I am delighted and I am pleased that my good friend would agree.

Mr. BAUCUS. Mr. President, if the Senator will yield, that is precisely the case we have in mind.

Mr. STEVENS. That is exactly the situation we are dealing with in Alaska, the one that has caused us trouble, and I am delighted to have the record clarified, and I thank my friend for his patience once again.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, today we are finally completing action on the technical corrections bill to the 1986 Tax Reform Act. I am pleased that the conferees were able to reach agreement on this important piece of legislation.

In closing a loophole that was being misused by some pension plans, the 1986 Tax Reform Act established new minimum participation rules. However, we also inadvertently jeopardized the pension plans of many of the policemen and firemen that serve our communities.

Many West Virginia firemen and policemen have contacted me to express their deep concern over this situation. It is unfair to penalize these pension plans that local governments have separately set up in recognition of the earlier retirements of public servants that perform hazardous duty. Under the 1986 Tax Reform Act minimum participation rules, the pension plans for policemen and firemen are lumped together with all other pension plans offered by the local government, and they do not meet the minimum participation test.

Included in this bill is a provision which will separate these firemen and policemen pensions from the other local government pensions when determining tax-exempt status under the minimum participation rule, thus allowing for their continued tax-exempt status.

I want to pay special tribute to my colleague, Senator ROCKEFELLER, who presently presides over the Senate, who worked so indefatigably in support of making this correction and bringing about a just and fair resolution for our policemen and firemen.

He has given many hours of work in this effort and on the committee and also in the markup and in the conference between the two Houses as well as on the floor during the action on the bill.

This bill also contains a correction of the diesel fuel excise tax collection procedure for off-road users. Under present law, all purchasers of diesel fuel are required to pay the Federal diesel fuel excise tax. If the user is in an exempt category, such as being an off-road user, such as the mining industry, the construction industry, and farmers, they then have to apply for a refund. This procedure places a burden on many off-road users who must make the cash outlay to pay the tax and then wait around for a refund, without interest. A burden that many can ill-afford. I am pleased that the Congress recognized the injustice of this and has corrected it.

While there are many other provisions in this bill that will aid the various segments of our Nation, such as the repeal of the heifer tax for cattlemen, I do want to mention one other provision that is extremely important to West Virginia. This is an extension of the placed-in-service date for the section 29, nonconventional fuels, tax credit. This extension is of great importance to the West Virginia gas industry. The tax credit has enabled the West Virginia gas industry, in fact the Appalachian gas industry, to secure the capital necessary to continue to explore and develop new gas reserves. As we all know, the exploration and drilling of new gas wells is crucial to our energy independence. In these times of low energy prices the section 29 credit has enabled the Appalachian gas industry to continue to be productive, and I applaud the extension of the credit.

Mr. President, as I said, there are many other important provisions contained in this legislation, and I strongly support its enactment.

I would not want to yield the floor without paying high tribute to Senator BAUCUS, the Senator from Montana, who has done so splendidly his work in committee and on the floor and throughout the conferences between the two Houses on the disagreeing votes.

He stepped into the acting chairmanship of the committee on this particular piece of legislation, and I must say that he has been to my office a number of times daily, I think, for the past 2 or 3 weeks urging that we get to this bill and get to the conference report and all.

I am grateful to the fact that he so steadfastly plodded and worked so hard to get this bill passed. There were times when I did not feel that the bill would make it, and I had to persuade the distinguished Senator from Montana that there was some other legislation that also had to go forward, the antidrug bill and the corporation bills, and so on. But he never gave up. He was patient and understanding, but always insistent that we get to this tax technical corrections bill, and the situation was touch and go.

I salute him and compliment him. He has done an exceedingly good job.

I heard my colleagues speak of his handling of the hearings on this legislation and his work in the committee. So the Senate is in his debt and the country is in his debt.

I also want to thank Mr. DOLE, the Republican leader, who is in great measure responsible for the fact that this bill is passing the two Houses on this date.

He, too, has been active for the past several days and particularly today and yesterday. He has devoted his many energies and talents and given much time in conversations with Members of the other body, with Members of this body, and with Senators on the telephone in the faraway places around the country. He is entitled to the thanks of all of us.

Mr. President, I thank the Chair and I thank my colleagues for their patience.

● Mr. PACKWOOD. Mr. President, in 1984, Congress concluded that the prior-law favorable tax treatment for employer contributions to welfare benefit plans when taken far in advance of the time benefits were paid allowed excessive tax-free accumulation of funds. When we changed these rules, however, we provided an exemption for plans with 10 or more employers, if no employer normally contributes more than 10 percent of the total contributions under the plan. Hence the 1984 act directed the Treasury to issue regulations under which the 10-percent test could be increased. We recognized there were certain circumstances, such as those that exist in the construction industry, where the 10-percent test was inappropriate.

In 1985, Treasury issued temporary regulations which provided that neither contributions to nor reserves of collectively bargained plans, including 10 or more employer plans, shall be treated as exceeding the applicable limit of section 419(b) until the earlier of: First, the date 3 years after the issuance of such final regulations or second, the date on which the last of the collectively bargained agreements relating to the fund in effect on, or ratified on or before, the date of issuance of final regulations concerning such limits for collectively bargained welfare benefit funds terminates. Temp. Treas. Reg. § 1.419A-2T. In addition, the Tax Reform Act of 1986 added section 419A(f)(5) which provides that, for purposes of collectively bargained plans providing disability, medical, severance pay or life insurance benefits, no account limits shall apply in the case of any qualified asset account.

Accordingly, because final regulations have not been promulgated, am I correct it is our intention that the Secretary issue these regulations as soon as possible to determine under which circumstances the 10-percent test does not apply to 10 or more employer plans, including collective bargaining plans not subject to section 419A(f)(5)?

● Mr. BAUCUS. The Senator is correct. It is our intention that final regulations be promulgated as soon as possible to determine, as we instructed in the 1984 act, circumstances under which the 10-percent test is not applicable to 10 or more employer plans, including collective bargaining plans providing prepaid legal benefits.●

● Mr. MOYNIHAN. Mr. Chairman, under present law the low-income rental housing tax credit may not be claimed by a taxpayer with respect to a building that previously has been placed in service within 10 years before he or she acquires it. A technical correction included in the bill modifies the 10-year rule to provide that certain transfers are not taken into account in determining whether a building has been placed in service during the previous 10 years. Specifically, transfers in foreclosure to State or local governmental units may be disregarded if the property was owned by its previous owner for at least 10 years.

Because of New York State law, New York has established quasi-governmental corporations to serve as conduits, mortgagors for the acquisition of State-financed privately owned low-income rental housing projects upon foreclosure. These corporations are either 100 percent owned by a State government agency or 100 percent of the directors of the corporation are State government employees or nominees—in their capacity as State government employees or nominees. Under State law, the corporations possess all immunities and exemptions of the State agency creating it and projects owned by them are treated as if owned by a State government under Department of Housing and Urban Development procedures with respect to housing subsidies to State-owned projects. Additionally, no Federal tax benefits may be claimed for property while owned by the corporations.

It is the opinion of the manager of the bill that these quasi-governmental corporations were intended to be treated in the same manner as the State government for purposes of this amendment?

● Mr. BAUCUS. That is correct. In the situation you have described, the corporations are essentially an extension of the State government and should be treated the same.●

NEW EXPENSE CHARGE LIMITS

● Mr. PACKWOOD. Mr. President, the conference agreement includes a provision amending the definition of life insurance, section 7702 of the code, to limit the charges, other than for mortality, which may be assumed in calculating guideline premiums for a life insurance contract. Specifically, these charges are limited to "reasonable charges" which, based on an insurance company's experience with respect to any similar contract, are "reasonably expected to be actually paid." It seems to me that these new limitations may be subject to differing interpretations, and that additional guidance is needed before life insurance companies can interpret and apply them. Could the Senator please expand on what is intended by these references to the term "reasonable," and what a company is expected to do prior to any further guidance?

● Mr. BAUCUS. The Senator is correct that this new rule may be subject to differing interpretations. It is our intention that regulations are to be issued providing the necessary guidance as to the circumstances in which the charges to which the Senator refers should be considered reasonable and reasonably expected to be actually paid. It is our further intention that, in the case of any contract to which this new rule applies which is issued before regulatory guidance as to the meaning of the rule first becomes available, the regulations would permit, as appropriate, such contract to be amended, or exchanged for a new contract, if that is necessary to maintain compliance with amended section 7702 as interpreted by those regulations. Such an amendment or exchange should be allowed without prejudice to the pre-existing contract, so that it is not treated as a contract which fails the section 7702 tests.●

ON THE CONFERENCE REPORT ON THE TECHNICAL CORRECTIONS BILL

● Mr. BRADLEY. Mr. President, I would like the record to note that although the technical corrections conference report is passing without a recorded vote, this Senator would like to be recorded in the negative. I voted against the Senate version of this legislation because I believed if we were going to raise additional revenues through closing tax loopholes, we have more urgent priorities than funding new tax breaks. I proposed two alternative choices: tax relief for low-income working families or fully funding our new war against drugs.

Mr. President, the time has passed when we can do everything we would like to do and still live within the spending restrictions we have imposed. We must make choices and the choices embodied in the Senate bill and in this conference report are not choices I support. While I support certain provisions in this bill—especially the relief for authors, photographers, and artists from the uniform capitalization rules—provisions I support are outweighed by those I oppose. And the price of the provisions I do not support are simply too high.

The final bill is worse than the original Senate bill. Instead of $2.7 billion, which is what the Senate bill cost, the conference version costs over $4 billion. The 1986 Tax Reform Act was a major step forward in bringing tax justice to low and moderate income Americans. The 1988 Technical Corrections Act is, unfortunately, a significant step backwards.●

Mr. KENNEDY. Mr. President, the conferees on the technical corrections bill are to be congratulated for their efforts. The bill we have before us is a good one that makes a number of important technical changes in tax laws. I know that many of us doubted that we would ever vote on final passage but, thanks to the persistence of the conferees, we have. I would especially like to congratulate Senator BAUCUS and Senator PACKWOOD for their work on this measure.

Mr. President, the technical corrections bill includes the Education Savings Act of 1988. Under this provision, the interest earned on U.S. savings bonds will be exempt from Federal income tax if the bonds are used to pay tuition and required fees at a college or university. This means that, for the first time, middle income families will have a modest incentive to save for college costs.

Savings bonds are easily purchased in small denominations and through payroll deductions. Their availability will encourage families to begin saving for college when their children are young and to continue saving on a regular basis. I believe that the Education Savings Act represents the most important innovation in the Federal Student Aid Program since the creation of the Pell Grant Program in 1972.

This provision would not have been enacted without Senator BENTSEN's support and assistance. Senator BENTSEN does not usually cosponsor revenue measures, but he did cosponsor this bill and I am grateful that he did. Senator BAUCUS was also a strong supporter of this provision.

I would also like to acknowledge and thank Ray Bonilla of Senator BENTSEN's staff and Norm Richter and Jim Gould of the Finance Committee for their help on this bill. Michael Evans of Senator BAUCUS' staff was also helpful in addressing the technical problems that emerged. Lastly, I want to thank Terry Hartle, Shirley Sagawa, and Rusty Barbour of the Committee on Labor and Human Resources for their work on this important bill.

The PRESIDING OFFICER. Is there further debate on the conference report?

If not, the question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BAUCUS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPLEMENTATION OF INTER-AMERICAN CONVENTION ON INTERNATIONAL COMMERCIAL ARBITRATION

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2204.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2204) entitled "An Act to implement the Inter-American Convention on International Commercial Arbitration", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

SEC. 1. (a) Chapter 1 of title 9, United States Code, is amended by adding at the end thereof the following new section:

"§ 15. Inapplicability of the Act of State doctrine

"Enforcement of arbitral agreements, confirmation of arbitral awards, and execution upon judgments based on orders confirming such awards shall not be refused on the basis of the Act of State doctrine.".

SEC. 2. Section 1605(a) of title 28, United States Code, is amended by—

(1) striking out "or" at the end of paragraph (4);

(2) striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or"; and

(3) adding at the end thereof the following:

"(6) in which the action is brought, either to enforce an agreement made by the foreign State with or for the benefit of a private party to submit to arbitration all or any differences which have arisen or which may arise between the parties with respect to a defined legal relationship, whether contractual or not, concerning a subject matter capable of settlement by arbitration under the laws of the United States, or to confirm an award made pursuant to such an agreement to arbitrate, if (A) the arbitration takes place or is intended to take place in the United States, (B) the agreement or award is or may be governed by a treaty or other international agreement in force for the United States calling for the recognition and enforcement of arbitral awards, (C) the underlying claim, save for the agreement to arbitrate, could have been brought in a United States court under this section or section 1607, or (D) paragraph (1) of this subsection is otherwise applicable.".

SEC. 3. Section 1610(a) of title 28, United States Code, is amended by—

(1) striking out the period at the end of paragraph (5) and inserting in lieu thereof ", or"; and

(2) adding at the end thereof the following:

"(6) the judgment is based on an order confirming an arbitral award rendered against the foreign State, provided that attachment in aid of execution, or execution, would not be inconsistent with any provision in the arbitral agreement.".

Mr. BYRD. Mr. President, I move that the Senate concur in the amendment of the House.

Mr. STEVENS. There is no objection to that motion.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECESS FOR 15 MINUTES

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 15 minutes.

There being no objection, the Senate, at 12:43 a.m., recessed until 12:58 a.m.; whereupon, the Senate reassembled, when called to order by the Presiding Officer [Mr. ROCKEFELLER].

RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, at 12:58 a.m., the Senate recessed until 1:29 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. FORD].

OFFICE OF ENVIRONMENTAL QUALITY AUTHORIZATION ACT

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 2020.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 2020) entitled "An Act to authorize appropriations for the Office of Environmental Quality for fiscal years 1987, 1988, and 1989", with the following amendment:

In lieu of the matter inserted by said amendment, insert:

TITLE I

SEC. 101. Section 204 of the National Environmental Policy Act of 1969 (42 U.S.C. 4344), is amended by—

(1) striking the "and" at the end of paragraph (7);

(2) striking the "." at the end of paragraph (8) and insert in lieu thereof "; and "; and

(3) adding the following new paragraph:

"(9) to promulgate regulations implementing the National Environmental Policy Act for all Federal agencies, including independent regulatory commissions.".

REVIEW FUNCTIONS OF COUNCIL

SEC. 102. (a) AMENDMENTS.—Section 204 of the National Environmental Policy Act of 1969 (42 U.S.C. 4344) is further amended—

(1) by inserting "(a)" before "It"; and

(2) by adding at the end thereof the following:

"(b)(1) In addition to any other review and appraisal carried out under subsection (a)(3), the Council shall evaluate, and annually report in writing to the Congress on the results of, the reviews carried out by Federal agencies under paragraph (2) and may include in the report such recommendations for legislation as the Council considers appropriate regarding issues raised incident to the evaluation.

"(2) Each Federal agency shall (i) on a continuing basis and subject to such guidelines as the Council shall establish, select and review a statistically significant random sample of the detailed statements prepared under section 102(2)(C) by the agency in which measures were specified for the mitigation of any adverse impact on the environment, including fish and wildlife populations and habitat, that was predicted to occur as a result of the agency action; and (ii) promptly submit to the Council all reviews prepared by the agency under this paragraph.

"(3) The guidelines established by the Council under paragraph (2) shall require that each Federal agency review—

"(A) the extent to which the mitigation measures specified in the statement were implemented in connection with the action;

"(B) the accuracy of the predicted adverse impact which the implemented action would have on the environment, including fish and wildlife populations and habitat; and

"(C) the effectiveness of the implemented mitigation measures.".

(b) INITIAL REVIEWS.—In carrying out subsection (b) of section 204 of the National Environmental Policy Act of 1969 (as added by subsection (a)), each Federal agency, within twenty-four months after the date of the enactment of this Act, shall—

(1) select and review under such subsection a statistically significant random sample of detailed statements that were prepared for appropriate projects which were completed before such date of enactment; and

(2) submit the reviews to the Council on Environmental Quality.

SEC. 103. Section 205 of the Environmental Quality Improvement Act of 1970, as amended (42 U.S.C. 4374), is amended by adding the following new subsection.

"(e) $750,000 for each of the fiscal years ending on September 30, 1987, 1988, and 1989.".

TITLE II—SPECIAL USE AIR SPACE

DEFINITIONS

SEC. 201. As used in this Act—

(1) "special use airspace" is defined in accordance with regulations promulgated by the Federal Aviation Administration;

(2) "expansion of a special use airspace" means any increase in the physical dimensions of a special use airspace previously designated; and

(3) "designated" or "designation" means allocated, awarded, set aside, granted, or otherwise made available, and such term includes the expansion of a special use air space.

NOTIFICATION

SEC. 202. (a) Effective upon the date of enactment of this Act, in the administration of the provisions of section 102 of the National Environmental Policy Act of 1969, and the laws and regulations of the United States relating to the designation of military special use airspace including but not limited to, prohibited areas, restricted areas, military operation areas (including but not limited to, routes for military training, research, development, testing and evaluation), the Secretary of Defense shall provide notice in writing including an opportunity to comment on any such proposed special use airspace designation, to—

(1) the Governor of any State whose airspace is sought to be designated as special use airspace;

(2) the head of an Indian tribe on any Indian lands, if such lands are likely to be affected by any such designation; and

(3) the Secretary of the Interior if such designation includes airspace above any unit of the National Park System, the National Wildlife Refuge System, the National Wild and Scenic Rivers System, the National Trails System, or the National Wilderness Preservation System administered by the Department of the Interior.

(b) In addition to the notice required under subsection (a), notice of any significant proposed designation including an opportunity to submit written comments shall be published in newspapers of general circulation (rather than legal papers) within the affected area.

(c) Upon the request of any Governor made within thirty days following the receipt of a proposed designation of an airspace pursuant to subsection (a), the Secretary of Defense shall hold a public meeting and consider oral and written comments prior to making a determination with respect to such designation.

FAA RESPONSIBILITY

SEC. 203. (a) The Administrator of the Federal Aviation Administration shall, in consultation with the Council on Environmental Quality, adopt procedures to assure that designations of special use airspace are in compliance with the National Environmental Policy Act of 1969 no later than ninety days after enactment of this section.

(b) The Administrator of the Federal Aviation Administration shall establish procedures for the review of each special use airspace designation not less than every three years. If in the course of any such review, it is determined that the use of such airspace cannot justify the continued designation of such special use airspace, such designation shall be terminated or modified by the Administrator.

TITLE III—WASTE REDUCTION

SECTION 301. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Waste Reduction Act of 1988".

(b) TABLE OF CONTENTS.—

Sec. 301. Short title and table of contents.
Sec. 302. Findings and policy.
Sec. 303. Definitions.
Sec. 304. EPA activities.
Sec. 305. Grants to States for State technical assistance programs.
Sec. 306. Source reduction clearinghouse.
Sec. 307. Source reduction and recycling data collection.
Sec. 308. Waste stream survey.
Sec. 309. EPA report.
Sec. 310. Savings provisions.
Sec. 311. Authorization of appropriations.
Sec. 312. Implementation.
Sec. 313. Effective date and sunset provision.

SEC. 302. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that:

(1) The United States of America annually produces millions of tons of toxic chemical waste and spends tens of billions of dollars per year controlling this pollution.

(2) There are significant opportunities for industry to reduce the generation of waste at the source through cost-effective changes in production, operation, and raw materials use. Such changes offer industry substantial savings in reduced raw material, waste management, and liability costs as well as help protect the environment and reduce risks to worker health and safety.

(3) The opportunities for source reduction are often not realized because existing regulations, and the industrial resources they require for compliance, focus upon treatment and disposal, rather than source reduction; existing regulations do not emphasize multimedia management of waste; and businesses need information and technical assistance to overcome institutional barriers to the adoption of source reduction practices.

(b) POLICY.—The Congress hereby declares it to be the national policy of the United States that, the generation of waste should be reduced or eliminated at the source, whenever feasible; waste that is generated should be recycled, whenever feasible; waste that cannot be reduced or recycled should be treated in an environmentally safe manner; and disposal should be employed only as a last resort and should be conducted in an environmentally safe manner.

SEC. 303. DEFINITIONS.

For purposes of this title—

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "Agency" means the Environmental Protection Agency.

(3) The term "toxic chemical" means any toxic chemical on the list described in section 313(c) of the Superfund Amendments and Reauthorization Act of 1986.

(4) The term "release" has the same meaning as provided by section 329(8) of the Superfund Amendments and Reauthorization Act of 1986.

(5)(A) The term "source reduction" means any practice which—

(i) reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream (or otherwise released into the environment) prior to recycling, treatment, or disposal; and

(ii) reduces the hazards to public health and the environment associated with the release of such substances, pollutants, or contaminants.

The term includes equipment or technology modifications, process or procedure modifications, reformulation or redesign of products, substitution of raw materials, and improvements in housekeeping, maintenance, training, or inventory control.

(B) The term "source reduction" does not include any practice which alters the physical, chemical, or biological characteristics or the volume of a hazardous substance, pollutant, or contaminant through a process or activity separate from the production of a product or the providing of a service, nor does it include liners for surface inpoundments or secondary containment for underground storage tanks.

(6) The term "multi-media" means air, water, and land.

SEC. 304. EPA ACTIVITIES.

(a) AUTHORITIES.—The Administrator shall establish in the Environmental Protection Agency an office to carry out the functions of the Administrator under this title. The office shall be independent of the Agency's single-medium program offices but shall have the authority to review and advise such offices on their activities to promote a multi-media approach to source reduction. The office shall be under the direction of such officer of the Environmental Protection Agency as the Administrator shall designate.

(b) FUNCTIONS.—The Administrator shall develop and implement a strategy to promote source reduction through a source reduction demonstration program. As part of the program, the Administrator shall take each of the following actions:

(1) The Administrator shall ensure that the Environmental Protection Agency considers the effect of its existing and proposed programs on source reduction efforts and shall review proposed regulations of the Environmental Protection Agency to determine their effect on source reduction.

(2) The Administrator shall coordinate source reduction activities in each Environmental Protection Agency Office.

(3) The Administrator shall investigate methods of coordinating and streamlining data collection requirements under existing environmental statutes. The Administrator shall develop an inventory of existing data, consider developing common nomenclature, consistent reporting formats, and compatible data storage and retrieval systems.

(4) The Administrator shall determine what capabilities the Environmental Protection Agency should have to measure waste generation and management practices in the United States. The Administrator shall determine what, if any, changes are needed in existing agency practices with respect to the collection and handling of data regarding the generation and management of waste.

(5) The Administrator shall facilitate the adoption of source reduction techniques by businesses. This strategy shall include the use of the Source Reduction Clearinghouse and State matching grants provided in this Act to foster the exchange of information regarding source reduction techniques, the dissemination of such information to businesses, and the provision of technical assistance to businesses. The strategy shall also consider the capabilities of various businesses to make use of source reduction techniques.

(6) The strategies shall include measurable goals where appropriate which reflect the overall goal of the strategies, the tasks necessary to achieve the goals, dates at which the principal tasks are to be accomplished, required resources, organizational responsibilities, and the means by which progress in meeting the goals will be measured.

(7) The Administrator shall establish a senior level liaison group with industry, public interest groups, and State source reduction program officials to provide guidance to the Administrator, to provide outreach to the industrial community, and to provide a liaison group for the educational community to promote the introduction of source reduction principles into engineering and management curricula.

(8) The Administrator shall establish an advisory panel of technical experts comprised of representatives from industry, the States, and public interest groups, to advise the Administrator on ways to improve collection and dissemination of data.

SEC. 305. GRANTS TO STATES FOR STATE TECHNICAL ASSISTANCE PROGRAMS.

(a) GENERAL AUTHORITY.—The Administrator shall make matching grants to States for programs to promote the use of source reduction techniques by businesses.

(b) CRITERIA.—When evaluating the requests for grants under this section, the Administrator shall consider, among other things, whether the proposed State program would accomplish the following:

(1) Make specific technical assistance available to businesses seeking information about source reduction opportunities, including funding for experts to provide onsite technical advice to businesses seeking assistance.

(2) Target assistance for whom lack of information is an impediment to source reduction.

(3) Provide training in source reduction techniques. Such training may be provided through local engineering schools or any other appropriate means.

(c) MATCHING FUNDS.—Federal funds use in any State program under this section shall provide no more than 50 percent of the funds made available to a State in each year of that State's participation in the program.

(d) EFFECTIVENESS.—The Administrator shall establish appropriate means for measuring the effectiveness of the State grants made under this section in promoting the use of source reduction techniques by businesses.

(e) INFORMATION.—States receiving grants under this section shall make information generated under the grants available to the Administrator.

SEC. 306. SOURCE REDUCTION CLEARINGHOUSE.

(a) AUTHORITY.—The Administrator shall establish a Source Reduction Clearinghouse to compile information generated by States receiving grants on management, technical, and operational approaches to source reduction. The Administrator shall use the clearinghouse to—

(1) serve as a center for source reduction technology transfer;

(2) mount active outreach and education programs by the States to further the adoption of source reduction technologies; and

(3) collect and compile information reported by States receiving grants under section 5 of the operation and success of State source reduction programs.

(b) PUBLIC AVAILABILITY.—The Administrator shall make available to the public such information on source reduction as is gathered pursuant to this title and such other pertinent information and analysis regarding source reduction as the Administrator deems appropriate, on a cost reimbursable basis. It shall be within the Administrator's discretion to determine the most feasible method for making such information available, including the use of computers.

SEC. 307. SOURCE REDUCTION AND RECYCLING DATA COLLECTION.

(a) REPORTING REQUIREMENTS.—Each owner or operator of a facility required to file an annual toxic chemical release form under section 313 of the Superfund Amendments and Reauthorization Act of 1986 ("SARA") for any toxic chemical shall include with each such annual filing a toxic chemical source reduction and recycling report for the preceding calendar year if such facility is within 1 of the 5 two-digit SIC Code classifications producing the highest quantity of toxic chemical releases or having the highest volume of toxic chemicals entering the waste stream. The toxic chemical source reduction and recycling report shall cover each toxic chemical, required to be reported in the annual toxic chemical release form filed by the owner or operator under section 313(c) of that Act. This section shall take effect with the annual report filed under section 313 for the first full calendar year beginning after the enactment of this Act.

(b) ITEMS INCLUDED IN REPORT.—The source reduction and recycling report required under subsection (a) shall set forth each of the following on a facility-by-facility basis for each toxic chemical.

(1) The quantity of the chemical entering any waste stream (or otherwise release into the environment) prior to recycling, treatment, or disposal during the calendar year for which the report is filed and the percentage change from the previous year. The report filed for any facility which produces only a single product and for which reporting the quantity of chemical entering the waste stream would cause public disclosure of a proprietary process may, at the option of the owner or operator, report only the percentage change from the previous year. When actual measurements of the quantity of a toxic chemical entering the waste streams are not readily available, reasonable estimates should be made based on the best engineering judgment.

(2) The amount of the chemical from the facility which is recycled (at the facility or elsewhere) during such calendar year and the percentage change from the previous year.

(3) The source reduction practices used with respect to that chemical during such year at the facility. Such practices shall be reported in accordance with the following categories unless the Administrator finds other categories to be more appropriate:

(A) Equipment, technology, process, or procedure modifications.

(B) Reformulation or redesign of products.

(C) Substitution of raw materials.

(D) Improvement in management, training, inventory control, materials handling, or other general operational phases of industrial facilities.

(4) The amount expected to be reported under paragraphs (1) and (2) for the 2 calendar years immediately following the calendar year for which the report is filed.

Such amount shall be expressed as a percentage change from the amount reported in paragraphs (1) and (2).

(5) A ratio of production in the reporting year to production in the previous year. The ratio should be calculated to most closely reflect all activities involving the toxic chemical. It shall not be necessary to indicate the units on which the ratio is based. In specific industrial classifications subject to this section, where a feedstock or some variable other than production is the primary influence on waste characteristics or volumes, the report may provide an index based on that primary variable for each toxic chemical.

(6) The techniques which were used to identify source reduction opportunities. Techniques listed should include, but are not limited to, employee recommendations, external and internal audits, participative team management, and material balance audits. Each type of source reduction listed under paragraph (3) should be associated with the techniques or multiples of techniques used to identify the source reduction technique.

For the first year of reporting under this subsection, comparison with the previous year is required only to the extent such information is available.

(c) SARA Provisions.—The provisions of sections 322, 325(c), and 326 of the Superfund Amendments and Reauthorization Act of 1986 shall apply to the reporting requirements of this section in the same manner as to the reports required under section 313 of that Act. The Administrator may modify the form required for purposes of reporting information under section 313 of that Act to the extent he deems necessary to include the additional information required under this section.

(d) Additional Optional Information.—Any person filing a report under this section for any year may include with the report additional information regarding source reduction, recycling, and other waste management techniques in earlier years.

(e) Availability of Data.—Subject to section 322 of the Superfund Amendments and Reauthorization Act of 1986, the Administrator shall make data collected under this section publicly available, on a cost reimbursable basis.

SEC. 308. WASTE STREAM SURVEY.

(a) Waste Stream Survey.—The Administrator shall collect the following information from a representative sample of facilities required to file an annual toxic chemical release form under section 313 of the Superfund Amendments and Reauthorization Act of 1986. The sample shall be drawn from the five two-digit SIC code classifications producing the highest quantity of toxic releases, or having the highest volume of toxic chemicals entering the waste stream.

(b) Data To Be Reported.—Each facility selected for the survey shall report each of the following to the Administrator:

(1) For each waste stream for the last full calendar year and the percentage change from the previous year—

(A) the volume of the waste generated after source reduction but prior to recycling and treatment;

(B) the volume of the waste after recycling but prior to treatment; and

(C) the volume of the waste after treatment but prior to disposal.

Any facility which produces only a single product and for which reporting the quantity of waste entering the waste stream would cause public disclosure of a proprietary process may, at the option of the owner or operator, report only the percentage change from the previous year.

(2) A ratio of production in the reporting year to production in the previous year.

(3) Whether or not there are technical, institutional, statutory, regulatory, and economic obstacles to source reduction, recycling and treatment at each facility selected for the survey.

(4) Other information that the Administrator determines is needed in order to complete the report under section 309.

SEC. 309. EPA REPORT.

The Administrator shall report to Congress on data collected under section 307 and section 308. The report shall be submitted 90 days after receipt by the Administrator of the data for both calendar years 1989 and 1990. The report shall contain each of the following:

(1) An assessment of the effectiveness of the clearinghouse and grant program established under this Act is promoting the goals of the demonstration program.

(2) An analysis of the data collected under section 7 on an industry-by-industry basis and an analysis of the survey data collected under section 8, including an evaluation of trends in source reduction, recycling, and treatment by industry, firm size, production, and other useful means.

(3) An analysis of the usefulness and validity of the data collected under this Act and other authority of law for measuring trends in source reduction, recycling, and treatment.

(4) An evaluation of regulations and laws that may inhibit source reduction, and of opportunities within existing programs to promote and assist source reduction.

(5) An evaluation of priority industries and pollutants that require assistance in source reduction.

(6) Recommendations as to incentives needed to encourage investment and research and development in source reduction.

(7) An evaluation of the cost and technical feasibility by industry and processes of source reduction, recycling and treatment opportunities and current activities.

(8) Recommendations as to permanent reporting on source reduction, recycling, and treatment.

SEC. 310 SAVINGS PROVISIONS.

Nothing in this title shall be construed to modify or interfere with the implementation of title III of the Superfund Amendments and Reauthorization Act of 1986 or the Solid Waste Disposal Act.

SEC. 311. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Administrator $4,000,000 for each of the 3 fiscal years beginning after the enactment of this Act for functions carried out under this title (other than State grants) and $8,000,000 for each of the 3 fiscal years after enactment of this Act for the State grant program.

SEC. 312. IMPLEMENTATION.

The Administrator is authorized to issue such rules, regulations, and orders as may be necessary to carry out the provisions of this title.

SEC. 313. EFFECTIVE DATE AND SUNSET PROVISION.

This title shall take effect on January 1, 1989, and shall be repealed on the date 30 months thereafter, except for the provisions of section 309 relating to the final report. Nothing in the repeal of this title shall affect any authorities or obligations of the Administrator with respect to any matter under any other provision of law and nothing in the repeal of this title shall affect or impair the authority under other provisions of law of any office established within the Environmental Protection Agency before the enactment of this Act.

SEC. 314. RECONSIDERATION BY FEDERAL ENERGY REGULATORY COMMISSION.

(a) Reconsideration.—Notwithstanding a November 23, 1987, order of the Federal Energy Regulatory Commission dismissing petitions under the Federal Power Act for reconsideration of Commission Order Number 464 (52 FR 5446) submitted by several States (Docket Number RM85-6-002; Order Number 464-B), any State may file within 60 days after the enactment of this Act a petition with the Commission to reconsider the retroactive application of Order Number 464 to any proposed hydroelectric project in such State for which a license application was pending as of February 11, 1987 (and is still pending on the date the State files such petition) and for which Order Number 464 deemed certification requirements referenced in such order to have been waived and the Commission shall reconsider such retroactive application of the order. Each petition shall identify all such projects within the State. In considering any such petition, the Commission shall exercise such reasonable discretion as it may have under applicable law to apply or not to apply Order Number 464 retroactively to any such petition, taking into consideration the water quality intent of Congress in the statutory provision referenced in Order Number 464 and the State's role under that provision. The Commission shall, to the greatest extent practicable, decide all such petitions within 6 months after their filing. The Commission may consolidate some or all such petitions in order to expedite such reconsideration and decision. Where appropriate, the Commission shall grant the petition and provide an additional period of time, which shall be not more than 9 months after the petition is granted, for a State to comply with the applicable certification requirement. It is the intent of Congress that the Commission should exercise its discretion in favor of granting such petitions except where circumstances clearly show that granting a petition would not be warranted. If the Commission denies any such petition, the Commission shall explain the basis for such denial. Such denial shall be subject to judicial review under the Federal Power Act and this section. If a State fails to comply within such additional period, Order Number 464 shall continue to apply in the manner that it applied prior to enactment of this section. If a petitioning State granted or denied a certification for any project identified in the petition and that certification or denial was waived by retroactive application of the Order Number 464, such certification or denial (1) shall be reinstated ab initio (in lieu of providing additional time) where such petition is granted by the Commission under this section, and (2) shall not be subject to review or change by the State. The participation of the State in the rulemaking proceeding leading to Order Number 464 shall not be a basis for denial of any petition.

(b) Savings Provision.—Nothing in this section shall be construed as affecting in any way the legal sufficiency of the Commission's Orders Number 464 or 464-B. Nothing is this section shall be construed to affect the authority of the States to enforce the Federal Water Pollution Control Act.

(c) Term.—For purposes of this section, the term "State" shall have the same meaning as in Order Number 464 and shall include, where appropriate, an applicable interstate agency.

Mr. BYRD. Mr. President, I move that the Senate concur in the House amendment with a further Senate amendment, which I sent to the desk.

AMENDMENT NO. 3773

(Purpose: An amendment in the nature of a substitute)

Mr. BYRD. Mr. President, I send an amendment to the desk on behalf of Mr. Baucus, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. Byrd], for Mr. Baucus, proposes an amendment numbered 3773.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I

Sec. 101. Section 204 of the National Environmental Policy Act of 1969 (42 U.S.C. 4344), is amended by—

(1) striking the "and" at the end of paragraph (7);

(2) striking the "." at the end of paragraph (8) and insert in lieu thereof "; and" and

(3) adding the following new paragraph:

"(9) to promulgate regulations implementing the National Environmental Policy Act for all Federal agencies, including independent regulatory commissions.".

REVIEW FUNCTIONS OF COUNCIL

Sec. 102. (a) Amendments.—Section 204 of the National Environmental Policy Act of 1969 (42 U.S.C. 4344) is further amended—

(1) by inserting "(a)" before "It"; and

(2) by adding at the end thereof the following:

"(b)(1) In addition to any other review and appraisal carried out under subsection (a)(3), the Council shall evaluate, and annually report in writing to the Congress on the result of, the reviews carried out by Federal agencies under paragraph (2) and may include in the report such recommendations for legislation as the Council considers appropriate regarding issues raised incident to the evaluation.

"(2) Each Federal agency shall (i) on a continuing basis and subject to such guidelines as the Council shall establish, select and review a statistically significant random sample of the detailed statements prepared under section 102(2)(C) by the agency in which measures were specified for the mitigation of any adverse impact on the environment, including fish and wildlife populations and habitat, that was predicted to occur as a result of the agency action; and (ii) promptly submit to the Council all reviews prepared by the agency under this paragraph.

"(3) The guidelines established by the Council under paragraph (2) shall require that each Federal agency review—

"(A) the extent to which the mitigation measures specified in the statement were implementated in connection with the action;

"(B) the accuracy of the predicted adverse impact which the implemented action would have on the environment, including fish and wildlife populations and habitat; and

"(C) the effectiveness of the implemented mitigation measures.".

(b) Initial Reviews.—In carrying out subsection (b) of section 204 of the National Environmental Policy Act of 1969 (as added by subsection (a)), each Federal agency, within twenty-four months after the date of the enactment of this Act, shall—

(1) select and review under such subsection at statistically significant random sample of detailed statements that were prepared for appropriate projects which were completed before such date of enactment; and

(2) submit the reviews to the Council on Environmental Quality.

Sec. 103. Section 205 of the Environmental Quality Improvement Act of 1970, as amended (42 U.S.C. 4374), is amended by adding the following new subsection:

"(e) $750,000 for each of the fiscal years ending on September 30, 1987, 1988, and 1989.".

SEC. 104. RECONSIDERATION BY FEDERAL ENERGY REGULATORY COMMISSION.

(a) Reconsideration.—Notwithstanding a November 23, 1987 order of the Federal Energy Regulatory Commission dismissing petitions under the Federal Power Act for reconsideration of Commission Order Number 464 (52 FR 5446) submitted by several States (Docket Number RM85-6-002; Order Number 464-B), any State may file within 60 days after the enactment of this Act a petition with the Commission to reconsider the retroactive application of Order Number 464 to any proposed hydroelectric project in such State for which a license application was pending as of February 11, 1987 (and is still pending on the date the State files such petition) and for which Order Number 464 deemed certification requirements referenced in such order to have been waived and the Commission shall reconsider such retroactive application of the order. Each petition shall identify all such projects within the State, and only such projects. In considering any such petition, the Commission shall exercise such reasonable discretion as it may have under applicable law to apply or not to apply Order Number 464 retroactively to any such petition, taking into consideration the water quality intent of Congress in the statutory provision referenced in Order Number 464 and the State's role under that provision. The Commission shall, to the greatest extent practicable, decide all such petitions within 6 months after their filing. The Commission may consolidate some or all such petitions in order to expedite such reconsideration and decision. Where appropriate, the Commission shall grant the petition and provide an additional period of time, which shall be not more than 9 months after the petition is granted, for a State to comply with the applicable certification requirement. It is the intent of Congress that the Commission should exercise its discretion in favor of granting such petitions except where circumstances clearly show that granting a petition would not be warranted. If the Commission denies any such petition, the Commission shall explain the basis for such denial. Such denial shall be subject to judicial review under the Federal Power Act and in this section. If a State fails to comply within such additional period, Order Number 464 shall continue to apply in the manner that it applied prior to enactment of this section. If a petitioning State granted or denied a certification for any project identified in the petition and that certification or denial was waived by retroactive application of the Order Number 464, such certification or denial (1) shall be reinstated ab initio (in lieu of providing additional time) on the date the State's petition is filed and (2) shall not be subject to review or change by the State. The participation of the State in the rulemaking proceeding leading to Order Number 464 shall not be a basis for denial of any petition.

(b) Savings Provision.—Nothing in this section shall be construed as affecting in any way the legal sufficiency of the Commission's Orders Number 464 or 464-B. Nothing in this section shall be construed to affect the authority of the States to enforce the Federal Water Pollution Control Act.

(c) Term.—For purposes of this section, the term "State" shall have the same meaning as in Order Number 464 and shall include, where appropriate, an applicable interstate agency.

TITLE III—WASTE REDUCTION

SECTION 301. SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title.—This title may be cited as the "Pollution Prevention Act of 1988".

(b) Table of Contents.—

Sec. 301. Short title and table of contents.
Sec. 302. Findings and policy.
Sec. 303. Definitions.
Sec. 304. EPA activities.
Sec. 305. Grants to States for State technical assistance programs.
Sec. 306. Source reduction clearinghouse.
Sec. 307. Source reduction and recycling data collection.
Sec. 308. Waste stream survey.
Sec. 309. EPA report.
Sec. 310. Savings provisions.
Sec. 311. Authorization of appropriations.
Sec. 312. Implementation.
Sec. 313. Effective date and sunset provision.

SEC. 302. FINDINGS AND POLICY.

Findings.—The Congress finds that:

(1) The United States of America annually produces millions of tons of chemical waste and spends tens of billions of dollars per year controlling this pollution.

(2) There are significant opportunities for industry to reduce the generation of waste at the source through cost-effective changes in production, operation, and raw materials use. Such changes offer industry substantial savings in reduced raw material, waste management, and liability costs as well as help protect the environment and reduce risks to worker health and safety.

SEC. 303. DEFINITIONS.

For purposes of this title—

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "Agency" means the Environmental Protection Agency.

(3) The term "toxic chemical" means any toxic chemical on the list described in section 313(c) of the Superfund Amendments and Reauthorization Act of 1986.

(4) The term "release" has the same meaning as provided by section 329(8) of the

Superfund Amendments and Reauthorization Act of 1986.

(5)(A) The term "source reduction" means any practice which—

(i) reduces the amount of hazardous substances, pollutants, or contaminants entering any waste stream including direct releases to the environment and fugitive emissions prior to recycling, treatment, or disposal; and

(ii) reduces the hazards to public health and the environment associated with the release of such substances, pollutants, or contaminants.

The term includes but is not limited to equipment or technology modifications, process or procedure modifications, reformulation or redesign of products, substitution of raw materials, and improvements in housekeeping, maintenance, training, or inventory control.

(B) The term "source reduction" does not include: (i) any practice which alters the physical, chemical, or biological characteristics or the volume of a hazardous substance, pollutant, or contaminant through a process or activity separate from the production of a product or the providing of a service; (ii) any practice which reduces or eliminates accidential releases or other unintentional releases.

(6) The term "multi-media" means air, water, and land.

SEC. 304. EPA ACTIVITIES.

(a) AUTHORITIES.—The Administrator shall establish in the Environmental Protection Agency an office to carry out the functions of the Administrator under this title. The office shall be independent of the Agency's single-medium program offices but shall have the authority to review and advise such offices on their activities to promote a multimedia approach to source reduction. The office shall be under the direction of such officer of the Environmental Protection Agency as the Administrator shall designate.

(b) FUNCTIONS.—The Administrator shall develop and implement a strategy to promote source reduction through a source reduction demonstration program. As part of the program, the Administrator shall take each of the following actions:

(1) The Administrator shall ensure that the Environmental Protection Agency considers the effect of its existing and proposed programs on source reduction efforts and shall review proposed regulations of the Environmental Protection Agency to determine their effect on source reduction.

(2) The Administrator shall coordinate source reduction activities in each Environmental Protection Agency Office.

(3) The Administrator shall develop an inventory of existing data, regarding the generation and management of waste, consider developing common nomenclature, consistent reporting formats, and compatible data storage and retrieval systems.

(4) The Administrator shall determine what capabilities the Environmental Protection Agency should have to measure waste generation and management practices in the United States. The Administrator shall determine what, if any, changes are needed in existing agency practices with respect to the collection and handling of data regarding the generation and management of waste.

(5) The Administrator shall facilitate the adoption of source reduction techniques by businesses. This strategy shall include the use of the Source Reduction Clearinghouse and State matching grants provided in this Act to foster the exchange of information regarding source reduction techniques, the dissemination of such information to businesses, and the provision of technical assistance to businesses. The strategy shall also consider the capabilities of various businesses to make use of source reduction techniques.

(6) The Administrator shall establish a senior level liaison group with industry, public interest groups, and State source reduction program officials to provide guidance to the Administrator, to provide outreach to the industrial community, and to provide a liaison group for the educational community to promote the introduction of source reduction principles into engineering and management curricula.

(7) The Administrator shall establish an advisory panel of technical experts comprised of representatives from industry, the States, and public interest groups, to advise the Administrator on ways to improve collection and dissemination of data.

SEC. 305. GRANTS TO STATES FOR STATE TECHNICAL ASSISTANCE PROGRAMS.

(a) GENERAL AUTHORITY.—The Administrator shall make matching grants to States for programs to promote the use of source reduction techniques by businesses.

(b) CRITERIA.—When evaluating the requests for grants under this section, the Administrator shall consider, among other things, whether the proposed State program would accomplish the following:

(1) Make specific technical assistance available to businesses seeking information about source reduction opportunities, including funding for experts to provide onsite technical advice to businesses seeking assistance.

(2) Target assistance to businesses for whom lack of information is an impediment to source reduction.

(3) Provide training in source reduction techniques. Such training may be provided through local engineering schools or any other appropriate means.

(c) MATCHING FUNDS.—Federal funds used in any State program under this section shall provide no more than 50 percent of the funds made available to a State in each year of that State's participation in the program.

(d) EFFECTIVENESS.—The Administrator shall establish appropriate means for measuring the effectiveness of the State grants made under this section in promoting the use of source reduction techniques by businesses.

(e) INFORMATION.—States receiving grants under this section shall make information generated under the grants available to the Administrator.

SEC. 306. SOURCE REDUCTION CLEARINGHOUSE.

(a) AUTHORITY.—The Administrator shall establish a Source Reduction Clearinghouse to compile information generated by States receiving grants on management, technical, and operational approaches to source reduction. The Administrator shall use the clearinghouse to—

(1) serve as a center for source reduction technology transfer,

(2) mount active outreach and education programs by the State to further the adoption of source reduction technologies; and

(3) collect and compile information reported by States receiving grants under section 5 on the operation and success of State source reduction programs.

(b) PUBLIC AVAILABILITY.—The Administrator shall make available to the public such information on source reduction as is gathered pursuant to this title and such other pertinent information and analysis regarding source reduction as the Administrator deems appropriate, on a cost reimbursable basis. It shall be within the Administrator's discretion to determine the most feasible method for making such information available, including the use of computers.

SEC 307. SOURCE REDUCTION AND RECYCLING DATA COLLECTION.

(a) REPORTING REQUIREMENTS.—Each owner or operator of a facility required to file an annual toxic chemical release form under section 313 of the Superfund Amendments and Reauthorization Act of 1986 ("SARA") for any toxic chemical shall include with each such annual filing a toxic chemical source reduction and recycling report for the preceding calendar year if such facility is within 1 of the 5 two-digit SIC Code classifications producing the highest quantity of toxic chemical releases or having the highest volume of toxic chemicals entering the waste stream. The toxic chemical source reduction and recycling report shall cover each toxic chemical required to be reported in the annual toxic chemical release form filed by the owner or operator under section 313(c) of that Act. This section shall take effect with the annual report filed under section 313 for the first full calendar year beginning after the enactment of this Act.

(b) ITEMS INCLUDED IN REPORT.—The source reduction and recycling report required under subsection (a) shall set forth each of the following on a facility-by-facility basis for each toxic chemical:

(1) The quantity of the chemical entering any waste stream (or otherwise released into the environment) prior to recycling, treatment, or disposal during the calendar year for which the report is filed and the percentage change for the previous year. The report filed for any facility which produces only a single product and for which reporting the quantity of chemical entering the waste stream would cause public disclosure of a proprietary process may, at the option of the owner or operator, report only the percentage change from the previous year. When actual measurements of the quantity of a toxic chemical entering the waste streams are not readily available, reasonable estimates should be made based on best engineering judgment.

(2) The amount of the chemical from the facility which is recycled (at the facility or elsewhere) during such calendar year and the percentage change for the previous year.

(3) The source reduction practices used with respect to that chemical during such year at the facility. Such practices shall be reported in accordance with the following categories unless the Administrator finds other categories to be more appropriate:

(A) Equipment, technology, process, or procedure modifications.

(B) Reformulation or redesign of products.

(C) Substitution of raw materials.

(D) Improvement in management, training, inventory control, materials handling, or other general operational phases of industrial facilities.

(4) A ratio of production in the reporting year to production in the previous year. The ratio should be calculated to most closely reflect all activities involving the toxic chemical. It shall not be necessary to indicate the units on which the ratio is based. In specific industrial classifications subject to this sec-

tion, where a feedstock or some variable other than production is the primary influence on waste characteristics or volumes, the report may provide an index based on that primary variable for each toxic chemical.

(6) The techniques which were used to identify source reduction opportunities. Techniques listed should include, but are not limited to, employee recommendations, external and internal audits, participative team management, and material balance audits. Each type of source reduction listed under paragraph (3) should be associated with the techniques or multiples of techniques used to identify the source reduction technique.

For the first year of reporting under this subsection, comparison with the previous year is required only to the extent such information is available.

(c) SARA Provisions.—The provisions of sections 322, 324, 325(c), 325(d) and 326 of the Superfund Amendments and Reauthorization Act of 1986 shall apply to the reporting requirements of this section in the same manner as to the reports required under section 313 of that Act. The Administrator may modify the form required for purposes of reporting information under section 313 of that Act to the extent he deems necessary to include the additional information required under this section.

(d) Additional Optional Information.—Any person filing a report under this section for any year may include with the report additional information regarding source reduction, recycling, and other waste management techniques in earlier years.

(e) Availability of Data.—Subject to section 322 of the Superfund Amendments and Reauthorization Act of 1986, the Administrator shall make data collected under this section publicly available, on a cost reimbursable basis.

SEC. 308. WASTE STREAM SURVEY.

(a) Waste Stream Survey.—The Administrator shall collect the following information from a representative sample of facilities required to file an annual toxic chemical release form under section 313 of the Superfund Amendments and Reauthorization Act of 1986. The sample shall be drawn from the five two-digit SIC code classifications producing the highest quantity of toxic releases, or having the highest volume of toxic chemicals entering the waste stream.

(b) Data To Be Reported.—Each facility selected for the survey shall report each of the following to the Administrator:

(1) For each waste stream for the last full calendar year and the percentage change from the previous year.

(A) the volume of the waste generated after source reduction but prior to recycling and treatment;

(B) the volume of the waste after recycling but prior to treatment; and

(C) the volume of the waste after treatment but prior to disposal.

Any facility which produces only a single product and for which reporting the quantity of waste entering the waste stream would cause public disclosure of a proprietary process may, at the option of the owner or operator, report only the percentage change from the previous year.

(2) A ratio of production in the reporting year to production in the previous year.

(3) Other information that the Administrator determines is needed in order to complete the report under section 309.

SEC. 309. EPA REPORT.

The Administrator shall report to Congress on data collected under section 307 and section 308. The report shall be submitted 90 days after receipt by the Administrator of the data for both calendar years 1989 and 1990. The report shall contain each of the following:

(1) An assessment of the effectiveness of the clearinghouse and grant program established under this Act in promoting the goals of the demonstration program.

(2) An analysis of the data collected under section 307 on an industry-by-industry basis and an analysis of the survey data collected under section 308, including an evaluation of trends in source reduction, recycling, and treatment by industry, firm size, production and other useful means.

(3) An analysis of the usefulness and validity of the data collected under this Act and other authority of law for measuring trends in source reduction, recycling, and treatment.

(4) An evaluation of regulations and laws that may inhibit source reduction, and of opportunities within existing programs to promote and assist source reduction.

(5) An evaluation of priority industries and pollutants that require assistance in source reduction.

(6) Recommendations as to incentives needed to encourage investment and research and development in source reduction.

(7) An evaluation of the cost and technical feasibility by industry and processes of source reduction, recycling and treatment opportunities and current activities.

(8) Recommendations as to permanent reporting on source reduction, recycling, and treatment.

SEC. 310. SAVINGS PROVISIONS.

(a) Nothing in this act shall be construed to modify or interfere with or diminish the requirements of section 1003(b), 3002(b), 3005(h) and 8002(r) of the Resource Conservation and Recovery Act or Title III of the Superfund Amendments and Reauthorization Act of 1986.

(b) Nothing contained in this act shall be construed, interpreted or applied to supplant, displace, preempt or otherwise diminish the responsibilities and liabilities under other State or Federal law, whether statutory or common.

SEC. 311 AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Administrator $4,000,000 for each of the 3 fiscal years beginning after the enactment of this Act for functions carried out under this title (other than State grants) and $8,000,000 for each of the 3 fiscal years after enactment of this Act for the State grant program.

SEC. 312. IMPLEMENTATION.

The Administrator is authorized to issue such rules, regulations, and orders as may be necessary to carry out the provisions of this title.

SEC. 313. EFFECTIVE DATE AND SUNSET PROVISION.

This title shall take effect on January 1, 1989, and shall be repealed on the date 30 months thereafter, except for the provisions of section 309 relating to the final report. Nothing in the repeal of this title shall affect any authorities or obligations of the Administrator with respect to any matter under any other provision of law and nothing in the repeal of this title shall affect or impair the authority under other provisions of law of any office established within the environmental Protection Agency before the enactment of this Act.

TITLE IV—COMMEMORATION OF STATEHOOD ANNIVERSARIES

SEC. . SHORT TITLE.

This title may be cited as the "Statehood Centennial Commemorative Coin Act of 1989".

SEC. . SPECIFICATIONS OF COINS.

(a) Authorization.—Subject to subsection (b), the Secretary of the Treasury (hereinafter referred to as the "Secretary") shall mint and issue five-dollar coins in commemoration of the 100th anniversary of the statehood of Idaho, Montana, North Dakota, South Dakota, Washington, and Wyoming.

(b) Issuance.—The Secretary shall mint and issue not more than 350,000 five-dollar coins each of which shall—

(1) weigh 31.103 grams;

(2) have a diameter of 1.500 inches; and

(3) be composed of 90 percent palladium and 10 percent alloy.

(c) Design.—The design of the five-dollar coin, in accordance with this section, shall contain an engraving of the Centennial States' regional logo on one side; and on the other side, busts of Thomas Jefferson, and Lewis and Clark overlooking the Missouri River. Each coin shall bear a designation of the value of the coin, the year 1989, and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum". The reverse may also contain the words "Northwest Centennial" and "Statehood 1889-1890". Modifications to these designs may be made, if necessary, by the Secretary upon consultation with a duly authorized representative of the 6 States' Centennial Commissions.

(d) Numismatic Items.—For purposes of section 5132(a)(1) of title 31, United States Code, all coins minted under this title shall be considered to be numismatic items.

(e) Legal Tender.—The coins referred to in subsection (a) shall be legal tender as provided in section 5103 of title 31, United States Code.

SEC. . SOURCES OF BULLION.

The Secretary shall obtain palladium for the coins referred to in this title by purchase of palladium mined from natural deposits in the United States within one year after the month in which the ore from which it is derived was mined and by purchase of palladium refined in the United States. The Secretary shall pay not more than the average world price for the palladium. In the absence of available supplies of such palladium at the average world price, the Secretary shall purchase supplies of palladium pursuant to the authority of the Secretary under existing law. The Secretary shall issue such regulations as may be necessary to carry out this provision.

SEC. . MINTING AND ISSUANCE OF COINS.

(a) Uncirculated and Proof Qualities.—The coins minted under this title may be issued in uncirculated and proof qualities, except that not more than 1 facility of the United States Mint may be used to strike each quality.

(b) Commencement of Issuance.—The Secretary may issue the coins minted under this title beginning January 1, 1989.

(c) Termination of Authority.—Coins may not be minted under this title after December 31, 1990.

SEC. . SALE OF COINS.

(a) In General.—Notwithstanding any other provision of law, the Secretary shall sell the coins minted under this title at a price equal to the face value, plus the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, and overhead expenses).

(b) Bulk Sales.—The Secretary shall make any bulk sales of the coins minted under this title at a reasonable discount to reflect the lower costs of such sales.

(c) Prepaid Orders.—The Secretary shall accept prepaid orders for the coins minted under this title prior to the issuance of such coins. Sale prices with respect to such prepaid orders shall be at a reasonable discount.

(d) Surcharges.—All sales of coins minted under this title shall include a surcharge of $20 per coin.

SEC. . FINANCIAL ASSURANCES.

(a) No Net Cost to the Government.—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this ___ will not result in any net cost to the United States Government.

(b) Payment for Coins.—A coin shall not be issued under this title unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration Board.

SEC. . REDUCTION OF NATIONAL DEBT.

An amount equal to $1,500,000 of all surcharges received by the Secretary from the sale of coins minted under this title shall be provided to the "Documents West" exhibition program and administered by the Idaho Centennial Foundation. These funds shall be used for the sole purpose of promoting the exhibition of historical and educational artifacts pertaining to the six Centennial States. The remaining amount of surcharges that are received by the Secretary from the sale of coins minted under this title shall be deposited in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt.

SEC. . AUDITS.

The Comptroller General shall have the right to examine such books, records, documents, and other data of the Idaho Centennial Foundation as may be related to the expenditure of amounts paid under section ___.

SEC. . GENERAL WAIVERS OF PROCUREMENT REGULATIONS.

(a) In General.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this title.

(b) Equal Employment Opportunity.—Subsection (a) shall not relieve any person entering into a contract under the authority of this title from complying with any law relating to equal employment opportunity. No firm shall be considered a Federal contractor for purposes of 41 CFR Part 60 et seq. as a result of participating as a United States Mint coin consignee.

Mr. LAUTENBERG. Mr. President, I rise in support of H.R. 2020. Title III of this bill is the Waste Reduction Act of 1988 which requires EPA to establish a comprehensive hazardous waste source reduction program. I want to thank Senator Baucus, the chairman of the Hazardous Wastes and Toxic Substances Subcommittee, for his willingness to include the Waste Reduction Act in this legislation.

Title III is a modified version of H.R. 2800, the Hazardous Waste Reduction Act, which was introduced by Congressman Howard Wolpe and S. 1429, which I introduced. Twenty-seven Senators have cosponsored this legislation. The bill also has received the support of a diverse group including the National Roundtable of State Waste Reduction Programs which represents 31 State waste reduction programs, the Dow Corp., Waste Management Inc., the United Auto Workers and a number of environmental groups including the Natural Resources Defense Council, the Sierra Club, the National Wildlife Federation, and the Audubon Society. The support this legislation has received clearly demonstrates the wide recognition of the need to significantly increase our efforts to reduce the generation of hazardous wastes before they are created.

Mr. President, this bill responds to a crisis. We are producing more hazardous waste than we can handle and more than we need to. The United States generates 570 million to 1 billion tons of hazardous waste per year, 2 to 4 tons for every man, woman, and child in the country. New Jersey produces over 9 million tons of waste annually. This volume of hazardous waste grows each year as disposal capacity shrinks. The safest way to protect the American people and our environment from hazardous waste and future Superfund sites is to eliminate or reduce this waste in the first place.

Source reduction provides significant cost savings in addition to health and environmental benefits. Currently, $77 billion are estimated to be spent on the management of waste in the United States each year. EPA estimates that we have the ability to reduce the generation of hazardous waste by up to 30 percent while the Office of Technology Assessment suggests that a 10-percent reduction for each of the next 5 years is achievable. A 30-percent reduction could yield cost savings of more than $23 billion a year.

The Office of Technology Assessment, in its 1987 report, From Pollution To Prevention: A Progress Report On Waste Reduction, found that source reduction efforts proceed slowly because industry lacks information about the opportunities and benefits of hazardous waste source reduction. This is especially true for small and medium sized firms which may need both technical assistance and financial aid to identify opportunities for source reduction and put promising techniques into practice. In one source reduction pilot program in Ventura, CA, industry was able to save $67 in waste management and disposal costs for every dollar invested in source reduction. Yet virtually all of our regulatory efforts have been directed toward managing wastes after they are produced.

EPA has been slow to recognize the importance of source reduction. According to OTA, EPA requested only $400,000 in fiscal year 1988 for true source reduction efforts. I worked with other members of the Appropriations Committees to provide EPA with $4.5 million to initiate a hazardous waste source reduction program. In fiscal year 1989, EPA requested less than $2 million, a reduction from the fiscal year 1988 appropriation. I used my position on the Appropriations Committee to help provide $7.7 million to EPA for source reduction research, technical assistance and grants to States. I am hopeful that recent efforts by EPA to address source reduction represents a changed attitude to the importance of source reduction in the Agency.

The Waste Reduction Act addresses the information shortcomings identified by OTA and provides the legislative backbone for a source reduction program. It requires EPA to establish a multimedia source reduction office to carry out the act. EPA would provide grants to States for technical assistance programs, and establish a source reduction clearinghouse, a source reduction and recycling data collection program and a waste stream survey.

The bill sunsets in 30 months. This allows Congress to examine this important issue in more detail in the next Congress. I intend to work closely with Senator Baucus and other Environment and Public Works Committee members on source reduction legislation.

The Waste Reduction Act will promote waste reduction throughout the country. It will help business understand the value of source reduction techniques, and how to implement them. And it will foster the development of waste reduction technology.

I urge my colleagues to support this important legislation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Tennessee.

THE MAJORITY LEADER

Mr. GORE. Mr. President, not long ago I introduced what I hoped to be the last bill introduced in this Congress. On this occasion, I would like to give what may be the last of many and well-deserved tributes to the majority leader before we adjourn sine die.

There have been many statements from our colleagues about the service of the majority leader, and all of them have noted his diligence, his mastery of the rules, and the productivity of this 100th Congress.

I believe that principally because of the majority leader and the marvelous working relationship between the majority leader and the Republican leader we have seen the most productive Congress in at least the last two decades. It is a record of which I personally feel proud as 1 of 100. It is a record of which this institution must be very proud, and it is, as I have said, largely due to the hard work of the majority leader.

Mr. President, coming from Tennessee, I feel that I understand some of the sources of strength drawn upon by the majority leader. My father, who was a Member of this body, during his childhood took as his role model a man named Cordell Hull, also a Member of this body. Cordell Hull in many ways represented the kind of self-made greatness that I associate with the majority leader. Let me explain what I mean.

Cordell Hull came from a mountainous area of Tennessee near Byrdstown, TN, close to the Kentucky line. It is a poor area. The families get by without a large income. They are hardworking—always have been.

Cordell Hull came from that area and early in his life recognized that by reading, learning, studying, and thinking he could improve his mind and open windows onto a world that was unknown to those who did not open those books, and by reading and studying he trained his mind to take on progressively more difficult challenges.

My grandfather floated logs down the Cumberland River with Cordell Hull to a place called Carthage, TN, where the Caney Fork River and the Cumberland River came together. A retail center developed. And so the families became close.

Hull went on to law school in search of knowledge and further self-improvement. He became a judge and, Mr. President, to this day you can go to the counties in the area of Tennessee known as the Upper Cumberland Area and in the courtroom the picture above the judge's chair is not George Washington, not Franklin Roosevelt, not John Kennedy, but Cordell Hull. He is still referred to as Judge Hull in those areas and he is still remembered as a man of bearing and stature and keen mind. Integrity goes without saying, without even mentioning, because his integrity was of an entirely different dimension than the integrity spoken of so casually in the press of today.

It was an integrity that included intellectual integrity. He would not have thought for a moment of compromising a principle or a deeply held value because he had trained his mind in a way that developed within him a deep, profound respect for principle itself.

I see in the majority leader—though I have been a Member of this body for only 4 years—that same set of characteristics.

He has had experiences that many of us have not. He has put his feet in the footprints of men like Cordell Hull. There are so few people coming from humble beginnings, and I do not use that phrase as a cliche. He came from humble beginnings and he, too, began to read and learn and found windows on the wider world. As he learned and trained his mind, he saw larger challenges and took them on. He taught himself still more, finding the tools as he went along, growing, perfecting his abilities to change the world for the better and in the process developing—as perhaps only someone who follows that path can—an understanding of why principle itself is so important.

As he has presided over the meetings of our weekly conference, that dedication to principle and public service has been ever present.

For those who sometimes say, "You know, he seems to take it so seriously," I understand why he takes it so seriously. I know the path he has traveled not because I have traveled it myself—I have had a very different path in my life—but I have seen men in the hills of Tennessee who have traveled that path. I respect their minds, I respect their character, I respect their dedication to serving the principle of building a better world, because in traveling that path one comes to an understanding in one's bones of the vast difference between the world as it is and the world as it can be.

Except for the learning and studying and the incredibly hard work and self-discipline, men like the majority leader know full well that they might not have followed the same path, and they might not have traveled very far at all from the place where they started. And yet, because he has made this journey, he is all the more anxious and determined that this Nation and this world be changed for the better, to make it possible for other young boys and girls to travel on their own journeys toward the knowledge and enlightenment and opportunity to serve. That goal is still the principal motivation pushing the majority leader, even in this 100th Congress.

Why is it that for the first time in so long we have passed every single appropriations bill? It is because of the working relationship between the majority leader and the Republican leader, and because they share many goals. But primarily it is because of a burning energy and discipline that drives the majority leader forward and tells him to come out here on the floor of this Senate and say to every Member of the Senate, "We can do it. It is our duty and we shall do it."

Why is it that we have passed more substantive legislation than any Congress in the last 20 years? Again, it is because the majority leader is not easily distracted by a press conference or by some trivial matter. He is focused, he is disciplined, and he is driven to lead this Senate to be as productive as it possibly can be.

And, again, he knows, because of his own personal journey, that each of us is capable as a human being of much more than we suspect in our slacker moments. And he knows that collectively the 100 human beings who serve in this body can function as a group and be much more productive than we ever imagined for a single moment at the beginning of this 100th Congress.

My affection for him is real—real. And again it is partly because I feel that, as a Tennessean to a West Virginian—and a West Virginian occupies the Chair—I know a little bit about that journey. I know about those dreams. I know about that drive. I know about that discipline and energy, the same spark that inspired my father and indirectly my own career. I respect it.

I am pleased the majority leader will continue to be one of us, continuing in a leadership role as the President pro tempore, as chairman of the Appropriations Committee. I am proudest of all that he shall be our colleague and that I will be able to turn to him for advice and inspiration.

I yield the floor.

Mr. BYRD. Mr. President, I am grateful for the kind remarks of my friend from Tennessee. I served here with his illustrious father. I see in the son of that illustrious father many of the same admirable traits and qualities that his father time after time demonstrated to all of us.

I always enjoyed listening to Senator Albert Gore, Sr. He had a keen intellect. He was an independent thinker. He had the courage of his own convictions, and he was a man of great influence in this body. He influenced our foreign policy and domestic policy. I am sure that he has watched with pride his son as he has progressed through the two Chambers, the House of Representatives, and now as a Member of the Senate. And his father did the same thing. His father served in the House before he came to the Senate.

I see in ALBERT GORE, JR., who is our peer here today, that same intellectual honesty and independent thinking, that willingness, not only a willingness, but a determination to stand on his own two feet and make his conviction known. He is forthright. He has a steady purpose and a steady outlook.

He has been all over the country. He has met with the people in the Mountain States and in the States of the West, the plains, the prairies, and the Northeast, from the Gulf of Mexico to the Canadian border, and from the Atlantic to the Pacific. He will be heard from again.

I thank him for his service in the Senate. I thank him for his service as a member of the observer group that received plaudits from the administration for its work in Geneva, its work in relation to the INF Treaty.

I am gratified for the kind words that my friend has spoken. I shall cherish them and I look forward to our serving together over the coming years here where he will continue to claim the esteem of his colleagues and certainly he is already there now insofar as his personal esteem is concerned.

Mr. GORE. Will the majority leader yield briefly?

Mr. BYRD. Yes.

Mr. GORE. I wanted to mention one other thing for the record, Mr. President, one other thing that my father and the majority leader have in common, which they brought from the hills, and that is they both spend a lot of time and enjoy playing the fiddle.

I think that is something that West Virginia and Tennessee have in common, also.

Thank you.

Mr. BYRD. Mr. President, I thank the distinguished Senator for his additional comment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BYRD. Mr. President, I inquire of my friend from Alaska, the acting Republican leader, to ask him whether or not Calendar Orders Numbered 886, 949, and 939 are cleared for action on his side.

Mr. STEVENS. Mr. President, I state to my good friend that they are cleared and I am delighted to be here when the first one is cleared because it awards a medal to my good friend, Andrew Wyeth. I am pleased to see that action taken.

Mr. BYRD. I thank my good friend.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of these calendar orders seriatim.

PRESENTATION OF CONGRESSIONAL GOLD MEDAL TO ANDREW WYETH

Mr. BYRD. Mr. President, I ask unanimous consent that the President proceed to the immediate consideration of Calendar 886, H.R. 593.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (H.R. 593) to request the President to award a gold medal on behalf of Congress to Andrew Wyeth, and to provide for the production of bronze duplicates of such medals for sale to the public.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

● Mr. KENNEDY. Mr. President, I am pleased to support this measure which recognize the extraordinary career and artistic accomplishment of one of our Nation's most talented artists, Andrew Wyeth.

Andrew Wyeth was born in 1917, the son of another gifted artist and a renowned illustrator, N.C. Wyeth. Andrew had his first major show in Philadelphia when he was 19 years old. His career spans more than 50 years and reaches the highest levels of artistic achievement. Recently, he had 2 major exhibitions simultaneously in the Nation's Capital—the Helga Pictures at the National Gallery, and Three Generations of Wyeth Art at the Corcoran Gallery.

President Kennedy recognized the genius of his work and selected Andrew Wyeth to receive the Presidential Freedom Award, the first artist to be so honored.

Andrew Wyeth is known for his unparalleled technical skill and sensitivity to his subject. He is quintessentially American. His practiced eye captures the essence of the American soul and embodies its complexity and spirit.

Andrew Wyeth has said that he possesses "a strong romantic fantasy about things" but that "if you don't back up your dreams with truth, you have a very round-shouldered art."

Andrew Wyeth's dream backed by truth is America's dream. We have with this legislation an opportunity to acknowledge his enduring gift to America. I urge approval of this measure to authorize a gold medal honoring a brilliant artist who has given so much to our country and enriched all of our lives.●

Mr. HEINZ. Mr. President, it is my distinct pleasure to rise in support of this bill to honor Andrew Wyeth—one of our Nation's most admired and respected artists. This legislation would pay tribute to this great American artist by authorizing the President, on behalf of Congress, to award Andrew Wyeth a gold medal in recognition of his outstanding and invaluable contributions to American art and culture.

Andrew Wyeth is our country's most popular living artist. Through his art, he has captured the spirit of America and the hearts of the American people. His works include the famous "Christina's World", "The Trodden Weed" and most recently the "Helga" series.

Andrew Wyeth's skills were nurtured under the tutelage of his father, N.C. Wyeth, whose illustrations have graced the pages of American literature. The Wyeth family's artistic legacy is evident in the works of Andrew's son, Jamie. Most recently, the exhibit "An American Vision: Three Generations of Wyeth Art" has traveled over 29,000 miles delighting audiences all over the world.

Andrew Wyeth's talents and contributions to art have been recognized at home and abroad. In 1963, President Kennedy chose Andrew Wyeth to be the first artist to receive the Presidential Freedom Award, America's highest civilian award. In 1977, Andrew Wyeth was inducted into the French Academy of the Arts—becoming the only American artist since John Singer Sargent to attain this honor. The following year he became an honorary member of the Soviet Academy of Arts.

Mr. President, it is time for Congress to bestow its highest honor on this uniquely gifted American in recognition of the acclaim he has brought to American art. Our colleagues in the House of Representatives have demonstrated their unanimous support for this legislation. I urge my colleagues in the Senate to do the same.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 593) was ordered to a third reading, was read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PREVENTION OF INSIDER TRADING

The PRESIDING OFFICER. The clerk will report the next item. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 5133) to improve the procedures and remedies for the prevention of insider trading, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. PROXMIRE. Mr. President, on September 13, 1988, the House passed H.R. 5133 the Insider Trading and Securities Fraud Enforcement Act of 1988 by a unanimous vote of 410-0. Many of the provisions contained in this bill are similar to those already contained in legislation which was reported out of the Banking Committee last year on September 30, 1987.

I am aware of no opposition to this proposal.

A few of the highlights of this legislation include the following:

First. Criminal penalties are increased. The maximum jail term for criminal securities law violations are increased from 5 years to 10 years; the maximum criminal fines for individuals are increased from $100,000 to $1 million; and the maximum fine for nonnatural persons is increased from $500,000 to $2 million.

Second. Firms and other "controlling persons" that "knowingly or recklessly" fail to supervise properly their employees and prevent insider trading violations can be liable for treble damages for violations of their employees and other "controlled persons."

Thus, there may be liability imposed on a controlling person, if he failed to take appropriate steps to stop or prevent a violation by a controlled person, with knowledge or reckless disregard of the fact that such person was engaged, or likely to engage, in an act or acts constituting the violation. Furthermore, disregard of knowledge that a controlled person had engaged or was engaged in a violation in the past, which may be indicative of future violations, could, in the absence of appropriate preventative action, and depending on the circumstances, constitute a basis for liability under this section.

Third. Regulated securities firms are required to establish, maintain and enforce written policies "reasonably designed" to prevent misuse of material, nonpublic information by the firm or any of its employees or associated firms. Plus, the Securities and Exchange Commission is authorized to take a more active role in the establishment and monitoring of Chinese Wall procedures of firms it regulates.

In mandating that broker-dealers establish, maintain and enforce policies and procedures reasonably designed to prevent the misuse of material, nonpublic information and in authorizing the Commission to require specific policies or procedures for such purpose, Congress recognizes that the policies and procedures appropriate to different broker-dealers will depend on the nature of their businesses and the circumstances in which they conduct business and may differ from case to case. Factors such as the kinds of trading and other activities engaged in, the size of the firm, the number and location of its offices and similar matters should be taken into account.

In a case where an industrial company, diversified financial institution, or other corporate entity is defined as a person associated with a broker-dealer under section 3(a)(18) of the Exchange Act by virtue of its corporate relationship to a broker-dealer—that is, a parent or sister—the statute would require policies and procedures to the extent necessary or appropriate to prevent corporate parents and sisters from misusing material, nonpublic information that is provided to them by, or obtained by them from, their broker-dealer affiliates. Non-broker-dealer parents and sisters of registered broker-dealers are not intended to be subjected to an equivalent regime of regulation merely by virtue of their association with the broker-dealers.

Fourth. The Commission is granted the authority to award bounty payments to persons who provide information leading to the successful prosecution of insider trading violations. At the discretion of the Commission, a person can receive up to 10 percent of the penalty imposed through litigation or settlement.

This is an extremely important provision, one that I fully support, and one that I hope and anticipate the Commission will take advantage of and promote to the maximum extent. I would actively encourage individuals with knowledge of insider trading to bring that information directly to the attention of the Commission and seek their reward. The better the information the more likely the bounty. The larger the infraction reported the larger the potential reward. Rewards would be given out by the Commission only for highly significant, factual information which leads directly to a successful action being brought by the Commission.

Fifth. An express private right of action against insider traders and tippers is codified for those who traded the same class of securities "contemporaneously" with and on the opposite side of the market from the insider trader. This provision is not intended to restrict the evolving law on private rights of action. To the contrary, the courts are given leeway to develop such private rights of action in an expensive fashion in the future as they see fit.

Sixth. Within 60 days of enactment of this legislation the Commission is directed to submit to Congress recommendations with respect to the extension of the Commission's authority to seek civil penalties or impose administrative fines in areas beyond insider trading. As the House made clear in passing H.R. 5133,

> if an investment adviser to an investment company directed trades on behalf of the investment company while the adviser was in possession of material nonpublic information, the investment adviser and not the investment company shareholders would be subject to civil penalties under Section 21A or damages under Section 20A as a direct violator.

Finally, this legislative package also authorizes a new special study of the securities markets modeled after the special study conducted under the leadership of Milton Cohen back in 1961-63. The idea for creating such a new study was first recommended publicly in the Congress by Securities Subcommittee Chairman Senator RIEGLE and was also recommended in a speech Judge Stanley Sporkin gave before the American Bar Association Federal Regulation of Securities Committee on November 21, 1986. It was later supported by Milton Cohen and Harvey Pitt in hearings on "Oversight of the Securities and Exchange Commission and the Securities Industry" before Senator RIEGLE's Securities Subcommittee on February 24, 1987.

The House-passed Insider Trading and Securities Fraud Enforcement Act of 1988 creates such a securities law study and there is considerable support in the corporate securities bar as well as in the industry for such a study. As the House report states, the Energy and Commerce Committee "viewed this study as necessary in light of the sweeping changes in the securities markets since the last similar study in this area, conducted by the Cohen Commission in 1961." We agree.

We believe this new independent special study should be a high priority of the Securities and Exchange Commission and should be modeled very closely in its structure and composition after the 1961-63 study. Its mandate is not meant to be limited by the statutory language. We envision the special study as reviewing and making recommendations on those issues relating to the securities laws that it deems appropriate, including, but not limited to: Methods to increase and improve confidence in the capital markets; methods to improve intermarket coordination of both domestic and international markets; and effective methods for detecting and prohibiting intermarket trading abuses, including frontrunning.

In summary, I believe that this legislation will add to greater investor confidence in our capital markets, will serve as a deterrent to insider trading abuses and will lead to positive recommendations for change in the future.

I especially want to commend my colleague, Securities Subcommittee Chairman DON RIEGLE, for his outstanding leadership of the subcommittee and for focusing our attention on so many of the vital issues facing the capital markets over the past 2 years, since he has been chairman. I applaud his efforts with respect to this legislation and also with respect to his work to clarify the laws on insider trading. I would hope that Congress would address his Insider Trading Proscriptions Act next year, and that both the Securities and Exchange Commission and the Securities Industry Association would continue to view that legislation as a necessary improvement over the existing situation.

● Mr. D'AMATO. Mr. President, I am pleased to support this insider trading legislation. This action by the Senate represents a fine moment in these closing moments of the 100th Congress. Throughout the years of my involvement in efforts to strengthen the securities laws and sustain the integrity of U.S. securities markets, I have been increasingly convinced of the need for constant refinement in this area.

In the high-stakes game of market manipulation, too often the base human instinct toward greed overcomes the "better angles of our nature." We all well know that new schemes are hatched every day to make money at the expense of other investors—and of the integrity of the marketplace. A great deal of brainpower and talent is wasted in these criminal activities, perhaps more so than in other types of crime. I wonder if the same talent and energy are always expended in legitimate investment efforts.

Talented, well-educated and ambitious young men and women, an important national human resource, are drawn to the world of the fast buck and the supposed moral ambiguity of crimes like insider trading. The recent Wang-Lee case exemplifies this sad situation. The perversion of such young talent to the forces of greed and manipulation is yet another cost of the ease of large illegal profits from market manipulation in addition to the costs of the integrity of the securities markets, and the loss of investor confidence.

For these reasons, I applaud the provisions of this bill which increase the weight of the penalties on insider trading. With these provisions we send a clear signal that this conduct is not morally ambiguous but clearly wrong, and that those who are apprehended will not be dealt with lightly.

I also applaud the "controlling person" provisions of this bill. These serve notice on the companies who create an environment in which insider trading and market manipulation take place. "Controlling persons" are liable for serious statutory penalties, up to $2.5 million, if they acquiesce in criminal activity.

In addition, I support the authorization of bounty payments for information which assists the SEC in apprehension of insider traders. To those who oppose bounty I ask that they put themselves in the place of an employee or coworker of an insider trader. What incentive is there to blow the whistle that can counteract the clear risk to profession and livelihood? They may answer that civic duty is enough, and one would hope they were right. But I disagree. Bounty is a positive incentive we can offer and I see no real cost in doing so.

In conclusion, I would like to commend the Senate leadership for bringing this measure to the floor amid the rush to adjourn and to commend my colleagues in the House for producing a fine piece of insider trading legislation, wholly consistent with the many efforts we have made on this side of the Congress.●

Mr. HEINZ. Mr. President, I rise in support of the Insider Trading and Securities Fraud Enforcement Act. In no uncertain terms, insider trading is out and out theft. When a corporate officer or director uses nonpublic information to trade with a shareholder who is kept in the dark—it is theft. When an investment banker, who in a betrayal of trust, trades on confidential information provided by a client—it is theft. When a lawyer trades because he has just been hired by a client who is about to launch a hostile takeover—it is theft. When an accountant trades during the course of an audit because he suddenly realizes that his client has earned record profits—it is theft.

Insider traders steal nonpublic information from those who have placed them in a position of trust. Insider traders take money from those who participate honestly in our capital markets. But most importantly, insider traders rob our markets of their integrity—the essential foundation upon which our markets are based.

This legislation makes it clear to those who seek to profit at the expense of our markets, that insider trading is an activity that no one can afford. Criminal fines for individuals will increase 10 times to $1 million. For most others, such as investment banking firms and corporations, criminal fines will go up 25 times to $2½ million. In addition, jail terms will be doubled from 5 to 10 years. Those who violate the securities laws from inside the board rooms and trading rooms must learn that they will also spend time inside our jail rooms.

Information is the lifeblood of our capital markets. Our securities markets depend on the free and honest flow of information. Much of that information is entrusted to brokers, dealers, and investment advisers. This bill places an affirmative obligation on these market professionals to help safeguard confidential nonpublic information from abuse. It is only fitting that those who depend on the integrity of our markets for their livelihood should take reasonable efforts to help protect and police those markets.

In addition to stiffer penalties and stronger safeguards, this legislation provides those who have been harmed by insider trading with an express private right of action. The SEC cannot fight this war alone. Consequently, Congress must give honest market participants a clear right to judicial action to take back illegal profits from insider traders.

Mr. President, insider trading is often called a white-collar crime. However, in my view it is more like a street crime, or should I say a Wall Street crime. In the same way that muggers drive law abiding citizens off of Main Street, insider traders scare honest investors off of Wall Street. We know what harmful effects street crime has in our local communities. Well, insider trading has those same effects in our financial communities. I urge my colleagues to join me in support of this important measure. Congress must make it clear that all insider trading transactions will result in a loss.

● Mr. GARN. Mr. President, the House of Representatives recently passed H.R. 5133, the Insider Trading and Securities Enforcement Act of 1988, by a unanimous vote of 410-0. This legislation obviously has strong support, and for good reason. It is an important attack on insider trading, the abusive practice that undermines the Nation's securities markets and investor confidence in the integrity of those markets. H.R. 5133 would strengthen enforcement efforts against insider trading, deter future violators, and reassure investors that our nation's securities markets are fair and honest.

In recent years, there have been numerous revelations of large-scale insider trading by Wall Street professionals and others. These cases have shown the need for increased accountability and deterrence. Securities professionals must be held to a high standard of conduct. Those who abuse their positions of trust and engage in illegal insider trading must realize that they will pay dearly for it.

This legislation would address these issues in several ways. It would expand the civil and criminal penalties for insider trading. It would increase the responsibilities of securities firms to monitor and supervise the actions of their employees. And it would enable investors who have been adversely affected by insider trading to seek redress against those who engage in the practice.

I believe this bill is an effective piece of legislation that will send a strong message about Congress' concern over insider trading, and will help renew the public's confidence in a fair and honest market.

I would like to highlight some of the most significant provisions of the legislation.

PROVISIONS REGARDING EMPLOYEE SUPERVISION AND CONTROLLING PERSON LIABILITY

This legislation contains two provisions designed to encourage closer supervision of employees with access to material nonpublic information, and thereby enhance the existing safeguards for protecting investors from insider trading abuses. The bill adds new provisions to the securities laws—section 15(f) of the Securities Exchange Act and section 204A of the Investment Advisers Act—that would create an explicit requirement for broker-dealers and investment advisers—and associated persons—to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the misuse of material, nonpublic information. The new provisions added by this legislation will complement existing self regulatory organization [SRO] supervisory requirements and the general duty to supervise reflected in the securities laws.

The question of what procedures are reasonable for a particular firm may involve consideration of the nature of a firm's business and structure. However, the legislation provides the Commission with additional broad rulemaking authority to emphasize that the Commission may require specific policies or procedures if it deems such actions necessary or appropriate in the public interest or for the protection of investors. Thus, if the Commission is dissatisfied with the overall quality of procedures in place, or becomes aware of particular areas of concern, it would clealry have the authority to address the situation. The Commission presently has the authority to adopt prophylactic rules "reasonably designed to prevent" misuse of material nonpublic information.

The legislation's second major change relating to supervision concerns an amendment to the civil penalty provisions of the Insider Trading Sanctions Act [ITSA]. Under existing law, ITSA permits the Commission to seek civil penalties against insider traders and tippers. ITSA was premised on the belief that the remedies then available to the Commission provided insufficient deterrence of violators. Accordingly, ITSA made the imposition of civil penalties a critical component of insider trading enforcement. Ordinarily, therefore, the courts will impose a civil penalty against violators, absent unusual circumstances. H.R. 5133 expands the category of persons subject to ITSA civil penalties. It permits actions for penalties against controlling persons who fail to take appropriate steps to prevent or detect insider trading violations by their employees or controlled persons.

First, a controlling person would be liable for a penalty if it failed to take appropriate action when it knew or recklessly disregarded circumstances indicating a likelihood that a controlled person was engaged in an ongoing insider trading or tipping violation or was about to engage in such a violation. Evidence of past insider trading would also clearly be indicative of likely future conduct.

Second, a broker-dealer or investment adviser also would be liable for a penalty if it failed to establish, maintain, or enforce any appropriate policy or procedure pursuant to new section 15(f) of the Exchange Act or section 204A of the Adviser Act, and that failure permitted or substantially contributed to the occurrence of the act or acts constituting the violation. Under this provision, it would be necessary to show that the inadequate procedure was relevant to the conduct constituting the violation, but liability would not depend upon a showing that but for the controlled person's procedural failure the violation would not have occurred.

BOUNTIES

The legislation grants authority to the Commission to award, at its discretion, payments to persons who provide information concerning insider trading violations. The purpose of this provision is to enable the Commission to assess whether such awards would effectively encourage more sources of information to come forward, and to assist the Commission and the Department of Justice in developing better information in their investigation and prosecution of insider trading case.

PRIVATE RIGHTS OF ACTION

Private rights of action serve as an important supplement to the Securities and Exchange Commission's enforcement of the Federal securities laws. In the area of insider trading, courts have permitted some implied private rights of action under section 10(b) of the Exchange Act and rule 10b-5, but have also imposed certain limitations on the class of persons to whom such actions are available. Under existing law, persons who have traded contemporaneously with the violator in a traditional insider trading case have been granted a right to recovery; however; contemporaneous traders in one misappropriation case, Moss versus Morgan Stanley, have been denied the right to bring such an action.

This legislation contains an express provision for private actions by all contemporaneous traders. It thus affirms those cases granting such actions in traditional insider cases, and rejects the holdings of others that imposed limitations on the class of plaintiffs or on other aspects of the remedy. It also specifically reverses the result in the Moss case. The result in Moss is inconsistent with the remedial purposes of the Exchange Act; the misappropriation theory fulfills important and appropriate regulatory objectives in determining when communicating or trading while in possession of material nonpublic information is unlawful. Thus, private investors should have a right to recover when they have been victimized by insider trading violations based on the misappropriation theory.

It should be noted that, under existing law, persons other than contemporaneous traders, such as tender offer bidders, also have brought private actions pursuant to section 10(b) and rule 10b-5, alleging that they have been injured by insider trading. The most prominent example of this type of suit is Anheuser-Busch Companies, Inc. Versus Thayer, in which a tender offer bidder sued a former director and others who allegedly tipped and traded while in possession of misappropriated information concerning the plaintiff's plans to acquire another company. As a result of the defendants' conduct, the plaintiff allegedly had to pay a substantially greater amount to acquire the target company. This legislation does not expressly address the Anheuser-Busch type of action. However, a provision in the private rights section, stating that nothing in the section shall be construed to limit or condition the availability of any cause of action implied under the Exchange Act, will assure that plaintiffs other than contemporaneous traders will continue to have standing to bring implied rights of action under section 10(b). This legislation will not restrict or freeze the law in this area, but will give the courts leeway to develop private rights of action in such cases in an expansive fashion in the future.

SECURITIES LAWS STUDY

The bill directs the Commission to conduct a broad study of the adequacy of the Federal securities laws in meeting their goal of protection of investors. The principal focus of the study would be an examination of the extent of insider trading, the adequacy of surveillance methods of brokers, dealers and self-regulatory organizations, the adequacy of cooperation between Federal, State and foreign enforcement authorities on securities law matters, and other impediments to the fairness and orderliness of the securities markets. I would also expect the Commission to examine abuses of the proxy voting process and in the leveraged buyout of public companies. The legislation authorizes the appropriation of $5 million to conduct the study.

I ask a letter from Dan Wall, an article from the Washington Times, and a copy of the amendment to section 17A of the Securities Exchange Act be printed in the RECORD.

The material follows:

FEDERAL HOME LOAN BANK BOARD,
Washington, DC, October 13, 1988.
Senator JAKE GARN,
Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR GARN: I would like to voice my strong support for the proposed amendment to Section 17A of the Securities and Exchange Act explicitly authorizing the Commission to issue regulations requiring transfer agents to accept signature guarantees from thrift institutions and credit unions on the same terms and conditions as they currently accept them from commercial banks.

At the present time stock transfer agents routinely accept signature guarantees from a wide range of entities including brokerage firms, trust companies and commercial banks. Unfortunately, these same transfer agents are extremely reluctant to (and as a general rule do not) accept an identical guarantee from a thrift institution or a credit union.

This (as the attached article from the Washington Times emphasizes) places an enormous burden on the consumer and places thrift institutions and credit unions at an unfair competitive disadvantage to others in the financial services marketplace.

The proposed amendment would provide the SEC with the power to remedy this unfortunate situation by granting it express authority to issue regulations requiring transfer agents to accept signature guarantees from thrift institutions and credit unions. While reasonable differentiation based upon objective measures of financial strength would be permissible, discrimination based upon an institution's thrift or credit union identity would not.

It is my firm belief that this amendment would help to place thrift institutions and credit unions on a more equal footing with commercial banks, and thus promote and enhance competition in the financial services industry. In the final analysis, the consumer will end up the winner.

I urge you to support and adopt this amendment.

Sincerely,

M. DANNY WALL.

Attachment.

[From the Washington Times, Sept. 13, 1988]

SIGNATURE GUARANTEE NO SIMPLE MATTER

(By William Dole)

Q: I intend to give some stock I own to my daughter and her finance as a wedding present. From reading your column, I know I am supposed to fill out the assignment form on the back of the stock certificate and have my signature there guaranteed by a commercial bank, trust company or brokerage firm. Then, I send the certificate to the stock's transfer agent, which will cancel my certificate and issue a new certificate to my daughter and her husband in their married names.

I asked the savings and loan association, at which I have substantial money in certificates of deposit, savings and checking accounts, to provide the signature guarantee. I was told no one there can do it.

That S&L is the only place I "bank." I have not dealt with a broker since my husband died 13 years ago. What do I do now?

A: Go back to that S&L and ask the people there to send you, with stock certificate in hand, to a commercial bank where your signature can be guaranteed.

Every S&L has some working relationship with a commercial bank, even though the two are competitors. It's standard procedure for a bank to guarantee the signatures of S&L customers vouched for by the S&L.

When you send the stock certificate to the transfer agent, for safety's sake, do it by registered mail, return receipt requested.

And be sure to tell your daughter and her intended your "basis"—cost for tax purposes. They will need that information to calculate their capital gain or loss, if they ever sell. On gift stock sold at a profit, the recipient's basis is the donor's basis. On gift stock sold at a loss, the recipient's basis is the donor's basis or the market value on the date of the gift—whichever is lower.

Q: If I open an account at a commercial bank, can I have my signature guaranteed right away or will I have to wait? A few years ago, I was told to wait six months.

A: That depends on the policy of the particular bank.

A six-month delay after you open an account by depositing money seems way out of line. Nonetheless, every bank will naturally follow the "know your customer" rule and want to be sure you're an upright citizen who owns the stock certificate on which a signature guarantee is requested.

Q: Why can't savings and loan associations provide signature guarantees?

A: It's partly because of tradition and partly because transfer agents want to be protected against fraud.

Transfer agents accept signature guarantees from brokerage firm members of national stock exchanges, commercial banks and trust companies, all of which have filed signature guarantee cards with transfer agents and also provide financial guarantees. There is no such arrangement between transfer agents and other depository institutions—S&Ls, savings banks and credit unions.

However, some transfer agents do accept signature guarantees from S&Ls, savings banks and CUs with which they have working relationships.

Q: I recall reading about a proposal under which S&Ls, savings banks and CUs would be able to provide signature guarantees on stock certificates. Has that proposal been adopted?

A. No. You're thinking about a program called "Signasure," which has never been put into effect. When and if Signasure is adopted, all depository institutions will be able to participate and provide signature guarantees acceptable to all transfer agents.

AMENDMENT

Section 17A of the Securities Exchange Act (15 U.S.C.S. 78q-1) is amended by adding a new subsection (f), to read as follows:

"(f) Notwithstanding any other provision of law—

(1) The Commission is hereby authorized to issue regulations requiring transfer agents to accept signature guarantees from insured institutions (as that term is defined in section 408(a)(1) of the National Housing Act) and insured credit unions (as that term is defined in section 101(7) of the Federal Credit Union Act) on the same terms and conditions, including those pertaining to financial condition, as they accept signature guarantees from insured banks (as that term is defined in section 3(h) of the Federal Deposit Insurance Act), and such regulations shall be issued in final form not later than 90 days after enactment of this subsection; and

(2) The Commission is the sole appropriate regulatory agency for all transfer agents for the purposes of rulemaking and enforcement under this subsection.".

EXPLANATION

This amendment would clarify the authority of the SEC to remedy a discrimination problem that has arisen in the stock transfer area. Specifically, it would require the SEC to issue regulations (which would be that agency's enforcement responsibility) under which stock transfer agents would have to accept thrift and credit union signature guarantees on the same basis as they accept such guarantees from banks. Reasonable differentiation based upon objective measures of financial strength would be permissible; discrimination based upon an institution's thrift or credit union identity would not. This amendment is in no way a reflection on the SEC, which has labored in good faith to bring about a voluntary resolution of this problem. Nevertheless, the SEC's efforts, which have been underway for several years, have been unsuccessful, and the time has come to effect a statutory solution that will assure savings institutions and credit union of the ability to compete on a nondiscriminatory basis in the signature guarantee area.

● Mr. GARN. Mr. President, I would like at this time to raise a matter with the Senator from North Carolina that is of very considerable interest to me. Specifically, I would like to ask the Senator from North Carolina his views on what progress has been made in resolving the problem created by stock transfer agents' unwillingness to accept signature guarantees from savings institutions and credit unions.

● Mr. SANFORD. I thank the Senator from Utah for bringing this up. The answer as I understand it, very unfortunately, is that unjustifiable discrimination against thrifts and credit unions continues to be the norm in this area. The SEC has devoted a considerable amount of effort over several years to resolving this situation on a voluntary basis, but has been unsuccessful. In fact, my understanding is that the Commission has become frustrated to the point that it would support a legislative cure for this problem. Let me add that I personally believe that a statutory fix-up may be the only approach left, and I hope to pursue this issue in the next Congress.

● Mr. GARN. Thank you. Federal Home Loan Bank Board Chairman Dan Wall has written me urging a legislative solution, and I would like to enter this letter and the amendment it references into the RECORD at this time. I share your conclusion as to the need for a statutory correction. The SEC, as you noted, has traveled the voluntary route without success and it appears the time has come to require by law an end to this deplorable discrimination. I certainly will be happy to join with the Senator in his efforts to pass corrective legislation in the next Congress.●

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 5133) was ordered to a third reading, was read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOME EQUITY LOAN CONSUMER PROTECTION ACT OF 1988

The PRESIDING OFFICER. The clerk will report the next item.

The legislative clerk read as follows:

A bill (H.R. 3011) to amend the Truth in Lending Act to establish additional disclosure advertising and other requirements for home equity loans.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

(At the request of Mr. BYRD, the following statement was ordered printed in the RECORD at this point:)

● Mr. DODD. Mr. President, I rise in support of passage of H.R. 3011, the Home Equity Loan Consumer Protection Act of 1988.

Since the day of enactment of the Tax Reform Act of 1986, the need for this legislation has been obvious. The phasing out of the tax deductibility of interest for nonmortgage consumer debt in the tax act has directly resulted in a tremendous jump in home equity loans. According to the Federal Reserve Board, outstanding balances on home equity loans increased from about $40 billion at the end of 1986 to about $80 billion at the end of 1987.

These loans have many attractive features for consumers in addition to their tax deductibility. Because they are secured by the borrower's home, lenders offer low interest rates. Other attractive features include the use of a revolving line of credit and repayment periods of up to 15 years.

However, the home equity loan is not an unmixed blessing; there are also dangers. The most obvious danger is that the failure of the borrower to pay off the loan can result in loss of the borrower's home. Can such a thing happen to responsible borrowers? Of course it can. A sudden runup in interest rates, loss of a job or unexpected major medical bills could cause the borrower to lose his or her home.

Many home equity loans also have a built-in feature that presents a serious danger to borrowers—the right of the lender to change any term of the contract unilaterally. Such a provision would, for example, permit a lender to change the index used to a more costly one or to increase the margin between the index and the borrower's interest rate. Many lenders simply transferred this provision from their open-end credit loans, where they are common. However, a home equity loan is secured by the borrower's home and so it is entirely inappropriate for lenders to include such a one-sided clause.

Earlier in this Congress, my Consumer Affairs Subcommittee conducted hearings on home loans which confirmed the need for legislation. Thereafter, the full Banking Committee supported legislation on the subject and then, in March, this body addressed the home equity loan issue as title VII of S. 1886, the Proxmire Financial Modernization Act. Title VII has two primary purposes: First, to give potential borrowers advance disclosure of the key terms of home equity loans along with the applications. And second, to produce a more evenhanded contract between borrowers and lenders by restricting unilateral changes by the lender; requiring the lender to use an index outside its immediate control; and by restricting the right of the lender to terminate the loan unilaterally.

After the Senate passed S. 1886, the House adopted similar requirements for home equity loans and embodied their approach in H.R. 3011, the legislation we are considering today.

Let me briefly outline the approach taken in H.R. 3011. In general, the creditor must provide key loan information and an educational pamphlet at the time the application is provided. Among other disclosures, the creditor must disclose the following key items:

Where the annual percentage rate [APR] is fixed, each APR imposed in connection with extensions of credit.

Where the APR varies—as is true of most home equity loans today: A description of how the rate will be computed; a description of how and when the APR will change; any teaster rate and how long it will be in effect; the lifetime rate cap and any annual caps; and a table based on a $10,000 extension of credit showing how the APR and the minimum periodic payment amount would have been affected during the preceding 15 years by changes in the index used to compute the rate.

In addition, the creditor must disclose any additional fees, including annual fees, application fees, transaction fees, any closing costs—including points—and the time when such fees are payable.

The bill also requires creditors to estimate the fees which may be imposed by third parties—such as those charged by appraisers and attorneys—and to include a statement that the loan is secured by the consumer's home and the consumer risks loss of the home in the event of a default.

Further, the bill requires the creditor to disclose the right of the consumer to refuse to enter into a agreement if any terms change—other than those contemplated by a variable rate feature—and, in such a circumstance, the right of the consumer to a refund of all fees paid; a statement of the creditor's right to terminate the account, prohibit any additional extensions of credit or reduce the credit limit under certain narrowly limited circumstances; a statement of any balloom payment that would be required; and a statement if the plan permits negative amortization.

If the case of telephone, publication, and third party applications, the required disclosures must be provided by the creditor within 3 days after the creditor receives a completed application from the consumer.

The legislation also contains some restrictions on contract terms in order to assure a fair balance between the parties. First, whenever a creditor uses an index to adjust rates, the index must be publicly available and not under the control of the creditor. Second, the legislation permits a creditor to terminate an account only in the case of fraud or material misrepresentation by the consumer; failure by the consumer to meet the repayment terms; and any action by the consumer which adversely affects the creditor's security for the account.

Third, the bill establishes the general rule that the lender may not reserve the right to change unilaterally the terms of the contract after the agreement has been signed by both parties. When the agreement is signed, both the borrower and the lender should know the terms that will govern the loan.

Of course, lenders may include contingencies in their agreements that allow them to change the initial terms if the contingency is triggered. To keep within the purposes of the general rule, however, the event that could trigger the change, and the new term that would apply after the change is triggered, must be identified in the agreement.

The legislation itself identifies specific circumstances where the lender, if authorized by the agreement, may change terms. For example, a lender may freeze or reduce the line of credit if there is a significant decline in the value of the collateral; if the lender has reason to believe the consumer will be unable to repay the loan because of a material change in the consumer's financial circumstances; or if the consumer is in default with respect to any material obligation of the agreement.

Mr. President, I am satisfied that H.R. 3011 is a good bill and is consistent with the Senate approach. Given the shortness of time, I urge its passage so we can extend these important protections to all potential borrowers of home equity loans.●

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 3011) was ordered to a third reading, was read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPOSITORY INSTITUTION MANAGEMENT INTERLOCKS ACT

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 4879.

The PRESIDING OFFICER. The clerk will report by title.

The legislative clerk read as follows:

A bill (H.R. 4879) to amend the Depository Institution Management Interlocks Act to revise the manner in which the service of directors of depository institutions and depository holding companies are regulated, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 4879) was ordered to a third reading, was read the third time, and passed.

Mr. BYRD. Mr. President, I more to reconsider the vote by which the bill passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal, which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT—PM 166

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I hereby submit to the Congress the Annual Report of the Railroad Retirement Board for Fiscal Year 1987, pursuant to the provisions of Section 7(b)(6) of the Railroad Retirement Act, enacted October 16, 1974, and Section 12(1) of the Railroad Unemployment Insurance Act, enacted June 25, 1938.

The Annual Report, which includes a recent actuarial valuation, indicates an improved financial outlook for the rail pension fund, due in part to a 2 percentage point increase in the rail sector contribution rate. The Congress enacted this increase based on an Administration proposal and a recommendation by the Railroad Retirement Board's Chief Actuary. I hope we can continue to work together in the future to protect rail pensioners' benefits.

The Congress also enacted a $370 million taxpayer subsidy for the rail pension fund at the urging of rail sector representatives. Since 1983, over $3.5 billion of Federal funds have been given to the rail pension fund. It is time to put an end to this tap on the taxpayer. Under current law, the subsidy will expire in 1989. I urge the Congress to hold the rail industry to its pledge to fund rail pensions fully without Federal taxpayer support by allowing this subsidy to expire at that time.

The Congress has also asked for a study by a panel of rail sector representatives and independent experts regarding rail pension reform proposals. I urge the panelists, including the rail sector representatives, to adhere to the Congress's wish, as expressed in the charter and in the report language, that the Commission focus on putting rail pensions on a sound long-term track financed solely from rail sector resources and not on palliatives involving new taxpayer subsidies.

The best approach to rail pension reform is to restore the rail pension system to the private sector, where all other private pension plans reside. The Administration recently transmitted to the Congress the Rail Industry Pension Restoration Act of 1988, which would restore control over rail pensions to rail labor and management. The bill would allow labor and management to collectively bargain their pension plan free from inappropriate Federal intrusion. Current retirees' pensions and the earned benefits of current workers would be protected. Over time, rail pensions would be fully funded in advance of retirement like other industry pension plans.

I urge the Congress and the reform commission to consider our privatization proposal, which is a strong first step toward long-term stability for rail pensions.

RONALD REAGAN.

THE WHITE HOUSE, *October 21, 1988.*

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that he had approved and signed the following enrolled bills and joint resolutions:

On October 6, 1988:

S. 1945. An act to amend the Second Supplemental Appropriation Act, 1961, relating to the lease of certain lands from the Isleta Indian Tribe for a seismological laboratory.

On October 7, 1988:

S. 1934. An act pursuant to the report ordered by Public Law 99-229 which directed the Architect of the Capitol and the Secretary of Transportation to undertake a study of the needs of the Federal judiciary for additional Federal office space, to authorize the Architect of the Capitol to contract for the design and construction of a building adjacent to Union Station in the District of Columbia to house agencies offices in the judicial branch of the United States, and for other purposes.

On October 11, 1988:

S.J. Res. 317. Joint resolution commemorating the bicentennial of the French Revolution and the Declaration of the Rights of Man of the Citizen.

On October 13, 1988:

S. 1165. An act to authorize the Secretary of the Interior to provide for the development and operation of a visitor and environmental education center in the Pinelands National Reserve, in the State of New Jersey.

S.J. Res. 364, Joint resolution to designate the week of October 2 through October 8, 1988, as "National Paralysis Awareness Week".

On October 14, 1988:

S. 1518, an act to amend the Motor Vehicle Information and Cost Savings Act to provide for the appropriate treatment of methanol and ethanol, and for other purposes.

On October 17, 1988:

S. 328. An act to amend chapter 39 of title 31, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes.

S. 555. An act to regulate gaming on Indian lands.

On October 18, 1988:

S. 496. An act to amend title 5 of the United States Code, to ensure privacy, integrity, and verification of data disclosed for computer matching, to establish Data Integrity Boards within Federal agencies, and for other purposes.

S. 908. An act to amend the Inspector General Act of 1978 to establish offices of inspector general in certain departments, and for other purposes.

S. 945. An act to authorize the Secretary of Health and Human Services to make grants for demonstration projects for foster care and residential care of infants and young children abandoned in hospitals, and for other purposes.

S. 1626. An act to keep secure the rights of intellectual property licensors and licensees which come under the protection of title 11 of the United States Code, the bankruptcy code.

S. 2800. An act to amend the Nuclear Waste Policy Act of 1982 with respect to the Office of the Nuclear Waste Negotiator and the Monitored Retrievable Storage Commission.

On October 20, 1988:

S. 2057. An act to provide for the establishment of the Coastal Heritage Trail Route in the State of New Jersey, and for other purposes.

S. 2393. An act to amend the Protection and Advocacy for Mentally Ill Individuals Act of 1986 to reauthorize such Act, and for other purposes.

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 164. Concurrent resolution to correct errors in the enrollment of the bill H.R. 4612.

The message also announced that the House agrees to the amendment of the Senate to each of the following bills:

H.R. 712. An act for the relief of Lawrence K. Lunt;

H.R. 3911. An act to amend title 18, United States Code, to provide increased penalties for certain major frauds against the United States;

H.R. 4574. An act to amend title 5, United States Code, with respect to certain programs under which awards may be made to Federal employees for superior accomplishments or cost savings disclosures, and for other purposes; and

H.R. 4612. An act to amend title 28, United States Code, to provide for an exclusive remedy against the United States for suits based upon certain negligent or wrongful acts or omissions of United States employees committed within the scope of their employment, and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 3327) to designate the Federal building located at 324 West Market Street in Greensboro, NC, as the "L. Richardson Preyer, Jr. Federal Building and United States Courthouse".

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 2020) to authorize appropriations for the Office of Environmental Quality for fiscal years 1987, 1988, and 1989; with an amendment, in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 4445) to amend title 18, United States Code, to prohibit certain firearms especially useful to terrorists.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 4972) to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes.

The message further announced that the House has passed the following bills, each with an amendment, in which it requests the concurrence of the Senate:

S. 2102. An act to prohibit the licensing of certain facilities on portions of the Salmon and Snake Rivers in Idaho, and for other purposes; and

S. 2915. An act to make certain minor and technical amendments to the Child Abuse Prevention, Adoption, and Family Services Act of 1988.

The message also announced that the House agrees to the amendment of the Senate to the amendment of the House to the text of the bill (S. 2344) to provide for the reauthorization of appropriations for the Office of Government Ethics, and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the amendments of the House to the bill (S. 795) to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Pauma, and Pala Bands of Mission Indians in San Diego County, CA, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4123. An act to authorize appropriations to carry out the National Aquaculture Act of 1980 for fiscal years 1989 and 1990;

H.R. 4936. An act to make permanent the authority provided under the Temporary Emergency Wildlife Suppression Act;

H.R. 5550. An act to combat international terrorism and otherwise further the national security and foreign policy interests of the United States; and

H.R. 5551. An act to authorize the transfer of certain funds for use for United States contributions to new international peacekeeping activities.

ENROLLED BILLS AND JOINT RESOLUTION

The message further announced that the Speaker has signed the following enrolled bills and joint resolutions:

H.R. 1133. An act for the relief of Thomas Nelson Flanagan;

H.R. 4050. An act for the relief of certain persons in Riverside, California, who purchased land in good faith reliance on an existing private land survey;

H.R. 4064. An act to amend title 28, United States Code, to authorize the appointment of additional bankruptcy judges;

H.R. 4068. An act to amend the Archeological Resources Protection Act of 1979 to strengthen the enforcement provisions of that act, and for other purposes.

The enrolled bills and joint resolution were subsequently signed by the President pro tempore [Mr. STENNIS].

At 7:05 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following joint resolutions; without amendment:

S.J. Res. 192. Joint resolution to designate the month of October 1988 as "National AIDS Awareness and Prevention Month";

S.J. Res. 261. Joint resolution designating the month of November 1988 as "National Alzheimer's Disease Month";

S.J. Res. 272. Joint resolution to designate November 1988 as "National Diabetes Month";

S.J. Res. 280. Joint resolution to designate the week of November 27, 1988, through December 3, 1988, as "National Home Care Week";

S.J. Res. 301. Joint resolution designating January 20, 1989, as "National Skiing Day";

S.J. Res. 302. Joint resolution to designate October 1988 as "National Doen Syndrome Month";

S.J. Res. 303. Joint resolution to designate the month of October 1988 as "National Lupus Awareness Month";

S.J. Res. 306. Joint resolution designating the day of August 7, 1989, as "National Lighthouse Day";

S.J. Res. 314. Joint resolution designating October 1988 as "Pregnancy and Infant Loss Awareness Month";

S.J. Res. 315. Joint resolution designating 1989 as "Year of the Young Reader";

S.J. Res. 319. Joint resolution to designate the period commencing November 6, 1988, and ending November 12, 1988, as "National Disabled Americans Week";

S.J. Res. 324. Joint resolution to designate February 1989 as "America Loves Its Kids Month";

S.J. Res. 325. Joint resolution designating the third week in May 1989 as "National Tourism Week";

S.J. Res. 327. Joint resolution commemorating January 28, 1989, as "National Day of Excellence" in honor of the crew of the space shuttle *Challenger;*

S.J. Res. 332. Joint resolution to designate the period commencing December 11, 1988, and ending December 17, 1988, as "National Drunk and Drugged Driving Awareness Week";

S.J. Res. 335. Joint resolution to designate the last full week of October, October 23 through October 29, 1988, as "National Adult Immunization Awareness Week";

S.J. Res. 340. Joint resolution designating November 27 through December 3, 1988, as "National Sir Winston Churchill Recognition Week";

S.J. Res. 342. Joint resolution to designate the week of November 28 through December 5, 1988, as "National Book Week";

S.J. Res. 352. Joint resolution designating September 24, 1989, as "United States Marshals Bicentennial Day";

S.J. Res. 365. Joint resolution to designate January 28, 1989, as "National Challenger Center Day" to honor the crew of the space shuttle *Challenger;*

S.J. Res. 378. Joint resolution designating the week of October 2 through 8, 1988, as "National Wild and Scenic Rivers Act Week";

S.J. Res. 381. Joint resolution to designate October 30, 1988, as Fire Safety and Home Day—Change Your Clock, Change Your Battery"; and

S.J. Res. 386. Joint resolution to designate the week of June 18 through June 24, 1989, as "National Grasslands Week";

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2100) to authorize the U.S. Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

The message further announced that the House agrees to the amendment of the Senate to the text of the bill (H.R. 3048) to establish a national Federal program effort in close collaboration with the private sector to develop as rapidly as possible the applications of superconductivity to enhance the Nation's economic competitiveness and well-being, and for other purposes; with an amendment, in which it requests the concurrence of the Senate; and that the House disagrees to the amendment of the Senate to the title of the bill.

The message also announced that the House disagrees to the amendments of the Senate to the amendments of the House to the bill (S. 2042) to authorize the Vietnam Women's Memorial Project, Inc., to construct a statue at the Vietnam Veterans Memorial in honor and recognition of the women of the United States who served in the Vietnam conflict.

The message further announced that the House agrees to the amendment of the Senate to each of the following bills:

H.R. 3105. An act to revise, consolidate, and enact certain laws related to shipping definitions and maritime commercial instruments and liens as subtitle III of title 46, United States Code, "Shipping," and for other purposes;

H.R. 4399. An act to facilitate commercial access to space, and for other purposes; and

H.R. 4686. An act to amend the Federal Aviation Act of 1958 relating to aviation research.

The message also announced that the House agrees to the amendment of the Senate to the concurrent resolution (H. Con. Res. 126) recognizing and supporting the efforts of the National Purple Heart Museum Committee, and encouraging the people of the United States to participate, in the development of a national museum to honor those individuals awarded the Purple Heart.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 5043) to amend section 207 of title 18, United States Code, relating to restrictions on postemployment activities; with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the joint resolution (S.J. Res. 141) designating August 29, 1988, as "National China-Burma-India Veterans Appreciation Day"; with amendments, in which it requests the concurrence of the Senate.

The message further announced that the House has passed the joint resolution (S.J. Res. 345) to designate October 8, 1988, as "National Day of Outreach to the Rural Disabled"; with amendments, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (S. 2204) to implement the Inter-American Convention on International Commercial Arbitration; with an amendment, in which it requests the concurrence of the Senate.

The message further announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 5264. An act to require the transfer of the decommissioned Coast Guard cutter "Glacier" to the State of Oregon for use as a maritime museum and display.

H.R. 5552. An act to provide that the Consumer Product Safety Commission amend its regulations regarding lawn darts.

H.R. 5553. An act to designate the Federal Building and United States Courthouse located at 301 West Main Street in Benton, Illinois, as the Kenneth J. Gray Federal Building and United States Courthouse.

H.J. Res. 438. Joint resolution designating November 4, 1988, as "National Teacher Appreciation Day".

H.J. Res. 446. Joint resolution designating October 30 through November 5, 1988, as "National Jukebox Week".

H.J. Res. 552. Joint resolution to authorize the President to issue a proclamation designating the week beginning on November 20, 1988, as "National Family Week".

H.J. Res. 543. Joint resolution acknowledging the sacrifices that military families have made on behalf of the Nation and designating November 21, 1988, as "National Military Families Recognition Day".

H.J. Res. 564. Joint resolution designating the first week of April 1989 as "National Earthquake Awareness Week".

H.J. Res. 573. Joint resolution to designate the week beginning November 13, 1988, as "National Craniofacial Awareness Week".

H.J. Res. 575. Joint resolution to designate the week beginning November 21, 1988, through November 27, 1988, as "National Adoption Week".

H.J. Res. 604. Joint resolution designating February 5 through 11, 1989, as "National Burn Awareness Week".

H.J. Res. 613. Joint resolution designating the week beginning March 7, 1989, as "Deaf Awareness Week".

H.J. Res. 626. Joint resolution designating September 13, 1989, as "Uncle Sam Day".

H.J. Res. 649. Joint resolution designating November 12, 1988, as "National Firefighters Day".

H.J. Res. 654. Joint resolution designating November 4 through 10, 1988, as the "Week of Remembrance of Kristallnacht".

H.J. Res. 669. Joint resolution to designate June 20, 1989, as "National Day of Remembrance for Political Prisoners in Iran".

H.J. Res. 672. Joint resolution to designate January 4, 1989, as "National Commissioned Corps of the Public Health Service Centennial Day".

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H.Con. Res. 394. Concurrent resolution to correct the enrollment of S. 2843.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 10:13 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

H.R. 1490. An act for the relief of Jean DeYoung;

H.R. 3966. An act to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes;

H.R. 4174. An act to amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes;

H.R. 4833. An Act to amend the Public Health Service Act to revise and extend the programs of nurse education established in title VIII of such Act, and for other purposes; and

H.J. Res. 572. Joint resolution designating November 28, through December 2, 1988, as "Vocational-Technical Education Week".

At 11:50 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4333) to make technical corrections relating to the Tax Reform Act of 1986, and for other purposes.

The message also announced that the House agreed to the following concurrent resolutions; without amendment:

S. Con. Res. 146. Concurrent resolution to authorize the printing of Senator Bob Dole's series of "Senate Bicentennial Minutes"; and

S. Con. Res. 169. Concurrent resolution to authorize a correction in the enrollment of S. 1382.

The message further announced that the House agrees to the amendment of the Senate to each of the following bills:

H.R. 1975. An act to protect cave resources on Federal lands, and for other purposes; and

H.R. 3146. An act to clarify certain restrictions on distribution of advertisements and other information concerning lotteries and similar activities.

The message also announced that the House agrees to the amendments of the Senate to each of the following bills:

H.R. 2839. An act to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, to simplify the boundaries of the Goshute Reservation, and for other purposes;

H.R. 3313. An Act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes; and

H.R. 4362. An Act to amend section 3 of the Act of June 14, 1925, as amended (43 U.S.C. 869-2), to authorize the issuance of patents with a limited reverter provision of lands devoted to solid waste disposal, and for other purposes.

The message further announced that the House agreed to the following resolutions:

H. RES. 603

Resolved, That the bill of the Senate S. 2097, the Uranium Mill Tailings Remedial Action Amendments Act of 1987, in the opinion of this House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privileges of this House and that such bill be respectively returned to the Senate with a message communicating this resolution.

H. RES. 604

Resolved, That the amendment of the Senate to H.R. 1315, the Nuclear Regulatory Commission Authorization Act for Fiscal Years 1988 and 1989, in the opinion of the House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privileges of this House and that such bill be respectively returned to the Senate with a message communicating this resolution.

ENROLLED BILL SIGNED

At 12:05 a.m. (Octobr 22, 1988), a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2642. An act to facilitate and implement the settlement of Colorado Ute Indian reserved water rights in southwest Colorado, and for other purposes.

At 1:58 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 5210) to prevent the manufacturing, distribution, and use of illegal drugs, and for other purposes; with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendments of the Senate to the joint resolution (H.J. Res. 137) designating the month of May as "National Asparagus Month."

The message further announced that the House has passed the following bill and joint resolution; without amendment:

S. 253. An act to convey Forest Service land to Flagstaff, Arizona; and

S.J. Res. 395. Joint resolution to designate January 4, 1989, as "National Commissioned Corps of the Public Health Service Centennial Day".

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 5132. An Act to improve the transfer of technology developed by the Department of Energy National Laboratories, and

H.R. 5560. An act to amend the Public Health Service Act, and the Health Omnibus Programs Extension of 1988, to make technical corrections relating to the Health Omnibus Programs Extension of 1988.

The message further announced that pursuant to the provisions of section 5(a)(2) of Public Law 100-382, the Speaker appoints the following Members on the part of the House to the Advisory Committee of the White House Conference on Library and Information Services: Mr. Ford of Michigan, Mr. Williams, and Mr. Owens of New York; and from the private sector, Mr. Nelwyn Murphy, of Booneville, MS, and Mrs. Virginia G. Young, of Columbia, MO.

The message also announced that pursuant to the provisions of section 1139 of the Social Security Act, as amended by section 9136 of Public Law 100-203, the Speaker appoints Mr. Raymond L. Flynn, mayor, Boston, MA, on the part of the House, as a section B member of the National Commission on Children—individuals who are elected or appointed public officials—to fill the existing vacancy thereon.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 4123. An act to authorize appropriations to carry out the National Aquaculture Act of 1980 for fiscal years 1989 and 1990; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 4755. An act for the relief of H.H. Barter, doing business as Barter Enterprises; to the Committee on the Judiciary.

H.R. 4936. An act to make permanent the authority provided under the Temporary Emergency Wildlife Suppression Act; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 5132. An act to improve the transfer of technology developed by the Department of Energy National Laboratories; to the Committee on Energy and Natural Resources.

H.R. 5550. An act to combat international terrorism and otherwise further the national security and foreign policy interests of the United States; to the Committee on Foreign Relations.

H.R. 5553. An act to designate the Federal Building and United States Courthouse located at 301 West Main Street in Benton, Illinois, as the Kenneth J. Gray Federal Building and United States Courthouse; to the Committee on the Environment and Public Works.

H.J. Res. 522. Joint resolution to authorize the President to issue a proclamation designating the week beginning on November 20, 1988, as "National Family Week"; to the Committee on the Judiciary.

H.J. Res. 543. Joint resolution acknowledging the sacrifices that military families have made on behalf of the Nation and designating November 21, 1988, as "National Military Families Recognition Day", to the Committee on the Judiciary.

H.J. Res. 575. Joint resolution to designate the week beginning November 21, 1988, through November 27, 1988, as "National Adoption Week"; to the Committee on the Judiciary.

H.J. Res. 613. Joint resolution designating the week beginning March 7, 1989, as "Deaf Awareness Week"; to the Committee on the Judiciary.

H.J. Res. 669. Joint resolution to designate June 20, 1989, as "National Day of Remembrance for Political Prisoners in Iran"; to the Committee on the Judiciary.

H.J. Res. 672. Joint resolution to designate January 4, 1989, as "National Commissioned Corps of the Public Health Service Centennial Day"; to the Committee on the Judiciary.

The following concurrent resolution was read; and referred as indicated:

H.Con. Res. 394. Concurrent resolution to correct the enrollment of S. 2843; to the Committee on Labor and Human Resources.

The following bills, previously received from the House of Representatives for concurrent, were read the first and second times by unanimous consent, and referred as indicated:

H.R. 4379. An act to amend the Immigration and Nationality Act to provide to aliens who are nationals of certain foreign states in crises authorization to remain temporarily in the United States; to the Committee on the Judiciary.

H.R. 4983. An act to amend the Public Health Service Act to revise and extend programs with respect to health research and teaching facilities and training of professional health personnel, and for other purposes; to the Committee on Labor and Human Resources.

The following concurrent resolution, previously received from the House of representatives for concurrence, was read, and referred as indicated:

H. Con. Res. 322. A concurrent resolution recognizing the loyalty and dedication of the American and Panamanian employees of the Panama Canal Commission during the current political unrest in the Republic of Panama; to the Committee on Armed Services.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second time by unanimous consent, and placed on the calendar:

H.R. 5551. An act to authorize the transfer of certain funds for use for United States contributions to new international peacekeeping activities.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

Report to accompany the bill (S. 2361) to preserve personal privacy with respect to the rental, purchase, or delivery of video tapes or similar audio visual materials (Rept. No. 100-599).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 2468. A bill to revitalize the Food and Drug Administration, and for other purposes (Rept. No. 100-600).

By Mr. INOUYE, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 187. A bill to provide for the protection of Native American rights for the remains of their dead and sacred artifacts, and for the creation of Native American cultural museums (Rept. No. 100-601).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. D'AMATO:

S. 2924. A bill to promote international fairness in the underwriting and distribution of government securities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GORE:

S. 2923. A bill to amend the Communications Act of 1934 so as to make certain broadcasting stations available for a limited time to all legally qualified candidates for election to the Office of the President of the United States; to the Committee on Commerce, Science, and Transportation.

By Mr. LEVIN (for himself and Mr. Riegle):

S. 2924. A bill to amend title XVIII of the Social Security Act to clarify that medically necessary procedures related to atrophic and weakened jaws are covered under such title; to the Committee on Finance.

By Mr. STEVENS (for Mr. Hatch (for himself, Mr. Kennedy, Mr. D'Amato, Mr. Gore, Mr. McClure, Mr. Shelby, Mr. Stevens, Mr. Matsunaga, Mr. Stafford, Mr. Bumpers, Mr. Warner, Mr. Dodd, Mr. Bond, Mr. Inouye, Mr. Lugar, Mr. Levin, Mr. Garn, Mr. Pell, Mr. Thurmond, Mr. Stennis, Mr. Dole, Mr. Sanford, Mr. Durenberger, Mr. Rockefeller, Mr. Cochran, Mr. Burdick, Mr. DeConcini, Mr. Bradley Mr. Conrad, and Mr. Heflin)):

S.J. Res. 395. Joint resolution to designate January 4, 1989, as "National Commissioned Corps of the Public Health Service Centennial Day"; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LEAHY (for Mr. Melcher):

S. Res. 512. Resolution expressing the sense of the Senate that the Secretary of Agriculture should continue to administer the Export Enhancement Program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOLE:

S. Res. 513. Resolution appointing a committee to notify the President concerning the proposed adjournment of the session; considered and agreed to.

By Mr. BYRD (for Mr. Shelby (for himself and Mr. Heflin)):

S. Res. 514. Resolution to state the sense of the United States with respect to voluntary supervisory conversions of Mutual Savings and Loan Associations to stock forms of organization; considered and agreed to.

By Mr. BYRD:

S. Res. 515. Resolution tendering the thanks of the Senate to the Senate staff for the courteous, dignified, and impartial manner in which they have assisted the deliberations of the Senate; considered and agreed to.

By Mr. BYRD:

S. Res. 516. Resolution tendering the thanks of the Senate to the President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate; considered and agreed to.

By Mr. BYRD:

S. Res. 517. Resolution tendering the thanks of the Senate to the Deputy President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate; considered and agreed to.

By Mr. BYRD:

S. Res. 518. Resolution to commend the extraordinary cooperative conduct of the distinguished minority leader; considered and agreed to.

By Mr. DOLE:

S. Res. 519. Resolution tendering the thanks of the Senate to the Vice President for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate; considered and agreed to.

By Mr. DOLE:

S. Res. 520. Resolution to commend the exemplary conduct of the distinguished majority leader; considered and agreed to.

By Mr. BYRD (for Mr. Bumpers (for himself and Mr. Weicker)):

S. Con. Res. 167. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 1807; considered and agreed to.

By Mr. BYRD (for Mr. Thurmond (for himself, Mr. Metzenbaum, and Mr. Levin)):

S. Con. Res. 168. Concurrent resolution to correct the enrollment of H.R. 5043; considered and agreed to.

By Mr. STEVENS (for Mr. Humphrey):

S. Con. Res. 169. Concurrent resolution to authorize a correction in the enrollment of S. 1382; considered and agreed to.

By Mr. STEVENS (for Mr. Grassley):

S. Con. Res. 170. Concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 3911; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. D'AMATO:

S. 2922. A bill to promote international fairness in the underwriting and distribution of Government securities, and for other purposes; referred to the Committee on Banking, Housing, and Urban Affairs.

GOVERNMENT SECURITIES FAIR COMPETITION ACT

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation intended to further the clear purpose of an important provision of the 1988 Trade Act and to rectify a situation that is contrary to that congressional intent. As part of the Trade Act, we recognized that the opportunities for American securities dealers to underwrite and distribute the debt instruments of foreign governments are impaired by barriers imposed by foreign governments. On the other hand the U.S. subsidiaries of foreign securities firms have a full opportunity to compete with U.S. firms for the business of underwriting and distributing the debt instruments of the U.S. Government.

The Trade Act dealt with both existing primary dealers which are the subsidiaries of foreign firms and with applications of foreign affiliated firms to become primary dealers. In preserving the Federal Reserve Board's authority to designate primary dealers, the Trade Act allowed the FED to continue current primary dealer designations and to grant new primary dealer designations without regard to the national treatment requirements of the trade bill for a period of 1 year after enactment of the legislation. The bill did this by an effective date which applied to the entire provision. A better approach would have been to delay effectiveness, if at all, only for application of national treatment requirements to existing primary dealers. I can only hope that such was the intent of those who crafted the legislation. In my view it clearly should have been their intent. I am most certain of the wisdom of this approach in light of recent events since it is apparent that the spirit of this Trade Act provisions has not been heeded by the Federal Reserve Board.

The New York Fed has granted primary dealer status to the subsidiary of Yamaichi Securities at a time when the Japanese are taking only minor steps toward opening their market for Government securities underwriting. Furthermore, the Fed has taken this action in light of the fact that there are already many Japanese-affiliated primary dealers. While the goal of the Trade Act—opening Japanese Government securities underwriting to United States firms—remains only that, a goal, it is highly counterproductive for the Fed to further broaden Japanese access to domestic business.

I have written to the Chairman of the Federal Reserve Board expressing my concern over this action and Chairman Greenspan has responded in his usual prompt and thorough manner. In order to educate my colleagues on both sides of this issue I will include

Mr. Greenspan's letter at the conclusion of my remarks. I still differ with the position that the Fed has taken and take issue with the Chairman's response to my letter. While he states that at the end of a year the Fed can withdraw the Yamaichi designation, I find this a small comfort. I differ particularly on the apparent judgment of the Fed that granting the Yamaichi designation will not send the wrong signal to officials in Japan and other countries. However, I do appreciate the Chairman's response; furthermore, I respect his opinion and his belief that the Fed action on Yamaichi was within the letter of the law. I continue to differ with his interpretation of the spirit.

I hasten to emphasize that I do not intend to express any protectionist sentiment. This bill is intended to promote fair and open competition for Government securities underwriting. Indeed I believe it is unfortunate that such retaliatory measures, however mild, are necessary to provide fair access for U.S. dealers. However, it is beyond dispute that fair access to the Japanese market did not exist at the time the trade bill was enacted and does not exist now. Furthermore, the Fed's recent action only prolongs the time before such fair and competitive access will be possible.

Therefore, I introduce this legislation for a simple purpose—to hasten the day when the playing field is leveled. This is done in two ways. First, it takes the exact language of the Trade Act which expressed the will of Congress on this subject and amends the effective date to eliminate the 1-year delay in effectiveness. This would prevent any additional designations of Japanese-owned primary dealers until such time as the goal of national treatment has actually been realized. It would also prompt the Fed to withdraw the primary dealer designation from Japanese firms unless national treatment is obtained immediately. Of course, the same provision would apply to any other firm owned by a firm whose home country does not accord national treatment to U.S. dealers.

Second, this bill includes an amendment to the securities law that passed the Senate as section 910 of S. 1886, the Proxmire Financial Modernization Act. This provision further promotes the goal fair competition for U.S. securities dealers in foreign markets by prohibiting the acquisition of a U.S. broker or dealer by a foreign firm of a country that does not provide national treatment to U.S. firms.

In conclusion, I introduce this legislation for the purpose of promoting the specific purpose embodied in the Trade Act and to control the discretion of the Federal Reserve Board so that it will take no further action in contradiction to this purpose.

I ask that Mr. Greenspan's letter be included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, DC, October 19, 1988.

Hon. ALFONSE M. D'AMATO,
U.S. Senate, Washington, DC.

DEAR SENATOR: Thank you for your letter concerning the recent designation of Yamaichi Securities Co. as a primary dealer. As you note, under the Trade Act of 1988 many foreign-owned firms will not be able to be primary dealers if their home countries do not accord U.S. dealers the same opportunities in their government securities markets as they accord their own dealers. That provision takes effect one year after enactment, at which time the Federal Reserve Bank of New York and the Federal Reserve Board will determine whether its standard has been met for Japan and other countries with primary dealers in the United States.

In that context, the designation of Yamaichi was made with several factors in mind. First, Yamaichi fully met the criteria set by the Federal Reserve Bank of New York for designation as a primary dealer. These include capital adequacy and prudent risk control, management depth and experience, a sustained commitment to making active markets to customers in a wide range of government securities and meaningful participation in auctions of new issues.

Second, the designation of Yamaichi should not be taken as prejudging whether Japanese and other foreign markets are now sufficiently open to U.S. dealers to allow the primary dealer status of this or other foreign-owned firms to be maintained once the relevant section of the Act has been fully implemented on the Congressional timetable. This was made clear to Yamaichi when it was named a primary dealer. Thus, this firm has been left in a position similar to that of several other Japanese-owned firms which had been designated as primary dealers earlier.

Third, although they will take some time to evaluate, we are encouraged by the most recent steps announced by the Japanese government to allow greater access by foreign-owned dealers to primary market sales of Japanese government securities. In this context, the granting of primary dealer status to Yamaichi could be viewed as part of a continuing process that has taken account of complementary actions by Japanese authorities. Indeed, in setting a one-year period for the determination of whether the Japanese and other foreign markets are sufficiently open to U.S. firms, we believe the intent of Congress was not to freeze the Federal Reserve's hand in making any designation in the interim but rather to provide a window of time in which further progress can be made in the opening of markets.

Staff at the Federal Reserve Bank of New York and at the Board are working out procedures for making the necessary determinations called for in the Trade Act. We will keep Congress informed as the process goes forward.

Sincerely,

ALAN GREENSPAN.●

By Mr. GORE:

S. 2923. A bill to amend the Communications Act of 1934 so as to make certain broadcasting stations available for a limited time to all legally qualified candidates for election to the Office of the President of the United States; to the Committee on Commerce, Science, and Transportation.

AVAILABILITY OF BROADCAST TIME FOR PRESIDENTIAL CANDIDATES

Mr. GORE. Mr. President, I rise to introduce what may be the last piece of legislation introduced in the 100th Congress, and I do so, obviously, without any expectation that it be considered for passage in this Congress, which goes without saying. But I introduce it in order to set the stage for what I hope will be serious consideration of this legislation early in the next Congress.

We have all been watching 30-second television commercials put on the air by the Presidential campaigns of both nominees, of both major political parties. We have heard a lot of complaints from both of the nominees about the difficulty of presenting serious discussion of issues facing this country by way of 30-second TV commercials or, not much better, by way of 30-second clips, as they are called, on the evening news.

Simultaneously, we have been hearing many complaints—again, an editorial in one of our leading newspapers this morning—about the enormous sums of money that have to be raised in order to finance a Presidential campaign. The majority of the money raised is used to buy little, 30-second slivers of time on the public airways that have been licensed by the public for use by commercial broadcasters.

What this legislation will do, if it is passed in the next Congress, is to require, as a condition of receiving a broadcast license to use the public's airways, that every week for 2 months immediately preceding the quadrennial election for President, each licensee set aside time each week for use by the nominees—hopefully, for a serious discussion of the issues—in chunks of no less than one-half hour at a time. The time will be in what is called prime time. It will have to be on the evenings of Monday, Tuesday, Wednesday, or Thursday. In the next-to-last month preceding the election, each week there would be a half hour allocated to each of the major party nominees.

In the final month—at least, the first 3 weeks of the final month—it would be an hour per week, and in the final week before the election, an hour and a half to each candidate, sometime during prime time on Monday, Tuesday, Wednesday, or Thursday, or a combination thereof.

The legislation would amend the Communications Act of 1934. It is designed to ensure that American voters receive an adequate amount of time to receive the substantive views of candidates of both major parties. It would also provide the voting public with an opportunity to observe each candidate for a period longer than the fleeting sound bite, posed in front of colorful balloons, or in a flag factory.

I do not mean in this address to cast a partisan gibe at one candidate or the other. I notice that Vice President Bush, in the debate in Los Angeles, complained with some eloquence about the difficulty of presenting his message. I know from many conversations with the Democratic nominee, Gov. Mike Dukakis, that he has experienced the same difficulty.

Mr. President, under the legislation that I have just described, 6½ hours of free time would be provided to each of the major party's nominees during the last 2 months of the Presidential campaign, to be allocated in a way that maximizes the amount and quality of detailed information candidates can transmit to voters in the critical final weeks before the election.

Under this plan, candidates will have the opportunity to lay out substantive proposals, as well as the opportunity to expand on points argued in earlier programs, further building the debate and clarifying the true differences between the approaches offered by the two candidates.

It may be argued that campaigns can already buy broadcast time to accomplish this goal, if they choose to do so. That argument ignores the fact that, even if a campaign had the funds to purchase large blocks of air time, few broadcasters are willing to make such time available.

But most importantly the purpose of this bill is not to reduce the cost of Presidential campaigns. That is a fight for another day. Rather, the principal intent here is to increase the amount of and improve the quality of substantive information available to voters in Presidential elections every 4 years.

I am aware that many in the broadcast industry may oppose this legislation, but again the airwaves do, after all, belong to the people and are licensed to be used in the public interest. A few hours of time every 4 years is little enough to address the very serious problem of which both candidates, the two parties, have complained so frequently during this election campaign, a problem about which the American people have expressed a great deal of concern, a small price to pay for the hugely profitable public license given to these businesses.

Mr. President, this legislation will hardly solve all the problems which currently plague our Presidential election process. Most all of them will remain even if this legislation is adopted. The bill will not eliminate the 30-second soundbites or the negative campaigning that have come to be very common in Presidential elections and all other kinds of elections.

But by providing each party's nominees with a limited amount of free broadcast time during the hours when most Americans are watching and listening, the public discourse may well be greatly improved and we may well have a chance to reduce the sense that many American voters have that the candidates are not addressing the issues.

I believe they are. As a partisan I believe that my own party nominee is particularly doing so. But partisans on the other side have the same sense of frustration that the substantive speeches and positions do not find their way through the filter imposed by the dominant communications medium of our time.

I urge my colleagues to examine this legislation with an eye to what might be possible in the next 101st Congress when we will begin another quandrennial cycle and hopefully by 4 years from now we will have time to make this and other improvements in the process by which we elect the President.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator's bill will be approximately referred.

By Mr. LEVIN (for himself and Mr. Riegle):

S. 2924. A bill to amend title XVIII of the Social Security Act to clarify that medically necessary procedures related to atrophic and weakened jaws are covered under such title; to the Committee on Finance.

MEDICARE COVERAGE OF CERTAIN JAW SURGERY

● Mr. LEVIN. Mr. President, I am pleased to introduce today, along with my colleague from Michigan, Senator Riegle, legislation to provide medicare reimbursement for medically necessary surgical jaw procedures.

We are introducing this bill today in order to focus attention on this very important issue during the remainder of the year, and as a signal of our intention to act on the measure early in the 101st Congress.

Mr. President, imagine if the simplest of processes, that of chewing food, was impossible due to pain and weakness in the jaw itself. The only alternative to total starvation would be a diet of liquids and purees of limited nutritional value that would only postpone eventual hospitalization. Imagine further that a surgical procedure existed that would effectively eliminate your medical problem, but that this life-saving treatment is beyond your reach.

Although it is logical that Medicare would cover the oral and maxillofacial surgery that holds out the prospects of reversing the vicious cycle of decay of some senior citizens, reimbursement for this procedure has been sporadically denied. On occasion, the Health Care Financing Administration [HCFA] has denied benefits for such treatment due to an ambiquity in the Dental Exclusionary Act. While HCFA has begun to view oral and maxillofacial surgery as dental in nature, the procedure in fact remains a surgical jaw reconstruction.

This legislation provides the necessary clarification of the Dental Exclusionary Act for reimbursement of medically necessary jaw reconstruction services under Medicare. The cost of this procedure would be substantially offset by the eventual reductions in other health care costs for the aged, as the ability to chew—resulting in improved diet, helps to reduce and prevent illness.

I would like to thank Dr. Dennis Ormon, of Bloomfield Hills, MI, Dr. Arnold Schaffer, of Flint, MI, and Dr. Alan Kaye, of California, for their long term advocacy of this humane and needed legislation.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COVERAGE OF MEDICALLY NECESSARY PROCEDURES RELATED TO ATROPHIC AND WEAKEND JAWS.

(a) In General.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395y(a)) is amended—

(1) in paragraph (12), by striking "where" and inserting "subject to the last sentence of this subsection, where"; and

(2) by adding at the end the following new sentence: "Paragraph (12) shall not be construed to exclude payment under this title for those procedure for jaw reconstruction performed with respect to an individual suffering from generalized atrophy (as evidenced by loss of maxillary or mandibular basal bone or nerve dehiscence or localized weakness of the jaw muscles or bone caused by tumor, trauma, infection, systemic disease, or congenital abnormality (as supported by specific x-ray or laboratory evidence or by a clinical examination).".

(b) Effective Date.—The amendments made by subsection (a) shall become effective on the date of enactment of this Act.●

● Mr. RIEGLE. Mr. President, today, with my friend and colleague from Michigan [Mr. Levin], we are introducing legislation to clarify that Medicare covers jaw reconstruction surgery in cases where it is medically necessary.

For seniors in need, this surgery can reverse a vicious process of physical decay. Without surgery, the jawbone is almost entirely atrophied, so it can break like a matchstick. Chewing food is almost impossible due to pain and weakness in the jaw, leading to starvation or malnutrition. The raw nerve is exposed, causing excruciating pain. Surgical reconstruction of the jaw can eliminate these problems, but without Medicare, this life-saving treatment is beyond many seniors' reach.

The Health Care Financing Administration [HCFA] recently began denying many Medicare claims for this surgery. HCFA alleges the procedure is subject to the "denial exclusion" under Medicare, which statutorily excludes services in connection with care or treatment of teeth or structures directly supporting teeth. Experts in the field dispute that jaw reconstruction is "dental" in nature. They point out that the teeth, and their entire supporting structure, have already been eroded before the underlying jawbone becomes atrophied.

HCFA assigned an expert physicians panel to study the question in 1986, which concluded: "It appears to be a medical rather than dental procedure, the panel believes, and the primary reason for doing it is to relieve pain." Still, HCFA contends the procedure is dental in nature.

Our legislation does not question the validity of the "dental exclusion." We merely restate the intent of Congress that jaw reconstruction surgery is not subject to that exclusion. The bill narrowly distinguishes that Medicare will only cover those procedures which are medically necessary due to significant loss of bone.

Mr. President, we hope that HCFA will render this legislation unnecessary by allowing reimbursement for such medically necessary surgery. If not assured of an administrative response, we intend to push this legislation next year. Considering the support of many of our colleagues who have expressed an interest in this issue, we will expect to see S. 2923 enacted.●

ADDITIONAL COSPONSORS

S. 2454

At the request of Mr. BOSCHWITZ, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 2454, a bill to seek the eradication of the worst aspects of poverty in developing countries by the year 2000.

S. 2682

At the request of Mr. PRESSLER, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 2682, a bill to provide that Members of Congress shall vote on any increase in rates of pay of Members of Congress.

S. 2724

At the request of Mr. RIEGLE, the names of the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Arkansas [Mr. PRYOR], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 2724, a bill to amend the Export Administration Act of 1979.

S. 2908

At the request of Mr. D'AMATO, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 2908, a bill to prevent retroactive change in tax treatment of a qualified intermodal cargo container of a United States person and to clarify existing tax law by providing a general rule of nondiscriminatory application for investment tax credit and cost recovery purposes.

SENATE JOINT RESOLUTION 307

At the request of Mr. RIEGLE, the names of the Senator from Missouri [Mr. DANFORTH], the Senator from New Jersey [Mr. BRADLEY], the Senator from New Hampshire [Mr. HUMPHREY], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of Senate Joint Resolution 307, a joint resolution to designate the decade beginning January 1, 1988, as the "Decade of the Brain."

SENATE JOINT RESOLUTION 340

At the request of Mr. PACKWOOD, the names of the Senator from Rhode Island [Mr. CHAFEE] and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 340, designating November 27 through December 3, 1988, as "National Sir Winston Churchill Recognition Week."

SENATE JOINT RESOLUTION 382

At the request of Mrs. KASSEBAUM, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of Senate Joint Resolution 382, a joint resolution to establish a national aviation policy for the United States.

SENATE JOINT RESOLUTION 383

At the request of Mr. PELL, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of Senate Joint Resolution 383, a joint resolution to designate the period commencing December 4, 1988, and ending December 10, 1988, as National Humanities Week.

SENATE JOINT RESOLUTION 388

At the request of Mr. GORE, the names of the Senator from Washington [Mr. ADAMS], the Senator from Colorado [Mr. ARMSTRONG], the Senator from Oklahoma [Mr. BOREN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Wisconsin [Mr. KASTEN], the Senator from South Dakota [Mr. PRESSLER], the Senator from North Carolina [Mr. SANFORD], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of Senate Joint Resolution 388, a joint resolution designating October 15, 1988, as "National Fire Fighters Day."

SENATE JOINT RESOLUTION 393

At the request of Mr. LAUTENBERG, the names of the Senator from Kansas [Mr. DOLE], the Senator from Illinois [Mr. DIXON], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Nebraska [Mr. EXON] were added as cosponsors of Senate Joint Resolution 393, a joint resolution to designate December 7, 1988, as "National Pearl Harbor Remembrance Day" on the occasion of the anniversary of the attack on Pearl Harbor.

SENATE RESOLUTION 493

At the request of Mr. DOLE, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of Senate Resolution 493, a resolution to amend Senate Resolution 28 to implement closed caption broadcasting for hearing-impaired individuals of floor proceedings of the Senate.

AMENDMENT NO. 3748

At the request of Mr. DURENBERGER, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of amendment No. 3748 proposed to H.R. 3327, a bill to designate the Federal Building located at 324 West Market Street in Greensboro, NC, as the "L. Richardson Preyer Federal Building."

SENATE CONCURRENT RESOLUTION 167—CORRECTING THE ENROLLMENT OF H.R. 1807

Mr. BYRD (for Mr. BUMPERS, for himself, and Mr. WEICKER) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 167

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H.R. 1807) to amend the Small Business Act to reform the Capital Ownership Development Program, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) In section 201(a) of the bill, strike out the proposed subparagraph (B) of section 7(j)(11) of the Small Business Act, and insert in lieu thereof the following:

"(B)(i) Except as provided in paragraph (10)(D), no individual who was determined pursuant to 8(a) to be socially and economically disadvantaged before the effective date of this subparagraph shall be permitted to assert such disadvantage with respect to any other concern making application for certification after such effective date.

"(ii) Except as provided in section 602 of the Business Opportunity Development Reform Act of 1988, any individual upon whom eligibility is based pursuant to section 8(a)(4) shall be permitted to assert such eligibility for only one small business concern.

(2) In section 201(a) of the bill, in the proposed section 7(j)(11)(F) of the Small Business Act—

(A) strike out clause (vi); and

(B) redesignate clauses (vii) and (viii) as clauses (vi) and (vii), respectively.

(3) In section 201(a) of the bill, in section 7(j)(11) of the Small Business Act—

(A) redesignate proposed subparagraph (H) as subparagraph (I); and

(B) insert after proposed subparagraph (G) the following new subparagraph:

"(H) Not later than 90 days after receipt of a completed application for Program certification, the Associate Administrator for

Minority Small Business and Capital Ownership Development shall issue a certificate as a Program Participant to a small business concern which is owned and controlled by socially and economically disadvantaged individuals as determined in accordance with paragraphs (4), (5), (6), and (7) of section 8(a), or deny such application.

(4) In section 712(b)(1) of the bill, strike out "section 718" and insert in lieu thereof "section 717".

(5) In section 714(c)(2) of the bill, strike out "section 712(d)" and insert in lieu thereof "section 712(c)".

(6) In section 717(b)(2) of the bill, strike out "(Construction Other Than Building Construction—General Contractors and Dredging)" and insert in lieu thereof "(Heavy Construction Other Than Building Construction—Contractors)".

SENATE CONCURRENT RESOLUTION 168—TO CORRECT THE ENROLLMENT OF H.R. 5043

Mr. BYRD (for Mr. Thurmond, Mr. Metzenbaum, and Mr. Levin) submitted the following concurrent resolution; which was considered and agreed to:

S. Con. Res. 168

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of H.R. 5043, an Act entitled the "Integrity in Post-Employment Act of 1988," the Clerk of the House shall make the following corrections in the bill:

(1) In the last paragraph of Subsection 207(d)(1) as added by Section 2, delete "and substantial".

(2) In subsection 207(1) as added by Section 2, strike "such persons knows that" and in subsection 207(1)(1), strike "and substantial".

SENATE CONCURRENT RESOLUTION 169—CORRECTION IN THE ENROLLMENT OF S. 1382

Mr. STEVENS (for Mr. Humphrey) submitted the following concurrent resolution; which was considered and agreed to:

S. Con. Res. 169

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the text of the bill (S. 1382) to amend the National Energy Conservation Policy Act to improve the Federal Energy Management program and for other purposes, the Clerk of the Senate shall make the following corrections:

(1) In section 4(c), strike out "metallic".

(2) In section 4(g)(ii) strike out "metallic".

SENATE CONCURRENT RESOLUTION 170—CORRECTIONS IN THE ENROLLMENT OF S. 3911

Mr. STEVENS (for Mr. Grassley) submitted the following concurrent resolution; which was considered and agreed to:

S. Con. Res. 170

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H.R. 3911), an Act to amend title 18, United States Code, to provide increased penalties for certain major fraud against the United States, the Clerk of the House of Representatives shall make the following corrections:

(1) Omit section 3.

(2) Redesignate the succeeding sections accordingly and make any corrections to cross references necessary to reflect the redesignations of such sections.

SENATE RESOLUTION 512—RELATING TO THE EXPORT ENHANCEMENT PROGRAM

Mr. LEAHY (for Mr. Melcher) submitted the following resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. Res. 512

SEC. 1. FINDINGS.

The Senate finds that—

(1) Since its inception in 1985, the Export Enhancement Program has made possible the sale of over $5.6 billion worth of United States agricultural commodities, including wheat, wheat flour, barley, semolina, barley malt, sorghum, rice, poultry feed, vegetable oil, frozen poultry, dairy cattle and eggs;

(2) the Export Enhancement Program was designed to counter agricultural export subsidies from other nations, particularly the European Community;

(3) the Export Enhancement Program has been a principal factor in encouraging negotiations toward reform of international agricultural trading rules under the General Agreement on Tariffs and Trade;

(4) the Export Enhancement Program has led to increases in both sales volume and market share for U.S. agricultural commodities;

(5) the European Community and other nations have not ceased the subsidies that made the Export Enhancement Program necessary, and the European Community has begun aggressively marketing a crop of grains that is larger than last year's European crop; and

(6) supplies of grains and other commodities eligible for assistance under the Export Enhancement Program are ample despite reduced production stemming from the drought, and these supplies will both fill the domestic needs of the United States and allow continued exports without endangering the food security of the Nation.

SEC. 2. SENSE OF THE SENATE.

It is the sense of the Senate that—

(1) The Secretary of Agriculture should continue to administer the Export Enhancement Program in an aggressive manner in order to maintain United States agricultural exports and encourage trade concessions by the European Community and other countries; and

(2) commodities and/or funds should be made available for use in the Export Enhancement Program in an amount sufficient to continue the effective operation of the program, utilizing the full range of statutory authorities available to the Secretary.

● Mr. LEAHY. Mr. President, on behalf of Senator Melcher, I request that a Senate resolution related to the value of the Export Enhancement Program be submitted.●

SENATE RESOLUTION 513—APPOINTING A COMMITTEE TO NOTIFY THE PRESIDENT OF THE PROPOSED ADJOURNMENT OF THE SESSION

Mr. DOLE submitted the following resolution; which was considered and agreed to:

S. Res. 513

Resolved, That a committee of two Senators be appointed by the Presiding Office to join a similar committee of the House of Representatives to notify the President of the United States that the two Houses have completed their business of the session and are ready to adjourn unless he has some further communicaton to make to them.

SENATE RESOLUTION 514—RELATIVE TO VOLUNTARY SUPERVISORY CONVERSIONS OF MUTUAL SAVINGS AND LOAN ASSOCIATONS TO STOCK FORMS OF ORGANIZATION

Mr. BYRD (for Mr. Shelby, for himself, and Mr. Heflin) submitted the following resolution; which was considered and agreed to:

S. Res. 514

Whereas, under existing Federal Home Loan Bank Board regulations, a Federal savings and loan association's liabilities must exceed its assets, as calculated under generally accepted accounting principles on a going concern basis, in order to convert from a mutual form of organization to a stock form of organization through a voluntary supervisory conversion;

Whereas, under such an accounting standard, the value of an institution's interest in publicly trade stock is the lower of market value or cost;

Whereas, certain institutions hold participating preferred stock of the Federal Home Loan Mortgage Corporation ("Corporation");

Whereas, such stock has appreciated in market value as a result of recent legislative actions and board action of the Corporation;

Whereas, such market appreciation under generally accepted accounting principles is not reflected on the books of such institutions;

Whereas, the Federal Home Loan Bank Board regulations with respect to voluntary supervisory conversions state that institutions which are insolvent under generally accepted accounting principles are eligible for conversion; now therefore be it

Resolved by the Senate of the United States of America, That it is the sense of this body that an institution which is insolvent according to generally accepted accounting principles, should be permitted to convert through a voluntary supervisory conversion without regard to any factors relating to the appreciation in market value of the participating preferred stock of the Federal Home Loan Mortgage Corporation.

SENATE RESOLUTION 515—TENDERING THE THANKS OF THE SENATE TO THE SENATE STAFF

Mr. BYRD submitted the following resolution; which was considered and agreed to:

S. Res. 515

Resolved, That the thanks of the Senate are hereby tendered to the Secretary of the Senate, the Sergeant of Arms of the Senate, the Secretary for the Majority, the Secretary for the Minority, and the floor staff of the two parties for the courteous, dignified, and impartial manner in which they have assisted the deliberations of the Senate during the second session of the One Hundredth Congress.

SENATE RESOLUTION 516—TENDERING THE THANKS OF THE SENATE TO THE PRESIDENT PRO TEMPORE

Mr. BYRD submitted the following resolution; which was considered and agreed to:

S. Res. 516

Resolved, That the thanks of the Senate are hereby tendered to the Honorable John C. Stennis, President pro tempore of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the second session of the One Hundredth Congress.

SENATE RESOLUTION 517—TENDERING THE THANKS OF THE SENATE TO THE DEPUTY PRESIDENT PRO TEMPORE

Mr. BYRD submitted the following resolution; which was considered and agreed to:

S. Res. 517

Resolved, That the thanks of the Senate are hereby tendered to the Honorable George J. Mitchell, Deputy President pro tempore of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the second session of the One Hundredth Congress.

SENATE RESOLUTION 518—COMMENDING MINORITY LEADER BOB DOLE

Mr. BYRD submitted the following resolution; which was considered and agreed to:

S. Res. 518

Resolved, That the Senate extends its thanks to the distinguished Minority Leader, the Senator from Kansas, the Honorable Robert Dole. The extremely cooperative and able manner in which the Minority Leader has approached his duties as protector of the rights of the minority has been duly noted, and the Senate commends the Minority Leader for his understanding, his devotion to the rules of the Senate, and for his outstanding leadership.

SENATE RESOLUTION 519—COMMENDING THE VICE PRESIDENT

Mr. DOLE submitted the following resolution; which was considered and agreed to:

S. Res. 519

Resolved, That the thanks of the Senate are hereby tendered to the Honorable George H.W. Bush, Vice President of the United States and President of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the second session of the One Hundredth Congress.

SENATE RESOLUTION 520—COMMENDING MAJORITY LEADER ROBERT C. BYRD

Mr. DOLE submitted the following resolution; which was considered and agreed to:

S. Res. 520

Resolved, That the exemplary conduct of the distinguished Majority Leader, the Senator from West Virginia, the Honorable Robert C. Byrd, is deserving of the highest commendation of the Senate. The fair and just and able manner in which Senate business has been scheduled and managed is a source of pride to the Senate as a whole, and the thanks of the Senate are hereby tendered to the Honorable Robert C. Byrd, Majority Leader, United States Senate.

AMENDMENTS SUBMITTED

ESTABLISHMENT OF ALEXANDER HAMILTON HOME AS A NATIONAL MEMORIAL

JOHNSTON AMENDMENT NO. 3761

Mr. BYRD (for Mr. Johnston) proposed an amendment to the bill (H.R. 4212) to amend the joint resolution of April 27, 1962, to permit the Secretary of the Interior to establish the former home of Alexander Hamilton as a national memorial at its present location in New York, NY; as follows:

On page 4, line 4, strike the word "million".

HATCH (AND GARN) AMENDMENT NO. 3762

Mr. WARNER (for Mr. Hatch, for himself, and Mr. Garn) proposed an amendment to the bill H.R. 4212, supra; as follows:

That, notwithstanding any other provision of law or any order of land classification based thereon, the Secretary of the Interior is authorized to consider an application for desert land entry covering approximately 280 acres of public lands, 105 of which constitute a part of a scenic easement area of the Dinosaur National Monument, Utah, as identified on a map entitled "Desert Land Entry—Dinosaur National Monument—October 1, 1987.". If the applicant meets the requirements of section 2 of this Act, the Secretary shall issue a patent to the applicant in accordance with the Desert Land Entry Act (43 U.S.C. 321 et seq.). Such patent shall reserve to the United States a right-of-way 200 feet in width for the Dinosaur National Monument entrance road.

Sec. 2. The Secretary shall not issue a patent to the lands described in section 1 until the applicant has: (a) complied with the requirements of the Desert Land Entry Act; and (b) conveyed to the United States, at no cost, title to scenic easements for purposes of Dinosaur National Monument on lands identified by the National Park Service as tracts 07-114, south half; 07-115, the complete tract.

Sec. 3. The scenic easements acquired by the Secretary and any patents issued by him under this Act shall be subject to the restrictions set forth in the scenic easement deed dated March 16, 1967, and filed in the records of Moffat County, Colorado, at pages 2 and 3 of book 341 of the deed of records of the county.

LIMITED REVERTER PATENTS WITH RESPECT TO SOLID WASTE DISPOSAL

McCLURE AMENDMENT NO. 3763

Mr. WARNER (for Mr. McClure) proposed an amendment to the bill (H.R. 4362) to amend section 3 of the Act of June 14, 1926, as amended (43 U.S.C. 869-2), to authorize the issuance of patents with a limited reverter provision of lands devoted to solid waste disposal, and for other purposes; as follows:

Beginning on page 3, line 21 through page 4, line 4, strike subparagraph (6)(A) and insert:

"(A) Except as otherwise provided in subparagraphs (B) and (D) of this paragraph, the document of conveyance shall provide that the lands conveyed under this subsection shall revert to the United States, unless substantially all of the lands have been used, on or before the date five years after the date of conveyance, for the purpose or purposes specified in the application, or for other use or uses authorized under section 3(a) with the consent of the Secretary.".

On page 4, line 15, at the beginning of the last sentence of subparagraph (6)(B) strike the word "All" and insert "Subject to appropriations, all".

JOHNSTON AMENDMENT NO. 3764

Mr. BYRD (for Mr. Johnston) proposed an amendment to the bill H.R. 4362, supra; as follows:

Sec. 4. Congressional Review.—(a) The Secretary shall not make any conveyance of land or renunciation of reversionary interests under this Act until he has published in the Federal Register regulations implementing this Act and until sixty days (not counting days on which the House of Representatives or the Senate has adjourned for more than three days) after these regulations have been submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives.

(b) During the first three years after enactment of this Act the Secretary shall not make any conveyance of land or renunciation of reversionary interests under this Act until thirty days (not counting days on which the House of Representatives or the Senate has adjourned for more than three days) after notice of intention to do so has been submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives.

MODIFICATION OF GOSHUTE RESERVATION

GARN AMENDMENT NO. 3765

Mr. WARNER (for Mr. GARN) proposed an amendment to the bill (H.R. 2839) to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, and for other purposes; as follows:

On page 4, line 14, strike "10(a)" and insert "9(a)".

On page 4, line 20, strike "10(b)" and insert "9(b)".

On page 4, at the end of line 22, and on page 5, at the end of line 19, add the following sentence: "So long as such lands are held in trust, they shall not be developed for commercial purposes.".

On page 4, line 24, strike "10(c)" and insert "9(c).".

On page 5, line 5, strike "10(d)" and insert "9(d)".

On page 5, line 11, strike "10(e)" and insert "9(e)".

On page 5, line 17, strike "10(f)" and insert "9(f)".

On page 6, line 10, strike "10(g)(1)" and insert "9(g)(1)".

On page 6, line 18, strike "10(g)(2)" and insert "9(g)(2)".

On page 8, line 12, strike "10(h)" and insert "9(h)".

On page 18, line 9, strike "The conveyance" and insert in lieu thereof: "Except for the conveyance of lands pursuant to subsections 3(e) or 3(f), the conveyance".

On page 18, lines 11 and 12, strike the phrase "and of the lands in section 3(b) of this Act".

On page 18, line 15, insert the following new section:

"SEC. 11. LANDS HELD IN TRUST FOR THE UTE MOUNTAIN UTE INDIAN TRIBE.

"(a) LAND HELD IN TRUST.—The land described in subsection (b) is declared—

"(1) to be held in trust by the United States for the benefit of the Ute Mountain Ute Indian Tribe, and

"(2) to be part of the Ute Mountain Ute Indian Reservation.

"(b) LAND DESCRIPTION.—The land referred to in subsection (a) is the parcel of land withdrawn from the public domain and reserved for use as a site for a school for the Ute Indians under the Act approved May 31, 1924 (43 Stat. 246) and more particularly described as follows: The 40-acre parcel which is approximately the northeast quarter of the southwest quarter of section 7, township 36 south, range 21 east, Salt Lake meridian, San Juan County, Utah, and is bordered by Indian allotment number 15 on the east, by Indian allotment number 55 on the north, and by public domain land on the south and west.

"(c) The Act approved May 31, 1924 (43 Stat. 246) is repealed.".

SOUTHWESTERN PENNSYLVANIA HERITAGE PRESERVATION COMMISSION

HEINZ AMENDMENT NO. 3766

Mr. WARNER (for Mr. HEINZ) proposed an amendment to the bill (H.R. 3313) to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes; as follows:

After section 104(c) of H.R. 3313 add the following new subsection (d) as follows and redesignate the existing subsection (d) as subsection (e):

"(d) STUDY REPORT.—The Commission in consultation with the Secretary, the Pittsburgh Area Steel Industry Heritage Task Force and other interested parties which represent the greater Allegheny and Washington Counties/Mon-Valley area shall within 2 years of enactment of this Act, submit a report concerning the cultural and historical resource values of the greater Allegheny and Washington Counties/Mon-Valley area to the Secretary. Such report shall include an analysis of the methods and means of inventorying, preserving and interpreting the cultural and historical resources of the area, along with recommendations concerning the coordination of activities in the 11 counties represented by the Commission and the Pittsburgh Area Steel Industry Heritage Task Force and other interested parties. The Secretary shall review the report and submit it along with any comments or recommendations that the Secretary may wish to make to the Committee on Interior and Insular Affairs of the U.S. House of Representatives and the Committee on Energy and Natural Resources of the U.S. Senate within 180 days after receipt of such report from the Commission."

PROHIBITION OF CERTAIN FIREARMS

METZENBAUM AMENDMENT NO. 3767

Mr. BYRD (for Mr. METZENBAUM) proposed an amendment to the amendment of the House to the amendment of the Senate to the bill (H.R. 4445) to amend title 18, United States Code, to prohibit certain firearms especially useful to terrorists; as follows:

Strike out paragraph 2(c) of subsection (p) as added by section 2 and insert in lieu thereof the following:

"(C) the term 'Security Exemplar' means an object, to be fabricated at the direction of the Secretary, that is—

"(i) constructed of, during the 12-month period beginning on the date of the enactment of this subsection, 3.7 ounces of material type 17-4 PH stainless steel in a shape resembling a handgun; and

"(ii) suitable for testing and calibrating metal detectors;

Provided, however, That at the close of such 12-month period, and at appropriate times thereafter the Secretary shall promulgate regulations to permit the manufacture, importation, sale, shipment, delivery, possession, transfer, or receipt of firearms previously prohibited under this subparagraph that are as detectable as a 'Security Exemplar' which contains 3.7 ounces of material type 17-4 PH stainless steel, in a shape resembling a handgun, or such lesser amount as is detectable in view of advances in state-of-the-art developments in weapons detection technology;

DISASTER RELIEF ACT AMENDMENTS

BURDICK AMENDMENT NO. 3768

Mr. BYRD (for Mr. BURDICK) proposed an amendment to the bill (H.R. 2707) to amend the Disaster Relief Act of 1974 to provide for more effective assistance in response to major disasters and emergencies, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

TITLE I—DISASTER RELIEF AND EMERGENCY ASSISTANCE AMENDMENTS

SEC. 101. SHORT TITLE; AMENDMENTS TO DISASTER RELIEF ACT OF 1974.

(a) SHORT TITLE.—This title may be cited as "The Disaster Relief and Emergency Assistance Amendments of 1988."

(b) AMENDMENTS TO DISASTER RELIEF ACT OF 1974.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Disaster Relief Act of 1974 (42 U.S.C. 5121-5202).

SEC. 102. AMENDMENT TO SHORT TITLE.

(a) AMENDMENT TO SHORT TITLE.—The first section is amended by striking out "Disaster Relief Act of 1974" and inserting in lieu thereof the "Robert T. Stafford Disaster Relief and Emergency Assistance Act".

(b) REFERENCES.—Whenever any reference is made in any law (other than this Act), regulation, document, rule, record, or other paper of the United States to a section or provision of the Disaster Relief Act of 1974, such reference shall be deemed to be a reference to such section or provision of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

SEC. 103. AMENDMENTS TO TITLE I.

(a) FINDINGS AND DECLARATIONS.—Section 101(b) (42 U.S.C. 5121(b)) is amended—

(1) by striking out paragraph (7);

(2) by striking out "; and" at the end of paragraph (6); and

(3) by inserting "and" at the end of paragraph (5).

(b) DEFINITION OF EMERGENCY.—Section 102(1) is amended to read as follows:

"(1) EMERGENCY.—'Emergency' means any occasion or instance for which, in the determination of the President, Federal assistance is needed to supplement State and local efforts and capabilities to save lives and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe in any part of the United States.".

(c) DEFINITION OF MAJOR DISASTER.—Section 102(2) is amended to read as follows:

"(2) MAJOR DISASTER.—'Major disaster' means any natural catastrophe (including any hurricane, tornado, storm, high water, winddriven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this Act to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.".

(d) Technical Amendments.—Paragraphs (3) and (4) of section 102 are each amended by striking out "the Canal Zone,".

(e) Local Government.—

(1) In general.—The term "local government" is deemed to have the same meaning in the Disaster Relief and Emergency Assistance Act, as amended by this Act, as that term had on October 1, 1988, under section 102(6) of the Disaster Relief Act of 1974 and regulations implementing the Disaster Relief Act of 1974.

(2) Termination of effectiveness.—Paragraph (1) shall not be effective on and after the 90th day after the President transmits to the Committee on Public Works and Transportation of the House of Representatives and to the Committee on Environment and Public Works of the Senate a report which includes an interpretation of the term "local government" for purposes of the Disaster Relief and Emergency Assistance Act, as amended by this Act.

(f) Definitions of Public and Private Nonprofit Facilities.—Section 102 is amended by adding at the end thereof the following new paragraphs:

"(8) Public facility.—'Public facility' means the following facilities owned by a State or local government:

"(A) Any flood control, navigation, irrigation, reclamation, public power, sewage treatment and collection, water supply and distribution, watershed development, or airport facility.

"(B) Any non-Federal-aid street, road, or highway.

"(C) Any other public building, structure, or system, including those used for educational, recreational, or cultural purposes.

"(D) Any park.

"(9) Private nonprofit facility.—'Private nonprofit facility' means private nonprofit educational, utility, emergency, medical, rehabilitational, and temporary or permanent custodial care facilities (including those for the aged and disabled), other private nonprofit facilities which provide essential services of a governmental nature to the general public, and facilities on Indian reservations as defined by the President.".

SEC. 104. DISASTER PREPAREDNESS ASSISTANCE.

(a) Maximum Amount of State Disaster Assistance Planning Grants.—Section 201(d) is amended by striking out "$25,000" and inserting in lieu thereof "$50,000".

(b) Technical Amendments.—Section 201 is amended—

(1) in subsection (a) by striking out "(including the Defense Civil Preparedness Agency)"; and

(2) in subsection (d) by inserting "including evaluations of natural hazards and development of the programs and actions required to mitigate such hazards;" after "plans,".

SEC. 105. DISASTER AND EMERGENCY ASSISTANCE ADMINISTRATION.

(a) Waiver of Conditions.—Title III is amended—

(1) by striking out the heading for such title and inserting in lieu thereof

"TITLE III—MAJOR DISASTER AND EMERGENCY ASSISTANCE ADMINISTRATION"

and

(2) by striking out sections 301 and 302 and inserting in lieu thereof the following new section:

"SEC. 301. WAIVER OF ADMINISTRATIVE CONDITIONS.

"Any Federal agency charged with the administration of a Federal assistance program may, if so requested by the applicant State or local authorities, modify or waive, for a major disaster, such administrative conditions for assistance as would otherwise prevent the giving of assistance under such programs if the inability to meet such conditions is a result of the major disaster.".

(b) Coordinating Officers.—

(1) Redesignation.—Section 303, and any reference thereto, is redesignated as section 302.

(2) Inclusion of emergencies.—Such section is amended in subsection (a) by inserting "or emergency" after "major disaster".

(c) Redesignation of Section 304.—Section 304, and any reference thereto, is redesignated as section 303.

(d) Removal of Emergency Assistance and Cooperation Provisions From Title III; Redesignation of Sections 307, 308, and 309.—Title III is further amended by striking out sections 305 and 306 and by redesignating sections 307, 308, and 309, and any references thereto, as sections 304, 305, and 306, respectively.

(e) Use of Local Firms and Individuals.—

(1) Redesignation.—Section 310, and any reference thereto, is redesignated as section 307.

(2) Inclusion of emergencies.—Such section is amended by inserting "or emergency" after "major disaster" each place it appears.

(3) Use of department of defense resources.—Such section is further amended by adding at the end thereof the following new sentence: "This section shall not be considered to restrict the use of Department of Defense resources in the provision of major disaster assistance under this Act.".

(f) Redesignation of Section 311 and 312; Conforming Amendment.—Sections 311 and 312, and any references thereto, are redesignated as sections 308 and 309, respectively. Such section 308, relating to nondiscrimination in disaster assistance, is amended by striking out "section 402 of 404 of" in subsection (b).

(g) Priority to Certain Applications for Public Facility and Public Housing Assistance.—Title III is amended by striking out section 313 and inserting in lieu thereof the following new section:

"SEC. 310. PRIORITY TO CERTAIN APPLICATIONS FOR PUBLIC FACILITY AND PUBLIC HOUSING ASSISTANCE.

"(a) Priority.—In the processing of applications for assistance, priority and immediate consideration shall be given by the head of the appropriate Federal agency, during such period as the President shall prescribe, to applications from public bodies situated in areas affected by major disasters under the following Acts:

"(1) The United States Housing Act of 1937 for the provision of low-income housing.

"(2) Section 702 of the Housing Act of 1954 for assistance in public work planning.

"(3) The Community Development Block Grant Program under title I of the Housing and Community Development Act of 1974.

"(4) Section 306 of the Consolidated Farm and Rural Development Act.

"(5) The Public Works and Economic Development Act of 1965.

"(6) The Appalachian Regional Development Act of 1965.

"(7) The Federal Water Pollution Control Act.

"(b) Obligation of Certain Discretionary Funds.—In the obligation of discretionary funds or funds which are not allocated among the States or political subdivisions of a State, the Secretary of Housing and Urban Development and the Secretary of Commerce shall give priority to applications for projects for major disaster areas.".

(h) Insurance.—Title III is further amended by striking out section 314 and inserting in lieu thereof the following new section:

"SEC. 311. INSURANCE.

"(a) Applicants for Replacement of Damaged Facilities.—

"(1) Compliance with certain regulations.—An applicant for assistance under section 406 of this Act (relating to repair, restoration, and replacement of damaged facilities), section 422 of this Act (relating to simplified procedure) or section 803 of the Public Works and Economic Development Act of 1965 shall comply with regulations prescribed by the President to assure that, with respect to any property to be replaced, restored, repaired, or constructed with such assistance, such types and extent of insurance will be obtained and maintained as may be reasonably available, adequate, and necessary, to protect against future loss to such property.

"(2) Determination.—In making a determination with respect to availability, adequacy, and necessity under paragraph (1), the President shall not require greater types and extent of insurance than are certified to him as reasonable by the appropriate State insurance commissioner responsible for regulation of such insurance.

"(b) Maintenance of Insurance.—No applicant for assistance under section 406 of this Act (relating to repair, restoration, and replacement of damaged facilities), section 422 of this Act (relating to simplified procedure), or section 803 of the Public Works and Economic Development Act of 1965 may receive such assistance for any property or part thereof for which the applicant has previously received assistance under this Act unless all insurance required pursuant to this section has been obtained and maintained with respect to such property.

"(c) State Acting as Self-Insurer.—A State may elect to act as a self-insurer with respect to any or all of the facilities owned by the State. Such an election, if declared in writing at the time of acceptance of assistance under section 406 or 422 of this Act or section 803 of the Public Works and Economic Development Act of 1965 or subsequently and accompanied by a plan for self-insurance which is satisfactory to the President, shall be deemed compliance with subsection (a). No such self-insurer may receive assistance under section 406 or 422 of this Act for any property or part thereof for which it has previously received assistance under this Act, to the extent that insurance for such property or part thereof would have been reasonably available.".

(i) Duplication of Benefits.—Title III is further amended by striking out section 315 and inserting in lieu thereof the following new section:

"SEC. 312. DUPLICATION OF BENEFITS.

"(a) General Prohibition.—The President, in consultation with the head of each Federal agency administering any program providing financial assistance to persons, business concerns, or other entities suffering losses as a result of a major disaster or emergency, shall assure that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.

"(b) Special Rules.—

"(1) Limitation.—This section shall not prohibit the provision of Federal assistance to a person who is or may be entitled to receive benefits for the same purposes from another source if such person has not received such other benefits by the time of application for Federal assistance and if such person agrees to repay all duplicative assistance to the agency providing the Federal assistance.

"(2) Procedures.—The President shall establish such procedures as the President considers necessary to ensure uniformity in preventing duplication of benefits.

"(3) Effect of partial benefits.—Receipt of partial benefits for a major disaster or emergency shall not preclude provision of additional Federal assistance for any part of a loss or need for which benefits have not been provided.

"(c) Recovery of Duplicative Benefits.—A person receiving Federal assistance for a major disaster or emergency shall be liable to the United States to the extent that such assistance duplicates benefits available to the person for the same purpose from another source. The agency which provided the duplicative shall collect such duplicative assistance from the recipient in accordance with chapter 37 of title 31, United States Code, relating to debt collection, when the head of such agency considers it to be in the best interest of the Federal Government.

"(d) Assistance Not Income.—Federal major disaster and emergency assistance provided to individuals and families under this Act, and comparable disaster assistance provided by States, local governments, and disaster assistance organizations, shall not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit programs.".

(j) Reviews and Reports.—Title III is further amended by striking out section 316 and inserting in lieu thereof the following new section:

"SEC. 313. STANDARDS AND REVIEWS.

"The President shall establish comprehensive standards which shall be used to assess the efficiency and effectiveness of Federal major disaster and emergency assistance programs administered under this Act. The President shall conduct annual reviews of the activities of Federal agencies and State and local governments in major disaster and emergency preparedness and in providing major disaster and emergency assistance in order to assure maximum coordination and effectiveness of such programs and consistency in policies for reimbursement of States under this Act.".

(k) Penalties.—Title III is further amended by striking out section 317 and inserting in lieu thereof the following new section:

"SEC. 314. PENALTIES.

"(a) Misuse of Funds.—Any person who knowingly misapplies the proceeds of a loan or other cash benefit obtained under this Act shall be fined an amount equal to one and one-half times the misapplied amount of the proceeds or cash benefit.

"(b) Civil Enforcement.—Whenever it appears that any person has violated or is about to violate any provision of this Act, including any civil penalty imposed under this Act, the Attorney General may bring a civil action for such relief as may be appropriate. Such action may be brought in an appropriate United States district court.

"(c) Referral to Attorney General.—The President shall expeditiously refer to the Attorney General for appropriate action any evidence developed in the performance of functions under this Act that may warrant consideration for criminal prosecution.

(d) Civil Penalty.—Any individual who knowingly violates any order or regulation issued under this Act shall be subject to a civil penalty of not more than $5,000 for each violation.".

(l) Redesignation of Section 318.—Section 318, and any reference thereto, is redesignated as section 315.

(m) Protection of Environment; Recovery of Assistance; Audit and Investigations.—

(1) Additions to title iii.—Title III is further amended by adding at the end thereof the following new sections:

"SEC. 316. PROTECTION OF ENVIRONMENT.

"An action which is taken or assistance which is provided pursuant to section 402, 403, 406, 407, or 502, including such assistance provided pursuant to the procedures provided for in section 422, which has the effect of restoring a facility substantially to its condition prior to the disaster or emergency, shall not be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 852). Nothing in this section shall alter or affect the applicability of the National Environmental Policy Act of 1969 to other Federal actions taken under this Act or under any other provisions of law.

"SEC. 317. RECOVERY OF ASSISTANCE.

"(a) Party Liable.—Any person who intentionally causes a condition for which Federal assistance is provided under this Act or under any other Federal law as a result of a declaration of a major disaster or emergency under this Act shall be liable to the United States for the reasonable costs incurred by the United States in responding to such disaster or emergency to the extent that such costs are attributable to the intentional act or omission of such person which caused such condition. Such action for reasonable costs shall be brought in an appropriate United States district court.

"(b) Rendering of Care.—A person shall not be liable under this section for costs incurred by the United States as a result of actions taken or omitted by such person in the course of rendering care or assistance in response to a major disaster or emergency.

"SEC. 318. AUDITS AND INVESTIGATIONS.

"(a) In General.—Subject to the provisions of chapter 75 of title 31, United States Code, relating to requirements for single audits, the President shall conduct audits and investigations as necessary to assure compliance with this Act, and in connection therewith may question such persons as may be necessary to carry out such audits and investigations.

"(b) Access to Records.—For purposes of audits and investigations under this section, the President and Comptroller General may inspect any books, documents, papers, and records of any person relating to any activity undertaken or funded under this Act.

"(c) State and Local Audits.—The President may require audits by State and local governments in connection with assistance under this Act when necessary to assure compliance with this Act or related regulations.

"SEC. 319. ADVANCE OR NON-FEDERAL SHARE.

"(a) In General.—The President may lend or advance to an eligible applicant or a State is responsible under the cost-sharing provisions of this Act in any case in which—

"(1) the State is unable to assume its financial responsibility under such cost-sharing provisions—

"(A) with respect to concurrent, multiple major disasters in a jurisdiction, or

"(B) after incurring extraordinary costs as a result of a particular disaster; and

"(2) the damages caused by such disasters or disaster are so overwhelming and severe that it is not possible for the applicant or the State to assume immediately their financial responsibility under this Act.

"(b) Terms of Loans and Advances.—

"(1) In general.—Any loan or advance under this section shall be repaid to the United States.

"(2) Interest.—Loans and advances under this section shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the reimbursement period of the loan or advance.

"(c) Regulations.—The President shall issue regulations describing the terms and conditions under which any loan or advance authorized by this section may be made.

"SEC. 320. LIMITATION ON USE OF SLIDING SCALES.

"No geographic area shall be precluded from receiving assistance under this Act solely by virtue of an arithmetic formula or sliding scale based on income or population.

"SEC. 321. RULES AND REGULATIONS.

"The President may prescribe such rules and regulations as may be necessary and proper to carry out the provisions of this Act, and may exercise, either directly or through such Federal agency as the President may designate, any power or authority conferred to the President by this Act.".

(2) Conforming amendment to title iv.—Title IV is amended by striking out section 405, relating to protection of the environment.

SEC. 106. MAJOR DISASTER ASSISTANCE PROGRAMS.

(a) Procedure for Declaration; General Federal Assistance; Essential Assistance; and Hazard Mitigation.—Title IV is amended—

(1) by striking out the heading for such title and inserting in lieu thereof

"TITLE IV—MAJOR DISASTER ASSISTANCE PROGRAMS";

(2) by redesignating section 401 (relating to Federal facilities), and any reference thereto, as section 405; and

(3) by inserting before such section 405 the following new sections:

"SEC. 401. PROCEDURE FOR DECLARATION.

"All requests for a declaration by the President that a major disaster exists shall be made by the Governor of the affected State. Such a request shall be based on a finding that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. As part of such request, and as a prerequisite to major disaster assistance under this Act, the Governor shall take appropriate response action under State law and direct execution of the State's emergency plan. The Governor shall furnish information on the nature and amount of State and local resources which have been or will be committed to alleviating the results of the disaster, and shall certify that, for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proportion) will comply with all applicable cost-sharing requirements of this Act. Based on the request of a Governor under this section, the President may declare under this Act that a major disaster or emergency exists.

"SEC. 402. GENERAL FEDERAL ASSISTANCE.

"In any major disaster, the President may—

"(1) direct any Federal agency, with or without reimbursement, to utilize its authorities and the resources granted to it under Federal law (including personnel, equipment, supplies, facilities, and managerial, technical, and advisory services) in support of State and local assistance efforts;

"(2) coordinate all disaster relief assistance (including voluntary assistance) provided by Federal agencies, private organizations, and State and local governments;

"(3) provide technical and advisory assistance to affected State and local governments for—

"(A) the performance of essential community services;

"(B) issuance of warnings of risks and hazards;

"(C) public health and safety information, including dissemination of such information;

"(D) provision of health and safety measures; and

"(E) management, control, and reduction of immediate threats to public health and safety; and

"(4) assist State and local governments in the distribution of medicine, food, and other consumable supplies, and emergency assistance.

"SEC. 403. ESSENTIAL ASSISTANCE.

"(a) IN GENERAL.—Federal agencies may on the direction of the President, provide assistance essential to meeting immediate threats to life and property resulting from a major disaster, as follows:

"(1) FEDERAL RESOURCES, GENERALLY.—Utilizing, lending, or donating to State and local governments Federal equipment, supplies, facilities, personnel, and other resources, other than the extension of credit, for use or distribution by such governments in accordance with the purposes of this Act.

"(2) MEDICINE, FOOD, AND OTHER CONSUMABLES.—Distributing or rendering through State and local governments, the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief and disaster assistance organizations medicine, food, and other consumable supplies, and other services and assistance to disaster victims.

"(3) WORK AND SERVICES TO SAVE LIVES AND PROTECT PROPERTY.—Performing on public or private lands or waters any work or services essential to saving lives and protecting and preserving property or public health and safety, including—

"(A) debris removal;

"(B) search and rescue, emergency medical care, emergency mass care, emergency shelter, and provision of food, water, medicine, and other essential needs, including movement of supplies or persons;

"(C) clearance of roads and construction of temporary bridges necessary to the performance of emergency tasks and essential community services;

"(D) provision of temporary facilities for schools and other essential community services;

"(E) demolition of unsafe structures which endanger the public;

"(F) warning of further risks and hazards;

"(G) dissemination of public information and assistance regarding health and safety measures;

"(H) provision of technical advice to State and local governments on disaster management and control; and

"(I) reduction of immediate threats to life, property, and public health and safety.

"(4) CONTRIBUTIONS.—Making contributions to State or local governments or owners or operators of private nonprofit facilities for the purpose of carrying out the provisions of this subsection.

"(b) FEDERAL SHARE.—The Federal share of assistance under this section shall be not less than 75 percent of the eligible cost of such assistance.

"(c) UTILIZATION OF DOD RESOURCES.—

"(1) GENERAL RULE.—During the immediate aftermath of an incident which may ultimately qualify for assistance under this title or title V of this Act, the Governor of the State in which such incident occurred may request the President to direct the Secretary of Defense to utilize the resources of the Department of Defense for the purpose of performing on public and private lands any emergency work which is made necessary by such incident and which is essential for the preservation of life and property. If the President determines that such work is essential for the preservation of life and property, the President shall grant such request to the extent the President determines practicable. Such emergency work may only be carried out for a period not to exceed 10 days.

"(2) RULES APPLICABLE TO DEBRIS REMOVAL.—Any removal of debris and wreckage carried out under this subsection shall be subject to section 407(b), relating to unconditional authorization and indemnification for debris removal.

"(3) EXPENDITURES OUT OF DISASTER RELIEF FUNDS.—The cost of any assistance provided pursuant to this subsection shall be reimbursed out of funds made available to carry out this Act.

"(4) FEDERAL SHARE.—The Federal share of assistance under this subsection shall be not less than 75 percent.

"(5) GUIDELINES.—Not later than 180 days after the date of the enactment of the Disaster Relief and Emergency Assistance Amendments of 1988, the President shall issue guidelines for carrying out this subsection. Such guidelines shall consider any likely effect assistance under this subsection will have on the availability of other forms of assistance under this Act.

"(6) DEFINITIONS.—For purposes of this section—

"(A) DEPARTMENT OF DEFENSE.—The term 'Department of Defense' has the meaning the term 'department' has under section 101 of title 10, United States Code.

"(B) EMERGENCY WORK.—The term 'emergency work' includes clearance and removal of debris and wreckage and temporary restoration of essential public facilities and services.

"SEC. 404. HAZARD MITIGATION.

"The President may contribute up to 50 percent of the cost of hazard mitigation measures which the President has determined are cost-effective and which substantially reduce the risk of future damage, hardship, loss, or suffering in any area affected by a major disaster. Such measures shall be identified following the evaluation of natural hazards under section 409 and shall be subject to approval by the President. The total of contributions under this section for a major disaster shall not exceed 10 percent of the estimated aggregate amounts of grants to be made under section 406 with respect to such major disaster.".

"(b) REPAIR AND RESTORATION OF DAMAGED FACILITIES.—Title IV is further amended by striking out section 402, relating to repair and restoration of damaged facilities, and inserting in lieu thereof the following new section:

"SEC. 406. REPAIR, RESTORATION, AND REPLACEMENT OF DAMAGED FACILITIES.

"(a) CONTRIBUTIONS.—The President may make contributions—

"(1) to a State or local government for the repair, restoration, reconstruction, or replacement of a public facility which is damaged or destroyed by a major disaster and for associated expenses incurred by such government; and

"(2) to a person who owns or operates a private nonprofit facility damaged or destroyed by a major disaster for the repair, restoration, reconstruction, or replacement of such facility and for associated expenses incurred by such person.

"(b) MINIMUM FEDERAL SHARE.—The Federal share of assistance under this section shall be not less than—

"(1) 75 percent of the net eligible cost of repair, restoration, reconstruction, or replacement carried out under this section;

"(2) 100 percent of associated expenses described in subsections (f)(1) and (f)(2); and

"(3) 75 percent of associated expenses described in subsections (f)(3), (f)(4), and (f)(5).

"(c) LARGE IN LIEU CONTRIBUTIONS.—

"(1) FOR PUBLIC FACILITIES.—In any case where a State or local government determines that the public welfare would not be best served by repairing, restoring, reconstructing, or replacing any public facility owned or controlled by such State or local government, it may elect to receive, in lieu of a contribution under subsection (a)(1), a contribution of not to exceed 90 percent of the Federal share of the Federal estimate of the cost of repairing, restoring, reconstructing, or replacing, such facility and of associated expenses. Funds contributed under this subsection may be used to repair, restore, or expand other selected public facilities, to construct new facilities, or to fund hazard mitigation measures which the State or local government determines to be necessary to meet a need for governmental services and functions in the area affected by the major disaster.

"(2) FOR PRIVATE NONPROFIT FACILITIES.—In any case where a person who owns or operates a private nonprofit facility determines that the public welfare would not be best served by repairing, restoring, reconstructing, or replacing such facility, such person may elect to receive, in lieu of a contribution under subsection (a)(2), a contribution of not to exceed 90 percent of the Federal share of the Federal estimate of the cost of repairing, restoring, reconstructing, or replacing such facility and of associated expenses. Funds contributed under this subsection may be used to repair, restore, or expand other selected private nonprofit facilities owned nonprofit by such person, to construct new private nonprofit facilities to be owned or operated by such person, or to fund hazard mitigation measures which such person determines to be necessary to meet a need for its services and functions in the area affected by the major disaster.

"(3) Restriction on use for State or local contribution.—Funds provided under this subsection shall not be used for any State or local government cost-sharing contribution required under this Act.

"(d) Flood Insurance.—

"(1) Reduction of federal assistance.—If a public facility or private nonprofit facility located in a special flood hazard area identified for more than 1 year by the Director pursuant to the National Flood Insurance Act of 1986 (42 U.S.C. 4001 et seq.) is damaged or destroyed, after the 180th day following the date of the enactment of the Disaster Relief and Emergency Assistance Amendments of 1988, by flooding in a major disaster and such facility is not covered on the date of such flooding by flood insurance, the Federal assistance which would otherwise be available under this section with respect to repair, restoration, reconstruction, and replacement of such facility and associated expenses shall be reduced in accordance with paragraph (2).

"(2) Amount of reduction.—The amount of a reduction in Federal assistance under this section with respect to a facility shall be the lesser of—

"(A) the value of such facility on the date of the flood damage or destruction, or

"(B) the maximum amount of insurance proceeds which would have been payable with respect to such facility if such facility had been covered by flood insurance under the National Flood Insurance Act of 1968 on such date.

"(3) Exception.—Paragraphs (1) and (2) shall not apply to a private nonprofit facility which is not covered by flood insurance solely because of the local government's failure to participate in the flood insurance program established by the National Flood Insurance Act.

"(4) Dissemination of information.—The President shall disseminate information regarding the reduction in Federal assistance provided for by this subsection to State and local governments and the owners and operators of private nonprofit facilities who may be affected by such a reduction.

"(e) Net Eligible Cost.—

"(1) General rule.—For purposes of this section, the cost of repairing, restoring, reconstructing, or replacing a public facility or private nonprofit facility on the basis of the design of such facility as it existed immediately prior to the major disaster and in conformity with current applicable codes, specifications, and standards (including floodplain management and hazard mitigation criteria required by the President or by the Coastal Barrier Resources Act (16 U.S.C. 3501 et seq.)) shall, at a minimum, be treated as the net eligible cost of such repair, restoration, reconstruction, or replacement.

"(2) Special rule.—In any case in which the facility being repaired, restored, reconstructed, or replaced under this section was under construction on the date of the major disaster, the cost of repairing, restoring, reconstructing, or replacing such facility shall include, for purposes of this section, only those costs which, under the contract for such construction, are the owner's responsibility and not the contractor's responsibility.

"(f) Associated Expenses.—For purposes of this section, associated expenses include the following:

"(1) Necessary costs.—Necessary costs of requesting, obtaining, and administering Federal assistance based on a percentage of assistance provided as follows:

"(A) For an applicant whose net eligible costs equal less than $100,000, 3 percent of such net eligible costs.

"(B) For an applicant whose net eligible costs equal $100,000 or more but less than $1,000,000, $3,000 plus 2 percent of such net eligible costs in excess of $100,000.

"(C) For an applicant whose net eligible costs equal $1,000,000 or more but less than $5,000,000, $21,000 plus 1 percent of such net eligible costs in excess of $1,000,000.

"(D) For an applicant whose net eligible costs equal $5,000,000 or more, $61,000 plus ½ percent of such net eligible costs in excess of $5,000,000.

"(2) Extraordinary costs.—Extraordinary costs incurred by a State for preparation of damage survey reports, final inspection reports, project applications, final audits, and related field inspections by State employees, including overtime pay and per diem and travel expenses of such employees, but not including pay for regular time of such employees, based on the total amount of assistance provided under sections 403, 404, 406, 407, 502, and 503 in such State in connection with the major disaster as follows:

"(A) If such total amount is less than $100,000, 3 percent of such total amount.

"(B) If such total amount is $100,000 or more but less than $1,000,000, $3,000 plus 2 percent of such total amount in excess of $100,000.

"(C) If such total amount is $1,000,000 or more but less than $5,000,000, $21,000 plus 1 percent of such total amount in excess of $1,000,000.

"(D) If such total amount is $5,000,000 or more, $61,000 plus ½ percent of such total amount in excess of $5,000,000.

"(3) Costs of national guard.—The costs of mobilizing and employing the National Guard for performance of eligible work.

"(4) Costs of prison labor.—The costs of using prison labor to perform eligible work, including wages actually paid, transportation to a worksite, and extraordinary costs of guards, food, and lodging.

"(5) Other labor costs.—Base and overtime wages for an applicant's employees and extra hires performing eligible work plus fringe benefits on such wages to the extent that such benefits were being paid before the disaster.".

(c) Debris Removal.—

(1) Redesignation.—Section 403 (relating to debris removal) and any reference thereto, is redesignated as section 407.

(2) Inclusion of nonprofit facilities.—Subsection (a)(2) of such section 407 is amended by inserting after "local government" the following: "or owner or operator of a private nonprofit facility".

(3) Rules relating to large lots; federal share.—Such section 407 is further amended by adding at the end thereof the following new subsections:

"(c) Rules Relating to Large Lots.—The President shall issue rules which provide for recognition of differences existing among urban, suburban, and rural lands in implementation of this section so as to facilitate adequate removal of debris and wreckage from large lots.

"(d) Federal Share.—The Federal share of assistance under this section shall be not less than 75 percent of the eligible cost of debris and wreckage removal carried out under this section.".

(d) Temporary Housing Assistance.—Title IV is further amended by striking out section 404, relating to temporary housing assistance, and inserting in lieu thereof the following new section:

"SEC. 408. TEMPORARY HOUSING ASSISTANCE.

"(a) Provision of Temporary Housing.—

"(1) In general.—The President may—

"(A) provide, by purchase or lease, temporary housing (including unoccupied habitable dwellings), suitable rental housing, mobile homes, or other readily fabricated dwellings to persons who, as a result of a major disaster, require temporary housing; and

(B) reimburse State and local governments in accordance with paragraph (4) for the cost of sites provided under paragraph (2).

"(2) Mobile home site.—

"(A) In general.—Any mobile home or other readily fabricated dwelling provided under this section shall whenever possible be located on a site which—

"(i) is provided by the State or local government; and

"(ii) has utilities provided by the State or local government, by the owner of the site, or by the occupant who was displaced by the major disaster.

"(B) Other sites.—Mobile homes and other readily fabricated dwellings may be located on sites provided by the President if the President determines that such sites would be more economical or accessible than sites described in subparagraph (A).

"(3) Period.—Federal financial and operational assistance under this section shall continue for not longer than 18 months after the date of the major disaster declaration by the President, unless the President determines that due to extraordinary circumstances it would be in the public interest to extend such 18-month period.

"(4) Federal share.—the Federal share of assistance under this section shall be 100 percent; except that the Federal share of assistance under this section for construction and site development costs (including installation of utilities) at a mobile home group site shall be 75 percent of the eligible cost of such assistance. The State or local government receiving assistance under this section shall pay any cost which is not paid for from the Federal share.

"(b) Temporary Mortgage and Rental Payments.—The President is authorized to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of individuals and families who, as a result of financial hardship caused by a major disaster, have received written notice of dispossession or eviction from a residence by reason of a foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to such disaster. Such assistance shall be provided for the duration of the period of financial hardship but not to exceed 18 months.

"(c) In Lieu Expenditures.—In lieu of providing other types of temporary housing after a major disaster, the President is authorized to make expenditures for the purpose of repairing or restoring to a habitable condition owner-occupied private residential structures made uninhabitable by a major disaster which are capable of being restored quickly to a habitable condition.

"(d) Transfer of Temporary Housing.—

"(1) Direct sale to occupants.—Notwithstanding any other provision of law, any temporary housing acquired by purchase may be sold directly to individuals and families who are occupants of temporary housing at prices that are fair and equitable, as determined by the President

"(2) Transfers to states, local governments, and voluntary organizations.—The President may sell or otherwise make available temporary housing units directly to States, other governmental entities, and voluntary organizations. The President shall impose as a condition of transfer under this paragraph a covenant to comply with the provisions of section 308 requiring nondiscrimination in occupancy of such temporary housing units. Such disposition shall be limited to units purchased under the provisions of subsection (a) and to the purposes of providing temporary housing for disaster victims in major disasters or emergencies.

"(e) Notification.—

"(1) In general.—Each person who applies for assistance under this section shall be notified regarding the type and amount of any assistance for which such person qualifies. Whenever practicable, such notice shall be provided within 7 days after the date of submission of such application.

"(2) Information.—Notification under this subsection shall provide information regarding—

"(A) all forms of such assistance available;

"(B) any specific criteria which must be met to qualify for each type of assistance that is available;

"(C) any limitations which apply to each type of assistance; and

"(D) the address and telephone number of offices responsible for responding to—

"(ii) requests for changes in the type or amount of assistance provided.

"(f) Location.—In providing assistance under this section, consideration shall be given to the location of and travel time—

"(1) the applicant's home and place of business;

"(2) schools which the applicant or members of the applicant's family who reside with the applicant attend; and

"(3) crops or livestock which the applicant tends in the course of any involvement in farming which provides 25 percent or more of the applicant's annual income.".

(e) Redesignation of Sections 406 and 407.—Sections 406 (relating to minimum standards for public and private structures) and 407 (relating to unemployment assistance), and any references thereto, are redesignated as sections 409 and 410, respectively.

(f) Unemployment Assistance Limitations.—Section 410 (as so redesignated) is amended as follows:

(1) Entitlement to other compensation.—The first sentence of subsection (a) is amended by inserting "for the weeks of such unemployment with respect to which the individual is not entitled to any other unemployment compensation (as that term is defined in section 85(b) of the Internal Revenue Code of 1986) or waiting period credit" after "is unemployed".

(2) Term of assistance.—The second sentence of subsection (a) is amended by striking out "one year" and inserting in lieu thereof "26 weeks".

(3) Repeal of reduction in compensation.—The third sentence of subsection (a) is amended by striking out "occurred," and all that follows through the end of the sentence and inserting in lieu thereof "occurred.".

(4) Reemployment assistance.—Subsection (b) is amended to read as follows:

"(b) Reemployment Assistance.—

"(1) State assistance.—A State shall provide, without reimbursement from any funds provided under this Act, reemployment assistance services under any other law administered by the State to individuals receiving benefits under this section.

"(2) Federal assistance.—The President may provide reemployment assistance services under other laws to individuals who are unemployed as a result of a major disaster and who reside in a State which does not provide such services.".

(g) Individual and Family Grant Programs.—Title IV is amended by striking out section 408 (relating to individual and family grant programs) and inserting in lieu thereof the following new section:

"SEC. 411. INDIVIDUAL AND FAMILY GRANT PROGRAMS.

"(a) In General.—The President is authorized to make a grant to a State for the purpose of making grants to individuals or families adversely affected by a major disaster for meeting disaster-related necessary expenses or serious needs of such individuals or families in those cases where such individuals or families are unable to meet such expenses or needs through assistance under other provisions of this Act or through other means.

"(b) Cost Sharing.—

"(1) Federal share.—The Federal share of a grant to an individual or a family under this section shall be equal to 75 percent of the actual cost incurred.

"(2) State contribution.—The Federal share of a grant under this section shall be paid only on condition that the remaining 25 percent of the cost is paid to an individual or family from funds made available by a State.

"(c) Regulations.—The President shall promulgate regulations to carry out this section and such regulations shall include national criteria, standards, and procedures for the determination of eligibility for grants and the administration of grants under this section.

"(d) Administrative Expenses.—A State may expend not to exceed 5 percent of any grant made by the President to it under subsection (a) for expenses of administering grants to individuals and families under this section.

"(e) Administration Through Governor.—The Governor of a State shall administer the grant program authorized by this section in the State.

"(f) Limit on Grants to Individuals.—No individual or family shall receive grants under this section aggregating more than $10,000 with respect to any single major disaster. Such $10,000 limit shall annually be adjusted to reflect changes in the Consumer Price Index for All Urban Consumers published by the Department of Labor.".

(h) Redesignation of Sections 409 Through 412.—Sections 409 (relating to food coupons and distribution), 410 (relating to food commodities), 411 (relating to relocation assistance), and 412 (relating to legal services), and any references thereto, are redesignated as sections 412, 413, 414, and 415, respectively.

(i) Crisis Counseling.—Section 413 (relating to crisis counseling assistance and training), and any reference thereto, is redesignated as section 416. Such section is amended by striking out "(through the National Institute of Mental Health)".

(j) Redesignation of Sections 414 Through 418.—Sections 414 (relating to community disaster loans), 415 (relating to emergency communications), 416 (relating to emergency public transportation), 417 (relating to fire suppression grants), and section 418 (relating to timber sale contracts), and any references thereto, are redesignated as sections 417, 418, 419, 420, and 421, respectively.

(k) Simplified Procedure.—Title IV is further amended by striking out section 419 (relating to in-lieu contribution) and inserting in lieu thereof the following new section:

"SEC. 422. SIMPLIFIED PROCEDURE.

"If the Federal estimate of the cost of—

"(1) repairing, restoring, reconstructing, or replacing under section 406 any damaged or destroyed public facility or private nonprofit facility,

"(2) emergency assistance under section 403 or 502, or

"(3) debris removed under section 407,

is less than $35,000, the President (on application of the State or local government or the owner or operator of the private nonprofit facility) may make the contribution to such State or local government or owner or operator under section 403, 406, 407, or 502, as the case may be, on the basis of such Federal estimate. Such $35,000 amount shall be adjusted annually to reflect changes in the Consumer Price Index for All Urban Consumers published by the Department of Labor.".

(l) Appeals; Date of Eligibility; Expenses Incurred Before Date of Disaster; Advance of Non-Federal Share; Limitation on Use of Sliding Scales.—Title IV is further amended by adding at the end thereof the following new sections:

"SEC. 423. APPEALS OF ASSISTANCE DECISIONS.

"(a) Right of Appeal.—Any decision regarding eligibility for, form, or amount of assistance under this title may be appealed within 60 days after the date on which the applicant for such assistance is notified of the award or denial of award of such assistance.

"(b) Period for Decisions.—A decision regarding an appeal under subsection (a) shall be rendered within 90 days after the date on which the Federal official designated to administer such appeals receives notice of such appeal.

"(c) Rules.—The President shall issue rules which provide for the fair and impartial consideration of appeals under this section.

"SEC. 424. DATE OF ELIGIBILITY; EXPENSES INCURRED BEFORE DATE OF DISASTER.

"Eligibility for Federal assistance under this title shall begin on the date of the occurrence of the event which results in a declaration by the President that a major disaster exists; except that reasonable expenses which are incurred in anticipation of and immediately preceding such event may be eligible for Federal assistance under this Act.".

SEC. 107. FEDERAL EMERGENCY ASSISTANCE PROGRAMS.

(a) Federal Emergency Assistance Programs.—Title V is amended to read as follows:

"TITLE V—EMERGENCY ASSISTANCE PROGRAMS

"SEC. 501. PROCEDURE FOR DECLARATION.

"(a) Request and Declaration.—All requests for a declaration by the President that an emergency exists shall be made by the Governor of the affected State. Such a request shall be based on a finding that the situation is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. As a part of such request, and as a prerequisite to emergency assistance under this Act, the Governor shall take appropriate action under State law and direct execution of the State's emergency plan. The Governor shall furnish information describing the State and local efforts and resources which have been or will be used to alleviate the emergency, and will define the type and extent of Federal aid required. Based upon such Governor's request, the President may declare that an emergency exists.

"(b) Certain Emergencies Involving Federal Primary Responsibility.—The President may exercise any authority vested in him by section 502 or section 503 with respect to an emergency when he determines that an emergency exists for which the primary responsibility for response rests with the United States because the emergency involves a subject area for which, under the Constitution or laws of the United States, the United States exercises exclusive or preeminent responsibility and authority. In determining whether or not such an emergency exists, the President shall consult the Governor of any affected State, if practicable. The President's determination may be made without regard to subsection (a).

"SEC. 502. FEDERAL EMERGENCY ASSISTANCE.

"(a) Specified.—In any emergency, the President may—

"(1) direct any Federal agency, with or without reimbursement, to utilize its authorities and the resources granted to it under Federal law (including personnel, equipment, supplies, facilities, and managerial, technical and advisory services) in support of State and local emergency assistance efforts to save lives, protect property and public health and safety, and lessen or avert the threat of a catastrophe;

"(2) coordinate all disaster relief assistance (including voluntary assistance) provided by Federal agencies, private organizations, and State and local governments;

"(3) provide technical and advisory assistance to affected State and local governments for—

"(A) the performance of essential community services;

"(B) issuance of warnings of risks or hazards;

"(C) public health and safety information, including dissemination of such information;

"(D) provision of health and safety measures; and

"(E) management, control, and reduction of immediate threats to public health and safety;

"(4) provide emergency assistance through Federal agencies;

"(5) remove debris in accordance with the terms and conditions of section 407;

"(6) provide temporary housing assistance in accordance with section 408; and

"(7) assist State and local governments in the distribution of medicine, food, and other consumable supplies, and emergency assistance.

"(b) General.—Whenever the Federal assistance provided under subsection (a) with respect to an emergency is inadequate, the President may also provide assistance with respect to efforts to save lives, protect property and public health and safety, and lessen or avert the threat of a catastrophe.

"SEC. 503. AMOUNT OF ASSISTANCE.

"(a) Federal Share.—The Federal share for assistance provided under this title shall be equal to not less than 75 percent of the eligible costs.

"(b) Limit on Amount of Assistance.—

"(1) In general.—Except as provided in paragraph (2), total assistance provided under this title for a single emergency shall not exceed $5,000,000.

"(2) Additional assistance.—The limitation described in paragraph (1) may be exceeded when the President determines that—

"(A) continued emergency assistance is immediately required;

"(B) there is a continuing and immediate risk to lives, property, public health or safety; and

"(C) necessary assistance will not otherwise be provided on a timely basis.

"(3) Report.—Whenever the limitation described in paragraph (1) is exceeded, the President shall report to the Congress on the nature and extent of emergency assistance requirements and shall propose additional legislation if necessary.".

(b) Savings Clause.—The amendment made by subsection (a) shall not be construed as having any effect on title VIII of the Public Works and Economic Development Act of 1965 which was added to such Act by section 501 of the Disaster Relief Act of 1974 on May 22, 1974.

SEC. 108. AMENDMENTS TO TITLE VI.

(a) Rules.—Section 601(a) is amended—

(1) by inserting "(1)" after "Sec. 601. (a)"; and

(2) by adding at the end the following new paragraph:

"(2) Deadline for payment of assistance.—Rules and regulations authorized by paragraph (1) shall provide that payment of any assistance under this Act to a State shall be completed within 60 days after the date of approval of such assistance.".

(b) Effective Date.—Section 605 is repealed.

(c) Authorization of Appropriations.—Section 606 is repealed.

SEC. 109. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Agricultural Act of 1949.—(1) Section 401(c) of the Agricultural Act of 1949 (7 U.S.C. 1421(c)) is amended by striking out "Public Law 875, Eighty-first Congress" and inserting in lieu thereof "the Disaster Relief and Emergency Assistance Act".

(2) Section 407 of such Act (7 U.S.C. 1427) is amended by striking out "Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855)" and inserting in lieu thereof "the Disaster Relief and Emergency Assistance Act".

(b) Agricultural Act of 1970.—Section 813(d) of the Agricultural Act of 1970 (7 U.S.C. 1427a(d)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(c) Consolidated Farm and Rural Development Act.—(1) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking out "Act of 1974" each place it appears and inserting in lieu thereof "and Emergency Assistance Act".

(2) Section 324(d) of such Act (7 U.S.C. 1964(d)) is amended by striking out ' 'Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(d) Food Stamp Act of 1977.—Section 5(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(1)) is amended by striking out "section 302(a) of the Disaster Relief Act of 1974" and inserting in lieu thereof "sections 402 and 502 of the Disaster Relief and Emergency Assistance Act".

(e) National Housing Act.—(1) Section 8(b)(2) of the National Housing Act (12 U.S.C. 1706c(b)(2)) is amended by striking out "102(2) and 301 of the Disaster Relief Act of 1974" and inserting in lieu thereof "102(2) and 401 of the Disaster Relief and Emergency Assistance Act".

(2) Section 203(h) of such Act (12 U.S.C. 1709(h)) is amended—

(A) by striking out "riot or civil disorder,"; and

(B) by striking out "102(2) and 301 of the Disaster Relief Act of 1974" and inserting in lieu thereof "102(2) and 401 of the Disaster Relief and Emergency Assistance Act".

(3) Section 221(f) of such Act (12 U.S.C. 17151(f)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(f) Small Business Act.—(1) Section 7(b)(2)(A) of the Small Business Act (15 U.S.C. 636(b)(2)(A)) is amended by striking out "the Act entitled 'An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes', approved September 30, 1950, as amended (42 U.S.C. 1855-1855g)" and inserting in lieu thereof "the Disaster Relief and Emergency Assistance Act".

(2) Section 7(b)(E) of such Act (15 U.S.C. 636(b)(E)) is amended by striking out "subsection (b) of section 315 of Public Law 93-288 (42 U.S.C. 5155)" and inserting in lieu thereof "section 312(a) of the Disaster Relief and Emergency Assistance Act".

(3) Section 7(f) of such Act (15 U.S.C. 636(f)) is amended by striking out "section 2(a) of the Act of September 30, 1950 (42 U.S.C. 1855a(a))" and inserting in lieu thereof "section 102(2) of the Disaster Relief and Emergency Assistance Act".

(g) Endangered Species Act of 1973.—Section 7(p) of the Endangered Species Act of 1973 (16 U.S.C. 1536(p)) is amended—

(1) by striking out "Disaster Relief Act of 1974" each place it appears and inserting in lieu thereof "Disaster Relief and Emergency Assistance Act"; and

(2) by striking out "401 or 402" and inserting in lieu thereof "405 or 406".

(h) Coastal Barrier Resources Act.—Section 6(a)(6)(E) of the Coastal Barrier Resources Act (16 U.S.C. 3505(a)(6)(E)) is amended by striking out "305 and 306 of the Disaster Relief Act of 1974 (42 U.S.C. 5145 and 5146)" and inserting in lieu thereof "402, 403, and 502 of the Disaster Relief and Emergency Assistance Act".

(i) Impact Aid Act.—Section 7(a)(1)(A) of the Act of September 30, 1950, commonly known as the Impact Aid Act (Public Law 874, 81st Congress; 20 U.S.C. 241-1(a)(1)(A)), is amended by striking out "102(2) and 301 of the Disaster Relief Act of 1974" and inserting in lieu thereof "102(2) and 401 of the Disaster Relief and Emergency Assistance Act".

(j) Public Law 815 of the 81st Congress.—Section 16(a)(1)(A) of the Act of September 23, 1950 (Public Law 815, 81st Congress; 20 U.S.C. 646(a)(1)(A)), is amended by striking out "102(2) and 301 of the Disaster Relief Act of 1974" and inserting in lieu thereof "102(2) and 401 of the Disaster Relief and Emergency Assistance Act".

(k) TITLE 23.—Section 125(b) of title 23, United States Code, is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(l) INTERNAL REVENUE CODE OF 1986.—Sections 165(i)(1), 165(k), 5064(b)(3), and 5708(a) of the Internal Revenue Code of 1986 (26 U.S.C. 165(i)(1), 165(k), 5064(b)(3), and 5708(a)) are each amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(m) ACT OF AUGUST 18, 1941.—Section 5(a) of the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved August 18, 1941 (33 U.S.C. 701n), is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(n) TITLE 38.—Section 1820(f) of title 38, United States Code, is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(o) NATIONAL FLOOD INSURANCE ACT OF 1968.—Section 1306(c)(5) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)(5)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(p) SOCIAL SECURITY ACT.—Subsections (a)(2)(A) and (b)(11) of section 1612 of the Social Security Act (42 U.S.C. 1382a (a)(2)(A) and (b)(11) are each amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(q) OLDER AMERICANS ACT OF 1965.—Section 310(a)(1) of the Older Americans Act of 1965 (42 U.S.C. 3030(a)(1)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(r) PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965.—(1) Section 801(b) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3231(b)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(2) Section 802(b) of such Act (42 U.S.C. 3232(b)) is amended by striking out "402(f) of the Disaster Relief Act of 1974" and inserting in lieu thereof "406(c) of the Disaster Relief and Emergency Assistance Act".

(s) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES APPROPRIATION ACT, 1973.—Section 406 of the Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Agencies Appropriation Act, 1973 is amended by striking out "Act of 1970 (84 Stat. 1744)" and inserting in lieu thereof "and Emergency Assistance Act".

(t) FLOOD DISASTER PROTECTION ACT OF 1973.—Section 3(a)(4) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)(4)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(u) EARTHQUAKE HAZARDS REDUCTION ACT OF 1977.—Subsections (g) and (i) of section 5 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704) are each amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(v) CERCLA.—Section 101(23) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(23)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(w) ACT OF JUNE 30, 1954.—Section 3 of the Act of June 30, 1954 (68 Stat. 330; 48 U.S.C. 1681 note) is amended by striking out "102(2) and 301 of the Disaster Relief Act of 1974" and inserting in lieu thereof "102(2) and 401 of the Disaster Relief and Emergency Assistance Act".

SEC. 110. RECOMMENDATIONS CONCERNING IMPROVEMENT OF RELATIONSHIPS AMONG DISASTER MANAGEMENT OFFICIALS.

Not later than 1 year after the date of the enactment of this Act, the President shall recommend to the Congress proposals to improve the operational and fiscal relationships that exist among Federal, State, and local major disaster and emergency management officials. Such proposals should include provisions which—

(1) decrease the amount of time for processing requests for major disaster and emergency declarations and providing Federal assistance for major disasters and emergencies;

(2) provide for more effective utilization of State and local resources in major disaster and emergency relief efforts; and

(3) improve the timeliness of reimbursement of State and local governments after the submission of necessary documentation.

SEC. 111. STUDY OF DISASTER DECLARATION PROCESS.

(a) FINDINGS.—The Congress finds and declares that—

(1) the explosion at the Pacific Engineering and Production Company in Henderson, Nevada, on May 4, 1988, resulted in the deaths of two people, more than 350 injuries, and damages to more than 3,000 buildings;

(2) the Governor of Nevada on May 9, 1988, requested the President to declare a major disaster for Nevada as a result of the catastrophic accident that occurred on May 4;

(3) the Federal Emergency Management Agency's recommendations in response to the Governor's disaster declaration request were delivered to the White House on May 12;

(4) the Governor of Nevada was not kept informed of the status of the State's request for Federal disaster assistance and information concerning the Governor's request was selectively disseminated; and

(5) the untimely and selective release of information concerning the disaster had a negative impact on the victims of the Henderson explosion, and the citizens of Nevada as a whole.

(b) STUDY AND REPORT.—The Comptroller General of the United States shall—

(1) conduct a study of the process by which disaster declarations are made; and

(2) not later than 180 days after the date of enactment of this Act, transmit a report to the Congress describing the findings of the study along with recommendations on ways to improve and ensure the nonpolitical functioning of the process for declaring disasters.

SEC. 112. DECLARED DISASTERS AND EMERGENCIES NOT AFFECTED.

This title shall not affect the administration of any assistance for a major disaster or emergency declared by the President before the date of the enactment of this Act.

SEC. 113. DEADLINE FOR ISSUANCE OF REGULATIONS.

Regulations necessary to carry out this title and the amendments made by this title shall be issued no later than the 180th day following the date of the enactment of this Act.

TITLE II—GREAT LAKES DAMAGE ASSISTANCE AND PREVENTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Great Lakes Planning Assistance Act of 1988".

SEC. 202. DAMAGE ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Director is authorized to provide assistance to Great Lakes States in the establishment of State programs to reduce and prevent damage attributable to high water levels in the Great Lakes.

(b) GRANTS.—Upon application by a Great Lakes State within 1 year after the date of enactment of this Act, the Director may make a one-time grant to the State of not more than $250,000 for use by the State for—

(1) preparation of plans for mitigation, warning, emergency operations, and emergency assistance;

(2) coordination of available State and Federal assistance;

(3) development and implementation of nonstructural measures to reduce or prevent damage attributable to high water levels in the Great Lakes, including establishment of setback requirements and other conditions on construction and reconstruction of public and private facilities, mapping of flooding zones, and technical assistance; and

(4) assisting local governments in developing and implementing plans for nonstructural reduction and prevention of damages attributable to high water levels in the Great Lakes.

(c) TECHNICAL ASSISTANCE.—The Director may provide technical assistance to Great Lakes States for carrying out any activity carried out with assistance under this section.

(d) STATE MATCHING.—A State which receives a grant under this section shall match the grant with an amount of funds from non-Federal sources equal to 25 percent of the amount of the grant.

(e) AUTHORIZATION.—There are authorized to be appropriated for making grants under this section not more than $2,000,000 for fiscal year beginning after September 30, 1988.

SEC. 203. CORPS OF ENGINEERS.

(a) TECHNICAL AND OTHER ASSISTANCE.—The Secretary of the Army may—

(1) provide emergency assistance to prevent or reduce damage attributable to high water levels in the Great Lakes, including provision of sandbags, sheeting, and stones and other armoring devices (taking account of flooding and erosion of other property which may be caused by such activity) but not including construction of permanent structures;

(2) provide technical assistance to individuals and local governments with respect to measures to prevent or reduce such damage; and

(3) compile and disseminate information on—

(A) water levels of the Great Lakes,

(B) techniques for prevention or reduction of such damage, and

(C) emergency relief available to persons who suffer economic injury attributable to high water levels in the Great lakes.

(b) ISSUANCE OF PERMITS.—

(1) CONSIDERATION OF FLOODING AND EROSION.—In issuing a permit under—

(A) Section 10 of the Act of March 3, 1989 (33 U.S.C. 403); or

(B) Section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344);

for any activity carried out with assistance under this title, the Secretary of the Army shall take account of flooding and erosion of other property which may be caused by such activity.

(2) Bank stabilization.—

(A) General rule.—In issuing permits under sections 10 of the Act of March 3, 1889 (33 U.S.C. 403) and 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) for a project involving dredging of any portion of the Great Lakes, the Secretary of the Army shall, if feasible, encourage for bank stabilization purposes the disposal of nonhazardous compatible sand from such project on shorelines affected by erosion.

(B) Consultation.—In carrying out subparagraph (A), the Secretary of the Army shall consult affected State and local governments.

SEC. 204. GREAT LAKES COASTAL BARRIER ACT OF 1988.

(a) Short Title.—This section may be cited as the "Great Lakes Coastal Barrier Act of 1988".

(b) Study of Coastal Barriers Resources System to Include Barriers Within Great Lakes Shore Areas.—Section 4 of the Coastal Barrier Resources Act (16 U.S.C. 3503) is amended to read as follows:

"SEC. 4. COASTAL BARRIER RESOURCES SYSTEM.

"(a) In General.—The Coastal Barrier Resources System consists of—

"(1) those undeveloped coastal barriers that are located on the Atlantic and Gulf Coast of the United States and included within the System on April 19, 1983; and

"(2) those undeveloped coastal barriers along the shore areas of the Great Lakes that are designated by Congress by law after considering the recommendations of the Secretary made under subsection (b) of this section.

"(b) Inclusion of Great Lake Barriers.—

"(1) In general.—

"(A) Recommendations and maps.—Except as provided in subparagraph (B), not later than 3 months after the date of the enactment of the Great Lakes Coastal Barrier Act of 1988, the Secretary shall recommend to Congress and prepare maps identifying the boundaries of those undeveloped coastal barriers along the shore areas of Great Lakes that the Secretary considers appropriate for inclusion in the Coastal Barrier Resources System.

"(B) Excluded areas.—The Secretary may not recommend for inclusion as an undeveloped coastal barrier, and sections 5 and 6 of this Act do not apply to, any area that is publicly owned and protected by Federal, State, or local government law, or held by a qualified organization defined in section 170(h)(3) of the Tax Reform Act of 1986 (26 U.S.C. 170(h)(3)), primarily for wildlife refuge, sanctuary, recreational, or natural resource conservation purposes.

"(2) Consultations and considerations.—Before recommending undeveloped coastal barriers under paragraph (1) of this section, the Secretary shall—

"(A) consult with and provide an opportunity for comment by appropriate United States Government agencies, State agencies (including the coastal zone management agencies) of the States bordering the Great Lakes, and the public; and

"(B) update on the basis of aerial photographs and consider the draft coastal barrier inventory maps prepared by the Secretary in January 1985 for the States of Michigan, Wisconsin, Ohio, New York (Great Lakes) and Minnesota.

"(3) Provision of maps.—As soon as practicable after the revision of the maps referred to in paragraph (2)(B) of this subsection is completed, the Secretary shall provide copies of the maps to—

"(A) each appropriate State and county or equivalent jurisdiction in which System units are located;

"(B) the coastal zone management agency in each appropriate State that has a coastal zone management program approved under section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455); and

"(C) each appropriate United States Government agency; and

"(D) the Congress.

"(4) Public inspection of maps.—The Director of the United States Fish and Wildlife Service shall make available for public inspection all maps prepared under this section.

"(c) Boundary Modifications.—

"(1) In general.—The Secretary shall—

"(A) conduct a review of the System maps at least one every 5 years after the date of the enactment of the Great Lakes Coastal Barrier Act of 1988; and

"(B) subject to paragraph (2), make any minor and technical modifications to the boundaries of any System unit that are necessary solely to reflect changes that have occurred in the size or location of that unit as a result of natural forces.

"(2) Consultations.—The Secretary shall conduct the reviews required under paragraph (1) in consultation with the chief executive officer of—

"(A) each appropriate State and county equivalent jurisdiction in which System units are located;

"(B) the coastal zone management agency in each appropriate State that has a coastal zone management program approved under section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455);

"(C) each appropriate United States Government agency; and

"(D) the public.

"(d) System Maps.—The Office of the Director of the United States Fish and Wildlife Service, Department of the Interior, and other appropriate offices of the Service shall have available for public inspection all System maps.".

(c) Conforming Amendments.—

(1) Congressional findings.—Section 2 of the Coastal Barrier Resources Act (16 U.S.C. 3501) is amended by inserting "and along the shore areas of the Great Lakes" after "Atlantic and Gulf Coasts" at each place it appears.

(2) Definitions.—Section 3 of the Coastal Barrier Resources Act (16 U.S.C. 3502) is amended as follows:

(A) Redesignation.—Paragraphs (4) and (5), and any reference thereto, are redesignated as paragraphs (5) and (7), respectively.

(B) Great Lakes Defined.—The following is inserted after paragraph (3):

"(4) The term 'Great Lakes' means Lake Ontario, Lake Erie, Lake Huron, Lake St. Clair, Lake Michigan, and Lake Superior, to the extent that those lakes are subject to the jurisdiction of the United States.".

(C) System maps defined.—The following is inserted after paragraph (5) (as redesignated):

"(6) The term 'system maps' means—

"(A) the maps that are entitled 'Coastal Barrier Resources System', numbered A01 through T12 (but excluding maps T02 and T03) and dated September 30, 1982, and the maps numbered T02A and T03A and dated December 8, 1982; and

"(B) the maps prepared under section 4(b) of this Act and any modification to those maps under that section.".

(d) Expansion of Highways in Michigan.—The limitations on the use of Federal expenditures or financial assistance within the Coastal Barrier Resources System under section 6(a)(3) of the Coastal Barrier Resources Act (16 U.S.C. 3505(a)(3)) shall not apply to existing highways located within the State of Michigan if the Congress adds new units to the Coastal Barrier Resources System under section 4 of that Act, and those units include portions of United States or State highways in the State of Michigan.

SEC. 205. DEFINITIONS.

For purposes of this title—

(1) Director.—The term "Director" means the Director of the Federal Emergency Management Agency.

(2) High water levels.—The term "high water levels" means water levels above the long-term average of water levels from 1900.

(3) Local government.—The term "local government" means a county, city, village, town, district, or other political subdivision of a Great Lakes State and an Indian tribe or authorized tribal organization.

(4) Great lakes state.—The term "Great Lakes State" means Minnesota, Wisconsin, Illinois, Ohio, Michigan, Indiana, Pennsylvania, and New York.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

The last sentence of section 91 of the Water Resources Development Act of 1974 (88 Stat. 39), relating to authorization of appropriations for the New York Harbor collection and removal of drift project, is amended by striking out "$30,500,000" and inserting in lieu thereof "$6,000,000 annually".

SEC. 302. HUDSON RIVER CHANNEL.

That portion of Public Law 100-202 designated as the Energy and Water Development Appropriations Act of 1988 is amended by striking out in the undesignated paragraph "The following portion of the Hudson River" all that follows through "the States of New York and New Jersey." (101 Stat. 1329-109) and inserting in lieu thereof the following:

"The following portion of the Hudson River in the Borough of Manhattan, New York County, State of New York, is hereby declared not to be part of the federally authorized Channel Deepening Project: that portion of the Hudson River and land thereunder more particularly bounded and described as follows: Beginning at a point in the United States Pierhead Line approved by the Secretary of War on July 31, 1941, said point having a coordinate of North 4,677.56 feet and West 11,407.92 feet and running: (1) Northerly along said Pierhead Line on a bearing of N21-01'-53"W for a distance of 700.00 feet to a point; thence (2) westerly at right angles to said Pierhead Line on a bearing of S68-58'-07"W for a distance of 200.00 feet to a point; thence (3) Southerly and parallel with said Pierhead Line on a bearing of S21-01'-53"E for a distance of 700.00 feet to a point; thence (4) Easterly at right angles to said Pierhead Line on a bearing of N68-58'-07"E for a distance of 200.00 feet to the point of beginning. Bearings and coordinates are in the system used on the Borough Survey, Borough President's Office, Manhattan. This declaration shall apply to all or any part of the described area which is used or needed for New York Harbor passenger ferry boat service, as such service may be operated by, or contracted for operation by, a bi-State agency created by compact between the States of New York and New Jersey.”.

NATIONAL ASPARAGUS MONTH

WILSON AMENDMENT NO. 3769

Mr. STEVENS (for Mr. WILSON) proposed an amendment to the joint resolution (H.J. Res. 137) designating the Month of May as "National Asparagus Month;" as follows:

On page 2, line 3, after the word "May" insert "1989,".

DEPARTMENT OF ENERGY CIVILIAN RESEARCH AND DEVELOPMENT AUTHORIZATION ACT

JOHNSTON AMENDMENT NO. 3770

Mr. BYRD (for Mr. JOHNSTON) proposed an amendment to the bill (H.R. 4505) to authorize appropriations to the Department of Energy for civilian research and development programs for fiscal year 1989, as follows:

1. Strike all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Research Initiatives and Technology Competitiveness Act of 1988'.

"TITLE I—SUPERCONDUCTIVITY AND COMPETITIVENESS

"SEC. 101. SHORT TITLE.

"This title may be cited as the 'National Superconductivity and Competitiveness Act of 1988'.

"SEC. 102. FINDINGS AND PURPOSES.

"(a) FINDINGS.—For purposes of this title, Congress finds that—

"(1) recent discoveries of high-temperature superconducting materials could result in significant new applications of these materials in such areas as microelectronics, computers, power systems, transportation, medical imaging, and nuclear fusion, yet most potential applications may well lie beyond our ability to predict them;

"(2) full application of the new superconductors is expected to require 10 to 20 years, thus calling for long-term commitments by the public and private sector to appropriate research and development programs;

"(3) the Nation's economic competitiveness and strategic well-being depend greatly on the development and application of critical advanced technologies such as those anticipated to evolve from the new superconducting materials;

"(4) the United States manufacturing industries confront strong competition in both domestic and world markets as other countries are increasingly taking advantage of modern technology and production techniques and innovative management focused on quality;

"(5) whereas we have as a Nation been highly successful in the conduct of basic research in a variety of scientific areas, including superconductivity, other nations have been highly successful in the commercial and military application of the results of such fundamental research;

"(6) if the United States is to regain its competitive advantage, it must commit sufficient long-term resources to solving processing and manufacturing problems in parallel with basic research and development;

"(7) Federal agencies have responded aggressively to this exciting challenge by reprogramming funds to basic superconductivity research while informally coordinating their efforts to avoid unnecessary duplication; and further commitment of Federal funding and efforts directed to developing manufacturing, materials processing, and fabrication technologies is essential so that these activities may be conducted in parallel;

"(8) successful development and application of the new superconducting materials will require close collaboration between the Federal Government and the industrial and academic components of the private sector, as well as coordinating among the Federal departments and agencies involved in research and development on superconductors;

"(9) a committed Federal program effort with appropriate long-term goals, priorities, and adequate resources is necessary for the rapid development and application of the new superconducting materials; and

"(10) a national program should serve as a test of new agency authorities directed at technological competitiveness such as those provided to the Department of Energy.

"(b) PURPOSES.—The purposes of this title are—

"(1) to establish a 5-year national action plan to research and develop new high-temperature superconducting materials with appropriate goals and priorities; and

"(2) to designate the appropriate roles, mechanisms, and responsibilities of various Federal departments and agencies in implementing such a national research and development action plan.

"SEC. 103. NATIONAL ACTION PLAN ON SUPERCONDUCTIVITY RESEARCH AND DEVELOPMENT.

"(a) ESTABLISHMENT.—(1) The Director of the Office of Science and Technology Policy shall establish a 5-year National Action Plan on Advanced Superconductivity Research and Development (hereinafter in this title referred to as the 'Superconductivity Action Plan').

"(2) The Office of Science and Technology Policy shall coordinate the development of the Superconductivity Action Plan and any recommendations required by this Act with the National Critical Materials Council and the National Commission on Superconductivity.

"(b) CONTENT AND SCOPE.—The Superconductivity Action Plan shall include—

"(1) goals and priorities for advanced superconductivity research and development to be carried out by individual departments and agencies and organizational elements therein;

"(2) the assignement of responsibility for the conduct of advanced superconductivity research and development among the departments, agencies, and organization elements therein;

"(3) recommendation of proposed funding levels for activities relating to superconductivity of the 5 years following the date of enactment of this title for each of the participating departments, agencies, and organizational elements therein; and

"(4) proposals for the participation by industry and academia in the planning and implementation of the Superconductivity Action Plan.

"(c) ACTION PLAN REPORT.—The Office of Science and Technology Policy, in conjunction with the National Critical Materials Council, shall submit a report detailing the Superconductivity Action Plan to the Committee on Science, Space and Technology of the House of Representatives, and to the Committee on Energy and Natural Resources, and Commerce, Science, and Transportation of the Senate, within 9 months after the date of enactment of this title.

"(d) UPDATE REPORTS.—The Office of Science and Technology Policy, with the assistance of the National Critical Materials Council as specified in the National Critical Materials Act of 1984 (30 U.S.C. 1801 et seq.), shall prepare an annual report setting forth and evaluating the progress of the Superconductivity Action Plan. This report shall include a description of the amount of funds expended in the previous year by all Federal departments and agencies involved with superconductivity. This report shall be submitted with the President's annual budget request to the Committee on Science, Space, and Technology of the House of Representatives, and to the Committees on Energy and Natural Resources, and Commerce, Science, and Transportation of the Senate.

"SEC. 104. DEPARTMENT OF ENERGY.

"The Secretary of Energy shall conduct a program in superconductivity research and development in accordance with the provisions of subtitle A of title II. Within 180 days after the date of enactment of this title, and for the two succeeding years thereafter, the Secretary shall submit annual reports on the implementation of technology transfer activities under the Stevenson-Wydler Technology Innovation Act of 1980, title II of this Act, and related law with respect to superconductivity research and development to the Committee on Science, Space, and Technology of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate. Such report shall include recommendations for improvements in the technology transfer between government and industry, and in the management of property developed or made at the National Laboratories.

"SEC. 105. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

"In pursuance of the goals of this title, the National Institute of Standards and Technology shall promote fundamental research and materials standards to accelerate the use and application of the new superconducting materials, and shall utilize the Superconductivity Center focusing on electronic applications at the National Institute of Standards and Technology in Boulder, Colorado.

"SEC. 106. NATIONAL SCIENCE FOUNDATION.

"The National Science Foundation shall promote fundamental research in pursuance of the goals of this title.

"SEC. 107. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

"The National Aeronautics and Space Administration shall utilize existing programs in technology transfer, aeronautics and space technology, and space commercilaization to promote the commercial applications of high-temperature superconductors, including applications relating to thin film technology, communications technology, sensors, space power, and propulsion.

"SEC. 108. DEPARTMENT OF DEFENSE.

"(a) FOCUS OF RESEARCH.—In conformance with the Superconductivity Action Plan, the

Secretary of Defense, in the superconductivity research and development activities of the Department of Defense, shall give emphasis to fundamental research, materials processing, and applications of new superconducting materials.

"(b) ADDITIONAL ACTIVITIES.—In conducting research under subsection (a), the Secretary of Defense shall—

"(1) systematically define the engineering parameters for high-temperature superconducting materials; and

"(2) conduct the necessary development, engineering, and operation prototype testing considered appropriate to the overall mission of the Department of Defense. Such operational prototype testing shall, where appropriate, utilize criteria developed by the Defense Advanced Research Projects Agency.

"(c) DEFENSE ADVANCED RESEARCH PROJECTS AGENCY.—The Director of the Defense Advanced Research Projects Agency shall, in conformance with the Superconductivity Action Plan, conduct activities to—

"(1) augment, as appropriate, basic and applied superconductivity research conducted in other federal agencies and industry; and

"(2) develop criteria for operational prototype testing within the Department of Defense.

"SEC. 109. INTERNATIONAL COOPERATION.

The President, as part of the Superconductivity Action Plan, shall establish a program of international cooperation in the conduct of fundamental and basic research on superconducting materials. Such program of international cooperation shall include the exchange of basic information and data, as well as the development of international standards for the use and application of superconducting materials.

"SEC. 110. TECHNOLOGY TRANSFER.

"(a) PROMOTION.—In pursuance of the goals of this title, all Federal departments and agencies shall conduct technology transfer activities as appropriate to the overall mission of each department or agency to—

"(1) complement basic superconductivity research by promoting the rapid development of manufacturing and processing technologies necessary for the commercialization of high-temperature superconductors; and

"(2) promote collaborative arrangements and consortia of industry (which shall include small business) in order to lower the barriers to deployment of advanced high-temperature superconductor technology; such consortia to also include, as appropriate, universities and independent research organizations.

"(b) IMPEDIMENTS TO COMMERCIALIZATION.—The Director of the Office of Science and Technology Policy, in collaboration with the Secretary of Commerce and the Secretary of Energy, shall identify those Federal policies and regulations which impede the ability of the private sector to undertake long-term investment programs to commercialize superconductivity applications.

"TITLE II—NATIONAL LABORATORY COOPERATIVE RESEARCH INITIATIVES

"SEC. 201. SHORT TITLE.

"This title may be cited as the 'Department of Energy National Laboratory Cooperative Research Initiatives Act'.

"SEC. 202. DEFINITIONS.

"For purposes of this title, the term—

"(a) 'National Laboratory' means the following Department of Energy laboratories—

"(1) Lawrence-Livermore National Laboratory;

"(2) Lawrence-Berkeley National Laboratory;

"(3) Los Alamos National Laboratory;

"(4) Sandia National Laboratory;

"(5) Fermi National Accelerator Laboratory;

"(6) Princeton Plasma Physics Laboratory;

"(7) Idaho National Engineering Laboratory;

"(8) Argonne National Laboratory;

"(9) Brookhaven National Laboratory;

"(10) Oak Ridge National Laboratory, including the Y-12 plant;

"(11) Pacific Northwest Laboratory;

"(12) Ames Laboratory;

"(13) Stanford Linear Accelerator Center;

"(14) Bates Linear Accelerator Facility;

"(15) Center for Energy and Environment Research;

"(16) Coal Fired Flow Facility;

"(17) Energy Technology Engineering Center;

"(18) Hanford Engineering Development Laboratory;

"(19) Inhalation Toxicology Research Institute;

"(20) Laboratory for Energy-Related Health Research;

"(21) Laboratory of Biomedical and Environmental Sciences;

"(22) Laboratory of Radiobiology and Environmental Health;

"(23) Michigan State University-DOE Plant Research Laboratory;

"(24) Notre Dame Radiation Laboratory;

"(25) Oak Ridge Associated Universities;

"(26) Radiobiology Laboratory;

"(27) Savannah River Ecology Laboratory;

"(28) Savannah River Laboratory;

"(29) Solar Energy Research Institute; and

"(30) Stanford Synchrotron Radiation Laboratory.

Such term also includes any future government-owned, contractor-operated laboratory facilities established as Department of Energy Multi-program Laboratories or Program-Dedicated Facilities. Such term does not include Naval Nuclear Propulsion Reactor Laboratories, or their contractors or subcontractors performing work covered under Executive Order 12344, as codified in section 7158 of title 42, United States Code.

"(b) 'Secretary' means the Secretary of Energy.

"(c) 'Federal Agency' means any executive agency as defined in section 105 of title 5, United States Code, and the military departments defined by section 102 of title 5, United States Code.

"(d) 'contract' means any contract, grant, or cooperative agreement as those terms are used in sections 6303, 6304, and 6305 of title 31, United States Code, entered into between any Federal agency and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government. Such term includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a contract.

"(e) 'cooperative research and development agreement' means any agreement between one or more National Laboratories and one or more federal or non-federal parties under which the Government, through its National Laboratories, provides personnel, services, facilities, equipment, or other resources with or without reimbursement and the non-federal parties provide funds, personnel, services, facilities, and equipment, or other resources toward the conduct of specified research, development, and demonstration efforts that are consistent with the missions of the National Laboratory; except that such term does not include a procurement contract or cooperative agreement as those terms are used in sections 6303, 6304, and 6305 of title 31, United States Code.

"(f) 'funding agreement' means any contract, grant, or cooperative agreement entered into between the Secretary of Energy and a contractor operating a National Laboratory of the Department of Energy that provides for such contractor to perform research and development at such National Laboratory.

"SEC. 203. POLICY.

"(a) It is a mission of the National Laboratories to foster, through the transfer of technology to the private sector consistent with the national security and a fair return on the taxpayers' investment, the commercialization of technologies developed in connection with activities of such Laboratories authorized under title I, subtitle A of this title, and other law.

"(b) The Secretary shall take such actions as he finds appropriate and consistent with law to further the mission set forth in subsection (a).

"(c) The Secretary shall ensure that the mission set forth in subsection (a) is carried out in a manner that is not detrimental to the military mission of any National Laboratory.

"Subtitle A—The Department of Energy National Laboratories Centers for Research on Enabling Technologies for High Temperature Superconducting Applications.

"SEC. 210. FINDINGS.

"For purposes of this subtitle, Congress finds that:

"(1) the Department of Energy has conducted extensive research in superconducting materials to support its programmatic activities in High Energy Physics, Magnetic Fusion Energy, Energy Storage Systems, Electric Energy Systems, and Energy Conservation, pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974 (P.L. 93-577), the Energy Reorganization Act of 1974 (P.L. 93-483), and the Department of Energy Organization Act (P.L. 95-91);

"(2) recent developments in high-temperature superconducting materials hold great promise for highly efficient energy storage and transmission, medical diagnostics, magnets for physics research and fusion reactors, and smaller supercomputers;

"(3) the United States is a world leader in basic research on high-temperature superconducting materials, and programs supporting this research at the Department of Defense, the National Science Foundation, and the Department of Energy should be maintained and strengthened;

"(4) international interest in the commercialization of high-temperature superconducting materials is high and the key to success in commercialization lies in the rapid development of these materials and the identification of their applications; and

"(5) the National Laboratories have demonstrated expertise in high-temperature superconductivity research and a proven record in research in enabling technologies which can benefit industrial efforts in product development.

"SEC. 211. PURPOSES.

"The purposes of this subtitle are—

"(1) to provide for research on critical enabling technologies to assist United States industry in the commercialization of high-temperature superconductors;

"(2) to provide national organization and coordination in the research, development and commercialization of high-temperature superconductors; and

"(3) to encourage private industry, university, and National Laboratory interaction through centers for research on enabling technologies for high-temperature superconductivity at the National Laboratories.

"SEC. 212. ESTABLISHMENT OF THE HIGH-TEMPERATURE SUPERCONDUCTOR RESEARCH INITIATIVE.

"The Secretary of Energy shall initiate and carry out a cooperative program of research on enabling high-temperature superconductor technology and on the practical applications of such technology (hereafter in this subtitle referred to as the 'Initiative').

"SEC. 213. PARTICIPATION OF NATIONAL LABORATORIES.

"(a) Mission of National Laboratories.—The Secretary shall ensure that the National Laboratories may participate in the Initiative, to the extent that such participation does not detract from the primary mission of any participating National Laboratory.

"(b) Agreements.—The Secretary shall enter into such agreements with other Federal agencies, with U.S. private industrial or research organizations, or consortia, or with any college or university, as may be necessary to provide for the active participation of the National Laboratories in the Initiative.

"(c) Required Provisions.—The Initiative shall include provisions for one or more National Laboratories to conduct research and development activities relating to research on high-temperature superconductivity. Such activities may include research and development in associated technologies including thin film and bulk ceramic synthesis and processing and the characterization of physicial, chemical, and structural properties in materials.

"SEC. 214. FORMATION OF COUNCIL AND CENTERS FOR RESEARCH ON ENABLING TECHNOLOGIES.

"(a) Council.—The Secretary of Energy shall form the 'Council for Research on Enabling Technologies' (hereafter in this subtitle referred to as the 'Council') that shall be composed of representatives of appropriate government agencies, universities, and industry to provide advice to the Secretary in setting goals and strategies for the Initiative. The Council shall recommend guidelines for the release of the technical findings and developments made by the cooperative research centers established pursuant to subsection (b). Guidelines for releasing technical findings set forth by the Council shall be consistent with guidelines set forth by affected Federal agencies.

"(b) Cooperative Research Centers.—(1) The Secretary shall establish cooperative research centers in enabling technologies for high-temperature superconducting materials and applications (hereafter in this subtitle referred to as "Centers") at one or more National Laboratories with appropriate university and private industry participants.

"(2) The Centers shall be located at National Laboratories that demonstrate expertise in—

"(A) high-temperature superconductivity research; and

"(B) research in associated technologies including—

"(i) thin film and bulk ceramic synthesis and processing; and

"(ii) characterization of physical, chemical, and structural properties in materials.

"(c) Avoidance of Duplication.—The Council shall keep appraised of activities taking place at the existing Research Centers on Superconductivity and Superconductivity Pilot Centers. In carrying out the responsibilities of subsection (a), the Council shall recommend to the Secretary and such Centers measures to ensure that unnecessarily duplicative research or activities are not being carried out at these Centers.

"SEC. 215. PERSONNEL EXCHANGES.

"The Initiative may include provisions for temporary exchanges of personnel between any domestic firm or university referred to in this subtitle and the National Laboratories that are participating in the Initiative. The exchange of personnel may be subject to such restrictions, limitations, terms and conditions as the Secretary considers necessary in the interest of national security.

"SEC. 216. OTHER DEPARTMENT OF ENERGY RESOURCES.

"(a) Availability of Resources.—Subject to subsection (b), the Secretary may make available to other departments or agencies of the Federal Government, and to any participant in research and development projects under the Initiative, any facilities, personnel, equipment, services, and other resources of the Department of Energy for the purpose of conducting research and development projects under the Initiative.

"(b) Reimbursement.—At his discretion, the Secretary may make facilities available under this section only to the extent that the cost of the use of such facilities is reimbursed by the user.

"SEC. 217. BUDGETING FOR HIGH-TEMPERATURE SUPERCONDUCTIVITY RESEARCH.

To the extent the Secretary considers appropriate and necessary, the Secretary, in preparing the research and development budget of the Department of Energy to be included in the annual budget submitted to the Congress by the President for fiscal years 1990, 1991, 1992, 1993, 1994, and 1995 under section 1105(a) of title 31, United States Code, shall provide for programs, projects, and activities that encourage the development of new technology in the field of high-temperature superconductivity.

"SEC. 218. COST-SHARING AGREEMENTS.

"(a) Permitted Provisions.—The Secretary shall ensure that contracts for the operation of National Laboratories provide the director of each National Laboratory that is participating in the Initiative or the contractor operating any such National Laboratory the authority to receive funds under any cooperative research and development agreement entered into with a domestic firm or university under the Initiative.

"(b) Considerations.—The director of each National Laboratory that is participating in the Initiative, in determining the type and extent of its laboratory participation in carrying out work for others, shall undertake such work only when facilities are available and when it would not interfere with Department of Energy programs, and such work shall be conducted in such a way as to not create a future detrimental burden on the National Laboratory.

"(c) Limitations.—(1) An amount equal to not more than 10 percent of any National Laboratory's annual budget may be received from non-appropriated funds derived from work for others contracts entered into under the Initiative in any fiscal year, except to the extent approved in advance by the Secretary.

"(2) Under subsection (a) no National Laboratory may receive from any person more than $10,000,000 of non-appropriated funds, or the equivalent of such amount, under any cooperative research and development agreement entered into under the Initiative, except to the extent approved in advance by the Secretary.

SEC. 219. OVERSIGHT OF COOPERATIVE AGREEMENTS RELATING TO THE INITIATIVE.

"(a) Provisions Relating to Disapproval and Modification of Agreements.—(1) The Secretary may review a cooperative research and development agreement for the purpose of disapproving or requiring the modification of the cooperative research and development agreement. Each such agreement shall provide a 30-day period within which the agreement may be disapproved or modified by the Secretary beginning on the date the agreement is submitted to the Secretary.

"(2) In any case in which the Secretary disapproves, or requires the modification of, any agreement submitted to the Secretary under this section, within 30 days after such submission, the Secretary shall transmit a written explanation of such disapproval or modification to the head of the National Laboratory concerned.

"(b) Record of Agreements.—Each National Laboratory shall maintain a record of all agreements entered into under this subtitle section and submit such record to the Secretary on an annual basis.

SEC. 220. AVOIDANCE OF DUPLICATION.

In carrying out the Initiative, the Secretary shall ensure that unnecessarily duplicative research is not performed at the research facilities of the Department of Energy (including the National Laboratories) that are participating in the Initiative.

"Subtitle B—Technology Management at the Department of Energy National Laboratories

"SEC. 231. PURPOSE.

The purpose of this subtitle is to better meet the continuing responsibility of the Federal Government to ensure the full use of the results of the Nation's Federal investment in the National Laboratories' research and development in meeting international competition.

"SEC. 232. DUTIES AND AUTHORITIES OF THE SECRETARY.

"(a)(1) The Secretary shall review all existing regulations, policy guidelines, orders, directives, procedures, and administrative processes associated with the National Laboratories directors' ability to:

"(A) enter into cooperative relationships and cooperative research and development agreements with private industry or universities;

"(B) undertake work-for-others; and

"(C) operate user facilities.

"(2) The Secretary shall review existing standards for resolving potential conflicts of interests to ensure that such standards adequately establish guidelines for situations likely to arise through the use of the authorities granted in this subtitle, including but not limited to cases where present or former National Laboratory employees or their partners negotiate licenses or assignments of titles to inventions or negotiate cooperative research and development agreements with Federal agencies (including the Department of Energy or the laboratory manager or operator with which the employee involved is or was formerly employed).

"(b) The Secretary shall—

"(1) review the impact of the exchange of scientific information, scientific innovation, and commercialization resulting from cooperative research and development agreements.

"(2) survey non-federal parties interested in entering into cooperative research and development agreements with the National Laboratories to determine if adequate measures exist to encourage scientific innovation and commercialization resulting from cooperative research and development agreements; and

"(3) based on the results of such review and survey develop policy recommendations that shall be submitted to the Congress.

"(c) the Secretary shall—

"(1) formulate and carry out a comprehensive set of policy guidelines to advance the goals of this subtitle, based on the review under subsection (a);

"(2) report to Congress and the President within 90 days after the date of the enactment of this subtitle on the status of this review; and

"(3) within 180 days after the date of the enactment of this subtitle, implement the policy guidelines under paragraph (1) that do not require regulations under section 242.

"SEC. 233. POLICY.

"It is the policy of Congress that—

"(a) intellectual property rights in technology developed at the National Laboratories be managed so as to promote the competitiveness of United States industries;

"(b) the Secretary prescribe regulations for cooperative research and development agreements and intellectual property rights arising under such agreements; and

"(c) the directors of the National Laboratories devise implementing procedures consistent with the policy guidelines set forth by the Secretary.

"SEC. 234. DEFINITIONS.

"(a) for purposes of this subtitle, the term—

"(1) 'collaborative party' means a party to a cooperative research and development agreement as defined in Section 202(e);

"(2) 'computer software' means recorded information, regardless of form or the media on which it may be recorded, comprising computer programs or documentation thereof;

"(3) 'director of a National Laboratory' means the employee of the Department of Energy laboratory manager or operator who directs the management and operation of such National Laboratory;

"(4) 'intellectual property' means patents, trademarks, copyrights, mask works, and other forms of comparable property rights protected by federal law;

"(5) 'invention' means any invention that is or may be patentable or otherwise protected under Title 35, United States Code, or any novel variety of plant that is or may be protected under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.);

"(6) 'laboratory manager or operator' means the contractor who has signed a contract with the Secretary for management and operation of a National Laboratory (but only with respect to activities relating to such management or operation);

"(7) 'laboratory owned' means any rights in intellectual property conveyed under this title to a contractor operating a National Laboratory or any rights in intellectual property arising under the operating contract for a National Laboratory where rights are not expressly taken by the United States Government or by a subcontractor;

"(8) 'made' when used in conjunction with any invention means the conception or first actual reduction to practice of such invention;

"(9) 'subject invention' means any invention of a National Laboratory first conceived or reduced to practice in the performance of work under a contract or funding agreement for the operation of a National Laboratory;

"(10) 'third parties' means domestic entities located in the United States who agree to manufacture and to conduct research and development substantially in the United States including—

"(A) Federal agencies other than the Department of Energy;

"(B) units of State or local government;

"(C) industrial organizations, such as corporations, partnerships, limited partnerships, consortia, or industrial development organizations;

"(D) public and private foundations;

"(E) nonprofit organizations such as universities; and

"(F) licensees of inventions or computer software owned by the laboratory manager or operator.

"SEC. 235. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

"(a) GENERAL AUTHORITY.—The Secretary shall prescribe regulations ensuring that the contract for the operation of any National Laboratory authorizes the director of such Laboratory:

"(1) to enter into cooperative research and development agreements and to negotiate the terms and conditions of such agreements with—

"(A) other federal agencies;

"(B) units of state or local government;

"(C) industrial organizations including corporations, partnerships, and limited partnerships, consortia, or industrial development organizations;

"(D) public and private foundations;

"(E) nonprofit organizations including universities; or

"(F) other persons or entities, including licensees of inventions or computer software owned by the laboratory manager or operator.

"(2) to negotiate intellectual property licensing agreements for National Laboratory owned inventions or computer software, assigned or licensed to the National Laboratory by third parties including voluntary assignment by employees.

"(b) SPECIFIC AUTHORITY.—Each director of a National Laboratory may negotiate and include provisions in any cooperative research and development agreement entered into pursuant to this section permitting the laboratory manager or operator to—

"(1) accept, retain, and use funds, personnel, services, and property from collaborative parties and provide personnel, services, and property to collaborating parties;

"(2) grant or agree to grant in advance to a collaborative party, intellectual property licenses, assignments, or options thereto, in any invention or computer software, made, in whole or in part, by an employee of a laboratory manager or operator under the cooperative research and development agreement; and

"(3) to the extent consistent with Department of Energy regulations, orders, and directives pertaining to conflict of interest, permit employees or former employees of a laboratory manager or operator to participate in efforts to transfer to the private sector inventions or computer software, such employees developed or made while in the service of such laboratory manager or operator.

"(c) CRITERIA FOR ENTERING INTO AGREEMENTS.—In determining whether to enter into a cooperative research and development agreement the director of a National Laboratory shall determine that—

"(1) facilities at the National Laboratory will be available to do the work that is the subject of the cooperative research and development agreement;

"(2) the work that is the subject of the cooperative research and development agreement would not interfere with Department of Energy programs;

"(3) the work that is the subject of the cooperative research and development agreement would not create a future detrimental burden on the National Laboratory; and

"(4) the proposed cooperative research and development agreement is consistent with applicable guidelines of the Secretary for cooperative research and development agreements.

"(d) APPROVAL OF AGREEMENT BY SECRETARY.—The Secretary may disapprove or require the modification of a cooperative research and development agreement under subsection (a). Such agreement shall provide a 30-day period beginning on the date the agreement is submitted to the Secretary by the director of the National Laboratory concerned, within which period such action may be taken by the Secretary. In any case in which the Secretary disapproves or requires the modification of any cooperative agreement submitted under this section, the Secretary shall transmit a written explanation of such disapproval or modification to the director of the National Laboratory concerned within 30 days after such submission. If such action is not taken within this thirty day period, the cooperative research and development agreement shall be deemed approved.

"(e) LIMIT ON PERCENTAGE OF THE TOTAL WORK COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS CAN COMPRISE AT THE NATIONAL LABORATORIES.—The cumulative total of non-appropriated funds contracted to be received in any year under all cooperative research and development agreements entered into by the director of any National Laboratory under this subtitle may not exceed an amount equal to 10 percent of the annual budget of such National Laboratory unless approved by the Secretary.

"(f) CONFLICTS OF INTEREST.—(1) In negotiating or entering into any cooperative research and development agreement under this section, and in negotiating or granting any license or assignment with respect to intellectual property subject to this section, the director of a National Laboratory (and any employee of a laboratory manager or operator who may be acting on behalf of the Director) shall carry out such actions—

"(A) in compliance with all applicable laws and regulations;

"(B) in the public interest; and

"(C) not for the benefit of the director of the National Laboratory, the employee, a related person, the laboratory manager or operator, or a related entity.

"(2) A director of a National Laboratory may not enter into negotiations—

"(A) for a cooperative research and development agreement with a related person or a related entity; or

"(B) for granting a license or assignment with respect to intellectual property subject to this section to a related person or a related entity; until such negotiations are approved in advance by the Secretary.

"(3) Any cooperative research and development agreement proposed to be entered into by a director of a National Laboratory with a related person or a related entity, and any license or assignment proposed to be granted by the director of a National Laboratory to a related person or a related entity, may not become effective until it is approved by the Secetary.

"(4) For purposes of this subsection, the term—

"(A) 'related person' means a person related to a director of a National Laboratory or to an employee of such a director by marriage, blood, or otherwise, as determined by the Secretary under regulations; and

"(B) 'related entity' means a parent corporation of a laboratory manager or operator, a subsidiary or affiliate of a laboratory manager or operator, or any other entity that has financial relationship with, or that is acting as an agent for, a laboratory manager or operator, as determined by the Secretary under regulations.

"(g) RECORDS OF AGREEMENTS.—The director of each National Laboratory shall maintain a record of all cooperative research and development agreements entered into under this subtitle, and shall submit a copy of such record to the Secretary on an annual basis.

"SEC. 236. AGREEMENT CONSIDERATIONS.

In deciding which cooperative research and development agreements to enter into, and which licenses, assignments, and options to grant, the director of a National Laboratory shall:

"(a) give special consideration to small business firms and consortia involving small business firms;

"(b) give preference to business units located in the United States that agree that products embodying inventions or computer software, made under the cooperative research and development agreement or produced through the use of such inventions or computer software, will be developed and manufactured substantially in the United States;

"(c) in the case of any industrial organizations or other person subject to the control of a foreign company or government, as appropriate, take into consideration whether or not such foreign government permits United States agencies, organizations, or other persons to enter into cooperative research and development agreements and licensing agreements; and

"(d) provide universities the opportunity to participate in such cooperative research and development agreements when such participation will contribute to the purpose of this subtitle.

"SEC. 237. PATENT OWNERSHIP AND THE CONDITIONS OF OWNERSHIP.

"(a) DISPOSAL OF TITLE TO INVENTIONS.—Notwithstanding section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182), section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908), or other provisions of law, the Secretary shall dispose of the title to any subject invention made in the performance of a Department of Energy contract to operate any National Laboratory in the same manner as applied to small business and nonprofit organizations under Chapter 18 of title 35, United States Code, except that a condition of such disposal shall be the retention by the United States of a royalty-free license to use such subject invention for United States Government purposes.

"(b) RETENTION OF TITLE BY UNITED STATES.—(1) Whenever a manager, operator or employee of a National Laboratory under a contract makes a subject invention to which the Secretary has determined (at the time of contracting for the management and operation of the National Laboratory) to retain title for exceptional circumstances under section 202(a)(ii) of title 35, United States Code, the title to the subject invention shall be retained by the Government unless the National Laboratory at which the invention is made requests title to such invention and the Secretary does not notify the director of the National Laboratory—

"(A) Within 90 days after receipt of such request that the subject invention is covered by a determination under such section 202(a)(ii); or

"(B) within 150 days after receipt of such request that the subject invention has been classified or has been designated senitive technical information as authorized by section 148 of the Atomic Energy Act of 1954.

"(2) Whenever a manager or operator of a National Laboratory under a contract makes a subject invention to which the Secretary has determined (at the time, of contracting for the management and operation of the National Laboratory) to retain title because the invention is made in the course of or under a funding agreement described in section 202(a)(iv) of title 35, United States Code, the title to the subject invention shall be retained by the Government unless the National Laboratory at which the invention is made requests title to such invention and the Secretary does not notify the director of the National Laboratory—

"(A) within 150 days after receipt of such request that the subject invention has been classified or has been designated sensitive technical information as authorized by section 148 of the Atomic Energy Act of 1954; and

"(B) within 90 days after receipt of such request that the subject invention is covered by a determination under such subsection 202(a)(iv).

"(3) The Secretary may not use export control statutes or regulations as the sole basis for refusing a request for a title to a subject invention.

"(4) If the Secretary does not notify a National Laboratory that has requested title to a subject invention in accordance with this section, such Laboratory shall be deemed to have elected title to the invention under the Government-wide contractor patentable ownership provisions of Chapter 18 of title 35, United States Code.

"(c) The Secretary may, by rule with notice and public comment under 5 U.S.C. 553, exempt from the operation of subsection (b) any category of inventions that he determines is directly related to research and development on the design, manufacture, or utilization of any nuclear weapon or component.

"SEC. 238. AUTHORITY OF THE SECRETARY

"Nothing in this subtitle may be construed to affect or limit—

"(1) the authority of the Secretary to control all classified or sensitive (as defined pursuant to section 148 of the Atomic Energy Act of 1954, as amended) research contracts and agreements to which the Department of Energy or a National Laboratory is a party; or

"(2) the vesting of title in the Department of Energy of all intellectual propery that is made under classified or sensitive (as defined pursuant to section 148 of the Atomic Energy Act of 1954, as amended) research in a National Laboratory or in a facility of a collaborative party under a cooperative research and development agreement and that is classified or sensitive.

"SEC. 239. INTELLECTUAL PROPERTY CONTRACT PROVISIONS.

"(a) CONTRACT PROVISIONS.—Any Department of Energy funding agreement to operate a National Laboratory shall provide—

"(1) that any royalties or income that is earned by the manager or operator of a National Laboratory from the licensing of laboratory-owned intellectual property rights in any fiscal year shall be used as authorized under subsection 202(c)(7)(E) of title 35, United States Code and Section 13(a)(1)(B) (i)-(iv) and section 13(a) (2)-(4) of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3710c(a)(1)(B) (i)-(iv) and 3710(a)(2)-(4); and

"(2) that the costs of obtaining and protecting intellectual property rights in any invention or computer software, owned by the National Laboratory shall be paid for by the laboratory manager or operator as a cost shared expense under a cooperative research and development agreement.

"(b) The Secretary shall ensure that all intellectual property granted to a laboratory manager or operator shall be subject to a royalty-free license to use and reproduce such intellectual property for United States Government purposes.

"(c) The Secretary shall establish procedures to have the management of intellectual property rights, including procurement, retention, and licensing of such rights, in connection with laboratory-owned inventions and computer software, be the responsibility of the director of the National Laboratory at which the invention or computer software are made, developed or assigned.

"(d) The Secretary shall prescribe regulations, orders, or directives prohibiting any laboratory manager or operator who has received title to intellectual property under this section from receiving money or other benefit from the use of licensing of such property for the benefit of the laboratory manager or operator, except for research and development associated with activities at the National Laboratory to promote technology transfer as authorized by law, or in special circumstances, as may be approved by the appropriate Department of Energy Operations Office manager.

"(e) COMPENSATION.—(1) Subject to paragraph (2), in return for retaining title to any intellectual property rights in any invention or discovery made in performance of a Department of Energy cooperative research agreement, the manager or operator of any National Laboratory contractor shall pay to the United States reasonable compensation based on the value of the technology transferred. The amount of the payment arising as a result of the transfer shall be set by an arbitration board consisting of one member selected by the contractor, one member selected by the Secretary, and one member jointly selected by the contractor and the Secretary. In determining the payment, the arbitration boards shall set an amount that is proportionate with the research and development costs funded by the United

States. The arbitration board shall have discretion to permit the payment to be made in installments according to the extent the contractor uses or employs the intellectual property.

"(2) Paragraph (1) shall not apply if:

"(A) the contractor is operating the National Laboratory for no profit or fee beyond expenses; and

"(B) such contractor is offering the intellectual property for fair market value and any value or royalties the contractor derives from the intellectual property will be returned to the National Laboratory or the Federal Treasury in accordance with Section 202(c)(7)(E) of title 35, United States Code.

"SEC. 240. MARCH-IN RIGHTS.

The Secretary may require the licensing to third parties of all intellectual property owned by the laboratory manager or operator that is subject to the provisions of this subtitle in the same manner as provided under section 203 of title 35, United States Code.

"SEC. 241. OVERSIGHT.

(a) The Secretary, the Inspector General of the Department of Energy, and the Comptroller General shall conduct periodic audits of activities of the National Laboratories under this subtitle.

(b) Nothing in this title diminishes the responsiblity of the Secretary to keep Congress fully and currently informed or the right of Congress to review and receive information with respect to any agreement, license, or intellectual property subject to this title.

"SEC. 242. REGULATIONS.

"(a) Within 180 days after the date of the enactment of this subtitle, the Secretary shall prescribe regulations for implementing Sections 235, 237 and 239. In prescribing regulations under this section the Secretary shall provide opportunity for public comment on proposed regulations.

"(b) Any regulations under this section shall be guided by the purpose of this subtitle.

"(c) Before the Secretary issues regulations under this section, the Secretary shall consult with the Office of Federal Procurement Policy to review such regulations for consistency with this subtitle.

"SEC. 243. COPYRIGHTS AND PATENTS.

This title does not confer any new authority on the Department of Energy to obtain a copyright or a patent.

"SEC. 244. LIABILITY OF THE UNITED STATES.

"The United States may not be held liable for a claim brought by any person alleging injury resulting from a product embodying intellectual property or from a product produced through the use of intellectual property acquired under this subtitle. The preceding sentence does not apply to such a product if the product is produced by the Federal Government or at the request of the Federal Government.

"SEC. 245. EFFECTIVE DATE.

"This subtitle shall take effect 180 days after the date of the enactment of this subtitle (regardless of whether regulations have been promulgated under section 242). The Secretary shall immediately enter into negotiations with each laboratory manager or operator to amend all existing contracts for the operation of the National Laboratories, to reflect this subtitle.

"TITLE III—RENEWABLE ENERGY AND ENERGY EFFICIENCY

"SECTION 301. SHORT TITLE.

"This title may be cited as the 'Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1988'.

"SEC. 302. PURPOSE.

"PURPOSE.—It is the purpose of this title to direct the Secretary of Energy, acting in accordance with authority contained in the Federal Nonnuclear Energy Research and Development Policy Act of 1974 (42 U.S.C. 5901-5920) and other law applicable to the Secretary, to pursue an aggressive national program of research, development, and demonstration of renewable energy and energy efficiency technologies in order to ensure a stable and secure future energy supply by—

"(1) providing a long-term stable environment for renewable energy and energy efficiency technology research and development activities through the establishment of long-term goals and multi-year funding levels;

"(2) directing the Secretary to undertake initiatives to hasten the commercialization in the near term of renewable energy and energy efficiency technologies; and

"(3) fostering collaborative research and development efforts involving the private sector through government support of a vigorous program of innovative joint research and development venture projects.

"SEC. 303. DEFINITIONS.

"As used in this title the term—

"(1) 'Secretary' means the Secretary of Energy; and

"(2) 'joint research and development venture' means a joint research and development venture under the National Cooperative Research Act of 1984 (98 Stat. 1815).

"SEC. 304. NATIONAL GOALS AND MULTI-YEAR FUNDING FOR FEDERAL WIND, PHOTOVOLTAICS AND SOLAR THERMAL PROGRAMS.

"(a) NATIONAL GOALS.—The following are declared to be the national goals for the wind, photovoltaics and solar thermal energy programs currently being carried out by the Secretary under existing law:

"(1) WIND.—(A) In general, the goals for the Wind Energy Research Program include improving design methodologies and developing more reliable and efficient wind turbines to increase the cost competitiveness of wind energy. Research efforts shall emphasize—

"(i) activities that address near-term technical problems and permit exploitation of current market opportunities of the wind energy industry;

"(ii) developing advanced airfoils and variable speed generators to increase wind turbine output and reduce maintenance costs by decreasing structural stress and fatigue;

"(iii) increasing the basic knowledge of aerodynamics, structural dynamics, fatigue and electrical systems interactions as applied to current wind energy technology; and

"(iv) improving the compatibility of electricity produced from windfarms with conventional utility needs.

"(B) Specific goals for the Wind Energy Research Program shall be to—

"(i) reduce average wind energy costs to 3 to 5 cents per kilowatt hour by 1995;

"(ii) reduce capital costs of new wind energy systems to $500 to $750 per kilowatt of installed capacity by 1995;

"(iii) increase installed wind generating capacity to 4000 to 8000 megawatts by 1995;

"(iv) reduce operation and maintenance costs for wind energy systems to less than 1.0 cents per kilowatt hour by 2000; and

"(v) increase capacity factors for new wind energy systems to 25 to 30 percent by 1995.

"(2) PHOTOVOLTAICS. —(A) In general, the goals of the Photovoltaic Energy Systems Program shall include improving the reliability and conversion efficiencies and lowering the costs of photovoltaic conversion. Research efforts shall emphasize advancements in the performance, stability and durability of photovoltaic materials.

"(B) Specific goals of the Photovoltaic Energy Systems Program shall be to—

"(i) improve operational reliability of photovoltaic modules to 30 years by 1995;

"(ii) increase photovoltaic conversion efficiency of new photovoltaic amorphous silicon modules to 15 percent by 1995;

"(iii) decrease new photovoltaic module direct manufacturing costs to $800 per kilowatt by 1995; and

"(iv) increase installed capacity of photovoltaic electric power production capacity to 100 to 200 megawatts by 1991.

"(3) SOLAR THERMAL.—(A) In general, the goal of the Solar Thermal Energy Systems Program shall be to advance research and development to a point where solar thermal technology is cost-competitive with conventional energy sources and to promote the integration of this technology into the production of industrial process heat and the conventional utility network. Research and development shall emphasize development of a thermal storage technology to provide capacity for shifting power to periods of demand when full isolation is not available; improvement in receivers, energy conversion devices, and innovative concentrators using stretch membranes, lenses and other materials; and exploration of advanced manufacturing techniques.

"(B) Specific goals of the Solar Thermal Energy Systems Program shall be to—

"(i) reduce solar thermal costs for industrial process heat to $9.00 per million Btu; and

"(ii) reduce average solar thermal costs for electricity to 4 to 5 cents per kilowatt hour.

"(4) The President's budget request for fiscal year 1991 shall contain the Secretary's recommendations for specific cost, installed capacity, and other pertinent goals for 1995 for Department of Energy research, development, and demonstration programs in Biofuels Energy Systems, Solar Buildings Energy Systems, Ocean Energy Systems and Geothermal Energy.

"(b) AUTHORIZATION.—There is authorized to be appropriated to the Secretary—

"(1) for the Wind Energy Research Program, an amount not to exceed $14,000,000 in fiscal year 1990; $22,000,000 in fiscal year 1991; and $26,000,000 in fiscal year 1992;

"(2) for the Photovoltaic Energy Systems Program, an amount not to exceed $43,100,000 in fiscal year 1990; $45,000,000 in fiscal year 1991; and $50,000,000 in fiscal year 1992;

"(3) for the Solar Thermal Energy Systems Program, an amount not to exceed $19,000,000 in fiscal year 1990; $22,000,000 in fiscal year 1991; and $25,000,000 in fiscal year 1992;

"(4) for the Biofuels Energy Systems Program, an amount not to exceed $22,000,000 in fiscal year 1990; $25,000,000 in fiscal year 1991; and $30,000,000 in fiscal year 1992;

"(5) for the Solar Buildings Energy Systems Program, an amount not to exceed $8,000,000 in fiscal year 1990; $9,000,000 in fiscal year 1991; and $10,000,000 in fiscal year 1992;

"(6) for the Ocean Energy Systems Program, an amount not to exceed $5,000,000 in fiscal year 1990; $5,000,000 in fiscal year 1991; and $5,000,000 in fiscal year 1992; and

"(7) for the Geothermal Program, an amount not to exceed $25,000,000 in fiscal year 1990; $29,000,000 in fiscal year 1991; and $35,700,000 in fiscal year 1992.

"(c) Projects.—(1) The President's budget request for fiscal year 1992 shall include the Secretary's recommendations for at least one proposed proof-of-concept or near-commercial demonstration project in each of the categories represented by paragraphs (1), (2) and (3) of subsection (b). Each proposed project shall be described in sufficient detail to support congressional authorization and solicitation of bids for construction of necessary facilities.

"(2) A list and description of alternative project plans under this subsection shall be submitted in President's fiscal year 1991 budget request. Such plans shall require funding or in-kind contributions from private sources in support of up to fifty percentum of total project costs.

"(3) In all selecting projects under this subsection, the Secretary shall take into account the extent to which such projects will contribute to earlier commercialization of key technologies within such categories than might occur without Federal support under this subsection and the extent to which such projects will contribute to the competitiveness of U.S. firms engaged in international trade in renewable energy technologies.

"(d) Report on Options.—On or before May 1, 1991, the Secretary shall submit to Congress a report analyzing options available to the Secretary under existing law to accelerate the timely commercialization of wind, photovoltaic, solar thermal, biofuels, biomass, solar buildings, ocean and geothermal renewable energy technologies through emphasis on development and demonstration assistance to specific technologies in the research, development, and demonstration programs of the Department of Energy that are near commercial application.

"(e) Amended Goals.—Whenever the Secretary determines that any of the goals established under this section is no longer appropriate, he shall notify Congress of the reason for the determination and provide an amended goal that is consistent with the purposes of this title.

"SEC. 305. ENERGY EFFICIENCY RESEARCH AND DEVELOPMENT.

"(a) New Initiatives.—The President's budget request for fiscal years 1991 and 1992 shall include the Secretary's recommendations of amounts to be set aside for new initiatives in energy efficiency research, development, and demonstration. Funds made available for new initiatives shall supplement and not supplant funds available to complete on-going energy efficiency research, development, and demonstration projects supported in whole or in part by the Secretary during fiscal year 1990. Funds made available for new initiatives shall be used by the Secretary to support the most promising and deserving new ideas in energy efficiency research, development, and demonstration brought to the attention of the Secretary during the previous fiscal year.

"(b) Authorizations.—

"(1) Fiscal year 1990.—There is hereby authorized to be appropriated to the Secretary for the energy efficiency research, development, and demonstration programs of the Secretary, an amount not to exceed $176,600,000 in fiscal year 1990, of which $20,250,000 shall be available for new initiatives, as set forth below:

"(A) for transportation energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $58,000,000, of which $3,200,000 shall be made available for new initiatives;

"(B) for industrial energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $42,000,000, of which $5,800,000 shall be available for new initiatives;

"(C) for buildings and community systems energy efficiency research, development, and demonstration, there is authorized to be appropriated to the secretary an amount not to exceed $42,000,000, of which $9,250,000 shall be available for new initiatives;

"(D) for multi-sector energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $33,000,000, of which $2,000,000 shall be available for new initiatives; and

"(E) for energy efficiency research, development, and demonstration policy and management, there is authorized to be appropriated to the Secretary an amount not to exceed $1,600,000.

"(2) Fiscal Year 1991.—There is hereby authorized to be appropriated to the Secretary for the energy efficiency research, development, and demonstration programs of the Secretary, an amount not to exceed $192,600,000 in fiscal year 1991, of which $6,000,000 shall be available for new initiatives, as set forth below:

"(A) for transportation energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $63,200,000, of which $2,000,000 shall be made available for new initiatives;

"(B) for industrial energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $45,000,000, of which $1,000,000 shall be available for new initiatives;

"(C) for buildings and community systems energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $45,000,000, of which $2,000,000 shall be available for new initiatives;

"(D) for multi-sector energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $35,700,000, of which $1,000,000 shall be available for new initiatives; and

"(E) for energy efficiency research, development, and demonstration policy and management, there is authorized to be appropriated to the Secretary an amount not to exceed $1,700,000.

"(3) Fiscal Year 1992.—There is hereby authorized to be appropriated to the Secretary for the energy efficiency research, development, and demonstration programs of the Secretary, an amount not to exceed $204,047,000 in fiscal year 1992, of which $6,000,000 shall be available for new initiatives, as set forth below:

"(A) for transportation energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $65,460,000, of which $2,000,000 shall be made available for new initiatives;

"(B) for industrial energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $46,740,000, of which $1,000,000 shall be available for new initiatives;

"(C) for buildings and community systems energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $53,000,000, of which $2,000,000 shall be available for new initiatives;

"(D) for multi-sector energy efficient research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $37,050,000, of which $1,000,000 shall be available for new initiatives; and

"(E) for energy efficiency research, development, and demonstration policy and management, there is authorized to be appropriated to the Secretary an amount not to exceed $1,797,000.

"SEC. 306. JOINT RESEARCH AND DEVELOPMENT VENTURES.

"(a) Findings and Purpose.—

"(1) Findings.—For purposes of this section, Congress finds that joint research and development ventures can—

"(A) improve coordination in technology development among firms in industries attempting to commercialize renewable energy and energy efficiency technologies;

"(B) assist in setting national standards to improve the operation of markets for these technologies; and

"(C) enhance the ability of domestic firms to compete with foreign enterprises in sales of renewable energy and energy efficiency technologies.

"(2) Purpose.—The purpose of this section is to direct the Secretary of Energy to make use of joint research and development ventures to further commercialization of renewable energy and energy efficiency technologies.

"(b) Establishment.—

"(1) The Secretary shall establish six joint research and development ventures in accordance with the provisions of this section. Each joint research and development venture under this section shall include manufacturing firms, investors, an advisory committee appointed in accordance with this section, and such other participation as the Secretary deems appropriate to achieve the purposes of this section. Any facilities constructed under this section shall be located in the United States, Puerto Rico, the Virgin Islands, or the territories and possessions of the United States.

"(2) The Secretary shall require that at least 30 per centum of all costs of any joint research and development venture unde this section be provided from non-federal sources.

"'(3) Before establishing the joint research and development ventures under paragraph (1), the Secretary shall consult with, and take into consideration the recommendations of, the Advisory Committee on Renewable Energy and Energy Efficiency Technology under paragraph (4).

"(4)(A) The Secretary shall appoint members to an Advisory Committee on Renewable Energy and Energy Efficiency Technology (hereafter referred to as the 'Advisory Committee') to assist the Secretary in carrying out his responsibilities under this section. The advisory Committee shall include at least one member representing each of the following—

"(i) the Secretary of Commerce;

"(ii) the Secretary of Housing and Urban Development;

"(iii) the Solar Energy Research Institute;

"(iv) the Electric Power Research Institute;

"(v) the National Institute of Building Sciences;

"(vi) the associations of firms in each of the major renewable energy manufacturing industries; and

"(vii) the associations of firms in each of the major energy efficiency manufacturing industries.

"(B) The Advisory Committee, within 120 days after its formation, provide the Secretary with recommendations for the establishment of joint ventures under paragraph (1) and shall advise the Secretary from time to time about the implementation of such ventures. Recommendations of the Advisory Committee shall be available to the public.

"(5) The secretary shall establish at least one joint research and development venture in accordance with subsection (c) to develop technology and expertise in each of the following areas—

"(A) photovoltaics technology;

"(B) wind energy technology;

"(C) solar thermal technology;

"(D) factory-made housing;

"(E) advanced district cooling technology; and

"(F) renewable energy and energy efficiency technology exports.

"(6) Not later than 180 days after the date of the enactment of this section the Secretary shall publish plans to implement this section and report to Congress on such plans.

"(c) VENTURES.—

"(1) PHOTOVOLTAICS TECHNOLOGY.—(A) The Secretary shall establish and provide financial assistance to a joint research and development venture for the demonstration of photovoltaic conversion of solar energy in accordance with the provisions of this paragraph.

"(B) The purpose of the venture under subparagraph (A) shall be to design, test and demonstrate systems employing critical enabling technologies for photovoltaic conversion of solar energy so as to achieve, to the maximum extend practicable, the goals of the Photovoltaic Energy Systems Program set forth in section 304(a)(2), as those goals may be amended under section 304(e). The venture under this paragraph may emphasize production, distribution, storage, or end use of electricity from photovoltaic conversion of solar energy or any combination thereof.

"(C) In soliciting proposals for the joint research and development venture under this paragraph, the Secretary shall consider the recommendations of the Advisory Subcommittee on Photovoltaic Energy Technology under subparagraph (D).

"(D) The Secretary shall appoint members to an Advisory Subcommittee on Photovoltaic Energy Technology to assist the Secretary in carrying out his responsibilities with respect to the joint venture under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

"(i) firms in the photovoltaic manufacturing industry;

"(ii) the Director of the Agency for International Development; and

"(iii) the Director of the Export-Import Bank.

"(E) There is authorized to be appropriated to the Secretary a total of not more than $1,200,000 for each of the fiscal years 1990, 1991 and 1992 to carry out the purposes of this paragraph.

"(2) WIND ENERGY TECHNOLOGY.—(A) The Secretary shall establish and provide financial assistance to a joint research and development venture for the demonstration of the conversion of wind energy in accordance with the provisions of this paragraph.

"(B) The purpose of the venture under subparagraph (A) shall be to design, test and demonstrate systems employing critical enabling technologies for the conversion of wind energy so as to achieve, to the maximum extent practicable, the goals of the Wind Energy Research Program set forth in section 304(a)(1), as those goals may be amended under section 304(e). The venture under this paragraph may emphasize production, distribution, storage, or end use of wind energy or any combination thereof and may include systems employing other sources of energy in addition to wind energy.

"(C) In soliciting proposals for the joint research and development venture under this paragraph, the Secretary shall consider the recommendations of the Advisory Subcommittee on Wind Energy Technology under subparagraph (D).

"(D) The Secretary shall appoint members to an Advisory Subcommittee on Wind Energy Technology to assist the Secretary in carrying out his responsibilities with respect to the joint venture under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

"(i) firms in the wind energy equipment manufacturing industry;

"(ii) the Director of the Agency for International Development; and

"(iii) the Director of the Export-Import Bank.

"(E) There is authorized to be appropriated to the Secretary a total of not more than $1,200,000 for each of the fiscal years 1990, 1991 and 1992 to carry out the purposes of this paragraph.

"(3) SOLAR THERMAL TECHNOLOGY.—(A) The Secretary shall establish and provide financial assistance to a joint research and development venture for the demonstration of the use of solar thermal energy in accordance with the provisions of this paragraph.

"(B) The purpose of the venture under subparagraph (A) shall be to design, test and demonstrate critical enabling technologies for the use of solar thermal energy so as to achieve, to the maximum extent practicable, the goals of the Solar Thermal Energy Systems Program set forth in section 304(a)(3), as those goals may be amended under section 304(e). The venture under this paragraph may emphasize production, distribution, storage, or end use of solar thermal energy or any combination thereof and may include systems employing other sources of energy in addition to solar thermal energy.

"(C) In soliciting proposals for the joint research and development venture under this paragraph, the Secretary shall consider the recommendations of the Advisory Subcommittee on Solar Thermal Energy Technology under subparagraph (D).

"(D) The Secretary shall appoint members to an Advisory Subcommittee on Wind Energy Technology to assist the Secretary in carrying out his responsibilities with respect to the joint venture under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

"(i) firms in the solar thermal manufacturing industry;

"(ii) the Director of the Agency for International Development;

"(iii) the Director of the Export-Import Bank; and

"(iv) the Gas Research Institute.

"(E) There is authorized to be appropriated to the Secretary a total of not more than $900,000 for each of the fiscal years 1990 through 1992 to carry out the purposes of this paragraph.

"(4) FACTORY-MADE HOUSING.—The Secretary shall establish and provide financial assistance to a joint research and development venture with such specialized private firms and investors as the Secretary deems appropriate in order to establish at least three regional projects to demonstrate technique to improve the energy performance of factory-made housing offered by the United States firms. In locating the projects under this paragraph, the Secretary shall consider regional differences in housing needs, housing design, construction technique, marketing practices, and construction materials.

"(C) The projects under this paragraph shall be designed to demonstrate state-of-the-art product quality, energy efficiency, and adaptability to renewable forms of energy of factory-made housing offered for sale in the United States. The projects shall be structured to demonstrate improvements in housing design, fabrication, delivery systems, construction processes, marketing, and product export techniques.

"(D) The demonstration strategy under this paragraph shall be guided by—

"(i) a detailed characterization of the needs of the home building industry;

"(ii) a close working relationship with all sectors of the home building industry; and

"(iii) coordination among the projects to pool and conserve resources.

"(E) In selecting projects under this section, the Secretary shall consider the recommendations of the Advisory Subcommittee on Energy Performance in Factory-Made Housing established under subparagraph (F).

"(F) The Secretary shall appoint members to an Advisory Subcommittee on Energy Performance in Factory-Made Housing to assist the Secretary in carrying out his responsibilities with respect to the joint research and development venture established under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

"(i) the National Association of Home Builders;

"(ii) the National Laboratories of the Department of Energy; and

"(iii) the National Bureau of Standards.

"(G) There is authorized to be appropriated to the Secretary a total of not more than $10,000,000 for each of the fiscal years 1990 through 1992 to carry out the purposes of this paragraph.

"(5) ADVANCED DISTRICT COOLING TECHNOLOGY.—(A)(i) The Secretary shall establish and provide financial assistance to a joint research and development venture with such specialized private firms and investors as the Secretary deems appropriate in order to develop advanced district cooling technologies that are applicable in cities with high cooling loads.

"(ii) The purpose of the joint venture under this paragraph is to develop technical strategies for decreasing the capital cost and increasing the energy efficiency of major district heating and cooling system components and to assist in making district heating and cooling available to local governments.

"(B) The Secretary shall select three cities for application of advanced district cooling technologies developed by the joint venture under this paragraph. The activities to be carried out in such application shall include district cooling assessment, feasibility, and engineering design studies.

"(C) In selecting the cities under subparagraph (B), the Secretary shall consider the recommendations of the Advisory Subcommittee on Advanced District Cooling Technology established under subparagraph (D).

"(D) The Secretary shall appoint members to an Advisory Subcommittee on Advanced District Cooling Technology to assist the Secretary in carrying out his responsibilities with respect to the joint research and development venture under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

"(i) firms manufacturing district cooling equipment; and

"(ii) the National League of Cities.

"(E) There is authorized to be appropriated for each of the fiscal years 1990 through 1992 not more than $1,000,000 per year to carry out the purposes of this paragraph.

"(6) EXPORT TECHNOLOGY PROJECTS.—(A) For purposes of this paragraph Congress finds that—

"(i) the United States has several advanced energy efficiency and renewable energy technologies that lack only sufficient coordination, support, and emphasis to become important export items capable of reducing the United States' trade deficit;

"(ii) a major barrier to export of energy efficiency and renewable energy technology is the lack of information on overseas markets and technology development by foreign competitors;

"(iii) the industry that markets energy efficiency technology is highly fragmented, and the renewable energy industry is comprised of small firms that lack the necessary resources to identify and target overseas markets and;

"(iv) a joint research and development venture is needed to bring together a broad array of manufacturing firms, financial institutions, and Federal agencies to identify and develop promising technologies and export markets for energy efficiency and renewable energy technologies.

"(B) The Secretary shall establish and provide financial assistance to a joint research and development venture with such specialized private firms and investors as the Secretary determines appropriate for the purpose of improving energy efficiency and renewable energy manufacturing processes in order to enhance product reliability and cost competitiveness relative to foreign-made products. The joint venture under this paragraph shall be coordinated with research, assessment, and targeting of foreign markets for energy efficiency and renewable energy products.

"(C) In designing the joint venture under subparagaph (B), the Secretary shall consider the recommendations of the Advisory Subcommittee on Renewable Energy and Energy Efficiency Technology exports established under subparagraph (D).

"(D) The Secretary shall appoint members to an Advisory Subcommittee on Renewable Energy and Energy Efficiency Technology Exports to assist the Secretary in carrying out his responsibilities with respect to the joint research and development venture under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

"(i) the Director of the Agency for International Development;

"(ii) the Director of the Export-Import Bank;

"(iii) the United States Export Council for Renewable Energy;

"(iv) the National Laboratories of the Department of Energy.

"(E) There is authorized to be appropriated to the Secretary to carry out the purposes of this paragraph a total amount for each of the fiscal years 1990 through 1992 not to exceed $5,000,000 with respect to renewable energy activities under this paragraph and $5,000,000 with respect to energy efficiency activities under this paragraph.

"(d) SECRETARIAL DISCRETION.—(1) If the Secretary, based on the recommendations of the Advisory Committee under subsection (b)(4)(B) with respect to a joint research and development venture described under subsection (c), determines, in consultation with the Advisory Committee, that—

"(A) there is insufficient private sector interest in such venture to satisfy the requirement of subsection (b)(2);

"(B) carrying out the venture will not further the purposes of this title; or

"(C) timely commercialization of the technology to be demonstrated will not be advanced by the venture, then the Secretary shall not be subject to the requirements of subsection (c) with respect to the technology to be demonstrated by the joint research and development venture.

"(2) The Secretary shall notify Congress of any determination under paragraph (1) and provide a written explanation of the reasons for the determination. Immediately thereafter, the Secretary shall consult with the Advisory Committee, and, based on the recommendations of such Committee, shall promptly transmit to Congress a plan for the establishment of a substitute joint research and development venture to demonstrate, consistent with this section, an alternative renewable energy or energy efficiency technology so as to accomplish the purposes of this title. Any unexpended funds authorized to be appropriated under subsection (c) for the joint research and development venture with respect to which a determination is made under paragraph (1) may be used for a substitute joint research and development venture established under this subsection.

"(3) When 30 calendar days have elapsed after transmittal of the plan under paragraph (2), the Secretary shall proceed with the joint research and development venture described in his plan as if such venture were required under subsection (c).

"SEC. 307. RENEWABLE ENERGY EXPORTS.

"(a) FINDINGS AND PURPOSE.—(1) For purposes of this section, Congress finds that—

"(A) Among the major problems in promoting exports of renewable energy technology are the lack of available information on overseas markets and the absence of financing for the purchase of the technologies; and

"(B) the Committee on Renewable Energy, Commerce, and Trade ("CORECT") established under the Renewable Energy Industry Development Act (Public Law 98-370) currently

coordinates Federal Government activities to promote renewable energy exports.

"(2) The purpose of this section is to evaluate current efforts to promote exports of renewable energy technology, to establish a joint government-industry plan to identify promising technologies and increase the financing available for exports of renewable energy technologies, to target potential markets for these technologies, and to authorize funding of these activities.

"(b) REPORTS.—The committee on Renewable Energy, Commerce, and Trade shall annually report to Congress.

"(c) REVIEW OF CORECT.—In order to provide reliable information on overseas markets for renewable energy technology, the Secretary shall review the activities of the Committee on Renewable Energy, Commerce, and Trade in order to determine if current efforts by such Committee to promote exports of renewable energy technology are sufficient and whether additional efforts are necessary. The Secretary shall report to Congress the results of such review in the first report submitted under subsection (b).

"(d) AGENCY ACTIONS.—Each report submitted under subsection (b) shall describe the actions of each agency represented by a member of the Committee on Renewable Energy, Commerce, and Trade taken during the previous fiscal year to achieve the purposes of such Committee and of this section. Such report shall describe the exports of renewable energy technology that have occurred as a result of such agency actions.

"(d) PLAN.—The Committee on Renewable Energy, Commerce, and Trade shall—

"(1) establish a joint government-industry plan to maintain or increase the market share of the United States in international trade in renewable energy technologies, including technologies for production of alcohol fuels, biomass energy, geothermal energy, wood energy and in technologies for passive solar energy conversion, photovoltaics, solar thermal energy conversion and wind energy conversion. Such plan shall include guidelines for agencies that are members of the Committee with respect to the financing of exports of such renewable energy technologies;

"(2) develop, in consultation with representatives of affected industries, administrative guidelines for Federal export loan programs to simplify application by firms seeking export assistance for renewable energy technologies from agencies implementing such programs; and

"(3) target renewable energy technology markets for primary emphasis by Federal export loan programs, development programs, and private sector assistance programs.

The Committee on Renewable Energy, Commerce, and Trade shall include a description of the plan under paragraph (1) in no later than the second report submitted under subsection (b), and shall include in subsequent reports a description of any modifications to such plan and of the progress in implementing the plan.

"(e) AUTHORIZATIONS.—There is hereby authorized to be appropriated to the Secretary for activities of the Committee on Renewable Energy, Commerce, and Trade an amount not to exceed—

"(1) $1,500,000 in fiscal year 1990;

"(2) $2,200,000 in fiscal year 1991; and

"(3) $2,500,000 in fiscal year 1992.

"SEC. 308. RENEWABLE ENERGY.

"(a) DISSEMINATION OF INFORMATION.—Section 523 of the National Energy Conservation Policy Act (42 U.S.C. 8243) is amended by adding a new subsection (d) as follows:

'(d) In order to more widely disseminate information about the program under this part and under part 3 and the benefits of solar heating and cooling technology, the Secretary shall establish a program to disseminate such information for Federal procurement officers and Federal loan officers that shall include site visits and technical briefings. The Secretary shall utilize available funds for the program under this subsection.'.

"(b) DEPARTMENT OF DEFENSE HOUSING.—Section 2857(b)(1) of title 10, United States Code, is amended by inserting after 'has the potential for' the following: 'reduced energy costs'.

"(c) OVERSEAS PRIVATE INVESTMENT CORPORATION LOANS.—Section 234(e) of the Foreign Assistance Act of 1961 is amended—

"(1) in the first sentence, by inserting after 'cooperatives' the following: 'and including the initiation of incentives, grants, and studies for renewable energy and other small business activities'; and

"(2) by adding at the end thereof the following new sentence: 'Administrative funds may not be made available for incentives, grants, and studies for renewable energy and other small business activities.'.

"SEC. 309. REPORTS.

"(a) REPORT BY THE SECRETARY.—One year after the date of the enactment of this title and annually thereafter, the Secretary shall report to Congress on the programs, projects, and joint research and development ventures conducted under this title and the progress being made towards accomplishing the goals and purposes set forth in this title, including the national goals set forth in section 304(a).

"(b) NATIONAL ENERGY POLICY PLAN REPORT.—Each annual submission of the National Energy Policy Plan under Title VIII of Public Law 95-91 shall be accompanied by a three-year strategic plan for energy technology research, development, and demonstration. Such plan shall address the role of federally-assisted research, development, and demonstration in the achievement of the national policy goals of the National Energy Policy Plan and shall assess both the level of support for energy research, development, and demonstration reasonably necessary to achieve these goals and the basis for allocating the support recommended by the President among the available alternatives. At a minimum, these alternatives shall include energy efficiency and renewable energy technologies.

"TITLE IV—MANUEL LUJAN, JR. NEUTRON SCATTERING CENTER

"SEC. 410. RENAMING FACILITY.

The Los Alamos Neutron Scattering Center is hereby redesignated as the 'Manuel Lujan, Jr. Neutron Scattering Center.'

"SEC. 411. REFERENCES.

Any reference in any law, regulation, map, record, or other document of the United States to the Los Alamos Neutron Scattering Center shall be considered a reference to the 'Manuel Lujan, Jr. Neutron Scattering Center'."

2. Amend the title so as to read as follows: "A bill to establish a national Federal program effort in close collaboration with the private sector to develop as rapidly as possible the applications of superconductivity to enhance the Nation's economic competitiveness and strategic well being, to better integrate universities and private industry into the National Laboratory System of the Department of Energy so as to speed the development of technology in areas of significant economic potential, to provide Federal assistance and leadership to a program of research, development, and demonstration of renewable energy and energy efficiency technologies, and for other purposes.".

OFFICE OF ENVIRONMENTAL QUALITY AUTHORIZATION ACT

BAUCUS (AND McCLURE) AMENDMENT NO. 3771

Mr. BYRD. (for Mr. BAUCUS, for himself and Mr. MCCLURE) proposed an amendment to the bill (S. 1792) to authorize appropriations for the Office of Environmental Quality for fiscal years 1987, 1988, and 1989; as follows:

On page 1, strike "SEC. 104" and all that follows through page 8, line 15, and insert in lieu the following:

SEC. 104. RECONSIDERATION BY FEDERAL ENERGY REGULATORY COMMISSION.

(a) RECONSIDERATION.—Notwithstanding a November 23, 1987, order of the Federal Energy Regulatory Commission dismissing petitions under the Federal Power Act for reconsideration of Commission Order Number 464 (52 FR 5446) submitted by several States (Docket Number RM85-6-002; Order Number 464-B), any State may file within 60 days after the enactment of this Act a petition with the Commission to reconsider the retroactive application of Order Number 464 to any proposed hydroelectric project in such State for which a license application was pending as of February 11, 1987 (and is still pending on the date the State files such petition) and for which Order Number 464 deemed certification requirements referenced in such order to have been waived and the Commission shall reconsider such retroactive application of the order. Each petition shall identify all such projects within the State, and only such projects. In considering any such petition, the Commission shall exercise such reasonable discretion as it may have under applicable law to apply or not to apply Order Number 464 retroactively to any such petition, taking into consideration the water quality intent of Congress in the statutory provision referenced in Order Number 464 and the State's role under that provision. The Commission shall, to the greatest extent practicable, decide all such petitions within 6 months after their filing. The Commission may consolidate some or all such petitions in order to expedite such reconsideration and decision. Where appropriate, the Commission shall grant the petition and provide an additional period of time, which shall be not more than 9 months after the petition is granted, for a State to comply with the applicable certification requirement. It is the intent of Congress that the Commission should exercise its discretion in favor of granting such petitions except where circumstances clearly show that granting a petition would not be warranted. If the Commission denies any such petition, the Commission shall explain the basis for such denial. Such denial shall be subject to judicial review under the Federal Power Act and this section. If a State fails to comply with such additional period, Order Number 464 shall continue to apply in the manner that it applied prior to enactment of this section. If a petitioning State granted or denied a certification for any project identified in the petition and that certification or denial was waived by retroactive application of the Order Number 464, such certification or denial (1) shall be reinstated ab initio (in lieu of providing additional time) on the date the State's petition is filed and (2) shall not be subject to review or change by the State. The participation of the State in the rulemaking proceeding leading to Order Number 464 shall not be a basis for denial of any petition.

(b) SAVINGS PROVISION.—Nothing in this section shall be construed as affecting in any way the legal sufficiency of the Commission's Orders Number 464 or 464-B. Nothing in this section shall be construed to affect the authority of the States to enforce the Federal Water Pollution Control Act.

(c) TERM.—For purposes of this section, the term "State" shall have the same meaning as in Order Number 464 and shall include, where appropriate, an applicable interstate agency.

On page 8, strike "SEC. 105" lines 16 through 18.

COMPLETION OF CERTAIN WALLS IN THE INTERNAL REVENUE SERVICE BUILDING

MOYNIHAN AMENDMENT NO. 3772

Mr. BYRD (for Mr. MOYNIHAN) proposed an amendment, which was subsequently modified, to the bill (S. 2869) to authorize appropriations for the completion of certain walls of the Internal Revenue Service Building located in Washington, DC; as follows:

At the end thereof, add the following new sections:

SEC. 1. (a) DESIGNATION.—The Federal Building and United States Courthouse located at 301 West Main Street in Benton, Illinois, shall be known and is designated as the "Kenneth J. Gray Federal Building and United States Courthouse".

(b) LEGAL REFERENCES.—Any reference in any law, regulation, document, record, map, or other paper of the United States to the building referred to in section 1 is deemed to be a reference to the "Kenneth J. Gray Federal Building and United States Courthouse".

SEC. . (a) There is hereby authorized to be appropriated the following sums:

(1) To the Department of Commerce, Bureau of the Census, for renovations of Federal Center Buildings 63 and 64 in Jeffersonville, Indiana, $1,603,000;

(2) To the United States Tax Court, for renovations of the United States Tax Court Building in Washington, D.C., $1,250,000.

(b) The Administrator of the General Services Administration is authorized, on a reimbursable basis, to perform any renovations, or portions thereof, authorized by this section.

(c) Any funds, or portions thereof, authorized pursuant to this Act may be transferred for deposit into the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, amended, and obligated by the Administrator of the General Services Administration in accordance with subsection (b) of this section.

OFFICE OF ENVIRONMENTAL QUALITY AUTHORIZATION ACT

BAUCUS AMENDMENT NO. 3773

Mr. BYRD (for Mr. Baucus) proposed an amendment to the amendment of the House to the amendment of the Senate to the bill (H.R. 2020) to authorize appropriations for the Office of Environmental Quality for fiscal years 1987, 1988, and 1989; as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I

Sec. 101. Section 204 of the National Environmental Policy Act of 1969 (42 U.S.C. 4344), is amended by—

(1) striking the "and" at the end of paragraph (7);

(2) striking the "." at the end of paragraph (8) and insert in lieu thereof "; and" and

(3) adding the following new paragraph:

"(9) to promulgate regulations implementing the National Environmental Policy Act for all Federal agencies, including independent regulatory commissions.".

REVIEW FUNCTIONS OF COUNCIL

Sec. 102. (a) Amendments.—Section 204 of the National Environmental Policy Act of 1969 (42 U.S.C. 4344) is further amended—

(1) by inserting "(a)" before "It"; and

(2) by adding at the end thereof the following:

"(b)(1) In addition to any other review and appraisal carried out under subsection (a)(3), the Council shall evaluate, and annually report in writing to the Congress on the result of, the reviews carried out by Federal agencies under paragraph (2) and may include in the report such recommendations for legislation as the Council considers appropriate regarding issues raised incident to the evaluation.

"(2) Each Fedeal agency shall (i) on a continuing basis and subject to such guidelines as the Council shall establish, select and review a statistically significant random sample of the detailed statements prepared under section 102(2)(C) by the agency in which measures were specified for the mitigation of any adverse impact on the environment, including fish and wildlife populations and habitat, that was predicted to occur as a result of the agency action; and (ii) promptly submit to the Council all reviews prepared by the agency under this paragraph.

"(3) The guidelines established by the Council under paragraph (2) shall require that each Federal agency review—

"(A) the extent to which the mitigation measures specified in the statement were implementated in connection with the action;

"(B) the accuracy of the predicted adverse impact which the implemented action would have on the environment, including fish and wildlife populations and habitat; and

"(C) the effectiveness of the implemented mitigation measures.".

(b) Initial Reviews.—In carrying out subsection (b) of section 204 of the National Environmental Policy Act of 1969 (as added by subsection (a)), each Federal agency, within twenty-four months after the date of the enactment of this Act, shall—

(1) select and review under such subsection at statistically significant random sample of detailed statements that were prepared for appropriate projects which were completed before such date of enactment; and

(2) submit the reviews to the Council on Environmental Quality.

Sec. 103. Section 205 of the Environmental Quality Improvement Act of 1970, as amended (42 U.S.C. 4374), is amended by adding the following new subsection:

"(e) $750,000 for each of the fiscal years ending on September 30, 1987, 1988, and 1989.".

SEC. 104. RECONSIDERATION BY FEDERAL ENERGY REGULATORY COMMISSION.

(a) Reconsideration.—Notwithstanding a November 23, 1987 order of the Federal Energy Regulatory Commission dismissing petitions under the Federal Power Act for reconsideration of Commission Order Number 464 (52 FR 5446) submitted by several States (Docket Number RM85-6-002; Order Number 464-B), any State may file within 60 days after the enactment of this Act a petition with the Commission to reconsider the retroactive application of Order Number 464 to any proposed hydroelectric project in such State for which a license application was pending as of February 11, 1987 (and is still pending on the date the State files such petition) and for which Order Number 464 deemed certification requirements referenced in such order to have been waived and the Commission shall reconsider such retroactive application of the order. Each petition shall identify all such projects within the State, and only such projects. In considering any such petition, the Commission shall exercise such reasonable discretion as it may have under applicable law to apply or not to apply Order Number 464 retroactively to any such petition, taking into consideration the water quality intent of Congress in the statutory provision referenced in Order Number 464 and the State's role under that provision. The Commission shall, to the greatest extent practicable, decide all such petitions within 6 months after their filing. The Commission may consolidate some or all such petitions in order to expedite such reconsideration and decision. Where appropriate, the Commission shall grant the petition and provide an additional period of time, which shall be not more than 9 months after the petition is granted, for a State to comply with the applicable certification requirement. It is the intent of Congress that the Commission should exercise its discretion in favor of granting such petitions except where circumstances clearly show that granting a petition would not be warranted. If the Commission denies any such petition, the Commission shall explain the basis for such denial. Such denial shall be subject to judicial review under the Federal Power Act and this is section. If a State fails to comply within such additional period, Order Number 464 shall continue to apply in the manner that it applied prior to enactment of this section. If a petitioning State granted or denied a certification for any project identified in the petition and that certification or denial was waived by retroactive application of the Order Number 464, such certification or denial (1) shall be reinstated ab initio (in lieu of providing additional time) on the date the State's petition is filed and (2) shall not be subject to review or change by the State. The participation of the State in the rulemaking proceeding leading to Order Number 464 shall not be a basis for denial of any petition.

(b) Savings Provision.—Nothing in this section shall be construed as affecting in any way the legal sufficiency of the Commission's Orders Number 464 or 464-B. Nothing in this section shall be construed to affect the authority of the States to enforce the Federal Water Pollution Control Act.

(c) Term.—For purposes of this section, the term "State" shall have the same meaning as in Order Number 464 and shall include, where appropriate, an applicable interstate agency.

TITLE III—WASTE REDUCTION

SECTION 301. SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title.—This title may be cited as the "Pollution Prevention Act of 1988".

(b) Table of Contents.—

Sec. 301. Short title and table of contents.
Sec. 302. Findings and policy.
Sec. 303. Definitions.
Sec. 304. EPA activities.
Sec. 305. Grants to States for State technical assistance programs.
Sec. 306. Source reduction clearinghouse.
Sec. 307. Source reduction and recycling data collection.
Sec. 308. Waste stream survey.
Sec. 309. EPA report.
Sec. 310. Savings provisions.
Sec. 311. Authorization of appropriations.
Sec. 312. Implementation.
Sec. 313. Effective date and sunset provision.

SEC. 302. FINDINGS AND POLICY.

Findings.—The Congress finds that:

(1) The United States of America annually produces millions of tons of chemical waste and spends tens of billions of dollars per year controlling this pollution.

(2) There are signficant opportunities for industry to reduce the generation of waste at the source through cost-effective changes in production, operation, and raw materials use. Such changes offer industry substantial savings in reduced raw material, waste management, and liability costs as well as help protect the environment and reduce risks to worker health and safety.

SEC. 303. DEFINITIONS.

For purposes of this title—

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "Agency" means the Environmental Protection Agency.

(3) The term "toxic chemical" means any toxic chemical on the list described in section 313(c) of the Superfund Amendments and Reauthorization Act of 1986.

(4) The term "release" has the same meaning as provided by section 329(8) of the

Superfund Amendments and Reauthorization Act of 1986.

(5)(A) The term "source reduction" means any practice which—

(i) reduces the amount of hazardous substances, pollutants, or contaminants entering any waste stream including direct releases to the environment and fugitive emissions prior to recycling, treatment, or disposal; and

(ii) reduces the hazards to public health and the environment associated with the release of such substances, pollutants, or contaminants.

The term includes but is not limited to equipment or technology modifications, process or procedure modifications, reformulation or redesign of products, substitution of raw materials, and improvements in housekeeping, maintenance, training, or inventory control.

(B) The term "source reduction" does not include: (i) any practice which alters the physical, chemical, or biological characteristics or the volume of a hazardous substance, pollutant, or contaminant through a process or activity separate from the production of a product or the providing of a service; (ii) any practice which reduces or eliminates accidential releases or other unintentional releases.

(6) The term "multi-media" means air, water, and land.

SEC. 304. EPA ACTIVITIES.

(a) Authorities.—The Administrator shall establish in the Environmental Protection Agency an office to carry out the functions of the Administrator under this title. The office shall be independent of the Agency's single-medium program offices but shall have the authority to review and advise such offices on their activities to promote a multimedia approach to source reduction. The office shall be under the direction of such officer of the Environmental Protection Agency as the Administrator shall designate.

(b) Functions.—The Administrator shall develop and implement a strategy to promote source reduction through a source reduction demonstration program. As part of the program, the Administrator shall take each of the following actions:

(1) The Administrator shall ensure that the Environmental Protection Agency considers the effect of its existing and proposed programs on source reduction efforts and shall review proposed regulations of the Environmental Protection Agency to determine their effect on source reduction.

(2) The Administrator shall coordinate source reduction activities in each Environmental Protection Agency Office.

(3) The Administrator shall develop an inventory of existing data, regarding the generation and management of waste, consider developing common nomenclature, consistent reporting formats, and compatible data storage and retrieval systems.

(4) The Administrator shall determine what capabilities the Environmental Protection Agency should have to measure waste generation and management practices in the United States. The Administrator shall determine what, if any, changes are needed in existing agency practices with respect to the collection and handling of data regarding the generation and management of waste.

(5) The Administrator shall facilitate the adoption of source reduction techniques by businesses. This strategy shall include the use of the Source Reduction Clearinghouse and State matching grants provided in this Act to foster the exchange of information regarding source reduction techniques, the dissemination of such information to businesses, and the provision of technical assistance to businesses. The strategy shall also consider the capabilities of various businesses to make use of source reduction techniques.

(6) The Administrator shall establish a senior level liaison group with industry, public interest groups, and State source reduction program officials to provide guidance to the Administrator, to provide outreach to the industrial community, and to provide a liaison group for the educational community to promote the introduction of source reduction principles into engineering and management curricula.

(7) The Administrator shall establish an advisory panel of technical experts comprised of representatives from industry, the States, and public interest groups, to advise the Administrator on ways to improve collection and dissemination of data.

SEC. 305. GRANTS TO STATES FOR STATE TECHNICAL ASSISTANCE PROGRAMS.

(a) General Authority.—The Administrator shall make matching grants to States for programs to promote the use of source reduction techniques by businesses.

(b) Criteria.—When evaluating the requests for grants under this section, the Administrator shall consider, among other things, whether the proposed State program would accomplish the following:

(1) Make specific technical assistance available to businesses seeking information about source reduction opportunities, including funding for experts to provide onsite technical advice to businesses seeking assistance.

(2) Target assistance to businesses for whom lack of information is an impediment to source reduction.

(3) Provide training in source reduction techniques. Such training may be provided through local engineering schools or any other appropriate means.

(c) Matching Funds.—Federal funds used in any State program under this section shall provide no more than 50 percent of the funds made available to a State in each year of that State's participation in the program.

(d) Effectiveness.—The Administrator shall establish appropriate means for measuring the effectiveness of the State grants made under this section in promoting the use of source reduction techniques by businesses.

(e) Information.—States receiving grants under this section shall make information generated under the grants available to the Administrator.

SEC. 306. SOURCE REDUCTION CLEARINGHOUSE.

(a) Authority.—The Administrator shall establish a Source Reduction Clearinghouse to compile information generated by States receiving grants on management, technical, and operational approaches to source reduction. The Administrator shall use the clearinghouse to—

(1) serve as a center for source reduction technology transfer,

(2) mount active outreach and education programs by the State to further the adoption of source reduction technologies; and

(3) collect and compile information reported by States receiving grants under section 5 on the operation and success of State source reduction programs.

(b) Public Availability.—The Administrator shall make available to the public such information on source reduction as is gathered pursuant to this title and such other pertinent information and analysis regarding source reduction as the Administrator deems appropriate, on a cost reimbursable basis. It shall be within the Administrator's discretion to determine the most feasible method for making such information available, including the use of computers.

SEC 307. SOURCE REDUCTION AND RECYCLING DATA COLLECTION.

(a) Reporting Requirements.—Each owner or operator of a facility required to file an annual toxic chemical release form under section 313 of the Superfund Amendments and Reauthorization Act of 1986 ("SARA") for any toxic chemical shall include with each such annual filing a toxic chemical source reduction and recycling report for the preceding calendar year if such facility is within 1 of the 5 two-digit SIC Code classifications producing the highest quantity of toxic chemical releases or having the highest volume of toxic chemicals entering the waste stream. The toxic chemical source reduction and recycling report shall cover each toxic chemical required to be reported in the annual toxic chemical release form filed by the owner or operator under section 313(c) of that Act. This section shall take effect with the annual report filed under section 313 for the first full calendar year beginning after the enactment of this Act.

(b) Items Included in Report.—The source reduction and recycling report required under subsection (a) shall set forth each of the following on a facility-by-facility basis for each toxic chemical:

(1) The quantity of the chemical entering any waste stream (or otherwise released into the environment) prior to recycling, treatment, or disposal during the calendar year for which the report is filed and the percentage change for the previous year. The report filed for any facility which produces only a single product and for which reporting the quantity of chemical entering the waste stream would cause public disclosure of a proprietary process may, at the option of the owner or operator, report only the percentage change from the previous year. When actual measurements of the quantity of a toxic chemical entering the waste streams are not readily available, reasonable estimates should be made based on best engineering judgment.

(2) The amount of the chemical from the facility which is recycled (at the facility or elsewhere) during such calendar year and the percentage change for the previous year.

(3) The source reduction practices used with respect to that chemical during such year at the facility. Such practices shall be reported in accordance with the following categories unless the Administrator finds other categories to be more appropriate:

(A) Equipment, technology, process, or procedure modifications.

(B) Reformulation or redesign of products.

(C) Substitution of raw materials.

(D) Improvement in management, training, inventory control, materials handling, or other general operational phases of industrial facilities.

(4) A ratio of production in the reporting year to production in the previous year. The ratio should be calculated to most closely reflect all activities involving the toxic chemical. It shall not be necessary to indicate the units on which the ratio is based. In specific industrial classifications subject to this sec-

tion, where a feedstock or some variable other than production is the primary influence on waste characteristics or volumes, the report may provide an index based on that primary variable for each toxic chemical.

(6) The techniques which were used to identify source reduction opportunities. Techniques listed should include, but are not limited to, employee recommendations, external and internal audits, participative team management, and material balance audits. Each type of source reduction listed under paragraph (3) should be associated with the techniques or multiples of techniques used to identify the source reduction technique.

For the first year of reporting under this subsection, comparison with the previous year is required only to the extent such information is available.

(c) SARA Provisions.—The provisions of sections 322, 324, 325(c), 325(d) and 326 of the Superfund Amendments and Reauthorization Act of 1986 shall apply to the reporting requirements of this section in the same manner as to the reports required under section 313 of that Act. The Administrator may modify the form required for purposes of reporting information under section 313 of that Act to the extent he deems necessary to include the additional information required under this section.

(d) Additional Optional Information.—Any person filing a report under this section for any year may include with the report additional information regarding source reduction, recycling, and other waste management techniques in earlier years.

(e) Availability of Data.—Subject to section 322 of the Superfund Amendments and Reauthorization Act of 1986, the Administrator shall make data collected under this section publicly available, on a cost reimbursable basis.

SEC. 308. WASTE STREAM SURVEY.

(a) Waste Stream Survey.—The Administrator shall collect the following information from a representative sample of facilities required to file an annual toxic chemical release form under section 313 of the Superfund Amendments and Reauthorization Act of 1986. The sample shall be drawn from the five two-digit SIC code classifications producing the highest quantity of toxic releases, or having the highest volume of toxic chemicals entering the waste stream.

(b) Data To Be Reported.—Each facility selected for the survey shall report each of the following to the Administrator:

(1) For each waste stream for the last full calendar year and the percentage change from the previous year)

(A) the volume of the waste generated after source reduction but prior to recycling and treatment;

(B) the volume of the waste after recycling but prior to treatment; and

(C) the volume of the waste after treatment but prior to disposal.

Any facility which produces only a single product and for which reporting the quantity of waste entering the waste stream would cause public disclosure of a proprietary process may, at the option of the owner or operator, report only the percentage change from the previous year.

(2) A ratio of production in the reporting year to production in the previous year.

(3) Other information that the Administrator determines is needed in order to complete the report under section 309.

SEC. 309. EPA REPORT.

The Administrator shall report to Congress on data collected under section 307 and section 308. The report shall be submitted 90 days after receipt by the Administrator of the data for both calendar years 1989 and 1990. The report shall contain each of the following:

(1) An assessment of the effectiveness of the clearinghouse and grant program established under this Act in promoting the goals of the demonstration program.

(2) An analysis of the data collected under section 307 on an industry-by-industry basis and an analysis of the survey data collected under section 308, including an evaluation of trends in source reduction, recycling, and treatment by industry, firm size, production and other useful means.

(3) An analysis of the usefulness and validity of the data collected under this Act and other authority of law for measuring trends in source reduction, recycling, and treatment.

(4) An evaluation of regulations and laws that may inhibit source reduction, and of opportunities within existing programs to promote and assist source reduction.

(5) An evaluation of priority industries and pollutants that require assistance in source reduction.

(6) Recommendations as to incentives needed to encourage investment and research and development in source reduction.

(7) An evaluation of the cost and technical feasibility by industry and processes of source reduction, recycling and treatment opportunities and current activities.

(8) Recommendations as to permanent reporting on source reduction, recycling, and treatment.

SEC. 310. SAVINGS PROVISIONS.

(a) Nothing in this act shall be construed to modify or interfere with or diminish the requirements of section 1003(b), 3002(b), 3005(h) and 8002(r) of the Resource Conservation and Recovery Act or Title III of the Superfund Amendments and Reauthorization Act of 1986.

(b) Nothing contained in this act shall be construed, interpreted or applied to supplant, displace, preempt or otherwise diminish the responsibilities and liabilities under other State or Federal law, whether statutory or common.

SEC. 311 AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Administrator $4,000,000 for each of the 3 fiscal years beginning after the enactment of this Act for functions carried out under this title (other than State grants) and $8,000,000 for each of the 3 fiscal years after enactment of this Act for the State grant program.

SEC. 312. IMPLEMENTATION.

The Administrator is authorized to issue such rules, regulations, and orders as may be necessary to carry out the provisions of this title.

SEC. 313. EFFECTIVE DATE AND SUNSET PROVISION.

This title shall take effect on January 1, 1989, and shall be repealed on the date 30 months thereafter, except for the provisions of section 309 relating to the final report. Nothing in the repeal of this title shall affect any authorities or obligations of the Administrator with respect to any matter under any other provision of law and nothing in the repeal of this title shall affect or impair the authority under other provisions of law of any office established within the environmental Protection Agency before the enactment of this Act.

TITLE IV—COMMEMORATION OF STATEHOOD ANNIVERSARIES

SEC. . SHORT TITLE.

This title may be cited as the "Statehood Centennial Commemorative Coin Act of 1989".

SEC. . SPECIFICATIONS OF COINS.

(a) Authorization.—Subject to subsection (b), the Secretary of the Treasury (hereinafter referred to as the "Secretary") shall mint and issue five-dollar coins in commemoration of the 100th anniversary of the statehood of Idaho, Montana, North Dakota, South Dakota, Washington, and Wyoming.

(b) Issuance.—The Secretary shall mint and issue not more than 350,000 five-dollar coins each of which shall—

(1) weigh 31.103 grams;

(2) have a diameter of 1.500 inches; and

(3) be composed of 90 percent palladium and 10 percent alloy.

(c) Design.—The design of the five-dollar coin, in accordance with this section, shall contain an engraving of the Centennial States' regional logo on one side; and on the other side, busts of Thomas Jefferson, and Lewis and Clark overlooking the Missouri River. Each coin shall bear a designation of the value of the coin, the year 1989, and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum". The reverse may also contain the words "Northwest Centennial" and "Statehood 1889-1890". Modifications to these designs may be made, if necessary, by the Secretary upon consultation with a duly authorized representative of the 6 States' Centennial Commissions.

(d) Numismatic Items.—For purposes of section 5132(a)(1) of title 31, United States Code, all coins minted under this title shall be considered to be numismatic items.

(e) Legal Tender.—The coins referred to in subsection (a) shall be legal tender as provided in section 5103 of title 31, United States Code.

SEC. . SOURCES OF BULLION.

The Secretary shall obtain palladium for the coins referred to in this title by purchase of palladium mined from natural deposits in the United States within one year after the month in which the ore from which it is derived was mined and by purchase of palladium refined in the United States. The Secretary shall pay not more than the average world price for the palladium. In the absence of available supplies of such palladium at the average world price, the Secretary shall purchase supplies of palladium pursuant to the authority of the Secretary under existing law. The Secretary shall issue such regulations as may be necessary to carry out this provision.

SEC. . MINTING AND ISSUANCE OF COINS.

(a) Uncirculated and Proof Qualities.—The coins minted under this title may be issued in uncirculated and proof qualities, except that not more than 1 facility of the United States Mint may be used to strike each quality.

(b) Commencement of Issuance.—The Secretary may issue the coins minted under this title beginning January 1, 1989.

(c) Termination of Authority.—Coins may not be minted under this title after December 31, 1990.

SEC. . SALE OF COINS.

(a) In General.—Notwithstanding any other provision of law, the Secretary shall sell the coins minted under this title at a price equal to the face value, plus the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, and overhead expenses).

(b) BULK SALES.—The Secretary shall make any bulk sales of the coins minted under this title at a reasonable discount to reflect the lower costs of such sales.

(c) PREPAID ORDERS.—The Secretary shall accept prepaid orders for the coins minted under this title prior to the issuance of such coins. Sale prices with respect to such prepaid orders shall be at a reasonable discount.

(d) SURCHARGES.—All sales of coins minted under this title shall include a surcharge of $20 per coin.

SEC. . FINANCIAL ASSURANCES.

(a) NO NET COST TO THE GOVERNMENT.—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this —— will not result in any net cost to the United States Government.

(b) PAYMENT FOR COINS.—A coin shall not be issued under this title unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration Board.

SEC. . REDUCTION OF NATIONAL DEBT.

An amount equal to $1,500,000 of all surcharges received by the Secretary from the sale of coins minted under this title shall be provided to the "Documents West" exhibition program and administered by the Idaho Centennial Foundation. These funds shall be used for the sole purpose of promoting the exhibition of historical and educational artifacts pertaining to the six Centennial States. The remaining amount of surcharges that are received by the Secretary from the sale of coins minted under this title shall be deposited in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt.

SEC. . AUDITS.

The Comptroller General shall have the right to examine such books, records, documents, and other data of the Idaho Centennial Foundation as may be related to the expenditure of amounts paid under section ——.

SEC. . GENERAL WAIVERS OF PROCUREMENT REGULATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this title.

(b) EQUAL EMPLOYMENT OPPORTUNITY.—Subsection (a) shall not relieve any person entering into a contract under the authority of this title from complying with any law relating to equal employment opportunity. No firm shall be considered a Federal contractor for purposes of 41 C.F.R. part 60 et seq. as a result of participating as a United States Mint coin consignee.

ADDITIONAL STATEMENTS

ON THE DEPARTURE OF AMBASSADOR ALLAN E. GOTLIEB OF CANADA

● Mr. EVANS. Mr. President, at the end of the 100th Congress I would like to make a few remarks on behalf of a remarkable diplomat and distinguished Canadian—Allan Gotlieb, the Ambassador of Canada to the United States. A couple of weeks ago, Prime Minister Mulroney announced that he was appointing a new Canadian Ambassador to the United States, Derek Burney, effective in January 1989. Many of his friends in this town had expected his departure at the end of this administration's term. In fact, he and I both noted in a recent meeting that both of us are leaving Washington, DC at approximately the same time.

Prior expectation, however, doesn't diminish the significance of Ambassador Gotlieb's departure. He has truly been a remarkable Ambassador and effective representative of Canada's interests in our Nation's Capital. He has witnessed the development of some truly significant changes in the relationship between Canada and the United States during his 8 years here. The Free-Trade Agreement between the United States and Canada that recently passed the Congress will be remembered as the crowning achievement of his term as Ambassador. Although its outcome is still uncertain north of the border, the agreement passed both Houses of the Congress by overwhelming margins. Ambassador Gotlieb played a vital role in its passage by communicating Canada's interests and concerns to many Members of Congress.

Mr. Gotlieb was born in Winnipeg, Manitoba, on February 28, 1928. Being raised in one of the central provinces of Canada has given him a broader understanding of his country's diverse geography and economy. He has truly received an international education, with a B.A. degree from the University of California at Berkeley, an M.A. and B.C.L. from Oxford University, and an LL.B. from Harvard University Law School. He has served as a visiting professor, or lecturer at a number of universities, including The Hague Academy of International Law, and Queens, Carleton, and Ottawa Universities in Canada. Mr. Gotlieb's broad understanding of international law can be easily understood when reviewing such a distinguished education.

Ambassador Gotlieb has served in the Canadian foreign ministry, the Department of External Affairs, for over 30 years and will probably end his career in the Ministry as Ambassador to the United States. There is simply no higher position in the Ministry for him. He entered the Ministry as a relatively young man of 29 in 1957 and served in a variety of posts both in and outside of Canada. Many of the posts reflected his legal background and special expertise in questions of international law.

One of his first appointments was in 1967 to be the head of the Ministry's Legal Division, which was followed by being the Assistant Under Secretary of State for External Affairs and Legal Advisor. He reached the highest position for a senior public-service official in the Ministry in 1977, as Under Secretary of State for External Affairs. In 1981, former Prime Minister Trudeau appointed Mr. Gotlieb to the Canadian Ambassadorship to the United States. As a tribute to his capabilities, he has been retained by two other Prime Ministers: former Prime Minister John Turner, who served briefly in 1984, and current Prime Minister Mulroney, who assumed office in the fall of 1984.

Ambassador Gotlieb's term that is now coming to an end has been an unusually long one of 8 years. He has served during most of the historic two terms of President Reagan, presenting his credentials to President Reagan as Ambassador in December 1981. He has witnessed great economic and political changes in our Government, both in the administration and the Congress, as well as those in his country. Ambassador Gotlieb has been present for two Presidential election cycles and four congressional elections, which is sufficient work to wish on any ambassador to this town.

My 5 years in the Senate have been a productive period with Canada, both for my State and the country. Washington State, especially in the area of energy production and conservation of our natural resources, has had a long history of close cooperation with British Columbia and Alberta, the two western provinces of Canada. When I was Governor of Washington State, my cabinet and I met frequently with the Premier and senior officials of the British Columbia Government. Early on in my Senate term, we worked successfully to have two treaties between our two countries negotiated and passed by the Senate: one on cooperation to conserve the Pacific salmon fishery resource, and one to conserve a valuable environmental area in British Columbia by not raising the level of the High Ross Dam in our State. These two treaties symbolize the cooperative way in which our two countries can work to conserve and protect valuable natural resources that don't recognize the national boundary at the 49th parallel.

We have achieved other successes, most notably the recent passage of the implementing legislation (H.R. 5090) to the historic United States-Canada Free-Trade Agreement. I believe quite strongly that this agreement will be remembered as the most significant achievement in trade policy of the Reagan administration. I strongly supported negotiations for an FTA from the outset in 1985, after President Reagan and Prime Minister Mulroney agreed to begin negotiations for such a comprehensive trade agreement. I strongly believe that this comprehensive approach to enhancing trade and investment with Canada is the best way to proceed to preserve our long-term relationship of friendship and cooperation. Our two countries are now obligated to seek to cooperate in resolving our trade and investment disputes, and to rely on the rule of law in dispute resolution. I believe quite strongly that the FTA will have a positive effect on the success of Uruguay Round of multilateral trade talks, since it demonstrates that the two largest trading partners in the world can work out their differences in this way.

I have enjoyed my friendship with Ambassador Gotlieb and have profited from his knowledge and experience in international affairs. He has been a superb diplomat for Canada and a personal friend. My wife Nancy and I have enjoyed our friendship with Allan and his wife Sondra on many social occasions as well. Whatever awaits Ambassador Gotlieb in Canada, I know he will carry it out with great professionalism and service to his country. I wish all the best to Allan, Sondra, and his three children upon their return to Canada at the end of this year. Congratulations on a job well done.●

CHIEF JUDGE JUDITH W. ROGERS

● **Mr. EVANS.** Mr. President, today I am pleased and proud to be able to congratulate my next door neighbor, Judge Judith W. Rogers, on her selection to be chief judge of the District of Columbia Court of Appeals. I am confident she will serve with distinction as the District's chief judicial officer.

Judge Rogers is a cum laude graduate of Radcliffe College and she received her law degree from Harvard University. Remarkably, she also earned a masters degree this year from the University of Virginia even though she was working full-time as a judge.

Although she is a native New Yorker, Judge Rogers has been a committed and energetic advocate of the interests of D.C. residents during her distinguished career. After serving a stint in the Justice Department, Judge Rogers worked as general counsel to the Congressional Commission on Organization of the District of Columbia Government and helped develop the legislation which established home rule for the District in 1973.

She has been a top aide to D.C. Mayors Walter E. Washington and Marion Barry. From 1974 to 1979 she served as Mayor Washington's Special Assistant for Legislation. From 1979-83 she was D.C. Corporation Counsel under Mayor Barry. For her service in the District government she has received both the Award for Outstanding Service and the Distinguished Service Award.

In 1983, Judith W. Rogers was appointed to the D.C. Court of Appeals where she has served as an associate judge. In a unanimous decision, the D.C. Judicial Nominating Commission selected her to be the new chief judge, starting November 1, 1988.

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Only 48, Judge Rogers has already contributed significantly to making life better for District of Columbia residents. I am confident she will serve in her new post with dedication and honor.

Mr. President, I ask that immediately following this statement an article from the Washington Post announcing Judge Rogers appointment to chief judge be printed in the RECORD.

The article follows:

WOMAN NAMED TO HEAD D.C. APPEALS COURT

(By Barton Gellman)

Judith W. Rogers, 48, was named chief judge yesterday of the D.C. Court of Appeals, the first woman to rise to the District's highest judicial office. A New York native whose abiding professional passion is said to be D.C. home rule, she will take over Nov. 1 from Chief Judge William C. Pryor.

The D.C. Judicial Nominating Commission announced the selection, which it called unanimous, after two hours of deliberation at the Northwest Washington law offices of Sidley and Austin.

Only two candidates, both associate judges, had applied for the appeals court's top job. The commission, in a brief statement, said it considered both Rogers and her rival, Judge James A. Belson, 57, "to be extremely well qualified for the position."

Rogers is a graduate of Radcliffe College and Harvard Law School who held cabinet-level posts under two D.C. mayors. A protege and top adviser to former mayor Walter E. Washington, she directed the transition to Mayor Marion Barry. She later became corporation counsel under Barry, serving as the city's chief lawyer and prosecutor of local laws.

Rogers is regarded by admirers and critics alike as hard-working, thorough, and a highly competent centrist on the court's philosophically diverse nine-member bench. Despite her experience as an assistant U.S. attorney and as corporation counsel, she has not been among the court's strongest backers of the prosecution in close cases. U.S. Attorney Jay B. Stephens, who directs the prosecution of most crimes in the District, was known to prefer the more conservative Belson.

Barry, in a statement released last night, said the commission's choice reflected well on the caliber of his appointments and predicted that Rogers would bring "energy and enthusiasm" to her new post.

"I'm elated about it," he said.

Rogers will earn a $500 premium on her $95,000 salary for taking the administrative duties of chief judge. Fellow judges and courthouse officials said that increment is a fair reflection of the job's limited authority: The new chief, they said, will have to lead the court by consensus and not by command.

Reserved and highly protective of her privacy, Rogers has turned down all interview requests for weeks.

Her only clear ideology over the years, associates said, has been in favor of self-government for the District. As a Justice Department lawyer from 1969 to 1971, Rogers helped prepare legislation that transformed to D.C. courts and gave them responsibilities previously handled from the federal bench. Later, as Mayor Washington's top legislative aide, she played a substantial role in developing the laws that brought home rule to the District in 1973.

"She was the brains behind [the home rule law]," said Nathaniel H. Speights, a former deputy to Rogers as corporation counsel. "She's not a lobbyist type, take you to lunch and all that. She's a position paper type, a judge type."

Another former deputy agreed, describing Rogers' conduct as corporation counsel from 1979 to 1983: "Everything she did had a kind of home rule orientation to it."

Court-watchers were unable yesterday to say whether Rogers had shown a similar regard for home rule from the bench.

Friends and colleagues describe her as a demanding and forceful manager who is sure of her opinions and does not hestitate to express them.

"She wants things done, she wants them done right, and she wants no excuses," said a former top aide and admirer, who spoke on condition of anonymity. "She expected people to perform, and she could be sharp about mistakes."

Those qualities, said another former deputy, made Rogers "hard to work for." The deputy, who did not want to be named, said she had practiced "management by paranoia" and "she didn't trust a lot of people," but the former deputy nevertheless thought she would make a good chief judge.

"She's really smart, she cares, she's honest as the day is long, and that's three-quarters of the battle right there," the former deputy said.

Judges and courthouse officials have said recently that Rogers, as a black woman, would bring a demographic balance to the District's judicial system—with two men and two women, two blacks and two whites, serving as chiefs of D.C.'s local and federal courts.

But members of the nominating commission said privately yesterday that race and sex had played no role in Rogers' selection. The commission's official statement said she was the best candidate to "provide strong leadership in meeting the challenges ahead."●

● **Mr. PRYOR.** Mr. President, today I rise to pay tribute to a gentleman from my home State who has given unselfishly of himself as he has pursued the interests of soybeans and American agriculture in general. I am talking about Wayne Bennett, Sr., of

Lonoke, AR, family man, farmer, banker, pilot, and immediate past president of the American Soybean Association.

During his tenure as president of the soybean association Wayne spent 200 days out of last year—away from his family and off of the farm—traveling to such places as South America, the Soviet Union, and Europe, all the while promoting United States soybeans and hoping to improve our markets. Much of his travel carried him to Washington, DC, where Wayne spent long hours planning policy, advising staffs, and working with Members of Congress. Along the way he has made many friends, gained immeasurable respect, and certainly educated the masses on issues surrounding soybeans. Wayne has always been known as a hard working man, guided by his integrity, and appreciated for his sincerity. He has proven to be a worthy and trusted adviser as well as a special friend.

Although Wayne has stepped down as president of the American Soybean Association, he will remain as chairman of the board. This fine association is fortunate to have had the opportunity to benefit from Wayne's leadership, just as all of us who are involved in agriculture have benefited from knowing him.

Wayne, as a fellow Arkansan, I am proud of you; as a member of the Senate Agriculture Committee, I thank you.

I ask that a news article concerning Wayne be printed in the RECORD.

The article follows:

[From Arkansas Business, Oct. 10-23, 1988]

WAYNE BENNETT, SR.—HIS AIRBORNE PERSPECTIVE OF AN EARTHBOUND ENDEAVOR: AGRICULTURE AND ITS POLITICS

(By Joe Holmes)

The morning skies are bright and breezy over Lonoke and Jefferson counties. Wayne Bennett Sr., 68, sits bolt upright in the pilot's seat, alert yet relaxed. One hand rests gently on the control stick, making slight movements. His feet constantly work the rudder pedals. Thick white hair protrudes from underneath his khaki baseball cap. Sitting in the cockpit behind him, it's not hard to imagine Bennett as a 23-year-old farmboy turned fighter pilot winging his way across the Pacific Theatre of World War II. The drone of the 150 horsepower motor and the air rushing through the open windows of the red and white Piper Super Cub preclude any meaningful conversation. Only garbled shouts penetrate the noise. "You doing all right?" Bennett hollers as the aircraft pitches and yaws through strong gusts of wind.

Fine. Oddly enough, just fine. The nagging voice of doubt, which had been enumerating the perils of aviation in gory detail, has gone mute. Despite earlier misgivings, the passenger is thoroughly enjoying the flight. Bennett is having fun, too.

This airborne jaunt in a teeny, little plane (the kind this passenger once swore he would never willingly set foot in) is Bennett's idea of commuting to work, part of his routine. If he's not shuttling between farms on family business, he may be globe-trotting on behalf of the American Soybean Association. Bennett is the chairman and immediate past president of that 27,000-member organization.

"It's a great life," Bennett exclaims. "I wouldn't swap it for anything else." He's managed to merge pieces of several different worlds to create a life that suits him well. Family, farming, flying and banking are intertwined.

Bennett, his younger brother Neil and his father J.O. farm more than 7,000 acres in Jefferson and Lonoke counties under the corporate identity of J.O. Bennett & Sons. The family also own First State Bank of Lonoke. With $55 million in assets during 1987, First State ranked 93rd in size among Arkansas' 255 banks. The family has owned the bank since it bought a controlling interest in the 1950s, and Bennetts are sprinkled liberally among the bank's directorship. His father J.O., 91, is in the office every day as the president and chairman of the board. Neil is vice president. Neil Jr. and Wayne Jr. are directors. Wayne Sr. is also a board member. By his own account, Wayne Bennett Sr. is not that active with First State operations. Banking isn't his glass of tea. Agribusiness is.

His sparse office with its hodge-podge of furnishings is at J.O. Bennett & Sons—a small, red brick building hidden in the shadows of the company's seed storage bins and the gigantic Riceland grain elevators. The Bennetts have lived in Lonoke for 52 years and done business there for many more.

"My father started farming on 40 acres of ground on what we call the Sand Hills, a little community between Cabot and Lonoke," Bennett recalls. "We grew watermelons and cantaloupes, fruits and vegetables."

In addition to farming, his father was also a horse and mule dealer—a predecessor of today's tractor salesman. The family moved to Lonoke in 1936 when Bennett was in high school. Bennett's father continued his horse and mule trading and began farming a few acres he had purchased east of the town.

Two years later, Wayne Bennett left for college at the University of Arkansas. There he learned to fly through a special program offered by the military. After graduating with a degree in agriculture, the war was on and Bennett was in the Army Air Corps learning to become a fighter pilot.

He believes his two years overseas, flying missions from Saipan to Japan, taught him more than four years of college. Those lessons would later prove applicable to the life of a farmer.

"It taught me survival," he says. "You had to do your own thinking. You didn't have anybody in there to help you make decisions. . . .

"I got in a scrap with a Japanese Kamikaze pilot. He couldn't shoot me down, but I was having a hard time getting him down. Finally he tried to ram us, he tried to run his plane through us. He almost succeeded, but we finally shot him down. I haven't thought about that in a long time."

Bennett returned after the war with a love of flying, but little else.

"I wasn't sure what I wanted to do," he states. "I didn't have a dime. Dad said he would go partners with me if I wanted to farm."

Land was purchased near Lonoke, equipment bought, seed planted and a crop grown. J.O. Bennett & Son was in business, but an early frost killed that first crop.

"I wound up losing $12,000 the first year and back in '46 that was a hell of lot of money," Bennett declares.

Twelve thousand dollars poor didn't stop Bennett from marrying Betty Ann McHaney of Little Rock in March 1947. It did, briefly, make him unsure about his future.

"I got to thinking about that money I owed, and I got a little nervous," Bennett admits. He thought he might put his agriculture degree to work as an extension agent.

"I went up to Little Rock and talked to the extension service, and they agreed to hire me," Bennett recounts. "I told them I wanted to think about it and started out the door. We hadn't talked about salary, so I turned around and asked what the salary would be and was told $300 a month—$3,600 a year.

"I came home and got to thinking. I owed $12,000. By the time I took my living expenses out of $3,600 a year, I didn't see how I could ever pay it back, so I decided to go ahead and farm another year and see if I couldn't work it out."

The next crop was so successful that J.O. Bennett & Son started what would become 30 years of expansion. Shortly after that first good harvest, Neil came home from college, joined the operation and the name was changed from "Son" to "Sons."

"We bought land up until the land prices started going through the top in the 1970s," Bennett discloses. "When it got so high, we quit buying. For that reason we survived the farm crisis because we didn't end up owing a lot of money."

The plane circles a field where men are busy with combines, grain carts and trucks harvesting rice. That's what Bennett has come to see. The harvest. The golden field below is part of the Bennett farm located in Jefferson County near the small community of Wright.

"I fly to work everyday," he says. After a perfect three point landing on a grass strip, he taxis into the protective shade of a tin-roofed hangar. Bennett climbs out of the plane and springs into action.

Not exactly running but not exactly walking either, he charges down the line of trucks waiting to be filled with grain. Bennett hollers for a grain cart to be pulled up to unload to make room for another. The status of a broken combine is quickly determined and orders dispatched. The idea is to keep things moving. Time is money in farming, especially during harvest. His hands-on style often puts him in the field driving a combine or wearing the hat of a truck driver hauling the freshly cut grain back to the J.O. Bennett & Sons storage bins.

Everywhere here the crops are healthy, even in the midst of one of the driest summers on record.

"Our farm is a pretty good example of what's happened all across the state," Bennett explains. "In Jefferson County, we got rains when no one else got them and have just as good a crop as we've ever had. In Lonoke County we didn't get rain, and what we couldn't irrigate just died. Some people are hurt bad."

Bennett hops into a station wagon and drives along the lush Jefferson County fields. His conversation veers from what the newspaper headlines proclaim as the greatest threat to farmers (low prices) and pegs a more basic problem that he believes will drastically influence agriculture in Arkansas—water.

"I think farming has a future in Arkansas, but availability of water is going to be the biggest problem," Bennett states. "Water is becoming a more precious commodity each year.

"We have plenty of water, it just comes at the wrong time. A lot of wells in the Grand Prairie are pulling down each year. We need to find some way to hold the water we get in the wintertime."

Bennett suggests that a network of reservoirs might be the answer for storing water for irrigation or the diversion of streams. In fact, Congress will be looking over a bill that addresses the development of such farm reservoirs.

From his perspective, the farmer of the future must have access to surface water to irrigate because the cost of drilling wells and pumping water from underground is too expensive.

"There's going to have to be something done about water in a few years time, or we're going to be short of water," Bennett declares.

From the air, it's easy to spot the fields that weren't irrigated. Parched brown contrasts sharply with harvest gold.

It's time for a morning Coke. The station wagon roars along the highway to the combination grocery store/post office in Wright. Bennett eats his bologna sandwich for lunch. Bennett gets a Diet Coke. The man behind the counter asks what's new with soybeans.

Bennett just finished a one-year stint as president of the American Soybean Association. He was elected by a 41-member board that convenes at association headquarters in St. Louis. Bennett, who will now serve as chairman for one year, explains his rise to office modestly.

"For some reason or another it worked out that I wound up president," he remarks.

Bennett traveled some 200 days out of the past year, literally circling the globe to take care of association business and promote the use of soybean products. The ASA, which funds research and development of soybeans, has 11 offices around the world and is doing work in 83 foreign countries.

Of the thousands of miles logged on behalf of the association, he describes a recent 10-day trip to the Soviet Union as one of the most gratifying. There, Bennett attended the culmination of a three-month swine feeding trial in which soybean meal was tested against traditional Soviet feed to determine which put the most meat on hogs.

"We've been working on [the trial] 10 to 12 years and negotiating directly with the Russians for three or four years," Bennett notes.

The trial result was favorable for soybean growers. Pigs fed soyean meal gained 23 percent more weight than those fed with the normal Soviet mix of high-moisture corn, fish meal and pine needles. Future implications for U.S. farmers can be staggering.

"The Russians admit that they need 450 million bushels (one-fourth of the total U.S. production) of soybeans to feed their livestock just to feed people," Bennett discloses. "We should get that if politics don't get in the way."

"Politics" here translates into "grain embargo." In another context, it can mean an unfavorable import tax. During his tenure as ASA president, Bennett made three trips to Europe to help maintain export markets while fighting such a tax.

"The Europeans have been trying to institute a 'fats and oils' tax for several years, which would double the price of soybeans," Bennett remarks. The negative implications to U.S. farmers is obvious.

He has watched the deterioration of small farm communities across east Arkansas. While he would love to see the small communities revitalized to their former stature, he thinks things have gotten past the point of any real hope. But he believes there is hope for farming, and its salvation is not in the form of price supports for crops.

"We've got to get the exports," Bennett remarks, which is why he has been so active in the ASA. "If we produce just what we [in America] consume, then we'll have to cut our production in half. A farmer can make it if he can move it."

While Bennett sees a good future for farming, he is perplexed about other problems that have no easy answer.

"In Lonoke two years ago, the John Deere Agency went out of business," Bennett notes. "To get parts you got to drive to Hazen, Little Rock or England. In some areas of the country, farmers have to drive 100 miles for parts, and if you're running any kind of a farm at all, you're running to the parts store two or three times a day."

Bennett listens to what the two presidential candidates are saying about solving crisis facing family farms, and he believes they're sincere. The problem itself remains baffling.

"I don't know what the answer is," he laments. "It's going to take an awful lot of money, and I don't think there's that much money available."

The positive side, as Bennett sees it, is that the Arkansas farm community is diversified: rice, soybeans, wheat, bait fish and catfish are all grown and harvested in the state.

By most accounts Bennett is widely respected by not only his fellow farmers but by businessmen and politicians. Some credit his no-nonsense pragmatic approach to problems which perks up the ears of policymakers in Washington, D.C. "He's added some credibility to the association," says Joe Kirksey, a long-time friend and farmer from Mulberry (Crawford County).

"He's a white-haired gentleman; what can I say?" remarks Drew Oliver of Proctor (Crittenden County), the other Arkansas representative on the association's national board. "He's done a heck of a job for the association in Washington and abroad. I can't say enough good things about the man."

Behind the wheel of the dusty station wagon, the man drives back toward the rice field where the airplane is parked and the harvesting continues. Talk turns to current market conditions.

How's the rice market?

"Not worth a damn," Bennett retorts, "It's dirt cheap."

Soybeans?

"It's coming down, but it's still better than it was last year," Bennett says.

Did he book any of this year's soybean crop when the price was $10 a bushel?

"I'm not much for selling something I don't have," Bennett laughs. He explains that J.O. Bennett & Sons is primarily in the seed business. All their crop is sold for seed. What's not sold for seed is held until the following year and then sold to the mill. With 700,000 bushels of storage capacity, holding the grain is no problem.

A few moments later, Bennett is back in his airplane. The little craft bumps down the grass strip and lumbers into the air. Bennett circles the field being harvested. The downed combine still hasn't moved. He continues southwest to the Arkansas River. There, the patchwork of green and gold fields stop, and the pine forests begin.

A short ways up the river, Bennett turns the plane slightly to the right, back on course for Lonoke.

Bennett is a different man behind the controls of his Piper Super Cub. All traces of being a hard-driving person disappear. He says flying is his admitted therapy.

A friend quotes him as saying, "If I ever have to give up flying, I'll give up farming."

The smell of smoke from a house fire in Keo, a few hundred feet below, fills the cockpit. Bennett points out a crop duster spraying defoliant on a cotton field, something we haven't seen much of. Rice, soybeans and wheat have overshadowed it. After passing over a couple of soybean fields that are dead from the lack of water, the Riceland grain elevators in Lonoke loom into view.

Bennett doesn't boast, about anything. But it's obvious he's very proud. He's proud of his 41-year marriage to Betty Ann; he's proud of his two sons, Wayne Jr. who lives in Lonoke and also farms, and Mac, a freelance video producer living in Nashville, Tenn. He's proud of the accomplishments of J.O. Bennett & Sons; success, both business and personal.

"Wayne is extremely humble even though he has no reason to be whatsoever," says Trent Roberts, executive director of the ASA.

"Wayne is the same anytime you see him, whether it's late at night, early in the morning, on the farm or in Washington, D.C.," Kirksey adds. "He's always the same."

The plane is trying to land, but it's floating a few inches above the sod strip, refusing to come down. Bennett mumbles something about the wind. He briefly gooses the throttle to straighten the plane out after being hit by a gust of wind. Finally, it settles to earth.

"Not the greatest landing I've made," Bennett critiques.

As soon as he delivers his passenger back to the office, he'll be flying back to work in the fields.●

A CRITICAL AVIATION AGENDA

● Mr. PRYOR. Mr. President, I have just seen a paper entitled "A Critical Aviation Agenda" which outlines the consensus views of virtually every major aviation association. This document offers an agenda by the next administration.

It is pointed out in the document that numerous credible groups, including the President's Aviation Safety Commission and the Office of Technology Assessment have concluded that among the major problems confronting aviation is the inability of the Federal Aviation Administration to make decisions and carry out its responsibilities because of bureaucratic wrangling.

This is a view held by a majority of the Members of the Senate. In fact, 57 of us are cosponsors of S. 1600, a bill which provides a framework for depoliticizing and streamlining the FAA. There is no question this legislation goes a long way toward dealing with the problems at an agency that is hampered by enormous organizational and operational problems.

It is regrettable that the Senate will not complete action on FAA reform legislation this year. As is pointed out in the aviation agenda prepared by these prestigious national aviation associations, a major challenge facing the next administration is to revive the Nation's airport/airway system. I might add, it is also a major challenge for us.

I hope we will accept this challenge and give FAA reform legislation the urgent attention it deserves early in 1989.●

MINNESOTA MOCK ELECTION

● Mr. **BOSCHWITZ.** Mr. President, the greatest threat to our democracy is apathy on the part of our citizenry that make up the electorate. A large number of eligible voters do not vote because they are under the impression that their vote means little or nothing.

The last two Presidential elections saw among the lowest turnouts in our Nation's history, as only 25 percent of all eligible voters voted in 1980 and 26 percent in 1984. I am proud to inform my colleagues, however, that in 1984 the turnout in Minnesota was 68.5 percent.

Mr. President, we fought a revolution in this country for the right to be represented by a government we, as citizens, could take part in; civil wars and social revolutions have been fought and continue to be fought over the right to vote. Yet the majority of the people in this country choose to disenfranchise themselves by staying home on election day.

In this election year, as in many of the recent past, countless public service announcements are being aired imploring people to vote. Drive around downtown Washington and you cannot find a telephone pole that does not have a sign on it informing people to "Vote—It's Your Right." That is vitally important. But, I must tell you Mr. President, I think these signs do not paint the whole picture. Of course, it is every citizen's right to vote, but I would like to see signs crop up that tell people: "Vote—It's Your Responsibility."

Where does the apathy begin? There is no shortage of scapegoats: Watergate, Viet Nam, the Electoral College, blurred distinctions between the parties, and countless others. There is merit to much of this, but the key is, what do we do? Mr. President, I rise today to applaud efforts underway to make young people involved in election day.

In conjunction with Time magazine, the National Student/Parent Mock Election will be held in several States, including my own Minnesota, on November 8. The National Student/Parent Mock Election seeks to encourage greater interest and involvement in the political process by young people, along with their parents, in an effort to reverse the very frightening trends of low turnout.

I can think of no better way to improve turnout than to begin teaching the habits of voting and stressing the importance of doing so to our young people, who truly are the hope of our future. Without acting upon the mandate and responsibility to vote we as a national political community risk losing the institutions we know. We the People are at risk of losing what our forefathers fought so hard to win for us.

Mr. President, I would like to take this opportunity to commend the work of the National Student/Parent Mock Election, and that of Dr. Greg Waddick of the Minnesota Department of Education, for reminding us all of the importance of voter participation.

To the parents and student participating on November 8, 1988 I wish to extend my heartfelt congratulations and thanks for recognizing the value of this exercise.●

FAA REFORM LEGISLATION (S. 1600)

● Mr. **BREAUX.** Mr. President, I have recently seen a paper entitled "A Critical Aviation Agenda," which outlines the consensus views of virtually every major aviation association. This document offers an agenda for action by the next administration.

It is pointed out in the document that numerous credible groups, including the President's Aviation Safety Commission and the Office of Technology Assessment have concluded that among the major problems confronting aviation is the inability of the Federal Aviation Administration to make decisions and carry out its responsibilities because of bureaucratic wrangling.

This is a view also held by a majority of the Members of the Senate. I say that because 57 of us are cosponsors of S. 1600, a bill which provides a framework for depoliticizing, revitalizing and streamlining the FAA. There is no question this legislation goes a long way toward dealing with the problems at an agency that is hampered by enormous organizational and operational problems.

It is regrettable that the Senate will not complete action on FAA reform legislation this year. As is pointed out in the aviation agenda prepared by these prestigious national aviation associations, a major challenge facing the next administration is to revive the Nation's airport/airway system. I might add, it is also a major challenge for us.

I hope we will accept this challenge and give FAA reform legislation the urgent attention it deserves early in 1989.●

JOSEPH DOHERTY

● Mr. **LAUTENBERG.** Mr. President, I am troubled that our Justice Department has kept Mr. Joe Doherty in jail since 1983—more than 5 years—while seeking his extradition to Great Britain when three Federal courts have ruled that he should not be extradited at all because his offense was political, and the Board of Immigration Appeals ruled he should be deported to Ireland.

Having failed to send Mr. Doherty back to the United Kingdom through the extradition process, the Justice Department then intiated action to deport Mr. Doherty under the United States immigration laws. Although the Federal Board of Immigration Appeals ruled that Mr. Doherty should be deported to Ireland, and has upheld this ruling in the face of a Justice Department appeal, former Attorney General Meese ruled that he should be sent to the United Kingdom.

Mr. Meese's extensive efforts to block Mr. Doherty's deportation to Ireland have violated due process, and appear to be politically motivated. Several years ago, Senator BRADLEY and I wrote to Mr. Meese urging Mr. Doherty's deportation to the Republic of Ireland. I hope that Mr. Doherty can be deported to the Republic of Ireland without further delay.●

RUTH AND ROBERT KALEKO

● Mr. **D'AMATO.** Mr. President, I rise today to pay tribute to a special couple who will be honored later this month by Long Beach Memorial Hospital. The hospital's 66th Anniversary Ball will honor Robert Kaleko, a trustee of Long Beach Memorial Hospital, and his wife Ruth for all of their generous service to the Long Beach community.

Their involvement in community organizations is endless. These organizations include B'nai B'rith, Long Beach Council on the Arts, American Cancer Society, Beach Y, Zone A and B Property Owners Association, Hadassah, Temple Emanuel, and the Jewish War Veterans. In addition, Bob Kaleko has been a member of the board of education for more than 20 years, and Ruth Kaleko serves on the city of Long Beach Zoning Board.

Mr. Kaleko is a partner in Kaleko Bros., a diamond cutting company, and is a past president of the International Diamond Manufacturers Association and Diamond Manufacturers of America. Also, he served with the U.S. Navy during World War II. Mrs. Kaleko has served the community as a teacher for the past 30 years.

I am proud to salute Robert and Ruth Kaleko on their many fine accomplishments and send my best wishes to them and their children and grandchildren. I also send my best wishes to Long Beach Memorial Hospital on its 66th anniversary.●

1990 CENSUS TABULATION

● Mr. PELL. Mr. President, 3 days ago the Senate passed H.R. 4432, a bill which provides a procedure for gathering important information regarding the precise ethnic composition of the Asian-American and Pacific Islander population in the United States. The procedure will be similar to that employed during the 1980 census, where a checkoff format was used on the census form. The form provides Asian Americans and Pacific Islanders with an opportunity to identify which subgroup they belong to—such as Japanese or Korean—by checking the appropriate category from a list of subgroups.

The census is the best snapshot we have of the ethnic diversity of America. We must therefore take steps to ensure that the census gives us an accurate portrait of the American population. That is why the House bill included a provision that would create a checkoff box for Taiwanese Americans. There can be no denying that the native Taiwanese constitute a distinct ethnic group separate from the mainland Chinese. While many in Taiwan's ruling KMT party came from mainland China, that does not transform the native Taiwanese population into ethnic Chinese. It is beyond the power of any government to change the ethnic origins of an individual. To assert otherwise is to play politics with the truth. Thus, when native Taiwanese become U.S. citizens, their Taiwanese heritage should be recognized and respected.

Unfortunately, I understand that several Senators threatened to kill the entire bill unless the provision creating a checkoff box for Taiwanese Americans was removed. Therefore, in the interest of accommodating those Senators who are anxious to see this bill, passed, I did not object to the unanimous-consent agreement that was reached. However, I want to state for the record that, by removing the House provision, the Congress denied Taiwanese-Americans the opportunity to checkoff their ethnic affiliation in the same way that Korean, Japanese, and Chinese Americans are able to do. I think that result is unfair and should be corrected in the future.●

INTERNATIONAL VOLUNTEER MILITARY TRAINING ACT

● Mr. LUGAR. Mr. President, yesterday I introduced S. 2920, a bill to amend the Arms Export Control Act to authorize a program for certain retired U.S. Government personnel to provide military training and advice on a volunteer basis to eligible countries at low cost.

I ask that S. 2920 be included in the RECORD so that my colleagues have the opportunity to review this bill.

The text of S. 2920 follows:

S. 2920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Volunteer Military Training Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the United States is a major supplier of defense articles and services to countries around the world;

(2) United States military training and advice is an essential element of any military assistance program;

(3) the skills, patriotism, and experience of retired United States military personnel and defense officials is a resource that can be utilized at low cost for the purpose of providing military training and advice to friends and allies;

(4) low cost affordable training in logistics, maintenance, and other areas of low and medium technology and basic military skills is in the interests of United States friends and allies and the United States; and

(5) United States funding for programs for military training and advice have been decreasing in real terms in recent years.

SEC. 3. AMENDMENT TO THE ARMS EXPORT CONTROL ACT.

The Arms Export Control Act is amended by inserting after chapter 2C the following new chapter:

"CHAPTER 2D—VOLUNTEER MILITARY TRAINING AND ADVICE

"SEC. 30B. VOLUNTEER MILITARY TRAINING AND ADVICE.—(a)(1) The President is authorized to enter into a bilateral agreement with any foreign government purchasing or financing the purchase of defense articles under this Act by which the United States will make available, and the foreign country will accept and pay for, the use of United States Government retirees to provide training and advice to such country regarding the maintenance, management, logistics, or other low or medium technology skills which may be needed by such country as a result of the acquisition of such defense articles.

"(2) Training provided under this subsection may be in lieu of, or in addition to, the sale of defense services in connection with the sale of specific defense articles.

"(3) Such a program shall be implemented through existing procedures, including the use of Department of Defense and host country personnel in identifying programs and implementing such programs.

"(b)(1) Each bilateral agreement described in subsection (a) shall provide for the host country to pay the United States Government for the travel expenses, health insurance, and a per diem in lieu of subsistence for each United States Government retiree whose services are utilized under this section, together with a small fee to cover the administrative expenses incurred with respect to each such retiree by the sponsoring private and voluntary organization.

"(2) In lieu of payment under paragraph (1), credits allotted under section 23, or funds made available under section 503(a)(3) of the Foreign Assistance Act of 1961, to a country may be utilized, and the amount of those utilized credits or funds shall be made available to the United States Government for purposes of paragraph (3), without regard to any other provision of law.

"(3) The United States Government, acting through appropriate private and voluntary organizations, shall reimburse each United States Government retiree the amount paid or credited under paragraph (1) or (2) with respect to that individual.

"(c) For purposes of this section, the term 'United States Government retiree' includes any individual who is approved by the Secretary of Defense and—

"(1) who is a member or former member of the Armed Forces of the United States entitled to retired or retainer pay computed under chapter 71 of title 10, United States Code; or

"(2)(A) Who—

"(i) is an annuitant under subchapter III of chapter 83 of title 5, United States Code; or

"(ii) is an annuitant under chapter 84 of title 5, United States Code; and

"(B) who, at the time of retirement, was an employee of the Department of Defense.

"(d)(1) The President is authorized to reimburse appropriate private and voluntary organizations for the expenses incurred by such organizations in establishing and administering the program described in this section.

"(2)(A) There are authorized to be appropriated to the President $5,000,000 to carry out paragraph (1).

"(B) Funds appropriated pursuant to this paragraph are authorized to remain available until expended.".●

WORLD CHAMPION LOS ANGELES DODGERS

● Mr. WILSON. Mr. President, today I pay tribute to the World Champion Los Angeles Dodgers and to the American League Champion Oakland Athletics. Last night the Dodgers defied the odds and became world champions by winning the fifth game of the World Series by a score of 5 to 2. This put an end to the 85th World Series—one that showcased tremendous efforts by both teams.

The Los Angeles Dodgers demonstrated something that is not limited to the playing field. They exhibited an undying desire to win while turning a deaf ear to the experts and to the critics. They believed they could be champions from the first day in spring training despite the oddsmakers predictions that they would finish no higher than fourth place in their division. Let the Dodger's performance lend credence to the lesson that believing in oneself still counts when striving to accomplish life's goals.

I want to extend praise to Orel Hershiser who concluded a brilliant season by making four appearances in the National League championship series. Orel continued his uncanny performance in the World Series by throwing another shutout in game 2, and by winning the fifth and deciding game to become the "Player of the

Game and the Most Valuable Player of the World Series."

I also want to extend congratulations to the Dodgers' reserves, the self-proclaimed stuntmen who, in the absence of the injured starters, courageously stepped in and became heroes in their own right. Certainly, Mickey Hatcher and Mike Davis deserve great praise. Congratulations to the valiant Kirk Gibson whose injury confined him to the role of heroic pinch hitter in the World Series. Kirk Gibson became the hero in game 1, by limping off the bench in the bottom of the ninth inning with two outs and his team down by one run. In classic storybook fashion, he won the game with a towering home run into the right field bleachers to escort the Dodgers to their destiny as the champions of the 85th World Series. No "Casey at the Bat" is he.

Finally, I would like to commend the Oakland Athletics who exhibited first rate talent and should hold their heads high for they are indeed winners. With the best record in baseball this year, they also proudly represented California in the World Series and, along with the Dodgers, provided exciting memories for baseball fans throughout our great Nation.●

RECAPPING THE CAPITAL GAINS DEBATE

● Mr. BOSCHWITZ. Mr. President, as the 100th Congress draws to a close I want to return one last time to an issue vital to the economic health of our economy and our country—the tax treatment of capital gains.

We have witnessed the general success of the Tax Reform Act of 1986. Tax reform has cut out many abusive tax loopholes and lowered tax rates. In doing so, it allows taxpayers to base their decisions on opportunities in the market, not on shelters in the Tax Code. Tax reform has also removed many low-income people from the tax rolls, and it has clearly ensured that corporations pay their fair share.

However, as I have repeatedly stated here on the Senate floor, I am gravely concerned about the negative economic impact of the current tax on capital gains. As I have noted, the current high effective capital gains rate severely restricts investment, especially in venture capital essential to keeping American business competitive.

In addition, the high rates result in the taxation of inflationary gain—punishing those who have invested, saved, built businesses, worked farms or saved for their retirement. Talk of change has begun. Earlier this year, President Reagan proposed a reduction in the capital gains tax. I believe his proposal is right on track. Vice President BUSH has also endorsed the idea of lowering the tax on capital gains. Here in the Senate, in addition to my own proposal of a capital gains differential for assets held over a number of years, at least eight other Senators, from both sides of the aisle, have introduced legislation to reinstate a reduced capital gains rate. These proposals all have merit. I look forward to working with the next administration and the new Congress in developing these proposals and reforming the tax treatment of capital gains.

"A REVENUE LOSER"

Many people assume that lowering the capital gains rate will lose revenue. However, a number of studies, including one by Harvard economist Lawrence Lindsay show that capital gains rates should actually be lowered in order to maximize revenues. Lindsay's study indicates that a capital gains rate of 18 percent would increase capital gains revenues as much as 72 percent more than current law.

The reason is simple. Unlike income taxes that are paid on a regular basis, the capital gains tax depends on a voluntary financial decision. The taxpayer decides when to sell the asset and that triggers the tax. If the rate is high, the owner will have less incentive to sell the asset; with a lower rate, the owner will be more inclined to sell the asset—and pay the tax.

It's a principle that is proven every day in the retail business. Low prices result in more sales and a greater volume of business. Similarly, a low capital gains rate results in more sales of capital assets and higher tax collections.

While capital gains tax revenues skyrocketed just before tax reform took effect—in anticipation of the repeal of the exclusion for capital gains—most studies indicate that because of higher rates, future tax revenues attributable to capital gains will at best, be flat. The tax revenues in several States, including Massachusetts, New York, and California, have been lower than projected because of a decline in tax revenues from capital gains.

A TAX BREAK FOR THE RICH

The Tax Reform Act substantially raised capital gains rates. Rates that were 20 percent in 1986 now go as high as 33 percent. Combined with State taxes, the rates can now exceed 40 percent. Such a substantial increase is unwise.

Many people continue to think that a lower capital gains tax would be a tax break for the rich—that it would benefit only the top 1 percent or so of all taxpayers. The fact is, taxpayers earning below $100,000 a year account for 45 percent of all capital gains.

In addition, those with higher incomes may be in that income bracket only because of a one-time capital gain. For instance, they may have sold a business or farm they spent a lifetime building. In the year before and the year after the sale, their income will be far lower. Simply put, the sale of a large asset kicks them into a higher bracket for 1 year and distorts their true economic status.

"BLACK MONDAY"

A year ago this week, on "Black Monday," the stock market took a real dive—dropping over 500 points in 1 day. At the time, I shared a column by Warren Brooks with my colleagues. I agreed with Mr. Brooks that eliminating the capital gains exclusion may have played a role in bringing about the crash of the stock market. The huge increase in the capital gains tax rate had a profound impact on investor psychology, tilting it in favor of short-term investments. Because capital assets are taxed uniformly regardless of the holding period, investors are more likely to turn over investments quickly. There is no incentive to hold them for the long-term.

The current tax on capital gains severely undermines the attractiveness of long-term investments. As I noted in an earlier statement, under current law, long-term capital gains are overtaxed because much of these gains can be illusory. Gains investors realize frequently are due to inflation, not real growth, in reality, they do not increase the purchasing power of the investor. The current law treats a 1988 dollar like a 1978 dollar and like a 1928 dollar.

The effective tax on long-term assets can be staggering. When all forms of income are taxed alike, there is no incentive to take risks on an investment with long-term potential.

This policy has significant ramifications for the level of investment and entrepreneurial activity in this country. Rather than make investments in risky ventures, investors more and more will seek out investments that pay a current return but are less likely to experience dramatic productivity gains or job growth. In addition, entrepreneurs are less likely to gamble on starting new businesses when the tax consequences are so punitive.

"INVESTING IN AMERICA'S FUTURE"

A high capital gains rate can only reduce our competitiveness, by curtailing investment in existing businesses and the development of new businesses and products. This policy opens the way to more foreign investment, since most of our trading partners do not tax capital gains at all.

It is ironic that the long debate about trade and competitiveness did not shed light on the fact that the high capital gains rate has eliminated incentives for developing new technologies and investing in America's future. In short, a high capital gains rate is bad for our economy and bad for the well-being of the American people.

Mr. President, as the 100th Congress draws to a close, it is clear that reform of the tax treatment of capital gains will have to wait for a new administration and a new Congress. I am confident that, with the help of the members of the capital gains coalition, we have made progress in impressing upon our colleagues the importance of capital gains reform. I am committed to developing legislation that will encourage long-term investment and not unduly punish those who take risks and make sacrifices to build businesses, create jobs, and make America more competitive. I look forward to pursuing these goals in the 101st Congress.●

THE FUTURE OF THE INTELLIGENCE OVERSIGHT BILL

● Mr. COHEN. Mr. President, it is now apparent that the Democratic leadership in the House has decided not to bring the intelligence oversight bill—the so-called 48-hour bill—to a vote.

It is also apparent that the reason for this decision is to deny critics an opportunity to attack and further embarrass the Speaker for his recent statements.

So, ironically, we have the House majority, who generally supported this legislation, pulling it off the table to protect the Speaker. And, equally ironic, the Speaker has now provided opponents of the bill, who have contended all along that Congress cannot be trusted to keep secrets, with some powerful ammunition.

Thus, there will be no bill this year. There will be no legislative response in this Congress to the Iran-Contra investigation that occupied us during most of the 1st Session. The systemic weaknesses highlighted by the report of the two investigating committees will remain uncorrected.

But what about the future? Do we let the experience of the Iran-Contra affair go into the history books without our enacting any significant legislative reform?

I hope not. Mr. President, I believe there remains a compelling need for Congress to legislate in this area. The Justice Department has issued a legal opinion which says, in effect, that under current law, the President has "unfettered discretion" in terms of whether and when Congress will be notified of covert actions. Moreover, the present administration has issued its own policy statement in this regard—National Security Decision Directive 286—which reserves the right to keep Congress in the dark indefinitely with respect to such operations.

As long as these two documents remain as operative policy within the executive branch, I do not see how Congress as an institution can fail to assert its own constitutional prerogatives and responsibilities. While nothing can guarantee that another Iran-Contra affair will not happen, the awareness of Congress of such operations serves as an important and, indeed, the only, external check to ensure that they comport with the laws, policies, and values of our society.

What about the long-term significance of the House inaction? Obviously, the well has been poisoned this year, and the allegations of the Speaker's violation of House rules will be there for opponents to point to in the months and years to come. Nothing will change that unless the House Ethics Committee acts promptly and fairly to deal with the charges.

But as troubling as the Speaker's recent comments may be, they cannot justify Congress' either abdicating, or being denied the means of satisfying, its constitutional responsibilities. There will, regrettably, be aberrations; there will be those who abuse their positions and betray the trust others have placed in them. They should be held accountable and they should be disciplined for their indiscretions.

However, we must not lose sight of the fact that the Constitution explicitly mandates that the Congress will have certain responsibilities in the national security area. We appropriate money for the activities of the executive branch. It is we who declare war, raise armies and navies, advise and consent to the ratification of treaties and the appointment of Ambassadors, and regulate commerce between nations. Implicit in these responsibilities is a consultative role for Congress in the development of foreign policy. The President may be the executor of such policy but its development, I believe, is a shared responsibility under the Constitution.

Furthermore, the Constitution does not condition Congress' role on whether it can be demonstrated that Congress can keep a secret or not. In point of fact, we do have a system in Congress for the protection of sensitive information, and the vast majority of Members abide by it. Despite the recent controversy, I believe Congress has by-and-large shown itself to be a responsible partner in national security matters. But my point is, the Constitution mandates such participation regardless.

And participation is precisely the point of the intelligence oversight bill. It requires only that the two intelligence committees be notified of covert actions approved by the President. It does not require that the two committees approve such operations. Paraphrasing what Clark Clifford so aptly stated before the Senate Intelligence Committee, "we want a voice, not a veto." Under present law, Mr. President, the executive branch takes the position that it may deny Congress any voice at all. That is why we need new legislation.

I intend, therefore, to reintroduce this legislation at the beginning of the 101st Congress, and to press vigorously for its enactment. Whether there is a Republican or Democratic administration in place next January 20, we as a coequal branch of Government have an obligation to ensure that our institutional prerogatives and responsibilities are preserved. I hope my colleagues will continue to recognize the necessity of this course of action and will support enactment of this legislation in the next Congress.●

● Mr. BOSCHWITZ. Mr. President, throughout my long involvement in agricultural issues, I have pushed farmers—dairy farmers in particular—to be more aggressive and innovative in their approach to the marketplace. That is particularly true in dairy, and I saw with a small measure of pride that more aggressive marketing on the part of the dairy industry has led to an increased consumption of dairy products.

Today I want to present my colleagues with another example of innovation that has the potential to be of some assistance in the agricultural sector.

Recent technology has made possible the production of printing ink, made from a base of soybean oil. This presents our Nation's soybean producers with the potential to develop a large and previously untapped market.

A number of publications around the country are already using soy-based ink, and they report several advantages, including brighter, more vivid colors. Most importantly, however, may be the fact that soy-based ink is much more environmentally sound than traditional petroleum-based inks.

Currently, printers must treat wasted ink as a hazardous waste, and follow appropriate procedures in its disposal. Soy-based inks have no such problem.

Printers also report that a pound of soy ink prints more than a pound of traditional ink, and they are less likely to rub off on readers' hands.

Several publications in Minnesota, including Minnesota Agriculture, Agrinews, and the Farmer are currently using soy ink. I would like to challenge the soybean industry to begin a more aggressive promotion of the product, and challenge the printing industry as well to give this product a chance. For environmental reasons, as well as the boon it would provide our soybean producers, soy ink makes sense.●

REAUTHORIZATION OF THE CONSUMER PRODUCT SAFETY COMMISSION

● Mr. D'AMATO. Mr. President, as we near adjournment of this session of Congress, I would like to draw attention to important legislation that we have not addressed. For the seventh consecutive year, Congress has failed to enact legislation reauthorizing the Consumer Product Safety Commission [CPSC].

CPSC is miniscule in size, but has a major mission. With a fiscal year 1989 budget of $34.5 million and 530 people, this agency is responsible for protecting all Americans from unreasonable risks of injury and death potentially presented by 15,000 consumer products. Each year there are 28,000 deaths and 32 million injuries associated with consumer products. These injuries cost us an annual $10 billion in emergency room treatment alone.

Under its present leadership, the agency has wandered aimlessly, with little sense of direction or commitment to its statutory mandate to protect consumers. The Commission has bungled in its handling of the all-terrain vehicle imminent hazard enforcement action, the most important case in the agency's history. These off-road recreational vehicles have been associated with 1,078 deaths and an estimated 380,000 hospital emergency room treated injuries from 1982-88. Almost half of these deaths and injuries have been to children under 16. There have been 76 deaths in New York, the second highest number for any State.

Last year, CPSC and the industry negotiated a settlement that amounted to a virtual giveaway to the industry. Along with representatives of the American Academy of Pediatrics, the American Public Health Association, Public Citizen, the Consumer Federation of America, the United States Public Interest Research Group, and attorneys general representing 32 States, I appeared in Federal district court before Judge Gerhard Gesell as an amicus curiae. After making several important changes, Judge Gesell allowed the consent decree to become effective. In spite of this settlement, the ATV carnage is continuing and will continue in the foreseeable future.

Senator Gore and I introduced legislation this June, S. 2599, to address the continuing ATV problem. Our legislation would, among other things, provide a mechanism for refunds to consumers who have purchased three-wheeled ATV's and adult sized ATV's used by children under 16.

The House reauthorization bill would have gone a long way toward addressing the ATV debacle and other problems with CPSC. Unfortunately, as time expires in this session of Congress, it is unlikely that we will be able to pass this legislation. Apparently, one reason why we are not going to have CPSC reauthorization this session is a concern expressed over the agency's handling of an enforcement action against "worm probes," products that use an electric current to drive earth worms to the surface. This is unbelievable, in light of the fact that the reauthorization legislation has absolutely nothing to do with the worm probe matter. In fact, the focus on worm probes is misplaced. The real issue here isn't in getting worns out of the ground, it's in driving the worms out of the rotten apple that CPSC has become.

I can assure you that I will pursue legislation in the next Congress to fill the leadership vacuum at CPSC and provide real protection against the hazards presented by ATV's. Through my membership on the Senate Appropriations Committee, I will closely scrutinize CPSC's activities. I also intend to work with the next administration to help resuscitate this troubled agency so that it once again becomes the effective protector of the consumer that Congress intended.●

IGNORING THE ENERGY ISSUE

● Mr. BOSCHWITZ. Mr. President, I rise today to draw the attention of my colleagues to an item titled "Ignoring the Energy Issue," which appears in the October 19 issue of the Washington Post. The article was written by Frank G. Zarb, who was the Federal Energy Administrator from 1974 to 1977.

Mr. Zarb points out that American consumption of oil is up, that we continue to rely heavily on imported oil, and that the burning of fossil fuels is a major contributor to the global warming. He also laments that since we are not in a crisis situation nobody is paying much attention to the ultimate ending—the exhaustion of fossil fuels.

Mr. President, although we all won't concur with every one of Mr. Zarb's recommendations, I hope we all can agree with him in that we should not wait until another energy crisis faces us before developing alternative energy sources and encouraging energy conservation. Additionally, Mr. President, such a policy will reduce the amount of carbon dioxide emissions and help slow global warming.

We need to look toward the future and promote policies that encourage the conservation of energy and the development of cleaner energy technology. I encourage my colleagues to read this article and join me in the 101st Congress to promote such programs.

Mr. President, I ask that the article written by Mr. Zarb be printed in the Record following my statement.

The article follows:

[From the Washington Post, Oct. 19, 1988]

IGNORING THE ENERGY ISSUE—HOW SOON WE FORGET

(By Frank G. Zarb)

In less than a month, the campaign will be over, and it appears likely Election Day will arrive with only passing references by both Republicans and Democrats to that "E" word. Energy—an abundance of which at one time contributed greatly to the nation's ability to become a worldwide economic, social and political force—today remains an open question in America's future.

Broad natural resources/environmental campaign packages—while perhaps in themselves worthy of praise—skirt the central issues. Will America have the energy it needs to ensure future economic growth? Will sources be found in time? Will they be adequate to fulfill all our needs without jeopardizing our independence, our environment, the standards of living of each and every American?

Right now, energy is simply not a priority for American voters. There is plenty of oil. Every day a dollar buys more of it, and every day we watch as the chaos at OPEC grows. It would appear that in many ways, the measures taken by the United States starting in the mid-1970s to put pressure on foreign oil producers have worked. Ironically, however, this country's success in forcing retreat by members of OPEC has opened the way for a new threat: an excuse to relax a public policy that sensibly addressed our energy future.

The consumer has lost interest in energy. And energy as a campaign issue appears to have lost its edge. This complacency on the subject has occurred even as evidence suggests that the country is on the verge of losing whatever time was bought a decade ago:

Since 1983 oil consumption has risen almost 10 percent. To fulfill this demand, imports are up more than 40 percent, while domestic production is down approximately 5 percent. Among other things, this means our vulnerability to price or supply blackmail by the world's oil producers is a growing threat.

Recent findings suggest that the country's reliance on oil and coal to support a growing need for electricity production is probably doing more damage to the environment than initially believed. Carbon dioxide buildup from fossil fuels appears to be a major contributor to the so-called "greenhouse" effect.

The search for alternative energy forms has come to a virtual standstill. While that may not mean too much for the "near term," many leading scientists believe the world has less than 50 years of oil production left. To my mind, that is near-term enough.

These and other facts suggest that America has arrived at a critical juncture in determining how we face our energy policy. Before us lie two paths. One leads to dependency on foreign sources of energy and opens our exposure to the volatility we have known too well. The other will help to ensure that this country is well prepared to maintain its political and economic integrity as well as to preserve the delicate balance of our environment. No, the threat is not an immediate one. But that is the point. America still has a choice. And I would suggest that it is a choice we should make before we again face a problem of crisis proportions, before we lose our options.

Of course, the answers to America's energy questions are not simple. They go beyond quick fixes such as stepping up the use of natural gas. Take, for example, the price of fuel. At the heart of many of the problems we face—increased consumption, lower domestic production and the redeployment of capital away from alternate forms of energy—is cheap imported oil. Sooner or later we will have to initiate measures to raise prices—remaining price controls in the energy chain will have to be lifted, a BTU tax imposed. In turn, some of the revenues from that tax will have to go to U.S. oil producers, so they can be encouraged to produce U.S. oil.

Additionally, it will be necessary to revisit the possible contribution that nuclear power can make to our national fuel mix. A number of industrial nations have made considerable progress in the development of nuclear power while we have lagged behind. I am not suggesting a headlong rush into an area the dangers of which are well documented and worth thoughtful consideration. But as we continue to face such issues as global overheating, it may be that harnessing nuclear power is one important option for avoiding an eventual "Greenhouse-Doomsday" scenario.

These are only the most obvious solutions. The issue needs further thought and attention. It needs to be brought to the forefront of this country's agenda.

To be honest, if I were in the candidates' shoes, I too would think long and hard about using the "E" word. What needs to be said and done is historically unpopular. During the 1973-75 oil crisis, the two types of proposals that attracted the angriest mail from normally civilized, decent Americans were those that would have raised the price of gasoline and those to increase the number of U.S. nuclear power plants.

But government and the American public learned many lessons from facing that crisis, which was arguably of unparalleled proportions. Perhaps most important is that our nation's energy policy has the potential to affect the daily lives of each and every American, today and for generations to come. Let's apply the lessons of that experience. George Bush was in the federal government when we were struggling with the energy crisis during the '70s. Michael Dukakis was active in state government in Massachusetts when people were waiting on gasoline lines throughout the Northeast in 1974. Before we again face challenges of that magnitude, let's give the energy issue the respect it deserves.●

● Mr. LEVIN. Mr. President, on this last day of the 100th Congress, I rise to speak about another notable event in the annals of this Nation.

On September 24, 1988 a Jewish centennial celebration was begun in Muskegon, MI. What is unique about the celebration is that the entire community of Muskegon organized a comprehensive 8-month commemoration, including 50 individual programs and events. The 14 major cultural, educational and religious organizations in the Muskegon community united to focus, in this intensive way, on the contributions of the Jewish people both worldwide and in Muskegon. This could not have been done without the dynamic direction of Sylvia Kaufman.

For a community of almost 300,000 people to celebrate with such a massive outpouring of creative talent the 100th birthday of a tiny 87-family minority community represents the most eloquent testimony to American pluralism that I can remember.

I had the privilege, that I will always remember, of speaking at one of the first events, the opening of the Anne Frank Exhibit at the Muskegon History Museum. That evening Itzhak Perlman gave a solo recital at the historic Frauenthal Theatre. And the next day Congressman Guy Vander Jagt, who obtained his bachelor of divinity degree at Yale University, symbolized in a very personal way the ecumenical nature of the celebration by participating in the Jewish service of Sukkot.

One of the features of this 8-month celebration is the publication of a booklet entitled "Michigan's Jewish Community: A Centennial History 1888-1988" written by Dennis Devlin, who is a professor of history at Grand Valley State University.

Next May, the celebration ends with a trip to Egypt and Israel, focusing on art and music and the history of the two countries, and sponsored by the art museum and the symphony orchestra. I have never been so touched by the total commitment of a large community to the contributions of a tiny component of it. It is a model which all of our communities can use as we seek to maintain our ethnic pride in this unique country which not only allows everyone to do so, but proclaims the importance of that freedom.

A New York Times article on September 28, 1988 contained a bit of the flavor of the Muskegon celebration. I ask that it be printed in the Record at this time.

The article follows:

Centennial to Mark Jewish Sabbath Service

(By Isabel Wilkerson)

Muskegon, Mich. Sept. 25.—These days the Star of David is appearing all over this western Michigan town, first settled in the mid-1800's by Dutch lumberjacks who wore crosses and sang carols at Christmas.

Now, as part of a nine-month program, the whole town is planning a public Seder, learning some Yiddish and celebrating all things Jewish for the centennial of the first sabbath service held here in the home of Henry Rubinsky, a scrap metal dealer from Poland.

"This is a celebration of American pluralism," said Senator Carl Levin, Michigan's first Jewish Senator, who was here this weekend to open a photographic exhibit from the Anne Frank Center in Amsterdam, where the Jewish girl and her family were sheltered from the Nazis. "We have been a wandering people, thrown from place to place. This is a story of how a minority that has been pummeled and tossed around has found a home."

All of this is happening in a city where Jews make up less than 1 percent of the population and are routinely asked what they'll be wearing on Easter.

There are only 87 Jewish families living in this county of 150,000, enough for a congregation, but so few that some people here are afraid the city's production of "The Diary of Anne Frank" won't be able to find a Jewish girl for the title role.

But there were enough Jews here to gather support for the celebration that began this weekend with the opening of the Anne Frank exhibit and Hebrew melodies performed by the violinist Itzhak Perlman before a sell-out crowd of 1,800.

Jews here have come a long way from the time when it was difficult to gather a minyan, or quorum, of 10 men, for a sabbath service. They started as peddlers and grocers and tailors who over generations became financial and cultural leaders here.

Now, 70 years after a cross was burned in front of the Rubinsky house and 30 years since Jews were banned from the country club, newspaper advertisements here are heralding judaism. There was a "Shalom" from the First Presbyterian Church and two Stars of David in the advertisement for Lumberman's Bank.

Throughout the celebration, Judaism will be the focus of lectures, art exhibits, slide shows, concerts, cooking classes, film festivals and symposiums, evoking everything from Abba Eban to "Fiddler on the Roof."

The celebration has been front page news for months, evidence to older Jews of a growing acceptance of an identity they never had.

While many younger Jews here now enjoy many of the rituals of Judaism, some of the Jewish pioneers in Muskegon barely went to services. Few had bar mitzvahs, some put up Christmas trees every year and one Jewish woman was the secretary of the women's Episcopal Guild in a nearby town.

"Our parents wanted us to be good Americans and would never speak Yiddish in front of us," said 72-year-old Abie Ashendorf, who said his father answered an ad for a Muskegon chicken farm in the 1920's and stayed after "the six or eight Jews here talked him into it."

All this comes as a shock to Jews who have moved here from the Northeast, where bagels abound. In a region where the Dutch Reformed Church is predominant, it is not easy not being a Christian.

"I was taken aback by the intensity of Christianity here," said Dr. Joel Rubin, a surgeon who moved to the Middle West from southern New Jersey. "People here tend to be benignly naive, thinking everybody is Christian and equating Christianity with goodness."

In a local production of "Joseph and His Amazing Technicolor Dream Coat," Dr. Rubin said, "Joseph, was a blond Dutch boy, and eveyone thought it was great." He added, "I hope they won't have a little blonde girl as Anne Frank."

Christians here are starting with the basics. "Before this, I only knew about Hanukkah, and I just found out about that last year," said Cindie Jones, marketing director for the Muskegon Convention and Visitors Bureau, who is a German-French Lutheran. "It gives us a feeling of pride to be celebrating the Jews when other communities are showing prejudice."

The centennial is instructive for Jews as well. People who had slackened in their Jewishness are now reveling in it, redecorating the Temple B'nai Israel, reupholstering the furniture and painting the walls for the first time in years.

"We're hoping this will revitalize what has been a lethargic Jewish community," said Sylvia Kaufman, chairwoman of the Muskegon Jewish Centennial Committee. "People may not even know there's a Jewish community here, but after the next nine months, they will—and in a positive way."●

S. 908, INSPECTOR GENERAL LEGISLATION

● Mr. GLENN. It has come to my attention that there is language in the current Treasury Department Appropriations Act—Public Law 100-440—

which states that "[n]one of the funds made available by [that] Act may be used to place the United States Secret Service, the United States Customs Service, or the Bureau of Alcohol, Tobacco and Firearms under the operations, oversight, or jurisdiction of the Inspector General of the Department of the Treasury." This prohibition became effective on September 22, 1988.

On October 18, 1988, the President signed into law S. 908, the Inspector General Act Amendments of 1988, which places the Treasury Department under the coverage of the Inspector General Act of 1978. Section 102(d) of that law—Public Law 100-504—provides that, "notwithstanding any other provision of law, that portion of each of the offices of the Treasury Department referred to as the Office of Internal Affairs, Bureau of Alcohol, Tobacco and Firearms, the Office of Internal Affairs, United States Customs Service, and the Office of Inspections, United States Secret Service which is engaged in internal audit activities shall be transferred to the statutory Office of Inspector General." The "notwithstanding * * * law" language of Public Law 100-504 was contained in the original Senate version of S. 908 and its inclusion was explained in the Governmental Affairs Committee's report to accompany the bill (S. Rpt. 100-150) at page 29. This language was included specifically to override provisions in Treasury appropriations measures which prohibit the use of funds to place the Customs Service, Secret Service, and BATF under the inspector general.

Even though section 102(d) of Public Law 100-504 does not become effective until 180 days after October 18, 1988, it was our intention that the Treasury Department use this period to plan for effecting an orderly transfer of the internal audit functions of the Customs Service, Secret Service, and BATF to the statutory Office of Inspector General and that the transfer would be executed by the 181st day. Is this consistent with your understanding of the relationship between Public Law 100-440 and Public Law 100-504?

● Mr. DECONCINI. As chairman of the Subcommittee on Treasury, Postal Service, and General Government of the Committee on Appropriations, I carefully followed the progress of S. 908 and supported its enactment into law. I agree with your analysis of the relationship between Public Law 100-440 and Public Law 100-504 and see no reason why the Treasury Department cannot immediately plan for effecting an orderly transfer of the internal audit functions of the Customs Service, Secret Service, and BATF to the Office of Inspector General.

Mr. GLENN. Thank you for your continuous support of S. 908, which made possible its enactment into law.●

RIGHTS VIOLATIONS SOAR IN 1988

● Mr. LEVIN. Mr. President, El Salvador is scheduled to hold national elections in March 1989. El Salvador is in a crisis, and the success of freedom and social and economic justice in El Salvador is in the balance. Not only is the ultimate success of liberty crucial to the people of El Salvador, it is vital to our own national interest.

Respect for individual human rights throughout the world is a concern of all Americans. Our Nation's policies and actions should work to enhance the respect for human rights in every nation, under all circumstances.

Mr. President, the increase of reported human rights abuses in El Salvador is of grave concern. I would like to include in the RECORD a recent report compiled by the Council on Hemispheric Affairs of these reported increases. Whether we agree or disagree with specific explanations, it is important to discuss and examine the problems. We cannot condone, and should do what we can to condemn, any violations of human rights.

The report follows:

RIGHTS VIOLATIONS SOAR IN 1988

(By Michelle Tenner)

In May 1984, then-president-elect Jose Napoleon Duarte pledged to clamp down on the massive human rights abuses which has raged in El Salvador in the early 1980's during his previous government. For a variety of reasons, the number of civilian assassinations did decrease significantly over the next two years. But even before the full extent of Duarte's fatal illness was established, his political control was noticeably diminishing, and his popularity as well, as the power of the military and the far-right Nationalist Republican Alliance [ARENA] was increasing, and, with it, stepped-up violations of human rights.

Civilian assassinations have jumped dramatically in the first half of this year. The Human Rights Office of the Catholic Church's archdiocese in El Salvador, Tutela Legal, documented 124 political killings of civilians in the first 5 months of 1988, a startling increase over 1987 when the total number killed during the entire year was 156. In 1987, 72 civilians were assassinated by government forces, including the military and related rightwing death squads, as well as civil defense units; 31 were killed by the leftist Farabundo Marti National Liberation Front [FMLN] guerrillas; 29 by mines and explosive devices believed to be planted by the FMLN; and 24 by unidentified rightwing death squads. In the first five months of 1988, government forces have killed 41 civilians; mines and explosives, 32; the FMLN, 23; and death squads, 28.

These statistics do not include the large number of civilians randomly killed in military operations, and record only those murders which were witnessed and reported to the Catholic organization, often at great risk to the informer. The number of unrecorded deaths is unknown, though many more are believed to have occurred in rural areas of the country.

The increase in strength of the broad-based leftist opposition seems to be the leading cause of the rise in civilian assassinations. The return from exile of two major members of the Democratic opposition, Guillermo Manuel Ungo and Ruben Zamora, and their decision to field a presidential candidate representing their new alliance, the Democratic Convergence, reinforces the possibility of a new round of political assassinations. This prospect is enhanced by criticism coming from members of the rightwing ARENA party which has been directed against Duarte for allowing the leftist leaders to re-enter the country. In 1980, the last time reformists tried to participate in elections, death squads and the military assassinated leading candidates and caused those remaining to flee into exile. As Duarte falters, and his Christian Democratic Party [PDC] is racked by corruption charges and political fracturing, the strengthening alliance between the far right and the military reflects the same situation that generated and sustained the violence of the 1980s.

Since the beginning of the year, labor unions have increased the number of demonstrations pushing their political and economic demands. According to the United Nations Economic Commission on Latin America and the Caribbean [ECLAC], because of El Salvador's inflation rate and the workers' exceedingly modest wage increases, salaries from farm workers actually have decreased 55 percent, and 38 percent for the remaining work since 1983.

The military and death squads have reacted to the actions of a reinvigorated labor movement with coordinated violence. Most recently, on June 7, Domingo Lopez Morales, a chief negotiator for SOICSES, the construction workers union, was assassinated by men suspected to be related to the military. The murder occurred after Jose Nuila Fuentes, a major contractor, and presumed supporter of the far-right, allegedly requested the security forces to settle a labor dispute in which he was involved. Since December 1987, one member of STISS, the hospital workers union, and five members of ASTTEL, the telecommunications workers union, have been assassinated. The National Association of Farm Workers (ANTA) reported that in the first three months of the year, 49 of its members had been detained by the Salvadoran military and by unknown groups. As of June 13, twenty-three were still missing and three had been found dead.

Pro-government unions that had been exempt from violence in the past are now targets as well. One April 29, Adrian Chavarria Giron, a prominent member of the General Confederation of Workers [CGT], was found murdered after being taken into custody earlier in the day by Treasury Police.

Judicial attempts to improve human rights have also been met with violence. On May 11, Jorge Alberto Serrano, a military court jurist who refused to grant amnesty to three right-wing military officers suspected of death squad activities and operating a kidnapping for profit ring, was assassinated in front of his San Salvador home.

Refugees who challenge the military's counterinsurgency strategy by returning to their evacuated communities are at risk as well. In October 1987, despite governmental disapproval, 4,500 refugees from the Mesa Grande camp in Honduras returned to four sites in the northern Department of Chalatenango, the stronghold of the FMLN. The military responded by launching a series of aerial attacks upon the settlements. One of the areas, Las Vueltas, was hit by four series of bombing runs in March alone. Military attacks and sabotage of food deliveries have increased each month.

The uncertainty of the present military situation suggests that human rights violations are likely to significantly increase in the near future. The military has recently proposed an "anti-terrorism" law that would permit the arrest and detention, for lengthy periods of time, of civilians suspected of conspiring with the guerrillas. With the far-right ARENA party enjoying an absolute majority in the legislative assembly as the result of recent elections, the law is expected to pass. A July 2 transfer of military officers which gave the "Tandona," the class of 1966, ultimate power in the military, could presage a more aggressive form of warfare and an increase in the violence directed against civilians.●

STATEMENT OF SENATOR DANIEL K. INOUYE, CHAIRMAN, SELECT COMMITTEE ON INDIAN AFFAIRS REGARDING THE ACTIVITIES OF THE SELECT COMMITTEE IN THE 100TH CONGRESS

● Mr. INOUYE. Mr. President, in these closing days of the 100th Congress, I would like to take this opportunity to sum up the accomplishments of the Select Committee on Indian Affairs and to speak of my experiences in this Congress as chairman of the select committee.

Mr. President, over the past 2 years, as chairman of the Indian Affairs Committee, I have traveled to almost every part of Indian country, and I have seen the sometimes appalling conditions in which many native people are forced to live. I have seen raw sewage being dumped into drinking water sources, Indian housing, and Navajo hogans which have no water or sanitation facilities, native villages in Alaska where the only health care provider has less than 10 weeks of training, Indian children attending schools in classrooms in South Dakota that have asbestos hanging from the ceilings, Indian communities where the rates of alcoholism and substance abuse are as high as 90 percent, epidemic proportions of teenage suicide, and a crisis shortage of physicians and nurses in isolated reservation and rural areas.

In contrast to these miserable facts of tribal life, I have also come to know Indian and Alaska Native leaders from around the country who are working in their communities to change these conditions in the true sense of self-determination, and who have a vision for their nations for a brighter future. I have had the good fortune to meet with Indian youth from around the country who are part of a movement known as UNITY and who represent perhaps the most significant promise for future generations of Indian people. I have been inspired by the dedication and perseverance of native men and women, who have served their country in the Armed Forces in numbers which far exceed that of any other sector of American society, and who today, are leading tribal communities in efforts to improve the health, educational, and economic status of their people.

And finally, I have been deeply moved by the patience that Indian people have exhibited over centuries in which they witnessed not only the loss of over 500 million acres that once comprised their traditional homelands, but in many instances, because they were forbidden from practicing them, the loss of their native languages, traditions, and culture. These courageous people have survived many sad and dark chapters of U.S. history and yet today, they remain a proud people, exemplifying all that we consider to be great about this society in which we live. They are the first Americans, and in my view, they are an inspiring example which this Nation should recognize and support.

Mr. President, in this Congress some 84 bills were referred to the select committee covering a range of issues that is simply staggering: Indian health; housing; education; economic development and access to capital; settlement of claims to lands and water and claims of individuals for damages arising from various events; legislation to provide for the regulation of gaming on Indian reservations; legislation to provide for Federal recognition of tribes not currently recognized; legislation for the use and distribution of judgment funds awarded by the Indian Claims Commission or the court of claims to Indian tribes for various causes; amendments to legislation providing for adoption of tribal constitutions; amendments to legislation providing for tribal contracting of Federal programs for the benefit of Indians; legislation relating to the religious freedom of Indians and for cultural preservation through the establishment of a process for repatriation from museums to tribes or individual Indian families of skeletal remains and religious artifacts, and legislation for the establishment of a National American Indian Museum; amendments to legislation regarding the authority of States and Indian tribes in matters relating to the custody and welfare of Indian children and their families; legislation relating to the authority of the United States to impose taxes on the income derived by Indians from the exercise of treaty fishing rights, and legislation relating to the authority of Indian tribes to impose taxes within their own reservations; legislation relating to the provision of health and educational benefits to native Hawaiians; legislation to restore lands to certain reservations; and legislation to resolve conflicting claims of Indians to certain reservation resources and governance within the reservation boundaries.

Of the legislative measures referred to this committee in this Congress, 28 have been signed into law, either as free-standing statutes or as part of other legislation referred to the President for signature. Ten other measures have recently been passed by both Houses of Congress and have yet to be transmitted to the President, or have been transmitted and are awaiting signature.

In the 100th Congress, the Select Committee on Indian Affairs held 52 hearings, many involving multiple bills or issues. Ten of these were field hearings held in New Mexico, California, Washington, Oregon, Hawaii, Montana, South Dakota, and Alaska. As chairman of the select committee I participated in some 18 field trips ranging from New York City to review the Indian collection of the Museum of the American Indian, Heye Foundation, and the old U.S. Custom House, to attendance of conferences of the National Congress of American Indians, the National Indian Health Board, and the United Indian Development Association, as well as the Navajo Nation Economic Summit, and site visits and hearings in New Mexico, Arizona, California, Washington, Montana, South Dakota, North Dakota, Hawaii, and Alaska.

In addition to the work cited above, early in the second session of this Congress, at the request of the Select Committee on Indian Affairs, the Senate established as a subcommittee to the select committee, a Special Committee on Investigations to investigate any and all matters pertaining to problems and opportunities of Indians and the Federal administration of mineral and other resources, Indian education, health, special services, and other Federal programs and related matters. (S. Res. 381 21(c)). A report on the progress of the special committee is contained in Senate Report 100-510.

Mr. President, to simply recite the subject areas of legislation referred to the select committee provides a strong insight into the important role of this committee. It does not, however, reveal the full extent of the committee's work. In the course of the Congress the committee has worked with numerous other Senate committees to obtain appropriate amendments or consideration of Indian issues relevant to legislation before those committees. For example, the select committee held a number of joint hearings with the Committee on Energy and Natural Resources on matters relating to national parks, Indian water resources, and Alaskan issues; it has worked with the Agriculture Committee to obtain amendments to the Farm Credit Act Amendments of 1988; it has worked with the Armed Services Committee to obtain amendments relating to military procurement; it has worked with the Committee on Banking and Housing to secure funding authorization for an adequate number of housing units on Indian reservations and to develop our own legislation relating to Indian housing; it has worked with the Commerce Committee on issues relating to fisheries, transportation, and to the Federal Communications Commission; it has worked with the Committee on Environment and Public Works on environmental issues; it has worked with the Finance Committee on taxation issues and on economic enterprise zone legislation; it has worked with the Judiciary Committee on issues related to the alcohol and drug abuse legislation; it has worked with the Committee on Labor and Human Resources on educational issues, youth treatment, AIDS legislation, and matters relating to the Job Training Partnership Act; it has worked with the Rules Committee on various issues, but particularly on the establishment of a National American Indian Museum; and it has worked with the Committee on Small Business Administration on matters relating to Indian entrepreneurs. Needless to say the committee also worked closely with the Appropriations Committee on funding for various Indian programs, particularly funding for the Bureau of Indian Affairs at the Department of the Interior, for the Indian Health Service and the Administration for Native Americans at the Department for Health and Human Services, and the Office of Indian Education at the Department of Education.

Mr. President, as with any Congress, not all that has been aspired to has been achieved. One of the priorities established by this committee at the outset of this Congress was the development of economic opportunities for Indian people and the development of economies within Indian reservations or other Indian or native communities. A number of oversight hearings were held on this subject, and out of this grew several legislative initiatives. Amendments were developed to the Indian Finance Act of 1974 to increase the direct loan and loan guarantee limits to tribes and individual Indian entrepreneurs, to increase the funding authorization for the program, and to establish for the first time a surety bond program within the program. This legislation was successfully enacted as Public Law 100-442.

Inquiries were made with respect to legislation to revise the "Buy Indian Act" which governs procurement contracts of the Bureau of Indian Affairs and the Indian Health Service. Of particular concern was the regulatory requirement that qualified Indian business enterprises must be 100-percent Indian owned. Following oversight hearings on economic development initiatives, the Department of the Interior revised its regulations to provide that firms in which over 50 percent of the interests were owned by Indians would qualify—a standard that conforms to other applicable laws governing minority contracting.

Of greatest importance was the legislation to establish an Indian Development Finance Corporation, an institution that would supplement or complement traditional sources of capital for economic development in underdeveloped areas. This bill, originally S. 721 but now part of H.R. 3621, has been passed by both the Senate and the House of Representatives and now awaits the President's signature. The inability of tribes or Indian entrepreneurs to access capital for reservation development has been amply demonstrated. This legislation will provide an answer to this problem.

In the 101st Congress, in my capacity as a member of the Subcommittee on Defense of the Senate Appropriations Committee, it is my intention to encourage defense contractors to work with Indian tribes in building partnerships to develop Indian businesses. However, before we approach these major corporations we have concluded that it would be advisable to prepare a marketing portfolio which describes the viable opportunities available in Indian country. To prepare this portfolio, we have initiated a study which examines the nature and extent of resources and business enterprises developed by tribes and Alaska Native communities. We have received consent from 140 tribes and villages acknowledging their participation and will utilize the data collected in this study in promoting business opportunities with defense contractors.

A major effort of this committee was devoted to matters relating to Indian cultural preservation and religious freedom, and recognition of the contributions of the American Indian to the values of this Nation as encompassed within our constitutional form of government. Both the Senate and the House passed concurrent resolutions to acknowledge the contribution of the Iroquois Confederacy to the development of our Constitution and reaffirmed the Nation's trust responsibility to our Native American citizens. In addition, the 1988 Indian education amendments specifically repudiated a 1953 House concurrent resolution (H. Con. Res. 108) which had expressed the sense of Congress as favoring termination of Federal relations with the Indian tribes.

Hearings were held on legislation to strengthen the American Indian Religious Freedom Act (S. 2250). Legislation to provide for the repatriation of Indian skeletal remains and religious artifacts from museums to Indian tribes or individual Indian families was considered and reported out of committee, but insufficient time remained for consideration by the full Senate (S. 187).

Much time was devoted to an effort to achieve legislation that would establish a National Museum of the American Indian as part of the Smithsonian Institution on the national mall, with provision of regional museums. Ongoing efforts to resolve outstanding legal uncertainties as to the requirements of the trust which established the Museum of the American Indian, Heye Foundation, prevented passage of this important legislation in this session of the Congress.

Among the most successful efforts of the committee was the passage of four major bills affecting Indian water rights: three involving claims to water in the West, and one regarding water quality and control in the State of Florida. The Seminole Indian Lands Claims Settlement Act (Public Law 100-228) resolved longstanding litigation between the Seminole Tribe of Florida and the State of Florida regarding control of water, particularly in matters regarding water quality and water use. The other three bills are, S. 1415, to authorize the Animas LaPlata project in Colorado and resolve the water claims of the Ute Mountain Ute and Southern Ute Tribes in that State; S. 795, to resolve the claims of certain Bands of Mission Indians to waters of the San Luis Rey River in California; and H.R. 4102, to resolve Salt River Pima-Maricopa water rights in Arizona, are of major importance. Each has been acted upon by the Congress and awaits Presidential signature.

The 100th Congress also saw the enactment of legislation to regulate tribal gaming operations in Indian country. (Public Law 100-497). This was a most difficult legislative matter that had been before the Congress in both the 98th and 99th Congresses and pitted the interests of the Indian tribes against those of the State-regulated gaming industry. The issue was the subject of a number of hearings and intense discussions with both Indian and non-Indian representatives. I believe the legislation that was enacted was the best that could be achieved for all parties concerned.

Perhaps the most important accomplishment of the committee was the passage of comprehensive health care legislation amending the Indian Health Care Improvement Act of 1976. Following a Presidential veto at the end of the 98th Congress, and a failure of final action at the end of the 99th Congress, the Indian community has been waiting for over 6 years for this landmark legislation that will continue the Federal policy objective of raising the health status of Indian and Alaska Native people to the highest possible level. This legislation has been sent to the President for signature.

In the area of other social programs, legislation was enacted to provide amendments to the Education Act (Public Law 100-297); to provide for a separate Indian Housing program at HUD (Public Law 100-358); and to reauthorize the Administration for Native Americans and to amend the Older Americans Program at HHS (Public Law 100-175).

On the matter of delivery of programs to Indians and Indian tribes, comprehensive legislation was enacted to amend the Indian Self-Determination and Education Assistance Act of 1973 to address numerous problems that tribes have encountered throughout the years since the act was originally enacted. The greatest of these problems has been the matter of indirect costs in which continuing shortfalls have developed theoretical debts which in turn result in shortfalls in actual program dollars. In addition, provision was made for a demonstration program of consolidated contracts which should afford tribes substantially greater flexibility in addressing their needs.

Numerous bills were enacted into law providing specific relief to individual Indian tribes in the form of transfers of lands for addition to the tribal reservation land base, taking of previously held lands into trust, authorizing the lease of trust lands, and providing for use and distribution of judgment funds. Two tribes in Texas, the Alabama Coushatta, and the Ysleta del Sur Pueblo, were restored to federally recognized status, and one tribe in Michigan, the Lac Vieux Desert Band of Chippewas, was acknowledged to be a tribe separate and apart from another tribe it had previously been linked with as a matter of administrative convenience to the Government. In recent days, Congress passed S. 2752, a bill to transfer to the Quinault Tribe of Washington certain Federal lands that were erroneously excluded from the Quinault Reservation because of an incorrect survey. This legislation awaits transmittal to the President for signature.

In the closing days of the Congress legislation was enacted to provide for the partition of the Hoopa Valley Indian Reservation in California between the Hoopa Valley Tribe and the Yurok Indians of the reservation. Controversy over the governance and resource management of the reservation has existed for over 30 years, resulting in numerous lawsuits, the first of which was filed in 1963 and has not yet been finally resolved. The legislation has been the subject of very strong feelings by all of the parties concerned and has been the subject of an intense lobbying effort. I am satisfied that the legislation is legally, historically and factually sound and represents a good faith effort of the Congress to resolve this conflict in a manner that will enable both the Hoopa Valley Tribe and the Yurok Tribe that is to be organized to properly develop and manage their resources and govern their respective reservations in a sound and just manner. This legislation also awaits transmittal to the President for signature.

Mr. President, the difficulties of the Hawaiian natives has been a matter of longstanding personal concern. I am pleased to say that in this Congress we were successful in including in Public Law 100-297 a program to improve the educational status of native Hawaiians. In addition, Congress recently passed legislation to provide health care assistance to the native Hawaiians. This legislation, too, awaits the signature of the President.

Mr. President, as I stated earlier in these remarks, not all of the legislative efforts have met with success. Among other bills considered by this committee was S. 2672, a bill to provide for Federal recognition of the Lumbee Tribe of North Carolina. At the hearing on this legislation, the committee received very strong supporting testimony from the academic community including Dr. Jack Campisi (Ph. D., anthropology) who testified that of the 18 petitions for acknowledgement as an Indian tribe that he had worked on over the past decade, the Lumbee petition was the best documented petition he had worked on and in his professional opinion the Lumbees meet every criterion for Federal acknowledgement.

Dr. Campisi's testimony was supported by Dr. Fogelson, professor of anthropology at the University of Chicago, and Dr. Sturtevant, curator of anthropology at the National Museum of History and general editor of the Handbook of North American Indians, Smithsonian Institution, as well as by Prof. Vine Deloria, a noted author in Indian affairs and now a professor of political science at the University of Arizona. Professor Deloria previously was the excecutive director of the National Congress of American Indians [NCAI]. The bill was also personally supported by the current executive director of NCAI, who expressed the opinion that NCAI would adopt a resolution of support in the future.

The committee also received testimony from Lumbee witnesses indicating that in fact the Lumbee Tribe had been recognized by the Congress in 1956 and that the legislative language denying eligibility for Indian services was simply a manifestation of the Indian policy of termination which was then prevalent. On the basis of the record before the committee and additional research into the issues, the committee concluded that the 1956 legislation did indeed constitute a legislative recognition and on this basis the legislation should go forward. The bill was reported by the committee but was not taken up by the full Senate.

Mr. President, the Lumbee recognition bill is only symptomatic of a larger issue of resolving questions of acknowledgement or recognition of currently unacknowledged or unrecognized tribes. From oversight hearings on the Federal acknowledgement process, it is clear that the office charged with the responsibility in the Bureau of Indian Affairs for handling acknowledgement petitions is over burdened and badly understaffed. It would also appear that the processes and criteria developed over the years for review of acknowledgement petitions is also impeding the ability of the Bureau to handle these petitions with any degree of dispatch.

It is clear that a more expeditious and realistic process for review of these petitions must be developed. There are numerous small tribes in California who are threatened with losing their eligibility for Federal services, particularly Indian health services, because of their lack of Federal recognition. In Alaska, because of the recognition question, there are 33 native villages that were left off of a list of native entities eligible to receive Federal Indian services. In Michigan, committee staff met with a band of Ottawa Indians with a membership of over 6,000 persons who are about to lose access to Indian health services because of their unrecognized status. And in Washington State, there are a number of small tribes whose efforts over the years to achieve recognized status have been complicated by a series of legal events in that State.

Development of general legislation to address this situation is clearly work that should be undertaken in the 101st Congress.

As previously noted, great progress has been made in fashioning legislation to establish a commission to assist in the repatriation of skeletal remains, grave goods and religious artifacts to their rightful owners. And legislation to improve the existing American Indian Religious Freedom Act has been laid before the select committee. This is work that must be continued in the 101st Congress.

We are now underway on the development of a comprehensive community based mental health initiative. Three oversight hearings were held during the second session of this Congress to develop a record documenting the need for solutions to the alarmingly high incidence of suicide, homicide, alcoholism, and substance abuse on Indian reservations. As compelling as these fundamental mental health problems are the President's budget request for fiscal year 1989 for the Indian Health Service allocates a little more than 1 percent—$13,092 million from a budget of $1,020,106 million—to the mental health budget activity. Committee staff are working with Indian people and health care professionals from around the country to develop legislation which is culturally appropriate and sensitive to the needs of the Indian and Alaska Native population. It is believed that a community-based initiative is the best means for enlisting Indian communities in what must be a comprehensive effort to address the mental health care needs of native Americans.

Issues involving the implementation by tribes of title II of the Civil Rights Act of 1968 have arisen during this Congress. This is a contentious issue that has been the subject of study by the U.S. Civil Rights Commission and was the subject of legislation introduced by Senator HATCH in the closing days of the Congress that not only would have overturned the landmark decision of *Santa Clara Pueblo* v. *Martinez,* 436 U.S. 49 (1978) which strongly supported tribal sovereignty, but would have compelled Indian tribes to restructure their governments in order to achieve recognition of the decisions of their courts. (S. 2747). This legislation clearly goes to the heart of the Federal-Indian relationship and is a subject in which the Select Committee on Indian Affairs must be involved. In fact, early in the second session of the Congress, the select committee did hold a lengthy oversight hearing in which it received extensive testimony from tribal court judges and persons with extensive knowledge of Indian law and policy. This work, too, must be continued by the Select Committee on Indian Affairs in the 101st Congress.

Legislation to improve the Indian Child Welfare Act of 1978 was also considered by the select committee. (S. 1976). While the legislation did not move forward, hearings on the legislation revealed serious problems in the current application of the law and in the implementation of the programs authorized under that act and I would anticipate further activity of the committee in this subject area in the 101st Congress.

Finally, Mr. President, I would note that my last field trip with the committee in this Congress took me again to my own home State of Hawaii, and to many remote parts of Alaska. There are serious issues of substantial concern to this committee regarding the health and well-being and the legal status of the native people and their tribes, villages or communities in each of these States that are unique and require sensitive consideration in the 101st Congress.

Mr. President, this only provides a broad brush of the issues this committee has considered and the issues that lay before it next year. Among other matters in which I take pride is the fact that in the course of my travels I was able to meet with the Puyallup Tribe in Washington and officials of Washington State and the city of Tacoma and play some part in assisting in a negotiated settlement of a major tribal claim to lands within the city of Tacoma. Negotiations on other land claims are also taking place at this time, for example the Oneida land claim in New York, in which this committee has been active. These matters, too, will be before the committee in the 101st Congress.

Effective development of Indian forests has been a concern of the committee and under Senator EVANS direction we have developed an insightful and compelling hearing record regarding timber management. This initiative will likely come under the consideration of tribes and the committee in the 101st Congress, unfortunately, we will miss the stellar leadership of Senator EVANS on this issue.

Mr. President, this summer I had the privilege of participating in the United National Indian Tribal Youth [UNITY]/Youth 2000 Conference. Attending were among 300 of the brightest and best young Native American Indian men and women from throughout Indian county. A special message, which was shared by all participants and one in which I strongly believe, is that young men and women represent our best hope for bringing about meaningful change to a number of negative conditions that affect American Indian and Alaska Native communities. Following the conference, I sent a letter out to all of the Tribes and Alaska Native villages promoting youth councils and believe the formation of these leadership programs will release the unlimited potential that exists in American Indian and Alaska Native youth.

Mr. President, not only will the committee be busy on the legislative matters I have described above, but I have no doubt that as a result of the work of the Special Committee on Investigations, there will be a substantial number of other legislative activities that will engage the efforts of the select committee. It is a heavy workload, but one that should be eagerly anticipated.●

THE INAUGURATION OF I. KING JORDAN TO THE PRESIDENCY OF GALLAUDET UNIVERSITY

● Mr. HARKIN. Mr. President, this morning, I had the great honor to speak at the inauguration of I. King Jordan to the presidency of Gallaudet University. Dr. Jordan, the eighth president in this institution's 124-year history, is also its first deaf president. In my years in Congress, I have rarely felt the warmth, enthusiasm, and hope that permeated the field house at Gallaudet University.

Today is truly a historic day. Dr. Jordan's inauguration represents the culmination of the protests of this past March when Gallaudet's students, faculty, and staff pulled together and fought for the rights of all deaf people.

His inauguration also represents a new beginning. King Jordan spoke this morning of his vision—of what a deaf person can do, that the "capacity for excellence is not reserved for those who can hear." His commitment to excellence was powerfully and eloquently expressed. He challenged each of us to set our goals high and to succeed.

I ask that the text of Dr. Jordan's remarks be printed in the RECORD at this time.

The remarks follow:

"LET US BEGIN . . . TOGETHER"

INAUGURAL ADDRESS OF I. KING JORDAN, PRESIDENT, GALLAUDET UNIVERSITY, OCTOBER 21, 1988

Today, Gallaudet is not simply installing its eighth president, but its first deaf president. An event made possible only because so many of you watching today were willing to commit yourselves to a cause that you believed to be just and right—the right of every person to have unlimited goals and expectations.

I am more used to sitting—there—with the faculty, than standing here. At each commencement, I recall being filled with the hope that only a teacher can know—hope for the young people ready to make their way in the world outside the familiar halls of Gallaudet—hope that the world they were going to would be inviting and responsive to them.

In my twenty years on this campus, I have witnessed extraordinary accomplishments by a dedicated community of faculty, staff, and students. My vision has become clearer—as I have moved from student to faculty member to dean to president—my vision of what a person who is deaf can do. In March, many people all over the world grew to share that vision—the belief that the capacity for excellence is not reserved for those who can hear. With this presidency, we will begin together to demonstrate—in a new way—what our particular brand of excellence can be.

Excellence has always been at the heart of our mission. At one time, Gallaudet was small and exclusive. Under the able leadership of each president, our perspective has continually expanded. Only twenty-five years ago the first deaf students were admitted to our graduate programs. National demonstration schools, Kendall and MSSD, emerged as did regional centers and our international programs, all responding to the changing needs of the hearing impaired population throughout the world. The confirmation of our University status two years ago was fitting recognition of this broadened mission. With this presidency, we will begin together new initiatives and new programs in areas where the needs of deaf people are most pressing.

What Gallaudet means by excellence is the ability to extend important ideas, materials, and resources to new areas, to new groups of people. We reach out to people of any age, with any degree of hearing loss. People who sign, people who speak, and people who both sign and speak. People who were born deaf and people who became deaf later in life. People who are not deaf but who will contribute to the lives of deaf individuals.

Establishing important connections to the world outside of the campus is an important part of our mission. The distance to the Congress on Capitol Hill has become, truly, walking distance since last March, and we have found that we have fine friends throughout our government. Members of the House of Representatives and Senators have made the way easier for us. Let us begin together to work closely with the Department of Education and the Congress to be sure that our programs continue to thrive and have maximum impact.

We respond to needs beyond Gallaudet's campuses. Although we are a relatively small university, our windows look out on the entire world. We respond to people who are deaf in San Francisco, in New York, in New Orleans, or in Africa. The deaf child in a mainstream program in New Mexico is just as much a part of our community of concern as is the hard of hearing person in Philadelphia. The person who is experiencing a hearing loss for the first time will find programs at Gallaudet to provide support and information. Many of the technologies being used here today to enhance our communication were developed on this campus.

Our community becomes even stronger when we are joined by all people who are disabled, for we share a common cause—the right of every person to have unlimited goals and expectations. Let us begin together to build alliances with other disabled people to strengthen further that common cause.

Gallaudet researchers are constantly investigating in all areas that are of critical importance to the lives of deaf people. Our scholars have studied not only the traditional disciplines but the rich and varied history, the unique culture, and the cherished language of people who are deaf. Their work has made Kendall Green a repository for the culture and traditions that have so enriched the deaf community.

But, at the center of our mission are the students who entrust themselves to us. We are committed to training them to make their way in the world, to perform well—whether they perform with a microscope or perform on stage. We work with deaf people from infancy through adulthood. At all levels, our faculties constantly strive to devise new teaching methods, new programs, and new courses to assure that our students have the best opportunities. And, we share what we learn with other universities. Schools and programs across the country have benefitted from the projects and strategies created or developed in our precollege.

Gallaudet has always responded to the developmental needs of students. Special academic programs help us find ways to reach the struggling student who did not get a good start or to enhance the educational experience of the more gifted and talented student. Human development programs and innovative activities address the students' lives outside the classroom.

Excellence at Gallaudet has particularly meant an undergraduate program that embodies the best of the liberal arts tradition and provides a foundation on which students can build their professional lives. The men and women who study in our graduate programs will spread their knowledge throughout American society and will contribute significantly to scholarship in the twenty-first century. These new leaders will be forceful and educated advocates for us all. And now, let us begin together to find more effective ways to challenge all our students to become even better students and citizens.

Excellence in many of the areas I have mentioned is traditional at all fine universities. But, Gallaudet is, and always has been, unique among institutions of higher education. Our mission has not only been to educate, but to advocate—not only to conduct research, but to make sure the results are available—not only to serve the campus community, but to serve the larger community of deaf and hearing impaired people everywhere.

In its 124-year history, Gallaudet became an institution respected the world over. Eight months ago we were a distinguished university with many achievements. And then, on March 1, our world changed. On that day, a rally on campus brought together many members of the campus community in an unprecedented show of united purpose.

Excellence took on a new meaning in the week that followed. The world saw a diverse community come together with a synaptic spark. They saw a student body conducting itself with dignity and deliberation during a week filled with the potential for disruption. They saw articulate students, along with faculty and staff, argue eloquently that their cause was just. And now, let us begin together to make real the promise of the week.

At Gallaudet, persons who are deaf must have unlimited educational and professional opportunity.

Excellence at Gallaudet must mean that we are advocates for the rights of deaf and disabled people everywhere. We must become a working model. No barriers. No impediments. No restrictions. Gallaudet must demonstrate the true meaning of "open access."

Excellence at Gallaudet must mean that our university is a community in which people of all kinds and ages, deaf people, hard of hearing people, and hearing people, live and work together.

Excellence at Gallaudet must mean an unyielding commitment to find more, to never be satisfied with what we know, to be always alert to new possibilities, and to be always curious. Let us begin together to truly embrace the diversity of opinion and outlook that nurtures the intellectual life of any great institution of learning.

Each of us, then, who is part of the Gallaudet community must affirm this broader definition of excellence. We must be excellent students, excellent educators, excellent researchers, excellent advocates.

Samuel Johnson wrote that "curiosity is one of the permanent characteristics of a vigorous intellect." Let us begin together to increase our curiosity about the world, about learning, about ourselves as persons—deaf or hearing—and that shall make our intellects vigorous and lively.

There is a sign phrase known to every teacher in this room. A sign that appears in late April when energies are flagging and excuses begin to appear. When the patience has worn out and course work seems to be repetitive, the phrase appears: "motivation lost." It is a sad sign, and excuse. For a long time, deaf people were suffering from a feeling of "motivation lost." But last March in our unity, in our belief and in our amazement at our own strength, we enjoyed a true renaissance, a "motivation found." We must go forward with that new energy, that renewed belief in ourselves and in one another. We must provide the leadership. We must be the role models. We must share the feeling that we have known so recently—a feeling of strength.

I challenge each person in this room and in Elstad, Hughes, and MSSD, across the satellite miles, across the country, and around the world. I challenge you to take up this motivation, take up this enthusiasm, take up this new courage to try and do anything under the sun. I challenge you to succeed.

I challenge each of you: deaf, hard of hearing, or hearing; parent, child, or grandparent; student or teacher; friend—anyone within the sight of my hands. I challenge you to take up the vigor . . .

. . . to research with new curiosity;

. . . to be relentless in your search for new methods and better means;

. . . to be untiring in your willingness to reach out to one another;

. . . to do only the best work of which you are capable;

. . . to argue . . . deliberate . . . learn;

. . . to take the events of last March to your heart and your hands; to do the work of making this world responsive and welcoming to deaf persons.

I challenge you to set the finest example and to bask in this "motivation found."

Then we will be known not only as the world's only liberal arts university for the deaf, but truly as a community of excellence.

Last March, we put our hands to the ground and we felt the vibrations of generations of aspirations and expectations. We felt the impulse of excellence. We came out of our huddle, and we made a beginning.

And now, let us begin together.●

A POST MORTEM FOR THE CONTRAS

● Mr. HARKIN. Mr. President, I commend to my colleagues' attention the following articles on the history of the Contra movement written by Glenn Garvin of the Washington Times. These articles retrace the history of the Contras, from the present, when even President Reagan, who has so identified himself with the Contras that he declared himself one, refuses to submit a request for renewed military aid, to the origins of the movement in early 1980's.

From the very beginning, the Contras have been victimized by the shortcomings of Reagan administration policy. Back in 1981, when the CIA justified aid to the Contras solely as a means of interdicting arms to El Salvador, the Contra leadership publicly declared as their goal overthrow of the Sandinistas. For the next 7 years, the administration never clearly defined the ultimate objective of its Contra policy.

Mr. Garvin also blames the Contras' problems on their association first with the Argentine generals, engineered by the Reagan administration, and later on their dependence on the Central Intelligence Agency, whose policy embarassments such as the mining of Nicaraguan ports and publications of assassination manuals caused Congress to suspend military aid to the Contras in 1984.

Moreover, according to Mr. Garvin, the administration frequently reshaped the Contras to fit American political realities. Given the Contras' reliance on the United States for their survival, it is no wonder that they have failed to win popular support inside Nicaragua.

This series paints a picture of a rebel force trained by the United States and its surrogates, the Argentines, with its political leadership hand-picked by the Reagan administration, and its political and military objectives defined by the United States. In sum, the Contras are the creation and the victim of the Reagan administration.

Most important, the Washington Times articles place responsibility for the failure of the Contra movement squarely on the doorstep of the Reagan administration, not the Congress.

I ask that the following articles be printed in the RECORD.

The articles follow:

[From the Washington Times, Oct. 17, 1988]

BITTER CONTRAS RECALL DAYS OF HOPE AND U.S. SUPPORT

(By Glenn Garvin)

William Casey wobbles slightly as he climbs onto the reviewing stand in a Honduran meadow, just a few miles from the border with Nicaragua. At 73 he is not as sure-footed as he once was in climbing ladders, but his voice is strong. Listening attentively are several hundred Nicaraguan rebels who, in a few weeks, their pockets bulging with new bullets and hand grenades from the United States, will cross the border to try again to topple their country's Marxist government.

To them, the man on the ladder is the second most powerful in the world—after Ronald Reagan, of course—and he must have an important message.

Mr. Casey does not disappoint them. "It's a great privilege for me and my country and President Reagan to stand side by side with you in this struggle," he assures them. "I can assure you that this commitment is a solid one from the president and the Congress of the United States—and from the people."

The troops are silent while the words are translated into Spanish. And then—a roar! The master spy and his president are committed.

Click, Enrique Bermudez snaps off his video recorder and the image of the late CIA director fades to a pinpoint. Elsa Bermudez looks over at her husband, the top resistance military man. "I love to watch that tape, Ricky," she says softly. "We were winning then."

It has never looked so good again. The Casey visit to the resistance camp was taped on Nov. 19, 1986. Within a week, the so-called "Iran-Contra" scandal broke, sucking the Reagan administration into a vortex from which it would never really emerge; within six months, Mr. Casey would be dead of brain cancer.

The fate of the resistance was less percipitous but just as certain. It went on to enjoy its best year in the field, banishing the Sandinista air force from the skies, wrecking the country's electrical power grid and pushing Nicaragua's economy to near collapse.

Fifteen months later, however, its leaders and men discovered that their commitment from the United States was as ephemeral as the electrons that made up Mr. Casey's television image.

The Iran-Contra scandal sharpened what already was a thoroughly polarized issue, and what began as a foreign policy issue quickly disolved into partisan confrontation. The result: A Democratic-controlled Congress refused to vote further military aid, and, inch by inch, the rebels began backing out of the Nicaraguan jungles toward Honduras. Today, fewer then 2,000 remain inside Nicaragua, down from a high of 15,000.

"They're deader than a doornail," says one U.S. official who has served in Central America.

The military aid cutoff, which took effect last February, was the latest step in a peculiar and intermittent dance between the Nicaraguan resistance and the U.S.-government that has been going on since November 1980, when a small group of the rebels spoke with members of the incoming Reagan administration about their dream of destroying the Marxist-Leninist government that had been ruling their country for the past year.

At first, the group was composed almost totally of former members of the Nicaraguan National Guard, the army that was enforcer for the family of dictator Anastasio Somoza until it was toppled in 1979. Later—as the political bent of the Sandinistas became clearer, and American dollars grew more plentiful—the tiny core of Guardsmen would be swelled by thousands of angry peasants and disillusioned former Sandinistas.

And what a strange dance they were to have with the gringos. Sometimes the American aid has been covert, sometimes overt, and sometimes through proxies. Sometimes it has been administered by the CIA, sometimes by the State Department, and sometimes through government agencies that specialize in refugee care. Sometimes it has included bullets, and sometimes there have been only beans and Band-Aids.

Eight years later, the rebels are weary of the minuet, but they have no other partner. "I call it the 'uncertainty policy,'" says one longtime resistance leader. "Sometimes the gringos are with us, sometimes not.

All the pauses and permutations in American aid over the years—and the scare stories that accompanied each one—make it chancy to declare the resistance dead. And certainly there are those who believe the rebels can still play an important role in Nicaragua, even without American help.

But along with the imminent departure of President Reagan, the rebels' biggest champion, there are differences, more foreboding and seemingly final for the resistance, about this cutoff.

The biggest is the stream of refugees it has created. During the last few months, a steady trickle of Nicaraguans—many of them rebel soldiers who have sold their weapons to finance the long walk north—has moved across the U.S. border near Brownsville, Texas. Any morning of the week, just across the border in Matamoros, Mexico, dozens of Nicaraguans huddle at the bus station or in the lobby of the Hotel Fiesta Gallo, bargaining with "coyotes"—guides who, for a price, will arrange passage into Texas.

American Immigration authorities say they have caught 1,500 Nicaraguans along the border this year; many times that number, they say, have gotten away.

Some of the former fighters who have crossed the border say that police and immigration officials in Central America actually helped them on their way north. Humberto Galeano, an 18-year-old rebel veteran who arrived here in May, said a Honduran policeman bought his pistol for $50 when he explained he wanted to go to the United States.

Most of the resistance soldiers, to be sure, are not headed for the United States—at least, not yet. Instead, they wait patiently in their base camps in Honduras, believing American help will soon resume.

"I'm surprised that their morale is so high with what they've been going through," says John K. Singlaub, a retired U.S. army general who raises funds for the rebels and is a frequent visitor to their camps. "They listen to the Managua radio, and they hear about all the great Sandinista [political and diplomatic] victories. But very few of them are saying, 'That's it, let's get a green card and go to the States.'"

A March 23 agreement negotiated with Managua might have helped keep rebel units armed and inside Nicaragua. It called for them to withdraw into designated cease-fire zones, where they could receive airdrops of humanitarian aid. No agreement was ever reached on the precise location of the cease-fire zones, however.

Humanitarian aid has been delivered in Honduras, where it acts as a magnet, drawing troops away from the battlefield.

As the resistance units edge out of Honduras, many of them bring their civilian supporters out too. The result: Some 11,000 rebel troops and more than 20,000 of their civilian relatives and supporters holed up in primitive camps scattered across southern Honduras, many suffering from malnutrition, malaria, pneumonia, tuberculosis and acute bronchitis.

Since February, organized rebel forces have been living on $44.7 million in nonlethal supplies from the United States. But—as has often happened in the past—the surviving assistance program is hopelessly snarled in red tape and bureaucratic bottlenecks.

The program is being run by the Agency for International Development, an agency more accustomed to building schoolhouses and medical clinics than to acting as quartermaster to a guerrilla army.

The blame does not all lie with the agency, however. The Honduran government does not want to make life too pleasant in the rebel camps, fearing the rebels will get the idea that they are welcome to stay. As early as January 1987, Honduran President Jose Azcona voiced the suspicion that the United States would cut off military aid to the resistance and leave him with 15,000 or so armed men with whom to contend, and this month he proposed a United Nations force to expel all foreign soldiers from Honduran territory.

But while others debate whether the rebels will burden Honduras as vicious bandits or destitute refugees, the rebels themselves say it is people in Texas who ought to be concerned. "There are 100,000 fighters and relatives altogether," say one rebel. "No way is Honduras going to take them. No way the governments of Central America are going to take them. If the U.S. government doesn't set up a program, then they'll walk to the United States. And the Central American governments will help them."

Such bitterness mirrors the frustration that has grown steadily over the years. The rebels say they have been crippled by restrictions, by micro-management from gringos who didn't understand their struggle, and most of all by inconsistent support from a nation that did not want to get its own hands dirty but insisted on giving lectures to those who would. One movement sympathizer calls it a "Bay of Pigs in slow motion."

Many U.S. officials, on the other hand, say resistance leaders have spent too much time haggling, have neglected their public image and have been slow to learn the lessons of guerrilla warfare. "Talk about children in need of adult supervision!" sighs one exasperated American official.

Whatever the merits of the recriminations, the alliance now may be over for good. Most rebel leaders do not expect U.S. aid to resume anytime soon. They are waiting out the November presidential elections, to see if a George Bush administration will make one last shot at Congress.

But mostly they calculate how many of their men will fight on alone.

[From the Washington Times, Oct. 18, 1988]

In 1980, Nicaraguans Arrived With "A Crazy and Foolish Idea"

(By Glenn Garvin)

It was a crisp November day in 1980 when a tiny group of Nicaraguans first came to Washington with what was, by their own admission, "a crazy and foolish idea"—the overthrow, with U.S. help, of Nicaragua's 16-month-old Sandinista government.

"It was a crazy and foolish idea at that time," says Enrique Bermudez, the rebel military chief, speaking of the new government in Managua that had surplanted the hated regime of Anastasio Somoza. "A popular revolution, supported by the U.S. government . . . with the sympathy of the press everywhere in the world."

But the rebel delegation did its best, making the rounds of mostly deserted congressional offices—it was just after the 1980 elections— and a few conservative magazines and think tanks.

To anyone who would listen, the Nicaraguans repeated their message: The Sandinistas were not social democrats but communists. They were helping the communist guerrillas in neighboring El Salvador. They understood only military force, which the Nicaraguan exile community would be happy to provide if the Americans would supply arms.

Most of the conversations were polite, a few even encouraging. "But the most interesting interview we had was not with a person, but with a tape recorder," recalls one of the rebels.

The Nicaraguans were ushered into an downtown office, handed written questions and asked to reply into a tape recorder. Then an interlocutor would take the tape somewhere, returning with new questions. The Nicaraguans went home to Miami never sure who had interviewed them.

They got a clue two weeks later, when they were summoned to a meeting at Miami International Airport. "There were two people there from the Reagan transition team," recalls one of the resistance leaders. "They seemed to know all about us, even though we had never met with them. They were on their way to Argentina, and they told us that although they couldn't be very specific, everything was going to be all right.

"About a month later, the Argentine government made contact with us and said they would be interested in supporting our struggle."

Thus began what was to become a cornerstone of Reagan foreign policy: military support for the rebels struggling to overthrow their country's Marxist-Leninist government.

The Reagan administration's official involvement with the resistance was not to begin for nearly a year—on Nov. 17, 1981, when the president signed National Security Decision Directive 17, authorizing "political and paramilitary operations" in Nicaragua. It all but ended last week, when Mr. Reagan said he would not ask Congress for any more aid for the resistance.

In between, there was about $250 million in official U.S. aid and another $41.4 million diverted from illicit arms sales to Iran or solicited from other governments and individuals; the rebel army grew from 300 troops to 15,000; the Reagan administration was rocked by a scandal that virtually paralyzed it for 10 months; and as many as 25,000 Nicaraguans may have died.

The U.S. interest was sparked initially by the support the Sandinistas were providing communist guerrillas in nearby El Salvador, where the government seemed on the verge of crumbling. "The concern was not bringing about the end of the Sandinista regime", says Roger Fontaine, who was the National Security Council officer in charge of Nicaraguan policy from 1981 to 1983. "It was saving El Salvador . . . cutting off arms to the [guerrillas]."

It remains murky just what the Reagan aides told Argentina's military government to entice it to join the enterprise. "We ran a shell game," acknowledges one of the Americans involved in the negotiations, without providing details. "They needed to be treated nice up here. If they went along with us, there was a good chance that would happen."

Whatever was promised, a deal was cut. The Argentines gave the rebels money—the first $15,000 arrived at a time when the rebel office in Guatemala was about to be closed for unpaid rent—and training. "They did a good job," says Walter Calderon, a rebel field commander. "Our fall began when the CIA began to help us."

But the Argentine involvement was not without high cost. In return for their aid, the Argentines asked the Nicaraguans to attack a shortwave radio station in Costa Rica operated by Argentine leftists. The resulting clamor stuck the rebels with a mercenary label that has proven difficult to shed.

Worse, it now is clear, Argentina believed assistance for the resistance would ensure U.S. support—or at least neutrality—when it invaded the Falkland Islands in 1982. Instead, the United States supported Britain's recapture of the islands, a defeat that toppled Argentina's military government.

Latin American governments were furious with the United States for taking the British side, and some rebel leaders believe this is why they have never had additional political support from any Latin American government. "We were viewed as a U.S. ally," says Adolfo Calero, a long-time rebel leader. "Other countries were trying to get even with the United States, and they did it through us."

The United States began direct aid to the rebels—$19 million worth, managed by the CIA—in late 1981. The American money quickly turned what was little more than banditry into a real war. In March 1982, the rebels blew up two bridges in northern Nicaragua, and the Sandinistas responded by declaring a state of emergency that suspended practically all civil liberties.

The Argentines pulled out in June 1982, after the Falklands war. For the Americans, that meant they could supervise the resistance more closely. Waves of CIA agents rolled into the 17 rebel base camps on the Honduran border. They organized a new political directorate for the rebels, including some leaders—such as Mr. Calero—who were chosen by the Nicaraguans themselves, and some who were almost completely unknown to the troops they were supposed to be leading. It was the first of several political reorganizations forced on the rebels, each more unpopular than the last.

There was also congressional oversight. The Reagan administration assured nervous congressmen that the resistance, now grown to a force of 2,500 fighters, was attempting to halt arms to El Salvador, not trying to overthrow the Sandinistas.

But a doubting Congress responded with the first shot in what would become a running battle between the legislature and the Reagan administration—the Boland amendment, named for its author, Democratic Rep. Edward Boland of Massachusetts, banning American money "for the purpose of overthrowing the government of Nicaragua."

U.S. aid steadily increased nonetheless. There was an additional $10 million from the CIA contingency fund in 1982, and $24 million more in 1983. The rebel army grew to 6,000, and moved with considerable freedom throughout northern Nicaragua.

But the resistance suffered when its military achievements became obscured by more spectacular, and less successful, activities of the CIA. One was the mining of Nicaragua's oil port of Corinto. From January to March of 1984, at least eight ships, including a Soviet oil tanker, hit the mines. Congress was furious. Even Republican Sen. Barry Goldwater wrote to CIA Director William Casey to say he was angered by the operation.

Another CIA embarrassment was the leak of a counter insurgency manual written by a contract employee who went by the name John Kirkpatrick, an agent who dressed in black and referred to himself as the "The Priest of Death." The manual advised the resistance to "neutralize" prominent Sandinistas and to hire professional criminals to create "martyrs." In October 1984, angry over CIA activities and alarmed by the size and aggressiveness of the resistance, Congress suspended military aid.

Throughout 1985 and 1986, the resistance subsisted on $28 million in non-lethal U.S. assistance and the $41.4 million from secret White House fund-raising efforts, including the illicit arms sales to Iran. Still the army grew to 14,000 troops.

In December 1986, with the military aid program resuscitated, $110 million in arms, including anti-aircraft missiles, began reaching the resistance and the war tempo quickened. In October, the rebels cut a key road that carries all Soviet military supplies; in December, 7,000 rebel troops launched a sophisticated attack on Bulgarian-managed mining operations in northeast Nicaragua.

But the military accomplishments were counteracted by a series of diplomatic and political setbacks during 1987 and the early months of 1988:

The Iran-contra scandal and the subsequent congressional hearings, which dragged through most of 1987, decimated the president's congressional strength.

The administration, on the defensive, signed onto a peace plan coauthored with House Speaker Jim Wright, believing that if the Sandinistas rejected the plan—as they were almost certain to do—the administration would have the Democratic leader's support for more military aid to the rebels. The gambit misfired; it stampeded the five Central American presidents into signing their own peace plan, which included a ban on aid to the rebels. As a result, Congress in February again cut off military aid.

March cease-fire talks with the Sandinistas ended in an agreement that—due to Sandinista intransigence and rebel ineptitude—has not permitted resupply of the resistance inside Nicaragua. Over the past seven months, rebel troops have been steadily pushed into camps in Honduras.

It is a tangled history, with contradictory lessons. But nearly all the rebels agree on one thing: If they were to start again, they would handle their relationship with the United States differently.

"We should have been demanding of the U.S.," says Mr. Calero. "We should have put things more strongly to them. And we should have been prepared to say . . . "OK, damn it, you cut off the aid and we call everything off."

[From the Washington Times, Oct. 19, 1988]

UNITED STATES KEPT CHANGING PURPOSE OF RESISTANCE

(By Glenn Garvin)

The press conference was breaking up and Enrique Bermudez was stuffing papers into his briefcase. It had gone pretty well, he thought, the announcement that Nicaraguan exiles were forming an army to go home and fight the Marxist government in their country. Then a reporter walked up.

"You are fighting to stop the flow of weapons to El Salvador, right?" the reporter asked.

Puzzled by this interpretation, Mr. Bermudez explained, "No, we are fighting to depose the Sandinista regime."

"That's not what the Americans are saying," the reporter replied, having just learned that the Reagan administration had promised Congress the rebel army would not try to overthrow the Nicaraguan government; its only job supposedly was pressuring the Sandinistas to stop sending arms to communist guerrillas in El Salvador.

"That was the first time we ever heard of it," says Mr. Bermudez, now the rebel military chief, of the 1982 press conference. "That may be why they allocated the funds, but that's not why we were fighting."

The story of the press conference is a metaphor for the six years of U.S. support for the anti-Sandinista rebels: The difficulty in measuring the success of the enterprise always has been to determine what its purpose was.

Was it to interdict arms headed to El Salvador, as CIA Director William Casey told Congress in 1982? Or was it to force the Sandinistas to say, "Uncle!"—as President Reagan said at a 1985 press conference? Or was it to remove the Sandinistas from power, period, as Army General Paul Gorman, the chief U.S. military officer in Latin America, told a congressional committee last year?

Whether the Reagan administration's failure to speak with one voice stems from honest confusion, as some officials believe, or a duplicitous attempt to seduce a reluctant Congress, as many others think, there is general agreement that it has been a disaster for the rebels, who have borne the brunt of congressional anger.

"The first aid package should not have been framed in terms of arms interdiction," says one official. "But we were always rubbing up against the difficulties of reaching a domestic political consensus. . . ."

The need to pacify Congress colored much of what the Reagan administration did with the resistance, and in nearly every instance hampered its military and political effectiveness. Even the administration's requests for aid had more to do with U.S. politics than with Nicaraguan reality.

"The numbers were pulled out of the air," says Roger Fontaine, who was the National Security Council staffer in charge of Nicaraguan policy from 1981 to 1983 and, for a time afterward, was a reporter on national security affairs for this newspaper. "More than once, when a number was floated, I would ask, where did this figure come from? The answer was, thin air. . . . They just figured out what they could get from Congress."

Much the same arbitrary approach has gone into three major reconstructions of the rebels' political structure since 1982, all of them designed with Congress in mind.

Many critics of U.S. involvement with the resistance accuse the Reagan administration of backing the most conservative elements of the Nicaraguan exile community. In fact, the reverse has been true. The CIA and the State Department, trying to attract moderate-liberal "swing" votes in Congress, almost always have intervened in resistance disputes on behalf of more liberal Nicaraguan politicians—often former Sandinistas or former Sandinista sympathizers.

When, for example, the resistance prepared its original 1982 statement about formation of a rebel army, the CIA threw it out on grounds that it contained too much talk about the right to private property.

Rebel politicians who have benefited from American support say it stems from recognition of their political effectiveness. But American political manipulation of the rebels has often led to discord and prolonged public splits among the resistance leadership. Some rebels openly flaunt their American patronage in meetings, like a high card in a poker game.

Everyone around here has his own gringo; "that's what we always say," cracks one disgusted rebel.

A number of administration officials acknowledge trying to remake a Nicaraguan political movement in an American image. But they say Congress left no choice. They note, for instance, that many of the same congressmen who routinely vote for military aid to anti-Soviet guerrillas in Afghanistan balk at aiding the Nicaraguans, claiming the rebels are insensitive to democratic values and unconcerned with human rights.

Without question, Congress has careened wildly between support of and opposition to the Nicaraguan program. It approved small covert aid programs in 1981 and 1982 and a small overt aid package in 1983, then cut off aid altogether in 1984. In 1985, a small amount of "non-lethal" aid was authorized, followed in 1986 by a large military package. This year, only humanitarian assistance was approved.

Rarely has the margin in Congress been more than a dozen votes, sometimes as low as two. When the administration lost, it often was tempted to think a little tinkering with the rebel political structure might change the result. When it won, it was always trying to bring a few more congressmen on board.

To be sure, not all the mistakes in running the rebel effort have been made by Americans. Among those by the resistance:

Organizing the rebel army around former members of Nicaragua's old National Guard, which was heavily identified with the unpopular Somoza dictatorship that ruled Nicaragua for four decades. That allowed the Sandinistas to claim that the rebels simply wanted to return to the bad old days of the dictatorship. As the rebel army grew, the percentage of former Guardsmen shrank to a miniscule level—but even today most of the top rebel military men, including Mr. Bermudez, are ex-Guardsmen.

Some rebel supporters counter by saying it was a poor idea to screen out any former Guardsmen. "Our biggest weakness and biggest mistake was to keep the experience that existed among non-commissioned officers and junior officers out because they were National Guard," says John Singlaub, a retired general who raises funds for the rebels. "If we had applied those same standards to the German army after 1945, we never could have created the German army."

Relying on Mr. Bermudez' military leadership. When Mr. Bermudez first was named commander, defenders said his past in the National Guard should not disqualify him because he had been an engineer, not a combat commander, and had never taken part in any atrocity or abuse. Paradoxically, his critics attack him for the same reason.

"I never saw Bermudez as a leader," says Walter Calderon, one of several field commanders who rebelled against Mr. Bermudez earlier this year and were expelled from Honduras as a result."

Mr. Bermudez replies that continued support from his own men proves his worth. "If I am not a good commander, where are the good ones?" he asks. "Let's judge by the results. I made the forces, 17,000 combatants who have made life hell for the Sandinistas. . . . We've kept united, with good morale, and still fighting. Show me one [other commander] that has done that."

Failing to take the fight to Nicaragua's cities.

Several rebel attempts to create cells of saboteurs have been detected—and smashed—by the Sandinistas. The only successful operation inside Managua was in 1984 when rebels tunneled under a prison and blew up part of it. But the explosion killed a number of pregnant women in the prison hospital, and the rebels decided not to take public responsibility for the action.

Besides the massive Sandinista security and intelligence networks, the resistance has been hobbled in developing urban operations by the rural origins of most of its fighters. The cities, by contrast, have always been Sandinista strongholds.

Until the rebels develop an active following among "urban types who could swim in that particular sea," as one State Department official puts it, no urban front is likely to open.●

DEMOCRACY WINS THE FIRST ROUND IN CHILE

● Mr. HARKIN. Mr. President, on Wednesday, October 5, more than 7 million Chileans braved long lines and inclement weather to cast their votes for democracy and against 8 more years of military rule. Last Wednesday, 55 percent of Chile's 7.2 million voters—more than 90 percent of all eligible voters—cast their ballots for the "No," which sets the stage for competitive Presidential elections by December 1989 and marks the beginning of the end of 15 years of military dictatorship.

While the credit for this historic victory for democracy belongs to the Chilean people, the more than 200 international observers who monitored the October 5 plebiscite played a small but important role in insuring that the election was conducted fairly and without fraud.

The National Democratic Institute, which received bipartisan acclaim for organizing the international observer delegation to the 1986 snap Presidential elections in the Philippines, sponsored one of the largest observer delegations for the Chilean plebiscite. The NDI delegation was led by Bruce Babbitt, the former Arizona Governor and Presidential candidate, Peter Daily, former Ambassador to Ireland and President Reagan's special envoy to NATO countries, and former Presidents Adolfo Suarez of Spain and Pastrana of Colombia. It included 60 individuals from 23 countries and represented political ideologies from a broad political spectrum.

I commend to my colleagues attention the following statement by the NDI international observer delegation submitted by former President Adolfo Suarez of Spain.

Last week's plebiscite in Chile represents a triumph for democracy and human rights around the world. I am proud that the United States could contribute to the Chilean people's campaign to return democracy to their country.

I ask that the statement by President Suarez, along with a list of those participating in the NDI delegation, be printed in the Record.

The material follows:

Statement by International Observer Delegation President Adolfo Suarez

I am pleased to offer a statement on behalf of the international delegation which yesterday witnessed the Chilean plebiscite. This delegation, sponsored by the National Democratic Institute, includes 60 individuals from 23 countries and represents all political ideologies within the democratic spectrum.

Our delegation was present in more than 15 Chilean cities, from Punta Arenas in the south to Arica in the north. We were able to visit and observe the electoral process at 10 percent of the polling sites in the country. We will prepare a detailed report on our observations and issue it publicly in the near future.

Today, we would like to offer a consensus view of the leaders of our delegation as to what we have seen here in the past few days. For we realize that we have witnessed an historic event and one that has captured the imagination and the attention of the democratic peoples of the world.

The long and proud democratic tradition of Chile was reawakened yesterday by Chileans of all political persuasions. We congratulate the Chilean people. We want especially to congratulate those who played a key role in the conduct and administration of the plebiscite: the government; the supporters of the two positions; the electoral service; and law enforcement officials.

It was our delegation's belief that the Chilean people have been heard.

The expression of the people's will is a triumph for all Chileans and for democracy in the world.

We have been greatly impressed by the leaders of the "No" campaign, prior to and following the plebiscite. They have acted responsibly in calling for a national dialog and reconciliation. Their objective was not a negative one: they sought not to defeat a president, but to bring about free elections. Now they have the support of the Chilean people.

The government, in conducting a free and fair plebiscite, and acknowledging the result, has taken the first important step at reconciliation. Supporters of the "yes" also acted responsibly and patriotically in pursuing a different path.

This is the spirit in which democracy can thrive.

The international community, well represented by this delegation, offers its strong support to the people of Chile as they begin the process of transition. There can be no turning back in the effort to rekindle the democratic spirit that has made this a great nation.

Our view is that the result of this plebiscite demonstrates, more than anything else, a strong desire for free elections. We expect that the dialogue that will now begin will be influenced by that very positive aspiration. While matters of law must be reconciled, all should be motivated by a desire to satisfy the express wish of the Chilean people for democratically conducted elections.

Both the process and the results make this delegation believe that Chile has opened up an irreversible step towards democracy. That is to say, towards national reconciliation, the establishment of representative government, respect for individual rights, and towards a peaceful coexistence in liberty and development.

The delegation believes that from today onward, the Chilean people have begun a journey down a road which, through a necessary dialogue, with free elections, with full participation by all Chileans, will result in a consensus for change that will institutionalize peace, liberty and democracy.

International Observer Delegation Chilean Presidential Plebiscite—October 5, 1988

DELEGATION COLEADERS

Adolfo Suarez, Spain, Misael Pastrana, Colombia, Bruce Babbitt, United States, Peter Dailey, United States.

PARTICIPANTS

J. Brian Atwood, President, National Democratic Institute for International Affairs (NDI), Former Asst. Sec'y of State for Congressional Relations, United States.

Gerald J. Austin, President, Gerald J. Austin & Associates, Former Campaign Manager, Jackson for President, United States.

Bruce Babbitt, Former Governor of Arizona, Former Democratic Candidate for U.S. President, United States.

Hattie Babbitt, Attorney-at-Law, United States.

Aurelio Barria, Jr., President, Chamber of Commerce, Founder, National Civic Crusade, Panama.

Juan Manuel Benitez Florentin, Vice President, Liberal Authentic Radical Party, Paraguay.

Juan Bogado, Board Member, Center for Democratic Studies, Paraguay.

Mary N. de Burstin, Director, Jaim Weizman Institute, Professor of Political Science, University of Costa Rica, Costa Rica.

Hilarion Cardozo Esteva, Vice President of the Senate, Secretary General, Christian Democratic Organization of the Americas (ODCA), Venezuela.

Bob Carter, Secretary-Treasurer, National Republican Institute for International Affairs (NRI), Former Chairman, Republican National Committee, United States.

David Collenette, Executive Vice President, Mandrake Management Consulting, Former Minister of State, Canada.

Curtis C. Cutter, President, Interworld Consultants, Inc., Former Foreign Service Officer, United States.

Peter H. Dailey, Chairman, Enniskerry Financial, Former Ambassador to Ireland, Former Reagan Administration Presidential Envoy to NATO, Media Advisor, Presidential Campaigns of Nixon, Ford, Reagan, United States.

E. Patricia Guillermo de Chea, President, Center for Political Studies (CEDEP), Guatemala.

Thomas Eagleton, Attorney, Thompson and Mitchell, Former U.S. Senator, Missouri, United States.

Larry Garber, Senior Consultant for Electoral Processes, National Democratic Institute for International Affairs (NDI), United States.

Keith Geiger, Vice President, National Education Association, United States.

Virgilio Godoy Reyes, President, Liberal Independent Party, Nicaragua.

Miguel Angel Gonzales Casabianca, Leader, Colorado Political Movement (MOPOCO), Paraguay.

Jane Harman, Attorney, Jones, Day, Reavis & Pogue, Former Special Counsel, Department of Defense, Former Deputy Secretary to the Cabinet, Carter White House, United States.

Andres Hernandez, Director, Washington Liaison Office, Christian Democrat Parties of Latin America and Europe, Christian Democrat International.

Abel Holtz, Chairman, Capital Bank, Miami, Capital Bank of California, Capital Bank, N.A., Washington, DC, United States.

Osvaldo Hurtado, Leader, Popular Democratic Party, Former President of Ecuador, Ecuador.

Susan Johnson, Director, Liberal International, Liberal International.

Jose Jorge Lima, Federal Deputy, Social Democratic Party, Brazil.

Patricia M. Keefer, Senior Consultant, National Democratic Institute for International Affairs (NDI), United States.

Augusto C. Lagman, National Coordinator of Operation Quick Count (NAMFREL), Philippines.

Jorge Lawton, Political Analyst and Commentator, United States.

Ed Long, Legislative Assistant, Office of U.S. Senator Harkin, United States.

Manuel Dias Loureiro, MP, Secretary General, Social Democratic Party (PSD), President, Parliamentary Committee for Foreign Affairs, Portugal.

Dale Loy, Artist, United States.

Frank E. Loy, President, German Marshall Fund of the United States, United States.

Lewis Manilow, Member, Board of Directors, National Democratic Institute for International Affairs (NDI), United States.

Jose Luis Manzano, Federal Deputy, Justicialista Party, Argentina.

Gildas Molgat, Senator, Liberal Party, Canada.

Raul Morodo, Member, European Parliament, Social and Democratic Center (CDS), International Secretary, Spain.

Daniel H. Murray, Director of Congressional Affairs, BellSouth Corporation, United States.

Christopher "Kip" O'Neill, Attorney, O'Neill and Athy, United States.

Misael Pastrana, Former President, Republic of Colombia, Colombia.

Rene Recalde, Leader, Catholic Laymen's Association, Paraguay.

Enrique Sanchez, Secretary, Febrerista Party, Paraguay.

Urs Schoettli, Vice President (Executive Duties), Liberal International, Liberal International.

Carol Schwartz, City Council Member, Washington, DC, United States.

Barbara Boggs Sigmund, Mayor, Borough of Princeton, NJ, United States.

Loren A. Smith, Chief Justice, United States Claims Court, Former Chief Counsel, Reagan for President Campaigns, United States.

Richard B. Stone, Vice Chairman, Capital Bank, N.A., Treasurer, International Foundation for Electoral Systems, Former U.S. Senator, Former Reagan Presidential Envoy for Central American Affairs, United States.

Adolfo Suarez, President, Social and Democratic Center (CDS), Former President of Government, Spain.

Neelan Tiruchelvam, Former Member of Parliament, Director, International Centre for Ethnic Studies, Sri Lanka.

Andres Van Der Horst, President, Liberal Federation of Central America and the Caribbean (FELICA), Dominican Republic.

Lamini Waritay, President, Press Union of Liberia, Professor of Mass Communications, University of Liberia, Liberia.

Jennifer Windsor, Congresional Staff, Office of Representative Ted Weiss, United States.

Kenneth D. Wollack, Executive Vice President, National Democratic Institute for International Affairs (NDI), United States.

Susanne Mary Wood, Former President, National Party, New Zealand.

Haydee Yorac, Member, Commission on Elections, Philippines.

Alberto Zumaran, Senator, National Party, Uruguay.

DEPARTURE OF AMBASSADOR ALLAN GOTLIEB

● Mr. LUGAR. Mr. President, one of the most distinguished and capable diplomats in Washington, DC, will end 7 years of service here and return home to Canada soon. I am referring, of course, to Allan Gotlieb who has so effectively represented his country here during some of the most important times in the history of American-Canadian relations.

I believe that former Canadian Prime Minister Pierre Trudeau once likened the Canadian perspective on dealing with the United States to living with an elephant. As a Republican, Mr. President, and a great admirer of elephants, I take it as the highest compliment that Mr. Trudeau chose to send us one of his very best representatives to deal with this large neighbor to the South.

I should also note that Ambassador Gotlieb's skills and dedication were recognized by two successive Prime Ministers who retained him as envoy to Washington.

A list of only a few of the Ambassador's qualifications confirms the special character and requirements of the relations between our two governments: more than 30 years in the Department of External Affairs, A Rhodes scholar, graduate of Berkeley, Oxford, and Harvard and an expert in international law.

When he leaves, Mr. President, Ambassador Gotlieb will be able to look back on a long and productive series of accomplishments in all the areas which bind our two countries so closely. He has successfully dealt with energy, trade, economic and security matters and has earned the respect of all those who have dealt with him for his honesty, his integrity and his dedication to this country.

Ambassador Gotlieb will be leaving within just a few weeks of an accomplishment of immense significance—the United States-Canada Free Trade Agreement. Coming after more than 2 years of difficult and complex negotiations, the Free Trade Agreement improves the mutually productive trade relationship between the two countries and sets a standard of accomplishment for the rest of the world in trade liberalization.

Mr. President, I know I am one of many here in Washington who salute Allan Gotlieb on a job well done. His exemplary service has been a model for all of us in public life. It has been a pleasure knowing and working with him and I wish him continued success as he returns home.●

TRIBUTE TO SENATOR BOB STAFFORD

● Mr. HARKIN. Mr. President, at the end of the 100th Congress, we will say farewell to a dear friend and a stellar legislator. The departure of Bob Stafford surely leaves us a less amicable body, and the Nation less rich in its elected officials.

Bob Stafford is a rare bird in politics. There aren't too many persons as soft-spoken who make it to this body, and there aren't many legislators, soft-spoken or otherwise, as effective. In an age where punching hard seems to go hand-in-hand with politics, the gentle character of Bob Stafford stands apart.

While he is perhaps best known as a champion of the environment and for his work in the field of education, I have known Bob Stafford best for his work as the most senior member of the Subcommittee on the Handicapped. He has served the subcommittee since its inception in 1971 and, over the period of time that has lapsed, has accumulated a knowledge on issues affecting persons with disabilities that's tough to match. Senator Stafford's contribution to the Education of the Handicapped Act, in particular, has meant that 4½ million handicapped children are provided the opportunity to receive the education that will allow them to reach their full potential.

As chairman of the Subcommittee on the Handicapped, and as a new member as well, I have turned to Bob Stafford and his staff, Sue Ellen Wallbridge and Ellen Nolan, on many occasions, and have always received good counsel. I thank them for the help that they have given me these last 2 years.

I will miss Bob Stafford. He retires to Vermont and I know that he'll be happy there with his wife, Helen, and that he will have time now to enjoy the company of his daughters. I wish him all the best in his new life.●

EC HORMONE BAN ON IMPORTED LIVESTOCK PRODUCTS

● Mr. DASCHLE. Mr. President, I rise to call to the attention of my colleagues the European Community's plan to implement a very serious and unfair trade barrier, one that will have serious ramifications on the United States' beef and pork industries.

I refer to the EC's directive to ban on January 1, 1989, imported meat products grown in countries that permit the use of growth hormones.

This proposed ban is a very serious threat to the United States beef and pork industries and could result in the disruption of $600 million in meat and meat product trade between the United States and the European Community. In 1987, the EC shipped $450 million in meat and meat products to the United States. At the same time, the EC was a strong market for United States beef and pork producers, receiving $150 million in United States meat and meat products.

Perhaps this thinly disguised trade barrier would be easier to understand had the European Community not proposed the hormone ban on the heels of a similar trade barrier, the Third Country Meat Directive.

Members of this body may remember that last year 400 United States meat export processing plants were temporarily denied permission to ship meat and meat products to Europe. This occurred, allegedly because they failed to meet the EC's inspection requirements, following a detailed, onsite inspection tour of these plants.

Last year, I took the floor to share with my colleagues the experiences that two South Dakota meat packing plants had with the directive. Following the onsite inspection by the European Community's meat inspectors, both of the plants in my State initially were denied permission to ship meat products to the EC.

Why? Among other serious deficiencies, neither plant had a fully paved parking lot. And one plant was cited for not having a truck washing facilities on the premises.

Mr. President, notwithstanding this very obvious attempt on the part of the EC to impede meat trade with the United States, the Third Country Meat Directive went forward. Only after United States packing plants capitulated to the EC's demands and made substantial, structural modifications at a significant financial sacrifice did the EC permit the plants to go forward with their export shipments of meat and meat products.

Now, by banning imported meat products from countries that permit the use of growth hormones, it is apparent that the EC intends to pick up where it left off with the trade barriers used in the previous directive.

The U.S. has long relied on the international decisionmaking process of the Codex Committee on Residues of Veterinary Drugs in Food. This committee, representing 95 percent of the world's population and 129 countries, has consistently agreed that it is unnecessary to limit naturally occurring hormones, but has set reasonable limits on the use of synthetic hormones. The United States adheres to these guidelines in the formulation and enforcement of our regulatory process on the use of growth hormones in animal production.

In order to provide more detailed background on the health and safety aspects of growth hormone use, I will ask that the text of an article written on this subject by Dr. Lester Crawford, Administrator of the Food Safety and Inspection Service be printed in the Record.

Just as the results of the Third Country Meat Directive clearly favored the European Community at the expense of the United States cattle and pork industries, the EC may believe that the United States has only two options to respond to the hormone ban: eliminate the use of internationally accepted growth hormones or stop shipping meat and meat products to the European Community.

Precisely because of the unjustified and unfair trade barrier erected through the Third Country Meat Directive, the President has an additional legal recourse to this proposed hormone ban. In the trade bill, the Congress approved legislation I authored to provide for a reciprocal inspection response to these meat inspection-inspired trade barriers.

The meat inspection reciprocity requirement in the trade bill (section 4604) provides the President with a clearly defined legal recourse to be used in circumstances, such as the Third Country Meat Directive and the proposed hormone ban, where health and safety concerns are used to disguise trade barriers.

At the request of Congress, or on the Secretary of Agriculture's own initiation, a recommendation must be made to the President regarding actions to be taken to insure the health and safety of imported meat products originating in countries where the Secretary determines that "inspection standards are being applied in a manner that are not related to public health concerns about end-product quality that cannot be substantiated by reliable analytical methods."

Mr. President, I will ask that section 4606 of the trade bill, and the statement of the conferees, be printed in the Record.

The cattle and pork industries are deeply concerned about this proposed ban. In fact, I applaud the efforts of the American Meat Institute, the National Cattlemen's Association, the National Pork Producers Council, the American Farm Bureau Federation, and U.S. Meat Export Federation for filing a formal petition with the Secretary urging implementation of the reciprocal meat inspection requirement of the trade bill.

In addition, a number of my Senate colleagues have joined with me to urge Secretary Lyng to press forward with the use of this reciprocal inspection requirement should the EC decide to continue this ill-advised import ban. I ask unanimous consent that the text of letter sent to Secretary Lyng on this topic be entered in the Record.

In closing, Mr. President, let me make this observation. The response by the United States to the European Community's Third Country Meat Directive was inadequate. The community was allowed to subvert internationally accepted inspection procedures at the expense of our domestic meat and pork industries.

The Congress adopted this reciprocal meat inspection provision to make certain that such actions are never repeated again, at least not without a direct and firm response from the United States.

Should the EC proceed with the ban, and the reciprocal meat inspection requirement not be implemented by the President, on the first day of the 101st Congress, I intend to introduce a resolution directing the Secretary to recommend to the new President a course of action that will reciprocate the EC import ban.

The Nation's cattle and pork industries deserve nothing less.

I ask that the items to which I referred be printed in the Record.

The material follows:

Sec. 4604. Reciprocal Meat Inspection Requirement

(a) In General.—Section 20 of the Federal Meat Inspection Act (21 U.S.C. 620) is amended by adding at the end thereof the following new subsection:

"(h)(1) As used in this subsection:

"(A) The term 'meat articles' means carcasses, meat and meat food products of cattle, sheep, swine, goats, horses, mules, or other equines, that are capable of use as human food.

"(B) The term 'standards' means inspection, building construction, sanitary, quality, species verification, residue, and other standards that are applicable to meat articles.

"(2) On request of the Committee on Agriculture or the Committee on Ways and Means of the House of Representatives or the Committee on Agriculture, Nutrition and Forestry or the Committee on Finance of the Senate, or at the initiative of the Secretary, the Secretary shall, as soon as practicable, determine whether a particular foreign country applies standards for the importation of meat articles from the United States that are not related to public health concerns about end-product quality that can be substantiated by reliable analytical methods.

"(3) If the Secretary determines that a foreign country applies standards described in paragraph (2)—

"(A) the Secretary shall consult with the United States Trade Representative; and

"(B) within 30 days after the determination of the Secretary under paragraph (2), the Secretary and the United States Trade Representative shall recommend to the President whether action should be taken under paragraph (4).

"(4) Within 30 days after receiving a recommendation for action under paragraph (3), the President shall, if and for such time as the President considers appropriate, prohibit imports into the United States of any meat articles produced in such foreign country unless it is determined that the meat articles produced in that country meet the standards applicable to meat articles in commerce within the United States.

"(5) The action authorized under paragraph (4) may be used instead of, or in addition to, any other action taken under any other law.".

(b) Reports.—Section 20(e) of such Act is amended—

(1) by striking out "and" at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(6) the name of each foreign country that applies standards for the importation of meat articles from the United States that are described in subsection (h)(2).".

The Conference substitute adopts the Senate provision with amendments. The Conference substitute provides that if the Secretary of Agriculture determines that a foreign country applies meat inspection standards that are not related to public health concerns about end-product quality that can be substantiated by reliable analytical methods, the Secretary must consult with the United States Trade Representative and they shall make a recommendation to the President as to what action should be taken. The President may require that a meat article produced in a plant in the foreign country may not be permitted entry into the United States unless the Secretary determines that the meat article has met the standards applicable to meat articles in commerce within the United States. The annual report required under section 20 of the Federal Meat Inspection Act shall include the name of each foreign country that applies standards for the importation of meat articles from the United States that are not based on public health concerns. (Sec. 4604)

The Conferees intend that this authority be used in addition to, or instead of, other authorities, such as those set forth in section 301 of the Trade Act of 1974.

THE EEC HORMONE BAN—A U.S. PERSPECTIVE

(By Dr. Lester M. Crawford, D.V.M., Ph.D., Administrator)

EDITOR'S NOTE: The European Economic Community is scheduled on Jan. 1, 1989, to implement a ban on meat imports from countries that use hormones. Some economists have estimated the ban would have a $2.00 per cwt. impact on U.S. fed cattle prices. The following article by Dr. Lester Crawford gives the U.S. perspective on the issue. NCA and other meat industry trade groups along with the U.S. government have vigorously opposed the ban.

The Prohibition Era ranks as one of the most lawless periods in the U.S. history. When people couldn't purchase alcohol made under quality-controlled conditions, they resorted to "bathtub gin" that sometimes proved lethal. Later it was agreed that the law was one of the worst—and most unenforceable—laws ever passed.

Today, the European Economic Community is imposing the equivalent of Prohibition: its hormone ban against all anabolic compounds. The ban, scheduled to go into action on Jan. 1, 1989, targets meat products from third countries including the U.S. If the ban takes effect, the U.S. would lose a $100 million per year market for beef and beef byproducts.

The U.S. drug regulatory system, with its vigorous approval and monitoring process, is one of the most thorough in the world. The Food and Drug Administration allows hormones to be used as growth promotants only after stringent tests for safety. The hormones must be approved safe for livestock and people consuming the meat.

Hormones U.S. cattlemen use for increased growth and feed efficiency fall into two types: endogenous hormones and exogenous hormones. Endogenous hormones are produced naturally in animals and humans. These hormones include estradiol, testosterone and progesterone. The exogenous hormones are synthetic and include trenbolene acetate and zeranol.

Whether the hormone product is natural or synthetic, the principle involved is the same. And safety is the same. Plus, these hormones offer the practical advantage of producing more meat for the world's populations, at relatively low cost.

For a natural hormone, FDA requires that the added amount of hormone from an average daily intake of meat not exceed 1 percent of the daily production of the hormone by a person "in the most sensitive segment of the human population." While the 1 percent rule in itself assures safety, only 10 percent of the hormone ingested by mouth is actually absorbed by the body. Tests for synthetic hormone compounds are equally strict.

The U.S. maintains that it is impossible to effectively enforce a ban on the naturally occurring hormones of estradiol, testosterone and progesterone. Scientists simply do not have analytical methods that can distinguish between hormones occurring naturally in food-producing animals and those which might remain from the use of growth hormones. New and more sensitive methods of analyzing steroids in animal tissues have demonstrated that estradiol concentrations from implants are below the 10 parts per trillion level.

Test results have shown that increases in levels of these naturally occurring hormones in meat from implant-treated cattle are miniscule when compared to the daily amount of hormones a person produces naturally. Scientists put the figure at thousands or even millions of times less for natural hormones a person would ingest from eating meat than what a person produces naturally.

For example, about 16 ounces of meat treated with estradiol contains 15,000 times less of that hormone than the average man produces daily—and several million times less than a pregnant woman produces.

A non-pregnant woman produces at least 400,000 times as much estrogen every day as she would get from an average size serving of beef from an implanted animal. Depending on the stage of her reproductive cycle, that number could increase to 4 million times as much estrogen being produced daily by her as would be consumed in a serving of beef. This person could consume 480 pounds of beef per day from implanted animals without ingesting more than 1 percent of her daily estrogen production.

In another light, soybean oil, which is found in many vegetable oil products, has almost 1 million times as much estrogen as meat from an implanted steer. In a meal containing potatoes, whole wheat bread, green salad, green peas and round steak from estrogen-treated cattle, the food containing by far the least amount of estrogen is the round steak.

The U.S. has long believed that the Codex Committee on Residues of Veterinary Drugs in Food should make the international decision concerning safety of growth hormone use. This committee, part of the Codex Alimentarious Commission, involves 129 member nations, representing 95 percent of the world's population. This Commission draws from the work of some of the most knowledgeable scientists of our age.

The Codex Committee on Residues of Veterinary Drugs in Food has agreed that there is no need for limits on the naturally occurring hormones of estradiol, progesterone or testosterone. On the other hand, the Committee has set limits for synthetic hormones. These limits are 1.4 micrograms per kilogram of beef for trenbolene acetate and 10 micrograms per kilogram of beef liver for zeranol.

The U.S.'s regulatory system allows for use of these hormones within prescribed guidelines. Since the compounds are available, producers do not have to resort to the uncontrolled "black market."

The EEC must note that the U.S. limits hormones used to those which have passed exhaustive scientific testing. Secondly, the hormones are not injected into muscle tissue. Instead, they are administered in the safest possible way—implants in the animals' ears that slowly release the hormones.

In the European Community, this is not the case. Since all hormones are banned, producers often have resorted to purchasing hormones through the "black-market." Recently, in West Germany, a scandal erupted involving 14,000 veal calves which had to be destroyed because they were injected with a "hormone cocktail."

When hormones inevitably make their way into meat produced in the European Community, the result may pose a health hazard to people who eat that meat. Again, this reminds me very much of the Prohibition days in the U.S. Overregulation—in fact, a total ban—can result in a black-market product possibly dangerous to human health.

I am also extremely concerned that this most recent scandal will sway Europeans away from any logical consideration of the merits of the U.S. system of hormone approval and wise use. The U.S. regulatory system should not be punished because of problems the European Community faces as a result of its unrealistic ban on hormones.

The scientic integrity of world regulatory policy is threatened when ill-informed, and emotional, opinions prevail in the decision-making process. A few years ago, a similar threat materialized when some baby food in Europe was found to contain DES, a hormone banned in food production throughout the world. There were reports of clandestine use of DES in livestock in Europe. The DES scandal contributed to the rise of anti-animal drug sentiment that culminated when the European Parliament, the legislative arm of EEC, voted to ban all hormones for use in livestock production.

The patent illogic in this action should be apparent to everyone. The misuse of any specific substance should be met by control of that specific substance, not the blanket ban of entire categories of drugs.

Illogic followed illogic, and several national governments banned the use of hormones and other drugs in food animal production. What happened was a decision to forego scientific evidence in favor of emotion.

I believe that government officials have a responsibility to resist the subversion of the regulatory process by such influences.

Let's take the scenario a step further and carry this illogic to the extreme. Decisions based on emotion and politics, rather than of scientific evidence, would lead to an even greater prohibition. A wide range of agricultural chemicals, not just animal drugs, that are immensely beneficial could be banned. The emergence of new and better compounds would be forestalled. The increase in world agricultural productivity would be reduced.

In a world where we have more scientific knowledge available to us than ever before—along with 5 billion mouths to feed—important decisions about our global food supply need to be based on science, reason and logic. Not on emotion and the politics of the moment.

U.S. SENATE,
Washington, DC., October 19, 1988

Hon. RICHARD LYNG,
Secretary, U.S. Department of Agriculture,
Washington, DC.

DEAR MR. SECRETARY: We are writing to express our concern over the European Economic Community's (EEC) directive to implement a January 1, 1989 ban on imported meat products treated with growth hormones. We strongly oppose this ban, which we view is an obvious trade barrier hiding behind the veil of "food safety."

The trade in meat products between the United States and the European Community is not insignificant. In 1987, the U.S exported more than $154.3 million of meat and meat products to the EEC. During the same time period, the EEC exported three times that amount to the United States, totaling $449 million. We are thus concerned about the threat of disruption in trade that the EEC hormone ban poses for meat trade between the U.S. and the EEC.

Regrettably, this hormone ban follows on the heels of a similar nontariff barrier, the EEC's Third Country Meat Directive. As you know, U.S. meat exports to the EEC nearly came to a halt when the EEC used a similar "health and safety" directive to block meat exports from approximatley 400 U.S. meat exporting plants, allegedly because the inspection process in these plants was in sufficient to meet the EEC standards.

This obvious trade barrier led to Congressional approval of the Reciprocal Meat Inspection requirement (Section 4604) of the Trade and Competitiveness act of 1988. By taking this action, the Congress specifically intended you to have a mechanism to respond through the meat inspection process to the unreasonable and unscientific meat inspection processes of our foreign competitors, should they be applied to the export of U.S. meat products.

We maintain that the EEC's decision to ban imported meat products treated with growth hormones clearly falls within the purview of this trade bill provision. The EEC's hormone ban lacks a commonly accepted scientific foundation. Like the Third Country Meat Directive, the hormone ban is being held up as a "food safety" issue, when, in fact, it is an obvious trade barrier.

The United States maintains an inspection and regulatory process that is equal to that found in any country in the world. The Congress, federal agencies and departments, producer organizations and consumer groups work in concert to make certain that is the case. The recent news reports that growth hormones have been illegally used in European meat products brings into question the quality of the inspection process found in the European Economic Community.

Because this proposed ban is without question scientifically unfounded, we urge you to implement the process established by the Reciprocal Meat Inspection provision in the trade bill. We believe the president should be asked to invoke the provisions of this bill during which time European meat exports to the United States would be banned until you could determine that the meat products are being exported to this country in accordance with U.S. meat inspection law and regulations.

Sincerely,

TOM DASCHLE
(With 13 Signatures).●

AMERICAN POLITICAL SCIENCE ASSOCIATION CONGRESSIONAL FELLOWSHIP PROGRAM

● Mr. LUGAR. Mr. President, 1988 marks the 35th anniversary of a program that has become a valued institution in Congress. On this occasion, I would like to draw my colleagues attention to the longstanding contribution of the American Political Science Association Congressional Fellowship Program.

Founded in 1953, the program is the oldest of its kind on Capitol Hill. Designed to draw experienced professionals from all parts of American society—including Federal executives, political scientists, journalists, and health officials—to work for 1 year in Congress. The program also has an international dimension with several fellows from foreign countries taking part each year. Now, over 1,000 fellows have participated in the program since its inception.

The APSA Congressional Fellowship Program is nonpartisan, and over the years fellows have worked for a wide range of Senators and Congressmen on committees and subcommittee staffs. The fellows spend half of the fellowship year in the House and half of the program in the Senate. They bring much experience to the office in which they work and, at the same time, gain valuable insights into the workings of Congress which can be of great benefit when they return to their respective professions.

This is a program from which everyone benefits—the fellows themselves, the Congress, and the American society at large.

Like so many of my colleagues, I personally have profited from having APSA fellows on my staff over the years.

I encourage my colleagues to join me in continuing to support and benefit from this excellent program. Once again, I would like to congratulate the APSA for the great service it performs through its Congressional Fellowship Program.●

A TRIBUTE TO SENATOR JOHN STENNIS

● Mr. BUMPERS. Mr. President, as the 100th Congress comes to an end, one of the most difficult things we face is to say goodbye to JOHN STENNIS as a U.S. Senator. With his departure, we are losing not just a valued colleague but a notable chunk of Senate history. His 47 years in the Senate span nearly one-quarter of the history of this body. And despite all the change that has happened, the kindness, fairness, and passion for good government that are the hallmarks of this great gentleman of the South have been as constant as the Capitol dome.

His service as chairman of two of our most important committees, Appropriations and Armed Services, has been characterized by the grace and fairness that are so much a part of him. His deep and abiding concern for the defense and welfare of our country are well known. His strong prodefense stance sometimes led him to positions that were contrary to the wishes of the Pentagon, but that is a measure of the integrity of this great man. I particularly remember with grateful appreciation his vote, and moving speech, in support of my amendment dealing with base closing in 1985, and his 1987 vote for my interim restraint/SALT II amendment, both of which were opposed by the administration.

So great was his devotion to the people he represented, and to this institution, that neither a serious gunshot wound in 1971 nor loss of a leg in 1984 prevented him from returning to his senatorial duties as soon as his doctors would let him.

We are going to miss JOHN STENNIS' special kind of leadership in this Chamber. Thank you, Judge, for your 47 years of devotion to the people of Mississippi and the country, and for your service here to the Senate.●

A TRIBUTE TO SENATOR ROBERT STAFFORD

● Mr. BUMPERS. Mr. President, I am pleased to pay tribute to my colleague from Vermont, ROBERT T. STAFFORD. With the retirement of Senator STAFFORD, the Senate loses a forceful and effective advocate for quality education for every American child and a tireless protector of the environment. The Senate's loss will be great.

As chairman and as ranking member of the Subcommittee on Education, Arts, and Humanities of the Senate Labor and Human Resources Committee, BOB STAFFORD has overseen major reauthorizations of the Elementary and Secondary Education Act, most recently the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, and of the Higher Education Act. Senator STAFFORD has fought to provide each and every American child the best possible elementary and secondary education and to guarantee that every student who wants to attend college has that opportunity. In addition to fighting for responsible and equitable Federal education programs, he has also worked diligently for adequate funding for those programs. His strong voice and effective leadership in the field of education will be sorely missed.

The country has also benefited enormously from BOB STAFFORD's years as chairman and ranking member of the Committee on Environment and Public Works. He has argued persistently and persuasively that we have a solemn obligation to our children and their children and grandchildren to care for this planet. And Senator STAFFORD has proven his leadership ability by drafting and getting enacted legislation that will protect our most precious resources.

The series of statements on the greenhouses effect which Senator

STAFFORD delivered during the last weeks of the 100th Congress provide a chilling picture of what the citizens of the planet Earth have done to the environment but also offer some encouragement that there is a way to address these problems. We will miss his leadership when the 101st Congress returns to face such thorny problems as the greenhouse effect.

BOB STAFFORD has given generously to this country during his years in the U.S. Navy in the Second World War and Korean conflict; during his service in Vermont State government, including a term as Governor; and during his 28 years of service in the U.S. House of Representatives and Senate. I wish him well in his retirement. We shall all miss him.●

A TRIBUTE TO LAWTON CHILES

● Mr. BUMPERS. I want to take this opportunity in the closing days of the 100th Congress to pay tribute to Senator LAWTON CHILES who is retiring.

During his three terms here in the Senate, Senator CHILES has taken on very challenging responsibilities. He has been a very active member of the Committee on Appropriations, and for the past 2 years I have had the privilege of service on the Subcommittee on Labor/Health and Human Service, which he chairs. As every member knows, that subcommittee has a very large and varied budget, and there is never enough money to meet all of the needs. LAWTON always attempted to make these difficult decisions in a thoughtful and caring way.

He has brought great energy and skill to the position of chairman of the Budget Committee, an almost impossible job in these trying budget times. His leadership was critical to bringing about last year's successful budget summit, and I know he is proud of that accomplishment. As a member of the Committee on Government Affairs, he has attempted to root out waste, fraud and abuse wherever it was found in the Federal bureaucracy.

I want to wish LAWTON CHILES the best in his future endeavors, He is a strong family man and I know that he wants to spend more time with his family. We will miss him here in the Senate.●

A TRIBUTE TO SENATOR DAN EVANS

● Mr. BUMPERS. Mr. President, all of us will miss Senator DANIEL JACKSON EVANS when he retires at the end of the 100th Congress, and I rise today to pay tribute to him.

DAN EVANS had big shoes to fill. He was appointed and then elected to fill the vacancy created by the death of our beloved Scoop Jackson. DAN has served with distinction, intelligence and grace. He is a man who said what he meant and meant what he said. I have served with him as a member of the Committee on Energy and Natural Resources. We have not always agreed on every issue, but I have always found him to be thoughtful and public spirited. He has served his State well.

DAN EVANS' career in public service has been long and remarkable. He served with distinction in the Washington State House of Representatives, then three terms of Governor of that great State, then as president of Evergreen State College. Here in the Senate, he has served with honor on the Committee of Foreign Relations and the Committee on Indian Affairs in addition to the Committee on Energy and Natural Resources. He has been a strong clear voice in the Senate, and I will miss him. I want to wish DAN EVANS the best in his future endeavors.●

A TRIBUTE TO SENATOR WILLIAM PROXMIRE

● Mr. BUMPERS. Mr. President, the Senate is losing one of its most distinctive voices with the retirement of Senator WILLIAM PROXMIRE. He has been a tireless watchdog when it comes to the Federal budget, never hesitating to attack waste and mismanagement no matter how sacred the cow. His Golden Fleece awards have become famous, and have added an enduring phrase to our political lexicon. Many a bureaucrat has thought twice about a frivolous expenditure of taxpayers' money for fear of being the unwanted recipient of this high profile award.

I will particularly miss BILL PROXMIRE for his consistent and clear voice on the subject of arms control. His morning remarks were often devoted to the importance of making progress in arms control and preserving the arms control achievements we have already attained. In this area he was a staunch supporter of my efforts to keep both the United States and the Soviet Union within the numerical limits of the SALT II Treaty, support which I greatly appreciated. I was also pleased to work with him on the subject of Star Wars. BILL was one of the first Senators to attack the folly of this unwise program, and he has kept up the fight to this day. For 3 years in a row, his staff has worked with others to produce annual reviews of the Strategic Defense Initiative that have been both devastating and excellent, among the very best outside critiques of the program available.

His one-man crusade on behalf of the Genocide Treaty is a testament to the virtues of patience and persistence, and its ratification and passage of implementing legislation stand as a tribute to this extraordinary man.

We are going to miss that kind of "tell it like it is" leadership in this chamber. I am hoping he will continue to speak out on the issues that are so dear to him, so that we will continue to benefit from his wisdom. I want to wish BILL and Ellen the very best in the years to come. Thanks, BILL, for 31 years of outstanding service to your State and your country.●

A TRIBUTE TO PAUL TRIBLE

● Mr. BUMPERS. Mr. President, I would like to take this opportunity to acknowledge the retirement of Senator PAUL TRIBLE, Senator from Virginia.

Senator TRIBLE, though quite young, has had a remarkable career as a public servant. PAUL has served as assistant U.S. attorney and Commonwealth's attorney in Virginia, 3 terms in the House of Representatives, and for the past 6 years as a U.S. Senator representing the people of Virginia.

Senator TRIBLE played an important role as a member of the Iran-Contra Committee, and helped reveal the truth in that scandalous scheme. He has been a tireless advocate for the people of his great State, and for Federal workers and retirees everywhere.

PAUL TRIBLE is a unique man. He is walking away voluntarily from a distinguished Senate career. And why? Because, as he has said, he wants to spend more time with his family. He is blessed with a beautiful wife—the former Rosemary Dunaway of Arkansas, and I might add that marrying her is probably the most important thing he has ever done—and two handsome children, and he wants to be around more often to watch them grow up. I have great respect for him because of his decisions. He is trading the adoring crowds for an adoring family, and I wish him well.●

NEW MEXICO PROJECTS WIN ENERGY INNOVATION AWARDS

● Mr. BINGAMAN. Mr. President, earlier this month, the Department of Energy announced the winners of the fifth annual National Awards for Energy Innovation. I am pleased to say that four of those awards went to projects in my home State of New Mexico.

One of these projects is a pneumatic turbine drill motor developed by Pneumatic Turbine Partnership of Santa Fe. This downhole drill motor increases drilling efficiency in geothermal, oil, and natural gas wells. Using an innovative process of circulating air down the drill shaft, the motor greatly reduces drill costs. It also penetrates at more than two to three times the rate of conventional drilling methods and can be used in situations where conventional methods can't. The New Mexico Research and Development Institute supplied initial funding for this project through the Seed Capital for

Entrepreneurial Technology Development Program.

The second project is the building of La Cueva High School in Albuquerque, a joint undertaking of the Albuquerque Public Schools, and Allison Engineering and BPLW Architects & Engineers, both of Albuquerque. Constructed in 1986, La Cueva High School is a prime example of cost-effective, state-of-the-art energy efficient building technology. It is one of the most energy-efficient institutional facilities in the country, having exceeded its energy performance expectations since its construction.

The third project is an auxiliary power unit for diesel trucks developed by Pony Pack, Inc. of Fort Sumner. This power system for air-conditioning, heating, and engine warming eliminates the need for costly idling of a truck's main diesel engine.

The final project is the Millennial House by Ray Johnson Construction of Belen. This project used construction techniques which increase energy efficiency while reducing costs.

These New Mexico energy innovation projects show the benefits of continued energy research and development. I heartily congratulate all the award winners.●

TRIBUTE TO SENATOR JOHN C. STENNIS

● Mr. BINGAMAN. Mr. President, when the Senate adjourns shortly, we will be losing one of the most beloved figures who has ever served in this body, our President pro tempore, the senior Senator from Mississippi, John C. Stennis.

When the history of this institution in the 20th century is written, this modest, self-effacing southern gentleman is going to stand out as a giant. His legislative accomplishments in the national arena alone will fill bookshelves, even though throughout his career he has been the last to claim any credit for himself and the first to give credit to others.

I frankly came to this body in 1983 in awe of John Stennis. He had entered politics long before I was born and first was elected to the Senate when I was 4 years old. I think I first heard his name when I was still in elementary school and he had the courage to be one of the first to come forward and condemn the McCarthy witchhunts and to seek to heal the wounds which those witchhunts had opened in this body and in our Nation at large. That made him a hero in my parents' home.

By the time I was elected by the people of New Mexico to serve here almost 30 years later, John Stennis had become a national treasure. But he had never lost touch with his roots. He has warned generations of newly elected Senators that some come to this body and grow; others come and swell. And he has pointed us to the path of growth, the path he has so steadfastly followed throughout his life.

I will always treasure the counsel I have received from John Stennis during my time here. I am grateful I was given the chance to serve with him for 6 years on the Armed Services Committee. I wish him well as he returns to his beloved State of Mississippi and helps to build a new institution there dedicated to inspiring new generations to public service. We here will all miss John Stennis and the quiet dignity with which he has graced his own lifetime of service to his State and to his Nation. He is truly irreplaceable.●

FEMA NATIONAL FLOOD INSURANCE PROGRAM

● Mr. WILSON. Mr. President, I wish to seek clarification from my good friend from Utah, Senator Garn, the ranking member of the Committee on Banking, Housing, and Urban Affairs, regarding the Federal Emergency Management Agency's [FEMA] responsibility to identify special flood hazard areas based on the National Flood Insurance Program [NFIP] and related regulations. It appears that NFIP criteria do not include all types of levee exposures. While there is provision for coastal and riverine levees, NFIP criteria do not address bay levees, which are subject to different exposures than either coastal or riverine levees.

● Mr. GARN. Senator Wilson is correct; NFIP regulations do not differentiate between bay levees and either coastal or riverine levees.

Mr. WILSON. Bay levee exposure differs from riverine exposure in that the respective bodies of water are subjected to different constraints. The waters in a riverine situation are generally constrained by banks; as a result, high longitudinal velocities usually occur. Since the waters in a bay are not subject to the constraints of a riverine situation, high longitudinal velocities are not likely to occur.

Bay levee exposure also differs from coastal levees, which are subjected to larger waves, longer fetch and greater forces due to coastal wave action. In a bay situation, storm surge is less likely to occur. The bay acts as a resonant oscillator which would dissipate some of the energy from coastal wave actions.

Since the exposure of bay levees differs from that of coastal and riverine levees, I believe that a strict application of either coastal or riverine criteria to a bay levee situation is inappropriate and could result in increased costs to some communities which would be faced with constructing or improving levees which would be appropriate for coastal or riverine communities, but not for bay communities.

Mr. GARN. Senator Wilson raises a very good point, and while the bill before us does not address the matter, I would encourage FEMA to pursue a modification in the NFIP regulations to clarify this apparent discrepancy.

Mr. WILSON. I thank my good friend for this guidance and assistance.●

A FAREWELL TRIBUTE TO SENATOR WILLIAM PROXMIRE

● Mr. HEINZ. Mr. President, at the close of the 100th Congress, the Senate will lose one of its most distinguished Members—the chairman of the Banking Committee—Senator William Proxmire. He has chosen after 31 years of dedicated service to his constituents, the U.S. Senate, and the Nation not to seek reelection. When Bill Proxmire retires, he does so confident that he has stood firmly behind his beliefs, fearless in the face of any and all opposition. Certainly, no crystal ball is needed to foresee that long after his retirement, Bill Proxmire will be remembered by the Senate for his dedication, commitment, high standard of service and as the champion of consumer rights and guardian of the U.S. Treasury.

Senator Proxmire has served in senior positions on a variety of important committees—chairman of the Banking Committee, chairman of the Appropriations Subcommittee on HUD-Independent Agencies, and the Joint Economic Committee. Senator Proxmire can be justifiably proud of a long list of significant achievements during his distinguished tenure in the Senate. But among those that stand out are landmark statutes protecting the rights of consumers—Truth-in-Lending Act and the Fair Credit Reporting Act. Of course, Senator Proxmire has made major contributions to the 100th Congress with enactment of the Competitive Equality Banking Act and Senate passage of the Proxmire Financial Modernization Act (S. 1886).

Mr. President, it has been my distinct privilege to know and serve with Bill Proxmire. Having served with him on the Senate Banking Committee for nearly 12 years, I can attest to the fact that he is an imaginative, persistent legislator. He and I may be of different parties, but I have always found him to be tolerant of diverse views and utterly fair and even-handed. Indeed, we have worked together on many issues starting with the anti-Arab boycott law to the most recent banking and securities law reforms, and it has always been a rewarding experience. Still more importantly, he is, on a personal level, someone I deeply respect and admire. Bill Proxmire is thoroughly honorable and trustworthy. He is a man who by his example and unfailing consideration has helped me to be a better Senator, and Mr. President, above all, he has been and is a great and true friend, as only a person of BILL's extraordinary good will and steadfast conviction can be. Mr. President, when BILL PROXMIRE ends his tenure as a U.S. Senator, the Senate will lose a leader, and the American taxpayers, one of their strongest guardians. I would like to join my colleagues in thanking BILL PROXMIRE for the example of perseverance, commitment, and dedication he has set. Whatever his projects or plans for the future, I wish him every good fortune and success.●

STATEMENT ON THE PROCESS OF CONGRESSIONAL FINANCIAL REFORM

● Mr. PROXMIRE. Mr. President, I rise today to reflect upon the disappointing lack of progress that the Congress has made in its effort to modernize our financial system. Despite the fact that financial restructuring legislation is long overdue, despite the fact that the backing of financial reform is overwhelming, we have accomplished very little. Legislative action is overdue in many areas. Our laws that govern the financial system, be it the division between investment banking and commercial banking, the stock market system, or the conduct of corporate takeovers, are hopelessly out of date. The American public knows this. Professionals in the markets know this. Congressmen and Senators know this. But still we have no action.

Whether one focuses on the Glass-Steagall debate, the reform of the stock exchanges, or the battles between investment bankers, raiders, and nonfinancial corporate management, the Congress is not making the changes in our legal framework that are sorely needed. The losers are the American people and American business.

As an example, consider the banking bill, S. 1886. I am disappointed that it did not pass. I am disappointed in the House Banking Committee for its inability to pass legislation out of committee until mid-August. We passed the bill on the Senate floor by a vote of 94 to 2 on March 30. They should have marked up a bill in April or May. At one time they advertised that they would markup a bill before the Senate did. I wish they had.

I am disappointed in the House Energy and Commerce Committee because the bill that they passed out of committee in late September was a thinly disguised creation of the most reactionary elements of the securities industry. The Dingell bill takes several steps backward. Rather than creating a legislative architecture for an efficient and competitive financial system which provides financial services to consumers at low cost, it appears that the result of this bill would be to protect Wall Street investment banks from competition that would erode their astronomical profits.

I am disappointed that the House leadership has been unable to resolve the jurisdictional conflict between the two House committees on this legislation. And I am disappointed that a single Senator, exercising obstructionist tactics can frustrate our efforts to find a way around the House jurisdictional squabble.

My frustration with the legislative process should not be merely seen as the product of the fact that I am retiring from the Senate this year. Rather, I am disappointed because, at a time when our economy is struggling to regain its vitality and competitiveness in the face of a formidable challenge from abroad, we are unable to contribute to that revitalization by improving the process of capital raising in this country. The real losers as a result of our inability to repeal Glass-Steagall are the consumers of financial services and I am disappointed that we were unable to serve them well.

The essence of the legislation contained in the Financial Modernization Act of 1988 is the desire to reduce the cost of financial services for our firms, State and local governments, and consumers. Glass-Steagall repeal will eliminate the monopoly power of the investment banks, and lower the cost of raising financial capital. That is very good for consumers. Glass-Steagall repeal is proconsumer legislation. Glass-Steagall is protectionist legislation. It is protection for what is perhaps the wealthiest segment of our society.

I have watched the securities industry persistently try to portray this legislation as a fundamental threat to the integrity of our financial system. It is incredible to hear representatives of the investment banking industry, some of whom have not exactly been beyond ethical reproach in recent years, present themselves as the protectors of the safety and soundness of our financial system. Investment banks would simply like to keep their protectionist barrier against bank entry into the securities business and their concern for safety and soundness clearly does not extend to reform of their own practices.

These tensions between the various producers of financial services are well known. But as Congress designs financial legislation it should not dwell on them exclusively as the basis for deciding what is good legislation and what is bad legislation. We are not here to merely broker a compromise between the various providers of financial services. Neither the interest of banks nor investment banks should be of paramount concern to us.

It is promotion of our financial systems efficiency and safety that should guide our judgments in this area. And to attain those goals we must reach out and broaden our perspective to meet the needs of those who use financial services.

The producers of financial services are those most visibly affected by this legislation and they have made their views clear. But the collective benefits of the Glass-Steagall repeal for the many consumers of financial services are great, even though the benefit to any one consumer may be small. Just because the benefits are diffuse, and therefore lead to underrepresentation of consumers at the political bargaining table, does not mean that they are unimportant or that we are entitled to neglect them. On the contrary, we as legislators are entrusted with the responsiblity to look beyond narrow interests and to represent the greater good.

Perhaps it is true that that lack of progress in this area results from the fact that there are well-heeled and sophisticated forces on both sides of this debate. It is difficult to ask a Senator or Congressman to, in an election year, refute the desires of an interest group that would not only cease to support him in his efforts to gain reelection, but would finance his opponent's candidacy. No one would ask a businessman to give away his profits. Why should we ask a politician to give up the security of his position?

The reason we should is because it would make the Government more responsive to voters. I am forced to conclude that if Senators are forced to obstruct the modernization of our financial system and to support a persistent stalemate as we have experienced over Glass-Steagall, it is all the more reason to enact meaningful campaign finance reform so as to change that Senator's incentives in a way that will liberate him to support legislative progress.

As a case in point, consider the fact that we have made no progress on the Glass-Steagall repeal alongside the evidence of strong support for repeal by consumers of financial services.

There is a broad body of evidence that is in agreement. Consumers of financial services favor elimination of the entry barrier restricting banks from competing in the market for underwriting services. Only a few muddle-headed consumer groups have fallen prey to the simplistic propaganda of the securites industry that tries to equate Glass-Steagall with safety and soundness and the repeal of Glass-Steagall with being a stooge for the banking interests.

A survey of the chief financial officers of the Fortune 500 corporations shows that 77 percent favor repeal of Glass-Steagall. The National Association of Manufacturers has also endorsed the Glass-Steagall repeal. These two groups constitute the major consumers of corporate debt and equity underwriting as well as commercial paper underwriting.

The National Association of Home Builders has suggested in hearings before this committee that a consumer will save nearly $1,000 on a $100,000 mortgage because of increased competition in the market for underwriting mortgage-backed securities.

State and local governments believe that they would benefit as well. The National Governors Association, the National Conference of State Legislators, National League of Cities, National Association of Counties, U.S. Conference of Mayors, and the Government Finance Officers Association all support provisions to permit banks to underwrite and deal in municipal revenue bonds. It is estimated that permitting banks to underwrite municipal revenue bonds could have saved State and local governments as much as $480 million in 1986.

Consumers support change, but they can get no satisfaction on these issues from the Congress. In light of the overwhelming evidence on the support for the repeal of Glass-Steagall, who can claim that the regulators are not serving the people at least as well as the Congress as they proceed to modernize our financial structure in the aftermath of the continued impasse in Congress? I, myself, hope that the Federal Reserve and the other banking regulators promptly proceed to grant securities powers to banks and decimate this mythology that the protectionist proponents of Glass-Steagall have promulgated.

The frustration of the Glass-Steagall repeal is perhaps the most formidable example of the obstruction of financial progress. But efforts to reform our securities laws as they apply to both takeovers and stock market practice also illustrate how focused interest groups can destroy progressive initiatives.

Mr. President, we suffer nothing short of a white collar crime wave with respect to insider trading. Already, prosecutors have jailed numerous players who have operated on the fringe. Dennis Levine traded on inside information; Martin Siegal sold tips on pending mergers. Ivan Boesky bought those tips and made millions on his winnings. Now, Federal prosecutors are boring down to the core of the takeover scheme.

As U.S. Attorney Rudolph Guiliani said, "There's no doubt that there is a connection between the number of inside trading cases * * * and the substantial increase in the number of takeovers." The SEC's own Gary Lynch agrees: "I definitely think there is a causal relationship."

The crooks are now notorious. We must bear the guilt of ignoring the lessons their misadventures teach.

Even where white collar crime is absent, we suffer economic crime. Raiders devastate healthy companies, larding once trim firms with huge debt burdens. To pay that debt, firms shed their research divisions, then close plants, and finally terminate employees.

And the takeover game is legal. What is this game? A raider begins accumulating stock quietly, at the lowest price possible. The law provides that once an acquiror amasses 5 percent of a firm, this stake should be disclosed. But because of a loophole, the acquiror has 10 days to make that disclosure and can continue purchasing. In this way, Carl Icahn secured some 20 percent of TWA before announcing he'd gotten to the 5-percent level.

Once this stake is held, the target company is jeopardized. Disclosure requirements are shallow, and don't require the raider to state intentions clearly.

Then comes the greenmail. In many cases, the target firm buys back the acquirors stock at a premium. This is the simplest form of greenmail. There are variations, such as when the White Knight, a third company, pays the premium and itself buys the target. Or there's a leveraged buyout, with the target buying its own stock.

Ironically, a raid fails if it is successful. Then the raider must dismantle the firm to pay back the debts it incurred in the raid. Truly an inconvenience.

This insidious game must stop. The takeovers do more harm than good and that Congress should act. The Senate Banking Committee approved a measure that would have closed that 10-day loophole; it would have forced raiders to make honest statements about intentions; it would have banned greenmail.

Why has this initiative failed? It has failed because of a clever campaign by corporate raiders to saddle the legislation with amendments that sound good on paper but in reality would strip corporations of legitimate defenses against predatory raids. For example, the Senate voted to restrict poison pills without really understanding the full implication of that action. The term "poison pill" has an abusive ring. But in reality, poison pills are an effective way for corporations to ensure that raiders cannot steal a company from its stockholders at less than true value. In the real world of corporate finance, poison pills help stockholders from being ripped off by predatory raiders. To the extend they are designed to protect management rather than stockholders, they have been stricken down by the courts.

Mr. President, we have also failed to enact much needed legislation in response to the crash of October 19, 1987. On that day, the market collapsed, wiping out a fifth of all corporate value in a matter of hours, credit channels were terrorized, and many foreign lenders abandoned us. Some American trading floors closed temporarily. Hong Kong's closed for weeks.

This great crash jeopardized the very nature of our capital markets. Markets serve two purposes. First, they provide a conduit through which firms raise capital—capital used for growth, for research, and for employment. And second, they provide a place for individuals to invest their money. These two purposes work in tandem.

By both standards, however, the great crash of Black Monday has damaged the markets. Individual investors have fled the market. While individual investors own about 60 percent of U.S. stock, they accounted for only 27 percent of daily trading in the first 8 months of 1988, according to a recent Wall Street Journal.

Also, the number of initial public offerings, or stock issued by companies, has shriveled.

We've already suffered the damage of the Black Monday crash. Yet we have failed to learn the lesson it taught. The most important lesson is that our market mechanisms are fragile; they are unable to accommodate the surges in demand witnessed last October 19. SEC chairman David Ruder unabashedly acknowledges that there can be another crash. Treasury Secretary Brady after an exhaustive investigation of the crash said it more dramatically when he testified before our committee that there is a pistol pointed at our head and it's loaded.

The various exchanges, acting as self-regulators, have adopted a few new rules. And they've added to their technical arsenals. But as the New York Times recently asked, "will all the new power simply produce a more efficient crash."

What is most disturbing is that Congress has remained stalled.

Let's be accurate. Our initiative did enjoy support from crucial sectors of the market.

Nicholas Brady and the Presidential working group stands in the forefront. They have recommended important changes.

Individual investors and their firms also pleaded for reform. Prudential-Bache surveyed 400 of its customers. Its findings presented before the committee: "Nearly half of those questioned felt that the stock market is no longer a place for the small investor and that program trading has disadvantaged them seriously. They feel cheated.

Donald Regan, former Treasury Secretary, former White House Chief of Staff, and former head of Merrill Lynch, holds a particularly unique perspective as both industry leader and politician. Retired from both, his opinions are learned and uncompromised. His view of the market: It's "rigged."

On the other side are those interests that some claim are rigging the market. The fact is that many brokerage firms don't make money as intermediaries between average investors. Many of the giant firms are money combines. It's a striking reality: Since 1982, the securities industry has made more money through firms trading on their own account than on commissions from trades for customers. The tools of these money giants include computer-driven trading, index futures, and other expensive devices that are simply out of financial reach to the individual investor.

It was fear that these new tools would some how be regulated more tightly, that some of the big brokerage houses might have to look again at making money through customer service, as opposed to competing against would-be customers, that led to stiff opposition. The political calculus that stalled the reform initiative is this. It's the American investor, and the brokerage firms that service this investor, against the big wholesale houses who make more money trading against investors than trading for them.

To date, the big houses are winning.

Looking toward the future, Congress' inability to resolve any of these problems leaves it with an overwhelming backlog of financial issues that demand attention. A cycnic would be tempted to say that the Congress, by repeatedly failing to resolve these issues, is successfully shaking down the various industry groups in the private sector each year as it holds hearings and markups to threaten the industry groups with action. The cynic would forecast that the Congress would endlessly repeat these shakedown rituals to keep the campaign war chest full. Many would agree.

Unfortunately, such inaction by Congress is sapping the vitality of our economy. And the force of the issues that are approaching the horizon may cost many in this body their position if they are not handled promptly. There is one storm approaching where the shakedown—business as usual—will not suffice.

My successors on the Banking Committee will face a bailout of the savings and loan industry in the next Congress that will take a bite out of the taxpayer that is larger than all of the Government bailouts that the Government has undertaken in the past combined.

There is some hope that the taxpayer's loss will be minimized when the Congress examines this problem in 1989. The greatest reason for hope is the knowledge that the hemorrhaging of the failed thrifts is growing so fast that the Congress has no choice but to act. Delay will make the problem substantially worse.

For instance, conservative estimates indicate that the losses in the savings and loan industry will total $50 billion. Assuming that the FSLIC has the resources at its disposal to handle a $30-billion problem, the taxpayer is already on the hook for $20 billion. If, as some estimated, the problem is growing at $1 billion per month, then the lack of action to resolve the problem will cost the taxpayer an additional $12 billion per year of delay. That is a 60-percent rate of growth in the taxpayers liability in 1 year. For once the imperatives of campaign fund raising may be overmatched by the fears of voters retribution if the problem is not handled thoroughly and promptly in the first session of the 101st Congress.

Mr. President, clearly there is much left undone. A wiser chairman of the Senate Banking Committee, a wiser Senate and a wiser House would have answered and resolved each of these challenges by now. I have not; we have not.

I wish my colleagues on the Banking Committee, in the Senate, and in the Congress, the best of luck in their future efforts to modernize and improve our financial system. There is much work to do. I am hopeful that my successors will be able to pick up where my efforts have ended, and succeed where my efforts have fallen short.●

S. 2544, THE INTERNATIONAL SECURITIES ENFORCEMENT COOPERATION ACT

● Mr. PROXMIRE. Mr. President. S. 2544, the International Securities Enforcement Act of 1988 is extremely important legislation which has the full blessing and support of the Department of Justice, the State Department, and the Securities and Exchange Commission. It was voted out of the Senate Banking Committee unanimously. It is an administration bill. It has 100 percent support of all Democratic Senators. It is supported by all aspects of the securities industry. The Securities Industry Association supports it.

Get the SIA on the same side as the SEC, all Democrats on the same side as the administration, and you would think we could pass a bill. Especially since we are also told the House will accept it.

Mr. President, in fact, I am aware of no opposition from any individual in the United States or for that matter on the face of the Earth. And, yet, we have a Republican hold on it—and I would like to get a clear explanation of why we cannot move on this legislation.

This is a law enforcement bill. It would help us in our international efforts to crack down on white collar crime—securities fraud, insider trading, and the like. It is apple pie, motherhood, and truth-in-justice wrapped up neatly into one little package. Yet for some mysterious reason we cannot pass it. And I would like to have a good reason why not.

Specifically, the International Securities Enforcement Cooperation Act of 1988 provides the following:

First, the SEC with the authority to conduct, in the United States, an investigation of securities fraud at the request of a foreign country where that foreign country agrees to provide similar investigative assistance to the SEC.

Second, an exemption from statutory disclosure requirements of confidential documents received from foreign authorities.

Third, SEC rulemaking authority for sharing evidence with other securities officials, both foreign and domestic. The bill would make explicit the SEC's authority to share evidence with other securities authorities.

Fourth, explicit authority for the Commission to censure, revoke the registration of, or impose employment restrictions upon securities professionals based upon the findings of a foreign court or foreign securities authority.

Passage of these provisions will clearly assist our international securities enforcement efforts. Everyone agrees to that. Mr. President, if we cannot pass this bill we will show ourselves clearly to be at our worst.●

SENATOR ROBERT C. BYRD

● Mr. BOSCHWITZ. Mr. President, I rise today to join my colleagues in recognizing the work of Senator ROBERT C. BYRD in the U.S. Senate. For 30 years the distinguished senior Senator from West Virginia has served the people of this fine State with distinction.

Over the past several weeks as the end of the 100th Congress drew near, many of my colleagues have taken the floor to reminisce and thank the leader for his work. I would especially like to join them in their praise of his parliamentary expertise. Even when the leader and I may have differed on the issues I have always been in awe of his skillful mastery of the rules of the Senate. We all have.

Mr. President, Senator BYRD has also graced the Senate with his remarkable literary memory, from time to time flourishing Senate debate with a useful quote from the classics, or some other source of literary note. Generally his literary illusions would be laced with a poignant constitutional moral that would attempt to keep our feet firmly planted in doing, as he often says, the people's business. Indeed, sometimes I am even astounded by the Senator's ability to recite such lengthy passages with such grace, accuracy, and clarity.

Moreover, as I have said before, one thing I have greatly appreciated over the years is the gracious Senator's tireless dedication to teaching his colleagues and the American people the history of this great institution. Each one of his speeches about the Senate's history has been informative and instructive. As Shakespeare wrote, "What's past is prologue."

Senator ROBERT C. BYRD's love and respect for the hallowed Halls of the U.S. Senate is well-known and greatly appreciated by this Senator and I am sure all of his colleagues.

Mr. Leader, as you step down from your position as majority leader, to accept the new responsibilities that await you here in the Senate, I bid you best wishes and good luck.●

A NEW FARM BILL

● Mr. BOSCHWITZ. Mr. President, while we grind our way toward the end of the 100th Congress, I rise today to direct our attention forward, to an issue that I think will be one of the most important issues in the 101st Congress: The writing of a new farm bill.

For several years now, my colleagues from Oklahoma, Senator BOREN, and I have tried to direct the discussion of farm policy toward a concept we call decoupling. The purpose of decoupling, as many of my colleagues know, is to gradually move farm decisions toward the marketplace, and to an atmosphere in which farmers make their planting choices based on the needs of the marketplace, rather than on which Government program maximizes their income.

In the 1985 farm bill debate the decoupling plan received 42 votes here in the U.S. Senate, despite the fact that it was opposed by the administration, and despite the fact that Senator BOREN and I did not have enough time to explain the proposal in depth to many of our colleagues.

Since that time, some members of the administration have expressed the opinion that farmers would have been better served by decoupling, as would have the Federal Government. As I see it, Mr. President, the failure in the Senate of decoupling in 1985 was not a failure of the idea, but a failure on our part to explain the benefits of decoupling to our colleagues and to the agricultural community.

Well, never let it be said that I cannot learn from defeat. Since the debate over the 1985 farm bill, I have made a continuous effort to explain the benefits of decoupling to my colleagues, to farmers and to others interested in agriculture.

Many of my colleagues will remember the visits I've paid them in their offices. Mr. President, I've sat down with many of my colleagues one on one to talk about agriculture, to talk about the industry in their State and the impact decoupling would have on their individual States. To those who have heard my presentation, I thank you for your patience and understanding. For those to whom I have not yet spoken, I just want to say, "I'm gonna get you."

But my educational ventures have not been limited to the Halls of the Senate. One August recess, when many of my colleagues went off for a well-deserved vacation, I traveled to universities all over the Midwest and spoke with agriculture and economic faculty members about decoupling. I spoke with groups of farmers. I spoke with agriculture reporters. I've written articles for agriculture publications and explained the Boschwitz-Boren idea of decoupling for agriculture.

My educational efforts, I'm happy to report, appear to be paying off. I would draw attention to a pair of surveys of Iowa farmers, taken by Iowa State University. In the spring of 1987, among other things, farmers were asked if they approved of the decoupling plan as future farm policy; 40 percent of the farmers liked decoupling; 23 percent disagreed; and 37 percent said they did not know. In other words, Mr. President, decoupling had an approval margin of nearly 2 to 1 among farmers who understood the concept, but more than a third of those surveyed did not yet understand the principles behind decoupling.

An identical survey was taken a year later by Iowa State University, and the results are similarly encouraging. Decoupling, which enjoyed slightly less than a 2-to-1 margin a year before, is now approved of by a 41-to-19 margin among those farmers.

What these numbers say to me, Mr. President, is that when farmers understand decoupling, they approve of decoupling. The job before Senator BOREN and I, then, is to increase the number of farmers who understand the economic benefits of decoupling.

That's what I intend to do, Mr. President, and I would urge my colleagues who come from farm States to take some time over the next couple of months to discuss future farm policy with their farmers. Find out what they think of the 1985 farm bill. Find out what they think about decoupling and when the 101st Congress convenes, I think we will be ready to have a lively debate about farm policy and I hope, in the end, that we will decide to pursue a policy that frees the farmer from burdensome Government programs, that returns farming decisions to the marketplace and that ushers in a new period of prosperity for the American family farmer.●

WORK AND FAMILY ISSUES

● Mr. BIDEN. Mr. President, in the final months of this session, the Senate debated three matters of great concern to working men and women in this country: First, whether workers should be able to earn a decent wage that will help keep them out of poverty; second, whether parents should be forced to choose either keeping a job or caring for a sick child; and third, whether affordable, quality child care should be available to all parents who need it.

Unfortunately, none of these profoundly important issues ever came to a final vote. Each one of them was in fact filibustered to death by Senators on the other side of the aisle who argued that the Senate was wasting its time on these bills. They were called political issues, trivial matters that were preventing the Senate from doing the real business of the people—namely, the drug bill.

Of course the fight against illegal drugs is important. In my 16 years in the Senate, I have rarely seen greater agreement on the need to act quickly to address a national crisis. But does that mean we should ignore the crucial issues raised in the three work and family bills? They involve questions of basic economic justice, which is surely of critical importance to the American people.

These issues—the minimum wage, parental and medical leave policies, and child care—deal with fundamental human needs. Millions of working families face these problems every day, and their needs will not go away. These needs will still exist next year, and, in fact, will be even greater, because we have been prevented from addressing them this year.

The filibuster will not prevent the minimum wage from losing more of its value to inflation, and it will not change the economic and demographic trends that have moved more and more women—and mothers—into the work place. The need and the desire of working men and women to earn a living wage will remain, and the needs of millions of American families for decent, affordable child care and basic family leave policies will remain, despite the wish of some Senators to turn back the clock.

So we will adjourn without having acted on these matters. But just as surely, this debate will resume in January of 1989, when the 101st Congress convenes. It is my fervent hope that we can then defeat any effort to further delay passage of legislation that addresses the needs of today's—and tomorrow's—working families: new child care assistance, a family leave policy, and an increase in the minimum wage.

FAMILY ASSISTANCE

Reasonable leave policies have become a necessity for American working families. For all the talk we've heard in this election year about family values, the parental and medical leave bill the Senate recently debated would have actually done something for them, by making it possible for them to care for each other in times of need without risking the loss of their jobs.

We all know what it means to be ill, or to have a family member who is ill. We all know that these events can be serious, even devastating experiences. Reasonable leave policies can help prevent these crises from becoming even more devastating. Millions of Americans teeter on the edge of economic disaster each day. One illness, one accident, to their child or themself, and they can lose their job, even if the illness lasts only 1 month. The working people of America deserve a better way of living, and they deserve the personal economic security provided in the parental and medical leave bill.

American working families also need affordable quality child care. More and more women are entering the work force, and more and more of our children have mothers in the work force. Unfortunately, quality child care is often either not available or is too expensive. This harms our children, it harms our families, and it harms our economic future.

We can and must do better for our children. We must act to ensure that lower- and middle-class families can afford decent child care, and we must put in place minimum standards to ensure that the child care provided is safe, competent and wholesome. We must not neglect their needs.

MINIMUM WAGE

If the American dream means anything, it is that, when a man or woman goes out and takes a job and works at it day in and day out, that person should bring home a decent wage. Clearly, that was the historic intent of the minimum wage—in the words of President Roosevelt, "a fair day's pay for a fair day's work."

Americans have always valued work. But today, for too many of us, work fails to bring a decent wage. The failure of the Senate to act on a minimum wage increase will perpetuate this injustice.

The purchasing power of the minimum wage—frozen at $3.35 an hour since 1981—has eroded by 22 percent since then. That 1981 wage is worth only $2.60 in today's dollars. Today, a minimum wage worker earns under $7,000 a year, while the poverty level for a family of four in 1987 was $11,611.

In the 50-year history of the minimum wage, Congress has sought to set it at about half of the average hourly wage. The last time the wage was changed, in 1978, it was set at 55 percent of that wage. By 1981, when the current $3.35 went into effect, it was 47 percent. Today that percentage has declined to only 36 percent of the average hourly wage.

If the minimum wage proposal we debated had become law, the 1989 wage would have been $3.75, still only 40 percent of the average hourly wage. Only in 1991 would it have returned to its 1981 level of 46 percent.

The importance of the minimum wage is sometimes dismissed on the grounds that most businesses pay their workers more. Yet Department of Labor figures show that more than 15 million hourly workers in 1987 earned less than $4.55 per hour—over 6.5 million of them full-time workers. Where is the American dream for these workers?

There has always been controversy about the economic impact of a higher minimum wage. We always hear charges that any increase will mean fewer new jobs are created. However, with the coming labor shortage, the argument about job creation seems to be irrelevant. We will have more jobs than workers in the coming years. Job opportunities are expected to increase by 5.4 million, while the labor force will increase only by 4.6 million persons. There will be an even greater labor shortage of teens and young adults between 16 and 24 years of age who are prime beneficiaries of the minimum wage.

In any event, the job statistics debate misses the point. The proposal we debated is primarily about paying workers a living wage, about giving the poor the opportunity to work their way out of poverty, about rewarding the productive labor of every American.

The issue of paying less than the minimum wage to some groups of employees, such as youth or trainees, was also hotly debated this year. In 1984 I gave much consideration to the need for a youth differential in order to encourage employment of teenagers. I would have required strong limitations, including safeguards against substituting lower paid youth for older workers. That was a controversial position, but I thought it necessary to get young workers employed more quickly and give them a good start on their working lives.

The amendment offered in the Senate this year had none of the features of my proposal. It was not targeted to giving youth a start. Any workable proposal, any proposal that will provide real help to unemployed youth, must include some form of targeting. The amendment we were offered allowed employers to hire workers of any age as trainees for up to 90 days. It did not even require training for those trainees. And there were no safeguards against substitution of subminimum wage workers for regular employees.

Times have changed since 1984. The debate supporting the subminimum wage today seems more about reducing employers' wage payments than helping teenagers find work. Teenage unemployment has lessened, although there are still serious problems. Had the recent legislation passed, there would have been many jobs paying less than the minimum wage. Increasing the small business exemption would have made 1.2 million more jobs exempt from any minimum wage requirement. Under present law, full-time students can be paid 85 percent for up to 20 hours a week. There are other existing exemptions dealing with real on-the-job training. It may be that we should consider further actions for training and employment. A broad subminimum wage provision is simply the wrong approach.

An analysis of the U.S. economy since 1938 shows that a minimum wage can be a successful part of a healthy economy. There is no evidence of related job losses.

Over the decades since its adoption, Congress has reaffirmed its faith in the minimum wage as a feature of economic and social policy by adjusting its coverage. It is time to do that again.

Today's subpoverty minimum wage, combined with an increasingly service-oriented economy that emphasizes minimum wage opportunities, is a threat to achievement of the American dream of economic self-sufficiency. A modest increase in the minimum wage will help restore the value of work and make the American dream possible once again.●

GLOBAL WARMING

● Mr. BIDEN. For many years, man has been conducting a massive, potentially devastating experiment on the Earth's atmosphere and climate. Scientific findings in the last 2 years have propelled the previously little-noticed theory of the greenhouse effect, dating from before the turn of the century, into the forefront of domestic and international debate. The evidence now clearly shows this is one experiment which must be terminated.

Since the summer, we have seen a flood of news reports on the scientific underpinnings of the greenhouse effect, on manmade chemicals and emissions that contribute to the warming of the globe, on shortsighted policies that exacerbate the warming trends, and on the projected effects of those trends if they are allowed to continue. As a result, support has quickly coalesced for actions to reverse man's contributions to global warming.

But as committed as the American public is to preventing a global disaster, we cannot do it alone. Even a complete elimination in the United States of all the gasses which contribute to global warming would only take us part way to our goal of slowing the warming trend.

For example, the leading contributor to global warming is carbon dioxide [CO_2], the major source of which is the burning of fossil fuels. Excess CO_2 accounts for roughly half of the rise in the atmosphere's temperature.

The United States is the largest source of CO_2 emissions from the burning of fossil fuels, but we are by no means the only source. Emissions from the United States are about 25 percent of the world's total. The Soviet Union follows with a 20-percent share, Western Europe chips in 15 percent and China, which reportedly plans to increase its use of coal, adds another 10 percent.

An internationally coordinated approach recognizes two indisputable facts about the causes of global warming—no one nation can eliminate completely its share of greenhouse gasses, and no one nation will be able to solve the problem.

Although we cannot solve it alone, our leadership is crucial in international meetings on global warming. When our Government's representatives sit silently in international meetings, the wind goes out of the sails of the attendees. That's what some observers saw happen at an international meeting in Toronto earlier this year and we cannot let it continue. If the principal emitter of greenhouse gasses appears hesitant to act, other countries wonder if results will come. We all lose when that happens.

An article in the New York Times of October 20 points out exactly what we could lose. The article describes a draft report prepared by the Environmental Protection Agency [EPA] on the potential effects of global warming in the United States. According to the article, the report finds that whole ecological systems will be pushed northward, coastal marshes will be inundated by salt waters, and air pollution will become worse. While changes like these have happened through the eons, man's actions may accelerate the changes, making adaption impossible for many species of plant and animal life.

The findings of the EPA report do not appear to break any new ground; a number of studies done to date have predicted similar results. But the value of the EPA's report is that it signals the first step in a process established over the last 2 years to set us on a course of addressing global warming.

The Environment and Public Works Committee laid down the first part of the strategy by asking the EPA to prepare a report on the effects of global warming, followed by a second one that outlines policy options to prevent the predictions of the first report from coming true. As described in the New York Times article, the first report is expected to be officially released shortly. The second report is due by the end of the year.

A law I authorized, the Global Climate Protection Act, took the next step by directing the Secretary of State to report on U.S. efforts to gain international cooperation to address climate change and what will be done in the future to improve on that. That report is due by December 1989.

We have a model for international cooperation on a global environmental issue. Earlier this year, the Senate ratified the Montreal Protocols on Substances that Deplete the Ozone, which calls for marked international reductions in the production and use of CFC's by the end of the 1990's. It is CFC's that are responsible for the hole in the ozone above Anarctica.

No one doubts that a similar agreement on the precursors to global warming will be much more difficult to reach. The variety of factors involved, the more widespread and basic changes that may be required, the number of nations that will have to sit at the table, and the varying forms of action each nation can take all point to a negotiating process that will go well beyond anything the Montreal protocols had to address.

That is why it is important that we look ahead and plan the best way to proceed. That is what the Global Climate Protection Act set in motion, an assessment of where we stand and where to go from here. I intend to make sure the State Department is making progress in its development of a strategy to gain the needed international cooperation.

I am pleased to note the State Department will have a representative present at an upcoming meeting in Geneva on global warming. It is this type of presence, while proposals to mitigate global warming are still in the formative stages, that make it clear the United States is committed to finding a solution.

But it is a presence that must be meaningful. Our representatives cannot sit on their hands. The Global Climate Protection Act is premised on the presumption that the United States is taking a leadership role on global warming. I hope that does not prove to be an erroneous presumption.

Man is the cause of accelerated warming of the Earth's climate. Man has it in his power to be the solution. It will take an acknowledgment of the problem, a recognition of what needs to be done, and a devotion of resources. But most importantly, it will take a commitment to see the problem through.

In the 101st Congress, I intend to make sure that the State Department is upholding its responsibility under the Global Climate Protection Act, and the United States is a progressive force in international meetings on this most serious threats.

I ask that a copy of the Global Climate Protection Act and a copy of yesterday's article from the New York Times be printed at the conclusion of my remarks.

The material follows:

GLOBAL CLIMATE PROTECTION ACT OF 1987

(Partial text of Public Law 100-204 [Foreign Relations Authorization Act, Fiscal Years 1988 and 1989; H.R. 1777], 101 Stat. 1331, approved December 22, 1987)

AN ACT To authorize appropriations for fiscal years 1988 and 1989 for the Department of State, the U.S. Information Agency, the Voice of America, the Board for International Broadcasting, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

* * * * *

TITLE XI—GLOBAL CLIMATE PROTECTION

SEC. 1101. SHORT TITLE.

This title may be cited as the "Global Climate Protection Act of 1987".

SEC. 1102. FINDINGS.

The Congress finds as follows:

(1) There exists evidence that manmade pollution—the release of carbon dioxide, chlorofluorocarbons, methane, and other trace gases into the atmosphere—may be producing a long-term and substantial increase in the average temperature on Earth, a phenomenon known as global warming through the greenhouse effect.

(2) By early in the next century, an increase in Earth temperature could—

(A) so alter global weather patterns as to have an effect on existing agricultural production and on the habitability of large portions of the Earth; and

(B) cause thermal expansion of the oceans and partial melting of the polar ice caps and glaciers resulting in rising sea levels.

(3) Important research into the problem of climate change is now being conducted by various United States Government and international agencies, and the continuation and intensification of those efforts will be crucial to the development of an effective United States response.

(4) While the consequences of the greenhouse effect may not be fully manifest until the next century, ongoing pollution and deforestation may be contributing now to an irreversible process. Necessary actions must be identified and implemented in time to protect the climate.

(5) The global nature of this problem will require vigorous efforts to achieve international cooperation aimed at minimizing and responding to adverse climate change; such international cooperation will be greatly enhanced by United States leadership. A key step in international cooperation will be the meeting of the Governing Council of the United Nations Environment Program, scheduled for June 1989, which will seek to

determine a direction for worldwide efforts to control global elimate change.

(6) Effective United States leadership in the international arena will depend upon a coordinated national policy.

SEC. 1103. MANDATE FOR ACTION ON THE GLOBAL CLIMATE.

(a) Goals of Untied States Policy.—United States policy should seek to—

(1) increase worldwide understanding of the greenhouse effect and its environmental and health consequences;

(2) foster cooperation among nations to develop more extensive and coordinated scientific research efforts with respect to the greenhouse effect;

(3) identify technologies and activities to limit mankind's adverse effect on the global climate by—

(A) slowing the rate of increase of concentrations of greenhouse gases in the atmosphere in the near term; and

(B) stabilizing or reducing atmospheric concentrations of greenhouse gases over the long term; and

(4) work toward multilateral agreements.

(b) Formulation of United States Policy.—The President, through the Environmental Protection Agency, shall be responsible for developing and proposing to Congress a coordinated national policy on global climate change. Such policy formulation shall consider research findings of the Committee on Earth Sciences of the Federal Coordinating Council on Science and Engineering Technolgy, the National Academy of Sciences, the National Oceanic and Atmospheric Administration, the National Science Foundation, the National Aeronautic and Space Administration, the Department of Energy, the Environmental Protection Agency, and other organizations engaged in the conduct of scientific research.

(c) Coordination of United States Policy in the International Arena.—The Secretary of State shall be responsible to coordinate those aspects of United States policy requiring action through the channels of multilateral diplomacy, including the United Nations Environment Program and other international organizations. In the formulation of these elements of United States policy, the Secretary of State shall, under the direction of the President, work jointly with the Administrator of the Environmental Protection Agency and other United States agencies concerned with environmental protection, consistent with applicable Federal law.

SEC. 1104. REPORT TO CONGRESS.

Not later than 24 months after the date of enactment of this Act, the Secretary of State and the Administrator of the Environnmental Protection Agency shall joinly submit to all committees of jurisdiction in the Congress a report which shall include—

(1) a summary analysis of current international scientific understanding of the greenhouse effect, including its environmental and health consequences;

(2) an assessment of United States efforts to gain international cooperation in limiting global climate change; and

(3) a description of the strategy by which the United States intends to seek further international cooperation to limit global climate change.

SEC. 1105. INTERNATIONAL YEAR OF GLOBAL CLIMATE PROTECTION.

In order to focus international attention and concern on the problem of global warming, and to foster further work on multilateral treaties aimed at protecting the global climate, the Secretary of State shall undertake all necessary steps to promote, within the United Nations system, the early designation of an International Year of Global Climate Protection.

SEC. 1106. CLIMATE PROTECTION AND UNITED STATES-SOVIET RELATIONS.

In recognition of the respective leadership roles of the United States and the Soviet Union in the international arena, and of their joint role as the world's two major producers of atmospheric pollutants, the Congress urges that the President accord the problem of climate protection a high priority on the agenda of United States-Soviet relations.

[From the New York Times, Oct. 20, 1988]

DRAFT REPORT ON GLOBAL WARMING FORESEES ENVIRONMENTAL HAVOC IN U.S.

(By Philip Shabecoff)

WASHINGTON, October 19.—Global warming caused by industrial pollutants in the atmosphere is likely to shrink forests, destroy most coastal wetlands, reduce water quality and quantity in many areas and otherwise cause extensive environmental disruption in the United States over the next century, according to a draft report by the Environmental Protection Agency.

The report, prepared by the agency at the order of Congress, is "the first comprehensive look at the effects we might experience in this country from global warming," said Linda J. Fisher, the environmental agency's Assistant Administrator for Policy and Planning.

A second report ordered by Congress from the agency on policy recommendations for reducing the pollution that is producing global warming is due out by the end of the year. Scientists believe, that the earth is warming because carbon dioxide and certain other industrial pollutants in the atmosphere tend to trap solar heat, a process called the greenhouse effect.

Although the report finds mostly negative consequences from global warming, in some areas, such as agriculture, the news is not all bad. The report concluded, for example, that while hotter, drier weather may reduce crop yields in some areas, including the Southeast and central portions of the country, it could increase productivity in more northerly agricultural regions.

The 700-page report has not yet been officially released by the agency, but a 51-page executive summary was made available to The New York Times today by sources outside the Government. The report examines how the global warming trend is likely to affect the various regions of the country and their natural systems.

Scientists project that in the absence of major reductions in burning of fossil fuels, the major source of carbon dioxide pollution, the greenhouse effect will result in an average global warming of 3 to 8 degrees Fahrenheit by the middle of the next century.

The report concludes, "Global climate change will have significant implications for natural ecosystems; for when, where and how we farm; for the availability of water to drink and water to run our factories, for how we live in our cities; for the wetlands that spawn our fish; for the beaches we use for recreation, and for all levels of government and industry."

Agency officials cautioned that the projections in the report were based on computer models that contained many of uncertainties. They also noted that the report was still being reviewed for accuracy by scientists. But they said the evidence showed that global warming would bring major, irreversible changes in the country's natural systems.

MAJOR FINDINGS OF STUDY

Among the more significant findings of the report are these:

Some ecological systems, particularly forests, which occupy one-third of the country's land area, may be unable to adapt quicly enough to a rapid increase in temperature. The warming trend could force the southern border of forests northward while the northern border moved more slowly. As a result the range of species such as sugar maples and hemlocks are likely to shrink. The composition of the forests is also likely to shift as temperatures rise and moisture content of the soil changes, making some regions less favorable to certain species of trees and more hospitable to others. The agency projects that the decline in the nation's forests will begin within 30 to 80 years.

As the global sea levels rise by one to three feet or more because of thermal expansion of the oceans and the melting of glaciers, most of the nation's coastal marshes and swamps would be inundated by salt water. Louisiana, which has 40 percent of the nation's coastal wetlands, could lose up to 85 percent of these rich ecological habitats.

Beaches and other developed coastlines could be protected by dredging and other means, but the cost would be high, as much as $111 billion through the year 2100. Even with these efforts, some 7,000 square miles of coastal drylands, an area the size of Massachusetts, could be lost.

While changes in rainfall patterns cannot yet be predicted with accuracy, the warming trend is likely to produce changes in water quantity and quality in some areas. In California, for example, an earlier snowmelt and runoff could disrupt water management systems and mean that less water will be available in the drier months of late summer. Reduced snow and faster evaporation may reduce the level of the Great Lakes. Where there is less water there would be less dilution of pollutants. Higher temperatures could increase the growth of algae that would choke out other life in some lakes.

Summer heat waves may lead to an increasing number of deaths, particularly among the elderly. This trend would be pronounced in northern states, where prolonged heat is now unusual. Disease borne by insects, including malaria and Rocky Mountain spotted fever could spread as warmer weather expanded the range of the insects. Diseases exacerbated by air pollution, such as asthma and emphysema, are likely to be increasingly troublesome. Because hotter weather is likely to increase pollution.

"On a national scale, the supply of agricultural commodities does not appear to be threatened by climate change," the report stated. The projections showed that while crop acreage in Appalachia, the Southeast and the southern Great Plains could decrease by 5 to 25 percent, acreage in the northern Great Plains, the northern Great Lakes states and the Pacific Northwest would increase by 5 to 17 percent. The growing amount of carbon dioxide in the air could actually increase the yield of some crops because carbon dioxide is absorbed by plants in photosynthesis.

RISE IN FOOD PRICES

Many of the nation's farmers might respond to climate changes by increasing irrigation or shifting to crops that thrive in drier soils. Food prices are likely to increase to the detriment of consumers but the benefit of food producers.

Some regions are likely to suffer more than others, the report noted. The Southeast, which would lose major lowland areas and already suffers from high temperatures in summer, is one region that would feel the effects of global warming heavily. California, which already has problems making do on its available water, would also have difficulty in adjusting to the climate changes.

Next month, governments of industrial and developing countries are scheduled to meet in Geneva under the sponsorship of the United Nations Environment Program and the World Meteorological Organization to set up panels to examine the predicted effects of global warming and to recommend strategies for dealing with the expected changes. The findings of the EPA report are likely be considered at that meeting.●

THE FUTURE OF THE WAR POWERS RESOLUTION

● Mr. BIDEN. Mr. President, this fall, as chairman of the Foreign Relations Committee's Special Subcommittee on War Powers, I presided over extensive hearings aimed at evaluating the War Powers Resolution of 1973, and inquiring into legislative possibilities for improving existing law so as to strengthen executive-legislative cooperation in decisions affecting the United States use of force abroad.

I wish at this point to offer some reflections on where matters now stand. Although I have as yet reached no firm conclusions as to a legislative recommendation, I feel deeply that the subject matter at issue—the process by which we go to war—bears fundamentally on American national security, our stature in the world community, and ultimately on the very character and fabric of our society. I shall continue working on a legislative recommendation in the weeks ahead.

A CONSTITUTIONAL IMPASSE

During a period of relative tranquility at home and abroad, the war power question seems almost academic. But the decision to go to war occupies a solemn place in our constitutional system. And if history is any guide, the issue—not just of war, but the process by which we decide on it—will once again acquire prominence and probably passion. It warrants dispassionate analysis in the calm before those fevers arise.

With the American Constitution now 200 years old, one might expect so fundamental a question to have been resolved—by the constitutional document itself and two centuries of constitutional experience. But the reverse has occurred. Today the War Powers question is debated not in its nuances, but by two sharply conflicting factions whose arguments are charged with all the emotional and ideological energy of two decades of dispute over policy and principle.

Ironically, the focus of this contention—the lightning rod—is a 15-year old law designed to resolve the issue and facilitate harmony. Instead, the War Powers Resolution produced the very opposite result and has indeed never been obeyed. Accordingly, we have reached what amounts to a constitutional impasse that will debilitate American foreign policy for so long as it goes unresolved.

SYMPTOM OF THE IMPASSE: A CHRONIC DEBATE OVER PROCEDURE

The most recent case in point arose last year, when the Reagan administration placed Kuwaiti oil tankers under the American flag and committed the U.S. Navy to protect those tankers in the Persian Gulf. The administration presented this action as a matter of principle—an assertion of the right of innocent passage on the high seas. In fact, it represented a major foreign policy decision to commit American Forces on one side in the Iran-Iraq war.

My purpose here is not to support or critique the U.S. decision, but to underscore that it was a complex, potentially high-risk undertaking not at all self-evident in its justification and warranting careful deliberation. As the administration's policy rather haphazardly emerged, surely a significant debate was in order, both in public and behind closed doors. Yet it hardly occurred. Instead, Congress quickly descended, as it has several times in recent years, into a debate not on the policy at issue but on procedure—specifically, whether and how the requirements of the War Powers Resolution of 1973 might apply, and indeed whether that law is even constitutional.

Intellectual energies needed for analysis of the national interest in the situation were diverted, as on prior occasions, into a frenzied debate over institutional prerogatives, constitutional legalisms, and—I repeat—procedure rather than policy. Was this a case of "imminent hostilities," as specified in the War Powers Resolution? If so, when had the 60-day time clock begun to run? Since the President had not sent to Congress the required report triggering the time-clock, how could anyone know for sure that it was running? And so forth.

ESSENCE OF THE PROBLEM: TWO SHARPLY DIVERGENT VIEWS

Late last year, recognizing this as a chronic phenomenon rather than a single exceptional incident, the Senate Foreign Relations Committee decided to establish the Special Subcommittee on War Powers to review and reassess the entire problem. The subcommittee heard some 30 witnesses—including a former President, key legislators involved in originating the War Powers Resolution, current and former Secretaries of Defense and State, current and former chairmen of the Joint Chiefs, the State Department Legal Adviser, and numerous historians and constitutional scholars.

Several witnesses testified that enactment of the War Powers Resolution in 1973 was little more than a misguided symptom of congressional disillusion with the Vietnam war and that matters could today be straightened out if Congress would simply repeal the law. I disagree. What is at stake is a fundamental divergence of view that, in historic perspective, has appeared only recently, and that will not be resolved by the expedient of erasing an existing law. This divergence of view concerns the inherent constitutional authority of the President to commit the United States to hostilities. And it is conflict over that, not the existing law, that is the essence of our current problem.

One view I title the "monarchist" model. It sees the President as having virtually unlimited authority to deploy and use the armed forces in pursuit of what he regards as the U.S. national interest. "Monarchists" acknowledge that Congress possesses its own powers, but they argue that the only congressional power relevant to warmaking is the power of the purse. In short, if the President starts a war Congress doesn't like, it can always cut off the money to wage it. This is certainly a clean division of labor. What merits debate is whether it is a constitutional division of labor—or a desirable one.

The alternative view I call the "joint decision" model. Its premise is that there are indeed limits on the President' independent power to commit U.S. forces to combat—limits that may be hard to define but that nonetheless exist. In this view, the President draws his inherent or independent authority not from some robust concept of the President as an all-knowing and close-to-omnipotent Commander-in-Chief, but from a much more limited responsibility to protect the nation and its citizens from immediate threats. Under the "joint decision" model, any independent presidential power to use force derives from the concept of emergency: the need to repel an attack on the United States or its forces, to forestall an imminent attack, to rescue U.S. citizens whose lives are imperiled; whereas any long-term policy—of sustained hostilities—must derive from an affirmative decision of the entire Government, including Congress.

Evaluating these two models is complex because the Constitution itself is vague and because custom and practice—the deeds of two centuries of American history—offer a wealth of examples that are cited to support both sides of the argument. Such confusion tends to work in favor of the "monarchist" model by including a kind of collective constitutional shoulder shrug—an attitude that, since it appears not quite clear what the Constitution requires, perhaps we would do best to let the president get on with the business of defending American interests as he sees fit. On the other hand, the constitutional situation is, upon examination, not as murky as the "monarchists" would have it.

INTENT OF THE FRAMERS

The intent of the Framers cannot resolve this debate, but is the logically necessary point from which to begin. The Constitution they drafted is, in its allocation of powers affecting foreign policy, cryptic and ambiguous—and, one must conclude, purposefully so. The greatness of the Framers lay not only in what they knew but in their wise recognition of what they could not know. In foreign policy they recognized the need for flexibility. As Hamilton wrote in the Federalist, "It is impossible to foresee or define the extent and variety of national exigencies. * * * The circumstances that endanger the safety of nations are infinite, and for this reason no constitutional shackles can wisely be imposed on the power to which the care of it is committed."

But rejecting "shackles" did not mean rejecting processes by allocating foreign policy to one unconstrained authority. Clearly, the Framers wished to repose strong executive power in the President—to overcome the chaos that had characterized Government under the Articles of Confederation. But on the question of warmaking, the Framers' thoughts were still with the King, whose power, according to Blackstone, included "the sole prerogative of making war and peace." Such power the Framers were determined to deny the President. Accordingly, even so staunch an advocate of presidential power as Hamilton was at pains in the Federalist to stress that the President's power as Commander-in-Chief would be "much inferior" to that of the King, amounting to "nothing more than the supreme command and direction of the military and naval forces" and not to the decision on war itself.

Indeed, an early draft of the Constitution reserved exclusively for Congress the power to "make war." Later this was changed to "declare war." But the reason for the change is instructive. In the convention, James Madison and Elbridge Gerry argued for the amendment solely in order to allow the President "the power to repel sudden attacks."

The Framers had no interest at all in the ceremonial aspects of "declaring war." Even then, as Hamilton noted, "The ceremony of a formal denunciation of war" had "of late fallen into disuse." The real issue was congressional authorization of war. And on that issue there appears little doubt that the Framers' aim was to empower the President to respond when war was imposed on the nation, but not to empower him to undertake war on his own.

CONSTITUTIONAL PRACTICE: 1789-CIVIL WAR

Since a fair reading of the Framers' intent makes it difficult to draw any other conclusion, modern day "monarchists" usually rest their constitutional arguments far less on original intent than on two centuries of constitutional history, in which they claim to discern support. Let us therefore scan the two centuries for themes and evidence. Does American history confer legitimacy on presidential warmaking?

A favorite "monarchist" argument is that U.S. forces have engaged in hostilities many times without a declaration of war, and the earliest example cited is the undeclared naval war with France in 1798-1801, in which President Adams used U.S. naval forces in the Mediterranean. But on examination this episode can offer the "monarchists" little solace, for Adams actually sought and obtained congressional support. Indeed, Congress ultimately became more belligerent than Adams, passing a number of measures aimed at encouraging successful prosecution of the conflict.

That war also produced two Supreme Court decisions bearing on the question of limited war—a phenomenon that modern "monarchists" often try to suggest lies outside the provisions of the Constitution. The Constitution itself had touched on this subject by reserving for Congress the authority to grant "letters of marque and reprisal"—licenses issued to private citizens empowering them to seize enemy ships in an 18th century version of limited war. But the Court's rulings made the matter of limited war still clearer. Wars, the Court said, even if "imperfect" were nonetheless wars. Moreover, Chief Justice Marshall ruled, "Congress may authorize general hostilities * * * or partial war." In short, all war—not just full-scale "perfect" war, but also limited war—falls within the constitutional concept of war.

Modern "monarchists" are also prone to make reference to the Barbary pirates of those years, and presidential efforts to protect American shipping from them. But note the words of Adams' successor, Thomas Jefferson. U.S. naval forces in the Mediterranean, he told Congress, were "unauthorized by the Constitution, without the sanction of Congress, to go beyond the line of defense."

Jefferson spoke similarly a few years later. Having made the sharpest real estate deal in history by purchasing Louisiana, he addressed the question of whether U.S. forces should be used against the Spanish in Florida, who posed a threat to the newly-acquired territory. Jefferson told Congress that "Considering that Congress alone is constitutionally invested with the power of changing our condition from peace to war, I have thought it my duty to await their authority for using force. * * * The course to be pursued will require the command of means which belong to Congress exclusively to yield or deny."

The War of 1812, under James Madison, does not bear on either side of our modern-day argument over the war power. It was the first of our five declared wars, the only one in which the declaration was not simply a formality acknowledging the prior existence of war, and holds historical interest primarily as a reminder that Congress is not always more peace-loving than the President. In spoiling for a fight, the War Hawks in Congress were way ahead of Madison.

But our second declared war, with Mexico in 1846, does have some relevance to the current constitutional predicament. Hostilities began when President Polk sent American troops into disputed border territory, where they were attacked by Mexican forces defending Mexico's claim. Congress responded by declaring war. But 2 years later, with the war still on, the House of Representatives registered the feeling that it had been hoodwinked by a Presidential fait accompli by resolving that the war had been "unnecessarily and unconstitutionally begun by the President of the United States."

An elderly Congressman, former President John Quincy Adams, who had served a quarter century earlier as James Monroe's Secretary of State and had devised the famous doctrine that bore Monroe's name, gave his last hours in public life to denouncing Polk's effort to justify the war as an application of the Monroe Doctrine. And a much younger colleague, Congressman Abe Lincoln, articulated a dilemma of Presidential warmaking we face today:

> Allow the President to invade a neighboring nation, whenever he shall deem it necessary to repel an invasion * * * and you allow him to make war at pleasure. Study to see if you can fix any limit to his power in this respect * * * . If, today, he should choose to say he thinks it necessary to invade Canada, to prevent the British from invading us, how could you stop him? You may say to him, "I see no probability of the British invading us," but he will say to you, "Be silent; I see it, if you don't."

The President's ability to deploy forces with major effect was on display again just a few years later, in 1854, when Franklin Pierce sent Commodore Perry and a naval squadron to open up Japan. But there were also many, less conspicuous deployments. In the 30 years before the Civil War, U.S. naval forces were used without specific congressional authorization in more than a dozen instances to deal with pirates or unobliging natives in locations ranging from America to the South Pacific.

Yet what is significant is that Presidents continued to pay heed to the distinction between deploying U.S. forces and the authority to initiate hostilities. Polk, after all, had obtained a declaration of war before proceeding to wage the Mexican conflict his force deployment had precipitated. On the eve of the Civil War, President James Buchanan summed up the state of the war power after some 70 years of constitutional practice, as follows: "[W]ithout the authority of Congress the President cannot fire a hostile gun in any case except to repel the attacks of an enemy."

CONSTITUTIONAL PRACTICE: CIVIL WAR-1950

In the Civil War itself, President Lincoln undertook such sweeping measures in the absence of congressional authorization that one Supreme Court Justice labeled Lincoln's Presidency a "military despotism." But Lincoln's actions, in the context of a domestic rebellion and a dire national emergency, bear little on the question of the use of force abroad.

In the last third of the 19th century, the country looked westward. And from my reading of American history, modern "monarchists" cannot begin to find even vague precedent for their case until after our third declared war—the Spanish-American War of 1898. Victory over Spain made the United States a world power. And it brought with it the territorial gains of conquest. In the Philippines, United States forces quickly became mired in an undeclared, unauthorized, and far bloodier war with our new subjects—a savage counterinsurgency, chronicled by Mark Twain, among others, that in many respects presaged the much later tragedy in Vietnam.

The Philippines, of course, was at least technically a United States possession; China was not. There President McKinley opened the new century—and set the tone for a new phase in our constitutional history—by dispatching 5,000 American troops to join an international force which quickly put down the Boxer Rebellion. McKinley did so without congressional authorization, using as his pretext the protection of American lives and property. His action aroused no congressional objection, paving the way for similar exercises of unilateral power by Presidents Roosevelt, Taft, and Wilson in the Caribbean and Latin America in the years before World War I. President Wilson did obtain our fourth official declaration of war before sending troops to Europe in 1917, but did not even seek congressional authorization when he dispatched troops to Siberia when the First World War was over.

But the "monarchist" model had by no means established itself permanently—as President Wilson soon discovered. From a historical perspective, the war power issue had simply been joined. In one of his formal reservations attached to the Versailles Treaty, the Republican chairman of the Senate Foreign Relations Committee, Henry Cabot Lodge, stipulated that Congress had the "sole power" to "authorize the employment of the military or naval forces." Lodge's reservations, which killed the treaty's ratification, expressed sentiments—against Presidential discretion and for isolationism—that were to govern American policy for the next two decades. By 1939, the outbreak of war in Europe found President Franklin Roosevelt heavily constrained both by strict neutrality laws and by the balance of power in Congress.

For 2 years, before Pearl Harbor produced our fifth and last declaration of war and ended American isolationism forever, Roosevelt pressed against such limits to the utmost. He exchanged American destroyers for British bases by executive agreement, sent American troops to Greenland and Iceland, and instituted a convoy system in the North Atlantic, issuing "shoot-on-sight" orders to the U.S. Navy. When Senator Robert Taft challenged the constitutionality of the move into Iceland, Roosevelt responded not with sweeping claims of inherent Presidential authority but by continuing to maneuver as best he could to prepare the United States for the war he expected to come. In perhaps his most significant prewar policy—lend-lease—Roosevelt sought and obtained congressional authorization.

When World War II ended, leaving the United States a superpower supreme on the world stage, the constitutional status of the war power still appeared reasonably clear. Through a century and a half, Presidents had on numerous occasions used troops for police actions and, in the free-wheeling period before World War I, had even installed provisional governments in Latin America. It was also generally recognized, as Lincoln had discerned, that a Presidential deployment of forces could in itself create the circumstances that might lead to war. Yet our history to that point offered little true support for the "monarchist" model. Most significantly, no President had ever asserted an inherent right to take the Nation to war.

All this was about to change—although not immediately. In the 5 years following the Second World War, the Truman administration carefully courted and coaxed congressional opinion to ensure support for America's emerging world role. The establishment of the United Nations, the beginning of the international exchange program, aid to Greece and Turkey under the Truman Doctrine, the launching of the Marshall Plan, and the creation of NATO pursuant to the Vandenberg resolution—all had the full participation and imprimatur of Congress. Neither the President nor his representatives voiced any challenge to the constitutional premise that United States commitments abroad required an executive-legislative partnership and were impossible by executive fiat.

Thus—and this bears emphasis—what is now remembered as the golden age of bipartisanship in American foreign policy was a product not only of international statesmanship on both ends of Pennsylvania Avenue, but also of Executive behavior that did not seek to test the limits of Presidential prerogative constitutionally.

THE POSTWAR PERIOD: "MONARCHISM" IN BLOOM

The Korean war changed this pattern abruptly. In June 1950, in dispatching American forces to the Korean peninsula without congressional authorization, the Truman authorization, the Truman administration asserted—with the full trappings of elaborate legal argument—an inherent and seemingly unlimited Presidential authority to protect any "interest of American foreign policy."

The full constitutional significance of this moment was obscured at the time. But in fact an extraordinary progression had occurred in executive-legislative relations. With the famous bipartisanship of the late 1940's, the Senate and the House of Representatives had cooperated in a series of steps by which the United States assumed a role of world leadership. But having done so, Congress found itself facing an Executive that would point to these global responsibility as justification for bypassing traditional requirements for congressional approval.

For many who would later condemn it—such as Senator J. William Fulbright and historian Arthur Schlesinger, Jr.—the emergence of a "monarchist" approach to foreign policy—it was not called that, of course—did not originally appear unwarranted or dangerous. The prewar isolationism of Congress was now viewed as deplorable, while the President as Commander-in-Chief had acquired tremendous stature during the war and in the formation of postwar alliances. Meanwhile, the emerging Cold War posed ominous uncertainties to which the nuclear age added an overarching danger. In such as environment, Truman, Eisenhower, and Kennedy seemed far safer custodians of the national security than a Congress that in the 1950's allowed itself to become a forum for the shameful anti-Communist witchhunt of McCarthyism and remained, even thereafter, a hothouse of parochialism. To many reasonable observers, proponents of congressional prerogative were seen as agents not of constitutional balance but of unenlightened reaction.

Reflecting the tenor of the times, Senator Fulbright, as chairman of the Senate Foreign Relations Committee, wrote the following extraordinary words in 1961:

> [T]he price of democratic survival in a world of aggressive totalitarianism is to give up some of the democratic luxuries of the past. We should do so with no illusions as to the reasons for its necessity. It is distasteful and dangerous to vest the executive with powers unchecked and unbalanced. My question is whether we have any choice but to do so.

Within 4 years, Fulbright himself took the lead in saying yes, there was a choice. The shift began not with Vietnam, but with the Dominican intervention in 1965. Whereas Truman's Korean action 15 years earlier had at least enjoyed the sanction of U.N. approval, Johnson's dispatch of the marines and the 82d Airborne to the Dominican Republic came as a sudden throwback to the gunboat diplomacy of a half century before. On this issue Fulbright broke with Johnson permanently, ending a long-time friendship and setting the stage for the televised Foreign Relations Committee hearings that were to become, in the late 1960's, the principal public forum for the Nation's growing disenchantment with the Vietnam war.

By eliciting from Congress, even under false pretenses, the Gulf of Tonkin Resolution of 1964, Lyndon Johnson had at least paid some deference to the concept of congressional authorization for the use of force. But with the election of Richard Nixon, "monarchism" reached full bloom. In 1970, when Nixon invaded Cambodia with neither congressional authorization nor even consultation, his accompanying assertions of autonomous Presidential power were so sweeping and extreme that the Foreign Relations Committee began a search, led by Senator Jacob Javits, for some means of rectifying what was now perceived as overweening executive arrogance and a dangerous constitutional imbalance. The result, 3 years and scores of hearings later, was the War Powers Resolution—a somewhat flawed compromise between differing versions passed by the two Houses.

THE WAR POWERS RESOLUTION: A FLAWED EFFORT TO RIGHT THE BALANCE

The mechanism envisaged by the War Powers Resolution was relatively simple. If the President introduced U.S. forces into "hostilities or situations where imminent involvement in hostilities is clearly indicated by the circumstances," he would—under section 4(a)(1)—report within 48 hours to Congress. Under section 5(b), this report would trigger a 60-day period within which he would be required to obtain congressional authorization if hostilities were to be sustained. Before expiration of that period, Congress could also, under section 5(c), require by concurrent resolution that forces be withdrawn.

Several flaws in the resolution can be quickly identified. First, in precatogory language, it presents an inadequate listing of the President's authorities to use force. Section 2(c) lists only three: First, pursuant to a declaration of war; second, pursuant to specific statutory authorization; and third, in order to repel an attack on U.S. territory or forces. This list omits two circumstances—rescuing Americans and forestalling an imminent attack—that had been in the original Senate version and that most constitutional scholars would place under the heading of the President's established constitutional authority and responsibility.

Even more significant, the resolution fails to harmonize the authorities it cites with the 60-day time clock—for it seems hardly logical that the 60-day clock would apply to any of the three authorities the resolution recognizes. If Congress had already declared war, or provided a specific authorization for the use of force, or the nation was still under attack, it would make no sense for the 60-day time clock to apply. Thus, implicitly the resolution appears to envisage that the 60-day clock will apply to unauthorized hostilities—in other words, that the President will act without proper authority. Thus, the law appears to envisage an unusual President: One who will ignore the limits on his authority in general, but who will accept this limit.

Finally, even at the time of enactment, the section 5(c) provision, by which Congress could require a force withdrawal by concurrent resolution, seemed to violate the Presentment Clause of the Constitution. In the aftermath of the Supreme Court's Chadha decision of 1983, most scholars—even those who support the resolution's constitutionality otherwise—agree on the unconstitutionality of 5(c).

But an even more fundamental flaw in the War Powers Resolution was not recognized at the time of enactment. That flaw lay in the lack of congressional recourse if Presidents simply refused to comply with its provisions—which, as it turned out, is precisely what they chose to do. Thus, the 15-year history of the war powers resolution may be summarized succinctly: It hasn't worked, and never even came close. Beginning with President Nixon's veto, which Congress overrode to enact the Resolution, Presidents have refused to recognize its constitutionality and, in the several minor military engagements in which U.S. forces have been involved—including the recent naval deployments and hostilities in the Persian Gulf—have refused to send to Congress the so-called 4(a)(1) reports the law requires. That has effectively prevented the 60-day clock from running, leaving Congress to engage in periodic debates about the President's failure to abide by the letter and the spirit of the act.

The question is, Could it work? Could the War Powers Resolution, or some variant, provide a framework that would facilitate executive-legislative interaction—as the War Powers Resolution was meant to—in the decision to use American forces abroad?

A quick but considered answer is that it easily could. A common but ill-founded criticism of the resolution is that Congress could shirk its responsibility by inaction, leaving the President high and dry and forcing a withdrawal after 60 days. But in practice this could never occur. The resolution provides for highly expedited procedures for deliberation and voting on any authorization measure introduced pursuant to congressional receipt of a 4(a)(1) report. Thus, the criticism of potential congressional inaction is not only groundless but ironic. The problem is not that Congress may not give the President an answer; the problem is that Presidents have refused to ask.

In their calculated constitutional snub of the resolution, it may be argued, Presidents have failed to take advantage of the very real benefits the resolution offers for registering a quick national consensus behind their policies. Any presidential policy, particularly a use of force justified as protecting American lives or interests, enjoys an enormous presumption of support. Thus, in any particular instance, should a President choose to send a 4(a)(1) report to Congress—saying that hostilities had begun and requesting immediate authorization to conduct such operations as might be necessary to defend American lives and interests—Congress could be expected to be profoundly reluctant, unless the President's policy were manifestly bizarre, to deny his request and thereby accept responsibility for thwarting his policy.

Presidents have, nonetheless, refused to set foot on this playing field under their counselors' advice that to accept the constitutionality of the game would undermine the presidency itself. Accordingly, they have regularly engaged in the finesse of sending to Congress use-of-force reports they describe as "consistent with" the War Powers Resolution, while denying the law's constitutionality. On this, it should be pointed out that President Carter's position was more nuanced, and was consistent with a view that the resolution is constitutional except for section 5(c). Unfortunately, while this approach has served the purpose of avoiding a head-on confrontation, it has left us fettered to a law that purports to be fundamentally important but that the President fundamentally flouts.

ALTERNATIVES NOW

Having reached this constitutional impasse, our alternatives today appear threefold:

The first is to accept the status quo. This view was propounded by Chairman DANTE FASCELL of the House Foreign Affairs Committee, who testified that this was the most we could hope for. He recognized the liabilities of the current law, but in his view, the War Powers Resolution, whether Presidents accept it or not, at least stands in law as an admonition against presidential excess.

The second option is repeal, or the functional equivalent thereof, that is, any proposal which denudes the law of its principal mechanism: the requirement of congressional authorization within a specified period. Functional repeal would have the one clear benefit of removing the law itself as a chronic object of dispute each time a use of force occurs. But it would also have the distinct and almost unavoidable liability of symbolizing congressional acceptance of the "monarchist" model now affirmed by the Executive. It would return us to the status quo ante, but with a strong presumption that the "monarchist" model had prevailed. Since many in Congress, myself included, are not prepared to accept that model, it would leave Congress and the executive still at odds on a basic constitutional issue—and with the Executive's hand somewhat strengthened.

The third possibility is to legislate a new framework on which Congress and the President can agree—a framework that somehow embodies the "joint decision" concept. This means devising a set of procedures that the two branches can together accept as constitutional—and a desirable in the conduct of American foreign policy. One can hardly be sanguine about this possibility, for it would depend on a convergency of view and measure of comity that now seem unlikely. Nonetheless, one may at least try to envisage the premises of such a framework and the elements of which it would consist.

PREMISES OF A CONSTITUTIONAL COMPROMISE

Such a framework would be built on the principal premise that the war power is not subject to any clear-cut constitutional prescription, but rather that it lies in a "zone of twilight," as defined in Justice Jackson's brilliant opinion in the Steel Seizure case. This means that it is a power which the President and Congress share "concurrently"—that is, a power in their joint possession which may be delineated by legislation.

Such a framework would obviously entail that the Executive yield some of the more extravagant claims made under the "monarchist" model. It would require, too, some recognition that the supposed needs for unconstrained Presidential authority in the modern age have been much exaggerated, as has the supposed superiority of executive branch sources of "intelligence." In an age when it has become clear that a good journalist's analysis of events abroad, available in the public press, is often as sound as a highly classified National Intelligence Estimate, the cult of Executive expertise—which enjoyed a long run in the first decades of the postwar period—has finally had its day.

This is not to say that Congress, even if consulted, will always offer shrewd counsel or make a constructive contribution. Congress represents the American people in many ways, including their foibles. It is to say, however, that we should not assume that either one branch or the other is the greater repository of wisdom—or of peaceful intention. History does not support any general assumption of superior virtue in either branch. But Congress does, by its very nature, represent the broad diversity of America, and its Members themselves do represent an enormous collective body of experience as to what works and what doesn't in the real world of human behavior.

A new framework would also require the Executive to recognize that ultimately American foreign policy may benefit in use-of-force situations from the smooth workings of an agreed-upon system that yields a prompt congressional response. For reasons of patriotism and sheer politics, Congress will in almost any reasonable case support a President's call to arms. And it is all the more likely to support him if the procedure for decision is no longer in dispute. Such a procedure can thus be doubly effective in fostering unanimity: it will force Congress off the sidelines and it will remove a chronic complaint about the process. People, after all, are much more likely to accept a policy, even one they disagree with, if they accept the procedure by which it was adopted.

OUTLINES OF A "JOINT DECISION" FRAMEWORK

For my own part, I see the elements of a new "joint decision" framework only, at this point, in rough outline; and I remain open to suggestion.

ENUMERATION OF PRESIDENTIAL AUTHORITIES

One element would be to recognize reality by enumerating in law a broad and generous range of Presidential authorities—authorities the President may draw upon, but only for a specified period. This listing would include all of those authorities to use force that are not regarded as inherent Presidential authorities, deriving both from the Constitution and from accepted practice—all of which have some kind of emergency character. And it would include any additional authorities that Congress might wish to delineate, such as a carefully circumscribed authority to preempt or retaliate against clearly identified acts of terrorism.

One such authority, which is clearly not inherent but which Congress might wish to provide, is authority to use force pursuant to a decision of the U.N. Security Council. I have reached no conclusion on this, but practically speaking it seems inconceivable that Congress would wish to thwart U.S. participation in any multilateral use of force on which the Security Council could unanimously agree, particularly if the President had consulted with the congressional leadership before participating in the U.N. decision. Such a preauthorization would be a solid sign of American support for multilateral U.N. action. Such action cannot, of course, occur without U.S. concurrence in the Security Council.

In the legislation creating a new framework, all such authorities could be placed under a general heading of "confirming and conferring," so as to avoid an endless dispute over just where the line lay between what the President already had independently and what Congress was bestowing upon him.

Some would see in the affirmation of such authorities a dangerously excessive congressional concession. I would see in it, if done well, a way of defining and limiting what the President can do and what justifications he can properly use—as opposed to the current monarchist situation in which no limits at all are even acknowledged. By being specific, we would in some important sense be constraining; for what is not authorized would be prohibited.

This approach—of limiting by authorizing—is favored, I would point out, by Professor Louis Henkin, whose views on these matters I weigh heavily. It is a clearly constitutional means by which Congress can step into Justice Jackson's zone of twilight and delineate the limits of the President's authority through an affirmative statement of what is permitted. In this instance, of course, Congress would be doing so in cooperation with the President. For the practical reality is that this grand compromise on the war power could not occur, legislatively, without Presidential approval.

One must, of course, acknowledge that a President could abuse such authorities by presenting a distorted interpretation of events. But he can present his version of events now, and there are no standards against which his portrayal can be weighed. In a joint decision framework a blatant distortion would entail a clear risk. For such a framework would allow him these authorities only in the short-term, and his efforts to obtain congressional approval for sustaining the action would be greatly compromised by a provocative act of misrepresentation.

CLEAR DEFINITION OF USE OF FORCE

A second element would be a clearer, more detailed definition of what kinds of activities we wish to capture in such a framework. We do not, I believe, want our joint decision mechanism to cover any and all hostilities. For example, we do not want our definition to cover an incident over which we have no control—say, a North Korean provocation along the Korean DMZ; we do not want an errant North Korean corporal to be able to trigger our entire Government into a mandated procedure. What we want to capture are affirmative uses of force—that is, instances of U.S. initiative, where American forces are newly deployed, or assigned to new duties, involving combat or its likelihood. It will require some ingenuity to overcome the vagueness of the current definition—a vagueness that has invited Presidential dissembling—while capturing for our joint decision mechanism all, but only, those instances we wish to cover.

TIME CLOCK

A third element, which appears to me unavoidable, is retention of some kind of time clock. I find it unavoidable for the simple reason that without a time clock, there is never a defined point by which an affirmative congressional action is necessary. I would have no objection to extending the time clock to, say, 120 days. This would allow more flexibility to both the President and Congress, while avoiding the appearance that the President was on a short leash. But if there is no such deadline, we are back to the monarchist model, in which the President can essentially do as he pleases and Congress has the power of the purse as its only recourse.

Clearly, the retention of a time clock, which is the element of the War Powers Resolution that has been most vehemently attacked, would be the problematic aspect of any compromise. But one must simply be prepared to argue that the case against it is not as substantive as many have come to believe. As I have already explained, the notion that Congress could foil a use of force by inaction is groundless, because the expedited procedures that accompany the time-clock provision will force a vote. Moreover, that vote can come virtually at any time the President wants it. If he wants it quickly, his congressional supporters can produce that result. Thus, the idea that American foreign policy will be suspended in uncertainty throughout the time-clock period is also groundless.

In recent weeks, I have consolidated these and other elements of a possible new framework into a piece of draft legislation, entitled the "Use of Force Act" that, as I envisage it, would repeal and replace the War Powers Resolution, even while retaining some of its characteristics. I have no idea what possibility may exist for actually moving forward with such legislation next year in the context of a new administration. For now, I regard the task as one of refining this draft, in consultation with my colleagues and with constitutional scholars.

While one cannot anticipate what political "correlation of forces" will be produced by the coming election, one can say what the tradeoffs would be if such a new framework were accepted:

For the Executive, the gains would be a clear affirmation in law of broad authorities to use force in a wide variety of circumstances. It would also bring to him the benefits, after long years of dispute, of an agreed procedure of which he can take full advantage in gaining explicit congressional support, assuming he displays any adroitness at all. He could also gain an extended time clock, although I think this is more appearance than reality, since a vote would probably come well before the expiration of the specified period.

For Congress, the gain from such a compromise is that the President would finally agree to step onto the playing field and participate in a "joint decision" mechanism. This goal having been achieved, Congress may not, of course, always welcome the accompanying requirement: that it stand up and be counted. It will have also to deal with the fact that a procedure that allows the President to obtain a quick response may make it easy for him to maneuver Congress into supplying a rubberstamp.

But I think we can be more sanguine. If such a framework is adopted, the President's perspective will, I think, be this: "I now have a considerable amount of acknowledged short-term authority. But I had better use it correctly. Because if hostilities are going to be sustained, I am going to have to win the support of a majority in each House within the next few months."

And that, after all, is the most that we can hope, for our goal in essence is to combine two principles. We want the President to have broad authority to uphold American interests. And we want—at least I think we should want—a system that embodies the sound constitutional principle that sustained hostilities should be based only on affirmative and specific congressional approval.

THE ULTIMATE STANDARD

We must remember, of course, that even agreement on such a framework, its establishment in law, and its generalized acceptance would not deliver us from the burden of choice. We have been talking here only about how we decide on the momentous question of war. What we decide is a matter not of procedure but of wisdom—although I have indicated my own belief that sound procedure can contribute to wise decision.

What is reasonable to hope is that by resolving the constitutional dispute over procedure, we would liberate our Government—both Executive and Congress—to focus fully in crucial moments on the goals and means of American policy. With the approach of the 21st century, we can aspire to the prospect that use of force as a tool of foreign policy by all nations will enjoy a well earned historical rest. But if and when we do commit American forces to combat, let us hope that our procedures, and our wisdom, are such that our countrymen are dispatched not in an act of folly but only when their risk and personal sacrifice are unavoidably necessary—and can be effective—in defending or protecting clearly perceived American interests.

That, after all, is the ultimate standard against which any procedure—and any decision to use force—must be judged.●

JOHN C. STENNIS

● Mr. BIDEN. Mr. President, our newspapers, airwaves, and dinner table conversations these days are dominated by discussions of the important decisions that we as a people will have to make on November 8. And that is as it should be, for this election will set the course for this Nation as we head toward the 21st century.

And while we are making decisions which will set our course for the future, I think that each of us finds himself or herself reflecting upon the past, and the qualities which we have historically looked for in our public officials.

Sixty years ago this country was on the eve of another election. It was a spirited campaign at every level, and when the dawn broke on the morning of Wednesday, November 7, 1928, votes across the country had made some decisions which would have a profound impact upon the course of American history.

The American people had elected Herbert Hoover to succeed retiring President Calvin Coolidge. In New York, voters chose a Hudson Valley aristocrat named Franklin Delano Roosevelt to succeed Al Smith, Hoover's unsuccessful opponent, as Governor. And the residents of Kemper County, Mississippi sent a young lawyer named JOHN STENNIS to the State House of Representatives.

In an age when time and human events seem to move faster then ever before, when the race to the Moon was a generation ago and the liberation of Europe is recalled largely through textbooks, 60 years seems like an eon. The past 60 years have been Depression and recovery, world war and the onset of both the cold war and the nuclear age, the social and political upheavals of the 1960's tragedies and crises which shook the public's faith in government institutions and leaders, and technological advances which have revolutionized nearly every aspect of our lives.

And yet JOHN STENNIS is still here, at the twilight of a career in public service that has spanned the better part of this century. For six decades, more than four of them here in the Senate, JOHN STENNIS has demonstrated that strength of character is the key to both political longevity and public respect.

When I was growing up, JOHN STENNIS was already one of the giants of this body, known for his quiet dignity, his keen legislative mind, his absolute integrity, and his commitment to his convictions. When I was studying History in high school and college, much of what I studied was history that JOHN STENNIS was helping to make. And now, having been able to call JOHN STENNIS my colleague and my friend for the past 16 years, I consider myself honored.

Honored because history will look upon JOHN STENNIS as one of the great Senators, admired and respected far beyond the boundaries of Mississippi and his beloved old Confederacy. Across this Nation and beyond our shores, he is looked upon as the epitome of the good and the virtue that the Senate, like all government institutions, is supposed to stand for.

When I first came to the Senate, I was very much in need of guidance and understanding. Senator STENNIS, who by then had been one of the pillars of the Senate for over a quarter-century, offered all of that, and more. His counsel and encouragement helped me to see that I had something to contribute to this body, and his friendship helped in ways that he can never know.

More recently, Senator STENNIS and I were colleagues in another highly regarded Government institution—Walter Reed Army Medical Center. One day shortly after my surgery, the door swung open and in came JOHN STENNIS—he is as loved, admired, and respected up there in Ward 72 as he is here—once again to offer his encouragement and friendship. My parents were there, and I will never forget the kind words he had for them. When someone with the stature and character of JOHN STENNIS is there for you when you need him, you know that you have indeed been blessed.

Among the older citizen of Kemper County who first sent JOHN STENNIS to the State legislature 60 years ago, there no doubt were a few folks who knew a thing or two about leadership. They had heard the stories of, and maybe in a few cases they themselves had served in battle under, some of the finest leaders that this country has produced; Robert E. Lee, whose gentle dignity cloaked a fighting spirit that inspired men to achieve far more than they believed themselves capable of achieving. And Gen. Thomas "Stonewall" Jackson, of whom it was said:

> He is an avalanche from an unexpected quarter.
> A thunderbolt from a clear sky.
> And yet his character and will make him a Stonewall.
> And more of a Stonewall than any man I've ever known.

That comment could just as easily have been made about JOHN STENNIS. For like Jackson and Lee, he is a man whose very strength of character inspires the best in others. He is a Senator that, as long as this Nation exists, future generations of Americans may study with profit.

Senator JOHN STENNIS is a great man, and each one of us is the richer for the time we have shared with him.●

SENATOR LAWTON CHILES

● Mr. BIDEN. Mr. President, 18 years ago, LAWTON CHILES walked a thousand miles across Florida in his first campaign for the Senate. Throughout his trip, he kept a journal. And the very last words of that journal were these: "Can it really be over?"

Now, after three terms in the Senate, LAWTON CHILES' distinguished service in this body is almost over, and I can't think of a single Member of this institution who hasn't had a hard time accepting his departure.

When LAWTON walks out that door, the Senate will say goodbye to a man of the highest character. And I dare say that there will be many moments during the 101st Congress when we will wish he was back.

At a meeting in Miami last year, LAWTON CHILES was introduced with a few remarks which fit him very well. I'd like to share part of that introduction with my colleagues today.

"In the U.S. Senate—where the phrase 'weighing your words' usually means 'by the pound'—LAWTON CHILES is a good listerner.

"In a profession where it seems like you have to be loud to be famous, Senator CHILES is soft-spoken—yet one of the most respected men in the Congress.

"And in politics, where sometimes the only opinion that counts is the one you have of yourself, LAWTON never forgets where he came from."

Those words say a lot about LAWTON CHILES. A lot that each one of us ought to remember.

LAWTON CHILES has achieved great things in his Senate career, but what marks him with special grace as a man is that he's done it all with humility. One of his favorite sayings is that it's amazing how much you can get done in Washington if you don't worry about who gets the credit—and he has demonstrated the truth of that saying.

Because he has always been more worried about results. And he got his share.

Yet a year ago, I saw a man grappling with his conscience, genuinely disappointed in the way Congress deals with important issues.

For years, as a member of the Senate Budget Committee, LAWTON CHILES made the steady, tenacious case for a deficit summit meeting between the Congress and the White House. But after years of struggle, when the White House finally agreed to a meeting, the results were a disappointment to him.

He didn't believe that the negotiators had done enough. And he turned out to be right.

Time and again, he brought options to the table for discussion. Time and again, one or another members of the summit backed away from the opportunity. And you could see the strain on LAWTON'S face.

Sometimes he looked physically hurt by the indecision of those who had trouble choosing between politics and the economy. He couldn't understand it.

Because if anybody knew about political risk, it was LAWTON CHILES. After all, he was up for reelection in the year following the summit. But it didn't stop him from saying what he thought.

Whether it means talking about revenues to help balance the budget or speaking of the need to control the growth of entitlement programs, LAWTON CHILES has kept faith with his own conscience and refused to give in to self-deception.

Having served with this man in the Senate for 16 years, and together on the Budget Committee for much of that time, I'm convinced that had folks at both ends of Pennsylvania Avenue taken heed of LAWTON'S good sense and sound judgment, the Federal deficit would not be the looming giant that we face today.

As an outdoorsman, LAWTON CHILES has always been particular about safeguarding the natural beauty of his native State. He is the Member of Congress most responsible for the creation of the Big Cypress Natural Preserve—720,000 acres of pristine beauty protecting the water that flows into the Florida Everglades. And years ago, when some folks wanted to build a barge canal across Florida, it was LAWTON CHILES who stooped them, just as he stopped the people who wanted to strip mine Florida's Osceola National Forest for phosphates.

Today we have passed wide-ranging legislation to combat the illegal drug use that is taking far too many lives in this country. Lawton Chiles was a leader in those efforts since long before it became fashionable.

He's been out on the streets. He's been undercover. He's flown to drug-producing countries and he's walked the streets of drug-riddled neighborhoods to listen, to talk, and to find practical ways to get drugs out of the Nation's system.

He has gone to the jails and talked with the crack users. He's put them on film and taken their terrible stories to schools and homes to show what havoc drugs can wreak on a human being, and to ask people to enlist in the drug fight.

Here in the Senate, he took the lead in allowing the military to help track down drug smuggling ships and planes. He worked to triple the penalties for those convicted of smuggling large amounts of marijuana, and he boosted funding for the Coast Guard. Penalties are much stiffer now for dealers trying to sell drugs near schools because Lawton Chiles made it an issue.

It isn't easy to catalog the career of an effective Senator when the index is so long.

He has been a formidable proponent of the space station, which will be at the forefront of our efforts in space exploration as we move into the 21st century. He has pushed for the necessary research to keep American technology the best there is. And it was just this spring that the National Science Foundation awarded him its prestigious Distinguished Public Service Award.

Lawton Chiles authored the Government in the Sunshine Act, which opened agency meetings to the public and the press. And following his leadership, Congress approved the Paperwork Reduction Act in 1980 to reduce the burdens on schools and small businesses.

He has been a stalwart in defending the interests of our senior citizens, sponsoring a number of changes that brought them improved health care and broader services.

Just recently, Senator Chiles served as Chairman of the National Commission to Prevent Infant Mortality. As the driving force behind the formation of this group and the guiding spirit throughout its work, Lawton Chiles said of the Commission's comprehensive report, "Our report on infant mortality is not an end in itself. We mean it to be a hammer on the anvil of public commitment. And we want the echoes to spread throughout the country. We want the dying to end, and we're convinced it can be ended. It is not inevitable that—for 40,000 American infants—the grave and the cradle be one and the same."

It is fitting that this, his last major service as a U.S. Senator, was devoted to the young, to the future, and to the health of the Nation. Because these efforts reflect the unique nature of a man driven by conscience and the gentle echo of his own deep faith in God, looking toward a future that he knows can be better.

And Lawton Chiles has never forgotten that the real strength of this country resides in the notion that those who have power should never forget where it comes from. The real power comes from the streets, lanes, farms, and homes where the people of this country live. That principle reflects his fine sense of what's important, and what is right.

Mr. President, it's been reported that Harry Truman's favorite book was "Meditations" by Marcus Aurelius. In one passage of that book, there is some advice that typifies the life and career of Lawton Chiles. It is, "Waste no more time arguing what a good man should be. Be one."

Lawton has been exactly that—a good man keeping faith with his conscience.●

"PROMPT PAYMENT ACT AMENDMENTS OF 1988"

● Mr. BUMPERS. Mr. President, on Monday, October 17, the President signed S. 328, the "Prompt Payment Act Amendments of 1988," which became Public Law 100-496. This represents a major victory for the small business community which has worked long and hard for this legislation. It represents fulfillment of a recommendation of the 1986 White House Conference on Small Business, which ranked a resolution calling for the strengthening of the Prompt Payment Act of 1982 as recommendation No. 32 from an issue agenda that exceeded 400 items.

When the Senate considered and approved the House amendments to the Senate-passed bill on September 23, 1988, we subsequently considered and amended House Concurrent Resolution 351. This resolution directed the Senate Enrolling Clerk to correct certain technical errors and omissions during enrollment of the bill. The House approved the amended resolution on October 3, 1988, by a rollcall vote of 399-0. The ultimate result of these various legislative actions is that the text of S. 328 as finally passed by both Houses of the Congress and sent to the President has never appeared in the Record. The Coalition for Prompt Pay, which again spearheaded the passage of these amendments as it did the original bill in 1981, has requested that the text of the enrolled bill be printed in the Record so that it may be reprinted and made broadly available within the small business community. As chairman of the Committee on Small Business, I wish to assist them in this worthwhile effort.

Mr. President, I ask that the text of the enrolled bill, S. 328, the "Prompt Payment Act Amendments of 1988," be inserted in the Record at the conclusion of my remarks.

During the Senate's consideration of the House amendments, Senator Sasser, the sponsor of S. 328, was granted consent to include in the Record a section-by-section analysis of the differences between the Senate-passed bill and the House amendments. Inadvertently, a summary of the House amendments was printed rather than the detailed section-by-section analysis. To assist those in the executive branch charged with revising Office of Management and Budget Circular A-125 (prompt payment) and the provisions of the Federal Acquisition Regulation (FAR) pertaining to contract payments, I will not make the same request.

Mr. President, I ask that the text of a section-by-section analysis comparing the provisions of the House amendments to S. 328 to the provisions of the Senate-passed bill be inserted in the Record after the text of the enrolled bill.

Mr. President, S. 328 has enjoyed almost universal support within the business community since its introduction. In the forefront of the effort to enact this bill has been the Coalition for Prompt Pay. Under the exceptionally able leadership of Kenton Pattie, the Coalition worked tirelessly and effectively to advocate a strong bill that would assure contractors and subcontractors of timely payment for work performed.

The membership of the coalition demonstrates the breadth of support for the bill within the entire business community. It includes the range of manufacturing firms represented by the National Association of Manufactures [NAM]. Professionals in various aspects of the "thoughtware" business are represented within the Coalition by the Professional Services Council [PSC] and the American Consulting Engineers Council [ACEC]. Firms in the "metal-turning" business are ably represented by the National Tooling and Machining Association [NTMA]. The full spectrum of firms furnishing commercial products are represented by the Coalition for Common Sense in Government Procurement, the American Logistics Association, and the International Communications Industries Association. The coalition benefited significantly from the active participation of two of the major small business associations, National Small Business United [NSBU] and the Small Business Legislative Council [SBLC].

Mr. President, the list of supporters of S. 328 does not end, however, with the membership of the coalition. No, the bill enjoyed the active support of a long list of associations representing firms, large as well as small, in a broad array of business activities, all sharing a common goal of timely payment for performance. Near the top of this list will be found the National Federation of Independent Business [NFIB], the largest of the small business associations. NFIB threw its full weight behind the overall bill and the hard fight to see that S. 328 assured fair treatment for construction subcontractors as well as prime contractors. At key points in the bill's often stormy history, especially on the subcontractor payment issue, NFIB often made the difference.

The list of organizations supporting S. 328 also includes associations representing some of the largest business concerns in America—the Computer and Business Equipment Manufacturers Association [CBEMA], the Aerospace Industries Association [AIA], and the Electronic Industries Association [EIA]. It also includes associations the majority of whose members are emerging firms, such as the American Electronics Association [AEA], the Computer and Communications Industry Association [CCIA], and the Association of Small Research, Engineering and Technical Services Companies [ASRET].

Mr. President, I ask to have printed in the Record following my remarks a list of the membership of the Coalition for Prompt Pay as well as an overall list of organizations supporting the passage of S. 328.

Mr. President, the consideration of S. 328 was dominated by the issue of timely payment of construction subcontractors. It raged almost unabated from the time of the bill's introduction, sometimes I feel to the detriment of the debate on the other provisions of the bill. I will not recount in any detail the struggle to maintain this provision in the face of total opposition by the Associated General Contractors of America (AGC). Despite AGC's uncompromising opposition, the bill passed by the Senate on October 9, 1987 included payment protections for construction subcontractors while preserving the prime contractor's authority to employ the traditional tools needed for effective project management.

The struggle continued with equal intensity in the House until it was made crystal clear by the chairman of the Committee on Government Operations that any bill emerging from the committee would include payment protections for subcontractors. A "Prompt Pay Accord" was proffered to the Committee by AGC, working with the Associated Specialty Contractors (ASC), as a substitute for the Senate-passed provision. It was rejected. Several variants of the original submission were subsequently offered. In the end, the House-passed bill built upon the framework of the Senate bill's provisions. It accorded payment protections to subcontractors. It made yet more explicit the prime contractor's continued access to the traditional subcontract management tools, preserved in the Senate bill. And, maybe most importantly, the House amendments substantially strengthened the protections to the Government that it was paying only for performance.

Throughout this struggle in both chambers, the subcontractor cause was championed by most of the supporters of S. 328, both inside and outside the construction industry. The support was not limited to the numerous associations representing subcontractors and suppliers, many of whom worked hard to assure basic payment protections for their members. The Associated Builders and Contractors (ABC) strongly supported equitable payment provisions for timely and complete subcontractor performance. The voices of minority contractors and subcontractors were effectively added through the National Association of Minority Contractors (NAMC) and the Minority Business Enterprise Legal Defense and Education Fund (MBELDEF). Yet, on this contentious issue, one advocate was steadfastly in the forefront from start to finish, the American Subcontractors Association (ASA). ASA can lay a big claim to the subcontractor payment provisions in the bill signed by the President on Monday.

Mr. President, the "Prompt Payment Act Amendments of 1988" would not be law today, if it weren't for the hard work and leadership of many in this chamber. To Senator Sasser and Senator Trible, the sponsor and principal cosponsor of the bill, must go most of the recognition. The chairman and ranking minority member of the Committee on Governmental Affairs, my friend from Ohio [Mr. Glenn] and my friend from Delaware [Mr. Roth], as well as Senator Cohen, must also be recognized for the vital roles which they played. The bill had the support of many of the key sponsors of the 1981 legislation that became the Prompt Payment Act of 1982, including Senator Danforth and Senator Chiles.

Without question, Mr. President, I would be remiss if I failed to emphasize the strong and active support S. 328 received from many members of the Committee on Small Business, including its chairman and the ranking minority member, my good friend from Connecticut [Mr. Weicker]. The bill was within the jurisdiction of the Committee on Governmental Affairs, but in many ways it was a Small Business Committee initiative from the initial resolution adopted by the Committee's Advisory Council on October 25, 1985 until final passage. For the small business community, it is a well deserved victory. For the Government and for all firms that furnish to it supplies, services, and construction, this legislation will make them better business partners.

The aforementioned material follows:

S. 328

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Prompt Payment Act Amendments of 1988".

DEFINITIONS AND APPLICATION

Sec. 2. (a) Section 3901(a)(4) of title 31, United States Code, is amended to read as follows:

"(4) for the purposes of determining a payment due date and the date upon which any late payment interest penalty shall begin to accrue, the head of the agency is deemed to receive an invoice—

"(A) on the later of—

"(i) the date on which the place or person designated by the agency to first receive such invoice actually receives a proper invoice; or

"(ii) on the 7th day after the date on which, in accordance with the terms and conditions of the contract, the property is actually delivered or performance of the services is actually completed, as the case may be, unless—

"(I) the agency has actually accepted such property or services before such 7th day; or

"(II) the contract (except in the case of a contract for the procurement of a brand-name commercial item for authorized resale) specifies a longer acceptance period, as determined by the contracting officer to be required to afford the agency a practicable opportunity to inspect and test the property furnished or evaluate the services performed; or

"(B) on the date of the invoice, if the agency has failed to annotate the invoice with the date of receipt at the time of actual receipt by the place or person designated by the agency to first receive such invoice.".

(b) Section 3901(a)(5) of title 31, United States Code, is amended to read as follows:

"(5) a payment is deemed to be made on the date a check for payment is dated or an electronic fund transfer is made.".

(c)(1) Section 3901 of such title is further amended by adding at the end the following new subsection:

"(c) This chapter, except section 3906 of this title, applies to the United States Postal Service. However, the Postmaster General shall be responsible for issuing the implementing procurement regulations, solicitation provisions, and contract clauses for the United States Postal Service.".

(2) Section 410(b) of title 39, United States Code, is amended by inserting after paragraph (8) the following new paragraph:

"(9) Chapter 39 of title 31.".

INTEREST PENALTIES: ELIMINATION OF GRACE PERIODS; INCREASED PENALTIES; OBLIGATION TO PAY PENALTIES

Sec. 3. (a)(1) Section 3902(a) of title 31, United States Code, is amended by striking the second and third sentences thereof and inserting the following: "The interest shall be computed at the rate of interest established by the Secretary of the Treasury, and published in the Federal Register, for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611), which is in effect at the time the agency accrues the obligation to pay a late payment interest penalty.".

(2) Section 3902(b) of title 31, United States Code, is amended by striking out the second sentence.

(b) Section 3902 of such title is further amended by redesignating subsections (c) through (e) as subsections (e) through (g), respectively, and by inserting after subsection (b) the following new subsections (c) and (d):

"(c)(1) A business concern shall be entitled to an interest penalty of $1.00 or more which is owed such business concern under this section, and such penalty shall be paid without regard to whether the business concern has requested payment of such penalty.

"(2) Each payment subject to this chapter for which a late payment interest penalty is required to be paid shall be accompanied by a notice stating the amount of the interest penalty included in such payment and the rate by which, and period for which, such penalty was computed.

"(3) If a business concern—

"(A) is owed an interest penalty by an agency;

"(B) is not paid the interest penalty in a payment made to the business concern by the agency on or after the date on which the interest penalty becomes due;

"(C) is not paid the interest penalty by the agency within 10 days after the date on which such payment is made; and

"(D) makes a written demand, not later than 40 days after the date on which such payment is made, that the agency pay such a penalty,

such business concern shall be entitled to an amount equal to the sum of the late payment interest penalty to which the contractor is entitled and an additional penalty equal to a percentage of such late payment interest penalty specified by regulation by the Director of the Office of Management and Budget, subject to such maximum as may be specified in such regulations.

"(d) The temporary unavailability of funds to make a timely payment due for property or services does not relieve the head of an agency from the obligation to pay interest penalties under this section.".

(c) Section 3902 (as amended in subsection (b) of this section) is further amended by adding at the end thereof the following new subsection:

"(h)(1) This section shall apply to contracts for the procurement of property or services entered into pursuant to section 4(h) of the Act of June 29, 1948 (15 U.S.C. 714b(h)).

"(2)(A) In the case of a payment to which producers on a farm are entitled under the terms of an agreement entered into under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), an interest penalty shall be paid to the producers if the payment has not been made by the required payment or loan closing date. The interest penalty shall be paid—

"(i) on the amount of payment or loan due; and

"(ii) for the period beginning on the first day beginning after the required payment or loan closing date and ending on the date the amount is paid or loaned.

"(B) As used in this subsection, the 'required payment or loan closing date' means—

"(i) for a purchase agreement, the 30th day after delivery of the warehouse receipt for the commodity subject to the purchase agreement;

"(ii) for a loan agreement, the 30th day beginning after the date of receipt of an application with all requisite documentation and signatures, unless the applicant requests that the disbursement be deferred;

"(iii) for refund of amounts received greater than the amount required to repay a commodity loan, the first business day after the Commodity Credit Corporation receives payment for such loan;

"(iv) for land diversion payments (other than advance payments), the 30th day beginning after the date of completion of the production adjustment contract by the producer;

"(v) for an advance land diversion payment, 30 days after the date the Commodity Credit Corporation executes the contract with the producer;

"(vi) for a deficiency payment (other than advance payments) based upon a 12-month or 5-month period, 91 days after the end of such period; or

"(vii) for an advance deficiency payment, 30 days after the date the Commodity Credit Corporation executes the contract with the producer.

"(3) Payment of the interest penalty under this subsection shall be made out of funds available under section 8 of the Act of June 29, 1948 (15 U.S.C. 714f).

"(4) Section 3907 of this title shall not apply to interest penalty payments made under this subsection.".

PAYMENTS FOR DAIRY AND CERTAIN OTHER PRODUCTS

SEC. 4. Section 3903(4) of title 31, United States Code, is amended to read as follows:

"(4) for the acquisition of dairy products (as defined in section 111(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502(e)), the acquisition of edible fats or oils, and the acquisition of food products prepared from edible fats or oils, provide a required payment date of not later than 10 days after the date on which a proper invoice for the amount due had been received by the agency acquiring such dairy products, fats, oils, or food products;".

PERIODIC PAYMENTS UNDER PROPERTY AND SERVICE CONTRACTS

SEC. 5. Section 3903 of title 31, United States code, is further amended—

(1) by redesignating paragraph (5) as paragraph (7); and

(2) by inserting after paragraph (4) the following:

"(5) require periodic payments, in the case of a property or service contract which does not prohibit periodic payments for partial deliveries or other contract performance during the contract period, upon—

"(A) submission of an invoice for property delivered or services performed during the contract period, if an invoice is required by the contract; and

"(B) either—

"(i) acceptance of the property or services by an employee of an agency authorized to accept the property or services; or

"(ii) the making of a determination by such an employee, that the performance covered by the payment conforms to the terms and conditions of the contract;".

INTEREST PENALTIES ON PROGRESS PAYMENTS AND RETAINED AMOUNTS UNDER CONSTRUCTION CONTRACTS

SEC. 6. Section 3903 of title 31, United States code, is amended—

(1) by inserting "(a)" before "The Director";

(2) by inserting after paragraph (5) (as added by section 5) the following new paragraph:

"(6) in the case of a construction contract, provide for the payment of interest on—

"(A) a progress payment (including a monthly percentage-of-completion progress payment or milestone payments for completed phases, increments, or segments of any project) that is approved as payable by the agency pursuant to subsection (b) of this section and remains unpaid for—

"(i) a period of more than 14 days after receipt of the payment request by the place or person designated by the agency to first receive such requests; or

"(ii) a longer period, specified in the solicitation, if required to afford the Government a practicable opportunity to adequately inspect the work and to determine the adequacy of the contractor's performance under the contract; and

"(B) any amounts which the agency has retained pursuant to a prime contract clause providing for retaining a percentage of progress payments otherwise due to a contractor and that are approved for release to the contractor, if such retained amounts are not paid to the contractor by a date specified in the contract or, in the absence of such a specified date, by the 30th day after final acceptance;"; and

(3) by adding at the end of such subsection the following new subsection:

"(b)(1) A payment request may not be approved under subsection (a)(6)(A) of this section unless the application for such payment includes—

"(A) substantiation of the amounts requested; and

"(B) a certification by the prime contractor, to the best of the contractor's knowledge and belief, that—

"(i) the amounts requested are only for performance in accordance with the specifications, terms, and conditions of the contract;

"(ii) payments to subcontractors and suppliers have been made from previous payments received under the contract, and timely payments will be made from the proceeds of the payment covered by the certification, in accordance with their subcontract agreements and the requirements of this chapter; and

"(iii) the application does not include any amounts which the prime contractor intends to withhold or retain from a subcontractor or supplier in accordance with the terms and conditions of their subcontract.

"(2) The agency shall return any such payment request which is defective to the contractor within 7 days after receipt, with a statement identifying the defect.

"(c)(1) The contracting officer shall—

"(A) compute the interest which a contractor shall be obligated to pay under sections 3905(a)(2) and 3905(e)(6) of this title on the basis of the average bond equivalent rates of 91-day Treasury bills auctioned at the most recent auction of such bills prior to the date the contractor received the unearned amount; and

"(B) deduct the interest amount determined under subparagraph (A) of this paragraph from the next available payment to the contractor.

"(2) Amounts deducted from payments to contractors under paragraph (1)(B) shall revert to the Treasury.".

ADDITIONAL REQUIREMENTS OF REGULATIONS

SEC. 7. Section 3903(a) of title 31, United States Code, is further amended by striking out paragraph (7), as redesignated by section 5, and inserting the following:

"(7) require that—

"(A) each invoice be reviewed as soon as practicable after receipt for the purpose of determining that such an invoice is a proper invoice within the meaning of section 3901(a)(3) of this title;

"(B) any invoice determined not be such a proper invoice suitable for payment shall be returned as soon as practicable, but not later than 7 days, after receipt specifying the reasons that the invoice is not a proper invoice; and

"(C) the number of days available to an agency to make a timely payment of an invoice wihout incurring an interest penalty shall be reduced by the number of days by which an agency exceeds the requirements of subparagraph (B) of this paragraph;

"(8) permit an agency to make payment up to 7 days prior to the required payment date, or earlier as determined by the agency to be necessary on a case-by-case basis; and

"(9) prescribe the methods for computing interest under section 3903(c) of this title.".

LIMITATIONS ON DISCOUNT PAYMENTS

SEC. 8. Section 3904 of title 31, United States Code, is amended by inserting after the first sentence the following: "For the purpose of the preceding sentence, the specific time shall be determined from the date of the invoice.".

PAYMENT PROVISIONS RELATING TO CONSTRUCTION CONTRACTS

SEC. 9. (a) Chapter 39 of title 31, United States Code, is amended—

(1) by redesignating sections 3905 and 3096 as sections 3096 and 3907, respectively; and

(2) by inserting after section 3904 the following:

"§ 3905. Payment provisions relating to construction contracts

"(a) In the event that a contractor, after making a certified payment requests to an agency pursuant to section 3903(b) of this title, discovers that a portion or all of such payment request constitutes a payment for performance by such contractor that fails to conform to the specifications, terms, and conditions of its contract (hereafter in this subsection referred to as the 'unearned amount'), then the contractor shall—

"(1) notify the agency of such performance deficiency; and

"(2) be obligated to pay the Government an amount equal to interest on the unearned amount (computed in the manner provided in section 3903(c) of this title), from the date of the contractor's receipt of such unearned amount until—

"(A) the date the contractor notifies the agency that the performance deficiency has been corrected; or

"(B) the date the contractor reduces the amount of any subsequent certified application for payment to such agency by an amount equal to the unearned amount.

"(b) Each construction contract awarded by an agency shall include a clause that requires the prime contractor to include in each subcontract for property or services entered into by the prime contractor and a subcontractor (including a material supplier) for the purpose of performing such construction contract—

"(1) a payment clause which obligates the prime contractor to pay the subcontractor for satisfactory performance under its subcontractor within 7 days out of such amounts as are paid to the prime subcontractor within 7 days out of such amounts as are paid to the prime contractor by the agency under such contract; and

"(2) an interest penalty clause which obligates the prime contractor to pay to the subcontractor an interest penalty on amounts due in the case of each payment not made in accordance with the payment clause included in the subcontract pursuant to paragraph (1) of this subsection—

"(A) for the period beginning on the day after the required payment date and ending on the date on which payment of the amount due is made; and

"(B) computed at the rate specified by section 3902(a) of this title.

"(c) The construction contract awarded by the agency shall further require the price contractor to include in each of its subcontracts (for the purpose of performance of such condition contract) a provision requiring the subcontractor to include a payment clause and an interest penalty clause conforming to the standards of subsection (b) of this section in each of its subcontracts and to require each of its subcontractors to include such clauses in their subcontracts with each lower-tier subcontractor or supplier.

"(d) The clauses required by subsections (b) and (c) of this section shall not be construed to impair the right of a prime contractor or a subcontractor at any tier to negotiate, and to include in their subcontract, provisions which—

"(1) permit the prime contractor or a subcontractor to retain (without cause) a specified percentage of each progress payment otherwise due to a subcontractor for satisfactory performance under the subcontract, without incurring any obligation to pay a late payment interest penalty, in accordance with terms and conditions agreed to by the parties to the subcontract, giving such recognition as the parties deem appropriate to the ability of a subcontractor to furnish a performance bond and a payment bond;

"(2) permit the contractor or subcontractor to make a determination that part or all of the subcontractor's request for payment may be withheld in accordance with the subcontract agreement; and

"(3) permit such withholdings without incurring any obligation to pay a late payment penalty if—

"(A) a notice conforming to the standards of subsection (g) of this section has been previously furnished to the subcontractor; and

"(B) a copy of any notice issued by a prime contractor pursuant to subparagraph (A) of this paragraph has been furnished to the Government.

"(e) If a prime contractor, after making application to an agency for payment under a contract but before making a payment to a subcontractor for the subcontractor's performance covered by such application, discovers that all or a portion of the payment otherwise due such subcontractor is subject to withholding from the subcontractor in accordance with the subcontract agreement, then the prime contractor shall—

"(1) furnish to the subcontractor a notice conforming to the standards of subsection (g) of this section as soon as practicable upon ascertaining the cause giving rise to a withholding, but prior to the due date for subcontractor payment;

"(2) furnish to the Government, as soon as practicable, a copy of the notice furnished to the subcontractor pursuant to paragraph (1) of this subsection;

"(3) reduce the subcontractor's progress payment by an amount not to exceed the amount specified in the notice of withholding furnished under paragraph (1) of this subsection;

"(4) pay the subcontractor as soon as practicable after the correction of the identified subcontract performance deficiency, and—

"(A) make such payment within—

"(i) 7 days after correction of the identified subcontract performance deficiency (unless the funds therefor must be recovered from the Government because of a reduction under paragraph (5)(A)); or

"(ii) 7 days after the contractor recovers such funds from the Government; or

"(B) incur an obligation to pay a late payment interest penalty computed at the rate specified by section 3902(a) of this title;

"(5) notify the Government, upon—

"(A) reduction of the amount of any subsequent certified application for payment; or

"(B) payment of the subcontractor of any withheld amounts of a progress payment, specifying—

"(i) the amounts of the progress payments withheld under paragraph (1) of this subsection; and

"(ii) the dates that such withholding began and ended; and

"(6) be obligated to pay to the Government an amount equal to interest on the withheld payments (computed in the manner provided in section 3903(c) of this title), from the 8th day after receipt of the withheld amounts from the Government until—

"(A) the day the identified subcontractor performance deficiency is corrected; or

"(B) the date that any subsequent payment is reduced under paragraph (5)(A).

"(f)(1) If a prime contractor, after making payment to a first-tier subcontractor, receives from a supplier or subcontractor of the first-tier subcontractor (hereafter referred to as a 'second-tier subcontractor') a written notice in accordance with section 2 of the Act of August 24, 1935 (40 U.S.C. 270b), asserting a deficiency in such first-tier subcontractor's performance under the contract for which the prime contractor may be ultimately liable, and the prime contractor determines that all or a portion of future payments otherwise due such first-tier subcontractor is subject to withholding in accordance with the subcontract agreement, then the prime contractor may, without incurring an obligation to pay an interest penalty under subsection (e)(6) of this section—

"(A) furnish to the first-tier subcontractor a notice conforming to the standards of subsection (g) of this section as soon as practicable upon making such determination; and

"(B) withhold from the first-tier subcontractor's next available progress payment or payments an amount not to exceed the amount specified in the notice of withholding furnished under subparagraph (A) of this paragraph.

"(2) As soon as practicable, but not later than 7 days after receipt of satisfactory written notification that the identified subcontract performance deficiency has been corrected, the prime contractor shall pay the amount withheld under paragraph (1)(B) of this subsection to such first-tier subcontractor, or shall incur an obligation to pay a late payment interest penalty to such first-tier subcontractor computed at the rate specified by section 3902(a) of this title.

"(g) A written notice of any withholding shall be issued to a subcontractor (with a copy to the Government of any such notice issued by a prime contractor), specifying—

"(1) the amount to be withheld;

"(2) the specific causes for the withholding under the terms of the subcontract; and

"(3) the remedial actions to be taken by the subcontractor in order to receive payment of the amounts withheld.

"(h) A prime contractor may not request payment from the agency of any amount withheld or retained in accordance with subsection (d) of this section until such time as the prime contractor has determined and certified to the agency that the subcontractor is entitled to the payment of such amount.

"(i) A dispute between a contractor and subcontractor relating to the amount or entitlement of a subcontractor to a payment or a late payment interest penalty under a clause included in the subcontract pursuant to subsection (b) or (c) of this section does not constitute a dispute to which the United States is a party. The United States may not be interpreted in any judicial or administrative proceeding involving such a dispute.

"(j) Except as provided in subsection (i) of this section, this section shall not limit or impair any contractual, administrative, or judicial remedies otherwise available to a contractor or a subcontractor in the event of a dispute involving late payment or nonpayment by a prime contractor or deficient subcontractor performance or non-performance by a subcontractor.

"(k) A contractor's obligation to pay an interest penalty to a subcontractor pursuant to the clause included in a subcontract under subsection (b) or (c) of this section may not be construed to be an obligation of the United States for such interest penalty. A contract modification may not be made for the purpose of providing reimbursement of such interest penalty. A cost reimbursement claim may not include any amount for reimbursement of such interest penalty.".

(b) The table of sections at the beginning of such chapter is amended by striking out the items relating to sections 3905 and 3906 and inserting in lieu thereof the following:

"3905. Payment provisions relating to construction contracts.
"3906. Reports.
"3907. Relationship to other laws.".

REPORTS

SEC. 10. Section 3906(a) of title 31, United States Code (as redesignated by section 9(a)(1)), is amended to read as follows:

"(a)(1) By the 60th day after the end of the fiscal year, the head of each agency shall submit to the Director of the Office of Management and Budget a report on the agency's payment practices during that fiscal year, including a description of the extent to which those practices satisfy the requirements of this chapter.

"(2) In addition to such other information as may be required by the Director, the report required by paragraph (1) shall include—

"(A) the number, dollar value, and percentage of invoices for which interest or other late payment penalties were paid, the amount of such late payment interest and other penalties, and the reasons the interest penalties were not avoided by prompt payment; and

"(B) the number, dollar value, and percentage of invoices after the required payment date without payment of an interest penalty or other late payment penalty, and the reasons no obligation to pay such penalties was incurred with respect to such invoices or no amount for such penalties were included in the payments of such invoices.".

IMPLEMENTATION THROUGH THE FEDERAL ACQUISITION REGULATION

SEC. 11. (a) The Federal Acquisition Regulation shall be modified to provide appropriate solicitation provisions and contract clauses that implement chapter 39 of title 31, United States Code, as amended by this Act, and the regulations prescribed under section 3903 of such title (as amended).

(b) The solicitation provisions and contract clauses required by subsection (a) of this section shall include (but not be limited to) the following matters:

(1) Authority for a contracting officer to specify for a contract or class of contracts a specific payment period which—

(A) in the case of payments for commercial items or services, is similar to the payment period or periods permitted in prevailing private industry contracting practices;

(B) in the case of payments for noncommerical items and services, does not exceed 30 days unless the circumstances of the procurement action is determined to require a longer period for payment and such determination is approved above the level of the contracting officer.

(C) in the case of payments for items of property or services in an amount less than the amount specified as a small purchase in section 303(g)(2) of the Federal Property and Administrative Services Act of 1949 (4) U.S.C. 253(g)(2), does not exceed 15 days after the date of receipt of the invoice, if—

(i) the contract provides for such "fast payment" terms;

(ii) title to any property will vest in the Government upon delivery (including delivery to a common carrier); and

(iii) the business concern offers appropriate warranties to furnish property or services conforming to the requirements of the contract or purchase order, if payment will be due prior to acceptance of the items or services; and

(D) in the case of progress payments under construction contracts does not exceed 14 days, unless the solicitation specifies a longer period which the contracting officer has determined is required to afford the Government a practicable opportunity to adequately inspect the work and to evaluate the adequacy of the contractor's performance under the contract.

(2) Requirements to make periodic payments, in the case of a property or service contract which does not prohibit periodic payments for partial deliveries or other contract performance during the contract period, upon—

(A) submission of an invoice for property delivered or services performed during the contract period, if an invoice is required by the contract; and

(B) either—

(i) acceptance of the property or services by an employee of the contracting agency authorized to accept the property or services; or

(ii) the making of a determination by such an employee, that the performance covered by the payment conforms to the terms and conditions of the contract.

(3) A conclusive presumption, exclusively for the purposes of determining when an agency becomes obligated to pay a late payment interest penalty (other than under construction contracts), that the Federal Government has accepted property or services by the 7th day after the date on which, in accordance with the terms and conditions of the contract, the property is delivered or final performance of the services is completed, unless the solicitation specified a longer period which is determined by the contracting officer to be required to afford the agency a practicable opportunity to inspect and test the property furnished or evaluate the services performed.

(4) The limitation that the Federal Government may take a discount offered by a contractor for early payment by the Federal Government only in accordance with the time limits specified by the contractor, determined in accordance with the second sentence of section 3904 of title 31, United States Code.

(5) The requirements of section 3902(c) of title 31, United States Code.

(6) The requirements of section 3903(a)(6) of title 31, United States Code.

(7) The requirements of section 3905 of title 31, United States Code.

(c) The regulations required by subsection (a) of this section shall be published as proposed regulations for public comment as provided in section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b) within 120 days after the date of the enactment of this Act.

ASSISTANCE TO SMALL BUSINESS

SEC. 12. Section 15(k) of the Small Business Act (15 U.S.C. 644(k)) is amended by—

(1) renumbering paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively; and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) assist small business concerns to obtain payments, late payment interest penalties, or information due to such concerns, in conformity with chapter 39 of title 31, United States Code;".

CODIFICATION OF A DEFINITION PROVIDED IN AN APPROPRIATION LAW

SEC. 13. (a) Section 3903(a)(2) of title 31, United States Code, is amended by inserting "including any edible fresh or frozen poultry meat, any perishable poultry meat food product, fresh eggs, and any perishable egg product," after "182(3),".

(b) Section 2002 of the Supplemental Appropriations Act, 1984 (Public Law 98-181; 97 Stat. 1297) is amended by striking out "the terms 'meat' and 'meat food products' as used in the Prompt Payment Act (Public Law 97-177; 96 Stat. 85) in section 2(a)(2)(B)(i) thereof shall include also edible fresh or frozen poultry meat, perishable poultry meat food products, fresh eggs, and perishable egg products; and".

EFFECTIVE DATES

SEC. 14. (a) The amendments made by sections 2(a), 2(b), 3(a), 4 through 9, 12, and 13 of this Act shall apply to payments under contracts awarded, contracts renewed, and contract options exercised during or after the first fiscal quarter which begins more than 90 days after the date of the enactment of this Act.

(b) The requirements of section 3902(c)(2) of title 31, United States Code, as added by section 3(b) of this Act, shall apply to payments under contracts awarded on or after October 1, 1989.

(c) The amendments made by sections 2(c) and 3(c) of this Act shall be applicable with respect to all obligations incurred on or after January 1, 1989.

(d) The amendment made by section 10 of this Act shall apply to the report required by section 3906 of title 31, United States Code, for each fiscal year beginning after September 30, 1988.

SECTION-BY-SECTION ANALYSIS

[S. 328, the "Prompt Payment Act Amendments of 1988" as passed by the U.S. House of Representatives on July 26, 1988 and S. 328, the "Prompt Payment Act Amendments of 1987" as passed by the Senate on October 9, 1987]

CONGRESSIONAL FINDINGS

The Congressional findings section was deleted to conform to the Committee's general policy regarding the elimination of findings from reported legislation.

DEFINITIONS AND APPLICATION

Changes from five to seven days the time available for Government "acceptance" of property or services furnished by a contractor before the "payment clock" is initiated for the purpose of determining timely payment or the accrual of a late payment interest penalty. The seven-day standard avoids the necessity of specifying "work days", to eliminate the possibility of a contractor gaming the payment system.

Limits to specified circumstances the Government's right to specify in a solicitation an accepance period (for determining timely payment); eliminates it competely, if the contract is for the "procurement of a brand-name commercial item for authorized resale".

Requires the Government to recognize the date of an invoice as the invoice receipt date, if the agency fails to annotate the invoice with the actual invoice receipt date.

Recognizes payment by electronic fund transfers.

INTEREST PENALTIES: ELIMINATION OF GRACE PERIODS; INCREASED PENALTIES; OBLIGATION TO PAY PENALTIES

Eliminates the Prompt Payment Act's various "grace periods" upon the effective date of the Amendments.

Clarifies that the interest rate to be used for calculating any late payment interest penalty is the rate in effect on the date on which the obligation to pay the penalty accures.

Requires the issuance of a notice to accompany any payment that includes a late payment interest penalty, which specifies the rate and the period used to compute the late payment interest penalty.

Entitles a contractor to an additional interest penalty as prescribed by OMB rather than double late payment interest penalty, in the event that an agency makes a payment to the contractor without including the late payment interest penalty due.

Eliminates the retroactive application of the provisions extending the Prompt Payment Act to non-procurement contract obligations of the Commodity Credit Corporation (CCC).

Specifies "required payment or loan closing dates" for the various types of agricultural support programs administered by the CCC.

PAYMENT FOR DAIRY AND CERTAIN OTHER PRODUCTS

Set forth this provision as a separate section, leaving the language unchanged.

PERIODIC PAYMENTS UNDER PROPERTY AND SERVICE CONTRACTS

Requires periodic payments for partial deliveries and other contract performance during the term of any contract "which does not prohibit periodic payments"

INTEREST PENALTIES ON PROGRESS PAYMENT AND RETAINED AMOUNTS UNDER CONSTRUCTION CONTRACTS

Clarifies the term "progress payment" to include "milestone payments".

Changes from 7 to 14 days the time available for the procuring agency to make a timely payment of a construction progress payment request before incurring the obligation to pay a late payment interest penalty. Senate provision had erroneously adopted a seven-day payment term with the intent of conforming with the prevailing industry standard [as enunciated in the AGC-ASA-ASC Joint Policy Statement on Prompt Pay]. The Joint Policy Statement actually specifies 10 days. The Committee adopted the 14-day standard based on informal comments from Federal agencies with substantial construction procurement activities, which strongly maintained that such a payment period was the absolute minimum required.

Preserves the Government's right to specify a longer payment period for construction progress payments, in keeping with the Prompt Payment Act's overall statutory framework. The House provision improves upon the Senate provision by directly relating the extended payment term to the Government's need to inspect the work and otherwise determine the adequacy of the contractor's performance of other contractual obligations, and by statutorily requiring that the extended payment term be specified in the contract solicitation, thus giving competing contractors the opportunity to respond in a manner that best meets their business needs.

Makes more explicit the policy of the Senate provision which requires Government payment of amounts retained by the procuring agency during the term of contract performance within 30 days after final acceptance of the construction by the Government, unless the contract specifies an alternative term for payment of retained amounts that have been so released.

Requires that a progress payment request to the procuring agency be accompanied by substantiation of the amounts requested and a certification. The certification (using the accepted "best of knowledge and belief" standard), to be delineated in a Government-wide FAR clause, is to cover: (1) that the amounts requested are only for actual performance in accordance with contractual requirements; (2) payment of subcontractors; and (3) that the amounts requested do not include amounts to be withheld for cause or retained from a subcontractor in conformity with a subcontract agreement.

Requires use of existing permissive authority provided in the FAR relating to substantiation of amounts requested and seeks to mirror recommended commercial construction industry practice. The recently issued 1987 edition of the American Institute of Architects (AIA) Document A201 (General Conditions of the Contract for Construction) contains a similar provision. The AIA A201 is endorsed by AGC, ASC and ASA.

Extends to construction progress payments the type of certification currently applicable to supply contractors (that the amounts requested are for work performed).

Extends to Government-wide application, through the FAR clauses currently used by VA and GSA (GSA Form 2419) pertaining to payment of subcontractors.

A certification as a precondition to payment of construction progress payment requests was informally suggested by the former Administrator for Federal Procurement Policy, Robert P. Bedell.

Requires that the contracting agency return to the contractor a construction progress payment request which is determined to be defective within 7 days of receipt, specifying the defects. This is in keeping with a modification made in Section 7 (Additional Requirements of Regulations) which reduced from 15 days to 7 days the time available for the Government to return a defective invoice to a contractor. A separate provision was included in this section so that a "construction contract progress payment request" would not be measured by the stringent standards for a "proper invoice" specified in OMB Circular A-125 (Prompt Payment).

Section 9 adds a new subsection to 31 USC 3905, as passed by the Senate, which requires a prime contractor to pay interest on "unearned" progress payment funds in the contractor's possession. This section establishes the manner in which the interest is to be computed. The rate of interest applicable is the 91-day Treasury bill rate in effect at the time of the contractor's discovery that it is in possession of "unearned" Government funds. After correction of the contract performance deficiency, the accrued interest is to be deducted from the next available payment request made to the contractor. Interest payments received by the procuring agency pursuant to this provision shall be paid to the Treasury.

The 91-day T-bill rate was chosen for two reasons. First, it approximates the interest lost to the Government while the contractor holds the "unearned funds". Second, the rate of interest can be readily ascertained by the contractor from the business section of most daily newspapers, unlike the Prompt Payment Act's interest rate which is published in the Federal Register.

ADDITIONAL REQUIREMENTS OF REGULATIONS

Reduces from 15 days to 7 days the time available for an agency to return a defective invoice to a contractor. If an invoice is not returned within such 7-day period, the time available to the agency to make a timely payment shall be reduced by the number of days by which the agency has exceeded the 7-day standard.

Opens the "timely payment window" from 3 days prior to the "due date" under OMB Circular A-125 (Prompt Payment) to 7 days prior to the due date, before there is a finding by OMB that the agency has made a reportable "early payment" contrary to good cash management practice. In GAO's opinion, the current 3-day "window" imposed by OMB would result in excessive numbers of short term "late payments" with the "grace periods" completely eliminated. The provision expressly permits an agency to make an "early payment" anytime before the due date, if determined on a case-by-case to be beneficial to the Government.

LIMITATIONS ON DISCOUNT PAYMENTS

Clarifies the Senate provision in accordance with recommendations of the Coalition for Prompt Pay, to assure payment within the "discount period" specified by the vendor.

PAYMENT PROVISIONS RELATING TO CONSTRUCTION CONTRACTS

Requires that a prime contractor pay interest to the Government whenever it is in possession of funds received from the procuring agency which are "unearned". The funds may be "unearned" due to a contract performance deficiency on the part of the prime contractor, discovered after making its progress payment request to the Government. The interest obligation for being in possession of "unearned" amounts may also be triggered if the prime contractor withholds a portion or all of a progress payment to a subcontractor due to a subcontract performance deficiency discovered by the prime contractor after making application to the Government, but before making payment to the subcontractor. The provision requires the contractor to give notice to the Government. The contractor also is obligated to pay interest, computed in the manner provided in 31 USC 3903(c) from the date of receipt of the funds found to be "unearned" until the later of (a) the date the contractor notifies the agency that the performance deficiency has been corrected; or (b) the date the contractor offsets the "unearned amounts" from a subsequent payment application.

Specifies that payment is due to the subcontractor within 7 days of receipt of a progress payment by the prime contractor. The Senate provision specified payment in accordance with the "prevailing industry standard", which the Committee Report (S. Rpt. 100-78) presently recognized as 7 days in conformity with the AGC-ASA-AGC Joint Policy Statement on Prompt Pay.

Flows-down to all lower-tier subcontractors the payment clause and the interest penalty clause required in the agreements between the prime contractor and the first-tier subcontractor and suppliers.

Expands recognition of a prime contractor's (and a subcontractor's) right to negotiate clauses authorizing retainage (without cause) for the protection of the contractor or higher-tier subcontractor, or withholding for cause of part or all of a subcontractor's request for payment due to failure to perform in accordance with the specifications, terms, and conditions of the subcontract agreement.

Requires a notice of withholding, as specified by the provision, be furnished to the subcontractor, with a copy to the contracting officer.

Restates the prime contractor's obligation to pay interest to the Government whenever it has in its possession funds received from the Government which are "unearned", as required by Section 6 (Interest Penalties on Progress Payments and Retained Amounts Under Construction Contracts), and specifically relates this provision to funds withheld from a subcontractor for a performance deficiency discovered after the prime contractor has made application to the Government but before making payment to the subcontractor. Requires payment of the subcontractor "as soon as practicable but not later than 7 days after correction of the identified subcontracts performance deficiency." Permits the prime contractor to terminate its interest obligation to the Government prior to making payment to the subcontractor by "off-setting" the withheld amount from a subsequent progress payment request.

This provision was apparently Chairman Brooks' personal solution to the "after discovered defect" problem, which was the only example successfully raised to demonstrate that the Senate-passed subcontractor payment provision somehow impaired the prime contractor's ability to manage subcontractor performance. It has the benefit of leaving the funds in the hands of the prime contractor, while eliminating the "profit motive" from potential abuse.

Permits a prime contractor to withhold from a subsequent payment to a first-tier subcontractor without incurring an obligation to pay interest to the Government, if the prime contractor has made a payment to the subcontractor and subsequently receives a notice of that subcontractor's failure to pay one of its subcontractors or suppliers who would be covered by the prime contractor's "Miller Act" payment bond. The notice must meet "Miller Act" standards and the amount cannot exceed the prime contractor's liability under the payment bond.

A notice meeting "Miller Act" standards must: be in writing; name the recipient of the labor or material and the amount of the claim with substantial accuracy; be sent to the prime contractor by registered mail by, or on behalf of, the claimant and inform the prime contractor that the claimant is looking to the prime contractor for payment of the claimant's bill.

Specifies the contents of a notice to a subcontractor to be provided in the event of a withholding for cause by the prime contractor.

Deletes the "Levin Amendment".

Leaves substantially unchanged the Senate-passed language of the other provisions of this section.

REPORTS

This provision of the Senate-passed bill is unchanged.

IMPLEMENTATION THROUGH THE FEDERAL ACQUISITION REGULATION

Makes a series of changes corresponding to the changes made elsewhere in the bill.

Provides authorization for "Fast Payment" terms applicable to "small purchase" (undner $25,000) payments to small businesses with specified protections for the Government.

ASSISTANCE TO SMALL BUSINESS

Amends the Small Business Act to provide that currently authorized agency personnel within the various Offices of Small and Disadvantaged Business Utilization would be responsible to assist small firms regarding timely payment and late payment interest penalties.

CODIFICATION OF A DEFINITION PROVIDED IN AN APPROPRIATION LAW

This provision of the Senate-passed bill is unchanged.

EFFECTIVE DATES

Maintains the provisions of the Senate-passed bill, adding a provision that provides the agencies some additional time to adjust their payment systems to issue "payment notices" accompanying payments that include late payment interest penalties.

MEMBERS OF THE COALITION FOR PROMPT PAY

International Communications Industries Association (ICIA).

Air Conditioning Contractors of America (ACCA).

American Association of Nurserymen (AAN).

American Fire Sprinkler Association, Inc. (AFSA).

American Consulting Engineers Council (ACEC).

American Institute of Steel Construction (AISC).

American Logistics Association (ALA).

American Subcontractors Association (ASA).

American Traffic Safety Services Association (ATSSA).

Associated Builders and Contractors (ABC).

Associated Specialty Contractors (ASC).

Association for Information and Image Management (AIIM).

Association of Data Processing Service Organizations (ADAPSO).

Association of the Wall & Ceiling Industries—International (AWCI).

Coalition for Common Sense in Government Procurement.

Mechanical Contractors Association of America (MCAA).

National Association of Manufacturers (NAM).

National Association of Medical Equipment Suppliers (NAMES).

National Association of Minority Contractors (NAMC).

National Association of Retail Druggists (NARD).

National Association of Wholesalers-Distributors (NAW).

National Association of Credit Management (NACM).

National Electrical Contractors Association (NECA).

National Independent Dairy Foods Association (NIDFA).

National Moving and Storage Association (NMSA).

National Roofing Contractors Association (NRCA).

National Small Business United (NSBU).

National Tooling and Machining Association (NTMA).

Painting and Decorating Contractors of America (PDCA).

Professional Services Council (PSC).

Sheet Metal & Air Conditioning Contractors National Association (SMACNA).

Small Business Legislative Council (SBLC).

LISTING OF SUPPORTERS AS OF: SEPTEMBER 22, 1988

National Federation of Independent Business.

National Small Business United.

Small Business Legislative Council.

U.S. Chamber of Commerce.

National Association of Credit Management.

Associated Builders and Contractors.

Associated General Contractors of America.

Construction Management Association of America.

Minority Business Enterprise Legal Defense and Education Fund.

National Association of Minority Contractors.

American Subcontractors Association (ASA).

Associated Specialty Contractors (ASC) affiliated national associations: Mason Contractors Association of America, Mechanical Contractors Association of America, National Association of Plumbing-Heating-Cooling Contractors, National Electrical Contractors Association, National Insulation Contractors Association, National Roofing Contractors Association, Painting and Decorating Contractors of America, Sheet Metal and Air Conditioning Contractors' National Association.

ADSC: The International Association of Foundation Drilling Contractors.

Air Conditioning Contractors of America.

American Architectural Manufacturers Association.

American Fire Sprinkler Association.

American Institute of Steel Construction.

American Traffic Safety Services Association.

Architectural Precast Association.

Association of the Wall & Ceiling Industries—International.

Ceiling and Interior Systems Construction Association.

Concrete Sawing and Drilling Association.

Hardwood Plywood Manufacturers Association.

Institute of the Ironworking Industry.

Insulation Contractors Association of America.

National Association of Brick Distributors.

National Association of Elevator Contractors.

National Glass Association.

National Ornamental and Miscellaneous Metals Association.

National Utility Contractors Association.

American Butter Institute/National Cheese Institute.

American Logistics Association.

Milk Industry Foundation/International Ice Cream Association.

ADAPSO.

Aerospace Industries Association.

American Apparel Manufacturers Association.

American Consulting Engineers Council.

American Electronics Association.

Association of Small Research, Engineering and Technical Services Campanies.

Coalition for Common Sense in Government Procurement.

Computer and Business Equipment Manufacturers Association.

Computer and Communications Industry Association.

Electronic Industries Association.

National Association of Aircraft and Communication Suppliers.

National Association of Manufacturers.

National Tooling and Machining Association.

Professional Services Council.

Scientific Apparatus Makers Association.●

THE NATIONAL GLOBAL CHANGE RESEARCH ACT

● Mr. HOLLINGS. Mr. President, today I had hoped that we would consider S. 2614, the National Global Change Research Act. This legislation is essential for strengthening our Nation's program of research on greenhouse warming, ozone layer depletion, and other aspects of global change. The bill does not require costly expenditures of Federal dollars, nor does it call for sweeping changes to national environmental or energy policies. It does, however, take action to ensure that adequate information will be available to policy makers for dealing with such global threats. Quite simply, it is good legislation that makes good sense. I had expected to see it passed by the Senate today, but because of the objections of a few of my colleagues that expectation obviously will not be met.

When I introduced this bill in July, we were in the midst of a nationwide heat wave and the Midwest was suffering through one of the most serious droughts since the 1930's. Newspapers, magazines, and the television networks were running stories daily about climate change and the greenhouse effect. The question on everyone's mind was whether the drought was an unfortunate natural event or a sign of things to come, a first signal that greenhouse warming was upon us. Was Mother Nature finally saying, "Enough's enough?"

The drought is now over. This summer's record temperatures are behind us. But many unanswered questions remain. How are man's activities affecting the global environment? If we continue burning fossil fuel at the present rate, how will the world's climate change? Will sea levels rixe and the Antarctic ice sheet melt? Will man-made chemicals destroy the ozone layer and what would be the consequences?

We have partial answers to some of these questions. And we know enough to start taking action in a few areas to reduce the environmental damage caused by man's actions. One such area is the protection of the stratospheric ozone layer which shields the Earth from harmful solar radiation. Last winter, the Untied States ratified the Montreal protocol, an international agreement to restrict use of ozone-destroying chemicals like chlorofluorocarbons [CFC's]. The protocol requires the developed nations to halve production of CFC's by 1999 and represents a significant environmental policy achievement.

Despite the importance of the protocol, however, the action it calls for may be too little and too late. Last fall, researchers in Antarctica reported that levels of manmade chemicals in the Antarctic air were high enough to destroy atmospheric ozone. Their findings give us the first conclusive evidence that the celebrated Antarctic ozone hole can be blamed on CFC's. This past spring, a report was released by NASA which estimated that worldwide ozone depletion was two to three times worse than was previously suspected. And early next year, scientists will begin a critical new effort to determine whether the ozone layer over the Arctic is also acquiring worrisome gaps.

Today, developing policies to deal with such growing concerns is a little like driving a crowded bus down a dark country road without any headlights. We can see only a few feet ahead of us. We have little idea what may be up the road. There are a lot of passengers on that bus that are counting on us to steer a safe course. Doing that will require that we learn as much as we can about the road we're headed down. And that means a commitment to more research on the way our planet works.

That commitment is not a trivial one. Taking action to protect the ozone layer is relatively straightforward when compared to addressing the threat of greenhouse warming. The CFC's responsible for ozone layer depletion are not critical to our industrial society. They are released from automobile air-conditioners, fast food containers, and abandoned refrigerators. While their elimination or replacement may be expensive and inconvenient, the problem is well-defined and resolvable. And the benefit of doing so would clearly outweigh the cost.

By contrast, the threat of greenhouse warming and global climate change is a much more complicated problem for scientists to understand and for society to deal with. Several different gases contribute to the greenhouse effect, including carbon dioxide, ozone, nitrous oxides, methane, CFC's, and even water vapor. Unlike CFC's which do not occur naturally, these greenhouse gases come from hundreds of different sources, both natural and manmade, Reducing their release into the atmosphere will require major changes in energy use, transportation, agricultural and manufacturing practices, and other aspects of our modern industrial society.

We will not be able to achieve the consensus needed to make these changes unless we have a scientific consensus on the severity of the problem and on what actions are most needed. We won't be able to make intelligent policy decisions unless we have sound scientific research upon which to base them. We won't be able to face global climate change if we don't have reliable predictions of what that change will be like.

Our global change research program must be broad enough to ensure that we understand the picture worldwide and not just a part of it. The Antarctic ozone hole is just one example of an unexpected discovery which came from ongoing global environmental monitoring efforts. By necessity such a program will involve scientists from around the world and must be multidisciplinary. Physicists, oceanographers, atmospheric chemists, geologists, ecologists, social scientists, and researchers from dozens of other disciplines will need to work together to improve our understanding of the Earth system and the implications of global change.

And it must be a long-term program. The famous Mauna Loa curve showing how atmospheric carbon dioxide levels have increased is the result of a 30-year NOAA program started in 1958. Such long-term programs are necessary in order to understand long-term global changes. Global change research is not a fad that can be funded for a few years and then forgotten.

And we must begin now to develop the information management systems needed to improve our understanding of the Earth system. At present an enormous amount of weather and environmental information which could be used to study global environmental change is collected by satellites and by ground monitoring systems. In the future this flow of data is expected to increase dramatically. The White House Office of Science and Technology Policy [OSTP] estimates that over the next decade, the amount of information from satellites alone will increase hundredfold. We must have the data processing, archiving, and distribution systems in place if we are to make this vast amount of information available to the researchers who can use it.

The United States can and should provide leadership to get this long-term, comprehensive, international effort off to a strong start. This year, Congress has held at least a dozen hearings on greenhouse warming and ozone layer depletion. At each, researchers from around the Nation have reiterated their concerns and demonstrated their expertise. Through the years, these American scientists have been pioneers in the studying and understanding of global environmental change. Back in 1957, University of California researcher, Roger Revelle, proposed that carbon dioxide from the burning of fossil fuels could lead to greenhouse warming. American scientists were also the first to identify the threat of CFC's. And it was NASA that produced the first, stunning pictures of the Antarctic ozone hole. Over the years, scientists from NASA and the National Oceanic and Atmospheric Administration [NOAA] and university researchers funded by the National Science Foundation have provided critical advances in our understanding of the planet.

The bill I had hoped to consider today would enable us to provide needed U.S. leadership. S. 2614 would direct and strengthen the new Federal interagency global change research program and ensure that it is well-coordinated and well-planned. The bill does not authorize additional funds beyond what agencies are already spending. S. 2614 is written as a series of amendments to the National Science and Technology Policy, Organization, and Priorities Act of 1976, the law which created both OSTP and the Federal Coordinating Council on Science, Engineering, and Technology [FCCSET]. FCCSET, the Government's interagency committee for science, already coordinates Federal global change research and is the logical home for the new program.

Provisions of S. 2614 would amend the principles of the 1976 Science and Technology Act to handle the development and coordination of long-range, interagency research plans to address complex scientific issues of national and international concern. Such plans are needed to ensure that information is available for informed policy decisions. The bill assigns FCCSET the responsibility for developing these long-range research plans.

S. 2614 also adds a new title VI to the 1976 Science and Technology Act to require FCCSET to develop a 10-year National Global Change Research Plan. In carrying out that responsibility, FCCSET would:

First, establish national goals and priorities for global change research, working with the National Research Council and other research groups;

Second, define the roles of each agency and department in implementing the plan by building on their existing missions and responsibilities;

Third, review each agency budget estimate in the context of national goals, using budget information provided by the agencies and the Office of Management and Budget [OMB]; and

Fourth, submit an annual report to Congress, regarding progress in implementing the national research plan.

By putting FCCSET in charge of coordinating global change research, we can ensure that all the available resources of the Federal Government are brought to bear effectively on the incredibly challenging problem. Interagency coordination and planning can ensure that resources aren't wasted, that research isn't needlessly duplicated, and that important data is not ignored.

This legislation builds upon an ongoing administration effort. I do not often see eye to eye with this administration on science and technology policy. In this case, however, I commend the recognition of the importance of global change research and I support those efforts to provide coordination between the various agencies involved. The new Federal interagency program has been fostered by a number of well-respected and dedicated scientists within the Federal Government who deserve recognition for their foresight and perseverance. Among those whose efforts should be mentioned are Bob Corell of NSF, Mike Hall and Dan Albritton from NOAA, Dallas Peck and Ray Watts with the U.S. Geological Survey, Shelby Tilford and Bob Watson of NASA, Jack Fellows of OMB, and Dick Johnson from the Committee on Earth Sciences. With the continued commitment of such hard-working individuals, I am confident that we can make excellent progress toward developing a comprehensive and effective national program.

The scientific organization called for in S. 2614 must be an integral part of any comprehensive plan of action to address the threat of global change. Thus, S. 2614 represents a critical first step in developing that plan. As the chairman of the committee with jurisdiction over science issues, I feel very strongly that it is a step which can and should be taken without delay. I find it very difficult to understand why some of my colleagues have objected to Senate action on this measure. The bill enjoys broadbased support in the scientific community and is consistent with the current administration initiative. Let me assure my colleagues that the National Global Change Research Act will be a high priority for the chairman of the Senate Commerce Committee in the 101st Congress.

OMNIBUS ANTI-SUBSTANCE ABUSE ACT

Mr. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 5210.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to the bill (H.R. 5210) to prevent the manufacturing, distribution, and use of illegal drugs, and for other purposes.

(A summary of the amendment of the House to the amendment of the Senate is printed in today's RECORD beginning at page 33148.)

Mr. RUDMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. RUDMAN. Mr. President, final action just prior to sine die adjournment of the 100th Congress by both Houses on the Anti-Drug Abuse Act of 1988 launches a major new effort against the drug problem threatening our Nation. The compromises reached under the guidance of the Senate and House leadership over the last week represents a herculean effort by Members in both Houses to effectively address one of the most serious threats to our Nation's security.

The conference agreement comprehensively addresses both supply and demand reduction. On the supply side, it authorizes major new resources for law enforcement and continues to address the critical balance in the criminal justice system recognized by the Senate only a week ago, focusing many of those resources on the often neglected postarrest programs—U.S. attorneys, prisons, the Marshals Service, and the Federal courts.

Significant new resources are also authorized on the demand side to address the need for drug education in our schools, teacher training, health research, and substance abuse grants to assure that those individuals who seek treatment for drug abuse, receive that treatment.

One of the most significant features of the agreement, which would not have been possible without the cooperation of the Appropriations Committees of the House and the Senate, is the immediate infusion of new funding for these important programs. Although we are not able to immediately fully fund every program authorized, substantial new moneys are included in the bill. The bill provides $360.4 million for the drug programs of the Justice Department, including $69 million for U.S. attorneys, $95.6 million for prisons, $32.8 million for programs of the Marshals Service, $15 million for the FBI, $30 million for the Drug Enforcement Administration, $26.2 million for the Immigration Service, and $90 million in new grants for State and local law enforcement. In addition, the agreement includes $51 million in funding for our Federal courts. On the demand side, $283 million for grants to address substance abuse and $108 million for the Drug Free Schools Program are provided.

The conference agreement also includes many of the criminal penalties and user accountability tools addressed by the Senate bill: Death penalty, enhanced penalties for drug offenses related to children, new user accountability sanctions, including new civil penalties for drug possession and use, tools to prevent money laundering, and a major new program to prevent the diversion of legal precursor and essential chemical diversion to illegal drug production.

In addition, the conference agreement recognizes the need to set the stage for an important review of criminal justice procedures in the area of habeas corpus, and streamlines our law enforcement agencies' ability to seize and forfeit assets of major drug traffickers, while protecting the rights of innocent individuals and businesses.

I appreciate the cooperation of all Members who participated in making this compromise possible.

Mr. President, the hour is late, so I want to take just about 1 minute to say several things about the people who worked on this legislation in a most unusual way.

First, I want to pay tribute to my colleague, the senior Senator from Georgia, Mr. NUNN, who I was privileged to work with for the past several months, in particular for the last several weeks, representing the Senate position with the House of Representatives.

Working with SAM NUNN is always a special pleasure. He deserves an enormous amount of credit for the contribution he made.

Beyond that, Mr. President, I want to thank the majority leader and the Republican leader for the outstanding support that they gave to this effort and most particularly to thank in behalf of all of us who worked on this measure Sally Mernissi of the staff of the majority leader; Jim Whittinghill, representing the staff of Senator DOLE, Eleanore Hill, from Senator NUNN's staff, and Santal Manos and Tom Polgar of my staff.

This is a historic piece of legislation. When it is fully understood what it does in attacking the demand side of the drug problem as well as increasing the law enforcement activities and doing so many things in the field of education and rehabilitation that are long overdue, I think that the Congress can leave here having confounded the consensus who thought that this would be an election year bill that would be all puff and no substance. It is quite the opposite. It is all substance. It is a good piece of legislation.

It is being greeted with great anticipation by the law enforcement community, by the mental health community, by the alcohol and drug abuse community.

I want to thank both the majority leader and the Republican leader for allowing me the privilege of working on this legislation.

I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I am pleased that the Senate is completing action today on this most important legislation, the Omnibus Anti-Substance Abuse Act. The illegal drug problem in the United States is one of the most pressing issues facing Congress today, and this legislation will go a long way in waging the war against drug abuse in our society. I want to commend the majority leader, ROBERT C. BYRD, for his dedication and leadership on this issue and congratulate the Congress on completing action on this comprehensive measure before the end of the 100th Congress.

I am particularly pleased that this legislation contains a provision Senators THURMOND, HOLLINGS, DANFORTH, and I, negotiated to require a uniform warning label on containers of beverage alcohol. Quite frankly, this action is probably long overdue. Although clearly the vast majority of Americans are aware of the dangers of alcohol use or abuse, it is appropriate that Congress act to require a warning label at this time. I wish to commend my colleague, Senator HOLLINGS, chairman of the Senate Commerce Committee, for scheduling action on S. 2047, the alcoholic beverage labeling bill, which was reported without objection from the Commerce Committee on September 20. The reported bill embodies the labeling compromise reached by Senators THURMOND, HOLLINGS, DANFORTH, and I, and is contained in the Omnibus Anti-Substance Abuse Act before us today.

I also want to commend the members of the House Energy and Commerce Committee who agreed to allow this compromise to be included in the Omnibus Anti-Substance Abuse Act. Although the House did not take action on this measure, and members were not directly involved in the negotiations of this compromise, in the end they agreed to let it become part of the drug bill without amendment. I appreciate their understanding of the very tedious negotiations that produced this compromise, and their willingness to allow it to stand unaltered.

One of the most difficult provisions to reach agreement on in this measure was the preemption language of section 205. This section was critical to the success of the negotiations and to my support of it. This provision clearly expresses the intent of Congress that no statement relating to alcoholic beverages and health, other than the label required by this act, can be required under State law to be placed on any container of an alcoholic beverage, or on any box, carton, or other package that contains an alcoholic beverage product.

This preemption recognizes that the effectiveness of the warning label contained in the act would be diminished if other, perhaps conflicting, statements were allowed to be added to alcoholic beverage containers. State and local governments are therefore precluded from imposing their own labeling requirements on alcoholic beverage containers. This means that consumers will receive a consistent warning regardless of where and when they happen to drink, and will ensure that the impact of the Federal label is not diminished by conflicting information. Section 205 of the act recognizes the need for national uniformity and the importance of avoiding the confusion, or complacency, that might develop if the public were subjected to multiple messages.

In an attempt to minimize the burden on what is a legitimate and responsible industry, the preemption provisions of this act avoid what could otherwise be a multitude of inconsistent statutes, regulations, and common law rules. Section 205 makes clear that under this act, the power to regulate the labeling of alcoholic beverage containers in order to forward public health objectives rests exclusively with the Congress.

It is my understanding that this section is to be read and administered so as to preclude any State or local authority, through legislation, regulation, or judicial interpretation, from requiring a different warning label on beverage alcohol containers. We intend that Congress exclusively reserve the power to consider whether, due to future developments or other considerations, any additional or differential warnings will be required on beverage alcohol containers.

In drafting the warning label contained in section 204 of the Alcoholic Beverage Labeling Act of 1988, we carefully chose language that would communicate information to consumers in a clear and concise manner. The statement is not intended as a medical judgement made by Congress on the specific risks which may be associated with the use or abuse of alcoholic beverages. It is simply an attempt to remind the public about the potential health problems associated with alcohol abuse, health problems which remain best identified and addressed in consultation with a personal physician.

The warning label required by this Act is basically a reminder of what nearly all Americans already know about the problems of alcohol use and abuse. Thanks in part to the public education efforts of the beverage alcohol industry, combined with public and private counseling, 90 percent of all women believe drinking "can cause birth defects," according to an April 1987 Gallup survey. Further, a 1984 Harris poll survey found that fully 81 percent of all women abstain from drinking during pregnancy. And according to a November 1985 Gallup survey, 97 percent of the public view alcoholism as a "very serious" or "quite serious" national problem. These figures indicate that there is widespread awareness of the health risks associated with alcohol use or abuse, and it is appropriate for the Congress to mandate that beverage alcohol containers carry these warnings.

The legislation before us today will complement the many programs of public education and private counseling by requiring a uniform Federal health warning label on alcoholic beverage containers. The compromise reported by the Senate Commerce Committee and included in this drug bill is not intended as a slap to a legitimate industry but as an assertion of the sole jurisdiction of Congress to require container warning labels regarding the health effects of alcohol use or abuse.

As the elected representative of a State which produces 90 percent of the domestic bourbon in this country, I do not endorse this compromise lightly. As responsible corporate citizens, the distilled spirits industry has long maintained that abuse of its product has health implications and it has worked consistently to get that message to the public. Although the beverage alcohol industry did not support this compromise, I am confident that they will ultimately accept it as a necessary and responsible act of Congress and will abide by the requirements of the law. Together, we can ensure that the American public can continue to enjoy a legal product while at the same time being informed of when to say "no."

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I rarely get involved anymore in the management or suggestions concerning the management of the Senate, but I did participate in this one. I want to comment on it because I was one who urged that the distinguished Senator from New Hampshire and the Senator from Georgia take control of this drug measure and proceed with extraordinary means to bring it to where it is now.

With the great wisdom of our two leaders, the distinguished majority leader and the Republican leader, we have set in motion I think a unique procedure. It really is not a precedent for future problems that we may address, although a similar procedure may have to be adopted in the future.

But I want to tell my good friend from New Hampshire that he demonstrated his background as an attorney general of his great State in the handling of this bill.

This bill reflects the fine-tuning of a good trial lawyer and a fine-tuning of someone who understands how laws are enforced and the problems of law enforcement agencies, the problems of treatment centers and the problems of those who are dealing with really the prevention of the use of substances such as these terrible drugs that we are encountering in our country.

I say to my good friend who is sitting here that I can think of no greater accomplishment than he has had in the Senate with all that he has done as a member of the Contra panel and many other things that he has done.

This is a great accomplishment, and the Senator from New Hampshire should not shun taking the credit he rightfully deserves for this bill.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

THE ANTI-DRUG ABUSE ACT OF 1988

Mr. BYRD. Mr. President, tonight the Congress is about to pass and send to the President the most comprehensive Anti-Drug Abuse Act ever considered in the U.S. Congress. This is a very strong bill. It is a bill which will send a very strong, unmistakable message to those individuals who would abuse drugs and traffic in drugs.

The message is simple. "Don't do drugs. This country will no longer tolerate it."

In this legislation are provisions which will:

Strengthen our law enforcement capabilities, Federal, State and local;

Strengthen our interdiction capabilities;

Strengthen our international efforts to eradicate drug crops;

Provide the death penalty for drug-related killings and for the killing of law enforcement officers;

Strengthen our penalties for possession and for trafficking;

And, for the first time, add strong legal disincentives for those who would casually use drugs.

Mr. President, this is indeed a strong bill.

To further our Government's efforts to effectively coordinate our antidrug programs, we have provided for a "drug czar," with Cabinet-level rank, in the Executive Office of the President.

This bill also contains additional emphasis on important programs which have been short-changed of late—the very important education, prevention, and treatment programs which we must adequately fund if we are ever to truly rid our society of the drug scourge which afflicts us.

The Anti-Drug Abuse Act of 1988 is a product for which we can all be proud. There were many actors in the drama of this legislation: My colleagues in the Senate and their staffs who worked so long and hard to produce the original Democratic and Republican policy proposals; and again, all who labored on the Senate bill. And as these last few days have unfolded between the Senate and the House, there have been many on both sides of the aisle of both Chambers who played significant parts.

I pay public thanks to the Speaker and to the majority leader of the other body, Tom Foley, and to Bob Michel, the Republican leader in the other body. I pay just tribute to the Republican leader in this body, Mr. Dole, and I thank and compliment Senators Nunn and Rudman for their astonishing efforts on behalf of this legislation. Senator Dole and I appointed our respective working groups to develop and hammer out and craft effective legislation to deal with the drug problem in this country, and on this side I asked Senators Nunn and Moynihan to head up the effort. Senator Dole on the other side appointed equally good men. And I want to personally thank all those on the working group who for weeks and weeks and months over a period of a third of a year put hours and hours and days into the effort.

In these last few days, as the discussions have gone forward in the halls and rooms between this body and the other body, I have sat in and watched the amazing talents that have been brought to bear by particularly Senator Nunn and Senator Rudman and Tom Foley on the other side, the majority leader. This bill has been of tremendous interest to our colleagues on both sides of the aisle, and the members of that working group on this side worked with the members on the other side who were operating under a different structure. We had an hoc group on this side and in the other body they worked through the normal committee process. But we had Members who cut across all ideological strata in the Senate. It was an amazing display of give and take in hammering out the provisions of this notable act.

I have marveled at, I have to say again, particularly Senators Nunn and Rudman and Tom Foley. They know every nook and cranny of this piece of legislation. They have discussed every word and every phrase and every provision in it. I am in their debt because I felt that it was absolutely vital that we pass this legislation before this Senate and House adjourned sine die. I never doubted that we could do it because I knew that upon the shoulders of men like these, whom I mentioned repeatedly here, we could place that heavy load and depend upon their pressing it to a successful conclusion.

Mr. President, I thank my colleague, Senator Dole, again for the efforts that he has made. He has been on the telephone many times. Senator Rudman today has been on the telephone many times, and Senator Nunn.

I have watched a good many legislative products enacted in this Senate over the years, and this is as fine a piece of work as I have seen emerge, and it certainly bears the fingerprints of some of our most talented and able Members.

So I thank them, and I thank their staffs. The names of our staffs have been mentioned by Senator Rudman. Sally Mernissi, who sits with me here at this moment, and others were up, many of them spent the entire night last night putting together the pieces and working with the legislative counsel in putting the provisios into workable form so that they could be acted on by the House and the Senate.

So it is with a great feeling of satisfaction that I have seen this moment come, and I am deeply thankful and gratified that the legislative process works. It always will work when it has men like those whom I have mentioned pressing it and pushing it and bearing it over the hills and mountains of the legislative obstacles that have to be crossed and were crossed.

Mr. BYRD. Mr. President, I have mentioned, and so has Senator Dole and others, the names of Senator Nunn and Moynihan as being prime actors in the drama to which I referred a little earlier, as that drug bill began its development from the inception to what will soon be the final passage.

I want to add for the Record the names of others on the substance abuse working group: Senators DeConcini, Cranston, Glenn, Kennedy, Pell, Graham, Kerry, Lautenberg, Sasser, Bumpers, Hollings, and Chiles.

I call attention to the fine staff work done by Elinore Hill, who is Senator Nunn's aide; John Sopko, also an aide to Senator Nunn; Dan Crane, an aide to Senator Moynihan; and Paul Stockton, an aide to Senator Moynihan.

Mr. STEVENS. Mr. President, let me on behalf of the Republican leader add to the Record the names of those on this side. I have already made remarks concerning the contributions of the Senator from New Hampshire [Mr. Rudman]. He was joined by Senators Gramm, D'Amato, and Wilson in the group that chaired the various subdivisions on our side. And the members of those other groups were Senators Domenici, Hatch, Danforth, Roth, Helms, Karnes, Hecht, Warner, Thurmond, Specter, and myself.

The staff who worked with the members on those groups were Tom Polgar who is with Senator Rudman; Santal Manos who is with Senator Rudman; Luis Luna with Senator Gramm; Ira Goldman with Senator Wilson; Morgan Hardiman with Senator D'Amato; Helen Albert with Senator D'Amato; Nancy Taylor who is from the Labor Committee; Cindi Blackburn from the Judiciary Committee; and Lisa Sutherland from my staff.

I thank the majority leader for the privilege of putting these names in the Record and giving them credit for working the bill also.

Mr. RUDMAN. If the distinguished leader will yield for just one moment.

Mr. BYRD. Yes.

Mr. RUDMAN. I would comment on behalf of my good friend, Sam Nunn, and myself, we obviously are very grateful for the Senator's overly generous comments. I will say the only disappointment I had is that as we worked through the process in the Senate I was very sorry there at least was not one case brought before the court of appeals. I was really anxious to see how that would work.

Mr. BYRD. Mr. President, I thank my friend and I yield the floor.

The PRESIDING OFFICER. Is there further debate?

Mr. RUDMAN. Mr. President, awaiting the arrival of the Republican leader, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, while awaiting of the distinguished Republican leader, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The motion is debatable.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I am cognizant that it is 2:20 in the morning, and I will not take long.

I think this is another piece of landmark legislation. I know that the majority leader has spoken of this as a bipartisan effort. I must say that the House was fascinated by the way the Senate was able to work. They could not believe that we appointed Senator Rudman and Senator Nunn, who were not even on the relevant committees.

They, in effect, had core groups; colleagues on both sides worked for 3 or 4 months. We had our differences, but, in the final analysis, we passed a good, tough drug bill, building on what we started in 1986.

Mr. President, tonight we are going to change America's approach to the scourge of drug abuse. In the past, we were all to willing to blame others—South American and Asian producing and exporting countries along with Central American, Asian, and European transshipping countries. We blamed the smugglers, we blamed the traffickers and we blamed the local drug pushers.

But tonight we will shift attention to the other side—we will direct the spotlight on ourselves. Drug users in this country—whether addicted or an occasional abuser—are behind the problem—they are the ones to blame. And the United States will tonight point the finger at itself—for we are a drug manufacturing, exporting and transshipping country.

Mr. President, when we see or hear of the violence now being employed by the crack cocaine gangs, we should blame the user—the abuser of the drug. For they are the ones who are bringing these killings into our towns and cities. It does not all happen in the cities. There are problems in my State and in a lot of other rural States represented on this floor.

Policeman and innocent civilians have been gunned down—massacred—so those who use drugs could have a supply. In the past few days, two policemen were killed in New York City and a third was critically wounded.

So for the first time in about 20 years, we will focus attention back on the crime—in most cases the felony—of possession of illicit drugs. But we recognize that our courts and prisons are seriously overcrowded and cannot bear the burden of processing these new criminal cases.

We were willing, on this side, to add 20 Federal judges. I think the House decided that we had better wait until next year to do that, although they recognize that there will be a need in some areas for more Federal judges.

Therefore, we have established a double-edged weapon against those who have invited these ruthless and violent traffickers of narcotics into our front yard.

First, those convicted of possession, civil fines of up to $10,000 can be imposed through administrative procedures, severely punishing drug users without burdening our courts.

Second, for those who have been convicted twice for possession of drugs, most of their benefits from Federal programs can be denied for up to 5 years. For drug traffickers, benefits could be denied for 5 years for a first conviction and 10 years for a second conviction.

As for blaming other countries, we must keep in mind that 100 percent of the methamphetamines consumed illegally here are produced within our boundaries.

We now produce 25 percent of the marijuana consumed by U.S. citizens. Plants grown in our national forests—and protected by deadly boobytraps—produce up to 1 pound of marijuana, with each pound selling for $1,000. The Drug Enforcement Administration now says this marijuana is so potent, it is being exported abroad. In addition, certain drug trafficking areas on our coastline are being used as transshipping area—repackaging the drugs destined for other countries.

So we have included a new DEA precursor chemical program which will track those chemicals used in the manufacture of dangerous drugs both in the United States and abroad. We also give new authority to personnel of the U.S. Forest Service, and toughened boobytrap laws so illegal drugs will not be produced on land owned by the Government. Unless we begin putting U.S. drug cartels out of business, we cannot continue to criticize other countries.

I think we have recognized that this might be the first real shot in the war on drugs. There are teeth in this package. It is not perfect. I have had calls from Senators around the country who raised questions about different provisions.

As to the innocent owner provision, I must say that we have a difference of opinion. Senators **Domenici** and **DeConcini** had one view, and they were very persuasive. Senator **Rudman**, Representative **Michel**, Representative **Foley**, Representative **Hughes**, and others had a different view.

I know there is a sixth amendment, as I am reminded by the Senator from New Hampshire, but it is going to be hard to explain to some why we take care of lawyers, that we have a forfeiture or whatever. They will be paid even though the money comes from drug trafficking.

We do not exempt anybody else but attorneys are exempt and as my friend from New Hampshire pointed out, it has been that way forever. He indicated to me that bank robbers do not get their money from the savings and loan when they pay their lawyers. It is money they robbed from the bank.

So, that is correct.

Mr. RUDMAN. That is right.

Mr. DOLE. He got it right.

Mr. President, I also want to thank the majority leader for his stand on the death penalty. Without his commitment, we may not have been able to approve this essential deterrent to crime. For drug kingpins who are indiscriminately spreading death and violence, let them know the ultimate sanction will be used against them.

In addition, we are giving U.S. attorneys important new weapons for seizing the profits of drug traffickers, while at the same time giving prosecutors new tools to obtain convictions.

To address drugs being produced abroad from being shipped to the U.S. two important waivers for the purchase of military equipment for use in the war against drugs are also included. Democratic countries could spend a portion of their economic security funds of Export/Import Bank loans on this equipment.

Mr. President, I have concern with three issues: Changes to the exclusionary rule could not be worked out, and we were forced to drop efforts to allow certain evidence to be used in courts under Federal statute. In addition, we will need to act next year to alter habeas corpus petitions, which allow convicted felons a seemingly endless stream of appeals.

In addition, I am extremely concerned that the statutory definitions on the innocent owners defense for forfeiture will lead to a retreat in the successful zero tolerance program. While I believe the U.S. Supreme Court ruling in Coloro versus Toledo should still control judicial decisions on forfeitures, we will regret any future rulings which would retreat from zero tolerance.

But overall, this is a good, tough bill, one of which we can all be proud. And one which those who both traffic in and use drugs should fear.

I just suggest give the U.S. attorneys more potent weapons, and this contains a lot of improvements.

But I want to point out, as I do in my statement, there are some areas we did not prevail on. The exclusionary rule could not be worked out.

We were forced to drop efforts to allow certain evidence to be used in courts under Federal statute.

In addition, we will need to act next year to alter habeas corpus petitions that allow convicted felons a seemingly endless stream of appeals. That is a matter of great concern, I might say, to our colleague from Florida, Senator **Graham**, who had a lot of input in this bill. He also was very interested in the appointment of 20 additional judges because in his State and other key areas there is a need for additional judges.

So while we did not solve everyone's problem, it is a good, tough bill as the House has just demonstrated by an overwhelming vote.

We are going to be back I assume next year and some will say every election year with a drug bill. I do not believe that is the case.

If we see a need to correct some of the shortcomings next year, we will go back next year if we made mistakes and I am certain there are going to be technical corrections needed. We will do that.

But, finally, I would just pay tribute, as the majority leader has, to two of our colleagues, two, and there are many others who deserve our thanks, but two of our colleagues went the extra mile, hour after hour, week after week, night after night. The distinguished Senator from Georgia, Senator **Nunn**, and the distinguished Senator from New Hampshire, Senator **Rudman**, had been there representing our interest and everyone who had a provision in that bill was notified. Unless there was some slip-up somewhere, nobody was shut out. They did not try to dominate and exercise some arbitrary authority. They contacted through staff members who were concerned about every provision and that is why I believe we have been able to come to an agreement on this side, an amicable agreement.

Obviously there are certain things that some would like to have done differently.

I add my congratulations to my friend, Senator **Rudman**, and my friend, **Sam Nunn**, and to all the others who served in the core groups and the members of our staff, staffs on each side who worked all night long last night, and those in the legislative drafting office who have given us their services worked all night long and all day today.

So I also appreciate the leadership of the majority leader recognizing the need months ago to get it done in a bipartisan way, Democratic core group, Republican core group. They developed a package and we developed a package. Then we got together and took the good in their package, the good in our package, and resolved almost every difference and what could not be resolved in sort of the leadership package which was introduced here a few weeks ago was resolved in a matter of 2 days, 2 days, record time on the Senate floor and again we had the cooperation of Members on each side of the aisle.

So, in my view, it is a bill that should be adopted unanimously by this body, and I believe it will, and I thank my colleagues for giving me that time.

Mr. HOLLINGS. Mr. President, the drug bill will not contain drug testing for safety-sensitive transportation workers, and it should be clearly understood that Senators, having so voted overwhelmingly on two occasions, did everything they possibly could to have testing included in the statutory provisions of our drug bill. However, the House was adamantly opposed, and I emphasize the word "adamantly."

The Senate first passed testing legislation in October of last year as an amendment to H.R. 3051, the Air Passenger Protection Act. We then waited a full year to try to confer on that bill. It was impossible to get a conference, although Senator DANFORTH and I working together tried to bring pressure to do so. Senator EXON also took a keen interest in this matter, having argued successfully for the inclusion of motor carriers in the original measure reported by the Senate Commerce Committee which also called for testing of safety-sensitive workers in the rail and aviation industries.

There is considerable public support for drug and alcohol testing of those with responsibility for the lives of the traveling public. The Senate Commerce Committee has held a number of hearings on this issue, including ones with the families from the Chase, MD, railroad tragedy and several others on other occasions wanting drug testing in public transportation and trying to bring that pressure. Furthermore, in June of this year on the House side there was a motion, nonbinding motion, in the House that the House conferees agree to drug testing in aviation, motor carrier and railway public transportation. However, it was not binding even though it was a 377-to-27 vote. It was ignored by the House of Representatives when they passed their master drug bill. Testing provisions were included in the Senate omnibus drug bill, in the form in which they were first adopted by the Senate nearly a year ago.

So, in seeking to resolve the drug bill, we were confronted with a situation whereby we had no provision on the House side and a reaffirmed position on the Senate side. There was no giving whatsoever. What we really had, in essence, with a divided jurisdiction on the House side, was a Public Works Committee, with the jurisdiction of aviation and motor carrier, plying, if you please, for labor protection. They tried to maneuver two or three conferences into this—including one on aviation labor protection. They otherwise wanted various other provisions in there. But when you got around to the actual meat of the coconut; namely, the subject of drug testing—they were not going to agree. They not only did not agree, but also, they sort of wanted to lead the cheering for the rail portion, which was under the jurisdiction of the House Committee on Energy and Commerce.

Of course, the Committee on Energy and Commerce had more or less statutorily provided what had been promulgated by our Department of Transportation. The Department of Transportation, in an erudite and solicitous fashion, is doing that with drug testing and rail transport. They are coming forward with that now in aviation, and I would say that by the first part of December they are also expected to have that for motor carriers.

So, what we as conferees were confronted with was a maneuver by the House to have in statutory language just the rail portion, which would also mandate rehabilitation for those who test positive. By so doing, those of us in the Senate felt this would detract from the deterrence that was intended in the Senate bill.

Let me explain further why the Senate found the House rail proposal to be unacceptable.

In my opinion, the House rail proposal would have produced a drug testing program far less protective of public safety than the one which exists today under rules issued by the Department of Transportation and the Federal Railroad Administration. I am particularly concerned that the House rail bill would have undermined voluntary rehabilitation programs that currently exist within the rail industry.

The present Federal program creates incentives for employees with a drug problem to address that problem before they fail a drug test, or cause an accident. The current program creates that incentive by treating the employee who will voluntarily address his problem better than the one who rejects the offer of rehabilitation and carries drugs into the workplace until he is caught.

Under the current Federal rule, every railroad employee has the right to approach the employee assistance counselor in confidence, and seek counseling or rehabilitation. The employee then receives either counseling or rehabilitation, and gets his job back at the end of the rehabilitation process with no loss in seniority.

On the other hand, if the employee does not take advantage of this right, and is caught with drugs in the workplace, he faces the consequences of discipline or job loss. Faced with a choice between seeking help or facing the consequences if they fail a drug test, hundreds of railroad workers have voluntarily sought help. This represents hundreds of accidents that did not occur. This means lives saved, the paramount goal of any testing program.

The mandatory rehabilitation provisions of the House rail testing proposal would have destroyed this incentive for early treatment by giving employees who ignore the opportunity for rehabilitation and take drugs into the workplace the same rights as employees who voluntarily seek help. The House rail proposal would have provided an incentive for employees to delay seeking help until caught. This is exactly the opposite of what the current rule does. It in effect gives every employee one free chance—and makes the system less safe than it is today.

What we are trying for and striving for is a drug-free workplace, and labor and management have agreed in rail transport—and 80 percent of the employees involved—for rehabilitation. They have the matter of coming back on the job. But the House Commerce Committee, on the outside, came forward with mandatory rehabilitation and mandatory reemployment. In my mind and in the minds of those negotiating on the Senate side, we felt strongly that that was really going to hurt the deterrence on the entire program, as well as undermine existing voluntary rehabilitation programs.

It should be noted that the administration has come around on its thinking. They had first actually opposed random testing, but the administration now, under Secretary Burnley and John Riley in the Department of Transportation, have taken a strong position. They are promulgating these rules and regulations; and unless and until we can statutorily provide for random drug testing in all three modes, the country is better off to have it promulgated by the Department of Transportation. As a result, we had to yield on not containing testing in this particular master drug bill.

I say that advisedly, for the interest of all, so that nobody will be misled. Senator DANFORTH and I and the entire Senate side were, in bipartisan fashion, very much for random drug testing, but our House colleagues were very much against it.

Mr. HEFLIN. Mr. President, I have supported the drug bill and supported it vigorously, and I am delighted that we are getting a drug bill passed.

I think that the provision dealing with a drug czar, to bring under one umbrella and under one control the various agencies as they attempt to fight the drug battles, is an excellent provision.

I believe this will mean that we will be able to have a coordinated effort with various agencies and departments that are involved in fighting drugs. As I understand it, there are more than 14 different departments and agencies of the Federal Government that are involved in the matter of trying to stop the drug abuse that exists in this country. I think that is fine.

I supported the death penalty, and it will be in the final provision. Like Senator HOLLINGS, I regret that there is no testing program, which we both supported, and which the Senate strongly supported in its version of the bill, and I regret that the House did not go along with it.

I should like to call to the attention of the drug czar—when he is appointed—and the DEA and others, that there is a byproduct that can be used which is coming out of the Army version of the SDI, under the Strategic Defense Command. They have been working on sensors. Sensors are capable of identifying certain chemicals. In the processing of the coca leaves into cocaine, there are laboratories which use various acids and chemicals. I think we can use the SDI Program, the sensor that has been developed, as a byproduct in fighting drugs, so that they can identify the areas where cocaine laboratories are in operation.

Then, through the use of satellite photography, we can pinpoint the various locations. They have to have these laboratories in close proximity to the fields where the coca leaves are grown.

So the use of advanced technology that is being developed in the SDI Program, in my judgment, has the potential to be able to locate where the cocaine is being made in laboratories; and through that, to be able to gain cooperation with foreign governments and to knock out the production of the cocaine.

I understand that about one-half of all the cocaine is produced in Peru and that the Peruvian Government has been cooperative with the United States and is endeavoring to stop it. This would show how, by bringing together the various agencies under the aegis of a drug czar, we can use high technology in the battle against drugs.

Mr. CHILES. Mr. President, I am pleased that the Congress has gone the extra mile and stayed the extra time needed to pass the Anti-Drug Abuse Act of 1988. The leader is to be commended for holding our feet to the fire. If we had left without passing this legislation, it would, I believe, have reflected poorly on the entire 100th Congress. The drug problem has ravaged our country and infected our youth. It has become in my mind and in the view of others a significant threat to our national security.

Two years ago in October 1986, we passed similar antidrug legislation providing substantially increased authorizations, authorizations for new programs and expanded funding for the war on drugs. At that time we all congratulated ourselves for a job well done. Republicans and Democrats, the House and the Senate, and the administration alike all took credit for the legislation. It was a good effort and all the Members of the Congress and the administration at that time deserved credit for their efforts. It was a moment not unlike the situation we are now in.

The following January, just 4 months later, the President in his 1987 State of the Union Message recalled that effort and said, "There is one more thing we cannot let up on. Let us redouble our personal efforts to provide for every child a safe and drug-free environment."

Unfortunately the administration rhetoric did not match their actions. Shortly after the President's 1987 State of the Union address, the President's budget was delivered to Congress. In that budget the administration proposed a reduction of just under $1 billion for the 1987 drug budget for all law enforcement, drug prevention, education and treatment programs. By the proposed action of that budget the administration cut the overall drug budget by 23 percent. It proposed to cut the increases we had provided in that special October legislation by 54 percent. Just 4 months after the administration joined the Congress in passing a major new antidrug effort, it failed to follow through in the budget.

Mr. President, we are now passing another drug bill, again in October before an election. All the Members, the administration and both Presidential candidates support the thrust of this legislation. The American people in poll after poll continue to list illegal drugs as the Nation's biggest problem. I would hope that come January when the next budget is presented to Congress we don't once again see our preelection October enthusiasm disappear in the January budget numbers.

In the last antidrug abuse act we had a special problem with both the Department of Education and the Alcohol, Drug Abuse, and Mental Health Administration. We had provided new funds and new authorizations for ADAMHA, and authorized these efforts for a 2-year period. ADAMHA took this 2-year availability as an excuse to cut the funding in half. This was clearly contrary to our intent. This year we have provided 1-year authorizations for the additional $283 million provided for ADAHMA. By this we clearly intend these moneys to be spent and put to good use at the full level in fiscal year 1989. The Department of Education, with even less rationale, simply requested funding for the Drug Free Schools Program at the level they initially requested the preceding year. They simply ignored our expansion of the drug free schools funding. As we have included an additional $100 million for the Drug Free Schools Program in this bill, it should be made clear that the Congress clearly intends that these funds along with the increased amounts already provided for fiscal year 1989, all be used to assist our schools across the country to mount a more effective drug education program—all in fiscal year 1989.

Mr. President, we cannot win the drug war if we do not reduce the demand for drugs. It may be more tangible and dramatic to provide additional Coast Guard cutters and Customs Service interdiction aircraft and helicopters and the associated radars and aerostats that go with this equipment. But efforts to reduce demand are equally if not more important. These demand reduction efforts may have more payoff in saving innocent lives and in helping individuals overcome painful and debilitating addictions.

Law enforcement officials have told me time and time again what they need for an effective fight against drugs. They always mention the need for more personnel and equipment, but they also tell me that they cannot win the drug war unless children across the country are better educated as to the dangers of drugs. Law enforcement officials themselves tell me that if we do nothing on the demand side, we will never, never, never be able to get on top of this problem.

Mr. President, it would be a cruel hoax indeed after climbing this mountain in October to come down again in a January budget. I am sure that the Members of this body will not allow that to happen.

Mr. ROCKEFELLER. Mr. President, today, after many weeks of hard work, we will pass an omnibus antidrug bill. There were many who doubted that in the closing days of the 100th Congress we could pass legislation that would address our Nation's drug epidemic in an intelligent and meaningful manner. But they were wrong and I am very proud that we will send this antidrug measure to the President, to become the law of the land.

Drug abuse is a subject I feel very strongly about, Mr. President, and the numbers are alarming. As many as 37 million Americans used illegal drugs in 1987. That's 16 percent of our population. Twenty-nine million Americans smoked marijuana at least once in 1985; about 12 million used cocaine. Nearly 1.5 million Americans are habitual intravenous drug users.

But what is really frightening are the statistics on drug use among our young people. At least 41 percent of current high school seniors have smoked marijuana in the past year. Seventeen percent of American high school students have admitted to using cocaine. More than 80 percent of those using illegal drugs buy them while at school. And drug abuse plays a role in 80 percent of all high school dropouts.

Even in my State of West Virginia, blessed by the lowest crime rate in the Nation, has not escaped the drug plague. Even rural America, I am saddened to say, is suffering from drug use.

Drug abuse is a scourge tearing at every segment of our society: young and old, rich and poor, black and white. It is, perhaps, the only element of our society that is truly completely and totally void of prejudice. It shows no preference toward urban or rural dwellers, blue- or white-collar workers, or those who live at the lower or upper ends of the socioeconomic scale.

And, despite all this, I believe the most troubling aspect of the use of illegal drugs is the challenge to the values for which this Nation stands, and especially to the very fabric of American society—the family. We have seen drugs literally rip thousands of American families asunder. Nationally, substance abuse is a factor in 90 percent of all teen pregnancies, 60 percent of all teen suicides and homicides, and 90 percent of all incest cases.

My God, what are we coming to?

Drug abuse has taken a physical, emotional, and economic toll on the entire family unit.

The economic toll is not limited to the family. American workers have been known for their industriousness and for the top quality goods they produced. Yet that image has been changing as the workplace pays a steep price—in productivity and quality—for the drug abuse of some workers. It is estimated that the economic costs associated with drug abuse in the United States could be as high as $100 billion a year in lost productivity, associated health care costs, and the need for increased law enforcement.

Additionally, the faith we place in ourselves as a law-abiding nation breaks down, in fact, under the burden of drug abuse. Our country is reported to be the world's largest consumer of illicit drugs—that is really splendid, the world's largest consumer of illicit drugs—with experts estimating that 60 percent of all illicit drugs produced in the world today are used in the United States. The statistical relationship between drug use and crime is alarming. The National Institute of Justice found that of 2,000 persons arrested for serious crimes last year, 70 percent tested positive for drug use. More than half of the criminal cases pending before our courts involve drug-related crimes.

Thus, drug use takes an enormous toll on values we cherish in our society—the close-knit family, a workplace of productivity and quality, and a civilized nation governed by laws. The drug user risks everything—his family, his job, his health—and our country pays the price many times over.

The evidence shows that we need a solid, intelligent effort to stem both the supply of, and demand for, illegal drugs. The Omnibus Anti-Substance Abuse Act, while not the cure-all for a very tough problem, meets the test. This measure helps wage the war on drugs through authorizing expanded drug education and treatment programs in schools and cities, beefed up interdiction efforts at the borders of our Nation and in our communities, and more stringent penalties for drug use and drug pedaling.

Mr. President, in 1986, I played a leadership role in the writing of another major drug bill. I said at that time that reducing the supply of drugs is only one facet of the drug problem. To truly decrease the amount of drug abuse in our Nation, we need to attack not only the supply, but also the demand for drugs.

At that time, I introduced the Student Drug Abuse Education and Prevention Act, which was aimed at educating our young citizens about the dangers of drug use.

I might say in my travels in West Virginia, it is encouraging to see even in elementary schools schoolbooks with long sections on drugs and alcohol—30, 40, 50 pages—discussing the makeup of drugs, the pharmacology, therefore, of drugs, the danger of drugs, exactly how they affect the human body, the object being of this bill that from K through 12, every single year that every American student all through high school be given each year drug education.

Consequently, I am very gratified to see that this measure builds on the 1986 drug bill by redirecting the way the Federal Government spends its money to combat drug abuse. While funds for interdiction and international drug trafficking are important, in my judgment, we must pay much more attention to educating young Americans about the dangers of drugs, and to treating and rehabilitating those who are addicted. Fifty percent of the funding in this bill is used for educational efforts—and I am very pleased about that. This bill refocuses Federal funding in a way that shifts our emphasis toward new efforts to reduce the demand for drugs through drug education programs.

Any lay enforcement officer will tell you that whatever we do to try and keep drugs out of this country that education of our own people against drugs is more important. You could seal off the borders of this country entirely so that not a single ounce of cocaine or heroin could enter into the United States of America, and then if that were done, we would proceed to make it ourselves illegally provided there were a demand. Therefore, getting to demand through education to me is what really counts.

Additionally, the bill establishes a Cabinet-level drug czar. That is good. That sounds phony, but it is good. It is necessary. It is needed, because that czar would be responsible for coordinating all national drug policy. Currently, the Federal Government spends about $3.9 billion a year to fight drug use, with responsibility fragmented among many agencies. This drug point man will centralize control of the war on drugs and take charge of the difficult policy decisions that must be made in this battle.

We in the Congress too often appropriate money through bills and then do not understand how the bureaucracy, in fact, can implement them wisely and intelligently. We have faced this problem in this bill, and I am glad of that.

Mr. President, Congress has a responsibility to the public to ensure that this bill is not an empty promise. The programs set forth in this measure need to be fully funded if they are to achieve their goals, and we have work yet to do on that.

This legislation provides an urgently needed response to our Nation's drug epidemic. Drugs are the antithesis of everything that this country stands for.

And yet we are being buried under a deluge of drugs, talking about it, talking about it, worrying about it, complaining about it and television I might say, encouraging it, glamorizing it.

Now we in the Congress are going to do something about it later on today when this bill passes. To preserve the values of this country, to preserve the foundation of this country, to preserve the future of our young people, I urge my colleagues to support this measure when we vote on it later in the day.

I thank the Chair, and I yield the floor.

Mr. PELL. Mr. President, I am here to add my support to the Omnibus Anti-Substance Abuse Act of 1988. As a member of the Democratic Substance Abuse Working Group, I participated in the initial drafting of a Democratic drug bill and in subsequent negotiations with my Republican colleagues.

As the cochairman of the International Cooperation and Eradication Working Group, I was deeply involved in composing the international narcotics control portions of this legislation. Working in this capacity increased my conviction that the foreign policy aspects of the drug issue cannot be separated from the domestic reality. Demand and supply are inextricably linked.

Sadly, Mr. President, I have also become convinced that the current war on drugs has been a losing battle both here and abroad.

Overseas we have been routed in our efforts to stem the flow of drugs coming into our country. This year's International Narcotics Control Strategy Report, prepared by the Department of State, documents the sad fact that despite the record seizures and arrests last year worldwide production of opium is up 18 percent; coca leaf, from which cocaine is processed, increased by 10 percent; and marijuana jumped by 26 percent.

We have also been routed here at home. On the streets of our cities, and even in our small towns and rural areas, the price of drugs is down and supply is up. Perhaps 20 million of our fellow citizens have tried cocaine. Five million are regular cocaine users, up to 1 million of whom are addicts. An additional 500,000 Americans are addicted to heroin. It is estimated that the economic costs associated with drug use and abuse in the United States could be as high as $100 billion a year in lost productivity, associated health costs, and the need for increased law enforcement. Equally alarming is the relationship between drugs and crime. The National Institute of Justice found that of 2,000 persons arrested for serious crimes in 12 major American cities from June through November of last year, 70 percent tested positive for drug use. More than half of the criminal cases pending before the courts in this country involve drug-related crimes.

The plain truth, Mr. President, is that in the face of the awesome power and influence of international and domestic drug traffickers, "just saying no" is not enough. That is why we need the very concrete and real improvements offered by the Omnibus Anti-Substance Abuse Act.

We need a drug czar. Currently the Federal Government spends roughly $3.9 billion a year to combat drug use, with responsibility divided among a dozen agencies. We need to centralize command and control of this war by appointing one high-level individual who will take charge of the often difficult policy decisions that will be necessary in this fight.

We need better international narcotics control programs. The entire budget for the State Department's worldwide fight against drugs, for example, is $90 million. That's $90 million spread among three dozen or so countries to fight a $100 billion a year criminal enterprise.

We need to increase education funding. The Drug Free Schools and Communities Act currently provides only $250 million per year for educational programs devoted to educating our young people about the dangers of drug abuse. This just is not enough funding for programs meant to teach our children what they must know.

We need treatment on demand. In 1986, $1.6 billion was spent on drug abuse treatment programs. The Federal share of these costs was less than 20 percent. We need to increase this commitment if we ever hope to break the vicious cycle of dependency that exists within the lives of so many Americans.

The Omnibus Anti-Substance Abuse Act addresses these needs, Mr. President, and I plan to vote in favor of this legislation when the Senate moves for final passage.

I support the Omnibus Anti-Substance Abuse Act because taken as a whole it is a bill that will benefit the American people. However, I object to the recent addition of a death penalty to this legislation. I realize that no one has a monopoly on good intentions in the war on drugs, but the use of a death penalty for drug-related crimes crosses the line of reasonable action.

Yes, we must get tough on drugs and yes, we must punish those accused of drug-related capital crimes, but we must also preserve our capacity to act without unnecessary cruelty and without undo malice.

I am not suggesting that we treat murderers and drug dealers with kid gloves. I am only voicing my opposition to the death penalty, and expressing my profound sadness at its imposition as a part of this much-needed legislation.

Mr. President, there are other provisions of this legislation I do not wholeheartedly support but, on balance, the Omnibus Anti-Substance Abuse Act is the product of much careful thought and deliberation. I commend my cochair of the International Cooperation and Eradication portions of the bill, Senator KERRY, and the chairmen of the Democratic Substance Abuse Working Group, Senator NUNN and Senator MOYNIHAN, for their longstanding and efficient direction in crafting this legislation.

Mr. McCONNELL. Mr. President, while the Federal Government has fired shots across the bow of the illegal drug industry in the past, this Congress now has aimed one below the waterline: At the drug abuser. This shot comes in the form of the Omnibus Anti-Substance Abuse Act of 1988.

The 1988 drug bill puts drug dealers and drug abusers on notice that we will no longer tolerate the loss of life and resources due to drug abuse, while so-called casual users continue to finance the enemy. For too long, this Nation has put millions of dollars into intercepting drug shipments, only to see billions of dollars of drugs get through the net, because abusers are willing to pay the prices. In a very real sense, the drug abuser's recreational habit pays for the bullets that kill police officers and innocent bystanders in the drug war, and even the bomb that threatened our Secretary of State in Colombia.

This bill empowers the Attorney General to impose civil penalties of up to $10,000 for mere possession of illegal drugs. Dealers and abusers could also be denied Federal benefits, such as student loans, Federal mortgage guarantees, grants, Federal contracts, licenses, and permits. In other words, no longer will law-abiding taxpayers subsidize drug abusers.

Mr. President, the most appalling aspect of the drug problem is the disastrous effects it has on our younger generation. It is a virtual plague afflicting young people. It drains them of initiative, energy, hope, of life itself. The classmates of abusers are victims as their learning environment is disrupted. The drug problem has infiltrated our schools and we need to get it out. We owe it to our children to win the drug war, and this legislation is a signal to them that we are serious about addressing the drug problem—that we care. Some may say we are giving a new meaning to "tough love."

As a deterrent to drug abuse among young people, this bill establishes a four—State pilot program instituting random drug testing on drivers' license applicants, both before and after the license is granted. A positive test could result in a 1-year suspension of driving privileges.

The drug bill also authorizes the death penalty in drug-related killings. I believe that holding out the possible penalty of death is perhaps the most effective means of deterring those who are otherwise intent on committing violent crime. Furthermore, it ensures they will not ever receive a furlough and terrorize again.

Aiding the success of the drug dealers' activities has been the ease with which they can launder hundreds of billions of dollars earned from selling drugs. An estimated $100 billion are laundered each year by drug traffickers in offshore secret sanctuaries. The drug bill cuts to the heart of this problem by giving the law enforcement community the tools needed to trace and seize illegal assets and prosecute drug dealers. Impeding the flow of drug money is critical to the task of taking the profit out of drug dealing.

The drug bill contains another provisions in which I take great personal pride: A part of the anticorruption legislation that I have worked so hard on over the last year. With the full support and assistance of the Attorney General and the Criminal Division of the Justice Department, this Senator and members of the Senate Judiciary Committee have labored to develop a comprehensive law enforcement response to the problems of election fraud and public corruption, especially in the wake of the Superme Court decision in McNally versus United States.

The bill we assembled, the Anti-Corruption Act, is a three-pronged attack on election fraud, public corruption, and white-collar crime in this country. It would arm Federal prosecutors with the jurisdictional and investigative tools they must have to fight fraud and corruption-tools that effectively had been taken away by McNally.

The anticorruption provision in this drug bill would restore much that had been lost in the NcNally decision, in terms of the jurisdictional authority needed to go after vote-buyers, corrupt officials, and white-collar criminals. Thus, I think there is a lot here for the U.S. attorneys all across this country to be very pleased about; and a lot for those who would corrupt our elections and our Government to fear.

Still, however, we intended to go further in the war on corruption and election fraud: I want to explicitly make election fraud a Federal felony offense, in all elections, and subject it to far more serious penalties under current law. I want to expand jurisdiction for Federal prosecutors to go after these offenses, especially to prevent election fraud before it infects the voting process.

We have built up an excellent working group of this vital issue, with the chairman of the Judiciary Committee, Senator BIDEN, and Senators THURMOND, METZENBAUM, SIMON, and DECONCINI, as well as Attorney General Thornburgh and the Justice Department. I hope to work with my colleagues and the administration again next year with the same degree of bipartisan cooperation and commitment, in preparing and passing the second stage of our legislative assault on election fraud and corruption.

This legislation also expands our efforts in drug abuse education, treatment, rehabilitation, and law enforcement efforts, by authorizing funding for major new programs. It is a war we must fight on all fronts.

This bill reflects the determination of most Americans to meet the drug problem head-on. We need a concerted effort against drug involving all sectors of our society: governments, business, and citizens.

Mr. President, some of the measures contained in the drug bill are harsh. But the drug problem afflicting this Nation will not be cured with words alone. Drug abuse is destroying our young people and our Nation's future. It is a leading cause of violent crime, and it robs our economy of productive, alert workers to compete against foreign rivals. Both drug suppliers and abusers constitute the drug problem; both must be held accountable for the havoc they wreak on a society.

Mr. MOYNIHAN. Mr. President, last night House and Senate negotiators reached final agreement on the Omnibus Anti-Substance Abuse Act of 1988. The legislation recognizes the drug problem for what it is—a public health epidemic. To be sure, it imposes stringent new penalties against drug traffickers and provides additional funds for law enforcement and interdiction. But this is not what the bill will be remembered for. Rather, the significance of this legislation is that it reverses the fundamental misallocation of resources that hitherto has characterized the Federal drug effort and puts in place an entirely new approach to the epidemic of drug abuse.

The final bill resembles in its essential features the omnibus antidrug bill passed by the Senate last Friday. A majority of new funds authorized by the bill would be directed at reducing the demand for drugs through treatment and education. The tough and much needed penalties imposed by the bill will withstand constitutional scrutiny.

The legislation stems from an analysis done earlier in the year by the Democratic Working Group on Substance Abuse. That group was appointed by the majority leader to examine the weaknesses of existing drug policy. It recommended a centrally coordinated antidrug effort emphasizing demand reduction and domestic law enforcement.

Our bill creates a Director for National Drug Control Policy, a Cabinet level officer who will be responsible for coordinating all Federal antidrug programs.

It makes the provision of substance abuse treatment on request an explicit goal and authorizes $5.9 billion over the next 3 years to achieve it.

It restores our commitment to local police by authorizing over $1 billion over 3 years for the State and Local Law Enforcement Grant Program. President Reagan tried to zero out this program in his fiscal year 1989 budget request.

It recognizes the futility of arresting drug law violators when the court and prison system is too overburdened to process them, and authorizes over $300 million in new funds for Federal courts, prisons, and prosecutors.

It strengthens penalties for purchasing drugs from children and for possessing crack, and imposes a mandatory life sentence on three-time drug offenders.

What we need is a vast social mobilization to deal with the drug epidemic. Both our civilization and form of Government are at risk. And, the single-parent families produced by the heroin epidemic of the sixties could well become the no-parent families of the 1990's. But I believe that at least we have recognized this threat by passing legislation that initiates an entirely new approach for dealing with the drug epidemic.

Mr. KENNEDY. Mr. President, in connection with the reauthorization of the Office of Juvenile Justice and Delinquency Prevention [OJJDP] in the drug bill, I want to take this opportunity to commend a particular program of critical importance funded by OJJDP—the Law Related Education Program [LRE].

LRE is a program that I and members of my family have been, and continue to be, actively involved in. This program embodies the efforts of five distinguished national not-for-profit organizations: the National Institute for Citizens Education in the Law, the Center for Civic Education, the Phi Alpha Delta legal fraternity, the American Bar Association, and the Constitutional Rights Foundation. LRE plays a unique and vital role in educating juveniles about our constitution, our legal system, and the values that underlay our democracy.

LRE works through curriculum development, training of teachers and counselors and educational programs in elementary and secondary schools and other juvenile settings. Today, LRE is active in approximately 40 States throughout the country.

Massachusetts has an excellent LRE Program. The 10-year-old program helps many of our young people stay on the course toward becoming productive, law-abiding adults who understand and participate effectively in our democracy. Today, our young people are beset with threats from drugs, gang activity, violence, and delinquency. In my opinion, LRE is uniquely qualified to provide this antidrug, antidelinquency program. I commend my colleagues for continuing this worthy program through reauthorization of OJJDP.

(At the request of Mr. BYRD, the following statement was ordered printed in the RECORD at this point:)

● Mr. LAUTENBERG. Mr. President, title IX of the Omnibus Anti-Substance Abuse Act of 1988 includes legislation I sponsored, the Drunk Driving Prevention Act. This important provision was included as the result of cooperative efforts of two Senate committees, and our colleagues in the House.

I understand, Mr. President, that some concern was expressed over the provision in this legislation encouraging States to put into place comprehensive self-sustaining drunk driving programs.

The intent of this Senator, and I believe of the Senate, in approving this provision was to encourage States to develop and maintain drunk driving prevention programs that address this major problem on a number of fronts. It is our hope that such a program would include enforcement, prosecution, education, and rehabilitation among its components.

Smaller, rural States may not have the resources to maintain programs equivalent to those that larger States might adopt. While the intent of this legislation is to encourage comprehensive efforts, it is not meant in any way to put smaller States at a disadvantage.

Mr. President, I would like to inquire of my distinguished colleague from Tennessee, Senator GORE, if he shares this assessment.

● Mr. GORE. Mr. President, I thank my distinguished colleague from New Jersey, Senator LAUTENBERG. I am pleased to have been a cosponsor of the Drunk Driving Prevention Act.

The Senator is correct. As chairman of the Consumer Subcommittee of the Commerce Committee, I held a hearing on this legislation, and worked to have the committee report the bill favorably. In considering this legislation, it was our intent to encourage and help States establish and maintain multifaceted, comprehensive drunk driving programs. As my distinguished colleague from New Jersey noted, such a program should include not only enforcement of laws, but also training, rehabilitation, education, and other efforts that will help the fight against drunk driving.

Smaller States may not be able to develop programs of the size and scope of larger States. Smaller States should work toward a goal of a comprehensive drunk driving prevention program, but, for the program authorized in this legislation, should not be at a disadvantage relative to larger States due to fewer resources.●

Mr. BYRD. Mr. President, Senator CRANSTON is out of town today and has asked me to insert in the RECORD a statement that he would make if he were here to discuss the pending measure.

VETERANS' PROVISIONS AND THE DRUG BILL

● Mr. CRANSTON. Mr. President, I want to highlight three provisions of the drug bill that I have been actively involved with that concern veterans.

FUNDING OF EVALUATION OF VETERANS' ADMINISTRATION TREATMENT PROGRAMS

First, new subtitle was added to this legislation relating to the Veterans' Administration. Section 2501 of the subtitle F is substantively identical to section 3026(c) of S. 2852 as passed by the Senate on October 14, and would authorize the appropriation of $1 million for the VA to conduct an evaluation of its inpatient and outpatient drug and alcohol treatment programs. I described that provision in my floor statement that day which appears in the CONGRESSIONAL RECORD on page 30798.

FUNDING OF VA TREATMENT PROGRAMS

Second, section 2502 would authorize the appropriation to the VA of $15 million for each of fiscal years 1989, 1990, and 1991 for substance abuse treatment for veterans. S. 2852 as passed by the Senate provided for the transfer to the VA of 4.5 percent of the amount appropriated for the Comprehensive Substance Abuse Treatment Assistance Program, proposed in S. 2852, for outpatient substance abuse treatment. An identical provision was enacted—as section 1922 of the Public Health Service Act—in the 1986 Anti-Drug Abuse Act. The funding provided by that law enabled the VA to treat more than 2,000 additional veterans in fiscal year 1987.

During the House-Senate negotiations over this year's bill in the last several days, however, it was agreed that the Comprehensive Substance Abuse Program would be folded into the existing alcohol, drug abuse, and mental health block grant. In addition, the House refused to continue the set-aside for the VA out of funds appropriated generally for treatment under that provision. I interceded personally Thursday night to try to bring the House negotiators around on the earmark, but they were unyielding.

Consequently, we were faced with having no authorization for additional funding for the VA for substance abuse treatment. I was deeply concerned that, although increased funding was being provided for substance abuse treatment for other programs, the VA—which faces great demands from veterans for this assistance and is already experiencing a serious financial shortfall for fiscal year 1989 of at least $635 million—would not be able to fulfill its obligations to veterans seeking help. Hence, joined by the ranking minority member of the Veterans' Affairs Committee, Mr. MURKOWSKI, I contacted the chairman and ranking minority member of the Labor and Human Resources Committee, Mr. KENNEDY and Mr. HATCH, to let them know how strongly we supported continuing the set-aside and including the evaluation provision I discussed earlier.

Mr. CRANSTON. Mr. President, in order to help ensure that VA drug treatment programs were taken into account in the drug bill, we reached a compromise whereby a separate line item would be included for the VA for substance abuse treatment. Although I am disappointed that we were not able at the same time to secure an appropriation for the VA as part of the funds appropriated in this drug bill, I will be pressing for a supplemental appropriation next year and for a full appropriation of the $15 million authorized for fiscal years 1990 and 1991.

Mr. President, I believe that this was a reasonable compromise and I thank the Senator from Massachusetts [Mr. KENNEDY], the Senator from Utah [Mr. HATCH], and Representative WAXMAN for their cooperation, and my good friend, the chairman of the Committee on Veterans' Affairs in the other body, Mr. MONTGOMERY, for his strong support of the Senate provisions.

EXCLUSION OF VETERANS' BENEFITS FROM FEDERAL BENEFITS TERMINATIONS

Third, Mr. President, I am very pleased that, insofar as benefits earned through military service are concerned, the House receded entirely to the Senate provision concerning the denial of Federal benefits to individuals convicted of certain drug offenses. Whereas the Senate version excluded all veterans' benefits, including benefits for veterans' dependents and survivors, the House amendment excluded only certain veterans' benefits. As I stressed when the Senate debated this issued on October 14 (S. 15965), I believe strongly that it would be unfair and counterproductive to deny a veteran or his or her survivor or dependent benefits that were earned by service to his Nation in the Armed Forces. The sponsor of the amendment, Mr. GRAMM, agreed with me completely on this point. I also believe that the debate reflects our intention as to the Senate language that the term "veteran" in the provision is to be construed to have the same meaning given that term in section 101(2) of title 38, United States Code, and the references to "families" and "survivors" are intended to refer to the dependents and survivors of veterans who are entitled to benefits under the title. Given the outcome of the House-Senate negotiations on this provisions, it is also clear that this legislative history governs the interpretation of this language as included in the compromise legislation.

Moreover, I am pleased that the definition of "veterans' benefit" in the final version of this measure basically incorporates the language from the clarifying amendment which I had been prepared to offer prior to Senator GRAMM's modification of the draft of his amendment in order to make clear that all benefits for which eligibility is based on a veterans' service in the Armed Forces—including benefits for veterans as well as for the dependents and survivors—are excluded from the benefits-termination provision. I had strongly urged those involved in the negotiations to include this language and am gratified by the outcome.

Mr. President, I am also very pleased that, with regard to the overall issue of termination of certain Federal benefits, the final bill follows the Senate amendment. The House and Senate had taken very different approaches to this issue. The Senate amendment provided for judicial discretion in determining what, if any, Federal benefits would be subject to forfeiture and the terms of such forfeiture. The House bill, in contrast, had provided for mandatory forfeitures.

A number of Senators, including myself, had voted for the Senate amendment because it did contain two critical elements: Judicial discretion and exemption of benefits which veterans had earned through service in the Armed Forces.

The final agreement retains these critical elements.

CONCLUSION

Mr. President, the final agreement on this bill strikes in numerous areas a reasonable and sound balance. Many of the troublesome provisions in the House-passed bill have been deleted in favor of constitutionality and programmatically sound compromises. Although I am not completely satisfied with each and every provision the overall bill promises to move us ahead in the direction needed to curb the devastating problem of substance abuse.

I also regret that the bill contains provisions relating to the death penalty. I have previously expressed my strong opposition to this provision.

Nevertheless, the final bill is a sound measure which I am pleased to support.●

● Mr. **PACKWOOD**. Mr. President, one of the many important provisions of the omnibus drug bill, one of the most significant to the customs community is a provision that calls upon the U.S. Customs Service to formulate and implement regulations to deal with the problem of inconsistent Customs decisions and practices at the various port of entry districts in the United States.

As the sponsor of the provision, I would like to provide a brief legislative history of how that provision found its way into the drug bill, the intent of the Finance Committee in drafting the legislation, and our expectations of Customs in its implementation. As this provision statutorily requires Customs to formulate regulations and implement new Customs procedures, and then report to the Finance and Ways and Means Committees, this statement is designed to provide guidance to Customs, so that agency clearly understands the current problem which we perceive and our expectations as to how Customs will comply with the statutory direction which we are enacting in this bill.

The provision addresses a growing problem at our ports—that is the lack of uniformity in Customs decisions. Inconsistent decisions among Customs districts within the same region lead to the assessment of different duties on identical or substantially similar merchandise. The result is that importers and shippers will be biased toward those ports in those districts applying the more lenient standards and lower duty rates. Selecting a port solely on the basis of achieving lower duty rates or more lenient treatment—commonly known as port shopping—disrupts the import process, increases transportation costs, creates an unwanted and unproductive competitive factor between ports, and runs counter to the purposes and goals of U.S. customs laws. Moreover, inconsistencies in customs rulings on the district level unfairly penalize other ports which lose business to ports in more lenient districts. None of these results furthers the legitimate and laudable goals of the Customs Service.

In addition to the commercial ramifications, unequal customs treatment is unconstitutional. Article I, section 8, clause 1 of the Constitution—the uniformity clause—prohibits nonuniformity in resolution of duty treatment claims for the same class of merchandise where the same operative facts are present.

The Finance Committee, and I separately in my home State of Oregon, have held hearings and received considerable testimony on the uniformity problem. What fascinated me is that every customs broker, every importer and yes, even Customs recognize there is a uniformity problem. In a recent study done by the Western States Coalition for Effective U.S. Customs Service, 70 percent of the customs broker community believed that Customs' policies, procedures and regulations were not applied uniformly across districts. That study concluded: "Customs should develop and provide for a mechanism for the timely review of inconsistent decisions between Customs districts within the region." The Customs Commissioner himself at a recent Ways and Means oversight hearing acknowledged that Customs uniformity is a major problem that requires immediate attention.

Importers, carriers, shippers, port authorities, and consumers are all adversely affected by the problems created by inconsistent Customs action. When a decision to import goods at a particular port is made based on likely Customs action, costs to consumers rise, operations are less efficient and jobs are lost. On the other hand, when Customs applies duties and valuations, conducts inspections and classifies merchandise in a consistent and predictable manner, everyone benefits.

Uniform application of Customs laws permits importers to select entry ports which best meet their commercial needs and goals, rather than selecting ports which provide lenient treatment to similar or competing products. Uniform application of Customs laws allows ports to improve labor and management efficiency, expand the port facilities they offer and to compete based on the quality of service provided rather than on the nature of local Customs enforcement. Uniform application of Customs laws reduced the price of goods to consumers because increased transportation and distribution costs are not incurred.

The key here is uniform enforcement, not lenient enforcement of Customs law. The bill was not designed to affect the overall determination of duty rates or classifications or the decisions to exclude or impound or search merchandise. Instead, this bill requires Customs to create a timely mechanism for ensuring that determinations made within the various customs' districts will be consistent, uniform, and in accordance with established procedures.

Horror stories abound, some of which were told in public hearings the Finance Committee held on this issue. Situations have arisen where entries from one country are ordered devanned—at a cost of $500 per container—at one port, while only the entry documentation of shipments from that country are inspected at another port. On another occasion, Customs officials have classified tents as "camping equipment" at one port and as "textile, subject to quota" at another port. Similarly, high-technology electronic products have been impounded at one port during the pendency of a patent infringement case, while Customs officials at another port concluded the lawsuit does not apply to the same product imported through that other port. And what about the importer whose goods are seized and destroyed in an apparent quota enforcement action at one port, while the same product is not seized and treated carefully upon entry at another port? In each of these cases, and dozens more like them, shippers, customs brokers, importers, and ports lose time, money and business for all the wrong reasons. And customers pay the price.

It is true that procedures currently exist for challenging or protesting decisions and classifications made by Customs. These existing procedures, however, are woefully inadequate to address the current problem. Despite a mandate to process these protests as expeditiously as possible, the process is painfully slow. In most cases, protests take over 2 years to reach resolution. Appeals to the U.S. Court of International Trade can take several more years. For the importer whose goods are being held, while storage costs accumulate and orders go unfilled—or while he buys from a competitor to fill those orders—the time and money lost is irretrievable. Also irretrievable is the business lost by the port, which can only watch helplessly as goods are diverted to a distant port to avoid less favorable Customs treatment. Importers and customs brokers should not be encouraged to select ports based on the inefficient enforcement of applicable Federal law.

The customs uniformity bill that I introduced earlier this Congress and that was included in the Senate-passed Customs authorization bill—as well as the modified proposal included in the Senate version of the drug bill—addressed this growing uniformity problem head on. The legislation created an additional statutory Customs appeal process to allow inconsistent Customs decisions to be reconciled in an expedited fashion. Such a process was designed to help assure that all decisions and practices in all customs regions and districts—be it Oregon, California, Texas, Florida, New York, or any other State—will be consistent, uniform, and in accordance with established procedures.

Because of some House Members' concern that the Ways and Means Committee had had insufficient opportunity to review the details of a permanent statutory appeals procedure, we opted instead to direct Customs to develop regulations addressing the same problem. While having deferred action—at least for the time being—on a detailed statutory appeals procedure, our expectation is that the regulations implemented by Customs will be at least as effective in addressing the uniformity problem as the originally proposed statutory procedure.

Under the legislation as included in the drug bill, Customs is required to propose and seek comments on regulations that allow interested parties and port authorities to challenge nonuniform Customs actions and obtain a resolution on an expedited and timely basis. While the precise time parameters are not specified in the legislation, it is hard to imagine that a procedure lasting longer than, say, 45 days could be considered expeditious. Moreover, since a time deadline could be meaningless without some mechanism for enforcing it, it would make sense to require that the petitioner's requested relief be automatically granted if there is no decision within the specified time. At a minimum, there must be some remedy if Customs does not meet its deadline.

Customs is required to implement the regulations by April 1, 1989, and report to Ways and Means and Finance by September 1, 1989 on how the new regulations are working. It is expected that Finance and Ways and Means will each hold hearings to receive testimony from Customs, ports, and the Customs community to determine whether Customs has complied with our mandate.

Customs is also directed to recommend, and our committees will be looking toward, a permanent statutory appeals procedure, reflecting the experienced gained through Customs' administrative procedure.

In drafting its regulations, Customs should carefully consider testimony submitted by the Port of Portland at public hearing held earlier this year. This testimony clearly sets forth the types of problems this legislation is intended to address and which Customs should resolve in its regulations.

Further, because Customs regulations are to address the uniformity problem as effectively as the originally proposed statutory appeals procedure, Customs should follow that proposed procedure as closely as possible. Let me briefly summarize its provisions:

Once a petition of inconsistency is filed by an interested party or port authority, the Customs commissioner has 5 working days to publish the petition in the Federal Register. The public then has 15 working days to comment on the petition. Once the Federal Register period has closed, the Custom Commissioner has 10 working days to make a determination and reconcile the inconsistent decisions. If the commissioner fails to make a determination within the 10 days, each district or region must apply the requested relief. The Customs Commissioner can extend the review period if he determines that the petition is unusually complex and technically time-consuming. Public notice should be given of any such extension.

Mr. President, if not addressed head on, the uniformity problem will only grow. The legislation included in the Senate version of the drug bill provided a sound, direct statutory mechanism to resolve inconsistent Customs decisions. Perhaps there are other alternatives; and I look forward to exploring them next year through the hearing process. What is included in the final drug bill is a mechanism to allow Customs to resolve the problem administratively. I hope they are able to accomplish it.

I look forward to working with Customs, the ports and the customs community in developing and implementing an effective mechanism which allows those adversely affected by inconsistent Custom's determinations to challenge those inconsistent decisions and receive timely and effective relief. Even more, I look forward to the time when, through this process of confronting and resolving inconsistent decisions of the Customs Service, the problems suffered by shippers, importers, customs brokers, ports, and consumers as a result of these inconsistent decisions are, at least in large measure, eliminated.●

● Mr. HATCH. Mr. President, as the bill makes some technical corrections in the enrollment of the "Health Omnibus Programs Extension Act of 1988," I want to take this opportunity to comment further on several of the bill's provisions. Health Omnibus Programs Extension Act contains the reauthorizations for the National Institutes of Health, the prevention block grant, the Sexually Transmitted Disease Program, the Office of Disease Prevention and Health Promotion, the Grants for Emergency Medical Services for Children Program, the Organ Transplant Act, the Health Professions Program—title VII of the Public Health Service Act—the Nursing Education Programs—title VIII of the Public Health Service Act—and Health Care for the Homeless Programs.

In addition to continuing these existing programs, this legislation creates a number of new programs. This legislation provides the statutory authorization for the ongoing battle against AIDS, creates a new block grant for immunosuppressive drugs to help organ transplant patients, establishes the Commissioner for the Food and Drug Administration in statute, and sets up a new program to test convicted felons for AIDS.

Let me take a few minutes and describe this legislation in more depth.

TITLE I

NATIONAL INSTITUTE OF DEAFNESS AND OTHER COMMUNICATION DISORDERS AND HEALTH RESEARCH EXTENSION ACT

The first title reauthorizes the National Institutes of Health. I have been a supporter of the National Institutes of Health [NIH] and its vital programs since I was first elected to the Senate. Not only is NIH the crown jewel of the Public Health Service, it is a resource to the world, and the hope of those afflicted with terminal illnesses. This legislation will ensure the continuation of NIH as the preeminent biomedical research organization in the world.

This legislation includes a significant increase in the authorization for the National Research Service Awards. This increase will offer NIH the opportunity to increase the number of research trainees. In addition, this legislation would move the administration of the primary care NRSA's to the Health Resources and Services Administration where we hope these awards can be administered in closer conformance with the intent of Congress.

Another area of great concern to me and a number of my colleagues is section 156 concerning fetal therapy and research. The bill continues the past compromise by extending the moratorium on fetal research for an additional 2 years. During that time, the Congressional Biomedical Ethics Board will complete its report on this issue.

The members of the Labor and Human Resources Committee heard an eloquent plea for a National Institute on Deafness and Communication Disorders from Ms. Marlee Matlin and Dr. Bruce Gantz. The 20 million people with hearing disorders and the 8 million additional people with other communication disorders will benefit from the establishment of this new Institute at NIH. The growing population of elderly citizens increases the need for the new Institute. The elderly now account for 4 million of those who are hearing impaired, and that number is projected to grow to 10 million by the turn of the century.

This is an important addition to the NIH. I support its establishment and the other provisions in this title.

TITLE II

PROGRAMS WITH RESPECT TO ACQUIRED IMMUNODEFICIENCY SYNDROME

I am pleased to join Sentor KENNEDY in support of this compromise, bipartisan legislation, which addresses a significant part of the pressing national problem caused by the AIDS virus. This compromise incorporates ideas contained in legislation introduced by Senator KENNEDY, key provisions contained in S. 1374, introduced by Senator DOLE, Senator WILSON, myself, and other Republicans, and suggestions offered by others, including our colleagues in the Senate and the President's Commission on AIDS.

Some have called AIDS the No. 1 threat to our national, and possibly international, health. In my own State of Utah, more than 60 people had contracted this deadly disease when S. 1220 was reported by the committee. Today, that number has increased until there are more than 140 people with AIDS in my State. They are among the more than 75,000 cases of AIDS reported in this country, an increase of more than 37,000 since S. 1220 passed the committee. Already, more than one-half of these people have died, underscoring the tragic consequences of this devastating disease.

We also know that minority communities have been especially hard hit by AIDS. Blacks account for 12 percent of the population, but account for 26 percent of the adult AIDS cases. Hispanics represent 7 percent of the population, yet make up 15 percent of the adult AIDS cases. And, of the 1,171 pediatric AIDS cases, blacks account for 53 percent and Hispanics for 23 percent.

The tragedy does not end there. It is estimated that up to 1.5 million Americans have been exposed to the AIDS virus. More than 50 percent of these individuals are expected to develop the actual disease within the next 5 years unless a cure can be found.

The Department of Health and Human Services has declared AIDS the Nation's No. 1 public health problem. It has already launched a three-pronged attack: initiating research on treatments, generating research on a vaccine, and educating the public about how to prevent the spread of AIDS.

The President has also responded. He created a Presidential Commission to evaluate the many medical, social, ethical, and moral questions raised by this disease. In addition, he has taken a highly visible role, using his office to inform Americans about this dreaded disease.

Still, much more needs to be done. This legislation provides the Secretary of Health and Human Services with the additional resources and authority he needs to address this crisis and stipulates that the United States will participate and contribute to international efforts to prevent the spread of AIDS and to find a cure.

This legislation provides for a dramatic increase in our efforts to prevent the spread of the disease by authorizing $105 million for the Department of Health and Human Resources to develop public information programs and $165 million to States to inform their citizens about various activities that may put them at risk of becoming infected.

With respect to our education efforts, there has been an ongoing debate over the last several years about what restrictions to place on the contents of educational material. The language used in section 221 of this legislation is the so-called designed to promote or encourage language rather than the alternative "that promotes or encourages" language that was originally in the House bill.

We agreed on this final language after receiving assurances from the Center for Disease Control [CDC] that, functionally, there was no difference in the two versions. In either case, CDC can examine the contents of the material to determine whether or not it "promotes or encourages" homosexual activity. In either case, the determination would be an objective determination using a reasonable man standard. CDC would either be allowed to fund or be prohibited from funding the same types of organizations or materials with either of these two wording choices. Based on this understanding that there was no difference between the two choices of language, we settled on the language now found in section 221 of the Health Omnibus Programs Extension Act.

In addition to the education provisions, this legislation also contains a provision establishing a $100 million grant program to States to pay for home health care services for AIDS patients. I fought hard for this provision in the original Republican bill, then in S. 1220, and most recently in negotiations with the House. I believe in home health care as a medically beneficial treatment option for those who suffer long illnesses and who prefer the comfort and familiarity of their own homes to long stays in institutions.

Other provisions of this title establish training programs for health care providers through fellowships at CDC and ADAMHA; training grants to schools of medicine, osteopathy, and health science centers; and funding for continuing health care provider education.

One of the controversial provisions of the legislation is the new authority for anonymous testing where allowed by State law. This authority is provided to the Secretary because none of the other testing programs funded under the Public Health Service Act are designed to fund anonymous testing programs. For example, the Sexually Transmitted Disease Program which is reauthorized in this legislation, must be conducted in compliance with State law and would not necessarily be used for anonymous testing. I want to make it clear that by adding this program, we are not requiring anonymous testing in any other public health service programs.

Finally, this title endeavors to enhance our national research efforts by providing statutory authority not only for many of the ongoing research projects, but also for new initiatives.

This legislation does not address every issue related to AIDS, nor is it intended to. It is intended to extend our Federal research efforts, to increase our public information campaigns, and to improve our ability to provide compassionate services to individuals who are infected with AIDS.

There are issues which have been intentionally left for other Congresses, primarily because we do not currently have the information available today to make informed decisions. For example, we have requested a 6-month study of State confidentiality and discrimination statutes related to AIDS. I have strong feelings about these issues and plan to be actively involved in legislation in these areas at the appropriate time; but, it was clear during our discussions that we don't have the information available at this time to make well-reasoned decisions.

Like all compromises, no one supports all of the provisions. There are parts that Senator KENNEDY would change and parts that I would change if given the choice. In addition, we have tried to accommodate concerns raised by other Members of this body, Members of the House, the administration, and the public subsequent to the committee's action on S. 1220. I hope my colleagues feel these changes address their concerns and further improve and refine the legislation. But, I am confident that when this package is viewed in its entirety, it can be supported by everyone in this body.

I would like to thank Senator KENNEDY and his staff for the work they put into this compromise. I would also like to commend Senator DOLE for his leadership in this area, as well as Senators WILSON and D'AMATO, who have worked so hard to see that this body takes a responsible approach to the AIDS problem. Finally, I would like to thank Senator HELMS for bringing to our attention the serious problems with some of the specific legislative proposals related to this issue.

This legislation paves the way for real progress in the war on AIDS. It is a balanced approach. It provides for compassionate treatment and hope for a cure to our citizens who are already infected. And, for the general public, it provides lifesaving information.

TITLE III

PREVENTIVE HEALTH, HEALTH SERVICES, AND HEALTH PROMOTION

Title III of this act reauthorizes a number of small, but important, Public Health programs. It reauthorizes the prevention block grant which helps fund State programs to prevent disease. Language has been added to expand the uses of the funds so that States may focus more on chronic diseases if they so choose.

We are also reauthorizing grants for emergency medical services for children. These grants are used to increase our research into the emergency treatment of children and to facilitate the dissemination of that information to practicing physicians.

We have reauthorized grants for the Prevention of Sexually Transmitted Diseases. We are no longer allowing for separate grants specifically for AIDS because we feel that the disease has now advanced to the point where it is more appropriate to deal with it across the board.

● Mr. HATCH. I wonder if the Senator from Massachusetts would clarify one point about the reauthorization of the Sexually Transmitted Diseases Program [STD]? We have dropped the specific references to acquired immune deficiency syndrome [AIDS] and the specific grants for AIDS services from the program. Would the Senator from Massachusetts agree with me that the reason for doing that was not because of a decreased commitment to addressing the AIDS problem? Rather, we felt every grantee should provide AIDS-related services within the constraints of the STD Program.

● Mr. KENNEDY. The Senator from Utah is correct. That was our intention in making those changes.

● Mr. HATCH. Lastly, this title extends the authorization of the Office of Disease Prevention and Health Promotion, while at the same time expanding that Office's ability to assist employers in setting up worksite programs.

TITLE IV

ORGAN TRANSPLANT AMENDMENT OF 1988

Mr. President, I am pleased to join the Senator from Massachusetts in support of reauthorizing the Organ Transplant Program with several amendments. This title reauthorizes legislation which has contributed significantly to our Nation's effort to increase the availability of organs for transplantation.

In 1987, there were an estimated 8,972 kidney, 1,441 heart, 1,159 liver, and 162 pancreas transplants performed in this country. In 1986, my own State of Utah performed 139 kidney and 53 heart transplant procedures. Our colleague, Senator GARN, and his family have experienced the miracle of this medical technology first-hand.

Those miracles are possible, in part, because of new immunosuppressive drugs. It has been estimated that one-quarter of those medically eligible for organ transplants have no insurance to cover the cost of the immunosuppressive drugs that have made organ transplants possible. These drugs, which keep the body from rejecting the new organ, are extremely costly. In fact, cyclosporine, the most effective, costs $5,000 the first year for a typical transplant patient.

Unfortunately, these new drugs are beyond the financial means of many Americans. During the last Congress, while I was chairman of the Labor and Human Resources Committee, we heard from the family of another Utahn, Keilier Burrell. Her parents told the committee about the difficulty they were having paying for her immunosuppressive drugs after her liver transplant. We have also heard about other individuals who were not even considered for transplant operations because they could not pay for the immunosuppressive drugs.

In most cases, if the patient cannot afford the immunosuppressive drugs, the patient is not considered a candidate for a transplant. In other cases, transplants are performed, but the patient must depend on cheaper, less effective drugs that can increase the chance of rejection by up to 50 percent.

The real irony of this situation is that, in cases of kidney disease, passing up a transplant is not only unnecessary—it ultimately costs the taxpayers more money. The Federal Government currently pays for dialysis under the End Stage Renal Disease [ESRD] Program, which until recently was the only option for chronic renal disease. And, as expensive as immunosuppressive drugs are, they don't even begin to approach the cost of dialysis, which ranges from $18,000 to $25,000 a year.

Because of the high cost of dialysis, the annual cost of the ESRD Program has skyrocketed from $200 million to $2 billion in just over 10 years. The emergence of kidney transplants as a viable alternative can help turn back the rising tide of ESRD expenditures, but only if such transplants take place.

Last November 11, I introduced, with the support of Senator GARN, legislation to address these issues. The Immunosuppressive Drug Therapy Act of 1987 provides $5 million over 3 years in the form of grants to states to help purchase these self-administered immunosuppressive drugs.

All organ transplant patients whose immunosuppressive drugs are not covered by existing private or public programs are eligible for assistance, but the extent of assistance may be based on the patient's ability to pay. States may require patients to pay part of the cost of their immunosuppressive drugs; but, we anticipate that States, in establishing copayments, will take into account the financial resources of recipients.

States may purchase the drugs and make them available to certified transplant centers for distribution, reimburse the centers for drugs provided to eligible patients, or select an alternative course of action approved by the Secretary of Health and Human Services.

One thing State governments may not do is use this funding to supplant other spending. This legislation is intended to fill gaps in current coverage to help patients not now being helped. It is not to become a substitute source of funding for patients already covered.

Mr. President, I am aware that health care proposals of this kind call for the authorization of millions of dollars. Such expenditures must be considered carefully. In the case of the immunosuppressive drug program, I believe the spending is justified.

First of all, unlike many programs which start as little acorns and grow into mighty trees with deep roots, this program is not open-ended. It sets specific funding levels for a specific number of years. We've anticipated that, because of changes in what private insurance pays for and the interest in a Federal catastrophic care program, this program may not be needed in its original form, or in any form, after a few years. Therefore, we have directed the Secretary to report back to us in 2 years on the effectiveness of, and need for, this program.

But, more importantly, as I pointed out earlier, this program will help to bring down the cost of a rapidly growing Federal program, the End Stage Renal Disease Program.

Similar legislation, S. 2536, passed the Senate by voice vote toward the end of the 99th Congress. But, unfortunately, there was no time for its consideration in the House. The 99th Congress did take some action to expand Federal coverage for immunosuppressive drugs; but, ironically, that legislation which was even more limited than S. 2536 was more than twice as costly. And, it still would not help Keilie Burrell.

When the Labor and Human Resources Committee considered the legislation to reauthorize the Organ Transplant Act earlier this year, my colleagues graciously agreed to accept my bill as an amendment to the legislation.

As I have said, I strongly support the underlying reauthorization of the Organ Transplantation Act, legislation which I helped author in 1984. But, I also have some strong concerns about the direction our organ transplantation policy has taken since that time. My colleagues have heard me express those concerns earlier this year so I will not take time now to repeat them.

The legislation before us does take a few small steps toward addressing these concerns. And, because the bill provides for immunosuppressive drugs and continues our efforts to expand organ procurement, I support this legislation.

I hope Congress, or the administration using its existing authority, will address the problem with the existing statute in the near future by placing the regulatory authority given to UNOS back in the executive branch where it belongs. Otherwise, a court may be forced to strike the law down; or, even worse, members of the UNOS Board may find themselves exposed to considerable liability. As I have said before, it is Congress which is at fault, not UNOS, which has simply tried to implement the authority given it by Congress in the most equitable way it could.

This legislation continues our commitment to increase the availability of organs for transplantations so that our citizens are no longer forced to wait agonizing months for an organ to become available.

TITLE V

FOOD AND DRUG ADMINISTRATION

Title V does not require much explanation. It requires the Commissioner of the Food and Drug Administration to be subject to Senate confirmation. The FDA Commissioner will not be treated in the same way as other Public Health Service agency heads, a standing which is appropriate given the fact that the FDA Commission influences 25 percent of all consumer products.

TITLE VI

HEALTH PROFESSIONS REAUTHORIZATION ACT OF 1988

I am pleased that the Health Omnibus Programs Extension Act includes the reauthorization of the Health Professions Program, which is title VII of the Public Health Service Act. This title reauthorizes support for the training of health professionals other than nursing. While it is clear that these programs cannot have the same degree of impact as the almost $3 billion we spend annually on training for health professionals through the Medicare trust fund, these programs are important nonetheless.

This program, for example, authorizes loans which enable students to pay for their education. It supports the training programs for our primary care physicians and general dentists, and it assists minorities and economically disadvantaged individuals to become health care professionals.

My own State of Utah provides an example of how important these programs are. In Utah, title VII provides support for the training of 48 family practice residents, 6 preventive medicine residents, and 16 physicians assistants each year. Six of the full-time faculty in the Department of Family Medicine at the University of Utah were trained with Federal faculty training and curriculum development funds. Additionally, this authorization supports a program which provides medical students with opportunities and incentives to practice in rural Utah.

In addition to continuing existing programs, the reauthorization contained in the Health Omnibus Programs Extension Act strengthens our commitment to training allied health professionals. As the practice of medicine has continued to become more technical in nature, the demand for highly trained allied health professionals to support these advancements has also increased. Unfortunately, the supply has not kept pace with the demand.

TITLE VII

NURSING SHORTAGE REDUCTION AND EDUCATION EXTENSION ACT

This title will address a critical problem in our country—the nursing shortage. I was pleased to have worked with Senator KENNEDY and the other members of the Labor and Humanm Resources Committee who share my concern that the quality of health care in our Nation rests, in large part, with the quality and accessibility of trained health care professionals—particularly nurses.

We have long recognized the vital role that nurses play in the health care of our Nation. Preliminary projections from the sixth report of the Department of Health and Human Services to Congress and the President indicate that 38 percent more nurses will be needed in the year 2000 than were needed in 1985. The programs in this title are designed to support and encourage new students of nursing.

The scholarship programs and loan repayment programs will provide new students of nursing with the opportunity to fund their nursing education and will provide an incentive for nurses to practice in health care settings that are in critical need of professional nurses, such as in rural areas of our country. Therefore, I recommend that the Secretary of the Department of Health and Human Services pursue rapid implementation of the scholarship and loan repayment initiatives and develop regulations for the implementation of these programs within 120 days of passage of this legislation.

I am particularly happy that a provision is included in the title that will provide assistance to a small town nursing home in Blanding, UT, that has been hit hard by the increasingly complex and volatile medical industry. In 1968, the former owners of the nursing home entered into a 20-year Hill-Burton grant. The present owners of the nursing home, after paying for several years, would like to free themselves of this obligation. They want to do so not because they want to get the best of the Government, but rather because the ratio of Medicare-paid residents to privately-paid residents has increased and caused financial hardship for the owners. Perhaps it is the Federal Government who is getting the best of the nursing home. This provision will relieve the present owners of the financial burden incurred by the former owners and allow them to offer the quality health care that their residents deserve.

The main benefit of this title, of course, is that it will fill the need for trained health care professionals in this country, increasing the quality and accessibility of health care by providing educational opportunity for qualified nursing students. This is an important goal.

TITLE VIII

REVISION AND EXTENSION OF PROGRAMS OF HEALTH CARE FOR THE HOMELESS

Title VIII of the Health Omnibus Programs Extension Act reauthorizes the programs for Health Care for the Homeless while making certain technical changes to the program. I have some concerns about some of the changes that are being made to the existing programs, but in the spirit of compromise and because of my support for the underlying program, I have not opposed the changes in this title.

TITLE IX

TESTING OF CONVICTED FELONS

This title establishes a new program to help fund the testing of individuals convicted of intravenous drug or sex offenses for AIDS. This new program provides confidentiality protection for the individual tested, but gives the State broad discretion regarding how to modify that protection, acting either through the laws of the State or the State Department of Health.

The testing of convicted felons had broad support in both Houses of Congress, and I think the addition of this program is a significant addition to our overall effort to eradicate AIDS from our society.

CONCLUSION

Mr. President, now that I have finished summarizing the provisions of the Health Omnibus Programs Extension Act of 1988, I hope my colleagues who supported that legislation, will also support the changes included in this act to further clarify the intent of that bill. The health Omnibus Programs Extension Act represents almost 2 years of work by the Members of this body and the House of Representatives, and the programs it reauthorizes matter a great deal to the health of Americans.

I know the President has not finished his review of the legislation, so he has not yet decided whether or not to sign it into law. I am hopeful however, that when he finishes reviewing the original bill, along with the changes contained in this legislation, he will be able to support it and will sign it into law.●

LIMITATIONS OF CURRENT AIR SURVEILLANCE

Mr. BYRD. Mr. President, I am seriously concerned that the National Drug Policy Board's Southeastern Maritime and Air Surveillance Mission assignments to the Coast Guard cannot be achieved with the two E-2C aircraft on loan from the U.S. Navy. The Coast Guard has an open ocean air surveillance area of responsibility of more than 2½ million square miles. The Coast Guard has performed commendably with these two aircraft; however, the relatively short endurance of the E-2C's has greatly limited the Coast Guard's capability of detecting and tracking drug aircraft leaving South American airfields. The E-2C is intended to augment the stationary aerostat radars by patrolling U.S. territorial waters and is an integral element to the secondary line of the "defense in depth" strategy. Approximately 80 percent of the 60 metric tons of the cocaine annually entering the United States is delivered by light aircraft, and the apprehension rate is currently calculated to be alarmingly low. With long-range radar aircraft operating off the coast of Colombia, I am advised that the arrest rate is calculated to increase tenfold.

NEED FOR EARLY IDENTIFICATION OF SUSPECTED AIRCRAFT AND BOATS

I have been advised that the Customs Service's P-3 long-range radar aircraft were recently utilized in a short-term deployment to detect and interdict drug smuggling aircraft departing from clandestine airfields in the northern tier of South America, an area that has been assigned to the Coast Guard but is not patrolled because of a lack of long-range surveillance radar aircraft by the Coast Guard. The Customs Service effort allowed detection, sorting, and tracking to begin at the "departure" and "transit" zones prior to the time when targets become scattered over the vast ocean area. I believe, therefore, that it would be wise, indeed necessary, to provide the Coast Guard with similar long-range airborne radar capability to meet the southeastern mission requirements, as already assigned by the National Drug Policy Board. The availability to the Coast Guard of long-range radar aircraft would provide for the early identification of the aircraft and boats of suspected smugglers and assure the long lead time necessary for E-2C and tracker aircraft and helicopters to be in position to apprehend the drug smugglers when they land in the United States. This operation is known as the "strategy of defense in depth," and could be enhanced considerably if the Coast Guard were provided the necessary equipment. Prompt provision of a 360-degree radar capability to an existing Coast Guard HC-130H long-range surveillance aircraft will greatly enhance the ability of the Coast Guard to detect drug smuggling aircraft in the eastern section of the "departure" zone. Such an asset will add the mobility and flexibility required to operate over long distances, from a great variety of airfields and this would allow the Coast Guard to fully participate in the "strategy of defense in depth."

CURRENT C-130 FLEET

I am advised that the Coast Guard already operates a mature fleet of 31 modern C-130's. The modification of an existing C-130 aircraft, at minimal cost, with a 360-degree radar, would allow the Coast Guard to realize maintenance and logistics economies of scale and capitalize on existing aircrew training and standardization programs. By modifying an existing Coast Guard C-130 aircraft with a 360-degree radar, the capability to carry out its air, and surface interdiction mission over the maritime region could be readily and economically provided.

LEGISLATIVE PROPOSAL

In order to demonstrate the feasibility, effectiveness, and economy of such a modification of a Coast Guard C-130 aircraft, I am gratified that the bill includes language which would allow the Coast Guard to immediately proceed with the modification of an existing HC-130H long-range surveillance aircraft by installing a 360-degree radar in the most expeditious manner possible. It is expected that the initial aircraft would be operational in the second quarter of fiscal year 1990.

SUMMARY

Mr. President, implementation of this modification program is, I believe, one of the most cost effective ways to advance the strategy of defense in depth. Using the Coast Guard HC-130H aircaft will significantly reduce operations, maintenance, and personnel costs as compared to alternative Department of Defense inventory aircraft systems. With a total logistic infrastructure already in place, the Coast Guard can operate C-130's out of existing air stations and without extensive and expensive contractor support programs. This program will enhance Coast Guard Maritime Defense Zone Wartime readiness—including antiterrorist surveillance of U.S.A. ports and coast lines—and other early warning activities critical to our national defense and may very well help satisfy the U.S. Marine Corps operational requirement for airborne early warning and control battlefield management. It is intended that the Coast Guard and the Marine Corps coordinate on this modification program so as to benefit both services' requirements and reduce costs.

Mr. President, this amendment will, I believe, make a significant contribution to the war on illicit drugs. I thank my colleagues for their support of this provision in conference and I thank the distinguished managers of the bill.

THE MOTOR CARRIER SAFETY ACT PROVISION TO THE OMNIBUS ANTI-SUBSTANCE ABUSE ACT OF 1988

● Mr. BREAUX. Mr. President, I rise today on behalf of thousands of shippers across the country to raise a point that I believe should have been addressed in the Motor Carrier Safety Act. At issue is the relief needed to assist shippers being sued by trustees of carriers in bankruptcy. These shippers were negotiated a rate lower than those actually filed with the Interstate Commerce Commission by bankrupt motor freight carriers. when the carrier declared bankruptcy, auditors went after the shippers to recover from shipping companies the difference between the filed rates and the undercharged rates they negotiated with the freight carriers.

Solutions to this negotiated rate problem were proposed for inclusion in H.R. 5321. However, the House Judiciary Committee raised jurisdictional objections relative to the nature of the provision as it deals with bankruptcy. The Judiciary Committee indicated its intention to block passage of the Motor Carrier Safety Act if an amendment were attached. While it is unfortunate that a resolution to this controversy could not be developed, I believe that the ICC has the authority and responsibility to develop a solution.

This problem has affected too many shippers, sometimes costing them tens of thousands of dollars. The ICC indicates that it will affect many more until a resolution is reached. Carriers are now required to file all tariffs with the ICC. Their failure to do so should not render their innocent partners, the freight shippers, prey to the harrassment of collection agencies and to the expense of ensuring legal battles. The shippers' redress should be with the ICC, where rate-regulation responsibility lies. As a member of the Commerce Committee, I will continue to push for a solution to this problem and will be carefully reviewing the actions of the ICC in this regard.●

● Mr. PROXMIRE. Mr. President, I rise to make some clarifying remarks about section 4702 of the Omnibus Drug Bill. That section of the bill, which is entitled "Restrictions on Laundering of United States Currency" is intended to help our Government secure the cooperation of the community of nations to curb the laundering of cash proceeds obtained from narcotics trafficking. It directs the Secretary of the Treasury to attempt to negotiate agreements with other countries to ensure that their banks will maintain records of large U.S. currency transactions and establish mechanisms so that such records will be made available to U.S. law enforcement officials. I fully expect most nations will cooperate with us in this matter.

Subsection (e) of the new provision, however, gives the President additional authority to get tough with those drug haven countries that won't enter into cooperative agreements with our Government to help stop the laundering of dollars obtained from drug deals that harm our country. I believe this new authority should be helpful to our Government in sending a signal to drug haven countries that financial institutions located within their boundaries are not going to be permitted to help the drug king pins who are preying on our youth. If such countries will not help us stop the drug king pins from laundering U.S. dollars within their boundaries, then their banks risk being cut off from having access to our financial system. I fully expect the Banking Committee will have hearings in the next Congress to determine whether progress is being made in stopping international money laundering of U.S. dollars.●

● Mr. KENNEDY. Mr. President, I would like to make certain that my understanding of the drug abuse education provisions of the drug bill which relate to WIC participants are consistent with the understanding of the chairman of the Agriculture, Nutrition and Forestry Committee, the distinguished Senator LEAHY, and with the understanding of the chairman of the Agriculture Subcommittee of the Appropriations Committee, the distinguished Senator BURDICK.

Senator LEAHY, the statutory authorizing language provides for additional funding to be given directly to States for drug abuse education efforts that are precisely defined. Thus the language authorizes funding to cover the State agency's costs of distributing drug abuse education materials, provided to them by the Secretary, of informing breastfeeding mothers and pregnant women participants of the dangers of drug abuse, and of making referrals to drug abuse clinics and the like.

The language requires the Department to conduct a 6-month study on the design of the drug education materials to be used by the States in this drug abuse education. These materials are to be an intregal part of the drug education effort on the part of State agencies.

The language, in my view, would clearly require that the study be completed and the results analyzed before any such drug education efforts could begin. Do you agree with this approach?

● Mr. LEAHY. Yes, this amendment to the Child Nutrition Act would require that the study be completed and the results analyzed prior to any WIC drug education efforts under this bill. Indeed, since the materials to be prepared and distributed by the Secretary to the States are to be used in the drug education efforts State agencies could not proceed with these efforts until they had the materials. I would thus expect for fiscal year 1989 that very little funding would be needed for drug education efforts. I would like to ask Senator BURDICK if he also agrees with that understanding?

● Mr. BURDICK. Yes, this 6-month study would need to be completed first and the results analyzed before any State drug education efforts would begin. I will carefully monitor this next calendar year and hold hearings on this issue.

● Mr. LEAHY. Thank you Senator BURDICK for that confirmation. I would like to emphasize that the drug education required by the bill contains three components to be performed by the State agencies. One of those aspects, referrals to clinics or treatment centers for drug or alcohol abusers, is likely already being done in most instances.

Further, informing breastfeeding mothers and pregnant women participants requires little additional efforts on the part of the States. Indeed, many WIC workers are likely doing that anyway. The third requirement simply requires States to make available the drug abuse materials to be produced by the Secretary based on the 6-month study. For these reasons, I would expect that only modest funding would be required for States to perform these requirements.

I intend, as does Senator BURDICK, to carefully monitor this situation and implementation by the Department. Up to $10 million is available for the States and the Department under this language. However, that high amount was provided in the event that the study unexpectedly showed that far more is needed that anyone now expects. Is that your understanding Senator KENNEDY?

● Mr. KENNEDY. Yes, this is an important point. I expect that very little funding will be needed this fiscal year but that modest amounts might be needed in later years. Indeed under the bill funds would not even be available for purposes other than the 6-month study until the study is completed and the results analyzed. Even in the out years after 1989 I would be surprised if as much as $3 million would be needed for all aspects—both Federal and State agency—of these provisions. Would you agree with this Senator LEAHY?

● Mr. LEAHY. Yes. As I previously pointed out, no new major requirements are being imposed on the States and the materials are to be supplied by the Department. Of course, one reason the language is written in this manner is a concern over current WIC funding levels. I don't want these provisions to reduce or impair each State agency's operation of WIC nutrition education efforts, WIC nutrition risk assessments and the other vital aspects of the WIC Program.

Nutrition education and nutritional risk assessments are important components of the WIC Program in helping to improve the nutritional health of infants, children, postpartum mothers and pregnant women.

● Mr. KENNEDY. Senator LEAHY, I would like to raise one additional matter. This section also requires that WIC personnel make referrals to drug treatment clinics. The intent was that WIC staff would not be required to do drug counseling. Is this your understanding?

● Mr. LEAHY. Yes. WIC workers are not drug counselors. When these employees find WIC participants with drug or alcohol problems they refer them to drug or alcohol abuse counselors or treatment centers. The bill does not require regular WIC staff to perform drug abuse counseling. This very important function should be provided to WIC participants with drug or alcohol problems by drug or alcohol abuse clinics or treatment programs.●

DRUNK DRIVING PREVENTION ACT OF 1988

● Mr. DANFORTH. Mr. President, over 23,000 Americans are killed annually in alcohol-related crashes.

Alcohol is involved in the deaths of over 50 percent of those killed in highway crashes.

The need to do more to fight this problem motivated Senator LAUTENBERG and me to introduce the Drunk Driving Prevention Act of 1988. I am pleased that the provisions of this bill have been included in the omnibus drug legislation.

Mr. President, our legislation would authorize Federal seed money for States that enact and enforce laws shown to be effective weapons in the fight against drunk driving. There would be two requirements for receiving a basic grant under this legislation.

First, a State would have to establish a self-supporting drunk driving prevention program under which an amount equivalent to all fines collected from convicted drunk drivers would be returned to communities for enforcement.

Second, a State would have to adopt an administrative per se law under which a police officer could immediately confiscate a drunk driver's license at the point of arrest. Such a law removes a demonstrated hazard from the highways. An Insurance Institute for Highway Safety study found that such laws reduce drunk driving fatalities by 9 percent in those States that adopt them.

The legislation would enable States to receive supplemental funds for meeting any of the following requirements: First, making the drivers' licenses of those under the legal drinking age readily distinguishable from the licenses of drivers of legal drinking age; second, requiring blood alcohol content testing of drivers involved in fatal or serious accidents; third, prohibiting containers of alcoholic beverages in vehicles except in charter buses designed to carry 10 or more passengers; and fourth, suspending the license plates and registrations of the vehicles of those with multiple drunk driving convictions, or those caught driving with a license that has been suspended for drunk driving.

In addition, our legislation would require the Secretary of Transportation to commission a study by the National Academy of Sciences on the BAC level at which a drunk driver should be deemed to be under the influence of alcohol.

Mr. President, I want to express my gratitude to those who made this important legislation possible—Senator LAUTENBERG, the Mothers Against Drunk Driving, and the National Safety Council. With their support, and with the support of our colleagues, we can help to stop the unnecessary slaughter of innocent people on our highways.●

THE TRUCK AND BUS SAFETY AND REGULATORY REFORM ACT OF 1988

● Mr. DANFORTH. Mr. President, over 5,000 Americans are killed annually in heavy truck and bus accidents. You can hardly pick up a newspaper or turn on a television without seeing a report of a serious truck or bus accident.

Mr. President, we need to do more to prevent these accidents. For this reason, in March 1987, I introduced with Senator ADAMS the Truck and Bus Safety Act of 1987, S. 861. On November 19, 1987, the Commerce Committee ordered, without opposition, that S. 861 be reported. The full Senate passed this important bill on March 3, 1988. It would address a number of truck and bus safety problems that contribute to the highway death toll. Since the passage of S. 861, the House has acted on its own motor carrier safety legislation that mirrors many of the provisions of our bill. Senator ADAMS and I are pleased that the drug bill includes a subtitle that contains motor carrier safety provisions which resemble the ones found in S. 861. This subtitle is entitled, "The Truck and Bus Safety and Regulatory Reform Act of 1988."

Mr. President, I am pleased that, for the fourth Congress in a row, we are passing legislation that will improve truck and bus safety.

ELIMINATING THE COMMERCIAL ZONE EXEMPTION

Mr. President, this safety legislation would eliminate the commercial zone exemption from the Federal Motor Carrier Safety Regulations [FMCSR]. The FMCSR establish minimum qualification requirements for all commercial drivers and commercial equipment that travel in interstate commerce. These requirements do not apply to drivers in hundreds of metropolitan areas known as commercial zones.

This exemption makes no sense. Many of these exempt trucks and drivers are operating in metropolitan areas that are crisscrossed by high speed, heavily traveled highways.

Washington, DC's Capital Beltway is an example of one of these commercial zones. Other examples include Boston, Chicago, Indianapolis, New York, Pittsburgh, Seattle, as well as Kansas City and St. Louis in my home State of Missouri. Anyone who drives these beltway areas knows that accidents involving trucks and buses on these highways occur frequently, and when they occur they can disrupt traffic for hours.

Mr. President, this legislation would close this loophole by requiring that interstate commercial drivers and equipment comply with Federal safety regulations.

CONTROLLING HOURS OF SERVICE ABUSE

Under existing Federal safety regulations, commercial drivers are not supposed to drive more than 10 hours at a stretch or 60 hours a week. Many drivers exceed these limits because of economic pressures. Drivers who ignore these limits are likely to become fatigued. This can present safety problems. A 1987 Insurance Institute for Highway Safety study indicates that drivers at the wheel for more than 8 hours at a stretch are nearly twice as likely to be involved in a crash as drivers who have been at the wheel less than 2 hours.

Currently, drivers are required to record their driving time in log books. Some drivers cynically refer to these log books as "comic books" because there is widespread falsification of these records. State and Federal inspections have found that up to one-third of drivers cheat by keeping two sets of driving records or making up fictitious numbers.

An alternative to the ineffective log book system is the onboard recorder. These monitoring devices are capable of mechanically or electronically recording driver and equipment performance, including driving time and speed. It is widely thought that these devices have the potential to increase productivity and curtail violations of hours of service requirements.

Mr. President, our legislation would require DOT to conduct a rulemaking on the need for onboard recorders to improve truck drivers' compliance with hours of service rules. It also includes a House provision requiring a study of the hours of service regulations and their relationship to driver fatigue.

IMPROVING TRUCK BRAKES

Mr. President, this safety legislation would also seek to improve truck braking performance. A number of safety groups believe that a major method of improving truck braking performance would be the use of antilock braking systems. An antilock system prevents sustained lockup of any wheel under its control. Without antilock, a driver who tries to brake his vehicle too quickly faces the problems of jackknifing and steering loss.

Mr. President, the legislation would direct the Department of Transportation [DOT] to report to Congress by January 30, 1990 on the need to adopt methods for improving truck braking performance. The report would cover issues including antilock systems, improving compatibility between brakes on truck tractors and trailers, and effective brake timing. Specifically, DOT would report on a fleet test that it is currently conducting on trucks equipped with antilock brakes. In addition, DOT must issue rules by December 31, 1990, which establish minimum training requirements and qualifications for those who maintain and inspect commercial vehicle brakes.

OTHER PROVISIONS

Mr. President, this legislation also includes a number of other provisions that are designed to improve truck and bus safety. For example, it would help to implement the requirement in the Commercial Motor Vehicle Safety Act of 1986 that each driver have only one license. A driver with multiple licenses can spread a bad driving record across those licenses. One way of ensuring that drivers do not obtain multiple licenses is to put a unique biometric identifier—that is, thumbprint, retinal image—on the license. This bill would authorize $3 million for research into this issue and require DOT to issue rules for identifiers on licenses by December 31, 1990.

The legislation contains several provisions designed to streamline regulation of the motor carrier industry. One of these provisions would clarify requirements on Mexican motor carriers operating in the United States. Another provision would make clarifying technical amendments to the Surface Freight Forwarder Deregulation Act. There is a provision that would eliminate an Interstate Commerce Commission reporting requirement on food transportation.

Finally, the legislation requires DOT to study the effectiveness of speed control devices on trucks and to conduct a rulemaking on the effectiveness of emergency flares as an alternative or supplement to bidirectional reflective triangles as a type of warning device for commercial motor vehicles.

CONCLUSION

Mr. President, I urge all of my colleagues to support this important truck and bus safety legislation.●

● Mr. D'AMATO. Mr. President, a great many of the provisions of the 1988 drug bill will no doubt make very significant contributions to the war on drugs. The death penalty for drug-related killings, drug czar, and a host of drug law enforcement, prevention, and treatment initiatives contained in this bill are all welcome steps forward.

But in many ways, Congress failed the real test. In this bill, we authorize about $2.8 billion for increased anti-drug efforts, but we actually provide only about $500 million in real money. That money will be spread so thin over all the great-sounding new programs—drug prevention in our schools and communities, rehabilitation for the millions in need, assistance to State and local government, increased resources for prisons, courts, DEA, FBI BATF, the Marshals Service, INS, Customs, and Coast Guard—that the impact will be almost negligible.

We should have done much more, but we lacked the political will. Our record does not match our rhetoric. We failed to pass a 2-cent tax on cigarettes and a nickle tax on beer, wine, and alcohol to provide the money for a stronger effort. The idea of hiring additional IRS agents to raise over $200 million has apparently been shelved. Had we passed S. 2205 that Senator DECONCINI and I introduced on March 23, we would have been able to provide an additional $2 billion for the war on drugs.

For the record, I would like to cite a few of the provisions of this bill that I fought for. The process has been a difficult one, with opponents fighting us every step of the way, but we have prevailed. I want to thank Senators BYRD, DOLE, RUDMAN, DECONCINI, MOYNIHAN, NUNN, DOMENICI, THURMOND, HATCH, GRAMM, CHILES, GRAHAM, MCCLURE, HELMS, WILSON, and many others for all their help in keeping the following provisions in the bill.

The death penalty for:

First, drug kingpins responsible for the killing of any person. In the words of H.R. 5210, "Any person engaging in a continuing criminal enterprise who intentionally kills or counsels, commands, induces procures or causes the intentional killing of any individual" may be sentenced to death. A kingpin is one who heads a continuing criminal drug enterprise (defined at 21 U.S.C. 848) involving five or more people, who derives substantial income from drug dealing, and whose organization is involved in three or more Federal drug felonies.

Second, anyone working for a continuing criminal drug enterprise who kills any person.

Third, any person engaging in distribution, import or export of mid-to-upper level quantities of illegal drugs (that is, one or more kilograms of heroin or five kilograms of cocaine), who intentionally kills or counsels, commands, induces, procures or causes the intentional killing of any individual may be sentenced to death.

Fourth, anyone who kills or is responsible for killing a law enforcement officer in connection with any drug felony. This would apply, for example, to those who murdered New York City police officer Eddie Byrne on February 26. The bill provides: "Any person who intentionally kills or counsels, commands, induces, procures, or causes the killing of any Federal, State or local law enforcement officer during the commission of, in furtherance of, or while attempting to avoid apprehension, prosecution, or service of a prison sentence for" a felony violation of the Controlled Substances Act or the Controlled Substances Import and Export Act, if the officer is killed while engaged in, or on account of, the performance of his official duties.

DRUG TREATMENT

The bill contains a waiver provision permitting the use of treatment funds to build and renovate treatment centers.

NEW FUNDING FOR U.S. ATTORNEYS

H.R. 5210 authorizes an additional $39 million for 500 additional attorneys and support staff, with a special emphasis on using these attorneys to increase asset seizures from drug dealers and to use the funds obtained from those forfeitures to strengthen law enforcement.

COMBATTING DRUG LABS AND ILLEGAL USE OF CHEMICALS

The bill requires chemical companies to keep records on sales and purchases of regulated chemicals, and to give advance notice to DEA of imports and exports. This allows DEA to trace chemicals to illegal drug labs, something it has sought for over 2 years.

MONEY LAUNDERING

The bill includes numerous provisions to combat drug money laundering. These include sections that: permit IRS for the first time to transfer to Federal law enforcement agencies IRS records of purchases of planes, boats, real estate, services, Porsches, Mercedes, and other items worth over $10,000 in cash; permit IRS to finance undercover money laundering operations with funds generated by the operation (for example, money exchange set up to identify money launderers); makes tax evasion a predicate for the crime of money laundering; increase penalties against banks and businesses to increase compliance with antimoney laundering laws; authorize "sting" operations against money launderers, so the money involved in the sting does not have to be drug money, but can be supplied by a law enforcement agency. The defendant prosecuted as a result of the sting will be guilty of money laundering if he intends to: use money to promote unlawful activity, conceal proceeds of unlawful activity, or avoid reporting requirements for deposits of over $10,000.

MANDATORY DETENTION AND EXPEDITED DEPORTATION OF CRIMINAL ALIENS

Senator CHILES and I cooperated on the section of the bill focusing on a particularly dangerous class of "aggravated alien felons," that is, aliens convicted of murder, and drug and firearms trafficking. I would also like to thank New York County District Attorney Robert Morgenthau and Special Narcotics Prosector Sterling Johnson for their help. The bill requires the Federal Government to put aggravated alien felons in detention immediately after they serve their criminal sentence. The bill clearly states that conviction of such crimes is conclusive evidence of deportability. H.R. 5210 also establishes an important four-city pilot project to increase INS participation in Organized Crime Drug Enforcement Task Forces [OCDETF]. The additional INS criminal investigators assigned to OCDETF will be dedicated to bringing to justice the criminal aliens now heading or working for major organized crime and drug trafficking organizations.

Among the many other innovations in this bill are the following:

First, a drug czar in the Executive Office of the President responsible for developing a unified budget and strategy for drug education, treatment, and law enforcement, with special powers, such as the power to concentrate Federal resources in high intensity drug trafficking areas.

Second, civil fines of up to $10,000 for those in possession of small quantities of drugs—"personal use amounts"—with those charged having the right to an administrative hearing established by the Attorney General and the right to appeal to a criminal court.

Third, a program to deny Federal benefits to drug users and sellers. Given the complexity of issues involved, specific penalties will not go into effect until September 1, 1989. This will give both the President and Congress time to define the new rules more precisely next year. It seems clear at this point, however, that the new rules will not apply to retirement and health benefits.

With all the progress we made in crafting these and hundreds of other provisions, it is particularly regrettable that the only real new funding source we came up with is approximately $84 million from increased drug forfeitures obtained by hiring more Federal prosecutors. The rest will come out of the spending room available before we hit the sequester limit under Gramm-Rudman—about $400 million.

We can do better. Let us make the goal of funding this bill in full one of our priorities in the 101st Congress.●

Mr. HEINZ. Mr. President, I am pleased that the Senate and House have concluded this year's debate about the future of America's drug policy. The bill before us is the product of much work on both sides of the aisle and I commend the leadership for their efforts in formulating this bipartisan, comprehensive measure.

Now, some Senators will say that this bill does not threaten the user with a big enough stick to reduce demand. Other Senators will say that this bill does not go far enough in enforcing drug interdiction at our borders. Others will say that we must do more in terms of rehabilitation and education. Some, like me, believe that this bill still does not do enough to aid our inner cities which are facing the drug crisis in epidemic proportions. But this bill does move us ahead, and I support its passage.

Up to now, Congress has taken several important steps to combat the problem of drug abuse in our Nation. Chief among them was the passage, with my strong support, of the Omnibus Anti-Drug Abuse Act of 1986. This measure contained provisions relating to virtually every aspect of the Federal antidrug effort. This 15-title, 480-page bill placed new sanctions on drug-producing countries, instituted new programs of grants for State and local law enforcement and drug treatment and rehabilitation and increased the penalties for drug-related offenses—including mandatory minimum sentences for serious violations.

Yet, Mr. President, our Nation's efforts, taken as a whole, have been at best only a modest success. The FBI reported that from 1978–87, arrests for drug abuse violations rose by 54.5 percent, over double. The most recent national survey on drug abuse found that 1 in 8 Americans over age 12—23 million people—use illegal drugs regularly. The number of drug-related hospital emergencies and deaths is on the rise, while drugs like cocaine and heroin are available more cheaply, and in greater, more dangerous purity.

One area of special concern to me, especially as the father of school-aged children, is drug and alcohol abuse in our schools. This is not a problem that is happening in someone else's town, someone else's school, or someone else's neighborhood.

A recent survey of Pennsylvania schools by the Parents' Resource Institute for Drug Education revealed that in mostly rural Charleroi, one-third of the school district's students regularly smoke marijuana, 19 percent have tried cocaine. In suburban Bethel Park, marijuana smoking and amphetamine use begins in junior high and 5 percent of the surveyed seniors use cocaine regularly. In urban Philadelphia, citizens are fed up with seeing teenage drug dealers dying on the streets and seeing seizures of cocaine and crack on school property tripling.

Mr. President, too many communities have seen outsider drug kingpins establish crack houses. Too many communities see their teenagers hooked and recruited to entice their classmates and friends into the dark world of drugs.

We have had time to learn about the strengths and weaknesses of the 1986 bill. The measure before us builds on the successes of that act and improves on its weaknesses. It authorizes urgently needed resources for improving our adult and juvenile justice programs, for local law enforcement, for interdiction, for treatment and for education.

Chief among the major provisions of this bill is the creation of a Cabinet-level position for a director of drug-control policy who would be responsible, and accountable, for coordinating all Federal antidrug efforts. Of particular interest to me is the authorization for this director to designate certain areas "high-intensity drug areas." I am pleased that the Senate accepted my amendment to strengthen this section by providing criteria for this designation and to require a report on the director's progress in aiding these severely impacted areas has been included in the leadership package.

Mr. President, almost a century ago, cocaine was a serious problem, threatening the very fabric of our society. President Teddy Roosevelt appointed a commission to study cocaine's impact on American society. It concluded then what we know now. Cocaine's use leads to the destruction of families, the loss of lives and increases in violent crimes. In 1914, cocaine was made illegal and its use dropped dramatically.

The drop in cocaine use was partly due to strengthened penalties and its illegality. But most of all, cocaine disappeared because individuals, families and communities rejected the false promises of drugs.

Drug abuse is back and far worse than it has ever been. But what this reference shows is that tougher laws, an informed citizenry and better treatment can eradicate this cancer permeating our society. We are providing our State and local governments the tools they need to fight back. The real work, however, will be done in every household across America.

● Mr. HATFIELD. Mr. President, in the last hours of a session, the Senate tolerates matters that in more temperate times it would not.

There is a title in this bill that provides appropriations for the programs authorized.

This is an extraordinary procedure, Mr. President. The regular order is to consider and adopt authorization legislation, and then to consider the appropriations necessary to fund the programs duly authorized.

In this instance a decision has been made to add an appropriations title to an authorization bill rather than consider a separate appropriations measure. I regret that decision. Despite the pressures and constraints impinging upon legislative action in the last minutes of a session, I believe it would have been a better course of action to have considered a separate appropriations measure for this authorization bill.

I say that not simply to protect the pride and prerogatives of the Committee on Appropriations, Mr. President, as jealously as I may guard them. In this instance I am more concerned about the prerogatives of the Senate as a whole. We are faced here tonight with a take it or leave it proposition. The other body, in its wisdom, has decided to abandon all precedent and procedure and add an apropriations title to an authorization bill, and send it to the Senate in the last hours of this session.

And now we have little choice, Mr. President. If the Senate does not agree with the program funding levels presented to us tonight, and if the Senate votes to change those funding levels, then the whole matter returns to the House at this late hour and the 100th Congress will continue.

If we had the opportunity to consider a separate funding measure, the Senate could reach an independent judgment on proper funding levels instead of contemplating this late accomplishment.

I do not criticize my friends and colleagues on the House Appropriations Committee for this development. I know that if they had their druthers, we would be acting on a separate appropriations measure to fund the programs authorized in this bill. But they had their instructions from their leadership, and we have ours.

The appropriations title of this bill has been developed in consultation with our colleagues on the House Appropriations Committee, and we are basically in agreement. Were we acting on a separate appropriations measure, and if we had the time, we might change a few things. The Senate might decide that the funding levels of these programs should properly be determined by the Senate itself, and not by a plenary session of staff members considering a proposal ratified by the House Appropriations Committee.

Such are the dangers of adding appropriations language to an authorization bill, Mr. President. I hope my colleagues will take heed. I opposed this procedure, and I do not intend to accede to it again. I do not view this as a precedent for future action, and I trust the leadership on both sides of the aisle in both Houses of Congress joins me in that conviction.●

THE TRUCK AND BUS SAFETY AND REGULATORY REFORM ACT

Mr. HOLLINGS. Mr. President, the Omnibus Drug Initiative Act of 1988, H.R. 5210, which is now before the Senate, incorporates the substitute text of H.R. 5321, the Truck and Bus Safety and Regulatory Reform Act of 1988. This is a vital measure designed to improve truck and bus safety across this country.

I want to congratulate the sponsors of S. 861, Senators ADAMS and DANFORTH, along with the chairman of the Surface Transportation Subcommittee, Senator EXON—for their diligent efforts to ensure passage of this measure by the Senate earlier this year as well as more recent efforts to work with the Members of the House to embody the components of S. 861 in the House-passed bill, H.R. 5321.

The truck and bus safety legislation that the Senate is considering will accomplish several major objectives. It will close a loophole in Federal regulations that currently allows unsafe drivers and vehicles to operate within metropolitan areas. This commercial zone exemption was created administratively in 1935 at a time when local truck operations were limited, drivers operated within a few miles of their home bases, and traffic volumes were not comparable to the levels existing today.

With the dramatic changes in our metropolitan landscape there is no longer any rationale for allowing vehicles operating within these zones to operate free of compliance from the Federal Motor Carrier Safety Regulations.

I am also pleased that this legislation requires that DOT study ways to improve compliance by drivers with hours of service regulations. This study will include the use of onboard recorders which are already being used with great success by some U.S. motor carriers.

Additionally, DOT must complete a pilot project on the use of biometric identifiers as a way to eliminate unsafe drivers from our highways. I wholeheartedly support the other major provision of this bill which seeks ways to improve brake systems of commercial motor vehicles by examining the use of antilock brakes as well as considering methods of improving brake compatibility and effective brake timing.

The accomplishment of the goals associated with this legislation—getting more unsafe motor carriers and drivers off the road, preventing safety hazards associated with driver fatigue, and improving safety technology—will save lives. It is with this in mind that I urge my colleagues to give this measure their overwhelming approval.

TRUCK AND BUS SAFETY AND REGULATORY REFORM

Mr. EXON. Mr. President, I am gratified that the leadership has moved to consideration of, the Truck and Bus Safety and Regulatory Reform Act of 1988, H.R. 5321, as incorporated in the Omnibus Drug Initiative Act. As chairman of the Surface Transportation Subcommittee, I want to commend the Members of the Senate for passage of a companion bill, S. 861, in March of this year. This legislation was introduced by the ranking minority member of the Commerce Committee, Senator DANFORTH, along with Senator ADAMS, and addresses motor carrier safety related concerns which are encompassed in the measure currently under consideration. The measure before us attempts to balance the House and Senate positions on this fundamental piece of truck and bus safety legislation.

In my view, the most important aspect of the Truck and Bus Safety and Regulatory Reform Act is the elimination of the commercial zone exemption from the Federal Motor Carrier Safety Regulations. This loophole has allowed some unsafe drivers and vehicles to operate in metropolitan areas known as commercial zones without meeting driver qualifications and equipment requirements imposed on other drivers and vehicles traveling in interstate commerce. Often, the areas these zones comprise are those with the greatest traffic congestion and therefore the greatest potential accident scenarios.

The members of this committee feel strongly that safety has been compromised by this loophole and that the time has run out on this exemption. The bill also seeks to address the unique circumstance that exists in border commercial zones when foreign motor carriers do not meet all of the parts and accessories standards contained in Federal safety regulations but qualify as road worthy vehicles. In these circumstances, the Senate measure provides for the delayed application of safety regulations which do not affect the road worthiness of a vehicle for a period of 1 year. Prior to the end of this 1-year period, the Secretary of Transportation is to report to Congress on the effects of this delay.

Second, this legislation requires the Department of Transportation to initiate a rulemaking proceeding on the need to adopt methods to improve compliance by drivers with hours of service regulations. A report issued in September 1987 by the Insurance Institute for Highway Safety indicates that drivers at the wheel for more than 8 hours at a stretch are nearly twice as likely to be involved in a crash as drivers who have been at the wheel less than 2 hours. Since there are onboard monitoring devices available to curb the abuses of driving longer periods than the current regulation allow, I believe these devices should be further examined by DOT—with an eye towards their potential to increase fuel efficiency, reduce speeding, and facilitate billing, as well as substantially curtail violations of hours of service requirements.

Third, this legislation requires DOT to report to Congress by January 30, 1991, on methods of improving brake systems of commercial motor vehicles. Issues covered in the report are to include antilock braking systems, improved brake compatibility and methods of ensuring effective brake timing. The report should also contain the results of any DOT brake systems field testing and assess the European experience with antilocks where widespread use of these systems has occurred since 1982.

There are additional provisions in the Senate proposal that I support, such as the pilot project on the use of biometric identification systems, and the rulemaking on adopting improved standards to ensure that brakes of commercial motor vehicles are properly maintained and inspected by appropriate employees.

Mr. President, the time to take action to improve truck and bus safety is now. I urge my colleagues to give this legislation their wholehearted support.

Mr. HELMS. Mr. President, in a few minutes, the Senate will vote on H.R. 5210, the Anti-Drug Abuse Act of 1988. I am pleased that the final bill contains an amendment I proposed to the original Senate bill which will require mandatory minimum sentences for possession of crack. Specifically, the amendment would require a Federal judge to impose a 5- to 20-year sentence on anyone convicted of possession of more than 5 grams of crack on the first conviction, 3 grams on the second conviction, or 1 gram on a third conviction.

Mr. President, three reasons compelled me to single out crack for such severe penalties: First, the supply of cocaine is greater than it has ever been before; second, crack causes greater physical, emotional, and psychological damage than any other commonly abused drug; and, third, crack has been linked to violent crime.

Mr. President, without question the supply of cocaine continues to skyrocket. Just a few days ago, William von Raab, Commissioner of the U.S. Customs Service, reported that cocaine is now the drug that Customs inspectors and agents most often encounter. So far this year, the Customs Service has seized over 100,000 pounds of cocaine. Just 10 years ago, only 1,419 pounds was interdicted for the entire year.

Mr. President, the rates of cocaine addiction are frightening. Linda Spooner, director of a drug treatment center set up by New York's Jamaica Community Adolescent Program, recently summarized the unique threat crack poses to society and its users when she stated:

> In my twenty years in this business, I've never seen anything like it. I've seen kids on angel dust, acid, speed, heroin, and cocaine, but I've never seen a drug destroy a person as quickly as crack * * *.

Mr. President, the tragedy of addiction is not confined to those who use the drug. Two-thirds of New York's infant abuse cases involve parents who are drug addicts. In the 1970's and early 1980's according to Dr. David Bateman, a pediatrician at Harlem Hospital, between 3 and 5 percent of mothers were addicted to heroin. Dr. Bateman says, "All that has changed with the advent of crack * * *. In 1985, 12 percent of the babies were cocaine—not heroin—exposed, and it's climbing several percent a year." In New York City, following the influx of crack, the reports of drug-related child abuse cases surged by 72 percent.

Mr. President, cocaine-related crime has skyrocketed as well. In 1987, there were 2,023 Washington, DC, juveniles in court on drug-related charges. That is an increase of 33 percent over 1986. Furthermore, 97 percent of the cases involved a drug other than marijuana—most often that drug was crack.

More than 60 locations in this city are considered open-air drug markets. More than 60 percent of the murders in the city are drug-related, and one out of every four people shot in the city each day is a teenager. Already this year the District's law enforcement agencies have recorded 264 deaths. This compares to 168 in 1986, which itself was a significant increase over the number of deaths in 1985.

In 1985, Mr. President, after a Jamaican "posse" muscled in and inundated Kansas City with crack homicides increased by 16 percent and burglaries by 40 percent. Captain David Barton of the Kansas City Police stated:

> crack is destroying the inner cities of America. People with a $300-a-day crack habit have to find the money to maintain it. Every section of the community is affected. We have a lot of white crack addicts—it cuts across racial and economic boundaries.

Mr. President, while the drug war escalates, our judicial system has failed to strike back. Take the situation in New York. According to a recently published Washington Post story, New York police are making more drug arrests than ever before. However, of 6,621 people arrested on felony narcotics charges in Brooklyn, only 564 received more than a year in jail. The rest were either plea bargained down to a misdemeanor (2,983), placed on probation (1,302), or given sentences of less than a year (1,772).

Mr. President, it is clear that we must make tough choices in our war on drugs. We must continue to educate our children about the hazards of illegal drug use, but we must also ensure that those who continue to perpetuate the drug war pay a heavy price.

Mr. President, Congress has already taken the crucial first step. In 1986, as part of the Anti-Drug Abuse Act of 1986, Congress enacted a law imposing a mandatory sentence of 5 to 40 years for dealing in at least 5 grams of crack. However, in enacting that provision, Congress left open a giant loophole. Only those individuals who were convicted of possession with intent to distribute face these penalties. Possession alone, even possession of large amounts, is insufficient to trigger the penalties. My amendment will close this loophole.

Mr. President, let me make it clear that this amendment will not preclude prosecutors from charging defendants under the trafficking statute. It will merely ensure that individuals convicted of possessing large amounts of crack—whether or not they intend to sell it—will face severe penalties. Furthermore, the amendment will reduce the amount of crack possession necessary to sentence repeat offenders for another 5 to 20 years.

Mr. President, eradicating crack use in our society is a primary battle in our war on drugs. Crack has escalated violent crime and has imposed incalculable physical and psychological damage on our Nation's youth. I hope that passage of this amendment will help to eliminate this drug from our society and the pain and suffering it has thrust upon our children and grandchildren.

Mr. President, another amendment of mine that was included in the bill will help prevent repeat offenses by individuals who are on parole, probation, or supervised release. The amendment will require Federal courts or, in the case of parole, the Parole Commission, to revoke probation, parole, or supervised release for any individual who is caught possessing an illegal drug while in that conditional status.

Mr. President, ensuring a safe environment is one of the basic functions of Government. Americans should not have to live in fear of being assaulted on our streets. They should not have to worry about their property being stolen or their children being tempted by drug pushers. The American public is especially, and understandably, incensed when they are victimized by an individual who should still be behind bars, but who is out due to some program of probation, parole, or supervised release. Unfortunately, this is too frequently the case.

Mr. President, numerous studies show that there is a direct link between drug use and criminal behavior. In 1987, the National Institute of Justice [NIJ] conducted a study in 12 major U.S. cities to determine if there is a correlation between drug use and criminal activity. The results were astonishing, even to criminal justice experts. The study revealed that the percentage of arrestees in these cities testing positive for drugs ranged from a low of 53 percent in Phoenix, AZ, to 79 percent in New York.

A second NIJ study states, "[t]here is an extensive body of information now available that documents that adult offenders who are identified by urinalysis to be hard drug users are likely to be among the most active criminals. Such persons tend to have multiple arrests for both drug and nondrug offenses."

Yet another study found that "among youths in the general population, the small subset who use cocaine, heroin, or pills for nonmedical reasons account for a disproportionate amount of all juvenile crime."

Mr. President, according to the Department of Justice, criminals who use drugs commit the majority of what is called predatory or violent crime—that includes mugging, robbery, assault, theft, or murder. Arrestees who use drugs are also more likely to violate the conditions of bail, probation, or parole. For instance, in Washington, DC, pretrial rearrest rates were 50 percent higher for drug users than nonusers.

Mr. President, in a 1979 study of 274,564 State prisoners, the Bureau of Justice found that 33 percent reported being under the influence of an illicit drug at the time they committed the crime for which they were jailed. Of those admitted to prison in 1979, 61 percent had been incarcerated previously, and almost half of the repeat offenders were on parole for a previous sentence when they committed their subsequent offense. These individuals were referred to as avertable recidivists.

Mr. President, these criminals did not confine their renewed criminal activity while on parole to the States which let them out. In fact, one of every five rearrests were made in States other than the paroling State. Twenty-one percent of those let out over a 6-year period became multistate offenders.

Mr. President, my point is that in light of the clear correlation between drug use and criminal behavior, one way to cut down on the rate of recidivism among criminals who have been conditionally released from prison is to terminate that release immediately upon the first indication of illegal drug activity. That is the reason for my amendment.

Mr. President, by requiring the termination of conditional release for individuals who possess illegal drugs, we will cut down on the number of repeat offenses and, I hope, also cut down on the incidence of drug use among those who are released.

ROBERT E. MILLS

● Mr. D'AMATO. Mr. President, as we bring the 100th Congress to a close, I want to pay tribute to a young man who has served the Senate exceptionally well. Literally hundreds of pages of the omnibus antidrug bill we are about to pass reflect the original thinking, professional attention to detail, and good old fashioned hard work, common sense, and determination of Robert E. Mills. The same can be said of the many other bills he has worked on, particularly in his work for my good friend, Senator DECONCINI and the other members of the Appropriations Committee. In his 16 years of staff work on Capitol Hill, he has made those virtues his hallmark. As a result, the Congress, its Members, and the public have all benefited. As Bob Mills embarks on a new phase in his career, I want to wish him all the best. They just don't come any finer.●

Mr. HOLLINGS. Mr. President, as chairman of the Senate Appropriations Subcommittee on Commerce, Justice, State, the Judiciary and Related Agencies, I submit for the RECORD a detailed statement which describes and directs the use of the relevant funds appropriated in this act.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE—LEGAL ACTIVITIES

GENERAL LEGAL ACTIVITIES

The amendment provides an appropriation of $1,800,000 over fiscal year 1989 appropriations to date of $242,994,000 for General Legal Activities.

The amendment provides $800,000 to INTERPOL—U.S. National Central Bureau to improve drug-related intelligence operations by increasing full-time permanent personnel levels by 23 positions for the purpose of maintaining 24-hour operations, and upgrading telecommunications equipment.

The amendment also provides $1,000,000 for salaries and expenses of field attorneys and related support staff attached to the Criminal Division's Organized Crime and Racketeering Strike Force Offices. This funding is to be used for asset forefeiture litigation and related civil enforcement actions. The additional funds will be used to increase the number of field attorneys and related support staff over levels on board as of September 30, 1988.

UNITED STATE ATTORNEYS

The amendment provides an appropriation of $39,000,000 over fiscal year 1989 appropriations to date of $391,212,000 for the activities of U.S. Attorneys.

Funds provided herein shall be used to expand narcotics enforcement by increasing the number of Assistant United States Attorneys by 300 over the personnel level employed as of September 30, 1988, as well as related support staff.

UNITED STATES MARSHALS SERVICE

The amendment provides an appropriation of $16,400,000 over fiscal year 1989 appropriations to date of $190,000,000 for the U.S. Marshals Service. The amounts provided include additional funds for: asset seizure and forfeiture activities; criminal justice support activities, including prisoner protection and transportation; protection of the Federal judiciary and court facilities resulting from increased drug-related trials; and increased workloads of the Marshals Service Witness Security Program.

SUPPORT OF UNITED STATES PRISONERS

The amendment provides an appropriation of $16,400,000 over fiscal year 1989 appropriations to date of $39,700,000 for Support of U.S. Prisoners. The funds provided include an amount not to exceed $4,100,000 to be available under the Cooperative Agreement Program for the purpose of renovating, constructing, and equipping State and local correctional facilities. The remaining resources made available herein shall be used to cover the costs of care and housing of Federal prisoners in contract detention facilities.

FEDERAL BUREAU OF INVESTIGATION

The amendment provides an appropriation of $15,000,000 over fiscal year 1989 appropriations to date of $1,424,100,000 for the FBI. The funds provided include resources for the FBI's National Drug Strategy including special agent support positions, equipment, and for contract linguists for various translation purposes. In addition, funds are provided to initiate an artificial intelligence system which will provide law enforcement officials a much-needed enhancement in their Organized Crime Drug Enforcement activities.

DRUG ENFORCEMENT ADMINISTRATION

The amendment provides an appropriation of $30,000,000 over fiscal year 1989 appropriations to date of $505,000,000 for the DEA. The amendment provides funds to increase DEA operations against criminals involved in youth gang-related crime, for additional analysts and equipment to enhance the El Paso Intelligence Center (EPIC), for special agent foreign language training, for support for the U.S.-Bahamas Drug Interdiction Task Force, and for items such as Asset Removal Teams, laboratory equipment and support personnel, aircraft, pilots and airwing equipment and support personnel, additional equipment and support personnel for EPIC, radio technicians, office automation equipment, personnel for asset forefeiture processing, and other drug-related activities.

The amendment provides $2,500,000 for the establishment of a joint DEA-EPA task force to develop and publish guidelines for cleanup of clandestine drug laboratories, and for the disposal of the toxic contents thereof. This program is authorized in the Omnibus Anti-Substance Abuse Act of 1988.

IMMIGRATION AND NATURALIZATION SERVICE

The amendment provides an appropriation of $26,200,000 over fiscal year 1989 appropriations to date of $800,000,000 for the INS. The amendment provides funds to increase the number of inspectors and related equipment, to increase the commitment of INS personnel to the Organized Crime Drug Enforcement Task Forces (OCDETF), and for special agent foreign language training.

The amendment provides $16,400,000 for the Border Patrol for additional agents and support personnel, and procurement of drug interdiction-related equipment.

The amendment also provides $7,000,000 for the first year costs of development and implementation of a machine-readable visa security program in conjunction with the State Department as authorized by the Omnibus Anti-Substance Abuse Act of 1988. This program, when fully implemented, should significantly enhance Federal drug law enforcement against international drug smuggling into the United States and other Federal law enforcement efforts. These funds would be used for system design, software development and support, standard ADPE and non-standard hardware, pilot projects, analysis and evaluation, training, travel, supplies, site preparation, and installation at border crossings into the United States.

FEDERAL PRISON SYSTEM

The amendment provides an appropriation of $95,600,000 over fiscal year 1989 appropriations to date of $203,693,000 for Federal Prison buildings and facilities. The amendment provides funds for renovations and new construction projects necessary to expand prison capacity to handle the increased number of drug offenders.

OFFICE OF JUSTICE PROGRAMS

Justice assistance

The amendment provides an appropriation of $90,000,000 over fiscal year 1989 appropriations to date of $229,075,000 for Justice Assistance programs.

The amendment provides $80,000,000 for the Drug Control and System Improvement Grant Program to assist States and units of local governments in carrying out specific programs which offer a high probability of improving the functioning of the criminal justice system, with special emphasis on a nationwide and multi-level drug control strategy by developing programs and projects to assist multi-jurisdictional and multi-State organizations in the drug control problem and to support national drug control priorities.

The amendment provides up to $10,000,000 for the Public Safety Officers Benefits Program to fund the increased level of death benefits payable to the families of public safety officers who have died in the line of duty.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

Salaries and expenses

The amendment provides an appropriation of $5,000,000 for the Department of State for the first year costs of development and implementation of a machine-readable visa security program authorized by the Omnibus Anti-Substance Abuse Act of 1988. This program, when fully implemented, should significantly enhance Federal drug law enforcement against international drug smuggling into the United States and other Federal law enforcement efforts. These funds would be used for system design, software development and support, standard ADPE and non-standard hardware, pilot projects, analysis and evaluation, training, travel, supplies, site preparation, and installation at several major United States mission abroad.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

The amendment provides authority to use funds previously appropriated in Public Law

99-88 for rewards for information concerning terrorist acts, for the additional purpose of paying rewards for information concerning certain narcotics-related offenses. The Department of State has notified the Committee on Appropriations that funds for rewards for information on narcotics-related offenses are needed at the present time. None of the funds appropriated in Public Law 99-88 for rewards for information for terrorism offenses has been obligated to date.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS AND OTHER JUDICIAL SERVICES

Salaries and expenses

The amendment provides an appropriation of $35,000,000 over fiscal year 1989 appropriations to date of $1,135,000,000. The amendment provides funds for additional deputy clerk positions and additional probation and pretrial services personnel for the Judiciary's drug-related caseload, resources for the installation of drug-testing equipment, and for increased drug aftercare treatment services.

DEFENDER SERVICES

The amendment provides an appropriation of $15,000,000 over fiscal year 1989 appropriations to date of $95,100,000. The amendment provides for the increased costs associated with Federal Public Defender and Community Defender organizations, as well as private attorneys appointed pursuant to the Criminal Justice Act of 1964, as amended. Funds also have been included to provide for the establishment of five additional death penalty habeas corpus resource centers in the states of California, Florida, Kentucky, North Carolina and Oklahoma.

FEES OF JURORS AND COMMISSIONERS

The amendment provides an appropriation of $1,000,000 over fiscal year 1989 appropriations to date of $43,135,000. The amendment provides funds to accommodate the grand and petit juror workload resulting from increased drug enforcement activities.

● Mr. ADAMS. Mr. President, today we are going to pass the Truck and Bus Safety Act. It is a bill that I have been working on for 2 years and a subject I have dealt with throughout my public life. So I'm obviously pleased personally, and proud professionally, to have this legislation adopted today.

The problem of truck safety is a growing concern among my constituents and people across the Nation. Truck accidents result in more than 5,000 deaths a year. In Washington State, there were 4,940 accidents last year, resulting in more than 1,800 injuries and 78 deaths. Right here in the Nation's Capital we have seen accident after accident close down the infamous Capital Beltway, cause explosive fires, and allow hazardous chemicals to spill into local creeks causing environmental damage.

This bill will address the primary causes of truck accidents by improving the standards of the trucks themselves and by mandating measures to combat driver fatigue.

The need for those standards and measures is clear. Consider the situation in my own State, which has one of the better truck safety programs. According to Maj. Ken Graves of the Washington State Patrol more than half the trucks inspected last year were taken off the road because of faulty or defective equipment.

Here are the specifics: in 1987, the State patrol inspected 23,951 trucks; of that number, 12,108 trucks were taken out of service because of faulty or defective equipment and 156 drivers were taken off the road. That is a whopping 51 percent of all the trucks inspected. Faulty brakes were overwhelmingly the greatest problem.

Just this month, the U.S. Office of Technology Assessment [OTA], the agency responsible for providing scientific and technical information for Congress, submitted its report on truck safety, laying out a blueprint for legislative and administrative action in this area. The bill we introduced almost 2 years ago anticipated the OTA's findings and, when adopted, will allow us to implement many of the changes it is recommending.

First, the OTA report indicates that human performance factors, such as driver fatigue and the number of hours of continuous driving, are key. The economic pressures on truck drivers as a result of deregulation are overbearing. Truckers are routinely driving 18, 20 hours at a stretch, even though the Federal safety regulations limit a driver to 10 hours a day. Tired drivers are unsafe drivers, and the current system for monitoring drivers' hours of service simply is not working. In Washington State, the number of truck accidents caused by drivers falling asleep at the wheel increased 33 percent from 1986 to 1987. This bill requires a rulemaking on black boxes in trucks to improve compliance with the hours of service regulations and a 2-year study on the relationship between driver fatigue and truck accidents.

Second, the OTA report calls for better technologies in our over-the-road trucks, particularly antilock brakes and tractor trailer brake compatibility. This finding is consistent with a recent DOT study which identified truck brakes as the No. 1 equipment problem on trucks today. The study estimated that brake performance could be involved as a contributing factor in up to one-third of all truck accidents. Accordingly, the Truck and Bus Safety Act requires a report to Congress on antilock brakes and improved brake systems. Antilock brakes work, and I believe the evidence demonstrates that they would significantly enhance safety by shortening the stopping distance of trucks and by reducing the number of truck jackknifing. This bill also requires the DOT to establish training requirements for employees responsible for maintaining and inspecting brakes and brake systems.

Third, the OTA highlights the importance of uniform national regulations and enforcement of safety rules. This bill closes the dangerous loophole in the regulations that allows trucks operating in commercial zones to escape compliance with Federal safety regulations. As a result of the commercial zone exemption loophole, 20,000 metropolitan areas around the country became dumping grounds for older trucks that can't meet Federal standards and for drivers who do not meet the medical and competency criteria. This bill closes the loophole by eliminating the commercial zone exemption. While the DOT has proposed to eliminate this exemption administratively, it would continue to allow the States to have separate regulations apply to these commercial zones instead of the Federal regulations. I believe that we must apply the Federal safety laws uniformly in every State and locality, and this bill would do that.

The Truck and Bus Safety and Regulatory Reform Act of 1988 will not eliminate truck accidents and solve all of our problems. It will, however, make it harder for unsafe trucks to operate on our roads. My hope is that it will be the next step in our efforts to stop the terrible carnage that occurs on our roads every day.●

(At the request of Mr. BYRD, the following statement was ordered printed in the RECORD at this point:)

Mr. METZENBAUM. Mr. President, the drug bill before the Senate today reauthorizes and expands the Victims of Crime Act of 1984. I wholeheartedly support this reauthorization, and am especially pleased that it includes language I suggested to require States to offer compensation to victims of domestic violence and drunk driving.

This new victims compensation language amends section 1403(b) of the Victims of Crime Act by requiring State victim compensation programs to make available compensation benefits to victims of domestic violence and drunk driving. The provision also prohibits victim compensation programs from denying compensation benefits to victims because of a familial relationship or because the victim lived with the offender at the time of the crime.

Some victim compensation programs have supported "household or family exclusions" because they fear an offender might somehow benefit from compensation received by the crime victim. In order to address these concerns, crime victim compensation programs are permitted by this provision to issue guidelines that would prevent the unjust enrichment of the offender. Crime victim compensation programs, domestic violence victims, and victim advocates alike share a common interest in preventing unjust enrichment of the offender.

One way that State compensation programs are successfully balancing the goals of making compensation benefits available to battered women and preventing the unjust enrichment of the offender is to utilize third party payments. By paying medical and other compensable bills directly, the programs need not worry that the offender will somehow benefit from the compensation award to the victim.

The attorney general's task force on family violence argues that the "legal response to family violence must be guided primarily by the nature of the abusive act, not the relationship between the victim and the abuser." Crime victim compensation programs can greatly assist in furthering this goal by treating domestic violence claims as compensable crimes and viewing domestic violence as it would other forms of criminal conduct.

I also wish to comment on another provision included in the bill, dealing with the development of means for identifying persons who are ineligible to purchase under firearms, for example, because they are convicted felons, drug addicts, or other persons ineligible under Federal law. As I have made clear, I support a national 7-day waiting period before a person purchases a handgun from a dealer. I am convinced this simple, modest step could save hundreds of lives each year and keep guns out of the hands of thousands of criminals. I plan to work hard next session for adoption of this proposal.

The House of Representatives voted to adopt what has come to be called the "McCollum amendment" as an alternative to the waiting period when it considered the omnibus drug bill this Congress. I believe this vote will come to be regarded as one of the worst examples of caving in to the gun lobby in the history of the Congress. Hundreds of law enforcement officers personally visited Congress to try to convince Members of the House to adopt a simple waiting period. Hysteria, deception and massive lobbying based on gross misstatements carried the day over the urgent pleas of law enforcement.

Even though I believe the adoption of the McCollum amendment rather than a 7-day waiting period requirement was a mistake, the McCollum amendment serves a useful purpose because it indicates general agreement in the Congress that there must be some means of identifying convicted felons and other ineligible purchasers before they are allowed to buy firearms. The only question is how to accomplish this objective in the most practical and effective way.

During the discussions with the House on the final resolution of this provision, I proposed that we require the Attorney General to report back to Congress in a limited time as to the most effective way to identify ineligible purchasers. That proposal has been included in the final provision. I have no objection to a study of the possibility of making such identification at the point of sale, for example, by use of computer technology in the gun dealer's shop, nor do I oppose the development of a plan to implement such a system. However, I have grave doubts about whether any such system could conceivably be put in place without enormous expense and without compromising the confidentiality of our criminal information system. In my mind, a simple waiting period is so far superior to this hypothetical system in terms of cost and effectiveness that the development of such a system serves merely to delay the day on which a waiting period goes into effect.

Nevertheless, the bill requires that the system envisioned by the McCollum amendment will be implemented by the Attorney General. Since there is no special provision for an appropriation, the Justice Department will have to implement the system out of current appropriations and other sources of revenue based on current law.

The original McCollum langauge has been modified in a number of ways, however. First, the system will not give unlimited access to criminal files, only to a simple indication of whether or not a potential purchase is eligible to purchase a firearm. Second, the Attorney General shall consult with other Federal, State and local law enforcement agencies in developing the system. Third, the Attorney General will report to Congress 30 days before he or she begins implementation of the system. In the event that the Attorney General believes that implementation will create substantial problems, require enormous costs or simply be impractical, he or she can inform the Congress of the likely problems inherent in implementation. The purpose of the 30 day delay in implementation is to give Congress time to modify the requirement or to enact other appropriate legislation.

An additional change from the original McCollum amendment is a requirement that the Attorney General, in consultation with other appropriate agencies and experts, prepare a report on the most effective and practical means for identifying other persons ineligible to purchase firearms who attempt to do so. These categories or persons, set out in 18 U.S.C. section 922(g) include drug addicts, fugitives from justice, persons previously committed to a mental institution and certain other persons. The study should include proposed legislation, if appropriate.

Make no mistake, I continue to believe that a 7 day waiting period is the simplest, least expensive and most effective way of insuring that guns do not fall into the hands of criminals and mentally disturbed individuals. We should also keep in mind that one of the great benefits of a 7 day waiting period is that it allows a "cooling off" period for persons who may legally be able to buy a gun but who are in a temporary violent rage.

Even though I strongly support the waiting period approach, I believe it will be useful exercise for the Attorney General to prepare a plan for implementation of the system envisioned in the original McCollum amendment. In the event that the system proves impractical or vastly expensive, or both, I hope Congress will return to the most sensible proposal yet put forward, a national 7 day waiting period which allows local law enforcement to perform a background check.

Mr. BIDEN. I want to congratulate the Senator from Massachusetts, Senator KENNEDY, for the provision he added to the section of this drug bill assisting victims of crime. This provision (section 2876) should greatly assist previously underserved victims of violent crime, particularly victims of drunk driving incidents and survivors of homicide victims. I would like to clarify how this section will help.

Mr. KENNEDY. This section requires States to certify that they will use victims assistance funds for programs to help populations of underserved victims. This is virtually the same language as in the Senate drug bill.

Mr. BIDEN. Do you anticipate that this priority will be implemented by the Department of Justice in a manner similar to the other priority programs listed in the Victims of Crime Act?

Mr. KENNEDY. Yes. As the section-by-section analysis of the Senate bill clearly stated, the Department of Justice shall require that States devote approximately 10 percent of their funds to this new priority category, as with the existing priority programs.

Mr. BIDEN. That was also my understanding. I thank the Senator.

Mr. DOLE. Mr. President, Senator DOMENICI had to depart to fulfill some long-standing commitments in New Mexico that were made when we all believed the Congress would have adjourned by now. I know that Senator DOMENICI wanted very much to be here to participate on this final debate on the Omnibus Anti-Substance Abuse Act, a bill that he played a major role in crafting. I would just like to take this opportunity to make a few remarks about his contribution to the bill.

In April of this year, Senator DOMENICI and seven other Senators joined together to form the Heritage Foundation working group on creating a drug-free America. Their goal is to make America drug-free by 1995. They held a series of meetings with a number of experts in the areas of law enforcement, drug treatment, and drug education. They gathered information and developed proposals, which they announced in June.

Their proposals were aimed at reducing the demand for drugs, primarily by holding drug users accountable for their actions. Many of these proposals have been incorporated into the Omnibus Anti-Substance Abuse Act of 1988, the bill now before us.

I then appointed Senator DOMENICI to the Republican Anti-Drug Working Group, which developed specific legislation addressing the drug problem. As a member of the Bipartisan Drug Task Force which was formed to review the Republican and Democratic antidrug proposals, Senator DOMENICI was involved in the drafting of the Omnibus Anti-Substance Abuse Act.

Mr. President, a key feature of the Omnibus Anti-Substance Abuse Act is its focus on reducing the demand for drugs. Senator DOMENICI, along with Senators GRAMM and WILSON, was one of the main architects of the demand reduction provisions of the bill.

I have heard Senator DOMENICI say a number of times that he has concluded that America cannot win this war against drugs by focusing on supply alone. The profits of the drug trade make it difficult to win the war against drugs by attacking supply alone.

To win this battle, Senator DOMENICI says, we must also attack the demand for drugs. Only by reducing the demand, will we conquer this Nation's drug problem.

The people who use drugs create the demand that fuels the supply of drugs. We must hold drug users accountable for the damage that their demand for drugs inflicts on our society.

The Omnibus Anti-Substance Abuse Act will reduce the demand for drugs through its user accountability provisions.

The user accountability provisions establish a system of penalties for the users of dugs based on the principle of "measured response." Senator DOMENICI coined the phrase "measured response," which means that the penalty for drug use should be proportionate to the seriousness of the offense, consistent with American standards of freedom and justice.

One of the major user accountability provisions of the Omnibus Anti-Substance Abuse Act is the civil penalty provision offered by Senator DOMENICI. The Domenici civil penalty provision will allow the Attorney General to impose a civil fine of up to $10,000 on the "casual" users of drugs. The House passed a similar provision that had some constitutional problems, and Senator DOMENICI diligently worked to craft a civil penalty provision that would pass constitutional muster. Senator DOMENICI's amendment is part of the final bill that is now before the Senate.

A number of other provisions that Senator DOMENICI proposed have been included in this legislation.

One of the amendments that he proposed, and that is part of the final bill, declares that it is the policy of the U.S. Government to create a drug-free America by 1995. We need a goal to win the war on drugs. America must be committed to creating a drug-free country.

The 23 million Americans who now use drugs are not a part of the "counterculture" or "underclass". Most of them work, pay taxes, and vote. They are our friends and neighbors. America must make it clear to these drug users that their behavior is no longer acceptable.

To become drug free by 1995 may be considered overly ambitious by some. However, with the right commitment, the right resources, and the resolve, we can meet the goal.

Another of Senator DOMENICI's amendments that has been included in the bill is the creation of a National Commission on Measured Responses to Achieve a Drug-Free America. The purpose of the Commission is to develop a proposed uniform code of State laws for addressing the drug problem.

This amendment would establish a 24-member Commission to work with the drug czar to develop proposals for uniform State laws that reflect "measured responses" to the drug problem, such as strict fines and prison sentences, mandatory minimum sentences, asset forfeiture, innovative penalties such as civil fines and the revocation of drivers licenses, and drug testing. The Commission would forward its recommendations to the States, which would be encouraged to hold State conferences to review the proposals.

Senator DOMENICI developed this idea because, when Senator DOMENICI and other Senators got together to discuss ways we could create a drug-free America by 1995, some suggested that the Federal Government should withhold Federal funds from States that do not institute drug testing for drivers license applicants or revoke the drivers licenses of persons convicted of drug offenses.

Collectively, they could not agree on what the States should be doing. They thought that at this point, Congress should not force specific proposals on the States. Therefore, they felt that the States, with the help of the best experts that the Federal Government could provide, should develop their own proposals.

The education of our children and young people is of critical importance to our Nation. We have a duty to provide a drug-free environment in our country's schools. Senator DOMENICI's proposal to create a National Commission on Drug-Free Schools to make recommendations regarding that goal has been included in this bill.

Under the amendment, a National Commission, composed of 26 persons, is to be charged with developing recommendations for critieria for identifying drug-free schools and campuses and identifying model programs to meet such critieria.

In its report, the Commission would describe the potential benefits and liabilities of certain measured responses concerning drug activity in schools. For example, the Commission could consider the possibility of notifying parents or the police of a child's drug use, separating drug-using students from nondrug users, and drug testing in the schools. In addition, the Commission would consider the withholding of Federal funds from educational systems and institutions which do not meet established criteria for drug-free schools. These recommendations will assist us in our continuing effort to attain drug-free school environments.

The bill also includes a provision that Senator DOMENICI proposed that requires a public awareness campaign to be conducted to inform the public that the rules on drug use have changed, that we will no longer tolerate illegal drug use. As a matter of fairness, we must give drug users an opportunity to change their behavior before we impose these new, stronger penalties on them.

Another amendment that Senator DOMENICI offered, and which has been included in the final package, provides for a study on the link between mental illness and substance abuse. The study will focus on the psychological, physiological, and sociocultural aspects of mental illnesses that lead to substance abuse or a preference for illegal substances.

Senator DOMENICI believes that our approach to the drug problem must be tempered with compassion and help for those who are prisoners of drug abuse. In order to treat those who are addicted to drugs successfully, it is necessary that we understand the relationship between mental illness and substance abuse.

Drug and alcohol treatment professionals believe that the mentally ill are more susceptible to drug and alcohol abuse than the general population. From the study required by the Domenici amendment, I hope we can learn if treating the related mental illness will help the person overcome his or her abuse of drugs or alcohol.

Finally, the bill includes a section that Senator DOMENICI proposed that will authorize funding for the President's Media Commission on Alcohol and Drug Abuse Prevention, which was established by an amendment that he offered to the 1986 drug bill. This Commission will involve the advertising, publishing, and entertainment industries in an effort to promote antidrug messages in the mass media of this country.

Mr. President, Senator DOMENICI has stated that he believes that the Omnibus Anti-Substance Abuse Act is the strongest antidrug bill in many years, particularly in its focus on decreasing the demand for drugs. He has predicted that in 2 or 3 years, after we have seen this legislation fully implemented, this bill will be viewed as a turning point in the war against drugs and will be seen by all as the catalyst for winning the war against drugs and making America drug-free.

I agree with Senator DOMENICI, and one of the reasons for the Omnibus Anti-Substance Abuse Act being such an excellent bill is the contributions that Senator DOMENICI made to it.

Mr. BIDEN. Mr. President, many of us in this Chamber are, I think, rightfully proud of our success in passing a bipartisan drug-control bill, despite the partisan pressures of a Presidential election year and despite the genuine and deeply held differences of opinion we had to accommodate on both sides of the aisle.

I congratulate my colleagues in the Senate and our counterparts in the House, especially those who have labored so long and hard over these last days to find the middle ground that both Houses and both parties could support and still enact an effective antidrug measure.

I believe we have done that, and I believe, too, that my colleagues will agree that all of us who have been involved in these long negotiations have been ably served by our staffs.

Because of their dedicated and skillful labors, by day and by night, I wish personally to thank the members of the Judiciary Committee staff who contributed significantly to the bill as originally presented by the leadership and to the long process of negotiation and consensus that produced the bill as finally enacted.

My very special thanks, therefore, on the part of the Judiciary Committee and I believe, of the entire Senate, go to Judiciary Staff Director Diana Huffman and staff members John Bentivoglio, Stef Cassella, Laura Lecky and Jane Berman.

I also wish to thank the members of my personal staff who also contributed, including legislative director Liz Tankersley, press secretary Evelyn Lieberman and staff members Kay King, Brian McKeon and Paul Bland.

Last but by no means least, I extend both my thanks and my compliments to Judiciary Committee chief counsel Mark Gitenstein and to Scott Green, the committee's special adviser on criminal justice matters, who have worked very closely with me for the past 8 years on the legislation providing for a Cabinet-level national drug control policy director, which has been enacted into law with the passage of this bill.

That provision, to my mind, is the single most important part of this bill, since the new Cabinet officer, as appointed by the President and confirmed by the Senate, will for the first time provide the Federal Government with a top-level official specifically charged with formulating and implementing, across the full span of Federal antidrug agencies, a unified national drug-control strategy. If the next President accords this appointment the seriousness it demands and vigorously supports his drug-control policy director, we should soon see the end of the stubborn, unending turf wars among Federal agencies that have historically crippled our antidrug efforts. I hope and believe we are approaching that long-sought goal, and I gratefully acknowledge the faithful contributions Mr. Gitenstein and Mr. Green have made.

WAITING PERIOD SUBSTITUTE

Mr. DOLE. Mr. President, the omnibus drug legislation Congress completes action on today contains a provision that is similar to the gun waiting period substitute that was added on the floor of the House of Representatives by Congressman MCCOLLUM of Florida. However, it does contain several features from the waiting period substitute contained in the omnibus drug bill I introduced on October 5.

My amendment had the following features. It would authorize the Bureau of Justice Statistics [BJS] in the Department of Justice, in cooperation with interested State, local, and other Federal agencies, to engage in a 2-year demonstration effort to devise a point of sale verification system for prospective firearms purchasers. At the end of the demonstration effort, BJS then could issue regulations governing the interstate exchange of this information so as to enable the States to build an effective verification system. The Senate version also carries an express prohibition against the establishment of a national identification system.

The McCollum substitute, on the other hand, directs the Attorney General to develop a national system for the identification of felons who attempt to purchase firearms for use by gun dealers. The Attorney General would be required to report to Congress in 180 days and describe the system and submit a plan including costs for its implementation.

The conference compromise contains features of both. Two study efforts are now authorized. First, the Attorney General is directed to conduct a 1-year feasibility study on the development of a point of sale, real time system to check to determine if a prospective purchaser had a criminal history record that would prevent him from purchasing or possessing a firearm. This study is to take 1 year. At the end of the period, the Attorney General must report to Congress within 30 days, and then proceed to implement the system. A second study is also authorized. It is an 18-month study to determine the feasibility of constructing a system for purchaser verification of the several other categories of individuals prohibited from purchasing or possessing firearms under section 922 of the Gun Control Act of 1968. This includes illegal aliens, adjudicated mental incompetents, dishonorable discharges from the armed services, certain persons addicted to dangerous drugs, and persons who have voluntarily renounced their U.S. citizenship.

Mr. President, I will shortly describe the features of the conference compromise, but first I want to express my objections to the various waiting period proposals. While I am sympathetic with the objectives of the distinguished Senator from Ohio and the others who have cosponsored his waiting period amendment, I cannot support it in its present form.

OBJECTIONS TO A WAITING PERIOD

There are several reasons why I oppose the waiting period proposal. It contemplates that the dealer would provide the local chief enforcement officer with sufficient information to perform a name check to determine if the prospective purchaser has a criminal history record—felony conviction—that would prohibit the purchase or possession of firearms. After 7 days, the sale could then be completed with the chief's approval. A background check based on name identification only and not including biometric or fingerprint identification carries a great potential for an incomplete or inaccurate check, especially if the buyer has criminal intent to misuse the firearm. If false identification is presented, then the name check is of no use, and may actually assist the would be criminal by lulling the local enforcement authorities into believing that a bona fide sale is being made.

A perfect example of this shortcoming occurred in Maryland very recently. According to press accounts alleged members of a Los Angeles street gang came to the Washington, DC, area to establish a beachhead for drug trafficking. Using fraudently obtained Maryland drivers licenses, they purchased several firearms from Maryland gun dealers after undergoing a Maryland background check by name and waiting for the prescribed 14-day waiting period. After being arrested on numerous drug charges, it was discovered that they had obtained their guns fraudulently.

The Gun Control Act prohibits several classes of individuals from purchasing firearms. The Metzenbaum name check only looks at criminal history information. Yet the Gun Control Act also prohibits illegal aliens, adjudicated mental incompetents, drug addicts, dishonorable dischargees from the armed services and persons who have voluntarily renounced U.S. citizenship from buying firearms. A local police department would not have access to the data bases that may contain relevant information on individuals who might fall into one or more of the above classes of prohibited persons. Again the limited name check would lead to a false conclusion that a meaningful check had been made to preclude bad guys from buying guns.

The Metzenbaum amendment requires notification of the local chief by certified mail. No other means of notification could be used. However, this form of notification is expensive and can be time consuming. Large volume dealers may want to hand carry the Department of Treasury Form 4473S, or send them by a facsimile transmission, or by common carrier. Why limit the notification to only one form of transmission?

The 7-day waiting period is an arbitary period. If the background checks can be made by access to automated information systems, the check could be completed much faster. If manual systems are used, 7 days frequently is not sufficient. Response time is dependent on the relative efficiency of the particular system which local authorities might utilize, workload backlog, and so forth. Seven days is not magic with respect to a cooling off period. No more than 48 hours should be needed to deter a crime of passion from being committed.

Should Federal law impose an affirmative burden for enforcement of Federal criminal laws on local enforcement authorities? This Senator has serious reservations about the wisdom or constitutional validity under the 10th amendment of such a proposal. The disclaimer in the Metzenbaum amendment notwithstanding, this language would be of little use if a local chief wrongly approved a bad guy who later misused the firearm and the chief was sued for failure to perform an adequate check.

The Metzenbaum amendment also suffers because it is limited only to handguns. A crime of passion can just as easily be committed with a longgun as a handgun. Why impose a waiting period only on handguns? Why perform a background check only for handguns and not longguns? Where is the sense in that?

Despite the disclaimers, the Metzenbaum amendment vests discretionary authority, without any recourse, in the local chief of police to approve or deny handgun purchases. Can a Federal firearms dealer lawfully transfer a handgun to an individual if the local chief indicates that the gun should not be sold? I think not. What if the chief refuses to perform the check at all but then indicates to the dealer that the gun should not be sold? Can the dealer go ahead and sell it? I think not and I find nothing in the Metzenbaum amendment to the contrary.

Just who is the chief local law enforcement officer? For example, there are more than 250 law enforcement jurisdictions in Los Angeles County alone. Is it the chief of the Los Angeles Police Department, the sheriff of Los Angeles County or one of any number of others who have general or limited enforcement authority in that county? Could the dealer go to the local office of the FBI or BATF? What about rural residents? What do they do to get a check?

Who pays the cost of the Metzenbaum background check? The amendment is silent. However, criminal identification authorities routinely assess charges for "non-law enforcement checks." These charges in many jurisdictions range from $12 to $15 each. These charges are likely to be passed on to the buyer. And we are talking about millions of checks annually here.

The Gun Control Act prohibits "convicted felons" from purchasing or possessing firearms. Conviction records are generated by courts, separate and equal branches of government. Quite often substantial delays occur between arrest and final conviction, and often court entries do not catch up with arrest records until months or years later. How would the Metzenbaum amendment deal with this situation?

The most fundamental shortcoming of the Metzenbaum amendment is that it does not focus on the basic elements of a firearms transaction nor identify what is essential to insure that the firearm—not just a handgun—transfer is made in compliance with applicable Federal and State law or local ordinance.

To accomplish this objective, there are three requirements to be met. First, the identification documents must be valid—not counterfeit or expired. Second, the individual who attempts to utilize the identification document must be the person to whom the document was lawfully issued. Finally, a verification must be made to determine that the prospective purchaser does not fall into one of several classes of individuals who are prohibited by operation of applicable law from purchasing or possessing the firearm.

The Metzenbaum amendment really does not deal with any of these requirements. The dealer just accepts at face value the identification presented to him and transmits a form to the chief of police. The chief in turn has no idea at all who the prospective purchaser really is without some sort of biometric identification and comparison of known prohibited persons and biometric verification of their criminal history records.

If the Metzenbaum amendment does not meet these objectives, how can a verification system be built that does meet the requirements? There is no easy, quick-fix solution; however, much progress has been made and experience and capabilities in a number of related fields can be used to construct from a system.

THE DOLE AMENDMENT

The problem of firearms purchaser verification is but one dimension of the overall problem of identification document fraud. As former chairman of the Courts Subcommittee, this Senator presided over hearings on the subject and has been involved in sponsoring remedial legislation over a period of many years. The substitute amendment which I offered builds on that background.

While I have touched on only a few of the aspects of the problem, we are dealing with a set of complicated problems with many dimensions. There are important policy considerations—questions of protecting and preserving important constitutional rights—and not just the second amendment.

How do we safeguard vital privacy rights of an individual who attempts to purchase a firearm from unauthorized disclosure or misuse of information that may be very damaging to the individual? How is access gained and under what limitations to data bases such as mental history records, or immigration records? Who should maintain these data bases and who should have access? Should the purchaser have right of access for purposes of update or correction or appeal in the case of a denial of a firearms purchase application? And what about access to court records that have been sealed or purged after a period of time has elapsed?

These and many other questions must be answered before an effective, efficient and impartial system can be constructed to provide for firearms purchaser verification. And it should not be built in a vacuum, but as a part of upgrading and improving systems that involve individual identification and verification for all sorts of public and private purposes.

The conference compromise authorizes the Attorney General to conduct two studies, one of convicted felons and the other of other persons prohibited from buying guns. In my view, it would be appropriate to charge the Bureau of Justice Statistics with the important mission of conducting these studies. As a constituent agency of the Justice Department, the function could be appropriately delegated in this fashion. Why the BJS? That agency and its predecessor have had 20 years experience in working with State and local criminal identification authorities in improving criminal history systems and in regulating the interstate exchange of criminal history information. Most States now have highly advanced and automated systems for collection, storage and exchange of this information.

Indeed, BJS has supervised the investment of several hundred millions of LEAA funds for this purpose. It promulgated privacy and security regulations in 1976, pursuant to congressional authorization, which today still govern the exchange of this information. Further, through its continuing support for Search Group Inc., a private, nonprofit organization of State and local criminal identification agencies and officials, BJS has been at the forefront of the advances in identification technology, such as Automated Fingerprint Identification Systems [AFIS], now being widely installed by the several States. It has also supported the upgrade on the National Law Enforcement Telecommunication Network [NLETS]. NLETS is a high speed, dedicated telecommunications network which exchanges all kind of law enforcement information, including the exchange of criminal history information.

The Search Group consortium since 1969 has engaged in any number of successful projects, such as the development of model State legislation governing interstate exchange of criminal history information. Most States now have adopted this model.

Recently BJS convened a group of Federal, State, and local identification document issuing authorities to begin to address the much larger questions of document fraud. The BJS conference found that much more than criminal history exchange is involved in preventing document fraud. There are more than 5,000 agencies issuing more than 7,000 birth certificate forms. These are the breeder documents for the issuance of drivers licenses, passports, and identification documents of all kinds. Until they are annotated or authenticated with fingerprint or similar biometric information, they are of limited utility for identification purposes. At the present in most States anybody can obtain a copy of anyone's birth certificate upon payment of a nominal fee. This document then can be used to obtain a new set of identity documents—including a passport. In this situation can a dealer be expected to comply with the law not to sell to prohibited persons? Can a local chief be expected to perform a check, based on name information only to determine if the buyer is a prohibited person? It simply is not possible.

The gun dealer is in the same situation as the employer attempting to comply with the 1986 Immigration Reform and Control Act who must determine, based on representations of a prospective employee, that the individual is lawfully entitled to live and work in the United States. Merely presenting a driver's license or other document based on a birth certificate is not enough for an accurate verification. Biometric verification of identity must be made and then a data base of those persons who have legal status must be checked.

The Immigration Reform and Control Act of 1986 established an employment verification system. In that system the principal form of identification to be utilized to establish the identity of the job applicant is the driver's license. The act also authorized the INS to work with the States to establish a "secure system" for identification after examining the suitability of existing systems.

In that regard, the INS has recently transferred funds to the BJS to enter into an agreement with State DMV's to conduct a demonstration effort to upgrade the drivers license for this purpose. To comply with the intent of Congress, the INS must share information on persons lawfully admitted to work and live in the United States as well as information relating to individuals who are out of status—that is illegal aliens who have come to the attention of the INS and who are subject to deportation. Many of these individuals are criminal aliens who are facing or convicted of drug law violations, crimes of violence, et cetera. A State DMV should not issue a driver's license to anyone not lawfully admitted to live and work here.

Since illegal aliens are prohibited from purchasing or possessing firearms under the Gun Control Act, the second study and demonstration effort authorized under this drug legislation should be at least coordinated if not merged into the INS study.

The Drug Control Act of 1986 also established a Department of Transportation Program for upgrading commercial driver's licenses. California has served as the lead State for a consortium of DMV's who are building an on line, real time system for exchange of commercial drivers information. At the same time the States are required to issue new forms of commercial drivers licenses with biometric information in them to prevent the widespread abuse of licensing systems by professional drivers. Many often obtain multiple drivers licenses in one or more States. Multiple licenses allow certain individuals to circumvent or evade State law which because of their bad drivers records, would have prevented them from retaining their driving privileges. The new DMV system is scheduled to go on line by January 1, 1989, although additional time will be needed to add the biometric information mandated by the 1986 act. This too can be a useful model for the firearms verification demonstration efforts. DMV participation and leadership is an essential requirement for both studies and demonstration efforts. The driver's license is the principal form of identification which the gun dealer must utilize in determining the eligibility of the buyer to purchase the firearm. It also is being upgraded to meet the requirements under the Commercial Motor Vehicle Safety Act of 1986.

In 1979, pursuant to a Dole amendment the FBI was authorized to engage in a demonstration effort to facilitate the automated exchange of criminal history information. This system, the interstate identification index, is now in an advance state of development. It might also serve as a useful model or even be utilized for this purpose. But again, important policy considerations should be addressed before triple I is used for firearms purchaser verification.

The last three examples of identification verification are all on-line, real time automated systems. Here a 7-day waiting period would be of no use in obtaining information at the point of sale if the dealer had access to the data bases—either directly or indirectly—to determine the bonafides of the purchaser at the time and place of the sale?

It is this kind of effort that this Senator intends the BJS to undertake by the terms of the amendment. One year is the absolute minimum time needed to conduct a study of this type, even with all the work that has gone on before. The crucial distinction is that here, for the first time, there will be a significant interface between public and private users of criminal history information. In my view, based on the evolution of the development of systems for the interstate exchange of criminal history records, a similar evolutionary process will also occur in this context. At the very least, a survey must be conducted of the state of the art of identification technology, examine current or proposed identification systems that might be utilized and support one or more demonstration efforts by the States in cooperation with interested Federal agencies. These study and demonstration efforts should go hand in hand with the authority given to BJS elsewhere in the drug bill to engage in a 5-year effort to work with the several States in improving the quality of criminal history information.

In 1984 this Senator offered an amendment to the Federal False Identification Act of 1982. It was enacted as section 609(L) of the Crime Control Act. The provision established as a

Federal standard, a requirement that document issuing authorities covered by the act (all Federal, State, and local agencies) issue documents that are as counterfeit proof as possible, and that relate positively to the indentity of a particular individual. Further, the Attorney General was directed to perform a study of existing and planned identification systems and report back to Congress by October 1987, with recommendations for comprehensive legislation to govern these systems and the interstate exchange of identity information. Although an interagency task force was formed for this purpose, to the best of my information, no such recommendations were transmitted to the Congress from the Attorney General.

It is my view that these recommendations are still vitally needed, particularly in the context of firearms purchasers and employees under the employer sanctions provisions of the immigration legislation.

In the meantime, demonstration efforts such as those described above should be instituted as soon as possible. In the final analysis Congress must adopt comprehensive legislation governing the integrity of identification document systems.

Mr. President, I ask unanimous consent that the text of the conference compromise amendment on firearms verification be included in the RECORD at this point. I also ask that the text of section 609(L) of the Crime Control Act of 1984 and Treasury form 4473 be printed after the amendment as well as the authority for the BJS to regulate interstate exchange of criminal history information. Finally, Mr. President, I ask that extracts of my individual views in the Senate Judiciary report on S. 914 of the 97th Congress be printed along with a summary of the recent report by the California DMV to the Department of Transportation, also, I ask unanimous consent that extracts of the report on S. 1200, the Immigration Act be printed as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OFFENSES INVOLVING PRISON-MADE GOODS

SEC. 609K. (a) Section 1761(c) of title 18, United States Code, is amended—

(1) by striking out "seven" and inserting in lieu thereof "twenty", and

(2) by striking out "Administrator of the Law Enforcement Assistance Administration" and inserting in lieu thereof "Director of the Bureau of Justice Assistance".

(b) Section 1761 of title 18, United States Code, is amended by adding at the end thereof the following new subsection:

(d) Notwithstanding any law to the contrary, materials produced by convict labor may be used in the construction of any highways or portion of highways located on Federal-aid systems, as described in section 103 of title 23, United States Code.

FRAUD AND RELATED ACTIVITY IN CONNECTION WITH IDENTIFICATION DOCUMENTS

SEC. 609L. (a) For purposes of section 1028 of title 18, United States Code, to the maximum extent feasible, personal descriptors or identifiers utilized in identification documents, as defined in such section, shall utilize common descriptive terms and formats designed to—

(1) reduce the redundancy and duplication of identification systems by providing information which can be utilized by the maximum number of authorities, and

(2) facilitate positive identification of bona fide holders of identification documents.

(b) The President shall, no later than 3 years after the date of eneactment of this Act, and after consultation with Federal, State, local, and international issuing authorities, and concerned groups make recommendations to the Congress for the enactment of comprehensive legislation on Federal identification systems. Such legislation shall—

(1) give due consideration to protecting the privacy of persons who are the subject of any identification system,

(2) recommend appropriate civil and criminal sanctions for the misuse and unauthorized disclosure of personal identification information, and

(3) make recommendations providing for the exchange of personal identification information as authorized by Federal or State law or Executive Order of the President or the chief executive officer of any of the several States.

CONFIDENTIALITY OF INFORMATION

SEC. 818. (a) Except as provided by Federal law other than this title, no officer or employee of the Federal Government, and no recipient of assistance under the provisions of this title shall use or reveal any research or statistical information furnished under this title by any person and identifiable to any specific private person for any purpose other than the purpose for which it was obtained in accordance with this title. Such information and copies thereof shall be immune from legal process, and shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial, legislative, or administrative proceedings.

(b) All criminal history information collected, stored, or disseminated through support under this title shall contain, to the maximum extent feasible, disposition as well as arrest data where arrest data is included therein. The collection, storage, and dissemination of such information shall take place under procedures reasonably designed to ensure that all such information is kept current therein; the Office of Justice Assistance, Research, and Statistics shall assure that the security and privacy of all information is adequately provided for and that information shall only be used for law enforcement and criminal justice and other lawful purposes. In addition, an individual who believes that criminal history information concerning him contained in an automated system is inaccurate, incomplete, or maintained in violation of this title, shall, upon satisfactory verification of his identity, be entitled to review such information and to obtain a copy of it for the purpose of challenge or correction.

(c) All criminal intelligence systems operating through support under this title shall collect, maintain, and disseminate criminal intelligence information in conformance with policy standards which are prescribed by the Office of Justice Assistance, Research, and Statistics and which are written to assure that the funding and operation of these systems furthers the purpose of this title and to assure that such systems are not utilized in violation of the privacy and constitutional rights of individuals.

(d) Any person violating the provisions of this section, or of any rule, regulation, or order issued thereunder, shall be fined not to exceed $10,000, in addition to any other penalty imposed by law.

AUTHORITY TO ACCEPT VOLUNTARY SERVICES

SEC. 819. The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to accept and employ, in carrying out the provisions of this title, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)). Such individuals shall not be considered Federal employees except for purposes of chapter 81 of title 5, United States Code, with respect to job-incurred disability and title 28, United States Code, with respect to tort claims.

INDIVIDUAL VIEWS OF SENATOR BOB DOLE ON S. 914, 97TH CONGRESS

POSITIVE IDENTIFICATION FOR PURCHASE OF FIREARMS

One of the major problems in the administration of the Gun Control Act of 1968 is that too often inadequate or false identification is presented to the dealer by a propective purchaser who is not legally able to purchase or possess firearms under the terms of the Act. In the typical situation, only one form of identification—a drivers license—is required to support the purchaser's certification that he or she is eligible to buy the gun. In some states, drivers licenses can be readily obtained without positive identification of the individual being required before issuance of license. The current state-of-the-art of criminal identification technology still requires a comparison of fingerprint images against a detabase of fingerprint images for a "positive identification" of an individual to be established. Other typical identifiers such as name, date of birth, place of residence, social security number, drivers license identification and so forth, can be fraudulently obtained or manufactured too easily by individuals with criminal intent. Although such an individual faces federal felony sanctions for the submission of false identification or the making of false statements in attempting to purchase a firearm from a federally licensed dealer, the threat of this sanction is not a sufficient deterrent where the individual has criminal intent to misuse a firearm.

A change in the Gun Control Act should be made to move towards the ideal of positive identification by requiring three forms of commercially acceptable identification such as a driver's license, major credit card or social security card. This should not impose an unreasonable burden on the purchaser or significant red tape on the seller. Instead, there would seem to be a reasonable opportunity to reduce substantially the abuses of the current system without the necessity of a detailed criminal history record check by federal, state, or local enforcement authorities.

FEASIBILITY STUDY REPORT

I. REQUIREMENTS

A. Background

History

The Commercial Motor Vehicle Safety Act of 1986 (CMVSA) was passed by the 99th Congress and signed by the President in a national effort to remove unsafe and unqualified commercial drivers from the nation's highways. The bill requires operators of commercial vehicles to have special skills, knowledge, training, and other qualifications, and requires the states to issue special licenses. The bill also makes it illegal for such drivers to have more than one license. Basically, this bill focuses attention and resources on critical safety concerns—the operators of commercial vehicles.

There are more than 150 million licensed drivers in the United States today—all of whom deserve reasonable assurance that their fellow motorists are properly qualified to drive the vehicles they operate. Until CMVSA was made law, many states legally allowed any person licensed to drive an automobile to also drive a tractor-trailer or a bus. No specialized training or special license was required, even though it was widely recognized that certain types of vehicles called for just that.

Another serious problem was the fact that commercial drivers held multiple licenses. For example, a person with a wallet full of licenses to cover the worst of driving records had been able to continuously avoid detection by spreading traffic related convictions among the multiple licenses within his/her possession.

While it was clear the multiple license problem (and other problems unique to the commerical driver) had to be overcome, there were varying opinions on how problems should be solved. In fact, without national coordination of licensing it had been, and would continue to be, impossible to prevent the issuance of multiple licenses to the same person.

Early suggestions that a Federal commercial driver license (GDL) be established that was similar to a pilot license issued by Federal Aviation Administration (FAA), met with stiff opposition. Instead, many groups, (including most states and the U.S. Department of Transportation (DOT) which objected to a Federally administered program) felt that a single, classified license, issued and administered by the states, was the best approach. For this system to work, however, two things needed to be established: 1) a unique identifier for each commercial driver, and 2) an effective way for the states to share information on drivers' records.

In January of 1986, a system concept was agreed upon by the DOT, the American Association of Motor Vehicle Administrators (AAMVA), and the Highway Users Federation for Safety and Mobility (HUFSAM). This concept included a single, classified CDL, based on national standards, issued and administered by commercial drivers' states of residency, that would be supported by a national information network.

Several significant changes have gone into effect under CMVSA to improve safety on the nation's highway. First, there is the single license requirement, which becomes effective on July 1, 1987, mandating that commercial drivers hold only one license issued by the state in which they reside. Secondly, states will be required to perform extensive, specialized testing of CDL applicants. Additionally, trucking companies are prohibited from knowingly allowing drivers with multiple licenses to operate company vehicles, and commercial drivers are required to notify their employers of any suspension, revocation, cancellation, or disqualification of their driver licenses.

The CMVSA also includes special provisions for commercial vehicle operators who are convicted of multiple driving offenses. The penalties for violating these provisions are intentionally severe. Fines of up to $5,000 per violation and prison sentences of up to 90 days are included.

Last but not least, the Commercial Driver's License Information System (CDLIS) will provide states with the ability to check a nationwide, automated information system. All CDLIS information will be shared among states, but each state will retain the right to issue and control the CDLs held by the residents of their respective state. Before issuing a commercial license to an applicant, states will search CDLIS using the applicant's name, date of birth, sex, and Social Security Number (SSN) to determine if the applicant has a CDL(s) in another state(s) and has failed to disclose such information. Initially, the SSN will be considered an individual's unique, personal identifier.

Unfortunately, it is easy to change one's name or address and possible to obtain multiple SSNs. Therefore, it appears that the SSN should only be used as a unique, personal identifier on an interim basis, and in lieu of a biometric identifier, until a biometric identifier system has been developed and tested.

Biometric Identifier Technology

Definitions

Biometrics may be an unfamiliar term to many audiences. The dictionary defines biometrics as "that branch of biology which deals with its data statistically and by quantitative analysis."[1] Industry's standard definition defines biometrics as a "measurable physical characteristic or personal trait used to recognize the identity, or verify the claimed identity of persons through automated means."[2] The more prominent type of systems currently in use capture fingerprints, retinal patterns, voice characteristics, signature dynamics, and hand profiles.

Definitions of other terms used within this report follow:

Enrollment—the initial collection of a biometric sample(s) and preparation and storage of the initial biometric reference template which establishes an individual's identity.

Image—a biometric record captured at a level that allows the physical characteristic to be systematically reproduced in a graphic, printed format.

Live scan—an automated method of capturing a biometric sample (fingerprint data) that will be converted to a digitized record and stored within an automated data base.

Minutiae—a finite, digitized record of ridge ending or bifurcation characteristics taken from a fingerprint.

Retinal scan—an automated method of capturing a biometric sample consisting of blood vessels and tissue in the retina of an eye that will be converted to a digitized record and stored within an automated data base.

Biometric reference template—a data set which defines a biometric measurement of a person which is used as a basis for comparison against a subsequently submitted biometric sample(s).

Verification—the process of systematically comparing a current biometric record to the biometric record previously stored within the biometric data base at the time of original enrollment. If the two records match, the identity of an individual is verified.

History of Biometrics

Until a few years ago, biometric identifier applications were used exclusively to protect physical access to rooms, offices, and buildings and/or computer systems, bank vaults, military security areas, etc. Now biometrics are used to ensure patient identities in hospitals (making sure the correct surgery is performed on the correct patient), to ensure the identities of persons who are incarcerated (making sure the correct individuals are released from jails or prisons), and in other instances where unquestionable personal identification is imperative.

Since 1985, the California Department of Justice (DOJ) has successfully utilized biometric fingerprint technology to identify, verify, and store information on felons. DOJ's system, referred to as the California Identification System (CAL-ID), is an automated fingerprint identification system (AFIS) using minutiae (fingerprint ridge characteristics) matching technology, an image system, and a networking capability for law enforcement agency access to DOJ's data bases.[3]

The New York State Division of Criminal Justice Services is also in the process of implementing a statewide AFIS. Implementation will begin in the fall of this year.

Recognizing the potential benefits of using biometrics to identify any commercial driver, the Federal Highway Administration acquired the services of RJO Enterprises, Inc. (RJO). RJO, through its subcontract with the Orkand Corporation, investigated, evaluated, and reported on issues associated with biometric technology. RJO examined retinal, fingerprint, hand geometry, voice, and signature biometric technologies, and the appropriateness of using biometrics within the commercial driver licensing environment. Orkand's report, published by the FHWA in February of 1988, contained the recommendation that two biometrics be considered to identify commercial drivers—retinal scanning and fingerprinting. The two technologies are the only biometric systems that could currently meet principal requirements for use in a commercial driver licensing environment. The principal requirements of any biometric system used within the driver licensing environment are:

The system must be capable of performing both enrollment and verification functions;

The system must be capable of performing these functions for large data bases; and

The system must be able to monitor identifier recording processes.

Although Orkand has recommended using biometric identifiers, they also have identified the need for careful testing of biometric systems in both controlled and demonstration environments prior to implementing any full-scale implementation programs.[4]

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[1] Websters New World Dictionary, Second College Edition.

[2] International Biometric Association (IBA), Washington, D.C., 20036.

[3] Status Report: CAL-ID System, January 1987, pp. 6 and 7.

[4] Functional Description for the CDLIS Unique Identification System, February, 1988, at III-4.

As advancements occur, biometric technology evaluations continue to occur. Sandia National Laboratories (Sandia) supported by the U.S. Department of Energy, for example, continues to examine the performance of the many types of biometric systems (Federal Contract Number DE-AC04-76DP0079). The latest information published by Sandia indicates there has been a general improvement in system performance with regard to accuracy and to operating time, compared to a similar evaluation of biometrics about two years ago. The recent evaluation tested voice, retinal pattern, fingerprint and two-hand profile systems. The latest tests were accomplished using a distinct and small user group—employees engaged in security development activities. In summary, Sandia reported a general improvement in system performance, but addressed the need for "independent comparative evaluation—continuously pursued—to make the maximum and most appropriate application." [5]

Based on Orkand's and Sandia's evaluations, and continued improvement in biometric systems with regard to accuracy, speed, user compatibility, reliability and costs, it appears practical to test biometric system effectiveness in the CDL issuance environment.

Federal Biometric File/System Design

The CDLIS biometric system could be either centralized (one national biometric file) or decentralized (separate biometric files in/for each state). If decentralized, each state would be required to maintain its own automated biometric identifier system and file. Economically, a decentralized system would probably discourage some states' participation in the CDLIS; therefore, reducing the effectiveness of CMVSA. Additionally, if each state maintained its own file, to search for possible duplicate record(s) would require that the biometric inquiry data be broadcasted to all other states on the AAMVA Network (AAMVANET). Each state would be required to search their file and communicate their findings to the state making the inquiry.

Conversely, a centralized system would not require each state to procure its own automated biometric identifier system, and would better encourage maximum state participation. Each state would only be required to capture CDL applicants' biometric identifiers, and send the biometric records to the central system when processing applications. Then at the central site, each biometric would be checked against a central file for duplicate records, or would be used to verify the identity of an applicant. The centralized system would not require states to broadcast biometric identifier inquiries to all of the other states on the AAMVANET.

B. Problem/Opportunity Statement

Until biometrics have been tested, CDLIS must rely upon SSNs to ensure the identities of approximately 5 million commercial drivers. The Federal Government has provided the California Department of Motor Vehicles (DMV) with the funding to examine biometric technology and its practical use to ensure identities of commercial drivers within the various states and thereby, ensuring the one-license provision of the CMVSA and promoting traffic safety.

C. Objectives

The following objectives define the significant results that must be achieved for an alternative to be an effective solution to the problem/opportunity being addressed:

1. Facilitate the one-license provision and other requirements of the Federal CMVSA.

2. Facilitate the one-license provision, using a method that will provide for and encourage total states' participation.

3. Test biometric identifier technology to determine its applicability in the commercial driver licensing environment. Testing will provide answers to currently unknown areas of system compatibility.

4. Accomplish all of the above in a manner that is satisfactory to the public and that is the most efficient method(s) available.

D. Functional Requirements

Functional requirements describing the technological capabilities and conditions that must exist in order to satisfy the defined objectives are:

1. The system will capture the biometric identifier from each applicant without increasing the transaction processing time (the actual time a customer is in a DMV office) by more than 30 seconds.

2. The biometric identifier must be an accurate, relatively unalterable, unique, physical characteristic that can be captured, verified and stored, and that is verifiable over an indefinite period of time.

3. The method of capturing the biometric identifier will be unobtrusive to the applicant. The method will be socially acceptable and will not endanger the health, safety, or welfare of any applicant.

4. The system of capturing, verifying and storing each applicant's biometric record must have been previously tested for accuracy in an environment that proximates that of the CDLIS and with a less than .5% error rate. The error rate refers to both the system's false acceptance of a biometric record as a new record that was previously accepted and stored, and refers to false rejection of a biometric record that was previously established.

5. The system must be able to search and compare new biometric identifiers against stored records. The system must also be capable of performing verifications on previously established biometric records. The search process must be accomplished within 72 hours after receipt of the inquiry, and the verification processes must be accomplished within 7 seconds of receipt of the inquiry.

6. During the initial enrollment process (conversion) for previously licensed commercial drivers, the biometric data base file will grow from zero records to 5 million records. Therefore, during the conversion, the system must be capable of searching and comparing the 5 million current records and the 500,000 new CDLs issued each year against this growing data base. Once the biometric records on existing commercial drivers have been captured, compared and stored, the system must be capable of annually recording, comparing and storing 500,000 new CDL applicants' biometric records. The system must also be capable of annually verifying the biometric records on 1.25 million CDL renewal applicants, 250,000 interstate residency change applicants and 90,000 applicants seeking duplicate licenses.

7. The system must have a method of capturing, storing, and reporting management information, such as, the number of new biometric records accepted, the number of biometric records verified, the number of applicants the system was unable to "enroll", the number of errors by type (see item 4 above), measurements of the quality of the information captured, system down time, and, average enrollment processing time on a daily, weekly and monthly basis.

8. The system must be capable of interfacing with the CDLIS being developed pursuant to the CMVSA.

9. The system must be reliable, allowing the states to provide uninterrupted service to their applicants.

10. Any biometric identifier capturing device must provide on-site, immediate identification of whether or not an acceptable biometric sample has been obtained, thereby guarding against the need for customers to make return visits to the local offices solely to recapture their biometric record.

11. The system must be simple to use. use of the system must be easily understood by employees, and must be easy to explain to the states' customers whether they are English or non-English speaking.

12. The system cannot impede the states' current driver license issuance processes.

13. The system must offer sufficient flexibility in order to encourage maximum biometric system participation by states.

14. The system must be capable of accurately accomplishing proper identification without manual review of a candidate list.

E. Assumptions

All participating states will have automated interface capabilities with AAMVANET and CDLIS.

All responses from the AAMVANET will be electronically transmitted.

Communication capability of the AAMVANET will be expandable to accommodate the transmission of the new biometric identifier data.

Interface will be at the image level, if the digitized fingerprint technology is used.

II. ALTERNATIVE ANALYSIS SECTION

A. Baseline Analysis

The CMVSA requires the creation of a CDLIS—an automated national clearinghouse and depository of information pertaining to the licensing and identification of commercial drivers and the disqualification of such drivers from operating commercial motor vehicles. The system, to be operative January 1, 1989, will have the following information within its data base.[6]

State of Record Name
Name of Commercial Driver
Driver License Number
SSN
Date of Birth
Sex
Height, Weight, and Eye Color
Aliases

The SSN will be used as each CDL applicant's unique identifier. Unfortunately, it is possible to obtain multiple SSNs and defeat the CDLIS inquiry system and the one-license concept. Therefore, it appears that the SSN should only be used as a unique personal identifier on an interim basis. When a biometric system has been developed and tested, the biometric identifier will become the unique personal identifier in the CDLIS inquiry system.

CDLIS will be a totally automated Federal system that is supported by the states and that will operate off the AAMVANET. States will be interconnected through AAMVANET to the CDLIS Central Site. The CDLIS Central Site will store pointer records which contain identifying data on commercial drivers supplied by the states and matching algorithms, but not driver status information. On-line inquiries containing identification data will be originated by the states and routed on the network to the CDLIS Central Site. Once there, the identification data will be matched against previously stored identification data and status queries will be matched against previously stored identification data and status queries will be generated and routed to any states having matching commercial driving records. The queried states will respond online, sending status information in standard message formats back through the network to the state making the initial inquiry. States will respond in real time (within seconds) to CDLIS inquiries coming through the state Interface by returning standard messages. States will supply up-to-date (24 hours or less) identification information to the CDLIS Central Site on all commercial drivers to whom they have issued CDLs.

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[5] A Performance Evaluation of Personnel Identity Verifiers, July 1987 at pp. 1, 2, and 13.

[6] AAMVANET Request for Proposal, May 18, 1988, p. B-4.

The major objective of the CDLIS is to provide for timely exchange of information on commercial drivers among the states in accordance with CMVSA and the provisions therein; particularly, the one-license law. Additionally, CDLIS will be designed to minimize the impact on the states' driver licensing information systems in order to facilitate maximum states' participation.

The CDLIS will eventually store an estimated 5 million records. Ongoing costs of $5.9 million ($2.5 million CDLIS operational costs and $3.4 million in network costs) will be passed back to the participating states. States will pay $1.50 per pointer record per year, but will not pay for inquiry, update, or other communications relative to CDLIS.

B. Listing of Alternatives Considered

Alternative 1: Status Quo. Continue to use the SSNs as the unique personal identifiers for commercial drivers.

Alternative 2: Retinal Scan. Participating states capture the retinal patterns and transmit data using the AAMVANET to a centralized automated retinal pattern identification system.

Alternative 3: Fingerprints. Participating states capture either manually rolled prints or live scan fingerprint images, or a combination thereof, and transmit the data to a centralized, AFIS using AAMVANET, other electronic output media (mag tape, etc.), or hard copy format.

Alternative 4: Test Retinal Scan and Fingerprints. Both retinal scan and fingerprint technologies will be tested within a driver licensing environment to determine which system best satisfies the national CDL program effort and the one-license provision of CMVSA.

C. Alternative Analysis

Alternative 1: Status Quo

Continue to use the SSN as the unique personal identifier for commercial drivers.

Description

Refer to baseline analysis. This alternative is shown merely for cost comparisons.

Analysis

Continuing to rely solely on the SSN, name and physical description to identify a commercial driver will not prevent the CDL applicant from obtaining multiple licenses. Therefore, Alternative 1 will not meet the objectives and requirements of CMVSA and is rejected as a viable alternative.

Alternative 2: Retinal Scan

Participating states will capture retinal patterns and transmit data using the AAMVANET to a centralized automated retinal pattern identification system.

Description

An automated retinal pattern identification system will be established as a node on the AAMVANET similar to the CDLIS Node (see Attachment A). The system will store one record, 144 bytes in length, containing the retinal pattern of both eyes of each commercial driver.

For an original CDL,[7] the retinal pattern data base will be searched for a matching record(s). If a matching record is not found, the retinal pattern record will be updated to the master file and the state of inquiry will be notified. If a matching record(s) is found, the SSN and other data from the matching record(s) will be sent to the CDLIS to be used for inquiry to the state(s) of record. The resolution of the possible double records will be the responsibility of the state of inquiry.

For a non-original CDL (renewal, duplicate, etc.), the retinal patterns will be compared against the retinal pattern record already in file. The state of inquiry will be notified of the results of the verification.

Searching for possible matching records on an original CDL should be completed within minutes. Verification of a non-original CDL should be completed within seconds.

Costs

Alternative 2 costs for the demonstration program (one time only) follows:

Equipment	$467,700
Software	100,000
Sales tax	33,600
Vendor support staff	340,000
Personnel (40.5 PYs)	1,208,600
Travel/general expense	190,200
Total	2,340,100

Benefits

Will test if retinal scan technology is applicable in the CDL environment and within a very large data base (5 million plus records).

May ensure that only one CDL will be issued to any one person.

May protect the public by preventing problem commercial drivers from avoiding licensing sanctions by spreading tickets and accidents over more than one driver record, or obtaining another license when their license has been suspended or revoked.

May ensure the integrity of the CDLs that are issued by the states and the CDLIS data base.

Advantages

Retinal pattern records are only 72 bytes per eye in enrollment mode and 40 bytes per eye in verification mode. Therefore, a record could easily be stored on a "data carrier" (mag stripe, smart card, etc.) driver license. Retinal records would require less storage and communications capacity than fingerprint records.

Retinal patterns stabilize during the first year of life.

Retinal patterns are in a secure environment and are unalterable except by disease or eye surgery.

Retinal patterns do not have law enforcement of "Big Brother" connotations. Retinal patterns have not been historically associated with law enforcement as have fingerprints.

Retinal scan technology appears to be less expensive when compared to costs associated with using the digitized fingerprint technology.

Disadvantages

Retinal patterns have not been accepted as a form of identification in a court of law.

Retinal scan has not been tested against very large data bases.

Because of the functional design of the retinal capturing device, applicants may be able to establish a false biometric identity simply by offering a constant eye fixation on any preselected, but non-central, position within the eye-ground area of the reading device.

Law enforcement agencies (LEA) use driver license data bases to assist with traffic safety investigations. Because LEA utilize fingerprint data to identify persons, retinal scan data may be of limited value.

People are not accustomed to having retinal patterns scanned.

It will be more difficult to explain how to use a retinal scan device than a fingerprint scan device, especially to non-English speaking customers.

The time it takes to capture the retinal pattern of an applicant may be greater than the time required to capture fingerprint data.

Analysis

Retinal scan technology is a relatively new technology. While it may ensure the single issuance of CDLs, may ensure the integrity of the data base, and appears to cost less than fingerprint technology, there are some significant concerns with the applicability of this technology in the proposed environment. The technology has not been tested in multi-million record data bases, in court as a legal means of identification, nor in an environment where people may actively try to avoid being properly identified. The lack of wide acceptance of retinal scan as a proven identification technology can only be overcome by further testing.

Alternative 3: Fingerprints

Participating states capture either manually rolled prints or live scan fingerprint images (or a combination thereof), and transmit the data to a centralized, automated AFIS using AAMVANET, other electronic output media (mag tape, etc.), or hard copy format.

Description

An AFIS will be established as a node on the AAMVANET similar to the CDLIS node (see Attachment B). The system will store a minimum of two records for each print. One record (minutiae) will be about 500 bytes long and will be used to search for matching records and for verification of an existing record. The second record (image) will be about 25,000 bytes long and will be used to interface with other automated fingerprint systems, or to produce a copy of the print for manual verification. At least one vendor's system requires a third record (template) of about 1000 bytes for each print. This record, instead of the minutiae record, is used for verification of an existing record.

If the inquiry to the system is for an original CDL,[8] the minutiae/template file will be searched for a matching record. If a matching record is not found, the inquiry state will be notified and the new print record will be updated to the print files. If a matching record(s) is found, the SSN and other data from the matching record(s) will be sent to the CDLIS to be used for inquiry to the state(s) of record. The resolution of the possible double records will be the responsibility of the state of inquiry.

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[7] During conversion, any application for a CDL that does not have a biometric record already in file will be considered an original.

[8] Ibid. p. 8.

If the inquiry is for a non-original CDL (renewal, duplicate, etc.), the incoming print record will be checked to see if it matches the print record already in the minutiae/template file. The inquiry state will be notified of the results of the comparison.

There are two methods of capturing a print and storing it in an AFIS. In one method, the applicant's thumb or finger is placed on a glass window on a reader, and the image of the print is captured and converted to a digitized representation of the print (live scan). The other method involves using ink and rolling the print on paper (rolled print). The rolled print is then processed through a print reader that captures the print and converts it to a digitized representation of the print. Both of these options could be available to the states to provide for the greatest flexibility; therefore, encouraging all states to participate. (See Options 1 and 2 on Attachment B.)

Option 1 described on Attachment B allows states with live scan capabilities and a compatible interface system to transmit and receive information directly from the central AFIS system. With direct interface capability, verifications can be accomplished within seconds; however, this will require that the AAMVANET and the CDLIS inquiry system be expanded to accommodate the 500 byte minutiae record and possibly a 1000 byte template record. For enrollment of original licensees or the original enrollment of existing licensees, additional processing time to search through the entire fingerprint biometric data base will be required. The additional time is estimated to not exceed 72 hours.

Option 2 allows states to capture rolled fingerprint images onto hard copy documents. The hard copy documents are converted to electronic records through the state's own automated system. The digitized data can then be transmitted electronically to the centralized CDL AFIS. States utilizing this type of system can expect a response from the central system within minutes for verifications and within 72 hours for enrollment of new licensees.

Attachment B offers a third option (shown as broken arrow paths leading to bordered boxes). This option allows states with live scan capabilities, who do not have compatible interface systems but who do possess the capability of converting live scan prints to printed images, and states taking manually rolled prints, to send standardized hard copy documents to the central system. Hard copy data will be converted to electronic information and processed at the central AFIS. The primary intent of this third option is to provide an economical means of accomplishing interface between state systems and the central system where the two are not inherently compatible.

States requiring biometric data conversion at the central site will receive verification notification through their CDLIS interface system within minutes after the central reader/scanning center has converted the hard copy document containing the print image. For enrollment of original licensees, receipt of a response may take up to 72 hours from the time the hard copy document is received at the central site.

Costs

Alternative 3 costs for the demonstration program (one time only) follow:

Equipment	$1,400,000
Sales tax	84,000
Personnel (31 PYs)	1,033,400
Travel/general expense	176,200
Total	2,693,600

The following assumptions were used to build the estimated costs:

One fingerprint from each applicant will be captured.

Drivers' demographics will not be used to divide the biometric data base into subfiles to facilitate searching routines.

The biometric data base will be divided into subfiles based on fingerprint classifications. Therefore, only 30% of the data base will need to be searched for any new enrollment.

Once a fingerprint record has been established for an individual, future reapplications will only require a verification of the fingerprint record taken with the reapplication against the fingerprint record already on file for the individual.

Benefits

Will test if automated fingerprint identification technology is applicable in the CDL environment.

May ensure that only one CDL will be issued to any one person.

May ensure the integrity of the CDLs that are issued by the states and the CDLIS data base.

May protect the public by preventing problem commercial drivers from avoiding licensing sanctions by spreading tickets and accidents over more than one driver record or obtaining a license when their license has been suspended or revoked.

Advantages

Some states already collect a fingerprint when issuing a driver license. California requires that a legible finger or thumb print be collected with every application for a driver license or ID card.

The public is already accustomed to giving fingerprints when applying for certain types of employment and other types of licenses or permits.

Fingerprints are the only form of biometric identification proven acceptable in a court of law.

Automated fingerprint identification systems have been proven successful in an environment where people may attempt to avoid proper identification.

A finger or thumb print is not a body cavity search, and may be found to be more socially acceptable.

AFIS are currently in use with data base sizes in excess of 23,000,000 prints.

Using the AFIS technology would offer more flexibility for states than that offered by retinal scan systems; thus, encouraging maximum participation in the CDL Program.

Disadvantages

Fingerprints have law enforcement connotations. Historically, fingerprints have been associated with law enforcement activities.

AFIS requires a 500-600 byte record for searching and matching and a 25,000 byte record for interface with other fingerprint systems for each finger. Also, at least one system requires a third 1000 byte record for verification for each finger.

People in most states are not accustomed to giving fingerprints when applying for a driver license.

AFIS technology appears to be more expensive than retinal scan technology.

Alternative 4: Test Retinal Scan and Fingerprints

Both retinal scan and fingerprint technologies will be tested within a driver licensing environment to determine which system best satisfies the national CDL program effort and the one-license provision of CMVSA.

Description

The demonstration program will be designed to test each of the two technologies concurrently. Each will be required to demonstrate the ability to meet the functional requirements specified in Section D beginning on page 5 of this report.

In order to properly evaluate the two technologies, participating vendors will be required to demonstrate their technologies in an environment that, as closely as possible, will replicate a system at full implementation workload levels. This can be accomplished by using a hardware to workload volume ratio proportionate to the full implementation hardware to workload volume levels.

Also, in order to adequately test the systems, an adequate sample size must be attained. This requirement can be facilitated by testing the technologies on all driver license/identification card applicants, rather than just applicants for commercial licenses. The premise is that the technologies are being tested for their identification capabilities and are, therefore, insensitive to the type of document(s) being requested.

Costs

The following system costs represent one-time costs of the demonstration program, testing both technologies:

Equipment/maintenance	$1,867,700
Software	100,000
Sales tax	117,600
Vendor support staff	340,000
Personnel (71.5 PYs)	2,242,000
Travel/general expense	441,400
Total	5,108,700

Benefits

Will increase level of confidence in selecting the most appropriate biometric identifier system to facilitate the one-license provision of the CMVSA.

Will mitigate potential conflicts, concerns, doubts, etc., regarding the selection process.

Advantages

Will provide the opportunity to obtain firsthand knowledge of, and experience with, both of the viable biometric technologies.

Will provide opportunity to test competing biometric technologies within the driver licensing environment.

Will help ensure that the best biometric technology will be selected.

Disadvantages

Will increase costs of demonstration program.

Will delay selection of appropriate biometric.

Will delay the implementation of a biometric identifier system for the national CDL program.

III. PROPOSED ALTERNATIVE SECTION

A. Recommended Alternative

Alternative 4 is the recommended alternative

This alternative allows the most responsible decision to be made with respect to considering the two relatively new and unknown biometric identifier technologies that are purported to be the most viable for use in the driver licensing environment.

Rationale

Retinal scan and AFIS technologies are both relatively new in the field of identification. As stated earlier, AFIS has more experience with large data bases comparable to that anticipated for a Federal commercial driver file than has retinal scan. While this alone may be significant in predicting success of a particular system, the significant cost difference between retinal scan and AFIS warrants a more careful examination of the retinal scan technology.

Also, it is an important factor that neither technology has had prior experience in the driver licensing environment. AFIS has predominantly operated within the law enforcement environment and retinal scan in the building and access control environments. Because of the preceding factors, it is important to thoroughly test and become familiar with each of the technologies in order to make a responsible selection between the two.

Impact on Existing Operations

The development and implementation of a six-month pilot of the systems may require as many as 61.6 staff years during fiscal year 1989/90 and 9.9 staff years in 1990/91.

Sources of Funding

The preparation of the FSR and the RFP is being funded by a Federal grant. It is anticipated that the demonstration program and the complete Federal central system will also be Federally funded. However, if Federal funding is not available, alternate funding may need to be identified.

Authorization Required

Approval of the system design, FSR, and RFP are required by the Mutli-State Steering Committee on Biometrics and the FHWA.

Equipment and Software

The equipment and software cost estimates were based on the following equipment:

AFIS	Retinal Scan
Digital Image Retrieval Subsystem	Retinal Auto Scan Systems
Image Processing Subsystem	High Speed Processors
Matching Subsystem	Software to Interface with
Live Scan Print Readers	DMV System
Ten-Print Card Reader	

Procurement

The equipment will be secured va competitive procurement processes.

Microfilm

The biometric identifier data will be used only for identification purposes and will not be used to create any output data. Therefore, there will be no need for computer output to microfilm.

Optical Character Recognition

The capture of the biometric identifier data will be done by the states and will not be part of this procurement.

Confidentiality, Privacy, and Security

The central system will hold only pointer record information and will maintain no sensitive or volatile information. When matches are made, the CDLIS Central Site will record the date and time of the match and the origin of the transaction in sufficient detail to comply with Privacy Act requirements. Access to the CDLIS Central Site data will be limited to authorized users through the use of password schemes and file lockout mechanisms.

B. Economic Analysis

	1988/89	1990/91
Equipment	$1,866,300	$1,400
Software	100,000	0
Sales tax	117,600	0
Vendor support staff	3240,000	0
Personnel	[1] 1,923,7800	[2] 318,300
Travel/general expense	389,800	51,600
Total	4,737,400	371,300

[1] 61.6 PYS.

[2] 9.9 PYS.

IV. MANAGEMENT PLAN

A. Project Responsibilities

Demonstration Program

The demonstration program will be managed by the State of California, DMV. Staff from California and, possibly, another state will be involved in designing and implementing the pilot, in performing data processing systems tests, programming, analysis, equipment installation monitoring, problem detection, procedure writing, training, systems evaluation, document tracking, customer surveys, report writing, and liaison activities with the Multi-State Steering Committee and FHWA.

B. PROJECT MANAGEMENT SCHEDULE

Milestone demonstration program	Start date	Completion
1. FSR Approval		Aug. 31, 1985
2. Design Demonstration programs.	Sept. 1, 1988	Aug. 21, 1989
Determine site selection.		
Develop evaluation criteria and data to be collected.		
3. Develop/write RFP.	Oct. 1, 1988	Dec. 1, 1988
4. Release RFP		Dec. 15, 1988
5. Obtain Federal funding.	Sept. 1, 1988	Jan. 13, 1989
6. Vendor proposal due.		Feb. 15, 1989
7. Vendor conference.	Mar. 27, 1989	Mar. 31, 1988
8. Vendor final proposals due.		May 1, 1989
9. Perform benchmark testing.	June 5, 1989	July 7, 1989
10. Issue intent to award.		July 31, 1989
11. Award contract		Aug. 14, 1989
12. Finalize demonstration program design.		Sept. 11, 1989
13. Make program changes required to DMV systems for pilot.		Jan. 1, 1990
14. System testing of changes.		Jan. 15, 1990
Train employees.		
15. Site preparation		Dec. 1, 1989
16. Equipment installation.		Jan. 15, 1990
17. Acceptance testing.		Feb. 15, 1990
18. Implement demonstration program.		Feb. 1, 1990
19. Collect data/ monitor demonstration.	Feb. 1, 1990	Aug. 1, 1990
20. Evaluate demonstration.	Mar. 1, 1990	Aug. 1, 1990
21. Write evaluation report.	Aug. 1, 1990	Aug. 31, 1990
22. Federal review evaluation report/ recommendations.		Sept. 30, 1990

SENATE REPORT NO. 99-132, REPORT ON S. 1200, AUGUST 28, 1985—IMMIGRATION REFORM AND CONTROL ACT

Subsection (c)(4) authorizes the President to undertake demonstration projects of different changes in the verification system. Such projects would have to conform to the restrictions set forth in paragraph (2), and could not last more than 3 years.

Identification fraud is a staggering problem. A May 12, 1983, report of the Senate Permanent Subcommittee on Investigations dealing with Federal identification fraud estimated that the cost of fraudulent schemes involving Federal, State and local entitlement programs alone exceeds $24 billion annually. Hearings on this issue during the 98th Congress by Senator Dole's Senate Judiciary Committee's Subcommittee on Courts also found that, at present, there is easy access to counterfeit identification documents such as Social Security cards, birth certificates, and driver's licenses. Counterfeit documents can be obtained readily and inexpensively anywhere in the United States or neighboring countries from illegal commercial vendors or can be fashioned by "do it yourself" techniques.

Last October, as part of the Comprehensive Crime Control Act, Congress required that agencies operating identification systems use identification documents, insofar as possible, with common descriptive terms and formats so as to reduce redundancy and duplication and to facilitate positive identification. In addition, the Congress required that within 3 years the President make recommendations to the Congress for the enactment of comprehensive legislation concerning Federal identification systems taking into account: (1) the protection of privacy, (2) appropriate civil and criminal sanctions for the misuse or unauthorized disclosure of personal identification information, and (3) the exchange of personal identification information authorized by Federal or State law.

The Committee expects that the President and the Attorney General will take the identification fraud considerations expressed in the Comprehensive Crime Control Act into account, including the results of the President's study, when available, when decisions are made about the type of identification and employment authorization documents which should be relied upon by employers to make determinations under section 121 and about the improvements which should be made therein.

Furthermore, the Committee believes that the President and the Attorney General, in conjuction with other interested Departments and agencies, should work with State and local identification document-issuing authorities to develop demonstration projects and programs to improve the reliability and validity of identification documents. Efforts should be made to bring State and Federal document-issuing authorities together to deal with the problems of document fraud and abuse and to develop common strategies to deal with them. Document formats could be standardized and software developed for the exchange of document information for the purposes of update, correction, and verification. For example, one of the most prevalent forms of document fraud involves the use of duplicate copies of birth certificates of deceased individuals to obtain new identification documents for an individual who then assumes the identity of the deceased individual. Unless some systematic means is developed for annotating the birth certificate with death information, the potential for fraudulent misuse will remain great.

● Mr. BIDEN. Consistent with the important role played by State and local law enforcement, the State and local grant program under this drug bill is a substantial package. I would take a moment to ask the Senator from Massachusetts, Senator KENNEDY, what State and local law enforcement methods he has found to be the most successful in combating the drug problem.

● Mr. KENNEDY. Of the many effective tools, the one with a documented success rate, in my opinion, would be street crime crackdown programs. Some of the analysts at the Rand Corp. and the Kennedy School who have questioned the wisdom of our reliance on interdiction and the use of the military, have concluded that while interdiction often has only a marginal effect on street prices and drug use, street crime crackdowns have a direct effect in cleaning up drug-ridden communities and steering users to treatment programs.

● Mr. BIDEN. As the Senator is aware, street sale crime enforcement programs are mentioned twice in our funding provisions, thus indicating the degree of importance that we attach to these programs. The Bureau of Justice Assistance now funds some 14 such programs.

● Mr. KENNEDY. That is my understanding. Indeed, I would hope to see that figure more than doubled in the near future. My commitment to these programs is based on the success of street crime operations in Houston, Los Angeles, Manhattan and Lynn, MS—I am convinced that similar successes can be accomplished anywhere there is intensive street level drug activity. As the chairman knows, when our committee held hearings on this issue, we heard extensive testimony about the importance of street crackdowns in combatting drugs. We heard police chiefs and a district attorney describe innovative approaches to rid neighborhoods of illegal drugs. We heard about "drug bazaars" where buyers are lined up like rush hour traffic at city intersections where guns proliferate, and children bring home throw-away syringes and discarded drug bags.

● Mr. BIDEN. This is certainly something we should monitor closely during the authorization process. By insuring that a significant portion of the State and local law enforcement grant money will go to street crime programs, we can be sure that our law enforcement priorities will include tough drug enforcement where the communities will see and appreciate it the most—right on their own streets.

● Mr. KENNEDY. I thank the Senator for his comments.●

PARTNERSHIP TO REDUCE CRIME AND DRUGS IN AMERICA

● Mr. BIDEN. Mr. President, today both Houses of Congress will pass and send to the President one of the most important pieces of legislation enacted in the 100th Congress—the Omnibus Anti-Drug Abuse Act of 1988. And while I think this act contains many valuable programs, I am particularly pleased that the bill contains a major section to assist State and local law enforcement agencies across the country. This section—authorizing almost $600 million for State and local police, prosecutors and juvenile justice agencies—is based largely on a bill (S.1250) that I introduced in May 1987.

Crime, drug trafficking and juvenile delinquency are among the most pressing problems confronting this Nation—and they are on the rise. The violent crime rate has increased more than 22 percent in the past decade. Every 21 seconds, someone is the victim of a violent crime in America. A person—most likely a woman—is raped every 6 minutes. And someone is murdered every 26 minutes—almost 50 people a day. And crime costs our society billions of dollars. Crime is a tax on Americans—and it is probably the single most regressive tax, exacting an enormous cost from poor and low-income Americans. But it is the human costs of crime that trouble me the most. Economists cannot measure the loss of personal freedom that the fear of crime causes. They cannot measure the heartbreak of families whose communities have been taken over—literally—by drug traffickers. And they cannot measure the suffering of parents who watch as their children destroy their lives with drugs.

The criminal and juvenile justice assistance section of this bill takes a step in addressing these problems. My colleagues and I have drafted this legislation recognizing that law enforcement is primarily a State and local responsibility; 94 percent of all violent crime occurs within the jurisdiction of State and local agencies. And the operation of the juvenile justice system is almost solely a State and local responsibility.

There is, however, an important role that the Federal Government can—and should—play. Criminals don't respect jurisdictional boundaries. And the increasingly national and international scope of drug trafficking and organized crime makes it more important than ever that Federal, State and local governments work together—as partners—in the struggle against crime and drugs in America.

As I stated when I introduced S. 1250, this legislation represents the Federal Government's down payment on a long-term, comprehensive plan to reduce crime, drug trafficking and juvenile delinquency in America. The bill targets limited Federal resources to advance the state-of-the-art criminal justice system at the State and local level. And consistent with a true partnership, this legislation, in most cases, requires States to match Federal funds.

Specifically, the Criminal and Juvenile Justice Partnership Act would reauthorize several high-priority programs, including:

Anticrime and antidrug grant programs created in the 1984 Comprehensive Crime Control Act and the 1986 Anti-Drug Abuse Act. These programs would be combined to reduce the Federal redtape that States must cut through to receive anticrime and antidrug assistance funds. More important, strict time limits have been placed on the distribution of these funds to local police agencies to ensure that this money gets to the streets as quickly as possible. The streamlined program would channel $275 million in critically needed funds to State and local agencies that are on the front line of America's struggle against crime and drugs.

BENEFITS FOR THE FAMILIES OF PUBLIC SAFETY OFFICERS WHO ARE KILLED IN THE LINE OF DUTY

The legislation raises benefit levels received from $50,000 to $100,000, and indexes the benefits to inflation. We also provide $150,000 for national programs to assist the families cope with the psychological trauma associated with the loss of a family member.

REGIONAL INFORMATION SHARING SYSTEMS

The legislation authorizes $15 million for these highly successful programs that facilitate intelligence sharing and cooperation between States during investigations of multistate criminal conspiracies.

CRIME VICTIMS FUND

The fund, established in the 1984 crime bill and financed through collection of fines levied against Federal criminals, provides direct compensation to victims and assistance grants to State victims assistance programs. This legislation reauthorizes the crime victims fund through 1994, and raises the cap on the fund to $125 million through 1991 and to $150 million through 1994. And for smaller States like my home State of Delaware, the minimum allocation increases to $150,000 through 1991 and to $200,000 through 1994.

OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION

I believe that spending money on juvenile justice and the prevention of juvenile delinquency is cost effective, and that $1 spent today on juvenile justice will save us many times that amount in reduced criminal justice costs in future years. We have also established a $15 million program to address the skyrocketing problems of juvenile gang and drug activity, including programs to address both the law enforcement and treatment and prevention sides of the problem.

COLLEGE AND RAILROAD POLICE

We also authorize the Attorney General to allow certified college and railroad police agencies access to Federal criminal justice data banks, and we create a new $5 million program to improve the accuracy and quality of criminal justice data.

In addition, we have added some general provisions to assist law enforcement. The bill authorizes the Federal Bureau of Investigation to assist State and local agencies investigate the killings of law enforcement officials; restores the equitable sharing provisions of the forfeiture laws and allows Federal law enforcement agencies to conduct undercover operations against money laundering rings. These provisions, along with many other substantive law enforcement provisions, passed the Senate as S. 2485 on June 17, 1988. A full explanation of these changes is included in the CONGRESSIONAL RECORD of that date.

Mr. President, I would be remiss if I did not call attention to the courage and valor of those women and men who enforce the laws of this Nation. Police officers across the country are called on to protect our families and our homes, while at the same time protecting the rights guaranteed to all citizens under the Constitution. These are cherished rights, and police officers are responsible for protecting them day in and day out, year after year.

When I took the oath of office, I made a commitment to defend and uphold the Constitution. But when a police officer takes the oath of office he or she—implicitly—swears to risk life and limb to protect our families, our communities and our property. This is not lofty rhetoric. Last year, more than 150 police officers were killed in the line of duty. So in passing this legislation, I think it is only proper that we take time to reflect upon the courage and valor of those called upon to make this legislation effective.●

FPI BORROWING AUTHORITY STATEMENT

Mr. DOLE. In 1930, the Bureau of Prisons was created by Congress in order to promote a centralized Federal Prison System. In 1934, Federal Prison Industries, Inc. was established by reorganizing the existing industrial operations in Federal correctional institutions and placing them under a uniform system of management. This wholly owned Government corporation was authorized by an act of Congress (Public Law 461, 73d Congress) on June 23, 1934 and created by Executive Order No. 6917, dated December 11, 1934. Since its inception,* the corporation has been self-sustaining and has not received an appropriation from the Congress. The corporation has been charged with providing a diversified program of industrial production that does not place an undue burden of competition on the private-sector industry of labor. Its products can only be sold to other Federal Government agencies and departments. Immediate benefits are reduction of inmate idleness, providing employment and training opportunities for the inmate population, and improving the overall prison environment.

Numerous factors have prompted Federal Prison Industries to seek borrowing authority. The most important has been the rapidly expanding Federal inmate population. On January 1, 1981, the inmate population was only 23,783. Today, the population is at an all time high of over 44,000, an increase of 85 percent in 7 years.

Aggressive law enforcement and active prosecution are the two primary contributors to this rise in the Federal inmate population. In addition, the Federal sentencing guidelines, which went into effect on November 1, 1987, will place additional pressures on the housing capacities of our institutions. With continued enforcement and prosecutorial activity, sentencing changes, and demographic trends, it is expected that the Federal prison population will reach 95,000 by 1995. Without work programs, such as Federal Prison Industries, inmate idleness, and associated unrest and violence, will pose a direct threat to prison staff and the community. Likewise, curtailment of this program will invite the type of court intervention which has caused many State prison systems to be compelled to release felons early, set population limits, and have a general adverse impact on the orderly running of their institutions.

The Bureau of Prisons, in conjunction with Federal Prison Industries, has been taking a proactive, multifaceted approach in dealing with current overcrowding and the continuing population increase. Through its exemplary work preindustrial, and vocational training programs, inmates have the unique opportunity to develop marketable employment skills, a positive self-image, and the work ethic that is extremely critical to their successful reentry back into society. With these combined skills, an ex offender has the tools necessary to become a productive taxpaying citizen. It is important to restate the fact that Federal Prison Industries receives no appropriations from Congress. Through its sales and earning, it is able to meet all of these objectives.

Until recently, Federal Prison Industries, through its earnings, has been able to keep up with the growth of the Bureau of Prisons. Operating an industry within the confines of a prison and in accordance with Federal personnel and procurement regulations is a difficult task. Cumbersome procurement regulations, OPM personnel ceilings—which do not limit the private sector—the disparity between Federal pay rates and the private sector, and restriction to the Federal marketplace pose daily challenges to our operations. In addition, overhead costs are raised by the prison environment which requires: strict tool control, searches of inmates, inspection of incoming and outgoing materials, and finished goods for contraband and escapees. Likewise, because Federal Prison Industries is labor-intensive it is less efficient than private industry. It experiences a high-inmate turnover except in long-term institutions and the low skill and education levels of inmates results in higher training and retraining costs.

On a typical day, 14,000 inmates are employed in Federal Prison Industries. To the best of our knowledge, this is the largest number of inmates working in an industrial program anywhere in the world. Inmates work under the direct supervision of qualified factory personnel, interacting both with their peers and Bureau of Prisons' staff in a structured, but positive environment. Without Federal Prison Industries employing close to 43 percent of the inmate population available to work, it would be extremely difficult to manage the Federal Prison System without serious consequences. This program is a cost-efficient alternative to other programs which come from appropriated funds.

Federal Prison Industries' sales for 1988 total less than one-sixth of 1 percent of the total Government market. Over 80 percent of its sales revert back to the private sector in the form of procurement activity for raw materials. The majority, nearly 49 percent, are from small business. Federal Prison Industries has always maintained a program orientated and noncompetative posture. The authority to borrow funds from the U.S. Treasury will enable Federal Prison Industries to meet its obligation to continue to provide meaningful employment and training for Federal inmates

MEETING THE NEEDS OF VICTIMS OF CRIME

● Mr. BIDEN. Mr. President, for many years I have been a consistent advocate for programs to assist the victims of crime. I coauthored the Comprehensive Crime Control Act of 1984 which contained the Victims of Crime Act [VOCA]. Today, I rise to congratulate my colleagues both in the Senate and the House in passing the Criminal Justice Partnership Act of 1988 which builds upon the 1984 Victims of Crime Act and represents the most important revision to Federal victims programs in 4 years.

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* 1934—received $34 million in startup funds.

In 1986 more than 20,000 men, women, and children were murdered in the United States. More than 1.8 million were seriously injured in violent crimes. According to the Bureau of Justice Statistics, the risk of being a victim in a violent crime is greater than being hurt in a traffic accident, dying from cancer, or suffering injury or death in a fire. While these statistics tell us much about the problem of crime in America, they do not tell the whole story. They do not measure the human costs of violent crime—the grief and trauma associated with incidents of violence; they do not measure the loss of personal freedom caused by fear. Crime is a tax on Americans—probably the single most regressive tax—falling hardest on poor and low-income Americans. As a civilized and decent society, we have a responsibility to assist victims and their families—to offer some compensation in the midst of ill fortune and personal tragedy.

This legislation increases assistance to victims in several ways. It reauthorizes the Crime Victims' Fund for the next 6 years. The fund is financed through fines levied against convicted Federal criminals, thus ensuring that these offenders pay retribution for their crimes. The cap on the fund is raised to $125 million in 1989 and to $150 million in 1992 through 1994. In addition, State and local agencies may use a portion of their anticrime and antidrug funds to develop victims' assistance programs, particularly those aimed at helping the victims of domestic and family violence. Small States such as my home State of Delaware are assured of receiving a minimum of $150,000 through 1991 and $200,000 through 1994.

This legislation also raises the status of the Office for Victims of Crime by formally establishing the Office as a bureau within the Department of Justice. It also makes the Director a Presidential appointee. This provision highlights the important mission of the Office for Victims of Crime and ensures the continuity of its work.

There are many victim populations that have gone underserved in the past, particularly victims of drunk driving and survivors of homicide victims. This legislation requires States to designate at least 10 percent of their Federal victims' assistance funds to help these underserved groups. Another neglected victims population is children on Indian reservations who suffer from abuse. These children cannot be advocates for their own rights and must be protected. This legislation requires that 15 percent of the funds earmarked for the Children's Justice Act be utilized by the Justice Department's Office for Victims of Crime for grants to Indian tribes to improve their handling of child abuse, particularly child sexual abuse cases.

Domestic violence is another major priority in this legislation. The bill retains the existing VOCA priority language for victims of rape, domestic violence and child abuse; requires States to compensate domestic violence victims; adds domestic violence to the list of the criminal justice block grant programs than can be used to assist police departments all over the country in improving their response to this serious problem of domestic violence; and requires the FBI to collect information on domestic and family violence in their national crime statistics program.

These new laws will help victims of crime only if they are enforced. As chairman of the Senate Judiciary Committee, I have pushed the Department of Justice to be aggressive in collecting fines that make up deposits to the fund. I am pleased to note that their efforts are expected to result in an increase of deposits to the fund of $85 million in fiscal 1988 and may exceed $100 million in fiscal 1989.

As chairman, I will continue my strong advocacy for victims rights. The partnerships forged by this legislation between Federal, State, and local governments will allow innocent victims and their families to receive the compensation and assistance they deserve. It is a matter of simple fairness and simple justice.●

STATEMENT ON STEROIDS

Mr. BIDEN. Mr. President, I am extremely pleased that the final drug bill will include my amendment imposing tough penalties on the distribution of anabolic steroids. Far too many of this Nation's young athletes regularly abuse these dangerous substances, and too often this abuse leads to serious physical and psychological injury.

It used to be that the high school hero was the All-State quarterback who was headed to a nationally ranked college on a football scholarship. He had his coach to thank for seeing the raw talent and making it into something. He had his parents to thank for raising him right and passing on the right genes. And he had himself to thank for being disciplined and putting in the hard work it takes to become a top athlete.

Unfortunately, today some high school heroes must also admit they got more than a little help from powerful pills or shots of steroids as well. Too many young athletes are taking steroids—a synthetic version of the male hormone testosterone—without medical authorization to give them a competitive edge in the sports they love, because they believe that steroids increase muscle bulk and strength.

The tragic irony is that steroid use is destroying our healthiest children. These are the kids who play football or run track and field and think they can outperform the competition by taking a drug. What many of them don't realize is that they are destroying their health in the process. Simply put, this is sadly short-sighted.

STEROID USE IS WIDESPREAD

Steroid use is not limited to a few highly publicized cases, such as Olympic sprinter Ben Johnson. A recent study by Pennsylvania State University revealed that 7 percent of the high school students surveyed reported current or prior steroid abuse. That means that between 250,000 to 500,000 students have used or are using steroids. Forty percent of these users started using steroids before the age of 16.

Unfortunately, a wealth of additional evidence supports the Penn State study. Dr. Robert Voy, chief medical officer for the U.S. Olympic Committee, reports that "no penalty testing" in 1983 and 1984 indicated that 20 to 50 percent of U.S. athletes used steroids. Just a few weeks ago, Mike Lynn, the general manager of the Minnesota Vikings, revealed that 6 percent of the 1,600 players in the National Football League tested positive for steroids during pre-camp physicals in 1987. A recent issue of Current Health cited expert estimates that over 1 million American athletes use steroids. The black market for steroids is conservatively estimated at $100 million a year.

If these figures begin to blur, or if you are overwhelmed by the immensity of these numbers, it may be easier to understand the scope of steroid use if you read the words of Tommy Chaikin, a former defensive lineman at the University of South Carolina, who wrote a stunning story in this week's Sports Illustrated about his steroid use in college. He estimates that as many as half of the 100 football players at the University of South Carolina used steroids while he was there, including virtually all of the linemen. Moreover, he reports that steroid use was so widespread among other teams he played against that he could recognize the signs of steroid use just by looking at opposing players and seeing "pink and puffy skin, swollen faces and necks, and very tight skin wherever there's muscle." He even reports that he used to joke with his opponents about steroid use by calling across the line comments like "how's that blood pressure?" I ask unanimous consent that this article appear in the RECORD at the end of my statement. It should be mandatory reading for any young person who would consider putting these poisons in their body merely to "improve their game."

STEROID USE IS EXTREMELY HARMFUL

Our athletes take steroids because they believe that this drug will make them stronger, bigger, and even faster. The problem is, steroids also have several other effects. Some of the side effects reported from steroid use—just a partial list—includes: Acne, cancer, increased cholesterol levels, clitoris enlargement, fetal damage, heart disease, increased risk of coronary artery disease, which can cause heart attack or stroke, jaundice, liver disease, liver tumors, male pattern baldness—this can become irresversible in women who take steroids—peliosis hepatitis—a liver disease—penis enlargement in young boys, priapism—painful, prolonged erections—prostate enlargement, sterility, stunted growth in adolescents, and even, in some tragic cases, death.

Steroids can also have a serious impact on the personality and behavior of abusers. Researchers at the Harvard Medical School report that steroid use can result in depression, mania, aggression, and psychosis. The full meaning of these labels becomes painfully clear in Tommy Chaikin's article. He tells of how steroids led him to engage in all sorts of behavior he would otherwise never consider, such as beating up teammates in practice, holding A loaded shotgun to the head of a pizza delivery boy, shooting a cow in a field, smashing car windshields by "head-butting" them, and eventually attempting suicide. He recounts how, in a steroid-induced period of depression, he held a 357-magnum to his chin and pondered suicide. Only the sudden and unexpected arrival of his father outside his dorm room broke the trance and saved this young man's life.

CURRENT POLICY ON STEROIDS

Currently, unauthorized distribution of steroids is only a misdemeanor. Steroids are considered prescription drugs under the Food, Drug and Cosmetic Act. Under the act, sale of prescription drugs other than by prescription constitutes "misbranding," which is a misdemeanor.

What is worse, there is no national policy that says these drugs are dangerous, and nothing currently makes it a felony to distribute them—even to minors. When the drug bill is signed into law, we will have such a policy.

As a result of our current nonpolicy, it has been far too easy for student athletes to obtain steroids. Tommy Chaikin reports that "getting the stuff was no big deal," and he even charges that a coach at the University of South Carolina told him to "take what you have to take" to play well. Our society cannot afford to allow this sort of attitude to continue.

THE BIDEN AMENDMENT

I have proposed that we make the illegal distribution of steroids a felony punishable by 3 years imprisonment. If individuals are caught selling or distributing to minors, the penalty doubles. Distribution by a physician with a prescription is exempt under this amendment.

I would like to note that the amendment also provides that a felony conviction for distribution of steroids under the Food, Drug and Cosmetic Act be treated as a conviction under the Controlled Substance Act for purposes of forfeiture. The fruits of this serious crime should not remain in the hands of wrongdoers.

The amendment applies only to distribution for human use, and does not include the human growth hormone.

Finally, the amendment requires the General Accounting Office [GAO] to conduct a study on the health consequences and extent of steroid use in America, and to report to the administration and Congress by June 1989. We will need a great deal of additional information on this problem in the years to come, for this amendment must only be a first step. A number of crucial questions remain to be answered: Should steroids continue to be regulated under the Food and Drug Act, or should they be governed in the future by the controlled substance laws? Should the Food and Drug Administration have jurisdiction over this problem, or should it be the responsibility of the drug enforcement agency? What additional resources will be needed to enforce the laws against illegal steroid distribution? How can we best regulate steroids without trampling on the needs of those who use steroids for legitimate uses?

In addition, the study should attempt to determine the extent of use among high school students, college students, and other adults. It should also study the respective extent of use for males and females, as well as the age of first steroid use and the reasons for initiating use. We need to identify other drugs used in conjunction with steroids, the dosage and patterns of use, and the sources from which the drugs are obtained. The GAO should investigate the type and quantity of steroids produced domestically and internationally, and estimate the amount used for medical purposes and the amount diverted to the black market.

And we will need to share that information with the American people. We need to inform coaches and parents that steroids have a devastating effect on the health of our kids.

This amendment is only a beginning in our efforts to control steroid abuse. If we are to be truly effective, we need support from everyone involved in the health of our young athletes. We have to let every athlete know that if they are using steroids to improve their sports performance, they may be playing a very deadly game.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NIGHTMARE OF STEROIDS

(By Tommy Chaiken with Rick Telander)

I was sitting in my room at the roost, the athletic dorm at the University of South Carolina, with the barrel of a loaded .357 Magnum pressed under my chin. A .357 is a man's gun, and I knew what it would do to me. My finger twitched on the trigger.

I was in bad shape, very bad shape. From the steroids. It had all come down from the steroids, the crap I'd taken to get big and strong and aggressive so I could play this game that I love.

I felt as though I were sitting next to my body, watching myself, and yet I was in my body, too. I was trying to get up that final bit of courage to end it all. Every nerve inside me was on fire. My mind was racing. I couldn't get a grip on anything. The anxiety attacks I'd been having for the last five months had become so intense that I couldn't stand them anymore. I'd lost control of everything—it's impossible to describe the horror I felt, the fear, the anxiety over that loss of control.

I could hear my teammates outside my room. They were walking back and forth, listening at the door. They talked in low voices, and they sounded very concerned. Every now and then someone would try opening the door, but I'd locked it.

"Tommy," someone would say quietly. "You O.K.?"

"Yeah."

"You sure?"

"Yeah." I was definitely going crazy, but not in a wild way. I answered in a very calm voice. I knew I was history—it was just a matter of time. I thought about the explosion and the bullet, about how it could take away this pain.

And then I heard my father's voice. He was banging on the door. "Tommy, open up!" he said.

It was a Friday morning, the day before our game against Clemson last November, and my dad and my older brother, Mark, had arrived from our home in Bethesda, Md. They were going to come down for the game anyway, but they arrived ahead of schedule because I'd called my sister, Dawn, early that week and told her I was sick and needed help. My father flew down on Wednesday, but he really had no idea what bad shape I was in. On Thursday night I went to see my girlfriend, and mentally I was already gone. I'd lost it. I started crying, and I hadn't cried since way back when I was a kid. "Please don't think of me as a coward if I do something wrong," I sobbed to her.

"What are you talking about?" she asked. She was scared.

"I can't take it anymore," I kept saying. "Please don't think of me as a coward."

I was a 23-year-old football player at a big-time school, 6'1", 250 pounds, a senior defensive lineman who could bench-press 500 pounds. I was ready to kill myself, but I couldn't stand the thought of being seen as a coward. That's all I cared about. Even then, I was a football player, not a coward.

Somehow I got back to the Roost that night and fell asleep. I don't know how that happened, since I hadn't been able to sleep right for months. But when I woke up Friday morning, I felt O.K., and the first thing I said to myself was, "I'm going to play against Clemson. I'll *play*, goddammit!" We were 7-2 , having a great season. I wanted to continue to be a part of it.

But then I started feeling bad again. The waves of anxiety washed over me, I started to tremble, and then I got my gun.

And now my dad was pounding on the door. On reflex, like a dutiful son, I hid the gun and let him in. He looked at me and said, "Tommy, let's go home." He took me to the airport, and we flew to Washington. I tried to compose myself on the flight, but it was horrible. I felt I was suffocating. My mom was waiting at the airport. "We're taking you to the hospital," she said.

All I said was, "I hope it isn't the psych ward, because I'm not going to the psych ward."

In the waiting room at Sibley Memorial Hospital in Washington, I started to have spasms. My body was having a reaction to Stelazine, the drug that a psychiatrist had prescribed for me a few weeks earlier when I'd first come home from South Carolina to get some professional help. That was right after our game against North Carolina State, which we won 48-0. I played well, too. I had six tackles. But off the field I was lost, erratic. Suicide was always on my mind. Suicide and football. The fact that I could play at all in my condition seems strange to me now. The Stelazine was supposed to reduce my anxiety attacks, but it just seemed to intensify them.

Finally my psychiatrist arrived at Sibley. He tried to explain what was happening to me, and I said, "I don't care about any of that. Give me something to help me now, or it's all over."

All of a sudden two guys in white jackets appeared. "We're just going to take you to the top floor of the hospital," one of them said. "You'll be fine."

We all got into the elevator, and I thought: *One Flew Over the Cuckoo's Nest.* I was in a movie. I was Jack Nicholson. I was Randle McMurphy. But nothing was funny. I couldn't believe any of it. My mind was on fire.

We got off on the seventh floor, and there in front of us was a big door with a lock on it. I freaked. I turned to my dad and screamed, "What the hell are you doing, man! I told you I'm not going to this place! I'm not crazy! I don't belong here!"

Then the attendants grabbed my arms. I looked at them and said, "No." I was very powerful at the time, my adrenaline was flowing and my mind was reeling. I said to the men, very quietly, "You won't last 10 seconds with me right now." I could have broken their necks like clicking my fingers. They knew it. They let go of my arms.

"Do not touch me," I said. "I'll walk in myself."

I looked straight ahead. They opened the door, and I walked in. The door closed, and my parents and the rest of my life were locked out. In front of me I saw people milling around, some of them blank and silent. Suddenly, everything caved in. This was how far I had fallen. This was how far I'd gone since I'd enrolled at South Carolina four and a half years earlier to chase the American dream.

I often sit and wonder how it all happened, how I let anabolic steroids lead me into this mess. I feel there's something in me—a flaw maybe, a personality trait—that brought me down. Oh, yeah, I take responsibility for my actions. I'm headstrong, and I've got a temper. I can't blame others for my mistakes, certainly not for making me take dangerous drugs. But I still think of myself as someone who started out as just a normal guy, a hard worker, a studier, a kid who loved sports. And I feel part of the trouble comes from things outside of me—the pressures of college football, the attitudes of overzealous coaches and our just-take-a-pill-to-cure-anything society.

As I recover from my steroid use, I find myself sort of acting as my own shrink. I wish I could have amnesia, to tell you the truth. It's very painful for me to reflect on what happened. It's like having to watch game films of yourself where you get chop-blocked over and over. But it's how you learn, too.

I had a normal childhood, I suppose. I grew up in Bethesda, the youngest of three kids in an upper-middle-class family. My dad runs his own window-replacement business, and my mom is a housewife. My dad always wanted us kids to be successful, but he didn't put pressure on us to excel in sports. All my drive was self-motivated.

I started playing soccer when I was seven, but I got bored with it and picked up tennis a few years later. I was pretty quick and I worked hard, and before long I was ranked fairly high in local junior tennis. I had always wanted to play football, though, and in my junior year at Walt Whitman High, I decided I was going to. But my dad wasn't big on contact sports—Mark had blown his knee out playing high school football—so it was a battle for me to get permission to play. Finally my mom signed my release without telling my father, and I joined the team as a split end.

I wanted to play because all the popular guys played football. And I wanted to excel. During that first year of high school ball, I was about 6 feet, 185 pounds, and I did all right as an end. But then our noseguard got hurt, and I switched to that position. I started spending a lot of time lifting weights, and I came back for my senior season weighing about 220. My teammates were amazed at how much I'd progressed. But the reason was simple—I'd worked real hard. I was named all-area, all-county and all-metro, and I knew I wanted to play big-time college ball. But I also knew I was no blue-chipper. Not at my size.

A few schools recruited me, but the coaches at South Carolina showed the most interest. They sent up the defensive line coach, Jim Washburn, and he came to see me in the hospital in the spring of '83, my senior year. I was recovering from having a prolapsed rectum wall repaired, fairly serious work. I was in a lot of pain, but I remember he told me that my bench press of 350 pounds would make me one of the strongest guys on the S.C. team. And he said that after the Gamecock's annual spring game, the winners always ate lobster and the losers got steak. He was a good salesman.

All the time he was talking, he was checking me out, walking up and down the side of the bed to see how tall I was. I'd said I was 6'2", but I'm more like 6'1". He saw the tatto of a star on my arm and the stretch marks around my pecs from lifting, and I guess he liked those things. Anyway, I wanted to play college ball so bad that I would've played anywhere at all. I'd never been to Columbia, S.C., but I didn't care where the school was. When they offered me a ride, I snapped it up.

So I showed up in Columbia in the fall of 1983, a naive, easy going but ambitious 19-year-old, ready to make his mark. The first thing I found out was that Washburn had fed me a line. I wasn't even close to being one of the strongest players on the team. There were a lot of monstrous guys in the weight room. And I found out later that the spring game winners didn't get lobster, either. They got little steaks, and the losers ate hot dogs. Basically what I discovered was that I couldn't trust this man, my position coach.

I also discovered that Columbia was one of the hottest places on earth. For the first few days of double sessions Washburn ran me and the two other freshman defensive linemen half to death. Then one of the linemen, Ray Bingham, went to offense, and the other, Ricky Daniels, blew out his knee. That left me and Washburn, one-on-one in the heat, until the upperclassmen reported a few days later.

Washburn never stopped screaming at me. I was dehydrated, my electrolytes were screwed up, and my legs cramped all night. I actually prayed for a serious injury. One day I was standing in the huddle, and my eyes rolled up and I just keeled over. I'd stopped sweating, my skin was cold. I was delirious. They packed me in ice and gave me fluids. And the next day I was back at practice. All this—and I was sure they'd red-shirt me anyway. I wouldn't even play for a year.

So I held a dummy for the scout team and got knocked around all fall. I didn't like it, but it was no big deal. Already guys had asked me if I wanted to take steroids—they called the stuff "juice"—so I could beef up and fight back. They were big guys, on steroids themselves, and they were trying to help me, but I always said no. I'd smoked pot a couple of times in high school, but I didn't like drugs. And I'd heard stories about the side effects of steroids, which can include cancer, liver damage, heart disease and sex problems. No way was I going to mess with something as risky as steroids. I was going to build myself up naturally.

In fact, I'd decided that I wanted to be a defensive end, and I figured I wouldn't have to build myself up at all. Over Christmas break I ran and ran and ran, and actually *dropped* my weight down to 205. I wanted to be lean and quick as a cat for spring practice. I get obsessed when I put my mind to something, and I was obsessed with being a fast defensive end.

That spring I got the crap knocked out of me. I got pushed all over the field. I also got a lot of muscle pulls in my legs, and Tom Gadd, the defensive coordinator at the time, reacted to that by saying, "Dianabol abuse! "Dianabol abuse!" to me. He was referring to a type of steroid, but I hadn't taken any yet, so he didn't know what he was talking about. But neither did I—at least as far as being a defensive lineman was concerned. It turned out that being light and quick meant nothing. I found out the hard way that you've got to be *big* and quick.

It was bad. Real bad. I finally said to myself, I've had enough of this, and I started looking hard at those guys who were using steroids. They looked fine to me: They were happy; they were going out drinking, they seemed to have normal sex lives, and they were a hell of a lot bigger than I was. Maybe it was time for me to join the crowd.

At that point I was so laid-back that guys on the team were calling me the Mild-Mannered Man from Maryland. I thought I was fairly intense, but I was nothing compared with some of the others. In fact, the aggression level and the intensity of the players were the things that shocked me the most about college ball. There were fights all the time in practice, a lot of them instigated by coaches. They would always let the fights go, too, let guys beat the hell out of each other. If you showed a violent nature, regardless of your athletic ability, it definitely swayed the coaches' opinions in your favor.

Coach Gadd was big on drills that promoted fighting. Gadd was a dictatorial type, a little man with a little mustache, who had never played major college ball. We called him Little Hitler. One of his favorite drills was called Escape from Saigon. It involved three blockers, a ballcarrier and a defender.

The defender would try to get to the runner, who was darting around while the blockers beat the hell out of the defender. Sometimes the defender would get his helmet knocked off and the three guys would keep hitting him. He'd be on his knees, dazed, and they'd keep sticking him with their helmets. A lot of guys took a beating in that drill. Gadd did it to get our aggression level up. We did it because if you didn't, you were a pussy, and if you were a pussy, you didn't play. You always hit the guy when he was down. Definitely. Your instinct as a human being was to have compassion. But then you just said, "Oh well, this is football." You suppressed your humanity to succeed.

In another drill one of my friends, George Hyder, was going one-on-one with a player who was very passive, and George ripped the guy's helmet off and smashed him in the face with it, chipping some of his teeth. It was uncalled for, but the coaches didn't mind. They liked it.

Joe Morrison, our head coach might have been the one guy who didn't like it. In fact, he was against fighting. But he thought we were pussies if we couldn't handle the August heat. One practice it was close to 120° on the field and unbelievably humid, and guys were passing out left and right. Players were ripping off all their pads and running to get in the little bit of shade under this old dead tree. Morrison went nuts. He said we were mentally weak for letting the heat get to us. "If I had a chain saw, I'd cut that damn tree down!" he yelled.

He would just stand there in the heat in black pants, a black vinyl windbreaker and a baseball cap, smoking cigarettes like crazy, and he'd never sweat a bead. He was unbelievable. He had heart problems in the spring of '85, after my first varsity season, but he still smoked like a chimney all during practices and games. Looking back, I think his smoking habit was kind of a poor example for us, as far as drugs are concerned.

As a team, we must have run and hit in practice more than any college football. Gadd was a Lombardi disciple. We had what he called Packer Days, even in the 100° heat, when we'd do conditioning drills that seemed like they'd never end. Guys would just drop from exhaustion. Washburn liked contact drills, including one where two linemen would grab each other's shoulder pads and butt heads until one of them dropped. Washburn would watch us and yell encouragement. He loved it.

He was a pretty big buy—6'3", 245 pounds—with red hair. He'd played offensive lineman at a small college, and he used to tell us, "I would've loved to play defense, but I wasn't good enough." So our drills were a reflection of what he couldn't do himself. Washburn was hung up on being macho, and he'd say bizarre things to us about manhood and being tough and big and mean. "Ever think about just ripping someone's head off?" he'd ask us. And, I swear, he was serious.

The coaches definitely had the ability to draw out the viciousness in players. On defense, for instance, most of the guys were black—my sophomore year, there were only two or three white starters—and before we'd go up against the offensive line, Washburn would get the black guys together and say, "Those honkies are calling you niggers." Of course, the black guys knew he was just trying to get them riled, but they also knew there were some offensive linemen who were very Southern and antiblack.

Anyway, the coaches wanted us to be as aggressive as possible, and it didn't matter where that aggression came from. That's the thing about football—once you whip up anger, you can twist it, channel it, aim it, just like a water hose. Coaches got me to respond by going after my ego, my pride. If they said I was a bum, I had to prove I wasn't.

So that spring of my freshman year I decided I was going to take steroids to get big and strong and aggressive. I finally broke down. There was no one thing, really, that led to the decision. It was a combination of things. Gadd always preached about the big, violent guys he'd seen in the Western Athletic Conference when he coached at the University of Utah. He made those guys sound like animals, killers, and it made us feel we didn't measure up.

That affected me. I took it as a challenge to my manhood, and I'm sure that's exactly how Gadd wanted me to take it. Then, too, I saw how well the guys already on steroids were doing—maybe 30 of them at that time. There was also the fact that I was young and felt nothing bad could happen to me, combined with the fact that I was part of a drug-oriented society. In addition to all of that, I felt I had the coaches' encouragement. I'm told that Washburn says he opposes steroid use, but he told me, "Do what you have to do, take what you have to take."

Another thing that had gotten to me was trying to compete with the black guys. I hadn't played against many blacks, and they imtimidated me with their strength and speed. I'd say that all but a couple of the guys on my team who used steroids were white, and the reason they did was to keep up with other guys on steroids and with black athletes. There's no question in my mind that there's a difference in black and white body types. I don't know why, but I could see the difference in the locker room. And I knew it when I played against blacks. So a lot of white guys take steroids to even things out.

I made my decision, and the funny thing is, I felt good about it. I was looking forward to the adventure of it and the chance to perform at my best. The thing people often don't understand is that college athletes feel tremendous pressure to succeed. Some guys have parents who are pushing them real hard. Other guys are just very competitive and have great pride. Nobody wants to sit on the bench and be a failure.

After I'd make my decision, getting the stuff was no big deal. I had spend a lot of time back home at a gym where serious lifters worked out, and I think by now everybody knows that the majority of bodybuilders and powerlifters use steroids. I had a friend there, and I knew he could get me what I wanted or tell me where to go for it. He got me some steroids, and I told him I also wanted hGH, human growth hormone. He told me where I could get it.

I knew hGH was expensive, but I'd read in a muscle magazine that it was safer than steroids, and I wanted to believe that. I also knew that hGH could cause acromegaly—the enlargement of the brow, hands and feet that's sometimes called "Frankenstein's syndrome"—but that you'd have to take megadoses for it to happen. Some bodybuilders take $10,000 worth of hGH per cycle—that's a bodybuilding term for a series of drugs in varying doses—but I only got $800 worth, enough for 10 injections over eight weeks. Tunnel vision has set in. My attitude was: Just give me what it takes to get big.

Still, I was pretty scared because I'd heard all the horror stories about the drugs. My supplier told me that if I didn't get too crazy with this stuff, didn't abuse it, I'd be O.K. Then we went down into his basement at home, and he gave me my first injection, in the top of my butt. I went right to the weight room and had a great workout. I was pumped, but, of course, it was all psychological.

I had a lot of injections that summer, and after a while the spots I had to hit on my rear end got so callused from shots that at time I couldn't even get a needle in. You don't inject steroids into a vien. It's not like heroin or something. You shoot it deep into a muscle, and it gradually disperses through the body from there. It's very hard to shoot yourself up in the butt, and sometimes when I did, I hit spots that hurt so bad I could barely sit down the next day. Other times I'd shoot myself in the quad, the front of my thigh. It's dangerous because you have to go in an inch or so, and you can cause nerve damage if you're not careful. But if nobody's around to inject you, you have to do it.

You can take most steroids in pill form, too; but you have to take them every day, and certain pills can be harder on the liver. With shots you don't need to do it as often—12 times a month, in my case—and the drug stays in your system longer. At first I was very worried about needles, but after a while my concern went away—mainly because my body was changing so fast.

People who say steroids don't work don't know what they're talking about. You've got to experience it to know what I mean. Your muscles swell; they retain water and they just grow. You can work out much harder than before, and your muscles don't get as sore. You're more motivated in the weight room and you've got more energy because of the psychological effects of the drug.

I went from about 210 pounds to a lean 235 in eight weeks. My bench press went from the upper 300's to 420, and my squat from 400 to 450. I watched my diet and I was really cut—big arms, chest and legs, great definition. I went back to Columbia in the summer of '84, before my first varsity season, for the Iron Cocks meet, a lifting competition for football players. A bunch of guys who were already on steroids saw me and said, "Aha, so you bent to the pressure."

I said, "Yeah, I've begun the chemical warfare." And we laughed. Washburn saw me and said, "You look great!" He must have known I was using juice.

Besides the muscle growth, there were other things happening to me. I got real bad acne on my back, my hair started to come out, I was having trouble sleeping, and my testicles began to shrink—all the side effects you hear about. But my mine was set. I didn't care about that other stuff.

In fact, my sex drive during the cycles was phenomenal, especially when I was charged up from all the testosterone I was taking. I also had this strange, edgy feeling—I could drink all night, sleep two hours and then go work out. In certain ways I was becoming like an animal.

And I was developing an aggressiveness that was scary. That summer I was working as a bouncer at this bar in D.C., and one night a Marine bumped into a girl I was dancing with. Words were exchanged, then I followed him to where he was sitting and said, "I didn't appreciate that." He put his beer down and came up hard under my chin with his hands, and a slice off my tongue about an inch long went flying out of my mouth. I didn't even notice it. I saw red. I felt an aggression. I'd never felt before. I hit him so hard that he went right to the floor. He was semiconscious and I got him in a headlock and started hitting him in the ribs and kneeing him in the back. I wanted to hurt him real bad. I could literally feel the hair standing up on the back of my neck, like I was a wolf or something. If I hadn't been on steroids, I would've walked away in the first place. But I had that cocky attitude. I wanted to try out my new size. I was beginning to feel like a killer. It was like football; a test of manhood between two people—you or me, all the way.

Back at school that fall, when I took the football physical, a doctor said, "Have you ever had high blood pressure and a heart murmur?" I said no. He said, "Well, you do now." I brushed it off. No big deal. I never heard a word about it from the coaches. Nobody seemed to care. I certainly didn't. A lot of guys were using more steroids than I was, and they were fine. Besides, I was in great shape. I ran the mile in 5:45, faster than a lot of linebackers.

I brought a bagfull of stuff I'd gotten from my connection to school—bottles of Deca-Durabolin, 100 syringes, some vials of vitamin B-12—and I started selling it to teammates. We thought the B-12 would help us get through two-a-days. We wanted it for the energy, the placebo effect, whatever. Our team doctor, Paul Akers, injected B-12 into anybody who wanted it before games. And our orthopedic surgeon, Robert Peele, would shoot up guys who had injured ankles or whatever with Xylocaine, a local anesthetic. So what we were doing wasn't much different from what the doctors were doing; it was all done to enhance our performance.

Back in the spring I'd used some other drugs, too. I snorted cocaine with a couple of other players one night, but it was a bad experience for me. Coke was sort of circulating through the team then. I'd say about a third of the players had used it occasionally. But some guy used it the night before games, and a few drank before we played. That's just how it was.

Then one night some of the guys on the team took microdots of LSD. That was interesting but intense, I don't know how anybody could take it very often. But some of my teammates had done it a lot. My buddy George Hyder said he had taken acid about 300 times. He could ingest anything. He was a very hyper person, and other guys on the team were, too. The word was that one of them got into a fight on a recruiting trip and bit somebody's ear off.

These guys were my friends, and they were remarkably aggressive. I admired them because they had a mean streak I didn't have. They got on steroids about the same time I did, which heightened their aggression. One of my teammates hit a guy in a bar one time, and after the guy fell to the floor with his jaw collapsed and some teeth knocked out, the player kicked him in the head. Blood was everywhere. I'd say steroids had something to do with it.

I really feel that under certain conditions some of the guys who were on steroids would have been perfectly willing to beat someone to death. One time during the middle of a cycle George and another guy punched out the windshield of George's car, an old Toyota Tercel, and head-butted the windshields of some others. Then they came and got me and said, "Let's go kill somebody." I knew this was trouble, but I went anyway, for the hell of it. We drove for a while in George's Toyota, then they got out and started head-butting cars, breaking some more windshields. If anybody looked at them funny, they'd intimidate the guy until he ran away.

During two-a-days in August, I started a new cycle, taking Deca-Durabolin to help me keep pumped up. The coaches liked my new size and aggressiveness, and they moved me up to second-string defensive end, where I knew I'd play a lot. This was in 1984, and we didn't have to take drug tests yet, so there was nothing to worry about. Even after the NCAA instituted tests in '86, they were a sham. A lot of guys would just say, "Doc, I can't urinate in front of you," and they'd go into a stall where they'd hidden a vial of someone else's urine, and pour that in the cup. Some guys would pour salt or vinegar into the cup, which was supposed to mask any traces of drugs. Even when guys tested positive, nothing happened to them.

The trouble for some of us was that we couldn't sleep—that's one of the things steroids did to me—so we drank a lot at night because there wasn't anything better to do. I could drink a dozen beers and maybe eight or nine shots of vodka or bourbon in a few hours, easy. And because of the steroids and the booze, I'd get into fights.

Five nights before our first game of the season, against The Citadel, I was in a bar, and I got into an argument with this guy. I told him if he wanted to fight, to come out into the alley, which he did, and when he pulled his arm from behind his back, he was holding a 12-inch deer knife. He swung at me and I blocked it. Then he swung lower, and I couldn't tell if he got me or not. Just then one of my teammates, Woody Myers, came into the alley, and the guy tried to stab him. Woody and I jumped behind a car, but when I looked over my shoulder, I saw that the whole back of my shirt was soaked with blood. I put my finger in a hole under my right arm. The guy ran away and, before too long, the paramedics came. They were shocked at how high my blood pressure was, particularly after I'd lost so much blood. They asked if I was on steroids, and I said yes. At the hospital I told the doctor to stitch me up tight because I had a game that week.

The coaches were very upset when they found out what had happened, but they told me not to discuss it with anybody. "It's not what we want to talk to the press about," Morrison said. So nobody found out. And I played against The Citadel, my first college game, with a stab wound under my pads.

After a few games our nosetackle got hurt, and I moved from defensive end to nose and played a lot. I did pretty well, but I was still going against guys who weighed 280 or 290 pounds. I ordered some rhesus monkey hormones from back home—two bottles, 20 injections, for $800—and it came Federal Express. It was supposed to be great stuff, able to build muscle without a lot of the water retention steroids cause. But I didn't get any size off it, so I think it was fake.

I was getting steroids for a lot of guys now through my source. He had a close friend who was a doctor, and he could get anything we wanted. I'd sell the stuff, but I didn't make a profit from it. I knew it was wrong, but I rationalized that the guys wanted the steroids and I could get high quality juice instead of the junk some guys were getting from Mexico and other places, stuff with no labels or anything on it.

By my junior year I'd say about 50 guys out of the 100 on the team were using steroids—almost all the offensive linemen and a lot of other players. And I'm convinced that we weren't much different from other major college teams. Believe me, players can tell. I'd say the majority of recent All-America offensive linemen have used steroids. You can tell what steroid users look like—pink and puffy skin, swollen faces and necks, but very tight skin wherever there's muscle. I'd play against these guys and they'd be huffing and puffing, and we'd look at each other and one of us would say, "How's that blood pressure?" And there's eye contact that says, "Yeah, I know. It's rough out here playing on drugs."

Before the North Carolina State game in '84, I tore ligaments in my right big toe in a pileup in practice. We were undefeated at the time, 7-0, and Washburn said he needed me. I couldn't push off on the foot and it hurt tremendously, but I wanted to play. So the day of the game I went into the back room with Dr. Pelle, Washburn and Morrison. Morrison told somebody to lock the door because he didn't want the referees walking in on this. Washburn held my hand while Dr. Peele injected my toe joint with Xylocaine. When he was done I couldn't feel my foot at all. It wasn't till the painkiller wore off during the bus ride home that I was in agony.

I played in the next two games, against Florida State and Navy, but missed the Clemson game because of problems with my toe and back. We finished the regular season 10-1 and went to the Gator Bowl, where we lost to Oklahoma State.

It had been a successful season for me, so being the kind of obsessive guy I am, I went even harder into steroids. Real hard. During the spring I was taking two cc's of testosterone every third day and 10 Dianabol tablets daily, a huge amount. Washburn looked at me and said, "Wow, what did you take? Everything but the kitchen sink?"

I liked being on the edge; most athletes do. We're thrillseekers. Athletics itself is a high. Football players will do wild things because it keeps them on the edge. At South Carolina, when we had time off, some of us would take our guns and go out and shoot—at anything—to keep from getting bored. Taking steroids was just another way of living on the edge. And it became a big social thing. Seven or eight of us heavy users would get in a dorm room together and start shooting each other up. Guys would show up with their bottles, and there'd be a lot of chatter: I shoot you, you shoot me. We all enjoyed it. I had boxes of syringes that I got from certain pharmacies in Columbia for 20 bucks for 100. We'd say it was for B-12 shots, but those needles are shorter and you need an inch or so to do steroids intramuscularly. They would give us the longer needles as long as we signed "B-12" in the book.

We never used the same needle twice, I can tell you that. We tried to be careful how we injected each other, too, but sometimes you'd hit the sciatic nerve or something, and the guy's legs would buckle. I mean, none of us were doctors or anything. But we were needle-happy. We would have injected ourselves with anything, if we thought it would make us big.

A lot of times, if we were really getting bigger, we'd increase our dosage to gain bulk even faster—just fill the syringe to the end. We'd occasionally read the paperwork that came with the bottles, trying to figure out what a dosage should be for someone with anemia or a guy whose body can't produce enough testosterone, which is what the stuff is usually used for. Then we'd take 2, 3, 4, 10, 20 times that amount. Sometimes we'd take our needles and pull half a cc from one bottle and half from another, just mix them up. The more the better.

By the fall of '87, my senior season, there was one guy who was taking so many tabs of a steroid called Anadrol that he developed liver problems. At one point during the summer of '85, there were guys so heavily on steroids that they couldn't make it once around the track without getting back cramps from being so bloated. This alarmed Keith Kephart, our strength coach, so he took all the linemen in a room and said, "I want to know who's on Anadrol. I'm hearing horror stories. This is the strongest stuff around. It can be lethal. Now, who's using?"

A lot of guys raised their hands, but I didn't because I was on other steroids. Kephart wanted guys to cut back on their intake. I don't remember him telling us to stop, but he did say. "If you want counseling, come to me. "I really think he cared, but he didn't think he could change us.

It was common knowledge that we were using the stuff. I had bottles of juice all over the place. We threw the used syringes into the waste cans in our rooms. I mean, we even had syringes sticking in the walls. Coaches would walk in and see the stuff. But nobody gave a damn. One of the coaches came in for a room check once, saw a vial with a skull and crossbones on the label and said, "I used to use Dianabol myself. What's this stuff?" We laughed and said, "It's a great new product from Germany. Look at the instructions. They're in German." He just laughed.

Players would stop by my room, as if it were a store, and ask if they could get some steroids. One time, even Todd Ellis, our quarterback, asked George Hyder about steriods. He wondered how much they cost, what the effects were and how long it would take to get them. I wondered what steroids could do for a quarterback. Build up arm strength. I guessed. Anyway, George told Todd he didn't have any. I didn't offer any myself, and I never saw Todd take any. But there was just this sort of no-big-deal attitude about it all.

The spring of '84. I bulked up some more, and people were in awe of my strength. I was benching close to 500 pounds. Squatting more than 600. I could do 30 one-armed presses with a 100-pound dumbbell. I weighted about 260, and I looked like a steriod user. I took all kinds of stuff, including Equipoise, a horse steriod designed to make thoroughbreds leaner and more muscular. It was tough on me—I got colitis and was bleeding rectally—so I switched to other stuff. Guys started calling me Quasibloato and the experiment, because they thought I'd take anything.

My aggression level was so high that I got into an argument with the team trainer at one point during spring practice and went to my locker, put my hand through the metal mesh and ripped the door off its hinges. Then I went back to the Roost and took a baseball bat and demolished my refrigerator, smashed it to pieces, and then ripped the phone off the wall. My nerves were on edge like they'd never been before. At practice one day I got into a fight with Shed Diggs, a linebacker, because he cut in front of me in line for a drill. I threw him down, pulled his helmet up far enough so I could get my fist in there and smashed him in the eye. As he got up, bleeding and humiliated. I felt sympathy for him. But then the steroids kicked in and I said to myself, "All right! Your're a tough guy!"

I went home for spring break, and my mom took one look at me and said. "My God! What have you done to yourself?" I tried to deny everything, but my dad looked in my bag and found two vials of testosterone. He got very upset. He called our family doctor and had him try to convince me to get off steroids. My dad tried to talk me into quitting football and told me that he'd pay for my schooling. My sister called me constantly, trying to get me off the stuff. But I wouldn't listen. "I'm sorry." I said to my parents, "but it's a decision I've made, and I'll try not to abuse the steroids."

I don't know if you can call steroids addictive, but there's a vicious cycle involved with using them. The growth of the muscles enhances the aggression and other psychological changes caused by the drug, and those changes, in turn, make you want to get bigger and take more steroids. Plus, there is a terrible letdown when you come off them. I would be very high and then there'd be this extreme depression. And after each cycle, the comedown itself would get worse, plus, I'd get sick. I got walking pneumonia, bronchitis, exhaustion to the point where I had to sleep 12 to 14 hours at a time. Steroids were definitely wrecking my body.

I was also going through a personality change. I was becoming a hard-ass, one of the meanest guys on the team. It was a dramatic change, and the coaches loved it. So did I, in a way, because being passive hadn't done anything for me. But I also knew my behavior was becoming erratic, and that frightened me. Images of violence often filled my mind. I'd drive along and find myself thinking about sick things like crushing people to death, tearing off their limbs. I'd be grinding my teeth and gripping the wheel so hard that my arms would hurt.

Because of the tension at my house, I started spending a lot of time at my supplier's place in the summer of '85. Hyder and Myers came up from school, and we sat around injecting ourselves with all kinds of steroids, whatever was there.

One night we all injected each other, then went out drinking and got crazy. George had a pistol and we picked up a friend, who had a shotgun, and I drove every body out into the country in George's pickup. As we went past signs, those guys would blast away at them. They blew out the spotlight and security camera in front of an estate, and then shot the windows out of a bus parked in front of a church. One of the bullets went through the bus and killed a cow in the nearby pasture, and the cow slumped over the fense and rolled into the road. Blood was dripping from its head. I freaked, but the other guys were laughing. One of them wanted to shoot the cow again. Right then a cop car started chasing us, but we drove down some paths in the woods and lost the cop.

This hadn't been my way, but it had become my way. Steroids ruled my life.

That fall, my second varsity season, I played pretty well, but we finished with a 5-6 record. The high point for me came when we played Michigan, a team I'd dreamed about playing against since I was a little kid. Ohio State-Michigan, that was what college football was all about. And if I played for South Carolina against Michigan—well, that was pretty damn close.

To get really fired up, I started taking a steroid called Halotestin a couple of weeks before the game. Its only effect, as far as I could tell, was that it enhanced aggression. It should have been called Holocaust, judging by what it did to me. My aggressiveness was not out of control. I was cheapshotting people in practice, clotheslining them, ripping scout team quarterbacks' helmets off in noncontact drills. The coaches liked my enthusiasm, but they had to sit me down a few times for being a little too wild. I played great against Michigan, even though we got our butts kicked. Against Georgia the next week, we lost again, 13-6, but I was named defensive player of the game.

I started getting sick toward the end of the season, though. During the game against East Carolina in late October, I had bad chest pains, numbness in my arm and chills, and I had to come out in the second half. I thought I was dying. They cut off my jersey and took me to the hospital in an ambulance. The doctor said my cholesterol level and blood pressure were off the charts, probably because of the steroids. The pain was from angina, a pre-heart attack condition. Still, the coaches didn't seem to notice. My dad told Washburn he wanted me tested weekly for steroid use, but nothing came of it. And me—all I could think of was football. I was obsessed. We players even had a motto: "Bury me massive, or don't bury me at all."

I stopped taking steroids for a while because I'd been so sick, and after the season I had knee surgery. Then, over spring break, I went down to Fort Lauderdale. I was back on steroids and was very big and cocky, and after a few drinks one night, I got into a hassle with two cops in front of a bar. They told me to move, and I told them that if it wasn't for their guns and badges, I'd beat their assess. The next thing I knew, they'd clubbed me across the neck and legs, beat me up pretty good, and taken me to the station. When I went in front of the judges the next day, though, he just looked at me and said, "Trying to be a Fighting Gamecock, huh?" Then he let me go.

Not long after that I had a pain in my side, which I thought was from the beating. But when I went to a doctor I found out I had a swollen liver from the steroids. About this time Dr. Akers asked me if I was on steriods. I told him I was but asked him not to tell anybody. He turned right around and told Morrison, who called me in to find out who else was taking them. I told him I wouldn't talk about anybody else. Morrison looked at me and said. "Don't do it anymore." That was it. He's very quiet, not real communicative. He played for the New York Giants for 14 years, and he's very old school and tough: You hurt? Put a little dirt on it. So the whole thing just sort of went away.

Just the same, I vowed to turn over a new leaf. I was going to watch what I ate and if I used drugs at all, it would be very little. I was getting sick a lot, and even though I'd been doing O.K. academically, I was having a hard time concentrating on school. I'd either be up all night or I'd be listless and sleep a lot. Also, the way my sex drive came and went was bizarre. And when I got drunk—oh brother! One night in my dorm room, I pulled a shotgun on the pizza delivery boy, threw him down and put the gun in his face. It was loaded and I could have blown the kid all over the floor, but I was just fooling around. It was the kind of thing I thought was funny.

In 1986, my third varsity season, we lost some close games and finished a miserable 3-6-2. I moved around from nose to tackle and even played a little linebacker. After the season, though, I developed a tumor on my chest and it grew to the size of a handball. I was in bed coughing up mucus, and I was very depressed and fighting bouts of severe anxiety. Right before spring ball, I started another steriod cycle and, boom!, my blood pressure shot right up. I was sweating and had not flashes. I knew my body was rejecting the drugs, so I stopped taking them.

I went to Dr. Akers and showed him the tumor, and he said, "Don't worry about it, it'll go away." But I didn't trust him, so I went to another doctor, and he said I needed surgery right away. I also had a tumor on my right hand that he said needed to come out. The tumors, he said, were caused by steriods, but the athletic department said they weren't football-related injuries, so the school wouldn't pay the medical bills. My dad's insurance paid for the surgery, which was performed at Baptist Medical Center in Columbia in February of '87. As I lay in bed recovering, I began to wonder what this was all about. I was very depressed and I needed time for rehab, but spring drills would begin soon. Since the school hadn't paid for the surgery, it was as if it hadn't happend. You're fine, get your ass out there, boy—that was their attitude.

I said, "Screw it, screw all of you," and I quit the team and moved out of the Roost. I was sick, but I still had the desire to play, to excel. I couldn't kill that. I was reading a lot of philosophy, and I started thinking that this mindless aggression and physical self-destruction wasn't what life was all about. But I couldn't quit football before my senior season—I just couldn't come to terms with that. So I wrote a letter of apology to Morrison, and he took me back. It was a phony apology, but I would have done whatever was necessary to get back on the team. My sense of self-worth was tied up in the game.

About this time I was starting to battle anxiety attacks that I was sure were caused by the steroids. I can't really describe an attack, except to say that it's like your mind is a car engine stuck in neutral with the gas pedal to the floor, just screaming. There is terror mixed in, and you think that you're going to explode. The anxiety attacks were the worst mental pain I'd ever experienced.

By the end of the summer of '87, though, I was getting a handle on things, feeling better, working out a lot, doing it the natural way. I had vowed never to touch steroids again, but once again, I did. I couldn't stop. Just before I went back to school, I did a shot of Parabolin, yet another steroid. I blew up to 270. I couldn't bench much because of a shoulder injury, but I could squat 650 pounds. I also started to get that edgy feeling again. My mind started racing, and I felt out of control. The night before two-a-days began, I went out drinking with the other players, and we got crazy, headbutting each other, getting ready.

The next morning I had an anxiety attack, a big one. I sat in my room for hours, just trying to hold on to reality. I had another attack a few days later. I didn't think anybody could help me. I had tried to explain the feeling to my parents, but they couldn't understand. They didn't think I was doing steroids anymore, and so they tried to reassure me. "Don't worry, you're just tired and worn out," they said.

But the attacks got worse and worse. Somehow, I was still a starter. I spent a lot of time in my room because I was so afraid, so paranoid. I'd wake up in the morning and everything was gray—I swear to God—everything had lost its colors. It was the worst thing you can imagine. There was a roaring in my ears, and I saw trails behind moving objects. I couldn't read, because I couldn't concentrate. One minute I would think the mental illness was over with, and the next minute it would come racing back. Thoughts of suicide came into my mind. Every day was torture, and I started saying, "Please, God, let me make it through one more practice." I had to make it through practice so I could play in the games. That was all that mattered. I didn't care about my health, just football. I wasn't going to quit, by God, and I didn't want anyone to take my position. I didn't care if I died, as long as I completed the season, as long as I finished like a man.

I had a good game against Nebraska, but I don't know how. On the plane to Lincoln I'd had an anxiety attack and had to lock myself in the bathroom to try to calm down. In the game, though, my technique was almost flawless, and I had a lot of tackles. But I was like a fist, ready to squeeze myself to death.

Then in the sixth game of the year, at home against Virginia, I was overwhelmed with anxiety, almost panic. the crowd seemed like it was closing in. Except for that one shot of Parabolin, I hadn't used drugs for five months, and I kept wondering what was happening to me. I finally just walked off the field in the third quarter of the game and took my pads off and sat on the bench. The doctor asked me what was wrong, and I just said, "I don't feel good."

The coaches let me go home to see a psychiatrist, who agreed that steroids were to blame. That's when I got on Stelazine, which was supposed to help me. It didn't, and I saw another psychiatrist in Columbia, who put me on an antidepressant to go with the Stelazine. One day in class I felt the room start to sway. I staggered out of the class and down the stairs, even though they seemed to be moving. I weaved past people, but I couldn't hear anything. I got outside and I lost control of my bladder and my bowels. I urinated and defecated all over myself. I was praying to God I could make it to my car. Somehow I got there, drove back to the dorm, showered and lay down in bed. That was the end. I couldn't do anything. I couldn't practice. It was over.

My father came soon after that, and I went back home with him. I got out of Sibley in seven days, and after several more weeks at home, I went down to visit the team in Jacksonville, where they were beating their heads in while preparing for the Gator Bowl game against LSU.

The guys looked pretty ragged because they'd been going through two-a-days, but my friends saw me walk in and invited me to eat with them. The coaches saw me, too, but none of them came over to say hello. The players had suggested to the coaches that the Clemson game—the one right after I left—should be dedicated to me. Some of the guys wore my number on their helmets, but apparently Morrison didn't even mention it to the press. He tried to keep it quiet. He never called me in the hospital, either. And neither did Washburn.

When I returned to school the next semester and told Morrison I wanted to live off campus, he said the school wouldn't pay for it. Fortunately, my dad called and said, "Listen, if you don't pay for his housing, we'll go right to the papers about it." I got a check in the mail real fast. I don't think the coaches thought I was a bad guy. They were just scared that I'd say something about my steroid problem, and probably wanted to sweep it all under the carpet. They didn't know how to handle any of it. It just seems to me that if a guy has given himself to the team for 4½ years, they should be a little more concerned about his welfare.

People ask me if I hate Morrison and the other coaches. I feel sorry for them because they have so little compassion, but I don't hate them. I'm not out to get them—that's not the point of this article. I just want people to know that steroids change you in many ways, and that the psychological changes are the most drastic of all. I've seen so many players become brutal and mindless from steroid use. Look what happened to me.

I love football, but I am worried about the course it is on right now. Most coaches are hypocrites. They don't really care about their players. They only care about winning, and that's because of the pressures put on them—I understand that. But once you start using people as commodities, you've lost your integrity. And it's hard to get that back.

I don't know if our coaches could have stopped our steroid abuse, but they could have helped us act more rationally. They know that they're dealing with 19-year-old boys who need guidance, not pounding and brainwashing and hypocrisy.

I don't want to see another player go through the living hell I went through the last few years, and that's why I'm speaking out on this. I'm embarrassed by what I did. But if I can help someone else, maybe I can help myself, too.

I take no drugs now, not even aspirin. I still have problems with my vision, but the doctor says that should pass with time. The whooshing in my ears is probably there forever. I can't deal with physical stress the way I used to, and I can't exercise too aggressively or I get terrible headaches. My balance isn't what it used to be, and I still feel edgy. I can't work full-time, because some days I have to rest. I'm not well. Steroids screwed me up pretty good. Maybe you have to be a little crazy to play football. But you shouldn't take steroids. You *can't* take them.

And yet, there I was in the wieght room at South Carolina last spring, and I could tell a lot of guys were still on the stuff. I saw an old teammate, a guard, a big country boy who's heavily into steroids, and I said, "Look in the mirror, man. All you're going to see is my reflection."

"I don't give a damn," he said. "It won't hurt me, Tom. It just affects you a whole lot worse than it affects other people."

Maybe that's true, maybe not. God help those who find out.

● Mr. BIDEN. The bill contains a provision authorizing the FBI to provide access to law enforcement records by railroad police and police departments of private colleges that have arrest powers pursuant to State statute. I support this provision, but I'm opposed to access for private security police other than the two specified and unique categories of railroad and campus police. Will the Senator assure me that this provision is not precedent for other private security police?

● Mr. THURMOND. The Senator is correct. Railroad police and private college police are unique. We do not intend to extend access to other private police by virtue of this provision.

● Mr. BIDEN. I thank the Senator for this clarification.●

VOLUNTARY SUPERVISORY CONVERSIONS OF MUTUAL SAVINGS AND LOAN ASSOCIATIONS

Mr. BYRD. Mr. President, I ask unanimous consent on behalf of Senators SHELBY and HEFLIN that the Senate proceed to the immediate consideration of a resolution which I send to the desk.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 514) to state the sense of the United States Senate with respect to voluntary supervisory conversions of mutual savings and loan associations to stock forms of organization.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 514) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 514

Whereas, under existing Federal Home Loan Bank Board regulations, a Federal Savings and Loan Association's liabilities must exceed its assets, as calculated under generally accepted accounting principles on a going concern basis, in order to convert from a mutual form of organization to a stock form of organization through a voluntary supervisory conversion;

Whereas, under such an accounting standard, the value of an institution's interest in publicly traded stock is the lower of market value or cost;

Whereas, certain institutions hold participating preferred stock of the Federal Home Loan Mortgage Corporation ("Corporation");

Whereas, such stock has appreciated in market value as a result of recent legislative actions and board action of the Corporation;

Whereas, such market appreciation under generally accepted accounting principles is not reflected on the books of such institutions;

Whereas, the Federal Home Loan Bank Board regulations with rsespect to voluntary supervisory conversions state that institutions which are insolvent under generally accepted accounting principles are eligible for conversion;

Now, therefore be it, resolved by the Senate of the United States of America that it is the sense of this body that an institution which is insolvent according to generally accepted accounting principles, should be permitted to convert through a voluntary supervisory conversion without regard to any factors relating to the appreciation in market value of the participating preferred stock of the Federal Home Loan Mortgage Corporation.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOUSE CONCURRENT RESOLUTION 398—ADJOURNMENT OF THE TWO HOUSES OF CONGRESS

Mr. BYRD. Mr. President, I call up House Concurrent Resolution 398 and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 398) providing for a sine die adjournment of the 100th Congress.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 398) was agreed to.

The concurrent resolution reads as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House and Senate adjourn on Saturday, October 22, 1988, they stand adjourned sine die.

MEASURES INDEFINITELY POSTPONED

Mr. BYRD. Mr. President, I ask unanimous consent that Calendar Order Nos. 855, 883, 959, 1053, 1057, 1129, 1136, 1139, and 1140 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPROVAL OF SOUTHWESTERN LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT

Mr. BYRD. Mr. President, I make my last inquiry of the distinguished Republican leader. Has Calendar Order No. 1021 been cleared on his side of the aisle?

Mr. DOLE. It has been cleared on this side.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 1021, that it be read the third time, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 5232) was passed.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, is there any other matter prior to our final action on the drug bill, may I ask our staffs?

MAKING TECHNICAL CORRECTIONS RELATING TO THE HEALTH OMNIBUS PROGRAMS EXTENSION OF 1988

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 5560, just received from the House; that the bill be read the third time, passed, and the motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 5560) was passed.

ORDER TO WITHDRAW MOTION FOR RECONSIDERATION FROM THE CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that the motion which I entered for the reconsideration of the President's override of the veto on the trade bill be withdrawn from the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXECUTIVE CALENDAR

Mr. BYRD. Mr. President, I thought that I made my last inquiry of the Republican leader, but I have another inquiry.

I ask the Republican leader if Calendar Order No. 15 on the Executive Calendar, supplementary protocol to the 1978 Tax Convention with Belgium, has been cleared on his side.

Mr. DOLE. It has been cleared on this side.

EXECUTIVE SESSION

SUPPLEMENTARY PROTOCOL TO THE 1970 TAX CONVENTION WITH BELGIUM

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider Calendar No. 15, supplementary protocol to the 1970 Tax Convention with Belgium, on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

Treaty Document No. 100-15, supplementary protocol to the 1970 Tax Convention with Belgium.

Mr. BYRD. Mr. President, I ask unanimous consent that the supplementary protocol be advanced through the various parliamentary stages up to and including the presentation of the resolution of ratification.

The PRESIDING OFFICER. Without objection, it is so ordered. The Treaty will be considered to have passed through their various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The resolution of ratification was read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Supplementary Protocol, together with a related exchange of notes, signed at Washington on December 31, 1987, Modifying and Supplementing the Convention between the United States of America and the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Brussels on July 9, 1970 (Treaty Doc. 100-15), subject to the understandings that:

(1) The Treasury Department will effect the negotiation of a new Convention in an expeditious manner with the objective of modifying the tax rates on dividends specified in paragraph 2 of Article 10 (Dividends) to deny inappropriate relief from taxation at source on dividends paid by Regulated Investment Companies, Real Estate Investment Trusts, and any other U.S. corporations that essentially receive conduit treatment for U.S. income tax purposes; and

(2) The Treasury Department will effect the negotiation of a new Convention in an expeditious manner with the objective of coordinating the internal tax laws of Belgium with U.S. internal tax law and policy as revised by the Tax Reform Act of 1986.

The PRESIDING OFFICER. Without objection, the understandings to the resolution of ratification are agreed to.

Mr. BYRD. Mr. President, I ask for a division.

The PRESIDING OFFICER. A division has been requested.

Senators in favor of the resolution of ratification will rise and stand until counted. (After a pause.) Those opposed will rise and stand until counted.

On a division, two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 515—TENDERING THE THANKS OF THE SENATE TO THE SENATE STAFF

Mr. BYRD. Mr. President, I send to the desk a resolution, I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 515) tendering the thanks of the Senate to the Senate staff for the courteous, dignified, and impartial manner in which they have assisted the deliberations of the Senate.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 515) was agreed to as follows:

S. RES. 515

Resolved, That the thanks of the Senate are hereby tendered to the Secretary of the Senate, the Sergeant at Arms of the Senate, the Secretary for the Majority, the Secretary for the Minority, and the floor staff of the two parties for the courteous, dignified, and impartial manner in which they have assisted the deliberations of the Senate during the second session of the One Hundredth Congress.

SENATE RESOLUTION 516—TENDERING THE THANKS OF THE SENATE TO THE PRESIDENT PRO TEMPORE

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 516.

The PRESIDING OFFICER. The Senate resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 516) tendering the thanks of the Senate to the President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 516) was agreed to as follows:

S. RES. 516

Resolved, That the thanks of the Senate are hereby tendered to the Honorable John C. Stennis, President pro tempore of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the second session of the One Hundredth Congress.

SENATE RESOLUTION 517—TENDERING THE THANKS OF THE SENATE TO THE DEPUTY PRESIDENT PRO TEMPORE

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 517.

The PRESIDING OFFICER. The Senate resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 517) tendering the thanks of the Senate to the Deputy President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 517) was agreed to as follows:

S. RES. 517

Resolved, That the thanks of the Senate are hereby tendered to the Honorable George J. Mitchell, Deputy President pro tempore of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the second session of the One Hundredth Congress.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE DISCHARGED FROM FURTHER CONSIDERATION AND BILL PLACED ON CALENDAR—H.R. 5551

Mr. BYRD. Mr. President, I ask unanimous consent that H.R. 5551, the U.N. peacekeeping bill, be discharged from the Appropriations Committee and placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THANKS OF THE SENATE TO THE REPUBLICAN LEADER

Mr. BYRD. Mr. President, I submit a resolution. I ask unanimous consent that the Senate proceed to its immediate consideration.

The resolution (S. Res. 518) was read, considered by unanimous consent, and agreed to, as follows:

S. RES. 518

Resolved, That the Senate extends its thanks to the distinguished Minority

Leader, the Senator from Kansas, the Honorable Robert Dole. The extremely cooperative and able manner in which the Minority Leader has approached his duties as protector of the rights of the minority has been duly noted, and the Senate commends the Minority Leader for his understanding, his devotion to the rules of the Senate, and for his outstanding leadership.

THANKS OF THE SENATE TO THE VICE PRESIDENT

Mr. DOLE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The resolution (S. Res. 519) was read, considered by unanimous consent, and agreed to, as follows:

S. Res. 519

Resolved, That the thanks of the Senate are hereby tendered to the Honorable George H.W. Bush, Vice President of the United States and President of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the second session of the One Hundredth Congress.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMENDATION OF THE MAJORITY LEADER

Mr. DOLE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The resolution (S. Res. 520) was read, considered by unanimous consent, and agreed to, as follows:

S. Res. 520

Resolved, That the exemplary conduct of the distinguished Majority Leader, the Senator from West Virginia, the Honorable Robert C. Byrd, is deserving of the highest commendation of the Senate. The fair and just and able manner in which Senate business has been scheduled and managed is a source of pride to the Senate as a whole, and the thanks of the Senate are hereby tendered to the Honorable Robert C. Byrd, Majority Leader, United States Senate.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I inquire of the distinguished Republican leader as to whether Calendar No. 14 on the Executive Calendar has been cleared.

Mr. DOLE. Yes, I am able to report that it has been cleared.

Mr. BYRD. I thank my friend.

Mr. President, I ask unanimous consent that the Senate go into executive session to consider Calendar Order No. 14, Tax Convention with the United Kingdom (on Behalf of Bermuda).

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX CONVENTION WITH THE UNITED KINGDOM (ON BEHALF OF BERMUDA)

The PRESIDING OFFICER. The treaty will be stated.

The assistant legislative clerk read as follows:

Treaty document No. 99-30, Tax Convention With the United Kingdom (on behalf of Bermuda).

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent and consent to the ratification of the Convention between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland (on behalf of the Government of Bermuda) relating to the Taxation of Insurance Enterprises and Mutual Assistance in Tax Matters, with a Related Exchange of Notes, signed at Washington on July 11, 1986 (Treaty Doc. 99-30), subject to the following reservations:

(1) Effective January 1, 1990, said Convention shall not operate to prevent the imposition by the United States of any excise taxes on insurance premiums paid to foreign insurers, whether or not such premiums constitute income of an enterprise of insurance of a Covered Jurisdiction; and

(2) Said Convention shall in no event operate to prevent the imposition by the United States of any excise taxes on insurance premiums paid to foreign insurers except with respect to insurance premiums that either:

(a) constitute income of an enterprise of insurance of a Covered Jurisdiction carried on by a company in a taxable year in which the company is a controlled foreign corporation within the meaning of section 957(a) or (b) of title 26 of the United States Code as in effect for such taxable year; or

(b) constitute income of an enterprise of insurance of a Covered Jurisdiction carried on by a company in a taxable year in which:

(i) the company is subject to the rules of the section 953(c) of the Internal Revenue Code of 1986, and

(ii) the company is a controlled foreign corporation within the meaning of section 957(a) of the Internal Revenue Code of 1986 as modified by section 953(c)(1) of said Code, and

the premiums constitute related person insurance income within the meaning of section 953(c) of the Internal Revenue Code of 1986.

The PRESIDING OFFICER. Without objection, the reported reservations are agreed to.

The question is on agreeing to the resolution of ratification.

Mr. BYRD. Mr. president, I ask for consideration of the resolution before the Senate by a division vote.

The PRESIDING OFFICER. A division is requested. Senators in favor of the resolution of ratification will rise and stand until counted. (After a pause.) Those opposed will rise and stand until counted.

On a division, two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. BYRD. Mr. president, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. DOLE. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

PROTOCOL TO THE 1967 TAX CONVENTION WITH FRANCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 16.

The PRESIDING OFFICER. Without objection, it is so ordered.

The treaty will be stated.

The assistant legislative clerk read as follows:

Treaty document No. 100-21, Protocol to the 1967 Tax Convention with France.

Mr. BYRD. Mr. President, I ask unanimous consent that the protocol be advanced through its various parliamentary stages up to and including the presentation of the resolution of ratification.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol of June 16, 1988, together with a related Exchange of Notes, to the Convention between the United States of America and the French Republic with respect to Taxes on Income and Property of July 28, 1967, as amended by the Protocols of October 12, 1970, November 24, 1978, and January 17, 1984 (Treaty Doc. 100-21), subject to the following understanding:

That the Treasury Department will effect the negotiation of a new Protocol in an expeditious manner with the objective of modifying the dividend rates specified in paragraph 2 of Article 9 (Dividends) to deny inappropriate relief from taxation at source on dividends paid by Regulated Investment Companies, Real Estate Investment Trusts, and any other U.S. corporations that essentially receive conduit treatment for U.S. income tax purposes.

The PRESIDING OFFICER. Without objection, the understanding is agreed to.

The question is on agreeing to the resolution of ratification.

Mr. BYRD. Mr. President, I ask for consideration of the resolution before the Senate by a division vote.

The PRESIDING OFFICER. A division is requested. Senators in favor of the resolution of ratification will rise and stand until counted. (After a pause.) Those opposed will rise and stand until counted.

On a division, two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, the 100th Congress came in like a lion and it is about to go out like a lion.

OMNIBUS ANTISUBSTANCE ABUSE ACT

The Senate continued with the consideration of the message from the House on H.R. 5210.

Mr. BYRD. Mr. President, I ask that the Chair proceed with action on the motion to concur in the amendment of the House to the drug bill.

The PRESIDING OFFICER. The question is on agreeing to the motion to concur.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. The 101st Congress will convene on Tuesday, January 3, at noon.

The electoral ballots will be counted in the Hall of the House of Representatives on Wednesday, January 4. The Senate will begin a nonlegislative period at the close of business on Wednesday, January 23.

ADJOURNMENT SINE DIE

Mr. BYRD. Mr. President, with thanks to all our colleagues, I move, in accordance with the provisions of House Concurrent Resolution 398, that the Senate stand adjourned sine die.

The motion was agreed to, and at 3:16 a.m., Saturday, October 22, 1988, the Senate adjourned sine die.

NOMINATIONS

Executive nominations received by the Senate October 21, 1988:

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

PHILIP LAWRENCE CHRISTENSON, OF VIRGINIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT, VICE JULIA CHANG BLOCH, RESIGNED.

DEPARTMENT OF ENERGY

JOHN R. BERG, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF ENERGY (CONSERVATION AND RENEWABLE ENERGY), VICE DONNA R. FITZPATRICK.

DEPARTMENT OF DEFENSE

LAWRENCE L. LAMADE, OF MARYLAND, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE NAVY. (NEW POSITION.)

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

LINDA LUGENIA AREY, OF VIRGINIA, TO BE A MEMBER OF THE OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION FOR THE TERM EXPIRING APRIL 27, 1993, VICE JOHN R. WALL, TERM EXPIRED.

FEDERAL TRADE COMMISSION

MARGOT E. MACHOL, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE FEDERAL TRADE COMMISSION FOR THE TERM OF SEVEN YEARS FROM SEPTEMBER 26, 1987, VICE PATRICIA PRICE BAILEY, RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 21, 1988:

FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING SHIRLEY ELIZABETH BARNES, AND ENDING PETER D. WHITNEY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 7, 1988.

FOREIGN SERVICE NOMINATIONS BEGINNING ROBIE MARCUS HOOKER PALMER, AND ENDING PETER A. WEST, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 16, 1988. (LIST CONFIRMED MINUS TWO NAMES—EVERETT ELLIS BRIGGS AND DAVID BRYAN DLOUHY.)

NAVY

NAVY NOMINATIONS BEGINNING CHARLES L. RICE, AND ENDING FRANKLIN J. DERUSSO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON OCTOBER 13, 1988.

WITHDRAWAL

Executive message, received October 21, 1988, transmitting the withdrawal of the following nomination from further consideration by the Senate.

FEDERAL TRADE COMMISSION

SUSAN E. PHILLIPS, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL TRADE COMMISSION FOR THE TERM OF SEVEN YEARS FROM SEPTEMBER 26, 1987, VICE PATRICIA PRICE BAILEY, TERM EXPIRED, WHICH WAS SENT TO THE SENATE ON DECEMBER 4, 1987.

ENROLLED BILLS SIGNED

The PRESIDENT pro tempore [Mr. STENNIS] announced that on October 22, 1988 (prior to the sine die adjournment) he had signed the following enrolled bill; which was subsequently signed by the Speaker of the House:

S. 2889. An act to amend the Public Health Service Act to establish certain health programs, to revise and extend certain health programs, and for other purposes.

Under the authority of the order of the Senate of October 14, 1988, the following enrolled bills and joint resolution were signed on October 22, 1988, subsequent to the sine die adjournment of the Congress by the majority leader [Mr. BYRD]:

H.R. 1490. An act for the relief of Jean DeYoung;

H.R. 3966. An act to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes;

H.R. 4174. An act to amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes;

H.R. 4833. An act to amend the Public Health Service Act to revise and extend the programs of nurse education established in title VIII of such act, and for other purposes; and

H.J. Res. 572. Joint resolution designating November 28 through December 2, 1988, as "Vocational-Technical Education Week."

MESSAGES FROM THE HOUSE RECEIVED SUBSEQUENT SINE DIE ADJOURNMENT

ENROLLED BILL SIGNED

On October 22, 1988, subsequent to the sine die adjournment of the Congress, the Secretary of the Senate received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bill:

S. 2751. An act to designate certain lands in Montana as wilderness, to release other forest lands for multiple use management, and for other purposes.

Under the authority of the order of October 14, 1988, the enrolled bill was signed on October 22, 1988, subsequent to the sine die adjournment of the Congress, by the majority leader [Mr. BYRD].

ENROLLED JOINT RESOLUTIONS SIGNED

On October 25, 1988, subsequent to the sine die adjournment of the Congress, the Secretary of the Senate received a message from the House of Representatives announcing that the Speaker had signed the following enrolled joint resolutions:

S.J. Res. 302. Joint resolution to designate October 1988 as "National Doen Syndrome Month";

S.J. Res. 335. Joint resolution to designate the last full week of October, October 23 through October 29, 1988, as "National Adult Immunization Awareness Week";

S.J. Res. 378. Joint resolution designating the week of October 2 through 8, 1988, as "National Wild and Scenic Rivers Act Week"; and

S.J. Res. 381. Joint resolution to designate October 30, 1988, as "Fire Safety at Home Day—Change Your Clock, Change Your Battery."

The enrolled joint resolutions were signed on October 28, 1988, subsequent to the sine die adjournment of the Congress, by the President pro tempore [Mr. STENNIS].

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

On October 27, 1988, subsequent to the sine die adjournment of the Senate, the Secretary of the Senate received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bills and joint resolutions:

S. 850. An act to amend the Wild and Scenic Rivers Act to designate a segment of the Rio Chama River in New Mexico as a component of the National Wild and Scenic Rivers System;

S. 1048. An act to amend the Communications Act of 1934 to provide authorization of appropriations for the Federal Communications Commission, and for other purposes;

S. 1081. An act to establish a coordinated National Nutrition Monitoring and Related

Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of food consumed in the United States, with the provision for the conduct of scientific research and development in support of such program and plan;

S. 1382. An act to amend the National Energy Conservation Policy Act with respect to the energy policy of the United States;

S. 1476. An act to designate the Federal Records Center Extension Building 109 under construction in Overland, MO, as the "Charles F. Prevedel Federal Building";

S. 1827. An act to designate the Federal Building and United States Courthouse located at 300 Booth Street in Reno, NV, as the "C. Clifton Young Federal Building and United States Courthouse";

S. 1851. An act to implement the International Convention on the Prevention and Punishment of Genocide;

S. 1863. An act to amend the bankruptcy law to provide for special revenue bonds, and for other purposes;

S. 1919. An act for the relief of Michael Wilding;

S. 1991. An act entitled the "Uranium Mill Tailings Remedial Action Amendments Act of 1988";

S. 2201. An act to extend for an additional 8-year period certain provisions of title 17, United States Code, relating to the rental of sound recordings, and for other purposes;

S. 2344. An act to reauthorize the Office of Government Ethics, and for other purposes;

S. 2361. An act to amend title 18, United States Code, to preserve personal privacy with respect to the rental, purchase, or delivery of video tapes, or similar audio visual materials;

S. 2496. An act to provide for the leasing of certain real property to the American National Red Cross, District of Columbia Chapter, for the construction and maintenance of certain buildings and improvements;

S. 2637. An act for the relief of Gillian Lesley Sackler;

S. 2752. An act to declare that certain lands be held in trust for the Quinault Indian Nation, and for other purposes;

S. 2835. An act to designate the U.S. Post Office and Courthouse located at 151 West Street in Rutland, VT, as the "Robert T. Stafford United States Courthouse and Post Office";

S. 2885. An act to amend the Hunger Prevention Act of 1988 to make a technical correction;

H.R. 441. An act for the relief of the heirs of M. Sgt. Nathaniel Scott, U.S. Army, retired, deceased;

H.R. 610. An act for the relief of Calvin L. Graham;

H.R. 712. An act for the relief of Lawrence K. Lunt;

H.R. 1149. An act to amend the Foreign Sovereign Immunities Act with respect to admiralty jurisdiction;

H.R. 1388. An act for the relief of David Butler, Aldo Cirone, Richard Denisi, Warren Fallon, Charles Hotton, Harold Johnson, Jean Lavoie, Vincent Maloney, Austin Mortensen, Kurt Olofsson, and John Jenks;

H.R. 1418. An act for the relief of Rick Hangartner, Russell Stewart, and David Walden;

H.R. 1473. An act to designate the building which will house the U.S. District Court for the Eastern District of Texas in Lufkin, TX, as the Ward R. Burke United States Courthouse";

H.R. 2109. An act for the relief of Roas Pratts;

H.R. 2461. An act for the relief of Milena and Bozena Mesin;

H.R. 2472. An act to provide authorization of appropriations for activities of the National Telecommunications and Information Administration;

H.R. 2511. An act for the relief of Tarek Mohamad Mahmoud;

H.R. 2756. An act granting consent and approval of Congress to the addition of the State of Ohio as a party to the Middle Atlantic Interstate Forest Fire Protection Compact;

H.R. 2802. An act for the relief of Fleurette Seidman;

H.R. 2806. An act to amend the Federal Land Policy and Management Act of 1976 to permit temporary use for military purposes of public lands in Alaska managed by the Bureau of Land Management, Department of the Interior, and for other purposes;

H.R. 3146. An act to clarify certain restrictions on distribution of advertisements and other information concerning lotteries and similar activities;

H.R. 3238. An act for the relief of Maria Linda Sy Gonzalez;

H.R. 3327. An act to designate the Federal building located at 324 West Market Street in Greensboro, NC, as the "L. Richardson Preyer, Jr. Federal Building and United States Courthouse and Post Office";

H.R. 3614. An act to authorize a study of the Hanford Reach of the Columbia River, and for other purposes;

H.R. 3917. An act for the relief of Rajani Lal;

H.R. 4118. An act to amend and extend the authorization of appropriations for public broadcasting, and for other purposes;

H.R. 4124. An act to authorize appropriations to carry out the Atlantic Striped Bass Conservation Act for fiscal years 1989 through 1991, and for other purposes;

H.R. 4210. An act to authorize appropriations to carry out titles II and III of the Marine Protection, Research, and Sanctuaries Act of 1972, to establish the National Oceans Policy Commission, and for other purposes.

H.R. 4211. An act to reauthorize the National Ocean Pollution Planning Act of 1978 for fiscal years 1989 and 1990, and for other purposes;

H.R. 4236. An act to amend the act of June 6, 1900, to increase the number of trustees of the Frederick Douglass Memorial and Historical Association;

H.R. 4352. An act to amend the Stewart B. McKinney Homeless Assistance Act to extend programs providing urgently needed assistance for the homeless, and for other purposes;

H.R. 4432. An act to amend title 14, United States Code, to require certain detailed tabulations relating to Asian Americans and Pacific Islanders in the decennial censuses of population;

H.R. 4517. An act to amend title III of the Outer Continental Shelf Lands Act Amendments of 1978 to provide for indemnification and hold harmless agreements;

H.R. 4574. An act to amend title 5, United States Code, with respect to certain programs under which awards may be made to Federal employees for superior accomplishments or cost savings disclosures, and for other purposes;

H.R. 4686. An act to amend the Federal Aviation Act of 1958 relating to aviation research;

H.R. 4919. An act to approve the governing international fishery agreement between the United States and the Union of Soviet Socialist Republics, and for other purposes;

H.R. 5104. An act to improve the efficiency and effectiveness of the management and disposal of Federal real and personal property;

H.R. 5334. An act to make certain technical and conforming amendments to the Education of the Handicapped Act and the Rehabilitation Act of 1973, and for other purposes;

H.R. 5552. An act to provide that the Consumer Product Safety Commission amend its regulations regarding lawn darts;

S.J. Res. 261. Joint resolution designating the month of November 1988 as "National Alzheimer's Disease Month";

S.J. Res. 272. Joint resolution to designate November 1988, as "National Diabetes Month";

S.J. Res. 280. Joint resolution to designate the week of November 27, 1988, through December 3, 1988, as "National Home Care Week";

S.J. Res. 301. Joint resolution designating January 20, 1989, as "National Skiing Day";

S.J. Res. 306. Joint resolution designating the day of August 7, 1989, as "National Lighthouse Day";

S.J. Res. 319. Joint resolution to designate the period commencing November 6, 1988, and ending November 12, 1988, as "National Disabled Americans Week";

S.J. Res. 324. Joint resolution to designate February 1989 as "America Loves Its Kids Month";

S.J. Res. 342. Joint resolution to designate the week of November 5, 1988, as "National Book Week";

S.J. Res. 438. Joint resolution designating November 4, 1988, as "National Teacher Appreciation Day";

S.J. Res. 446. Joint resolution designating October 30 through November 5, 1988, as "National Jukebox Week";

H.J. Res. 573. Joint resolution to designate the week beginning November 13, 1988, as "National Craniofacial Awareness Week";

H.J. Res. 604. Joint resolution designating February 5 through 11, 1989, as "National Burn Awareness Week";

H.J. Res. 626. Joint resolution designating September 13, 1989, as "Uncle Sam Day";

H.J. Res. 649. Joint resolution designating November 12, 1988, as "National Firefighter Day";

H.J. Res. 654. Joint resolution designating November 4 through 10, 1988, as the "Week of Remembrance of Kristallnacht"; and

H.J. Res. 677. Joint resolution changing the date for the counting of the Electoral vote by Congress to January 4, 1989.

The following enrolled bills were signed on October 27, 1988, subsequent to the sine die adjournment of the Congress by the President pro tempore [Mr. STENNIS]:

S. 850, S. 1048, S. 1081, S. 1382, S. 1851, S. 1863, S. 1919, S. 1991, S. 2201, S. 2344, S. 2361, S. 2496, S. 2752, S. 2835, H.R. 2472, H.R. 2756, H.R. 2806, H.R. 3146, H.R. 3614, H.R. 4118, H.R. 4124, H.R. 4210, H.R. 4211, H.R. 4352, H.R. 4432, H.R. 4517, H.R. 4574, H.R. 4686, H.R. 4919, H.R. 5104, and H.R. 5334.

The following enrolled bills and joint resolutions were signed on October 28, 1988, subsequent to the sine die adjournment of the Congress, by the President pro tempore [Mr. STENNIS]:

S. 1476, S. 1827, S. 2637, S. 2835, H.R. 441, H.R. 610, H.R. 712, H.R. 1149, H.R. 1388, H.R. 1418, H.R. 1473, H.R. 2109, H.R. 2461, H.R. 2511, H.R. 2802, H.R. 3238, H.R. 3327, H.R. 3917, H.R. 4236, H.R. 5552, S.J. Res. 261, S.J. Res. 272, S.J. Res. 280, S.J. Res. 301, S.J. Res. 306, S.J. Res. 319, S.J. Res. 324, S.J. Res. 342, H.J. Res. 438, H.J. Res. 446, H.J. Res. 573, H.J. Res. 604, H.J. Res. 626, H.J. Res. 649, H.J. Res. 654, and H.J. Res. 677.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

On October 28, 1988, subsequent to the sine die adjournment of the Congress, the Secretary of the Senate received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bills:

H.R. 593. An act to request the President to award a gold medal on behalf of Congress to Andrew Wyeth, and to provide for the production of bronze duplicates of such medal for sale to the public;

H.R. 1807. An act to amend the Small Business Act to reform the Capitol Ownership Development Program, and for other purposes;

H.R. 4030. An act to authorize and amend certain wildlife laws, and for other purposes;

H.R. 4362. An act to amend section 3 of the act of June 14, 1926, as amended (43 U.S.C. 869-2), to authorize the issuance of patents with a limited reverter provision of lands devoted to solid waste disposal, and for other purposes;

H.R. 4399. An act to facilitate commercial access to space, and for other purposes;

H.R. 4445. An act to amend title 18, United States Code, to prohibit certain firearms especially useful to terrorists;

H.R. 5102. An act to amend the provisions of title 5, United States Code, relating to the health benefits program for Federal employees and certain other individuals;

H.R. 5115. An act to extend for 2 years section 314 of the Immigration Reform and Control Act of 1986, to make additional visas available to immigrants from underrepresented countries to enhance diversity in immigration, and to extend through December 31, 1989, H-1 nonimmigrant status for certain registered nurses; and

H.J. Res. 137. Joint resolution designating the month of May 1989, as "National Asparagus Month."

The enrolled bills and joint resolution were signed on November 2, 1988, subsequent to the sine die adjournment of the Congress, by the President pro tempore [Mr. STENNIS].

ENROLLED BILL SIGNED

On November 1, 1988, subsequent to the sine die adjournment of the Congress, the Secretary of the Senate received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bill:

H.R. 3957. An act to establish the Delaware and Lehigh Navigational Canal National Heritage Corridor in the Commonwealth of Pennsylvania.

The enrolled bill was signed on November 2, 1988, subsequent to the sine die adjournment of the Congress, by the President pro tempore [Mr. STENNIS].

ENROLLED BILL SIGNED

On November 2, 1988, subsequent to the sine die adjournment of the Congress, the Secretary of the Senate received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bill:

H.R. 4333. An act to make technical corrections relating to the Tax Reform Act of 1986, and for other purposes.

The enrolled bill was signed on November 2, 1988, subsequent to the sine die adjournment of the Congress by the President pro tempore [Mr. STENNIS].

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

On November 7, 1988, subsequent to the sine die adjournment of the Congress, the Secretary of the Senate received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bills and joint resolutions:

S. 11. An act to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to establish a Court of Veterans' Appeals; and to provide for judicial review of certain final decisions of the Board of Veterans' Appeals; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; to increase the rates of compensation payable to veterans with service-connected disabilities; and to make various improvements in veterans' health, rehabilitation, and memorial affairs programs; and for other purposes;

S. 253. An act to convey Forest Service land to Flagstaff, AZ;

S. 795. An act to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Pauma, and Pala Bands of Mission Indians in San Diego County, CA, and for other purposes;

S. 1236. An act to reauthorize housing relocation under the Navajo-Hopi Relocation Program, and for other purposes;

S. 1630. An act to provide for retirement and survivors' annuities for bankruptcy judges and U.S. magistrates, and for other purposes;

S. 1842. An act for the relief of Mr. Wilhelm Jahn Schlechter, Mrs. Monica Pino Schlechter, Ingrid Daniela Schlechter, and Arturo David Schlechter;

S. 1883. An act to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes";

S. 2030. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to provide for termination of ocean dumping of sewage sludge and industrial waste, and for other purposes;

S. 2042. An act to authorize the Vietnam Women's Memorial Project, Inc., to establish a memorial on Federal land in the District of Columbia or its environs to honor women of the Armed Forces of the United States who served in the Republic of Vietnam during the Vietnam era;

S. 2049. An act to amend title 38, United States Code, to improve the education, home loan guaranty, and other programs of the Veterans' Administration, and for other purposes;

S. 2100. An act to provide for the conservation and development of water and related resources, to authorize the U.S. Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes;

S. 2102. An act to prohibit the licensing of certain facilities on portions of the Salmon and Snake Rivers in Idaho, and for other purposes;

S. 2165. An act to designate wilderness within Olympic National Park, Mount Rainier National Park, and North Cascades National Park Service Complex in the State of Washington, and for other purposes;

S. 2186. An act to improve the efficiency and effectiveness of management of public buildings;

S. 2204. An act to implement the Inter-American Convention on International Commercial Arbitration;

S. 2209. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes;

S. 2215. An act to amend and extend the Office of Federal Procurement Policy Act, and for other purposes;

S. 2470. An act to promote energy conservation and technology competitiveness in the American steel and aluminum industries;

S. 2840. An act to provide for the designation and conservation of certain lands in the States of Arizona and Idaho, and for other purposes;

S. 2843. An act to amend the Federal Food, Drug, and Cosmetic Act to authorize abbreviated new animal drug applications and to amend title 35, United States Code, to authorize the extension of the patents for animal drug products;

H.R. 5210. An act to prevent the manufacturing, distribution, and use of illegal drugs, and for other purposes;

S.J. Res. 192. Joint resolution to designate the month of October 1988, as "National AIDS Awareness and Prevention Month";

S.J. Res. 303. Joint resolution to designate the month of October 1988 as "National Lupus Awareness Month";

S.J. Res. 314. Joint resolution designating October 1988 as "Pregnancy and Infant Loss Awareness Month";

S.J. Res. 315. Joint resolution designating 1989 as "Year of the Young Reader";

S.J. Res. 325. Joint resolution designating the third week in May 1989 as "National Tourism Week";

S.J. Res. 327. Joint resolution commemorating January 28, 1989, as a "National Day of Excellence" in honor of the crew of the space shuttle Challenger;

S.J. Res. 332. Joint resolution to designate the period commencing December 11, 1988, and ending December 17, 1988, as "National Drunk and Drugged Driving Awareness Week";

S.J. Res. 340. Joint resolution designating November 27 through December 3, 1988, as "National Sir Winston Churchill Recognition Week";

S.J. Res. 352. Joint resolution designating September 24, 1989, as "United States Marshall Bicentennial Day";

S.J. Res. 365. Joint resolution to designate January 28, 1989, as "National Challenger Center Day" to honor the crew of the space shuttle Challenger;

S.J. Res. 386. Joint resolution to designate the week of June 18, 1989, as "National Grasslands Week"; and

S.J. Res. 395. Joint resolution to designate January 4, 1989, as "National Commissioned Corps of the Public Health Service Centennial Day."

The following bills and joint resolutions were signed on November 7, 1988, subsequent to the sine die adjournment of the Congress, by the President pro tempore [Mr. **Stennis**]:

S. 11, S. 1236, S. 1630, S. 1842, S. 1883, S. 2100, S. 2102, S. 2204, S. 2215, S. 2470, S. 2840, S. 2843, H.R. 5210, and S.J. Res. 395.

The following bills and joint resolutions were signed on November 8, 1988, subsequent to the sine die adjournment of the Senate, by the President pro tempore [Mr. **Stennis**]:

S. 253, S. 795, S. 2030, S. 2042, S. 2049, S. 2165, S. 2186, S. 2209, S.J. Res. 192, S.J. Res. 303, S.J. Res. 314, S.J. Res. 315, S.J. Res. 325, S.J. Res. 327, S.J. Res. 332, S.J. Res. 340, S.J. Res. 352, S.J. Res. 365, and S.J. Res. 386.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

On November 7, 1988, subsequent to the sine die adjournment of the Congress, the Secretary of the Senate received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bills and joint resolution:

H.R. 1975. An act to protect cave resources on Federal lands, and for other purposes;

H.R. 3048. An act to establish a national Federal program effort in close collaboration with the private sector to develop as rapidly as possible the applications of superconductivity to enhance the Nation's economic competitiveness and strategic wellbeing, and for other purposes;

H.R. 3313. An act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes;

H.R. 3680. An act to remove certain public land orders, transfer certain public lands, and for other purposes;

H.R. 3911. An act to amend title 18, United States Code, to provide increased penalties for certain major frauds against the United States;

H.R. 4039. An act to declare that certain lands in the State of California which form a part of the right-of-way granted by the United States to the Central Pacific Railway Co. have been abandoned, and for other purposes;

H.R. 4212. An act to amend the joint resolution of April 27, 1962, to permit the Secretary of the Interior to establish the former home of Alexander Hamilton as a national memorial at its present location in New York, NY;

H.R. 4807. An act to amend title 28, United States Code, to make certain improvements with respect to the Federal judiciary, and for other purposes;

H.R. 4847. An act to amend the Federal Hazardous Substances Act to require the labeling of chronically hazardous art materials, and for other purposes;

H.R. 4972. An act to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes;

H.R. 5133. An act to improve the procedures and remedies for the prevention of insider trading, and for other purposes;

H.R. 5280. An act to require the Secretary of the Treasury to mint coins in commemoration of the Bicentennial of the U.S. Congress;

H.R. 5287. An act to establish the Panama Canal Commission Compensation Fund to provide for the accumulation of funds to meet the Panama Canal Commission's obligations under chapter 81 of title 5, United States Code, and for other purposes;

H.R. 5315. An act to amend the Congressional Award Act to extend the Congressional award program; and

H.J. Res. 564. Joint resolution designating the first week of April 1989 as "National Earthquake Awareness Week."

The enrolled bills and joint resolution were signed on November 10, 1988, subsequent to the sine die adjournment of the Congress, by the President pro tempore [Mr. **Stennis**].

ENROLLED BILLS SIGNED

On November 14, 1988, subsequent to the sine die adjournment of the Congress, the Secretary of the Senate received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bills:

H.R. 2707. An act to amend the Disaster Relief Act of 1974 to provide for more effective assistance in response to major disasters and emergencies, and for other purposes;

H.R. 2839. An act to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, to simplify the boundaries of the Goshute Reservation, and for other purposes;

H.R. 3011. An act to amend the Truth in Lending Act to establish additional disclosure, advertising, and other requirements for home equity loans;

H.R. 3105. An act to revise, consolidate, and enact certain laws related to shipping definitions and maritime commercial instruments and liens as subtitle III of title 46, United States Code, "Shipping," and for other purposes;

H.R. 4189. An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 for fiscal years 1989 through 1993;

H.R. 4612. An act to amend title 28, United States Code, to provide for an exclusive remedy against the United States for suits based upon certain negligent or wrongful acts or omissions of U.S. employees committed within the scope of their employment, and for other purposes;

H.R. 5043. An act to amend section 207 of title 28, United States Code, relating to restrictions on post-employment activities;

H.R. 5232. An act to grant the consent of the Congress to the Southwestern Low-Level Radioactive Waste Disposal Compact;

H.R. 5261. An act to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes; and

H.R. 5560. An act to amend the Public Health Service Act, and the Health Omnibus Programs Extension of 1988, to make technical corrections relating to the Health Omnibus Programs Extension of 1988.

The enrolled bills were signed on November 14, 1988, subsequent to the sine die adjournment of the Congress, by the President pro tempore [Mr. **Stennis**].

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that he had presented to the President of the United States the following enrolled bills and joint resolutions:

On October 22, 1988:

S. 2751. An act to designate certain lands in Montana as wilderness, to release other forest lands for multiple use management, and for other purposes.

On October 24, 1988:

S. 2889. An act to amend the Public Health Service Act to establish certain health programs, to revise and extend certain health progarms, and for other purposes.

On October 27, 1988:

S. 850. An act to amend the Wild and Scenic Rivers Act to designate a segment of the Rio Chama River in New Mexico as a component of the National Wild and Scenic Rivers System;

S. 1048. An act to amend the Communications Act of 1934 to provide authorization of appropriations for the Federal Communications Commission, and for other purposes;

S. 1081. An act to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of food consumed in the United States, with the provision for the conduct of scientific research and development in support of such program and plan;

S. 1382. An act to amend the National Energy Conservation Policy Act with respect to the energy policy of the United States;

S. 1851. An act to implement the International Convention on the Prevention of Genocide;

S. 1863. An act to amend the bankruptcy law to provide for special revenue bonds, and for other purposes;

S. 1919. An act for the relief of Michael Wilding;

S. 1991. An act entitled the "Uranium Mill Tailings Remedial Action Amendments Act of 1988";

S. 2201. An act to extend for an additional 8-year period certain provisions of title 17, United States Code, relating to the rental of sound recordings, and for other purposes;

S. 2344. An act to reauthorize the Office of Government Ethics, and for other purposes;

S. 2361. An act to amend title 18, United States Code, to preserve personal privacy with respect to the rental, purchase, or delivery of video tapes or similar audio visual materials;

S. 2496. An act to provide for the leasing of certain real property to the American National Red Cross, District of Columbia Chapter, for the construction and maintenance of certain buildings and improvements;

S. 2752. An act to declare that certain lands be held in trust for the Quinault Indian Nation, and for other purposes; and

S. 2885. An act to amend the Hunger Prevention Act of 1988 to make a technical correction.

On October 28, 1988:

S. 1476. An act to designate the Federal Records Center Extension Building 109 under construction in Overland, MO, as the "Charles F. Prevedel Building";

S. 1827. An act to designate the Federal Building and United States Courthouse located at 300 Booth Street in Reno, NV, as the "C. Clifton Young Federal Building and United States Courthouse";

S. 2637. An act for the relief of Gilliam Lesley Sackler;

S. 2835. An act to designate the United States Post Office and Courthouse located at 151 West Street in Rutland, VT, as the "Robert T. Stafford United States Courthouse and Post Office";

S.J. Res. 261. Joint resolution designating the month of November 1988 as "National Alzheimer's Disease Month";

S.J. Res. 272. Joint resolution to designate November 1988, as "National Diabetes Month";

S.J. Res. 280. Joint resolution to designate the week of November 27, 1988, through December 3, 1988, as "National Home Care Week";

S.J. Res. 301. Joint resolution designating January 20, 1989, as "National Skiing Day";

S.J. Res. 302. Joint resolution to designate October 1988 as "National Down Syndrome Month";

S.J. Res. 306. Joint resolution to designate the day of August 7, 1989, as "National Lighthouse Day";

S.J. Res. 319. Joint resolution to designate the period commencing November 6, 1988, and ending November 12, 1988, as "National Disabled Americans Week";

S.J. Res. 324. Joint resolution to designate February 1989, as "America Loves Its Kids Month";

S.J. Res. 335. Joint resolution to designate the last full week of October, October 23 through October 29, 1989, as "National Adult Immunization Awareness Week";

S.J. Res. 342. Joint resolution to designate the week of November 5, 1988, as "National Book Week";

S.J. Res. 378. Joint resolution designating the week of October 2 through 8, as "National Wild and Scenic Rivers Act"; and

S.J. Res. 381. Joint resolution to designate October 30, 1988, as "Fire Safety at Home Day—Change Your Clock, Change your Battery."

On November 7, 1988:

S. 11. An act to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to establish a Court of Veterans' Appeals and to provide for judicial review of certain final decisions of the Board of Veterans' Appeals; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; to increase the rates of compensation payable to veterans with service-connected disabilities; and to make various improvements in veterans' health, rehabilitation, and memorial affairs programs, and for other purposes;

S. 1236. An act to reauthorize housing relocation under the Navajo-Hopi Relocation Program, and for other purposes;

S. 1630. An act to provide for retirement and survivors' annuities for bankruptcy judges and U.S. magistrates, and for other purposes;

S. 1842. An act for the relief of Mr. Wilhelm Jahn Schlechter, Mrs. Monica Pino Schlechter, Ingrid Daniela Schlechter, and Arturo David Schlechter;

S. 1883. An act to amend the act entitled "An act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes;

S. 2100. An act to provide for the conservation and development of water and related resources, to authorize the U.S. Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes;

S. 2102. An act to prohibit the licensing of certain facilities on portions of the Salmon and Snake Rivers in Idaho, and for other purposes;

S. 2204. An act to implement the Inter-American Convention on International Commercial Arbitration;

S. 2215. An act to amend and extend the Office of Federal Procurement Policy Act, and for other purposes;

S. 2470. An act to promote energy conservation and technology competitiveness in the American steel and aluminum industries;

S. 2840. An act to provide for the designation and conservation of certain lands in the States of Arizona and Idaho, and for other purposes.

S. 2843. An act to amend the Federal Food, Drug and Cosmetic Act to authorize abbreviated new animal drug applications and to amend title 35, United States Code, to authorize the extension of the patents for animal drug products; and

S.J. Res. 395. Joint resolution to designate January 4, 1989, as "National Commissioned Corps of the Public Health Service Centennial Day".

On November 8, 1988:

S. 253. An act to convey Forest Service land to Flagstaff, AZ;

S. 795. An act to provide for settlement of water right claims of the La Jolla, Rincon, San Pasqual, Pauma, and Pala Bands of Mission Indians in San Diego, CA, and for other purposes;

S. 2030. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to provide for termination of ocean dumping of sewage sludge and industrial waste, and for other purposes;

S. 2042. An act to authorize the Vietnam Women's Memorial Project, Inc., to establish a memorial on Federal land in the District of Columbia or its environs to honor women of the Armed Forces of the United States who served in the Republic of Vietnam during the Vietnam era;

S. 2049. An act to amend title 38, United States Code, to improve the education, home loan guaranty, and other programs of the Veterans' Administration, and for other purposes;

S. 2165. An act to designate wilderness within Olympic National Park, Mount Rainier National Park, and North Cascades National Park Service Complex in the State of Washington, and for other purposes;

S. 2186. An act to improve the efficiency and effectiveness of management of public buildings;

S. 2209. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes;

S.J. Res. 192. Joint resolution to designate the month of October 1988, as "National AIDS Awareness and Prevention Month";

S.J. Res. 303. Joint resolution to designate the month of October 1988, as "National Lupus Awareness Month";

S.J. Res. 314. Joint resolution to designate October 1988, as "Pregnancy and Infant Loss Awareness Month";

S.J. Res. 315. Joint resolution to designate 1989 as "Year of the Young Reader";

S.J. Res. 325. Joint resolution to designate the third week in May 1989 as "National Tourism Week";

S.J. Res. 327. Joint resolution to designate commemorating January 28, 1989, as "National Day of Excellence" in honor of the crew of the space shuttle Challenger;

S.J. Res. 332. Joint resolution to designate period commencing December 11, 1988, and ending December 17, 1988, as "National Drunk and Drugged Driving Awareness Week";

S.J. Res. 340. Joint resolution to designate November 27 through December 3, 1988, as "National Sir Winston Churchill Recognition Week";

S.J. Res. 352. Joint resolution to designate September 24, 1989, as "United States Marshals Bicentennial Day";

S.J. Res. 365. Joint resolution to designate January 28, 1989, as "National Challenger Center Day" to honor the crew of the space shuttle Challenger; and

S.J. Res. 386. Joint resolution to designate the week of June 18 through June 24, 1989, as "National Grasslands Week."

PRESIDENTIAL APPROVALS

A message from the President of the United States, received by the Secretary of the Senate on November 29, 1988, during the sine die adjournment of the Congress, announced that the President had approved and signed the following enrolled bills and joint resolutions:

On October 24, 1988:

S. 1911. An act to amend title 5, United States Code, to allow all forest fire fighting employees to be paid overtime without limitation while serving on forest fire emergencies;

S. 2018. An act to expand the boundaries of the Congaree Swamp National Monument, to designate wilderness therein, and for other purposes;

S. 2479. An act to amend the Immigration and Nationality Act to make technical corrections in immigration-related laws; and

S. 2749. An act to provide certain additional fiscal year 1989 Defense authorization policies, to provide procedures to facilitate the closure and realignment of obsolete or unnecessary military installations, and for other purposes.

On October 25, 1988:

S. 391. An act for the relief of Hyong Cha Kim Kay;

S. 659. An act to amend the Federal Insecticide, Fungicide, and Rodenticide Act, and for other purposes; and

S. 836. An act to amend the Department of Energy Organization Act to authorize protective force personnel who guard the strategic petroleum reserve or its storage and related facilities to carry firearms while discharging their official duties and in certain instances to make arrests without warrant; to establish the offense of trespass on property of the strategic petroleum reserve, and for other purposes.

On October 28, 1988:

S. 59. An act entitled the "National Forest and Public Lands Nevada Enhancement Act of 1988";

S. 744. An act to amend the Toxic Substance Control Act to assist States in responding to the threat to human health posed by exposure to radon;

S. 1704. An act to authorize the establishment of the Lewis and Clark National Historic Trail Interpretive Center in the State of Montana, and for other purposes;

S. 1727. An act to amend the Public Health Service Act to establish within the National Institutes of Health a National Institute on Deafness and Other Communication Disorders;

S. 1914. An act to designate a segment of the Wildcat River in the State of New Hampshire as a component of the National Wild and Scenic Rivers System, and for other purposes;

S. 1985. An act to improve the protection and management of archeological resources on Federal land;

S. 1986. An act to require that plastic ring carrier devices be degradable, and for other purposes;

S. 2148. An act to amend the Wild and Scenic Rivers Act of 1968, and for other purposes;

S. 2436. An act to reauthorize the Sleeping Bear Dunes National Lakeshore Advisory Commission; and

S. 2545. An act to redesignate Salinas National Monument in the State of New Mexico, and for other purposes;

On October 31, 1988:

S. 136. An act to improve the health status of Native Hawaiians, and for other purposes, and

S. 2723. An act to partition certain reservation lands between the Hoopa Valley Tribe and the Yurok Indians, to clarify the use of tribal timber proceeds, and for other purposes.

On November 3, 1988:

S. 1048. An act to amend the Communications Act of 1934 to provide authorization of appropriations for the Federal Communications Commission, and for other purposes;

S. 1476. An act to designate the Federal Records Center Extension Building 109 under construction in Overland, MO, as the "Charles F. Prevedel Federal Building";

S. 1827. An act to designate the Federal building and United States courthouse located at 300 Booth Street in Reno, NV, as the "C. Clifton Young Federal Building and United States Courthouse";

S. 1863. An act to amend the bankruptcy law to provide for special revenue bonds, and for other purposes;

S. 2344. An act to reauthorize the Office of Government Ethics, and for other purposes.

S. 2835. An act to designate the United States Post Office and Courthouse located at 151 West Street in Rutland, VT, as the "Robert T. Stafford United States Courthouse and Post Office;

S.J. Res. 280. Joint resolution to designate the week of November 27, 1988 through December 3, 1988 as "National Home Care Week";

S.J. Res. 302. Joint resolution to designate October 1988 as "National Down Syndrome Month";

S.J. Res. 324. Joint resolution to designate February 1989 as "America Loves Its Kids Month";

S.J. Res. 335. Joint resolution to designate the last full week of October, October 23 through October 29, 1988, as "National Adult Immunization Awareness Week"; and

S.J. Res. 381. Joint resolution to designate October 30, 1988, as "Fire Safety at Home Day—Change Your Clock, Change Your Battery."

On November 4, 1988:

S. 1851. An act to implement the International Convention on the Prevention and Punishment of Genocide, and

S. 2889. An act to amend the Public Health Service Act to establish certain health programs to revise and extend certain health programs, and for other purposes.

On November 5, 1988:

S. 1382. An act to amend the National Energy Conservation Policy Act with respect to the energy policy of the United States;

S. 1991. An act entitled "Uranium Mill Tailings Remedial Action Amendments Act of 1988";

S. 2201. An act to extend for an additional 8-year period certain provisions of title 17, United States Code, relating to the rental of sound recordings, and for other purposes;

S. 2361. An act to amend title 18, United States Code, to preserve personal privacy with respect to the rental, purchase, or delivery of video tapes or similar audio visual materials;

S. 2885. An act to amend the Hunger Prevention Act of 1988 to make a technical correction;

S.J. Res. 261. Joint resolution designating the month of November 1988 as "National Alzheimer's Disease Month";

S.J. Res. 272. Joint resolution to designate November 1988 as "National Diabetes Month;

S.J. Res. 306. Joint resolution designating the day of August 7, 1989, as "National Lighthouse Day";

S.J. Res. 319. Joint resolution to designate the period commencing November 6, 1988, and ending November 12, 1988, as "National Disabled Americans Week"; and

S.J. Res. 378. Joint resolution designating the week of October 2 through 8, 1988, as "National Wild and Scenic Rivers Act Week."

On November 7, 1988:

S. 850. An act to amend the Wild and Scenic Rivers Act to designate a segment of the Rio Chama River in New Mexico as a component of the National Wild and Scenic Rivers System;

S. 2637. An act for the relief of Gillian Lesley Sackler;

S.J. Res. 301. Joint resolution designating January 20, 1989, as "National Skiing Day"; and

S.J. Res. 342. Joint resolution to designate the week of November 28 through December 5, 1988, as "National Book Week."

On November 8, 1988:

S. 1919. An act for the relief of Michael Wilding;

S. 2496. An act to provide for the leasing of certain real property to the American National Red Cross, District of Columbia Chapter, for the construction and maintenance of certain buildings and improvements; and

S. 2752. An act to declare that certain lands be held in trust for the Quinault Indian Nation, and for other purposes.

On November 10, 1988:

S.J. Res. 395. Joint resolution to designate January 4, 1989, as "National Commissioned Corps of the Public Health Service Centennial Day."

On November 14, 1988:

S.J. Res. 192. Joint resolution to designate the month of October 1988, as "National AIDS Awareness and Prevention Month."

On November 15, 1988:

S. 1630. An act to provide for retirement and survivors' annuities for bankruptcy judges and U.S. magistrates, and for other purposes;

S. 2042. An act to authorize the Vietnam Women's Memorial Project, Inc., to establish a memorial on Federal land in the District of Columbia or its environs to honor women of the Armed Forces of the United States who served in the Republic of Vietnam during the Vietnam era;

S.J. Res. 314. Joint resolution designating October 1988 as "Pregnancy and Infant Loss Awareness Month";

S.J. Res. 315. Joint resolution designating 1989 as "Year of the Young Reader";

S.J. Res. 340. Joint resolution designating November 27 through December 3, 1988, as "National Sir Winston Churchill Recognition Week"; and

S.J. Res. 386. Joint resolution to designate the week of June 18 through June 24, 1989, as "National Grasslands Week."

On November 16, 1988:

S. 253. An act to convey Forest Service land to Flagstaff, AZ;

S. 1236. An act to reauthorize housing relocation under the Navajo-Hopi Relocation Program, and for other purposes;

S. 1842. An act for the relief of Mr. Wilhelm Jahn Schlechter, Mrs. Monica Pino Schlechter, Ingrid Daniela Schlechter, and Arturo David Schlechter;

S. 1883. An act to amend the act entitled "An act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes";

S. 2165. An act to designate wilderness within Olympic National Park, Mount Rainier National Park, and North Cascades National Park Service Complex in the State of Washington, and for other purposes;

S. 2204. An act to implement the Inter-American Convention on International Commercial Arbitration;

S. 2843. An act to amend the Federal Food, Drug, and Cosmetic Act to authorize abbreviated new animal drug applications and to amend title 35, United States Code, to authorize the extension of the patents for animal drug products;

S.J. Res. 303. Joint resolution to designate the month of October 1988 as "National Lupus Awareness Month"; and

S.J. Res. 325. Joint resolution designating the third week in May 1989 as "National Tourism Week."

On November 17, 1988:

S. 795. An act to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Pauma, and Pala Bands of Mission Indians in San Diego County, CA, to authorize the lining of the All American Canal, and for other purposes;

S. 2100. An act to provide for the conservation and development of water and related resources, to authorize the U.S. Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes;

S. 2102. An act to prohibit the licensing of certain facilities on portions of the Salmon and Snake Rivers in Idaho, and for other purposes;

S. 2186. An act to improve the efficiency and effectiveness of management of public buildings;

S. 2209. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes;

S. 2215. An act to amend and extend the Office of Federal Procurement Policy Act, and for other purposes;

S. 2470. An act to promote energy conservation and technology competitiveness in the American steel and aluminum industries;

S.J. Res. 327. Joint resolution commemorating January 28, 1989, as a "National Day of Excellence" in honor of the crew of the space shuttle *Challenger;*

S.J. Res. 332. Joint resolution to designate the period commencing December 11, 1988, and ending December 17, 1988, as "National Drunk and Drugged Driving Awareness Week";

S.J. Res. 352. Joint resolution designating September 24, 1989, as "United States Marshalls Bicentennial Day"; and

S.J. Res. 365. Joint resolution to designate January 28, 1989, as "National Challenger Center Day" to honor the crew of the space shuttle *Challenger.*

On November 18, 1988:

S. 11. An act to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to establish a Court of Veterans' Appeals and to provide for judicial review of certain final decisions of the Board of Veterans' Appeals; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; to increase the rates of compensation payable to veterans with service-connected disabilities; and to make various improvements in veterans' health, rehabilitation, and memorial affairs programs; and for other purposes;

S. 2030. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to provide for termination of ocean dumping of sewage sludge and industrial waste, and for other purposes;

S. 2049. An act to amend title 38, United States Code, to improve the education, home loan guaranty, and other programs of the Veterans' Administration; and for other purposes; and

S. 2840. An act to provide for the designation and conservation of certain lands in the States of Arizona and Idaho, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-4037. A communication from the Assistant Secretary of the Army (Installations and Logistics), transmitting, pursuant to law, notice of the recent discovery and emergency disposal of a suspected chemical 155mm projectile at the East Wig Mountain Area of Dugway Proving Ground, UT; to the Committee on Armed Services.

EC-4038. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on tank barriers; to the Committee on Armed Services.

EC-4039. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, a report on the various steps taken by the individual markets since the October market break; to the Committee on Banking, Housing, and Urban Affairs.

EC-4040. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the annual report of the Commission concerning the impact on competition and on small business of the development and implementation of voluntary agreements and plans of action to carry out provisions of the International Energy Program; to the Committee on Energy and Natural Resources.

EC-4041. A communication from the Secretary of Labor, transmitting, pursuant to law, the fourth annual report on trade and employment effects of the Caribbean Basin Economic Recovery Act; to the Committee on Finance.

EC-4042. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on advisability and feasibility of a system of direct payment to a physician for clinical diagnostic laboratory tests; to the Committee on Finance.

EC-4043. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, notice that the President has furnished up to $17 million in Emergency Refugee and Migration Assistance Fund for needs in Africa and the Middle East; to the Committee on Foreign Relations.

EC-4044. A communication from the Chairman of the D.C. Retirement Board, transmitting, pursuant to law, the District of Columbia Retirement Board's annual report for the fiscal year 1987; to the Committee on Governmental Affairs.

EC-4045. A communication from the Assistant Secretary of Transportation (Administration), transmitting, pursuant to law, a report on the establishment of and the deletion of Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-4046. A communication from the Assistant Secretary for Health, Department of Health and Human Services, transmitting, pursuant to law, three copies of an altered Privacy Act system of records; to the Committee on Governmental Affairs.

EC-4047. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-241 adopted by the Council on September 27, 1988; to the Committee on Governmental Affairs.

EC-4048. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-243 adopted by the Council on October 11, 1988; to the Committee on Governmental Affairs.

EC-4049. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-242 adopted by the Council on September 27, 1988; to the Committee on Governmental Affairs.

EC-4050. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-239 adopted by the Council on September 27, 1988; to the Committee on Governmental Affairs.

EC-4051. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-240 adopted by the Council on September 27, 1988; to the Committee on Governmental Affairs.

EC-4052. A communication from the Chairman of the National Endowment for the Arts, transmitting, pursuant to law, a report entitled "The Arts in America"; to the Committee on Labor and Human Resources.

EC-4053. A communication from the Secretary of Education, transmitting, pursuant to law, a document entitled "Final Regulations for the Captioned Films Loan Service for the Deaf Program and the Educational Media Loan Service for the Handicapped Program"; to the Committee on Labor and Human Resources.

ADDITIONAL STATEMENTS

MANDATORY MINIMUM SENTENCES IN THE OMNIBUS DRUG BILL

● **Mr. THURMOND.** Mr. President, as the principal sponsor of the Comprehensive Crime Control Act of 1984 I have a longstanding interest in this important matter of sentencing policy.

Congressional directives to the U.S. Sentencing Commission, which would then issue sentencing guidelines to channel the imposition of sentence by Federal courts in individual cases, are an appropriate means to prescribe sentencing policy.

Congress demonstrated this general policy preference through enactment of the landmark Sentencing Reform Act of 1984, which I was pleased to cosponsor with the Senator from Massachusetts. Since that date, Congress has reaffirmed its commitment to this general method of articulating sentencing policy through several refining and strengthening amendments to that law and, most importantly, by permitting the initial sentencing guidelines to take effect on schedule, after the required 6 months of congressional review. In this Omnibus Anti-Drug Abuse Act of 1988, we have continued to recognize the important role of the Sentencing Commission in prescribing the details of sentencing policy. We have done this by writing policy instructions to the Commission, directing how it should develop sentencing guidelines for several specific types of drug-related offenses. Moreover, the legislative language for these provisions adopts terms, such as "offense level," which the Commission has created and used in its guidelines. Therefore, the legislation we have just enacted signifies a general congressional acceptance of both the concept of the Sentencing Commission and also the Commission's work product to date, in the form of the initial sentencing guidelines now in effect.

It is my understanding that, starting with the November 1, 1987, phase-in date, the new law and the sentencing guidelines are now applicable to greater than 10 percent of the cases coming before the Federal courts for sentencing—with the remainder being covered by the old, pre-Sentencing Reform Act law. The share of sentencings which will henceforth come under the new law—which applies to crimes committed after November 1, 1987—is expected to increase steadily in the months ahead. I also am informed that the Sentencing Commission's preliminary sentence monitoring data shows that, for cases covered by the new law, the courts are imposing a sentence within the guidelines approximately 80 percent of the time. This is about the departure rate that was predicted at the time the 1984 act was adopted.

Moreover, the Commission indicates that a significant number of the sentences which departed from the applicable guideline range were as a result of a plea agreement in which the defendant cooperated with the Government in the investigation or prosecution of other crimes. Thus, while the Federal criminal justice system is still in the initial, introductory stages of operating under the new law, with its system of sentencing guidelines, it appears that the guidelines are working well in courts where they are being applied. Consequently, I believe we have every reason for optimism that the new system will achieve the ambitious goals Congress had in mind when it enacted the sentencing reform chapter of the Comprehensive Crime Control Act of 1984.

Mr. President, I certainly would be willing to examine along with Senator KENNEDY, as the sentencing guidelines system matures, the impact and use of statutory mandatory minimums. As we proceed with the new sentencing system Congress has put in place, Congress needs to be satisfied that the Commission is drafting guidelines which correctly implement the policy directions set by Congress, that the courts are following the guidelines in the vast majority of cases, and that prosecuting and defense attorneys are not subverting the guidelines through plea bargaining. We can include an examination of mandatory minimums as a part of our oversight of sentencing policy and practice generally.

After all, as the Senator from Massachusetts has correctly observed, mandatory minimums have limitations and deficiencies which sentencing guidelines may overcome. For one thing, mandatory minimums may have the practical effect of becoming a flat sentence which judges tend to impose regardless of aggravating factors which should warrants a more severe penalty. In contrast, sentencing guidelines can take into account such aggravating circumstances as larger drug quantities, major role in the offense, prior criminal record, and others, and the guidelines can prescribe a more severe sentence in such cases. As I understand it, that is basically the manner in which the existing Federal sentencing guidelines work. I believe we should build on that model, as we become satisfied that the model is an effective one.

In the meantime, the mandatory minimums legislated by Congress in the omnibus drug bill of 1988 will send a clear signal to all concerned—the courts, prosecuting attorneys and defense attorneys, and, most of all, drug traffickers—that Congress intends to do everything reasonable possible to deter the drug crimes that are threatening the fabric of our society. For those who, nevertheless, do engage in these heinous criminal acts, there must be certain and severe punishment, commensurate with the seriousness of the crimes committed.●

LAW-RELATED EDUCATION PROGRAM FUNDING AS PART OF THE ANTI-DRUG ABUSE ACT OF 1988, OCTOBER 21, 1988

● Mr. THURMOND. Mr. President, as part of the Anti-Drug Abuse Act of 1988, Congress reauthorized the Juvenile Justice and Delinquency Prevention Act. One of the programs funded through this reauthorization is the national Law-Related Education Program [LRE]. The LRE works to educate our young people about our Constitution, our legal system, and the values upon which democracy is founded. The program is currently active in over 40 States, including South Carolina.

South Carolina's program has proven to be quite effective in helping our young people become productive and law abiding members of society. To help accomplish this goal, the LRE program has trained over 3,000 teachers to improve teaching techniques and has focused on education efforts to prevent drug abuse in our schools. In addition, over 500 South Carolina students from 42 high schools participated in the mock trial competition program which required them to perform in the roles of defense and prosecuting attorneys. These young adults were able to improve their critical thinking, writing, and speaking skills by participating in this national project. I was very pleased to learn that the team from Socastee High School in Myrtle Beach, SC, won the national mock trial championship.

These are just a few examples of the many excellent programs provided by the LRE in South Carolina. The LRE's efforts to teach our youth the values of democracy, education, and law should not go without commendation.

It is for these reasons that continued support of this program is important.●

MANDATORY MINIMUM SENTENCES IN THE OMNIBUS DRUG BILL

● Mr. KENNEDY. Mr. President, the Omnibus Anti-Drug Abuse Act of 1988 contains a series of mandatory minimum sentencing provisions for certain drug offenses. As the principal author of the Sentencing Reform Act of 1984, I would like to emphasize for the record that I am concerned about the effect these mandatory sentencing provisions and others in existing law will have on the Sentencing Commission concept and its central role in formulating the details of sentencing policy.

After 10 years of study and debate, the 98th Congress enacted the Sentencing Reform Act of 1984 in order to bring about a more honest, equitable and effective Federal sentencing system. The centerpiece of this landmark legislation was the creation of the U.S. Sentencing Commission, an independent agency in the judicial branch vested with authority to promulgate sentencing guidelines for the Federal courts.

Congress created the Sentencing Commission to formulate a rational, consistent sentencing system on the basis of "intelligent and dispassionate professional analysis." (S. Rept. 225, 98th Cong., 1st sess. 175 (1983).) The drafters of the Sentencing Reform Act recognized that, as an institutional matter, the Commission would be well suited to resolve the technical, specialized issues surrounding a guidelines system. The boundaries of the Commission's decisionmaking are established by statute, but within those boundaries there is a "broad responsibility imposed upon the Commission to assure that sentencing and the administration of sentences fulfill the purposes of sentencing enumerated in section 3553(a) of title 18." (S. Rept. 98-225 at 181.)

Now that the Commission is in place, Congress must begin to reassess the manner in which it sets sentencing policy. For example, mandatory minimum penalty statutes appear to be inconsistent with the guidelines system. Such statutes mandate sentences without regard for either the particular circumstances of the offense or important offender characteristics. As a result, similarly situated defendants may receive different sentences and dissimilarly situated defendants may receive the same sentence. This is precisely the injustice we sought to eliminate in 1984. As we said in the committee report accompanying the Sentencing Reform Act:

> The Committee generally looks with disfavor on statutory minimum sentences to imprisonment, since their inflexibility occasionally results in too harsh an application of the law and often results in detrimental circumvention of the laws. (S. Rep. 225, 98th Cong., 1st sess. 89, fn. 194 (1983).)

There is a better alternative. Congress can provide statutory directions to the Commission on specific issues, as it has in 28 U.S.C. 994. In this fashion, Congress can set sentencing policy, but can permit the Commission to implement that policy in a sensible manner consistent with the overall structure of the sentencing guidelines. It is important that such directions to the Commission be clear, yet grant the Commission sufficient flexibility so that the guidelines are internally consistent and avoid unjust or anomalous results. Unlike mandatory minimum penalty provisions, statutory instructions to the Commission on specific issues are to be read in conjunction with the general instructions to the Commission, and thus are likely to produce unjust results.

I believe that Congress must address in a comprehensive fashion the manner in which it expresses sentencing policy to the Sentencing Commission. First, Congress should reconsider the wisdom of all mandatory minimum sentencing statutes, not just those in this drug bill. Second, we should reexamine the specificity of the instructions in the Commission's enabling legislation—see for example, 28 U.S.C. 994 (h), (i), (l)—to insure that those provisions do not inadvertently produce unjust or anomalous results.

The Omnibus Anti-Drug Abuse Act came before us in the closing days of the session. The 100th Congress did not have an opportunity to engage in the careful study that this issue requires. Therefore, while I oppose the mandatory minimum provisions in this bill, I voted for the bill in the hope that the next Congress will revisit this issue in a comprehensive fashion.

Pursuant to 28 U.S.C. 994(r), the Commission is required to submit to Congress a report recommending modifications in statutory penalty provisions. It would certainly be appropriate for the Commission to use that occasion to report its views of mandatory minimum sentencing statutes and related issues such as the specificity of 28 U.S.C. 994.

We have created the U.S. Sentencing Commission to perform a complex, sensitive task. The agency is performing its mission well. In the long run, Congress must defer to the Commission's technical expertise and let the Commission fashion its guidelines consistent with congressional goals but without undue congressional interference.●

ALCOHOL WARNING LABELS

● Mr. DANFORTH. Mr. President, included as title VIII of the recently approved Omnibus Antisubstance Abuse Act, H.R. 5210, is the Alcoholic Beverage Labeling Act of 1988. This act consists of the text of S. 2047, an alcohol labeling measure that was reported by the Commerce Committee on October 11. Expedited action on S. 2047 was possible because of the willingness of the measure's sponsor, Senator Thurmond, to cooperate with the Commerce Committee in addressing concerns regarding his measure. I greatly appreciated the cooperation shown by Senator Thurmond, and I was pleased to have the opportunity to work with him and with other members of the Commerce Committee, including Senator Hollings and Senator Ford, in developing the alcohol labeling legislation that was finally passed by the Congress.

The heart of the Alcoholic Beverage Labeling Act of 1988 is the health warning requirement set out in section 204. Subsection (a) specifies the language of the Government warning. Subsection (b) specifies that the warning shall be located in a conspicuous and prominent place on the beverage container, as determined by the Secretary of the Treasury; shall be in type of a size determined by the Secretary of the Treasury; and shall appear on a contrasting background.

Under subsection (b), such regulations must be promulgated in final form within 90 days of the bill's enactment. The short period provided by the bill for the development and issuance of final regulations will ensure that the information required to be placed on the labels will reach the public without undue delay. Moreover, the 90-day time period should not present serious problems to the Secretary because of the specificity of the bill's provisions and the existence of analogous regulations concerning alcoholic beverage labels pertaining to saccharin, sulfites, and coloring additives.

Although the regulations issued by the Secretary must provide guidance as to the placement and type size of the warning statement specified in the bill, it is intended that the Secretary's regulations regarding placement of the label statement be as flexible as possible and be consistent with existing Federal regulations governing type size and background for mandatory label information for beverage alcohol products.

In specifying label placement, flexibility is necessitated by variations in the size and shape of individual beverage containers—as well as a variety of practical and esthetic constraints. These considerations preclude the imposition of inflexible or completely uniform rules on placement—see 27 CFR sections 4.32(c)-(e), 5.32(b), and 7.22(b). Thus, the warning statement should be permitted to be placed in any of several locations on a given container, depending upon a manufacturer's discretion, and still comply with the requirement that the display be "conspicuous and prominent." It is expected that the Secretary will take these considerations into account in exercising the authority conferred upon him by section 204(b) of the act.

Existing Federal regulations should also be taken into account in determining the type size and contrasting background of the labels. It is intended that the type sizes currently required for mandatory label information—27 CFR sections 4.38(b), 5.33(b)(5), and 7.28(b)—be used for the warning statement contained in section 204. With regard to the specification that a contrasting background shall be used in connection with the warning, again the Secretary's regulations for the warning statement should be consistent with existing regulations governing contrasting background—see 27 CFR sections 4.38(a), 533(a), and 7.28(a).

With these considerations in mind, I hope and expect that the action we have taken will provide timely and effective reminders to the American public about the possible hazards that may result from alcohol consumption or abuse.●

NEW INFORMATION ON AIDS

● Mr. HATCH. Mr. President, recently this Congress finished work on a comprehensive piece of legislation dealing with AIDS. While this legislation is important and addresses a number of the critical issues surrounding this disease, this body will undoubtedly continue to be concerned as long as AIDS presents such enormous risks to public health. There are two articles which have recently appeared in the medical literature that I would like to bring to the attention of my colleagues and to the American public.

The first article is from the Morbidity and Mortality Weekly Report produced by the Centers for Disease Control, entitled "Partner Notification for Preventing Immunodeficiency Virus [HIV] Infection—Colorado, Idaho, South Carolina, Virginia."

The second article is from the New England Journal of Medicine, entitled "Management of False Positive Race Rate in a Screening Program for Human Immunodeficiency Virus Infections." While this article does not deal with what may prove to be the more important issue of tests giving

false negative results, it nonetheless may be of interest to my colleagues.

The material is as follows:

PARTNER NOTIFICATION FOR PREVENTING HUMAN IMMUNODEFICIENCY VIRUS [HIV] INFECTION—COLORADO, IDAHO, SOUTH CAROLINA, VIRGINIA

Partner notification, a component of sexually transmitted disease (STD) control programs for many years, is a means to identify and target risk-reduction education to individuals at high risk for contracting or transmitting HIV infection. When applied to HIV infection, the term "partner" includes not only sex partners but also intravenous drug users who share needles. Partner notification for HIV infection or acquired immunodeficiency syndrome (AIDS), as for all STDs, is highly confidential and depends upon the voluntary cooperation of the patient. CDC currently recommends the following: "Persons who are HIV-antibody positive should be instructed in how to notify their partners and to refer them for counseling and testing. If they are unwilling to notify their partners or if it cannot be assured that their partners will seek counseling, physicians or health department personnel should use confidential procedures to assure that the partners are notified."

Two complementary notification processes can be used to identify partners, patient referral and provider referral. With patient referral, HIV-infected patients choose to inform their own partners directly of their risk of infection. Trained health department personnel can help instruct patients how to inform sex and needle-sharing partners sensitively about their potential risk for infection. With provider referral, infected patients request assistance in notifying some or all of their partners; they voluntarily provide names, descriptions, and addresses so that the notification process can be carried out by trained health department staff. This process is designed to protect the anonymity of patients; their names are never revealed to sex or needle-sharing partners.

In the AIDS prevention and surveillance projects supported by CDC, states have been required to implement procedures for confidential notification of sex and needle-sharing partners of AIDS patients and HIV-seropositive individuals. All these states currently counsel HIV-infected clients seen in public counseling and testing sites about ways to reduce the risk of transmitting HIV. These states also counsel HIV-infected clients about the need to inform sex and needle-sharing partners of their risk of infection. Forty-eight states, Puerto Rico, the Virgin Islands, and the District of Columbia offer provider referral upon request by clients (Table). The other two states authorize notification by health department personnel when female partners may not have known that a risk factor existed and/or in cases of rape or sexual abuse. Fifteen states have partner-notification programs that encourage provider referral for all patients.

PARTNER-NOTIFICATION ACTIVITIES, FOR SEX AND NEEDLE-SHARING PARTNERS OF PERSONS WITH AIDS OR HIV INFECTION, BY STATE

State	Patient referral [1]	Provider referral on request [2]	Provider referral emphasized [3]	Targeted provider referral [4]
Alabama	Yes	Yes	Yes	No.
Alaska	Yes	Yes	No	No.

PARTNER-NOTIFICATION ACTIVITIES, FOR SEX AND NEEDLE-SHARING PARTNERS OF PERSONS WITH AIDS OR HIV INFECTION, BY STATE—Continued

State	Patient referral [1]	Provider referral on request [2]	Provider referral emphasized [3]	Targeted provider referral [4]
Arizona	Yes	Yes	Yes	No.
Arkansas	Yes	Yes	No	No.
California	Yes	Yes	No	No.
Colorado	Yes	Yes	Yes	No.
Connecticut	Yes	Yes	No	No.
Delaware	Yes	Yes	No	No.
District of Columbia	Yes	Yes	No	No.
Florida	Yes	Yes	Yes	No.
Georgia	Yes	No	No	Yes.
Hawaii	Yes	Yes	Yes	No.
Idaho	Yes	Yes	Yes	No.
Illinois	Yes	Yes	No	No.
Indiana	Yes	Yes	No	No.
Iowa	Yes	Yes	Yes	No.
Kansas	Yes	Yes	No	No.
Kentucky	Yes	Yes	Yes	No.
Louisiana	Yes	Yes	No	No.
Maine [1]	Yes	Yes	No	No.
Maryland	Yes	Yes	Yes [5]	No.
Massachusetts	Yes	Yes	No	No.
Michigan	Yes	Yes	No	No.
Minnesota	Yes	Yes	No	No.
Mississippi	Yes	Yes	No	No.
Missouri	Yes	Yes	No	No.
Montana	Yes	Yes	No	Yes.
Nebraska	Yes	No	No	Yes.
Nevada	Yes	Yes	No	No.
New Hampshire	Yes	Yes	No	No.
New Jersey	Yes	Yes	Yes	No.
New Mexico	Yes	Yes	No	No.
New York City	Yes	Yes	Yes	No.
New York State	Yes	Yes	Yes	No.
North Carolina	Yes	Yes	Yes	No.
North Dakota	Yes	Yes	No	No.
Ohio	Yes	Yes	No	No.
Oklahoma	Yes	Yes	No	No.
Oregon	Yes	Yes	No	No.
Pennsylvania	Yes	Yes	No	No.
Puerto Rico	Yes	Yes	No	No.
Rhode Island	Yes	Yes	No	No.
South Carolina	Yes	Yes	Yes	No.
South Dakota	Yes	Yes	Yes	No.
Tennessee	Yes	Yes	No	No.
Texas	Yes	Yes	No	No.
Utah	Yes	Yes	No	No.
Vermont	Yes	Yes	No	No.
Virgin Islands	Yes	Yes	No	No.
Virginia	Yes	Yes	No	No.
Washington	Yes	Yes	No	No.
West Virginia	Yes	Yes	No	No.
Wisconsin	Yes	Yes	No	No.
Wyoming	Yes	Yes	No	No.

[1] Infected patients are urged to inform their own sex and needle-sharing partners.

[2] Services of health department staff are made available to patients who request referral by a third part of certain partners.

[3] Referral by health department staff will be provided for all partners when requested by index patients.

[4] Health department partner notification limited to specific types of partners, e.g., women of childbearing age, prostitutes, private physician patients, victims of rape or incest, etc.,

[5] Baltimore, MD.

Data are available to CDC from partner-notification activities in four states. Colorado emphasizes provider referral as the preferred method for notifying all sex and needle-sharing partners of HIV-infected individuals. From January 1986 through December 1987, 282 index patients were offered partner-notification services. They identified 508 partners, of whom 414 (81%) were located; of these 414, 44 (11%) had previously tested positive for HIV antibody and were not contacted. Of the remaining 370 identified partners, 296 (80%) underwent counseling and testing; 74 (20%) were counseled but refused testing. Forty-five (15%) of those 296 newly tested were positive for HIV antibody. None had previously been reported to the state.

Idaho has instituted a partner-notification program that emphasizes provider referral. Of 120 HIV-positive index patients identified since the program began in 1985, 97 (81%) have received counseling about partner notification. These patients requested assistance to notify 118 partners. Fifty-nine partners (50%) were located, and all accepted counseling and testing; 23 (39%) were found to be infected with HIV.

In 1987, South Carolina initiated partner-notification activities emphasizing provider referral. In one rural county where only one case of HIV infection and no cases of AIDS had been previously reported, 90 sex partners, 69 of whom were county residents, were named by a single HIV-infected homosexual male. Of the 68 county residents who consented to testing, 12 partners (18%) were infected with HIV.

Virginia currently provides partner-notification services to HIV-infected patients who request assistance with notifying certain partners. From September 1986 through December 1987, 387 (81%) of the 479 individuals who tested positive for HIV antibody at STD clinics returned for test results and were offered partner-notification services. Of these, 230 patients (59%) chose provider referral to notify their partners. A total of 318 partners were located and accepted counseling and testing; 44 (14%) were found to be positive for HIV infection. In addition to being sex or needle-sharing partners of HIV-infected persons, 38 (87%) of the infected partners belonged to other high-risk groups: 72% were at risk through homosexual/bisexual behavior, and 15% through intravenous drug use.

Reported by: TM Vernon Jr, MD, FC Wolf, MPA, NE Spencer, RE Hoffman, MD, PMH, State Epidemiologist, Colorado Dept of Health. JB Perry, CD Brokopp, DrPH, State Epidemiologist, Idaho Dept of Health and Welfare. RF Wykoff, MD, SL Hollis, RN, ST Leonard, RN, CB Quiller, CW Heath Jr, MD, Acting State Epidemiologist, South Carolina Dept of Health and Environmental Control. CS Riley, AM Cader, MD, GB Miller Jr. MD, State Epidemiologist, Virginia State Dept of Health, Div of Sexually Transmitted Diseases, Center for Prevention Svcs, CDC.

CDC Editorial Note: Partner notification, with emphasis on provider referral, became an integral strategy for national syphilis control in the mid-1940s after penicillin became widely available. Subsequently, it has been used in STD control programs for gonorrhea and chlamydia. Provider referral has been shown to be effective, but costly, in controlling focal outbreaks of infections due to antibiotic-resistant gonococcal strains and in targeting endemically infected core groups in specific high-risk populations. Because of resource limitations, patient referral, rather than provider referral, has played an increasingly important role in STD control.

When the partner-notification model is applied to the control of HIV infection, certain differences must be considered. The incubation period of HIV is long; therefore, sex partners or needle-sharing partners from months or years earlier may potentially have been the sources of infection.

Partner notification for patients with hepatitis B, which has an epidemiologic pattern similar to that of HIV infection, has proven difficult because of the prolonged period of infectivity, the large number of anonymous sex partners among many homosexual men, and the inaccessibility of the intravenous drug-using population.

The assurance of confidentiality and protection against discrimination, which are critical in dealing with any STD, have become legal issues in the case of HIV infection. These issues may influence the success of programs based on patient referral alone. Confidentiality is essential to ensure that

individuals at risk continue to seek counseling, testing, or partner-notification services.

Partner-notification data from several states reveal a high seroprevalence rate, ranging from 11% to 39%, among persons identified as sex or needle-sharing partners, many of whom are themselves engaging in high-risk behavior. By identifying such individuals, the partner-notification process can target risk-reduction messages to those at greatest risk of acquiring or transmitting infection. Thus, partner notification provides both primary and secondary prevention of HIV infection.

Notification of unsuspecting partners is especially important because it enables persons who may not have been reached through other AIDS education programs to receive risk-reduction education. For example, the partner-notification process can identify female and male partners of intravenous drug users or female partners of bisexual males who may have been exposed to HIV infection, but who may be unaware of their risk. Partner-notification activities targeted toward women of child-bearing age contribute additionally by potentially preventing the perinatal transmission of HIV.

Homosexual men who voluntarily request counseling and HIV testing may be at lower risk for infection than those who have refused testing. Through the partner-notification process, these high-risk partners who otherwise might not request risk-reduction education can receive counseling. Also, counseling of partners provides an opportunity to offer other beneficial services to those at risk, including drug treatment, STD treatment, tuberculosis testing and treatment, adult immunizations, psychosocial support services, and contraceptive counseling.

The type of partner-notification services provided by different health departments will depend on local resources and the number of seropositive persons identified. In San Francisco, which has high rates of infection among homosexual men, provider referral for all partners of homosexual men was not thought to be feasible because of the excessive cost and personnel required. However, the San Francisco Health Department did notify heterosexual sex partners of AIDS patients and received excellent cooperation from both patients and named partners. The San Francisco experience demonstrates the feasibility of targeted notification for identifying infected women of child-bearing age to prevent perinatal transmission of HIV infection.

State and local health departments are encouraged to develop evaluation programs to identify the most effective partner-notification strategies for different clinical and sociocultural settings in both areas with high and low HIV seroprevalence rates.

[From the New England Journal of Medicine, Oct. 13, 1988]

MEASUREMENT OF THE FALSE POSITIVE RATE IN A SCREENING PROGRAM FOR HUMAN IMMUNODEFICIENCY VIRUS INFECTIONS

(By Donald S. Burke, M.D., John F. Brundage, M.D., Robert R. Redfield, M.D., James J. Damato, Ph.D., Charles A. Schable, M.S., Pamela Putman, B.S., M.T., Robert Visintine, M.D., and Howard I Kim, Ph.D.)

Abstract: In a program screening civilian applicants for U.S. military service for human immunodeficiency virus (HIV) infection, we studied the frequency of false positive diagnoses retrospectively among applicants seropositive for HIV in a subpopulation with a very low prevalence of infection. That subpopulation was defined as consisting of all applicants tested between October 16, 1985, and June 30, 1987, who were young (17 or 18 years of age) and resided in a rural county in a state with a low incidence of reported acquired immunodeficiency syndrome (n=135,187). Serum specimens from 15 applicants positive for HIV in this low-prevalence subpopulation were retrieved from a serum bank and retested by two Western blot methods, radioimmunoprecipitation, and an immunoassay constructed from a molecularly cloned and expressed viral envelope polypeptide. Fourteen of the 15 samples were unequivocally positive on all retest assays, and 1 was negative. Thus, the measured rate of false positive diagnoses in this program was 1 in 135,187 persons tested. Factors important in achieving a low false positive rate were a redundant, multistep testing algorithm, conservative criteria for interpreting Western blots, the requirement that a second, newly drawn serum specimen be tested for verification before a diagnosis of HIV was considered established, and tight quality control of laboratory testing procedures.

We conclude that a screening program for HIV infection in a low-prevalence population can have an acceptably low false positive rate. (N Engl J Med 1988; 319: 961-4.)

Over 1 million persons in the United States are infected with the human immunodeficiency virus (HIV).[1] Routine testing for HIV, with counseling of those who test positive, has been advocated as an effective public health response to the epidemic.[2] There is general agreement that testing may be appropriate for groups thought to be at high risk for infection, such as homosexual men, intravenous drug abusers, and patients of venereal-disease clinics.[3] However, concern has been expressed about the value of routine HIV testing among groups thought to be at lower risk, such as persons applying for marriage licenses, pregnant women, immigrants, and patients admitted to the hospital.[4] One major concern has been that the predictive value of a positive test for HIV would be very low among populations with low prevalence rates of HIV (i.e., that the ratio of false positive to true positive diagnoses would be unacceptable). Rational decision making about appropriate public health policies has been impeded by a lack of concrete data on the rate of false diagnoses in HIV screening programs.

Since October 1985, all civilian applicants for U.S. military service have been routinely tested for evidence of HIV infection.[5] The overall prevalence of HIV in this population is 1.48 per 1000. A younger age, residence in a state with a low incidence of the acquired immunodeficiency syndrome, and residence in a rural county with a low population density were found to be independent predictors of a low risk of infection with HIV. In this study, we sought to define accurately the rate of false positive diagnoses of HIV infection in a subpopulation of applicants with a very low prevalence of HIV.

METHODS

Applicant screening program

Details of the HIV screening program for entrance to the U.S. military service have been published previously.[6] In brief, serum samples from all applicants are tested for HIV according to the following algorithm. First, samples are screened with a commercially prepared, licensed enzyme-linked immunosorbent assay (ELISA). Second, if it is reactive, the sample is retested in duplicate by an HIV-screening ELISA. Third, if either of the retested samples is reactive on ELISA, the sample is tested by Western blotting. Fourth, if the sample is reactive on Western blotting and that assay is diagnostic, the applicant is advised to submit a second, new blood sample, which is also tested by Western blotting. A diagnosis of HIV infection is considered to be definite only when both the first and second serum samples are reactive on Western blotting and results of Western blotting are diagnostic.

Western blot assays were prepared and performed by Damon Laboratories. For the first 19 months of the program, the envelope glycoproteins with high molecular weights (gp 120 and gp 160) were visualized inconsistently with the methods employed, and the criteria for a reactive and diagnostic blot were the presence of a band at 41 kd a combination of bands at 24 and 55 kd, or both. Beginning in May 1987, the method of preparing blot strips was modified so that antibodies to gp 120 and gp 160 could be detected reproducibly, and criteria for a reactive and diagnostic blot pattern were changed to those of the Association of State and Territorial Public Health Laboratory Directors.[7] When these criteria were used, the presence of at least two of the three major bands at 24, 41, and 120 or 160 kd was required for a blot to be considered diagnostic of HIV infection. Western blots that showed minor reactivity (e.g., a band at 17 kd) but that did not meet these diagnostic criteria were considered negative. Photographic records of all Western blots were maintained, and aliquots of all specimens tested by Western blotting were kept frozen (at −20°C) in a serum bank.

Low-prevalence subpopulation

A low-prevalence subpopulation was retrospectively defined to include applicants who met the following three criteria; an age of 17 or 18 years, residence in a state with an applicant seroprevalence rate lower than 1.5 per 100 and a relatively low cumulative incidence of the acquired immunodeficiency syndrome (excluded by these criteria were New York, California, New Jersey, Florida, Massachusetts, Connecticut, Texas, Maryland, Hawaii, Georgia, Colorado, Delaware, Nevada, South Carolina, Puerto Rico, and Washington, D.C.), and residence in a county with a population density of less than 500 persons per square mile (per 2590 km^2). From among the entire applicant population of 1.2 million between October 16, 1985, and June 30, 1987, a total of 135,187 met the criteria for inclusion in this low-prevalence subpopulation. Eighty-eight percent were male and 12 percent were female. Applicants for military service were typically in good health.

Retrieval and retesting of positive samples

Photographs of all Western blots from HIV-positive applicants in the low-prevalence population were reviewed, and coded serum-sample tubes from these applicants were retrieved. These thawed serum samples, along with positive and negative control specimens, were coded and tested blindly. All samples were tested with four assays: (1) HIV Western blotting, with use of the standard reagents, components, and methods contained in the kit manufactured by Biotech/DuPont, which is licensed by the Food and Drug Administration[8] (the test was performed by one of us who is highly

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Footnotes at end of article.

experienced with the assay); (2) HIV Western blotting, with use of standard reagents prepared at the Centers for Disease Control (the test was performed by an investigator highly experienced with the assay)[9]; (3) HIV radioimmunoprecipitation assay, performed at the Walter Reed Army Institute of Research, according to methods described elsewhere[10]; and (4) HIV CBre3 assay (Cambridge Biosciences), which is constructed from a molecularly cloned and expressed viral envelope polypeptide (this assay has previously been shown to have a specificity and sensitivity comparable or superior to that of the Western blot assay).[11,12]

For the purposes of this study, a diagnosis was considered true positive if all four assays on all available serum samples from an applicant were reactive and diagnostic. A diagnosis was considered false positive if all four assays on all available serum samples from an applicant were nonreactive, nondiagnostic, or both.

RESULTS

Of the total 135,469 applicants in the low-prevalence subpopulation, 16 were positive for HIV. Of these, one tested positive for HIV on the very first day of the testing program (October 15, 1985). No photograph of the Western blot was available for review, nor was serum available for retesting. Of the remaining 15 subjects found positive for HIV between October 16, 1985, and June 30, 1987, 14 were found positive by Western blotting of two separate serum samples; one applicant declined to submit a second sample. The uncorrected prevalence of applicants positive for HIV in this low-prevalence population for October 16, 1985, through June 30, 1987, was 15 per 135,187, or 1 in 9012 (0.01 percent).

Sufficient serum was available to retest (with all four assays) 27 of the 29 samples from the 15 applicants positive for HIV. Results of the assays, shown in Table 1, showed unequivocal evidence of HIV infection in 14 samples, whereas all assay returns were negative for one applicant (Applicant 15 in Table 1). The 5 control samples that were positive for HIV and the 11 control samples that were negative for HIV were all correctly identified by all four assays.

TABLE 1.—RESULTS OF ORIGINAL TESTS AND RETESTS OF SPECIMENS DIAGNOSED AS HIV-INFECTED IN A POPULATION WITH VERY LOW PREVALENCE [1]

Applicant No.	Date of collection	Original Test		Retest							
		Damon WB		DuPont WB			CDC WB		RIP		CBre3 [2]
		gp24	gp41	gp24	gp41	gp120	gp24	gp41	gp120	gp160	
1											
Sample 1	11/5/85	+	+	+	+	+	+	+	+	+	>3.0
Sample 2	12/3/85	+	+	+	+	+	+	+	+	+	>3.0
2											
Sample 1	12/26/85	+	+	+	+	+	+	+	+	+	2.9
Sample 2	1/2/86	+	+	+	+	+	+	+	+	+	2.9
3											
Sample 1	12/26/85	+	+	+	+	+	+	+	+	+	2.8
Sample 2 not available											
4											
Sample 1	12/27/85	+	+	+	+	+	+	+	+	+	1.8
Sample 2	1/17/86	+	+	+	+	+	+	+	+	+	2.5
5											
Sample 1	4/5/86	+	+	+	+	+	+	+/−	+	+	1.6
Sample 2	4/16/86	+	+	+	+	+	+	+	+	+	1.7
6											
Sample 1	5/22/86	+	+	+	+	+	+	+	+	+	>3.0
Sample 2	6/10/86	+	+	+	+	+	+	+	+	+	2.0
7											
Sample 1	6/25/86	−	+	+	+	+	−	+	+	+	>3.0
Sample 2	7/11/86	+/−	+	+	+	+	+	+	+	+	2.8
8											
Sample 1	9/4/86	+	+	+	+	+	+	+	+	+	>3.0
Sample 2	9/23/86	+	+	+	+	+	+	+	+	+	>3.0
9											
Sample 1	11/3/86	+	+	+	+	+	+	+	+	+	>3.0
Sample 2	11/11/86	+	+	+	+	+	+	+	+	+	>3.0
10											
Sample 1	11/1/86	+	+	+	+	+	+	+	+	+	2.5
Sample 2	11/6/86	+	+	ND	ND	ND	ND	ND	ND	ND	ND
11											
Sample 1	11/6/86	+	+	+	+	+	+	+	+	+	2.3
Sample 2	1/29/87	+	+	+	+	+	+	+	+	+	2.6
12											
Sample 1	1/15/87	+	+	+	−	+	+	+	+	+	1.9
Sample 2	1/30/87	+	+	+	+	+	+	−	+	+	2.5
13											
Sample 1	3/2/87	+	+	+	+	+	+	+	+	+	2.4
Sample 2	3/7/87	+	+	ND	ND	ND	ND	ND	ND	ND	ND
14											
Sample 1	3/24/87	+	+	+	+	+	+	+	+	+	2.9
Sample 2	4/2/87	+	+	+	+	+	+	+	+	+	2.6
15											
Sample 1	3/26/87	−	+	−	−	−	−	−	−	−	0
Sample 2	4/15/87	−	+	−	−	−	−	−	−	−	0
Negative control samples (n=11) [3]		NA	NA	−	−	−	−	−	−	−	0
Positive control samples (n=5)		NA	NA	+	+	+	+	+	+	+	2.8

[1] All samples were coded. Damon denotes Damon Laboratories, WB Western blotting, DuPont Biotech/DuPont kit, CDC Centers for Disease Control, RIP radioimmunoprecipitation, CBre3 an immunoassay constructed from a molecularly cloned and expressed HIV envelope antigen, ND no data, and NA not applicable.

[2] Values are optical-density readings; positive readings are those exceeding 0.5.

[3] Mean values are shown.

DISCUSSION

One false positive diagnosis of HIV infection was found in a careful review of 15 recorded positive results obtained in a subpopulation of 135,187 applicants who, according to age and residence, were at very low risk of infection. On the basis of these data, we calculate the false positive rate to be 1 in 135,187, or 0.0007 percent. Serum samples from the single applicant with a false positive test result for HIV showed a weak but reproducible isolated band at 41 kd when first tested by Western blotting. Subsequent reexamination of serum samples from this applicant yielded unambiguously negative results.

Four methods were used in this study to reevaluate retrospectively serum specimens from applicants whose HIV infections were diagnosed during the routine operations of the screening program. Because all four methods are based on the detection of HIV antibodies, all four methods could yield concurrent false positive test results. However, the assays selected for use in this study included major differences in the antigen source (the antigen derived from the molecular-envelope HIV clone was expressed in *Escherichia coli*) and in the test configuration (the antigen in the radioimmunoprecipitation assay was intrinsically radiolabeled and precipitated from solution). In all 14 samples found to be positive on reevaluation, all assay results were strongly and unambiguously positive.

The overall prevalence of HIV infection among the 1.2 million civilian applicants to military service during the period of this study was 1.48 per 1000 (Brundage JF: unpublished data) This overall prevalence can alternatively be expressed as 200 per 135,187. If the false positive rate found among our low-prevalence subpopulation (1 per 135,187) is extrapolated to the entire applicant population (200 positive tests per 135,187 applicants), then only 1 of every 200 positive diagnoses is a false positive one, and the predictive value of a positive diagnosis in this program is 99.5 percent. This extrapolation must be made with caution, since the subpopulation we studied may not be representative of the entire applicant pool with regard to the prevalence of false positive test results.

Specific HIV-antibody detection was achieved through the use of a multistep algorithm. Although exact percentages were not routinely recorded and calculated, approximately 1 percent of all initial screening ELISAs were reactive, 50 percent of repeat ELISAs were reactive, and 30 to 40 percent of first Western blot assays were reactive and diagnostic (Burke DS: unpublished data). There were few instances in which the diagnosis of HIV infection could not be verified by the Western blot assay on the second sample (less than 4 percent of all Western blot assays on second blood samples). Since the institution of the program, a number of minor but important improvements have been introduced into the test algorithm and test methods. The current false positive rate is probably substantially less than that reported here for the initial 20 months of the program. We have at present no direct method for measuring the false negative rate in this program.

Four characteristics of the screening program for military applicants are intrinsic to its high specificity. First, the program uses a screening algorithm based on serial applications of screening tests. Each step of the algorithm raises the prevalance of true seropositivity among those whose samples are graduated to the subsequent step. This results in multiplicative increases in overall specificity—as much as 100-fold per step. In effect, the last step of the algorithm applies to a very specific test to a relatively high prevalence subgroup of a low-prevalence population. Thus, it is not surprising that the screening algorithm operates with a specificity and a positive predictive value that far exceed those achievable with any single screening test. Second, relatively conservative criteria are used in interpreting Western blots. Third, an independent, new blood specimen is routinely drawn and tested for verification before a diagnosis is considered established. This step reduces false positive results related to administrative as well as technical errors. Specimen-processing and data-management errors are relatively more important determinants of performance when screening is conducted in low-prevalence populations. Finally, and most important, rigid quality assurance is maintained for all technical laboratory operations.

HIV screening in the U.S. Military Entrance Processing Command is a carefully designed, high-volume, closely monitored program. In contrast, HIV testing in the civilian sector may not be done in laboratories that have such large volumes and extensive experience in the performance and interpretation of tests for HIV, especially Western blotting. It is likely that false positive diagnoses in some HIV testing programs may be more frequent than 1 in 135,187.

Meyer and Pauker have asked whether we can afford a false positive rate in screening for HIV.[13] Our data suggest that with adequate attention to program design and quality control, the false positive rate can be kept at an acceptably low level.

FOOTNOTES

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[12] Burke DS, Brandt BL, Redfield RR, et al. Diagnosis of human immunodeficiency virus infection by immunoassay using a molecularly cloned and expressed virus envelope polypeptide; comparison to Western blot on 2707 consecutive serum samples. Ann Intern Med 1987; 106:671-6.

[13] Meyer KB, Pauker SG. Screening for HIVA: can we afford the false positive rate? N Engl J Med 1987; 317:238-41.●

SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM

● Mr. LEVIN. Mr. President, title VII of the conference report on H.R. 1807, the Business Opportunity Development Reform Act of 1988, establishes a Small Business Competitiveness Demonstration Program. The Demonstration Program, being conducted by the Office of Federal Procurement Policy [OFPP] under its authority to test innovative procurement procedures, will gauge the capacity of small business concerns in certain industry categories to effectively compete in the Federal procurement market and the extent to which they need the protections of the set-aside program authorized by section 15 of the Small Business Act.

The key to effective implementation of the Small Business Competitiveness Demonstration Program will be accurate collection of appropriate contract award data by the participating agencies. Unfortunately, the procuring agencies have all too frequently resisted OFPP's efforts to collect the full range of data needed to accurately assess the performance of the Federal procurement system. This has hampered the ability of the Congress and the senior procurement executives within the agencies to effectively oversee the system. The legislation reauthorizing OFPP, S. 2215, includes a provision designed to assess the strengths and weaknesses of the Federal procurement data system.

Mr. President, the effective assessment of the various programs to foster the participation of small business concerns and disadvantaged small business concerns have been particularly hampered both by the lack of adequate data on the extent of small business involvement in Federal contracting and subcontracting and by confusion over which types of contracts to include in measuring small business participation. Section 717(e) of H.R. 1807, entitled "Alternative Data," permits the identification of contract awards by the standard industrial classification [SIC] codes established by the Office of Management and Budget or by product and service codes used by the Federal procurement data system to be employed in tabulating whether the small business participation goals specified in section 712(a) have been attained. This will be particularly helpful in industry categories for which the specified SIC codes does not correspond exactly to contracting activity within the industry categories defined in section 717 (b) through (d).

For the designated industry category of "construction (excluding dredging)" the contract awards to be counted are those assigned SIC codes within SIC code major group 15 (building construction—general contractors and operative builders), SIC code major group 16 (heavy construction other than building construction—contractors), except for those classified as dredging awards, and major group 17 (construction—special trade contractors) and by the four-digit product and service codes comprising the "Y" group (construction of structures and facilities) and the "Z" group (maintenance, repair or alternation of real property), except for Y-216 or Z-216 pertaining to dredging.

For the designated industry category of "refuse" the contract awards to be counted are those for refuse systems and related services assigned SIC code 4953 (refuse systems) or SIC code 4212 (local trucking without storage) and reported in product and service code S205 (garbage collection).

For the designated industry category of "architectural and engineering services (including surveying and mapping)" the contract awards to be counted as pertaining to mapping services are those assigned SIC code 7389 (business services, not elsewhere classified) or product and service codes T-004, T-008, and T-014; as pertaining to architectural/engineering services those contracts assigned SIC code 8711 (engineering services) or SIC code 8712 (architectural services), and product and service codes C-111 through C-119, C-121 through C-124, C-129, C-211 through C-216, C-219, T-002, T-

004, T-009, and T-014; and as pertaining to surveying services those contracts assigned SIC code 8713 (surveying services) and product and service code R-404.

This clarification will provide needed guidance to the Office of Federal Procurement Policy and the agencies participating in the Small Business Competitiveness Demonstration Program.●

ALCOHOLIC BEVERAGE LABELING ACT

● Mr. DeCONCINI. Mr. President, I am pleased to support the Alcoholic Beverage Labeling Act of 1988. I commend my distinguished colleague from South Carolina, Senator THURMOND, for his leadership on this issue. The legislation before us is an accomplishment of which he can be justifiably proud.

The heart of the act is the health warning requirement set out in section 204. Subsection (a) specifies the language of the Government warning. Subsection (b) specifies that the warning shall be located in a conspicuous and prominent place on the beverage container, as determined by the Secretary of the Treasury; shall be in type of a size determined by the Secretary; and shall appear on a contrasting background.

Under subsection (b), such regulations must be promulgated in final form within 90 days of the bill's enactment. The short period provided by the bill for the development and issuance of final regulations should not present serious problems to the Secretary because of the specificity of the bill's provisions. Although the regulations issued by the Secretary must provide guidance as to placement of the warning statement specified in the bill, as well as the type sizes to be used, Congress intends the Secretary's regulations regarding placement of the label statement to be as flexible as possible and to be consistent with existing Federal regulations governing type size and background for mandatory label information for beverage alcohol products.

The warning statement should be permitted to be placed in any of several locations on a given container depending upon a manufacturer's discretion and still comply with the requirement that the display be "conspicuous and prominent." In addition, variations in the size and shape of individual containers—as well as a variety of practical and aesthetic constraints—need to be taken into account in determining placement. The same considerations preclude the imposition of inflexible or completely uniform rules on placement, see for example, 27 CFR 5.32(b) and 7.22(b). Congress expects that the Secretary will take these considerations into account in exercising the authority conferred upon him by section 204(b) of the act.

In considering the issue of type size, the Secretary should take into account both the size and shape of the container. The type sizes currently required for mandatory label information—27 CFR 4.38(b), 5.33(b)(5), and 7.28(b)—shall be used for the warning statement contained in section 204. With regard to the specification that a contrasting background shall be used in connection with the warning, the Secretary's regulations for the warning statement should be consistent with existing regulations governing contrasting background—see 27 CFR 4.38(a), 5.33(a), and 7.28(a).

With these considerations in mind, I hope and expect that the action we take today will further remind the American public about the possible hazards that may result from alcohol consumption or abuse.●

SAMUEL PHELPS AND THE PROMPT PAYMENT ACT AMENDMENTS OF 1988

● Mr. DIXON. Mr. President, on October 17 the President signed into law S. 328, the Prompt Payment Act Amendments of 1988, which became Public Law 100-496. This legislation strengthens the Prompt Payment Act of 1982, which was aimed at a simple goal to get the Federal Government to pay its bills on time. S. 328 closed the loopholes and eliminated the ambiguities which too frequently frustrated the attainment of this basic congressional objective. S. 328 also extended the act's coverage in several very important ways.

Mr. President, the legislation signed by the President includes a provision which I added during the Senate's consideration of the bill. This provision requires agencies to pay for dairy products, margarine, salad oil, and similar products in 10 days—the industry standard. This provision was required to address a longstanding problem that should have been more susceptible to administrative resolution. Suppliers of these products are required to charge the Government the same prices they charge their best private sector customers, yet the agencies steadfastly refused to pay for these goods on the same terms as private sector buyers. Suppliers of dairy products who priced their goods on the basis of the 10-day payment standard prevailing in the industry were required to wait at least 30 days for payment, and payment after 40 and even 60 days was all too common. This was simply unfair and unacceptable practice. The Prompt Payment Act amendments correct this problem.

This provision, which I was privileged to sponsor, is based largely on the hard work of Samuel Phelps, vice president for military and export sales at Kraft, Inc. in Glenview, IL. After years of frustration at the procuring agencies' refusal to honor industry payment practices, Mr. Phelps took his case to the Congress. Thanks to his efforts, we were able to apply some good "business sense" to the procurement process, and dairy suppliers can now expect to be paid on industry terms when they do business with the Federal Government. By ensuring these contractors that they will be paid on time, we promote their participation in the Federal procurement process. That's good for contractors, and it's good for the Government.

Mr. Phelps deserves substantial credit for this reform, and his hard work should serve as an inspiration to anyone who has ever despaired at bureaucratic intransigence. Sam Phelps has proved that you can fight "city hall" if you've got a good case and you're truly willing to fight.●

RAIN FOREST EXHIBIT MILWAUKEE PUBLIC MUSEUM

● Mr. KASTEN. Mr. President, I want to call to the attention of my colleagues and the American people a spectacular exhibit called Rain Forest: Exploring Life on Earth, that will open soon in Milwaukee.

This exhibit will be one of the most important museum exhibits to open anywhere in the country this year. It will be one of the most important educational exhibits to open anywhere in years.

The Milwaukee Public Museum's exhibit will not be simply a collection of the wonders of tropical forests, but will interpret how these unique ecosystems operate. It will detail the highly developed interdependence of rain forest ecosystems.

In addition it will document the critical importance of rain forests to humanity.

The Milwaukee exhibit, based on the representation of a Costa Rican forest, will illustrate some of the diversity in biological populations typical of tropical rain forests. Where a temperate forest may contain 10 to 15 varieties of trees and shrubs per acre, a rain forest may have 100 to 150 varieties of trees and shrubs. Some even contain up to 250 species per acre. The diversity of animals is even greater.

This is truly an outstanding exhibit. I commend the Milwaukee Public Museum for its international leadership in promoting an understanding of these unique and valuable ecosystems.

On behalf of the people of Wisconsin and Milwaukee I invite anyone who may be in our marvelous city to take a few hours and visit this exhibit.●

SECTION 6182 OF DRUG BILL—SIXTH AMENDMENT PROTECTION

● Mr. KENNEDY. Mr. President, in section 6182 of the Anti-Drug Abuse Act of 1988, there is an amendment to current money laundering law—section 1957 of title 18, United States Code, which authorizes 10 years imprisonment for certain monetary transactions involving criminally derived property. The amendment states that the term "transaction" does not include any transaction "necessary to preserve a person's right to representation as guaranteed by the sixth amendment right to counsel."

As a participant in the last-minute negotiations on this provision, I wish to clarify its meaning and our reasons for adopting a different formulation than that contained in the House-passed drug bill.

Section 6113 of H.R. 5210, as passed by the House on September 22, would have provided an exception from section 1957 for "monetary transactions involving the bona fide fees an attorney accepts for representing a client in a criminal investigation or any proceeding arising therefrom." The Senate bill had no comparable provision. House negotiators indicated that the provision was motivated by a concern for the sixth amendment rights of individuals—that is, a concern that, without the amendment, the current statute discourages attorneys not only from taking on clients but also from communicating with them.

I strongly agree that an attorney's fear of being prosecuted and imprisoned for learning too much about a client's case places an intolerable burden on the constitutional right to counsel and the attorney-client relationship. Indeed, it was my understanding that this view was soundly endorsed when, during negotiations between Members representing the House and Senate positions on Wednesday, October 19, agreement was reached that the Senate would simply recede to the House provision.

However, the issue was reopened in negotiations the following evening when the Senator from New Hampshire [Mr. RUDMAN] expressed some concern that the House language appeared inappropriately to speak more in terms of the rights of attorneys than the constitutional rights of citizens. I wish to emphasize my clear understanding that the substitute language was designed simply to clarify the source of our concern, without altering the House provision's substantive effect.

Specifically, I wish to clarify that the term "right to representation as guaranteed by the sixth amendment to the constitution," as used in the substitute provision, includes the fundamental right to counsel of choice, as recognized by the Supreme Court in *Powell* v. *Alabama*, 287 U.S. 45, 53 (1932), and further developed on frequent occasions by the Federal Courts of Appeals and the Supreme Court itself.

This right is said to be a "qualified" one, which can be infringed upon when a compelling governmental purpose outweighs it. *United States* v. *Burton*, 584 F.2d 485, 489 (D.C. Cir. 1978), cert. denied, 439 U.S. 1069 (1979); *United States* v. *Phillips*, 699 F.2d 801-02 (6th Cir. 1983).

Although weakening the ability of an accused to defend himself at trial is an advantage for the Government, it is not a legitimate Government interest which can be used to justify invasion of a constitutional right. *United States* v. *Monsanto*, 852 F.2d 1400, 1403 (2d Cir. 1988) (en banc) (per curiam) (opinion of Winter, Meskill and Newman). Moreover, as the Monsanto opinion noted, to the extent that the Government has an interest in preventing criminals from using ill-gotten gains to hire attorneys, that interest is not sufficient to outweigh a constitutional right, particularly since the invasion of the right would occur before the client is proven to be a criminal or his property to be ill-gotten.

Finally, I would note my intention that a transaction is "necessary" to protect the sixth amendment rights, within the terms of the amendment, when it involves a bona fide fee paid in good faith for legitimate legal representation by counsel of choice. This concept of "bona fide fees," as developed recently by the Justice Department in its guidelines governing section 1957, does not include a fraudulent or sham transaction designed to shield the property from forfeiture or hide its existence from governmental investigative agencies. Generally, a transaction is a sham or fraud if there is a scheme or plan to maintain the client's interest—or that of any other person or corporation associated with the client—in the asset or the ability to use it beneficially. U.S. Attorneys' Manual 9-105.410.●

SECTION ANALYSIS OF JUDICIARY COMMITTEE ISSUES IN H.R. 5210

● Mr. BIDEN. Mr. President, the Anti-Drug Abuse Act of 1988 contains a great number of provisions that are within the jurisdiction of the Judiciary Committee. These provisions create new criminal offenses, modify and alter the penalties for existing offenses, and make procedural changes to the criminal justice system. Taken together, these provisions constitute a very signficiant body of amendments to Federal criminal law. It is therefore important for there to be a detailed statement in the RECORD of Congress' intent in enacting these provisions.

As chairman of the Judiciary Committee, I, along with Senator THURMOND, the ranking minority member, took the lead in drafting the criminal law provisions that are contained in the drug bill. I have drafted a section-by-section analysis of those provisions, and believe it will be helpful to those who wish to know the intent of the drafters of this legislation.

The analysis follows:

SECTION-BY-SECTION ANALYSIS

Title V—User Accountability

SUBTITLE A—OPPOSITION TO LEGALIZATION AND PUBLIC AWARENESS

Section 5011 states the sense of Congress that legalization of drugs would be an "unconscionable surrender" in a "war" in which there can be "no substitute for total victory". Section 5012 directs the Director of National Drug Control Policy to develop a program to inform the American public of the provisions of the 1988 drug bill relating to penalties for use and possession of drugs.

SUBTITLE B—NATIONAL COMMISSION ON DRUG-FREE SCHOOLS

Section 5051 creates a 26-member National Commission on Drug-Free Schools that will recommend, within one year, criteria for identifying drug-free schools and campuses and model programs that would meet such criteria.

SUBTITLE C—PREVENTION IN PUBLIC HOUSING

Chapter 1 of this subtitle codifies current HUD guidelines granting public housing agencies authority to evict tenants if they, their families, or their guests engage in drug-related criminal activity. It also allows the federal government to seize housing units from tenants who violate drug laws by clarifying that public housing leases are considered property with respect to civil forfeiture laws.

Chapter 2 establishes an $8 million pilot grant program to allow public housing authorities to hire security personnel, reimburse law enforcement agencies for security services, and make physical improvements.

Chapter 3 creates a new office in the Department of Housing and Urban Development to address drug problems in public housing, and establishes a regional training program to address this problem.

SUBTITLE D—DRUG-FREE WORKPLACE ACT

This subtitle, sections 5151-59, prohibits the awarding of any federal grant, or any federal contract valued at more than $25,000, to organizations that do not maintain a drug-free workplace. To maintain a drug-free workplace, organizations must do the following: notify employees that using illegal drugs is prohibited and specify the actions that will be taken against violators; establish a drug-free awareness and education program for employees; require that each employee abide by the organization's drug-free workplace policies; and impose a sanction on, or require rehabilitation for, any employee convicted of a drug offense.

The awarding organization is required to terminate the contract or grant if the recipient fails to abide by the drug-free workplace requirements, or if such a number of its employees have been convicted of drug offenses to indicate that it has failed to make a good faith effort. Law enforcement agencies (because of the need to conduct undercover operations with confidential informants drawn from the criminal milieu) and foreign businesses awarded grants by, or contracting with, the United States are exempted.

SUBTITLE E—PRESIDENT'S MEDIA COMMISSION

Section 5201 authorizes $1 million in each of the next three fiscal years for the President's Media Commission on Alcohol and Drug Abuse Prevention.

SUBTITLE F—DRUG-FREE AMERICA POLICY

Section 5251 declares that the United States shall be drug-free by 1995.

SUBTITLE G—DENIAL OF FEDERAL BENEFITS

Section 5301 gives federal and state judges discretionary authority to deny federal grants, loans, professional or commercial licenses, and contracts to persons convicted of drug offenses. In the case of persons convicted of simple possession, benefits can be withheld for up to one year following a first offense, and up to five years following a second or subsequent conviction. In the case of persons convicted of drug trafficking offenses, benefit can be withheld for up to five years following a first offense, and up to 10 years following a second conviction. Following a third conviction for a trafficking offense, benefits are automatically and permanently withheld.

Because these sanctions are triggered only by criminal convictions, persons assessed civil fines under section 6486 would not be subject to the provisions of this subtitle. Also, the withholding of benefits can be waived for persons who have attempted to gain admission to, are participating in, or have successfully completed a legitimate drug treatment program. Health, welfare, disability, social security, public housing, and veteran's benefits are exempted from withholding entirely.

The President is required to report to Congress on or before May 1, 1989, on the federal government's plans for implementing this program, the role of state courts in that program, and the need for any revisions in the program before it takes effect. Congress will then have six months in which to make changes to the statute before the denial of federal benefits takes effect for convictions occurring after September 1, 1989.

Title VI—Subtitle C of the Anti-Drug Abuse Act of 1988

Part 1—State and Local Narcotics Control and Justice Assistance Improvements

Section 6091. Bureau of Justice Assistance and Unified Grant Programs—

(a) In General.—The new section 401 establishes the Bureau of Justice Assistance (BJA) within the Department of Justice. This bureau is to be headed by a Director, who will be appointed by the President and confirmed by the Senate. Making the Director a Presidential appointee elevates the status of BJA equal to that of other agencies within the Office of Justice Programs including the Bureau of Justice Statistics, the Office of Juvenile Justice and Delinquency Prevention, the National Institute of Justice, and the Office for Victims of Crime. In addition, it increases the priority of BJA programs and initiatives as well as BJA accountability to Congress.

This bill retains the existing structure with respect to the Bureau of Justice Assistance (BJA), Bureau of Justice Statistics (BJS), National Institute of Justice (NIJ) and the Office of Juvenile Justice and Delinquency Prevention (OJJDP) (the Justice Assistance agencies) except for the provision making the Director of BJA a Presidential appointee. Each of the Justice Assistance agencies remains an independent agency, headed by a Presidential appointee with final grant making authority who reports to the Attorney General through the Assistant Attorney General for the Office of Justice Programs (the "Office"). The Office continues to be charged with providing staff support to coordinate the justice assistance agencies. As such, the Office's coordination and reporting-through functions are limited. The Justice Assistance agencies are not a part of the Office.

The new section 402 describes the duties of the Director which represent the combined functions of administering a drug law enforcement program and a related criminal justice improvement program. The Director is authorized to enter into contracts with or make grants to any public or private agency, organization, institution or individual pursuant to the need for broad latitude in program development.

In addition, this section outlines the Director's responsibilities regarding the preparation of recommendations for the national drug control strategy. Recommendations will be based on the review of statewide strategies and input from state and local drug enforcement officials.

The new section 501 enables State and local governments to address their drug control and related criminal justice system problems while simultaneously contributing to and supporting national drug control priorities and objectives. This section defines the range and types of programs that are eligible for funding, with special emphasis on coordination and integration of efforts at all levels of government. The Senate believes that the general direction of the Bureau's funding priorities under the Justice Assistance Act and the Anti-Drug Abuse Act of 1986 has been consistent with these statutes and should be continued. In particular, the Senate believes that the merger of these two programs should not, in any way, diminish the funding priority devoted to community-based crime prevention programs, career criminal and serious offender programs and operational information system programs.

Trends in drug trafficking and abuse patterns demand a concerted, coordinated response—one that is the product of a nationwide strategy that is not limited by jurisdictional boundaries and single constituency interests. The consolidation of the purposes of the Justice Assistance Act of 1984 and the Anti-Drug Abuse Act of 1986 provides the mechanism to address drug control problems and related system-specific problems such as crowded courts and correctional facilities, which in many instances result from the overburdening of the system by drug control imperatives. The merger of drug and justice assistance grant programs is not intended to decrease the priority of the drug issue; on the contrary, it will increase the effectiveness of State strategies in response to this problem. The effect of the merger will be to streamline criminal justice grants to the States whereby States will submit one application for Federal funds relating to drugs and crime.

The new section 501(c) also requires that each program funded under this section shall contain an evaluation component that meets the requirements of the guidelines established by the National Institute of Justice under section 520. The Director may waive this requirement in limited circumstances.

Section 503 requires States to develop and submit an application to the Bureau, based on a need-based statewide strategy. In the first year, States are required to submit their applications to the Bureau within 60 days after the Bureau promulgates regulations detailing the requirements for the States to follow in submitting applications. For each year thereafter, States are required to submit their applications within 60 days after appropriations for this part are enacted. Each statewide strategy shall include a determination as to the drug and violent crime-related criminal justice needs within the State and shall contain a detailed plan for coordinating the distribution of funds under this part with other federally funded drug abuse prevention and treatment programs.

The strategies will collect specific information regarding the nature of the drug problem, current efforts, resource needs and programmatic priorities. This information will also include specific data regarding major local jurisdictions, coordination requirements, an analysis of the relationship of the proposed State efforts to the national drug control strategy and the preparation of a plan to coordinate the proposed drug control programs with federally funded State and local drug abuse education, prevention and treatment programs. The strategies should ensure that Federal funds are being spent in the most effective and efficient manner; for example, a street level heroin enforcement effort could be coupled with a heroin treatment program with the result of moving IV drug users from the streets and into treatment, and thus, prevent the spread of AIDS. Through the process outlined in this section, State and local governments can continue the coordinated, multijurisdictional approach that is crucial to an effective drug control strategy.

The new section 504 provides that for fiscal 1989 and 1990, states must provide at least 25 percent of the cost of the project funded with federal monies provided under this part. For fiscal 1991 and 1992 the State share must be 50 percent. This formula requires that matching requirements be based on fiscal year appropriations, as opposed to when a project is initiated. The graduated matching fund approach reflects the purpose of this grant program to use Federal resources to promote innovation and information-sharing among the states, thereby enabling the states to assume the funding of those activities most effective within that state.

Up to 10 percent of the State formula grant may be used, at the State's discretion, for administrative costs. The non-Federal portion of the grant shall be in cash.

The new section 505 defines the Bureau's role and responsibility in the review of State applications. The Bureau shall review and make a determination on approval of the application within 45 days of receipt of the application, unless BJA provides the applicant with a written notice of disapproval. The Bureau shall not finally disapprove any application without first affording the applicant reasonable notice and opportunity for reconsideration.

Grant funds shall not be used for land acquisition. Construction projects, other than those for penal or correctional institutions housing drug offenders, are also prohibited. Construction for such penal or correctional institutions may be funded under this section only in proportion to which it is used to house drug offenders.

The new section 506 provides that the base formula grant amount for each participating State shall be $500,000 and that the remaining funds be distributed according to population. This section reinforces the importance of maintaining state strategies and multi-jurisdictional efforts between State and local governments, as well as the role of the State in transferring funds to local governments in a coordinated, efficient manner. Under this provision, all participating States receive a base allocation of $500,000.

The new section 507 requires the governor to appoint a State office that will be responsible for administering funds available under this program, preparing applications, monitoring and auditing, and coordinating efforts with State and local governments.

Section 508 imposes strict time limits on States regarding the review of local applications and the distribution of federal funds to local units of government. Specifically, States are required to review local applications for federal funds and make a determination on approval within 45 days of the submission of the application unless the State informs the applicant in writing of specific reasons for disapproval. This is the same requirement that the Bureau must meet in reviewing and approving State applications.

Section 508(b) requires States to distribute federal monies to local units of government within 45 days after the Bureau has made funds available to such State. It is important to note that this requirement applies only after the application of such local unit has been submitted to and approved by the State and the State has awarded such funds to such unit of local government. This may require States to make awards at the same time that it approves local applications. This new subsection further provides that the Director may waive the 45-day requirement upon a finding that the State cannot satisfy that requirement consistent with State statutes.

The purpose of the new section 510 is to advance state-of-the-art drug control and system improvements through national scope programs that demonstrate new and innovative approaches designed to assist the States and local governments. In addition, training and technical assistance will be provided through the discretionary grant program to affect the transfer of technology and enhance the capabilities of personnel involved in drug control and system improvement efforts at the State and local levels.

In carrying out the requirements of this section, the Director is authorized to enter into grants or contracts with any public or private agency, organization, institution, or individual.

The new section 511 provides that 20 percent or $50,000,000, whichever is less, of the funds appropriated for this part shall be used on a discretionary basis for demonstration programs for programs that are national in scope. Federal funds may be awarded for up to 100 percent of the cost of the program.

The new section 513 specifies the requirements to be met by any applicant for discretionary funds. These requirements were designed to ensure that all applications are consistent with the purposes of this part, methodologically sound and comply with relevant provisions of this part and other applicable federal laws.

Section 514 establishes a four-year limit on funding for individual discretionary grant projects, with the exception that up to two additional years of funding may be provided for selected programs: (1) which have been evaluated and found to be effective or offer the potential for enhancing the criminal justice system and (2) where the grant recipient organizaiton provides at least 50 percent of the cost of the continued project activities. Such grant recipient provided funds may be from any source of funds, including other Federal grant funds available to the organization.

The purpose of the new section 520 is to provide for the objective evaluation of programs funded under this part which should contribute significantly to the nation's drug control efforts by informing the criminal justice community of the most promising and effective crime and drug control strategies and programs. Specifically, this section directs the National Institute of Justice, in cooperation with the Bureau, to develop evaluation guidelines that the States must follow in conducting program evaluations as required under section 501(c). In addition, the National Institute of Justice, in consultation with the Bureau of Justice Assistance, shall conduct evaluations of selected State and local formula grants and selected demonstration projects supported through the discretionary grant program of the Bureau. Candidate formula grant programs or projects will be selected based on their potential as demonstration efforts supported by the Bureau. Candidate discretionary grant programs will be selected based on their potential for replication by the States and local governments to enhance their drug control and system improvement efforts.

The Bureau of Justice Assistance will conduct independent, selected evaluations under the authority of Section 801. In addition, the Bureau may conduct evaluations related to program monitoring, financial and compliance auditing and internal program assessments. The Bureau may also evaluate the implementation and impact of State drug control and system improvement strategies. These activities will be designed to ensure the enhancement of State and local drug control efforts, that Federal, State and local governments are fully coordinated and that such efforts are designed to maximize the effectiveness of the National Drug Control Strategy.

Section 6092. Duties and Functions of the Director of the Bureau of Justice Statistics.—

This section adds new paragraphs 16, 17, 18 and 19 to part C of section 302 of the Omnibus Crime Control and Safe Streets Act of 1968 in order to expressly authorize the Bureau of Justice Statistics to collect, compile, analyze and publish statistics about the prevalence, incidence, extent, distribution and attributes of drug offenses, drug-related offenses and drug-dependent offenders; to create a national clearinghouse for the gathering of such data generated by federal, state and local criminal justice agencies; and to provide for the development and enhancement of state and local criminal justice information systems relating to the collection, analysis or dissemination of data and statistics of drug-dependent offenders. The Congress, however, believes that the general direction of the Bureau of Justice Statistics funding priorities under the Justice Assistance Act has been consistent with these statutes and should be continued.

Regarding the new paragraph 19 expressly authorizes grants to improve the accuracy, completeness and inclusiveness of criminal history record information, arrest warrant and stolen vehicle record information at the state and local levels and to determine the extent and nature of accuracy, completeness and inclusiveness problems in other kinds of criminal justice record information. Accurate, inclusive and complete criminal history record information, arrest warrant and stolen vehicle record information are of critical importance both within and outside the criminal justice system and promotes effective law enforcement; protects personal privacy and assists in research and statistical efforts. This new authorization gives the Bureau of Justice Statistics enhanced authority to attack this problem on a national basis through grants to state and local agencies and other not-for-profit organizations, technical assistance and training, demonstration and pilot programs, the replication of successful programs and research and information dissemination efforts.

Section 6093. Justice Assistance Act Reauthorization.—

This section provides reauthorizes several state and local law enforcement assistance programs through 1992, as follows:

(1) $30 million are authorized for the Bureau of Justice Statistics for each of the fiscal years 1989, 1990, 1991 and 1992. This represents an increase of more than $10 million over the fiscal 1989 appropriations level of $19.986 million;

(2) $30 million are authorized for the National Institute of Justice for each of the fiscal years 1989, 1990, 1991 and 1992. This represents an increase of $9 million over the fiscal 1989 appropriations level of $21 million;

(3) $25.5 million are authorized in fiscal 1989 and such sums as may be necessary for each of the fiscal years 1990, 1991 and 1992 to carry out the management and administrative functions for the Office of Justice Programs. The 1989 authorization level represents an increase of more than $7 million over the fiscal 1989 appropriations level of $17.9 million;

(4) There are authorized such sums as may be necessary, without fiscal year limitation, for the public safety officers' death benefits program;

(5) For the state and local anti-crime and anti-drug grant program $275 million are authorized in fiscal 1989, $350 million are authorized in fiscal 1990, $400 million are authorized in fiscal 1991 and such sums as may be necessary for fiscal 1992. The 1989 authorization level represents an increase of more than $200 million above the fiscal 1989 appropriations of $70 million.

(6) This section, for the first time, provides an explicit authorization of $15 million for fiscal 1989 and such sums as may be necessary for each of the fiscal years 1990, 1991 and 1992 for the Regional Information Sharing Systems.

Part 2—Regional Information Sharing Systems Grants

Section 6101. Regional Information Sharing System Grants.—

This section creates a specific authorization for the Regional Information Sharing System projects. This program, funded by the Department of Justice since the 1970s, provides grants to seven multi-state information sharing systems that link law enforcement agencies to a common data base. This allows police departments to share criminal intelligence information across jurisdictional boundaries that have previously blocked regional and interstate cooperation. In addition, funds provided in this section will be available to provide technical assistance and training and to establish an analytical component in each system to assist state and local agencies in analyzing, interpreting and distributing criminal intelligence to participating agencies. The guidelines established in this section are consistent with existing Department of Justice regulations for the RISS program. The Senate believes that a specific authorization for these programs will make these programs a higher priority within the Department of Justice and provide a more secure basis for future funding for the RISS programs.

Part 3—Public Safety Officers' Death Benefits Improvement

Section 6105. Public Safety Officers' Death Benefits Improvement—

This section increases from $50,000 to $100,000 the basic death benefit level payable to the families of public safety officers who are killed in the line of duty. This adjustment is needed to correct for the impact of inflation, which has eroded the benefit since the $50,000 level was established in 1976. In addition, this section provides for an annual adjustment in the benefit based on the Consumer Price Index. Finally, this section deletes the requirement that a parent be a dependent in order to qualify as a beneficiary. These changes are necessary not only to assist the families of public safety officers who are killed in the line of duty, but also to symbolize this country's support for the women and men who daily risk their lives to protect our families, our communities and our property.

Section 6101. National Programs for Families of Public Safety Officers Who Have Died in the Line of Duty—

This section authorizes and directs the Bureau of Justice assistance to use up to $150,000 of the funds appropriated for this part to establish national programs to assist the families of public safety officers who have died in the line of duty. Such programs should hold the families address the psychological trauma associated with the sudden loss of a family member. In addition, the Bureau of Justice Assistance should develop model programs that could be replicated at the state and local level to assist such families.

Title VI—Subtitles E thru M—Miscellaneous Provisions

SUBTITLE E—MONEY LAUNDERING

This subtitle contains various miscellaneous revisions to the money laundering statutes. Other statutory revisions relating to money laundering appear in Subtitle N of title VI and in Subtitle B of title VII.

Section 6182. Attorneys Fees—

This section amends 18 U.S.C. 1957 to exempt attorneys fees from the prohibition against conducting a monetary transaction involving criminally derived property. Under section 1957, any person who enters into a monetary transaction that he knows involves such property is guilty of a felony. The exemption for attorneys fees assures that an individual, who necessarily must reveal the details of his criminal activities to his attorneys, is able to obtain legal assistance. The exemption, however, applies only to fees that are "necessary to preserve a person's right to representation as guaranteed by the sixth amendment to the Constitution". Fees not necessary to accomplish this purpose are not exempted.

Section 6183. Technical Correction—

This section makes a technical correction to the list of specified unlawful activities in 18 U.S.C. 1956.

Section 6184. Definition of Monetary Instrument—

This section makes a minor change to 18 U.S.C. 1957 to use, for the purposes of that statute, the definition of "monetary instrument" used in section 1956, rather than the definition used in the Bank Secrecy Act.

Section 6185. Bank Secrecy Act Amendments—

Subsection (a) adds dealers of automobiles, boats and airplanes, and persons involved in real estate closings and settlements, to the list of businesses dealing in large quantities of cash that are required to file currency transaction reports. It also empowers the Secretary of the Treasury to designate other businesses whose cash transactions "have a high degree of usefulness in criminal, tax or regulatory matters" to be required to file such reports.

Subsection (b) requires sellers of cashier's checks, traveler's checks, and similar instruments to keep records of the identify of any person, other than a regular customer, who purchases such an instrument with more than $3,000 in cash. The purpose of the provision is to assist law enforcement agencies in identifying persons who attempt to evade the currency transaction reporting requirements and anti-structuring provisions of title 31 by purchasing monetary instruments in amounts under $10,000.

Subsection (c) authorizes the Secretary of the Treasury to target certain geographical areas for intensive scrutiny regarding money laundering activity, and to require financial institutions in those areas to maintain additional records and to file additional reports for certain periods of time.

Subsection (d) amends the civil penalties imposable against financial institutions covered by the Federal Deposit Insurance Act, the National Housing Act, and others subject to record-keeping requirements.

Subsection (e) authorizes the Postal Inspectors to participate in Title 31 money laundering offenses. See also section 6469.

Section 6186. Right to Financial Privacy Act Amendments—

Subsection (a) makes a technical correction to the suspicious transaction exception to the Right to Financial Privacy Act (RFPA). Under this exception, a financial institution may provide the government with certain information without notice to an account holder if it believes that the information may be relevant to a possible violation of a statute or regulation. Technically, however, this exception may be read as only applying to individual accounts. The amendment simply makes clear that the suspicious transaction exception applies to corporate accounts as well.

Subsection (b) authorizes government agencies to transfer records covered by the RFPA to the Attorney General without notice if there is reason to believe the records may be relevant to a violation of federal criminal law. Records so transferred may only be used for criminal investigative or prosecutive purposes.

Subsection (c) creates a new exemption from the RFPA for the financial records of "insiders". It provides that the Act does not apply to the transfer of records of financial institution officers, controlling shareholders, or major borrowers to state or federal law enforcement agencies where such records may be relevant to possible crimes against financial institutions or supervisory agencies by such a person, or to possible money laundering violations covered by the Bank Secrecy Act.

Subsection (d) amends the provision in the RFPA establishing a good faith defense from liability for disclosing records that conforms to the exemption created by subsection (c).

Subsection (e) provides that when voluminous financial records are subpoenaed by a grand jury, it is not necessary to deliver the records to the grand jury directly. Such records may be delivered to the law enforcement agents in charge of reviewing the records as long as the grand jury is given a description of the contents of the records.

Section 6187. Study Regarding $100 Bills—

This section directs the Secretary of the Treasury to study the advisability of withdrawing from circulation all $100 and $50 bills. A final report is to be filed within 180 days.

SUBTITLE F—SENSE OF CONGRESS ON LEGALIZATION

Section 6201 recites the sense of Congress that drugs should not be legalized.

SUBTITLE G—FIREARMS PROVISIONS

This subtitle contains a number of provisions relating to firearms. Other provisions relating to firearms appear in subtitle N of title VI, and in subtitle B of title VII.

Section 6211. Interdiction of Supply of Firearms to Drug Traffickers—

The section creates a new offense, punishable by imprisonment for 10 years, of traveling in interstate commerce and acquiring or transferring a firearm with the intent to commit a crime of violence or other serious federal offense including any drug offense.

Section 6212. Definition of Drug Trafficking Crime—

This section clarifies the scope of 18 U.S.C. 924(c) and 929(a). Those statutes create offenses of using or carrying a firearm and armor piercing ammunition, respectively, in certain federal crimes including drug trafficking crimes. The present definition of "drug trafficking crime", however, covers offenses involving the distribution, manufacture, and importation of controlled substances, but does not cover either possession with intent to distribute, or attempt and conspiracy violations. The amendment makes clear that sections 924(c) and 929(a) cover all drug felonies.

Section 6213. Identification of Felons and Others Purchasing Handguns—

This provision, known as the McCollum Amendment, establishes a plan for implementing a system whereby gun dealers can determine the eligibility of persons desiring to purchase handguns. Under current law, there are seven categories of persons ineligible to make such purchases. The categories include convicted felons, fugitives and insane persons. 18 U.S.C. 922(g).

Subsections (a) and (b) direct the Attorney General to develop and report within 1 year on a system under which a gun dealer can determine if a would-be purchaser is a convicted felon. The Attorney General is to implement the plan 30 days after reporting the plan to Congress.

Subsection (c) directs the Attorney General to study and report within 18 months on the feasibility of establishing a similar system regarding the other categories of ineligibility.

Section 6214. Revocation of Probation—

This section provides that revocation of probation shall be mandatory for any person in actual possession of a firearm during his or her period of probation.

Section 6215. Dangerous Weapons in Federal Facilities.—

This section, patterned after Section 5 of S. 2180, would prohibit the carrying of any firearms or other dangerous weapon in any federal facility, which is defined as any building where federal employees regularly are present for the performance of their official duties. The provision is intended to protect federal employees, witnesses, judges, and others present in places where the business of the federal government is conducted. It is not limited to buildings owned and maintained by the federal government because some government employees, such as Assistant U.S. Attorneys and federal tax and law enforcement agents, often have offices in commercial buildings. It is not intended, however, to prohibit the carrying of firearms on federal lands for hunting or other law purposes.

The provision contains a two-level penalty scheme: the more serious offense of carrying a weapon with intent that it be used is punishable by a maximum term of fives years; the lesser offense of simple possession is punishable by one year. The provision also requires that notice of this prohibition be posted at the entrance of each federal facility covered by the statute, and provides that the absence of the required notice will be a complete defense to the simple possession offense unless the defendant had actual notice.

SUBTITLE H—INVESTIGATION POWERS OF THE POSTAL SERVICE AND NATIONAL FOREST SERVICE

Section 6251. Investigative Powers of Postal Service—

This section codifies the investigative and arrest powers of postal inspectors in cases involving property in the custody of the Postal Service or the use of the mails.

Section 6252. Postal Service Fund—

This section makes conforming technical amendments made necessary by other amendments to the Postal Service's forfeiture authority.

Section 6253. Postal Service Forfeiture Authority.—

This section provides that when forfeitures are ordered pursuant to 21 U.S.C. 881 (civil forfeiture in drug cases) in cases handled by the Postal Inspection Service, the proceeds of the forfeiture shall be deposited in the Postal Service's general operating fund, rather than in the Justice Department's Asset Forfeiture Fund.

Section 6254. National Forest Service—

This section contains a number of provisions regarding the authority of the Forest Service, the Park Service, and the Bureau of Land Management to conduct drug investigations in cases involving public lands. It also creates a new federal offense of using "hazardous or injurious devices" on federal land that is intended to prohibit drug traffickers from placing trip wires or other traps on federal land to protect drug operations.

Finally, this section amends the Controlled Substances Act to make it an offense punishable by 5 years' imprisonment to pollute the environment on federal land in furtherance of a drug offense.

SUBTITLE I—JUSTICE DEPT. PERSONNEL SERVING ABROAD

Section 6281 authorizes the payment of travel expenses of Justice Department personnel serving abroad.

SUBTITLE J—TRAINING CENTER AND STUDY PROVISIONS

Section 6292 establishes a National Training Center for Prison Drug Rehabilitation Program Personnel and authorizes the expenditure of $14,000,000 over the next three fiscal years.

Section 6293 directs the Attorney General to study and report to Congress within 180 days on the feasibility of prosecuting federal drug-related offenses outside of the criminal justice system.

SUBTITLE K—MANUFACTURING OFFENSES

Section 6301 creates a new offense in the Controlled Substances Act punishable by 10 years' imprisonment of endangering human life while manufacturing a controlled substance.

SUBTITLE L—MINIMUM PENALTY FOR CRACK POSSESSION OFFENSE

Section 6371 amends the simple possession statute in the Controlled Substances Act (21 U.S.C. 844) to require a mandatory minimum penalty of 5 years' imprisonment for possession of 5 grams of "crack" cocaine. A similar penalty applies to smaller amounts of "crack" where such possession represents a second or subsequent offense.

SUBTITLE M—BONUSES FOR FOREIGN LANGUAGE CAPABILITY

Section 6401 authorizes the DEA and FBI to pay bonuses to employees who possess and make use of language other than English in the performance of their official duties.

Title VI—Subtitle N—Sundry Criminal Provisions

Section 6451. Violent Felonies by Juveniles—

This section would add violent felonies committed by juveniles to the category of offenses that would give rise to enhanced punishments under the armed career criminal statute. 18 U.S.C. 924(e). An amendment added by the House of Representatives to the Senate-passed version of this section, however, limited the violent felonies to those involving the use or carrying of a firearm, knife, or destructive device.

Under present law, a person who violates section 922(g)(1) (possession of a firearm by a convicted felon), and who has three previous convictions for violent felonies, is subject to a mandatory minimum 15 year penalty pursuant to section 924(e). Violent felonies committed while the person was a juvenile, however, are not counted toward the "three previous conviction" requirement.

Law enforcement professionals report that large numbers of juveniles are committing violent felonies in furtherance of drug trafficking, yet those same individuals are treated as having a "clean slate", as far as the armed career criminal statute goes, when they become adults. This tends to give violent juveniles a sense of immunity from the law, and fails to protect the community from the most violent offenders as the armed career criminal statute intended.

Section 6452. Life in Prison for Three-Time Drug Offender—

Current law (21 U.S.C. 841(b)(1)(A)) provides for a mandatory 10 year jail term for the most serious drug felonies when committed as a first offense, and a mandatory 20 year term when such felonies are committed as a second offense. This section adds a provision imposing a mandatory life term for persons who commit the most serious drug felonies as a *third* offense. It also adds offenses involving children—i.e. 21 U.S.C. 845, 845a and 845b—to the list of serious felonies for purposes of the third offense sentence only.

Section 6453. Penalties for Importation by Aircraft and Other Vessels—

This provision directs the U.S. Sentencing Commission to amend the sentencing guidelines to provide that in cases involving the importation of controlled substances by private aircraft, and in cases involving "critical crew members" of airplanes and other vessels such as pilots and navigators, the recommended sentence shall be at least 5 years, or at least 3 years more than it would be for the underlying offense, whichever is greater. This is accomplished by setting the offense level in Chapter Two of the guidelines at level 26 (63 months), or by increasing the offense level by two levels.

The use of the phrase "offense level under Chapter Two of the sentencing guidelines" means that the offense level resulting from the guideline mandated by this provision will be subject to the adjustments set forth in Chapters Three, Four and Five of the guidelines.

The amendment is intended to express the desire of Congress to require the imposition of significantly higher penalties for persons who would use aircraft to import drugs, or who act as critical members of drug importation operations. Expressing congressional intent in the form of a direction to the Sentencing Commission avoids the need to resort to inflexible mandatory minimum sentences which may be incompatible with the sentencing guideline concept as enacted in the Sentencing Reform Act of 1984.

Finally, subsection (b) takes into account the possibility that a subsequent amendment of the guidelines will render the literal implementation of the statutory instruction inappropriate; the Commission should fulfill the legislative mandate in a sensible manner. For example, if an amendment resulted in offense level 26 no longer corresponding to a guideline range of 63-78 months, the Commission should substitute an offense level which produces a comparable result.

Section 6454. Enhancing Penalties for Offenses Involving Children—

Sections 845, 845a, and 845b of title 21 all provide for enhanced penalties for drug offenses involving children. Section 845 concerns distribution to persons under twenty-one; section 845a concerns distribution within 1,000 feet of a schoolyard; and section 845b concerns employing a person under eighteen in any drug violation.

In the Anti-Drug Abuse Act of 1986, Congress amended these statutes to provide for a mandatory minimum penalty of one year, and for a maximum penalty of twice that imposable for the underlying drug offense. For example, if the maximum penalty for distribution of cocaine in a given instance would be 5 years, the penalty for the same offense committed within 1,000 feet of a schoolyard would be a minimum of one year and a maximum of 10 years. See "Handbook on the Anti-Drug Abuse Act of 1986", Department of Justice (1987) at 32-37.

In 1987, the United States Sentencing Commission promulgated guidelines that set forth sentences to be imposed for violations of these statutes. The guidelines take the penalty enhancements into account in the following way: Wherever a sentence for an underlying drug offense would be calculated as a function of the amount of controlled substance involved in a transaction, the sentence for a violation of sections 845, 845a and 845b is calculated as a function of twice the amount actually involved in the transaction. see e.g., guideline 2D1.3.

While the Commission has evidently incorporated in its guidelines some enhancement of sentences for violations involving children, the enhancment falls short of what Congress intended when it provided for maximum penalties equal to twice the penalty for the underlying offense.

Some have proposed that Congress deal with this issue by simply enhancing the minimum statutory penalties still further. The authors of the bill believe, however, that the better course is to provide that the Sentencing Commission amend its guidelines to ensure that the penalty for a violation of sections 845a and 845b is significantly greater than what it would be for the underlying drug offense.

This section of the bill directs the Sentencing Commission to amend the sentencing guidelines to ensure that persons who commit drug offenses involving children are subject to a penalty of at least 5 years, or at least 3 years more than it would be for the underlying offense, whichever is greater. This is accomplished by setting the offense level in Chapter Two of the guidelines at level 26 (63 months), or by increasing the offense level by two levels.

The use of the phrase "offense level under Chapter Two of the sentencing guidelines" means that the offense level resulting from the guideline mandated by this provision will be subject to the adjustments set forth in Chapters Three, Four and Five of the guidelines.

Subsection (b) takes into account the possibility that a subsequent amendment of the guidelines will render the literal implementation of the statutory instruction inappropriate; the Commission should fulfill the legislative mandate in a sensible manner.

Subsection (c) expresses Congress' intent that the two level increase described in subsection (a) not be applied cumulatively. For example, a defendant who distributed drugs to a minor within 1,000 feet of a schoolyard, would receive, as a result of the operation of subsection (a), a two, but not a four step increase in the Chapter Two offense level.

Sections 6455 and 6456. Execption to Mandatory Minimum Penalty for Offenses Involving Less Than 5 Grams of Marijuana—

The Anit-Drug Abuse Act of 1986 set forth mandatory minimum penalties for various drug offenses, including offenses involving distribution of drugs to children under 21 U.S.C. 845. In section 845(b), relating to subsequent offenders, however, the Act provided that the mandatory minimum sentences would not apply to an offense involving five grams or less of marijuana. No such exception was made for first offenders.

Section 6455 adds to subsection (a), relating to first offenders, an exception identical to the one provided in current law for subsequent offenders. Section 6456 eliminates the exception for subsequent offenders.

Section 6457. Possession With Intent to Distribute Within 1,000 Feet of a Schoolyard—

Section 845a of title 21 currently makes it a crime to distribute or to manufacture controlled substances within 1,000 feet of a school. This section adds "possession with intent to distribute" to list of offenses covered by this statute so that the enhanced penalties would apply to someone apprehended near a school with a quantity of drugs sufficient to indicate an intention to distribute.

Section 6458. Playgrounds, Youth Centers, Swimming Pools and Video Arcades—

This section would expand the scope of 21 U.S.C. 845a to encompass places other than schools—including playgrounds, youth centers, public swimming pools, and video arcades—where children congregate. In the case of these facilities, however, the protected area would extend to a distance of 100 feet.

Section 6459. Purchase of Controlled Substances From Minors—

Current law prohibits anyone eighteen years of age or older from using, inducing or coercing a child under eighteen years of age to violate the Controlled Substances Act (21 U.S.C. 845b). Those who do so are punishable by twice the term of imprisonment and fine ordinarily authorized for the violation, with a one-year mandatory minimum term of imprisonment. This section amends that statute to impose these increased penalties on any individual who purchases controlled substances from a person under 18 years of age, other than an immediate family member.

Section 6460. Enhanced Penalties for Use of Certain Weapons in Connection With a Crime of Violence or Drug Trafficking Crime—

This section increases the mandatory minimum penalties for violent crimes and drug offenses involving firearms. The mandatory penalty for using a handgun is increased from ten years to twenty years for second and subsequent offenses. The mandatory penalty for using a machine gun or a gun with a silencer is increased from ten years to thirty years for a first offense, and from twenty years to life for a subsequent offense.

Section 6461. Inclusion of Federal Firearms Violations as Predicate Wiretap Offenses—

This section adds firearms offenses to the list of suspected violations for which court-ordered wiretaps may be authorized.

Section 6462. Increased Penalties for Certain Firearms Offenses—

This section increases the maximum penalty from five years to ten years for certain firearms offenses. These offenses include the following sections of title 18: 922(d) (selling a firearm to convicted felons, fugitives and others), 922(g) (transportation of firearms by convicted felons, fugitives and others), 922(h) (receiving a firearm on behalf of convicted felons, fugitives, and others), 922(i) (transporting stolen firearms), 922(j) (reporting requirements for sales of firearms at temporary locations), and 922(o) (possession of a machinegun).

Section 6463. Money Laundering Forfeitures—

The Anti-Drug Abuse Act of 1986 created two new forefeiture statutes, 18 U.S.C. 981–82, that respectively govern civil and criminal forfeitures arising out of violations of the new title 19 money laundering offenses (18 U.S.C. 1956–57), and the reporting requirements and anti-structuring provisions of title 31 (31 U.S.C. 5313(a) and 5324). Unfortunately, sections 981–82 do not treat forfeitures arising out of title 18 offenses and forfeitures arising out of title 31 offenses in the same way.

Sections 981(a)(1)(A) and 982(a) provide that property representing the "gross receipts" of violations of sections 1956–57 are forfeitable. The legislative history makes clear that "gross receipts" means "only the commission earned by the money launderer . . ., and not the corpus laundered itself." S. Rep. No. 99–433 at 23 (1986). Therefore, in the case of a title 18 money laundering offense, the government may seize any property a launderer keeps or is entitled to keep as his fee for his laundering service, but it may not seize the property he was given to launder.

On the other hand, section 981(a)(1)(C) provides that in the case of a title 31 laundering offense, any property "involved in a transaction or attempted transaction" in violation of the statutes is forfeitable civilly. (There is no criminal forfeiture provision in section 982 for these title 31 offenses.) Therefore, in the case of violations of 31 U.S.C. 5313(a) (failure to file a currency transaction report) or 5324 (structuring transactions to avoid CTR requirements) the actual money being laundered is subject to forfeiture.

There does not appear to be any reason for treating these two types of money laundering differently for forfeiture purposes. It is the intent of Congress that a person who conducts his financial transactions in violation of the anti-money laundering statutes forfeits his right to the property involved regardless of which statutory provisions he happens to violate.

The amendment would rationalize these conflicting provisions by combining sections 981(a)(1) (A) and (C) and making the corpus of the money laundering offense subject to civil forfeiture in cases involving both title 18 and title 31 offenses. It would also add a criminal forfeiture provision for title 31 offenses to section 982(a).

As used in both statutes, the term "property involved" is intended to include the money or other property being laundered (the corpus), any commissions or fees paid to the launderer, and any property used to facilitate the laundering offense. Both statutes would preserve the exception, derived from the existing language in section 981(a)(1)(C), for violations of 31 U.S.C. 5313(a) committed by financial institutions. Section 5313 offenses are basically reporting violations; in the case of reporting violations committed by institutions, the existing fines and penalties are adequate.

Section 6464. Forfeiture of Substitute Assets for Money Laundering—

This provision would permit forfeiture of substitute assets under the criminal forfeiture provisions applicable to money laundering violations.

The Anti-Drug Abuse Act of 1986 amended the criminal forfeiture provisions of RICO (18 U.S.C. 1963) and the Controlled Substances Act (21 U.S.C. 1963) and the Controlled Substances Act (21 U.S.C. 853) to permit forfeiture of substitute assets. In the case of section 853, this was accomplished by adding a new subsection (p) to the statute.

The 1986 Act also created a criminal forfeiture provision at 18 U.S.C. 982 that applies to violations of the new money laundering statutes, 18 U.S.C. 1956 and 1957. Rather than set out its own set of forfeiture procedures, however, section 982 merely incorporated the necessary provisions of 21 U.S.C. 853. But because of the sequence in which these new provisions were drafted, section 982 incorporated only subsections (c) and (e) through (o), and failed to incorporate the new section 853(p).

It is clear from the legislative history that Congress intended to incorporate into section 982 "all the procedures for criminal forfeitures set out in title 21." S. Rep. 99–433 at 24 (1986). The present amendment corrects the oversight.

The amendment also adds a sentence to make clear that the substitution of assets provision is not intended to be used to obtain substitute assets equal to the value of the property laundered (the corpus) from a launderer who handled the corpus only temporarily in the course of the money laundering offense. Without this provision, it might be permissible for a court to order a person who violated a money laundering statute by converting a million dollars to some other form on behalf of another party, to forefeit substitute assets worth a million dollars, even though the launderer had retained only a small portion of the corpus as his fee, and had transferred the remainder of the corpus back to the other party, or his designee, in the course of the offense. Such a result would appear to be unduly harsh.

The substitute assets provisions would, of course, apply to the fee retained by the launderer and to any property he or she may have used to facilitate the offense; and they would apply to the corpus itself with regard to a defendant who initially or ultimately had control of the laundered property and who was not merely an intermediary in the money laundering transaction.

Section 6465. Undercover "Sting" Operations in Money Laundering Cases—

This amendment to the money laundering statute, 18 U.S.C. 1956, would permit undercover law enforcement officers to pose as drug traffickers in order to obtain evidence necessary to convict money launderers. The present statute does not provide for such operations because it permits a conviction only where the laundered money "in fact involves the proceeds of specified unlawful activity." 18 U.S.C. 1956(a)(1). Since money provided by an undercover officer posing as a drug trafficker does not "in fact" involve drug money, the laundering of such money is not presently an offense under the statute.

The amendment would add to section 1956 a new subsection (a)(3) dealing specifically with undercover operations. The first part of the amendment contains a mens rea requirement that is stricter than that in 1956(a)(1). The defendant would have to have specific intent to promote specified unlawful activity, to conceal what he believes to be the proceeds of such activity, or to avoid reporting requirements. It would not be sufficient, as it is under (a)(1), that the defendant merely know that the transaction was being conducted with the second or third of those purposes in mind.

On the other hand, there would not be any separate knowledge requirement regarding the source of the property involved in the transaction. The defendant would not have to know or believe that the property involved in the financial transaction was drug money. It would be sufficient that a law enforcement officer had represented it as such. While this would mean that everyone involved in the financial transaction would be guilty of this offense whether he was aware of the law enforcement officer's representation or not, the strengthened specific intent requirement would guard against innocent persons being prosecuted.

Finally, an amendment added by the House of Representatives to the Senate-passed version of this section clarifies the phrase "represented by a law enforcement officer." It is the intent of Congress to include within this statute representations made by confidential informants; but such representations must be made with a law enforcement officer's approval or at his direction. A representation made by a person who has acted from time to time as a confidential informant, but who in the particular case was acting solely on his own—e.g. setting up his own "sting" operation without the prior knowledge of federal officials but with the expectation that he would bring it to their attention at some later time—would not be sufficient under this statute.

Section 6466. Specified Unlawful Activity—

This section merely adds certain offenses to the list of violations considered "unlawful activity" for the purpose of the money laundering statute. The additions include the following: section 542 of title 18 (relating to the entry of goods by means of false statements), section 549 of title 18 (relating to removing goods from Customs custody), section 2319 of title 18 (relating to copyright infringement), section 830 of title 21 (relating to precursor chemicals), section 1590 of title 19 (relating to aviation smuggling), and section 857 of title 21 (relating to transportation of drug paraphernalia).

Section 6467. Minors Convicted of Drug Trafficking—

Section 5032 of title 18 provides that proceedings against juveniles charged with acts of juvenile delinquency will, in general, take place in state court. Among the limited exceptions to this provision are cases involving certain drug offenses.

The bill would also amend the portion of Section 5032 dealing with treatment of 16 and 17 year olds as adults in certain instances. Current law provides that 16 and 17 year olds who are otherwise under federal jurisdiction will be treated as adults if the offense involves physical violence or one of a list of other serious violations. The bill adds the drug felonies to this list.

Section 6468. Drug Offense Within Federal Prisons—

Section 1791 of title 18 provides criminal sanctions for distributing or possessing various types of contraband in federal prisons. This section of the bill amends section 1791 by increasing the maximum penalty from five years to twenty years for distributing drugs within a federal prison, and providing that such sentences shall be consecutive to any sentence being served by a defendant prisoner at the time of the offense. The bill also directs the U.S. Sentencing Commission to amend the sentencing guidelines to ensure that persons committing offenses under section 1791(a)(1) are exposed to a penalty of at least 5 years, or of at least 3 years more than what the sentence would be for the underlying offense if the offense had not occurred in a prison. This is accomplished by setting the offense level in Chapter Two of the guidelines at level 26 (63 months), or by increasing the offense level by two levels.

The use of the phrase "offense level under Chapter Two of the sentencing guidelines" means that the offense level resulting from the guideline mandated by this provision will be subject to the adjustments set forth in Chapters Three, Four and Five of the guidelines.

The amendment is intended to express the desire of Congress to require the imposition of significantly higher penalties for drug distribution offenses that occur in prison. Expressing congressional intent in the form of a direction to the Sentencing Commission avoids the need to resort to inflexible mandatory minimum sentences which may be incompatible with the sentencing guideline concept as enacted in the Sentencing Reform Act of 1984.

Finally, subsection (d) takes into account the possibility that a subsequent amendment of the guidelines will render the literal implementation of the statutory instruction inappropriate; the Commission should fulfill the legislative mandate in a sensible manner.

Section 6469. Authorization of Postal Service to Investigate Money Laundering—

This section would authorize the United States Postal Service to investigate money laundering offenses under 18 U.S.C. 1956 and 1957 where the offenses giving rise to the proceeds to be laundered are already within the investigative purview of the Service. The amendment would also authorize the Postal Service to conduct civil forfeiture proceedings under 18 U.S.C. 981 in connection with money laundering offenses, while also making clear that the Attorney General retains sole authority to deal with the sharing of proceeds from and petitions for remission in connection with judicial forfeitures.

Similar investigative and forfeiture authority for the Treasury Department is contained in the underlying statutes, enacted as part of the Anti-Drug Abuse Act of 1986, but the Postal Service was not granted this authority. The Postal Service presently has congnizance over several offenses which are money laundering predicates, including 18 U.S.C. 500 (money orders), 501-503 (postage stamp violations), 641 (public money, property or records), 1341 (mail fraud), 1461-1465 (obscenity), and 2114 (robbery from the mails). This amendment would permit the Service to exercise investigative jurisdiction over money laundering offenses which flow from such crimes.

Section 6470. Attempt and Conspiracy Amendments, Controlled Substance Analogues, and Methamphetamine—

Section 6470(a) amends 21 U.S.C. 846 and 963 to assure that all the penalties applicable to an underlying drug offense also apply to an attempt or conspiracy to commit the offense. Current law provides that the penalty for such attempts and conspiracies "may not exceed the maximum punishment" prescribe for the underlying offense. See Title 21, United States Code, Sections 846 and 963. This would seem to indicate that any punishment imposable for a substantive drug violation would be imposable for an attempt or conspiracy to commit the same offense.

The substantive drug offenses, however, carry a number of unusual penalty provisions. Section 841(b)(1)(B) of title 21, for example, provides for a mandatory minimum penalty of 5 years, and provides that in addition to any term of imprisonment, the court shall impose a term of supervised release of at least 4 years. The conspiracy statutes make no reference to these special penalties, and it is not clear whether the "may not exceed" language permits their imposition. Indeed, the Supreme Court has held that where a conspiracy statute fails to make explicit reference to "novel" penalty provisions in an underlying substantive offense, those penalties may not be imposed for conspiracy violations. *Bifulco* v. *United States*, 447 U.S. 381 (1980) (special parole term authorized for substantive drug offense not imposable for violation of Sec. 846 conspiracy).

In *Bifulco* the Court stated that if Congress intended the penalties for attempt and conspiracy violations to include all of the special penalties imposable for the underlying offenses, it had "a simple remedy—the insertion of a brief appropriate phrase" in the conspiracy statutes. Id. at 401. The amendment in section 148(a) of the draft bill would do exactly that. By striking the "may not exceed" language and replacing it with the phrase "shall be subject to the same penalties", Congress would make clear that any penalty that may be imposed for a substantive drug offense may be imposed for an attempt or conspiracy to commit that offense.

Section 6470(b) deals with a provision of the Anti-Drug Abuse Act of 1986 concerning the forfeiture of property found within the United States that is derived from drug offenses that occur overseas. 18 U.S.C.

981(a)(1)(B). The first amendment made by this section clarifies that the forfeiture provision applies to both real and personal property and makes subparagraph (B) of section 981(a)(1) parallel to subparagraph (A) in this respect. The second amendment modifies the description of the property subject to forfeiture to make certain that property derived from or traceable to the proceeds of an offense, as well as the immediate proceeds themselves, are subject to forfeiture. This description of the property subject to forfeiture is taken from 21 U.S.C. 853(a)(1) and 881(a)(6) which permit the forfeiture of such property in cases involving domestic drug offenses. The next amendments merely delete the unnecessary word "activity" and further clarify that unlawful drug activities giving rise to forfeiture must also be punishable under the laws of the United States.

Section 6470(c) amends 21 U.S.C. 813, as enacted by the Anti-Drug Abuse Act of 1986, which provides that a controlled substance analogue is to be treated as a schedule I controlled substance for purposes of the Controlled Substance Act and the Controlled Substances Import and Export Act. The amendment would delete the reference to these Acts and expressly provide that an analogue shall be treated as a schedule I controlled substance for purposes of any federal law. The purpose of the amendment is to assure that the reference to the two drug laws does not produce an unintended limiting effect. For example, the amendment would make clear that the prohibitions in 18 U.S.C. 924(c) on using a firearm during the commission of a drug trafficking crime, and the prohibitions in the Maritime Drug Law Enforcement Prosecution Improvements Act of 1986, 46 App. U.S.C. 1901 et seq.), apply to transactions involving controlled substances analogues.

Section 6470(d) amends 21 U.S.C. 845b(e), as enacted by the Anti-Drug Abuse Act of 1986, regarding parole ineligibility during any mandatory prison term applicable to the offense of employing or using a person under 18 years of age to violate the Controlled Substances Act or the Controlled Substances Import and Export Act. Subsection (e) currently provides for such parole ineligibility until the convicted individual has served the mandatory term of imprisonment "required by section 401(b) as enhanced by this section." However, section 845b authorizes mandatory prison terms under other provisions as well as 401(b) (21 U.S.C. 841(b)). For example, the mandatory prison terms of 21 U.S.C. 960(b), part of the Controlled Substances Import and Export Act, are also subject to 21 U.S.C. 845b. In addition section 845b itself establishes a mandatory minimum prison term of one year if the underlying offense is not subject to a higher mandatory minimum sentence. Therefore, the amendment clarifies that ineligibility for parole until the mandatory minimum prison term is served applies to any offense under section 845b that provides for such a term.

Sections 6470(e) and (f) correct a spelling error and an erroneous cross-reference in 18 U.S.C. 981.

Sections 6470(g) and (h) provide a mandatory minimum penalty for trafficking in a substantial quantity of methamphetamine and salts and isomers thereof. Methamphetamine is a serious and common drug of abuse, comparable in dangerousness to the other controlled substances for which Congress created mandatory minimum penalties in the Anti-Drug Abuse Act of 1986. Congress did so by amending subparagraphs (A) and (B) of 21 U.S.C. 841(b)(1) to establish a two-tiered mandatory minimum penalty structure for the substances enumerated, which included heroin, cocaine, cocaine base, PCP, LSD, certain controlled substance analogues, and marihuana. The higher level penalty in subparagraph (A) calls for a mandatory minimum sentence of ten years to life in prison. The lower level penalty, applicable to a quantity one-tenth that in subparagraph (A), calls for a mandatory minimum sentence of five to forty years.

The reason methamphetamine was not included in the 1986 Act is that the quantity of methamphetamine appropriate to trigger the mandatory minimum sanctions had not yet been determined. The Department of Justice has now determined that the quantity of methamphetamine that justifies these penalities is the same as that currently set forth for PCP. Accordingly, the proposed amendment adopts these quantity levels. It is believed that adoption of this amendment will remedy a present disparity in available penalty as between traffickers in methamphetamine and traffickers in other, comparably dangerous drugs.

Section 6471. Money Laundering Tax Offense—

Section 6471(a) amends the money laundering statute, 18 U.S.C. 1956, added by the Anti-Drug Abuse Act of 1986. When it passed the Senate in 1986, 18 U.S.C. 1956 contained a subsection (a)(3) that would have made it a crime to conduct a financial transaction involving the proceeds of criminal activity with intent to violate the tax laws. The provision was the result of careful drafting and intense negotiations between Judiciary Committee staff and the Internal Revenue Service and Department of Justice.

The provision in Section 6471(a) is derived from the version of section (a)(3) that was passed by the Senate in 1986, and is included in the bill in keeping with the House-Senate compromise. It is vital to the effective use of the money laundering statute and would allow the Internal Revenue Service with its expertise in investigating financial transactions to participate in developing cases under section 1956. Under this provision any person who conducts a financial transaction that in whole or in part involves property derived from unlawful activity, intending to engage in conduct that constitutes a violation of the tax laws, would be guilty of a money laundering offense. The only substantive change from the version passed by the Senate in 1986 is that the new language would require the government to prove that the defendant knew that the property represented the proceeds of some form of unlawful activity.

An amendment added by the House of Representatives to the Senate-passed version of this section altered sub-paragraph (A)(ii) by striking the phrase "with intent to violate or promote a violation of section 7201 or 7206" and replacing it with "with intent to engage in conduct constituting a violation of section 7201 or 7206." The purpose of this change was to make clear that a person charged under this sub-paragraph had to intend to commit an actual violation of the specified sections of the tax code. Some House members thought that the word "promote", which appears in sub-paragraph (A)(i) relating to specified unlawful activity, connoted a somewhat less specfic intent that might be appropriate in that context, but might not be appropriate in the case of tax violations.

The amended language also makes clear that the statute applies to a person who intends to aid another person in violating the tax laws. The statute does not require that the person know that the conduct in which he engages is a violation of the tax laws. Intent to engage in conduct that in fact constitutes a violation of the specified statutes is sufficient.

Section 6471(b) would clarify that the term "transports" in the money laundering statute was intended in include electronic and other forms of movement of funds other than physical transportation.

Section 6471(c) would conform 18 U.S.C. 981(g) to a similar provision in the Controlled Substances Act, 21 U.S.C. 881(i), as amended by the Anti-Drug Act of 1986. The purpose of these provisions allowing for the stay of a civil forfeiture action for good cause shown when criminal charges are returned in a related case is to prevent the government's being compelled prematurely to disclose its evidence and witnesses in the context of the civil forfeiture action. The amendment would clarify that this provision would protect federal, state, or local criminal cases which may be related to forfeiture proceedings under section 981.

Section 6472. Ballistic Knife Act Jurisdictional Clarification—

Section 6472 would supply a federal nexus for the offenses created by the Ballistic Knife Prohibition Act of 1986, which was enacted as title 10 of the Anti-Drug Abuse Act of 1986. The failure to include any jurisdictional aspect arguably renders the prohibitions invalid, at least as applied to a situation in which such federal nexus is not shown to exist. The Ballistic Knife Prohibition Act of 1986 actually took the form of an amendment to the Switchblade Knife Act (15 U.S.C. 1241 et seq.), but whereas that Act includes an interstate commerce requirement, this element was omitted for balistic knives. The amendments would cure this (possibly inadvertent) omission, by creating a series of jurisdictional components sufficient to satisfy the constitutional demands of federalism. It should be noted that the definition of "interstate commerce" in the Switchblade Knife Act, applicable to the proposed amendment, includes foreign commerce.

Section 6473. Common Carrier Operation—

Sections 6473 (a) and (b) substitute the more precise reference to controlled substances for the term "drugs" in 18 U.S.C. 342 and make clear that the maximum fine level applicable to the offense is to be governed by the generally applicable provisions in title 18.

Section 6473(c) amends 18 U.S.C. 343 to clarify that the amount of blood alcohol content necessary to trigger a presumption of operating under the influence is one-tenth of one percent. The amendment also strikes the word "conclusively" from both presumptions in section 343 since conclusive presumptions in criminal statutes are of dubious constitutional validity. See *Ulster County Court* v. *Allen*, 442 U.S. 140, 157–60 (1979) and cases cited. The deletion is intended to have the effect of transforming the presumptions from conclusive to permissive.

Section 6474. Explosives Offenses—

Section 6474(a) would strengthen the penalty for possessing an explosive in a federal building (18 U.S.C. 844(g)) and would expand the offense to include airports that are subject to the regulatory authority of the Federal Aviation Administration even though not owned by or leased to the United States.

The new proposed offense is based on the potential seriousness of the conduct in terms of loss of life and limb and the adverse effect on interstate and foreign commerce, as well as the need for the investigative resources of federal law enforcement agencies in view of the potential linkage to terrorist activities. Raising the maximum prison term from one to five years is similarly justified by the seriousness of the proscribed conduct of possessing an explosive in a government facility without permission. A similar proposal was included in the Criminal Code Reform Act passed by the Senate in the 95th Congress (S. 1437) and in S. 1630 approved by the Judiciary Committee in the 97th Congress.

Section 6474(b) would strengthen the offense in 18 U.S.C. 844(h) of using or carrying an explosive during the commission of a federal felony, so as to bring it in line with similar amendments adopted in the Comprehensive Crime Control Act of 1984 and the Firearms Owners' Protection Act of 1986 with respect to the parallel offense of using or carrying a firearm during the commission of federal offenses. Presently, as a result of the above-referenced amendments to 18 U.S.C. 924(c), a person who uses a firearm to commit a bank robbery would be subject to harsher penalties than a person who committed the same offense using an explosive. There is no justification for this disparity.

Sections 6474 (c) and (d) are technical and substitute modern references to drugs as defined in the Controlled Substances Act for outmoded references to certain categories of drugs in repealed statutes. Identical changes were made to the parallel statutes 18 U.S.C. 922 (d) and (g) by the Firearms Owners' Protection Act of 1986.

Section 6475. Possession With Intent to Distribute Controlled Substances Aboard Aircraft—

Section 6475 cures a gap in the Anti-Drug Abuse Act of 1986. That Act added a subsection (b) to 21 U.S.C. 959, making it unlawful for American citizens on board any aircraft to manufacture, distribute, or possess with intent to distribute a controlled substance. The 1986 Act did not, however, make a conforming amendment to the penalties provision for violations of section 959—i.e., section 960(a)(3). That section refers only to manufacturing and distributing. While the drafters may have thought that the term "distributes" encompasses the offense of possession with intent to distribute, one court has held that the possession with intent crime carries no penalty and hence is unenforceable. *United States* v. *Massuet*, No. 87-5672 (4th Cir. 6/30/88). The amendment would resolve this possible problem by adding a specific reference to "possession with intent to distribute" in the penalty section.

Section 6476. Restarting of Speedy Trial Act Time Period for Defendants Who Abscond on the Eve of Trial—

Section 6476 would amend the Speedy Trial Act so that the seventy-day trial "clock" would be extended or restarted when the defendant absconds on the eve of trial. Present law provides that the 70-day period is suspended during the time that the defendant is a fugitive, but this can lead to an inequity where the defendant fails to appear for a trial date that is set near the end of the required period.

If, for example, trial is set on the 69th day, and the defendant disappears for two years, the government is required to bring the defendant to trial within one day of his apprehension. See *United States* v. *Taylor*, 821 F.2d 1377 (9th Cir. 1987). Generally it is impossible for the government to reassemble its evidence that quickly, and the defendant is handed a windfall for his having failed to appear for trial.

The amendment would create a new subsection 3161(k) that would provide that where the defendant absents himself for a long period, the 70-day "clock" is restarted when he ultimately appears in court. Recognizing that it would generally be unnecessary to restart the 70-day period from the beginning if the defendant was a fugitive for only a short period, however, the amendment would also provide that where the defendant was absent for 21 days or less, the required period would be extended for 21 days, which is the time fairly needed by the government to set a new trial date and reassemble its evidence.

Section 6477. Assimilative Crimes Act Amendments—

Section 6477 involves the offense of driving on a federal enclave while under the influence of alcohol or drugs. The amendment would close a loophole in the law which now prevents federal judges from imposing license suspensions, alcohol education programs, and other non-jail term sanctions on persons convicted of driving under the influence.

The Assimilative Crimes Act, 18 U.S.C. 13, authorizes federal judges to apply state criminal statutes for acts or omissions taking place within a state but on a federal enclave. Only crime-defining statutes are assimilated, however, and only sanctions defined as punishments may be imposed. In cases interpreting this statute, drunk driving has been found to be a crime-defining statute, but license suspensions and other non-jail sanctions have not been found to be punishments, and therefore may not be imposed.

Because it does not make sense to impose only a jail sentence or a fine when a state has found additional methods of getting the drunk off the road, the amendment in section 193(a) would define the various state enacted sanctions as "punishments" in cases of driving under the influence chargeable under section 13.

Section 6477(b) would create a new section 3117 in title 18 that would provide that refusal to consent to a chemical test following arrest for driving under the influence on a federal enclave would result in suspension of driving privileges for one year, and that such refusal would be admissible as evidence in court.

Section 6478. Protection of Foreign Officials—

Section 6478 would amend 18 U.S.C. 112(b)(3) in response to the Supreme Court's recent decision in *Boos* v. *Barry*, No. 86-803 (March 22, 1988). Section 112(b)(3) prohibits certain activities within one hundred feet of a foreign embassy. It applies to all places in the United States except the District of Columbia which has its own statute governing activities in the District. See D.C. Code, Section 22-1115. In Boos, the Supreme Court found the District of Columbia statute unconstitutional in part, and pointed to section 112 as an example of a less restrictive alternative that would allow the government to fulfill its obligation to protect foreign embassy personnel without unnecessarily infringing on First Amendment rights. Id., slip opinion at 12-15. Section 194, which derives from a bill (S. 1203) introduced by Sen. Grassley in the 99th Congress, would solve the problem identified in Boos by removing the reference to the District of Columbia from section 112(b)(3) so that the less restrictive sanctions in section 112 would apply in the District.

Section 6479. Marijuana Plants—

Section 841(b)(1)(A) provides for a mandatory minimum 10 year penalty for distribution, or possession with intent to distribute, of "1,000 kilograms or more of a mixture or substance containing a detectable amount of marijuana." Defendants charged with possessing large quantities of marijuana plants have argued that the statutory definition of marijuana specifically excludes the seeds and stems of the plant, and that therefore these items may not be counted toward the 1,000 kilogram requirement.

The government has argued in response that the term "mixture or substance" encompasses all parts of the plants as harvested, notwithstanding the statutory definition of "marijuana", but defendants contend that the "mixture or substance" language applies only to marijuana after it has been prepared for illegal distribution. The defendants' position has been adopted by at least one court. *United States* v. *Miller*, 680 F. Supp 1189 (E.D. Tenn. 1988).

The amendment is intended to curtail this unncessary debate by providing that the minimum penalty is triggered either by the weight of the "mixture or substance" or by the number of plants regardless of weight. The bill uses 1,000 plants as the equivalent of 1,000 kilograms.

Section 6480. Fines for Simple Possession—

The section eliminates the maximum fines for simple possession of controlled substances to conform to 18 U.S.C. 3571.

Section 6481. Continuing Criminal Enterprise—

This section increases the minimum penalty for engaging in a continuing criminal enterprise (the drug "kingpin" statute) from 10 years to 20 years.

Section 6482. Common Carrier Operation Under the Influence of Alcohol or Drugs—

This section increases the maximum penalty for operating a common carrier while under the influence of a controlled substance or alcohol to fifteen years, and directs the U.S. Sentencing Commission to amend the sentencing guidelines to provide that if death or serious bodily injury results, the low end of the sentencing range shall be not less than a specified term. This is accomplished by setting the offense level in Chapter Two of the guidelines at level 26 (63 months) if death results, or at level 21 (37 months) otherwise. The statutory maximum is increased in order to provide for an appropriate sentence in cases where death or serious bodily injury results.

The use of the phrase "offense level under Chapter Two of the sentencing guidelines" means that the offense level resulting from the guideline mandated by this provision will be subject to the adjustments set forth in Chapters Three, Four and Five of the guildelines.

The amendment is intended to express the desire of Congress to require the imposition of significantly higher penalties for persons who operate a common carrier while under the influence of controlled substances. Expressing congressional intent in the form of a direction to the Sentencing Commission avoids the need to resort to inflexible mandatory minimum sentences which may be incompatible with the sentencing guideline concept as enacted in the Sentencing Reform Act of 1984.

Finally, subsection (d) takes into account the possibility that a subsequent amendment of the guidelines will render the literal implementation of the statutory instruction inappropriate; the Commission should fulfill the legislative mandate in a sensible manner. For example, if an amendment resulted in offense level 26 no longer corresponding to a guideline range of 63-78 months, the Commission should substitute an offense level which produces a comparable result.

Section 6483. Amendment to Rules of Criminal Procedure—

This section amends the Rules of Criminal Procedure to require a defendant, who intends to claim in his defense that he acted with the approval of a government official, to give notice to the government of this intent before trial. Last minute assertions of the "public authority" defense are extremely disruptive to prosecutions because they require the government to cause numerous agencies to search their records in order to respond to the allegations.

The proposal was approved by the Advisory Committee on Criminal Rules of the Judicial Conference following public hearings, but was held in abeyance while the Conference considered whether to make other, more far-reaching changes in discovery rules designed to benefit defendants.

Section 6484. Custody and Return of Foreign Witnesses—

This section authorizes the Attorney General to accept and maintain custody of persons serving prison sentences abroad whose testimony is needed in a proceeding in the United States. The statute provides a formal procedure for handling such witnesses when dealing with countries with whom the United States has not yet negotiated a mutual assistance treaty.

Section 6485. Drug Paraphernalia—

This section amends the drug paraphernalia act passed as part of the 1986 drug bill. The current act requires the government to prove that that item in question was "primarily intended" to be used with a controlled substance. Under the amendment, the government would only have to prove that the item was "traditionally intended" to be used with such a substance.

Section 6486. Civil Fines—

This section creates a new procedure for punishing drug users outside of the criminal justice system. The intent is to hold persons who possess "personal use amounts" of controlled substances accountable for their role in supporting drug trafficking crimes.

Under this section, the Attorney General will, by regulation, define what is a "personal use amount" of each substance listed in the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)), and will set up an administrative system within the Department of Justice in which administrative officers will impose fines of up to $10,000 on persons found, by a preponderance of the evidence, to be in possession of such amounts. This administrative procedure is not available to any one with a prior criminal conviction for any state or federal drug offense, or to any one who has been assessed a civil fine under this statute on two prior occasions.

The statute also provides for judicial review of the administrative fine. Under this provision, a person who has been assessed a fine may file a civil suit in a federal district court in which the court will determine the facts of the case and the assessment of the fine de novo. In such a civil proceeding, the plaintiff/appellant shall have a right to a trial by jury, the right to counsel, the right to confront witnesses, and the right to have the government prove the case against him beyond a reasonable doubt. Because the proceeding is intended to be civil in nature, however, the statute does not provide for the application of any other procedural rights normally attendant to a criminal proceeding.

The statute also provides for the expungement of all records of these proceedings after three years if the person assessed the fine meets certain conditions.

Section 6487. Threats Against Former Officials—

This section amends the provisions of 18 U.S.C. 111 to protect former, as well as current, federal officials from assault and intimidation. It also amends 18 U.S.C. 115 to protect the family members of former, as well as current, federal officials. Other changes to the language of section 115(a) are solely of a clarifying and stylistic nature.

Title VII—Subtitle B—Minor and Technical Criminal Law Amendments

Sections 7011-50. These sections are derived, virtually without change, from Title I of H.R. 2182, the technical amendments bill passed by the House in June, 1987. Those provisions are well described in House Report 100-169 and the subsequent floor statement of Rep. Glickman on June 22, 1987 (Cong. Record at pages H5335-38). A few sections of the House bill have been deleted because they have been enacted by intervening legislation or merged into other sections of the bill. (See Sections 133, 137, 138 and 140.)

The following are the principal modifications to H.R. 2182 and some comments on particular sections:

Section 7021 (formerly 111). The syntax of the amendment to 18 U.S.C. 553(b)(2) has been changed to remove a possible ambiguity.

Section 7029 (119). The amendment in section 7029(a) clarifies venue for an obstruction of justice prosecution. The amendment specifies that a prosecution may be brought in the district where the official proceeding that the defendant intended to influence was taking place, as well as in the district where the illegal act itself occurred. For example, if a witness scheduled to testify in a District of Columbia trial is killed while dining at a restaurant in Maryland, the prosecution for obstruction of justice could take place either in Maryland or in the District of Columbia.

This has long been the rule in the majority of jurisdictions that have considered the issue. See *United States* v. *Reed*, 773 F.2d 477, 484-85 (2nd Cir. 1985) (collecting the cases). The rule does not violate the Sixth Amendment requirement that the trial take place in the district where it was committed because it merely establishes that an obstruction of justice is "committed" where the impact of the obstruction is felt—i.e. where the obstructed proceeding took place. The amendment merely resolves a split in the circuits on this point of statutory construction. Id. at 486.

In section 7029(b), matters occurring before special trial judges of the U.S. Tax Court have been added to the definition of "official proceeding" in 18 U.S.C. 1515(a)(1)(A), relating to obstruction of justice offenses.

The amendment in sections 7029 (c) and (d) that adds "corrupt persuasion" to the coverage of the witness tampering statute, 18 U.S.C. 1512, is intended to address an omission in the Victim and Witness Protection Act of 1982 (VWPA), Pub. L. No. 97-291, identified by the Second Circuit in *United States* v. *King*, 762 F.2d 232 (2nd Cir. 1985). "Corrupt persuasion" of a witness is a non-coercive attempt to induce a witness to become unavailable to testify, or to testify falsely. Examples include preparing false testimony for witness, or offering a witness money in return for false testimony. Before enactment of the VWPA, such witness tampering was prohibited under 18 U.S.C. 1503, the general obstruction of justice statute which made it a crime to influence or intimidate any witness, juror, or officer of a court in connection with a judicial proceeding. See *United States* v. *Vesich*, 724 F.2d 451, 453-58 (5th Cir. 1984); *United States* v. *Gates*, 616 F.2d 1103 (9th Cir. 1980).

The VWPA deleted the references to witnesses from section 1503 and enacted a new, more detailed witness protection statute in 18 U.S.C. 1512. The new statute makes it a crime to use physical force, threats, intimidation or misleading conduct to influence the testimony of a witness, but it does not prohibit non-coercive attempts to persuade a witness to testify falsely. See *United States* v. *Risken*, 788 F.2d 1361, 1367 (8th Cir. 1986); *United States* v. *Lester*, 749 F.2d 1288, 1292-93 (9th Cir. 1984). Thus under the new law, promising to pay a witness for giving false testimony is not a crime. *United States* v. *King*, 762 F.2d at 238.

Several courts have held, however, that "corrupt persuasion" of a witness is still prohibited by section 1503 which contains a catch-all proscription against "corruptly endeavoring" to impede the due administration of justice. See *United States* v. *Lester*, 749 F.2d at 1292-93 (hiding witness to prevent his testimony at trial prohibited by section 1503, but not by section 1512). In *Lester* the court reasoned that Congress could not have intended to remove protection of witnesses entirely from section 1503, because to do so would make the corruption of a witness by some means other than those stated in section 1512 no longer illegal, a result inconsistent with the goals of the Victim and Witness Protection Act. *Id.*

The Second Circuit, however, has held that because Congress expressly removed the reference to witnesses from section 1503 in the VWPA, the influencing of witnesses can no longer be prosecuted under that statute. *United States* v. *Hernandez*, 730 F. 2d 895, 898 (2nd Cir. 1984). Therefore in the second Circuit, non-coercive corruption of witnesses can not be prosecuted under any obstruction of justice statute. *United States* v. *King*, 762 F.2d at 238. In that case the court said, "If there is [a gap] in the legislative scheme, the proper remedy is not for the courts to distort the plain language of section 1512 but for Congress to enact legislation to close the gap." *Id.*

Sections 7029 (c) and (d) are intended, therefore, merely to include in section 1512 the same protection of witnesses from non-coercive influence that was (and is) found in section 1503. It would permit prosecution of such conduct in the Second Circuit, where it is not now permitted, and would allow such prosecutions in other circuits to be brought under section 1512 rather than under the catch-all provision of section 1503.

Section 7031 (121). Section 1956(c)(7)(D) contains a list of offenses included within the definition of "specified unlawful activity" for the purpose of the money laundering offense. That list presently includes 18 U.S.C. 656, which covers theft, fraud, and embezzlement at banks, but does not include section 657, which covers the same crimes at savings and loan associations, or section 658, which covers similar crimes in connection with the Farm Credit administration and pledges or mortgages of property. The amendment would add those offenses, and would make an additional cross-reference correction.

Section 7036 (126). Punctuation corrections to 18 U.S.C. 2516 have been added, and an additional cross-reference correction has been added to 18 U.S.C. 2516(1)(c).

Section 7038 (128). Former section 140 has been merged into this section for conciseness.

Section 7041 (131). The effective date has been eliminated as unnecessary now that the provisions of the Sentencing Reform Act of 1984 have taken effect. The purpose of changing the maximum penalty for an offense to be considered a Class B felony from twenty to twenty-five years is to permit, in unusual circumstances and subject to the applicable sentencing guidelines, a sentence of probation for certain offenses carrying twenty-year penalties.

Section 7047 (141). Conforming amendments to the Federal Rules of Civil Procedure have been added permitting courts to designate psychologists to conduct mental examinations of parties in civil proceedings.

Section 7048 (143). The amendment to 18 U.S.C. 2315, as passed by the House, is unchanged. The amendment to paragraph two in Pub. L. 99-646 appears to have inadvertently created a requirement that the forged securities moving in interstate commerce be stolen. To remove any confusion created by that amendment, the language of the statute is returned to what it was before November 10, 1986.

Section 7050 (145). The effective date has been eliminated.

MORE DETAILED ANALYSIS FOR SECTIONS 7051-96

Section 7051—

Section 7051 makes a technical amendment to 18 U.S.C. 3077(4), and corrects a reference in the definition of the term "United States" for the purpose of chapter 204 of title 18, relating to rewards for information concerning terrorist acts. The amendment eliminates a branch of the definition in current section 3077(4)(B) that refers to the Immigration and Nationality Act when "United States" is used in section 3073.

This reference is erroneous because the section 3073 which prompted the special definition in section 3077(4)(B) was not included in the bill as enacted. Section 3073 in the bill as introduced (S. 2625; H.R. 5612, 98th Cong.) related to the waiver of admission requirements for aliens. This provision was not enacted. Thus, the current definition in section 3077(4)(B) is inapposite. The amendment in essence retains section 3077(4)(A) and applies its geographic definition of the "United States" to all the provisions of the chapter, as is appropriate.

Section 7052—

Section 7052 makes technical reference changes to 18 U.S.C. 3062, which sets forth arrest authority for violations of certain enumerated conditions of release under the bail chapter. Section 3062 refers to particular conditions contained in section 3142 of title 18 (part of the bail statute) as enacted in 1984. In 1986, however, section 3142 was amended in a technical manner so that the lettered clauses it contained, setting forth various types of release conditions, were changed to roman numeraled clauses. This section makes the corresponding change in section 3062 to reflect these 1986 technical reference changes.

Section 7053—

Section 7053 makes technical amendments to renumber current 18 U.S.C. 1952A and 1952B as new 18 U.S.C. 1958 and 1959, respectively. The purpose of these changes is to avoid confusion between section 1952A, relating to murder-for-hire, and the Hobbs Act, 18 U.S.C. 1952(a), relating to extortion.

Section 7054—

Section 7054 amends 18 U.S.C. 1961 to create three additional RICO predicates. The first is renumbered 18 U.S.C. 1958, relating to murder-for-hire. This is a classic candidate for RICO coverage inasmuch as murder-for-hire is an offense characteristic of many organized criminal enterprises. The second is 18 U.S.C. 2251-52, relating to sexual exploitation of children. Finally, this section adds as a RICO predicate 18 U.S.C. 1029, relating to fraud in connection with credit cards, electronic banking cards, and similar "access devices". The Department of Justice testified before the Judiciary Committee in 1987 that trafficking in and use of counterfeit credit cards is a common activity of organized criminal groups. For example, in a New Jersey trial now in its fifteenth month, Michael Taccetta is accused of running a credit card counterfeiting ring on behalf of the New Jersey contingent of the Lucchesi family, *United States* v. *Acceturo*, Cr. No. 85-292 (D.N.J.); and in New York, Gregory Scarpa, a capo in the Colombo family, recently pled guilty to conspiracy to commit a section 1029 offense in a case brought by the Brooklyn Organized Crime Strike Force, *United States* v. *Scarpa*, Cr. No. 86-351 (E.D.N.Y.).

Section 7055—

Section 7055 corrects an apparent oversight in the general escape statutes, 18 U.S.C. 751(a) and 752(a), by assigning a penalty to the crime of escape of a person being detained for the purpose of exclusion or deportation under the immigration laws. Currently, each cited statute defines a crime of escape from the custody of the Attorney General following a lawful arrest or confinement for the purposes of exclusion or expulsion proceedings, but neither statute contains a specific penalty provision that covers such conduct, although they do include a misdemeanor penalty for an escape from detention for "extradition". The amendment cures this seemingly inadvertent omission by establishing a like misdemeanor penalty for escape, or instigating an escape, from custody where the custody is for the purpose of exclusion or expulsion.

Section 7056—

Section 7056 clarifies the armed career criminal statute, 18 U.S.C. 924(e), by inserting language describing the requisite type of prior convictions that trigger the law's mandatory minimum sentencing provisions. Presently, section 924(e) provides that a person found in possession of a firearm shall be sentenced to a mandatory minimum prison term of not less than fifteen years if such person "has three previous convictions . . . for a violent felony or a serious drug offense" (as those terms are defined in the law). Recently, a court of appeals held that the "three previous convictions" requirement was met by a conviction on six counts for armed robbery in New York State in which the defendant was convicted for having robbed six different people at a restaurant at the same time. *United States* v. *Petty*, 798 F.2d 1157 (8th Cir. 1986).

On petition for a writ of certorari, the Solicitor General on behalf of the United States confessed error, pointing out that, while the armed career criminal statute lacked descriptive language found in other similar federal statutes to the effect that the convictions be for "offenses committed on occasions different from one another", see 18 U.S.C. 3575(e)(1), 21 U.S.C. 849(e)(1), the legislative history nevertheless made clear that a similar interpretation was intended here. The Supreme Court reversed and remanded the case to the court of appeals for consideration of the Solicitor General's views. — U.S. — (No. 86-6263) (May 4, 1987).

The proposed amendment clarifies the armed career criminal statute to reflect the Solicitor General's construction and to bring the statute in conformity with the other enhanced penalty provisions cited above. Under the amendment, the three previous convictions would have to be for offenses "committed occasions different from one another". Thus, a single multi-count conviction could still qualify where the counts related to crimes committed on different occasions, but a robbery of multiple victims simultaneously (as in Petty) would count as only one conviction. This interpretation plainly expresses that concept of what is meant by a "career criminal", that is, a person who over the course of time commits three or more of the enumerated kinds of felonies and is convicted therefor. It is appropriate to clarify the statute in this regard, both to avoid future litigation and to insure that its rigorous sentencing provisions apply only as intended in cases meriting such strict punishment.

Section 7057—

Section 7057(a) is designed to codify appellate court holdings that 18 U.S.C. 2314 is not limited to the physical transportation of stolen or fraudulently acquired money or property but also extends to the situation in which such proceeds are transmitted or transferred electronically in interstate or foreign commerce. Noting that the gravamen of the crime in section 2314 is the movement of illegally obtained money from one location to another and that in modern times banks seldom move funds physically but rather do so through electronic transfers, three courts of appeals have recently rejected contentions that section 2314 is limited—because of the use of the verb "transports"—to instances of physical asportation of money. *United States* v. *Gilboe*, 684 F.2d 235 (2d Cir. 1982), cert. denied, 459 U.S. 1201 (1983); *United States* v. *Wright*, 791 F.2d 133 (10th Cir. 1986); *United States* v. *Goldberg*, 830 F.2d 459 (3d Cir. 1987). No contrary ruling exists. Nevertheless, in order to clarify the statute and avoid further litigation, it seems appropriate to add verbs—"transmits" and "transfers"—that clearly reach acts of electronic movement of money.

Section 7057(b) rewrites the final paragraphs of 18 U.S.C. 2314 and 2315 to reflect the intent of Congress, as determined by the overwhelming weight of case law authority, to exclude from the prohibitions of those sections only foreign bank notes that are the equivalent of currency. All the federal reported decisions but one, including all appellate court rulings, have held based on clear legislative history that the final paragraphs of these sections only exempt foreign bank notes that are designed to circulate as currency, see *United States.* v. *Burger*, 728 F.2d 140 (2d Cir. 1984) and cases cited therein, but the final paragraphs are inartfully drafted so that this subsection is unclear.

One older district court decision has misread the provision to exclude the transportation or receipt of any false, counterfeit or froged check drawn on a bank in a foreign country. *United States* v. *Smith,* 200 F. Supp. 227 (E.D. Tenn. 1961). The amendments clarify the language of the exemption in accordance with the evident purpose of Congress and would thereby prevent further needless confusion and litigation.

Section 7058—

Section 7058(a) effects two penalty increases for offenses enacted in the Sexual Abuse Act of 1986. The first would raise the maximum penalty from five to ten years under 18 U.S.C. 2244(a)(1) for engaging in sexual contact in a federal prison or in the special maritime and territorial jurisdiction under circumstances in which, had the sexual contact been a sexual act, the conduct would have violated section 2241, which defines the most serious sexual offense in the chapter carrying a maximum sentence of life imprisonment.

Section 2244(a)(1) punishes the use of force or threat of force to cause another person to engage in sexual contact, a term defined in section 2245 to include the touching of the genitalia or anus of a person with intent to abuse. The conduct under section 2244(a)(1) can thus be tantamount to attempted rape. A five-year maximum penalty is insufficient to vindicate the most serious violations of this section. The amendment would thus elevate the permissible penalty to ten years.

The second amendment raises the maximum penalty under section 2244(a)(3) from one to two years. Section 2244(a)(3) punishes abusive sexual contact with a minor between the ages of 12 and 16 by a person who is at least four years older than the victim. A felony penalty of up to two years for this offense is justified and is consistent with the felony status afforded under many state statutes to the comparable offense of sexual molestation of a minor.

Section 7058(b) raises the maximum penalty under the murder-for-hire statute, in a case in which the perpetrator is apprehended without an injury or death resulting, from five to ten years' imprisonment. A number of prosecutors have reported frustration at the low maximum penalty available for this serious offense, consisting of seeking to arrange for another's death. A similar offense in 18 U.S.C. 373, punishing the crime of soliciting murder, carries a twenty-year maximum sentence.

Section 7058(c) increases the three-year maximum penalty for attempted murder within the special maritime and territorial jurisdiction to twenty years, consistent with the penalty for assault with intent to commit murder under 18 U.S.C. 113(a).

Section 7058(d) increases the maximum penalty under the RICO statute, 18 U.S.C. 1963(a), for cases in which the maximum penalty for one of the underlying predicate acts of racketeering is life in prison. The penalty under RICO is raised to life imprisonment in such circumstances. Currently, RICO carries a uniform maximum penalty of twenty years' imprisonment. In many RICO cases that have been successfully prosecuted, this punishment does not fit the crime. For example, in the Angiulo and LCN "Commission" cases, the defendants planned and committed several murders which would have been punishable by life imprisonment under state law. A similar sentence for such crimes under RICO is available only if the defendant is convicted of multiple counts and consecutive sentences are imposed. The amendment remedies this deficiency by elevating the maximum penalty for RICO offenses to life imprisonment where the underlying acts are crimes punishable by life imprisonment or death. This gradation adopts the approach of 18 U.S.C. 1952B (redesignated as section 1959) enacted by Congress in 1984 to deal with violent crimes in aid of racketeering activity.

Section 7059—

Section 7059 adjusts the procedural rights available to state prisoners who are subject to a federal detainer for untried criminal charges and who wish to have those charges disposed of under the Interstate Agreement on Detainers (IAD), codified at 18 U.S.C. Appendix.

The IAD was enacted in 1970 to facilitate the obtaining of defendants incarcerated in other jurisdictions for purposes of prosecution. The legislative history makes clear that the United States was made a party so that States could secure federal prisoners. See H. Rep. No. 91-1018, 91st Cong., 2d Sess. (1970); S. Rep. No. 91-1356, 91st Cong. 2d Sess. (1970). The United States has no need for the IAD to obtain State prisoners since, unlike a State which can issue no process or writ requiring obedience outside its borders, the United States has available the federal writ of habeas corpus ad prosequendum to compel the appearance of the person incarcerated in a state institution for trial. Nevertheless, the United States is regarded as a "receiving" state subject to the IAD's stringent sanctions when it obtains custody of a state prisoner for trial on federal charges.

The IAD requires dismissal of an indictment with prejudice whenever a prisoner is transferred from custody from the sending to the requesting state and returned to the sending state without being tried. See Article III(a) of the IAD. This sanction is designed to prevent prisoners from being abused by the lodging of detainers and transfer to a requesting state unaccompanied by an intent or ability to try the individual; but it makes little sense when the United States acts as a "receiving" jurisdiction. Unlike the case with states where a prisoner must be transferred interstate, the federal charges may require only that the prisoner be delivered in the same state, perhaps across the street, for trial. A "return" of the prisoner to state custody in such circumstances, for example following a brief arraignment proceeding, is an innocuous circumstance. It is clearly not harmful to the prisoner and ought not to lead to the drastic remedy of dismissal with prejudice of the federal indictment. See *United States* v. *Thompson,* 562 F.2d 232 (3d Cir. 1977) (en banc).

Moreover, a "return" frequently is for the prisoner's benefit and may enable him or her to resume participation in state rehabilitative prison programs whereas, if retained in federal custody, the prisoner might have to be lodged in a federal jail-type institution for a protracted time without comparable treatment or facilities. See, e.g., *Burrus* v. *Turnbo,* 743 F.2d 693 (9th Cir. 1984), vacated as moot sub nom. *Hijar* v. *Burrus,* 106 S. Ct. 562 (1985), holding that the IAD was violated when federal authorities understandably returned a prisoner to the "sending" state following the district court's dismissal of an indictment pending the outcome of a government appeal; although the government won the appeal, the Court held that the charges could not be pursued because of the "breach" of the IAD.

The amendment to the IAD in Section 7059 would provide that in instances where the United States is in the position of a "receiving" state, any order of a court dismissing an indictment may be with or without prejudice, depending on the circumstances, and that the return of a prisoner to a sending state prior to trial shall not be a violation of the IAD as long as the return is pursuant to court order. This amendment will remove the unnecessarily harsh sanction of automatic dismissal with prejudice that was criticized by the court in *Schrum,* 504 F. Supp. at 28, and permit the United States to return prisoners to state custody where a court determines that a return is appropriate.

Sections 7060-7075—

Sections 7060 through 7075 make a series of purely technical, clerical, and conforming amendments having no substantive effect.

Section 7076—

Section 7076 requires a federal district court, before accepting a plea of guilty or nolo contendere, to advise the defendant of the possible imposition of a period of supervised release after imprisonment, as authorized by 18 U.S.C. 3583, effective as to crimes committed on or after November 1, 1987. Rule 11 currently requires advice as to the effect of any possible term of special parole, to which supervised release is analagous.

Section 7077—

Section 1077 broadens the injunction against fraud statute, 18 U.S.C. 1345, added by the Comprehensive Crime Control Act of 1984, to reach additional species of fraud. Currently, the injunction provision only applies to mail fraud, wire fraud, and bank fraud. Under the amendment, the injunction remedy is available as an enforcement tool applicable to the principal statutes punishing fraud against the government, 18 U.S.C. 287 (false claims), 371 (conspiracy to defraud the government), and 1001 (false statements to the government), thereby offering an alternative means for protecting the interest of the United States.

Section 7078—

Section 7078 prohibits obstruction of a federal audit, including both traditional audits and quality assurance inspections. The experience of the Department of Justice has shown that, in many successful investigations, government contractors have been able to avoid earlier detection by obstructing such audits. The federal auditor needs the same protection for obstruction that the investigator, administrative proceedings, and the grand jury have in sections 1503, 1505, 1510, and 1512 of title 18 of the United States Code. This provision prohibits a wide range of obstructive conduct such as destruction of fabrication of documents as well as intimidation of witnesses and contractor employees, and serves the interests of the people of the United States in combatting government fraud.

Section 7079—

Section 7079 is derived from a proposal of the Treasury Department that was formally submitted to Congress in November 1987. It requires a person to obtain the permission of the Director of the United States Secret Service before using the agency's name or initials. This will assure that the same or initials are not used in a way that might convey the impression that such use is approved by the Secret Service. A knowing violation is punishable as a misdemeanor. 18 U.S.C. 709.

Currently, 18 U.S.C. 709 contains similar prohibitions with respect to many government agencies, including the Federal Deposit Insurance Corporation, the Federal Home Loan Board, the Department of Housing and Urban Development, and the Federal Bureau of Investigation. In recent years, private organizations have shown an increasing tendency towards using the name of the Secret Service without permission in advertising or in conjunction with trade names for the apparent purpose of attracting the attention of potential customers. The amendment is necessary both to protect the name of the Secret Service and to protect the public from being confused or misled into believing that a firm, service, or product has the endorsement of, or is in some manner associated with, the Secret Service.

This section takes effect 90 days from the date of enactment. During the 90 day period between the date of enactment and the effective date, the Committee expects that the Secretary of the Treasury will make a good faith effort to notify any persons known to the Treasury Department to be in violation of this section of its existence and of the penalties associated with its violation. Failure to receive such notice, however, will not be a defense to a violation of this section.

Section 7080—

Section 7080 is derived from S. 988 introduced in April, 1987 by Senator Roth. It is designed to extend the reach of 18 U.S.C. 2314 so as clearly to cover fraudulent schemes that defraud multiple victims of a total sum of $5,000 or more, but where no individual victim is defrauded of $5,000.

The question whether aggregation is permitted of the proceeds resulting from a scheme to defraud involving multiple victims under the second paragraph of 18 U.S.C. 2314 in order to meet the $5,000 jurisdictional floor appears never to have been litigated. The first paragraph of section 2314, which also contains a $5,000 jurisdictional requirement, has been held to permit aggregation of the value of discrete shipments of stolen property, where the shipments have sufficient relationship to be charged as a single offense. See *Schaffer* v. *United States,* 362 U.S. 511 (1960); *United States* v. *Honey,* 680 F.2d 1228 (9th Cir. 1982). However, the first paragraph of section 2314 refers to the value of property that is transported, whereas the second paragraph, with which this proposal is concerned, refers to the value realized from schemes that induce a "person" to travel in interstate commerce in the execution or concealment of a scheme to defraud "that person" of property. Although the use of the singular term "person" alone would ordinarily include the plural, see 1 U.S.C. 1, the statute's second reference to schemes to defraud "that person" of the requisite sum casts doubt on whether aggregation is allowed of the sums defrauded from multiple victims pursuant to a common scheme.

Under the amendment, jurisdiction exists over such schemes—for example, schemes in which numbers of young adults are lured to travel interstate to work as door-to-door sales agents by persons or organizations that cheat them out of their just earnings (typically less than $5,000 in any individual case). Since the perpetrators of these schemes move rapidly from state to state, federal jurisdiction is necessary to effectively investigate and prosecute these schemes. See 133 Cong. Rec. at p. S 5026 (Daily ed. April 9, 1987). The amendment confers such jurisdiction.

Section 7081—

Section 7081 makes two amendments to 18 U.S.C. 3288 and 3289, the statutes which extend the statute of limitations to permit the bringing of a new prosecution when a timely charge is dismissed either after the limitations period has expired or within six months of that date. The first amendment would clarify that the extended period begins to run when the dismissal "becomes final". This is the interpretation currently placed on these provisions by the Solicitor General's Office (no case law exists) as most consistent with the purpose of the statutes. The words "becomes final" would make clear that the government need not face the unreasonable choice whether to pursue an appeal or to accept the lower court's decision and commence a reprosecution.

Under the amendment, the government can appeal (after obtaining the approval of the Solicitor General, 28 C.F.R. 0.20) and, if unsuccessful, still have time in which to bring a new prosecution. This proposal was included in S. 1630 (511), the Criminal Code Reform bill approved by the Judiciary Committee in the 97th Congress.

The second amendment expands the statutes to encompass the dismissal of an indictment or information for any reason that would not bar further prosecution. Current law provides that "whenever an indictment is dismissed for any error, defect, or irregularity with respect to the grand jury, or . . . is found otherwise defective or insufficient for any cause", the statute of limitations is extended for a period of six months to permit the re-filing of criminal charges. While this language is unarguably broad, appearing to permit the extension no matter what the reason for the dismissal of the charges, the Ninth Circuit has held that it contains a loophole.

In *United States* v. *Peloquin,* 810 F.2d 911 (9th Cir. 1987), the court held that a Speedy Trial Act violation is neither an "irregularity with respect to the grand jury" nor a defect or insufficiency in the indictment itself, and that therefore the literal words of the limitations statute did not permit the refiling of charges dismissed on speedy trial grounds. This holding leads to a distinction that has no justification in public policy.

In other cases, the Ninth Circuit has held that where an indictment was dismissed for failure to state an offense, the statute applies and a reprosecution may be commenced within six months. *United States* v. *Charnay,* 537 F.2d 341 (9th Cir.), cert. denied, 429 U.S. 1000 (1976); the same result occurs when an indictment is dismissed for failure to present exculpatory evidence before the grand jury. *United States* v. *Horowitz,* 756 F.2d 1400 (9th Cir.), cert. denied, 106 S. Ct 74 (1985). The government is permitted to re-file charges even where the reason for the dismissal was prosecutorial misconduct before the grand jury. See *United States* v. *Serubo,* 502 F. Supp. 288 (E.D. Pa. 1980). Yet under *Peloquin,* a dismissal based on a Speedy Trial Act violation, which is arguably less serious, does not permit a refiling.

Such distinctions have nothing to recommend them in terms of sound policy. The reason a charge is dismissed (unless the reason for the dismissal would independently bar further prosecution such as a dismissal on grounds of double jeopardy or a dismissal "with prejudice" under a statute) should not determine whether the government is given additional time to bring a new prosecution.

Judge (now Justice) Kennedy, the author of the *Peloquin* opinion, observed (810 F.2d at 913): "The government also argues that there are policy reasons for not giving defendants the chance to wiggle off the hook because of Speedy Trial Act dismissals. This may be so. But we are not in the business of drafting statutes. This task we leave to Congress".

Judge Kennedy was apparently sending a signal to Congress that the archaic distinctions in these statutes should be abandoned. The amendment accepts the invitation to abolish them.

Section 7082—

Section 7982 is necessary to make clear that certain provisions of the Criminal Fine Improvement Act of 1987 (CFIA) are intended to apply both retrospectively and prospectively. The CFIA created procedures that permit United States Attorneys to eliminate or reduce old outstanding fines and penalty assessments that are uncollectible. The CFIA, however, did not make clear that those procedures may be applied to fines and assessments that were imposed before the CFIA's effective date.

Subsection (a) allows the government to petition for a court order to reduce or remit uncollectible pre-CFIA fines or special assessments. Subsection (b) applies the new five-year statute of limitations period for special assessments to pre-CFIA assessments. Subsection (c) makes clear that the Attorney General is authorized to waive interest and penalties on pre-CFIA fines. None of these amendments are intended to extinguish the defendant's right to petition to reduce a fine under former section 3573 with respect to fines imposed for offenses before the effective date of the CFIA.

Sections 3612(d) and (e) set forth notice requirements relating to delinquent fines and fines determined to be in default. The amendment in subsection (d) would leave unchanged the requirement that the government give notice of delinquency or default in certain circumstances. But it would relieve the government of the need to use certified mail to accomplish the notification. The amendment recognizes that certified mail is expensive, is no more likely to achieve actual notice than is first class mail, and in some circumstances, may be totally unnecessary, as when a defendant has been personally notified of his delinquency or default.

Section 7083—

Section 7083 corrects a grammatical error in 28 U.S.C. 994(n).

Section 7084—

New section 3151 of title 18 restores the authority of the government to refund bail which has been erroneously forfeited. Bail is usually forfeited when a defendant fails to appear for trial. Without the authority to refund, bail which has been forfeited cannot be refunded to anyone who fails to appear, or to the estate of anyone who fails to appear, regardless of extenuating circumstances, such as death, hospitalization, or plain error.

Previously, refund authority was set forth in 18 U.S.C. 3150a, but this was inadvertently repealed by section 203(a) of the Comprehensive Crime Control Act of 1984 which repealed sections 3141 through 3151 of title 18. (That the repeal was inadvertent is apparent from section 1410 of the same Act which sought to make a minor amendment to 18 U.S.C. 3150a.)

The amendment restores the language of section 3150a as it would have been amended by the 1984 Act.

Section 7085—

Section 3013 of title 18, added by the Victims of Crime Act of 1984, provides that every defendant convicted of an offense against the United States shall be charged a special assessment ranging from $25 to $200, depending on whether the defendant is an individual or a business, and whether the crime is a misdemeanor or a felony. The special assessments are used for the crime victims' fund.

Because the statute plainly states that the special assessments shall be made in all cases, they have been assessed against defendants who are charged with minor infractions, such as speeding tickets, and who elect to appear in court to contest the charges. But the assessments have not been made against defendants charged with such offenses who simply forfeit collateral and do not appear in court. In *Scharf* v. *United States*, 606 F. Supp. 379 (E.D. Va. 1985), a defendant who could have forfeited a $40 fine on a speeding ticket elected to appear before a Magistrate and was fined $25 plus the $25 special assessment. On appeal, the district court held that the imposition of the special assessment in cases where the defendant appeared for trial, but not in cases where the defendant forfeited collateral, had an unconstitutional chilling effect on the defendant's right to trial.

The amendment provides that the special assessments for misdemeanors are proportional to the offense committed. They should not apply to offenses for which a defendant may forfeit collateral.

Section 7086—

Section 3563(a)(2) provides that whenever a person convicted of a felony is placed on probation, the court must impose payment of a fine, restitution, or community service as a condition of probation. The provision is mandatory; there is no exception to cover instances where it may be impossible for a defendant to comply with any of these conditions, or where imposition of such conditions would be counterproductive.

The amendment provides that in such extraordinary circumstances, the court shall impose at least one of the other conditions of probation set forth in section 3563(b)(1)-(b)(20).

Section 7087—

Title 18, Section 3184, provides that the government may obtain a warrant for the arrest of a fugitive sought by a foreign country for a crime covered by an extradition treaty by showing that the person to be apprehended is within the jurisdiction of the issuing court. This limits the government to obtaining warrants only when the specific location of a fugitive is known. There is no mechanism for the issuance of a warrant when the fugitive is known to be somewhere in the United States, but not known to be in any specific judicial district.

The amendment provides that a judge or magistrate of the District of Columbia could issue an arrest warrant under section 3184 if the whereabouts of the person charged are unknown.

Section 7088—

Many business and government forms contain references to a tax identification number. In the case of individuals, this is generally intended to mean a person's social security number, but there if often no explicit reference to the social security number anywhere on the form. This gives rise to the possibility that a person otherwise in violation of subsection (g) of section 408, regarding misuse or misrepresentation of a social security number, might argue that the statute did not apply to a situation where the number in question was never explicitly styled a "social security number", but instead was called a "tax identification number" or something else.

The first amendment clarifies that the criminal penalties set forth in section 408(g) are intended to apply to any social security number issued by the government whether in actual use the number is known by that name or by some other name.

The second amendment merely strikes obsolete language from the penalty section. All criminal fines are now governed by the all-purpose fine statute, 18 U.S.C. 3571. Thus a explicit fine limitation in a given criminal statute has no meaning.

Section 7089—

This section amends 18 U.S.C. 19, which defines the term petty offense as a Class B or C misdemeanor or an infraction, as enacted by the Criminal Fine Improvements Act of 1987, Pub. L. No. 100-185. It also amends similar definitions in Rule 9 of the Rules of Procedure for the Trial of Misdemeanors before United States Magistrates and Rule 54 of the Federal Rules of Criminal Procedure.

The amendment is needed to carry forward fully the concept of petty offense for purposes of the exception to the constitutional right to trial by jury. See *Frank* v. *United States*, 395 U.S. 147 (1969). Prior to its repeal by the Sentencing Reform Act of 1984, 18 U.S.C. 1 defined a petty offense as any misdemeanor for which the penalty did not exceed imprisonment for six months or a fine of $5,000 for an individual, or $10,000 for a person other than an individual. The goal of the amendments affecting petty offenses in the Criminal Fine Improvements Act of 1987 was to carry forward this definition. H.R. Rep. No. 390, 100th Cong., 1st Session 4 (1987).

The 1987 amendments, however, did not accomplish this goal fully because the definition of petty offense enacted did not specifically include a maximum fine level. For many cases the maximums set forth in 18 U.S.C. 3571(b)(6) or (7) and (c)(6) or (7)—$5,000 for an individual and $10,000 for an organization—would operate to set a constitutionally permissible limit for petty offenses. However, the 1987 definition of petty offense inadvertently included a class of offenses which may be petty for constitutional purposes even though they are Class B or C misdemeanors or infractions as classified by 18 U.S.C. 3559: offenses punishable by six months' or less imprisonment which, by the terms of the statutes setting forth such offenses, carry a higher maximum fine than the $5,000 and $10,000 levels provided for in 18 U.S.C. 3571(b)(6) or (7) and (c)(6) or (7). The higher amount would be the lawful maximum for such offenses. See 18 U.S.C. 3571(b)(1) and (c)(1).

The amendments made by this section cure this problem by redefining the term petty offense to include only Class B and C misdemeanors and infractions for which the applicable maximum fine is no greater than the specific dollar levels set forth for such offenses in 18 U.S.C. 3571(b)(6) or (7) and (c)(6) or (7).

Section 7090—

Section 7090 derives from S. 1803 a bill introduced by Senator Adams to make it a crime to send lock-picking devices, also known as burglar's tools, through the mail. It creates a new section in title 39, and a companion criminal penalties section in title 18, that prohibit sending such tools to any person other than a lock manufacturer or distributor, a bona fide locksmith or repossessor, or a motor vehicle manufacturer or dealer. It was unnecessary to include law enforcement officials among those excepted from the prohibition because such officials have inherent authority to use the mails for lawful purposes.

The legislation is necessary to curb a mail-order business that uses magazine ads to promote tools as being effective for breaking into automobiles and other locks. For example, one ad entitled "An Automotive Burglar Tool That Really Works" suggests that the tool "works on all GM slide-lock systems" and is "so easy to use you don't have to be locksmith".

Section 7091—

Section 7091 amends 18 U.S.C. 3143(b) which relates to the setting of bail pending appeal. Section 3143(b)(2) sets forth a list of circumstances in which bail pending appeal is appropriate. The circumstances include the likelihood that the appeal will result in a sentence not involving a term of imprisonment; but they do not address the situation where the appeal is likely to result in a sentence of imprisonment that is shorter than the time already served by the defendant plus the expected duration of the appeal process.

The amendment provides that is such circumstances the court should release the defendant in accordance with 18 U.S.C. 3142(b) or (c) after he had been in prison for the period to which his sentence was likely to be reduced.

Section 7092—

Section 7092 amends chapter 206 of title 18 to permit emergency installation of pen registers and "trap and trace" devices. It parallels 18 U.S.C. 2518(7) which permits such emergency installation of wiretaps.

Section 7093-7096—

These sections are derived from an Administration proposed bill that was transmitted to Congress in August, 1987, and in a modified version, was introduced in the House as H.R. 4021. The proposal adds a new section to title 18 permitting Federal Prison Industries, Inc., a wholly owned government corporation within the Bureau of Prisons, to borrow funds from the Treasury to finance capital expansion needed to keep pace with growing prison population. Federal Prison Industries, Inc. is self-sustaining and can only use its retained earnings to conduct operations, to build, acquire and maintain its factories, and to fund inmate training. See 18 U.S.C. 4126.

In the past, the corporation has funded its efforts through sales and current revenues. However, the recent massive increase in prison population has created a need for a program of capital expansion to support industrial programs for inmates. These programs are criticial in reducing the idleness associated with prison overcrowding. The capital required for this expansion program cannot be funded from sales and current revenues and will necessitate the ability of corporation, which the amendment would confer, to borrow money from the Treasury.

Title VII—Subtitle D—Victim Compensation and Assistance

Section 7121. Victims of Crime Act of 1984 Reauthorization—

This section reauthorizes the Victims of Crime Act (hereafter referred to as "the Act") by extending the date that deposits can be made to the Crime Victims Fund (hereafter in this section referred to as "the Fund") to September 30, 1994.

This section makes several additional substantive amendments. This section raises the "ceiling" on the Fund to $125 million in fiscal 1989 and to $150 million in fiscal 1991. In addition, subsection (a) allocates up to $2.2 million of any monies in the Fund in excess of the ceiling to the federal judiciary to improve the collection of criminal fines and to increase the amount of deposits in the Fund. Any monies allocated to fine collection under this section would not come from victims programs; only monies in excess of the cap could be used for fine collection activities.

Subsection (b) amends the formula for distributing monies from the Fund. Specifically, the amendment provides that 47.5 percent of the funds shall be made available to eligible State crime victim compensation programs; 47.5 percent shall be made available to eligible crime victim assistance programs; and 5 percent shall be made available to provide services directly to victims of federal crimes.

Section 7122. Victims Assistance Amendments—

This section amends the Victims of Crime Act to require that states make funds available for programs that serve previously underserved victims populations. This amendment represents a compromise between members who wanted to add drunk driving victims to the list of priority programs and those who did not want any changes to the priority language. The final language of this section is virtually identical to the language that was included in the Senate-passed version of the Anti-Drug Abuse Act of 1988.

In keeping with the Department's guidelines implementing the priority language of section 1404(a) of the Act, the Senate directs the Attorney General to issue guidelines that ensure that at least ten percent of a state's victims assistance funds shall be used to provide grants to programs serving previously underserved victims populations, including, for example, survivors of homicide victims, victims of drunk and drugged driving incidents. This section also directs the Department to issue guidelines, after consultation with state and local officials and interested private parties, that provide flexibility to the states in determining the victims populations that may be underserved in their respective states.

It is important to note that the Department of Justice anticipates that revenues into the Fund will increase significantly in the next six years, due to increased criminal fines and improved procedures for fine collection. The Senate believes that these increases should provide an opportunity to fund new programs serving underserved populations without decreasing the level of commitment to existing programs, including priority programs. This section also requires the Director to issue guidelines, after consultation with state and local officials and interested private parties, that provide flexibility to the states in determining the types of victims that are underserved in such state. The Senate also believes that the intent of the priority under section 1404(a) of the Act should be clarified in that it is not the intent of Congress that specialized victim assistance programs serving only one or more of the priority victim populations be required to provide generic victim services in order to remain eligible for crime victim assistance grants.

Section 1404(a)(2)(A) requires that the chief executive of each State certify that three types of crime victims assistance programs—rape crisis centers, domestic violence shelters, and child abuse programs—will receive priority in the distribution of grant money within the State. This requirement will remain in effect until expiration of the Victims of Crime Act on September 30, 1992. The requirement ensures that an adequate portion of each State's grant under section 1404(a) will be used to sustain and maintain a variety of vitally important crisis intervention services provided on a 24-hour per day basis to the targeted crime victim populations. In awarding subgrants serving the priority victim populations, Congress intended that only those programs which specialize in the care and treatment of these victims be defined as a "priority program" for purpose of implementing this provision of law. To do otherwise de-emphasizes the quality of victim services provided by specialized victim assistance organizations; and distorts the States' spending data collected by the Department of Justice.

The rationale for ensuring that rape crisis centers, domestic violence shelters and child abuse programs obtain federal crime victim assistance subgrants is threefold. First, these programs have traditionally been outside the criminal justice system and have therefore frequently been overlooked in funding decisions despite the contribution they make to that system. Secondly, the record of States in compensating victims of these crimes points to the fact that it is through the crime victim assistance subgrants that these victims are most likely to obtain any benefit from this federal program. Finally, given the history of private and public funding for crisis intervention services for these victims, an assurance that support from this federal program will be forthcoming is warranted.

The Senate is concerned that the April 1987 Department of Justice revised administrative guidelines establish grantee eligibility considerations not intended by Congress which promote discrimination against specialized victim assistance programs. Some states are using these guidelines to justify their decision to force specialized victim assistance providers to expand the victim populations they serve or risk losing future subgrants. The Office of Justice Programs should consider revising the administrative guidelines to reflect more accurately Congressional interest in requiring prioritization of services to victims of sexual assault, domestic violence and child abuse.

Section 7123. Establishment of Office.—

This section amends the Act to establish the Office for Victims of Crime (hereafter referred to in this section as "the Office") as a bureau within the Department of Justice. While it is anticipated that the current structure of the Office will largely be maintained, the Senate believes that establishing the Office as a bureau highlights the importance of the Office and provides continuity for the Office's work. The Director of the Office shall be appointed by the President, by and with the advice and consent of the Senate. The Senate believes that the Director should be a recognized expert in the law enforcement or social services fields (and preferably both), with some experience assisting victims of crime. This section further provides that the Director shall have the authority to make grants under the Act and shall have final authority for all grants, cooperative agreements and contracts awarded by the Office. Finally, section 1102 requires the Director to report through the Assistant Attorney General for the Office of Justice Programs to ensure coordination with other Office of Justice Program agencies.

Section 7124. Grants to Indian County.—

The Childrens Justice and Act of 1986 was enacted in order to improve the handling of child abuse cases at the state and local level by allocating 4.5 percent of the monies in the Fund to establish task forces on child abuse. Recognizing the large number of child abuse cases on Indian reservations, this section amends section 1402 of the Act to provide that the Director shall use 15 percent of the funds made available under the Childrens Justice Act (42 U.S.C. 1402(d)(2)(A)(iv)) for grants to Indian country to improve the investigation and prosecution of child abuse cases on Indian reservations. The Director shall be responsible for the administration of these grants, in consultation with the Department of Health and Human Services and the Bureau of Indian Affairs.

Section 7125. Other Amendments to the Victims of Crime Act of 1984.—

(a) New Criteria.—This subsection makes two substantive changes to the Act. The first amendment provides that States must provide compensation to residents of a State if they are victimized outside the State if the State in which they are victimized does not have a victim compensation program. The second amendment provides that States cannot deny compensation to victims of domestic and family violence because of a familiar relationship between the victim and the offender or because the victim shares a residence with the offender. State programs may refuse to compensate the victim if compensating the victim would unjustly enrich the offender.

(b) Increase of State Annual Grant.—This subsection raises from 35 percent to 40 percent the level at which a State with an eligible victim compensation program will be reimbursed for what it spent to compensate crime victims in the previous year.

(c) Adding Victims of Drunk Driving and Domestic Violence.—This subsection amends the Act to require that an eligible compensation program compensate drunk driving victims and victims of domestic violence. This provision may require some States to revise their laws in order to make drunk driving and domestic violence compensable crimes.

(d) Change in Victim Compensation Criteria.—This language merely clarifies that a program compensate victims of federal crime occurring within the State on the same basis as victims of State crimes.

Section 7126. Treatment of Eyeglasses—

This section requires that eligible victim compensation programs cover loss of eyeglasses and other corrective lenses as comparable medical expenses.

Section 7127. Inclusion of Virgin Islands as State for all Purposes of Act.—

This section amends section 1404(d)(1) of the Act to include the Virgin Islands as a State for purposes of determining the size of the victim assistance grant under section 1404.

Section 7128. Allocation to States.—

This section alters the formula for determining a State's victim assistance grant under section 1404 of the Act by providing that each State shall receive a minimum grant of $150,000 each year beginning in fiscal 1989. The minimum increases to $200,000 in fiscal 1991.

Section 7129. Transitional Rule.—

Section 7129 establishes a transitional period for States to revise their laws to meet new requirements enacted in this legislation.

Section 7130. Retroactive Transfer to Fund.—

This section provides that funds collected from criminal fines and penalties between October 1, 1988, and the effective date of this Act shall become a part of the Fund.

Title VII—Subtitle G—Prisons, Parole, Probation and Supervised Release

This subtitle contains several provisions relating to prisons, parole, probation and unsupervised release. Other provisions relating to these matters appear in subtitle G of title VI, and subtitles B and C of title VII.

Section 7301 directs the United States Sentencing Commission to conduct a study within one year of the feasibility of requiring prisoners to pay some or all of the costs incident to their confinement. It is expected that the commission will report promptly to Congress on the results of its study.

Section 7302 makes the Bureau of Prisons, in conjunction with the Department of Defense, responsible for maintaining confinement facilities for civilian prisoners on military installations.

Section 7303 amends various provisions of title 18 relating to parole, probation and supervised release making it a mandatory condition of those alternatives to incarceration that the defendant not possess any controlled substance, and making revocation of parole, probation, or supervised release automatic upon a finding that the defendant violated that condition. This provision applies to all persons whose parole, probation, or supervised release begins on or after January 1, 1989, regardless of the date of the offense or of the imposition of sentence.

Section 7304 directs the Administrative Office of United States Courts to establish a demonstration program of drug testing of criminal defendants. The program is to apply to eight judicial districts and to last for two years.

Under the program, drug testing will be mandatory for all criminal defendants at the time they make their initial appearance in court, and the results of such tests will be available to the court at the time any pretrial release determination is made. Furthermore, drug testing will be a mandatory condition of probation or supervised release for all persons convicted of a felony occurring on or after January 1, 1989.

Section 7305 provides that "house probation" may be used as an alternative to incarceration, and may therefore be specified as a condition of probation, parole, or supervised release.

Title VII—Subtitle I—Provisions Relating to the Federal Bureau of Investigation

Section 7331. Authority for the Federal Bureau of Investigation to Investigate, Upon Request, Felonious Killings of State and Local Law Enforcement Officers—

This section provides authority for the Federal Bureau of Investigations (FBI) to investigate, upon request, killings of state or local law enforcement officers. From 1970-81, acting pursuant to a Presidential directive, the FBI followed a policy of lending investigative assistance, upon request, to State or local law enforcement authorities in crimes involving the slaying of a State or local law enforcement officer. The program is believed to have been of great benefit to local authorities in successfully solving their police killing cases. Nevertheless, the Department of Justice was compelled to terminate the program in February, 1981 after a review by the Office of Legal Counsel concluded that in the absence of a related federal violation under its jurisdiction the FBI lacked a legal basis to investigate police killings.

The present proposal is an effort to establish the necessary statutory authority for the FBI to resume the function it formerly exercised of providing investigative aid in felonious killings of non-federal law enforcement officers acting in the line of duty. The FBI Uniform Crime Reports for 1986, the last year for which they are available, indicate that 66 law enforcement officers were feloniously killed in 1986, and that the number has steadily declined in the last several years from a high of 132 slain officers. Thus, it seems clear that the number of potential incidents is small enough so that the opportunity for FBI investigative assistance can be made available in appropriate cases, as determined by Departmental guidelines, without any significant effect on the FBI's ability to carry out its other mission functions.

Section 7332. Uniform Federal Crime Reporting Act—

This section requires the FBI to include federal crimes in the Uniform Crime Reports compiled by the FBI. In addition, this section requires all federal agencies with investigative responsibilities to report details about criminal activity in their jurisdiction to the FBI in a uniform manner. Finally, this section requires the FBI to distribute the uniform crime report to the President, Congress and other specific criminal justice policy makers.

Section 7333. College and Railroad Police Information—

This section permits the Attorney General to provide access to police agencies associated with private colleges and railroads, access to federal criminal justice data banks. Under existing law, the Attorney General has the authority to determine the criteria by which state and local police agencies are allowed access to federal criminal justice data banks. The Attorney General, however, can only extend access to agencies that have arrest authority under State law and that meet the training requirements established by law for law enforcement officers.

Title VII—Subtitle N—Child Pornography and Obscenity

CHAPTER 1—CHILD PORNOGRAPHY

Section 7511. Computer Bulletin Boards—

Section 7511 amends the 1978 child pornography act to allow the prosecution of persons who transfer or advertise the availability of child pornography on computer bulletin boards. (Computer bulletin boards are shared data banks that may be accessed from the personal computer in one's home via telephone lines.)

Section 7512. Buying and Selling of Children—

This section adds a new statute, 18 U.S.C. 2251A, to the child pornography act that prohibits any person (including a parent or guardian) from selling or otherwise transferring custody of a child knowing that the child would be used in the production of child pornography.

Section 7513. Record Keeping Requirements—

This section adds a new statute, 18 U.S.C. 2257, to the child pornography act that requires producers of material depicting sexually explicit conduct to maintain a record of the name and age of every person depicted. This applies to any material produced after February 6, 1978, the effective date of the child pornography act. Thus a person who is given material depicting sexually explicit conduct for distribution must locate and ascertain the name and age of every person depicted, and must affix to the distributed material a notice stating the place where the records containing this information are located. Failure to do so creates a presumption that the persons depicted were under age, subjecting the distributor to prosecution under the child pornography act.

The purpose of the new statute is to give prosecutors a means of overcoming the burden of proving, in a child pornography case, that the persons depicted were underage. Under present law, such proof is difficult unless the performer is obviously very young or can be found to testify regarding his or her age. Of course, the defendant may overcome the statutory presumption by offering evidence of the performer's age. It remains the government's burden to prove, beyond a reasonable doubt, that the performer was underage.

Section 7514. RICO Predicate—

Section 7514 makes the child pornography statutes RICO predicates. The same provision appears in the drug bill in Section 7054. This provision therefore is surplusage.

CHAPTER 2—OBSCENITY

Section 7521. Federal Jurisdiction over Obscenity Offenses—

Current law makes it a federal offense to transport obscene material in interstate or foreign commerce. 18 U.S.C. 1462, 1465. The Attorney General's Commission on Pornography found that these statutes are difficult to use because it is sometimes difficult to prove that the material in question was actually so transported at a particular time and place.

Section 7521 of the bill addresses this concern by creating a new statute, 18 U.S.C. 1466, making it an offense merely to receive or to possess, with intent to distribute, obscene matter that had been transported in interstate or foreign commerce at some time in the past. The defendant would not have to have been involved in the earlier interstate act. Another new statute, 18 U.S.C. 1469, creates a rebuttable presumption that the material has been transported in interstate commerce if it can be shown that it was manufactured in one state and is subsequently found in another.

The original version of this provision, section 201 of S. 2033, applied both to businesses and to other persons who might transfer certain materials on a more casual, private or personal basis (e.g. a person selling his or her magazine collection at a garage sale). The language relating to non-commercial transactions was deleted in the Senate. While the Senate made it clear that the remaining language applied to all commercial operations, it included an affirmative defense intended to protect legitimate, mainstream booksellers, video distributors and others who ordered merchandise by title, never offered it for sale, and returned it within 21 days.

The House of Representatives amended the statute still further, restricting its application only to those "engaged in the business of selling or transferring obscene matter". As defined in section 1466(b), that phrase is meant to restrict application of the new statute to persons who devote time to selling or transferring obscene matter as a regular course of trade or business. Because this change excludes legitimate vendors and distributors from the statute entirely, the affirmative defense was considered unnecessary and was deleted.

Section 7521 also expands the jurisdictional basis of the existing obscenity statute, 18 U.S.C. 1465, by making it a crime to travel in interstate commerce, or to use a facility of interstate commerce, for the purpose of transporting obscene material in interstate commerce.

Section 7522. Forfeiture—

Section 7522 creates a new obscenity forfeiture statute, 18 U.S.C. 1467, providing for criminal forfeiture in cases involving violations of any of the federal obscenity statutes. The new statute is closely modeled on the criminal forfeiture provisions in the Controlled Substances Act (21 U.S.C. 853).

Criminal forfeiture is an in personam action that follows a criminal conviction for a specified offense. It is imposed by the sentencing judge following conviction, and is intended to be a punishment imposed on the defendant in addition to other penalties (such as fines and imprisonment) provided by law. *United States* v. *Cauble*, 706 F.2d 1322, 1349 (5th Cir. 1983). To effect the punitive purpose, courts may order forfeiture of a broad range of property obtained by the defendant in the course of, or used by the defendant to facilitate, the criminal offense of which he has been convicted. Id.; *United States* v. *Lizza Industries*, 775 F.2d 492, 498 (2nd Cir. 1985). Because the forfeiture is attendant to a criminal proceeding, however, the government's burden in establishing the forfeitability of the defendant's property is proof "beyond a reasonable doubt."

As mentioned, the proposed criminal forfeiture provisions for obscenity offenses are modeled on 21 U.S.C. 853, the statute governing forfeitures following conviction for a drug felony. Under section 853, the court is required to order forfeiture of the proceeds of the unlawful offense and any property used to facilitate commission of the offense. The latter category includes a business that is used to facilitate the commission of a drug felony. "Asset Forfeiture: Law, Practice and Policy" (Dept. of Justice Forfeiture Manual) at 157. As amended by the Anti-Drug Abuse Act of 1986, criminal forfeiture for a drug offense also includes forfeiture of "substitute assets". 21 U.S.C. 853(p). This requires the court to order the forfeiture of other assets of equivalent value belonging to the drug defendant when property found to be forfeitable is not available at the time of conviction.

All of these provisions of 21 U.S.C. 853 are incorporated in the new statute. Thus a defendant convicted of a federal obscenity offense would be required to forfeit the obscene material and any profits derived from its sale. Forfeiture of the property used to promote or facilitate the illegal act is also possible, but under the new statute, unlike the drug forfeiture statute from which it is derived, forfeiture of such property is discretionary.

In exercising this discretion, the court is required to take into account the "nature, scope, and proportionality of the use of the property in the offense." This language is intended to make it unlikely that a bookseller convicted of distributing obscene material from his store would be required to forfeit his entire business, including other stores in a chain, unless the entire business were involved in the distribution of obscenity.

Section 7522 also replaces existing criminal and civil forfeiture provisions relating to child pornography, 18 U.S.C. 2253-54, with versions of those statutes that are more closely modeled on their narcotics counterparts.

Section 7523. Cable Television Obscenity—

This section creates a new statute, 18 U.S.C. 1468, designed to provide federal criminal jurisdiction over the transmission of obscene matter by cable television. Present statutes relating to radio and television broadcasts and interstate transportation of obscene material arguably do not reach intrastate transmission over cable TV lines. *See* 18 U.S.C. 1464-65. Thus the proposed provision may be necessary to extend existing federal interests into a new area created by a new technology. The new offense is a felony punishable by 2 years' imprisonment.

Section 7523 also clarifies that federal obscenity law is not intended to preempt the states from regulating the distribution of obscene matter by cable television.

Section 7524. Obscene Telephone Calls—

This section increases the penalties for "dial-a-porn" violations, 47 U.S.C. 223(b).

Section 7525. Wiretap Predicates—

This section would add federal obscenity offenses to the list of offenses for which wiretap applications can be made.

Section 7526. Child Pornography and Obscenity on Federal Lands—

This section makes it a crime to distribute obscenity and child pornography on federal lands and in federal buildings. A provision in the Senate version of this section relating to simple possession of such materials was deleted. Also, for the reasons stated above in reference to section 7521, the affirmative defense included in the Senate version was deleted by the House of Representatives.

Title VII—Subtitle O—Miscellaneous Criminal Provisions

Section 7601. Cash Transactions and IRS Undercover Activities—

Subsection (a) makes it an offense to cause a trade or business to fail to file the information required by section 6050I of the IRS Code regarding large cash transactions. It also enhances the penalties for such reporting violations.

Subsection (b) permits the Secretary of the Treasury to disclose 6050I returns to other federal agencies for the administration of criminal statutes unrelated to taxation. Such returns will be useful to the Attorney General in money laundering investigations, for example.

Subsection (c) enhances the undercover capabilities of the IRS by authorizing the agency to purchase buildings and to lease space, to establish or to acquire business entities, to deposit money in financial institutions, and to use the proceeds of undercover operations to offset the cost of such activities.

Section 7602. Recovery of Costs Incurred by Local Law Enforcement—

This section authorizes the IRS to reimburse local law enforcement agencies for the cost of investigations that assist the IRS in recovering federal taxes imposed in connection with drug or money laundering activities.

Section 7603. Intangible Rights for Mail and Wire Fraud—

This section overturns the decision in *McNally* v. *United States* in which the Supreme Court held that the mail and wire fraud statutes protect property but not intangible rights. Under the amendment, those statutes will protect any person's intangible right to the honest services of another, including the right of the public to the honest services of public officials. The intent is to reinstate all of the pre-*McNally* caselaw pertaining to the mail and wire fraud statutes without change.

Section 7604. National Commission on Drug Free America—

This section creates a commission to be headed by the Director of the Office of National Drug Control Policy that is to devise and report to Congress in 120 days on a uniform code of state laws to achieve a drug-free America by 1995.

Section 7605. Use of Federal R&D Facilities—

This section directs the President to devise and report to Congress in 90 days on a plan for using existing federal research and development facilities to develop technologies applicable to federal law enforcement agency missions.

Section 7606. Civil Air Patrol—

This section authorizes the Civil Air Patrol to increase its participation in drug interdiction and eradication activities of federal, state and local government agencies. It also requires certain reports regarding the level of support provided by the Civil Air Patrol to these agencies.

Section 7607. Defense Drug Interdiction—

This section makes a technical change to the 1989 Defense Appropriations Act regarding the role of the defense agencies in drug interdiction.

Section 7608. Marshals Service—

(a) Generally, this section makes changes to chapter 37 of Title 28 in order to combine existing sections as well as add new provisions relating to the functioning of the United States Marshals Service.

Subsection 1 contains the following provisions:

1. 18 USC 561(a) adds a new provision to establish the United States Marshals Service as a bureau within the Department of Justice under the authority and direction of the Attorney General. Although the Marshals have been statutorily under the supervision of the Attorney General for more than 100 years, the Marshals Service exists only by virture of an Attorney General directive. This section provides for a Director appointed by the President, with the advice and consent of the Senate. Presidential appointment of the Marshals Service Director is consistent with the similar status accorded Assistant Attorneys General and heads of other major Department of Justice divisions. Moreover, the amendment would eliminate the anomaly of an Attorney General appointee supervising the activities of 93 Presidentially appointed Marshals.

2. 18 USC 561(b) adds a new provision to provide that the Attorney General may delegate appropriate functions to the Director of the United States Marshals Service.

3. 18 USC 561(c) amends the current provision to provide for the establishment of an Office of United States Marshal for the Superior Court. Currently, the U.S. Marshal for the District of Columbia provides support and executes court orders for the Federal court and, in addition, provides law enforcement support for the "municipal" DC Superior Court. Moreover, the Superior Court workload exceeds that of even the largest federal judicial districts. The establishment of a separate Office of U.S. Marshal for the DC Superior Court will assure that both the District Court and the Superior Court receive the levels of attention they require. This section also provides that the U.S. Marshal for the Northern Mariana Islands may also serve as a marshal in another judicial district.

4. 18 USC 561(d) retains current law in section 561(b) which provides that a marshal shall be appointed for a four year term and shall remain in office after the expiration of his term until a successor is appointed and qualifies.

5. 18 USC 561(e) retains current law in section 561(c) which provides that the Attorney General shall designate places for a Marshal's office within each district. Generally, this section provides that a Marshal must reside within the district for which he is appointed. An exception to the general rule is that the Marshal for the District of

Columbia and the Southern District of New York may reside within 20 miles of their district. This section amends current law to apply the exception to the newly created Marshal for the Superior Court of the District of Columbia. This section also carries forward current law which provides that the Marshal for the Northern Mariana Islands may reside in another district if he is also serving as Marshal for that district.

6. 18 USC 561(f) creates a new subsection which authorizes administrative authorities relating to the selection and appointment of law enforcement and staff support personnel in accordance with applicable Federal personnel regulations, and the supervisory authority of the Director.

7. 18 USC 561(g) adds a new subsection to provide that the Director shall supervise and direct the United States Marshals Service.

9. 18 USC 561(i) authorizes the appropriation of such sums as may be necessary to carry out the responsibilities of the Marshals Service.

18 USC 562 creates a new section to provide for the appointment of an Acting Marshal by the Attorney General in the case of a vacancy in such office. It also assures the temporary nature of such interim appointment by prohibiting the designation of any person whose appointment by the President to that office has been rejected by the Senate and by providing for the automatic termination of such interim appointments under specified circumstances.

18 USC 563 amends current law to delete the prescribed oath and provide generally that the Director, U.S. Marshals and law enforcement officers of the service must take an oath of office.

18 USC 564 retains current law in section 570 which restates the historic authority of U.S. Marshals and his deputies, in executing the laws of the United States, to exercise the same powers as sheriff of a State. This provision amends current law to explicitly provide that such authority is also shared by other law enforcement officials of the Service.

18 USC 565 adds a new section to authorize the Director to expend funds for expenses for personal services contracts and cooperative agreements, as authorized by the Attorney General, for security guards and the service of summons, subpoenas and notices.

18 USC 566 would be amended in the following ways:

1. 18 USC 566(a) restates the historic functions of marshals service as marshals of the courts.

2. 18 USC 566(b) incorporates the language of current section 569(a), which authorizes the court to require the marshals attendance at court proceedings.

3. 18 USC 566(c) mandates the execution by the Marshals Service of all lawful writs, process and orders issued by the courts, and authorizes it to "command all necessary assistance" to execute its duties.

4. 18 USC 566(d) authorizes law enforcement officials of the Service to carry firearms and to make arrests, as directed by the Attorney General.

5. 18 USC 566(e)(1) authorizes the Service to provide personal protection to judges, court officers, witnesses and other threatened persons when necessary to prevent criminal intimidation in connection with a judicial proceeding or other official proceeding.

6. 18 USC 566(e)(2) authorizes the Service to conduct fugitive investigations, domestic and foreign, as directed by the Attorney General. This subsection further provides that such authority shall not be construed to interfere with or supersede the authority of other Federal agencies or bureaus to conduct such investigations.

7. 18 USC 566(f) retains the current requirement contained in Section 572a concerning the deposit of public monies into the Treasury.

8. 18 USC 566(g) retains current law which provides for the transfer of prisoners (573) and unserved process (574) from departing marshals and deputy marshals to their successors.

9. 18 USC 566(h) provides for the payment by marshals of U.S. Attorneys offices expenses as may be directed by the Attorney General.

Section 2(B) makes necessary renumbering changes to Title 28 and repeals sections 572a, 573, and 574 which have been consolidated into sections 565 and 566.

Section 3 amends 28 USC 524(c)(1)(A) to add a new provision authorizing the Attorney General to exempt the procurement of goods and services under the Department of Justice Assets Forfeiture Fund from the requirements of the Federal Acquisition Regulations (FAR). The high volume of activity occurring within the national asset seizure and forfeiture program is generating a significant demand for the services of qualified experts in various fields to assure the accurate identification and immediate, secure management of a wide range of assets seized by Federal law enforcement agencies from individuals allegedly engaged in drug trafficking and other illicit activities. The requirements imposed by FAR were not designed to address the need for speed and confidentiality in securing such assistance. This exemption is necessary to permit the expenditious hiring of qualified private sector individuals or firms to perform title searches on properties targeted for seizure and to provide interim management for seized businesses to prevent deterioration. This exemption would also prevent the public release of confidential information concerning the impending seizure or continuing maintenance of an asset, thus compromising an ongoing criminal investigation.

Section b amends 28 USC 755 to delete the third paragraph which provides that bailiffs may only be paid on those days when court is in session.

Section c makes the following amendments to 28 USC 1921 with regard to Marshals Fees:

1. 28 USC 1921(a)(1) amends current law to allow the Attorney General to set fees collected from non-federal entities by Marshals in civil and criminal matters at levels reflecting the actual cost of the service provided. Current law explicitly sets the fee for the particular service performed.

28 USC 1921(a)(2) retains current law in 28 USC 1921(a)(6) which provides that a deposit shall be collected to cover the expenses for the maintenance of attached property and other amounts shall be collected as necessary to provide for the continued maintenance.

28 USC 1921(a)(3) retains current law in 28 USC 1921(a)(9) which provides the method for computing mileage when a Marshal acting pursuant to 1921(a)(1)(G) provides two or more services or endeavors to:

1. the same party in the same case on the same trip to 2. to the same party on the same person in the same case. Under this section, the current fee for mileage (12 cents) is deleted.

2. 28 USC 1921(b) provides that the Attorney General may set by regulation the fees for the services performed by the Marshals.

3. 28 USC 1921(c)(1) retains current law with regard to the collection of a commission by the Marshals for the sale of forfeited property. The section adds a new provision which allows the Attorney General to set the range of the commission. This would allow for those situations where the the commission would not cover the maintenance costs, i.e. where the maintenance cost greatly exceeds the value of the property.

28 USC 1921(c)(2) authorizes the Attorney General to establish by regulation a minimum and maximum amount of the commission to be collected.

4. 28 USC 1921(d) retains current law in 28 USC 1921(b)(2) which authorizes the Marshals to require a deposit to cover the fees for Marshals' services.

Section (d) addes a new section to title 18 chapter 301 relating to prisons and prisoners which contains the following provisions:

1. 18 USC 4013(a)(1-3) authorizes payment from appropriated funds for the costs of necessary clothing and medical care for Federal prisoners in non-federal institutions and for the payment of rewards in connection with the capture of Federal fugitives. (18 USC 3059)

2. 18 USC 4013(a)(4-5) provides and codifies the authority for the Cooperative Agreement Program under which the Service provides funds for state and local jail construction or modernization in exchange for the housing of Federal prisoners in those facilities. Congressional and administration initiatives leading to increased numbers of arrests of drug violators and other criminals require a significant expansion of available jail space for their short-term incarceration. This secure housing is obtained for the Federal government through the Marshals Service Cooperative Agreement Program.

Section 6 amends 5 USC 5315 by adding the Director to those for whom compensation at Executive Level IV (currently) is authorized.

Section 7609. Data Collection and Reporting.—

This section requires the Attorney General (and, by delegation, the Federal Bureau of Investigation) to include incidents of domestic and family violence in the uniform crime reports compiled by the Department of Justice. Collecting such statistics is consistent with the federal government's responsibility to compile and distribute national crime statistics. This is particularly important in the area of domestic violence, where a dearth of statistics at the federal, state and local levels has hindered the ability of law enforcement officials to develop and implement domestic violence programs. This section also authorizes "such sums as may be necessary" to collect and publish these statistics.

This section should complement the new provision in the Drug Control and Criminal Justice System Improvement Grant Program which adds domestic and family violence programs to the list of programs that can be funded under chapter I of this subtitle. As a result, state and local law enforcement agencies shall be eligible to receive limited federal funding to improve their response to incidents of domestic and family violence, including spouse abuse, child abuse and abuse of the elderly. These targeted resources should assist the states in developing innovative programs to deal with increasing incidents of domestic violence.

CROSS REFERENCE TO SELECTED PROVISIONS RELATING TO CRIMES AND PENALTIES 1988 DRUG BILL

Code sec.	Bill sec.	Senate bill [1]	Description
18 USC 1245	6472	155	Ballistic Knife Act Jurisdiction.
18 USC 13	6477	193	Drunk Driving—Federal Lands.
18 USC 18	7012	102	Technical.
18 USC 19	7089	191	Petty Offenses.
18 USC 31	7015	105	Technical.
18 USC 32(a)(3)	7016	106	Do.
18 USC 11	6487	2770	Threats Against Former Officials.
18 USC 112(b)	6478	194	Embassy Demonstrations.
18 USC 115	6487	2770	Threats Against Families of Former Officials.
18 USC 152	7017	107	Technical.
18 USC 241	7018	108	Do.
18 USC 242	7019	109	Penalty Increase for Civil Rights Violation.
18 USC 341	7063	164	Technical.
18 USC 341	6482	2754	Common Carriers/Locomotives.
18 USC 342	6473	156	Common Carrier Operation.
18 USC 342	6482	2754	Common Carrier/Penalties.
18 USC 343	6473	156	Common Carrier Operation.
18 USC 351(a)	7074	175	Technical.
18 USC 553	7021	111	Do.
18 USC 709	7079	180	Unauthorized Use of "Secret Service."
18 USC 751(a)	7055	150	Penalty for Misdemeanor Escape.
18 USC 752(a)	7055	150	Do.
18 USC 794(d)(4)	7064	165	Technical.
18 USC 831(e)	7022	112	Do.
18 USC 842(d)(5)	6474	157	Do.
18 USC 842(i)(3)	6474	157	Do.
18 USC 844(g)	6474	157	Explosives Offenses/Airports.
18 USC 844(h)	6474	157	Carrying Explosive in Commission of Felony.
18 USC 922	6213	0	McCollum Amendment—Sales of Firearms.
18 USC 922(g)	7060	161	Technical.
18 USC 923	7060	161	Do.
18 USC 924(a)	6462	2306	Penalties for Firearms Offenses.
18 USC 924(c)	6212	160	Defining "drug trafficking crime."
18 USC 924(c)	6460	2302	Minimum Penalties for Weapons Offenses.
18 USC 924(c)(1)	7060	161	Technical.
18 USC 924(e)	6451	2101	Violent Crimes by Juveniles.
18 USC 924(e)(1)	7056	151	Armed Career Criminal—3 Offense Requirement.
18 USC 924(f)(g)	6211	0	Transfer of Firearms to Drug Traffickers.
18 USC 929(a)	6212	160	Defining "drug trafficking crime."
18 USC 929(a)	7060	161	Technical.
18 USC 930	6215	2304	Possession of Dangerous Weapon in Federal Facility.
18 USC 981	6469	146	Postal Service/Money Laundering.
18 USC 981	6463	2351	Forfeiture of Actual Money Laundered.
18 USC 981(a)(1)	6470	148	Forfeiture Involving Foreign Drug Offense.
18 USC 981(a)(2)	6470	148	Technical.
18 USC 981(g)	6471	149	Money Laundering Tax Offense.
18 USC 981(i)(1)	6470	148	Technical.
18 USC 982(a)	6463	2351	Forfeiture of Actual Money Laundered.
18 USC 982(b)	6464	2352	Forfeiture of Substitute Assets.
18 USC 1028(a)(6)	7023	113	Technical.
18 USC 1030(a)(2)	7065	166	Do.
18 USC 1084	7024	114	Transmitting Wagering Information Where Legal.
18 USC 1111(a)	7025	115	Technical.
18 USC 1113	7058	154	Increased Penalty for Attempted Murder.
18 USC 1114	7026	116	Technical.
18 USC 1153	7027	117	Do.
18 USC 1203	7028	118	Do.
18 USC 1345	7077	178	Injunctions Against Fraud.
18 USC 1346	7603	0	Mail and Wire Fraud Intangible Rights.
18 USC 1460	7526	0	Selling Obscenity on Federal Lands.
18 USC 1465	7521	0	Selling or Transferring Obscene Matter.
18 USC 1465	7522	0	Criminal Forfeiture for Obscenity Offenses.
18 USC 1466	7521	0	Selling or Transferring Obscene Matter.
18 USC 1467	7522	0	Criminal Forfeiture for Obscenity Offenses.
18 USC 1468	7523	0	Obscene Material on Cable TV.
18 USC 1469	7521	0	Presumptions re: Obscene Matter.
18 USC 1512	7029	119	Venue Clarification for Obstruction of Justice.
18 USC 1515	7030	120	Technical.
18 USC 1515(a)(1)	7029	119	Include Tax Court and Court of Claims.
18 USC 1516	7078	179	Obstruction of Federal Audit.
18 USC 1716A	7090	192	Non-Mailability of Locksmithing Devices.
18 USC 1791	6468	2501	Drug Offenses in Prisons.
18 USC 1855	6254	0	Technical.
18 USC 1864	6254	0	Hazardous Devices of Federal Lands.
18 USC 1952A	7053	143	Redesignate as 1958.
18 USC 1952B	7053	143	Redesignate as 1959.
18 USC 1956(a)	6471	149	Money Laundering Tax Offense.
18 USC 1956(a)	6465	2353	Money Laundering "Sting" Operations.
18 USC 1956(c)(7)	7031	121	Technical.
18 USC 1956(c)(7)	6183	0	Do.
18 USC 1956(c)(7)	6466	2354	New Specified Offenses.
18 USC 1956(e)	6469	146	Postal Service/Money Laundering.
18 USC 1957	6469	146	Do.
18 USC 1957	6182	0	Exemption for Attorney's Fees.
18 USC 1957	6184	0	Definition of Monetary Instrument.
18 USC 1958	7058	154	Increased Penalty for Murder-for-Hire.
18 USC 1961(1)	7013	103	Technical.
18 USC 1961(1)	7032	122	Do.
18 USC 1961(1)	7054	144	Adds 3 RICO Predicates.
18 USC 1962(d)	7033	123	Technical.
18 USC 1963	7034	124	Do.
18 USC 1963	7058	154	RICO Life Term.
18 USC 2232(c)	7066	167	Technical.
18 USC 2244(a)	7058	154	Increased Penalty for Sexual Abuse.
18 USC 2251(c)	7511	0	Use of Computers for Child Porn.
18 USC 2251A	7512	0	Buying and Selling of Children.
18 USC 2252(a)	7511	0	Use of Computers for Child Porn.
18 USC 2253–54	7522	0	Crim. and Civ. Forfeiture for Child Porn Offenses.
18 USC 2256	7511	0	Use of Computers for Child Porn.
18 USC 2256	7512	0	Buying and Selling of Children.
18 USC 2257	7513	0	Child Porn Record Keeping Requirement.
18 USC 2314	7057	153	Exemption for Foreign Currency.
18 USC 2314	7080	181	Aggregation of jurisdictional amount.
18 USC 2315	7048	138	Federal Jurisdiction—Forged/Stolen Property.
18 USC 2315	7057	153	Exemption for Foreign Currency.
18 USC 2331	7062	163	Technical.
18 USC 2331	7063	164	Do.
18 USC 2422	7070	171	Do.
18 USC 2424	7071	172	Do.
18 USC 2516(1)	7036	126	Do.
18 USC 2516(1)	6461	2305	Firearms Predicates.
18 USC 2516(1)	7525	0	Obscenity Wire Taps.
18 USC 2702(b)(2)	7037	127	Technical.
18 USC 2703(b)(1)	7038	128	Trial Subpoenas.
18 USC 2703(c)(1)	7038	128	Do.
18 USC 2703(d)	7039	129	Technical.
18 USC 2706(c)	7061	162	Do.
18 USC 2710	7067	168	Do.
18 USC 3006A	7101	2701	Prisoners Transferred to the United States.
18 USC 3013	7085	187	Special Assessments.
18 USC 3013(c)	7082	184	Effective Date of Criminal Fines Amendments.
18 USC 3061	6251	0	Investigation Powers of Postal Service.
18 USC 3062	7052	142	Technical.
18 USC 3077(4)	7051	141	Do.
18 USC 3123	7068	169	Do.
18 USC 3124	7092	196	Emergency Pen Registers and Trap and Trace Devices.
18 USC 3124(d)	7040	130	Technical.
18 USC 3125	7092	196	Emergency Pen Registers and Trap and Trace Devices.
18 USC 3142(c)(3)	7073	174	Technical.
18 USC 3143(b)	7091	195	Bail Pending Appeal.
18 USC 3151	7084	186	Refund of Forfeited Bail.
18 USC 3151(k)	6476	183	Fugitive defendants—Speedy Trial Act.
18 USC 3184	7087	189	Foreign Fugitives.
18 USC 3288	7081	182	Time for Refilling Indictment.
18 USC 3289	7081	182	Do.
18 USC 3401(g)	7072	173	Technical.
18 USC 3508	6484	2759	Custody and Return of Foreign Witnesses.
18 USC 3522(c)	7072	173	Technical.
18 USC 3553(c)	7102	2702	Records Other Than Transcripts.
18 USC 3559(a)	7041	131	Penalty for Class B Felony.
18 USC 3563(a)(2)	7086	188	Conditions of Probation.
18 USC 3563(a)	7303	2776	Revocation of Probation for Simple Possession.
18 USC 3563(b)	7305	2552	House Probation.
18 USC 3563(b)(3)	7110	2710	Clarification of Restitution Provision.
18 USC 3565(b)	6214	0	Revocation of Probation for Possession of Firearms.
18 USC 3573	7082	184	Effective Date of Criminal Fines Amendments.
18 USC 3582(c)	7107	2107	Technical.
18 USC 3583(d)	7305	2552	House Probation.
18 USC 3583(d)(e)	7108	2708	Protection of the Public.
18 USC 3583(d)(g)	7303	2776	Revocation of Supervised Release for Possession.
18 USC 3612(h)	7082	184	Effective Date of Criminal Fines Amendments.
18 USC 3663(h)	7042	132	Technical.
18 USC 3742	7103	2703	Standard of Review of Sentences on Appeal.
18 USC 4100(b)	7101	2701	Prisoners Transferred to the United States.
18 USC 4106(b)	7072	173	Technical.
18 USC 4106A	7101	2701	Prisoners Transferred to the United States.
18 USC 4108	7101	2701	Do.
18 USC 4109	7101	2701	Do.
18 USC 4129	7093	147	Federal Prison Industries Borrowing Authority.
18 USC 4209(a)	7303	2776	Revocation of Parole for Possession.
18 USC 4209(c)	7305	2552	House Probation.
18 USC 4217	8014	104	Technical.
18 USC 4243	7043	1,33	Furlough of Persons Not Guilty Insane.
18 USC 4247(b)	7047	137	Examinations by Psychologists.
18 USC 4247(e)(1)	7044	134	Reports on Persons Not Guilty/Insane.
18 USC 5032	6467	2401	Federal Jurisdiction over Juvenile Offenses.
18 USC 5034	7045	135	Technical.
18 USC App. III	7059	158	Interstate Agreement on Detainers.
18 USC Chap 46	7069	170	Technical.
18 USC Chap 109A	7063	164	Do.
18 USC Chap 119	7035	125	Do.
18 USC Chap 121	7063	164	Do.
18 USC Miscel.	7020	110	Do.
21 USC 802	6054	2901	Precursor and Essential Chemicals.
21 USC 813	6470	148	Controlled Substance Analogues.
21 USC 830	6052	2901	Precursor and Essential Chemicals.
21 USC 841(b)(1)	6470	148	Methamphetamine Penalties.
21 USC 841(b)(1)	6452	2102	Three time loser.
21 USC 841(b)(1)	6479	2751	1,000 Marijuana Plants.
21 USC 841(b)(6)	6254	0	Polluting Federal Lands.
21 USC 842(a)(8)	6056	2901	Precursor and Essential Chemicals.
21 USC 843(a)	6057	2901	Do.
21 USC 843(d)	6058	2901	Do.
21 USC 844(a)	6480	2752	Fines for Simple Possession.
21 USC 844(a)	6371	2775	Minimum Penalty for Crack Possession.
21 USC 845	6452	2102	Three time loser.
21 USC 845	6454	2251	Instructions to sentencing commission.
21 USC 845(a)	6455	2252	5 gram exception.
21 USC 845(b)	6456	2253	Do.
21 USC 845a	6452	2102	Three time loser.
21 USC 845a	6454	2251	Instructions to sentencing commission.
21 USC 845a	6457	2254	Poss'n w/ intent for schoolyards.
21 USC 845a	6458	2254A	Playgrounds, etc.
21 USC 845b	6454	2251	Instructions to sentencing commission.
21 USC 845b	6459	2255	Purchasing Drugs from a Minor.
21 USC 845b(e)	6470	148	Ineligibility for Parole until Minimum is Served.
21 USC 846	6470	148	Penalties for Drug Conspiracies.
21 USC 848	6481	2753	Increased Penalties for CCE Offense.
21 USC 848	7001	0	Death Penalty for CCE Offense.
21 USC 857	6485	2763	Clarification of Drug Paraphernalia Statute.
21 USC 858	6486	2766	Civil Fines.
21 USC 859	6301	0	Endangering Life While Manufacturing Drugs.
21 USC 872	6060	2901	Precursor and Essential Chemicals.
21 USC 881	6059	2901	Do.
21 USC 881(a)(4)	6075	0	Innocent Owners.
21 USC 881(a)	5105	0	Leases as Forfeitable Property.
21 USC 881(e)	6074	0	Transfer of Foreign Property.
21 USC 881(e)&(1)	6253	0	Postal Service Forfeiture Authority.
21 USC 881(e)(3)	6077	145	Restoration of Equitable Sharing.
21 USC 881A	6079	0	Expedited Procedure.
21 USC 887	6078	0	Post Seizure Administration.
21 USC 960(a)	6453	2201	Instructions to sentencing commission.
21 USC 960(a)(3)	6475	159	Poss'n with Intent to Distribute Aboard Aircraft.
21 USC 963	6470	148	Penalties for Drug Conspiracies.
21 USC 971	6053	2901	Precursor and Essential Chemicals.
28 USC 540	7331	152	FBI Authority to Investigate Cop Killings.
28 USC 994(n)	7083	184	Technical.
31 USC 5312(a)	6185	2355	Additions to List of Financial Instns.

CROSS REFERENCE TO SELECTED PROVISIONS RELATING TO CRIMES AND PENALTIES 1988 DRUG BILL—Continued

Code sec.	Bill sec.	Senate bill [1]	Description
31 USC 5318(a)(1)	6185		Postal Service/Money Laundering.
31 USC 5325–26	6185	2355	$3,000 Identification Requirement.
39 USC 3002a	7090	192	Non-Mailability of Locksmithing Devices.
42 USC 408	7088	190	Social Security Numbers.
47 USC 223(b)	7524	0	Dial-a-Porn.
Rule 11(c)(1)CrPr	7076	177	Supervised Release.
Rule 1101(a) Evid	7075	176	Technical.
Rule 12.3 CrimPro	6483	2757	Notice of "Authority" Defense.
Rule 17(a) CivPro	7049	139	Technical.
Rule 35(a) CivPro	7047	137	Examinations by Psychologists.
Rule 4, AppProc	7111	2711	Appeals of Sentences.
Rule 412 Evid	7046	136	Technical.
Rule 54 FRCivP	7089	191	Petty Offenses.
Rule 615 Evid	7075	176	Technical.
Rule 71A CivPro	7050	140	Do.
Rule 804(a)(5)Evid	7075	176	Do.
Rule 9 (Magistr)	7089	191	Petty Offenses.

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[1] Sections 101–196 in Senate bill column refer to S. 2485. Parallel sections in Senate drug bill are 2601–2696.

CROSS REFERENCE TO SELECTED PROVISIONS RELATING TO CRIMES AND PENALTIES 1988 DRUG BILL

Bill sec.	Section amended	Senate bill [1]	Description
6052	21 USC 830	2901	Precursor and Essential Chemicals.
6053	21 USC 971	2901	Do.
6054	21 USC 802	2901	Do.
6056	21 USC 842(a)(8)	2901	Do.
6057	21 USC 843(a)	2901	Do.
6058	21 USC 843(d)	2901	Do.
6059	21 USC 881	2901	Do.
6060	21 USC 872	2901	Do.
6074	21 USC 881(e)	0	Transfer of Foreign Property.
6075	21 USC 881(a)(4)	0	Innocent Owners.
6077	21 USC 881(e)(3)	145	Restoration of Equitable Sharing.
6078	21 USC 887	0	Post Seizure Administration.
6079	21 USC 881A	0	Expedited Procedure.
6182	18 USC 1957(f)	0	Exemption for Attorney's Fees.
6183	18 USC 1956(c)(7)	0	Technical.
6184	18 USC 1957	0	Definition of Monetary Instrument.
6185	31 USC 5312(a)	2355	Additions to List of Financial Instns.
6185	31 USC 5318(a)(1)		Postal Service/Money Laundering.
6185	31 USC 5325–26	2355	$3,000 Indentification Requirement.
6211	18 USC 924(f)(g)	0	Transfer of Firearms to Drug Traffickers.
6212	18 USC 924(c)	160	Defining "drug trafficking crime."
6212	18 USC 929(a)	160	Do.
6213	18 USC 922	0	McCollum Amendment—Sales of Firearms.
6214	18 USC 3565(b)	0	Revocation of Probation for Possession of Firearm.
6215	18 USC 930	2304	Possession of Dangerous Weapon in Federal Facility.
6251	18 USC 3061	0	Investigation Powers of Postal Service.
6253	21 USC 881(e) & (1)	0	Postal Service Forfeiture Authority.
6254	18 USC 1864	0	Hazardous Devices on Federal Lands.
6254	21 USC 841(b)	0	Polluting Federal Lands.
6254	18 USC 1855	0	Technical.
6301	21 USC 859	0	Endangering Life While Manufacturing Drugs.
6371	21 USC 844(a)	2775	Minimum Penalty for Crack Possession.
6451	18 USC 924(e)	2101	Violent crimes by juveniles.
6452	21 USC 841(b)(1)	2102	Three time loser.
6452	21 USC 845	2102	Do.
6452	21 USC 845a	2102	Do.
6453	21 USC 960(a)	2201	Instructions to sentencing commission.
6454	21 USC 845	2251	Do.
6454	21 USC 845a	2251	Do.
6454	21 USC 845b	2251	Do.
6455	21 USC 845(a)	2252	5 gram exception.
6456	21 USC 845(b)	2253	Do.
6457	21 USC 845a	2254	Poss'n w/ intent for schoolyards.
6458	21 USC 845a	2254A	Playgrounds, etc.
6459	21 USC 845b	2255	Purchasing Drugs from a Minor.
6460	18 USC 924(c)	2302	Minimum Penalties for Weapons Offenses.
6461	18 USC 2516(1)	2305	Firearms Predicates.
6462	18 USC 924(a)	2306	Penalties for Firearms Offenses.
6463	18 USC 981	2351	Forfeiture of Actual Money Laundered.
6463	18 USC 982(a)	2351	Do.
6464	18 USC 982(b)	2352	Forefeiture of Substitute Assets.
6465	18 USC 1956(a)	2353	Money Laundering "Sting" Operations.
6466	18 USC 1956(c)(7)	2354	New Specified Offenses.
6467	18 USC 5032	2401	Federal Jurisdiction over Juvenile Offenses.
6468	18 USC 1791	2501	Drug Offenses in Prisons.
6469	18 USC 981	146	Postal Service/Money Laundering.
6469	18 USC 1956(e)	146	Do.
6469	18 USC 1957	146	Do.
6470	21 USC 846	148	Penalties for Drug Conspiracies.
6470	21 USC 963	148	Do.
6470	18 USC 981(a)(1)	148	Forfeiture Involving Foreign Drug Offense.
6470	21 USC 813	148	Controlled Substance Analogues.
6470	21 USC 845b(e)	148	Ineligibility for Parole until Minimum is Served.
6470	21 USC 841(b)(1)	148	Methamphetamine Penalties.
6470	18 USC 981(i)(1)	148	Technical.
6470	18 USC 981(a)(2)	148	Do.
6471	18 USC 1956(a)	149	Money Laundering Tax Offense.
6471	18 USC 981(g)	149	Do.
6472	15 USC 1245	155	Ballistic Knife Act Jurisdiction.
6473	18 USC 342	156	Common Carrier Operation.
6473	18 USC 343	156	Do.
6474	18 USC 844(g)	157	Explosives Offenses/Airports.
6474	18 USC 844(h)	157	Carrying Explosive in Commission of Felony.
6474	18 USC 842(d)(5)	157	Technical.
6474	18 USC 842(i)(3)	157	Do.
6475	21 USC 960(a)(3)	159	Poss'n with Intent to Distribute Aboard Aircraft.
6476	18 USC 3161(k)	183	Fugitive defendants—Speedy Trial Act.
6477	18 USC 13	193	Drunk Driving—Federal Lands.
6478	18 USC 112(b)	194	Embassy Demonstrations.
6479	21 USC 841(b)(1)	2751	1000 Marijuana Plants.
6480	21 USC 844(a)	2752	Fines for Simple Possession.
6481	21 USC 848	2753	Increased Penalties for CCE Offense.
6482	18 USC 341	2754	Common Carriers/Locomotives.
6482	18 USC 342	2754	Common Carriers/Penalties.
6483	Rule 12.3 CrimPro	2757	Notice of "Authority" Defense.
6484	18 USC 3508	2759	Custody and Return of Foreign Witnesses.
6485	21 USC 857	2763	Clarification of Drug Paraphernalia Statute.
6486	21 USC 858	2766	Civil Fines.
6487	18 USC 111	2770	Threats Against Former Officials.
6487	18 USC 115	2770	Threats Against Families of Former Officials.
7001	21 USC 848	0	Death Penalty for CCE Offense.
7012	18 USC 18	102	Technical.
7013	18 USC 1961(1)	103	Do.
7014	18 USC 4217	104	Do.
7015	18 USC 31	105	Do.
7016	18 USC 32(a)(3)	106	Do.
7017	18 USC 152	107	Do.
7018	18 USC 241	108	Do.
7019	18 USC 242	109	Penalty Increase for Civil Rights Violation.
7020	18 USC Miscel	110	Technical.
7021	18 USC 553	111	Do.
7022	18 USC 831(e)	112	Do.
7023	18 USC 1028(a)(6)	113	Do.
7024	18 USC 1084	114	Transmitting Wagering Information Where Legal.
7025	18 USC 1111(a)	115	Technical.
7026	18 USC 1114	116	Do.
7027	18 USC 1153	117	Do.
7028	18 USC 1203	118	Do.
7029	18 USC 1512	119	Venue Clarification for Obstruction of Justice.
7029	18 USC 1515(a)(1)	119	Include Tax Court and Court of Claims.
7030	18 USC 1515	120	Technical.
7031	18 USC 1956(c)(7)	121	Do.
7032	18 USC 1961(1)	122	Do.
7033	18 USC 1962(d)	123	Do.
7034	18 USC 1963	124	Do.
7035	18 USC Chap 119	125	Do.
7036	18 USC 2516(1)	126	Do.
7037	18 USC 2702(b)(2)	127	Do.
7038	18 USC 2703(b)(1)	128	Trial Subpoenas.
7038	18 USC 2703(c)(1)	128	Do.
7039	18 USC 2703(d)	129	Technical.
7040	18 USC 3124(d)	130	Do.
7041	18 USC 3559(a)	131	Penalty for Class B Felony.
7042	18 USC 3663(h)	132	Technical.
7043	18 USC 4243	133	Furlough of Persons Not Guilty/Insane.
7044	18 USC 4247(e)(1)	134	Reports on Persons Not Guilty/Insane.
7045	18 USC 5034	135	Technical.
7046	Rule 412 Evid	136	Do.
7047	18 USC 4247(b)	137	Examinations by Psychologists.
7047	Rule 35(a) CivPro	137	Do.
7048	18 USC 2315	138	Federal Jurisdiction—Forged/Stolen Property.
7049	Rule 17(a) CivPro	139	Technical.
7050	Rule 71A CivPro	140	Do.
7051	18 USC 3077(4)	141	Do.
7052	18 USC 3062	142	Do.
7053	18 USC 1952A	143	Redesignate as 1958.
7053	18 USC 1952B	143	Redesignate as 1959.
7054	18 USC 1961(1)	144	Adds 3 RICO Predicates.
7055	18 USC 751(a)	150	Penalty for Misdemeanor Escape.
7055	18 USC 752(a)	150	Do.
7056	18 USC 924(e)(1)	151	Armed Career Criminal—3 Offense Requirement.
7057	18 USC 2314	153	Exemption for Foreign Currency.
7057	18 USC 2315	153	Do.
7058	18 USC 2244(a)	154	Increased Penalty for Sexual Abuse.
7058	18 USC 1958	154	Increased Penalty for Murder-for-Hire.
7058	18 USC 1113	154	Increased Penalty for Attempted Murder.
7058	18 USC 1963	154	RICO Life Term.
7059	18 USC App. III	158	Interstate Agreement on Detainers.
7060	18 USC 924(c)(1)	161	Technical.
7060	18 USC 929(a)	161	Do.
7060	18 USC 922(g)	161	Do.
7060	18 USC 923	161	Do.
7061	18 USC 2706(c)	162	Do.
7062	18 USC 2331	163	Do.
7063	18 USC 2331	164	Do.
7063	18 USC Chap 121	164	Do.
7063	18 USC 341	164	Do.
7063	18 USC Chap 109A	164	Do.
7064	18 USC 794(d)(4)	165	Do.
7065	18 USC 1030(a)(2)	166	Do.
7066	18 USC 2232(c)	167	Do.
7067	18 USC 2710	168	Do.
7068	18 USC 3123	169	Do.
7069	18 USC Chap 46	170	Do.
7070	18 USC 2422	171	Do.
7071	18 USC 2424	172	Do.
7072	18 USC 3401(g)	173	Do.
7072	18 USC 3522(c)	173	Do.
7072	18 USC 4106(b)	173	Do.
7073	18 USC 3142(c)(3)	174	Do.
7074	18 USC 351(a)	175	Do.
7075	Rule 615 Evid	176	Do.
7075	Rule 804(a)(5) Evd	176	Do.
7075	Rule 1101(a) Evid	176	Do.
7076	Rule 11(c)(1) CrPr	177	Supervised Release.
7077	18 USC 1345	178	Injunctions Against Fraud.
7078	18 USC 1516	179	Obstruction of Federal Audit.
7079	18 USC 709	180	Unauthorized Use of "Secret Service."
7080	18 USC 2314	181	Aggregation of jurisdictional amount.
7081	18 USC 3288	182	Time for Refiling Indictment.
7081	18 USC 3289	182	Do.
7082	18 USC 3573	184	Effective Date of Criminal Fines Amendments.
7082	18 USC 3013(c)	184	Do.
7082	18 USC 3612(h)	184	Do.
7083	28 USC 994(n)	185	Technical.
7084	18 USC 3151	186	Refund of Forfeited Bail.
7085	18 USC 3013	187	Special Assessments.
7086	18 USC 3563(a)(2)	188	Conditions of Probation.
7087	18 USC 3184	189	Foreign Fugitives.
7088	42 USC 408	190	Social Security Numbers.
7089	18 USC 19	191	Petty Offenses.
7089	Rule 9 (Magistr)	191	Do.
7089	Rule 54 FRCivP	191	Do.
7090	39 USC 3002a	192	Non-Mailability of Locksmithing Devices.
7090	18 USC 1716A	192	Do.
7091	18 USC 3143(b)	195	Bail Pending Appeal.
7092	18 USC 3124	196	Emergency Pen Registers and Trap and Trace Devices.
7092	18 USC 3125	196	Do.
7093	18 USC 4129	147	Federal Prison Industries Borrowing Authority.
7101	18 USC 4106A	2701	Prisoners Transferred to the United States.
7101	18 USC 4108	2701	Do.
7101	18 USC 4109	2701	Do.
7101	18 USC 4100(b)	2701	Do.
7101	18 USC 3006A	2701	Do.
7102	18 USC 3553(c)	2702	Records Other than Transcripts.
7103	18 USC 3742	2703	Standard of Review of Sentences on Appeal.
7107	18 USC 3582(c)	2707	Technical.
7108	18 USC 3583(d)(e)	2708	Protection of the Public.
7110	18 USC 3563(b)(3)	2710	Clarification of Restitution Provision.
7111	Rule 4, AppProc	2711	Appeals of Sentences.
7303	18 USC 3563(a)	2776	Revocation of Probation for Simple Possession.
7303	18 USC 3583(d)(g)	2776	Revocation of Supervised Release for Possession.
7303	18 USC 4209(a)	2776	Revocation of Parole for Possession.

CROSS REFERENCE TO SELECTED PROVISIONS RELATING TO CRIMES AND PENALTIES 1988 DRUG BILL—Continued

Bill sec.	Section amended	Senate bill [1]	Description
7305	18 USC 3563(b)	2552	House Probation.
7305	18 USC 3583(d)	2552	Do.
7305	18 USC 4209(c)	2552	Do.
7331	28 USC 540	152	FBI Authority to Investigate Cop Killings.
7511	18 USC 2251(c)	0	Use of Computers for Child Porn.
7511	18 USC 2252(a)	0	Do.
7511	18 USC 2256	0	Do.
7512	18 USC 2251A	0	Buying and Selling of Chiden.
7512	18 USC 2256	0	Do.
7513	18 USC 2257	0	Child Porn Record Keeping Requirement.
7521	18 USC 1466	0	Selling or Transferring Obscene Matter.
7521	18 USC 1465	0	Do.
7521	18 USC 1469	0	Presumptions re: Obscene Matter.
7522	18 USC 1467	0	Criminal Forfeiture for Obscenity Offenses.
7522	18 USC 1465	0	Do.
7522	18 USC 2253–54	0	Crim. and Civ. Forfeiture for Child Porn Offenses.
7523	18 USC 1468	0	Obscene Material on Cable TV.
7524	47 USC 223(b)	0	Dial-a-Porn.
7525	18 USC 2516(1)	0	Obscenity Wire Taps.
7526	18 USC 1460	0	Selling Obscenity on Federal Lands.
7603	18 USC 1346	0	Mail and Wire Fraud Intangible Rights.

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[1] Sections 101–196 in Senate bill column refer to S. 2485. Parallel sections in Senate drug bill are 2601–2696.●

SECTION-BY-SECTION ANALYSIS OF THE NATIONAL NARCOTICS LEADERSHIP ACT OF 1988

● **Mr. BIDEN.** Mr. President, I think the single most important provision in the Anti-Drug Abuse Act of 1988 is the provision creating a new Cabinet-level Director for National Drug Control Policy in the Executive Office of the President.

After 8 long years of working on this bill, I am very pleased that it has been accepted by both Houses of Congress and will be signed into law by the President.

The National Narcotics Leadership Act of 1988, title I, subtitle A of the Anti-Drug Abuse Act of 1988, creates an entirely new Cabinet-level Office for National Drug Control Policy in the EOP. Given the broad authorities and responsibilities that have been vested with the Director of the Office, I wanted to include in the RECORD a detailed section-by-section analysis of this subtitle of the drug bill. As the lead author of this section in the Senate, I believe this analysis should accurately reflect the intent of the Senate regarding the language in title I, subtitle A of the drug bill.

The analysis follows:

SECTION-BY-SECTION OF THE NATIONAL NARCOTICS LEADERSHIP ACT

SUBTITLE I OF TITLE I

Sec. 1001. Short Title.—This section sets forth that this title may be cited as the "National Narcotics Leadership Act of 1988."

Sec. 1002. Findings.—This section sets forth findings that highlight the scope of the drug problem; the need for maximum coordination and leadership among all levels of government and the private sector in fighting drug trafficking and abuse; the fact that past efforts—particularly federal efforts—have been hampered by lack of coordination, leadership, and a long-range plan; the necessity of placing one Cabinet-level official in charge of the entire federal drug control program; and that said official must have the authority to develop and implement, in consultation with appropriate agency heads and outside experts, a research-based long-range national anti-drug strategy with the complete support and backing of the President.

Sec. 1003. Purposes.—This section sets forth the purposes of this Title. While the purposes are, for the most part, self explanatory, several points deserve attention. First, the Director for National Drug Control Policy must report directly to the President on drug control matters. The Director will be required to make difficult budget and policy decisions that may require agencies to undertake extensive revisions in their current drug policy. It is absolutely essential that the Director have the complete confidence and support of the President if he is to make these difficult budget and policy decisions. The second point is that this official must be accountable to Congress and—ultimately—to the American people. At this time, the Attorney General, as chairman of the National Drug Policy Board, is not available to come before Congress on a regular basis to discuss drug control efforts. And the Vice Chairman of the Policy Board, the Secretary of Health and Human Services, has never testified before Congress solely on the drug issue. The Director and the Deputy Directors must be available to consult with Congress on a frequent basis, testifying before appropriate Committees, and presenting the federal government's unified strategy on drug control. The Director must also be honest and candid in discussing the drug issue. Drug abuse in America will not go away overnight; it will take years, if not decades, to change attitudes and decrease drug use. To sustain public support for the national anti-drug strategy, the Director must be honest and frank about our successes and failures, and about what it will take—and how long—to decrease drug abuse. Finally, any national effort must contain a coordinated strategy between agencies at the federal, state and local levels. With so much of the responsibility for drug control falling within the jurisdiction of state and local governments, the national strategy must take into account the role that such government play in drug control.

Sec. 1004. Definitions.—This section sets forth the definitions of six terms as used in this title. In general, the terms have been worded broadly to ensure that all efforts to reduce the supply of and demand for drugs are included in the jurisdiction of the Director of National Drug Control Policy. Any interpretation of such definitions should give deference to this broad interpretation. In addition, the term "drug" means the same as the term "controlled substance" as defined in the Controlled Substances Act. As a result, the Director's jurisdiction does not extend to alcohol abuse programs and thus nothing in this Title shall be construed to reduce the priority of alcohol abuse programs in the federal government. It is the intent of this Title, however, that alcohol and drug programs should be fully coordinated, particularly with respect to drug and alcohol abuse education, prevention and treatment programs.

Sec. 1005. Establishment of Office: (a) Establishment of Office.—This subsection establishes an Office of National Drug Control Policy within the Executive Office of the President. The Office has been placed in the Executive Office of the President to ensure that the Office receives a top priority within the executive branch. Such placement is consistent with the Director's authority and responsibility to report directly to the President on drug control matters.

(b) Director and Deputy Directors.—This subsection creates a Director to head the Office and two Deputy Directors, one for drug demand reduction and the other for drug supply reduction, to assist the Director. In addition, the Deputy Directors may be assigned such other responsibilities under this Title as the Director may require.

(c) Bureau of State and Local Affairs.—This subsection creates a Bureau of State and Local Affairs within the Office of the Director to be headed by an Associate Director. The Associate Director should report directly to the Director. This office should provide high-level attention within the Office to the needs and views of state and local drug control officials, particularly in preparing the state and local component of the National Drug Control Strategy.

Sec. 1006. Appointment and Duties of the Director, Deputy Directors and Associate Directors: (a) Appointment.—This section provides that the Director, the Deputy Directors and the Associate Director shall be appointed by the President, by and with the advice and consent of the Senate. This section further provides that these officials serve at the pleasure of the President and that no person shall serve as Director, Deputy Director or Associate Director for a period of more than four years unless they are reappointed by the President and reconfirmed by the Senate. The latter provision allows for greater accountability on the part of the Director, the Deputy Directors and the Associate Director to the President and Congress. Finally, the Director, Deputy Directors and the Associate Director are prohibited from serving in any other position in the federal government. For example, the President could not appoint a sitting Attorney General or Vice President to head the Office of National Drug Control Policy. Given the difficult strategic and budgetary decisions that the Director, must make, it is essential that the Director be independent from any one agency, and that he or she be able to devote full attention to drug control matters. The language in this section, however, would not preclude the Director from serving as a representative of the Administration in ceremonial, honorary or advisory positions as determined by the President.

In selecting the Director, the Deputy Directors and the Associate Director, the President should look for individuals with sufficient stature to command the respect necessary to pull together the eleven Cabinet departments involved in the federal drug control program. Finally, in selecting the Associate Director for State and Local Affairs, the President should select someone who will serve as an advocate for the concerns of State and local officials.

Paragraph (3) of this subsection amends the National Security Act of 1947 to provide that the Director shall be a member of the National Security Council. The NSC was established to advise the President with respect to the integration of domestic, foreign and military policies relating to the national security. Given the Director's important responsibilities for coordinating and directing U.S. domestic and international narcotics control policies, and that the President and

Congress have declared international drug trafficking to be a national security threat, it is appropriate that the Director serve on the NSC.

This section also provides that the Director shall have the rank of Ambassador Extraordinary and Plenipotentiary. This simply reinforces the Director's responsibilities for coordinating and directing United States policy with respect to international drug control, and that he or she has the full and complete support of the United States Government in international drug control negotiations.

Paragraph (5) of subsection (a) sets forth the level of compensation for the Director and his assistants. The Director would receive the same compensation as other Cabinet members. The Deputy Directors would receive the same compensation as the Deputy Director for the Office of Management and Budget, which is also located in the Executive Office of the President. Finally, the Associate Director would receive the same compensation as the Associate Attorney General.

(b) Function.—This subsection provides that the Director shall serve as the principal director and coordinator of United States operations and policy on drug control.

(c) Authorities and Responsibilities of the Director.—Paragraph (1) of this subsection provides that the Director is authorized and directed to notify any National Drug Control Program agency that its policies are not in compliance with the responsibilities of such agency under the National Drug Control Strategy. Paragraph (2) provides that the heads of agencies shall ensure that their agencies are in compliance with their responsibilities under the Strategy, as determined by the Director.

The purpose of this provision is to ensure that once the National Drug Control Strategy, developed by the Director and approved by the President, places specific responsibilities upon National Drug Control Program agencies such agencies are required to fulfill these responsibilities completely and cannot ignore the policies established by the President and the Director. If the Director determines that an agency is not meeting its responsibilities under the Strategy, the Director is required to notify such agency, in writing, that its policies are not in compliance with the Strategy. The Director shall further provide an explanation of what steps such agency must take to come into compliance with the Strategy. Once notified, agency heads are required to take appropriate action to comply with the agencies responsibilities under the Strategy. Furthermore, the President retains the final authority to settle disputes between the Director and any other Cabinet member.

Paragraph (3) further enumerates the Director's authorities and responsibilities. While these authorities and responsibilities are, in general, self-explanatory, the Director's functions under subparagraph (G) merit elaboration. The Director is required to develop a consolidated National Drug Control Program Budget. There is a strong precedent for this structure under current law. Executive Order 12333 authorizes and directs the Director of Central Intelligence to "develop, with the advice of the program managers and departments and agencies concerned, the consolidated National Foreign Intelligence Program budget, and to present it to the President and the Congress." Under the current approach, federal agencies with drug control missions develop their budgets independently, with little or no guidance from the National Drug Policy Board. By requiring the Director to develop a consolidated National Drug Control Program budget, the Director will be able to develop sound and coherent budget priorities based on the polices established in the National Drug Control Strategy. This structure has substantially improved the budget process for the intelligence community (which had suffered from the same fragmentation that has undermined federal drug efforts) and should prove effective in the federal drug control program. This paragraph also gives the Director the authority to initiate and approve requests for reprogramming National Drug Control Program funds. The Attorney General currently has this authority as chairman of the National Drug Policy Board. Finally, this paragraph futher authorizes the Director to transfer, after notifying the Appropriations Committees, up to five percent of the funds appropriated for one program to another program within a National Drug Control Program agency. This provision authorizes the Director to reprogram funds within an agency, not from one agency to another. For example, the Director would not transfer funds from the Department of Justice to the Department of Education.

(d) Consolidated National Drug Control Program Budget.—Paragraph (1) provides further direction with respect to the National Drug Control Budget process. In general, the Director shall task each department head, agency head and program manager with their responsibilities under the National Drug Control Strategy (in the intelligence community budget process, the Director of Central Intelligence tasks agencies up to two years in advance of the submission of the intelligence community budget to Congress). These officials should respond by providing the Director with their budget request to carry out these responsibilities. This process should ensure that the Director and his staff are involved in development of the National Drug Control Program budget at the earliest possible date. On the basis of policies and priorities established in the National Drug Control Strategy, any hearing conducted by the Director, and the available resources, the Director will develop a consolidated budget request and present it to the President. This process is not, however, intended to give the Director dictatorial authority over the budgets of other agencies. Rather, the Director is instructed to develop, in consultation and cooperation with other agencies and departments, a consolidated budget that reflects and implements the priorities and places set forth in the National Drug Control Strategy. When developing the budgets of programs included in the National Foreign Intelligence Program, the Director shall consult not only with the agency involved, but with the Director of Central Intelligence as well.

Subsection (e) Powers of Director.—This subsection provides general administrative and management authorities to the Director. Specifically, the Director is authorized to select and employ officers and employees to staff the Office of the Director, to hire experts and consultants, to use facilities and personnel of federal, state and local agencies on a reimbursable basis, to accept and use donations of property from federal agencies, and to use the mails in the same manner as other executive branch agencies. In addition, the Director is authorized to direct, with the concurrence of the department head of the agency employing such personnel, the temporary reassignment of federal personnel. This provides broad authority to the Director, from detailing federal personnel to the Office of the Director to developing and implementing a major policy operation, such as "Operation Alliance." Such authority, however, could only be exercised with the concurrence of the department head employing the personnel. The Attorney General currently has such authority as chairman of the National Drug Enforcement Policy Board. The subsection also authorizes and instructs the Director to monitor the implementation of the National Drug Control Program, including conducting program and performance audits and evaluations and requesting assistance from the Inspector General of the relevant agency.

(f) Personnel Detailed to the Office—(1) Paragraph (1) of this subsection requires that the Director, or his designee within the Office, shall prepare the performance evaluation of any federal employee detailed to the Office. This should ensure that detailees have an incentive to cooperate fully with the permanent and temporary employees in the Office. Paragraph (2) of this subsection further provides that heads of federal agencies shall give preference in promotions within such agencies to employees who have served temporarily within the Office, subject to certain limitations. This provision is intended to provide an incentive for federal personnel with expertise in drug control issues to serve within the Office and should increase the professionalism and cooperation of permanent and temporary employees in the Office.

Sec. 1007. Duties and Responsibilities of the Heads of Executive Branch Agencies and Departments.—Subsection (a) provides that executive branch departments and agencies shall provide the Director with all information necessary and relevant to the National Drug Control Program and Strategy and shall give complete consideration to requests from the Director for appropriate support for National Drug Control Program activities. The subsection also instructs the Director of Central Intelligence to prescribe such regulations as may be necessary to protect the sources and methods of intelligence program information provided to the Director. Subsection (b) requires each department and agency to submit their National Drug Control Program budget requests in a timely manner and to provide the Director with all information necessary to perform his functions. The responsibilities of department and agency heads under subsections (a) and (b) are modeled closely after the responsibilities of intelligence community agencies under Executive Order 12333. Subsection (c) requires the heads of National Drug Control Program agencies to notify the Director in advance and in writing with any proposed changes in policy relating to such agency's drug control activities. The Director is required promptly to review such proposals and to certify to the department or agency head in writing whether such changes are consistent with the National Drug Control Program and Strategy. In exigent circumstances, where advance notification is not possible, heads of departments and agencies are required to notify the Director in writing of the changes as soon as is practicable. In such circumstances, the Director is still required to review the changes and to certify whether such changes were consistent with the National Drug Control Program. While this subsection does not give the Director veto authority over agency proposals with respect to drug control activities, it does provide a mechanism whereby agencies are notified in advance as to whether proposed changes are, in the view of the Director, consistent with the National Drug Control Program. Not only will this mechanism foster communication and coordination, it will also provide a "paper trail" that should be useful to Congress in fulfilling its oversight responsibilities. Finally, subsection (d) directs the Administrator of the General Services Administration to provide support services to the Director on a reimbursable basis.

Sec. 1008. Development and Submission of National Drug Control Strategy: (a) Development and Submission of the National Drug Control Strategy.—This subsection requires the Director to prepare a National Drug Control Strategy for the President which is to be submitted to Congress within 180 days after the date the first Director is confirmed by the Senate. The Strategy shall be based on the best available information as to the nature and scope of the problem and the relative effectiveness of drug demand reduction and supply reduction strategies and programs, both in the United States and in foreign countries. In developing the Strategy, the Director is required to consult with the National Drug Control Program agencies and state and local officials and to circulate a draft Strategy to the department heads of such agencies and officials. These agencies and officials have 30 days to submit their comments to the Director. The Director may then revise the Strategy. The Director shall present the Strategy to the President along with the second set of agency comments. When the Strategy is transmitted to Congress the Director shall include a list of persons and officials who were consulted during the preparation of the Strategy.

(b) Goals and Priorities.—This subsection explicitly outlines the minimum requirements of the Strategy. Most important, these Strategy should contain a complete list of goals and priorities in each of the major components of the National Drug Control Program and five year projections for program and budget priorities and for achievable reductions of drug availability, purity and usage. Past "strategies," developed to comply with Congressional mandates, have codified existing policies and procedures and have contained only general policy statements. The language in this section should make clear that the Director is responsible for developing a comprehensive, long-term Strategy that includes sufficient detail to provide guidance to agency and department heads.

In developing and implementing an effective Strategy, it is absolutely necessary to set explicit goals and priorities to determine whether the Strategy is being implemented effectively. These goals should be specific and realistic. And the goals should reflect the purpose of the National Drug Control Strategy—reducing drug abuse in America. While goals for arrests and seizures could be included in the Strategy, the primary goals should be articulated in terms of the price, availability and use of drugs. By determining realistic and achievable goals for the future the Director should be able to speak forthrightly about the successes and failures of our drug control program, and thereby restore public confidence in our long-term struggle to substantially reduce drug trafficking and abuse in America.

Finally, the Director designate "lead agencies" with the principal responsibility for carrying out each major component of the Strategy. Such designation is essential if each component of the National Drug Control Program is to be fully coordinated.

(c) Areas of Principal Responsibilities of Strategy.—The Director is directed to require that any National Drug Control Program agency that conducts an activity which is in the area of principal responsibility of a lead agency shall provide advance notice in writing to the lead agency. Upon objection by the lead agency, the conflict shall be promptly taken to the Director for resolution. The designation of lead agencies, however, should not be construed as limiting the authority of the Director to establish drug control policies. For example, once an agency is designated as the lead agency for a particular mission, it is not free to establish policies in that mission area independently from the Director. Rather, the lead agencies will be responsible for implementing the policies and priorities as established by the Director and coordinating the activities of agencies operating within the lead agencies' areas of responsibility.

Sec. 1009. Submission of National Drug Control Program Budget With the Annual Budget Request of the President.—This section amends Section 1105(a) of Title 31, United States Code, to provide that the President, as part of the annual budget presented to Congress, shall include a separate and detailed budget request for the Office of the Director and National Drug Control Program agency. This section simply expands on one of the primary purposes of this legislation: to bring coherence and coordination to the federal drug control budget process.

Sec. 1010. High-Intensity Drug Areas.—(a) Designation and Assistance.—This section authorizes the Director to declare certain areas of the country to be "high-intensity drug areas," and to take any action authorized pursuant to sections 1006, 1007, 1008 and 1009 of this subtitle to provide increased federal assistance to such areas. This section highlights the need for the Director to aggressively use the authorities provided in this subtitle—including budgetary and personnel authorities—to help those areas of the country in which drug trafficking and abuse have created emergency situations where existing federal and state/local policies and resources are insufficient to respond to such emergencies.

(b) Coordination.—This subsection requires that Director to coordinate any action taken under this section with the appropriate state and local officials.

Sec. 1011. Termination of the National Drug Enforcement Policy Board, the National Narcotics Border Interdiction System, and the White House Drug Abuse Policy Office.—This section would reduce the bureaucracy currently involved in federal drug control policy by eliminating the National Drug Enforcement Policy Board (chaired by the Attorney General), the White House Office of Drug Abuse Policy (headed by a Special Assistant to the President) and the National Narcotics Border Interdiction System (headed by the Vice President). These three offices would be replaced by a single, Cabinet-level Office of National Drug Control Policy.

(a) National Drug Enforcement Policy Board.—(1) This subsection repeals the National Narcotics Act of 1984 (21 U.S.C. 1201) which established the National Drug Enforcement Policy Board. This provision would become effective on March 1, 1989.

(2) This subsection further provides that all strategies, implementation plans, memoranda of understanding and directives that have been issued or made by the National Drug Policy Board before the date of enactment of this subtitle shall remain in effect until modified or revoked by the President or the Director. This provision is intended to provide continuity among the federal drug control agencies during the transition to the establishment and staffing of the new Office. At the same time, this provision would in no way limit the Director's authority under this subtitle to make any changes to the strategies, implementation plans, memoranda of understanding and directives issued by the National Drug Policy Board.

(b) National Narcotics Border Interdiction System (NNBIS).—This subsection prohibits the expenditure of any funds for the operation or activities of NNBIS effective 180 days after the first Director is confirmed by the Senate under this Title. At this time, NNBIS is headed by the Vice President. The current NNBIS structure, however, is not consistent with the thrust of this title. This subsection further provides that the functions of NNBIS shall be transferred to other agencies. It is the intent of this provision that the policy functions of NNBIS shall be transferred to the Office of the Director while the operational functions shall be transferred to agencies designated by the Director.

(c) White House Office of Drug Abuse Policy.—This subsection repeals six sections of the Drug Abuse Prevention, Treatment and Rehabilitation Act of 1970. Specifically, this subsection repeals the following section of Title 21, United States Code: section 1103 (definitions); Section 1111 (directing the President to establish a system to develop recommendations and policy with respect to drug abuse); Section 1112 (directing the President to designate one office to direct drug abuse activities within the Executive Branch; this section provides the authority for the President to establish the White House Office of Drug Abuse Policy); Section 1113 (authorizing employment of staff for such officer); Section 1114 (authorizing acceptance of uncompensated services); and Section 1116 (relating to authority of Secretary of Defense and Administrator for Veteran's Affairs with respect to health care for veterans).

SEC. 1012. Executive Reorganization Authority.—This section requires the Director to submit a report on the need to reorganize the Executive Branch, including the Office of the Director, to maximize the effectiveness of the National Drug Control Program. The report is required within one year after the date of enactment of this Title, and the Director is required to consult with appropriate federal, state and local officials.

SEC. 1013. Reauthorization of the Office of National Drug Control Policy.—This section provides that after five years, the Office must be reauthorized by Congress. Since this Office is entirely new, it is possible that some type of restructuring of the Office, or the procedures provided in this Title, may be required. This provision has been included solely to require Congress to undertake a complete review of the effectiveness of the Office in reducing drug trafficking and abuse.

SEC. 1014. Authorization of Appropriations.—This section authorizes $7.5 million for the salaries and expenses of the Office of National Drug Control Policy. This level of funding should provide approximately 50 to 75 full-time positions to assist the Director, the Deputy Directors and the Associate Director to carry out their responsibilities under this Title. Since this is a new office, the level of funding may need to be adjusted in the second year of operation. Accordingly, this section authorizes such sums as may be necessary for each of fiscal years 1990, 1991, 1992 and 1993.

SEC. 1015. Effective Date.—this section provides that this Title and amendments made by this Title, unless otherwise specified, shall take effect on January 21, 1989.●

JUVENILE JUSTICE PROVISIONS OF THE ANTI-DRUG ABUSE ACT OF 1988

● Mr. BIDEN. Mr. President, the Anti-Drug Abuse Act of 1988 is certainly one of the most important pieces of legislation that Congress passed in the 100th Congress. Although I strongly support many of the provisions in the drug bill, I am particularly pleased that it contains an entire chapter devoted to improving and strengthening Federal programs to reduce the devastating problems of juvenile crime and delinquency, runaway and homeless youth and missing children. In fact, this chapter is based on a bill, the Criminal and Juvenile Justice Partnership Act of 1987 (S. 1250) that I introduced in May 1987.

Mr. President, drug trafficking and abuse are among the most serious problems confronting this country. They threaten our national security. They spawn organized crime and violence. But the aspect of the drug problem that is the most frightening to me is that it threatens America's most valuable resource: our children.

The juvenile justice provisions of the Anti-Drug Abuse Act of 1988 are aimed at attacking the drug problem among our Nation's youth and the associated problems of juvenile crime, runaway youth and missing and exploited children.

Specifically, the juvenile justice chapter of the drug bill, the Juvenile Justice and Delinquency Prevention Amendments of 1988, includes the following new programs:

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT [JJDPA]

The drug bill reauthorizes the JJDPA through 1992, which last year provided more than $66 million to State agencies to improve the functioning of their juvenile justice systems. Although many worthy programs are funded under the JJDPA, I think that three programs have been particularly effective: the Court-Appointed Special Advocate Program [CASA] which runs programs nationally and in my home State of Delaware; the National Council of Juvenile and Family Court Judges, which provides valuable training to personnel involved in the adjudicative component of the juvenile justice system; and the law-related education program, which provides unique education services to young people about their duties and responsibilities in our society.

In addition to reauthorizing the JJDPA, the drug bill contains a provision that I coauthored to establish a new $15 million program to address the growing problems of drug and gang activity among young people. Specifically, moneys would be available for law enforcement, prevention and treatment programs to deal with the problems of juveniles convicted of serious drug trafficking crimes; drug and gang-related criminal activity in our schools; and to provide drug abuse education and treatment to juveniles involved in gang and drug activities.

Finally, the drug bill increases the amount of funding for flowing to the States. Under the amendments to the JJDPA, approximately $6 million additional will be distributed to State juvenile justice agencies. At the same time, the minimum State allocation has been increased from $225,00 to $325,000. If the total appropriations for the JJDPA surpasses $75,000,000 the minimum State allocation shall increase to $400,000.

RUNAWAY AND HOMELESS YOUTH ACT [RHYA]

The drug bill also reauthorizes the Runaway and Homeless Youth Act—which is designed to provide shelter to runaway and homeless children across the country—through 1992. The language of this section also provided clear and distinct authorizations for each of the activities currently funded under the RHYA. The bill requires that at least 90 percent of the funds appropriated under the RHYA be devoted to make grants to public and private entities to establish and support local runaway and homeless youth centers. This increase in funding for basic center grants has been coupled with a new minimum State allocation of $75,000.

The bill also establishes a new $5 million program to establish transitional living projects for homeless youth 16 to 21 years of age. In 1977, the Runaway Youth Act was amended to authorize services for homeless youth. However, because the service goal for homeless youth is different from that of runaways, that is, family reunification, and because homeless children cannot stay at a shelter for more than 15 days, the shelters have been able to provide only limited help to these youth. The new transitional living language fills this void by establishing a program designed to meet the special needs of homeless youth, including counseling and shelter for up to 18 months.

Finally, the runaway and homeless youth section of the bill mandates that the Department of Health and Human Services shall operate a national communication hotline to assist runaway and homeless youth and provides increasing levels of funding for the Department to meet this responsibility.

MISSING CHILDREN'S ASSISTANCE ACT

The juvenile justice provisions of the bill also reauthorize this Missing Children's Assistance Act [MCAA] through 1992. The Federal Government has an important role to play in addressing the problem of missing children in America. Many of these children are abducted and taken across State lines. In addition, the Federal Government can provide valuable technical assistance and training to State and local police departments and other agencies to improve their ability to solve missing children's cases.

Mr. President, as a nation we have a special responsibility to provide for the health and welfare of our children. Drug abuse, delinquency, broken families, and homelessness threaten the well-being of millions of children in America. The juvenile justice provisions of this bill take an important step in addressing these problems and I think they are among the most important and most promising sections of the Anti-Drug Abuse Act of 1988.●

SCIENCE AND AGENT ORANGE

● Mr. KERRY. Mr. President, I am very pleased that the Senate acted this year to pass legislation which would provide compensation for Vietnam veterans who are victims of agent orange. This is an important first step in addressing this problem, and it is a breakthrough for Vietnam veterans.

However, I am deeply disappointed by the action of the House, which refused to accept these provisions in conference. This is a breach of faith with Vietnam veterans. As a result of the indifference of some Members of the House, Vietnam veterans are still waiting for compensation for diseases caused by agent orange. While the final bill did contain some provisions of S. 2675, the legislation sponsored by Senator DASCHLE and I, the interim benefits for non-Hodgkins lymphoma and soft-tissue sarcoma were dropped.

But the fight is not over, Mr. President. We have only begun to fight. I will be back next year, along with TOM DASHCLE and others, and we will continue to fight for Vietnam veterans. The homecoming and the healing process for Vietnam veterans will not be complete until we have healed the wounds caused by agent orange, and compensated the victims. Out of respect for the memory of Elmo Zumwalt III and other Vietnam veterans who are casualties of agent orange, we can do no less.

During the debate over agent orange this year, allegations were made that the scientific evidence does not support a link between agent orange and diseases. Our opponents circulated a letter from a Harvard professor which purported to show that the studies we had cited on agent orange were not scientifically valid. These charges are very disturbing.

Accordingly, I asked Dr. Elizabeth Bourque of the Massachusetts Department of Public Health, who is a specialist in the area of dioxin studies, to review the letter and to comment on the charges made. I would like to ask that Dr. Bourque's letter to me be printed in the Record at the conclusion of my remarks.

As Dr. Bourque clearly shows in her letter, the charges made by our opponents have no scientific merit. Indeed, many of those who have sought to discredit studies pertaining to agent orange have had their own work supported by chemical industry, and have reached conclusions of dubious objectivity and dubious scientific merit.

An objective analysis of the scientific evidence shows that there is a clear association between exposure to dioxin and cancer. This has been demonstrated in many scientific studies. The evidence is strong and clear—agent orange has caused cancer in many Vietnam veterans. We should not wait any longer. Vietnam veterans deserve compensation now. We owe them nothing less.

The letter follows:

The Commonwealth of Massachusetts, Executive Office of Human Services, Department of Public Health,
Boston, MA, September 15, 1988.

Senator John F. Kerry,
Russell Senate Office Building,
Washington, DC.

Dear Senator Kerry: The following comments focus on the studies reviewed by Dr. Brian MacMahon in his letters. The comments of the International Research Agency on Cancer (IARC) on the Hardell et al. studies are summarized. In addition a contrast between Dr. MacMahon's and IARC's interpretation of a few studies is made. However, these few studies clearly indicate that there is a completely different interpretation. Further contrasts can be made with the attached IARC references.

Dr. Brian MacMahon's statement: ". . . the Swedish studies of Hardell, Erickson and colleagues are in error for reasons that have been clearly identified, . . ." is clearly contradictory to the interpretation of these studies by the International Agency for Research of Cancer, IARC, of the World Health Organization (an international working group of experts which publishes critical reviews and evaluations of evidence on the carcinogenicity of a wide range of agents to which humans are or may be exposed). IARC's interpretation is consulted by various agencies in 45 countries.

1. Hardell L., Sandstrom, A. (1979) Case-Control Study: Soft-Tissue Sarcomas and Exposure to Phenoxyacetic Acids or Chlorophanols. Br. J. Cancer 39:711–7.

Dr. MacMahon: ". . . among the 13 cases and 14 controls who reported exposure to phenoxy-acids, all but 1 case and 3 controls reported use of 2,4,5-T, the only phenoxy-acid likely to be contaminated with TCDD. . . . Thus, as just noted, practically all of the exposed cases and controls in the STS (soft-tissue sarcoma) study in the forested north of Sweden reported exposure to 2,4,5-T . . . the relative risk found in northern Sweden, 5.3" p. 3.

IARC 1986: ". . . the relative risk estimate was 5.3 (95% CI, 2.4–11.5) with 13 cases exposed. Of the 13 cases, 12 had been exposed to 2,4,5-T or 2,4-D and one to MCPA alone; combined exposure to 2,4,5-T and 2,4-D was reported by nine cases." P. 389.

IARC concluded: "A population-based case-control study (described above) showed a statistically significant association between exposure to chlorophenoxy herbicides, especially in forestry and the occurrence of soft-tissue sarcomas." P. 394.

2. Eriksson, M., Hardell, L., Berg, N.O., Moller, T. and Axelson, O. (1981) Soft-tissue Sarcomas and Exposure to Chemical Substances: a Case-Referent Study. Br. J. Ind. Med. 38:27–33.

Dr. MacMahon: "A second study was therefore undertaken in the principally agricultural south where 2,4,5-T was little used. The relative risk associated with exposure to phenoxy acids, 6.8 was as high as that found in northern Sweden, 5.3. The south Swedish data were also analyzed after exclusion of individuals exposed to 2,4,5-T, giving a relative risk of 5.9" P. 3.

IARC 1986: ". . . where MCPA and 2,4-D have been widely used in agriculture. A relative risk estimate of 8.5 was obtained for exposure to chlorophenoxy herbicides alone for more than 30 days (seven cases), and one of 5.7 for exposures of less than or equal to 30 days (seven cases). The odds ratio for exposure to chlorophenoxy herbicides other than 2,4,5-T was 4.2 (95% CI, 1.3–15.8)." P. 390.

IARC concluded: "A second study on this type of tumour (soft-tissue sarcomas) was conducted in southern Sweden, where a significant increase in the risk of developing soft-tissue sarcomas was associated with previous exposures to chlorophenoxy herbicides, mainly in agriculture." P. 394.

3. Hardell, L., Erikson, M., Lenner, P., and Lundgren, E. (1981), Malignant Lymphoma and Exposure to Chemicals, Especially Organic Solvents, Chlorophenols and Phenoxy Acids: a Case-Control Study, Br. J. Cancer 43: 169–76.

Dr. MacMahon: "In the study of lymphomas, 12 cases and 1 control reported exposure to only MCPA or 2,4-D while overall, there were more than twice as many controls as cases." P. 3.

IARC 1986: A case control study of 169 cases of malignant lymphoma (60 Hodgkin's disease, 105 non-Hodgkin's lymphoma four unclassifiable). . . . The study design, including ascertainment of exposure, was similar to that of the Swedish soft-tissue sarcoma studies. A relative risk estimate of 4.8 (95% CI, 2.9–8.1) was obtained for exposure to chlorophenoxy herbicides excluding cases and controls exposed to chlorophenols. Stratifying by duration of exposure, the relative risk estimate was 4.3 for less than 90 days, and 7.0 for 90 data or more exposure to the chlorophenoxy herbicides. Most chlorophenoxy herbicide-exposed cases reported exposure to both 2,4,5-T and 2,4-D (25 cases); two reported exposured to 2,4,5-T, 2,4-D and MCPA, seven to 2,4-D alone and five to MCPA alone." P. 391.

IARC concluded: "A statistically significant association between malignant lymphoma and exposure to chlorophenoxy herbicides was found in a Swedish case-control study . . ." P. 394.

In reviewing the above studies Dr. MacMahon concluded: "Given the lack of consistency in these results one must re-examine the Hardell studies more critically. That the startling findings are the result of some not fully identified methologic bias is suggested by the following:

1. ". . . The associations were if anything slightly stronger for herbicides not containing TCDD then for those commonly contaminated . . .".

3. There is the possibility that recall of exposure was influenced by case or control status." P. 5.

IARC 1987: "Two population-based case-control studies conducted in northern and southern Sweden, respectively showed a statistically significant association between exposure to chlorophenoxy herbicides, especially in forestry and agriculture and the occurrence of soft-tissue sarcoma . . .

"A statistically significant association between malignant lymphoma (Hodgkin's and non-Hodgkin's) and exposure to chlorophenoxy herbicides was found in a Swedish case-control study." P. 157.

IARC 1986: 1. In Hardell, Eriksson et al 1981 ". . . the relative risk estimate was 7.0 for 90 days." P. 391.

3. "The same Swedish authors tested the assumption that a greater recall of past herbicide exposure by patients with soft-tissue sarcoma and lymphoma than by the controls may have produced the earlier findings. . . . Had a significant recall bias existed, the studies on colon cancer and liver cancer would have been expected to give significantly elevated odds ratios for the herbicide exposure; such findings were not reported." P. 392.

There are other studies and the following is but a sample of the articles in which the MacMahon analysis is not consistent with the analysis of IARC.

1. Riihimaki, v., Ash, S. and Hernberg, S. (1982) Mortality of 2,4-dichlorophenoxyacetic and 2,4,5-trichlorophenoxyacetic acid herbicide applications in Finland. First Report of an Ongoing Prospective Cohort Study, Scand. J. Work Environ Health 1982, 8:37–42.

Dr. MacMahon: "There were no deaths from STS or lymphoma" p. 4.

IRAC 1986: "No lymphoma or soft-tissue sarcoma was observed. . . . The authors point out, however, that the small size of the cohort, the brief follow-up period and the low exposure limited the utility of this study." P. 387.

2. Woods, J.S., Polissar, L., Severson R.K., Heuser, L.S. and Kulander, B.G. (1987) Soft Tissue Sarcoma and non-Hodgkin's Lymphoma in Relation to Phenoxy Herbicide and Chlorinated Pheno Exposure in Western Washington, JNCI 78:899–910.

Dr. MacMahon: "The relative risks for STS and NHL associated with all occupations involving potential exposure to phenoxy herbicides were 0.8 (0.5–1.2) and 1.1 (0.8–1.4), respectively. No analysis by latency produced an excess risk for STS. No specific jobs had a clear indication of increased risk of either turmor" p. 4.

IARC 1987: "Farmers and forestry workers in Washington State, USA, with exposure to phenoxy herbicides had a significantly increased risk of non-Hodgkin's lymphoma. People of Scandinavian descent in the area had an increased risk of soft-tissue sarcoma in connection with phenoxy herbicide exposure, but no increased risk of non-Hodgkin's lymphoma" p. 157.

3. Hoar, S.K., Blair, A., Holmes, F.F., Boysen, C.D., Robel, R.J., Hoover, R. and Fraumeni, J.F., Jr. (1986) Agricultural Herbicide Use and Risk of Lymphoma and Soft-

Tissue Sarcoma, J. Am. Med. Assoc., 256: 1141-1147.

Dr. MacMahon: "NHL showed on association with being a farmer (RR 1.4, 0.9-4.0) and a significant trend with both duration and frequency of use of herbicide. . . . It is probable that herbicide usage was grossly under reported in this study and with a high proportion coming from surrogates the possibility of recall bias is present" p. 5.

IARC 1987: "The population-based case-control study of soft-tissue sarcoma and Hodgkin's and non-Hodgkin's lymphoma in Kansas showed that use of 2,4-D was associated with non-Hodgkin's lymphoma especially among farmers who had been exposed for more than 20 days per year, among whom there was an approximately six-fold excess, and among those who had mixed or applied the herbicides themselves." P. 157.

4. Vineis, R., Terracini, B., Ciccone, G., Cignetti, A., Colombo, E., Donna, A., Maffi, L., Pisa, R., Ricci, P., Zanini, E., and Comba, P. (1987) Phenoxy Herbicides and Soft-Tissue Sarcomas in Female Rice-Weeders: a Population-Based Case Control Study, Scand. J. Work Environ. Health 13: 9-17.

Dr. MacMahon: "There is no suspected exposures in either cases or controls. The relative risk of exposure to women was 2.7 with a 90 percent confidence interval of 0.59-12.37 which easily includes the value 1.0—that is the excess could readily be due to chance."

IARC 1986: "Cases and referents, or their next-of-kin, were interviewed by a trained interviewer, who was unaware of their case/referent status, by means of a personal visit; 16 cases and 37 referents gave information by post. Information on various uses of herbicides, mainly 2,4-D, MCPA and 2,4,5-T (until 1970), was collected in detail and assessed by two experts in agricultural chemistry, who were unaware of the case/referent status of the person. . . . An age-adjusted odds ratio . . . of 2.7 (90% one-tailed CI, 0.59-12.37) for living women. An age-adjusted odds ratio of 15.5 (1.3-180.3) was found for living women under the age of 75 years, exposed between 1950-1955." P. 391.

IARC concluded: "An increased risk of soft-tissue sarcoma was described among highly exposed Italian rice weeders in a population-based case-control study." P. 394.

After reviewing the studies for evidence for a relationship between exposure to Agent Orange in Vietnam and an increased risk of soft-tissue sarcoma and non-Hodgkin's lymphoma Dr. MacMahon concluded: " . . . there is no reason to suspect an increased risk of soft-tissue sarcoma or non-Hodgkin's lymphoma as a consequence of exposure to Agent Orange in Vietnam." P. 1, August 26, 1988.

However, IARC's analysis of Hardell, Eriksson and colleague studies comes to a very different conclusion. As detailed above, further, after reviewing numerous articles on chlorophenoxy herbicides IARC in 1986 concluded:

"In summary, well-conducted case-control studies have provided the most information on the association between cancer and occupational exposure to chlorophenoxy herbicides. Statistically significant elevated odds ratios have been observed for cancers at some sites, but not consistently, in independent studies. The results of one cohort study on the incidence of soft-tissue sarcoma support the finding in case-control studies of an increased relative risk for these tumours. Other cohort studies have added little information. No consistent exposure-response relationship emerged from the different studies, and, in the studies that found an association, exposures were shorter than those usually associated with occupation-related cancers. . . . There is limited evidence that occupational exposures to chlorophenoxy herbicides are carcinogenic to humans." p. 395.

It might be worth noting that some of Dr. MacMahon's research has been funded by industry:

A. Veliscol Chemical Corporation has funded the work reported in the following papers.

1. Mortality of Pesticide Applicators (1979) Wang, H. and MacMahon, B., J. Occup Med 21:741-44.

2. Mortality of Workers Employed in the Manufacture of Chlordane and Heptachlor (1979) Wang, H. and MacMahon, B., J. Occup Med 21:745-48.

3. A Second Follow-Up of Mortality in a Cohort of Pesticide Applicators (1988) MacMahon, B., Monson, R., Wang, H. and Zheng, T., J. Occup Med 30:429-432.

The subject of these papers, the termicide chlordane was voluntarily withdrawn from the market by Velsicol in an agreement with EPA on August 11, 1987. Prior to this action by the EPA, chlordane was banned in Massachusetts (1985) and New York (1987) due to it adverse health effects.

B. Alcoholic Beverage Medical Research Foundation has funded the work published in "Associations between Alcoholic Beverage Consumption and Hospitalization, 1983 National Health Interview Survey" (1988) Longnecker, M. and MacMahon, B., AJPH 78: 153-156. This paper stated: "It appears that abstainers (from alcohol) have longer durations of hospitalization." p. 155

Another controversial publication, 'Cigarette Smoking and Urinary Estrogens" (1982) MacMahon, B., Trichopoulos, D., Cole, P. and Brown, J. NEJM 307:1062-1065 stated: "The most intriguing question raised by these data is whether reduced estrogen levels in smokers are responsible for a possible reduced risk of breast cancer . . . the possibility that a one-third reduction in luteal estrogen stimulus produces a 20 percent reduction in the risk of breast cancer is credible." p. 1064.

This finding was refuted in the same prestigious journal in the article: *Breast Cancer and Cigarette Smoking* (1984) Rosenberg, L., Schwingl, P., Kaufman, D., Miller, D., Helmrich, S., Stolley, P., Schottenfeld, D. and Shapiro, S. NEJM 310: 92-94. which stated: "The data provide evidence against the hypothesis that smoking may reduce the incidence of breast cancer by 20 per cent." p. 92.

I hope that this information is helpful. If you have any questions do not hestitate to telephone me at 617-727-7170

Sincerely,

Elizabeth Anne Bourque, Ph.D.,
Senior Science Adviser.

REFERENCES

1. IARC Monographs on the Evaluation of the Carcinogenic Risk of Chemicals to Humans Some Halogenated Hydrocarbons and Pesticide Exposures (1986) Lyon, France.

2. IARC Monographs on the Evaluation of Carcinogenic Risks to Humans Overall Evaluations of Carcinogenicity: An Updating of IARC Monographs Volumes 1 to 42, Supplement 7 (1987) Lyon, France.●

JOHN STENNIS

● Mr. LEAHY. Mr. President, at the end of this Congress the U.S. Senate will see the retirement of one of the true giants of this body. No Senator, in this century, has been such a powerful figure and towering example of integrity as John Stennis, of Mississippi.

Each Senator has to consider whatever privileges he has received as a Member of this body, and I count it as a great privilege to have been able to serve with John Stennis. He was my first chairman when I was a member of the Armed Services Committee as a freshman Senator and during the 100th Congress he served again as my chairman of the Appropriations Committee. Throughout all these years, John Stennis has truly been a Senator's Senator.

Not only will hundreds of pages be written on the floor of the Senate about John's service, but also in the history books throughout the country. I will not repeat all of those things here today, however, I would like to note one of the hundreds of fond memories I have of John.

During my first few years in the Senate, my family would go back to our home in Vermont during school vacation throughout the summer months. I would be in Washington during the week and would join them on weekends.

Time and again when we had an evening session John would invite me, the junior-most Member of the Senate, to join him for dinner and an oral history of the U.S. Senate.

I have now served 14 years in the Senate, and I think I learned more about the history, customs, and tradition of this unique body from those conversations with Chairman Stennis than in any other way I could. I do not know if John will ever know how much of an impression he made on a young Senator, or how much that might have shaped my own feelings of reverence toward this great body, but it is something I will appreciate all my life.

The Senate should be the conscience of the Nation. Certainly when we point to John Stennis we point to the epitome of that conscience.●

CLAITON BUXTON

● Mr. LEAHY. Mr. President, every year on Flag Day, June 14, I think of my good friend Claiton Buxton. "Babe" Buxton was born 80 years ago June 14, 1908. He is one of the fortunate people who gets to celebrate both his birthday and Flag Day.

Babe has been in State service since May 1931, starting in the highway department. From 1940 to 1949 he worked in the purchasing department and in 1949 was elected sergeant at arms of the Vermont General Assembly, a post he held until 1961. He was made director of State buildings from

1961 to 1967. From 1967 to 1976 he was coordinator of construction for the Vermont State colleges.

For 27 years Babe served as town moderator for the town of Plainfield and held the post of town auditor for 20 years. In addition, Babe served as justice of the peace for over 15 years.

In 1947, Gov. Ernest Gibson created the Old Vermont State Building Council, on which Babe served until 1961. He also served on the hospital construction council for over 15 years.

Babe is the father of two children and the grandfather of three, and is married to the former Albas Loati.

Babe and Albas have been special friends of the Leahy family from the time I was a child. Some of my fondest memories are times when the Buxton family and my parents, Howard and Alba Leahy, and my brother, sister, and I would get together with our good friends the Edsons and picnic throughout central Vermont. As children, we considered Babe's constant sense of humor and willingness to tell jokes a special treat. In fact, I know of no Vermonter with a greater store of humor than Babe.

We in the Leahy family have always cherished our relationship with Babe and Albas, and I just wanted to note this special Vermonter for my colleagues here in the Senate.●

DAN EVANS

● Mr. LEAHY. Mr. President, Dan Evans came to the U.S. Senate to fill the vacancy caused by the death of our good friend and greatly respected colleague Henry "Scoop" Jackson. I think the State of Washington knew how much the Senate and the country felt about Scoop Jackson and the responsibility they had in sending us such a superb replacement. Washington did that in Dan Evans.

Dan has, over and over again, reminded Senators of their duty to their country and their State and has done it in a way that has encouraged the best in all of us. I have counted it a rare privilege to serve with him. As a Democrat, I can honestly say I am sorry to see my Republican colleague leave. Dan Evans bespeaks the integrity, competence, and conscience that a Senator should always show, and I wish him the very best as he retires from the U.S. Senate.●

LAWTON CHILES

● Mr. LEAHY. Mr. President, one of the first people I met with when I came to the Senate was Senator Lawton Chiles of Florida. I remember coming into Senator Chiles' office and seeing the famous bronzed shoes, a telling memento of his great victory by walking the entire length of Florida.

Lawton gave me good advice on committee assignments that day and has stood ready and able to give me continued and excellent advice all these years that we have served together in the Senate.

As a fellow member of the Senate Appropriations Committee, he has been a good colleague. But more importantly, he has been a close friend. He is one of the Senators who has truly made a difference in this body and has constantly and consistently put America's interests ahead of his own or his own political fortunes. He is a Senator in the true tradition for which the Senate was designed. There are too few Lawton Chiles in the U.S. Senate today, and we are diminished when a man of his stature leave. I really cannot imagine that there is anyone in those body, Republican or Democrat, who feels anything but sadness in seeing Lawton Chiles leave. At the same time, Lawton leaves knowing that he has enriched the Senate and our great country, as well as the State of Florida, by his presence and his service.

I shall miss my good friend, but I wish him and Raga all the best.●

WILLIAM PROXMIRE

● Mr. LEAHY. Mr. President, when I came to the U.S. Senate in 1974, like all Vermonters I knew about Senator William Proxmire. Because Vermonters share Senator Proxmire's sense of the economy, it was clear to me, as a freshman Senator, that many Vermonters could have voted for him as well as their own Vermont Senator.

Senator Proxmire is one of the first people with whom I spoke about my committee assignments, and then again 2 years later when I wanted to switch to the Senate Appropriations Committee. I remember his advice about the Appropriations Committee. He told me to remember just exactly where the money came from and then show that kind of responsibility. Probably none of us will ever be able to match the dedicated task that Bill Proxmire has shown, but he certainly has set an example that more and more Senators are trying to follow. And by his example, I have to think we are better off for it.

About 1½ years ago, I was talking with Bill late one night and he told me that he might not run again. He and I were seatmates for a couple of Congresses, and I was surprised to hear him say that. I urged him to reconsider his decision. Later, showing his typical independence, and even though he was next in line to be chairman of the powerful Appropriations Committee, Bill Proxmire said it is time to go.

Most Senators would not be willing to give up their power, or, as in Bill's case, the power that accumulates the longer you stay here. Bill would have been President pro tempore, as well as chairman of the Appropriations Committee. However, Bill has strongly felt for years that there is a time to serve and a time to go, and unlike those who sometimes do not get the chance to choose their time, he did, and at the peak of his powers.

Over the years I have presided over many openings of the Senate and have heard Bill Proxmire speak on the floor as he does every day. In the 101st Congress, Mr. President, I will miss hearing my good friend speak. Every time he did I learned something, and I think America did too.

I wish Bill and Ellen Proxmire the very best, and I consider myself fortunate to be among their friends.●

PAUL TRIBLE

● Mr. LEAHY. Mr. President, when I came to the U.S. Senate, I was one of the youngest Members here at the age of 34. I knew what that meant, trying to juggle my duties as a Senator with my duties as a family member with young children.

My good friend from Virginia, Paul Trible has faced the same questions and has decided to retire from this body at the end of this session to be able to spend more time with his wife and lovely children.

I applaud Paul for his decision, but I will miss him as a colleague and friend. Because of different party affiliations and philosophical bent, Paul and I were often on opposite sides of an issue. However, I did cherish the times we were able to work together on specific matters, and I will remember how much I enjoyed that. I will also well remember the times when we have come to each other on personal matters seeking help, and I know that it has been a matter of great pleasure to me that Paul has always said yes to any personal request that I have had and has gone the extra mile to help me out. I would like to think that I have done the same, and I look forward to our continued friendship long after he has left the U.S. Senate.●

BUD LEAVITT

● Mr. COHEN. Mr. President, a lot of time has passed since I entered the Maine sports world as a basketball and baseball player in high school. Even before my arrival and long after I moved onto another career, though, one individual has managed to stay at the top of that world. That man is Bud Leavitt, the longtime writer and executive sports editor for the Bangor Daily News, who is retiring after 40 years at the paper.

Bud's skill at bringing to life a wide variety of sports and outdoor experiences has always been an inspiration to fans and wilderness enthusiasts throughout the State. Few have developed as deep an appreciation of the Maine sports scene as he has, yet so many of us have been able to share the excitement and joy of it all by just picking up his regular columns and articles.

I am proud to call him a friend and I take pleasure in knowing what all Maine sports fans mean when they say "this Bud's for you." I look forward to the future pieces he will be contributing and wish him the best for a full and rewarding retirement.

Mr. President, I ask that an article on the retirement of Bud Leavitt from the Bangor Daily News be printed in the RECORD.

The article follows:

BUD LEAVITT ANNOUNCES RETIREMENT

(By Bob Haskell)

Bud Leavitt will tell just about anyone that 71 is his golf score. It is also the age at which he is retiring as the Bangor Daily News' executive sports editor and outdoor editor.

Saturday morning's "Outdoors" column on Page 15 marks the end of an era for the prolific Leavitt, who has directed the News' sports desk for nine years and who has written about outdoor people, issues and activities for the newspaper since 1948.

Leavitt will continue to write a weekly column for the News that will be published Tuesday mornings' beginning Nov. 8, announced Richard J. Warren, publisher of the News.

"It is hard to believe that Bud Leavitt is retiring as an editor of this newpaper," said Warren. "He has been its principal personality and its celebrity for as long as I can remember."

Indeed, Leavitt has been a larger-than-life image for the newspaper and the state of Maine for three decades because of his daily columns, his quarter-century on television and radio, and the famous people he has known, including his best friend, Ted Williams.

Former Boston Celtic John Havlicek and Bobby Knight, the Indiana basketball coach, are also close friends of Leavitt's.

His book, "Twelve Months in Maine," published in 1977, the 6,000-acre wildlife management area bearing his name in Charleston, and his induction into the Maine Sports Hall of Fame three years ago have reinforced the Leavitt legacy that is grounded in a 54-year newspaper career.

"I know this sounds very narrow, but I can't imagine anyone wanting to do anything else," said the big man with the booming voice who is best known as "Bud."

"It has enabled me to marry a wonderful woman, achieve a level of financial security, raise a family, educate my daughters, and meet wonderful people from coast to coast."

It also has enabled him to explore Alaska, fish the Miramichi and the waters around the Bahamas, and write about spring training in Winter Haven, Fla. "I've been a paid Huck Finn all my life," said the man who is content with his station in life.

It can be argued that Ralph William Leavitt Jr., whose father worked in Old Town's pulp and paper mill, has made the most of his opportunities since becoming a state high school hammer champion.

He broke into the newspaper business with the Bangor Daily Commercial in 1934 when he was 17. He helped cover the Brady Gang shootout outside Dakin's Sporting Goods on Columbus Day 1937. He met Ted Williams, a brash rookie who first called him "Bush," in the Red Sox dugout in Boston in 1939.

Leavitt was a civilian employee of the U.S. Army Air Corps from 1942 to 1946 and, according to his own biographical sketch, "sampled the finest beverages in the European theater; the tastiest wines in Spain, Portugal and France, and was never injured from several falls off a barstool."

He became a general sportswriter for the News in 1946 and, in 1948, "an instant expert on how to capture fish on a hook, put game on the table."

He also became host of a weekly program for this area's growing television audience in 1953. His outdoor show punctuated with the "Happy Wanderer" theme song was a Saturday evening feature until 1973.

There is no question that television made him a celebrity newspaperman. "It enhanced my column. It gave me an entirely new dimension. It increased my readership. It made me known," Leavitt reflected this week.

Two decades on local television became the foundation for his award-winning "Woods and Waters" program that was syndicated nationally by the Maine Public Broadcasting Network. Offshoots from that national exposure have included commercials with the late Clara ("Where's the beef?") Peller for Ben's insect repellant and with Williams for Nissen bread.

Last week, a caller to Leavitt's office asked the whereabouts of the reclusive Williams. The call came from the staff of Vice President George Bush.

Through it all, Leavitt has considered himself a newspaperman first and foremost. His daily column has continued to be his principal forum. His position as executive sports editor, and the sports desk's chief idea man, has been his most important stewardship since 1979.

"There is no medium like the Bangor Daily News, he said. "The notion that it is a little daily newspaper serving eight or nine Maine counties is not true. It is a respected newspaper.

"I've always been proud of the sports (desk) people. There is not a better team this side of the Boston Globe or west of there. There may be more people on some sports staffs. But there are none better when these people are given their heads."

Although he has demanded a great deal of everyone who has worked for him, members of the desk claim they have benefited from his guidance.

"His progressive thinking and innovation was a breath of fresh air at the News and it enabled the members of the sports desk to cover significant events that hadn't been covered by us in the past," said Larry Mahoney. "That gave us the opportunity to grow as writers."

"Through his leadership, we have guaranteed the readers of Maine's largest daily that whenever they pick up a copy of our paper, there will be news of female athletes on our sports pages," said "The Other Half" columnist Joni Averill, whom Leavitt hired to do that job.

For four decades, the newspaper's coverage of the outdoor arena has been dominated by Bud Leavitt. And he has always been aware of his audience—those who turn to the out-of-doors for their recreation and relaxation.

"I write for everybody," he related. "Everyone has an interest in hunting or fishing or camping or snowmobiling or cross-country skiing. I have had the wide-open field."

That was as evident in his book as it has been in his columns. In "Twelve Months," he wrote about L.L. Bean's "grub list," good for two adults for six or seven days; that "a wise hunter is afraid of his own gun and also of the gun of his companions"; and of how a blind girl learned to ski Sugarloaf in February 1968: "In the end, the astonishing personal accomplishment of 15-year-old Jeannette Smith stood head and shoulders over anything else and probably influenced thousands as the sport inched its way into the hearts and homes of newcomers to snow skiing."

Leavitt frequently has been at odds with those charged with managing and protecting that arena. He has not been afraid to say so. "I have worked for four publishers here," he said. "The Bangor Daily News has never told me to write something or not to write something."

Glenn Manuel, a potato farmer from Aroostook County, quickly found himself the subject of Leavitt's wrath after Gov. Joseph Brennan had appointed him Maine's commissioner of inland fisheries and game. Leavitt blasted Manuel in print as an untrained political crony unfit to hold that job.

In spite of that, the two men were on friendly terms when Manuel finished his 7½ years in office.

"Manuel knew I never meant it to be an attack on him personally, nor the farming profession," wrote Leavitt in January 1987. "I opposed, and still do, the idea of naming a department head—so terribly important to the Maine lifestyle—because the individual served as a good and loyal political soldier."

"On balance, Bud Leavitt is a real fine person. It took me a while to get to know him and to understand him," said Manuel this week. "He gave me the devil a number of times, and some of the times I probably deserved it. But he was a big enough man to praise me when he understood what I was doing. And that's the hallmark of a great man."●

MARY WILSON

● Mr. BRADLEY. Mr. President, Mary Wilson has been a part of my team since I entered the Senate in 1978. As my special assistant, she has supervised my correspondence to constituents. In this role, she has helped me accomplish one of the most basic functions of being a Senator—communicating with the people of New Jersey. Mary is now moving on to new challenges, and I take this opportunity to thank her for all she has done for me and for the people of New Jersey.

For 10 years, Mary approached her work with energy and dedication. Through her special ability to write and communicate, Mary assisted me in keeping New Jerseyans well informed of my legislative efforts in Washington.

Mary brought great skills and commitment to the job. But beyond her professional abilities, her personal qualities—her warmth, her compassion for other people, her sense of humor—added immeasurably to my staff.●

LAW RELATED EDUCATION

● Mr. SPECTER. Mr. President, since 1978 the Office of Juvenile Justice and Delinquency Prevention has funded Law Related Education, one of many vital programs dedicated to the prevention of juvenile delinquency and crime. As the Congress reauthorizes the Juvenile Justice and Delinquency Prevention Act, I would like to take this opportunity to stress the importance of services provided through law related education programs. I long have supported these programs as the former chairman of the Juvenile Justice Subcommittee and a member of Phi Alpha Delta Law Fraternity.

With programs underway in almost all States throughout the country, Law Related Education provides educational services to juveniles to instill in them a sense of respect for the law and civic responsibility. These programs utilize curriculum development, training, and educational programs in a variety of settings, and have proved extremely effective in reducing juvenile crime and delinquency. Resource person presentations are integral to the success of this vital program.

Five national nonprofit organizations have been funded by the Office of Juvenile Justice and Delinquency Prevention and have been active since 1978-79. These are: The American Bar Association, the Center for Civic Education, the Constitutional Rights Foundation, the National Institute for Citizen Education in the Law, and the Phi Alpha Delta Law Fraternity International. I commend the Law Related Education Program for its significant contribution to promote awareness and understanding of the law and help reduce juvenile crime and delinquency through educational services.●

PALAU

● Mr. JOHNSTON. Mr. President, 2 years ago the United States Government achieved consensus on the terms of the Compact of Free Association with Palau when it enacted Public Law 99-658 approving the compact. At the time, it was agreed that a future act of Congress would be needed to implement the compact following its approval in Palau. Over a year ago, Palau apparently approved the compact with a substantial 73-percent vote of support, and the United States President submitted the necessary implementing legislation to Congress as anticipated. In March 1988, the Senate passed implementing legislation and, in April, the House Foreign Affairs Committee ordered reported nearly identical legislation.

Unfortunately, the House Interior Committee did not begin to act until late June, when subcommittee Chairman DE LUGO introduced legislation which would have effectively and substantially altered the terms of the compact as previously approved under Public Law 99-658. Although the Palau Supreme Court invalidated the Palauan approval of the compact in August, there was a consensus that the United States should proceed with enactment of the compact implementing legislation so that the compact could be implemented upon subsequent Palauan approval.

After months of negotiations, the House was finally able to pass legislation on October 5, the day Congress was originally expected to adjourn. This House measure had 17 sections on a variety of issues including new entitlements for health facilities, prison renovation, an antidrug program, the operation of offices for auditor and for prosecutor, and a United States taxpayer financed bailout of Palau's IPSECO powerplant debt.

Many of the provisions of the House bill were unacceptable to the Senate. This fact was repeatedly and clearly communicated to House members, the Palauans, and the administration in advance of House action. To underscore this message I sent the following letter to Mr. DE LUGO, chairman of the Subcommittee on Insular and International Affairs.

U.S. SENATE,
COMMITTEE ON ENERGY
AND NATURAL RESOURCES,
Washington, DC, October 6, 1988.

Hon. RON DE LUGO,
Chairman, Subcommittee on Insular and International Affairs, U.S. House of Representatives, Washington, DC.

DEAR RON: We have carefully considered H.J. Res. 597 and are disappointed that so little progress has been made on this issue. We have tried from the very beginning to make the Senate's firm position on these issues clear.

We continue to oppose additional entitlements to Palau because it is a breach of the agreement Senator McClure and I reached with Mr. Udall and Mr. Seiberling three years ago when the Compact was first approved under Public Law 99-239, and which was reaffirmed two years ago when the Compact with Palau was approved under Public Law 99-658. The legislation now under consideration by Congress was intended only to implement the terms previously approved by Congress.

We are willing to compromise to the extent of the provisions in the Senate's final offer on H.J. Res. 597. However, new entitlements and changes in the language on IPSECO are out of the question. Additional entitlements to Palau would also be unfair to the FSM and RMI who entered into Free Association in good faith, and with willingness to leave many issues to be resolved under the new relationship.

We have demonstrated our willingness and commitment to meet additional needs in the annual appropriations cycle and in other territorial legislation. For example, we have pushed the Pell Grant extension, and supported over $150 million in "over-compact" appropriations to the FSM and RMI in the two years their Compacts have been in effect.

As for the IPSECO matter, we invite your attention to the history of this project. Prior to President Salii's death, in August, he and the banks had reached an agreement in principle within the confines of the Senate and House Foreign Affairs Committee approved language. Now, as a result of Interior Committee delay, the issue has become subject to Palauan electioneering demands that the U.S. taxpayers share in the financial liability of the IPSECO project. Regardless of these demands, our position remains unchanged.

As early as 1983 there are specific statements in the Senate Appropriations Committee record against this project. Those comments from the Chairman of the Subcommittee, which I supported, were preceded by specific warnings to the Palauans as early as December 1982, by staff of both this Committee, the Appropriations Committee, and the Administration. At that time, the U.S. government specifically appropriated funds to provide Palau with a new powerplant. However, that powerplant is now in the FSM because the Government of Palau chose to go ahead with the IPSECO project. The Department of the Interior was specifically asked by Palau for its opinion on this project, and recommended against it repeatedly. The Trust Territory Government voiced its objections to the project in April of 1983, and in May suspended provisions of the Palauan Law authorizing the project, RPPL I-54, in an effort to block it. Finally, the U.S. Government was asked by Palau to provide a loan guarantee for the project. This request was specifically refused, and instead the U.S. sent a cable to the guarantor banks stating that Palau would, upon approval of the Compact, have funds which could be used to finance the project.

The U.S. taxpayers have no responsibility for a project to which their government historically and repeatedly refused to provide assistance beyond that provided under the Compact. Palau will have available nearly $45 million in discretionary funds, and over $2 million annually for 14 years, to meet its obligations for this project. The creditors have indicated a willingness to settle for $32-34 million. The notion that the U.S. taxpayers should provide arbitrage for Palau by advancing the Compact funds is equally unacceptable. Palau can arrange such financing through commercial banks. It is important to note that the RMI purchased the same powerplant as Palau and was also refused additional U.S. assistance. The RMI has gone ahead and refinanced their powerplant debt with a commercial bond collateralized by Compact funds, just as Palau should do.

We have been working on this issue for over 15 years and certainly hope that the matter is not delayed until the next Congress. That choice lies with the House.

We hope that we can work together next year on following-up on implementation of the Compacts, and on other important issues regarding the U.S. insular areas.

Sincerely,

J. BENNETT JOHNSTON,
Chairman.

On October 7, after sending this letter, the Senate amended the House resolution, House Joint Resolution 597, and returned it to the House for consideration. That Senate amendment was a fair compromise between the House measure and the simple implementation legislation both passed by the Senate and ordered reported by the House Foreign Affairs Committee over 6 months previously.

The Senate counterproposal included 17 sections which accepted the basis of each of the 17 House sections. However, on many of these issues the Senate amendment provided that the specifics of how these issues would be resolved was to be developed through reports, plans, agreements, and future congressional consideration. This approach recognizes that Palau will receive a substantial increase in funding under the compact; roughly $460 million over 15 years for a nation of about 15,000 people. The Senate approach also recognizes that the responsible way to address these needs is to carefully gather information on the extent of the needs, on the options to resolve them, on the availability of resources, and develop plans for expenditures. Such planning and careful consideration prior to the commitment of Federal funds is one or our basic responsibilities to the taxpayer.

The House bill would commit additional U.S. funds with inadequate planning and insufficient justification. For example, the House bill would have required funding to support an antidrug program, and to support Palauan Government offices of auditor and prosecutor, without first developing reliable cost estimates for these efforts, or explaining why other sources of funding cannot meet these needs. The House bill would have also required that the United States provide an additional $5 million for health facilities in Palau; despite the fact that the Appropriations Committees of both the House and Senate have already provided $10 million for renovation of the existing hospital—an amount greater than was provided to the Marshall Islands to construct a new hospital. The House bill would have required $800,000 for prison renovations or the construction of a new prison in Palau. It would be more responsible to determine whether renovations or a new prison is the better option before funds are provided. Moreover, this House provision ignores the fact that the House and Senate Appropriations Committees previously provided $100,000 to Palau for renovation of the prison—funds Palau still has not obligated. Finally, the House bill would have required the United States taxpayer to absorb the cost of advancing funds to Palau to pay for a project which the United States Government specifically opposed—the IPSECO powerplant.

Statements by some House members have repeatedly stressed the existence of certain needs in Palau which the House bill is intended to address. I agree that Palau has needs. I steadfastly disagree, however, with the House approach of providing additional funding to meet those needs before determining the extent of the needs, the cost of meeting them, and the resources available to meet them. The compact already provides the framework and the authorization to meet those needs. The Senate amendment reiterates those provision in more specific terms, and further states that Congress will sympathetically consider them. I had hoped that such commitments, and my record of support for the insular areas, would be enough to reach a concensus on these matters.

A second statement repeated by some House Members, and some Palauans, is that the United States has an obligation to provide additional benefits to Palau under the compact in order to achieve greater support for the compact in Palau. I reject this argument. The compact has already achieved a 73-percent vote of support in Palau making it clear that a vast majority of Palauans support the compact as approved by the United States under Public Law 99-658. It is not the responsibility of the United States to buy its way into a new relationship with Palau. It is the responsibility of the Palauan leadership to fulfill the will of the majority.

When it became apparent that there would be no legislation regarding Palau this year, I sent the following letter to the Secretary of the Interior directing him to develop the reports and plans called for in the Senate amendment of October 7. I am confident that this is the best approach to meet these needs in Palau given that there is little hope of implementing the compact in the near future.

U.S. SENATE,
COMMITTEE ON ENERGY
AND NATURAL RESOURCES,
Washington, DC, October 19, 1988.

Hon. DONALD P. HODEL,
Secretary, Department of the Interior, Washington, DC.

DEAR MR. SECRETARY: It is now apparent that there will be no legislation enacted this year authorizing implementation of the Compact of Free Association with Palau. Nevertheless, there remains a need to gather information on several issues raised during congressional consideration of the Palau legislation. For example, the legislation passed by the Senate would have required that the Secretary of the Interior submit reports to Congress regarding the upgrading of the Koror hospital and the Palau prison. The Senate passed legislation also would have required the National Drug Policy Board to develop a plan for an anti-drug program in Palau. Finally, this legislation would have required United States' assistance to Palau for certain government operations.

These issues continue to be of concern to us and their resolution should not be delayed by the failure to enact Compact implementing legislation. Accordingly, we request that you develop, and submit to Congress by March 1, 1989, the two reports anticipated by the Senate legislation regarding the range of options, the cost of these options, and the status of efforts to upgrade the Koror hospital and the Palau prison.

We also request that you develop, in cooperation with the National Drug Policy Board and the Government of Palau, an anti-drug abuse plan for Palau and submit it to Congress by March 1, 1989. Finally, we request that you develop plans, in cooperation with the Government of Palau, to assist the Government of Palau in: promulgating regulations for the expenditure of funds; implementing audit recommendations; and maintaining Offices of Public Auditor and Special Prosecutor. We ask that you submit these plans to Congress by March 1, 1989 with a report on the status of their implementation. Because we intend to consider these plans and reports during the FY90 budget cycle it is important that they be submitted by the date specified and that they include: (1) specific cost estimates, (2) identify resources to be committed by the U.S. and by Palau, and (3) establish priorities for additional funds, if made available.

We appreciate your commitment to developing this information, and thus assisting Congress in its consideration of these concerns regarding Palau.

Sincerely,

J. BENNETT JOHNSTON,
Chairman.
JAMES A. MCCLURE,
Ranking Minority Member.

The Senate amendment of October 7 did not include the entitlements provided by the House bill, nor did it alter the Senate's position on the IPSECO debt. That position is, and remains, that the U.S. taxpayers' contribution to the IPSECO debt repayment shall be limited to their indirect contribution under the compact, assuming its implementation. Sections 211(b) and 212(b) of the compact have a present value of over $60 million and are, therefore, more than adequate to meet the creditors' offer to settle this debt for $32 million.

As I stated to Mr. DE LUGO in my October 6 letter, and as I stated upon passage of the Senate amendment, this was a fair and final offer. Unfortunately, the House did not accept that offer. This is even more surprising given the fact that the Senate eventually offered an additional major concession beyond the October 7 final offer. On the IPSECO issue the distinguished chairman of the House Foreign Affairs Committee, Mr. FASCELL, sought to find that difficult middle ground between the House and Senate positions. I was not particularly happy with his offer, but I agreed because it did not violate the principle that the U.S. taxpayer be "held harmless." Most importantly, I agreed with the distinguished House chairman that passage of the compact was important enough that the IPSECO matter has to be resolved.

By October 20 the House still had not acted on the Senate amendment of October 7 and, like many of my colleagues, I had returned to my State to keep commitments made many months previously. My staff contacted me seeking approval of Mr. FASCELL's compromise on the IPSECO debt. On the 21st, and with great reluctance, I agreed to the amendment on the condition that it would be the only change from the Senate's final offer of October 7. The amendment would have authorized the President to negotiate an agreement with Palau to advance the funds to be provided under section 211(b) of the compact; provided Palau pay the United States the cost of this advancement within 15 years.

I was pleased that we were able to reach this agreement. The amendment was supported by the House Foreign Affairs Committee, the administration, the Palauan representatives and by Palau's creditors. Unfortunately, this "final-final" offer was still not enough for some members of the House Interior Committee who demanded that the administration provide letters assuring administration support for the terms of the House passed measure. Although the administration produced these letters, I understand that members of the Interior Committee then demanded that these letters be enacted into law. At this point, on the morning of October 22, time ran out.

I am disappointed with the failure of the House to accept the Senate final offer with Mr. FASCELL's amendment. I am also disappointed that Congress was forced to deal with this complex issue under such time constraints. The Senate acted promptly in March, and had hoped that the House would also act promptly so that any differences could be resolved in an orderly and thoughtful manner, in a conference. I am not at all eager to deal with this issue next year given the delay tactics employed by the House Interior Committee. I would recommend that the Senate await House action on Palau before we invest our time on this legislation again. Our efforts would be better spent on following-up with the Secretary of the Interior, or focusing on other territorial issues.

Mr. President, I would like to thank the distinguished ranking member of the Committee on Energy and Natural Resources, Senator MCCLURE, for his support on this matter. He and I have dealt continuously with the compacts from their early development in the 1970's up until today. I also thank Senators INOUYE, MCCAIN, and BYRD who have taken an interest in Micronesia and have supported my position regarding Palau. Finally, I thank Mr. FASCELL, Mr. SOLARZ, Mr. BROOMFIELD, and Mr. LEACH, all distinguished members of the House Foreign Affairs Committee, for their efforts to complete this legislation in the 100th Congress. Mr. LEACH and Mr. LAGOMARSINO, of the House Interior Committee, deserve particular thanks for their special efforts in the early hours of October 22. I share their disappointment in taking that extra effort, but having it fall short. I look forward to their continued consideration and support when we next consider implementing legislation for the compact with Palau.●

JEWISH CENTENNIAL CELEBRATION IN MUSKEGON

● Mr. LEVIN. Mr. President, in this last CONGRESSIONAL RECORD of the 100th Congress, I would like to bring to the attention of the Senate another notable event in the annals of this Nation.

On September 24, 1988, a Jewish centennial celebration was begun in Muskegon, MI. What is unique about the celebration is that the entire community of Muskegon organized a comprehensive 8-month commemoration, including 50 individual programs and events. The 14 major cultural, educational and religious organizations in the Muskegon community united to focus, in this intensive way, on the contributions of the Jewish people both worldwide and in Muskegon.

For the community of almost 300,000 people to celebrate with such a massive outpouring of creative talent the 100th birthday of a tiny 87-family minority community represents the most eloquent testimony to American pluralism that I can remember.

I had the privilege, that I will always remember, of speaking at one of the first events, the opening of the Anne Frank exhibit at the Muskegon History Museum. That evening Itzhak Perlman gave a solo recital at the historic Frauenthal Theatre. And the next day Congressman GUY VANDER JAGT, who obtained his bachelor of divinity degree at Yale University, symbolized in a very personal way the ecumenical nature of the celebration by participating in the Jewish service of Sukkot.

One of the features of this 8-month celebration is the publication of a booklet entitled "Michigan's Jewish Community: A Centennial History 1888-1988," written by Dennis Devlin, who is a professor of history at Grand Valley State University.

Next May, the celebration ends with a trip to Egypt and Israel, foscusing on art and music and the history of the two countries, and sponsored by the art museum and the symphony orchestra. None of this could have been done without the extraordinary effort of Sylvia Kaufman.

I have never been so touched by the total commitment of a large community to the contributions of a tiny component of it. It is a model which other communities can use as we exercise our freedom to maintain our diverse ethnic traditions. This unique country of ours not only allows everyone to do so, but proclaims the importance of that freedom.

A New York Times article on September 28, 1988, contained some of the flavor of the Muskegon celebration. I ask that it be printed in the RECORD at this time.

The article follows:

CENTENNIAL TO MARK JEWISH SABBATH SERVICE

(By Isabel Wilkerson)

MUSKEGON, MICH., September 25.—These days the Star of David is appearing all over this western Michigan town, first settled in the mid-1800's by Dutch lumberjacks who wore crosses and sang carols at Christmas.

Now, as part of a nine-month program, the whole town is planning a public Seder, learning some Yiddish and celebrating all things Jewish for the centennial of the first sabbath service held here in the home of Henry Rubinsky, a scrap metal dealer from Poland.

"This is a celebration of American pluralism," said Senator Carl Levin, Michigan's first Jewish Senator, who was here this weekend to open a photographic exhibit from the Anne Frank Center in Amsterdam, where the Jewish girl and her family were sheltered from the Nazis. "We have been a wandering people, thrown from place to place. This is a story of how a minority that has been pummeled and tossed around has found a home."

All of this is happening in a city where Jews make up less than 1 percent of the population and are routinely asked what they'll be wearing on Easter.

There are only 87 Jewish families living in this county 150,000, enough for a congregration, but so few that some people here are afraid the city's production of "The Diary of Anne Frank" won't be able to find a Jewish girl for the title role.

But there were enough Jews here to gather support for the celebration that began this weekend with the opening of the Anne Frank exhibit and Hebrew melodies performed by the violinist Itzhak Perlman before a sell-out crowd of 1,800.

Jews here have come a long way from the time when it was difficult to gather a minyan, or quorum, of 10 men, for a sabbath service. They started as peddlers and grocers and tailors who over generations became financial and cultural leaders here.

Now, 70 years after a cross was burned in front of the Rubinsky house and 30 years since Jews were banned from the country club, newspaper advertisements here are heralding Judaism. There was a "Shalom" from the First Presbyterian Church and two Stars of David in the advertisement for Lumberman's Bank.

Throughout the celebration, Judaism will be the focus of lectures, art exhibits, slide shows, concerts, cooking classes, film festivals and symposiums, evoking everything from Abba Eban to "Fiddler on the Roof."

The celebration has been front page news for months, evidence to older Jews of a growing acceptance of an identity they never had.

While many younger Jews here now enjoy many of the rituals of Judaism, some of the Jewish pioneers in Muskegon barely went to services. Few had bar mitzvahs, some put up Christmas trees every year and one Jewish woman was the secretary of the Women's Episcopal Guild in a nearby town.

"Our parents wanted us to be good Americans and would never speak Yiddish in front of us," said 72-year-old Abie Ashendorf, who said his father answered an ad for a Muskegon chicken farm in the 1920's and stayed after "the six or eight Jews here talked him into it."

All this comes as a shock to Jews who have moved here from the Northeast, where bagels abound. In a region where the Dutch Reformed Church is predominant, it is not easy not being a Christian.

"I was taken aback by the intensity of Christianity here," said Dr. Joel Rubin, a surgeon who moved to the Middle West from southern New Jersey. "People here tend to be benignly naive, thinking every body is Christian and equating Christianity with goodness."

In a local production of "Joseph and His Amazing Technicolor Dream Coat," Dr. Ruth said, "Joseph, was a blond Dutch boy, and everyone thought it was great." He added, "I hope they won't have a little blonde girl as Anne Frank."

Christians here are starting with the basics. "Before this, I only knew about Hanukkah, and I just found out about that last year," said Cindie Jones, marketing director for the Muskegon Convention and Visitors Bureau, who is a German-French Lutheran. "It gives us a feeling of pride to be celebrating the Jews when other communities are showing prejudice."

The centennial is instructive for Jews as well. People who had slackened in their Jewishness are now reveling in it, redecorating the Temple B'nai Israel, reupholstering the furniture and painting the walls for the first time in years.

"We're hoping this will revitalize what has been a lethargic Jewish community," said Sylvia Kaufman, chairwoman of the Muskegon Jewish Centennial Committee. "People may not even know there'a a Jewish community here, but after the next nine months, they will—and in a positive way."●

AUTHORIZATION FOR AMENDMENT TO RULES OF THE SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. INOUYE. Mr. President, I would like to submit for the RECORD the "Authorization for Amendment to Rules of the Select Committee on Indian Affairs." I request that the full change in the rules be printed at this point in the RECORD.

The amendment follows:

AUTHORIZATION FOR AMENDMENT TO RULES OF THE SELECT COMMITTEE ON INDIAN AFFAIRS

Pursuant to Rule 12 of the Rules of the Select Committee on Indian Affairs, the following amendment to the Rules of the Select Committee were approved:

7. POLLING—

(c) Subjects.—The Committee may poll only (1) internal Committee matters including the Committee's staff, records and budget; (2) authorization for steps in an investigation, including the authorization and issuance of subpoenas and deposition notices, applications for immunity orders, and requests for documents; (3) other Committee business, not including a vote on reporting to the Senate any measures or recommendations, that the Committee at a meeting has designated for polling at a subsequent time.

(d) Procedure.—At the direction of the chairman, as provided in Rule 7(c), polling sheets shall be circulated to each member specifying the matter being polled and the time limit for completion of the poll. The chief clerk shall keep a record of polls, including a written record of members' written or oral disposition of polled matters.●

CAPITAL GAINS ALIVE AND WELL

● Mr. BOSCHWITZ. Mr. President, I rise today to direct my colleagues' attention to a column by Robert Davis, Commissioner of the Commodity Futures Trading Commission, which appeared recently in the Washington Times. Entitled "Not a Rich Man's Tax Break," the column does an excellent job of summarizing the arguments in favor of a reduction in the tax on capital gains.

As a long-time supporter of lower capital gains rates, I am troubled by the distortions of this issue by those who oppose it. Rather than considering carefully the facts pertaining to our prior experiences with lower capital gains rates, the opponents insist on characterizing the issue as a tax break for the wealthy, which, of course, is false.

The majority of taxpayers claiming capital gains in 1986 had incomes of $50,000 or less. Further, according to Mr. Davis, at least 40 million people currently hold securities directly or through mutual funds that are subject to capital gains taxation. As pointed out by Mr. Davis, "These investors have median household incomes of approximately $40,000 and represent more than one in five adult citizens."

I also agree with Mr. Davis' observation that lower tax rates on capital gains will encourage investment and stimulate economic growth. The simple fact is that by reducing the marginal tax rate on capital gains, all taxpayers have an incentive to make long-term investments. Absent a reduction in the tax rate on capital gains, individuals will not be attracted to long-term investments, but rather to short-term, low-risk investments that are less likely to lead to new companies, new products, or new jobs.

Economic growth depends on long-term investment. In my judgment, without a reduction in the tax rates for capital gains, growth will suffer. The consequences of a policy that discourages risk-taking may not be obvious in a year or two, but I firmly believe we will see the consequences of our inaction several years down the road.

Frankly, we simply must make a policy decision that a reduction in the tax rate for capital gains is in our national interest. The fact that all taxpayers can benefit from reduced rates on capital gains demonstrates the powerful influence it can have in our efforts to shape our economy for the 1990's.

Mr. President, I ask that a copy of Mr. Davis' column be printed in the RECORD.

The column follows:

NOT A RICH MAN'S TAX BREAK

(By Robert Davis)

The tax rate cuts since 1981 unambiguously have increased economic incentives and improved the financial security of ordinary Americans. The success of these policies is indicated by the change in trend of inflation-adjusted median family income, which declined at a 1.2 percent annual rate between 1973 and 1981, but has grown since 1981 at a 1.8 percent annual rate.

Although substantial tax reform has occurred, further changes would be beneficial. In 1986, individual tax rates on ordinary income were reduced further from those established in 1981, but the lower rate on capital gains income was eliminated. A policy to re-establish a lower capital gains tax rate would encourage greater economic growth, as well as ensure adequate growth of tax revenue.

While most would agree that lower tax rates on capital gains would encourage investment and economic growth, it is less obvious that a rate cut would generate continuing gains in tax revenue.

The most recent evidence from the U.S. Treasury Department suggests that the capital gains tax rate is far above the revenue-maximizing level. Consequently, the current capital gains tax rate level appears to reduce both economic growth and tax revenues. Further analysis is necessary to identify how much the capital gains rate can be lowered to maintain revenue neutrality or, alternatively, how much lower the rate should be to maximize revenue.

Logic indicates that tax rates on capital gains always should be lower than other income tax rates.

First, higher tax rates on capital gains affect taxpayer incentives much faster than higher tax rates on ordinary income, and thereby inhibit economic growth to a greater extent.

Second, taxpayers can defer capital gains by deferring sale of appreciated assets. In effect, the decision to realize capital gains income and pay tax is voluntary, while the ability to defer ordinary income generally is quite limited. Therefore, the present structure with equal marginal tax rates on ordinary income and capital gains both limits economic growth and generates revenue inefficiently. This is a problem that can be corrected only by lowering the capital gains rate relative to other income tax rates.

Two pitfalls may be encountered in advocating a lower capital gains tax rate, especially during an election year. These are attempts to identify capital gains tax rate reductions as a "rich man's" break, and efforts to link capital gains rate cuts to a tradeoff for higher marginal income tax rates.

The "rich man's" tax break charge is erroneous for at least two reasons:

First, because capital gains tax payments can be deferred by voluntarily deferring realization of capital gains, reduction of capital gains rates from present levels should result in greater realization of capital gains income. This results in greater tax payments and higher effective tax rates on economic income for high-net worth individuals.

Second, lower capital gains rates reduce the tax burden on long-term savings, permitting ordinary Americans to save more to finance the education of children and retire with greater financial security.

At least 40 million people currently hold securities directly or through mutual funds that are subject to capital gains taxation. These investors have median household incomes of approximately $40,000 and represent more than one in five adult citizens. Although this investor group may be in better financial condition than the average taxpayer, they are squarely in the middle class.

Efforts to link possible capital gains tax rates reductions with a quid pro quo increase in marginal income tax rates should be rejected as well. No such tradeoff is required to maintain revenue neutrality, although those who seek higher marginal tax rates surely will allege otherwise. And, even if a tradeoff were required to meet revenue goals, the economic benefits of lower capital gains tax rates likely would be exceeded by the economic losses resulting from higher income tax rates, making the policy a losing proposition.

The advantages of tax reform cannot be maintained if a low tax rate structure is sacrificed to provide benefits for special-interest groups. However, such concerns should not deter the advocacy of lower capital tax rates that are in the general public interest.●

CALIFORNIA KIWI INDUSTRY

● Mr. **WILSON.** Mr. President, I wish to point out to my colleagues a development that could have a deleterious effect on the kiwi growers in my home State of California.

It is my understanding that the Government of New Zealand is considering a proposal to provide a large subsidy for its kiwifruit industry. This government subsidy would take the form of a massive government guarantee for capital investment in the New Zealand kiwi industry of $60 million in 1989 and $30 million in 1990, for a total of $90 million. If the New Zealand Government follows through on this proposition, such a subsidy would disadvantage the kiwi industry in my State of California in their effort to compete on a worldwide basis.

Establishing a producing kiwifruit grove is an expensive proposition. In the past, New Zealand provided subsidies to its kiwi producers that enabled those producers to develop their groves without many of the normal expenses incurred by U.S. growers. As a result, our U.S. kiwi industry faces increasing competition both at home and in the world market from New Zealand growers not saddled with many of the startup costs of their competitors.

In addition, our domestic kiwifruit industry faces the potential loss of a major portion of its export market in the European Community. This market loss will result when unfair EEC subsidies spur production of kiwifruit in a least two common market countries, Italy and Spain.

In view of the severe economic damage the proposed huge New Zealand subsidy will impose on our domestic kiwi growers, I urge USTR to strongly protest the New Zealand action and to work with Congress in a strategy of opposition to similar acts in the future.●

TRIBUTE TO STATE SENATOR FRANK H. McGILL

● Mr. **THURMOND.** Mr. President, the State of South Carolina suffered a great loss with the death of State Senator Frank H. McGill, who died on Friday, August 26, 1988, at the age of 60.

Senator McGill was a highly respected individual in Williamsburg County, where his political career spanned 29 years. After graduating from Brevard College in North Carolina, he was elected to the Kingstree, SC, Town Council in 1961. During his 5-year tenure, he was voted Kingstree's "Man of the Year" and was one of the first directors of the county manpower center, which now bears the name Williamsburg Technical College.

In 1966, Mr. McGill was elected mayor of Kingstree. He served one term in this capacity until successfully campaigning for the State house of representatives in 1971. He served Williamsburg, Marion, Georgetown and Florence Counties from 1971 until 1976. In 1977, Mr. McGill was elected to the State senate where he served with distinction. A man of character and dignity, he officiated the people of his district with unending dedication.

Senator McGill also was a real estate entrepreneur. The Frank H. McGill Real Estate Co. was founded in 1968 and is still thriving today. He was widely respected as a public spirited citizen, dedicated to his church and community. Senator McGILL will be sadly missed by a wide circle of family and friends. Nancy and I would like to join my colleagues in extending deepest sympathy to his lovely wife, Peggy Tomlinson McGill, their children, F. Hilton McGill, Jr., John Yancey McGill, Dr. S. Ted McGill, R. Tommy McGill, Melissa M. Rogan, and Mary Beth M. Carter, his sisters Polly M. Conner, Helen M. Adams, Julia McGill and 12 grandchildren.

Mr. President, I would like to ask that an article from the Kingstree News, the Myrtle Beach Sun News, the State and an editorial from the Lake City News and Post on Senator Frank McGill be printed in the RECORD.

The material follows:

[From the Kingstree News, Aug. 31, 1988]

FUNERAL HELD FOR MCGILL

U.S. Sen. Strom Thurmond, 6th District Congressman Robin Tallon and Lt. Governor Nick Theodore were among the more than 800 people who attended funeral services Sunday for S.C. Sen. Frank McGill Sr.

Sen. McGill, 60, who suffered from cancer, died Friday morning during a ride through Williamsburg County with his son, Kingstree Mayor Yancey McGill. He was taken to the emergency room at the Williamsburg County Memorial Hospital, and was pronounced dead at 9:21 a.m.

Officiating at the services, held at First Baptist Church at Kingstree, were the Rev. George Meetze, state Senate chaplain, Dr. Ted Mears, pastor of First Baptist Church, and the Rev. B.J. Gordon, also a member of the state legislature. Burial was in Cedar Swamp Methodist Church Cemetery, where his parents are also buried, near the farm he grew up on.

Rev. Meetze called McGill a man who drew his strength and courage from his people and most of all from God. "Frank, from your friends in the state Senate, we will see you in the morning," Meetz said.

Dr. Mears compared the senator to "patriarchs of old who by example and precept guided and trained the young ones in their spiritual growth."

Rep. Gordon said McGill bridged the gap between all people, blacks, whites, males and females. "He was a friend to everybody who never forgot the ones who helped him. "We'll miss you, buddy. Well done," he said.

Other friends who knew McGill praised him for his dedication to community improvement, and his charity, noting that he had donated the pulpit furniture, the piano, a large pew and a stained glass window to First Baptist's new sanctuary, dedicated this summer.

Sen. McGill was born on Nov. 29, 1927 in the Cedar Swamp community, the son of John Yancey and Pauline Watson McGill. He graduated from Brevard College in 1949, the same year he married Peggy Tomlinson. He founded McGill Real Estate Agency in Kingstree, and was also founder and a former director of the Williamsburg County Regional Manpower Training Center, now Williamsburg Technical College. McGill was a former president of the Kingstree Optimist Club, and a past deacon of First Baptist Church in Kingstree. He was named Kingstree Man of the Year in 1963.

After serving on Kingstree Town Council for four years, McGill was elected mayor in 1966, and served in that capacity for four years. In 1971, he was elected to the state House of Representatives, and in 1977, he was elected to the state Senate, where he served until his death.

Other obituary information is also contained in this issue.

[From the State, Aug. 27, 1988]

MCGILL GETS LAST WISH, A RIDE THROUGH COUNTY

(By Holly Gatling and Dave Moniz)

KINGSTREE.—State Sen. Frank H. McGill died Friday during a last-request drive with his son through Williamsburg County, where his political career spanned 29 years.

He just went to sleep . . . it was a beautiful way to go," Peggy Tomlinson McGill, the senator's wife, said.

McGill was riding with his son, Yancy, the mayor of Kingstree.

Wallace Connor, McGill's brother-in-law, said the senator "died very peacefully."

"Yancy went by to see him this morning," Connor said, and McGill told his son, " 'I'd like to go for a ride.' He must have had a premonition. They rode all around the old section of the county where his grandfather was a country doctor in the Cades-Indiantown area. Then he just slumped over. Yancy said, 'Daddy, are you all right?' then drove straight to the hospital."

McGill was pronounced dead at Williamsburg County Memorial Hospital shortly after 9 a.m. He would have been 61 in November and was assured of winning another four-year term in the Senate, where he has served as a Democrat since 1977.

Despite his three-year battle with colon cancer, McGill said in February that he felt his health was good enough to seek re-election.

"I asked my physician if he thought I should seek re-election," McGill said at the time. "He said I could live another month or another 10 years, same as anyone."

As late as Wednesday, McGill was conducting business from his home, Williamsburg County Supervisor Alex Chatman said Friday.

"I met with him Wednesday at his home and we discussed 36 roads to be rocked in Williamsburg County," Chatman said. "We worked together very closely for grants and opportunity for the county."

He said McGill was alert and able to talk about the roads, "but it was obvious he was very ill."

McGill's colleagues expressed sadness at news of his death, and praised his "dedication to constituents" and resolve to "do the right thing."

"I consider his loss the loss of a gentleman of integrity and character," said retired Senate pro-tem Rembert Dennis, who had worked will McGill on the Senate Finance Committee.

"You could always depend on Senator McGill to do what was right for the people of his district and the people of South Carolina."

Gov. Carroll Campbell released a statement that read: "I have lost a good friend and South Carolina has lost a good legislator.

"He will be sorely missed by the people he has served so well for so long.

Rep. John James "Bubber" Snow, D-Williamsburg, and McGill's death "comes at a time when there is divisiveness in the county.

"I have always respected his leadership, and I wish we had it right now," Snow said.

Rep. B.J. Gordon, D-Williamsburg, was probably McGill's closest political friend. Friday he described the senator as "the hardest-working person I ever saw in my life.

"He was not what you would call a loud, vocal person on the floor of the Senate. He was a committee person and he really did his homework. Whatever needed to be done in Williamsburg County, he did it."

Sen. Marshall Williams, D-Orangeburg, said he thought of McGill this morning, before hearing news of his death. "Lord of mercy, I thought about him hoping he would get better," Williams said.

Williams described McGill as a "real statesman and American," as well as a good friend.

"He was an extra, extra, extra fine man and senator. If we had 46 like him, we would get a lot more done."

McGill was born in Williamsburg County, a son of the late J.Y. and Pauline Watson McGill.

A graduate of Kingstree High School and Brevard College, he was the owner of Frank H. McGill Real Estate Co. in Kingstree.

He was a member, former deacon, and Sunday school teacher in the youth department at Kingstree First Baptist Church and had coached youths in football, baseball and boxing.

He was first elected to Kingstree Town Council in 1961 and was elected mayor of Kingstree in 1966. He was elected to the House of Representatives in 1971 and to the Senate in 1977. His service in the Senate included membership in the Agricultural and Natural Resources Committee, Corrections and Penology Committee, Finance Committee, Fish, Game and Forestry Committee and the General Committee.

He was voted Kingstree Man of the Year in 1963 and was one of the first directors of the County Manpower Center, now Williamsburg TEC, and was a former member of the county development board.

He was also a member of the first biracial committee to promote community relations in Kingstree.

Surviving are his wife, Peggy Tomlinson McGill of Kingstree, four sons: F. Hilton McGill Jr. and John Yancy McGill of Kingstree, Dr. S. Ted McGill of Orangeburg and R. Tommy McGill of Columbia; two daughter: Mrs. Melissa M. Rogan of Kingstree and Mrs. Mary Beth M. Carter of Fayetteville, N.C.; three sisters: Mrs. Polly M. Connor, Mrs. Helen M. Adams and Miss Julia McGill of Kingstree; and 12 grandchildren.

Services will be held at 4 p.m. Sunday in the Kingstree First Baptist Church, with burial in Cedar Swamp Methodist Church Cemetery.

Williamsburg Funeral Home is in charge.

[From the Lake City News and Post, Sept. 1, 1988]

SENATOR FRANK MCGILL

State Senator Frank McGill died Friday after a three-year battle with colon cancer.

McGill, who would have been 61 in November, died during a ride through Williamsburg County with his son, Yancey. He was pronouced dead at Williamsburg County Memorial Hospital just after 9 p.m.

Governor Carroll Campbell released a statement that read: "I have lost a good friend and South Carolina has lost a good legislator.

"He will be sorely missed by the people he has served so well for so long."

McGill's political career spanned 29 years, including 10 years in the state Senate, five years in the state House of Representatives, four years as the Mayor of Kingstree and four years as a Kingstree City Councilman. He was virtually assured of winning another four-year term in the Senate, where he served as a Democrat since 1977 representing Williamsburg County and portions of Florence, Marion and Georgetown counties.

Despite his battle with cancer, McGill said in February that he felt his health was good enough to seek re-election. He defeated George Richardson in Democractic primary elections in June and was to face Republican John H. Smith in the November general elections.

Funeral services were Sunday at 4 p.m. in Kingstree First Baptist Church. Burial was in Cedar Swamp Methodist Church Cemetery, directed by Williamsburg Funeral Home.

Born in Williamsburg County on November 29, 1927, he was the son of John Yancey and Pauline Watson McGill.

He was a graduate of Kingstree High School and a 1949 graduate of Brevard College. He was owner of Frank H. McGill Real Estate Co. in Kingstree.

McGill was a member, former deacon and Sunday school teacher in the youth department at Kingstree First Baptist Church. He also coached youths in football, baseball and boxing.

He was first elected to Kingstree City County in 1961 and was elected Mayor of Kingstree in 1966. In 1971, he was elected to the state House of Representatives and to the state Senate in 1977.

While in the Senate, he served on the Agricultural and Natural Resources Committee, Corrections and Penology Committee, Finance Committee, Fish, Game and Forestry Committee and the General Committee.

In 1963, he was voted Kingstree's Man of the Year and was one of the first directors of the County Manpower Center, now Williamsburg Tech. He was also a former member of the Williamsburg County Development Board. In addition, McGill was a member of the first bi-racial committee to promote community relations in Kingstree.

Surviving are his wife, Peggy Tomlinson McGill of Kingstree; four sons: F. Hilton McGill Jr. and John Yancy McGill, both of Kingstree, Dr. S. Ted McGill of Orangeburg and R. Tommy McGill of Columbia; two daugthers: Mrs. Melissa M. Rogan of Kingstree and Mrs. Mary Beth M. Carter of Fayetteville, North Carolina; three sisters: Mrs. Polly M. Conner, Mrs. Helen M. Adams and Miss Julia McGill, all of Kingstree; and 12 grandchildren.

[From the Myrtle Beach Sun, Aug. 27, 1988]

STATE SENATOR, MCGILL, DIES AT 60

KINGSTREE.—State Sen. Frank Hilton McGill Sr., D-Williamsburg, was remembered by colleagues Friday as a "fine legislator" and a statesman.

McGill was brought to the Williamsburg County Memorial Hospital emergency room at about 9:20 a.m. Friday by one of his sons, the hospital administrator said.

Dr. Louis Pulicicchio said McGill was pronounced dead on arrival.

"He had been ill," the administrator said. "I think this is just the natural conclusion of his illness."

Dr. Harry Floyd, who had been McGill's physician for 18 yearts, said the senator had battled cancer for the last three years.

"He was a very fine individual and an excellent leader," Floyd said. "He will be sadly missed."

McGill served in the state House of Representatives from 1971-76 and in the Senate from 1977 to his death. He was active in civic affairs and was elected to the Kingstree town council in 1961. He served as mayor of Kingstree from 1966 through 1970.

He represented Williamsburg, Marion, Georgetown and Florence counties in the state Senate, and owned Frank H. McGill Real Estate in Kingstree.

McGill was in the news recently when he and state Rep. B.J. Gordon, D-Williamsburg, brought criminal libel charges against Kingstree newspaper editor Jim Fitts. The two lawmakers later dropped the charges.

Gov. Carroll Campbell said McGill's leadership will be missed. "I have lost a good friend and South Carolina has lost a fine legislator."

Lt. Gov. Nick Theodore, who served with McGill in the House and in the Senate, said the senator was a very effective lawmaker and worked in a quiet, aggressive manner.

"When agricultural issues, tobacco issues developed, and the rural county issues, Frank McGill would take a visible role, which was not his normal style," Theodore said. "And because of his rarely coming before the body, he was always listened to and consequently able to persuade individuals to his position."

Sen. Tom Smith, D-Florence, said he and McGill were in the same legislative delegation for 12 years.

"He was a kind of stabilizing influence around here," said Smith. "He wasn't a person to get excited, and we needed that around here. He's going to be missed.

"In politics, it's kind of volatile. Some of us sometimes run off half cocked. He [McGill] always sought the middle ground, sought compromises," Smith said.

Speaking of McGill's long bout with cancer, Smith said, "Frank fought so bravely when a lot of other people would have given up."

Other members of McGill's family also are involved in public service. His son John Yancey McGill is the mayor of Kingstree and his son F. Hilton McGill Jr. is a member of the Williamsburg County council.

The Williamsburg Funeral Home is handling arrangements.●

TRIBUTE TO CONGRESSMAN CHARLES BROWNSON

● Mr. THURMOND. On Thursday, August 4, 1988, Charles Brownson, an Indiana Republican who served four terms in the U.S. House of Representatives, died at the age of 74.

Throughout his distinguished public and private career, Congressman Brownson amassed a record as an outstanding soldier, Congressman, and businessman. Serving in the Army during World War II, he was instrumental in planning the invasions of Normandy and Japan. For his efforts during the war, Congressman Brownson was awarded the Legion of Merit, the Bronze Star, and five battle stars. He continued to serve in the Army Reserve until retiring in 1974 as a colonel.

In 1950, Mr. Brownson was elected to the House of Representatives for the first four terms. The following year he founded the Congressional Staff Directory, which is still regarded as an invaluable reference book of all congressional staff members. His commitment to the Republican Party was evidenced in his early endorsement of Dwight D. Eisenhower, and that same year, 1952, he was the keynote speaker at eight State Republican Conventions.

Congressman Brownson remained politically active as president and director of the former Members of Congress. He was also a member of the Mystic Tie Lodge of the Mason, the Scottish Rite and the Fusilers.

Colonel Brownson and I were in the 1st Army Headquarters during World War II. At this time we became close friends and I feel a deep personal loss in his passing. I consider him a man of integrity, ability and courage who served his country in a time of war and a time of peace.

A successful businessman, a devoted family man, and a dedicated and charitable American, Charles Brownson will be remembered fondly by colleagues, friends, and family for years to come. We are saddened by his death and wish to extend our deepest sympathy to his lovely wife, Ann, his children, and grandchildren during this time of bereavement.●

TRIBUTE TO PETER P. LEVENTIS, JR.

● Mr. THURMOND. Mr. President, I rise today to pay tribute to a respected member of the South Carolina political community, Peter P. Leventis, Jr., who passed away on October 23, 1988. His significant contributions to Richland County will be appreciated for years to come.

Mr. Leventis was born in Gastonia, NC. He served ably as chairman and chief executive officer of the Dixie Beverage Co. in Sumter, SC. Mr. Leventis also conducted his military career in a dedicated fashion, fighting in World War II and consequently losing a leg for the effort. He was also a devoted member of the Holy Trinity Greek Orthodox Church.

Mr. Leventis was the patriarchal leader of an established political family. He was a Republican member of the Richland County Council during the 1970's, and was instrumental in setting the positive tone of Richland County Government that continues today. As a member of the county council, Mr. Leventis was efficient in pushing for action on important issues, as well as a conservative spender of the citizens' tax dollars.

Mr. Peter P. Leventis, Jr. was a patriotic, public-spirited and fine man who will be greatly missed by his devoted family and a large circle of friends and admirers. I feel a deep personal loss in his passing.

My wife Nancy joins me in extending our deepest sympathies to the family of Mr. Leventis: his wife, Tina Palassis Leventis; his two sons, South Carolina State Senator Phil P. Leventis of Sumter, and Nick P. Leventis of Columbia; his brother, Andrew P. Leventis, Sr. of Greenville; his two sisters, Rosie L. Billas of Columbia and Mrs. George L. Kampakis of Birmingham; and his eight grandchildren.

Mr. President, I ask that the following articles concerning Mr. Leventis be printed in the RECORD.

The articles follow:

[From the State, Oct. 25, 1988]

LEVENTIS CLAN PATRIARCH DIES—EX-POLITICIAN LEFT MARK ON S.C.

Peter P. "Pete" Leventis Jr., a former Richland County Councilman and "guiding light" for a family that includes his son, state Sen. Phil Leventis, and his nephew, 2nd District congressional candidate Jim Leventis, died Sunday night. He was 70.

Leventis apparently suffered a heart attack while driving home from a Greek community dance at the Radisson Hotel in Columbia, Jim Leventis said. He said Leventis' car hit a utility pole, and his wife, Tina, suffered an arm injury.

Leventis "was like a father figure for a lot of people," including some outside his family, said his nephew, who also attended the Sunday night dance.

"He was really sort of a guiding light for us. He was a very strong person, very determined. When he got his mind on doing something, it was going to get done."

A Republican member of Richland County Council during the 1970s, Leventis "worked hard as a politician to make government work like a business," Jim Leventis said. "I think he made a real impact on the early forms of county government in Richland County."

Even though Jim and Phil Leventis are Democrats, "There were no basic philosophical differences," said the congressional candidate, a current member of the Richland District One school board.

In 1978, Pete Leventis said: "I'm a liberal in the sense of wanting to get things done, but a conservative in the sense of not wanting to spend money." Two years earlier, he offered to resign from County Council because he said council was dragging its feet on too many issues.

One of the more infamous incidents that occurred while Leventis was a council member took place during a 1973 meeting. During a spirited argument on septic tank regulations, Leventis and fellow councilman W.D. "Son" Grimsley came to blows. In the scuffle, Leventis' artificial leg came off. Leventis had lost his leg during World War II.

Born in Gastonia, N.C., Leventis was the son of the late Peter P. Sr. and Helen Kaperonis Leventis. He was chairman of the board and chief executive officer of Dixie Beverage Co. in Sumter and was an Army veteran of World War II. He was a member of Holy Trinity Greek Orthodox Church.

Surviving are his wife, Tina Palassis Leventis; two sons, Phil P. Leventis of Sumter and Nick P. Leventis of Columbia; a brother, Andrew P. Leventis Sr. of Greenville; two sisters, Rosie L. Billas of Columbia and George L. Kampakis of Birmingham; a sister-in-law, Mrs. James P. Leventis of Columbia; and eight grandchildren. He was predeceased by a son, Peter P. Leventis III.

Funeral services will be held Wednesday afternoon at 2 o'clock in Holy Trinity Greek Orthodox Church. Interment will be in Greenlawn Memorial Park.

Memorials may be made to Holy Trinity Greek Orthodox Church Building Fund or to The Citadel, The Citadel Development Office, President's Honorary Scholarship Fund, Charleston, S.C. 29409.

Trisagion Prayers will be this evening at 7 o'clock at the funeral home. Dunbar Funeral Home, Devine Street Chapel, is in charge.

PETER P. LEVENTIS, JR.

Peter P. Leventis Jr., 70, of 190 Berry Tree Lane died Sunday.

Born in Gastonia, N.C., he was a son of the late Peter P. Sr. and Mrs. Helen Kaperonis Leventis. He was chairman of the board and chief executive officer of Dixie Beverage Co. of Sumter, a World War II Army veteran and a member of Holy Trinity Greek Orthodox Church.

He received an honorary law degree from The Citadel for his work with the Citadel Development Foundation and scholarships provided by the Leventis Foundation. He received the Order of St. Andrew, was named Archon, served as president of Holy Trinity Greek Orthodox Church and was on the Archdiocese Council.

Surviving are his widow, Mrs. Tina Palassis Leventis; sons, Phil P. Leventis of Sumter and Nick P. Leventis of Columbia; a brother, Andrew P. Leventis Sr. of Greenville, and sisters, Rosie L. Billas of Columbia and George L. Kampakis of Birmingham, Ala.

Services will be held at 2 p.m. today at Holy Trinity Greek Orthodox Church, with burial in Greenlawn Memorial Park.

Memorials may be made to the Holy Trinity Greek Orthodox Church building fund or to the President's Honorary Scholarship Fund of The Citadel.

Dunbar Funeral Home, Devine Street Chapel, is in charge.●

HOUSE OF REPRESENTATIVES—*Friday, October 21, 1988*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

With praise and gratitude, O God, we offer our thanksgiving for the opportunity to live in a free land, for our responsibilities to do the works of justice and those acts of goodness and mercy that honor the purpose of Your creation. May Your blessing, O God, continue upon our free institutions and may Your spirit encourage each person to reflect Your love in all their ways.

The Lord bless us and keep us.

The Lord make his face shine upon us and be gracious to us.

The Lord look upon us with favor and give us peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Would the gentleman from Illinois [Mr. COSTELLO] kindly come forward and lead our colleagues in the Pledge of Allegiance.

Mr. COSTELLO. Mr. Speaker and colleagues, please rise and join me in the Pledge of Allegiance.

Mr. COSTELLO led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

READING OF THE BILL OF RIGHTS

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that on this, the final day of the 100th Congress in the bicentennial year of the Constitution of the United States, I be granted unanimous consent to read the Bill of Rights, the first 10 amendments to the Constitution following the Pledge of Allegiance to the Flag, which has just occurred.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. WILLIAMS read the Bill of Rights, as follows:

AMENDMENT I

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

AMENDMENT II

A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear arms, shall not be infringed.

AMENDMENT III

No soldier shall, in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law.

AMENDMENT IV

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

AMENDMENT V

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any Criminal Case to be a witness against himself; nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

AMENDMENT VI

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process of obtaining witnesses in his favor, and to have the Assistance of Counsel for his defence.

AMENDMENT VII

In suits at common law, where the value in Controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

AMENDMENT VIII

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

AMENDMENT IX

The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

AMENDMENT X

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

The SPEAKER. The Chair wishes to thank the gentleman from Montana [Mr. WILLIAMS.]

LOS ANGELES DODGERS CAPTURE THE 1988 WORLD SERIES

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, the experts said that the Los Angeles Dodgers would finish fifth, maybe fourth in their division. But Tommy Lasorda, Mr. Speaker, said this was a team of destiny and today let us celebrate and congratulate the world champion Los Angeles Dodgers, having defeated a strong New York Mets team in the playoffs and a strong Oakland A's team in the World Series.

Mr. Speaker, the injured Kirk Gibson's extraordinary home run in the bottom of the ninth inning of the first game with two men out and two strikes is an event that will never be forgotten in World Series and baseball history. It was nothing short of magical. Orel Hershiser's pitching, Mr. Speaker, made us think of him as a right-handed Sandy Koufax.

Mr. Speaker, we will remember for years the home run heroics of Mickey Hatcher, of Mike Scioscia, his dramatic ninth inning home run in Shea Stadium, of Mike Marshall and of Mike Davis, the pitching heroics of Tim Belcher and Alejandro Pena, and the gutty and clutch performances of Steve Sax, Franklin Stubbs, Rick Dempsey, Griffin, Leary, Horton, and Holton.

Mr. Speaker, this was from top to bottom an organization victory, Tommy Lasorda and his remarkable coaching staff, Mota, Perranoski, Amalfitano, Hines, Ferguson, Russell, and Cressi.

The management, brought together by Peter O'Malley and by Fred Clair, has made us all very, very proud.

Mr. Speaker, I would ask my colleagues to join me in complimenting and congratulating this gutty, gritty, group of athletes and the entire Dodger organization on becoming the world champions, the champions of baseball.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

LOS ANGELES DODGERS DID THE IMPOSSIBLE AND ARE NOW WORLD CHAMPIONS

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, what a great Congress this is: The Pledge of Allegiance, the Bill of Rights, and baseball all in the same day. Republicans and Democrats alike congratulate the world champions.

Mr. Speaker, last night the Los Angeles Dodgers did the impossible, they captured the 1988 World Series and, as my friend from Los Angeles said, skeptics—and there were many of them—accused the Dodgers all year long of being a fluke stating they cannot win the big one. And even if they beat the Mets, they will never get by the Oakland Athletics.

Well, Mr. Speaker, the Dodgers beat both teams and with a platoon reminiscent of players of the late 1950's and early 1960's. Let us face it, they are a very scrappy bunch with their crew cuts, spiked hair, razor stubble, and a variety of injuries to key players, the whole team rose to the occasion in one of the classic confrontations in World Series history.

I am fortunate to have Mike Scioscia and Mickey Hatcher and Brian Holton as constituents.

Who can forget the great moments these players afforded us? Kirk Gibson's fairytale home run in game 1 will be featured on highlight films clear into the 21st century. Not even Joe Hardy, the mythical slugger of the Washington Senators in the great broadway musical "Damn Yankees" could accomplish such a feat.

Orel "Bulldog" Hershiser provided us with one splendid performance after another and then he was named most valuable player.

Mickey Hatcher, whose intense all-out efforts at the plate and on the field surprised us all.

It is unfair, Mr. Speaker, to single out one specific player in this World Series. Every player gave his heart in this true team performance. However, Mr. Speaker, Tommy Lasorda said it all when he stated "The Los Angeles Dodgers are a team of destiny."

TIME IS RUNNING SHORT FOR ACTION ON EXEMPTING FISHERMEN AND FARMERS FROM THE DIESEL FUEL TAX

(Mr. BRENNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRENNAN. Mr. Speaker, there are only hours left in the 100th Congress. One piece of legislation which remains unfinished is the technical corrections bill. Contained in this massive bill is my legislation which grants exemptions to fishermen and farmers from paying the diesel fuel tax.

The fishermen and farmers in Maine, and across this Nation, consider this legislation to be an important step toward a successful 100th Congress. I understand there are difficulties between the House and Senate conferees who are seeking to resolve differences between the two versions of the bill. However, I consider passage of the diesel fuel exemption to be of the highest priority for the close of this Congress.

Later today, this House will consider the conference report on the Omnibus Drug Act. That legislation was given top priority and we will have a vote on the final version later today. I strongly urge the bipartisan leadership of the House to give top priority to bringing the technical corrections measure before this House and grant much-needed tax relief to fishermen and farmers.

In the closing hours of the 100th Congress, we can act responsibly to remove this unfair tax burden from many hard-working Americans.

FIND TAX BILL COMPROMISE

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, I rise to express the view shared by many of my constituents that we need to fix the Tax Code by reporting out a responsible technical corrections bill to clean up the Tax Reform Act of 1986. The Code is filled with errors and the unanticipated consequences of hasty judgments and last-minute decisionmaking. Many constituents in my district were encouraged by the talk of simplicity and fairness but feel betrayed by adverse results of tax reform. Since Congress was responsible for this mess, it now has the responsibility of cleaning it up before we go home.

Mr. Speaker, I urge the Democratic leadership on both sides of the Capitol to resolve their differences and report out a compromise technical corrections bill that we can all support. We must take care of the farmers, artists, public sector employees, and many others who are severely impacted by unfair provisions of the legislation tax reform.

□ 1015

CONGRESS STRIKES BACK BY PASSING THE DRUG BILL TODAY

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, we have debated the drug bill enough. Most Americans feel and know that drugs are this Nation's probably biggest single problem. Drug kingpins continue to rake in millions of dollars. They kill our police officers, they poison our kids, and they ruin our neighbors.

Mr. Speaker, the time has come for Congress to strike back. It is time to realize that we are at war, and being a nice guy does not necessarily win the war.

It is time to stop turning the other cheek and start, my colleagues, taking an eye for an eye.

Mr. Speaker, this bill contains the Federal death penalty for those drug killers who commit murder, and it is about time. Let us pass this bill today and send it to the President.

THE RESULTS OF "GIVING PEACE A CHANCE"

(Mr. WELDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, "Give Peace a Chance" was the chant we heard 1 year ago throughout Congress. Everytime Contra aid was mentioned, opponents said "Let the peace process run its course."

Well, Mr. Speaker, by cutting off aid to the freedom fighters, we have given peace a chance. What has been the result? A labor rally violently suppressed, the illegal imprisonment of political and labor leaders, the intermittent closing down of opposition press, the expulsion of the American Ambassador, and most recently the passage of a law that grants the Sandinista government the ability to suspend Nicaragua's constitution at any time. When will we learn that extending an olive branch to a bunch of rogues like the Sandinistas does not pay off?

Mr. Speaker, I am circulating a letter that will be sent to President Oscar Arias of Costa Rica. The letter asks Mr. Arias for his views on where his peace plan goes from here. It cites some of the violations committed by the Sandinistas and asks him what the next step should be for the peace process.

It is important that we put the ball back in his court. Afterall, he won the Nobel Peace Prize and assumed responsibility for a peace process that has fallen apart at the seams. For those of you who are interested in hearing Mr. Arias' views on the prospects for peace, I encourage you to sign onto this letter by the close of business today.

A TRIBUTE TO THE HONORABLE KENNETH J. GRAY

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, it is my honor to rise today to pay tribute to a man who exemplifies the integrity and distinction this House represents. I speak of U.S. Congressman KEN GRAY, my neighbor from southern Illinois whose district is across the Ohio River from my Kentucky district.

KEN has served the U.S. House of Representatives with an unbridled enthusiasm and dedication that has and will be admired for a long time. His mastery of the legislative process and the way in which he has chaired this body of Congress so many times is a tribute to the dedication and service this great man has given to our Nation.

KEN GRAY has served the 22d District of Illinois for 24 years, and he has succeeded in gaining the trust and admiration of his constituency. His constituency has also benefited from his important contributions to his House committee assignments, Public Works and Transportation and Veterans' Affairs. His unselfish willingness to help others is well known.

KEN GRAY has served this body of Congress with an intense determination that few will ever be able to match. I know that I speak for many of my colleagues when I say that KEN GRAY will be sorely missed, however his contributions will live on in the history of the U.S. House of Representatives. Upon KEN's retirement from the U.S. House of Representatives, my wife Carol and I would like to personally wish him God's richest blessings.

GOOD NEWS FOR NARCOTICS TASK FORCES

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, 3 weeks ago, I reported that there was potentially disastrous trouble in store for drug task forces across the country.

Today, I am delighted to report that House and Senate negotiators have agreed to retain the current formula under which Federal funds are distributed to 500 narcotics task forces.

This is extraordinarily good news for local drug enforcement efforts. It means our task forces will continue to be eligible for the Federal funding that has made them so successful this past year.

These local task forces offer the most effective method at the State and local level for interdicting narcotics. They are in fact our frontline in the war on drugs.

I want to thank Members for their bipartisan support of this effort, including 52 colleagues who cosponsored my resolution to ensure this funding. In addition, Mr. MCCOLLUM, Mr. HUGHES, Mr. WILSON, and Mr. COMBEST, to mention a few, were instrumental in bringing this important issue to a resolution.

THE HOSPITAL CLOSINGS BILL

(Mrs. COLLINS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS. Mr. Speaker, last week on October 12, I introduced House Concurrent Resolution 390, which expressed the sense of Congress that hospitals should give 60 days notice before closing their doors. This resolution is both timely and necessary.

In the last few years, a trend has been established whereby hospitals close with no warning to public health organizations, government officials, employees, nor—most critically of all—to the communities they serve. By not receiving any advance notice, the local community that has relied on a particular hospital has no opportunity to find alternative health care. In some cases, the absence of services is brief, as another hospital is able to pick up the slack. But in many cases, there is no other viable source of medical services, which leaves a poorly served community even less adequately served. In still other cases, the news of a closing escapes some patients who find themselves depending on a hospital which no longer exists.

Another problem is that panic can result as patients scurry to find alternative health care sources. Another is that remaining hospitals in the area may find themselves overburdened with the additional load of patients. And, as a result of that surcharge on the remaining hospitals, their quality of services is likely to suffer.

In Chicago alone, at least 14 health care providers have closed their doors in the past 2½ years. Many of these happened virtually overnight, as a total surprise to their communities. Additionally, rural hospital closings have become so common that they received mention in the October 5, 1988, Vice Presidential debates and their effect is as severe as the unannounced closings of urban hospitals.

Mr. Speaker, my bill would help cushion the impact felt by the closing of a hospital and would not affect the actual determination of which facilities should be closed. I urge all my colleagues to lend it their fullest support.

DUKAKIS AND THE CONGRESS

(Mr. BUSTAMANTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUSTAMANTE. Mr. Speaker, all across the country this session of Congress is being heralded as one of the most productive in recent history. For the first time in over 12 years we have passed all of the appropriation bills separately, and have addressed many of the major issues facing the United States today.

When you look at our accomplishments this session, you cannot help but notice that the only Presidential candidate who has spoken to the same concerns, and who has looked to the future of America with the same enthusiasm is Michael Dukakis.

Michael Dukakis has joined us in addressing America's trade needs, calling for a level playing field for American manufacturers.

Michael Dukakis has joined us in fighting for the welfare of our citizens, endorsing plant closing legislation for American workers and supporting catastrophic care for American families.

Michael Dukakis has joined us in demanding improvements in our Nation's educational system, and has envisioned a day when higher education will be a right, not just a privilege.

And Michael Dukakis has joined us in working to ensure all Americans that the air they breathe and the water they drink will be clean and healthy, despite the objections of Vice President BUSH.

Michael Dukakis has proven he has the vision for America's future and shares our determination. Together, we will truly be able to usher in a new era of greatness.

FAREWELL TO THE 100TH CONGRESS AND TRIBUTE TO THE HONORABLE KENNETH J. GRAY

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, this, we hope, will be the last day of the 100th Congress. If all goes well and the two remaining sections of the drug bill are satisfactorily resolved in language that comports with the conceptual agreements that have been reached, we should have that final bill—an effective, responsible one—on the floor late this afternoon or early this evening.

Mr. Speaker, that will round out a very productive Congress. For that I wish to express my thanks to my colleagues, both the Democratic and Republican Members, for their cooperation. The drug bill has been an example of our bipartisan efforts.

Much has been accomplished in this extremely productive Congress, perhaps the most productive since 1965 and 1966, and that has been due to a spirit of cooperation extended on both sides.

I also wish to express my personal thanks to the gentleman from Illinois [Mr. Gray] who will be leaving us by his own choice after a long and fruitful career. Having served with the gentleman from Illinois for the first 20 years of his service on the Committee on Public Works and Transportation, I am fully aware of his capabilities, of his dedication, and of his never failing good humor. But I especially want to express my thanks to him for having shared so generously of his time during this 100th Congress by presiding more often than any other Member of the House.

Mr. GRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Illinois if I have time remaining.

The SPEAKER pro tempore (Mr. Coelho). The Speaker always has time.

Mr. GRAY of Illinois. Mr. Speaker, first I want to thank the distinguished Speaker of the House profusely for those kind words. I feel like the old lady who was kissed in the dark. She did not know where it came from, but she liked it.

I do not know where the gentleman got all those accolades, but I liked them, and I want to return the favor.

I want to say that 34 years ago, as I sat on the front row and was sworn in with our distinguished Speaker Jim Wright, Speaker Sam Rayburn told me, "Always try to do it right the first time because you can't sit on every wagon tongue and explain all the details to every farmer."

I want to say to the gentleman from Texas [Mr. Wright], our beloved Speaker, that he has done it right and out of the 34 years off and on that I have been in this body I think the 100th Congress under your leadership, Mr. Speaker, has produced more constructive legislation, than any Congress I have served in. I want to thank you and all my dear friends on both sides of the aisle for your friendship and support over these many years. I love this House and every Member, and want to pay a special tribute to my staff and all the employees of the House. Thank you Mr. Speaker.

UNFINISHED BUSINESS OF THE 100TH CONGRESS

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, as we finish the 100th Congress, I would ask all of my colleagues to remember our hostages in Lebanon. They have been there suffering in some horrible dungeon condition for the entire course of this 2 years. Our longest held prisoner—a newsman, the head of the AP bureau in the Middle East, Terry Anderson, has been there 3 years, 7 months and 5 days.

Also, Mr. Speaker, I would ask everyone during this break, which encompasses the beautiful holidays of Thanksgiving and Christmas, to remember that there are thousands of people in prisons for speaking out for freedom or fighting for freedom in Nicaragua right here on the soil of North America between us and the Panama Canal; 39 people, some of them doctors and lawyers, were beaten, arrested some months back, and are still in prison because of that demonstration for freedom in a small Nicaraguan town called Nandaime. Let us hope they are released and that the spark of freedom is kept alive in Central America as we transition from the 100th to the 101st Congress.

Mr. Speaker, there is much unfinished business from the 100th Congress, and the main business is peace and freedom right here on the soil of North America in the Communist hellhole of Nicaragua. That is unfinished business this Congress should not be proud of. It is a disgrace, but some of us in this body, and I am glad I am not one of them, have made Central America safe for communism, but only temporarily.

H.R. 5043 MEANS CONGRESS IS NOT FOR SALE

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, I rise in support of H.R. 5043, the ethics in lobbying legislation that will be brought up later today to restore integrity to our public service.

Mr. Speaker, it is time to stop former public officials from taking advantage of their privileged insider knowledge and access to former colleagues in trying to sway the decision of our Government. The passage of this historic legislation will send a clear signal to the American people that ethics and Government go hand in hand. With this legislation Congress reaffirms that the U.S. Government is not for sale. With this legislation Congress reaffirms that the purpose of Government service is to serve the public and the Nation, not to serve as a stepping stone to more lucrative employment with foreign interests or others whose employment is not to the public interest.

Mr. Speaker, I urge passage of this legislation and call upon the Senate to act upon this bill prior to the adjournment of this historic 100th Congress.

□ 1030

A TRIBUTE TO HON. KENNETH J. GRAY OF ILLINOIS, UPON HIS RETIREMENT

(Mr. HAYES of Louisiana asked and was given permission to address the House for 1 minute.)

Mr. HAYES of Louisiana. Mr. Speaker, I have never delivered a 1-minute in this Chamber until today and I did not intend to today, but I got a telephone call from my mother and she said that if the gentleman who is in the chair now, "If Congressman Ken Gray is leaving," then she does not intend to watch C-SPAN any more or communicate with me ever again.

It appears that no appeal can work to prevail since the time for filing has passed, but it will be a dark, dark 101st Congress for my mother and her friends who can no longer talk about the gentleman with the bow tie and the wonderful clothes who presides over this body and preserves order amidst chaos.

Mr. Speaker, let me say this: "We will certainly miss you, and I will miss you but not nearly as much as my mother and her friends will miss you."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Gray of Illinois). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has been concluded on all motions to suspend the rules on today or tomorrow.

AVIATION SAFETY RESEARCH ACT OF 1988

Mr. ROE. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 4686) to amend the Federal Aviation Act of 1958 relating to aviation research.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aviation Safety Research Act of 1988".

SEC. 2. AVIATION MAINTENANCE AND FIRE SAFETY RESEARCH.

Section 312(b) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1353(b)) is amended by inserting after the first sentence the following: "The Administrator shall undertake or supervise research to develop technologies and to conduct data analyses for predicting the effects of aircraft design, maintenance, testing, wear, and fatigue on the life of aircraft and on air safety, to develop methods of analyzing and improving aircraft maintenance technology and practices (including nondestructive evaluation of aircraft structures), to assess the fire and smoke resistance of aircraft materials, to develop improved fire and smoke resistant materials for aircraft interiors, to develop and improve fire and smoke containment systems for in-flight aircraft fires, and to develop advanced aircraft fuels with low flammability and technologies for containment of aircraft fuels for the purpose of minimizing post-crash fire hazards.".

SEC. 3. RESEARCH ON RELATIONSHIP BETWEEN HUMAN FACTORS AND AIR SAFETY AND ON DYNAMIC SIMULATION MODELING.

Section 312(c) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1353(c)) is amended by inserting after the first sentence the following: "The Administrator shall undertake or supervise research to develop a better understanding of the relationship between human factors and aviation accidents and between human factors and air safety, to enhance air traffic controller and mechanic and flight crew performance, to develop a human-factor analysis of the hazards associated with new technologies to be used by air traffic controllers, mechanics, and flight crews, and to identify innovative and effective corrective measures for human errors which adversely affect air safety. The Administrator shall undertake or supervise a research program to develop dynamic simulation models of the air traffic control system and airport design and operating procedures which will provide analytical technology for predicting airport and air traffic control safety and capacity problems, for evaluating planned research projects, and for testing proposed revisions in airport and air traffic control operations programs.".

SEC. 4. RESEARCH PLAN AND REPORTS.

(a) IN GENERAL.—Section 312 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1353) is amended by adding at the end the following new subsection:

"RESEARCH PLAN AND REPORTS

"(d)(1) The Administrator shall prepare, review, revise, publish, and transmit a national aviation research plan to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives not later than the date of the submission to Congress of the President's budget for fiscal year 1990, and for each fiscal year thereafter. The plan shall describe, for a 15-year period, the research, engineering, and development considered by the Administrator necessary to ensure the continued capacity, safety, and efficiency of aviation in the United States, considering emerging technologies and forecasted needs of civil aeronautics, and provide the highest degree of safety in air travel. The plan shall cover all research conducted under this section and section 316 of this Act and shall identify complementary and coordinated research efforts conducted by the National Aeronautics and Space Administration with funds specifically appropriated to such Administration. In addition, for projects for which the Administrator anticipates requesting funding, such plan shall set forth—

"(A) for the first 2 years the plan, detailed annual estimates of the schedule, cost, and manpower levels for each research project, including a description of the scope and content of each major contract, grant, or interagency agreement;

"(B) for the 3d, 4th, and 5th years of the plan, estimates of the total cost of each major project for such years and any additional major research projects which may be required to meet long-term objectives and which may have significant impact on future funding requirements;

"(C) for the 6th and subsequent years of the plan, the long-term objectives which the Administrator considers to be necessary to ensure that aviation safety will be given the highest priority; and

"(D) details of a program to disseminate to the private sector the results of aviation research conducted by the Administrator, including any new technologies developed.

"(2) Subject to section 316(d)(2) of this Act and the regulations prescribed to carry out such section, the Administrator shall report annually, beginning with the date of transmission of the first aviation research plan as required by Paragraph (1), to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives on the accomplishments of the research completed during the preceding fiscal year. The report shall be transmitted together with each plan transmittal required under paragraph (1) and shall be organized so as to allow comparison with the plan in effect for such year under this subsection.".

(b) CONFORMING AMENDMENT.—That portion of the table of contents contained in the first section of such Act which appears under the heading:

"Sec. 312. Development planning."

is amended by adding at the end the following:

"(d) Research plan and reports.

"(e) Civil aeromedical research.

"(f) Research advisory committee.".

SEC. 5. CIVIL AEROMEDICAL RESEARCH.

(a) ESTABLISHMENT OF CIVIL AEROMEDICAL INSTITUTE.—Section 106 of title 49, United States Code, relating to the Federal Aviation Administration, is amended by adding at the end thereof the following new subsection:

"(j) There is established within the Federal Aviation Administration an institute to conduct civil aeromedical research under section 312(e) of the Federal Aviation Act of 1958. Such institute shall be known as the 'Civil Aeromedical Institute'. Research conducted by the institute should take appropriate advantage of capabilities of other government agencies, universities, or the private sector.".

(b) CIVIL AEROMEDICAL RESEARCH.—Section 312 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1353), as amended by this Act, is further amended by adding at the end the following new subsection:

"CIVIL AEROMEDICAL RESEARCH

"(e) The Civil Aeromedical Institute established by section 106(j) of title 49, United States Code, is authorized—

(1) to conduct civil aeromedical research, including, but not limited to, research related to—

"(A) protection and survival of aircraft occupants;

"(B) medical accident investigation and airman medical certification;

"(C) toxicology and the effects of drugs on human performance;

"(D) the impact of disease and disability on human performance;

"(E) vision and its relationship to human performance and equipment design;

"(F) human factors of flight crews, air traffic controllers, mechanics, inspectors, airway facility technicians, and other persons involved in the operation and maintenance of aircraft and air traffic control equipment; and

"(G) agency work force optimization, including training, equipment design, reduction of errors, and identification of candidate tasks for automation;

"(2) to make comments to the Administrator on human factors aspects of proposed air safety rules;

"(3) to make comments to the Administrator on human factors aspects of proposed training programs, equipment requirements, standards, and procedures for aviation personnel;

"(4) to advise, assist, and represent the Federal Aviation Administration in the human factors aspects of joint projects between such Administration and the National Aeronautics and Space Administration, other Government agencies, industry, and foreign governments; and

"(5) to provide medical consultation services to the Administrator with respect to medical certification of airmen.".

SEC. 6. ADVISORY COMMITTEE.

Section 312 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1353), as amended by this Act, is further amended by adding at the end the following new subsection:

"RESEARCH ADVISORY COMMITTEE

"(f)(1) Not later than 180 days after the date of the enactment of this subsection, the Administrator shall establish in the Federal Aviation Administration a research advisory committee.

"(2) The advisory committee shall provide advice and recommendations to the Administrator regarding needs, objectives, plans, approaches, content, and accomplishments with respect to the aviation research program carried out under this section and section 316. The committee shall also assist in assuring that such research is coordinated with similar research being conducted outside of the Federal Aviation Administration.

"(3) The advisory committee shall be composed of not more than 20 members appointed by the Administrator from among persons who are not employees of the Federal Aviation Administration and who are specially qualified to serve on the committee by virtue of their education, training, or experience. The Administrator in appointing the members of the committee shall ensure that universities, corporations, associations, consumers, and other government agencies are represented.

"(4) The chairman of the advisory committee shall be designated by the Administrator.

"(5) Members of the advisory committee shall serve without pay; except that the Administrator may allow any member, while attending meetings of the advisory committee or a subordinate committee, travel or transportation expenses in accordance with section 5703 of title 5, United States Code.

"(6) The Administrator shall provide support staff for the advisory committee. The Administrator may establish subordinate committees to the advisory committee to provide advice of specific areas of research conducted under this section and section 316.

"(7) Upon request of the advisory committee, the Administrator shall provide such information, administrative services, and supplies as the Administrator determines are necessary for the advisory committee to carry out its functions.

"(8) Section 14 of the Federal Advisory Committee Act shall not apply to the advisory committee established under this subsection.

"(9)(A) Not more than 1/10 of 1 percent of the funds made available to carry out research under this section and section 316 for fiscal years beginning after September 30, 1988, may be used by the Administrator to carry out this subsection.

"(B) No limitation on the amount of funds available for obligation by or for the advisory committee shall be applicable with respect to the funds made available to carry out this subsection.".

SEC. 7. FUNDING.

(a) Fiscal Year 1989.—Section 506(b)(2)(B) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2205(b)(2)(B)) is amended—

(1) in clause (vii), by striking "; and" and inserting in lieu thereof a comma; and

(2) by adding at the end, flush with the margin, the following:

"except that not less than 15 percent of the amount appropriated pursuant to this subparagraph shall be for long-term research projects; and".

(b) Fiscal Year 1990.—Section 506(b)(2)(C) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2205(b)(2)(C)) is amended to read as follows:

"(C) for fiscal year 1990—

"(i) $25,000,000 solely for human factors research projects and activities; and

"(ii) $221,530,000 for all other research projects and activities,

except that not less than 15 percent of the amount appropriated pursuant to this subparagraph shall be for long-term research projects.".

"(c) Definition. —Section 506(b)(2) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2205 (b)(2)) is amended by adding at the end the following: "As used in this paragraph, the term 'long-term research project' means a research project which is identified as a discrete project in the aviation research plan required by section 312(d)(1) of the Federal Aviation Act of 1958 and which is unlikely to result in a final rulemaking action within 5 years, or in initial installation of operational equipment within 10 years, after the date of the commencement of such project.".

SEC. 8. AIR TRAFFIC CONTROLLER PERFORMANCE RESEARCH.

(a) Findings.—The Congress finds as follows:

(1) Research is needed to establish a more scientific approach for—

(A) identifying future staffing requirements for the air traffic control system; and

(B) developing tools needed for meeting those requirements.

(2) The Federal Aviation Administration and the National Aeronautics and Space Administration each have unique expertise and facilities for conducting research into the man-machine interface problems associated with a highly automated air traffic control system.

(b) Study on Increased Automation.—

(1) In general.—In order to develop the tolls necessary for establishing appropriate selection criteria and training methodologies for the next generation of air traffic controllers, the Administrator of the Federal Aviation Administration shall conduct research to study the effect of automation on the performance of the next generation of air traffic controllers and the air traffic control system.

(2) Content.—Research conducted under paragraph (1) shall include investigation of the following:

(A) Methods for improving and accelerating future air traffic controller training through the application of advanced training techniques, including use of simulation technology.

(B) The role of future automation in the air traffic control system and its physical and psychological effects on air traffic controllers.

(C) The attributes and aptitudes needed to function well in a highly automated air traffic control system, and development of appropriate testing methods for identifying individuals possessing those attributes and aptitudes.

(D) Innovative methods for training potential air traffic controllers to enhance the benefits of automation and maximize the effectiveness of the air traffic control system.

(E) New technologies and procedures for exploiting automated communication systems, including Mode S Transponders, to improve information transfers between air traffic controllers and aircraft pilots.

(3) Report.—Not later than 6 months after the date of the enactment of this Act, the Administrator of the Federal Aviation Administration shall report to the Congress the Administrator's plans for conducting research under this section.

(c) Agreement With Administrator of NASA.—

(1) In general.—The Administrator of the Federal Aviation Administration may enter into an agreement with the Administrator of the National Aeronautics and Space Administration for use of their unique human factor facilities and expertise in conducting research activities to study the human factor aspects of the highly automated environment for the next generation of air traffic controllers.

(2) Content.—Research under this section shall include investigation of the following:

(A) Human perceptual capabilities and the effect of computer-aided decision making on the workload and performance of air traffic controllers.

(B) Information management techniques for advanced air traffic control display systems.

(C) Air traffic controller workload and performance measures, including development of predictive models.

(d) Authorization of Appropriations.—For conducting research under this section there are authorized to be appropriated, from amounts in the Airport and Airway Trust Fund which are available for research and development, such sums as may be necessary.

SEC. 9. CRASHWORTHY FUSELAGE FUEL TANKS AND FUEL LINES.

(a) Advance Notice of Proposed Rulemaking.—In order to ensure greater air safety to passengers of air carriers and reduce the incidence of post-crash fires, the Administrator of the Federal Aviation Administration shall, within 90 days following the date of enactment of this Act, issue an advance notice of proposed rulemaking to determine the feasibility of installing in all air carrier aircraft crashworthy fuselage fuel tanks and fuselage fuel lines which are rupture resistant and which disconnect and seal in the event of an accident.

(b) Research.—Within 60 days following the date of enactment of this Act, the Administrator shall undertake or supervise research to develop technologies which will prevent the spraying or free flow of significant quantities of fuel after an air crash or develop fuels and fuel additives which can reduce rapid fuel dispersal and combustibility, or both.

The SPEAKER pro tempore. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. Roe] will be recognized for 20 minutes, and the gentleman from New Mexico [Mr. Lujan] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. Roe].

Mr. ROE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 4686, the Aviation Safety Research Act of 1988. This bill was passed by the House on September 20, just 1 month ago, and has now passed the Senate with language that was cleared in advance by the Committee on Science, Space, and Technology. We believe that the original intent of the House bill—indeed most of the original language—has been preserved, and that the additions proposed by the Senate have strengthened it.

I want again to acknowledge the original author of this legislation, Mr. Tom Lewis of Florida, the valuable contributions of the Subcommittee on Transportation, Aviation and Materials under the superb direction of Chairman Dave McCurdy of Oklahoma, and of course my good friend Mr. Lujan, ranking Republican on the committee who has supported us all along.

Our bill was the result of a strong bipartisan consensus that aviation safety must be improved, and can benefit greatly from expanded research in a variety of areas, including the human causes of accidents, post-crash fire safety and aging aircraft structures.

The Senate also has taken the bill H.R. 3779 and has added it intact as a new section to H.R. 4686. H.R. 3779 was ably written by the distinguished gentleman from Missouri [Mr. Buechner], and passed the House on September 20. H.R. 3779 directs FAA research on the human factors of the air traffic controller's job, and meshes well with the existing emphases .in H.R. 4686.

The second addition of significance adds detail to the aviation safety bill's direction for research in improved post-crash fire safety. The focus is on what happens to the fuel on an aircraft which has crashed. In even the most recent air carrier accident of a Ugandan 707 in Italy, most of the fatalities did not occur from the force of the crash, but rather from the fire which enveloped the aircraft after it had come to rest. The language reemphasizes the need for research into the spillage of fuel following an accident, and into the flammability of that fuel once it has spilled.

The Senate bill also directs FAA to make a formal inclusion of the public in its consideration of this matter through the administrative procedure known as an advance notice of proposed rule making. Mr. Speaker, there is considerable debate among air transport and fire safety experts as to the maturity of this fuel spillage technology. Some believe that we know enough to prepare a rule requiring immediate installation of nonspilling fuselage fuel tanks and fuel lines, while others believe more research is needed. The advance notice of proposed rulemaking will allow all those parties to present their positions for the record, so that FAA can determine if the technology is mature enough for a specific rule to be proposed.

Except for those two topics—the controller performance research of H.R. 3779, and the fuel safety research—the bill returned from the other body has no changes of substance.

Having detailed for you those differences, I wish only to remind my distinguished colleagues that the march of what is on balance a distinguished record of aviation safety, continues to be marred by sporadic incidents. Since we met to pass this legislation on September 20, there have been at least three of those incidents.

First, just 2 weeks ago, FAA announced a cut in the number of airplanes which they will allow to land at Chicago's O'Hare International Airport. An in-house FAA study had found that the higher number of flights was overloading the controller staff at the airport. As we noted in our support for the controller performance research now included in this bill, FAA does not have an understanding which is sufficiently precise, of how many people it takes to control traffic. The measures they use to determine how many people should be working at O'Hare tower for example, are crude ones. So they are forced to respond, as we are, to the statements of overwork on the part of individual controllers. When the research called for by this bill is complete, we will have the data to prepare staffing standards we need.

Mr. Speaker, I reserve the balance of my time.

Mr. LUJAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4686 as amended by the Senate, and I commend the chairman of the Committee on Science, Space, and Technology, Mr. ROE, and the chairman of the Subcommittee on Transportation, Aviation and Materials, Mr. MCCURDY, for their leadership in bringing this legislation to the floor. I also applaud the efforts of Mr. LEWIS, ranking Republican on the subcommittee, and principal sponsor of this legislation in the House, and Mr. BUECHNER, author of H.R. 3779, the Controller Performance Research Act, which was added to this bill.

This legislation addresses an issue that touches almost all Amercians—aviation safety. The bill we have before us today combines two bills passed earlier in the House by voice vote, and further amends them by adding a provision dealing with the crashworthiness of fuel tanks and fuel lines. It is a good bill and should be adopted.

The Federal Aviation Administration has done a commendable job in its regulatory responsibilities, and as a result, the air transportation system we have in this country is the safest transportation system in the world today. However, we continue to see accidents that we later learn were preventable.

The FAA is continually reacting to these accidents and has been unable to devote adequate attention to prevention. This bill addresses this shortcoming by directing the FAA to conduct long-term research into such areas as fire safety, structures, and human factors.

One of the principal causes of aviation accidents continues to be human error. This bill addresses this problem by directing FAA to establish a comprehensive program in human factors research to develop corrective measures for human errors. Moreover, this legislation recognizes the importance of the air traffic controller in aviation safety and the important role human factors can play in selecting and training air traffic controllers to enhance both safety and productivity.

Mr. Speaker, this bill is the result of a lot of hard work and cooperation by a number of people; it's a good bill and I urge my colleagues to join me in adopting this legislation.

Mr. ROE. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Oklahoma [Mr. MCCURDY], chairman of the Subcommittee on Transportation, Aviation and Materials, and I want to take this opportunity to commend him for his outstanding leadership on this very important piece of legislation.

Mr. MCCURDY. Mr. Speaker, I rise in support of H.R. 4686, the Aviation Safety Research Act. Our Subcommittee on Transportation, Aviation and Materials worked hard on this bill and on the companion H.R. 3779 with which it has been combined. I especially want to note the contributions of the ranking minority member, author of H.R. 4686, and my friend from Florida, Mr. TOM LEWIS, and from the distinguished gentleman from Kansas, Mr. GLICKMAN. And I want to give grateful acknowledgment to the distinguished chairman of the Committee on Science, Space, and Technology for bringing this important legislation to the floor so expeditiously.

As Mr. ROE has noted, contributions from the Senate have strengthened this bill, especially in the areas of controller human factors and fire safety. Senator KASSEBAUM and Senator FORD are to be commended for their vision in the initial introduction of similar legislation. I deeply appreciate their working closely with us in reaching a final product which satisfies us all. It is clear that Members in both Houses not only agree with the need for this research, but are dynamic proponents of it.

I want to express our appreciation also for the cooperation we received from FAA Administrator Alan McArtor. Although there were minor parts of the original bill they could not support, their willingness to work with us produced a very meaningful result which can be supported by all.

Mr. McArtor has recognized, during his short tenure at FAA, that FAA research needs the kinds of reforms called for in this bill. He has made several internal changes to strengthen the program already. I am privileged to have reviewed his remarks delivered as the keynote address to a recent aviation research symposium jointly organized by FAA, NASA, and the Massachusetts Institute of Technology, and Mr. Speaker, I am including these for the RECORD.

H.R. 4686 is a comprehensive bill which will make many contributions to air safety as the research with which it is concerned bears fruit. Research into human factors, fire safety, simulation modeling, aviation medicine, and aging aircraft will enhance FAA's research program, and allow us to take a comprehensive look at the factors which have led to most of the major air carrier accidents of the last several years.

The public participation in FAA's program is addressed by the bill as well. Improved research planning and reporting, an advisory committee, and better tracking of resources devoted to research, are a part of this bill.

I ask my colleagues to join with us in support of H.R. 4686.

KEYNOTE SPEECH BY THE HONORABLE T. ALLAN MCARTOR, SYMPOSIUM ON AVIATION SYSTEM CONCEPTS FOR THE 21ST CENTURY

Thank you very much.

This morning I'd like to do things a little differently from the way they're usually done in seminars like this. Ordinarily, the keynote speaker says a lot of complimentary things about the purpose of the meeting, the wisdom of the sponsors, the talents of the attendees, and the great results that will surely follow.

And I could certainly do that this morning. We're here for a worthwhile purpose. The sponsors, the FAA among them, are leaders in the field. And there can be no question about the intellectual firepower of the people in this room.

I could honestly say a lot of things that would be nice to hear, and we could all go home feeling good.

But that's not why I came here today.

Ladies and gentlemen, I believe it's time to turn science fiction into reality.

I came here to challenge you to do more than just dream about the future.

I came here to challenge you to do more than just engage in a never-ending exchange of exciting ideas.

I came here to challenge you to begin creating that system today.

Today and tomorrow, you're going to talk about some marvelous things that might happen some time in the future. You're going to be filled with visions of the world of aviation of twenty or thirty years from now.

But if we don't begin to develop an action plan to get there, those visions will remain nothing more than unfulfilled dreams.

And next year we'll have another symposium, and maybe I'll be on a panel or give a speech about GPS and satellites, and we'll all get pumped up so high in the ether that we'll have nosebleeds.

But what we really need is a plan of action, not nosebleeds.

We can hold symposiums from now to the end of the century. And all of us (myself included) will show up, year after year, to talk about things like satellites, the space station, going to Mars, or whatever. We'll spend a couple of pleasant days listening to wonderful visions of the future that would benefit everyone—if they were translated into reality.

Then we'll all go home—and nothing will have changed, because nothing will have been started. No plans will have been devised, no marching orders drawn up.

And, I ask you, what will all that amount to? What good are visions without plans? What good is a destination, if we don't know how to get there?

The Chinese have a saying: "A journey of a thousand miles begins with a single step."

So I challenge you to take that first step.

What are you going to do to make your dreams live? If you really know where you're headed, then what are you going to do this afternoon to get started? What should you be doing? What kind of a plan can be in place when this symposium ends tomorrow?

Surely the time has come to get the transition to the future started.

I don't much like the idea that the doers of this world are separate from the dreamers. I reject the idea that you must be either a visionary or a doer, that you can't be both. I believe that those who have the best vision also have the capability to implement that vision.

I believe that dreamers can do and doers can dream. And that's why I know we can begin to translate our dreams into reality.

That's how I see my job. I'm a translator who turns dreams into programs—programs coupled with funding and management—putting the people, the resources, and the research and development in place, so we can begin to work on the issues, the problems, and the remaining unknowns.

And that's what I want to talk about today—not about the next century, not about third millennium science fiction that you can get better out of a book—but about what you and I have got to do on a practical basis right now.

We know that the aviation system of the 21st Century will be light-years ahead of the present system. And we're going to make it happen—a lot faster than you may think.

But a world of caution. As someone said, "the problem with the future is that it ain't what it used to be."

It's harder to predict.

When things moved slower, it was easy to predict the future. My granddaddy could always be sure that ten years ahead, there'd still be a horse with a plow in the field.

But the future became a lot tougher to predict in the 1950s. Almost impossible in the sixties. People gave up in the seventies. And now, here in the eighties, about every three years we get an advance in chip technology that obsoletes everything that went before.

And here we are in this seminar talking confidently about the future of aviation!

How can we be certain our vision is correct?

We can't. Things change too fast. But we can be prepared for whatever the future may bring. As Joe Del Balzo said, we're pretty certain what the system will look like. And we're probably going to stay right on the track we're on now.

But there are no guarantees. Who can say that technological breakthoughs lie ahead?

If the technology and the direction change, will we be able to change direction too? Or will our research and development programs be locked into an unchangeable direction?

Will we really use the opportunity to create the capability to go with the future no matter where it leads? Or will we spend our time in symposiums like this, talking about things that our time in symposiums like this, talking about things that we could do, that we might do, but that we never actually get around to doing?

None of us want that. And that's why we've just done a FAA major restructuring to streamline the FAA organization.

In fact, we've done more than just modernize the organization structure. We've modernized our organizational concepts, the thinking of our people, our training, our technology, our procedures, and our relationships with the industry and Congress.

Maybe best of all, we've created an organization that will keep the good ideas coming—one that can do more than just respond to change—one that may actually generate change.

You might say we've institutionalized future thinking. Future thinking isn't just for scientists and task forces and symposiums. Future thinking is for the FAA too—and for the entire industry, as well.

For the first time, the FAA has somebody in the crows' nest. Always before, we've concentrated on the boiler room, making sure the ship kept running, with nobody looking out over the horizon to make sure we're going in the right direction.

But we know we can't go on operating that way, if we want to hit 21st Century objectives.

So now we've got a new systems development organization, headed up by Joe Del Balzo, that is strengthening and focusing our research and development programs. It's going to make sure that the NAS Plan keeps up with the times, that it continues to evolve along with aviation technology.

But we're going to do more than just keep up. The FAA is going to be in the forefront of technological change. And that's why we're putting a lot more money and resources into R&D.

We're also building an operations research capability that is new to the FAA. We had to create that capability from scratch. Now we can do computer modeling for all kinds of things that promise to improve the way we operate our national airspace system.

And we've structured the same future-thrust on the operational side of the House, too. We've got people there who are looking at what Joe and his people are doing and seeing how those things can actually be put to work as new hardware and procedures.

To keep things moving at an even faster pace, we've speeded up the acquisition timetables for new technology under the NAS Plan. And we've taken steps to reduce organizational delay in the acquisition process.

Now all this may sound like we're concentrating solely on equipment and new technology. That's the all-too-common tendency for Americans of our generation. Whenever we think of modernization, we automatically think of high tech.

We're fascinated by technology. And why shouldn't we be? We've lived through more technological change than has occurred in all of recorded history. No other generation has ever experienced anything like it.

We've seen what technology can do. We've seen the miracles. And so we tend to put all of our faith in high tech, and virtually all of our attention there, too.

When we think about modernizing aviation, we automatically think about how to get more high tech equipment operating, as if that's all there is to modernization.

But there are a couple of other dimensions. And we'd better give them more consideration, or we'll be doing only one-third of the job.

One of the things I've said consistently is that our national airspace and aviation system is a combination of people, equipment, and procedures—all working together, all highly integrated, all dependent on one another, and all backing up one another.

And I'm glad to see that this seminar is addressing all three areas—people, equipment, and procedures—a recognition that all three are important. But, if the truth be told, it would have been even better if we were going to spend as much time on procedures and human factors as we are on strictly technological questions.

We ought to have an even larger representation of human factors people, human performance people, procedures people, airspace managers, and so on.

If we're here to talk about the future of aviation, if we're here to talk about modernization of the airspace, if we're here to talk about advanced concepts and designs, then we've got to talk as much about procedures and people as we do about machines and technology.

Unless we're going to jump straight into an artificial intelligence, totally automated, no-people environment, it's folly not to give as much time and attention to people and procedures as to technological modernization.

I personally don't subscribe to the theory that technology replaces people. I believe that technology supports people. Considering the mix of people and hardware that will remain in the system for many years, it would be better for us to use our technology to support people, as the Japanese do so well.

So, to repeat, modernizing the whole system must mean modernizing all three parts: People, equipment, and procedures. And that's what we've concentrated on at the FAA this year.

The NAS Plan has been focused on the modernization of equipment. Now we're adding the transition chapter which is telling us how we can mesh new technology with our procedures and people to get the best performance out of all three.

For example, because high tech has given us the ability to simulate, to model, we can now do a lot of "what ifs" on the computer and optimize procedures that we probably would not have changed without computer modeling.

In optimizing procedures, we can't fly by the seat of our pants. We must use advanced computer technology. The new Expanded East Coast Plan is a good example of this process at work. We couldn't have done it without our new operations research capability.

As I said, we believe in using technology to support people. But to do that well, we have to know people's capabilities and limits. And that's why we're putting so much more attention on human factors—in the cockpit, at the ATC control console, and on the maintenance line.

Knowing how people actually perform is just as much a part of getting ready for the future as anything else.

So we're putting more time and money into human behavior research. We're looking for answers to a whole series of questions posed by the new technology: controller performance, pilot performance—human performance throughout the system.

How do people react to highly automated systems? How much automation is enough? How much is too much? What should be automated? What should remain manual? How do pilots and planes interface under actual conditions? What are the effects of flying two-man cockpits on longer flights than anybody's ever flown before?

I could go on and on. The questions are endless. We need to know a lot more than we do today.

And we need to train our people better too.

All the technology in the world won't help much if our people don't measure up. It won't be enough just to put a modern high tech display in front of the controller. We've also got to make sure he or she can use it. And that means we've got to modernize controller training.

So, a couple of months ago, I announced a total revamping of the FAA's training and recruiting processes. We're going to get rid of time-consuming, inefficient on-the-job training and use advanced computer simulation to train controllers for the technology of the future. We're going to train better and faster, in half the time it takes today.

But FAA people aren't the only people in the system. How about the pilots who fly our planes? They've got to measure up, too.

Are we training them right? Are we making sure they stay current?

We need answers to questions like those, too, and that's why I've ordered a top-to-bottom review of our pilot training, certification, and currency requirements.

As you can see, we've been pushing hard in the past year to make sure that the FAA and our air transport system is ready for the 21st Century—that our technology and our people and our procedures will measure up to the requirements of the future.

We think we've succeeded in setting the right direction. The changes we've made in the structure of the organization, and in its thrust and direction, I believe, will serve aviation well.

We need the vision to inspire. And we can get that from seminars like this. But we also need the courage to act. And a plan of action. We need to take that first step toward translating visions into realities.

One first step (but maybe not what we could call the first step) will be the follow-on workshop to this seminar that the FAA is sponsoring in mid-November.

We're hoping that this workshop will give us all a chance to start working together to define where we want to go and possibly how we can all go—together.

The whole aviation community must be part of the process of change that will get us to the 21st Century system. We've all got to move in the same direction. Everybody has to play from the same sheet of music.

That means we've got to get some sort of consensus, even if preliminary, about where we're going—what the furture system is really going to be.

That's what we hope will come from this follow-on workshop. Then we can get moving on the R&D and technology development and demonstrations that will get us there, knowing that we're on track, knowing that we're not coming up with answers nobody wants.

One reason America is so great and strong is that we are future-oriented people. We're optimists. We know the future will be even better than the present. And we're impatient. We're eager to get on with it.

So let's have seminars. But let's not stop with that. Let's get on with the real work that must be done now.

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the principal author of H.R. 4686, the gentleman from Florida [Mr. Lewis].

Mr. LEWIS of Florida. Mr. Speaker, the legislation before us, H.R. 4686 the Aviation Research Act of 1988, was passed yesterday by the other body and it establishes a long-term safety research program within the Federal Aviation Administration. The amended bill contains all the important provisions that passed the House, September 20, 1988.

This legislation would not be possible without the outstanding leadership of Chairman Roe and subcommittee Chairman McCurdy. Chairman Roe has done an outstanding job in moving this legislation through the House and in seeking prompt consideration in the other body. His success rate has established a record that other freshmen chairman strive for.

I would also like to express my appreciation for the leadership of Mr. Lujan, who is the ranking minority member on the committee. We will miss working with him in the next Congress.

There are many other Members who have actively supported the bill, especially Mr. Mineta in the human factors area. I look forward to working with him to implement the legislation.

The staff on both sides of the aisle have worked long and hard on this legislation and deserve recognition for these efforts. I want to single out Rob Ketchum and Ken Byram of the chairman's staff and Steve Palmer of the Senate staff for their great work and Jim Greene my staff member on SS&T and Doug Calloway of my staff.

This legislation is absolutely necessary if we are to improve aviation safety significantly rather than by the current tombstone technology. There are several recent aircraft accidents that illustrate the point.

The October 17, 1988, crash of the Uganda airliner in Rome, is one such illustration. Preliminary data indicates that the crash was due in part to human error. Because of fog, the pilot mistook a nearby highway for the runway, and crashed on landing. An aggressive long-term research program that examines the causes of this and the other human factors related to crashes is needed.

H.R. 4686 does that by establishing a research program that will study these problems before they become accidents.

Another example that illustrates the importance of this legislation is the October 5, 1988, discovery of major cracks in the fuselage of a 19-year-old 737. The aircraft was undergoing repainting and the old paint was stripped off. Underneath was discovered one 12-inch-long crack and 29 small ones. This is an accident waiting to happen.

We must have improvements in the technologies used to detect metal fatigue and cracks in aging aircraft. H.R. 4686 contains a provision mandating FAA to undertake a long-range research program on aging aircraft maintenance. This program will have the goal of developing detection technologies that would be able to detect cracks and metal fatigue underneath the paint.

A final illustration is the August 31, 1988, Delta jetliner crash in Dallas. Fortunately, the number of survivors was very high. That was due in part to new FAA fire protection requirements in the cabin interior.

However, the current ability of aircraft cabins to resist post-crash fires is not adequate. We must have a research program directed toward developing an all fire resistant aircraft interior. H.R. 4686 mandates that FAA begin a long-term research program to accomplish just that.

The July 1988 OTA report "Safe Skies for Tomorrow," pointed out the inadequacy of FAA's long-term research efforts. In the area of human factors, for example, the report concluded, "FAA has never devoted the resources necessary to deal objectively with human factors issues." At the same time, the report stated that 65 percent of all aircraft accidents are due to human error.

The bill earmarks 15 percent of the authorized research funds for long-range studies and specifically authorizes $25 million for human factors research beginning in fiscal year 1990.

The version passed by the other body, modified several sections of the bill that the House had passed September 20, 1988. However, none of these changes altered the original intent of the legislation. In some cases the words were changed, but, to repeat, each amendment still contains the original intent.

In addition, the other body added two other amendments, which the chairman has discussed. One was the House passed air traffic control research bill and another amendment addressing ways of reducing post-crash fire.

Mr. Speaker, the chairman has negotiated with the other body throughout the consideration of this legislation, and have made sure that these amendments are acceptable with FAA and the House. I am happy to say that I have no objection and know of no Member who objects to amendments added by the other body.

Enactment of this legislation will place in motion the research programs necessary to reduce aircraft accidents significantly both for now and beyond the year 2000.

Mr. Speaker, it is appropriate that one of the reasons for the success of this long-term legislation, is due to the leadership and vision of the chairman, Mr. Roe. Few Members have pursued long-range scientific solutions to problems as vigorously as the chairman has.

I urge my colleagues to support this important legislation.

□ 1045

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the author of H.R. 3779, which has become section 8 of this bill, the gentleman from Missouri [Mr. Buechner].

Mr. BUECHNER. Mr. Speaker, I rise in support of the Senate amendments to H.R. 4686, the Aviation Research Act.

Let me say at the outset, I appreciate the efforts of my chairman, the honorable gentleman from New Jersey, Robert A. Roe and the efforts of the minority ranking member of the Transportation Aviation and Materials Subcommittee, Mr. Tom Lewis and the subcommittee chairman—for their work and support on this legislation. And a special accolade to our diligent staffers Harriet Smith and Jim Greene who doggedly worked to see that H.R. 3779 was attached to what semed like an endless number of bills. A similar tip of the hat goes to Rob Ketchum of the majority staff who was likewise determined that this vital bill be passed.

The bill contains a much-needed provision which I authored and which passed the House last month. The provision will allow the Federal Aviation Administration and NASA to conduct research into the effects of automation of the air traffic control system.

Over the next decade, the FAA plans to install the advanced automation system and other air traffic control enhancements which will automate many of the functions performed by individual air traffic controllers. However, the FAA has not yet done the groundwork necessary for the smooth transition to a more automated air traffic control environment.

The legislation will conduct the necessary research to ensure that automation will benefit rather than hinder the work of air traffic controllers.

My compliments to the chairman, the gentleman from New Jersey [Mr. Roe], and the ranking Republican, the gentleman from New Mexico [Mr. Lujan], as well as the gentleman from Oklahoma [Mr. McCurdy] and the gentleman from Florida [Mr. Lewis] for their outstanding work in negotiating this measure with the other body.

Mr. Speaker, I ask my colleagues to give their strongest support to this legislation.

Mr. Speaker, my compliments to the chairman of the committee, the gentleman from New Jersey [Mr. Roe], and the ranking Republican, the gentleman from New Mexico [Mr. Lujan], as well as the gentleman from Oklahoma [Mr. McCurdy], and the gentleman from Florida [Mr. Lewis] for their outstanding work in negotiating this bill with the other body.

Mr. Speaker, I ask my colleagues to give their strong support to this legislation.

Mr. LUJAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. Gray of Illinois). The question is on the motion offered by the gentleman from New Jersey [Mr. Roe] that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 4686.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment to the bill, H.R. 4686, just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMERCIAL SPACE LAUNCH ACT AMENDMENTS OF 1988

Mr. ROE. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 4399) to facilitate commercial access to space, and for other purposes.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Commercial Space Launch Act Amendments of 1988".

SEC. 2. FINDINGS.

The Congress finds that—

(1) a United States commercial space launch industry is an essential component of national efforts to assure access to space for Government and commercial users;

(2) the Federal Government should encourage, facilitate, and promote the use of the United States commercial space launch industry in order to continue United States aerospace preeminence;

(3) the United States commercial space launch industry must be competitive in the international marketplace;

(4) Federal Government policies should recognize the responsibility of the United States under international treaty for activities conducted by United States citizens in space; and

(5) the United States must maintain a competitive edge in international commercial space transportation by ensuring continued research in launch vehicle component technology and development.

SEC. 3. DEFINITIONS.

Section 4 of the Commercial Space Launch Act (49 U.S.C. App. 2603) is amended—

(1) in paragraph (10) by striking "and" at the end;

(2) by redesignating paragraph (11) as paragraph (12); and

(3) by inserting immediately after paragraph (10) the following new paragraph:

"(11) 'third party' means any person or entity other than—

"(A) the United States, its agencies, or its contractors or subcontractors involved in launch services;

"(B) the licensee or transferee;

"(C) the licensee's or transferee's contractors, subcontractors, or customers involved in launch services; or

"(D) any such customer's contractors or subcontractors involved in launch services; and".

SEC. 4. PRIVATE ACQUISITION OF GOVERNMENT PROPERTY AND SERVICES.

(a) Section 15(a) of the Commercial Space Launch Act (49 U.S.C. App. 2614(a)) is amended by adding at the end the following: "In taking such actions, the Secretary shall consider the commercial availability, on reasonable terms and conditions, of substantially equivalent launch property or launch services from a domestic source.".

(b) Section 15(b)(1) of the Commercial Space Launch Act (49 U.S.C. App. 2614(b)(1)) is amended by adding at the end the following: "For purposes of this paragraph, the term 'direct costs' means the actual costs that can be unambiguously associated with a commercial launch effort, and would not be borne by the United States Government in the absence of a commercial launch effort.".

(c) Section 15 of the Commercial Space Launch Act (49 U.S.C. App. 2614) is amended by adding at the end the following new subsection:

"(d) The head of any Federal agency or department may collect payment for activities involved in the production of a launch vehicle or its payload for launch if such activities were agreed to by the owners or manufacturers of such launch vehicle or payload.".

SEC. 5. INSURANCE REQUIREMENTS OF LICENSEE.

(a) Section 16 of the Commercial Space Launch Act (49 U.S.C. App. 2615) is amended to read as follows:

"LIABILITY INSURANCE

"SEC. 16. (a)(1)(A) Each license issued or transferred under this Act shall require the licensee or transferee—

"(i) to obtain liability insurance; or

"(ii) to demonstrate financial responsibility,

in an amount sufficient to compensate the maximum probable loss (as determined by the Secretary, after consultation with the Administrator of the National Aeronautics and Space Administration, the Secretary of the Air Force, and the heads of other appropriate agencies) from claims by a third party for death, bodily injury, or loss of or damage to property resulting from activities carried out under the license in connection with any particular launch. In no event shall a licensee or transferee be required to obtain insurance or demonstrate financial responsibility under this subparagraph, with respect to the aggregate of such claims arising out of any particular launch, in an amount which exceeds (I) $500,000,000 or (II) the maximum liability insurance available on the world market at a reasonable cost, if such insurance is less than the amount in subclause (I).

"(B) Each license issued or transferred under this Act shall require the licensee or transferee—

"(i) to obtain liability insurance; or

"(ii) to demonstrate financial responsibility,

in an amount sufficient to compensate the maximum probable loss (as determined by the Secretary, after consultation with the Administrator of the National Aeronautics and Space Administration, the Secretary of the Air Force, and the heads of other appropriate agencies) from claims against any person by the United States for loss of or damage to property of the United States resulting from activities carried out under the license in connection with any particular launch. In no event shall a licensee or transferee be required to obtain insurance or demonstrate financial responsibility under this subparagraph, with respect to the aggregate of such claims arising out of any particular launch, in an amount which exceeds (I) $100,000,000 or (II) the maximum liability insurance available on the world market at a reasonable cost, if such insurance is less than the amount in subclause (I).

"(C) Each license issued or transferred under this Act shall require the licensee or transferee to enter into reciprocal waivers of claims with its contractors, subcontractors, and customers, and the contractors and subcontractors of such customers, involved in launch services, under which each party to each such waiver agrees to be responsible for any property damage or loss it sustains or for any personal injury to, death of, or property damage or loss sustained by its own employees resulting from activities carried out under the license.

"(D) The Secretary, on behalf of the United States, its agencies involved in launch services, and contractors and subcontractors involved in launch services, shall enter into reciprocal waivers of claims with the licensee or transferee, its contractors, subcontractors, and customers, and the contractors and subcontractors of such customers, involved in launch services, under which each party to each such waiver agrees to be responsible for any property damage or loss it sustains or for any personal injury to, death of, or property damage or loss sustained by its own employees resulting from activities carried out under the license. Any such waiver shall apply only to the extent that claims exceed the amount of insurance or demonstration of financial responsibility required under subparagraph (B). After consultation with the Administrator of the National Aeronautics and Space Administration and the Secretary of the Air Force, the Secretary may also waive, on behalf of the United States and any Federal agency, the right to recover any damages for loss of or damage to property of the United States to the extent insurance is not available by reason of policy exclusions which are determined by the Secretary to be usual for the type of insurance involved.

"(2) Any insurance policy obtained, or demonstration of financial responsibility made, pursuant to a requirement described in paragraph (1) shall protect the United States, its agencies, personnel, contractors, and subcontractors, and all contractors, subcontractors, and customers of the licensee or transferee, and all contractors and subcontractors of such customers, involved in providing the launch services, to the extent of their potential liabilities, at no cost to the United States.

"(3) The Secretary shall determine the maximum probable loss under paragraph (1)(A) and (B) associated with activities under a license, within 90 days after a licensee or transferee has required such a determination and has submitted all information the Secretary requires to make such a determination. The Secretary shall amend such determination as warranted by new information. Within 12 months after the date of enactment of the Commercial Space Launch Act Amendments of 1988, and within each 12-month period thereafter, the Secretary shall submit to the Committee on Commerce, Science, and Transportation of Senate and the Committee on Science, Space, and Technology of the House of Representatives a report on the current determinations with respect to all issued licenses and the reasons for those determinations.

"(4) Within 6 months after the date of enactment of the Commercial Space Launch Act Amendments of 1988, and within each 12-month period thereafter, the Secretary shall review the amounts specified in paragraph (1)(A)(I) and (B)(I), and shall submit a report to the Congress which, if appropriate, contains a proposed adjustment to such amounts to conform with altered liability expectations and availability of insurance on the world market. Such proposed adjustment shall take effect 30 days after the submission of such report.

"(b)(1) To the extent provided in advance in appropriations Acts or to the extent there is enacted additional legislative authority to provide for the payment of claims as submitted in the compensation plan outlined in paragraph (4), the Secretary shall provide for the payment by the United States of successful claims (including reasonable expenses of litigation or settlement) of a third party against the licensee or transferee, or its contractors, subcontractors, or customers, or the contractors or subcontractors of such customers, resulting from activities carried out pursuant to a license issued or transferred under this Act for death, bodily injury, or loss of or damage to property resulting from activities carried out under the license, but only to the extent that the aggregate of such successful claims arising out of any particular launch—

"(A) is in excess of the amount of insurance or demonstration of financial responsibilities required under subsection (a)(1)(A); and

"(B) is not in excess of the level that is $1,500,000,000 (plus any additional sums necessary to reflect inflation occurring after January 1, 1989) above such amount.

The Secretary shall not provide for payment of any part of such claim for which the death, bodily injury, or loss of or damage to property has resulted from willful misconduct by the licensee or transferee. To the extent insurance required pursuant to subsection (a)(1)(A) is not available to cover any such successful third party liability claim by reason of insurance policy exclusions determined by the Secretary to be usual for the type of insurance involved, the Secretary may provide for the payment of such excluded claims without regard to the limitation expressed in subparagraph (A).

"(2) The payment of claims under paragraph (1) shall be subject to—

"(A) notice to the United States of any claim, or suit associated with such claim, against a party described in paragraph (1) for death, bodily injury, or loss of or damage to property;

"(B) participation or assistance in the defense by the United States, at its election, of that claim or suit; and

"(C) approval by the Secretary of that portion of any settlement which is to be paid out of appropriated funds of the United States.

"(3) The Secretary may withhold payment under paragraph (1) if the Secretary certifies that the amount is not just and reasonable, except that the amount of any claim determined by the final judgment of a court of competent jurisdiction shall be deemed by the Secretary to be just and reasonable.

"(4)(A) If as a result of activities carried out under a license issued or transferred under this Act the aggregate of the claims arising out of a particular launch are likely to exceed the amount of insurance or demonstration of financial responsibility required under the license, the Secretary shall (i) make a survey of the causes and extent of damage and (ii) expeditiously submit to the Congress a report setting forth the results of such survey.

"(B) Not later than 90 days after any determination by a court indicating that the liability for the aggregate of claims arising out of a particular launch under such a license may exceed the amount of insurance or demonstration of financial responsibility required under the license, the President, on the recommendation of the Secretary, shall submit to the Congress a compensation plan or plans that (i) outlines the aggregate dollar value of such claims; (ii) recommends sources of funding to pay for these claims; and (iii) includes any legislative language required to implement the compensation plan or plans if additional legislative authority is required. No compensation plan for a single event or incident may exceed the aggregate of $1,500,000,000.

"(C) Any compensation plan transmitted to the Congress pursuant to subparagraph (B) shall bear an identification number and shall be transmitted to both Houses of Congress on the same day and to each House while it is in session.

"(D)(i) The provisions of this subparagraph shall apply with respect to consideration in the Senate of any such compensation plan and to Senate action on such compensation plan.

"(ii) Any such compensation plan that requires additional appropriations or additional legislation authority must be considered by the Senate pursuant to this subparagraph within 60 calendar days of continuous session of Congress after the date on which such plan is transmitted to the Congress.

"(iii) For the purposes of this subparagraph, the term 'resolution' means only a joint resolution of Congress the matter after the resolving clause of which is as follows: 'That the approves the compensation plan numbered submitted to the Congress on , 19 .', the first blank space therein being filled with the name of the resolving House and the other blank spaces being appropriately filled; but does not include a resolution which includes more than one compensation plan.

"(iv) A resolution once introduced with respect to a compensation plan shall immediately be referred to a committee (and all resolutions with respect to the same compensation plan shall be referred to the same committee) by the President of the Senate.

"(v)(I) If the committee of the Senate to which a resolution with respect to a compensation plan has been referred has not reported it at the end of 20 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration with respect to such compensation plan which has been referred to the committee.

"(II) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same compensation plan), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(III) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same compensation plan.

"(vi)(I) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

"(II) Debate on the resolution referred to in subclause (I) of this clause shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to.

"(vii)(I) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution or motions to proceed to the consideration of other business, shall be decided without debate.

"(II) Appeals from the decision of the Chair relating to the application of the rules of the Senate to the procedures relating to resolution shall be decided without debate.

"(5) The provisions of paragraphs (1) through (4) shall apply only to each license issued or transferred under this Act for which a complete and valid application has been received by the Secretary prior to the date that is 5 years following the date of enactment of the Commercial Space Launch Act Amendments of 1988.

"(c) The head of any Federal agency or department shall collect insurance proceeds or any other payment owed for the loss of or damage to Government property under its jurisdiction or control resulting from activities carried out under a license issued or transferred under this Act. Such proceeds or other payment shall be credited to the current applicable appropriations, funds, or accounts of that agency or department.".

(b) Section 15(c) of the Commercial Space Launch Act (49 U.S.C. App. 2614(c)) is amended to read as follows:

"(c) Consistent with the requirements of this Act, the Secretary shall establish requirements for proof of financial responsibility and such other assurances as may be necessary to protect the United States and its agencies and personnel from liability, death, bodily injury, or loss of or damage to property as a result of a launch or operation of a launch site involving Government facilities or personnel. The Secretary may not under this subsection relieve the United States of liability for death, bodily injury, or loss of or damage to property resulting from the willful misconduct of the United States or its agents.".

SEC. 6. UNITED STATES LAUNCH INCENTIVES FOR CERTAIN SATELLITES.

(a) The requirements of subsection (a)(1)(B) of section 16 of the Commercial Space Launch Act (49 U.S.C. App. 2615), is amended by this Act, shall not apply to eligible satellites.

(b) To the extent approved in appropriations Acts, the United States shall not require payment for the provision of launch services in connection with the commercial launch of an eligible satellite.

(c) For purposes of this section, the term "eligible satellite" means a satellite that—

(1) was under construction on August 15, 1986;

(2) was the subject of a launch services agreement or contract with the National Aeronautics and Space Administration, which as of August 15, 1986, was in effect and not yet carried out; and

(3) is licensed for launch under the Commercial Space Launch Act.

SEC. 7. PREEMPTION OF SCHEDULED LAUNCHES.

Section 15(b) of the Commercial Space Launch Act (49 U.S.C. App. 2614(b)) is amended by adding at the end the following new paragraph:

"(4)(A) The Secretary, with the cooperation of the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration, shall take steps to ensure that the launches of payloads with respect to which a launch date commitment from the United States has been obtained for a launch licensed under this Act are not preempted from access to United States launch sites or launch property, except in cases of imperative national need. Any determination of imperative national need shall be made by the Secretary of Defense or the Administrator of the National Aeronautics and Space Administration, in consultation with the Secretary, and shall not be delegated. A licensee or transferee preempted from access to a launch site or launch property shall not be required to pay to the United States any amount for launch services solely attributable to the scheduled launch prevented by such preemption.

"(B) The Secretary of Defense or the Administrator of the National Aeronautics and Space Administration, in cooperation with the Secretary, as the case may be, shall report to the Congress within 7 days after any determination of imperative national need under subparagraph (A), including an explanation of the circumstances justifying such determination and a schedule for ensuring the prompt launching of a preempted payload.".

SEC. 8. STUDY OF PROCESS FOR SCHEDULING LAUNCHES.

The Secretary of Transportation, in cooperation with the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration, and in consultation with representatives of the space launch and satellite industry, shall study ways and means of scheduling Government and commercial payloads on commercial launch vehicles at Government launch sites in a manner which—

(1) makes the best practicable use of the launch property of the United States; and

(2) assures that the launch property of the United States that is available for commercial use will be available on a commercially reasonable basis,

consistent with the objectives of the Commercial Space Launch Act. The Secretary shall report the results of such study to the Congress within 90 days after the date of enactment of this Act.

SEC. 9. COMMERCIAL SPACE LAUNCH SERVICE COMPETITION.

It is the sense of the Congress that the United States should explore ways and means of developing a dialogue with appropriate foreign government representatives to seek the development of guidelines for access to launch services by satellite builders and users in a manner that assures the conduct of reasonable and fair international competition in commercial space activities.

SEC. 10. LAUNCH VEHICLE RESEARCH AND DEVELOPMENT.

The Administrator of the National Aeronautics and Space Administration shall, in consultation with representatives of the space launch and satellite industry, design a program for the support of research into launch systems component technologies, for the purpose of developing higher performance and lower cost United States launch vehicle technologies and systems available for the launch of commercial and Government spacecraft into orbit. The Administrator shall submit a report outlining such program to the Congress within 60 days after the date of enactment of this Act.

SEC. 11. APPLICABILITY TO LICENSES.

This Act, and the amendments made by this Act, shall apply to all licenses issued under the Commercial Space Launch Act *before, on, or after the date of enactment of this Act.*

The SPEAKER pro tempore. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. Roe] will be recognized for 20 minutes, and the gentleman from New Mexico [Mr. Lujan] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. Roe].

Mr. ROE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want at the outset to particularly commend the leadership of the chairman of our Subcommittee on Space Science and Applications, the gentleman from Florida [Mr. Nelson], who is the primary sponsor of this bill.

In addition, I want to thank the gentleman from New Mexico [Mr. Lujan], the minority leader, and the gentleman from Pennsylvania [Mr. Walker] whose cooperation on this legislation has been exemplary and has really helped us to create this excellent piece of legislation we are presenting today. I also commend the Senate leaders who guided this important legislation through the other body, Senator Hollings, chairman of the Commerce, Science, and Transportation Committee; Senator Don Riegle, chairman of the Subcommittee on Science, Technology, and Space; and Senator John Danforth, ranking minority member of that committee.

Mr. Speaker, it is with great pleasure that I call up this bill for House consideration today. This bill has great significance in assuring a place for the commercial rocket launch industry in this country to meet our Nation's launching requirements. Enactment of this legislation is the linchpin of the Government's efforts to assure access to space through a commercial launch industry—a critical component of a mixed fleet. The bill should assure the place of America's launch industry among a world marketplace of keen competitors.

With the imprimatur of our Senate colleagues, the bill has returned to the House for final House approval before we send it to the President for signature.

I am proud to say that since the legislation passed the House unanimously on May 24, it has continued to enjoy strong bipartisan support in the Senate with the cosponsorship of every member of the Senate Commerce, Science, and Transportation Committee. I should also commend the leadership of our former colleague, Senator Tim Wirth of Colorado, who introduced the Senate counterpart (S. 2395) to H.R. 4399 after House passage.

As passed by the Senate on October 14, H.R. 4399 retains the principal features of the legislation as approved unanimously by the House of Representatives on May 24. The few changes made by the other body have been made in close consultation with the Committee on Science, Space, and Technology.

The Senate amendment provides important clarity to the insurance obligations of a licensee, or launch provider, in insuring against damage to property and third parties. The Senate has followed the House language in retaining the important concept of insurance to cover the maximum probable loss to property and third parties as a result of a potential launch incident. To protect Government range and other property, launch providers will be required to obtain up to $100 million in insurance. To protect against damage to third parties, launch providers will obtain up to $500 million in insurance protection. These levels will be regularly reviewed and adjusted, if appropriate, by the Secretary of Transportation if necessary to meet changed liability expectations and changes in worldwide insurance capacity.

The amendment provides further that in the improbable event insurance drops below these levels, an alternative insurance ceiling, that of the maximum property or liability insurance available on the world market, will guide the Secretary in imposing insurance requirements on the industry. This latter change provides important clarity and certainty with respect to insurance obligations for property and liability coverage.

The Senate amendment also places a cap of $1.5 billion on potential Federal Government indemnification exposure if third party claims ever were to exceed insured levels in the event a launch accident. In the event liability claims exceed the $500 million of insurance which a launch provider has obtained, the Government would indemnify for any single launch incident up to the next $1.5 billion of claims from third parties. The amendment further provides that these payments are subject to the availability of appropriations, an important safeguard consistent with established congressional budget procedures.

The congressional process will also be facilitated under the legislation with the requirement that in the event the Federal Government is faced with a situation where third party claims exceed insured levels, the President will submit to Congress a compensation plan recommending sources of funding to pay claims as well as a request for legislative language that would be required to implement the compensation plan, if such legislative authority is needed.

The Senate amendment retains the House standards of preemption that will serve to provide important assurance to the commercial community that they will not be preempted arbitrarily from the use of Government launch ranges. Only in cases of imperative national need, as determined by the Secretary of Defense or the Administrator of NASA, will Government preemption be warranted. The amendment provides further security to the industry by ensuring that users cannot be charged more than once for Government launch services if additional charges are attributable solely to the Government by preemption.

Finally, the Senate amendment has included a 5-year sunset on the indemnification authority contained in the bill, a major departure from the Senate committee's original recommendation that this authority expire only after 10 years. Our past hearings on this show that a 5-year sunset does not accurately reflect the planning horizons of the launch and satellite industries. Simply, launch planning and procurements are conducted 3 and more years in advance of their occurrence. I want the record to state that it is the committee's clear presumption that the indemnification authority in the bill will continue beyond 5 years. Because time this session is short, we will have to await another day to repair this minor defect in the legislation.

Mr. Speaker, this bill is one of the most significant pieces of legislation to come out of the Committee on Science, Space, and Technology in recent memory. The bill is absolutely critical to the ability of our launch and satellite industries to complete in the worldwide marketplace. It is solidly supported by America's satellite, launch, and insurance industries. I urge its speedy adoption so that we can anticipate the Nation's first commercial launches in early 1989.

Mr. Speaker, I want to include in the Record a summary of the H.R. 4399 with Senate amendments.

Summary of H.R. 4399 Amendment in the Nature of a Substitute

SEC. 1. SHORT TITLE.

"Commercial Space Launch Act Amendments."

SEC. 2. FINDINGS.

Recognizes importance of commercial launch industry.

SEC. 3. DEFINITION.

Defines third parties under the bill as those persons not associated directly with commercial launch operations; however, to conform to government-wide policy, government personnel directly associated with commercial launch operations are still classified as third parties.

SEC. 4. FACILITATING PRIVATE ACQUISITION OF LAUNCH SERVICES.

Encourages development of commercially provided launch services, and ensures continued access to government ranges and services by developing a common pricing policy for use of government launch services.

Authorizes NASA and Air Force to collect reimbursements for activities involved at the election of the commercial manufacturer in the production of launch vehicles or payloads.

SEC. 5. INSURANCE REQUIREMENTS.

Establishes a statutory standard for the determination of property and liability insurance requirements for domestic commercial ELV operations, as follows:

The launch provider must obtain insurance or demonstrate financial responsibility to compensate for the *maximum probable loss* that might occur to government property or result from third party claims.

The Secretary of Transportation will determine the maximum probable loss to property or third parties based on the launch vehicle size and type, launch trajectory, payload and other relevant factors.

For government property, insurance cannot exceed $100 million, or the maximum available insurance on the world market, if it drops below $100 million;

For third party liability, insurance cannot exceed $500 million, or the maximum available liability on the world market, if it drops below $500 million.

The United States Government is insured under these policies, at no cost to the government.

The $100 million and $500 million levels will be reviewed annually by the DOT Secretary and adjusted, if appropriate, to meet altered liability expectations and worldwide insurance capacity.

All parties to the launch are required to enter into reciprocal waivers of claims whereby each party is responsible for any property damage or personal injuries it sustains. (The purpose of this is to limit litigation that could arise from a launch incident and to eliminate the need for parties to obtain insurance to protect them from claims (otherwise straining a limited capacity of insurance). These cross waivers were a standard element of NASA contracts with commercial customers of the Shuttle.)

The government participates in the reciprocal waiver with private parties to the launch to the extent property damage would exceed the insurance obtained to cover against potential damage. In such case, the government would pay for repairs to property if it exceeds insured levels. The government could not waive claims on behalf of its own employees, whose rights will not be affected.

Section 5(b) of the bill provides for government indemnification of claims to the degree third party claims exceed insurance (e.g., claims over $500 million). The government, subject to the availability of appropriations, would pay third party claims up to a total of $1.5 billion of exposure per launch incident. This provision would expire after 5 years. This provision completes the "risk-sharing" approach to commercial launch activity, whereby in exchange for being protected under $100 million property, and $500 million liability insurance policies obtained by a launch provider, the government provides for indemnification in the event claims exceed insurance.

In the event of a launch incident involving claims in excess of insurance, the President is required to submit a compensation plan to the Congress identifying potential sources of government funding, and recommended legislative language, if required.

SEC. 6. U.S. LAUNCH INCENTIVES FOR CERTAIN SATELLITES.

This section provides special incentives to certain satellites affected by the President's August 1986 policy decision ending NASA's commercial launch role. The incentives are available to those satellites under construction at the time of the August 1986 decision, if these satellites "launch American." The incentives are (1) a waiver of the requirement to purchase property insurance to protect the government facilities; and (2) a waiver, subject to the availability of appropriations, of charges and costs associated with the provision of launch services from the government.

SEC. 7. PREEMPTION OF SCHEDULED LAUNCHES.

This section establishes strict standards for government preemption of commercial launches. The bill would prohibit government cancellation of scheduled commercial launches, unless a finding of imperative national need warranted such a preemption. The NASA Administrator and the DOD Secretary would be required personally to certify to such an "imperative need."

The bill further prohibits duplicative charges from being imposed on users whose launch schedule has been interrupted as a result of government preemption.

SEC. 8. STUDY OF PROCESS FOR SCHEDULING LAUNCHES.

This provision provides for a study of ways of enhancing the efficient use of government range property for government and commercial users.

SEC. 9. INTERNATIONAL COMPETITION.

Expresses the sense of Congress that the U.S. Government should explore the development of a dialog with foreign governments in order to develop guidelines for access to launch services by satellite builders and users. The purpose is to ensure fair international competition in commercial space activities.

SEC. 10. LAUNCH VEHICLE R&D.

This section directs the NASA Administrator, in consultation with industry, to design a program of research into new launch vehicle component technologies.

SEC. 11. APPLICATION OF BILL.

Applies to all licenses issued before or after date of enactment.

Mr. LUJAN. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in support of H.R. 4399 as amended by the Senate. When this legislation first appeared before the House earlier this year, it had the overwhelming support of the Members—in fact it passed unanimously by voice vote.

The need for a healthy competitive commercial launch industry has never been in question. When the *Challenger* accident forced us to reexamine the way we used the shuttle, it soon became apparent that this Nation could no longer afford to use such a complex and expensive asset to launch routine payloads. Payloads that did not require human intervention, especially commercial payloads that were being heavily subsidized, had to be launched by some other means.

It was equally clear that this Nation needed another means by which to launch its own satellites. The old adage "never put all your eggs in one basket" was never more true than it was in this situation. We simply have to have a backup capability to get into space—our national security depends on it.

Fortunately, once the Government stopped providing subsidized shuttle launches it became feasible for the private sector to enter this market. Today, we have three major aerospace firms who are interested in competing for the foreign and domestic commerical market. This is a healthy competitive situation, but the success of our commercial launch industry is in jeopardy.

Prior to the *Challenger* accident, the Government was the sole provider of launch services, and the customers were getting those services at bargain rates. The Government did not pass on the development costs of the launch vehicles or the cost of building the infrastructure to support those launches. Moreover, the Government assumed a major part of the risks associated with these activities.

This is still the case with the competition, and as we have recently learned, we are now facing even stiffer competition from the Chinese long march. It is clear that the U.S. launch industry is threatened, and our national security is at stake. We simply cannot afford to let this industry disappear.

Mr. Speaker, there are those who would like to protect all U.S. industry from any and all forms of competition. I disagree with that approach. Like it or not we have to compete in a global, economy. The aerospace industry has consistently maintained a positive trade balance because we have been able to offer better products and services at fair prices. We cannot jeopardize the whole industry to protect one element of that industry. This bill certainly doesn't do that.

We are not asking for subsidies or any form of special protection for the launch industry. What this bill does is try to give the U.S. commercial launch industry some of the same breaks that their foreign competitors receive. This bill tries to partially level the playing field for U.S. launch companies by providing equitable arrangements for commercial use of Government facilities. The bill also addresses the issue of liability and requires the Government to share some of the risk.

The bill that was passed by the House provided limited indemnification for third party liability; this was opposed by the administration and many others who viewed this as an unfair entitlement. The amended bill that is before us today is a compromise in this respect, and I am pleased that the administration has now withdrawn its objection.

The bill that is now before us caps the Government's liability to $1.5 billion, and it also no longer treats this indemnification as an entitlement. Although I supported the House bill, I have no objections to these compromises; it is still a good bill. I am also pleased that other provisions in the House bill aimed at strengthening our industry's competitive position are still in this bill.

Mr. Speaker, when an activity is clearly in the national interest, and I believe providing a vitally needed backup launch capability is in the national interest, I think it is entirely appropriate for the Government to provide some minimal assistance to give the industry a fighting chance for survival. This bill does no more than that. Mr. Speaker, I strongly urge my colleagues to support this much needed legislation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. Walker].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the bill that we have before us is a good piece of legislation. We have a need in this country to have a viable commercial launch industry. This is the bill that will assure that we have taken the last step needed to get the Government in place to provide for a viable commercial launch industry. We need to have the tandem of Government launches and commercial launches to supply the needs of this country, and so it seems to me that by providing in this bill the mechanisms that are needed to give commercial launches an opportunity to compete in a world market that we have moved an important step toward giving this Nation the broad base space structure that we need.

So along with my colleagues, I would urge the House to adopt this legislation as a very, very important step toward our American future in space.

Mr. NELSON. Mr. Speaker, today I rise in support of H.R. 4399, Commercial Space Launch Amendments Act of 1988. The original legislation enacted in 1984 did an excellent job of developing the framework for commercial launch activities by providing the impetus to allow the private sector to enter the launch business. However, like other high technology industries, we have witnessed many changes in the past 4 years. And, we must ensure that our legislation in this area maintains pace with state-of-the-art changes in the industry. We have learned a lot about the commercial launch business since the enactment of the original legislation in 1984 and H.R. 4399 does an excellent job of fine tuning factors critical to its continued success. I join my colleagues in endorsing the Senate amendment before sending it to the President for signature.

H.R. 4399 is the result of many hearings and discussions with industry, Government, and independent representatives. After an extensive analysis of there findings, I introduced legislation that has since received widespread bipartisan support by both Congress and industry. This bill represents a good example of business and Government working together to develop a very forward-thinking piece of legislation that will benefit all parties involved for years to come. It provides a framework for the future and represents a proactive approach to stimulate the development of the commercial launch industry.

While I will not dwell on the specific provisions of the bill, there is one area I would like to comment on. I would like to point out that H.R. 4399 establishes an effective risk sharing relationship between Government and industry. As we have recently witnessed with the Chinese Long March, foreign countries are offering various incentives to stimulate launch activities. The risk sharing relationship developed in the bill is essential if we are to launch American and remain competitive with the heavily subsidized efforts of our foreign competitors. A strong and competitive commercial launch industry is imperative if we are going to guarantee assured access to space and maintain a position of worldwide leadership. This legislation will ensure just that. And, it is one from which all interested parties will benefit by providing a fair and reasonable allocation of launch risks.

In summary, Mr. Speaker, I would like to commend the distinguished chairman of the Committee on Science, Space, and Technology, Mr. Roe, for his leadership regarding this legislation. I would also like to express my appreciation to the ranking Republican leaders of the full committee and subcommittee, Mr. Lujan and Mr. Walker, for their active participation and teamwork in this effort.

Mr. Speaker, H.R. 4399 represents legislation that is essential to the continued success of the commercial launch industry and I strongly encourage its passage today.

Mr. LUJAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. Roe] that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 4399.

The question was taken.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The **SPEAKER** pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1100

GENERAL LEAVE

Mr. ROE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4399, the bill just considered.

The **SPEAKER** pro tempore (Mr. Gray of Illinois). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

NATIONAL SUPERCONDUCTIVITY AND COMPETITIVENESS ACT OF 1988

Mr. ROE. Mr. Speaker, I move to suspend the rules and concur in the House amendment to the Senate amendments to the bill (H.R. 3048) to establish a national Federal program effort in close collaboration with the private sector to develop as rapidly as possible the applications of superconductivity to enhance the Nation's economic competitiveness and strategic well-being and for other purposes, and disagree to the Senate amendment to the title of the bill.

The Clerk read as follows:

Senate amendments:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Research Initiatives and Technology Competitiveness Act of 1988".

TITLE I—SUPERCONDUCTIVITY AND COMPETITIVENESS

SEC. 101. SHORT TITLE.

This title may be cited as the "National Superconductivity and Competitiveness Act of 1988".

SEC. 102. FINDINGS AND PURPOSES.

(a) Findings.—For purposes of this title, Congress finds that—

(1) recent discoveries of high-temperature superconducting materials could result in significant new applications of these materials in such areas as microelectronics, computers, power systems, transportation, medical imaging, and nuclear fusion, yet most potential applications may well lie beyond our ability to predict them;

(2) full application of the new superconductors is expected to require 10 to 20 years, thus calling for long-term commitments by the public and private sector to appropriate research and development programs;

(3) the Nation's economic competitiveness and strategic well-being depend greatly on the development and application of critical advanced technologies such as those anticipated to evolve from the new superconducting materials;

(4) the United States manufacturing industries confront strong competition in both domestic and world markets as other countries are increasingly taking advantage of modern technology and production techniques and innovative management focused on quality;

(5) whereas we have as a Nation been highly successful in the conduct of basic research in a variety of scientific areas, including superconductivity, other nations have been highly successful in the commercial and military application of the results of such fundamental research;

(6) if the United States is to regain its competitive advantage, it must commit sufficient long-term resources to solving processing and manufacturing problems in parallel with basic research and development;

(7) Federal agencies have responded aggressively to this exciting challenge by reprogramming funds to basic superconductivity research while informally coordinating their efforts to avoid unnecessary duplication; and further commitment of Federal funding and efforts directed to developing manufacturing, materials processing, and fabrication technologies is essential so that these activities may be conducted in parallel;

(8) successful development and application of the new superconducting materials will require close collaboration between the Federal Government and the industrial and academic components of the private sector, as well as coordination among the Federal departments and agencies involved in research and development on superconductors;

(9) a committed Federal program effort with appropriate long-term goals, priorities, and adequate resources is necessary for the rapid development and application of the new superconducting materials; and

(10) a national program should serve as a test of new agency authorities directed at technological competitiveness such as those provided to the Department of Energy.

(b) PURPOSES.—The purposes of this title are—

(1) to establish a 5-year national action plan to research and develop new high-temperature superconducting materials with appropriate goals and priorities; and

(2) to designate the appropriate roles, mechanisms, and responsibilities of various Federal departments and agencies in implementing such a national research and development action plan.

SEC. 103. NATIONAL ACTION PLAN ON SUPERCONDUCTIVITY RESEARCH AND DEVELOPMENT.

(a) ESTABLISHMENT.—(1) The Director of the Office of Science and Technology Policy shall establish a 5-year National Action Plan on Advanced Superconductivity Research and Development (hereinafter in this title referred to as the "Superconductivity Action Plan").

(2) The Office of Science and Technology Policy shall coordinate the development of the Superconductivity Action Plan and any recommendations required by this Act with the National Critical Materials Council and the National Commission on Superconductivity.

(b) CONTENT AND SCOPE.—The Superconductivity Action Plan shall include—

(1) goals and priorities for advanced superconductivity research and development to be carried out by individual departments and agencies and organizational elements therein;

(2) the assignment of responsibility for the conduct of advanced superconductivity research and development among the departments, agencies, and organization elements therein;

(3) recommendation of proposed funding levels for activities relating to superconductivity of the 5 years following the date of enactment of this title for each of the participating departments, agencies, and organizational elements therein; and

(4) proposals for the participation by industry and academia in the planning and implementation of the Superconductivity Action Plan.

(c) ACTION PLAN REPORT.—The Office of Science and Technology Policy, in conjunction with the National Critical Materials Council, shall submit a report detailing the Superconductivity Action Plan to the Committee on Science, Space and Technology of the House of Representatives, and to the Committees on Energy and Natural Resources, and Commerce, Science, and Transportation of the Senate, within 9 months after the date of enactment of this title.

(d) UPDATE REPORTS.—The Office of Science and Technology Policy, with the assistance of the National Critical Materials Council as specified in the National Critical Materials Act of 1984 (30 U.S.C. 1801 et seq.), shall prepare an annual report setting forth and evaluating the progress of the Superconductivity Action Plan. This report shall include a description of the amount of funds expended in the previous year by all Federal departments and agencies involved with superconductivity. This report shall be submitted with the President's annual budget request to the Committee on Science, Space, and Technology of the House of Representatives, and to the Committees on Energy and Natural Resources, and Commerce, Science, and Transportation of the Senate.

SEC. 104. DEPARTMENT OF ENERGY.

The Secretary of Energy shall conduct a program in superconductivity research and development in accordance with the provisions of subtitle A of title II. Within 180 days after the date of enactment of this title, and for the two succeeding years thereafter, the Secretary shall submit annual reports on the implementation of technology transfer activities under the Stevenson-Wydler Technology Innovation Act of 1980, title II of this Act, and related law with respect to superconductivity research and development to the Committee on Science, Space, and Technology of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate. Such report shall include recommendations for improvements in the technology transfer between government and industry, and in the management of property developed or made at the National Laboratories.

SEC. 105. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

In pursuance of the goals of this title, the National Institute of Standards and Technology shall promote fundamental research and materials standards to accelerate the use and application of the new superconducting materials, and shall utilize the Superconductivity Center focusing on electronic applications at the National Institute of Standards and Technology in Boulder, Colorado.

SEC. 106. NATIONAL SCIENCE FOUNDATION.

The National Science Foundation shall promote fundamental research in pursuance of the goals of this title.

SEC. 107. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

The National Aeronautics and Space Administration shall utilize existing programs in technology transfer, aeronautics and space technology, and space commercialization to promote the commercial applications of high-temperature superconductors, including applications relating to thin film technology, communications technology, sensors, space power, and propulsion.

SEC. 108. DEPARTMENT OF DEFENSE.

(a) FOCUS OF RESEARCH.—In conformance with the Superconductivity Action Plan, the Secretary of Defense, in the superconductivity research and development activities of the Department of Defense, shall give emphasis to fundamental research, materials processing, and applications of new superconducting materials.

(b) ADDITIONAL ACTIVITIES.—In conducting research under subsection (a), the Secretary of Defense shall—

(1) systematically define the engineering parameters for high-temperature superconducting materials; and

(2) conduct the necessary development, engineering, and operation prototype testing considered appropriate to the overall mission of the Department of Defense. Such operational prototype testing shall, where appropriate, utilize criteria developed by the Defense Advanced Research Projects Agency.

(c) DEFENSE ADVANCED RESEARCH PROJECTS AGENCY.—The Director of the Defense Advanced Research Projects Agency shall, in conformance with the Superconductivity Action Plan, conduct activities to—

(1) augment, as appropriate, basic and applied superconductivity research conducted in other Federal agencies and industry; and

(2) develop criteria for operational prototype testing within the Department of Defense.

SEC. 109. INTERNATIONAL COOPERATION.

The President, as part of the Superconductivity Action Plan, shall establish a program of international cooperation in the conduct of fundamental and basic research on superconducting materials. Such program of international cooperation shall include the exchange of basic information and data, as well as the development of international standards for the use and application of superconducting materials.

SEC. 110. TECHNOLOGY TRANSFER.

(a) PROMOTION.—In pursuance of the goals of this title, all Federal departments and agencies shall conduct technology transfer activities as appropriate to the overall mission of each department or agency to—

(1) complement basic superconductivity research by promoting the rapid development of manufacturing and processing technologies necessary for the commercialization of high-temperature superconductors; and

(2) promote collaborative arrangements and consortia of industry (which shall include small business) in order to lower the barriers to deployment of advanced high-temperature superconductor technology; such consortia to also include, as appropriate, universities and independent research organizations.

(b) IMPEDIMENTS TO COMMERCIALIZATION.—The Director of the Office of Science and Technology Policy, in collaboration with the Secretary of Commerce and the Secretary of Energy, shall identify those Federal policies and regulations which impede the ability of the private sector to undertake long-term investment programs to commercialize superconductivity applications.

TITLE II—NATIONAL LABORATORY COOPERATIVE RESEARCH INITIATIVES

SEC. 201. SHORT TITLE.

This title may be cited as the "Department of Energy National Laboratory Cooperative Research Initiatives Act".

SEC. 202. DEFINITIONS.

For purposes of this title, the term—

(a) "National Laboratory" means the following Department of Energy laboratories—

(1) Lawrence-Livermore National Laboratory;

(2) Lawrence-Berkeley National Laboratory;

(3) Los Alamos National Laboratory;

(4) Sandia National Laboratory;

(5) Fermi National Accelerator Laboratory;

(6) Princeton Plasma Physics Laboratory;

(7) Idaho National Engineering Laboratory;

(8) Argonne National Laboratory;

(9) Brookhaven National Laboratory;

(10) Oak Ridge National Laboratory; including the Y-12 Plant;

(11) Pacific Northwest Laboratory;

(12) Ames Laboratory;

(13) Stanford Linear Accelerator Center;

(14) Bates Linear Accelerator Facility;

(15) Center for Energy and Environment Research;

(16) Coal Fired Flow Facility;

(17) Energy Technology Engineering Center;

(18) Hanford Engineering Development Laboratory;

(19) Inhalation Toxicology Research Institute;

(20) Laboratory for Energy-Related Health Research;

(21) Laboratory of Biomedical and Environmental Sciences;

(22) Laboratory of Radiobiology and Environmental Health;

(23) Michigan State University-DOE Plant Research Laboratory;

(24) Notre Dame Radiation Laboratory;

(25) Oak Ridge Associated Universities;

(26) Radiobiology Laboratory;

(27) Savannah River Ecology Laboratory;

(28) Savannah River Laboratory;

(29) Solar Energy Research Institute; and

(30) Stanford Synchrotron Radiation Laboratory.

Such term also includes any future government-owned, contractor-operated laboratory facilities established as Department of Energy Multiprogram Laboratories or Program-Dedicated Facilities. Such term does not include Naval Nuclear Propulsion Reactor Laboratories, or their contractors or subcontractors performing work covered under Executive Order 12344, as codified in section 7158 of title 42, United States Code.

(b) "Secretary" means the Secretary of Energy.

(c) "Federal Agency" means any executive agency as defined in section 105 of title 5, United States Code, and the military departments defined by section 102 of title 5, United States Code.

(d) "contract" means any contract, grant, or cooperative agreement as those terms are used in sections 6303, 6304, and 6305 of title 31, United States Code, entered into between any Federal agency and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government. Such term includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a contract.

(e) "cooperative research and development agreement" means any agreement between one or more National Laboratories and one or more Federal or non-Federal parties under which the Government, through its National Laboratories, provides personnel, services, facilities, equipment, or other resources with or without reimbursement and the non-Federal parties provide funds, personnel, services, facilities, and equipment, or other resources toward the conduct of specified research, development, and demonstration efforts that are consistent with the missions of the National Laboratory; except that such term does not include a procurement contract or cooperative agreement as those terms are used in sections 6303, 6304, and 6305 of title 31, United States Code.

(f) "funding agreement" means any contract, grant, or cooperative agreement entered into between the Secretary of Energy and a contractor operating a National Laboratory of the Department of Energy that provides for such contractors to perform research and development at such National Laboratory.

SEC. 203. POLICY.

(a) It is a mission of the National Laboratories to foster, through the transfer of technology to the private sector consistent with the national security and a fair return on the taxpayers' investment, the commercialization of technologies developed in connection with activities of such Laboratories authorized under title I, subtitle A of this title, and other law.

(b) The Secretary shall take such actions as he finds appropriate and consistent with law to further the mission set forth in subsection (a).

Subtitle A—The Department of Energy National Laboratories Centers for Research on Enabling Technologies for High Temperature Superconducting Applications

SEC. 210. FINDINGS.

For purposes of this subtitle, Congress finds that:

(1) the Department of Energy has conducted extensive research in superconducting materials to support its programmatic activities in High Energy Physics, Magnetic Fusion Energy, Energy Storage Systems, Electric Energy Systems, and Energy Conservation, pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93-577), the Energy Reorganization Act of 1974 (Public Law 93-483), and the Department of Energy Organization Act (Public Law 95-91);

(2) recent developments in high-temperature superconducting materials hold great promise for highly efficient energy storage and transmission, medical diagnostics, magnets for physics research and fusion reactors, and smaller supercomputers;

(3) the United States is a world leader in basic research on high-temperature superconducting materials, and programs supporting this research at the Department of Defense, the National Science Foundation, and the Department of Energy should be maintained and strengthened;

(4) international interest in the commercialization of high-temperature superconducting materials is high and the key to success in commercialization lies in the rapid development of these materials and the identification of their applications; and

(5) the National Laboratories have demonstrated expertise in high-temperature superconductivity research and a proven record in research in enabling technologies which can benefit industrial efforts in product development.

SEC. 211. PURPOSES.

The purposes of this subtitle are—

(1) to provide for research on critical enabling technologies to assist United States industry in the commerialization of high-temperature superconductors;

(2) to provide national organization and coordination in the research, development and commercialization of high-temperature superconductors; and

(3) to encourage private industry, university, and National Laboratory interaction through centers for research on enabling technologies for high-temperature superconductivity at the National Laboratories.

SEC. 212. ESTABLISHMENT OF THE HIGH-TEMPERATURE SUPERCONDUCTOR RESEARCH INITIATIVE.

The Secretary of Energy shall initiate and carry out a cooperative program of research on enabling high-temperature superconductor technology and on the practical applications of such technology (hereafter in this subtitle referred to as the "initiative").

SEC. 213. PARTICIPATION OF NATIONAL LABORATORIES.

(a) Mission of National Laboratories.—The Secretary shall ensure that the National Laboratories participate in the Initiative, to the extent that such participation does not detract from the primary mission of any participating National Laboratory.

(b) Agreements.—The Secretary shall enter into such agreements with other Federal agencies, with United States private industrial or research organizations, or consortia, or with any college or university, as may be necessary to provide for the active participation of the National Laboratories in the Initiative.

(c) Required Provisions.—The Initiative shall include provisions for one or more National Laboratories to conduct research and development activities relating to research on high-temperature superconductivity. Such activities may include research and development in associated technologies including thin film and bulk ceramic synthesis and processing and the characterization of physical, chemical, and structural properties in materials.

SEC. 214. FORMATION OF COUNCIL AND CENTERS FOR RESEARCH ON ENABLING TECHNOLOGIES.

(a) Council.—The Secretary of Energy shall form the "Council for Research on Enabling Technologies" (hereafter in this subtitle referred to as the "Council") that shall be composed of representatives of appropriate government agencies, universities, and industry to provide advice to the Secretary in setting goals and strategies for the Initiative. The Council shall recommend guidelines for the release of the technical findings and developments made by the cooperative research centers established pursuant to subsection (b). Guidelines for releasing technical findings set forth by the Council shall be consistent with guidelines set forth by affected Federal agencies.

(b) Cooperative Research Centers.—(1) The Secretary shall establish cooperative research centers in enabling technologies for high-temperature superconducting materials and applications (hereafter in this subtitle referred to as "Centers") at one or more National Laboratories with appropriate university and private industry participants.

(2) The Centers shall be located at National Laboratories that demonstrate expertise in—

(A) high-temperature superconductivity research; and

(B) research in associated technologies including—

(i) thin film and bulk ceramic synthesis and processing; and

(ii) characterization of physical, chemical, and structural properties in materials.

(c) Avoidance of Duplication.—The Council shall keep appraised of activities taking place at the existing Research Centers on Superconductivity and Superconductivity Pilot Centers. In carrying out the responsibilities of subsection (a), the Council shall recommend to the Secretary and such Centers measures to ensure that unnecessarily duplicative research or activities are not being carried out at these Centers.

SEC. 215. PERSONNEL EXCHANGES.

The Initiative may include provisions for temporary exchanges of personnel between any domestic firm or university referred to in this subtitle and the National Laboratories that are participating in the Initiative. The exchange of personnel may be subject to such restrictions, limitations, terms and conditions as the Secretary considers necessary in the interest of national security.

SEC. 216. OTHER DEPARTMENT OF ENERGY RESOURCES.

(a) AVAILABILITY OF RESOURCES.—The Secretary shall make available to other departments or agencies of the Federal Government, and to any participant in research and development projects under the Initiative, any facilities, personnel, equipment, services, and other resources of the Department of Energy for the purpose of conducting research and development projects under the Initiative.

(b) REIMBURSEMENT.—At his discretion, the Secretary may make facilities available under this section only to the extent that the cost of the use of such facilities is reimbursed by the user.

SEC. 217. BUDGETING FOR HIGH-TEMPERATURE SUPERCONDUCTIVITY RESEARCH.

To the extent the Secretary considers appropriate and necessary, the Secretary, in preparing the research and development budget of the Department of Energy to be included in the annual budget submitted to the Congress by the President for fiscal years 1990, 1991, 1992, 1993, 1994, and 1995 under section 1105(a) of title 31, United States Code, shall provide for programs, projects, and activities that encourage the development of new technology in the field of high-temperature superconductivity.

SEC. 218. COST-SHARING AGREEMENTS.

(a) PERMITTED PROVISIONS.—The Secretary shall ensure that contracts for the operation of National Laboratories provide the director of each National Laboratory that is participating in the Initiative or the contractor operating any such National Laboratory the authority to receive funds under any cooperative research and development agreement entered into with a domestic firm or university under the Initiative.

(b) CONSIDERATIONS.—The director of each National Laboratory that is participating in the Initiative, in determining the type and extent of its laboratory participation in carrying out work for others, shall undertake such work only when facilities are available and when it would not interfere with department of Energy programs, and such work shall be conducted in such a way as to not create a future detrimental burden on the National Laboratory.

(c) LIMITATIONS.—(1) An amount equal to not more than 10 percent of any National Laboratory's annual budget may be received from nonappropriated funds derived from work for others contracts entered into under the Initiative in any fiscal year, except to the extent approved in advance by the Secretary.

(2) Under subsection (a) no National Laboratory may receive from any person more than $10,000,000 of non- appropriated funds, or the equivalent of such amount, under any cooperative research and development agreement entered into under the Initiative, except to the extent approved in advance by the Secretary.

SEC. 219. OVERSIGHT OF COOPERATIVE AGREEMENTS RELATING TO THE INITIATIVE.

(a) PROVISIONS RELATING TO DISAPPROVAL AND MODIFICATION OF AGREEMENTS.—(1) The Secretary may review a cooperative research and development agreement for the purpose of disapproving or requiring the modification of the cooperative research and development agreement. Each such agreement shall provide a 30-day period within which the agreement may be disapproved or modified by the Secretary beginning on the date the agreement is submitted to the Secretary.

(2) In any case in which the Secretary disapproves, or requires the modification of, any agreement submitted to the Secretary under this section, within 30 days after such submission, the Secretary shall transmit a written explanation of such disapproval or modification to the head of the National Laboratory concerned.

(b) RECORD OF AGREEMENTS.—Each National Laboratory shall maintain a record of all agreements entered into under this subtitle section and submit such record to the Secretary on an annual basis.

SEC. 220. AVOIDANCE OF DUPLICATION.

In carrying out the Initiative, the Secretary shall ensure that unnecessarily duplicative research is not performed at the research facilities of the Department of Energy (including the National Laboratories) that are participating in the Initiative.

Subtitle B—Technology Management at the Department of Energy National Laboratories

SEC. 231. FINDINGS AND PURPOSE.

(a) FINDINGS.—For purposes of this subtitle, Congress finds that—

(1) private industry has great interest in scientific collaboration with the National Laboratories but only if the present Department of Energy's present laboratory contracting process can be streamlined and intellectual property associated with joint ventures, adequately protected;

(2) contracts for the operation of the National Laboratories must provide the directors of such laboratories with sufficient management authority for intellectual property to ensure that the director can negotiate with industry to set up cooperative research and development agreements.

(3) the authority provided to the directors of the National Laboratories should be subject to periodic audit and oversight by the Secretary, the Inspector General and the Comptroller General as well as Congress.

(4) there should be timely, consistent review procedure to ensure that commercialization potential is considered when software is developed under a Department of Energy contract or may have involved some Department of Energy funding;

(5) the National Laboratories must be perceived as "user-friendly" in order for industry to seriously consider the laboratories partners for collaborative research and development ventures;

(6) the National Laboratories must aggressively seek contact with private industries to ensure that they recognize the technical and scientific expertise resident in these laboratories, in addition to publicizing the availability of user facilities and technological projects in progress;

(7) the National Laboratorites have demonstrated successes in technology transfer into the private sector but the effort can be significantly enhanced if—

(A) industry becomes more aware of the National Laboratory research and development projects and capabilities;

(B) technology transfer is considered a significant part of the National Laboratories' mission;

(C) the National Laboratories become better educated in industry market requirements; and

(D) industry gets involved with the National Laboratories early enough in the research and development process to direct development of commercially viable products; and

(8) nuclear weapons design, development, production, and maintenance must remain the primary mission of the Department of Energy nuclear weapons complex.

(b) PURPOSE.—The purpose of this subtitle is to better meet the continuing responsibility of the Federal Government to ensure the full use of the results of the Nation's investment in the National Laboratories' research and development in meeting international competition.

SEC. 232. DUTIES AND AUTHORITIES OF THE SECRETARY.

(a)(1) The Secretary shall review all existing regulations, policy guidelines, orders, directives, procedures, and administrative processes associated with the National Laboratories directors' ability to:

(A) enter into cooperative relationships and cooperative research and development agreements with private industry or universities;

(B) undertake work-for-others; and

(C) operate user facilities.

(2) The Secretary shall review existing standards for resolving potential conflicts of interests to ensure that such standards adequately establish guidelines for situations likely to arise through the use of the authorities granted in this subtitle, including but not limited to cases where present or former National Laboratory employees or their partners negotiate licenses or assignments of titles to inventions or negotiate cooperative research and development agreements with Federal agencies (including the Department of Energy or the laboratory manager or operator with which the employee involved is or was formerly employed).

(b) The Secretary shall—

(1) review the impact of the exchange of scientific information, scientific innovation, and commercialization resulting from cooperative research and development agreements.

(2) survey non-Federal parties interested in entering into cooperative research and development agreements with the National Laboratories to determine if adequate measures exist to encourage scientific innovation and commercialization resulting from cooperative research and development agreements; and

(3) based on the results of such review and survey develop policy recommendations that shall be submitted to the Congress.

(c) The Secretary shall—

(1) formulate and carry out a comprehensive set of policy guidelines to advance the goals of this subtitle, based on the review under subsection (a);

(2) report to Congress and the President within 90 days after the date of the enactment of this subtitle on the status of this review; and

(3) within 180 days after the date of the enactment of this subtitle, implement the policy guidelines under paragraph (1) that do not require regulations under section 242.

SEC. 233. POLICY.

It is the policy of Congress that—

(a) intellectual property rights in technology developed at the National Laboratories be managed so as to promote the competitiveness of United States industries;

(b) the Secretary prescribe regulations for cooperative research and development agree-

ments and intellectual property rights arising under such agreements; and

(c) the directors of the National Laboratories devise implementing procedures consistent with the policy guidelines set forth by the Secretary.

SEC. 234. DEFINITIONS.

(a) For purposes of this subtitle, the term—

(1) "collaborative party" means a party to a cooperative research and development agreement as defined in section 202(e);

(2) "computer software" means recorded information, regardless of form or the media on which it may be recorded, comprising computer programs or documentation thereof;

(3) "director of a National Laboratory" means the employee of the Department of Energy laboratory manager or operator who directs the management and operation of such National Laboratory;

(4) "intellectual property" means patents, trademarks, copyrights, mask works, and other forms of comparable property rights protected by Federal law;

(5) "invention" means any invention that is or may be patentable or otherwise protected under title 35, United States Code, or any novel variety of plant that is or may be protected under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.);

(6) "laboratory manager or operator" means the contractor who has signed a contract with the Secretary for management and operation of a National Laboratory (but only with respect to activities relating to such management or operation);

(7) "laboratory owned" means any rights in intellectual property conveyed under this title to a contractor operating a National Laboratory or any rights in intellectual property arising under the operating contract for National Laboratory where rights are not expressly taken by the United States Government or by a subcontractor;

(8) "made" when used in conjunction with any invention means the conception or first actual reduction to practice of such invention;

(9) "subject invention" means any invention of a National Laboratory first conceived or reduced to practice in the performance of work under a contract or funding agreement for the operation of a National Laboratory;

(10) "third parties" means domestic entities located in the United States who agree to manufacture and to conduct research, and development substantially in the United States including—

(A) Federal agencies other than the Department of Energy;

(B) units of State or local government;

(C) industrial organizations, such as corporations, partnerships, limited partnerships, consortia, or industrial development organizations;

(D) public and private foundations;

(E) nonprofit organizations such as universities; and

(F) licensees of inventions or computer software owned by the laboratory manager or operator.

SEC. 235. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

(a) GENERAL AUTHORITY.—The Secretary shall prescribe regulations ensuring that the contract for the operation of any National Laboratory authorizes the director of such laboratory:

(1) to enter into cooperative research and development agreements and to negotiate the terms and conditions of such agreements with—

(A) other Federal agencies;

(B) units of State or local government;

(C) industrial organizations including corporations, partnerships, and limited partnerships, consortia, and industrial development organizations;

(D) public and private foundations;

(E) nonprofit organizations including universities; or

(F) other persons or entities, including licensees of inventions or computer software owned by the laboratory manager or operator.

(2) to negotiate intellectual property licensing agreements for National Laboratory owned inventions or computer software, assigned or licensed to the National Laboratory by third parties including voluntary assignment by employees.

(b) SPECIFIC AUTHORITY.—Each director of a National Laboratory may negotiate and include provisions in any cooperative research and development agreement entered into pursuant to this section permitting the laboratory manager or operator to—

(1) accept, retain, and use funds, personnel, services, and property from collaborative parties and provide personnel, services, and property to collaborating parties;

(2) grant or agree to grant in advance to a collaborative party, intellectual property licenses, assignments, or options thereto, in any invention or computer software, made, in whole or in part, by an employee of a laboratory manager or operator under the cooperative research and development agreement; and

(3) to the extent consistent with Department of Energy regulations, orders, and directives pertaining to conflict of interest, permit employees or former employees of a laboratory manager or operator to participate in efforts to transfer to the private sector inventions or computer software, such employees developed or made while in the service of such laboratory manager or operator.

(c) CRITERIA FOR ENTERING INTO AGREEMENTS.—In determining whether to enter into a cooperative research and development agreement the director of a National Laboratory shall determine that—

(1) facilities at the National Laboratory will be available to do the work that is the subject of the cooperative research and development agreement;

(2) the work that is the subject of the cooperative research and development agreement would not interfere with Department of Energy programs;

(3) the work that is the subject of the cooperative research and development agreement would not create a future detrimental burden on the National Laboratory; and

(4) the proposed cooperative research and development agreement is consistent with applicable guidelines of the Secretary for cooperative research and development agreements.

(d) APPROVAL OF AGREEMENT BY SECRETARY.—The Secretary may disapprove or require the modification of a cooperative research and development agreement under subsection (a). Such agreement shall provide a 30-day period beginning on the date the agreement is submitted to the Secretary by the director of the National Laboratory concerned, within which period such action may be taken by the Secretary. In any case in which the Secretary disapproves or requires the modification of any cooperative agreement submitted under this section, the Secretary shall transmit a written explanation of such disapproval or modification to the director of the National Laboratory concerned within 30 days after such submission. If such action is not taken within this thirty day period, the cooperative research and development agreement shall be deemed approved.

(e) LIMIT ON PERCENTAGE OF THE TOTAL WORK COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS CAN COMPRISE AT THE NATIONAL LABORATORIES.—The cumulative total of nonappropriated funds contracted to be received in any year under all cooperative research and development agreements entered into by the director of any National Laboratory under this subtitle may not exceed an amount equal to 10 percent of the annual budget of such National Laboratory unless approved by the Secretary.

(f) RECORDS OF AGREEMENTS.—The director of each National Laboratory shall maintain a record of all cooperative research and development agreements entered into under this subtitle, and shall submit a copy of such record to the Secretary on an annual basis.

SEC. 236. AGREEMENT CONSIDERATIONS.

In deciding which cooperative research and development agreements to enter into, and which licenses, assignments, and options to grant, the director of a National Laboratory shall:

(a) give special consideration to small business firms and consortia involving small business firms;

(b) give preference to business units located in the United States that agree that products embodying inventions or computer software, made under the cooperative research and development agreement or produced through the use of such inventions or computer software, will be developed and manufactured substantially in the United States;

(c) in the case of any industrial organizations or other person subject to the control of a foreign company or government, as appropriate, take into consideration whether or not such foreign government permits United States agencies, organizations, or other persons to enter into cooperative research and development agreements and licensing agreements; and

(d) provide universities the opportunity to participate in such cooperative research and development agreements when such participation will contribute to the purpose of this subtitle.

SEC. 237. PATENT OWNERSHIP AND THE CONDITIONS OF OWNERSHIP.

(a) DISPOSAL OF TITLE TO INVENTIONS.—Notwithstanding section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182), section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908), or other provision of law, the Secretary shall dispose of the title to any subject invention made in the performance of a Department of Energy contract to operate any National Laboratory in the same manner as applied to small business and nonprofit organizations under Chapter 18 of title 35, United States Code.

(b) RETENTION OF TITLE BY UNITED STATES.—(1) Whenever a manager, operator or employee of a National Laboratory under a contract makes a subject invention to which the Secretary has determined (at the time of contracting for the management and operation of the National Laboratory) to retain title for exceptional circumstances under section 202(a)(ii) of title 35, United States Code, the title to the subject invention shall be retained by the Government unless the National Laboratory at which the invention is made requests title to such invention and

the Secretary does not notify the director of the National Laboratory within 90 days after receipt of such request that the invention—

(A) is covered by a determination under such section 202(a)(ii); or

(B) has been classified or has been designated sensitive technical information as authorized by Federal statutes.

(2) Whenever a manager or operator of a National Laboratory under a contract makes a subject invention to which the Secretary has determined (at the time of contracting for the management and operation of the National Laboratory) to retain title because the invention is made in the course of or under a funding agreement described in section 202(a)(iv) of title 35, United States Code, the title to the subject invention shall be retained by the Government unless the National Laboratory at which the invention is made requests title to such invention and the Secretary does not notify the director of the National Laboratory within 90 days after receipt of such request that the invention—

(A) has been classified or has been designated sensitive technical information as authorized by Federal statutes; and

(B) is covered by a determination under such subsection 202(a)(iv).

(3) The Secretary may not use export control statutes or regulations as the sole basis for refusing a request for title to a subject invention.

(4) If the Secretary does not notify a National Laboratory that has requested title to a subject invention in accordance with this section, such laboratory shall be deemed to have elected title to the invention under the Government-wide contractor patentable ownership provisions of chapter 18 of title 35, United States Code.

SEC. 238. SPECIAL RULE FOR WAIVER OF GOVERNMENT LICENSE RIGHTS.

Any of the rights of the Government or obligations of a National Laboratory described in chapter 18 of title 35, United States Code, including the license reserved in section 202(c)(4) of title 35, United States Code, may be waived or omitted if the Secretary determines that the interests of the United States and the general public will be better served or the objectives and policies of this subtitle will be better promoted by such waiver or omission. A waiver or omission shall be considered—

(a) if it is necessary to obtain a uniquely or highly qualified collaborative party; or

(b) if such waiver or omission relates to a subject invention involving cosponsored, cost sharing or joint venture research and development, and the contractor, cosponsor or joint venturer is making substantial contribution of funds, facilities or equipment to the work performed on such invention; or

(c) if the subject invention will require substantial additional investment in development before a product is created even if it is expected that the primary market for such product is the United States Government.

SEC. 239. INTELLECTUAL PROPERTY CONTRACT PROVISIONS.

(a) Contract Provisions.—Any Department of Energy funding agreement to operate a National Laboratory shall provide—

(1) that any royalties or income that is earned by the manager or operator of a National Laboratory from the licensing of laboratory-owned intellectual property rights in any fiscal year shall be used as authorized under subsection 202(c)(7)(E) of title 35, United States Code and section 13(a)(1)(B)(i)-(iv) and section 13(a)(2)-(4) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710c(a)(1)(B)(i)-(iv) and 3710c(a)(2)-(4); and

(2) that the costs of obtaining and protecting intellectual property rights in any invention or computer software, owned by the National Laboratory shall be paid for by the labortory manager or operator as a cost-shared expense under a cooperative research and development agreement.

(b) The Secretary shall ensure that all intellectual property granted to a laboratory manager or operator shall be subject to a royalty-free license to use and reproduce such intellectual property for United States Government purposes.

(c) The Secretary shall establish procedures to have the management of intellectual property rights, including procurement, retention, and licensing of such rights, in connection with laboratory-owned inventions and computer software, be the responsibility of the director of the National Laboratory at which the invention or computer software are made, developed or assigned.

(d) The Secretary shall prescribe regulations, orders, or directives prohibiting any laboratory manager or operator who has received title to intellectual property under this section from receiving money or other benefit from the use or licensing of such property for the benefit of the laboratory manager or operator, except for research and development associated with activities at the National Laboratory to promote technology transfer as authorized by law, or in special circumstances, as may be approved by the appropriate Department of Energy Operations Office manager.

(e) Compensation.—(1) Subject to paragraph (2), in return for retaining title to any intellectual property rights in any invention or discovery made in performance of a Department of Energy cooperative research agreement, the manager or operator of any National Laboratory contractor shall pay to the United States reasonable compensation based on the value of the technology transferred. The amount of the payment arising as a result of the transfer shall be set by an arbitration board consisting of one member selected by the contractor, one member selected by the Secretary, and one member jointly selected by the contractor and the Secretary. In determining the payment, the arbitration boards shall set an amount that is proportionate with the research and development costs funded by the United States. The arbitration board shall have discretion to permit the payment to be made in installments according to the extent the contractor uses or employs the intellectual property.

(2) Paragraph (1) shall not apply if:

(A) the contractor is operating the National Laboratory for no profit or fee beyond expenses; and

(B) such contractor is offering the intellectual property for fair market value and any value or royalties the contractor derives from the intellectual property will be returned to the National Laboratory or the Federal Treasury in accordance with section 202(c)(7)(E) of title 35, United States Code.

SEC. 240. MARCH-IN RIGHTS.

The Secretary may require the licensing to third parties of all intellectual property owned by the laboratory manager or operator that is subject to the provisions of this subtitle in the same manner as provided under section 203 of title 35, United States Code.

SEC. 241. OVERSIGHT.

(a) The Secretary, the Inspector General of the Department of Energy, and the Comptroller General shall conduct periodic audits of activities of the National Laboratories under this subtitle.

(b) Nothing in this title diminishes the responsibility of the Secretary to keep Congress fully and currently informed or the right of Congress to review and receive information with respect to any agreement, license, or intellectual property subject to this title.

SEC. 242. REGULATIONS.

(a) Within 180 days after the date of the enactment of this subtitle, the Secretary shall prescribe regulations for implementing sections 235, 237, and 239. In prescribing regulations under this section the Secretary shall provide opportunity for public comment on proposed regulations.

(b) Any regulations under this section shall be guided by the purpose of this subtitle.

(c) Before the Secretary issues regulations under this section, the Secretary shall consult with the Office of Federal Procurement Policy to review such regulations for consistency with this subtitle.

SEC. 243. COPYRIGHTS AND PATENTS.

This title does not confer any new authority on the Department of Energy to obtain a copyright or a patent.

SEC. 244. EFFECTIVE DATE.

This subtitle shall take effect on the date of enactment. The Secretary shall immediately enter into negotiations with each laboratory manager or operator to amend all existing contracts for the operation of the National Laboratories, to reflect this subtitle. Pending such amendment, the provisions of this subtitle shall govern the disposition of all intellectual property rights covering laboratory-owned inventions and computer software, generated in performance of Department of Energy contracts for the operation of the National Laboratories.

TITLE III—RENEWABLE ENERGY AND ENERGY EFFICIENCY

SEC. 301. SHORT TITLE.

This title may be cited as the "Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1988".

SEC. 302. PURPOSE.

Purpose.—It is the purpose of this title to direct the Secretary of Energy, acting in accordance with authority contained in the Federal Nonnuclear Energy Research and Development Policy Act of 1974 (42 U.S.C. 5901-5920) and other law applicable to the Secretary, to pursue an aggressive national program of research, development, and demonstration of renewable energy and energy efficiency technologies in order to ensure a stable and secure future energy supply by—

(1) providing a long-term stable environment for renewable energy and energy efficiency technology research and development activities through the establishment of long-term goals and multiyear funding levels;

(2) directing the Secretary to undertake initiatives to hasten the commercialization in the near term of renewable energy and energy efficiency technologies; and

(3) fostering collaborative research and development efforts involving the private sector through government support of a vigorous program of innovative joint research and development venture projects.

SEC. 303. DEFINITIONS.

As used in this title the term—

(1) "Secretary" means the Secretary of Energy; and

(2) "joint research and development venture" means a joint research and develop-

ment venture under the National Cooperative Research Act of 1984 (98 Stat. 1815).

SEC. 304. NATIONAL GOALS AND MULTI-YEAR FUNDING FOR FEDERAL WIND, PHOTOVOLTAICS AND SOLAR THERMAL PROGRAMS.

(a) National Goals.—The following are declared to be the national goals for the wind, photovoltaics and solar thermal energy programs currently being carried out by the Secretary under existing law:

(1) Wind.—(A) In general, the goals for the Wind Energy Research Program include improving design methodologies and developing more reliable and efficient wind turbines to increase the cost competitiveness of wind energy. Research efforts shall emphasize—

(i) activities that address near-term technical problems and permit exploitation of current market opportunities of the wind energy industry;

(ii) developing advanced airfoils and variable speed generators to increase wind turbine output and reduce maintenance costs by decreasing structural stress and fatigue;

(iii) increasing the basic knowledge of aerodynamics, structural dynamics, fatigue and electrical systems interactions as applied to current wind energy technology; and

(iv) improving the compatibility of electricity produced from windfarms with conventional utility needs.

(B) Specific goals for the Wind Energy Research Program shall be to—

(i) reduce average wind energy costs to 3 to 5 cents per kilowatt hour by 1995;

(ii) reduce capital costs of new wind energy systems to $500 to $750 per kilowatt of installed capacity by 1995;

(iii) increase installed wind generating capacity to 4,000 to 8,000 megawatts by 1995;

(iv) reduce operation and maintenance costs for wind energy systems to less than 1.0 cents per kilowatt hour by 2,000; and

(v) increase capacity factors for new wind energy systems to 25 to 30 percent by 1995.

(2) Photovoltaics.—(A) In general, the goals of the Photovoltaic Energy Systems Program shall include improving the reliability and conversion efficiencies and lowering the costs of photovoltaic conversion. Research efforts shall emphasize advancements in the performance, stability and durability of photovoltaic materials.

(B) Specific goals of the Photovoltaic Energy Systems Program shall be to—

(i) improve operational reliability of photovoltaic modules to 30 years by 1995;

(ii) increase photovoltaic conversion efficiency of new photovoltaic amorphous silicon modules to 15 percent by 1995;

(iii) decrease new photovoltaic module direct manufacturing costs to $800 per kilowatt by 1995; and

(iv) increase installed capacity of photovoltaic electric power production capacity to 100 to 200 megawatts by 1991.

(3) Solar thermal.—(A) In general, the goal of the Solar Thermal Energy Systems Program shall be to advance research and development to a point where solar thermal technology is cost-competitive with conventional energy sources and to promote the integration of this technology into the production of industrial process heat and the conventional utility network. Research and development shall emphasize development of a thermal storage technology to provide capacity for shifting power to periods of demand when full isolation is not available; improvement in receivers, energy conversion devices, and innovative concentrators using stretch membranes, lenses and other materials; and exploration of advanced manufacturing techniques.

(B) Specific goals of the Solar Thermal Energy Systems Program shall be to—

(i) reduce solar thermal costs for industrial process heat to $9.00 per million Btu; and

(ii) reduce average solar thermal costs for electricity to 4 to 5 cents per kilowatt hour.

(4) The President's budget request for fiscal year 1991 shall contain the Secretary's recommendations for specific cost, installed capacity, and other pertinent goals for 1995 for Department of Energy research, development, and demonstration programs in Biofuels Energy Systems, Solar Building Energy Systems, Ocean Energy Systems and Geothermal Energy.

(b) Authorization.—There is authorized to be appropriated to the Secretary—

(1) for the Wind Energy Research Program, an amount not to exceed $14,000,000 in fiscal year 1990; $22,000,000 in fiscal year 1991; and $26,000,000 in fiscal year 1992;

(2) for the Photovoltaic Energy Systems Program, an amount not to exceed $43,100,000 in fiscal year 1990; $45,000,000 in fiscal year 1991; and $50,000,000 in fiscal year 1992;

(3) for the Solar Thermal Energy Systems Program, an amount not to exceed $19,000,000 in fiscal year 1990; $22,000,000 in fiscal year 1991; and $25,000,000 in fiscal year 1992;

(4) for the Biofuels Energy Systems Program, an amount not to exceed $22,000,000 in fiscal year 1990; $25,000,000 in fiscal year 1991; and $30,000,000 in fiscal year 1992;

(5) for the Solar Buildings Energy Systems Program, an amount not to exceed $8,000,000 in fiscal year 1990; $9,000,000 in fiscal year 1991; and $10,000,000 in fiscal year 1992;

(6) for the Ocean Energy Systems Program, an amount not to exceed $5,000,000 in fiscal year 1990; $5,000,000 in fiscal year 1991; and $5,000,000 in fiscal year 1992; and

(7) for the Geothermal Program, an amount not to exceed $25,000,000 in fiscal year 1990; $29,000,000 in fiscal year 1991; and $35,700,000 in fiscal year 1992.

(c) Projects.—(1) The President's budget request for fiscal year 1992 shall include the Secretary's recommendations for at least one proposed proof-of-concept or near-commercial demonstration project in each of the categories represented by paragraphs (1), (2) and (3) of subsection (b). Each proposed project shall be described in sufficient detail to support congressional authorization and solicitation of bids for construction of necessary facilities.

(2) A list and description of alternative project plans under this subsection shall be submitted in the President's fiscal year 1991 budget request. Such plans shall require funding or in-kind contributions from private sources in support of up to fifty per centum of total project costs.

(3) In selecting projects under this subsection, the Secretary shall take into account the extent to which such projects will contribute to earlier commercialization of key technologies within such categories than might occur without Federal support under this subsection and the extent to which such projects will contribute to the competitiveness of United States firms engaged in international trade in renewable energy technologies.

(d) Report on Options.—On or before May 1, 1991, the Secretary shall submit to Congress a report analyzing options available to the Secretary under existing law to accelerate the timely commercialization of wind, photovoltaic, solar thermal, biofuels, biomass, solar buildings, ocean and geothermal renewable energy technologies through emphasis on development and demonstration assistance to specific technologies in the research, development, and demonstration programs of the Department of Energy that are near commercial application.

(e) Amended Goals.—Whenever the Secretary determines that any of the goals established under this section is no longer appropriate, he shall notify Congress of the reason for the determination and provide an amended goal that is consistent with the purposes of this title.

SEC. 305. ENERGY EFFICIENCY RESEARCH AND DEVELOPMENT.

(a) New Initiatives.—The President's budget request for fiscal years 1991 and 1992 shall include the Secretary's recommendations of amounts to be set aside for new initiatives in energy efficiency research, development, and demonstration. Funds made available for new initiatives shall supplement and not supplant funds available to complete on-going energy efficiency research, development, and demonstration projects supported in whole or in part by the Secretary during fiscal year 1990. Funds made available for new initiatives shall be used by the Secretary to support the most promising and deserving new ideas in energy efficiency research, development, and demonstration brought to the attention of the Secretary during the previous fiscal year.

(b) Authorizations.—

(1) Fiscal year 1990.—There is hereby authorized to be appropriated to the Secretary for the energy efficiency research, development, and demonstration programs of the Secretary, an amount not to exceed $176,600,000 in fiscal year 1990, of which $20,250,000 shall be available for new initiatives, as set forth below:

(A) for transportation energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $58,000,000, of which $3,200,000 shall be made available for new initiatives;

(B) for industrial energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $42,000,000, of which $5,800,000 shall be available for new initiatives;

(C) for buildings and community systems energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $42,000,000, of which $9,250,000 shall be available for new initiatives;

(D) for multisector energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $33,000,000, of which $2,000,000 shall be available for new initiatives; and

(E) for energy efficiency research, development, and demonstration policy and management, there is authorized to be appropriated to the Secretary an amount not to exceed $1,600,000.

(2) Fiscal year 1991.—There is hereby authorized to be appropriated to the Secretary for the energy efficiency research, development, and demonstration programs of the Secretary, an amount not to exceed $192,600,000 in fiscal year 1991, of which $6,000,000 shall be available for new initiatives, as set forth below:

(A) for transportation energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $63,200,000, of which $2,000,000 shall be made available for new initiatives;

(B) for industrial energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $45,000,000, of which $1,000,000 shall be available for new initiatives;

(C) for buildings and community systems energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $45,000,000, of which $2,000,000 shall be available for new initiatives;

(D) for multisector energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $35,700,000, of which $1,000,000 shall be available for new initiatives; and

(E) for energy efficiency research, development, and demonstration policy and management, there is authorized to be appropriated to the Secretary an amount not to exceed $1,700,000.

(3) Fiscal Year 1992.—There is hereby authorized to be appropriated to the Secretary for the energy efficiency research, development, and demonstration programs of the Secretary, an amount not to exceed $204,047,000 in fiscal year 1992, of which $6,000,000 shall be available for new initiatives, as set forth below:

(A) for transportation energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $65,460,000, of which $2,000,000 shall be made available for new initiatives;

(B) for industrial energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $46,740,000, of which $1,000,000 shall be available for new initiatives;

(C) for buildings and community systems energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $53,000,000, of which $2,000,000 shall be available for new initiatives;

(D) for multisector energy efficiency research, development, and demonstration, there is authorized to be appropriated to the Secretary an amount not to exceed $37,050,000, of which $1,000,000 shall be available for new initiatives; and

(E) for energy efficiency research, development, and demonstration policy and management, there is authorized to be appropriated to the Secretary an amount not to exceed $1,797,000.

SEC. 306. JOINT RESEARCH AND DEVELOPMENT VENTURES.

(a) Findings and Purpose.—

(1) Findings.—For purposes of this section, Congress finds that joint research and development ventures can—

(A) improve coordination in technology development among firms in industries attempting to commercialize renewable energy and energy efficiency technologies;

(B) assist in setting national standards to improve the operation of markets for these technologies; and

(C) enhance the ability of domestic firms to compete with foreign enterprises in sales of renewable energy and energy efficiency technologies.

(2) Purpose.—The purpose of this section is to direct the Secretary of Energy to make use of joint research and development ventures to further commercialization of renewable energy and energy efficiency technologies.

(b) Establishment.—

(1) The Secretary shall establish six joint research and development ventures in accordance with the provisions of this section. Each joint research and development venture under this section shall include manufacturing firms, investors, an advisory committee appointed in accordance with this section, and such other participation as the Secretary deems appropriate to achieve the purposes of this section. Any facilities constructed under this section shall be located in the United States, Puerto Rico, the Virgin Islands, or the territories and possessions of the United States.

(2) The Secretary shall require that at least 30 per centum of all costs of any joint research and development venture under this section be provided from non-Federal sources.

(3) Before establishing the joint research and development ventures under paragraph (1), the Secretary shall consult with, and take into consideration the recommendations of, the Advisory Committee or Renewable Energy and Energy Efficiency Technology under paragraph (4).

(4)(A) The Secretary shall appoint members to an Advisory Committee on Renewable Energy and Energy Efficiency Technology (hereafter referred to as the "Advisory Committee") to assist the Secretary in carrying out his responsibilities under this section. The Advisory Committee shall include at least one member representing each of the following—

(i) the Secretary of Commerce;

(ii) the Secretary of Housing and Urban Development;

(iii) the Solar Energy Research Institute;

(iv) the Electric Power Research Institute;

(v) the National Institute of Building Sciences;

(vi) associations of firms in each of the major renewable energy manufacturing industries; and

(vii) associations of firms in each of the major energy efficiency manufacturing industries.

(B) The Advisory Committee, within 120 days after its formation, provide the Secretary with recommendations for the establishment of joint ventures under paragraph (1) and shall advise the Secretary from time to time about the implementation of such ventures. Recommendations of the Advisory Committee shall be available to the public.

(5) The Secretary shall establish at least one joint research and development venture in accordance with subsection (c) to develop technology and expertise in each of the following areas—

(A) photovoltaics technology;

(B) wind energy technology;

(C) solar thermal technology;

(D) factory-made housing;

(E) advanced district cooling technology; and

(F) renewable energy and energy efficiency technology exports.

(6) Not later than 180 days after the date of the enactment of this section the Secretary shall publish plans to implement this section and report to Congress on such plans.

(c) Ventures.—

(1) Photovoltaics technology.—(A) The Secretary shall establish and provide financial assistance to a joint research and development venture for the demonstration of photovoltaic conversion of solar energy in accordance with the provisions of this paragraph.

(B) The purpose of the venture under subparagraph (A) shall be to design, test and demonstrate systems employing critical enabling technologies for photovoltaic conversion of solar energy so as to achieve, to the maximum extent practicable, the goals of the Photovoltaic Energy Systems Program set forth in section 304(a)(2), as those goals may be amended under section 304(e). The venture under this paragraph may emphasize production, distribution, storage, or end use of electricity from photovoltaic conversion of solar energy or any combination thereof.

(C) In soliciting proposals for the joint research and development venture under this paragraph, the Secretary shall consider the recommendations of the Advisory Subcommittee on Photovoltaic Energy Technology under subparagraph (D).

(D) The Secretary shall appoint members to an Advisory Subcommittee on Photovoltaic Energy Technology to assist the Secretary in carrying out his responsibilities with respect to the joint venture under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

(i) firms in the photovoltaic manufacturing industry;

(ii) the Director of the Agency for International Development; and

(iii) the Director of the Export-Import Bank.

(E) There is authorized to be appropriated to the Secretary a total of not more than $1,200,000 for each of the fiscal years 1990, 1991, and 1992 to carry out the purposes of this paragraph.

(2) Wind energy technology.—(A) The Secretary shall establish and provide financial assistance to a joint research and development venture for the demonstration of the conversion of wind energy in accordance with the provisions of this paragraph.

(B) The purpose of the venture under subparagraph (A) shall be to design, test and demonstrate systems employing critical enabling technologies for the conversion of wind energy so as to achieve, to the maximum extent practicable, the goals of the Wind Energy Research Program set forth in section 304(a)(1), as those goals may be amended under section 304(e). The venture under this paragraph may emphasize production, distribution, storage, or end use of wind energy or any combination thereof and may include systems employing other sources of energy in addition to wind energy.

(C) In soliciting proposals for the joint research and development venture under this paragraph, the Secretary shall consider the recommendations of the Advisory Subcommittee on Wind Energy Technology under subparagraph (D).

(D) The Secretary shall appoint members to an Advisory Subcommittee on Wind Energy Technology to assist the Secretary in carrying out his responsibilities with respect to the joint venture under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

(i) firms in the wind energy equipment manufacturing industry;

(ii) the Director of the Agency for International Development; and

(iii) the Director of the Export-Import Bank.

(E) There is authorized to be appropriated to the Secretary a total of not more than $1,200,000 for each of the fiscal years 1990, 1991, and 1992 to carry out the purposes of this paragraph.

(3) SOLAR THERMAL TECHNOLOGY.—(A) The Secretary shall establish and provide financial assistance to a joint research and development venture for the demonstration of the use of solar thermal energy in accordance with the provisions of this paragraph.

(B) The purpose of the venture under subparagraph (A) shall be to design, test and demonstrate critical enabling technologies for the use of solar thermal energy so as to achieve, to the maximum extent practicable, the goals of the Solar Thermal Energy Systems Program set forth in section 304(a)(3), as those goals may be amended under section 304(e). The venture under this paragraph may emphasize production, distribution, storage, or end use of solar thermal energy or any combination thereof and may include systems employing other sources of energy in addition to solar thermal energy.

(C) In soliciting proposals for the joint research and development venture under this paragraph, the Secretary shall consider the recommendations of the Advisory Subcommittee on Solar Thermal Energy Technology under subparagraph (D).

(D) The Secretary shall appoint members to an Advisory Subcommittee on Wind Energy Technology to assist the Secretary in carrying out his responsibilities with respect to the joint venture under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

(i) firms in the solar thermal manufacturing industry;

(ii) the Director of the Agency for International Development;

(iii) the Director of the Export-Import Bank; and

(iv) the Gas Research Institute.

(E) There is authorized to be appropriated to the Secretary a total of not more than $900,000 for each of the fiscal years 1990 through 1992 to carry out the purposes of this paragraph.

(4) FACTORY-MADE HOUSING.—(A) The Secretary shall establish and provide financial assistance to a joint research and development venture with such specialized private firms and investors as the Secretary deems appropriate in order to establish at least three regional projects to demonstrate techniques to improve the energy performance of factory-made housing offered by the United States firms. In locating the projects under this paragraph, the Secretary shall consider regional differences in housing needs, housing design, construction technique, marketing practices, and construction materials.

(B) The projects under this paragraph shall be designed to demonstrate state-of-the-art product quality, energy efficiency, and adaptability to renewable forms of energy of factory-made housing offered for sale in the United States. The projects shall be structured to demonstrate improvements in housing design, fabrication, delivery systems, construction processes, marketing, and product export techniques.

(C) The demonstration strategy under this paragraph shall be guided by—

(i) a detailed characterization of the needs of the home building industry;

(ii) a close working relationship with all sectors of the home building industry; and

(iii) coordination among the projects to pool and conserve resources.

(D) In selecting projects under this section, the Secretary shall consider the recommendations of the Advisory Subcommittee on Energy Performance in Factory-Made Housing established under subparagraph (E).

(E) The Secretary shall appoint members to an Advisory Subcommittee on Energy Performance in Factory-Made Housing to assist the Secretary in carrying out his responsibilities with respect to the joint research and development venture established under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

(i) the National Association of Home Builders;

(ii) the National Laboratories of the Department of Energy; and

(iii) the National Bureau of Standards.

(F) There is authorized to be appropriated to the Secretary a total of not more than $10,000,000 for each of the fiscal years 1990 through 1992 to carry out the purposes of this paragraph.

(5) ADVANCED DISTRICT COOLING TECHNOLOGY.—(A)(i) The Secretary shall establish and provide financial assistance to a joint research and development venture with such specialized private firms and investors as the Secretary deems appropriate in order to develop advanced district cooling technologies that are applicable in cities with high cooling loads.

(ii) The purpose of the joint venture under this paragraph is to develop technical strategies for decreasing the capital cost and increasing the energy efficiency of major district heating and cooling system components and to assist in making district heating and cooling available to local governments.

(B) The Secretary shall select three cities for application of advanced district cooling technologies developed by the joint venture under this paragraph. The activities to be carried out in such application shall include district cooling assessment, feasibility, and engineering design studies.

(C) In selecting the cities under subparagraph (B), the Secretary shall consider the recommendations of the Advisory Subcommittee on Advanced District Cooling Technology established under subparagraph (D).

(D) The Secretary shall appoint members to an Advisory Subcommittee on Advanced District Cooling Technology to assist the Secretary in carrying out his responsibilities with respect to the joint research and development venture under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

(i) firms manufacturing district cooling equipment; and

(ii) the National League of Cities.

(E) There is authorized to be appropriated for each of the fiscal years 1990 through 1992 not more than $1,000,000 per year to carry out the purposes of this paragraph.

(6) EXPORT TECHNOLOGY PROJECTS.—(A) For purposes of this paragraph Congress finds that—

(i) the United States has several advanced energy efficiency and renewable energy technologies that lack only sufficient coordination, support, and emphasis to become important export items capable of reducing the United States' trade deficit;

(ii) a major barrier to export of energy efficiency and renewable energy technology is the lack of information on overseas markets and technology development by foreign competitors;

(iii) the industry that markets energy efficiency technology is highly fragmented, and the renewable energy industry is comprised of small firms that lack the necessary resources to identify and target overseas markets and;

(iv) a joint research and development venture is needed to bring together a broad array of manufacturing firms, financial institutions, and Federal agencies to identify and develop promising technologies and export markets for energy efficiency and renewable energy technologies.

(B) The Secretary shall establish and provide financial assistance to a joint research and development venture with such specialized private firms and investors as the Secretary determines appropriate for the purpose of improving energy efficiency and renewable energy manufacturing processes in order to enhance product reliability and cost competitiveness relative to foreign-made products. The joint venture under this paragraph shall be coordinated with research, assessment, and targeting of foreign markets for energy efficiency and renewable energy products.

(C) In designing the joint venture under subparagraph (B), the Secretary shall consider the recommendations of the Advisory Subcommittee on Renewable Energy and Energy Efficiency Technology Exports established under subparagraph (D).

(D) The Secretary shall appoint members to an Advisory Subcommittee on Renewable Energy and Energy Efficiency Technology Exports to assist the Secretary in carrying out his responsibilities with respect to the joint research and development venture under this paragraph. Such subcommittee shall include such members of the Advisory Committee as the Secretary deems appropriate and, in addition, at least one member representing each of the following—

(i) the Director of the Agency for International Development;

(ii) the Director of the Export-Import Bank;

(iii) the United States Export Council for Renewable Energy;

(iv) the National Laboratories of the Department of Energy.

(E) There is authorized to be appropriated to the Secretary to carry out the purposes of this paragraph a total amount for each of the fiscal years 1990 through 1992 not to exceed $5,000,000 with respect to renewable energy activities under this paragraph and $5,000,000 with respect to energy efficiency activities under this paragraph.

SEC. 307. RENEWABLE ENERGY EXPORTS.

(a) FINDINGS AND PURPOSE.—(1) For purposes of this section, Congress finds that—

(A) Among the major problems in promoting exports of renewable energy technology are the lack of available information on overseas markets and the absence of financing for the purchase of the technologies; and

(B) the Committee on Renewable Energy, Commerce, and Trade ("CORECT") established under the Renewable Energy Industry Development Act (Public Law 98-370) currently coordinates Federal Government activities to promote renewable energy exports.

(2) The purpose of this section is to evaluate current efforts to promote exports of renewable energy technology, to establish a joint government-industry plan to identify promising technologies and increase the financing available for exports of renewable energy technologies, to target potential markets for these technologies, and to authorize funding of these activities.

(b) Review of CORECT.—In order to provide reliable information on overseas markets for renewable energy technology, the Secretary shall review the activities of the Committee on Renewable Energy, Commerce, and Trade in order to determine if current efforts by such Committee to promote exports of renewable energy technology are sufficient and whether additional efforts are necessary. The Secretary shall report to Congress the results of such review within six months after the date of the enactment of this Act.

(c) Report.—Each participating member of the Committee on Renewable Energy, Commerce, and Trade shall report annually to Congress on the actions of such agency during the previous fiscal year to achieve the purposes of the Committee on Renewable Energy, Commerce, and Trade and of this section. Such report shall describe the exports of renewable energy technology that have occurred as a result of such agency actions.

(d) Plan.—The Committee on Renewable Energy, Commerce, and Trade shall—

(1) establish a joint government-industry plan to maintain or increase the market share of the United States in international trade in renewable energy technologies, including technologies for production of alcohol fuels, biomass energy, geothermal energy, wood energy and in technologies for passive solar energy conversion, photovoltaics, solar thermal energy conversion and wind energy conversion. Such plan shall include guidelines for agencies that are members of the Committee with respect to the financing of exports of such renewable energy technologies;

(2) develop, in consultation with representatives of affected industries, administrative guidelines for Federal export loan programs to simplify application by firms seeking export assistance for renewable energy technologies from agencies implementing such programs; and

(3) target renewable energy technology markets for primary emphasis by Federal export loan programs, development programs, and private sector assistance programs.

(e) Authorizations.—There is hereby authorized to be appropriated to the Secretary for activities of the Committee on Renewable Energy, Commerce, and Trade an amount not to exceed—

(1) $1,500,000 in fiscal year 1990;

(2) $2,200,000 in fiscal year 1991; and

(3) $2,500,000 in fiscal year 1992.

SEC. 308. RENEWABLE ENERGY.

(a) Dissemination of Information.—Section 523 of the National Energy Conservation Policy Act (42 U.S.C. 8243) is amended by adding a new subsection (d) as follows:

"(d) In order to more widely disseminate information about the program under this part and under part 3 and the benefits of solar heating and solar heating and cooling technology, the Secretary shall establish a program to disseminate such information for Federal procurement officers and Federal loan officers that shall include site visits and technical briefings. The Secretary shall utilize available funds for the program under this subsection.".

(b) Department of Defense Housing.—Section 2857(b)(1) of title 10, United States Code, is amended by inserting after "has the potential for" the following: "reduced energy costs".

(c) Overseas Private Investment Corporation Loans.—Section 234(e) of the Foreign Assistance Act of 1961 is amended—

(1) in the first sentence, by inserting after "cooperatives" the following: "and including the initiation of incentives, grants, and studies for renewable energy and other small business activities"; and

(2) by adding at the end thereof the following new sentence: "Administrative funds may not be made available for incentives, grants, and studies for renewable energy and other small business activities.".

SEC. 309. REPORTS.

(a) Report by the Secretary.—One year after the date of the enactment of this title and annually thereafter, the Secretary shall report to Congress on the programs, projects, and joint research and development ventures conducted under this title and the progress being made toward accomplishing the goals and purposes set forth in this title, including the national goals set forth in section 304(a).

(b) National Energy Policy Plan Report.—Each annual submission of the National Energy Policy Plan under title VIII of Public Law 95-91 shall be accompanied by a three-year strategic plan for energy technology research, development, and demonstration. Such plan shall address the role of federally assisted research, development, and demonstration in the achievement of the national policy goals of the National Energy Policy Plan and shall assess both the level of support for energy research, development, and demonstration reasonably necessary to achieve these goals and the basis for allocating the support recommended by the President among the available alternatives. At a minimum, these alternatives shall include energy efficiency and renewable energy technologies.

TITLE IV—MANUEL LUJAN, JR. NEUTRON SCATTERING CENTER

SEC. 410. RENAMING FACILITY.

The Los Alamos Neutron Scattering Center is hereby redesignated as the "Manuel Lujan, Jr. Neutron Scattering Center".

SEC. 411. REFERENCES.

Any reference in any law, regulation, map, record, or other document of the United States to the Los Alamos Neutron Scattering Center shall be considered a reference to the "Manuel Lujan, Jr. Neutron Scattering Center".

Amend the title so as to read: "An Act to establish a national Federal program effort in close collaboration with the private sector to develop as rapidly as possible the applications of superconductivity to enhance the Nation's economic competitiveness and strategic well being, to better integrate universities and private industry into the National Laboratory System of the Department of Energy so as to speed the development of technology in areas of significant economic potential, to provide Federal assistance and leadership to a program of research, development, and demonstration of renewable energy and energy efficiency technologies, and for other purposes.".

House amendment to Senate amendments: In lieu of the matter inserted by the Senate amendments, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Superconductivity and Competitiveness Act of 1988".

SEC. 2. FINDINGS AND PURPOSES.

(a) Findings.—The Congress finds that—

(1) recent discoveries of high-temperature superconducting materials could result in significant new applications of these materials in such areas as microelectronics, computers, power systems, transportation, medical imaging, and nuclear fusion, yet most potential applications may well lie beyond our ability to predict them;

(2) full application of the new superconductors is expected to require 10 to 20 years, thus calling for long-term commitments by the public and private sector to appropriate research and development programs;

(3) the Nation's economic competitiveness and strategic well-being depend greatly on the development and application of critical advanced technologies such as those anticipated to evolve from the new superconducting materials;

(4) the United States manufacturing industries confront strong competition in both domestic and world markets as other countries are increasingly taking advantage of modern technology and production techniques and innovative management focused on quality;

(5) whereas we have as a Nation been highly successful in the conduct of basic research in a variety of scientific areas, including superconductivity, other nations have been highly successful in the commercial and military application of the results of such fundamental research;

(6) if the United States is to begin its competitive advantage, it must commit sufficient long-term resources to solving processing and manufacturing problems in parallel with basic research and development;

(7) Federal agencies have responded aggressively to this exciting challenge by reprogramming funds to basic superconductivity research while informally coordinating their efforts to avoid unnecessary duplication; and further commitment of Federal funding and efforts directed to developing manufacturing, materials processing, and fabrication technologies is essential so that these activities may be conducted in parallel;

(8) successful development and application of the new superconducting materials will require close collaboration between the Federal Government and the industrial and academic components of the private sector, as well as coordinating among the Federal departments and agencies involved in research and development on superconductors;

(9) a committed Federal program effort with appropriate long-term goals, priorities, and adequate resources is necessary for the rapid development and application of the new superconducting materials; and

(10) a national program should serve as a test of new agency authorities directed at technological competitiveness such as those provided to the Department of Energy.

(b) Purposes.—The purposes of this Act are—

(1) to establish a 5-year national action plan to research and develop new high-temperature superconducting materials with appropriate goals and priorities;

(2) to designate the appropriate roles, mechanisms, and responsibilities of various Federal departments and agencies in implementing such a national research and development action plan.

SEC. 3. NATIONAL ACTION PLAN ON SUPERCONDUCTIVITY RESEARCH AND DEVELOPMENT.

(a) Establishment.—(1) The Director of the Office of Science and Technology Policy shall establish a 5-year National Action Plan on Advanced Superconductivity Research and Development (hereinafter in this Act referred to as the "Superconductivity Action Plan").

(2) The Office of Science and Technology Policy shall coordinate the development of the Superconductivity Action Plan and any recommendations required by this Act with the National Critical Materials Council and the National Commission on Superconductivity.

(b) Content and Scope.—The Superconductivity Action Plan shall include—

(1) goals and priorities for advanced superconductivity research and development to be carried out by individual departments and agencies and organizational elements therein;

(2) the assignment of responsibility for the conduct of advanced superconductivity research and development among the departments, agencies, and organization elements therein;

(3) recommendation of proposed funding levels for activities relating to superconductivity of the 5 years following the date of enactment of this Act for each of the participating departments, agencies, and organizational elements therein; and

(4) proposals for the participation by industry and academia in the planning and implementation of the Superconductivity Action Plan.

(c) Action Plan Report.—The Office of Science and Technology Policy, in conjunction with the National Critical Materials Council, shall submit a report detailing the Superconductivity Action Plan to the Committee on Science, Space, and Technology of the House of Representatives, and to the Committees on Energy and Natural Resources, and Commerce, Science, and Transportation of the Senate, within 9 months after the date of enactment of this Act.

(d) Update Reports.—The Office of Science and Technology Policy, with the assistance of the National Critical Materials Council as specified in the National Critical Materials Act of 1984 (30 U.S.C. 1801 et seq.), shall prepare an annual report setting forth and evaluating the progress of the Superconductivity Action Plan. This report shall include a description of the amount of funds expended in the previous year by all Federal departments and agencies involved with superconductivity. This report shall be submitted with the President's annual budget request to the Committee on Science, Space, and Technology of the House of Representatives, and to the Committees on Energy and Natural Resources, and Commerce, Science, and Transportation of the Senate.

SEC. 4. DEPARTMENT OF ENERGY.

The Secretary of Energy shall conduct a program in superconductivity research and development. Within 180 days after the date of enactment of this Act, and for the two succeeding years thereafter, the Secretary shall submit annual reports on the implementation of technology transfer activities under the Stevenson-Wydler Technology Innovation Act of 1980 and related legislation with respect to superconductivity research and development to the Committee on Science, Space, and Technology of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate. Such report shall include recommendations for improvements in the technology transfer between government and industry, and in the management of property developed or made at the National Laboratories.

SEC. 5. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

In pursuance of the goals of this Act, the National Institute of Standards and Technology shall promote fundamental research and materials standards to accelerate the use and application of the new superconducting materials, and shall utilize the Superconductivity Center Focusing on Electronic Applications at the National Institute of Standards and Technology in Boulder, Colorado.

SEC. 6. NATIONAL SCIENCE FOUNDATION.

The National Science Foundation shall promote fundamental research in pursuance of the goals of this Act.

SEC. 7. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

The National Aeronautics and Space Administration shall utilize existing programs in technology transfer, aeronautics and space technology, and space commercialization to promote the commercial applications of high-temperature superconductors, including applications relating to thin film technology, communications technology, sensors, space power, and propulsion.

SEC. 8. THE DEPARTMENT OF DEFENSE.

(a) Focus of Research.—In conformance with the Superconductivity Action Plan, the Secretary of Defense, in the superconductivity research and development activities of the Department of Defense, shall give emphasis to fundamental research, materials processing, and applications of new superconducting materials.

(b) Additional Activities.—In conducting research under subsection (a), the Secretary of Defense shall—

(1) systematically define the engineering parameters for high-temperature superconducting materials; and

(2) conduct the necessary development, engineering, and operational prototype testing considered appropriate to the overall mission of the Department of Defense. Such operational prototype testing shall, where appropriate, utilize criteria developed by the Defense Advanced Research Projects Agency.

(c) Defense Advanced Research Projects Agency.—The Director of the Defense Advanced Research Projects Agency shall, in conformance with the Superconductivity Action Plan, conduct activities to—

(1) augment, as appropriate, basic and applied superconductivity research conducted in other Federal agencies and industry; and

(2) develop criteria for operational prototype testing within the Department of Defense.

SEC. 9. INTERNATIONAL COOPERATION.

The President, as part of the Superconductivity Action Plan, shall establish a program of international cooperation in the conduct of fundamental and basic research on superconducting materials. Such program of international cooperation shall include the exchange of basic information and data, as well as the development of international standards for the use and application of superconducting materials.

SEC. 10 TECHNOLOGY TRANSFER

(a) Promotion.—In pursuance of the goals of this Act, all Federal departments and agencies shall conduct technology transfer activities as appropriate to the overall mission of each department or agency to—

(1) complement basic superconductivity research by promoting the rapid development of manufacturing and processing technologies necessary for the commercialization of high-temperature superconductors; and

(2) promote collaborative arrangements and consortia of industry (which shall include small business) in order to lower the barriers to deployment of advanced high-temperature superconductor technology; such consortia to also include, as appropriate, universities and independent research organizations.

(b) Impediments to Commercialization.—The Director of the Office of Science and Technology Policy, in collaboration with the Secretary of Commerce and the Secretary of Energy, shall identify those Federal policies and regulations which impede the ability of the private sector to undertake long-term investment programs to commercialize superconductivity applications.

SEC. 11. MANUEL LUJAN, JR. NEUTRON SCATTERING CENTER

(a) Renaming Facility.—The Los Alamos Neutron Scattering Center is hereby redesignated as the "Manuel Lujan, Jr. Neutron Scattering Center".

(b) References.—Any reference in any law, regulation, map, record, or other document of the United States to the Los Alamos Neutron Scattering Center shall be considered a reference to the "Manuel Lujan, Jr. Neutron Scattering Center."

The SPEAKER pro tempore. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. Roe] will be recognized for 20 minutes, and the gentleman from New Mexico [Mr. Lujan] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. Roe].

(Mr. ROE asked and was given permission to revise and extend his remarks.)

Mr. ROE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3048, the National Superconductivity and Competitiveness Act of 1988. This bill authored by my colleague from Oklahoma, Mr. McCurdy, represents a cumulative effort of the entire Committee on Science, Space, and Technology, a majority of which are cosponsors of the bill.

I wish to give special thanks to the efforts of my minority colleagues, Mr. Lujan; the ranking Republican member of our committee, Mr. Lewis; and Mr. Ritter all of whom have been instrumental in moving this bill through the committee. In addition, I commend Mrs. Lloyd and Mr. Walgren, chairman of the Energy Research and Development and Science, Research and Technology Subcommittees respectively, who, together with Mr. McCurdy, who chairs the Transportation, Aviation and Materials Subcommittee, shepherded this bill through for consideration today.

Mr. Speaker, this bill was considered earlier by the House and passed unanimously. The other body then considered and passed the measure with two additional amendments. Unfortunately, despite great effort on the part of staff and members we have been unable to reach total agreement on all parts of this legislation. As such, the bill before us, as amended, represents the best effort of a long and difficult process. Never the less, I believe the importance of superconductivity to our Nation warrants strong support of this measure.

Mr. Speaker, the primary purpose of H.R. 3048 is to provide for a national, 5-year action plan in the high-temperature superconductivity research and development. The bill requires that the Director of the Office of Science and Technolgoy establish such a plan with appropriate priorities and goals, agency responsibilities, and recommended funding over 5 years. The Director is to work collaboratively with the National Critical Materials Council and the recently created National Commission on Superconductivity in establishing the action plan. Specifically the bill before the House today focuses on the research agencies, including the Department of Energy, the Department of Defense, the National Science Foundation, National Aeronautics and Space Administration, and the National Institute of Standards and Technology.

The President as part of the plan is required to establish a program of international cooperation in basic research on superconductivity materials. In addition, a requirement to transfer federally funded advanced technology in manufacturing and processing to the private sector as well as a requirement to establish collaborative arrangement and consortia, are highlighted.

Mr. Speaker, I am particularly pleased that we have added a new section renaming the Los Alamos Neutron Scattering Center as the "Manual Lujan, Jr. Neutron Scattering Center." My good friend and colleague from New Mexico has served long and hard in Congress and this small token of recognition is an honor I'm delighted to support.

Mr. Speaker, I do not stand here and propose that this bill will solve all the problems we face in competing with Japan and the rest of the world in this or any other technical area of economic interest. However, I do believe passage of this bill into law will help clarify our Nation's strategy in pursuing the application of this vital, new technology. As such I urge my colleagues to support this important measure and vote for its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. LUJAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3048, the National Superconductivity and Competitiveness Act of 1988, and to congratulate the members of the Committee on Science, Space, and Technology who have worked to make this bill a reality, certainly the gentleman from New Jersey [Mr. Roe], the gentleman from Oklahoma [Mr. McCurdy], the gentleman from Florida [Mr. Lewis], the gentlewoman from Tennessee [Mrs. Lloyd], and, of course, the gentleman from Pennsylvania [Mr. Ritter].

Mr. Speaker, this is a very important bill to all of us, and to this country. This research is vital to U.S. industry, and this type of research has made lots of progress in just the last couple of years.

It has been my understanding through the years that this type of very, very basic research has a monetary value and a monetary return to this Nation of $22 for every $1 invested, so we can see that spending money on this type of research is really beneficial to this country. It is vital to keeping this country in leadership in this kind of business.

Mr. Speaker, I urge my colleagues to support H.R. 3048.

Mr. ROE. Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma [Mr. McCurdy], chairman of our Subcommittee on Transportation, Aviation and Materials.

Mr. McCURDY. Mr. Speaker, I rise in support of the National Superconductivity and Competitiveness Act, H.R. 3048.

This is the second time that we are going to pass this bill this year. A great deal of thanks goes to the gentleman from New Jersey [Mr. Roe], our chairman, for recognizing the urgent need to move this bill. Unfortunately we were unable to pound out compromises on the two additional titles attached in the other body.

Clearly the Members of the other body have seen superconductivity as a priority, and I hope that they will promptly act on this measure.

I also want to extend my thanks to the gentleman from New Mexico [Mr. Lujan] for his support of this legislation and, of course, the gentleman from Florida [Mr. Lewis], the ranking member of the subcommittee. Also, I want to give special recognition to the gentlewoman from Tennessee [Mrs. Lloyd], who chairs the Subcommittee on Energy Research and Development, who has worked diligently with us on this legislation, as did the gentleman from Pennsylvania [Mr. Walgren] and the other gentleman from Pennsylvania [Mr. Ritter].

This was truly a bipartisan effort and one that I believe cannot be overemphasized. The majority of the members of the Committee on Science, Space, and Technology were cosponsors of the original bill, and I think that is a testament to the bipartisan support for this important legislation.

H.R. 3048 requires the President's science adviser to create and implement a long-term national action plan to accelerate the application of superconducting materials. Under such a plan, there will be a clear setting of priorities and goals and a coordination among Federal research agencies, and I emphasize coordination, as well as industry and university research groups.

In other words, the right hand will know exactly what the left hand is doing. We cannot hope to succeed without this priority setting and coordination. Such planning is especially critical given the aggressive and competitive nature of our foreign-trade partners who see the enormous economic benefits of superconductivity.

Page 1 of the New York Times last Sunday included an article quoting United States researchers as saying that the Japanese companies are "moving aggressively to develop new materials and find ways to use them in products." The article went on to say that by contrast American companies are stuck in the research mode and have been reluctant to engage in long-term development projects.

This bill is essential if we are to move beyond basic research and keep pace in the superconductor race. After all, American researchers have made many of the significant breakthroughs, and American manufacturers most certainly deserve a fighting chance to go head to head with their foreign competitors.

Why are high-temperature superconductors important, and what are they? It is difficult, I think, for many people to understand why we are emphasizing this new development. Basically it allows for a current of electricity to pass with zero resistance, and what that means is that is as significant a breakthrough as the development of transistors, and this has the possibility and potential, if we develop it and market it, to revolutionize the fields of electronics, communications, the area of energy production and transmission, transportation, the area of energy production and transmission, transportation. It has tremendous impact not only in the civilian area but also in the Department of Defense, and our national security needs it.

Mr. Speaker, we are falling behind in the manufacturing and processing techniques. We in this country win the Nobel Prizes for the discoveries, but the Japanese move to develop the products, and we are losing that race if we do not have a better coordination in this important and vital area.

As I mentioned earlier, I regret we were unable to reach agreement on titles II and III of the other body's version. However, I believe it is in our best interest to move ahead with the superconductivity portion.

I would also like to commend the gentleman from New Mexico, and by the inclusion in the bill the section of the amendment regarding the naming of the Neutron Scattering Center in New Mexico as the Manuel Lujan, Jr., Scattering Center, I believe that is a fitting recognition for the distinguished service that the gentleman from New Mexico has given to this body and to his Nation and also the State of New Mexico.

Mr. Speaker, this bill is noncontroversial, considering that the House passed almost the identical bill on September 20. H.R. 3048 paints important national policy in broad strokes, and I strongly urge its adoption.

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. Lewis], a cosponsor of the bill.

Mr. LEWIS of Florida. Mr. Speaker, I want to applaud the chairman, the gentleman from New Jersey [Mr. Roe], and the ranking Republican member, the gentleman from New Mexico [Mr. Lujan], for bringing this legislation to the floor.

It is so important that this legislation be adopted and passed through this Congress. I believed that the author of the legislation, the gentleman from Oklahoma [Mr. McCurdy], our subcommittee chairman, pointed out very strongly how we develop the techniques and develop the technology and then we lose it to one of our foreign competitors.

This bill will go a long way toward preventing that from happening, and give the impetus to the United States to continue moving forward in its development of superconductivity.

Advances in high-temperature superconductivity have moved from the front page of our daily newspapers to the science section. Nevertheless, continued technology development is very important, because the benefits of the research are enormous.

Mr. Speaker, for example, the most cost-effective mass transit system of the future may well be the magnetic-levitated high-speed trains. With the recent advances in high-temperature superconductivity which can be applied to magnetic levitation, this type of high-speed rail transportation would whisk passengers from Washington, DC, to New York in less than 1 hour. In my own State of Florida, travelers leaving Miami could be in Orlando in less than 1 hour.

High-speed travel is scheduled to become a reality in Florida very soon, and the continuity and coordination of superconductivity research mandated by H.R. 3048 will go a long way toward ensuring that the United States will have the leadership in high-speed rail and other technologies to come.

Again, I want to commend the gentleman from Oklahoma [Mr. McCurdy], the author of the bill, for his foresight and work in moving this bill through to its present stage, and also the gentleman from Pennsylvania [Mr. Ritter], who had a portion of the bill, and also for their vision in preparing and moving it. I also want to commend Mr. Paul Maxwell, a member of the staff of the Committee on Science, Space, and Technology, for his work in formulating this legislation, and as a cosponsor, I will support this legislation and do everything possible to get it passed. I think it is so vital to the United States to move forward in the research areas.

Mr. RITTER. Mr. Speaker, thank you, Mr. Speaker, for yielding time to me to speak on this bill. I would like first to commend my distinguished colleagues on the Science, Space, and Technology Committee for their hard work in attempting to put together an energy technology package. I would especially like to applaud the efforts of Chairman Roe, Mr. Lujan, Mr. McCurdy, and Mrs. Lloyd for their leadership on H.R. 3048.

The New York Times reported recently that, although it may not be possible to reach room temperature, there's a new theory which may explain the dramatic advances that are possible in superconductivity. I have often urged that we respond by adopting a "team America" response to the challenge posed by our foreign competitors, who are poised to leap ahead of us in superconductivity. I will say again that I am grateful to have worked with my colleagues in contributing many of the ideas behind H.R. 3048. It is a good bill which will help coordinate our efforts in superconductivity at agencies undertaking groundbreaking research, including the Defense Advanced Research Projects Agency [DARPA], the target of my amendment to the bill.

I would also like to congratulate our ranking minority member, Manuel Lujan of New Mexico, for the inclusion in this bill of the designation of the Manuel Lujan, Jr. Neutron Scattering Facility. This is a worthy tribute to the distinguished service of our leader. Manuel, we're going to miss you in the Congress.

Mr. Speaker, at this 11th hour we can pass a bill which will boldly announce to the American people that progress is important. If this bill passes, we'll have progress that will lead to some of the most revolutionary scientific and technological discoveries of the next generation. I urge my colleagues to join me in supporting this bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, today as we consider H.R. 3048, the National Superconductivity and Competitiveness Act amendments, I would like to inform my colleagues of the latest developments that have occurred at the University of Arkansas, Fayetteville. On September 30, 1988, university professors Allen Hermann and Zhengzhi Sheng filed a patent for their new superconductor system.

This new system is the fifth class developed since 1986 when superconductivity was first discovered. This new system includes a combination of any of 14 rare Earth elements, thallium, calcium, strontium, copper, and oxygen. Laboratory tests using this new system have produced superconductivity at 90 degrees kelvin.

The university team headed by Doctors Hermann and Sheng have compiled a very impressive list of accomplishments. In addition to their September 30 patent filing, the team's February 1988 discovery still holds the world record for superconductivity at the highest temperature yet recorded, 125 degrees kelvin. They have also filed seven additional patents and have two more being prepared.

We in Arkansas have a strong interest in the research and application of superconductivity. We must be sure that not only do we develop this technology but we must also provide the means for our industries to market it worldwide.

Throughout my involvement in this issue, one point that has come up over and over again is the need for a coordinated effort in the development of superconductivity. H.R. 3048 would require a coordinated 5-year national plan of action. I believe that this effort will help our country to remain on the cutting edge of this exciting, new field and I support the enactment of the measure.

Mr. LUJAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. Roe], that the House suspend the rules and concur in the House amendment to the Senate amendments to the bill, H.R. 3048, and disagree to the Senate amendment to the title of the bill.

The question was taken.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1115

GENERAL LEAVE

Mr. HUTTO. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks on H.R. 3048, the bill just considered.

The SPEAKER pro tempore (Mr. Gray of Illinois). Is there objection to the request of the gentleman from Florida?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills, a joint resolution, and a concurrent resolution of the House of the following titles:

H.R. 4118. An act to amend and extend the authorization of appropriations for public broadcasting, and for other purposes;

H.R. 4236. An act to amend the Act of June 6, 1900, to increase the number of trustees of the Frederick Douglass Memorial and Historical Association;

H.R. 5104. An act to improve the efficiency and effectiveness of the management and disposal of Federal real and personal property;

H.J. Res. 677. Joint resolution changing the date for the counting of the electoral vote by Congress to January 4, 1989;

H. Con. Res. 344. Concurrent resolution commending the International Boundary and Water Commission for its efforts during the past one hundred years to improve the social and economic welfare of the United States and Mexico and to improve good relations between our two countries; and

H. Con. Res. 392. Concurrent resolution directing the Secretary of the Senate to make technical corrections in the enrollment of the bill S. 11.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 3105. An act to revise, consolidate, and enact certain laws related to shipping definitions and maritime commercial instruments and liens as subtitle III of title 46, United States Code, "Shipping", and for other purposes; and

H.R. 4310. An act to extend for an additional 5-year period certain provisions of title 17, United States Code, relating to the rental and sound recordings, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4174) "An act to amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4352) "An act to amend the Stewart B. McKinney Homeless Assistance Act to extend programs providing urgently needed assistance for the homeless, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to the bill (H.R. 5280) "An act to require the Secretary of the Treasury to mint coins in commemoration of the Bicentennial of the United States Congress."

The message also announced that the Senate agrees to the amendments of the House to the amendment of the Senate to the amendments of the House to the bill (S. 11) "An act to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Board of Veterans' Appeals; to provide for the payment of reasonable fees to attorneys to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 850) "An act to amend the Wild and Scenic Rivers Act to designate a segment of the Rio Chama River in New Mexico as a component of the National Wild and Scenic Rivers System."

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 850) "An act to amend the Wild and Scenic Rivers Act to designate a segment of the Rio Chama River in New Mexico as a component of the National Wild and Scenic Rivers System."

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 1842) "An act for the relief of Mr. Wilhelm Jahn Schlechter, Mrs. Monica Pino Schlechter, Ingrid Daniela Schlechter, and Arturo David Schlechter."

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 1883) "An act to amend the act entitled 'An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes'."

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 2049) "An act to establish an independent Commission on the Veterans' Administration Home Loan Guaranty Program; to amend title 38, United States Code, to authorize reductions in the interest rate on loans made by the Veterans' Administration to finance the sales of properties acquired by the Veterans' Administration as the result of foreclosures, and to establish creditworthiness requirements and require a 0.5 per centum fee for assumptions of such loans other than those sold with recourse, and for other purposes."

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 340. Joint resolution designating November 27 through December 3, 1988, as "National Sir Winston Churchill Recognition Week"; and

S.J. Res. 381. Joint resolution to designate October 30, 1988, as "Fire Safety at Home Day—Change Your Clock, Change Your Battery."

CORRECTING ENROLLMENT OF HOUSE RESOLUTION 598, CONCURRING IN SENATE AMENDMENT TO H.R. 2020, OFFICE OF ENVIRONMENTAL QUALITY AUTHORIZATION, FISCAL YEARS 1987, 1988, AND 1989, WITH AN AMENDMENT

Mr. HUTTO. Mr. Speaker, I ask unanimous consent that the enrollment of House Resolution 598 adopted under suspension of the rules yesterday be corrected to include missing provisions in sections 202 and 203 of the House amendment to the Senate amendment to H.R. 2020.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

CODIFICATION OF SHIP MORTGAGE ACT

Mr. HUTTO. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 3105) to revise, consolidate, and enact certain laws related to shipping definitions and maritime commercial instruments and liens as subtitle III of title 46, United States Code, "Shipping," and for other purposes.

The Clerk read as follows:

Senate amendment: Strike out all after the enacting clause and insert:

TITLE I—MARITIME COMMERCIAL INSTRUMENTS AND LIENS

VESSEL IDENTIFICATION SYSTEM

SEC. 101. (a) Title 46, United States Code, is amended by adding the following new chapter 125 after chapter 123:

"CHAPTER 125—VESSEL IDENTIFICATION SYSTEM

"Sec.

"12501. Establishment of a vessel identification system.

"12502. Identification numbers, signal letters, and markings.

"12503. Information available to the system.

"12504. Information available from the system.

"12505. Fees.

"12506. Delegation of authority.

"12507. Penalties.

"§ 12501. Establishment of a vessel identification system

"(a) The Secretary of Transportation shall establish a vessel identification system to make available information under section 12503 of this title for use by the public for law enforcement and other purposes relating to—

"(1) the ownership of documented vessels;

"(2) the ownership of vessels numbered under chapter 123 of this title; and

"(3) the ownership of vessels titled under the law of a State.

"(b) The vessel identification system shall include information prescribed by the Secretary including—

"(1) identifying a vessel;

"(2) identifying the owner of the vessel;

"(3) identifying the State in which it is titled or numbered;

"(4) indicating whether the vessel is numbered or titled, or both;

"(5) if titled in a State, indicating where evidence of a lien or other security interest may be found against the vessel in that State; and

"(6) information assisting law enforcement officials.

"(c) The Secretary may maintain information under this chapter in connection with any other information system maintained by the Secretary.

"§ 12502. Identification numbers, signal letters, and markings

"(a) For the identification of a vessel of the United States, the Secretary of Transportation—

"(1) shall maintain a unique numbering system and assign a number to each vessel of the United States;

"(2) may maintain a system of signal letters for a documented vessel;

"(3) shall record a name selected by the owner of a documented vessel approved by the Secretary as the vessel's name of record; and

"(4) may establish other identification markings.

"(b) The manufacturer or owner of a vessel shall affix to the vessel and maintain in the manner prescribed by the Secretary the number assigned and any other markings the Secretary may require.

"(c) Once a number is assigned under this section, it may not be used by another vessel.

"(d) Once a documented vessel's name is established, the name may not be changed without the approval of the Secretary.

"(e) A person may not tamper with or falsify a number or other marking required under this section.

"§ 12503. Information available to the system

"(a) Except as provided in subsections (b) and (c) of this section, a State or a State's delegee approved by the Secretary of Transportation may make information available to the Secretary if, in a manner and form prescribed by the Secretary, the State—

"(1) identifies the vessel;

"(2) identifies the owner of the vessel;

"(3) identifies the State in which it is titled or numbered;

"(4) indicates whether the vessel is numbered or titled, or both;

"(5) if titled in a State, indicates where evidence of a lien or other security interest may be found against the vessel in that State;

"(6) includes information to assist law enforcement; and

"(7) includes other information agreed to by the Secretary and the State.

"(b) Except as provided in subsection (c) of this section, the Secretary also may accept information under conditions and in a manner and form prescribed by the Secretary.

"(c) The Secretary shall—

"(1) retain information on a vessel with a preferred mortgage under section 31322(d) of this title that is no longer titled in a State making information available to the Secretary under this chapter until the mortgage is discharged or the vessel is sold; and

"(2) accept information under section 31321(h) of this title only if that information cannot be provided to a State.

"§ 12504. Information available from the system

"For law enforcement or other purposes and under conditions prescribed by the Secretary, the Secretary of Transportation—

"(1) shall make available information in the vessel identification system to a State making information available under section 12503(a) of this title; and

"(2) may make available information in the vessel identification system to others.

"§ 12505. Fees

"(a) The Secretary of Transportation may charge a fee under section 9701 of title 31 for providing information to or requesting information from the vessel identification system, except to—

"(1) an agency; or

"(2) a State making information available to the Secretary under section 12503(a) of this title.

"(b) In addition to any fee under subsection (a) of this section, the Secretary may collect an annual fee of not more than $1.00 from the owner of each vessel of the United States under section 9701 of title 31 for maintaining the vessel identification system. However, the collection of that fee may be delayed under conditions prescribed by the Secretary.

"(c) The Secretary may employ any agency, State, or person to collect the fee established under subsection (b) of this section.

"(d) If a State is employed to collect a fee under subsection (c) of this section, the State may retain one-half of the amounts collected. A State shall transfer one-half of the amounts collected under subsection (b) of this section to the Secretary.

"(e) The Secretary shall deposit amounts transferred or collected under this section in the general fund of the Treasury as proprietary receipts of the Secretary and ascribed to the vessel identification system.

"(f) The amounts retained by a State under this section may be used to make information available to the Secretary and to pay incremental administrative costs.

"§ 12506. Delegation of authority

"The Secretary of Transportation may delegate to an agency, a State, or a qualified person the authority to—

"(1) establish and maintain the vessel identification system; and

"(2) charge fees under section 12505 of this title to a person making information available to or requesting information from the vessel identification system.

"§ 12507. Penalties

"(a) A person shall be fined under title 18, imprisoned for not more than 2 years, or both, if the person with the intent to defraud—

"(1) provides false information to the Secretary of Transportation or a State issuing authority regarding the identification of a vessel under this chapter; or

"(2) tampers with, removes, or falsifies the unique vessel identification number assigned to a vessel under section 12502 of this title.

"(b) A person is liable to the United States Government for a civil penalty of not more than $10,000 if the person—

"(1) provides false information to the Secretary or a State issuing authority regarding the identification of a vessel under this chapter;

"(2) violates section 12502 of this title; or

"(3) fails to comply with requirements prescribed by the Secretary under section 12505 of this title.

"(c) A vessel involved in a violation of this chapter, or regulation under this chapter, and its equipment, may be seized by, and forfeited to, the Government.

"(d) If a person, not an individual, is involved in a violation of this chapter, the president or chief executive of the person also is subject to any penalty provided under this section.".

(b) The title analysis at the beginning of subtitle II of title 46, United States Code, is amended by adding after item 123 in part H:

"125. Vessel Identification System............ 12501".

CHAPTERS 301 AND 313 OF TITLE 46.—

SEC. 102. (a) Certain general and permanent laws of the United States, related to definitions and maritime commercial instruments and liens, are revised, consolidated, and enacted by paragraph (3) of this subsection as subtitle III of title 46, United States Code, "Shipping".

(b) The title analysis at the beginning of title 46, United States Code, is amended to read as follows:

"Subtitle	Sec.
"I. GENERAL	101
"II. VESSELS AND SEAMEN	2101
"III. MARITIME LIABILITY	30101
"[BALANCE OF TITLE RESERVED]"	

(c) Title 46, United States Code, is amended by adding at the end of the following new subtitle:

"SUBTITLE III—MARITIME LIABILITY

"Chapter	Sec.
"301. GENERAL	30101
"[CHAPTERS 303-311—RESERVED]	
"313. COMMERCIAL INSTRUMENTS AND MARITIME LIENS	31301
"[CHAPTER 315—RESERVED]	

"CHAPTER 301—GENERAL

"Sec.
"30101. Definitions.

"§ 30101. Definitions

"In this subtitle—

"(1) 'documented vessel' means a vessel documented under chapter 121 of this title;

"(2) 'foreign vessel' means a vessel of foreign registry or operated under the authority of a foreign country;

"(3) 'public vessel' means (except in chapter 315 of this title) a vessel that is owned, demise chartered, or operated by the United States Government or a government of a foreign country;

"(4) 'recreational vessel' means a vessel—

"(A) operated primarily for pleasure; or

"(B) leased, rented, or demise chartered to another for the latter's pleasure;

"(5) 'seaman' means a master or a crewmember of a vessel in operation.

"(6) 'State' means a State of the United States, Guam, Puerto Rico, the Virgin Islands, American Samoa, the District of Columbia, the Northern Mariana Islands, and any other territory or possession of the United States;

"(7) 'State vessel' means a vessel owned or demise chartered by the government of a State or an authority or a political subdivision of a State;

"(8) 'United States', when used in a geographic sense, means the States of the

United States, Guam, Puerto Rico, the Virgin Islands, American Samoa, the District of Columbia, the Northern Mariana Islands, and any other territory or possession of the United States.

"(9) 'vessel of the United States' means a vessel documented under chapter 121 of this title, numbered under chapter 123 of this title, or titled under the law of a State.

"[CHAPTERS 303-311—RESERVED]

"CHAPTER 313—COMMERCIAL INSTRUMENTS AND MARITIME LIENS

"SUBCHAPTER I—GENERAL

"Sec.
"31301. Definitions.
"31302. Availability of instruments, copies, and information.
"31303. Certain civil actions not authorized.
"31304. Liability for noncompliance.
"31305. Waiver of lien rights.
"31306. Declaration of citizenship.
"31307. State statutes superseded.
"31308. Secretary of Commerce or Transportation as mortgagee.
"31309. General civil penalty.

"SUBCHAPTER II—COMMERCIAL INSTRUMENTS

"31321. Filing, recording, and discharge.
"31322. Preferred mortgages.
"31323. Disclosing and incurring obligations before executing preferred mortgages.
"31324. Retention and examination of mortgages of vessels covered by preferred mortgages.
"31325. Preferred mortgage liens and enforcement.
"31326. Court sales to enforce preferred mortgage liens and maritime liens and priority of claims.
"31327. Forfeiture of mortgagee interest.
"31328. Limitations on parties serving as trustees of mortgaged vessel interests.
"31329. Court sales of documented vessels.
"31330. Penalties.

"SUBCHAPTER III—MARITIME LIENS

"31341. Persons presumed to have authority to procure necessaries.
"31342. Establishing maritime liens.
"31343. Recording and discharging liens on preferred mortgage vessels.

"SUBCHAPTER I—GENERAL

"§ 31301. Definitions

"In this chapter—

"(1) 'acknowledge' means making—

"(A) an acknowledgment or notarization before a notary public or other official authorized by a law of the United States or a State to take acknowledgments of deeds; or

"(B) a certificate issued under the Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents, 1961.

"(2) 'district court' means—

"(A) a district court of the United States (as defined in section 451 of title 28);

"(B) the District Court of Guam;

"(C) the District Court of the Virgin Islands;

"(D) the District Court for the Northern Mariana Islands;

"(E) the High Court of American Samoa; and

"(F) any other court of original jurisdiction of a territory or possession of the United States.

"(3) 'mortgagee' means—

"(A) a person to whom property is mortgaged; or

"(B) when a mortgage on a vessel involves a trust, the trustee that is designated in the trust agreement.

"(4) 'necessaries' includes repairs, supplies, towage, and the use of a dry dock or marine railway.

"(5) 'preferred maritime lien' means a maritime lien on a vessel—

"(A) arising before a preferred mortgage was filed under section 31321 of this title;

"(B) for damage arising out of maritime tort;

"(C) for wages of a stevedore when employed directly by a person listed in section 31341 of this title;

"(D) for wages of the crew of the vessel;

"(E) for general average; or

"(F) for salvage, including contract salvage.

"(6) 'preferred mortgage'—

"(A) means a mortgage that is a preferred mortgage under section 31322 of this title; and

"(B) also means in sections 31325 and 31326 of this title, a mortgage, hypothecation, or similar charge that is established as a security on a foreign vessel if the mortgage, hypothecation, or similar charge was executed under the laws of the foreign country under whose laws the ownership of the vessel is documented and has been registered under those laws in a public register at the port of registry of the vessel or at a central office.

"§ 31302. Availability of instruments, copies, and information

"The Secretary of Transportation shall—

"(1) make any instrument filed or recorded with the Secretary under this chapter available for public inspection;

"(2) on request, provide a copy, including a certified copy, of any instrument made available for public inspection under this chapter; and

"(3) on request, provide a certificate containing information included in an instrument filed or recorded under this chapter.

"§ 31303. Certain civil actions not authorized

"If a mortgage covers a vessel and additional property that is not a vessel, this chapter does not authorize a civil action in rem to enforce the rights of the mortgagee under the mortgage against the additional property.

"§ 31304. Liability for noncompliance

"(a) If a person makes a contract secured by, or on the credit of, a vessel covered by a mortgage filed or recorded under this chapter and sustains a monetary loss because the mortgagor or the master or other individual in charge of the vessel does not comply with a requirement imposed on the mortgagor, master, or individual under this chapter, the mortgagor is liable for the loss.

"(b) A civil action may be brought to recover for losses referred to in subsection (a) of this section. The district courts have original jurisdiction of the action, regardless of the amount in controversy or the citizenship of the parties. If the plaintiff prevails, the court shall award costs and attorney fees to the plaintiff.

"§ 31305. Waiver of lien rights

"This chapter does not prevent a mortgagee or other lien holder from waiving or subordinating at any time by agreement or otherwise the lien holder's right to a lien, the priority or, if a preferred mortgage lien, the preferred status of the lien.

"§ 31306. Declaration of citizenship

"(a) When an instrument transferring an interest in a vessel is presented to the Secretary of Transportation for filing or recording, the transferee shall file with the instrument a declaration, in the form the Secretary may prescribe by regulation, stating information about citizenship and other information the Secretary may require to show the transaction involved does not violate section 9 or 37 of the Shipping Act, 1916 (46 App. U.S.C. 808, 835).

"(b) A declaration under this section filed by a corporation must be signed by its president, secretary, treasurer, or other official authorized by the corporation to execute the declaration.

"(c) An instrument transferring an interest in a vessel is not valid against any person until the declaration required by this section has been filed.

"(d) A person knowingly making a false statement of a material fact in a declaration filed under this section shall be fined under title 18, imprisoned for not more than 5 years, or both.

"§ 31307. State statutes superseded

"This chapter supersedes any State statute conferring a lien on a vessel to the extent the statute establishes a claim to be enforced by a civil action in rem against the vessel for necessaries.

"§ 31308. Secretary of Commerce or Transportation as mortgagee

"When the Secretary of Commerce or Transportation is a mortgagee under this chapter, the Secretary may foreclose on a lien arising from a right established under a mortgage under title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1241 et seq.), subject to section 362(b) of title 11.

"§ 31309. General civil penalty

"Except as otherwise provided in this chapter, a person violating this chapter or a regulation prescribed under this chapter is liable to the United States Government for a civil penalty of not more than $10,000.

"SUBCHAPTER II—COMMERCIAL INSTRUMENTS

"§ 31321. Filing, recording, and discharge

"(a)(1) A bill of sale, conveyance, mortgage, assignment, or related instrument, whenever made, that includes any part of a documented vessel or a vessel for which an application for documentation is filed, must be filed with the Secretary of Transportation to be valid, to the extent the vessel is involved, against any person except—

"(A) the grantor, mortgagor, or assignor;

"(B) the heir or devisee of the grantor, mortgagor, or assignor; and

"(C) a person having actual notice of the sale, conveyance, mortgage, assignment, or related instrument.

"(2) Each bill of sale, conveyance, mortgage, assignment, or related instrument that is filed in substantial compliance with this section is valid against any person from the time it is filed with the Secretary.

"(3) The parties to an instrument or an application for documentation shall use diligence to ensure that the parts of the instrument or application for which they are responsible are in substantial compliance with the filing and documentation requirements.

"(b) To be filed, a bill of sale, conveyance, mortgage, assignment, or related instrument must—

"(1) identify the vessel;

"(2) state the name and address of each party to the instrument;

"(3) state, if a mortgage, the amount of the direct or contingent obligations (in one or more units of account as agreed to by the parties) that is or may become secured by the mortgage, excluding interest, expenses, and fees;

"(4) state the interest of the grantor, mortgagor, or assignor in the vessel;

"(5) state the interest sold, conveyed, mortgaged, or assigned; and

"(6) be signed and acknowledged.

"(c) If a bill of sale, conveyance, mortgage, assignment, or related document is filed that involves a vessel that has not yet been documented, and the Secretary decides that the vessel cannot be documented by an applicant—

"(1) the Secretary shall send notice of the Secretary's decision, including reasons for the decision, to each party whose name and address is stated on the instrument filed for recording; and

"(2) 90 days after sending the notice as provided under clause (1) of this subsection, the Secretary—

"(A) may terminate the filing; and

"(B) may return the instrument filed without recording it under subsection (e) of this section.

"(d) A person may withdraw an application for documentation of a vessel for which a mortgage has been filed under this section only if the mortgagee consents.

"(e) The Secretary shall—

"(1) record the bills of sale, conveyances, mortgages, assignments, and related instruments of a documented vessel complying with subsection (b) of this section in the order they are filed; and

"(2) maintain appropriate indexes, for use by the public, of instruments filed or recorded, or both.

"(f) On full and final discharge of the indebtedness under a mortgage recorded under subsection (e)(1) of this section, a mortgagee, on request of the Secretary or mortgagor, shall provide the Secretary with an acknowledged certificate of discharge of the indebtedness in a form prescribed by the Secretary. The Secretary shall record the certificate.

"(g) The mortgage or related instrument of a vessel covered by a preferred mortgage under section 31322(d) of this title, that is later filed under this section at the time an application for documentation is filed, is valid under this section from the time the mortgage or instrument representing financing became a preferred mortgage under section 31322(d).

"(h) On full and final discharge of the indebtedness under a mortgage deemed to be a preferred mortgage under section 31322(d) of this title, a mortgagee, on request of the Secretary, a State, or mortgagor, shall provide the Secretary or the State, as appropriate, with an acknowledged certificate of discharge of the indebtedness in a form prescribed by the Secretary or the State, as applicable. If filed with the Secretary, the Secretary shall enter that information in the vessel identification system under chapter 125 of this title.

"§31322. Preferred mortgages

"(a)(1) A preferred mortgage is a mortgage, whenever made, that—

"(A) includes the whole of a vessel;

"(B) is filed in substantial compliance with section 31321 of this title;

"(C)(i) covers a documented vessel; or

"(ii) covers a vessel for which an application for documentation is filed that is in substantial compliance with the requirements of chapter 121 of this title and the regulations prescribed under that chapter; and

"(D) has as the mortgagee—

"(i) a State;

"(ii) the United States Government;

"(iii) a federally insured depository institution, unless disapproved by the Secretary;

"(iv) an individual who is a citizen of the United States;

"(v) a person qualifying as a citizen of the United States under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802); or

"(vi) a person approved by the Secretary of Transportation.

"(2) Paragraph (1)(D) of this subsection does not apply to a vessel operated only as a fishing vessel, fish processing vessel, or a fish tender vessel (as defined in section 2101 of this title) or to a vessel operated only for pleasure.

"(b) A preferred mortgage filed or recorded under this chapter may have any rate of interest that the parties to the mortgage agree to.

"(c)(1) If a preferred mortgage includes more than one vessel or property that is not a vessel, the mortgage may provide for the separate discharge of each vessel and all property not a vessel by the payment of a part of the mortgage indebtedness.

"(2) If a vessel covered by a preferred mortgage that includes more than one vessel or property that is not a vessel is to be sold on the order of a district court in a civil action in rem, and the mortgage does not provide for separate discharge as provided under paragraph (1) of this subsection—

"(A) the mortgage constitutes a lien on that vessel in the full amount of the outstanding mortgage indebtedness; and

"(B) an allocation of mortgage indebtedness for purposes of separate discharge may not be made among the vessel and other property covered by the mortgage.

"(d)(1) A mortgage or instrument representing financing of a vessel under State law that is made under applicable State law covering the whole of a vessel titled in a State is deemed to be a preferred mortgage if—

"(A) the Secretary certifies that the State titling system complies with the Secretary's guidelines for a titling system under section 13106(b)(8) of this title; and

"(B) information on the vessel covered by the mortgage or instrument is made available to the Secretary under chapter 125 of this title.

"(2) This subsection applies to mortgages or instruments covering vessels titled in a State after—

"(A) the Secretary's certification under paragraph (1)(A) of this subsection; and

"(B) the State begins making information available to the Secretary under chapter 125 of this title.

"(3) A preferred mortgage under this subsection continues to be a preferred mortgage if the vessel is no longer titled in the State where the mortgage was made.

"(e) If a vessel is already covered by a preferred mortgage when an application for titling or documentation is filed—

"(1) the validity of the preferred mortgage covering the vessel to be titled in the State is determined by the law of the jurisdiction where the vessel is currently titled or documented; and

"(2) the validity of the preferred mortgage covering the vessel to be documented under chapter 121 is determined by subsection (a) of this section.

"§ 31323. Disclosing and incurring obligations before executing preferred mortgages

"(a) On request of the mortgagee and before executing a preferred mortgage, the mortgagor shall disclose in writing to the mortgagee the existence of any obligation known to the mortgagor on the vessel to be mortgaged.

"(b) After executing a preferred mortgage and before the mortgagee has had a reasonable time to file the mortgage, the mortgagor may not incur, without the consent of the mortgagee, any contractual obligation establishing a lien on the vessel except a lien for—

"(1) wages of a stevedore when employed directly by a person listed in section 31341 of this title.

"(2) wages for the crew of the vessel.

"(3) general average.

"(4) salvage, including contract salvage.

"(c) On conviction of a mortgagor under section 31330(a)(1) (A) or (B) of this title for violating this section, the mortgage indebtedness, at the option of the mortgagee, is payable immediately.

"§ 31324. Retention and examination of mortgages of vessels covered by preferred mortgages

"(a) On request, the owner, master, or individual in charge of a vessel covered by a preferred mortgage shall permit a person to examine the mortgage if the person has business with the vessel that may give rise to a maritime lien or the sale, conveyance, mortgage, or assignment of a mortgage of the vessel.

"(b) A mortgagor of a preferred mortgage covering a self-propelled vessel shall use diligence in keeping a certified copy of the mortgage on the vessel.

"§ 31325. Preferred mortgage liens and enforcement

"(a) A preferred mortgage is a lien on the mortgaged vessel in the amount of the outstanding mortgage indebtedness secured by the vessel.

"(b) On default of any term of the preferred mortgage, the mortgagee may enforce the preferred mortgage lien in—

"(1) a civil action in rem for a documented vessel or a vessel to be documented under chapter 121 of this title;

"(2) a civil action in personam in admiralty against the mortgagor, comaker, or guarantor for the amount of the outstanding indebtedness secured by the mortgaged vessel or any deficiency in full payment of that indebtedness; and

"(3) a civil action against the mortgagor, comaker, or guarantor for the amount of the outstanding indebtedness secured by the mortgaged vessel or any deficiency in full payment of that indebtedness.

"(c) The district courts have original jurisdiction of a civil action brought under subsection (b) of this section. However, for documented vessels or vessels to be documented under chapter 121 of this title, this jurisdiction is exclusive of the courts of the States for a civil action under subsection (b)(1) of this section.

"(d)(1) Actual notice of a civil action brought under subsection (b)(1) of this section, or to enforce a maritime lien, must be given in the manner directed by the court to—

"(A) the master or individual in charge of the vessel;

"(B) any person that recorded under section 31343 (a) or (d) of this title a notice of a claim of an undischarged lien on the vessel; and

"(C) a mortgagee of a mortgage filed or recorded under section 31321 of this title that is an undischarged mortgage on the vessel.

"(2) Notice under paragraph (1) of this subsection is not required if, after search satisfactory to the court, the person entitled to the notice has not been found in the United States.

"(3) Failure to give notice required by this subsection does not affect the jurisdiction of the court in which the civil action is brought. However, unless notice is not required under paragraph (2) of this subsection, the party required to give notice is liable to the person not notified for damages in the amount of that person's interest in the vessel terminated by the action brought under subsection (b)(1) of this section. A civil action may be brought to recover the amount of the terminated interest. The district courts have original jurisdiction of the action, regardless of the amount in controversy or the citizenship of the parties. If the plaintiff prevails, the court may award costs and attorney fees to the plaintiff.

"(e) In a civil action brought under subsection (b)(1) of this section—

"(1) the court may appoint a receiver and authorize the receiver to operate the mortgaged vessel and shall retain in rem jurisdiction over the vessel even if the receiver operates the vessel outside the district in which the court is located; and

"(2) when directed by the court, a United States marshal may take possession of a mortgaged vessel even if the vessel is in the possession or under the control of a person claiming a possessory common law lien.

"§ 31326. Court sales to enforce preferred mortgage liens and maritime liens and priority of claims

"(a) When a vessel is sold by order of a district court in a civil action in rem brought to enforce a preferred mortgage lien or a maritime lien, any claim in the vessel existing on the date of sale is terminated, including a possessory common law lien of which a person is deprived under section 31325(e)(2) of this title, and the vessel is sold free of all those claims.

"(b) Each of the claims terminated under subsection (a) of this section attaches, in the same amount and in accordance with their priorities to the proceeds of the sale, except that—

"(1) the preferred mortgage lien has priority over all claims against the vessel (except for expenses and fees allowed by the court, costs imposed by the court, and preferred maritime liens); and

"(2) for a foreign vessel, the preferred mortgage lien is subordinate to a maritime lien for necessaries provided in the United States.

"§ 31327. Forfeiture of mortgagee interest

"The interest of a mortgagee in a documented vessel or a vessel covered by a preferred mortgage under section 31322(d) of this title may be terminated by a forfeiture of the vessel for a violation of a law of the United States only if the mortgagee authorized, consented, or conspired to do the act, failure, or omission that is the basis of the violation.

"§ 31328. Limitations on parties serving as trustees of mortgaged vessel interests

"(a) Without the approval of the Secretary of Transportation, an instrument or evidence of indebtedness secured by a mortgage of a documented vessel to a trustee may not be issued, assigned, or transferred to, or held in trust for, a person not qualifying as a citizen of the United States under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802), unless the trustee—

"(1) is a State;

"(2) is the United States Government;

"(3) is a person approved by the Secretary and qualifying as a citizen of the United States under that section 2; or

"(4) has been approved by the Secretary.

"(b) The Secretary shall approve a trustee under subsection (a) (3) or (4) of this section if the trustee—

"(1) is organized as a corporation, and is doing business, under the laws of the United States or of a State;

"(2) is authorized under those laws to exercise corporate trust powers;

"(3) is subject to supervision or examination by an official of the United States Government or a State;

"(4) has a combined capital and surplus (as stated in its most recent published report of condition) of at least $3,000,000; and

"(5) if the trustee is to be approved under subsection (a)(4) of this section, meets any other requirements prescribed by the Secretary.

"(c) If the trustee at any time does not satisfy the qualifications of subsection (b) of this section, the Secretary shall disapprove the trustee.

"(d) Except as provided in subsection (a) of this section, a right under a mortgage of a documented vessel may be issued, assigned, or transferred to a person not eligible to be a mortgagee of that vessel under section 31322 of this title only with the approval of the Secretary.

"(e) The vessel may be operated by the trustee only with the approval of the Secretary.

"(f) The issuance, assignment, or transfer of an instrument or evidence of indebtedness contrary to this section is void.

"§ 31329. Court sales of documented vessels

"(a) A documented vessel may be sold by order of a district court only to—

"(1) a person eligible to own a documented vessel under section 12102 of this title; or

"(2) a mortgagee of that vessel.

"(b) When a vessel is sold to a mortgagee not eligible to own a documented vessel—

"(1) the vessel must be held by the mortgagee for resale;

"(2) the vessel held by the mortgagee is subject to section 902 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1242); and

"(3) the sale of the vessel to the mortgagee is not a sale foreign within the terms of the first proviso of section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883).

"(c) Unless waived by the Secretary of Transportation, a person purchasing a vessel by court order under subsection (a)(1) of this section or from a mortgagee under subsection (a)(2) of this section must document the vessel under chapter 121 of this title.

"(d) The vessel may be operated by the mortgagee not eligible to own a documented vessel only with the approval of the Secretary.

"(e) A sale of a vessel contrary to this section is void.

"§ 31330. Penalties

"(a)(1) A mortgagor shall be fined under title 18, imprisoned for not more than 2 years, or both, if the mortgagor—

"(A) with intent to defraud, does not disclose an obligation on a vessel as required by section 31323(a) of this title;

"(B) with intent to defraud, incurs a contractual obligation in violation of section 31323(b) of this title;

"(C) with intent to hinder or defraud an existing or future creditor of the mortgagor or a lienor of the vessel, files a mortgage with the Secretary of Transportation; or

"(D) with intent to defraud, does not comply with section 31321(h) of this title.

"(2) A mortgagor is liable to the United States Government for a civil penalty of not more than $10,000 if the mortgagor—

"(A) does not disclose an obligation on a vessel as required by section 31323(a) of this title;

"(B) incurs a contractual obligation in violation of section 31323(b) of this title;

"(C) files with the Secretary a mortgage made not in good faith; or

"(D) does not comply with section 31321(h) of this title.

"(b)(1) A person that knowingly violates section 31328 or 31329 of this title shall be fined under title 18, imprisoned for not more than 3 years, or both.

"(2) A person violating section 31328 or 31329 of this title is liable to the Government for a civil penalty of not more than $25,000.

"(3) A vessel involved in a violation under section 31328 or 31329 of this title and its equipment may be seized by, and forfeited to, the Government.

"(c) If a person not an individual violates this section, the president or chief executive of the person also is subject to any penalty provided under this section.

"SUBCHAPTER III—MARITIME LIENS

"§ 31341. Persons presumed to have authority to procure necessaries

"(a) The following persons are presumed to have authority to procure necessaries for a vessel:

"(1) the owner.

"(2) the master.

"(3) a person entrusted with the management of the vessel at the port of supply.

"(4) an officer or agent appointed by—

"(A) the owner;

"(B) a charterer;

"(C) an owner pro hac vice; or

"(D) an agreed buyer in possession of the vessel.

"(b) A person tortiously or unlawfully in possession or charge of a vessel has no authority to procure necessaries for the vessel.

"§ 31342. Establishing maritime liens

"A person providing necessaries to a vessel (except a public vessel) on the order of a person listed in section 31341 of this title or a person authorized by the owner—

"(1) has a maritime lien on the vessel;

"(2) may bring a civil action in rem to enforce the lien; and

"(3) is not required to allege or prove in the action that credit was given to the vessel.

"§ 31343. Recording and discharging liens on preferred mortgage vessels

"(a) Except as provided under subsection (d) of this section, a person claiming a lien on a vessel covered by a preferred mortgage filed or recorded under this chapter may record with the Secretary of Transportation a notice of that person's lien claim on the vessel. To be recordable, the notice must—

"(1) state the nature of the lien;

"(2) state the date the lien was estabished;

"(3) state the amount of the lien;

"(4) state the name and address of the person; and

"(5) be signed and acknowledged.

"(b) The Secretary shall record a notice complying with subsection (a) of this section.

"(c) On full and final discharge of the indebtedness that is the basis for a claim recorded under subsection (b) of this section, on request of the Secretary or owner, the person having the claim shall provide the Secretary with an acknowledged certificate of discharge of the indebtedness. The Secretary shall record the certificate.

"(d) A person claiming a lien on a vessel covered by a preferred mortgage under section 31322(d) of this title must record and discharge the lien as provided by the law of the state in which the vessel is titled.

"[CHAPTER 315—RESERVED]".

SURRENDER AND INVALIDATION OF CERTIFICATES OF DOCUMENTATION

SEC. 103. (a) Section 12111 of title 46, United States Code, is amended—

(1) by striking the catchline and inserting in lieu thereof the following:

"**§ 12111. Surrender and invalidation of certificates of documentation**"; and

(2) by striking subsection (b) and inserting in lieu thereof the following:

"(b) An invalid certificate of documentation must be surrendered as provided by regulations prescribed by the Secretary of Transportation.

"(c)(1) Notwithstanding subsection (a) of this section, until the certificate of documentation is surrendered with the approval of the Secretary, a documented vessel is deemed to continue to be documented under this chapter for purposes of—

"(A) chapter 313 of this title for an instrument filed or recorded before the date of invalidation and an assignment after that date;

"(B) sections 9 and 37(b) of the Shipping Act, 1916 (46 App. U.S.C. 808, 835(b));

"(C) section 902 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1242); and

"(D) any other law of the United States identified by the Secretary by regulation as a law to which the Secretary applies this subsection.

"(2) This subsection does not apply when a vessel is forfeited or sold by order of a district court of the United States.

"(3) The Secretary may approve the surrender of the certificate of documentation of a documented vessel covered by a mortgage filed or recorded under section 31321 of this title only if the mortgagee consents.".

(b) Item 12111 in the analysis of chapter 121 of title 46, United States Code, is amended to read as follows:

"12111. Surrender and invalidation of certificates of documentation.".

MISCELLANEOUS AND CONFORMING PROVISIONS

SEC. 104. (a) Title 46, United States Code, is amended—

(1) in section 2101(34), by inserting ", except in part H," immediately before "means";

(2) in section 2101(46), by striking the period at the end and inserting in lieu thereof "or titled under the law of a State.";

(3) in section 2110, by striking "the licensing of masters, mates, pilots, and engineers, and the documentation of vessels," and inserting in lieu thereof "and the licensing of masters, mates, pilots, and engineers,";

(4) in sections 12102(b), 12103(a), 12105(c), 12110(a), 12112(a), (b), and (c), 12117, 12119, and 12120, by inserting "of Transportation" immediately after "Secretary" the first time it appears;

(5) in section 12102, by adding at the end of the following:

"(c) A vessel titled in a State is eligible for documentation only if the State certificate of title is surrendered."; and

(6) in section 12103(c), by amending clause (1) to read as follows:

"(1) identify and describe the vessel;".

(b) Section 9 of the Shipping Act, 1916 (46 App. U.S.C. 808), is amended—

(1) in the first paragraph, by inserting "(a)" immediately after "SEC. 9.";

(2) in the second paragraph, by inserting "(b)" immediately before "Every vessel"; and

(3) by striking the third, fourth, and fifth paragraphs and inserting in lieu thereof the following:

"(c) Except as provided in section 611 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1181) and sections 31322(a)(1)(D) and 31328 of title 46, United States Code, a person may not, without the approval of the Secretary of Transportation—

"(1) sell, mortgage, lease, charter, deliver, or in any manner transfer, or agree to sell, mortgage, lease, charter, deliver, or in any manner transfer, to a person not a citizen of the United States, any interest in or control of a documented vessel (except in a vessel that has been operated only as a fishing vessel, fish processing vessel, or fish tender vessel (as defined in section 2101 of title 46, United States Code or in a vessel that has been operated only for pleasure) owned by a citizen of the United States; or

"(2) place a documented vessel under foreign registry or operate that vessel under the authority of a foreign country.

"(d)(1) Any charter, sale, transfer, or mortgage of a vessel, or interest or control in that vessel, contrary to this section is void.

"(2) A person that knowingly charters, sells, transfers, or mortgages a vessel, or interest or control in that vessel, contrary to this section shall be fined under title 18, United States Code, imprisoned for not more than 5 years, or both.

"(3) A documented vessel may be seized by, and forfeited to, the United States Government if—

"(A) the vessel is placed under foreign registry or operated under the authority of a foreign country contrary to this section; or

"(B) a person knowingly charters, sells, transfers, or mortgages a vessel, or interest or control in that vessel, contrary to this section.".

(c) The first sentence of section 902 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1242), is amended by striking "or under construction" and inserting in lieu thereof "a documented vessel, or a vessel under construction".

(d) Section 1101(a) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271(a)), is amended to read as follows:

"(a) The term 'mortgage' includes—

"(1) a preferred mortgage as defined in section 31301 of title 46, United States Code; and

"(2) a mortgage on a vessel that will become a preferred mortgage when filed or recorded under chapter 313 of title 46, United States Code;".

(e)(1) Before January 1, 1992, the annual fee under section 12505 of title 46, United States Code (as enacted by section 101 of this Act), is $1.00.

(2) To establish, centralize, and computerize records and other information maintained under chapters 121, 125, and 313 of title 46, United States Code, from the effective date of this title through September 30, 1993, the Secretary of Transportation shall spend (out of amounts appropriated for the Department of Transportation under an appropriations law) not less than an amount that is equal to the amounts estimated to be—

(A) collected under section 9701 of title 31, United States Code, for fees paid for services and things of value provided under chapter 313 of title 46, United States Code (as enacted by section 101 of this Act), and for documenting vessels under chapter 121 of title 46; and

(B) transferred to or collected by the Secretary under chapter 125 of title 46, United States Code (as enacted by section 101 of this Act).

(f) Section 12502(a)(1) of title 46, United States Code (as enacted by section 101 of this Act), applies to a vessel of the United States that does not have a unique number as prescribed by the Secretary of Transportation under that section until the earlier of the following:

(1) the next time the vessel is documented, numbered, or titled.

(2) January 1, 1995.

(g) Nothing in this section requires the Coast Guard to recruit, compensate, train, purchase, or deploy any personnel or equipment to carry out chapter 125 of title 46, United States Code (as enacted by section 101 of this Act), except to the extent that appropriations are made available in an appropriations law for the Department of Transportation.

LEGISLATIVE PURPOSE AND CONSTRUCTION

SEC. 105. (a) A reference to a law replaced by section 102 of this Act, including a reference in a regulation, order, or other law, is deemed to refer to the corresponding provision of this Act.

(b) An order, rule, or regulation in effect under a law replaced by section 102 of this Act continues in effect under the corresponding provision of this Act until repealed, amended, or superseded.

(c) An action taken or an offense committed under a law replaced by section 102 of this Act is deemed to have been taken or committed under the corresponding provision of this Act.

(d) An inference of legislative construction is not to be drawn by reason of the caption or catch line of a provision enacted by section 102 of this Act.

(e) If a provision of this Act is held invalid, all valid provisions that are severable from the invalid provision remain in effect. If a provision of this Act is held invalid in any of its applications, the provision remains valid for all valid applications that are severable from any of the invalid applications.

REPEALS

SEC. 106. (a) The repeal of a law by this title may not be construed as a legislative implication that the provision was or was not in effect before its repeal.

(b) The following laws are repealed, except for rights and duties that matured, penalties that were incurred, and proceedings that were begun, before the effective date of this title:

(1) sections 40, and 42 of the Shipping Act, 1916 (46 App. U.S.C. 838, 840).

(2) section 30 of the Merchant Marine Act, 1920 (46 App. U.S.C. 911-984).

(3) the Act of February 16, 1925 (46 App. U.S.C. 1011-1014).

(4) Reorganization Plan No. 1 of 1967 (46 App. U.S.C. 961 (note)).

(5) Sections 12109(c), 12113, 12114, 12115, 12116, 12118, and 12121 of title 46, United States Code.

EFFECTIVE DATES

SEC. 107. (a) This title and amendments made by this title take effect on January 1, 1989. However, sections 31321 and 31322 of title 46 (enacted by section 102 of this Act), United States Code (as sections 31321 and

32322 apply to vessels for which an application for documentation has been filed), take effect on January 1, 1990.

(b) An instrument filed before January 1, 1989, but not recorded before that date, is deemed to comply with section 31321 of title 46, United States Code, if it is in substantial compliance with the provisions in that section that had corresponding requirements under the law on December 31, 1988. However, the mortgage may not become a preferred mortgage until the vessel is documented.

(c) This title and the amendments made by this title do not affect the validity of any instrument filed or recorded before January 1, 1989, if there was a corresponding requirement under the law on December 31, 1988.

(d) An instrument filed or recorded before January 1, 1989, is deemed to comply with any new requirement under chapter 313 of title 46, United States Code (as enacted by section 102 of this Act), affecting the validity of that instrument.

(e) Section 102 of this Act and amendments made by that section do not affect any civil action filed before January 1, 1989.

(f) Section 104(b) of this Act and the amendments made by section 104(b) of this Act do not apply to any change in control resulting from, or which may at any time result from, any proposed plan of reorganization filed under the United States bankruptcy laws prior to the date of enactment of this Act, except that transactions undertaken as a result of such a plan shall continue to be governed by section 9 of the Shipping Act, 1916 (46 App. U.S.C. 808), as it existed prior to the date of enactment of this Act, to the extent that such section 9 would have governed such transactions.

TITLE II—DOCUMENTATION AND REPEALS

COASTWISE AND FISHERIES DOCUMENTATION

SEC. 201. (a) Notwithstanding sections 12106 through 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of Transportation may issue a certificate of documentation for the following vessels:

(1) ALEUTIAN TRAWLER, United States official number 236979;

(2) ENCORE, United States official number 545162;

(3) FAIR TIDE, United States official number 644363;

(4) FREEDOM, United States official number 569163;

(5) PAVLOF, United States official number 597532;

(6) SUVA, United States official number 225008;

(7) RA, United States official number 655181;

(8) TE DE II, United States official number 572205;

(9) FRE-N-EZE, United States official number 659826;

(10) BETA LYRA, United States official number 679226;

(11) POLAR ICE, United States official number 604676;

(12) COMPASS ROSE III, United States official number 559647;

(13) SCOTCH 'N WATER, United States official number 264090;

(14) ERSA, United States official number 229511;

(15) GILBERT, United States official number 230568, with a restriction that this vessel may engage in the coastwise trade of the United States only for the purpose of moving barges filled with seafood waste and wastewater to designated ocean disposal sites from Port Canaveral, Florida;

(16) MARY L, United States official number 275311;

(17) ZB-6, United States official number 505317;

(18) KUT N OUT, hull identification number BERL1087M-80A-385-80 and Florida registration number FL7665FG;

(19) FOXY LADY III, United States official number 299818; and

(20) GIPSY, United States official number 903276.

(b) Notwithstanding sections 508 and 510(g) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1158 and 1160(g)), and United States Department of Transportation Contract Numbered MA-6772 (IFB PD-X-945) and amendments thereto, the Secretary of Transportation is authorized to allow, and the Secretary of the department in which the Coast Guard is operating may issue a certificate of documentation for, the vessel M/V OCEAN TEMPEST (ex HORSESHOE SPLICE), United States official number 248773, to acquire, purchase, process, and transport fish and fish products in the fisheries of the United States: Provided, That if the vessel is scrapped, it shall not be scrapped other than in the domestic market without the prior approval of the Secretary of Transportation.

REPEAL OF OBSOLETE LAWS

SEC. 202. The following laws related to shipping are repealed:

(1) the paragraph immediately before the heading "UNITED STATES VETERANS' BUREAU" in the first section of the Independent Offices Act, 1928 (46 App. U.S.C. 810a).

(2) the Act of July 3, 1926 (46 App. U.S.C. 817a).

(3) sections 3 and 4 of the Act of July 7, 1960 (46 App. U.S.C. 817b, 817c).

(4) sections 2, 4, 5, 16, 22, and 23 of the Merchant Marine Act, 1920 (46 App. U.S.C. 862-864, 874, 878, 879).

(5) section 2 of the Act of March 4, 1927 (46 App. U.S.C. 870a).

(6) the Act of April 16, 1934 (46 App. U.S.C. 870b-870d).

(7) section 2 of the Act of April 24, 1944 (46 App. U.S.C. 1128e-1).

(8) sections 203, 401-404, 716, 903, 904, 907, 1001-1005, and 1010-1012 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1113, 1141-1144, 1206, 1243, 1246, 1251-1255, 1260-1262).

(9) the first section and sections 2 and 3 of the Act of February 6, 1941 (46 App. U.S.C. 1119a, 1119b, 1214).

(10) the Act of June 12, 1960 (46 App. U.S.C. 1401-1413).

(11) section 7 of the Maritime Act of 1981 (46 App. U.S.C. 1606).

TRANSFER OF THE COAST GUARD CUTTER INGHAM

SEC. 203. The Secretary of the department in which the Coast Guard is operating shall transfer the Coast Guard cutter INGHAM to the Naval and Maritime Museum at Patriots Point, South Carolina. The Secretary shall transfer the INGHAM along with such equipment and in such condition as the Secretary considers appropriate. The Secretary shall make the transfer upon the decommissioning of the INGHAM or at a later time as determined appropriate by the Secretary.

The SPEAKER pro tempore. Is a second demanded?

Mr. DAVIS of Michigan. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida [Mr. HUTTO] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. DAVIS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. HUTTO].

Mr. HUTTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 3105, as amended, a bill to revise, consolidate, and enact certain laws related to shipping definitions and maritime commercial instruments and liens as subtitle III of title 46, United States Code, "Shipping," and for other purposes, as ordered reported by the Committee on Merchant Marine and Fisheries.

H.R. 3105 codifies the Ship Mortgage Act, 1920 and makes a number of substantive changes that will make vessel financing and mortgage recordation processes easier and more in keeping with modern practices.

The changes made by H.R. 3105 will revolutionize vessel financing by bringing the law up-to-date with modern financing practices. These changes are the result of extensive work with the administration and representatives of the Maritime Law Association and the American Bar Association.

This bill is the same as passed by the House on October 6, with four minor changes made by the Senate.

First, the effective date is clarified to allow title II of the act to take effect when it is signed into law, not January 1, 1989.

Second, a provision has been added to ensure that certain business transactions in process are not affected by the clarifications the bill makes to section 9 of the Shipping Act, 1916. However, these transactions will be subject to section 9 review and approval to the same extent they are currently required by law. It is not the intention of this bill, nor the House report language accompanying this bill (House Report 100-918) to call into question any interpretation of section 9 that has been or may be made by the Maritime Administration under the existing law.

Third, a provision the House had included to repeal a law affecting certain brokers has been eliminated, thus allowing the current law to remain in effect.

And fourth, a provision has been added to clarify that approval under section 9 of the Shipping Act, 1916 is not needed for vessels that have been operated only as fishing, fish processing, fish tender, or pleasure vessels, or a combination of these uses. This clarification was made to ensure that people cannot get around the provision by only operating the vessel as a fishing vessel for 1 day. Under the Secretary's authority to prescribe regulations, the Secretary may prescribe the length of time during which the vessel must be operated as one of these vessels. While most fishing industry vessels are such from the time they were built, there are some vessels that have been converted from other industries. The Secretary may require these vessels to be operated for 1 year as a fish processing vessel before they are eligible for the exemption under section 9.

I would also like this opportunity to clarify two points concerning specific provisions in H.R. 3105.

The first concerns sections 31321 and 31322. While there is divided judicial authority as to whether or not the doctrine of substantial compliance was applicable to the recording of instruments in the past, compare *In Re Alberto*, 823 F.2d 712 (3d Cir. 1987) with *The Emma Giles*, F.Supp. 502 (D. Md. 1936), the new language makes it clear that in the future, substantial compliance with the recordation provisions will suffice. The issue of whether or not Congress should change the statutorily imposed and judicially enforced requirement of strict compliance with the endorsement provisions of the former statute, see e.g. *Morse Drydock & Repair Co.* v. *The Northern Star*, 271 U.S. 552 (1926), is mooted by the elimination of endorsement as a prerequisite of the creation of a preference.

The second concerns the amendment in section 104(b)(3) to section 9 of the Shipping Act, 1916 that reads "place a documented vessel under foreign registry or operate that vessel under the authority of a foreign country." This change does not preclude the operation of any documented vessel operated by a U.S. corporation, nor does this section preclude that corporation from documenting and operating other vessels in the future. It is intended that this provision only precludes the operation of a documented vessel under the authority of a foreign sovereign without the approval of the Secretary of Transportation.

Mr. Speaker, I strongly urge my colleagues support of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to have this opportunity to speak in support of the provisions in H.R. 3105 that establish a system to identify the owners of all U.S. vessels. These provisions represent the efforts of many groups including the National Marine Bankers Association, the Maritime Law Association, the American Bar Association, and the administration. I have appreciated their continuing support and their hard work. This system will primarily benefit law enforcement officials, but others, including State boating officials, and commercial and recreational vessel owners, insurers, national boating organizations, and financiers will benefit from the system. Mr. Speaker, the provisions I am referring to were also passed by this body on September 22, 1988, as part of the omnibus drug bill. An extensive section-by-section analysis was continued in the RECORD for that day, as well as on October 6, 1988, the day H.R. 3105 passed the House as a freestanding bill, so I will not burden the RECORD with additional duplicative submissions. In addition, an extensive report on H.R. 3105 was filed on September 15, 1988, (Report 100-918). I will thus limit my remarks to those provisions relating to the vessel identification system, to several changes which were not previously explained, and to those changes made by the Senate.

The vessel identification system in this bill will, for the first time, provide a way to identify the owners of all commercial and recreational vessels in this country. Since the late 1970's, the Merchant Marine and Fisheries Committee, of which I am the ranking minority leader, has received testimony on the need to clearly and easily establish the owners and identities of vessels. Thousands of vessels are stolen annually in this country, and law enforcement officials have no way to identify the true owners of those vessels and to effectively track the interstate movements of those vessels. The Federal Aviation Administration currently maintains a system to identify the owners of aircraft, and the recently passed omnibus drug bill contains provisions reported by the Public Works and Transportation Committee to strengthen that system. I understand that many of the problems associated with identifying the ownership of aircraft also exist with regard to vessels, and should be alleviated by the vessel identification system. Earlier in this Congress I introduced a bill, H.R. 3298, to address many of these problems. This is the culmination of that effort.

This vessel identification system is required to be established by the Secretary of Transportation. The Secretary may require that the Coast Guard carry out this program, but this is not required by the provision. This system should be established in the most cost-efficient manner and combined, if possible, with other information systems the Secretary currently maintains. The system of information the Secretary maintains on documented vessels would be an appropriate information system to combine with the vessel information system, because the identification information maintained by the Secretary on documented vessels is part of the overall system of identification information for all vessels of the United States. Another reason to combine these systems is that the fees charged by the Secretary under the Ship Mortgage Act, 1920, as amended by this provision, may be sufficient to modernize the vessel information system maintained by the Secretary under that act, and also to offset the costs of establishing the vessel information system under this provision.

States are encouraged to participate in the system by making ownership information available on vessels in their States to the Secretary of Transportation. Participation is voluntary on the part of States, but as a benefit to vessel owners and financiers, vessel mortgages filed in participating States with approved titling systems will be given preferred status currently available to federally recorded vessel mortgages. In addition, if a State is employed by the Secretary to collect the $1.00 per vessel fee authorized by this provision, the State may retain half of the amounts collected to provide vessel identification information to the Secretary. This would include making updates and improvements to State vessel titling and numbering schemes to more effectively provide information to the Secretary. Total fees paid by boaters may stay the same or actually decrease, because States will reap the efficiency of making certain improvements to their numbering system with the funds. I believe that these inducements will encourage a broad participation in the vessel identification system by the States.

As noted above, H.R. 3105 includes a revised version of a codification of the Ship Mortgage Act, 1920, recently reported by the Merchant Marine and Fisheries Committee (H. Rept. 100-918). It contains procedures to support the preferred status for State perfected mortgages or financing instruments, and many other provisions to complement the new vessel identificaton system. For these reasons, it is an important part of the overall vessel identification system.

The codification recognizes the prevalence of revolving credit loans in modern financing and allows their use in vessel financing. It eliminates a number of useless formalities such as requiring that a mortgage be endorsed on a vessel's document or the needless requirement that the Coast Guard be notified when a partial payment is made on a mortgage.

With respect to encouraging the financing of vessels, the codification establishes a nationwide indexing system which will allow a preferred ship mortgage to be valid from the date of filing. This will eliminate the current 8-month wait before a mortgage actually grants the security interest important to consumers and banks.

While it will take some time to get this program operating, I am convinced that the new system will be a vast improvement over current labor intensive and time consuming procedures in use today. Again, modern computer technology can easily handle these tasks.

Finally, Mr. Speaker, I wanted to comment on several matters not previously explained. First I want to make it clear that neither this bill nor the legislative history accompanying this bill, including House Report 100-918, calls into question any interpretation of section 9 that has been or may be made by the Maritime Administration prior to the effective date of this provision. Lastly, the purpose of section 31342 of this bill excepting public vessels is meant to remove any question with respect to Congress' intent about the applicability of section 8 of the Public Vessels Act, 46 U.S.C. 788, to suits alleging a cause of action.

I also want to point out the several changes made by the Senate. First, the effective date is clarified to allow title II of the act to take effect when it is signed into law, not January 1, 1989. Second, a provision has been added to ensure that certain business transactions in process are not affected by the clarifications the bill makes to section 9 of the Shipping Act, 1916. Third, a provision the House had included to repeal a law affecting compensation for freight forwarders has been eliminated. Fourth, a provision has been added to clarify that approval under section 9 of the Shipping Act, 1916, is not needed for vessels that have been operated only as fishing, fish processing, fish tender, or pleasure vessels, or a combination of these uses. This clarification was made to ensure that people cannot get around the provision by only operating the vessel as a fishing vessel for one day. Under the Secretary's authority to prescribe regulations, the Secretary may prescribe the length of time during which the vessel must be operated as one of these vessels. While most fishing industry vessels are such from the time they were built, there are some vessels that have been converted from other industries. The Secretary may require these vessels to be operated for 1 year as a fish processing vessel before they are eligible for the exemption under section 9.

I want to commend those I mentioned earlier who have worked so closely with the committee and have been such a help in the development of this important piece of legislation. I also want to thank WALTER JONES, the distinguished chairman of the Merchant Marine and Fisheries Committee, for his hard work and leadership in introducing and developing the Ship Mortgage Act codification and also for his strong support of the vessel identification system. I also want to thank the chairman's staff for their hard work and dedication in developing this bill.

I urge my colleagues to support this provision.

Mr. YOUNG of Alaska. Mr. Speaker, I rise in support of H.R. 3105 and urge its adoption by the House.

H.R. 3105 was passed unanimously by the House Merchant Marine and Fisheries Committee and sent to the Senate on October 6. It is being returned from the Senate for final action.

Although the bill was carefully explained by the House managers on October 6, I want to note certain particular provisions. Title I of H.R. 3105 establishes a vessel identification system that will allow law enforcement officers to track interstate movement of stolen boats and allow purchasers to obtain complete information before they buy. This title also modernizes the financing procedures for commercial vessels and will encourage investment in U.S.-flag ships.

Title II of the bill also includes a number of documentation exemptions for vessels that need special help from the Congress. I want to call particular attention to subsection 201(b) of H.R. 3105 which provides assistance to the vessel *Ocean Tempest*. The *Ocean Tempest* is a U.S.-built vessel owned by a U.S. company in Kodiak, AK. In 1972, it was sold from the Defense Reserve Fleet to a scrap company and in 1974 resold to an offshore oil exploration company. At that time, the Maritime Administration placed a restriction on the vessel's documentation stating that it could not be used to transport passengers or cargo. Last year, the *Ocean Tempest* was purchased by All Alaska Seafood Co. in Kodiak as a replacement vessel for another fish processor that had run aground. Unfortunately, the new owners were unaware of the contract restriction. This bill will lift that contract restriction so that the *Ocean Tempest* can join other Alaskan vessels in fully developing the rich bottomfish resources off Alaska.

Mr. Speaker, this is a noncontroversial bill and I believe it deserves adoption by the House.

Mr. HUTTO. Mr. Speaker, with regard to the provision added to H.R. 3105 to ensure that certain business transactions in process are not affected by the changes the bill makes to section 9 of the Shipping Act of 1916, and my statement regarding those provisions, it is the intention of the bill that such transactions will be subject to section 9 review only to the extent, if any, that they are currently required by existing law. While it is not the intention of this bill nor the House report language accompanying the bill to call into question any interpretations of section 9 that have been made or may be made by the Maritime Administration under existing law, it is also not the intention of this bill or the House report language accompanying the bill regarding changes to section 9 to be anything other than neutral as to the correctness of any interpretation the Maritime Administration has given or may give to section 9 as it exists prior to the taking effect of the amendments made by H.R. 3105.

Mr. DAVIS of Michigan. Mr. Speaker, I yield back the balance of my time.

Mr. HUTTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. HUTTO] that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 3105.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HUTTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment to H.R. 3105 just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

TRANSFER OF COAST GUARD CUTTER "GLACIER" TO THE STATE OF OREGON

Mr. HUTTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5264) to require the transfer of the decommissioned Coast Guard cutter *Glacier* to the State of Oregon for use as a maritime museum and display.

The Clerk read as follows:

H.R. 5264

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, not later than 1 year after the date of the enactment of this Act, the Secretary of Transportation shall transfer to the State of Oregon the decommissioned Coast Guard cutter "Glacier", in such condition and along with such equipment as the Secretary considers to be appropriate, for use as a maritime museum and display consistent with the long military service and history of such cutter.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Florida [Mr. HUTTO] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. DAVIS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. HUTTO].

Mr. HUTTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill to transfer the *Glacier*, at no cost to the Federal Government, initially introduced by Mr. DEFAZIO on September 8, 1988, was ordered reported by the Committee on Merchant Marine and Fisheries on September 14, 1988, as an amendment to H.R. 4919, the International Fishery Agreement between the United States and the Union of Soviet Socialist Republics.

The State of Oregon intends to pass the vessel on to the city of Reedsport and the International Oceanographic HERO Foundation for use as an exhibit in the Oregon Coast Antarctic Experience. My staff has discussed this transfer with the Coast Guard, the Maritime Administration, and GSA. There are no objections from these agencies and there are no other known requests for this vessel. The HERO Foundation has submitted a business plan to the State of Oregon and the State supports the project. I strongly support this bill.

Mr. Speaker, I yield 3 minutes to the gentleman from Oregon, [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, I would like to commend the chairman and ranking minority member of the subcommittee on their leadership in assisting in bringing this bill to the floor.

H.R. 5264 would simply transfer the *Glacier* to the State of Oregon. There is no cost to the Federal Government. This is a true opportunity to turn a used-up discard of the Federal Government to a treasure for the city of Reedsport and for the HERO Foundation in the city of Reedsport.

The State plans to turn the ship over to the city of Reedsport, and the International Oceanographic HERO Foundation will use the ship in a display in the Oregon Coast Antarctic Experience. This project is a vital link in the revitalization of Oregon's south coast, with renewed emphasis on tourism and diversification of our south coast economy. The Oregon Coast Antarctic Experience is open to visitors year round, operated in conjunction with colleges and universities to provide new opportunities for the continuation of Antarctic studies. The *Glacier* will be used specifically to tell the nautical history of our exploration of the Antarctic region.

The *Glacier* was decommissioned on June 19, 1987.

As the chairman stated, this transfer has been discussed with the Coast Guard, the Maritime Administration, and the General Services Administration. There is no objection to the bill from these agencies. In addition, the HERO Foundation submitted a business plan to the State of Oregon and the State of Oregon supports this project fully.

I urge my colleagues to support this measure so that the State of Oregon can make use of a discard of the Federal Government and turn it into an asset for our economy and for the development of Oregon's south coast.

Mr. Speaker, I yield back the balance of my time.

Mr. DAVIS of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5264 and urge its adoption.

This bill simply transfers the U.S. Coast Guard cutter *Glacier* to the State of Oregon for use as a museum. This bill was unanimously reported by the Committee on Merchant Marine and Fisheries and the text of the bill was included in H.R. 4919, which was earlier passed by the House of Representatives without objection. We are passing the bill separately today due to Senate objections to other parts of H.R. 4919.

This is a noncontroversial bill which is supported by our committee and the administration and I urge its adoption.

Mr. Speaker, I yield back the balance of my time.

Mr. HUTTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. HUTTO] that the House suspend the rules and pass the bill, H.R. 5264.

The question was taken.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. HUTTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5264, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 1130

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. (Mr. GRAY of Illinois). The Chair would entertain 1-minute speeches if members feel constrained to say something.

We are awaiting the pleasure of various committee members.

RECESS

The SPEAKER pro tempore. Without objection, the House will stand in recess for 10 minutes.

There was no objection.

(Accordingly, at 11 o'clock and 32 minutes a.m.), the House stood in recess for 10 minutes.)

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. GRAY of Illinois] at 11 o'clock and 44 minutes a.m.

RECESS

The SPEAKER pro tempore. Without objection, the House will continue in recess for an additional 10 minutes.

There was no objection.

Accordingly (at 11 o'clock and 45 minutes a.m.), the House stood in recess.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. GRAY of Illinois] at 12 noon.

CONCURRING IN SENATE AMENDMENT TO H.R. 5043, POST EMPLOYMENT RESTRICTIONS ACT OF 1988, WITH AN AMENDMENT

Mr. FRANK. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 601) to take from the Speaker's table the bill (H.R. 5043) Post Employment Restrictions Act of 1988, with the Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Post-Employment Restrictions Act of 1988".

SEC. 2. RESTRICTIONS ON POST-EMPLOYMENT ACTIVITIES.

(a) RESTRICTIONS.—Section 207 of title 18, United States Code, is amended to read as follows:

"§ 207. Restrictions on former officers, employees, and elected officials of the executive and legislative branches; restrictions on partners of certain current officers and employees of the executive branch

"(a) RESTRICTIONS ON ALL OFFICERS AND EMPLOYEES OF THE EXECUTIVE BRANCH AND CERTAIN OTHER AGENCIES.—

"(1) PERMANENT RESTRICTIONS.—Any person who is an officer or employee of the executive branch of the United States Government, or of any independent agency of the United States (including the Government Printing Office and the General Accounting Office), including the President, the Vice President, and any special Government employee, and who, after his or her service or employment with the United States Government terminates—

"(A) knowingly acts as agent or attorney for, or otherwise represents, aids, or advises any other person (except the United States) concerning any formal or informal appearance before, or

"(B) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to, any department, agency, court, or court-martial of the United States, or any officer or employee thereof, in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter—

"(i) in which the United States is a party or has a direct interest,

"(ii) the person participated personally and substantially as such officer or employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, and

"(iii) which involved a specific party or specific parties at the time of such participation,

shall be punished as provided in subsection (h).

"(2) TWO-YEAR RESTRICTIONS.—Any person subject to the restrictions contained in paragraph (1) who, within 2 years after his or her service or employment with the United States Government terminates—

"(A) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(B) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any department, agency, court, or court-martial of the United States, or any officer or employee thereof, in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter—

"(i) in which the United States is a party or has a direct interest,

"(ii) which such person knows was actually pending under his or her official responsibility as such officer or employee within a period of 1 year before the termination of his or her service or employment with the United States Government, and

"(iii) which involved a specific party or specific parties at the time it was so pending,

shall be punished as provided in subsection (h).

"(3) ONE-YEAR RESTRICTIONS WITH RESPECT TO TRADE NEGOTIATIONS.—Any person subject to the restrictions contained in paragraph (1) who, within 1 year after his or her service or employment with the United States Government terminates—

"(A) knowingly acts as agent or attorney for, or otherwise represents, aids, or advises any other person (except the United States) concerning any formal or informal appearance before, or

"(B) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any department, agency, court, or court-martial of the United States, or any officer or employee thereof, in connection with any trade negotiation—

"(i) in which the United States is a party or has a direct interest, and

"(ii)(I) which such person knows was actually pending under his or her official responsibility as such officer or employee within a period of 1 year before the termination of his or her service or employment with the United States Government, or

"(II) in which such person participated personally and substantially as such officer or employee within a period of 1 year before the termination of his or her service or employment with the United States Government,

shall be punished as provided in subsection (h). For purposes of this paragraph, the term 'trade negotiation' means negotiations undertaken to enter into a trade agreement pursuant to section 1102 of the Omnibus Trade and Competitiveness Act of 1988. This paragraph applies only in a case in which neither paragraph (1) or (2) of this subsection applies.

"(b) ONE-YEAR RESTRICTIONS ON CERTAIN SENIOR EXECUTIVE BRANCH PERSONNEL.—

"(1) RESTRICTIONS.—In addition to the restrictions set forth in subsection (a), any person who is an officer or employee of the executive branch or an independent agency (including the Government Printing Office and the General Accounting Office), who is referred to paragraph (2) (other than a special Government employee who serves less than 60 days in the 1-year period before his or her service or employment as such employee terminates), and who, within 1 year after his or her service or employment as such officer or employee terminates—

"(A) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(B) knowingly makes, with the intent to influence, any communication on behalf of any person (except the United States) to,

any department or agency in which such person served within 1 year before such person's service or employment as such officer or employee terminated, or any officer or employee thereof, in connection with any judicial, rulemaking, or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter, which is pending before such department or agency or in which such department or agency has a direct interest, shall be punished as provided in subsection (h).

"(2) PERSONS TO WHOM RESTRICTIONS APPLY.—(A) Paragraph (1) shall apply to a person (other than a person subject to the restrictions of subsection (c) or (d))—

"(i) employed at a rate of pay fixed according to subchapter II of chapter 53 of title 5, or a comparable or greater rate of pay under other authority, or

"(ii) employed in a position which involves significant decisionmaking or supervisory responsibility, as designated by the Director of the Office of Government Ethics, in consultation with the department or agency concerned.

Only positions which are not referred to in clause (i), and for which the basic rate of pay is equal to or greater than the basic rate of pay payable for GS-17 of the General Schedule, or positions which are established within the Senior Executive Service pursuant to the Civil Service Reform Act of 1978, or positions held by active duty commissioned officers of the uniformed services who are serving in a grade or rank for which the pay grade (as specified in section 201 of title 37) is pay grade 0-7 or 0-8, may be designated under clause (ii).

"(B) With respect to persons in positions designated under subparagraph (A)(ii), the Director of the Office of Government Ethics may limit the restrictions of paragraph (1) to permit a former officer or employee, who served in a separate agency or bureau within a department or agency, to make appearances before or communications to persons in an unrelated agency or bureau, within the same department or agency, having separate and distinct subject matter jurisdiction, upon a determination by the Director that there exists no potential for use of undue influence or unfair advantage based on past government service. On an annual basis, the Director of the Office of Government Ethics shall review the designations made under subparagraph (A)(ii) and the determinations made under this subparagraph and, in consultation with the department or agency concerned, make such additions and deletions as are necessary. Departments and agencies shall cooperate to the fullest extent with the Director of the Office of Government Ethics in the exercise of the Director's responsibilities under this paragraph.

"(c) RESTRICTIONS ON OTHER SENIOR EXECUTIVE BRANCH PERSONNEL.—In addition to the restrictions set forth in subsection (a), any person who—

"(1) is appointed to a position in the executive branch or an independent agency (including the Government Printing Office and the General Accounting Office) which is listed in section 5314, 5315, or 5316 of title 5, or

"(2) is appointed by the President to a position under section 105(a)(2)(B) of title 3 or by the Vice President to a position under section 106(a)(1)(B) of title 3,

and who, within 1 year after that person's service in that position terminates

"(A) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(B) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any department or agency in which such person served within 1 year before such person's service in such position terminated, or any officer or employee thereof, in connection with any judicial, rulemaking, or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct interest, shall be punished as provided in subsection (h).

"(d) RESTRICTIONS ON VERY SENIOR EXECUTIVE BRANCH PERSONNEL.—(1) In addition to the restrictions set forth in subsection (a), any person who—

"(A) serves in the position of President or Vice President of the United States,

"(B) is appointed to a position in the executive branch or an independent agency (including the Government Printing Office and the General Accounting Office) which is listed in section 5312 or 5313 of title 5,

"(C) is appointed by the President to a position under section 105(a)(2)(A) of title 3 or by the Vice President to a position under section 106(a)(1)(A) of title 3, or

"(D) serves on active duty as a commissioned officer of a uniformed service in a grade or rank for which the pay grade (as specified in section 201 of title 37) is pay grade 0-9 or 0-10,

and who, within 1 year after that person's service in that position terminates

"(i) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(ii) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any department, agency, or person described in paragraph (2), in connection with any judicial, rulemaking, or other proceeding, application, request for a ruling or other determination, contract, claim controversy, investigation, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct interest, shall be punished as provided in subsection (h).

"(2) The departments, agencies, and persons referred to in paragraph (1) with respect to appearances or communications by a person in a position described in subparagraph (A), (B), (C), or (D) or paragraph (1) are—

"(A) any department or agency in which such person served in such position within a period of 1 year before such person's service or employment with the United States Government terminated, and any officer or employee of such department or agency,

"(B) any other person appointed to a position in the executive branch which is listed in section 5312, 5313, 5314, 5315, or 5316 of title 5, and

"(C) in the case of a former President or Vice President, the following: any department or agency in the executive branch of the United States Government, any independent agency of the United States, and any officer or employee of any such department or agency.

"(e) Restrictions on Members of Congress and Officers and Employees of the Legislative Branch.—

"(1) Members of Congress and Elected Officers.—(A) Any person who is a Member of Congress or an elected officer of either House of Congress and who, within 1 year after that person leaves office

"(i) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(ii) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any of the persons described in subparagraph (B), in connection with any matter which is pending before the Congress or any matter on which such former Member of Congress or elected officer seeks action by the Congress or by a Member of Congress in his or her official capacity, shall be punished as provided in subsection (h).

"(B) The persons referred to in subparagraph (A) with respect to appearances or communications by a former Member of Congress or elected officer, or any Member of Congress, elected officer, or employee of either House of Congress.

"(2) Personal Staff.—(A) Any person who is an employee of a Senator or an employee of a Member of the House of Representatives and who, within 1 year after that employment terminates

"(i) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(ii) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any of the persons described in subparagraph (B), in connection with any matter which is pending before the Congress or any matter on which such former employee seeks action by the Congress or by a Member of Congress in his or her official capacity, shall be punished as provided in subsection (h).

"(B) The persons referred to in subparagraph (A) with respect to appearances or communications by a person who is a former employees are the following:

"(i) the Senator or Member of the House of Representatives of whom that person was an employee; and

"(ii) any employee of that Senator or Member of the House of Representatives.

"(3) Committee Staff.—Any person who is an employee of a committee of Congress and who, within 1 year after that person's employment as such employee terminates—

"(A) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in any formal or informal appearance before, or

"(B) knowingly makes, with the intent to influence, any communication on behalf of any other person (except the United States) to,

any person who is a Member, or an employee, of that committee of Congress, in connection with any matter which is pending before the Congress or any matter on which such former employee seeks action by the Congress or a Member of Congress in his or her official capacity, shall be punished as provided in subsection (h).

"(4) Leadership Staff.—(A) Any person who is an employee on the leadership staff of the House of Representatives or an employee on the leadership staff of the Senate and who, within 1 year after that person's employment on such staff terminates—

"(i) knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States) in formal or informal appearance before, or

"(ii) knowingly makes, with the intent to influence, any communications on behalf of any other person (except the United States) to,

any of the persons described in subparagraph (B), in connection with any matter which is pending before the Congress or any matter on which such former employee seeks action by the Congress or a Member of Congress in his or her official capacity, shall be punished as provided in subsection (h).

"(B) The persons referred to in subparagraph (A) with respect to appearances or communications by a former employee are the following:

"(i) in the case of a former employee on the leadership staff of the House of Representatives, those persons are any Member of the leadership of the House of Representatives, and any employee on the leadership staff of the House of Representatives; and

"(ii) in the case of a former employee on the leadership staff of the Senate, those persons are any Member of the leadership of the Senate, and any employee on the leadership staff of the Senate.

"(5) Limitation on restrictions.—(A) The restrictions contained in paragraphs (2), (3), and (4) apply only to acts by a former employee who was paid for services rendered as such employee at a rate of pay equal to or greater than the basic rate of pay payable for GS-17 of the General Schedule under section 5332 of title 5, for a period of more than 60 days during the 1-year period before that former employee's service as such employee terminated.

"(B) The restrictions contained in paragraphs (2), (3), and (4) shall not apply to any appearance, communication, or representation by a former Member of Congress, elected officer, or employee which is made in carrying out official duties as an officer or employee of the United States Government.

"(6) Definitions.—As used in this subsection—

"(A) the term 'committee of Congress' includes standing committees, joint committees, and select committees;

"(B) a person is an employee of a House of Congress if that person is an employee of the Senate or an employee of the House of Representatives;

"(C) the term 'employee of the House of Representatives' means an employee of a Member of the House of Representatives, an employee of a committee of the House of Representatives, an employee of a joint committee of the Congress whose pay is disbursed by the Clerk of the House of Representatives, and an employee on the leadership staff of the House of Representatives,;

"(D) the term 'employee of the Senate' means an employee of a Senator, an employee of a committee of the Senate, an employee of a joint committee of the Congress whose pay is disbursed by the Secretary of the Senate, and an employee on the leadership staff of the Senate;

"(E) a person is an employee of a Member of the House of Representatives if that person is an employee of a Member of the House of Representatives under the clerk hire allowance;

"(F) a person is an employee of a Senator if that person is an employee in a position in the office of a Senator;

"(G) the term 'employee on the leadership staff of the House of Representatives' means an employee of the office of a Member of the leadership of the House of Representatives described in subparagraph (K), and any elected minority employee of the House of Representatives;

"(H) the term 'employee on the leadership staff of the Senate' means an employee of the office of a Member of the leadership of the Senate described in subparagraph (L);

"(I) the term 'Member of Congress' means a Senator or a Member of the House of Representatives;

"(J) the term 'Member of the House of Representatives' means a Representative in, or a Delegate or Resident Commissioner to, the Congress;

"(K) the term 'Member of the leadership of the House of Representatives' means the Speaker, majority leader; minority leader, majority whip, minority whip, chief deputy majority whip, chief deputy minority whip, Democratic Steering Committee, chairman and vice chairman of the Democratic Caucus, chairman, vice chairman, and secretary of the Republican Conference, Republican Research Committee, and Republican Policy Committee, of the House of Representatives; and

"(L) the term 'Member of the leadership of the Senate' means the Vice President, and the President pro tempore, Deputy President pro tempore, majority leader, minority leader, majority whip, minority whip, chairman and secretary of the Conference of the Majority, chairman and secretary of the Conference of the Minority, Majority Policy Committee, and Minority Policy Committee, of the Senate.

"(f) Restrictions Relating to Foreign Entities.—

"(1) Restrictions.—Any person who is subject to the restrictions contained in subsection (b), (c), (d), or (e) and who knowingly, within 1 year after leaving the position, office, or employment referred to in subsection (b), (c), (d), or (e), as the case may be—

"(A) represents the interests of a foreign entity before any department, agency, or official of the Government of the United States with the intent to influence a decision of such department or agency or of such official in carrying out his or her official duties, or

"(B) aids or advises a foreign entity with the intent to influence a decision of any department or agency of the Government of the United States, or of any official of the Government of the United States in carrying out his or her official duties,

shall be punished as provided in subsection (h).

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'foreign entity' means—

"(i) the government of a foreign country; and

"(ii) a foreign organization which the Director of the Office of Government Ethics has determined, upon the Director's own initiative or pursuant to request, to be acting as an instrumentality of the government of a foreign country;

"(B) the term 'government of a foreign country' has the meaning given that term in section 1(e) of the Foreign Agents Registration Act of 1938, as amended; and

"(C) an organization is acting as an 'instrumentality of the government of a foreign country' when the organization acts under the direction or control—

"(i) of the government of a foreign country, or

"(ii) of a person any of whose activities are directly or indirectly supervised, directed, controlled financed, or subsidized in whole or in major part by such a government.

"(g) OFFENSES LIMITED TO ACTS FOR COMPENSATION.—(1) An act does not constitute an offense under subsection (a), (b), (c), (d), (e), or (f) unless the act is done for compensation.

"(2) As used in this subsection, the term 'compensation' means anything of value which is provided, directly or indirectly, for services rendered, including a payment, gift, benefit, reward, favor, or gratuity.

"(h) PENALTIES.—The punishment for an offense under subsection (a), (b), (c), (d), (e), or (f) is the following:

"(1) Any person who engages in the conduct constituting the offense shall be imprisoned for not more than 1 year or fined in the amount set forth in this title, or both.

"(2) Any person who willfully engages in the conduct constituting the offense shall be imprisoned for not more than 2 years or fined in the amount set forth in this title, or both.

"(i) GENERAL EXCEPTIONS.—

"(1) CERTAIN ELECTED OFFICIALS AND EMPLOYEES.—(A) The restrictions contained in subsection (a) shall not apply to any appearance, communication, or representation which is made in carrying out official duties as an elected official of a State or local government.

"(B) The restrictions contained in subsections (a)(2), (a)(3), (b), (c), (d), (e), and (f) shall not apply to any appearance, communication, or representation by a former Member of Congress or officer or employee of the executive or legislative branch, which is made in carrying out official duties as—

"(i) an elected official of a State or local government, or

"(ii) an employee of (I) an agency or instrumentality of a State or local government, (II) an institution of higher education, as defined in section 1201(a) of the Higher Education Act of 1965, or (III) a hospital or medical research organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code, if the appearance, communication, or representation is on behalf of such government, institution, hospital, or organization.

"(2) INTERNATIONAL ORGANIZATIONS.—The restrictions contained in subsections (a)(2), (a)(3), (b), (c), (d), (e), and (f) shall not apply to the representation of, or advice or aid to, an international organization of which the United States is a member.

"(3) PUBLIC SPEECHES AND APPEARANCES.—The restrictions contained in subsections (b), (c), (d), (e), and (f) shall not apply to the making of public speeches or public appearances.

"(3) DESIGNATIONS OF SEPARATE STATUTORY AGENCIES AND BUREAUS.—

"(1) DESIGNATIONS.—For purposes of subsections (b) and (c), and except as provided in paragraph (2), whenever the Director of the Office of Government Ethics determines that a separate statutory agency or bureau within a department or agency in the executive branch exercises functions which are distinct and separate from the remaining functions of the department or agency, the Director shall by rule designate such agency or bureau as a separate department or agency.

"(2) INAPPLICABILITY OF DESIGNATIONS.—(A) A designation of an agency or bureau under paragraph (1) shall not apply with respect to—

"(i) a former head of that designated agency or bureau; and

"(ii) any former officer or employee of the department or agency within which the designated agency or bureau exists, if the official responsibilities of the officer or employee included supervision of that designated agency or bureau.

"(B) No agency or bureau within the Executive Office of the President may be designated under paragraph (1) as a separate department or agency.

"(C) Even if an agency or bureau is designated under paragraph (1), a person subject to the restriction set forth in subsection (c) may not make any representation or other appearance prohibited by that subsection before, and may not make any communication prohibited by that subsection to, any person who is serving in a position set forth in section 5312, 5313, 5314, 5315, or 5316 of title 5, in the department or agency within which the designated agency or bureau exists.

"(k) EXCEPTION FOR SCIENTIFIC OR TECHNOLOGICAL INFORMATION.—The restriction contained in subsections (a), (b), (c), and (d) shall not apply with respect to the making of communications by a former officer or employee solely for the purpose of furnishing scientific or technological information, if such communications are made under procedures acceptable to the department or agency concerned or if the head of the department or agency concerned with the particular matter, in consultation with the Director of the Office of Government Ethics, make a certification, published in the Federal Register, that the former officer or employee has outstanding qualifications in a scientific, technological, or other technical discipline, and is acting with respect to a particular market which requires such qualifications, and that the national interest would be served by the participation of the former officer or employee.

"(l) RESTRICTIONS ON PARTNERS OF OFFICERS AND EMPLOYEES.—Any person who is a partner of an officer or employee of the executive branch of the United States Government, or of any independent agency of the United States (including the Government Printing Office and the General Accounting Office), including the President, the Vice President, and any special Government employee, and who knowingly acts as agent or attorney for anyone other than the United States before any department, agency, court, or court-martial of the United States, or any officer or employee thereof, in connection, with any judicial or other proceeding, application request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter in which such person knows that—

(1) the United States is a party or has a direct and substantial interest, and

"(2) such officer or employee or special Government employee participants or has participated personally and substantially as an officer or employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise.

shall be imprisoned for not more than 1 year or fined in the amount set forth in this title, or both.

"(m) EXCEPTION FOR TESTIMONY.—Nothing in this section shall prevent a former Member of Congress or officer or employee of the executive or legislative branch from giving testimony under oath, or from making statements required to be made under penalty of perjury.

"(n) ADMINISTRATIVE DEBARMENT.—

"(1) AUTHORITY.—If the head of a department or agency in which a former officer or employee of the executive branch or of an independent agency served finds, after notice and an opportunity for a hearing, that such former officer or employee knowingly engaged in conduct constituting an offense under subsection (a), (b), (c), (d), or (f) of this section, such department or agency head may prohibit that person from making, on behalf of any other person (except the United States), any informal or formal appearance before, or, with the intent to influence, any communication to, such department or agency on a pending matter of business for a period of not more than 5 years, or may take other appropriate disciplinary action. For purposes of this subsection, proof of conduct constituting an offense must be established by a preponderance of the evidence.

"(2) REVIEW OF DISCIPLINARY ACTION.—Any disciplinary action under paragraph (1) shall be subject to review in an appropriate United States district court.

"(3) PROCEDURES.—Departments and agencies in the executive branch and independent agencies shall, in consultation with the Director of the Office of Government Ethics, establish procedures to carry out this subsection.

"(o) CIVIL PENALTIES.—The Attorney General may bring a civil action in the appropriate United States district court against any person who engages in conduct constituting an offense under subsection (a), (b), (c), (d), (e), (f), or (l) and, upon proof of such conduct by a preponderance of the evidence, such person shall be subject to a civil penalty of not more than $50,000, or the amount of compensation which the person receives for the prohibited conduct, whichever amount is greater. The imposition of a civil penalty under this subsection does not preclude any other remedy which is available by law to the United States or any other person.

"(p) INJUNCTIVE RELIEF.—If the Attorney General has reason to believe that a person is engaging in conduct constituting an offense under subsection (a), (b), (c), (d), (e), (f), or (l), the Attorney General may petition an appropriate United States district court for an order prohibiting that person from engaging in such conduct. The court shall order the trial of the action on the merits to be advanced and consolidated with the hearing on the petition. The court may issue such order if it finds that such conduct constitutes such an offense. The filing of a petition under this subsection does not preclude any other remedy which is available by law to the United States or any other person.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 11 of title 18, United States Code, is amended by amending the item relating to section 207 to read as follows:

"207. Restrictions on former officers, employees, and elected officials of the executive and legislative branches; restrictions on partners of certain current officers and employees of the executive branch.".

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b), this act and the amendments made by this Act take effect 9 months after the date of the enactment of this Act.

(b) EFFECT ON EMPLOYMENT.—(1) The amendments made by this Act apply only to persons whose service as a Member of Congress or an officer or employee to which such amendments apply terminates on or after the effective date of such amendments.

(2) With respect to service as an officer or employee which terminates before the effective date of this Act, section 207 of title 18, United States Code, as in effect at the time of the termination of such service, shall continue to apply, on and after such effective date, with respect to such service.

SEC. 4. SEVERABILITY.

If any provision of this Act or the amendments made by this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act and the amendments made by this Act and the application of such provision to other persons not similarly situated or to other circumstances shall not be affected by such invalidation.

The SPEAKER pro tempore. Is a second demanded?

Mr. COBLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. FRANK] will be recognized for 20 minutes, and the gentleman from North Carolina [Mr. COBLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I apologize in advance to the membership. Although this is a bill that we have voted on before, it will not be possible for us to do this in the relatively short period that is appropriate for most bills now because we have some important legislative history to make in a couple of aspects of this bill. We have been discussing this with our colleagues in the Senate. We want to get a bill that will become law and that will strengthen, rather than weaken, enforcement; this is in the ethics area, and some very important legislative history has to be made, I believe, here, as well as there, and it is legislative history that is inherent to the bill.

Mr. Speaker, I also want to explain to Members exactly what we have done. The Senate sent to us a second version. We are now sending them one back which we hope they can agree to, and there has been a good deal of discussion between us. We will have passed this bill twice. We hope they will have passed it three times. We hope that all goes well for law.

If passed, it will do the following:

It will say that former Members of this body or of the other side could not lobby for pay, for compensation, which we will define in a minute, on behalf of other people, sitting Members of the House or the Senate, for 1 year after they leave.

Understand what this does not ban. A Member of this body who leaves, knowledgeable that he or she will be about the way which the process works, about subject matter that he or she has worked on, that individual is fully employable in any capacity except directly dealing with sitting Members of either House to influence legislation or to discuss legislation.

What it means is that Members here who leave can quite legally be hired to advise private corporations, nonprofit organizations, groups of individuals, about how to do it.

What we are saying is, not that anyone here is inherently corrupt or prone to corruption, but we are saying that there is an atmosphere of colleagueship in this body and in the other body which is strained. I know, by the events of the last couple of weeks. But let us think back to April. Let us not think about what we think about each other right now when our dearest wish is not to see each other for several months.

Mr. Speaker, we work together, we influence each other, we cooperate. We are saying that there ought to be a 1-year cooling-off period when we make the transition from being each other's colleagues and coworkers to one of us being a lobbyist to the other, lobbyist being an entirely honorable profession, but one where we think a cooling-off period ought to intervene.

We say the same essentially for the executive branch. What we have done with the executive branch is, the more important one is, the more broadly he is restrained. Broader restraints apply to the Secretary of State than to an Assistant Secretary of State, and broader restraints apply to an Assistant Secretary of State than to a GS-17.

In every case, Mr. Speaker, if there is a matter where someone has worked in the executive branch where they themselves were involved in an issue, if they were involved in a particular matter, they themselves may not switch sides for their lifetime under this bill. There is a lifetime ban against doing one thing in the Government and then helping people undo that specific issue with the same parties. There is a general ban in here that, if they worked for the U.S. Trade Representative or in other ways worked on trade matters, on switching sides, because people in the Senate, people here, our colleagues, the gentleman from Michigan [Mr. WOLPE], the gentlewoman from Ohio [Ms. KAPTUR], the Senator from South Carolina, whose views have been ably represented by my ranking minority member, the gentleman from North Carolina, they pointed out the problem we found when people work for the U.S. Government and then went and helped people undercut American economic interests. We have a very broad ban on that.

We have, in addition, a ban on anybody working for a foreign government who is a covered person for 1 year in a capacity which in any way seeks to influence the American Government. In other words, it goes beyond the other restrictions if someone's potential employer is a foreign government or a corporation that is an arm or an entity that is an arm of a foreign government.

Now that is an important point we worked here with the State Department. We agree that one should not go to work for another government or a corporation that is de facto a part of that government to influence this Government.

We do not seek to ban the following:

Suppose someone is an energy expert, an Assistant Secretary of Energy who is an expert in nuclear power, and they were asked to consult in another country friendly to us about nuclear safety, not to influence the American Government at all, not to lobby Congress, not to lobby the NRC, not to lobby the Energy Department. We say that is OK.

Mr. Speaker, we empower the Office of Government Ethics to determine that an entity really is an arm of that government. That is up to the Office of Government Ethics. They can do it on their own motion. They can do it at the request of another.

If someone is a covered individual under this bill, they are under no obligation to ask the Office of Government Ethics to make the ruling. They are obligated to find out if they made one. If the Office of Government Ethics has declared an entity to be covered, then we have to abide by that. If they have not so declared, then we are free until and unless they do, and we need not trigger that, but we are responsible for checking it out.

Now two important points of legislative history have to be made. We say in here, and it has been somewhat controversial, that this is an offense if someone does it for compensation, and we say with regard to compensation that the term "compensation" means "anything of value which is provided directly or indirectly for services rendered including a payment, gift, benefit, reward, favor or gratuity."

We intend this to be interpreted in a broad and sensible manner. Specifically, if someone is a covered person, and they are lobbying for someone who has hired them to lobby people in the Congress, if that person is a Member of Congress or the executive branch, if they are a member of the executive branch, if they are a covered person and they are lobbying for that set of individuals, they may not under this bill say, "Well, wait a minute. I'm on retainer to be their lobbyist," or, "They have hired me to be their lobbyist, but, as I did my accounting, the money I got was for lobbying on this side, and this side, and this side, and that item I did for free."

In other words, if someone is lobbying for people and some of what they do is not covered by this bill, and some of what they do would be prohibited by this bill, they may not claim as a defense that all their compensation was for the items that they were allowed to do and none of it was for the others; they were doing it voluntarily. That is not a common-sense reading of reality, and it is not what this bill means.

Mr. Speaker, that is why this definition is broad, direct or indirect, for services rendered including a payment, gift, benefit, reward, favor or gratuity.

We are not imposing on the Government here the requirement of proving a specific dollar amount for a specific action. If someone is in an ongoing commercial relationship with individuals, they, being their paid lobbyist, we believe we have every right to infer from that that all of the lobbying they do on their behalf is covered by the amounts of compensation. That is very, very important.

Second, we say in several places that this is an offense, if someone were trying to influence the U.S. Government on a matter, again that has to be someone whom they are by law not supposed to approach. If they do approach someone, we do say in the law here that it must be a matter in which the United States is a party or has a direct interest.

Let me explain that. A former Member of the House who is a paid lobbyist should not be deterred from chatting with a current Member of the House about some matter which is not conceivably before the U.S. Government either presently or potentially. That is all we are saying here.

Mr. Speaker, we want to make it clear that this is not an effort to require no conversation. When we say this is a ban on lobbying these people or approaching them on a matter on which the United States is a party or has a direct interest, the "or" is very important. Obviously it applies if the United States is a party, if this is a matter which a U.S. Government agency is involved. But it also applies with equal force. That is why it says "or." That is why it is disjunctive, if a former Member is approaching someone about a matter which is potentially going to be before us, if it has an effect on the United States. In other words, when we say a matter in which the United States has an interest, we do not mean subjectively that we will have to prove that Secretary X or Senator Y has an obsession with this. We mean an objective standard.

This is a matter which to reasonable people appears to be one which is of relevance to the U.S. Government's interests, which is of importance to the United States and has an effect on the United States, and when I say "importance," it does not mean that it has to be overwhelmingly important. It means it is a commonsense term again. It is a matter, we are very clear here, which is either the United States is a party; that is, it is formally before us, or it is a matter in which the United States has a direct interest, meaning it is of a nature to affect this country, to affect our interests.

So, no, the former Assistant Secretary of HUD is not banned from talking to Secretary Pierce about some interesting architecture he may have seen. If someone is working for a developer, and that developer is engaged in building housing somewhere, and that person happens to mention it to the Secretary of HUD being built in a foreign country, there is no American involvement whatsoever and no potential American involvement. The U.S. Government is not going to be asked to get involved in that. That is not a problem.

But we want to be very clear here. In the past this defense has been made: "Well, I approached the United States Government to try to get them to act on this or that issue, but I didn't succeed in getting action. Therefore, I'm not violating the law."

Mr. Speaker, that is not an accurate reading of this law if a former Member approaches them and tries to get Government officials who are covered under this law to take an action because it is something that could affect the U.S. Government, and, if it could not have any effect or if the Government could not affect it, they would not be approaching them, then that is something which the Government has an interest.

Again this is an objective standard. It is something which the Government has an interest and could be involved.

Now those are two very important points. I just want to reiterate them. When we talk about compensation, it is direct or indirect. It is any gratuity, reward, favor, gift. If a former Member is in an ongoing commercial relationship with someone, they may not pick and choose and say, "Oh, the money was for this, but I did that one for free." That is not a commonsense relationship.

As a matter of fact, if a former Member were in that kind of a relationship, they are receiving these rewards, favors, et cetera, they cannot segregate that.

Mr. Speaker, those are two of the points which we think are very important in terms of the way this ought to be interpreted. This is not a bill in which we are inviting people to hide behind strained, hypertechnical versions of the language.

Mr. Speaker, I want to express my appreciation to the Speaker, the majority leader, the majority whip, the chairman of the Committee on the Judiciary, the ranking Democrat on the Committee on the Judiciary. The five of them worked very hard, and an enormous amount of effort has gone into this.

Mr. Speaker, this is a very difficult bill, and, if I might speak a minute personally, all of us here, I think, want to get along with our colleagues and have a high opinion of our colleagues. Nothing in the decision of those of us who bring this bill forward in any way ought to be interpreted as a reflection on the integrity of the people in this body. What we are saying is that in any segment of society there may be a minority of people who would take advantage of a small minority; I believe smaller here than in most other places I have been, but also that it is important for the respect which all of us have for this institution, and it is important for our commitment to representative Government as an essential element in our democracy that we be above suspicion to the extent possible. That is what we are doing here.

Mr. Speaker, I want to acknowledge the cooperation that has taken place between the branches. Nobody is perfectly satisfied with the bill. I believe with some last-minute discussions we have had and with this legislative history making very clear what we mean on direct interest and compensation that we have a bill that is a substantial improvement.

I want to acknowledge my colleagues; the gentlewoman from Ohio [Ms. Kaptur] and the gentleman from Michigan [Mr. Wolpe] I mentioned, who cared so much about this and worked so hard, and the gentleman from Kansas [Mr. Glickman] who pioneered with it and also the gentleman from Iowa [Mr. Nagle].

Finally, often we mention our staffs. I do not think in the 8 years that I have been here that I have ever seen staff members such as Janet Potts and Jen Ihlo so burdened by difficulties, indecision, disagreements among Members. I think they may often have felt like children in a polygamous family that was getting rancorous divorce because of the demands being made on them being enormously difficult. They and staff on the minority side have performed enormously well, and I want to say that because there are some restrictions in here on committee staff, those again are part of our sense that we want to appear to be above suspicion because I have to say in my 8 years here the committee staff that I have worked with, which goes pretty far across committees, majority and minority, have been enormously diligent and constructive. We are as a nation lucky to have so many people willing to work for a lot less than they can make in the private sector because of their commitment to some contention of public good, and so, when we talk about covering the committee staff, I think we ought to understand that that is being done not because anybody alleged any pattern of abuse, but so that we take the last extra step of being beyond suspicion, and the work of Janet Potts and Jen Ihlo in this case I must tell my colleagues that, if they were in the private sector, and they were billing us by the hour, and we then had to pick that up as part of the judiciary budget, I think it would have made a noticeable dent in the deficit because of the quality and quantity of work that they did, and the minority staff as well.

Mr. Speaker, I am going to reserve what little time I have left.

I just want to reiterate that we believe we have a workable compromise and we believe that the legislative history that I have talked about and that we believe will be made elsewhere is a very important part of this bill.

Mr. Speaker, I am pleased to recognize the ranking minority member. He and the gentleman from Texas [Mr. Smith] on the minority side, and the gentleman from Florida [Mr. Shaw] who left as ranking minority member, all three of them have been very diligent. I think we have a bill of which the Congress can be proud and the joint effort of those three members has been a large part of the reason.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the subcommittee chairman has pretty well covered it.

Mr. Speaker, I rise in support of H.R. 5043, the Post Employment Restrictions Act of 1988. As you will recall, Mr. Speaker, this body considered H.R. 5043 just a few days ago, and it passed overwhelmingly. The Senate has since considered the House bill and made some amendments to it and has sent it back to this body to be considered once again.

One of the amendments, Mr. Speaker, involves a post employment restriction on Federal Government employees which would preclude them from working in certain capacities for a foreign government for 1 year. This language which was added by the Senate is similar to language which I offered as an amendment to H.R. 5043 when it was considered by the Judiciary Committee here in the House. Although, the amendment regarding foreign government employment restrictions which I offered in full committee failed to be adopted at the committee level, it seems that the House leadership has agreed to some compromises to the Senate's position regarding this matter and I commend them for seeing fit to do so.

Other amendments which have been made by this body and the Senate which have been explained by Chairman Frank, Mr. Speaker, in my opinion, are beneficial and I urge my colleagues to vote in favor of H.R. 5043.

Mr. FRANK. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. Bosco].

Mr. BOSCO. Mr. Speaker, this measure should be known as the Immaculate Conception Act of 1988, conceived of no real sin, born of no real wrongdoing, hatched into the world not as the mating of real abuses to real remedies. This is a new genre of legislation that we are seeing here now, curing perceived abuses, and what a self-fulfilling prophesy it will be.

No evidence exists in the committee report that a real abuse occurs relative to former Members of Congress or former staff people coming up here and making money or cheating or lobbying the Congress. That does not exist in the record, but what the public is going to see on the front pages of every newspaper tomorrow is that the Congress has finally cured this terrible abuse.

I think we do ourselves a great disservice when we tilt at these perceived abuses, because we create a reality out of perception.

In fact, if we want to take the time to look at the real world, there are things we can look at. We can look at the fact that most Members of Congress having to have two households, especially those who have to send their kids to school and to college, cannot make it on the amount of money that we make each year. Most Members of Congress have to resort to taking honoraria, a $1,000 here, $2,000 there, trips to Palm Springs, trips to the World Series. These are the real abuses.

If we want to start curing real abuses instead of tilting at perceived abuses, there are plenty of things we can do to instill confidence in the American people in this body.

But I hope this is the last we will see of the curing of perceived abuses, because we are creating a reality here in the minds of the American people that do this House, and especially do the staff people who cannot speak on this floor, a serious injustice.

Mr. COBLE. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. Glickman]

Mr. GLICKMAN. Mr. Speaker, I must respectfully disagree with my colleague, the gentleman from California [Mr. Bosco].

The fact of the matter is that the public does perceive that there is a real problem with high-level Government officials taking advantage of the information that they learned while they were in service or taking advantage of their relationships and immediately leaving Government service and going out and working for the private sector, lobbying the same people who they just worked for.

What this bill does is that it strengthens the prohibitions against doing those things and it adds Members of Congress to the list of people who cannot do that kind of conduct.

Year after year people say to us, "You Members of Congress exempt yourselves from laws that you put upon other people." In this case, we put upon members of the executive branch, and for good reason.

What we have done in this bill is say that Members of Congress will be subject to similar laws as we have passed in the high level areas of the Federal bureaucracy, and under this bill Members of Congress are prohibited from contacting Members and employees of both Houses of Congress for 1 year.

I think that is a perfectly legitimate thing to restore public confidence, to restore public trust in the institution of the legislative branch of Government.

For that reason, I believe that this bill stands ahead of many other things that we have passed in this Congress to try to restore that integrity in the institution of the Congress.

I would like for a moment to pay special tribute to the gentleman from Massachusetts [Mr. Frank]. It is true I chaired the subcommittee that he chairs now in the previous Congress and we had some hearings, but without the leadership of the gentleman from Massachusetts [Mr. Frank] this bill would not be here today. He tenaciously persevered. I think frankly he was able to convince the leadership of both parties, as well as the other body, to come up with a reasonable, responsible, and constitutional method to deal with the issue of the revolving door.

I think, in addition, that the gentlewoman from Ohio [Ms. KAPTUR] and the gentleman from Michigan [Mr. WOLPE] brought this problem to our attention as it relates to the trade issue; but it was through the leadership and perseverance of the gentleman from Massachusetts [Mr. FRANK] that we were able to get a piece of legislation that the President hopefully will sign and that will restore public confidence in the institution of the Congress of the United States.

Mr. FRANK. Mr. Speaker, I yield 30 seconds to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I wish to commend the chairman of the subcommittee, the gentleman from Massachusetts [Mr. FRANK] for his leadership and persistence on this historic piece of ethics legislation with which we will essentially close the 100th Congress. I think it is a credit to his leadership.

I also wish to thank the gentleman from Michigan [Mr. WOLPE].

Over 3 years ago, we began this long struggle. I only wish as much attention had been focused during the debate on the executive branch, where most of the abuses are, as opposed to the legislative branch which has now been included in the bill.

Mr. FRANK. Mr. Speaker, I yield 30 seconds to the gentleman from Iowa [Mr. NAGLE].

Mr. NAGLE. Mr. Speaker, I rise in support of this legislation. I think it is a credit to the chairman of the subcommittee, the gentleman from Massachusetts [Mr. FRANK], and to other Members of this institution, that we have addressed aggressively in the closing days of the 100th Congress, a historic session, the perceived public abuse, and in fact on some occasions, regrettably, an abuse, and move to close the loopholes that both damage our perception, the public's perception of us, and preserve the integrity of the institution.

Mr. Speaker, I urge adoption of the resolution.

Mr. COBLE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. SMITH].

Mr. Speaker, as the gentleman from Massachusetts [Mr. FRANK] has pointed out, the gentleman from Texas [Mr. SMITH] has worked very consistently on this bill.

Mr. SMITH of Texas. Mr. Speaker, I thank the gentleman for his kind remarks.

Mr. Speaker, I am pleased to see that the Senate has again acted on the Post-Employment Restrictions Act and sent it back for further consideration. While not perfect, it is important that we seize this opportunity to act rather than continue to exempt ourselves from the lobbying restrictions of the 1978 Ethics Act.

I continue to have two concerns about the bill. The issue of restricting elected officials from receiving certain information and the provision requiring compensation to determine illegality should be subject to further review by Congress or the judiciary. Nonetheless, we can make history today by agreeing, at long last, to put the same restrictions on Congress that we put on the administration.

Thus, despite the bill's flaws, it deserves our support. At its most basic level, it addresses the issues of fairness, of accountability, and of integrity.

I very much appreciate the leadership of our subcommittee chairman, Mr. FRANK, in authoring this legislation, as well as the efforts of our ranking member, the gentleman from North Carolina [Mr. COBLE], and the former ranking member, the gentleman from Florida [Mr. SHAW], in helping to craft a responsible bill.

Mr. FRANK. Mr. Speaker, I yield myself the remaining 2 minutes, and I yield to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I thank my distinguished colleague, the gentleman from Massachusetts, for yielding to me.

Regrettably, I get up in not too enthusiastic support of the espousal of this legislation.

I tend to agree with the gentleman from California [Mr. BOSCO], not perhaps for the same reasons.

Many years ago, when Gerry Ford was the minority leader, he took great umbrage because I offered an amendment to an agricultural bill that would have prevented ex-staffers of the Agriculture Department from going to work within 6 months to a grain company, and great umbrage was taken. I thought something had been done in the meanwhile.

I will say this, that if the idea is to satisfy the Congress baiters and haters, there is not legislation you can devise, I say to my real dear friend, that is going to appease that.

In the meanwhile, I am afraid this is a dubious work because it does not take into consideration the fundamental differences between an appointed public official and an elected public official.

I tend to agree in expressing my doubts as to the viability in a court test, if it is ever to reach that point, with respect to trying to reach over to former elected Members of the body.

Mr. FRANK. Mr. Speaker, if the gentleman will allow me, I agree that there are differences.

This bill, particularly our bill, and I appreciate the fact this is the way it will become law, treats elected officials differently than appointed officials. That is, Members of Congress are treated differently than members of the executive.

For instance, there is for members of the executive a lifetime ban on lobbying on a matter in which you are particularly involved in a specific way with the same party. We do not have that here, because the nature of our responsibilities are broadgauged. If we could not ever lobby on anything we were involved in, a conscientious legislator could never do any of that. So I believe we have made the changes.

I point out also to my distinguished friend, we are not saying that you cannot give advice.

Finally, I would agree with the gentleman. This is not going to satisfy the people who dislike the Congress. I mean by this to satisfy the people who share our respect for it.

Mr. COBLE. Mr. Speaker, I yield back the balance of my time.

Mr. FRANK. Mr. Speaker, I yield back the balance of my time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. FRANK] that the House suspend the rules and agree to the resolution, H. Res. 601.

The question was taken.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The **SPEAKER** pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1230

GENERAL LEAVE

Mr. FRANK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H. Res. 601, the resolution just considered.

The **SPEAKER** pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore. Debate has now been concluded on certain motions to suspend the rules.

Pursuant to clause 5 of rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today and then on motions postponed on Thursday, October

20, 1988, in the order in which that motion was entertained.

Votes will be taken in the following order:

Senate amendment to H.R. 4399 by the yeas and nays;

House amendment to Senate amendments to H.R. 3048 by the yeas and nays;

H.R. 5264 by the yeas and nays;

H. Res. 601 by the yeas and nays;

Conference report on S. 2100 by the yeas and nays;

H.R. 5552 by the yeas and nays; and S. 2204 by the yeas and nays.

The Chair announces that he will reduce the time to 5 minutes for any electronic vote after the first such vote in this series.

COMMERCIAL SPACE LAUNCH ACT AMENDMENTS OF 1988

The SPEAKER pro tempore. The pending business is the question of suspending the rules and concurring in the Senate amendment to the bill, H.R. 4399.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. Roe] that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 4399, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 355, nays 1, not voting 75, as follows:

[Roll No. 456]

YEAS—355

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
Baker
Ballenger
Bateman
Bates
Bennett
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Boehlert
Boland
Bonior
Borski
Bosco
Boucher
Brennan
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clement
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Costello
Coughlin
Crockett
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fields
Fish
Flake
Flippo
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Gallegly
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lungren
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Payne
Pease
Penny
Perkins
Petri
Pickett
Pickle
Porter
Price
Pursell
Rahall
Rangel
Ravenel
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Spence
Staggers
Stangeland
Stenholm
Stratton
Studds
Stump
Sundquist
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—1

Gonzalez

NOT VOTING—75

Aspin
AuCoin
Badham
Barnard
Bartlett
Barton
Beilenson
Bentley
Bevill
Boggs
Bonker
Boulter
Boxer
Brooks
Campbell
Clarke
Clay
Conyers
Courter
Coyne
Craig
Crane
Dannemeyer
Darden
DeLay
Dickinson
Dowdy
Edwards (CA)
Feighan
Florio
Frost
Gallo
Goodling
Gregg
Holloway
Jenkins
Jones (NC)
Jones (TN)
Lantos
Leath (TX)
Livingston
Lott
Lukens, Donald
Mack
MacKay
Madigan
Manton
Martin (NY)
McEwen
Mica
Mineta
Morella
Nelson
Owens (NY)
Pelosi
Pepper
Quillen
Ray
Savage
Sisisky
Skelton
Smith, Denny (OR)
Solomon
Spratt
St Germain
Stallings
Stark
Stokes
Sweeney
Swift
Swindall
Taylor
Towns
Walgren
Wortley

□ 1250

Mr. BOSCO and Mr. GIBBONS changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION TO REDUCE 5-MINUTE VOTES TO 2-MINUTE VOTES

Mr. MILLER of Ohio. Mr. Speaker, I ask unanimous consent that after the next 5-minute vote the Members shall have 2 minutes therefter in order to record their votes.

The SPEAKER pro tempore. (Mr. Gray of Illinois). Is there objection to the request of the gentleman from Ohio?

There was no objection.

NATIONAL SUPERCONDUCTIVITY AND COMPETITIVENESS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and concurring in the House amendment to the Senate amendment to the bill, H.R. 3048, and disagreeing to the Senate amendment to the title.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. Roe] that the House suspend the rules and concur in the House amendment to the Senate amendment to the bill, H.R. 3048, and disagree to the Senate amendment to the title, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 353, nays 0, answered "present" 1, not voting 77, as follows:

[Roll No. 457]

YEAS—353

Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
Baker
Ballenger
Bateman
Bates
Bennett
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior
Borski
Bosco
Boucher
Brennan
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton

Bustamante
Byron
Callahan
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clement
Clinger
Coats
Coble
Coelho
Coleman (TX)
Collins
Combest
Conte
Cooper
Costello
Coughlin
Crockett
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fields
Fish
Flake
Flippo
Foglietta
Foley
Ford (TN)
Frank
Frenzel
Gallegly
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lungren
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Payne
Pease
Penny
Perkins
Petri
Pickett
Pickle
Porter
Price
Pursell
Rahall
Rangel
Ravenel
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Spence
Staggers
Stangeland
Stenholm
Stratton
Studds
Stump
Sundquist
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—0

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—77

Ackerman
Aspin
AuCoin
Badham
Barnard
Bartlett
Barton
Beilenson
Bentley
Bevill
Bonker
Boulter
Boxer
Brooks
Campbell
Clarke
Clay
Coleman (MO)
Conyers
Courter
Coyne
Craig
Crane
Dannemeyer
Darden
DeLay
Dickinson
Dowdy
Edwards (CA)
Feighan
Florio
Ford (MI)
Frost
Gallo
Goodling
Gregg
Holloway
Jenkins
Jones (NC)
Jones (TN)
Lantos
Leath (TX)
Livingston
Lott
Lukens, Donald
Mack
MacKay
Madigan
Manton
Martin (NY)
McEwen
Mica
Mineta
Morella
Nelson
Owens (NY)
Pelosi
Pepper
Quillen
Ray
Savage
Sisisky
Skelton
Smith, Denny (OR)
Solomon
Spratt
St Germain
Stallings
Stark
Stokes
Sweeney
Swift
Swindall
Taylor
Towns
Walgren
Wortley

□ 1300

So (two-thirds having voted in favor thereof), the rules were suspended and the House amendment to the Senate amendment was concurred in and the House disagreed to the Senate amendment to the title.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TRANSFER OF COAST GUARD CUTTER "GLACIER" TO THE STATE OF OREGON

The SPEAKER pro tempore (Mr. GRAY of Illinois). The pending business is the question of suspending the rules and passing the bill, H.R. 5264.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. HUTTO] that the House suspend the rules and pass the bill, H.R. 5264 on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 355, nays 0, not voting 76, as follows:

[Roll No. 458]

YEAS—355

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
Baker
Ballenger
Bateman
Bates
Bennett
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior
Borski
Bosco
Boucher
Brennan
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clement
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Costello
Coughlin
Crockett
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fields
Fish
Flake
Flippo
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Gallegly
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lungren
Manton
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Payne
Pease
Penny
Perkins
Petri
Pickett
Pickle
Porter
Price
Pursell
Rahall
Rangel
Ravenel
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Spence
Staggers
Stangeland

Stenholm
Stratton
Studds
Stump
Sundquist
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

Nays—0

NOT VOTING—76

Aspin
AuCoin
Badham
Barnard
Bartlett
Barton
Beilenson
Bentley
Berman
Bevill
Bonker
Boulter
Boxer
Brooks
Campbell
Clarke
Clay
Conyers
Courter
Coyne
Craig
Crane
Dannemeyer
Darden
DeLay
Dickinson
Dowdy
Edwards (CA)
Feighan
Florio
Frost
Gallo
Goodling
Gregg
Holloway
Jenkins
Jones (NC)
Jones (TN)
Lantos
Leath (TX)
Livingston
Lott
Lukens, Donald
Mack
MacKay
Madigan
Martin (NY)
McCrery
McEwen
Mica
Mineta
Morella
Nelson
Owens (NY)
Pelosi
Pepper
Quillen
Ray
Savage
Sisisky
Skelton
Smith, Denny (OR)
Solomon
Spratt
St Germain
Stallings
Stark
Stokes
Sweeney
Swift
Swindall
Taylor
Towns
Walgren
Waxman
Wortley

□ 1305

So (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONCURRING IN SENATE AMENDMENT TO H.R. 5043, POST-EMPLOYMENT RESTRICTIONS ACT OF 1988, WITH AN AMENDMENT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 601.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. FRANK] that the House suspend the rules and agree to the resolution, House Resolution 601, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 347, nays 7, answered "present" 2, not voting 75, as follows:

[Roll No. 459]

YEAS—347

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
Baker
Ballenger
Bateman
Bates
Bennett
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior
Borski
Boucher
Brennan
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clement
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Costello
Coughlin
Crockett
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fields
Fish
Flake
Flippo
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Gallegly
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Glickman
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Manton
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Myers
Nagle
Natcher
Neal
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Payne
Pease
Penny
Petri
Pickett
Pickle
Porter
Price
Pursell
Rahall
Rangel
Ravenel
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Spence
Staggers
Stangeland
Stenholm
Studds
Sundquist
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—7

Bosco
Gonzalez
Guarini
Hammerschmidt
Murtha
Perkins
Stump

ANSWERED "PRESENT"—2

Daub
Lungren

NOT VOTING—75

Aspin
AuCoin
Badham
Barnard
Bartlett
Barton
Beilenson
Bentley
Bevill
Bonker
Boulter
Boxer
Brooks
Campbell
Clarke
Clay
Conyers
Courter
Coyne
Craig
Crane
Dannemeyer
Darden
DeLay
Dickinson
Dowdy
Edwards (CA)
Feighan
Florio
Frost
Gallo
Gingrich
Goodling
Gregg
Holloway
Jenkins
Jones (NC)
Jones (TN)
Lantos
Leath (TX)
Livingston
Lott
Lukens, Donald
Mack
MacKay
Madigan
Martin (NY)
McEwen
Mica
Mineta
Morella
Nelson
Owens (NY)
Pelosi
Pepper
Quillen
Ray
Savage
Sisisky
Skelton
Smith, Denny (OR)
Solomon
Spratt
St Germain
Stallings
Stark
Stokes
Stratton
Sweeney
Swift
Swindall
Taylor
Towns
Walgren
Wortley

□ 1310

Mr. BATEMAN and Mr. KEMP changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof), the rules were suspended and the resolutions was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 2100—WATER RESOURCES DEVELOPMENT ACT OF 1988

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the conference report on the bill, S. 2100.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ANDERSON] that the House suspend the rules and agree to the conference report on the Senate bill, S. 2100, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 355, nays 2, not voting 74, as follows:

[Roll No. 460]

YEAS—355

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
Baker
Ballenger
Bateman
Bates
Bennett
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior
Borski
Bosco
Boucher
Brennan
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Clement
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Costello
Coughlin
Crockett
Daub
Davis (IL)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fields
Fish
Flake
Flippo
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Gallegly
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lungren
Manton
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Payne
Pease
Penny
Perkins
Petri
Pickett
Pickle
Porter
Price
Pursell
Rahall
Rangel
Ravenel
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (OR)
Snowe
Solarz
Spence
Staggers
Stangeland
Stenholm
Stratton
Studds
Stump
Sundquist
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—2

Sensenbrenner
Smith, Robert (NH)

NOT VOTING—74

Aspin
AuCoin
Badham
Barnard
Bartlett
Barton
Beilenson
Bentley
Bevill
Bonker
Boulter
Boxer
Brooks
Campbell
Cheney
Clarke
Clay
Conyers
Courter
Coyne
Craig
Crane
Dannemeyer
Darden
Davis (MI)
DeLay
Dickinson
Dowdy
Edwards (CA)
Feighan
Florio
Frost
Gallo
Goodling
Gregg
Holloway
Jenkins
Jones (NC)
Jones (TN)
Lantos
Leath (TX)
Livingston
Lott
Lukens, Donald
Mack
MacKay
Madigan
Martin (NY)
McEwen
Mica
Mineta
Morella
Nelson
Owens (NY)
Pelosi
Pepper
Quillen
Ray
Sisisky
Skelton
Smith, Denny (OR)
Solomon
Spratt
St Germain
Stallings
Stark
Stokes
Sweeney
Swift
Swindall
Taylor
Towns
Walgren
Wortley

□ 1314

Mr. PORTER changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR AMENDMENT OF CONSUMER PRODUCT SAFETY COMMISSION REGULATIONS REGARDING LAWN DARTS

The SPEAKER pro tempore (Mr. GRAY of Illinois). The unfinished business is the question of suspending the rules and passing the bill, H.R. 5552.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. DINGELL] that the House suspend the rules and pass the bill, H.R. 5552, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 304, nays 51, not voting 76, as follows:

[Roll No. 461]

YEAS—304

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Atkins
Baker
Ballenger
Bates
Bennett
Bereuter
Berman
Bilbray
Bliley
Boehlert
Boggs
Boland
Bonior
Borski
Bosco
Boucher
Brennan
Broomfield
Brown (CA)
Bruce
Bryant
Buechner
Bunning
Bustamante
Byron
Callahan
Cardin
Carper
Chandler
Chapman
Chappell
Clement
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Cooper
Costello
Coughlin
Crockett
Davis (IL)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (OK)
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fields
Fish
Flake
Flippo
Foglietta
Foley
Ford (MI)
Frank
Frenzel
Gallegly
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Jacobs
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Konnyu
Kostmayer
LaFalce
Lagomarsino
Lancaster
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Lowry (WA)
Manton
Markey
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Moakley
Mollohan
Moody
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Nagle
Natcher
Neal
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Panetta
Parris
Pashayan
Patterson
Payne
Perkins
Pickett
Pickle
Porter
Price
Pursell
Rahall
Rangel
Ravenel
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shays
Shuster
Sikorski
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (OR)

Snowe
Solarz
Spence
Staggers
Stangeland
Stratton
Studds
Sundquist
Synar
Tallon
Tauke
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)

NAYS—51

Archer
Armey
Bateman
Bilirakis
Brown (CO)
Burton
Carr
Cheney
Clinger
Combest
Daub
Dreier
Emerson
Gunderson
Hall (TX)
Hammerschmidt
Hansen
Hefley
Herger
Hunter
Ireland
Jeffords
Kemp
Kolbe
Kyl
Latta
Lowery (CA)
Lujan
Lungren
Marlenee
McGrath
Molinari
Montgomery
Murphy
Myers
Nielson
Packard
Pease
Penny
Petri
Roth
Sensenbrenner
Shaw
Shumway
Smith, Robert (NH)
Stenholm
Stump
Tauzin
Thomas (CA)
Walker
Young (AK)

NOT VOTING—76

Aspin
AuCoin
Badham
Barnard
Bartlett
Barton
Beilenson
Bentley
Bevill
Bonker
Boulter
Boxer
Brooks
Campbell
Clarke
Clay
Conyers
Courter
Coyne
Craig
Crane
Dannemeyer
Darden
Davis (MI)
DeLay
Dickinson
Dowdy
Edwards (CA)
Feighan
Florio
Ford (TN)
Frost
Gallo
Goodling
Gregg
Holloway
Jenkins
Jones (NC)
Jones (TN)
Lantos
Leath (TX)
Livingston
Lott
Luken, Thomas
Lukens, Donald
Mack
MacKay
Madigan
Martin (NY)
McEwen
Mica
Mineta
Morella
Nelson
Owens (NY)
Pelosi
Pepper
Quillen
Ray
Sisisky
Skelton
Smith, Denny (OR)
Solomon
Spratt
St Germain
Stallings
Stark
Stokes
Sweeney
Swift
Swindall
Taylor
Towns
Walgren
Williams
Wortley

□ 1321

The Clerk announced the following pairs:

On this vote:

Mr. Mineta and Mr. Pepper for, with Mr. Craig against.

Mr. Jones of North Carolina and Mr. Jones of Tennessee for, with Mr. Barton against.

Messrs. CHENEY, BILIRAKIS, HUNTER, LATTA, GUNDERSON, THOMAS of California, and LUJAN changed their vote from "yea" to "nay."

Messrs. RHODES, VOLKMER, and LEWIS of Florida changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

IMPLEMENTING INTER-AMERICAN CONVENTION ON INTERNATIONAL COMMERCIAL ARBITRATION

The SPEAKER pro tempore. The unfinished business is the queston of suspending the rules and passing the Senate bill, S. 2204, as amended.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. BERMAN] that the House suspend the rules and pass the Senate bill, S. 2204, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 356, nays 0, not voting 75, as follows:

[Roll No. 462]

YEAS—356

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
Baker
Ballenger
Bateman
Bates
Bennett
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior
Borski
Bosco
Boucher
Brennan
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clement
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Costello
Coughlin
Crockett
Daub
Davis (IL)
DeFazio
de la Garza
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fields
Fish
Flake
Flippo
Foglietta
Foley
Ford (MI)
Frank
Frenzel
Gallegly
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lungren
Manton
Markey
Marlenee
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Payne
Pease
Penny
Perkins
Petri
Pickett
Pickle
Porter
Price (NC)
Pursell
Rahall
Rangel
Ravenel
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Spence
Staggers
Stangeland
Stenholm
Stratton
Studds
Stump
Sundquist
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—75

Aspin
AuCoin
Badham
Barnard
Bartlett
Barton
Beilenson
Bentley
Bevill
Bonker
Boulter
Boxer
Brooks
Campbell
Clarke
Clay
Conyers
Courter
Coyne
Craig
Crane
Dannemeyer
Darden
Davis (MI)
DeLay
Dickinson
Dowdy
Edwards (CA)
Feighan
Florio
Ford (TN)
Frost
Gallo
Goodling
Gregg
Holloway
Hunter
Jenkins
Jones (NC)
Jones (TN)
Lantos
Leath (TX)
Livingston
Lott
Lukens, Donald
Mack
MacKay
Madigan
Martin (NY)
McEwen
Mica
Mineta
Morella
Nelson
Owens (NY)
Pelosi
Pepper
Quillen
Ray
Sisisky
Skelton
Smith, Denny (OR)
Solomon
Spratt
St Germain
Stallings
Stark
Stokes
Sweeney
Swift
Swindall
Taylor
Towns
Walgren
Wortley

□ 1327

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked for this time to proceed for 1 minute in order that I might inquire of the distinguished majority leader how we intend to pursue our schedule for the balance of this day. I think, if everybody maintains a measure of order, we can answer an awful lot of questions here in one fell swoop.

Having made that request, Mr. Speaker, I am happy to yield to the distinguished majority leader.

Mr. FOLEY. Mr. Speaker, I thank the Republican leader for yielding.

Mr. Speaker, we have completed a series of recorded votes, and we will now bring up, by arrangement with and in consultation with the minority, 39 or perhaps 40 commemoratives which have been cleared for unanimous consent.

Following that, there are some additional unanimous-consent proposals, and after that it would be our intention to proceed to special orders.

I will shortly ask unanimous consent for recess authority. It is anticipated that there will be the possibility, which has not yet been determined, of some tax legislation reaching the floor this afternoon. We would want to give Members an hour's notice before any such legislation is considered, and an hour's notice would be given before any resumption of sitting, if recess authority is granted.

It is a very rough estimate, but my estimate is that sometime this evening, I would say between the hours of 7 and 11, we will be considering the drug legislation. That bill has not yet been completely resolved, although I will tell the Members that extraordinary progress has been made in resolving the differences between the House and the Senate. It is my estimate that well over 90 percent of the bill has been agreed to between both parties and between both Houses of the Congress, and I expect we will satisfactorily resolve the remaining issues so that Members can cast their vote this evening. That, in my judgment, will be the last major action of the Congress.

☐ 1330

We will, of course, be staying in session, remaining in session, until final communications with the other body, with the executive branch, with the President, have been concluded, which could well go into the early morning hours. But, as far as the Members are concerned, the vote on the drug legislation will be in my judgment the last substantive act of the 100th Congress.

Mr. Speaker, while I have the floor, and it is not to try to bring an end to our proceedings, because we have much more to do today, but I just want to take the opportunity to say how much I enjoyed working with the distinguished gentleman from Illinois [Mr. MICHEL] and, particularly, in recent days his cooperation in working on the drug legislation along with that of Senator DOLE, and Senator BYRD, and Senator RUDMAN and Senator NUNN has been very, very satisfying for me. I think we are producing a bill of which Members on both sides of the aisle can be very satisfied and proud. But we do not have the precise date or time for that yet, and we will keep Members advised as soon as we get closer to an actual time this evening, but it is my judgment that it will be sometime this evening before the drug bill will be ready.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Washington [Mr. FOLEY]. May I particularly thank him for the kind remarks he made with respect to or working relationship, and may I simply echo those thoughts in return, that from this gentleman's vantage point it has been a delight to work as closely as we have, not only during these last couple weeks and these remaining hours of this Congress, but all through the year.

The gentleman from Washington [Mr. FOLEY] has certainly acquitted himself in exemplary fashion for this body, and I am deeply appreciative of the manner in which he has accorded from time to time the rights that he feels like I do ought to be reserved once in a while for the minority even though he has firm control of this body with his majority.

Mr. Speaker, may I just simply say to the Members that our whole objective obviously was to finish up this week, and, while some may be dismayed that it may run between, as the majority leader says, between 7 and 11, if they would get just a fraction of the kinds of calls and pleas from Members that want to press a particular case on the drug bill, having 11 or more committees involved on both sides of the aisle and in the other body, and I must confess that since their number over there is waning and then that tends to give a few remaining Members probably an inordinate amount of influence that they would not otherwise have, it makes it maybe all the more difficult for us to deal with that situation.

But, Mr. Speaker, I am grateful for the dedication of the Members who are here in such great number today which gives clear indication that they think more about finishing up the important business at hand before simply giving way to the politics of the day, and for some of us this admittedly causes grief and despair by turning our backs on some of the commitments we made back home, but I think in the final analysis this is where we belong until we get this measure adopted.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Speaker, I would like to ask two questions.

One is: Ought the Members to expect that we would consider any further suspension bills today?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, yes, I think the possibility exists of additional suspension legislation today.

Mr. LUNGREN. So I believe Members ought to be aware there could be a possibility of votes on those suspensions.

Mr. FOLEY. Yes, we will try to give notice of course. We would give notice if we are in recess, particularly of 1 hour, and recess would be taken on consultation with the minority leader.

Mr. LUNGREN. Mr. Speaker, I understand that, and I thank the gentleman from Washington [Mr. FOLEY] for that.

One other question: I know a number of us have been hearing and have phone calls on this. It is my understanding that one of the final points attempting to be resolved is on the question of the child pornography obscenity provision that the Senate put on the drug bill, and it is further my understanding that there is an effort to see if that can be compromised prior to the bill coming back in final form to us.

Is that a correct understanding?

Mr. FOLEY. Mr. Speaker, the child pornography provision and certain other provisions relating to diplomatic immunity are some of the matters still under discussion, and we hope to reach a successful conclusion on all remaining items in the next several hours.

Mr. LUNGREN. Mr. Speaker, I thank the gentleman from Washington [Mr. FOLEY].

Mr. MICHEL. Mr. Speaker, I also have for the gentleman from Washington [Mr. FOLEY] one other question with respect to technical amendments to the tax bill, and, as I understand it, having just had a conversation a few moments ago with the distinguished chairman, that he is still trying his darndest to work out something with the other body, and I guess we will simply have to wait and see how those differences can be harmonized or compromised. I guess I do not suspect that the gentleman knows any more than I do about whether or not we end up with something or nothing, but that is part of our problem as we move toward adjournment.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, the gentleman from Illinois [Mr. Michel] is correct, and that issue is being discussed, or those issues are being discussed, between the Committee on Ways and Means, and the other body, and the Finance Committee in the other body, and so we will know more later in the afternoon, but again Members will be given, if we go into recess, an hour's notice before any vote.

Mr. Speaker, Members are cautioned, and I hope this is obvious, to stay in contact with their offices and with the respective Cloakrooms and to be able to be subject to return to the Capitol within an hour's time in the event that a matter comes up for consideration today.

Mr. Speaker, I want to also say, if the gentleman will further yield, that the difficult work on the drug bill is something which the House, I think, has a debt of gratitude to the committee chairmen, to the subcommittee chairmen, and to ranking members of committees and subcommittees on both sides who have worked very earnestly over the last couple of days late into the evening to try to work out solutions, and this has been a very important and most incredible effort in my judgment.

And, while the gentleman from Illinois [Mr. Gray] is in the chair, let me add my word to the Speaker's today, that is presiding over the House has been a model of decorum, and efficiency, and propriety, and rectitude and fairness, and I for one will say that in that role, as in many others, we will miss him when he leaves at the end of this Congress.

I thank the gentleman from Illinois [Mr. Gray].

The SPEAKER pro tempore (Mr. Gray of Illinois). I appreciate those comments.

Mr. MICHEL. Mr. Speaker, before leaving my seat, may I also join in the accolade of the distinguished Speaker and majority leader?

Over the past number of years Members have been selected by the Speaker to serve as temporary chairmen on occasion, and then to spend those tireless hours after the session is over to listen to all those special orders, and then to handle it with the aplomb with which the gentleman from Illinois [Mr. Gray] did; for that we are deeply indebted to him. I will have to say as his fellow colleague from Illinois from the opposite side of the aisle, "Yes, we're going to miss you "Ken."

Mr. Speaker, may I just remind all Members that the last special order before we go on recess that I have taken is that we might pay appropriate respect and honor to our whip who served us so well on this side and who is moving on, hopefully, to other climes.

We will, of course, look for the unanimous-consent request of the distinguished majority leader.

AUTHORIZING THE SPEAKER TO DECLARE RECESSES ON THIS LEGISLATIVE DAY

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to declare recesses at any time on this legislative day, subject to the call of the Chair.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

CORRECTING ENROLLMENT OF S. 2843, GENERIC ANIMAL DRUGS AND PATENT TERM RESTORATION ACT

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 394) to correct the enrollment of S. 2843, and as for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. TAUKE. Mr. Speaker, reserving the right to object, I do so only to inquire of the gentleman from California [Mr. Waxman], what is the nature of this request?

Mr. Speaker, I yield to the gentleman from California [Mr. Waxman] for that purpose.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman from Iowa for yielding to me.

Mr. Speaker, this makes technical corrections in the enrollment of S. 2843, the Generic Animal Drugs and Patent Term Restoration Act that passed the House and Senate last week.

Mr. TAUKE. Mr. Speaker, the minority has no objection.

Mr. Speaker, I withdraw my reservatioin of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 394

Resolved by the House of Representatives (the Senate concurring), That, in the enrollment of the bill (S. 2843) to amend the Federal Food, Drug, and Cosmetic Act to authorize abbreviated new animal drug applications and to amend title 35, United States Code, to authorize the extension of patents for animal drug products, the Secretary of the Senate shall make the following corrections:

(1) In section 512(n) of the Federal Food, Drug, and Cosmetic Act (as added by section 101(b))—

(A) in the third sentence of paragraph (3), strike out "this paragraph" and insert in lieu thereof "paragraph (3)",

(B) designate the second and third sentences of paragraph (3) as paragraph (4), and

(C) redesignate paragraphs (4) and (5) of such section as paragraphs (5) and (6), respectively.

(2) In paragraphs (2)(A) and (2)(C) of section 512(n) of the Federal Food, Drug, and Cosmetic Act (as added by section 101(b)) strike out "(1)(G)(iv)" and insert lieu thereof "(1)(H)(iv)".

(3) In clauses (i), (ii), (iii), and (iv) of subparagraph (d) and in subparagraph (F)(i) of section 512(c)(2) (as added by section 101(c)) strike out "(n)(1)(G)" and insert in lieu thereof "(n)(1)(H)".

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

KENNETH J. GRAY FEDERAL BUILDING AND UNITED STATES COURTHOUSE

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 5553) to designate the Federal Building and United States Courthouse located at 301 West Main Street in Benton, IL, as the "Kenneth J. Gray Federal Building and United States Courthouse," and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, under my reservation I yield to the gentleman from California [Mr. Anderson], the distinguished chairman of the Subcommittee on Surface Transportation, to explain his request.

Mr. ANDERSON. Mr. Speaker, H.R. 5553 would designate a Federal building and U.S. courthouse in Benton, IL, as the "Kenneth J. Gray Federal building and United States Courthouse."

Congressman Ken Gray doesn't need any introduction because he has many friends in this body and has been an active Speaker pro tempore during this Congress.

Many Members know Ken for his good humor and pleasant personality. Without a doubt, he is one Member who knows legislation and the legislative process. He is a most effective Member and has served the people of Illinois for three decades in the U.S. House of Representatives.

Mr. Speaker, I have two pages of nice things to say about him. I will submit the balance, and I would think the gentleman from Illinois [Mr.

GRAY] possibly ought to leave the room and not listen to all these good things being said about him.

When I first came to Congress in 1969, KEN GRAY was already a subcommittee chairman. He was most cooperative, helpful, and friendly to this freshman, and those are characteristics which I appreciate just as much today, nearly 20 years later.

Congressman KEN GRAY was born in West Frankfort, IL, on November 14, 1924. He graduated from West Frankfort High School, and immediately went into the automobile business. He also operated an air service in Benton, IL, for 6 years.

He served his country during World War II in the U.S. Army and Air Force as a helicopter and airplane pilot. During the war, he spent 2 years in overseas combat service in Italy, North Africa, Corsica, and southern France.

After the war, he served in various local organizations in the business community and was active in veteran groups. He is one of the founders of the Walking Dog Foundation for the Blind, a nonprofit organization formed to train guide dogs and present them to blind persons free of charge. He is also a licensed auctioneer.

KEN GRAY entered Congress in 1954, and retired after 20 years in this body. He was best known for his efforts to improve the Nation's stock of public buildings and grounds. In 1984, he was again elected to the House and has been here since. As elected officials, we all try to do our best to serve the country and help our constituents. KEN has definitely served the people of southern Illinois with distinction and pride. During these past 4 years he has been active in numerous activities that have benefited his district and the Nation, with his most significant imprint, again, being in infrastructure improvements.

KEN's contributions to his district, this Congress, and the Nation certainly merit our appreciation and commendation.

Mr. Speaker, in tribute to KEN's numerous contributions, it is particularly fitting and appropriate to honor him by naming the Federal building and U.S. courthouse at 301 West Main Street in Benton, IL, as the "Kenneth J. Gray Federal Building and United States Courthouse."

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I want to express my support for this bill which would name a Federal building in Benton, IL in honor of our friend and colleague, KEN GRAY.

KEN has had a long career in the House and will be leaving us with the adjournment of the 100th Congress. First elected to the 84th Congress in 1954, KEN served 20 years in the House before retiring in 1974. It is most fitting that a Federal building be named for KEN as he served as chairman of the Subcommittee on Public Buildings and Grounds for several years.

KEN found he just couldn't stay away from Washington, however, and returned to the House in 1985 to complete 4 more years of service.

KEN's interests and activities extend beyond the House, however. During World War II, he was in combat while serving in the Army and Air Force. He is a licensed helicopter and airline pilot, a licensed auctioneer, and is one of the founders of the Walking Dog Foundation for the Blind, to name just a few of his outside interests.

KEN's presence will be missed in the House. We have all enjoyed his common sense, wit, and masterful performance while presiding in the Speaker's chair. KEN has served his country well and it is most appropriate that we honor him by designating a building in Benton, IL, as the "Kenneth J. Gray Federal Building and United States Courthouse." I know all Members join me in wishing KEN our best upon his retirement.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal Building and United States Courthouse located at 301 West Main Street in Benton, Illinois, shall be known and is designated as the "Kenneth J. Gray Federal Building and United States Courthouse".

SEC. 2. LEGAL REFERENCES.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the building referred to in section 1 is deemed to be a reference to the "Kenneth J. Gray Federal Building and United States Courthouse".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5553, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1345

AUTHORIZING CONSTRUCTION OF STATUE AT VIETNAM VETERANS' MEMORIAL IN HONOR OF WOMEN WHO SERVED IN VIETNAM CONFLICT

Ms. OAKAR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2042) to authorize the Vietnam Women's Memorial Project, Inc., to construct a statue at the Vietnam Veterans' Memorial in honor and recognition of the women of the United States who served in the Vietnam conflict, with House amendments and Senate amendments to the House amendments thereto, and disagree to the Senate amendments to the House amendments.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Without objection, the House amendments and the Senate amendments to the House amendments will be considered as read.

There was no objection.

The texts of the House amendments and the Senate amendments to the House amendments are as follows:

House amendments: Strike out all after the enacting clause and insert:

SECTION 1. ESTABLISHMENT OF MEMORIAL.

(a) IN GENERAL.—The Vietnam Women's Memorial Project, Inc., is authorized to establish a memorial on Federal land in the District of Columbia or its environs to honor women who served in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam era.

(b) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—The establishment of the memorial shall be in accordance with the Act entitled "An Act to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its environs, and for other purposes", approved November 14, 1988 (40 U.S.C. 1001 et seq.).

SEC. 2. PAYMENT OF EXPENSES.

The United States shall not pay any expense of the establishment of the memorial.

SEC. 3. SENSE OF THE CONGRESS.

It is the sense of the Congress, with respect to location of the memorial in accordance with the Act referred to in section 1(b), that it would be most fitting and appropriate to place the memorial within the 2.2 acre site of the Vietnam Veterans' Memorial in the District of Columbia.

Amend the title so as to read: "An Act to authorize the Vietnam Women's Memorial Project, Inc., to establish a memorial on Federal land in the District of Columbia or its environs to honor women of the Armed Forces of the United States who served in the Republic of Vietnam during the Vietnam era.".

Senate amendments to House amendments: In lieu of the matter proposed to be inserted by the House amendment to the text of the bill, insert:

SECTION 1. AUTHORIZATION.

(a) IN GENERAL.—The Vietnam Women's Memorial Project, Inc., is authorized to construct on public grounds within the 2.2 acre Vietnam Veterans' Memorial site in the District of Columbia a specific commemoration of women of the United States who served in the Republic of Vietnam during the Vietnam conflict. Such commemoration shall be deemed to be a modification to the existing memorial.

(b) SITING.—The Secretary of the Interior, in consultation with the Vietnam Women's Memorial Project, Inc., and the Veterans' Memorial Fund, Inc., is authorized and directed to select, with the approval of the Commission of Fine Arts and the National Capital Planning Commission, a suitable site for the commemoration authorized in subsection (a) within the 2.2 acre Vietnam Veterans' Memorial site in the District of Columbia.

(c) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—The construction and maintenance of the commemoration authorized in subsection (a) shall be in accordance with the Act entitled "An Act to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its environs, and for other purposes", approved November 14, 1986 (40 U.S.C. 1001 et seq.), except that provisions of that Act with respect to siting shall be superseded by subsection (b).

SEC. 2. PAYMENT OF EXPENSES.

The United States shall not pay any expense of the establishment and maintenance of the commemoration authorized in section 1(a).

SEC. 3. SENSE OF THE CONGRESS.

It is the sense of the Congress that it is most fitting and appropriate that a specific commemoration of women of the United States who served in the Republic of Vietnam during the Vietnam conflict be constructed at the site of the Vietnam Veterans' Memorial to help complete the process of recognition and healing that was undertaken with the establishment of the Memorial. Further, it is the sense of the Congress that after the addition of the commemoration authorized in section 1(a) the Vietnam Veterans' Memorial will be complete and that no further additions or alterations to the site shall be authorized or undertaken.

Amend the amendment of the House of Representatives to the title so as to read: "An Act to authorize the Vietnam Women's Memorial Project, Inc., to construct within the Vietnam Veterans' Memorial site in the District of Columbia a specific commemoration of women of the United States who served in the Republic of Vietnam during the Vietnam conflict.".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Reserving the right to object, Mr. Speaker, I yield to the distinguished gentlewoman from Ohio to explain her legislation.

(Ms. OAKAR asked and was given permission to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I have a longer statement which in the interest of time I will place in the RECORD; however, I would like to take a brief moment to explain that S. 2042 as passed by the House authorizes the Vietnam Women's Memorial Project, Inc., to establish a memorial on Federal land in the District of Columbia or its environs to honor women of the Armed Forces of the United States who served in the Republic of Vietnam during the Vietnam era.

The House-passed version of the bill makes it clear that this memorial will be established in full compliance with the Commemorative Works Act of 1986, while also voicing the sense of Congress that the most fitting and appropriate site for this commemorative is within the 2.2-acre site surrounding the Vietnam Veterans' Memorial.

There has been some disagreement about whether this commemorative is a new memorial or an addition to an already existing one and what standards or restrictions apply to it; however, the Senate has agreed to accept the House language, which I think is in the best interests of the groups concerned and the existing law.

Mr. Speaker, I would like to pay a special tribute once again to the gentleman from Connecticut for making us have a conscience about this project and his constant persistence, which in the long run did pay off, and I want to thank the gentleman very much.

Mr. Speaker, S. 2042 as amended by the House, authorizes the Vietnam Women's Memorial Project, Inc., to establish a memorial on Federal land in the District of Columbia or its environs to honor women of the Armed Forces of the United States who served in the Republic of Vietnam during the Vietnam era.

To commemorate the dedication and sacrifice that so many women offered our Nation is a noble and worthwhile cause. Over 10,000 women served in Vietnam, and through their efforts, our wounded were nursed back to health, our dying were comforted, and our soldier's morale was kept high. There is little doubt that the wall of the Vietnam Veterans' Memorial would list thousands of more names if these women had not chosen to serve. Their willingness to aid our Nation in its time of need definitely deserves to be recognized.

Mr. Speaker, the House of Representatives has remained firm in its position of upholding the Commemorative Works Act of 1986 with regards to the authorization of this memorial. This law sets forth certain guidelines for the placement of monuments and memorials and its enforcement is essential to preserving the integrity of the District's landscape.

The other body has argued that the House language does not fall under the jurisdiction of the Commemorative Works Act because it is an addition to a memorial rather than a new one. The House's response to this argument is that additions to memorials must be reviewed jointly by the House Administration and the Interior and Insular Affairs Committees. When this legislation was introduced, it was referred solely to the Committee on House Administration. It was thus inferred that the House Administration Committee would treat the legislation as a new memorial, with the Interior Committee subsequently handling the siting of the commemorative after the Secretary of the Interior had made his recommendations.

The other body suggested that the Committee on House Administration and the Committee on Interior and Insular Affairs be given joint jurisdiction over S. 2042. The Interior and Insular Affairs Committee has made it clear that they would not intend to move such legislation without hearings of its own.

Mr. Speaker, additions and alterations are not specifically addressed in the Commemorative Works Act. However, if this issue is not addressed in the statute itself, it is addressed in the spirit of the law. It may well be that the issue of additions and alterations to existing memorials needs to be looked at. If so, it should be done in an open and fair manner. A specific process must be set up where such proposals like this can be met. At this point, we simply cannot circumvent the process.

Mr. Speaker, there are several other points that I would like to address. First, the other body has argued that this legislation must be site-specific because they believe the House language will prevent the women's memorial from being placed in area I, let alone the Vietnam Veterans' Memorial. One source of their concern is that section 6(b)(1) of the Commemorative Works Act states, "A military commemorative work may be established * * * only to commemorate a war or other branch of the Armed Forces. No commemorative work commemorating a lesser conflict or a unit of the Armed Forces shall be permitted. * * *"

A commemorative honoring women is not necessarily excluded in the language of the Commemorative Works Act. While the women who served in Vietnam may not constitute a branch of the Armed Forces, their service is by no means limited to a specific unit. Women have served our country in all branches of the Armed Forces and in a variety of capacities. In recognition of that fact, the Vietnam Nurses Memorial project changed its name to the Vietnam Women's Memorial project and revised its statement of purpose to encompass all of those services.

The other body also argues that the site of the memorial must be legislated, because section 7(b)(2) of the Commemorative Works Act provides that a new memorial may not encroach upon any existing memorial, and the Commission of Fine Arts, the National Capital Planning Commission and the Secretary of the Interior will therefore be prohibited from agreeing to the placement of the women's memorial at the existing Vietnam Veterans' Memorial.

The question that arises is, who should judge whether a new memorial institutes an encroachment of an existing memorial? Because the Commission of Fine Arts, the NCPC and the Secretary of Interior handle the site selection process and other judgments of esthetics, they also are instilled with the power to decipher what constitutes an encroachment or interference with another memorial. The committee feels very strongly that these agencies are the experts on these matters.

In addition, the other body argues against the siting process set up by the Commemorative Works Act. Under the act, the group must return to Congress to be authorized for an Area I site. The other body believes that the commemorative stands little chance of being placed at the Vietnam Veterans' Memorial. We firmly believe that the commemorative can and will be placed at the Vietnam Veterans' Memorial even if the process set up by the Commemorative Works Act is preserved. The Secretary of the Interior has already made it clear that he believes that the Vietnam Women's Memorial is of historial and lasting significance—October 8, 1987, letter from Secretary Hodel. Second, because the project enjoys such overwhelming support in both Houses of Congress, authorization for an area I site can be expected to occur quite expeditiously. Third, the Commission of Fine Arts has informed the committee and the Vietnam Women's Memorial project that it is willing to commemorate women at the Vietnam Veterans' Memorial, and we see no reason to doubt this pledge. Furthermore, because the Congress has expressed its sense that it would be fitting and appropriate for this memorial to be located at the Vietnam Veterans' Memorial, and because the Commission of Fine Arts cannot veto a memorial's siting for area I after that commemorative has been authorized by Congress for area I, and because section 7(b)(1) states that a commemorative work shall be located in surroundings that are relevant to the subject of the commemorative work, it is our belief that the Commission of Fine Arts would be hard-pressed to find a reason not to place the memorial at the Vietnam Veterans' Memorial.

Mr. Speaker, there are so many of my colleagues that deserve my gratitude for their patience and diligence with this legislation. We would not be here today without help of my distinguished friends Representative BILL FRENZEL, Representative SONNY MONTGOMERY, Representative SAM GEJDENSON, and Representative BRUCE VENTO. My colleagues have demonstrated forthright leadership on this issue. I would especially like to thank Senator ALAN CRANSTON for his leadership as well. We would not be at this point if he had not taken the leadership in the other body with regards to this legislation.

Mr. Speaker, I would also like to thank the members of the Vietnam Women's Memorial project. Without their hard work during the past few months, we would not be on the floor today working on this legislation.

THE VIETNAM WOMEN'S MEMORIAL
PROJECT, INC.,
Washington, DC, October 21, 1988.

Hon. MARY ROSE OAKAR,
Subcommittee on Libraries and Memorials, House of Representatives, Washington, DC.

DEAR CONGRESSWOMAN OAKAR: I respectfully request that you place S. 2042 as amended and passed by the House on September 23 for consideration in the House today.

We appreciate the time and efforts you've given the Vietnam Women's Memorial Project and believe it is important that the bill go forward at this time. We understand the time constraints on the calendar today and will be working with the Senate to ensure that your amended bill will be acceptable. We have been in touch with the staff of Senators Cranston, Bumpers, Durenberger and Wallop and believe with all of us working together we will finalize your version of the bill before this session ends.

With all the time and effort you and your staff have given to this legislation it would be a shame for us to lose this now.

Respectfully,
LINDA SPOONSTER SCHWARTZ,
Major, USAF (Ret.)
Director of Legislative Affairs.

Mr. FRENZEL. Further reserving the right to object, Mr. Speaker, I yield to the distinguished gentleman from Connecticut [Mr. GEJDENSON] the principal author and moving spiritual leader of all of us who support the bill.

Mr. GEJDENSON. Mr. Speaker, I would just like to commend the gentleman for his fine work on this piece of legislation. I would particularly like to commend the chairwoman of the subcommittee for her patience on something that has been a difficult process to deal with, especially with respect to the other body, and her great work on this effort. I also want to thank my constituent, Linda Schwartz, who first brought this issue to my attention.

I am just happy to see us being able to accomplish this in the final days of this Congress.

I am heartened to know that the tireless efforts of dedicated volunteers who have raised the consciousness of Americans all across the Nation have brought about the success of this goal. With approval of this measure, we can truly stand up on November 11, Veterans Day and say that America honors and recognizes the service of women veterans who served in Vietnam.

Mr. FRENZEL. Further reserving the right to object, Mr. Speaker, the gentlewoman pointed out, but I think it needs repetition, that this motion is going to repass a House bill which we understand the Senate has now agreed to.

The motion strips off the Senate amendment which I think was not in keeping with the law which the Congress passed with respect to memorials.

The final House result I believe keeps faith with both the wonderful women who served and all the processes that we have established for working memorials in this way.

Mr. FRENZEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRENZEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill, S. 2042.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXPEDITING FURTHER LEGISLATIVE BUSINESS

(Mr. DYMALLY asked and was given permission to address the House for 1 minute.)

Mr. DYMALLY. Mr. Speaker, we are about to embark upon the consideration of 39 commemoratives. I just want to appeal to the Members to limit their comments to 1 minute, if at all possible, so we can expedite the business of the House.

NATIONAL TEACHER APPRECIATION DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 438) designating October 7, 1988, as "National Teacher Appreciation Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. ROTH], the sponsor of this measure.

Mr. ROTH. Mr. Speaker, I thank my friend, the gentleman from New York, for yielding to me. I appreciate it.

Mr. Speaker, on behalf of the 229 cosponsors of this legislation, National Teacher Appreciation Day, I want to commend the work of the gentleman from California [Mr. DYMALLY] and my friend, the gentleman from New York [Mr. GILMAN] on this resolution. Through their combined efforts, we have brought this resolution to the floor.

The purpose of this legislation is to give special recognition to the American teacher. We learn best from those we admire. By honoring our teachers we draw attention to the learning process.

Our children are our future. It is a complex world in which our children are growing up in. They must be properly educated to compete in this modern world. Our youngsters need real role models and our teachers, I believe, are the best role models possible. Teachers fulfill many vital roles.

Teachers have a tough job. The training of our young people involves many long hours of hard work and we want to give special recognition to our teachers for that.

Ultimately, we look to one person in our society today to provide invaluable training, and that is a teacher. It is a teacher, after all, who helps to weave the fabric of our society. If we have good teachers, many of the societal problems that we in Congress are faced with today would be solved before they get to the Congress.

Arnold Toynbee, the historian who studied the rise and fall of the 21 great civilizations, said that 19 fell from within. They asked him, "How can you tell where a nation is going?" He said, "Take a look at your young people. What are their dreams, their hopes, their aspirations? And 20 years from now that is what your Nation will be like."

We are concerned about the future of our Nation and that means we are concerned about the future of our children, how they are taught and how they perform at school. That is why our teachers are so vitally important, not only to our youngsters, but to our entire society and to our Nation and its future.

We are pleased to give teachers the recognition they are due. This one special day is in their honor. It is merely a token payment for the debt our Nation owes them. I am grateful that so many of my colleagues, 229 in number, who have joined me in this commemoration.

Clearly, it is a symbol of the high esteem that we all have for the American teacher.

Again I thank the chairman for his hard work and the ranking member. I appreciate this effort that they have given to this legislation.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I would like to commend the gentleman from Wisconsin for bringing this measure to the floor to give appropriate recognition to our teachers who do so much and have such an important influence upon the young people of our Nation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 438

Whereas education of the Nation's youth is the foundation of the Nation's future;

Whereas education is a lifelong process which is beneficial to the individual and thus beneficial to the entire Nation;

Whereas teachers deserve credit for their invaluable role in providing education;

Whereas teaching not only involves traditional areas of education, but today also includes vocational education, continuing education, and education for special needs;

Whereas teachers contribute not only to the academic growth of students, but also to their ethical, social, and emotional development;

Whereas Sharon Christa McAuliffe, a high school history teacher, exemplified the attributes of the Nation's teachers and made a unique contribution to the teaching profession through her participation in the space shuttle program which, tragically, resulted in her death;

Whereas a student's respect for his or her teacher is essential to the student's ability to learn; and

Whereas the contributions of teachers should be celebrated often in order to honor the role of teachers in society and to affirm and foster respect for teachers: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 7, 1988, is designated as "National Teacher Appreciation Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DYMALLY: Page 2, line 3, strike "October 7, 1988," and insert "November 4, 1988,"

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California [Mr. DYMALLY].

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. DYMALLY: Amend the title so as to read: "A joint resolution designating November 4, 1988, as 'National Teacher Appreciation Day', ".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

NATIONAL LUPUS AWARENESS MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 303) to designate the month of October, 1988 as "National Lupus Awareness Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Reserving the right to object, Mr. Speaker I yield to the gentlewoman from Connecticut [Mrs. JOHNSON], who is the sponsor of this measure.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I want to thank my colleagues for joining with me in making October 1988 as Lupus Awareness month and congratulate the chairman, the gentleman from California. Mr. DYMALLY and the ranking member, the gentlewoman from Maryland, Mrs. MORELLA for bringing this bill to the floor. Lupus is an auto-immune disease that affects between 500,000 and 1 million people, 90 percent of who are women. Lupus is a disease that can afflict any part of the body; its symptoms resemble those of arthritis, epilepsy, even psychosis; it is extremely difficult to diagnose and has no known cause or cure to date. By declaring October as Lupus Awareness Month, we have provided a small measure of renewed hope and resolve for those affected by Lupus. I look forward to the day when Lupus Awareness Month will no longer be necessary because a cure will have been found!

Mr. GILMAN. Further reserving the right to object, Mr. Speaker, I want to commend the gentlewoman from Connecticut [Mrs. JOHNSON] for bringing this measure to the floor.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 303

Whereas Lupus Erythematosus is a disease which affects over five humdred thousand Americans, mostly women in their child-bearing years;

Whereas Lupus is an immune system disorder of unknown cause which affects the joints, skin, and almost any vital organ;

Whereas although Lupus can be controlled reasonably well in most people, it can be fatal in some instances; and

Whereas the commitment to research and educational efforts to develop a greater undertanding about Lupus should be continued: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of October, 1988 is designated as "National Lupus Awareness Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMERICA LOVES ITS KIDS MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 324) to designate February 1989 as "America Loves Its Kids Month" and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Reserving the rigfht to object, Mr. Speaker, I yield to the gentleman from Minnesota [Mr. FRENZEL], who is the sponsor of Senate Joint Resolution 324.

Mr. FRENZEL. Mr. Speaker, Senate Joint Resolution 324, a resolution declaring "America Loves Its Kids Month" has its origins in Minnesota.

Dottie Ewert of Eden Prairie, MN and Doris Gillespie of St. Paul, MN came to my office to explain how they had begun with their local declarations of affection, and then followed with local celebrations in which whole communities expressed their love for their children. They then had similar statewide feelings expressed in a Governor's proclamation.

This resolution was drawn from the local and State proclamations and passed in the Senate by the senior Senator from Minnesota, [Mr. DURENBERGER]. Here in the House, the gentleman from Illinois [Mr. HAYES] and I introduced the companion bill House Joint Resolution 579.

CHARLEY HAYES and I were supported by all Members we asked for help. Like Senator DURENBERGER, we found no one who did not want to help us to pass America Loves Its Kids Month. We thank all who signed our resolution and the committee which processed it.

But, if America Loves Its Kids Month is merely passed and forgotten it will certainly not achieve the aspirations of its creators. They intend that communities all over the country reach just as their own communities did. That would mean many celebrations to show more emphatically that, in fact, America does love its kids.

Dottie Ewert and Doris Gillespie have done every American a great service. They have reminded us of America's love for its children and, by example, shown us how to demonstrate that a affection.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 324

Whereas all of the children in the United States, including newborn infants, toddlers, kids who attend preschool, nursery school, kindergarten elementary school, junior high school,, high school, open school, alternative school, and private school, out-of-school kids, and kids of every race, creed, and color, deserve the recognition and support of the people of the United States;

Whereas the adults in the United States should recognize their duty to protect children by reporting any suspicion of child abuse or neglect, the selling of alcoholic beverages to minors, or the dealing of drugs by or for children;

Whereas children in the United States who are achieving success deserve to be highly complimented and given special recognition for their accomplishments;

Whereas the people of the United States should help to raise the self-esteem of children, especially children who have experienced hardship and hurt in their lives, by making an effort to communicate with and to support children;

Whereas adults in the United States should frequently offer to children hugs, smiles, pats on the back, and words of kindness and encouragement, to help children become more confident and successful; and

Whereas the Congress and the President can help children of the United States by designating a month for a united effort of the people of the United States to show their love and appreciation of the children of the United States: Now, therfore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That February 1989 is designated as "America Loves Its Kids Month", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YEAR OF THE YOUNG READER

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 315) designating 1989 as "Year of the Young Reader," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Reserving the right to object, Mr. Speaker, I yield to the gentlewoman from Ohio [Ms. OAKAR], who is the sponsor of House Joint Resolution 565, which is similar to Senate Joint Resolution 315, designating 1989 as "Year of the Young Reader."

□ 1400

Ms. OAKAR. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased that we will be considering Senate Joint Resolution 315, a joint resolution designating 1989 as the "Year of the Young Reader." The resolution calls on the President to encourage parents, educators, librarians, government officials, corporations, and associations to observe the year with programs and activities to focus the Nation's attention on a lifelong love of books and reading among our young people.

Mr. Speaker, I was very proud to introduce the House companion measure, House Joint Resolution 565. I believe that books and reading are basic nourishment of a growing mind. Developing children into readers today is the best way to ensure the Jeffersonian ideal of a literate and informed citizenry which is essential to a democracy. At a time when education is becoming more and more a national priority, it is vital that we encourage and assist a national effort for our young readers.

Advancement of "1989—The Year of the Young Reader," is a joint effort of the center for the book and children's Literature Center in the Library of Congress. In cooperation with the Library of Congress, the State centers for the book will use the theme to promote the young reader. Currently, a 17 centers are involved in the project in California, Connecticut, Florida, Illinois, Indiana, Iowa, Kansas, Michigan, my home State of Ohio, Oklahoma, Oregon, Minnesota, North Dakota, South Dakota, Texas, Virginia, and Wisconsin. The State centers will sponsor activities in 1989 with the goal of giving our young people the pleasure of reading.

Mr. Speaker, this national effort involves individuals and groups at all levels. A number of organizations and corporations have agreed to promote activities for young readers including the American Library Association, the Association of Booksellers for Children, CBS Television, the Children's Book Council, NBC Television, and Reading is Fundamental.

Mr. Speaker, as some of my colleagues might recall, I had the distinct privilege of introducing legislation during the 99th Congress that declared 1987 as the "Year of the Reader," drawing attention to adult illiteracy in this country. So many of my colleagues on both sides of the aisle supported that legislation, and I would hope that today, all of my colleagues support this very worthwhile resolution.

I would like to thank my distinguished friend from California, Mr. DYMALLY, for expediting this legislation, and bringing it to the House floor today.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I want to commend the gentlewoman from Ohio [Ms. OAKAR] for bringing the measure to the floor at this time and for explaining its import.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 315

Whereas books and reading are the basic nourishment of a growing mind and the foundation of a child's future education and enrichment;

Whereas developing children into readers today is the best way to ensuring a literate and informed citizenry tomorrow;

Whereas the Book Industry Study Group and others have reported a decline in book reading among young people in recent years; and

Whereas since 1983 the National Commission on Excellence, the Commission on Reading, and the Librarian of Congress have urged this Nation to give renewed attention to encouraging a love of books and reading amoung our young people: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That 1989 is designated the "Year of the Young Reader", and the President is authorized and requested to issue a proclamation encouraging parents, educators, librarians, government officials, members of the book community, corporations, associations, and the people of the United States to observe such year with appropriate programs, ceremonies, and activities aimed at giving our children and young adults the gift, the joy, and the promise of reading.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HONORING THE 24TH INFANTRY REGIMENT OF THE U.S. ARMY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the resolution (H. Res. 483) honoring the 24th Infantry Regiment of the U.S. Army, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. Torres). Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I yield to the gentleman from California [Mr. Hawkins], who is the chief sponsor of this measure, House Resolution 483, honoring the 24th Infantry Regiment of the U.S. Army.

Mr. HAWKINS. Mr. Speaker, I thank the gentleman for yielding in order that I might explain House Resolution 483, honoring the 24th Infantry Regiment of the U.S. Army.

Mr. Speaker, 4 months ago I introduced House Resolution 483 to honor the 24th Infantry Regiment of the U.S. Army. Nearly 40 years ago President Harry Truman issued a mandate to desegregate the troops; the 24th Infantry Regiment, last of the all-black regular units, was dismantled after the Korean war.

The Korean war is often referred to as the "forgotten war," but the legacy of the 24th Infantry must be remembered. The 24th Infantry gave many years of distinguished service to a nation which seldom gave them the recognition they deserved. Our Nation is long overdue in honoring the heroic efforts of this regiment. Since its breakup, veterans of the 24th have been steadfast in preserving the infantry's unique role in military history. No historical treatment of the U.S. Infantry would be complete without some mention of the 24th's exemplary record of service.

Formed in 1869, the 24th served with honor and distinction in expeditions in the Western Frontier, the Spanish-American War, World War II, and Korea, as well as other military operations. Unfortunately, the 24th did not receive proper recognition in official military accounts. The monumental contributions of the 24th to our Nation's history cannot be glossed over, correcting inaccuracies in the accounts will ensure that they are not deemed as fact.

The 24th was one of the first units sent to Korea and with assistance from the all-black 159th Field Artillery Battalion and a platoon of the all-black 77th Engineer Combat Company won a battle at the town of Yechon, which was the first major United States victory in the war. The U.S. Army, in fact, is currently investigating the historical accounts of this battle in an attempt to set the record straight.

At a time in our Nation's history when blacks did not fully enjoy the immense privileges of U.S. citizenship, they were fighting on the frontlines in foreign lands. From the plains of the Western Frontier to the battlefields of Korea the 24th exemplified their motto "Semper Paratus," always prepared. To those veterans of the 24th many of whom are still alive, this resolution serves as a congressional statement of their dedicated service to our Nation.

I would like to thank Chairman Dymally, Congresswoman Morella, and Chairman Ford for helping to make it possible to officially honor the tremendous deeds of the 24th Infantry Regiment.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I want to commend the gentleman from California [Mr. Hawkins], the sponsor of this bill, for bringing to the attention of the House the military excellence of the 24th Infantry Regiment, which has served the Nation with distinction through all major wars and conflicts.

Mrs. MORELLA. Mr. Speaker, it is with pride that I rise in support of House Resolution 483, a bill to honor the 24th Infantry Regiment of the U.S. Army for its service to our country.

After the Civil War, six black units were formed as part of the Regular Army as acknowledgement of their participation in that war. When the size of the Army was reduced, the regiments were reduced from six to four: the 24th Infantry Regiment, the 25th Infantry Regiment, and the 9th and the 10th Cavalry. The 24th Infantry was the last of these segregated units, being deactivated on October 1, 1951, when the U.S. Army was ordered to desegregate.

The 24th Infantry, with its headquarters in Fort Benning, GA, has served the Nation with distinction through all major wars and conflicts. Our armed services, indeed our country, owe a debt of gratitude to these valiant men.

Mr. Speaker, I would like to make special mention of two books which follow the history of the 24th Infantry, "24th infantry at Fort Benning" and "Last of the Black Regulars," written by Dr. L. Albert Scipio, a resident of the Eighth District of Maryland, which I represent.

Dr. Scipio was a 24th Infantry "brat." He was born into the regiment when his father was stationed at the Mexican border and then the family moved to Fort Benning, GA. He went to the Infantry school at segregated Fort Benning and was the mascot for the 24th Infantry baseball team, the only sport that was integrated at Fort Benning at that time because baseball is not a contact sport. He then went to Tuskegee and the University of Minnesota, where he was awarded a Ph.D. Dr. Scipio was a Fulbright professor at Cairo University, and taught in Puerto Rico and the University of Pittsburgh. He served at Howard University for 22 years, retiring in December 1987 as a distinguished university professor. Dr. Scipio had taught aerospace, mathematics, architecture, and physics. The two books about the 24th Infantry were written by Dr. Scipio as a sideline, not only because of his personal attachment to the infantry, but primarily because, as an academician, he was interested in capturing the accurate history of the 24th.

Mr. Speaker, thank you for letting me recognize my constituent and I would like to also thank the gentleman from California, the sponsor of the bill, for bringing to the attention of the House the military excellence of the 24th Infantry Regiment.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 483

Whereas the 24th Infantry Regiment of the United States Army was composed of white officers and black enlisted men and was formed on November 1, 1869, at Fort KcKavett, Texas, by consolidating several regiments;

Whereas the 24th Infantry Regiment participated in military campaigns associated with the westward expansion of the United States and the men of the 24th Infantry Regiment were stationed at several posts along the southern edge of the Great Plains;

Whereas the 24th Infantry Regiment played a principal role in the assault on, and capture of, Spanish forces at San Juan Hill, and made a major contribution to ending the Spanish-American War;

Whereas the 24th Infantry Regiment served in the Philippine Islands during the intenal disorders from July 1899 to August 1902;

Whereas the 24th Infantry Regiment protected lines of communications during the border disturbances caused by Mexican General Fransisco Villa, known as Pancho Villa;

Whereas the 24th Infantry Regiment was the first black infantry regiment sent overseas during World War II and performed defense duties on the island of Efate in the New Hebrides in the South Pacific;

Whereas the 24th Infantry Regiment engaged in action in the South Pacific, including participating in operations in Bouganville, Guadalcanal, and Saipan;

Whereas the 24th Infantry Regiment was among the first units of the United States Army sent to Korea during the Korean war;

Whereas the 24th Infantry Regiment participated in the battle to liberate the town of Yechon, the first South Korean town liberated by United States forces;

Whereas the 24th Infantry Regiment engaged in other significant battles during the Korean war and helped repel the Communist forces of North Korea beyond the 38th Parallel;

Whereas, pursuant to the order to desegregate the United States Army, the 24th Infantry Regiment was deactivated on October 1, 1951;

Whereas the 24th Infantry Regiment Association organizes reunions and activities to commemorate the honorable and distinguished services of the 24th Infantry Regiment; and

Whereas the 24th Infantry Regiment served the United States honorably in peace and war and represented the highest tradition of military excellence and bravery: Now therefore, be it

Resolved, That the House of Representatives honors the 24th Infantry Regiment of the United States for their service to the United States.

The resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL BOOK WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 342) to designate the week of November 28 through December 5, 1988, as "National Book Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I yield to the distinguished gentleman from New York [Mr. GREEN], who is the sponsor of Senate Joint Resolution 342, designating the week of November 28 through December 5, 1988, as "National Book Week."

Mr. GREEN. Mr. Speaker, I thank my colleague and friend, the gentleman from New York [Mr. GILMAN], for yielding.

Mr. Speaker, the gentlewoman from Ohio [Ms. OAKAR] just a few minutes ago explained to the body the importance of reading and books in our national life and to our education and culture. I will not cover again the ground that she covered.

Let me simply extend my appreciation and thanks to the distinguished chairman of the subcommittee and its ranking minority member and the distinguished chairman and ranking minority member of the full committee and the numerous colleagues in the House who joined me in cosponsoring the House version of this Senate measure.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I want to commend the gentleman from New York [Mr. GREEN] for bringing this measure to the floor at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 342

Whereas an informed electorate is vital to a strong democracy;

Whereas books have been replaced by television as a primary source of information and entertainment;

Whereas books have provided the means whereby our history and knowledge have passed from one generation to the next;

Whereas a national effort to promote books and writers would complement efforts of literacy programs, encourage reading, and advance the literature of the United States;

Whereas the Department of Education estimates the adult illiteracy rate to be 13 percent (17,000,000 to 21,000,000 persons) among United States adults over 19 years of age;

Whereas illiteracy impairs the ability to learn, analyze, and communicate; and

Whereas this Nation must make a concerted effort to teach its citizens how to read and make them aware of the vast benefits of literacy: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 28 through December 5, 1988, is designated as "National Book Week," and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL FAMILY WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 522) to authorize the President to issue a proclamation designating the week beginning on November 20, 1988, as "National Family Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I yield to the distinguished gentleman from Indiana [Mr. MYERS], who is the sponsor of House Joint Resolution 522, designating "National Family Week."

Mr. MYERS. Mr. Speaker, I thank the gentleman for yielding, and I thank the chairman for bringing this resolution to the floor today.

Mr. Speaker, this certainly is not a new idea. More than 20 years ago I first brought this resolution to the floor recognizing the value of the American family.

It is easy for our society as individuals to go wrong and get into trouble to blame society, the schools, the churches, but it is going to be the family who are going to ultimately find a solution and bring these young people around.

The American family has meant so much to all of us, and it is appropriate, I think, that we do designate one week to recognize the value of family life and the importance of the American family to the way of life that we have become so accustomed to and take for granted.

Mr. Speaker, I thank the gentleman from New York and the chairman for bringing this bill to the floor and congratulate them for doing this.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I would like to commend the gentleman from Indiana for expressing the importance of the integral part of our society and the foundation of our Nation which starts right at the family roots, and I thank the gentleman for bringing the resolution to the floor at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 522

Whereas the family is the basic strength of any free and orderly society;

Whereas it is appropriate to honor the family as a unit essential to the continued well-being of the United States; and

Whereas it is fitting that official recognition be given to the importance of family loyalties and ties: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the week beginning on November 20, 1988, as "National Family Week".

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL TOURISM WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 325) designating the third week in May 1989 as "National Tourism Week", and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object, but I would simply like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 325

Whereas travel and tourism is the third largest retail industry and the second largest private employer in the United States, generating more than five million five hundred thousand jobs and indirectly employing another two million two hundred thousand Americans;

Whereas total travel expenditures in the United States amount to nearly $270,000,000,000 annually, or about 6.4 per centum of the gross national product;

Whereas tourism is an essential American export, as more than twenty-eight million foreign travelers spent approximately $19,000,000,000 in the United States in 1987;

Whereas development and promotion of tourism have brought new industries, jobs, and economic revitalization to cities and regions across the United States;

Whereas tourism contributes substantially to personal growth, education, appreciation of intercultural differences, and the enhancement of international understanding and good will; and

Whereas the abundant natural and manmade attractions of the United States and the hospitality of the American people establish the United States as the preeminent destination for both foreign and domestic travelers: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning on the second Sunday in May 1989 is designated as "National Tourism Week". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe that week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL SKIING DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of Senate joint resolution (S.J. Res. 301) designating January 20, 1989, as "National Skiing Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object, but I would simply like to inform the House that the minority has no objection to the legislation now being considered.

Mr. CAMPBELL. Mr. Speaker, earlier this year I introduced House Joint Resolution 556, legislation to designate January 20, 1989, as National Skiing Day. I am pleased to report that this bill, which has the support of 218 of my colleagues, has recently passed.

The resolution will kick off the ski industry's "Let's Go Skiing, America!" month. Through January, special promotions and events will be scheduled to encourage people of all ages to take up the sport of skiing.

Besides the economic contribution skiing makes to the United States, many physical benefits are derived from the great sport of skiing. With more than 21 million Americans spending the equivalent of 52 million days each year, skiing is one of the most popular winter activities. Both nordic and alpine skiing give Americans a wonderful chance to enjoy our mountains and forests.

I would like to thank my colleagues who have helped by cosponsoring this resolution in a bipartisan effort. I would also like to invite any Members to join me in Colorado on January 20 to participate in the activities of "National Skiing Day."

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 301

Whereas commercial alpine and nordic skiing operations are among the fastest growing commercial uses of the national forest;

Whereas skiing increases the recreational value of the national forests by providing a winter recreational use for such forests;

Whereas skiing is a healthful activity that promotes physical well-being, contributes to the enrichment of the human spirit, and fosters an appreciation of the outdoor environment;

Whereas skiing provides enjoyment to millions of people each winter;

Whereas skiing improves employment opportunities in, and contributes to the economic stability of, a number of States;

Whereas the people of many rural communities in the United States rely primarily on skiing for winter employment and income; and

Whereas people throughout the world can become aware of the environmental grandeur and recreational resources of the United States by skiing in the United States; Now, therefore, be it.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 20, 1989, is designated as "National Skiing Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL EARTHQUAKE AWARENESS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 564) designating the first week of April 1989 as "National Earthquake Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object; I would simply like to inform the House that the minority has no objection to the legislation now before us.

Mr. DIXON. Mr. Speaker, today, it is my pleasure to rise in support of House Joint Resolution 564, a commemorative bill which designates the first week in April 1989, as "National Earthquake Awareness Week."

A catastrophic earthquake is perhaps the greatest natural hazard this country faces. The loss of life and property in a single major earthquake could total hundreds dead and millions of dollars lost. In this century alone, earthquake damage has resulted in at least 1,380 deaths and has caused more than $5 billion in property damage.

In my State, California, the threat of earthquakes is well known. A report by the Federal Management Agency [FEMA] in 1980 stated that the occurrence of a major earthquake in southern California has a probability of greater than 50 percent in the next 30 years. The U.S. Geological Survey, in a report released earlier this year, found that the earthquake hazard on the southern San Andreas Fault is at least as high as that reported by FEMA.

However, earthquakes are a national threat. Damaging earthquakes have occurred in almost every region of the United States. A high potential exists for large earthquakes to occur in Alaska, the central Mississippi Valley, the Great Basin and Rocky Mountain interior, within this century or the next. The east coast is not exempt. Some researchers believe there is a 95-percent certainty of an earthquake with a magnitude of six or greater on the Richter scale occurring in the Eastern United States within the next 20 years. In fact, an article was included in the Washington Post on October 5, 1988, that addresses the threat facing the Eastern United States from a quake this century, and notes the lack of general awareness of that threat. I include the text of that article, entitled "Major Quake Predicted for Eastern U.S. in the Next Two Decades," in today's CONGRESSIONAL RECORD.

In 1977, Congress established the National Earthquake Hazards Reduction Program to provide a comprehensive national program to reduce losses resulting from earthquakes. But general education and public awareness is at the core of any disaster mitigation program. I introduced House Joint Resolution 564 to help promote an awareness of earthquakes, and to educate our communities on the hazards associated with them. This bipartisan bill has support from Members across the country. I strongly urge your support for National Earthquake Awareness Week.

[From the Washington Post, Oct. 5, 1988]

MAJOR QUAKE PREDICTED FOR EASTERN U.S. IN NEXT TWO DECADES

A major earthquake is nearly certain to strike the eastern two-thirds of the nation in the next 20 years, threatening havoc in a region unprepared for such a disaster, the head of the national earthquake engineering center said yesterday.

Robert L. Ketter declined to pin down a specific location for the temblor, but he said likely sites include the areas of Memphis, Tenn., Charleston, S.C., Boston and New York City.

The probability of a destructive quake occurring at any particular spot is low, he said.

"However, the probability of one occurring somewhere in the eastern United States before the year 2000 can be considered better than 75 percent to 95 percent. Before the year 2010, nearly 100 percent," he told a symposium on the federal response to earthquakes.

"Terra firma is an illusion . . . ," added Russel Christesen, chairman of the board of Ebasco Services Inc., an engineering company that sponsored the gathering.

Ketter, director of the National Center for Earthquake Engineering Research at the State University of New York at Buffalo, noted that, unlike California, residents of the states east of the Rocky Mountains have paid little attention to the danger of quakes.

There are no building codes calling for quake-resistant buildings in the East, he pointed out, and little public notice of the danger.

"The major problem is lack of awareness that there is a problem," Ketter said. "The public is not concerned because people have not felt a quake in their lifetime. This [meeting] is an effort to shake up that complacency."

The strongest earthquakes known to ever have struck the United States occurred in the Memphis, Tenn., and New Madrid, Mo., region in 1811-1812. In addition, a disastrous quake shook Charleston, S.C., in 1886, and other strong quakes have been felt in the Boston area and along the U.S.-Canadian border.

A tremor that shook Jamaica Bay in New York City in the 1800s, if repeated today, would cause as much as $7 billion in damage, Ketter said.

While much attention has been given to earthquake prospects in California, particularly along the San Andreas Fault, quakes in the East are less well understood.

But when they do occur the rigid rock underlying the states east of the Rocky Mountains carries the shock to much greater distances than California temblors.

The 1811-1812 quakes in the Missouri-Tennessee border region caused church bells to ring as far away as Boston, 1,000 miles distant, Ketter noted.

Those quakes are little remembered because the region was only sparsely populated at the time. If they were repeated today the result would be havoc, letter and others reported.

Ketter and Robert Chartrand, of the Congressional Research Service at the Library of Congress, presented scenarios for a new Memphis-area quake to the meeting.

A tremor equivalent to the three major shocks of the past could be expected to kill as many as 200 people in Memphis alone, injure 8,000 and leave an estimated 250,000 homeless, Chartrand estimated.

Ketter said the potential death toll could range from nearly 700 to almost 5,000 in the six cities nearest the center of the quake: Memphis; Paducah, Ky.; Carbondale, Ill.; Evansville, Ind.; Poplar Bluff, Mo., and Lottle Rock, Ark.

Close to the center most homes and buildings could collapse; dams, dikes and embankments would fail, and there would be landslides.

Farther away, masonry houses could collapse, frame houses move on their foundations and cracks appear in slopes and trees fall, Ketter said.

Chartrand's study foresees such crises as a bridge collapse over the Mississippi River, widespread flooding in the Memphis area, failure of gas, electric, water and sewer systems; disruption of oil and natural gas pipelines, hospitals damaged and overwhelmed with patients and transportation crippled.

Mr. DREIER of California. Mr. Speaker, I rise in support of H.J. Resolution 546, a bill to designate the first week in April of 1989 as "National Earthquake Awareness Week."

As you know, the Los Angeles area was struck by an earthquake, and subsequent aftershocks, registering 6.1 on the Richter scale 1 year ago this month. The city of Whittier, located in my district, was at the epicenter of this disaster. Although damage to the city was extensive, we were fortunate that the loss of lives and property was not greater.

Speaking from experience, I have seen the results of a community working together to rebuild from such a disaster. In the case of the Whittier earthquake, I have witnessed first hand the benefits of proper earthquake preparedness. The citizens of Whittier have organized Earthquake Fairs, among other programs, to discuss proper preparedness techniques.

Mr. Speaker, earthquakes are in fact a national problem. Serious earthquakes occur in almost every region of the country. It is for this reason that we must all work together to prepare for future earthquakes. The time has come for an all out national effort to deal with this problem directly. I hope that by designating the first week in April as "National Earthquake Awareness Week," we can begin to better educate the Nation on the hazards associated with these disasters.

Mr. MARTINEZ. Mr. Speaker, I rise in support of House Joint Resolution 564 designating the week of April 1, 1989, as "National Earthquake Awareness Week."

Mr. Speaker, as Members of Congress we are flooded with requests to cosponsor commemorative legislation. Commemorative legislation ranges from the silly to the serious. Of all the commemoratives that I have cosponsored during the 100th Congress, I can only think of a very few which might serve to save someone's life. Legislation commemorating "National Earthquake Awareness Week" is one of those life saving bills.

A year ago this month, on October 1, 1987, the 30th Congressional District of California suffered an earthquake measuring 6.1 on the Richter scale. Regretably, the quake was responsible for eight fatalities, several injuries and millions of dollars in damages. The losses we experienced last October, however, were relatively small in comparison to the death and destruction caused by an earthquake of a similar magnitude which rocked the Los Angeles Basin in 1971. Indeed, fewer people were hurt and less damages occurred because people were aware of how to prepare for an earthquake and what to do in the event of an earthquake. The awareness that saved people's lives a year ago in Los Angeles is what "National Earthquake Awareness Week" is all about.

Although earthquakes are more common to California and the West, they can happen anywhere. In the event of an earthquake, people need to be aware of the basic rules of earthquake safety. They need to chose safe places to go, like doorways, under desks or tables or outside in open spaces. After an earthquake, people also need to check for injuries; watch for gas, water or sewage leaks and downed electric lines. Many of my constituents are aware of these safety tips. I wonder how many of the constituents of my colleagues would know what to do in the event of an earthquake?

As Members of Congress we can increase earthquake safety awareness by supporting National Earthquake Awareness Week. I commend my distinguished friend from California, Mr. DIXON, for introducing this legislation and urge my colleagues to support the passage of House Joint Resolution 564.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 564

Whereas the threat of earthquakes is a national problem, with earthquakes occurring in the eastern as well as western section of the Nation, causing the United States to sustain approximately $4,300,000,000 in property damage and 1,478 deaths from destructive earthquakes between 1812 and 1986;

Whereas the State of California leads the Nation in the damage and death sustained from earthquakes, with approximately $2,700,000,000 in damage and 995 deaths between 1812 and 1986;

Whereas some researchers believe there is a 95 percent certainty of an earthquake with a magnitude of six or greater on the Richter scale occurring in the Eastern United States within the next 20 years;

Whereas serious study of earthquakes east of the Rocky Mountains has come about only in the last decade, despite the fact that the largest earthquake known to have hit the continental United States truck near New Madrid, Missouri, around 1811 or 1812;

Whereas at least 35 countries face a high probability of loss from earthquakes;

Whereas a new era in the recognition of natural disasters and man's capacity to reduce their destruction has begun;

Whereas the United Nations General Assembly in Resolution 169 has declared the decade beginning in 1990 an International Decade for Natural Hazard Reduction;

Whereas the intent of the declaration of the United Nations General Assembly is to promote a cooperative international program to apply existing technology and advance existing knowledge to achieve a less hazardous world;

Whereas education, general awareness, and concern is at the core of any disaster mitigation program; and

Whereas April is the month in which the great San Francisco earthquake of 1906 occurred: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first week of April 1989 is designated "National Earthquake Awareness Week". The President of the United States is authorized and requested to issue a proclamation calling upon all public officials and the people of the United States to observe such week with appropriate programs and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL ALZHEIMER'S DISEASE MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 261) designating the month of November 1988 as "National Alzheimer's Disease Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I yield to the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. Mr. Speaker, I thank the gentleman from New York for yielding.

Mr. Speaker, Alzheimer's disease is a devastating illness not only for those affected but for their families and friends, as well.

The many organizations involved in research to find a cure for this disease deserve our praise and our continued support.

Senate Joint Resolution 261 mentions one such organization, the Alzheimer's Disease and Related Disorders Association.

I also would like to give credit to the American Health Assistance Foundation, which has been a leader in the efforts to find a cure for Alzheimer's disease.

Since 1985, AHAF has awarded grants in excess of $5.4 million. Thirty-four research projects currently are being funded throughout the United States.

I thank the gentleman from New York for yielding.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I would like to note that although this disease may have existed for centuries, Alzheimer's disease is recognized as a recent phenomenon. More than 2½ million Americans are afflicted by this disease, which is a severe neurological malady, and it is the fourth leading cause of death among our older Americans.

Mr. Speaker, much more research is certainly needed, and while there are centers working on this, a great deal more time and money is needed to get to the root causes of this disease.

I am pleased to have been a cosponsor of this measure, and I encourage the House to join the over 225 cosponsors in adopting this measure.

Mr. Speaker, I commend the gentleman from California for sponsoring the House counterpart to the Senate bill which is now on the floor today.

Mrs. MORELLA. Mr. Speaker, I rise in support of this bill which would designate the month of November 1988 as "National Alzheimer's Disease Month."

Though this disease may have existed for centuries, Alzheimer's disease is recognized as a recent phenomena—named after Alois Alzheimer, who lived from 1864-1915. More than 2½ million Americans are affected by this disease; this severe neurological malady is the fourth leading cause of death among the older population.

The statistics surrounding this disease are surprising and enumerated in the resolutions before us. And yet, though this disease has been brought to the fore over the last few decades, research has not come up with a cure or cause. As our population is living longer, there will be many more older people, and, in turn, there will be many more cases of Alzheimer's disease affecting at least a third of the families in our country.

Much more research is needed. There are various centers throughout the country contributing time and money in investigation of this disease. I am pleased to recognize that the American Health Assistance Foundation, located in Rockville, MD, is one of these organizations. This foundation has donated over $3 million in research grants to 34 separate Alzheimer's research projects all over the country in fiscal year 1988. I am proud to have the American Health Assistance foundation in my District.[1]

Only through donations of time and money can there be a breakthrough in understanding and treating Alzheimer's disease that is not only devastating to the victim, but affects other members of the family as well.

I am pleased to be a cosponsor of the measure and encourage the entire House to join over 225 cosponsors of House Joint Resolution 449. I commend the gentleman from California for sponsoring the House counterpart to the Senate bill which is on the floor today.

Thank you, Mr. Speaker.

Mr. LOWERY of California. Mr. Speaker, Alzheimer's disease is one of the most fearsome and devastating aspects of aging. The disease, which is a degenerative brain disorder, robs its victims of dignity and memory and is the fourth leading cause of death among the elderly—affecting some 2.5 million Americans. With no known cause, no prevention, and no cure we can only sit idly by and watch this disease affect 10 percent of those over the age of 65.

Recognition brings knowledge. Therefore, for the past 5 years I have introduced legislation designating November as "National Alzheimer's Disease Month." By calling attention to this disease we take the first vital step of ensuring understanding and support for the anguish and pain it afflicts on its victims and their families.

The tragedy of Alzheimer's has spurred scientists to intensify their efforts to understand what causes the brain to deteriorate. Recent research has uncovered several important clues about the cause of the disease, but there still is much to learn. Science has made many miracles happen in the field of medicine, helping mankind to deal with and eradicate scores of diseases and afflictions. Let us hope that Alzheimer's disease will someday be listed as one of those victories.

Mr. Speaker, we have come a long way in our battle against Alzheimer's disease, but the war remains to be won. Let us raise our banner of compassion and continue our fight against this tragic disorder. By declaring November 1988 as National Alzheimer's Disease Month it is our hope that those who suffer from Alzheimer's will be comforted, research will be encouraged, and the Nation will open its arms and lend its support to understanding and eliminating this tragic disease.

I am proud to have sponsored the House version of this worthy resolution, along with my good friend from South Carolina, BUTLER DERRICK; and I thank all my colleagues who joined us as cosponsors. Mr. Speaker, I urge passage of Senate Joint Resolution 261.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 261

Whereas more than two and one-half million Americans are affected by Alzheimer's disease, which is a surprisingly common disorder that destroys certain vital cells of the brain;

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[1] I am pleased that the National Association of Retired Federal Employees has given a $500,000 donation to the Alzheimer's Disease Association. The money was raised by members in a special fund drive.

Whereas Alzheimer's disease is the fourth leading cause of death among older Americans;

Whereas Alzheimer's disease is responsible for 50 per centum of all nursing home admissions, at an annual cost of more than $25,000,000,000;

Whereas in one-third of all American families one parent will succumb to this disease;

Whereas Alzheimer's disease is not a normal consequence of aging; and

Whereas an increase in the national awareness of the problem of Alzheimer's disease and recognition of national organizations such as Alzheimer's Disease and Related Disorders Association may stimulate the interest and concern of the American people, which may lead, in turn, to increased research and eventually to the discovery of a cure for Alzheimer's disease: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November 1988, is designated as "National Alzheimer's Disease Month". The President is requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1415

NATIONAL DAY OF OUTREACH TO THE RURAL DISABLED

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from the further consideration of the Senate joint resolution (S.J. Res. 345) to designate October 8, 1988, as "National Day of Outreach to the Rural Disabled," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I would like to inform the House that the minority has no objection to the legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 345

Whereas approximately 3,400,000 rural Americans of working age are disabled;

Whereas work disabilities are proportionally more prevalent in rural areas than urban areas and the rural disabled are more disadvantaged than their urban counterparts;

Whereas insufficient attention has been given to the unique problems faced by the rural disabled in the United States; and

Whereas there is a need to focus more attention on the unmet needs of the rural disabled, to underscore their potential, and to encourage outreach programs by rural communities to their disabled members: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 8, 1988, is hereby designated "National Day of Outreach to the Rural Disabled", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DYMALLY: On page 2, line 3 of the bill strike "October 8, 1988" and insert in lieu thereof "October 7, 1989".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California [Mr. DYMALLY].

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. DYMALLY: Amend the title so as to read: "To designate October 7, 1989, as 'National Day of Outreach to the Rural Disabled'."

The title amendment was agreed to.

A motion to reconsider was laid on the table.

NATIONAL DISABLED AMERICANS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 319) to designate the period commencing November 6, 1988, and ending November 12, 1988, as "National Disabled Americans Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object but would like the House to know the minority has no objection to the legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 319

Whereas there are some 36 million Americans who have disabilities and over 25 percent of these disabled Americans have more than one disability;

Whereas one out of every twelve Americans copes with some form of a disability;

Whereas although nearly three out of every four Americans without a disability have at least a high-school education, just slightly more than one out of every two disabled Americans have a high school education;

Whereas a disabled American is two and one-half times as likely to have an income that falls below the poverty line than an American without a disability;

Whereas the population of disabled Americans will increase dramatically over the next two decades as the science of medical technology continues to improve upon its ability to prolong human life;

Whereas disabilities increasingly affect Americans as they get older;

Whereas one working-age black in every seven is disabled;

Whereas there are 31 million Americans with some form of activity limitation;

Whereas there are some 8.2 million Americans with a visual impairment;

Whereas there are some 17 million Americans with a hearing impairment;

Whereas there are 18.4 million Americans with an orthopedic disability;

Whereas some 4.2 percent of all American children under age twenty-one have a chronic activity limitation;

Whereas 3 percent of all American school-aged children have learning disabilities;

Whereas there are 50,000 American school-aged children under the age of 18 who have emotional or behavioral disabilities;

Whereas 5 percent of American school-aged children have speech and language disabilities;

Whereas most disabled Americans recognize that Federal laws enacted since the late 1960's have helped to give better opportunities to disabled Americans;

Whereas most disabled Americans strongly endorse efforts by the Federal Government to enhance the lives of persons with disabilities;

Whereas disabled Americans are not alone in their belief that they should be protected by law from discrimination; and

Whereas the people of the United States can express their concern for all Americans who live with disabilities by recognizing the right of disabled Americans to participate as integral members of our society: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period beginning November 6, 1988, and ending November 12, 1988, is designated as "National Disabled Americans Week", and the President of the United States is authorized and requested to issue a Proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SENSE OF THE HOUSE REGARDING PROPOSED SOLUTIONS TO AIR TRAFFIC PROBLEMS AT O'HARE INTERNATIONAL AIRPORT

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the resolution (H. Res. 602) expressing the sense of the House of Representatives that the Administrator of the Federal Aviation Administration should submit to Congress a plan outlining immediate and long-term solutions to the air traffic problems at O'Hare International Airport in Chicago, IL, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, I yield to the distinguished gentleman from California [Mr. Anderson], chairman of the Committee on Public Works and Transportation to explain his request.

Mr. ANDERSON. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, the air traffic control situation in the Chicago area is well known. Just 2 weeks ago, the FAA was forced to reduce flights into O'Hare by approximately one-sixth. The reasons for doing this are complex and numerous, but one reason that stands out is the shortage of air traffic controllers in the Chicago area facilities. This shortage coupled with heavy and complex air traffic have produced controllers errors which have put aircraft too close to one another at a level higher than the rest of the country.

The problems at Chicago are acute, but they are not unique. The Los Angeles Basin air traffic control facilities are also experiencing staffing shortfalls combined with heavy traffic. New York facilities and facilities in the San Francisco Bay area have similar problems.

This resolution directs FAA to tell us how they are going to address the problems at Chicago, but I think one solution we can be sure what is needed is cost-of-living pay differentials that recognize the high cost of living in these areas and the difficulty of recruiting and retaining controllers at those facilities. The FAA is now on the verge of implementing a pay demonstration program with respect to many of these facilities including those at Chicago. This program is important and should have the support of all our colleagues.

Again, I thank my colleague from Illinois [Mr. Russo], for introducing this resolution so that the Members of the House will be aware of our critical air traffic control needs.

I urge passage of House Resolution 602.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I yield to the distinguished gentleman from Illinois [Mr. Russo].

Mr. RUSSO. Mr. Speaker, today I have introduced legislation House Resolution 602 concerning air traffic safety in Illinois. My Illinois colleagues, Senator Paul Simon and Senator Alan Dixon, introduced similar legislation in the Senate last week, and I am pleased to say that all of my Illinois colleagues in the House are cosponsors of this legislation. I want to thank my good friend from California, Glenn Anderson, the chairman of the Public Works and Transportation Committee, for immediately considering this resolution.

This legislation would require the Federal Aviation Administration to provide Congress with information on its short-term plan for increasing the number of fully qualified air traffic controllers at O'Hare Tower to its required level.

The recent history of near misses at O'Hare emphasizes the urgent need to bring O'Hare's air traffic controller force up to full strength. Its current error rate exceeds that of any other major airport in the country. There can be little question that the exceptionally high number of controller errors made at O'Hare Tower can be attributed primarily to the understaffing and overworking of Chicago's air traffic controller force.

O'Hare currently has less than half the fully qualified air traffic controllers that the FAA thinks it should have. It hasn't been up to full complement since 1981. The FAA itself set the levels. We just want to ask the Administration to meet them as rapidly as possible.

Chicago's airports constitute an important hub in our country's overburdened air transportation system. O'Hare is our Nation's busiest airport. Thousands of travelers pass through O'Hare and Midway Airports hourly. We have no right to put these innocent individuals' lives at risk. Resolving this problem should be a top priority. Hundreds of lives are at stake with each decision made at O'Hare Tower. I hope that the FAA will accommodate our concerns.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I comment myself that it is well recognized that there is this problem at O'Hare. The National Transportation Safety Board has looked at that for a number of months and now the FAA has finally acted to a degree on changing the flow of traffic over there, so I commend the gentleman from Illinois and all the delegation that supports this for their action today in bringing this sense of Congress resolution to the floor.

Mr. ANDERSON. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. Further reserving the right to object, I yield to the gentleman from California.

Mr. ANDERSON. Mr. Speaker, I want to thank my colleague, the gentleman from Illinois [Mr. Russo] for introducing this resolution so the Members of the House could be aware of the critical air traffic control needs, and I urge passage of House Resolution 602.

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 602

Whereas between Friday, September 28, 1988, and Tuesday, October 1, 1988, there were 4 near-misses over Chicago's O'Hare International Airport, the Nation's busiest airport;

Whereas the positions of a significant number of full-performance level air traffic controllers were vacated at O'Hare Tower at O'Hare International Airport;

Whereas the Federal Aviation Administration has not been able to meet the Agency's own requirement that not less than 70 percent of the air traffic controllers at O'Hare Tower be full-performance level air traffic controllers;

Whereas the National Transportation Safety Board, the General Accounting Office, and Better Government Association of Chicago have documented the hazards of the Chicago airspace and recommended staffing improvements in the operation at O'Hare Tower;

Whereas in 1988, 30 operational errors at O'Hare Tower have already been documented, surpassing the previous record of 22 in 1986;

Whereas air traffic at O'Hare International Airport has increased 15 percent since 1981;

Whereas air traffic at O'Hare International Airport in one recent week reached an all-time record of 3,853 takeoffs and landings, surpassing the peak weekly load of traffic during the summer;

Whereas even greater traffic is expected at O'Hare International Airport during the upcoming holiday season; and

Whereas the Federal Aviation Administration has now completed a comprehensive review of air safety at O'Hare International Airport: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Administrator of the Federal Aviation Administration should develop and transmit to Congress not later than October 25, 1988, a plan outlining both the immediate and long-term actions the Administration should take, and the timetable for such actions, to ensure that the Administration's own standards for air traffic controller staffing and experience levels at O'Hare International Airport are met as expeditiously as possible, to resolve the present emergency, and to ensure the adequacy of air traffic control operations in the Chicago airspace in the future.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL DOWN SYNDROME MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 302) to designate October 1988 as "National Down Syndrome Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object but would like to inform the House that the minority has no objection to the legislation.

Mr. DARDEN. Mr. Speaker, with the passage of a resolution, House Joint Resolution. Res. 557, which I introduced in April, October 1988 has been designated "National Down Syndrome Month." This designation is intended to increase public awareness and appreciation of the special needs of those with Down syndrome and their families.

Down syndrome is a chromosomal disorder which usually causes delays in physical and intellectual development. The exact cause and prevention of Down syndrome are currently unknown, and there is a wide variation in mental abilities, behavior, and physical development in individuals with Down syndrome. The incidence of this disorder in the United States is approximately 1 in every 800–1,000 live births. One-quarter million families in the United States are affected by Down syndrome, and 600 people with this disorder may live in each congressional district.

National Down Syndrome Month will promote public awareness and better understanding of Down syndrome. Hopefully, it will also encourage many organizations to make concentrated efforts to provide needed training, jobs, and support services for those with Down syndrome and their families. We can help to alleviate the past stigmas attached to Down syndrome through the promotion of greater awareness of this disorder and help pave the way for a brighter future for these Americans.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 302

Whereas the past decade and a half has brought a greater and more enlightened attitude in the care and training of the developmentally disabled;

Whereas one such condition which has undergone considerable reevaluation is that of Down syndrome—a problem which, just a short time ago, was often stigmatized as a mentally retarded condition which relegated its victims to lives of passivity in institutions and back rooms;

Whereas through the efforts of concerned physicians, teachers and parent groups such as the National Down Syndrome Congress, programs are being put in place to educate new parents of babies with Down syndrome, to develop special education classes within mainstreamed programs in schools, to provide for vocational training in preparation for entering the work force, and to prepare young adults with Down syndrome for independent living in the community;

Whereas the cost of such services designed to help individuals with Down syndrome move into their rightful place in our society is but a tiny fraction of the cost of institutionalization;

Whereas not only the improvement in educational opportunities for those with Down syndrome, but also the advancement in medical science is adding to a brighter outlook for individuals born with this chromosomal configuration; and

Whereas public awareness and acceptance of the capabilities of children with Down syndrome can greatly facilitate their being mainstreamed in our society: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1988 is designated as "National Down Syndrome Month" and that the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the designated month with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEAF AWARENESS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 613) designating the week beginning March 7, 1989, as "Deaf Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I yield to the distinguished gentleman from Wisconsin [Mr. GUNDERSON], the chief sponsor of this resolution designating the week beginning March 7, 1989, as "Deaf Awareness Week."

Mr. GUNDERSON. Mr. Speaker, I want to thank my good friends BEN GILMAN of California and MERV DYMALLY of New York for their supportive efforts in bringing this resolution to the floor today.

As a congressional trustee of Gallaudet University, I am pleased that the House of Representatives will adopt today a commemorative I introduced earlier this year, House Joint Resolution 613, designating the week of March 7, 1989, as "Deaf Awareness Week," recognizing the historic events of March 1988, on the Gallaudet University campus.

As a matter of fact today is again a very significant and historic day for Gallaudet University. For this morning, Gallaudet University proudly inaugurated Dr. I. King Jordan as their eighth president in the 124-year history of the university, and more importantly, as the first deaf president of this liberal arts institution dedicated to the education of deaf and hearing-impaired people.

As many of us will remember between March 6 and 13, 1988, this campus served as the backdrop for a major social protest by the deaf community, their families, and friends demanding a deaf or hearing-impaired president for Gallaudet. On March 13, 1988, Dr. I. King Jordan was elected the eighth president of Gallaudet University—Gallaudet's first deaf president.

The naming of Dr. I. King Jordan as president of Gallaudet is much more than just the naming of a president. Dr. Jordan has become an international symbol of achievement.

As Dr. Jordan says, "Deaf people can do everything other people can except hear." We have seen that evidenced by his ascendency to the president of his alma mater—Gallaudet University.

To conclude, "Deaf Awareness Week" will provide us the opportunity to reflect upon the significance and importance of this historic social movement for deaf and hearing-impaired Americans. It serves to educate and sensitize us all by recognizing deaf and hearing-impaired individuals for their unique abilities and qualities.

With the passage of House Joint Resolution 613 designating the week of March 7, 1989, as "Deaf Awareness Week," we are recognizing the significant contribution that this historic social movement had for all Americans, especially those who are deaf and hearing-impaired.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I would like to commend the gentleman from Wisconsin [Mr. GUNDERSON] for bringing this matter to our attention by way of this resolution, and I, too, would like to join in congratulating Gallaudet for the excellent work that they do in educating our deaf.

There are some 24 million Americans who are deaf or hard of hearing throughout our Nation, and it is appropriate that we pay respects to all of them through this important inauguration of the incoming president King Jordan, so I join in congratulating King Jordan and congratulating Gallaudet for the great work they are doing, and thank the gentleman for the introduction of this measure.

Mr. Speaker, I withdraw the reservation of my objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 1613

Whereas during the second week of March 1988, a revolutionary sequence of historic social events evolved on the campus of Gallaudet University, the only university in the Nation which teaches exclusively deaf and hard of hearing students;

Whereas the events which occurred at Gallaudet University in the Spring of 1988 had great significance to all Americans, especially those who are deaf or hard of hearing;

Whereas the week long social protest at Gallaudet University awakened the people of nations around the world to the fact that deaf and hard of hearing individuals are able to achieve at the same level as others and need to be recognized as individuals with unique abilities and qualities; and

Whereas the week long social protest at Gallaudet University served to educate and sensitize the American people concerning the hopes and dreams of the 24,000,000 Americans who are deaf or hard of hearing: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning on March 7, 1989, is designated as "Deaf Awareness Week." The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this week by remembering the significance of the historic social movement, which began in March 1988 at Gallaudet University, through appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider is laid on the table.

NATIONAL DRUNK AND DRUGGED DRIVING AWARENESS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 332) to designate the period commencing December 11, 1988, and ending December 17, 1988, as "National Drunk and Drugged Driving Awareness Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I would like to rise in support of this resolution designating a period commencing December 11, 1988 and ending December 17, 1988, as National Drunk and Drugged Driving Awareness Week, and commend the gentlewoman from Maryland. [Mrs. MORELLA] for her good work for bringing this measure to the floor at this time.

Mr. Speaker, our highways are increasingly endangered by those driving under the influence of alcohol and drugs. It is common knowledge that alcohol and drugs impair the capacity to drive a motor vehicle, yet substance abuse continues to risk their lives and the lives of innocent law-abiding citizens by irresponsible, illegal behavior.

□ 1430

Too many Americans have their lives tragically stolen from them by impaired driving. Educational efforts can prevent some of this useless loss of life. I think it will be extremely helpful, Mr. Speaker, to focus our Nation's attention on the danger of drunk and drugged driving.

Accordingly, I urge my colleagues to support this important measure.

Mrs. MORELLA. Mr. Speaker, I am the chief sponsor of House Joint Resolution 651, designating the period of December 11 through December 17, 1988 as "National Drunk and Drugged Driving Awareness Week".

I sincerely wish that we did not have to designate such a week but the shocking and grim statistics indicate that our public must be made aware of the perils of mixing drinking or drugs with driving. Even legal drugs, such as a prescribed antihistamine, may cause drowsiness and impairment of judgement while driving. We should be cautioned about this aspect of ingesting drugs and driving.

During this year's Memorial Day weekend, 404 people were killed and 422 died during the Labor Day weekend as a result of automobile accidents. The National Highway Traffic Safety Administration [NHTSA] has estimated that 50 percent of these deaths resulted from alcohol or drug abuse. Approximately 48,000 deaths occurred within the last 12 months due to traffic accidents. NHTSA has estimated that 37.7 percent of the drivers killed in 1987 were legally drunk or drug impaired. The figure raises to 40 percent for single vehicle crashes.

Society's burden, because of impaired driving due to alcohol and drug use, is difficult to calculate. There can be no estimate rendered for the pain and suffering which follows alcohol and drug-related accidents. In dollar terms, the cost has been estimated at well over $26 billion.

The week of December 11 through the 17th has been chosen to focus attention on the problem of impaired driving because there are more deaths during the holiday season—there are more drivers on the highways and there are more social events where drinking and the use of drugs are part of the festivities.

This important resolution has been introduced and has passed for the last 6 years. Thousands of citizens' volunteers all over the country have participated in this awareness program and there has been some signs of progress because of this awareness. There has been a reduction of total traffic fatalities where a driver or pedestrian is intoxicated. In 1982, the statistics reflected that 46 percent of the pedestrians or drivers were intoxicated whereas, in 1986, 41 percent were intoxicated. This is a small improvement, but a positive one.

In any case, the carnage on our highways continues. We must be able to detect and stop drivers who have used drugs or liquor prior to getting behind the wheel of their car.

Mr. Speaker, the designation of "National Drunk and Drugged Driving Awareness Week" will help to remind our constituents of the severity of this problem, a national senseless waste of human life and the enormous cost in human suffering—a reminder that we cannot have happy holidays when our highways are the scene of devastation.

I wish to express my gratitude to Senator HUMPHREY for introducing this legislation and to the many cosponsors of House Joint Resolution 651.

Mr. Speaker, I urge unanimous support of this important resolution.

Mr. GILMAN. M. Speaker, I withdraw my reservation of objection.

The **SPEAKER** pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 332

Whereas traffic accidents cause more violent deaths in the United States than any other cause, approximately 46,000 in 1986;

Whereas traffic accidents cause thousands of serious injuries in the United States each year;

Whereas almost 50 percent of all drivers killed in single vehicle collisions and over 38.7 percent of all drivers fatally injured in 1986 had blood alcohol concentrations above the legal limit of .10;

Whereas the United States Surgeon General has reported that life expectancy has risen for every age group over the past 75 years except for Americans 15 to 24 years olds, whose death rate, the leading cause of which is drunk driving, is higher now than it was 20 years ago;

Whereas the total societal cost of drunk driving has been estimated at more than $26,000,000,000 per year, which does not include the human suffering that can never be measured;

Whereas there are increasing reports of driving after drug use and accidents involving drivers who have used marijuana or other illegal drugs;

Whereas driving after the use of therapeutic drugs, either alone or in combination with alcohol, contrary to the advice of physician, pharmacist, or manufacturer, may create a safety hazard on the roads;

Whereas more research is needed on the effect of drugs either alone or in combination with alcohol, on driving ability and the incidence of traffic accidents;

Whereas an increased public awareness of the gravity of the problem of drugged driving may warn drug users to refrain from driving and may stimulate interest in increasing necessary research on the effect of drugs on driving ability and the incidence of traffic accidents;

Whereas the public, particularly through the work of citizens groups, is demanding a solution to the problem of drunk and drugged driving;

Whereas the Presidential Commission on Drunk Driving, appointed to heighten public awareness and stimulate the pursuit of solutions, provided vital recommendations for remedies for the problem of drunk driving;

Whereas the National Commission Against Drunk Driving was established to assist State and local governments and the private sector to implement these recommendations;

Whereas most States have appointed task forces to examine existing drunk driving programs and make recommendations for a renewed, comprehensive approach, and in many cases, their recommendations are leading to enactment of new laws, along with strict enforcement;

Whereas the best defense against the drunk or drugged driver is the use of safety belts and consistent safety belt usage by all drivers and passengers would save as many as 10,000 lives each year;

Whereas an increase in the public awareness of the problem of drunk and drugged driving may contribute to a change in society's attitude toward the drunk or drugged driver and help sustain current efforts to develop comprehensive solutions at the State and local levels;

Whereas the Christmas and New Year holiday period, with more drivers on the roads and an increased number of social functions, is a particularly appropriate time to focus national attention on this critical problem;

Whereas designation of National Drunk and Drugged Driving Awareness Week in each of the last 6 years stimulated many activities and programs by groups in both the private and public sectors aimed at curbing drunk and drugged driving in the high-risk Christmas and New Year holiday period and thereafter; and

Whereas the activities and programs during National Drunk and Drugged Driving Awareness Week have heightened the awareness of the American public to the danger of drunk and drugged driving: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress, That the period commencing December 11, 1988, through December 17, 1988, is designated as "National Drunk and Drugged Driving Awareness Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL LIGHTHOUSE DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 306) designating the day of August 7, 1989, as "National Lighthouse Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I yield to the gentleman from New Jersey [Mr. HUGHES], who is the sponsor of Senate Joint Resolution 306, designating the day of August 7, 1989, as "National Lighthouse Day."

Mr. HUGHES. Mr. Speaker, I want to first of all thank the distinguished chairman of the subcommittee, the gentleman from California, MERV DYMALLY; the ranking member; the gentlewoman from Maryland, CONNIE MORELLA of the Subcommittee on Census and Population of the Committee on Post Office and Civil Service; and my good friend the gentleman from New York, BEN GILMAN, with whom I have worked on many, many matters in this Congress; and, of course, the chairman of the full committee, the gentleman from Michigan, BILL FORD, chairman of the Committee on Post Office and Civil Service, for their support in bringing this measure to the floor today.

Mr. Speaker, I am pleased to rise in support of House Joint Resolution 578, a resolution to designate August 7, 1989 as "National Lighthouse Day." I wish to thank Chairman MERVYN DYMALLY and ranking member CONNIE MORELLA of the Subcommittee on Census and Population, as well as Chairman BILL FORD of the Committee on Post Office and Civil Service, for their support in bringing this measure to the floor. At the same time, I want to thank my cosponsors of this resolution DANTE FASCELL, BILLY TAUZIN, and JIM SAXTON, for their valuable assistance.

On August 7, 1989, the United States will celebrate the 200th anniversary of the signing of the Lighthouse Act, and the commissioning of the first lighthouse in America by President George Washington. House Joint Resolution 578 is intended to call special attention to this celebration, and to help promote public interest in, and awareness of, the unique role which lighthouses have played throughout our country's history.

Over the years, lighthouses have played a crucial role in the economic development and defense of our Nation. The first lighthouse in America was built in Boston Harbor in 1716, and over the years some 1,200 lighthouses were constructed along our coastlines, rivers, and lakes, where they served as key navigational aids. Approximately 750 lighthouses are still standing today, including about 500 which are still lit. This includes the oldest lighthouse in America in continuous use, which is located in New Jersey at Sandy Hook State Park.

Although the functional role of lighthouses has been diminished by the development of electronic navigational devices, these structures remain historically and culturally significant. Unfortunately, many lighthouses have fallen into disrepair. Many communities and private organizations around the country, led by the Lighthouse Preservation Society of Rockport, MA, are working hard to restore and preserve these structures, so that future generations will have the opportunity to visit and learn more about them. For example, we have two beautiful lighthouses in my district in southern New Jersey which have recently been restored and opened to the public: the Finns Point Rear Range Lighthouse in Salem County and the Cape May Point Lighthouse in Cape May County.

I am hopeful that the 200th anniversary celebration next year will spark a renewed public interest in lighthouses, and in the need to protect these glorious symbols of our Nation's rich maritime history. By designating August 7, 1989 as "National Lighthouse Day," we can provide important national recognition of this effort. It's a worthy cause and I hope my colleagues will join me in voting for this lighthouse resolution.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, under my reservation I would like to commend the gentleman from New Jersey [Mr. HUGHES] for bringing this matter to our attention and for his explanation in support of the bill.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 306

Whereas August 7, 1989, marks the 200th anniversary of the signing by President Washington of the Lighthouse Act; and

Whereas that Act, established a Federal role in the support, maintenance, and repair of all lighthouse, beacon buoys, and public piers necessary for safe navigation; commissioned the first Federal lighthouse, and represents the first public works Act in the young country; and

Whereas lighthouse played an integral role in the rich maritime history of the United States as that history spread from the Atlantic coast, through the Great Lakes and Gulf coast, to the Pacific States; and

Whereas these impressive structures, standing at land's end through two centuries, have symbolized safety, security, heroism, duty, and faithfulness; and

Whereas architects, designers, engineers, builders, and keepers devoted, and in some cases, jeopardized, their lives for the safety of others; and

Whereas by 1989 the United States Coast Guard will complete the automation of all Coast Guard lights, concluding a rich, colorful, and significant chapter in American history; and

Whereas this heritage is further threatened by neglect, vandalism, and deterioration by the elements; and

Whereas the many completed, ongoing, or planned private and public efforts to preverve lighthouse demonstrate the public support for these historic structures: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the day of August 7, 1989, is designated as "National Lighthouse Day"; that to the extent feasible, lighthouse grounds should be open to the general public; and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such a day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL ADULT IMMUNIZATION AWARENESS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 335) to designate the last full week of October, October 23 through October 29, 1988, as "National Adult Immunization Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object but I would like to inform the House that the minority has no objection to the legislation now before this body.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 335

Whereas the Surgeon General of the United States has declared as a major health initiative the reduction of vaccine-preventable death and disease among adults in the United States;

Whereas the reduction of these infectious diseases could save as many as 70,000 lives annually and more than $1 billion in direct costs annually;

Whereas the Surgeon General has declared the goal of immunizing 60 percent of America's elderly and chronically ill against influenza and pneumococcal pneumonia, yet only 18 percent of susceptible adults are immunized against influenza and 10 percent against pneumococcal pneumonia;

Whereas hepatitis B has grown to epidemic proportions in this country despite the availability of a highly effective vaccine;

Whereas childhood diseases like measles and mumps are on the rise among young adults;

Whereas newborn infants in America are at risk of congenital deformities or death because 9-15 percent of women of childbearing age are not adequately protected against rubella;

Whereas the Congress has authorized through the Omnibus Reconciliation Act of 1987 a $25 million-a-year demonstration project to prove the cost-effectiveness of influenza vaccinations among Medicare recipients;

Whereas efforts should be made to alert Medicare participants to enroll in this project;

Whereas public awareness in the field of adult immunization has been conducted primarily by the voluntary sector; and

Whereas the Congress and the President have consistently declared the last week of October as "National Adult Immunization Awareness Week": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the last full week of October, October 23 through October 29, 1988, is designated as "National Adult Immunization Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people, the Surgeon General, and other Federal health officials of the United States to observe such week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL ADOPTION WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 575) to designate the week beginning November 21, 1988, through November 27, 1988, as "National Adoption Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object but would simply like to inform the House that the minority has no objection to the legislation now before this body.

Mr. SMITH of New Jersey. Mr. Speaker, House Joint Resolution 575 designates Thanksgiving week—November 21 to 27—as "National Adoption Week of 1988" and is intended to focus public attention on the advantages of adoption for all concerned—the child, the birthparents, and the adoptive parents. There is companion legislation in the Senate.

Every year, Mr. Speaker, there are approximately 2 million couples and another million single people who want to adopt a child; these people face years on an adoption agency waiting list. In fact, for every child adopted in this country, there are 60 homes. Many waiting parents are turning to adoption of foreign children. Between 1973 and 1986, 80,000 foreign-born children were adopted by Americans.

At the same time, there is an astounding number of children in foster care and institutions, approximately 36,000, who are legally free and waiting for permanent adoptive homes. These "forgotten" children, however, have special needs—that is, they are older, handicapped—physically, mentally, or emotionally—in sibling groups, or members of minorities.

Another startling and tragic fact affecting adoption is that 40 percent of all pregnancies to teens end in abortion. Of those babies who are carried to term and born out of wedlock, only 5 percent are placed for adoption, according to 1982 data.

In light of such statistics, Mr. Speaker, we as a society need to do more to encourage adoption of special needs children and to promote adoption as an option for a problem pregnancy.

As my colleagues are probably aware of, President Reagan's Interagency Task Force on Adoption issued its final report during National Adoption Week, 1987. On March 31, 1988, the task force published an expanded version of this report entitled, "America's Waiting Children". Mr. Speaker, I urge all my colleagues to read this very important report which provides a comprehensive overview of our current adoption policies and recommends changes to facilitate adoption, especially of special needs children.

Recognizing that adoption procedures are generally governed by State laws, the task force highlights several initiatives that Congress can nevertheless pursue to improve our adoption policies. One such initiative is to amend the Social Security Act so that an adopted child of a retired or disabled worker is treated the same as a biological child for the purposes of determining benefits.

Another initiative is for Congress to go on record opposing unequal treatment of adopted children in health insurance and encourage States to urge insurance companies to treat adopted children the same as biological children.

Moreover, Congress needs to continue support for the Adolescent Family Life Program. As my colleagues know, this very important profamily program provides funding for research and demonstration programs that, in part, promote adoption as an alternative to adolescent parenthood or abortion.

Finally, Congress needs to look at the special problems facing military families who want to adopt and explore the possibility of encouraging agencies throughout the country to set up a reciprocal policy so that an agency in one State will accept the home study assessments which certify a family as eligible to adopt of another State.

A monumental problem that has faced adoption in this country is the lack of a comprehensive data collection system on the actual number of adoptions which occur per year. I am encouraged that progress is being made in this regard as reported by the task force. The Department of Health and Human Services has formed an advisory committee to evaluate alternative ways to collect data on a comprehensive basis. Congress directed HHS in the 1986 Omnibus Budget Reconciliation Act to implement such a data system by 1992.

National Adoption Week provides us with the opportunity to reflect on the many benefits of adoption. A variety of media, Federal, State, and local government agencies, adoptive parent and advocacy groups, civic and church groups, and businesses sponsor special events and provide information to heighten community awareness of adoption and the availability of adoptable "special needs" children.

In my view, Mr. Speaker, nothing is more important, no one more precious, or vulnerable than children. All children belong in families where they can grow in love and become responsible adults. National Adoption Week enables us all to applaud the generosity of adoptive parents, to commend assisting organizations such as the Adoptive Parents Committee, and to focus on the law to ensure that our adoption policies are the best we can enact.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution as follows:

H.J. Res. 575

Whereas the week of November 21 has been commemorated as National Adoption Week for the past ten years;

Whereas we in Congress reccognize the essential value of belonging to a secure, loving permanent family as every child's basic right;

Whereas approximately fifty thousand children who have special needs—school age, in sibling groups, members of minorities, or children with physical, mental, and emotional handicaps—are now in foster care or institutions financed at public expense and are legally free for adoption;

Whereas the adoption by capable parents of these institutionalized or foster care children into permanent, adoptive homes would insure the opportunity for their continued happiness and long-range well-being;

Whereas public and private barriers inhibiting the placement of these special needs children must be reviewed and removed where possible to assure these children adoption;

Whereas the public and prospective parents must be informed of the availability of adoptive children;

Whereas a variety of media, agencies, adoptive parent and advocacy groups, civic and church groups, businesses, and industries will feature publicity and information to heighten community awareness of the crucial needs of waiting children; and

Whereas the recognition of Thanksgiving week as "National Adoption Week" is in the best interest of adoptable children and the public in general: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 21, 1988, through November 27, 1988, hereby is designated "National Adoption Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DIABETES MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 272) to designate November, 1988, as "National Diabetes Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object, but I would like to inform the House that the minority has no objection to the legislation now being considered.

I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 272

Whereas diabetes is a leading cause of death by disease in the United States;

Whereas diabetes afflicts 11,000,000 Americans and over 5,000,000 of these individuals are not aware of their illness;

Whereas nearly $14,000,000,000 annually are spent on health care costs, disability payments, and premature mortality costs due to diabetes;

Whereas up to 85 percent of all cases of non-insulin dependent diabetes may be prevented through greater public understanding, awareness, and education;

Whereas diabetes is particularly prevalent among Black, Hispanic, Native Americans, and women;

Whereas diabetes is the number one cause of new blindness in people between the ages of 20 and 74, and is a leading cause of kidney disease, heart disease, strokes, birth defects, and lower life expectancy, the severity of which all may be reduced through greater patient and public understanding, awareness, and education: Now therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November, 1988 is designated as "National Diabetes Month" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL MILITARY FAMILIES RECOGNITION DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 543) acknowledging the sacrifices that military families have made on behalf of the Nation and designating November 21, 1988, as "National Military Families Recognition Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, while I do not object, I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. AuCOIN. Mr. Speaker, I rise today as an original cosponsor of the resolution designating November 21, 1988, as National Military Families Recognition Day.

Military families are unique families. During wartime, they must endure the fear and agony of loss that is often just as horrible as the pain experienced by those in combat. They must endure long absences, and often must go to great lengths just to be together. Every day, they are called upon to sacrifice what most of us take for granted—a normal family life. This sacrifice is on our behalf, and their dedication is an inspiration to us all.

A perfect example of this kind of dedication can be found in Portland, OR, where the U.S.S. *Okinawa* is currently undergoing a major overhaul. Many of the crew's families have come to Oregon for the duration of this temporary assignment. I am proud to report that Oregonians have welcomed the families of the *Okinawa* with open arms. The Welcome the Navy and Coast Guard Committee, a group formed over 3 years ago in Portland, has been working overtime to help make their stay in Oregon an adventurous and pleasant part of Navy life. Today, I join the committee and the rest of my colleagues in sending a special "thank you" to these extraordinary Americans.

Mr. BENNETT. Mr. Speaker, I am glad to stand in support of House Joint Resolution 543, National Military Families Recognition Day, which was introduced by the distinguished gentleman from Mississippi, MIKE ESPY.

This resolution, which I was glad to cosponsor, gives due recognition to the families of military personnel here at home as well as abroad. The well-being of these families is an important factor in keeping the morale of our Nation's military personnel high.

Since my district of Jacksonville, FL, is home to three naval bases, I am reminded of the dedication and sacrifices that these families offer our Nation. This resolution is important since it recognizes military families, which sacrifice a great deal to help keep our country militarily secure.

Recognition for the families of our military is long overdue. I thank my good friend and colleague Mr. MIKE ESPY for bringing this worthwhile resolution before us.

Mr. ESPY. Mr. Speaker, I am proud to be the chief sponsor and drafter of House Joint Resolution 543, designating Monday, November 21, 1988, as National Military Families Recognition Day. I am honored to be joined by 223 of my House colleagues in passing this bill, and I am certain the Senate will pass this bill within the next day or so.

House Joint Resolution 543, which was introduced in the House on April 19, 1988, is the first congressional action that has ever been taken to set aside 1 day in honor of past and present military families, recognizing their contributions to the overall mission of the Department of Defense. It is very appropriate that we acknowledge the sacrifices made by these families and the hardships placed on them by frequent moves. On an average of every 2 years, a military family must move an entire household, make a new home, get adjusted in a new neighborhood, find new friends, school, church, and for many spouses, finding a new job is a priority.

Mr. Speaker, can we fully compensate these dedicated citizens? How can we honor patriotism? In part, we do it by recognizing the tacit acts of national loyalty seen in these families. We honor them for their contribution to our national defense and military readiness by supporting their military spouse in his or her mission even though the mission may mean long hours, extended separations, injury, or death. In times of war and military action, military families have repeatedly demonstrated their patriotism through their firm support and commitment to our Nation. These families are quiet American heros.

Perhaps it is not clear to the people of this great Nation but military families affect the emotional and mental readiness of U.S. military personnel. When the well-being and satisfaction of military families are the least of concerns for our soldiers, we know they focus their energies more directly on the duties before them. And, the quality of life that is afforded military families by the Department of Defense is a key factor in the retention of military personnel. Mr. Speaker, this underscores the importance we have placed on the military family, because without asking them, we take for granted their shouldering the responsibility of providing emotional support for their service member.

The adversities and pressures facing military families seem to be compounded by other circumstances, but by and large, their morale remains strong. Their lives are mixed with exciting new places to live and the negative aspects of language barriers, social and cultural isolation, and financial hardships.

The exciting new places are here in America or half way around the world. The military dependents who attend school stateside and abroad are generally fortunate to have top quality teachers, materials, and facilities. In particular, the unique situation for developing close social ties when stationed far from the U.S. mainland has been experienced by tens of thousands of military families. Schools such as Kubasaki High School on Okinawa, Heidelberg American High School in Heidelberg, Germany, Madrid American School, Madrid, Spain, and Dewey High School in Subic Bay, Philippines, among many others, were enclaves of America's youth finding a bit of America among themselves. The experiences for these young ambassadors are special, unique, and unforgettable.

More and more of our military personnel are married; 75 percent of all officers and 60 percent of enlisted personnel are married. As of March 1987, families of active duty personnel, including those other than spouses or children, accounted for nearly 3 million of the active duty community which totals 5.2 million. Mr. Speaker, at any one time, there are more than 500,000 spouses, children, and other dependents living abroad with members of the Armed Forces. Spouses and children of members of the Reserves in paid status accounted for 1.6 million of more than 2.7 million in the Reserve community. As the trend continues for our military service members to favor married life, and choose to have families while continuing their military service commitments, we must be ever mindful of the complete service member and his or her support system: their family members.

Mr. Speaker, Monday, November 21, will be a very special day. I wish to thank several of my earliest cosponsors to this resolution, Representatives MONTGOMERY, DOWDY, AUCOIN, DICKINSON, ASPIN, COURTER, APPLEGATE, and BOXER. They were quick to recognize the devotion of military families to the overall mission of the Department of Defense and these families' acceptance of the role of the United States as the military leader and protector of the free world.

I wish also to thank the committee chairman, Mr. DYMALLY, and the gentlelady from Maryland for their committee guidance and support.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 543

Whereas Congress recognizes and supports Department of Defense policies to recruit, train, equip, retain, and field a military force that is capable of preserving peace and protecting the vital interest of the United States and its allies;

Whereas military families shoulder the responsibility of providing emotional support for their service members;

Whereas in times of war and military action military families have demonstrated their patriotism through their steadfast support and commitment to the Nation;

Whereas the emotional and mental readiness of United States military personnel around the world is tied to the well-being and satisfaction of their families;

Whereas the quality of life that the Armed Forces provide to military families is a key factor in the retention of military personnel;

Whereas the people of the United States are truly indebted to military families for facing adversities, including extended separations from their service members, frequent household moves due to reassignments, and restrictions on their employment and educational opportunities;

Whereas 75 percent of officers and 60 percent of enlisted personnel in the Armed Forces are married;

Whereas in March 1987, families of active duty military personnel (including individuals other than spouses or children) accounted for 2,992,155 of the 5,197,652 in the active duty community and spouses and children of members of the Reserves in paid status accounted for 1,569,107 of the 2,726,538 in the Reserves community;

Whereas spouses, children, and other dependents living abroad with members of the Armed Forces total nearly 500,000 and these family members at times face feelings of cultural isolation and financial hardship; and

Whereas military families are devoted to the overall mission of the Department of Defense and have accepted the role of the United States as the military leader and protector of the free world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) Congress acknowledges and appreciates the commitment and devotion of present and former military families and the sacrifices that such families have made on behalf of the Nation, and

(2) November 21, 1988, is designated as "National Military Families Recognition Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL WILD AND SCENIC RIVERS ACT WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 378) designating the week of October 2 through 8, 1988, as "National Wild and Scenic Rivers Act Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, under my reservation I would like to rise in support of this measure introduced by the gentleman from Pennsylvania [Mr. McDADE] designating the week of October 2 through 8, 1988, as "National Wild and Scenic Rivers Act Week" and would like to note there are a number of important rivers that are protected as free-flowing streams for public use and enjoyment for generations to come, one of which happens to be in my own congressional district, the Upper Delaware System, the upper Delaware Wild and Scenic River that has been properly protected by this kind of legislation.

Mr. Speaker, I commend the gentleman from Pennsylvania [Mr. McDADE], for citing the importance of this kind of legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 378

Whereas river corridors are one of the most precious cultural and recreational values in the United States;

Whereas the Wild and Scenic Rivers Act provided for the establishment of a system of rivers to be protected as freeflowing streams for the public use and enjoyment for generations to come;

Whereas there are 3,500,000 miles of rivers in the United States, many of which are protected because of the establishment of the Wild and Scenic Rivers System;

Whereas the Wild and Scenic Rivers Act has encouraged through the State and Local River Conservation Assistance Program authorized by the Act, the cooperative protection of rivers corridors by Federal, State, and local governments, private groups, and landowners;

Whereas public awareness of the importance of wild and scenic rivers must be raised and public and private cooperation encouraged to promote the continued protection of these precious river values; and

Whereas the Wild and Scenic Rivers Act was signed into law on October 2, 1968: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 2 through 8, 1988, is designated as "National Wild and Scenic Rivers Act Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate programs and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL CRANIOFACIAL DEFORMITY AWARENESS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 573) to designate the week beginning November 13, 1988, as "National Craniofacial Deformity Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, under my reservation I yield to the gentleman from Texas, Mr. FROST, the chief sponsor of this measure.

Mr. FROST. I thank the gentleman for yielding.

Mr. Speaker, I and 230 of my colleagues have joined in support of House Joint Resolution 573 which will designate the week of November 13-18, as "National Craniofacial Awareness Week." On behalf of the more than 200,000 children born each year with some kind of facial deformity, it is our hope that the special designation of this week will further promote the progress that has been made in treating facial deformities.

Through the efforts of the National Craniofacial Foundation headquartered in Dallas, the National Foundation for Facial Reconstruction in New York, and Let's Face It, a group in Boston; activities promoting the medical advances made in facial reconstructive surgery have been planned during "National Craniofacial Awareness Week."

These organizations fund facial deformity research and education programs and promote the treatment of individuals who suffer from a facial deformity. Combined, these organizations have funded surgical and nonsurgical treatment for more than 10,000 patients throughout the United States and 12 countries. They have also begun to aggressively seek out individuals who can be aided by the services of the organizations and provide self-help and counseling for those suffering irreparable craniofacial damage.

Over all these and other organizations help find, fund, and obtain treatment for victims of all kinds of facial deformities. However, the greatest task facing these organizations today is getting the word out that education and treatment are available. The opportunity and timing for designating this commerative week is therefore essential to further promote the availability of medical treatment for the many who suffer in silence. The support of this resolution by the Congress will be invaluable in changing the lives of thousands of people.

Mr. Speaker, I would hope that the House would give this resolution unanimous support so that it may be passed on to the Senate.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, under my reservation I would like to commend the gentleman from Texas [Mr. FROST] for bringing this measure to the floor and for his explanation of this measure.

Mr. ATKINS. Mr. Speaker, I rise in support of House Joint Resolution 573 to designate the week beginning November 13, 1988, as "National Craniofacial Awareness Week."

Approximately 456,000 Americans suffer permanent damage to their faces each year as the result of accidents, burns, congenital deformities and disease. Too often, these individuals and their families are unaware that help is available to provide surgical assistance and counseling. As a result, thousands of people who have suffered permanent facial damage live in the shadows of life, never fulfilling their goals and dreams.

One very special group in my congressional district is Let's Face It. Let's Face It is a self-help organization that performs the very important role of providing counseling and support to people with craniofacial disfigurement. The group was founded only 1 year ago by Betsy Wilson and already she has received hundreds of letters from people all over the country eager to communicate with others who share similar difficulties.

Mr. Speaker, it is so important for people to feel that they are not alone, that is why I am proud to support and celebrate the National Craniofacial Awareness Week. I hope others celebrate this important week in November to spread the word to people with craniofacial disfigurement: You are not alone and there are organizations to turn to.

Mr. GILMAN, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the reqeust of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 573

Whereas as many as 200,000 children of less than 5 years of age suffer from severe craniofacial deformity;

Whereas individuals who suffer from craniofacial deformity, including children and adults, are too often forced to live secluded lives, hidden from society;

Whereas individuals who suffer from craniofacial deformity and their families experience severe emotional and behavioral difficulties;

Whereas the National Craniofacial Foundation was created in 1982 to fund programs for research and education regarding craniofacial deformity and treatment of individuals who suffer from craniofacial deformity;

Whereas the National Craniofacial Foundation has funded surgical and nonsurgical treatment for more than 2000 patients from 30 States and 12 countries; and

Whereas The National Craniofacial Foundation has begun to aggressively seek out individuals who can be aided by the services of the Foundation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning November 13, 1988, is designated as "National Craniofacial Deformity Awareness Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DYMALLY: Page 2, line 4, strike "Deformity".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California [Mr. DYMALLY].

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment of the joint resolution.

The joint resolution was ordered to be engrossed.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. DYMALLY: Page 2, strike the 4th through 6th clauses of the preamble and insert the following:

Whereas the National Craniofacial Foundation, Let's Face It, and the National Foundation for Facial Reconstruction fund programs for research and education regarding craniofacial deformity and treatment of individuals who suffer from craniofacial deformity;

Whereas the National Craniofacial Foundation, Let's Face It, and the National Foundation for Facial Reconstruction have funded surgical and nonsurgical treatment for more than 10,000 patients from throughout the United States and 12 countries; and

Whereas the National Craniofacial Foundation, Let's Face It, and the National Foundation for Facial Reconstruction have begun to aggressively seek out individuals who can be aided by the services of the organizations: *Now, therefore, be it*

Mr. DYMALLY (during the reading). Mr. Speaker, I ask unanimous consent that the amendment to the preamble be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California.

There was no objection.

The SPEAKER pro tempore. The question is on the amendment to the preamble offered by the gentleman from California [Mr. DYMALLY].

The amendment to the preamble was agreed to.

The joint resolution was ordered to be heard a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. DYMALLY: Amend the title so as to read: "To designate the week beginning November 13, 1988, as 'National Craniofacial Awareness Week'.".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

NATIONAL COMMISSIONED CORPS OF THE PUBLIC HEALTH SERVICE CENTENNIAL DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 672) to designate January 4, 1989, as "National Commissioned Corps of the Public Health Service Centennial Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 672

Whereas the commissioned corps of the Public Health Service of the United States has compiled an exceptional record of service to the health of the people of the United States and the world through concerted efforts at disease prevention, health promotion, environmental intervention, disease control, biomedical research, health care delivery, and health program management, policy development, and implementation;

Whereas the commissioned corps of the Public Health Service has been instrumental in the achievement of many innovations and breakthroughs throughout the field of health care;

Whereas because of diverse and varied training and background, the commissioned corps of the Public Health Service has maintained a highly effective, mobile, and adaptive cadre of health and medical experts that have performed efficiently during emergencies, epidemics, and other adverse situations with courage, proficiency, and valor;

Whereas the officers of the commissioned corps of the Public Health Service have worked to eradicate diseases such as pellagra and smallpox and improved the health of mothers, children, and handicapped individuals through significant accomplishments such as the control of tuberculosis and the development of protective vaccines;

Whereas the officers of the commissioned corps of the Public Health Service have worked to increase the protection of consumers through the Federal Food, Drug, and Cosmetic Act and the Mental Health Systems Act and provided health care services for the Merchant Marine, the Coast Guard, the Bureau of Prisons, American Indians, and Native Alaskans;

Whereas on January 4, 1989, the commissioned corps of the Public Health Service celebrates the completion of its 1st century of existence and begins its 2d century with the goal of further enhancing the health of the people of the United States through measures such as achieving a smoke-free and drug-free society and eradicating the disease of acquired immune deficiency syndrome: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 4, 1989, is designated as "National Commissioned Corps of the Public Health Service Centennial Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNCLE SAM DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 626) designating September 13, 1989 as "Uncle Sam Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, under my reservation I yield to the distinguished gentleman from New York [Mr. STRATTON].

□ 1445

Mr. STRATTON. Mr. Speaker, I appreciate the gentleman's yielding.

Mr. Speaker, a lot of people take Uncle Sam for granted. He has appeared on so many posters on behalf of so many Federal causes that he has become an indispensible part of the American fabric. If his origin is given any thought at all, people probably attribute Uncle Sam's beginnings to a political cartoonist with a keen eye.

In fact, Uncle Sam started out in this world as Samuel Wilson, a man who was born in Menotomy, MA; schooled in Mason, NH; and lived and died in Troy, NY.

It was in Troy that Sam Wilson took up meat packing and the road to immortality. During the War of 1812, he supplied meat to the Army of the United States of America. At the time, the accepted abbreviation for our country was USA. But Sam Wilson shortened that monogram to "US."

Local Army recruits knew Sam Wilson packed their meat in those casks and, in jest or ignorance, said "US" stood for Uncle Sam—Uncle Sam Wilson, that is. By the end of the war, the idea had spread far and wide. All the troops knew their fare had come from Uncle Sam—Uncle Sam took care of his boys. The name Uncle Sam became synonymous with the Government of the United States. And the caricatures which at first resembled Sam Wilson began to take on a life of their own.

The point is our beloved Uncle Sam had a real life counterpart. We can trace our national symbol Uncle Sam back to this one man in Troy, NY, who stood for honesty, hard work, and concern for his fellow man. As the resolution states, Uncle Sam is the embodiment of Samuel Wilson who represents the enterprising, idealistic, and strong spirit that is the backbone of our Nation.

The citizens of Troy, NY, have worked for many years to make this connection known because they are justifiably proud of Sam Wilson. Every year on his birthday, September 13, the people of Troy come out for a parade in his honor and a ceremony at his gravesite in Oakwood Cemetery.

Oakwood Cemetery is registered as a New York State Historic Landmark, and I hope one day to see it recognized as a national landmark as well. I have championed this cause for the people of Troy for many of my 30 years in Congress. Now, as I retire, I thank you for your support of this commemorative resolution which honors Samuel Wilson on the occasion of his birth in the year of the 200th anniversary of the city of Troy. September 13, 1989, will be a memorable day and one on which all Americans can be proud of Uncle Sam Wilson.

Mr. GILMAN. Mr. Speaker, under my reservation, I would like to commend the gentleman from New York [Mr. STRATTON], the dean of our New York delegation, for bringing this measure to the floor.

It is appropriate that Congressman SAM STRATTON brings to the floor the "Uncle Sam Day" resolution as the last piece of his legislation during his 30-year significant history in the House, pointing up his great leadership in the House. We commend him once again for all the great work he has done.

Mr. Speaker, we will sorely miss the gentleman from New York in this body.

Mr. STRATTON. Mr. Speaker, I thank the gentleman from New York [Mr. GILMAN].

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 626

Whereas Samuel Wilson of the City of Troy, New York, is accepted as the progenitor of our national symbol, Uncle Sam;

Whereas Uncle Sam, the embodiment of Samuel Wilson, represents the enterprising, idealistic, and strong spirit that is the backbone of our Nation;

Whereas the symbol of Uncle Sam remains important to the identity of our Nation among freedom-loving people of the world;

Whereas the people of the City of Troy have dedicated themselves to the remembrance of Samuel Wilson and his role in American history;

Whereas the City of Troy marks its 200th anniversary in 1989; and

Whereas September 13 is the birth date of Samuel Wilson: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 13, 1989, is designated as "Uncle Sam Day" in honor of Samuel Wilson of the City of Troy, New York on the occasion of the 200th anniversary of the City. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 441. An act for the relief of the heirs of Master Sergeant Nathaniel Scott, United States Army, retired, deceased;

H.R. 2109. An act for the relief of Rosa Pratts;

H.R. 2461. An act for the relief of Milena Mesin and Bozena Mesin; and

H.R. 2511. An act for the relief of Tarek Mohamad Mahmoud.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to the bill (H.R. 4189) "An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 for fiscal years 1989 through 1993".

The message also announced, that the Senate agrees to the amendment of the House to the bill (S. 1863) "An act to amend the bankruptcy law to provide for special revenue bonds, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 2209) "An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes".

The message also announced that the Senate had passed a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 167. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 1807.

PREGNANCY AND INFANT LOSS AWARENESS MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 314) designating October 1988 as "Pregnancy and Infant Loss Awareness Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object, but I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. SHUSTER. Mr. Speaker, I rise today in strong support of House Joint Resolution 360, a resolution that would designate the month of October, 1988 as "Pregnancy and Infant Loss Awareness Month".

This legislation was introduced in an effort to increase the awareness by the public of the devastating effects of pregnancy loss and infant death. Each year thousands of families suffer the tragedy of miscarriage, stillbirth, and infant death. Unfortunately, the fact that this is a traumatic event of great intensity and often debilitating consequences is most often misunderstood by friends, associates, and health care personnel. This leaves parents alone, bewildered and grief-stricken with practically no support mechanisms to rely on.

Although many groups have been formed at the local level to provide support and address the problems that these parents face, a greater national effort must be made to provide comfort and assistance to those parents who suffer this great tragedy. It is through this increased awareness that we hope to expand the opportunities for parents who suffer the tragedy of infant loss to share their grief and constructively deal with their feelings of confusion and loneliness.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 314

Whereas every year thousands of parents lose children to miscarriage, stillbirth, or infant death;

Whereas an increase in the public's awareness of pregnancy loss and infant death will expand the opportunities for parents who suffer the tragedy of infant loss to share their grief and constructively deal with their feelings of stress and loneliness;

Whereas while many groups have been formed at the local level to address the problems these parents face, a greater national effort must be made to provide comfort and assistance to parents who suffer the tragedy of pregnancy loss or infant death; and

Whereas the designation of a special month will bring much-needed attention to the devastating emotional effects of pregnancy loss and infant death: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1988 is designated as "Pregnancy and Infant Loss Awareness Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this month with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL FIREFIGHTERS DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.R. Res. 649) designating October 15, 1988, as "National Firefighters Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, under my reservation I yield to the gentleman from Pennsylvania [Mr. WELDON], who is the sponsor of the House joint resolution, House Joint Resolution 649, designating October 15, 1988, as "National Firefighters Day."

Mr. WELDON. Mr. Speaker, I thank the gentleman for yielding, and I thank my distinguished colleagues, both the gentleman from California and the gentleman from New York, for their cooperation in bringing this matter before this body.

Mr. Speaker, I rise today to ask my colleagues to support the 1.2 million men and women of our Nation's fire service.

Last year, 127 firefighters died in the line of duty. Many lives have been lost to tragic fires and we can expect that many more will suffer before the fire problem in America is solved. We lose 6,000 civilian lives and nearly $10 billion in property damage each year to tragic fires. The time has come for our Nation to realize the seriousness of this problem.

Last week was National Fire Prevention Week. During Fire Prevention Week, firehouses across America became classrooms for our Nation's people. Firefighters volunteered their time to educate our population about fire and life safety. Firefighters went into our schools, and churches to educate our communities about the threat of fire. As always, all of this was done in the interest of public safety.

As you are aware Mr. Speaker, the Congressional Fire Services Caucus has a membership of 262, and growing. We have heightened the awareness to the fire problem within Congress and worked to maintain our Federal commitment to the national fire safety programs. The caucus which enjoys a bipartisan membership in the House and Senate, has grown more rapidly than any other caucus on Capitol Hill because Members realize the importance of the fire service to communities throughout their districts.

In Congress, our commitment to the fire problem in America has been at a minimum level for too long now, let's recognize the men and women who do the job without reservation. The paid professional firefighters and the volunteers share one common goal—the preservation of life and property at all costs.

Mr. Speaker, today I respectfully request that this body accept my resolution which would make November 12, 1988, "National Firefighters Day". In so doing Mr. Speaker, Congress will be recognizing the significant role the fire service plays in the formation and protection of communities across America.

I thank the Speaker for allowing this resolution to come to the floor and I urge my colleagues to accept this resolution.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, under my reservation I would like to commend the gentleman from Pennsylvania [Mr. WELDON] for bringing this measure to the floor and for his explanation and for paying tribute to our courageous firefighters who do so much for our Nation in saving lives and property. I am pleased to be part of the Firefighters Caucus in the Congress. This is the caucus that the gentleman from Pennsylvania has helped to organize so that we could give appropriate attention to these important issues.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 649

Whereas there are over 2,000,000 professional and volunteer fire fighters in the United States;

Whereas fire fighters responded to over 2,300,000 fires and 8,700,000 emergencies other than fires in 1984;

Whereas fires annually cause approximately 6,000 deaths and $10,000,000,000 worth of property damage;

Whereas fire fighters have given their lives and risked injury to preserve the lives of others and to protect our Nation's property;

Whereas the contributions and sacrifices of our valiant fire fighters often go unreported and are inadequately recognized by the public; and

Whereas the work of fire fighters deserves the attention and gratitude of all Americans: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 15, 1988, is designated as "National Fire Fighters Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

AMENDMENTS OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. DYMALLY: Page 2, line 3, strike "October 15, 1988," and insert "November 12, 1988,".

Page 2, lines 3 and 4, strike "Fire Fighters" and insert "Firefighters".

The SPEAKER pro tempore. The question is on the amendments offered by the gentleman from California [Mr. DYMALLY].

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment of the joint resolution.

The joint resolution was ordered to be engrossed.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. DYMALLY: In the preamble, strike "fire fighters" each place it appears and insert "firefighters".

The SPEAKER pro tempore. The question is on the amendment to the preamble offered by the gentleman from California [Mr. DYMALLY].

The amendment to the preamble was agreed to.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. DYMALLY: Amend the title so as to read: "A joint resolution designating November 12, 1988, as 'National Firefighters Day'.".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

NATIONAL BURN AWARENESS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 604) designating February 5 through 11, 1989, as "National Burn Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, under my reservation I yield to the gentleman from Pennsylvania [Mr. WELDON], who is the chief sponsor of House Joint Resolution 604, designating February 5 through 11, 1989, as "National Burn Awareness Week."

Mr. WELDON. Mr. Speaker, I thank the gentleman for yielding, and once again I want to thank my distinguished colleagues, the gentleman from California [Mr. DYMALLY] and the gentleman from New York [Mr. GILMAN], for their cooperation and support in bringing this legislation to the awareness of this body.

The United States has the worst burn injury problem of any industrialized country. Approximately 2 million people a year are victims of burn injuries, many of them fatal. For survivors, the victims of burn injuries must not only undergo extremely costly and lengthy medical treatments, but are often subject to deep psychological scars as a result of their ordeal.

More tragic than this, though, is the fact that many of these injuries could have been prevented by very basic education on how to avoid and treat burn injuries. A recent study concluded that appropimately 75 percent of all burns could be prevented by proper education of children and adults. Executing the "stop, drop, and roll" procedure, for example, can mean the difference between a minor injury and a fatal one. Consider the children that are found every year in the closet, or under the bed, of a house that burned down. In every such instance, a life could have been saved by teaching the child that one cannot hide from fire.

While much of this appears to be fundamental America's burn injury problem is testimony to the fact that it is not common knowledge. There is certainly a lot that is costly that can be done to alleviate the problem of burn injuries in America, but information is not costly. This bill is an inexpensive way for Members of Congress to make an impact on a very serious problem. If this saves one life, or gives one victim hope, where there would have been none, it will have been worth the effort.

I respectfully request that this body accept my resolution which would designate February 5-11, 1989, "National Burn Awareness Week."

I thank the Speaker for allowing this resolution to come to the floor and I urge my colleagues to accept this resolution.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, under my reservation I want to commend the gentleman from Pennsylvania [Mr. WELDON] for bringing this measure to the floor at this time and for his explanation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 604

Whereas the burn injury problem of the United States is worse than that of any other industrialized nation;

Whereas the burn injuries are one of the leading causes of accidental death in the United States;

Whereas every year approximately 2,000,000 individuals are victims of burn injuries in the United States;

Whereas 70,000 of these burn injury victims are hospitalized, accounting for 9,000,000 disability days annually;

Whereas approximately 12,000 individuals die from burn injuries annually;

Whereas the rehabilitative and psychological impact of burns are devastating;

Whereas children, the elderly, and the disabled are those groups most likely to suffer serious burns;

Whereas it is estimated that 75 percent of all burns could be prevented by proper education of children and adults and by appropriate use of design and technology;

Whereas the injuries and loss of life caused by burns could be reduced by increasing the general public's awareness of the need for smoke detectors and home fire escape plans and by educating the general public about the risk of burns associated with certain items in the home enviroment; and

Whereas there is a need for an effective national program that deals with all aspects of burn injuries: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That February 5 through 11, 1989, is designated as "National Burn Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL HOME CARE WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 280) to designate the week of November 27, 1988, through December 3, 1988, as "National Home Care Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, under my reservation I yield to the gentleman from California [Mr. PANETTA], the chief sponsor of Senate Joint Resolution 280, designating the week of November 27, 1988, through December 3, 1988, as "National Home Care Week."

Mr. PANETTA. Mr. Speaker, I wish to thank the committee for acting on this very important resolution.

Mr. Speaker, I rise today in support of Senate Joint Resolution 280, a measure that would designate the week beginning November 27, 1988, as National Home Care Week. This resolution, which was introduced by my distinguished colleague, Senator HATCH, recently passed the Senate. I am the author of its House companion, House Joint Resolution 515, and am very pleased to be joined by Representatives CLAUDE PEPPER, MATTHEW RINALDO, and over 240 colleagues in all in sponsoring this resolution. Congress has approved similar resolutions the past 6 years to recognize the valuable services of home care programs and personnel, and I hope that the House will today once again act favorably on this resolution designating a National Home Care Week.

As you all know, thousands of home care agencies around the Nation have responded to the need to offer effective alternatives to our health care delivery system. By providing skilled medical assistance to those who can be properly treated outside the hospital or nursing home setting, these agencies recognize the demand for new health care options, and conserve tax dollars currently expended on needless placement in these institutions. This valuable concept of care provides a serviceable answer to the needs of our health care system, and offers a comforting, dignified environment for patients. Alternatives to our health care programs must be offered, and home care agencies have proven very effective in answering that need.

Mr. Chairman, as you know, one of the most critical issues to face our Nation today centers around our health care system. While the growing elderly population, expected to total well over 30 million by the year 2000, places greater demand on our current system, home care agencies have helped many of the elderly remain at home and in their communities rather than having to enter long-term care institutions. Home care creates an atmosphere of greater independence and dignity and promotes an easeful recovery. For this service, home care agencies and persons employed in the home care industry should be properly recognized and commended.

As we reevaluate and reform our Nation's health care programs, and increase the emphasis on noninstitutional, community-based care, it is vital for us to take full notice of the benefits of home care and act to encourage its use. I thank my colleagues for their support in cosponsoring House Joint Resolution 515 and in passing similar resolutions in the past, and urge you to again recognize this cost-effective and humane health care alternative the week of November 27, 1988, by now passing Senate Joint Resolution 280.

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Mr. GILMAN. Mr. Speaker, further reserving the right to object and under my reservation, I would like to commend the gentleman from California [Mr. PANETTA] for his leadership on the issue of home health care and for bringing this measure to the floor at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 280

Whereas organized home health care services to the elderly and disabled have existed in this country since the last quarter of the eighteenth century;

Whereas home health care, including skilled nursing services, physical therapy, speech therapy, social services, occupational therapy, health counseling and education, and homemaker-home health aide services, is recognized as an effective and economical alternative to unnecessary institutionalization;

Whereas caring for the ill and disabled in their homes places emphasis on the dignity and independence of the individual receiving such services;

Whereas the Federal Government has supported home health services since the enactment of the medicare program, with the number of home health agencies providing services increasing from less than five hundred to more than five thousand; and

Whereas many private, public, and charitable organizations provide these and similar services to millions of patients each year preventing, postponing, and limiting the need for institutionalization and enabling such patients to remain independent: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 27, 1988, through December 3, 1988, is designated as "National Home Care Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DAY OF EXCELLENCE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 327) commemorating January 28, 1989, as a "National Day of Excellence" in honor of the crew of the space shuttle *Challenger,* and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, under my reservation I do not object, but I would simply like to inform the House that the minority has no objection to the legislation now before this body

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 327

Whereas on January 28, 1986, the seven crew members of the space shuttle Challenger, Commander Francis R. Scobee, Pilot Michael J. Smith, Mission Specialist Ellison S. Onizuka, Mission Specialist Ronald E. McNair, Mission Specialist Judith Resnik, Payload Specialist Gregory B. Jarvis, Teacher-Observer S. Christa McAuliffe, were killed in a tragic explosion shortly after liftoff;

Whereas each of the crew members of the Challenger was a true American hero who represented the best and the brightest that our Nation has to offer;

Whereas the crew of the Challenger gave their lives while striving for an excellence of technology, of goal, and of personal achievement which fills all Americans with a sense of pride in their fellow human beings and countrymen;

Whereas the most appropriate tribute we could pay the crew of the Challenger is a national day when Americans would dedicate themselves in all their endeavors to the pursuit of excellence which makes our country great;

Whereas the American spirit is most responsive to a living tribute in which all citizens can participate and be enriched by such participation; and

Whereas this is a day for which our national character cries out: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 28, 1989, is designated as a "National Day of Excellence". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe that day—

(1) by resolving that in the course of their regular activities they will pursue the spirit of excellence represented by the crew of the space shuttle Challenger; and

(2) with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL CHALLENGER CENTER DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 365) to designate January 28, 1989, as "National Challenger Center Day" to honor the crew of the space shuttle *Challenger,* and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object but would simply like to inform the House that the minority has no objection to the legislation now before the body.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 365

Whereas the crew of the space shuttle Challenger was dedicated to stimulating the interest of American children in space flight and science generally;

Whereas the members of the Challenger crew gave their lives trying to benefit the education of American children;

Whereas a fitting tribute to that effort and to the sacrifice of the Challenger crew and their families is needed;

Whereas an appropriate form for such a tribute would be to expand educational opportunities in science by the creation of a center that will offer children and teachers activities and information derived from American space research; and

Whereas the Challenger Center is the only institution expressly established by the immediate families of the crew of the Challenger for the above-named purposes, and is intended to be the living expression of the Nation's commemoration of the Challenger crew: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 28, 1989, is designated as "National Challenger Center Day" and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such day—

(1) by resolving that in the course of their regular activities the people of the United States will remember both the Challenger astronauts who died while serving their

country, and the importance of the Challenger Center is honoring the accomplishments of the Challenger crew by continuing their goal of the expansion of interest and ability in space and science education; and

(2) with other appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DAY OF REMEMBRANCE FOR POLITICAL PRISONERS IN IRAN

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 669) to designate October 14, 1988, as "National Day of Remembrance for Political Prisoners in Iran" and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. GILMAN. Mr. Speaker, reserving the right to object, under my reservation of objection I yield to the gentleman from California [Mr. DYMALLY], the chief sponsor of this measure, House Joint Resolution 669, designating October 14, 1988, as the "National Day of Remembrance for Political Prisoners in Iran."

Mr. DYMALLY. Mr. Speaker, I thank the gentleman from New York [Mr. GILMAN] for yielding to me.

Mr. Speaker, this resolution recognizes the whole question of political prisoners in Iran.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, under my reservation I would like to commend the gentleman from California [Mr. DYMALLY] for bringing this measure to the floor and for giving the House an opportunity to properly recognize the political prisoners who are still being held in Iran.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 669

Whereas all of the member states of the United Nations have a responsibility to fulfill the obligations they have assumed under various international instruments in the area of human rights and fundamental freedoms;

Whereas the Khomeini government in Iran has committed extensive violations of the Charter of the United Nations, the Universal Declaration of Human Rights, the International Covenant on Economic, Social, and Cultural Rights, and the International Covenant on Civil and Political Rights;

Whereas flagrant violations of human rights by the Khomeini government have been condemned by the General Assembly of the United Nations for the past 3 years and by the Commission on Human Rights of the United Nations for the past 7 years;

Whereas on August 5, 1988, Ayatollah Abd Al-Karim Moussavi Ardabili, Chief Justice of the Supreme Court for the Islamic Republic of Iran, called for summary executions of political prisoners and other Iranian officials subsequently issued similar pronouncements;

Whereas Amnesty International has condemned many human rights violations by the Government of Iran, including the frequent, recent, and continuing political executions, the ban on visits by families of political prisoners held in Evin Prison in Tehran and other prisons in Iran, the lack of the right of an individual to a fair hearing and trial in political cases, and the lack of any judicial procedure for a prisoner sentenced to death to appeal the conviction or sentence;

Whereas 170 Members of the House of Representatives signed a letter that was sent to the Honorable Javier Perez de Cuellar, Secretary-General of the United Nations, requesting that the United Nations take action to halt the political arrests and executions in Iran, send a mission to Iranian prisons and torture chambers to investigate reports of flagrant violations of human rights, and publish the findings of the mission for the international community;

Whereas Dr. Ali-Akear Velayati, Foreign Minister of the Islamic Republic of Iran, is scheduled to address the General Assembly of the United Nations on October 14, 1988; and

Whereas a day should be designated to increase the awareness and concern of the people of the United States regarding the treatment of political prisoners in Iran and to remember the prisoners who are being denied basic human rights and freedoms: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 14, 1988, is designated as "National Day of Remembrance for Political Prisoners in Iran", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DYMALLY: Page 3, line 3, strike "October 14, 1988," and insert "June 20, 1989,".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California [Mr. DYMALLY].

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment of the joint resolution.

The joint resolution was ordered to be engrossed.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. DYMALLY: Page 2, strike the penultimate clause of the preamble and insert the following:

Whereas on June 20, 1981, a group of individuals was arrested by the Revolutionary Guards for the Khomeini government while conducting a public demonstration in Tehran against the Khomeini government and many of the individuals arrested were subsequently tortured and executed at the order of such government; and"

The SPEAKER pro tempore. The question is on the amendment to the preamble offered by the gentleman from California [Mr. DYMALLY].

The amendment to the preamble was agreed to.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. DYMALLY: Amend the title so as to read: "Joint Resolution to designate June 20, 1989, as 'National Day of Remembrance for Political Prisoners in Iran'.".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

NATIONAL CHINA-BURMA-INDIA VETERANS APPRECIATION DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 141) designating August 29, 1988, as "National China-Burma-India Veterans Appreciation Day," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority has no objection to this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 141

Whereas the China-Burma-India theatre of operations was the scene of intense fighting during World War II;

Whereas approximately one hundred and fifty thousand members of the armed forces of the United States served in the China-Burma-India theatre;

Whereas the China-Burma-India Veterans Association is composed of veterans who served in the China-Burma-India theatre;

Whereas the members of the China-Burma-India Veterans Association preserve the recollections, comradeships, and experiences of veterans who served in such theatre and pay tribute to, and preserve the memory of, members of the armed forces of the United States who died during World War II in the China-Burma-India theatre; and

Whereas the people of the United States should recognize, honor, and thank the veterans who served in the China-Burma-India theatre for their great sacrifices to preserve the United States as a free and peaceful Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 29, 1988, is designated as "National China-Burma-India Veterans Appreciation Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DYMALLY: Page 2, line 3, strike "August 29, 1988" and insert in lieu thereof "November 12, 1988".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California [Mr. DYMALLY].

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. DYMALLY: Amend the title so as to read: "JOINT RESOLUTION

"Designating November 12, 1988, as 'National China-Burma-India Veterans Appreciation Day'.".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

WEEK OF REMEMBRANCE OF KRISTALLNACHT

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 654) designating November 4 through 10, 1988, as the "Week of Remembrance of Kristallnacht," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, it gives me pleasure to yield to the prime sponsor of this legislation, the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I thank the gentlewoman from Maryland [Mrs. MORELLA] and the chairman of the subcommittee, the gentleman from California [Mr. DYMALLY] for their consideration.

Mr. Speaker, I rise in support of House Joint Resolution 654—a bill to designate the week of November 4 through 10 as the "Week of Remembrance of Kristallnacht," which I introduced along with 71 of my colleagues.

November 9 of this year marks the 50h anniversary of Kristallnacht—the infamous Night of Broken Glass. On this night and the day following, Nazi agents, acting throughout Germany and Austria, demolished hundreds of synagogues and thousands of Jewish businesses, ransacked thousands of homes, and beat and murdered scores of innocent people merely because they were Jews.

In Hitler's master plan, this night and day of terror was the prelude to Nazi efforts to bring about the total cultural and physical annihilation of the Jewish people.

During Kristallnacht, almost 100 Jews were killed, scores of Torah scrolls and other precious books were burnt, and over 30,000 Jews were arrested and sent to their deaths at the German concentration camps.

What was perhaps most appalling was that—even though this shocking event was widely reported in newspapers throughout the world—not one civilized country offered anything more than a feeble protest against the Nazi government.

We must not let the anniversary of Kristallnacht go by without a solemn commemoration of this event which led to the Holocaust and its horrible and irreversible consequences.

This period of history must never be forgotten, for those who forget the past may someday repeat it. Therefore, I urge you to join me in supporting House Joint Resolution 654, and join your voice in proclaiming that the despicable attempt to annihilate an entire people must never happen again.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I associate myself with the remarks of the gentleman from New York [Mr. SCHUMER]. I think it is important that we do remember, and I compliment him for offering this resolution at this time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 654

Whereas November 9-10, 1988, marks the fiftieth anniversary of Kristallnacht, The Night of Broken Glass;

Whereas Kristallnacht was sanctioned by the Nazi state to terrorize the Jewish citizens of Germany and Austria;

Whereas during Kristallnacht, hundreds of synagogues in Germany and Austria were burned and destroyed, businesses and homes were ransacked, scores of innocent people were killed because they were Jews, and thousands of such people were arrested and sent to concentration camps;

Whereas the lack of any response from civilized nations led the governments of Germany and Austria to believe that further atrocities would go unpunished;

Whereas this belief brought about mass murders and carnage on a scale never before seen in human history;

Whereas Kristallnacht was a watershed event in Nazi rule and served as a prelude to the Second World War and the death of millions of innocent people;

Whereas the reign of the Nazi government marks one of the darkest periods in civilized history; and

Whereas Kristallnacht should remind us all that evil must be confronted forcefully and the civilized world cannot watch idly while barbarism and mass murder are committed against innocent peoples: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 4 through 10, 1988, is designated as the "Week of Remembrance of Kristallnacht", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL GRASSLANDS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 386) to designate the week of June 18 through June 24, 1989, as "National Grasslands Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority has no objection to this legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 386

Whereas there are nearly 4,000,000 acres of publicly owned grasslands located in 14 States across the United States;

Whereas these national grasslands are managed according to the principles of land conservation, multiple-use of land, promotion of development of grassland agriculture and sustained-yield management of forage, fish, wildlife, timber, water, and recreational resources;

Whereas millions of Americans and visitors to our Nation enjoy our national grasslands for camping, hiking, fishing, boating, hunting, snow-mobiling, biking, cross-country skiing, and many other outdoor activities each year;

Whereas our national grasslands continue to provide employment and local stability to rural America and contribute approximately $750,000,000 to the gross national product of our Nation from livestock grazing, energy, environmental, tourism, and recreation industries;

Whereas our national grasslands contain an abundant storehouse of historical, archaeological, and anthropological artifacts unique to North America;

Whereas our national grasslands comprise a unique ecosystem providing our Nation with water, minerals, soils, plants, and animals in a habitat not found elsewhere; and

Whereas our national grasslands provide a model demonstrating for the public the principles of conservation, cooperation, multiple-use of the land, and an appreciation of natural recourses: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of June 18 through June 24, 1989, is designated as "National Grasslands Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES MARSHALS BICENTENNIAL DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 352) designating September 24, 1989, as "United States Marshals Bicentennial Day," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California.

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority has no objection to this legislation.

Mr. KASTENMEIER. Mr. Speaker, I am pleased to support the passage of my joint resolution House Joint Resolution 647, to commemorate the bicentennial of the U.S. Marshals Service. The Marshals Service was the first law enforcement agency created by the Congress and remains one of the most important bulwarks in our criminal justice arsenal.

The breadth of the duties performed by the U.S. Marshals Service is demonstrated by their role in drug law enforcement, fugitive apprehensions, witness transportation and protection, and in the protection of judicial personnel.

The yeoman work of the Marshals goes unnoticed by many in the general public, but as chairman of the subcommittee with oversight responsibility for the activities of the Service, I can tell my colleagues from firsthand experience of the excellent work done by these dedicated public servants. In fact I am pleased to tell my colleagues of the inclusion of the Marshals Service Reform Act as a part of the omnibus drug bill. As result of the bipartisan leadership of both Houses the Marshals Service for the first time in 200 years will be given the dignity of a statutory charter. This bill, first introduced by me in a slightly different form in 1984, will modernize the statutory authorizations for the activities of the Marshals Service. I am proud to be associated with this legislation.

In closing let me take a moment to note one of the most significant activities in the history of the Marshals Service. This historical episode is indicative of the important function performed by Marshals. In September 1962, members of the U.S. Marshals Service were on the line to enforce the orders of a Federal court to integrate the University of Mississippi. The bravery of these law enforcement officials is only one small reminder of the peace keeping/justice enforcing function of the Marshals.

Finally, I wish to dedicate this bicentennial to the memory of the more than 300 who have given their lives in the performance of official duties. Those who have made the ultimate sacrifice deserve the attention of the members of this Nation through the United States Marshals Bicentennial Day.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 352

Whereas the Office of United States Marshal was created by Act of the First Congress which became law on September 24, 1789;

Whereas for more than a century after the establishment of the United States Government in 1789, United States marshals provided the only nationwide civilian police power available to the President, Congress, and the courts;

Whereas United States marshals have played a crucial role in most of the major episodes in America's history, from the Whiskey Rebellion of 1794, to the Reconstruction era following the Civil War and the enforcement of the Civil Rights Acts of the 1960's;

Whereas more than three hundred United States marshals and deputy marshals have given their lives in the course of carrying out their law enforcement responsibilities;

Whereas United States marshals and their deputies are today charged with responsibilities essential to the operation of the Federal justice system, including the provision of security for the Federal courts and the protection of judicial officers, the pursuit and arrest of fugitives from justice, the enforcement of the orders of the court, and the management of seized criminal assets; and

Whereas through their consistent and tenacious dedication to duty since 1789, United States marshals and their deputies have made and continue to make immeasurable contributions to the rule of law and the protection of human rights through law in the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 24, 1989, is designated as "United States Marshals Bicentennial Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL JUKEBOX WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 446) designating October 30 through November 5, 1988, as "National Jukebox Week," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority has no objection to this legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J RES. 446

Whereas the jukebox has played an important role in the musical and artistic heritage of America;

Whereas the jukebox holds a unique place in the annals of American music;

Whereas the jukebox has contributed to the development of the Nation's contemporary culture;

Whereas the jukebox has brought widespread entertainment to millions of Americans over many generations; and

Whereas the jukebox is about to celebrate its 100th anniversary: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 30 through November 5, 1988, is designated as "National Jukebox Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIRE SAFETY AT HOME DAY—CHANGE YOUR CLOCK, CHANGE YOUR BATTERY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 381) to designate October 30, 1988, as "Fire Safety at Home Day—Change Your Clock, Change Your Battery," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, the minority has no objection to this legislation. I would just like to add that I gave a memorial statement Sunday past at the National Fire Academy in Emmitsburg, MD, which commemorated the death of 127 firefighters. Indeed, if all of us made sure that we had smoke detectors and that they had adequate batteries in them, certainly those lives would not have been sacrificed, so I guess this is a fitting tribute to them.

Mr. BOEHLERT. Mr. Speaker, I want to thank all my colleagues who have enabled us to bring S.J. Res. 381 to the floor so quickly.

This swift action is a sign that the Members of this body and the American public are finally coming to terms with our Nation's appalling fire safety record. We have the worst fire-related injury record in the industrialized world. Each year 6,000 Americans are killed by fires in their homes and another 300,000 are injured. Just think about those staggering figures.

The record is particularly upsetting because those lives could have been saved so easily. We know how to prevent fire deaths, and we can do it cheaply and easily.

Many Americans are endangering their lives simply because they do not remember to replace the batteries in their smoke detectors. Studies indicate that as many as half the detectors in this country are inoperable because their batteries are dead. And dead batteries can lead to dead people.

A child can understand this. They hear "batteries not included" on the TV a 1,000,000 times a day. They know all the toys in the world are useless without those batteries. But somehow as adults we have too many things on our mind to acknowledge that obvious fact.

What we adults need is some kind of mnemonic device to jog our memories. That's what this resolution provides. "Change your clock, change your battery"—it's as simple as that. That will transform the end of daylight savings time into the beginning of life-saving time.

This has been a good year for fire safety legislation in the House of Representatives. We've passed 3-year authorization for Federal fire programs. We've passed a bill encouraging hotels to install fire sprinklers. We've seen the Congressional Fire Caucus grow by leaps and bounds. We've begun investigating the fire safety of our own buildings. And with this resolution, we will have communicated our new awareness of fire safety to the entire American public to remind everyone how simply we can save lives.

I urge the administration to do everything possible to publicize this resolution. The end of daylight savings time makes all of us a little more eager to retreat to the comfort of our homes. With operable smoke detectors, we can be sure that we really are retreating to a safe haven.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 381

Whereas every year, five hundred thousand fires ravage the homes of Americans, resulting in over six thousand deaths and three hundred thousand injuries;

Whereas home fires are the leading cause of death and serious injury among children in the United States;

Whereas senior citizens, families in substandard housing, and the physically and mentally disabled are at high risk to be victims of fire;

Whereas three out of four homes have at least one smoke detector, but an estimated one-half are inoperable because of worn or missing batteries;

Whereas the International Association of Fire Chiefs estimates that the annual practice of changing batteries in smoke detectors would save thousands of lives and billions of dollars in property damage;

Whereas the Congressional Fire Service Caucus, with its broad-based bipartisan membership, reflects the concern of Congress for fire safety and its dedication to making it an important national priority;

Whereas the designation of a special day to remind Americans to properly maintain their smoke detectors, timed to coincide with the fall ritual of resetting clocks, would greatly diminish this human tragedy; and

Whereas October 30, 1988, is the day Americans change their clocks from daylight saving time: Now therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the thirtieth day of October 1988, is hereby designated as "Fire Safety at Home Day—Change Your Clock, Change Your Battery". The President is requested to issue a proclamation calling upon the people of the United States to observe that day by maintaining their first line of defense against fire by changing the batteries in their smoke detectors when they reset their clocks from daylight saving time.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1515

RECOGNIZING AND SUPPORTING EFFORTS OF NATIONAL PURPLE HEART MUSEUM COMMITTEE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the concurrent resolution (H. Con. Res. 126) recognizing and supporting the efforts of the National Purple Heart Museum Committee, and encouraging the people of the United States to participate, in the development of a national museum to honor those individuals awarded the Purple Heart and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Reserving the right to object, Mr. Speaker, I yield to the chairman of the subcommittee, the distinguished gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. Mr. Speaker, I thank the gentlewoman for yielding to me.

Mr. Speaker, the Senate amendments to House Concurrent Resolution 126 make certain technical corrections to the bill of the gentlewoman from Connecticut [Mrs. JOHNSON], based on information not available to her at the time the bill was drafted.

It does not change the scope or intent of the bill in any way.

At some point I will insert a full explanation in the RECORD, but suffice it to say that the amendment rose from more complete information regarding the origins of the award we now know as the Purple Heart, provided by the Army Chief of Military History.

Accordingly, it is believed that Gen. George Washington designed the award first known as the Badge of Military Merit on August 7, 1782, to be given to enlisted men or noncommissioned officers for "any singularly meritorious action."

Three badges of merit were awarded during the Revoluntionary War, all volunteers from Connecticut; Sgt. Elijah Churchill, a carpenter from Enfield, CT, was the first recipient of the decoration when he was presented with the award by General Washington himself at the general's Newburgh, NY, headquarters on May 3.

The Senate amendment makes more complete reference to the history of the Purple Heart and the original sponsor of House Concurrent Resolution 126, the gentlewoman from Connecticut [Mrs. JOHNSON] has no objection.

Mrs. MORELLA. Further reserving the right to object, Mr. Speaker, I think this might be an appropriate time to comment that this is the end of the ceremonial commemoratives for the 100th Congress.

I would like to express my appreciation to the gentleman who has chaired this Subcommittee on Census and Population that has brought these commemoratives before the House.

I would also like to explain, too, that part of our jurisdiction is the census which will be conducted in 1990, which is $2.6 billion, from which $34 million will emanate to go out to the States.

Also handling the commemoratives as part of it, and it has meant a great deal to all our Members; so I just simply want to thank the chairman of this subcommittee for his kindnesses during my 2 years and thank the Members of the House for being so cooperative with this venture.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 126

Whereas George Washington established the Purple Heart, originally called the Badge of Merit, to honor members of the armed forces who are wounded in combat;

Whereas the first Purple Heart is believed to have been awarded on August 7, 1782, to Sergeant Elijah Churchill of the 2nd Connecticut Regiment of Light Dragoons;

Whereas Sergeant Churchill resided near Enfield, Connecticut, and enlisted in the 2nd Connecticut Regiment of Light Dragoons at Enfield, Connecticut; and

Whereas the National Purple Heart Museum Committee is developing the National Purple Heart Museum in Enfield, Connecticut, to honor those individuals awarded the Purple Heart and to inform and educate the people of the United States about the history and importance of this distinguished combat award: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress recognizes and supports the efforts of the National Purple Heart Museum Committee to develop the National Purple Heart Museum in Enfield, Connecticut, and encourages the people of the United States to participate in the development of such museum.

The concurrent resolution was agreed to.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. DYMALLY

Mr. **DYMALLY**. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. Dymally:

In the preamble, strike out the first three clauses and and insert in lieu thereof the following:

Whereas George Washington, at his headquarters in Newburgh, New York, on August 7, 1782, devised the Badge of Military Merit (the antecedent of the Purple Heart) to be given to enlisted men and non-commissioned officers for meritorious action;

Whereas the Badge of Military Merit became popularly known as the "Purple Heart" because it consisted of the figure of a heart in purple cloth or silk edged with narrow lace or binding and was affixed to the uniform coat above the left breast;

Whereas three Badges of Military Merit were awarded during the Revoluntionary War, all to volunteers from Connecticut;

Whereas the first recipient of the Badge of Military Merit was probably Sergeant Elijah Churchill, a carpenter from Enfield, Connecticut;

Whereas Sergeant Churchill, who served in several units, including the 2d Continental Light Dragoon Regiment, was cited for gallantry in three separate actions and was awarded the Badge of Military Merit by George Washington at his headquarters, Newburgh, New York, on May 3, 1783;

Whereas the Badge of Military Merit was redesignated by General Douglas MacArthur as the Purple Heart in February 1932, to be awarded to persons killed or wounded in action against an enemy of the United States; and

Mr. **DYMALLY** (during the reading). Mr. Speaker, I ask unanimous consent that the amendment to the preamble be considered as read and printed in the Record.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The **SPEAKER** pro tempore. The question is on the amendment to the preamble offered by the gentleman from California [Mr. Dymally].

The amendment to the preamble was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Kalbaugh, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On October 5, 1988:

H.R. 1223. An act entitled the "Indian Self-Determination Amendments of 1987".

On October 6, 1988:

H.R. 2858. An act to provide for refunds pursuant to rate decreases under the Federal Power Act;

H.R. 2884. An act to assure uniformity in the exercise of regulatory jurisdiction pertaining to the transportation of natural gas and to clarify that the local transportation of natural gas by a distribution company is a matter within State jurisdiction and subject to regulation by State commissions, and for other purposes;

H.R. 2952. An act to increase the amount authorized to be appropriated for acquisition at the Women's Rights National Historical Park; and

H.R. 4419. An act to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974.

On October 7, 1988:

H.R. 1467. An act to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1988, 1989, 1990, 1991, and 1992, and for other purposes; and

H.R. 4457. An act to create a national park at Natchez, MS.

On October 11, 1988:

H.R. 4998. An act to amend the Food Stamp Act of 1977 to make technical corrections in the family independence demonstration project.

On October 12, 1988:

H.R. 3977. An act to authorize appropriations for the Mining and Mineral Resources Research Institute Act for fiscal years 1990 through 1993.

On October 13, 1988:

H.R. 1720. An act to revise the AFDC Program to emphasize work, child support, and family benefits, to amend title IV of the Social Security Act to encourage and assist needy children and parents under the new program to obtain the education, training, and employment needed to avoid long-term welfare dependence, and to make other necessary improvements to assure that the new program will be more effective in achieving its objectives.

On October 14, 1988:

H.J. Res. 576. Joint resolution designating February 19 through 25, 1989, as "National Visiting Nurse Associations Week";

H.R. 1596. An act to amend title 28, United States Code, to create two divisions in the judicial district of Maryland;

H.R. 4028. An act to authorize the Secretary of Agriculture to exchange certain National Forest System lands in the Targhee National Forest;

H.R. 4188. An act to designate the U.S. Courthouse located at 445 Broadway in Albany, NY, as the "James T. Foley United States Courthouse";

H.R. 4267. An act to authorize additional appropriations for the WEB rural water development project, SD, authorize the use of Pick-Sloan Missouri Basin electric power by the Lower Brule Sioux Indian Tribe, and to rename certain facilities of the Central Valley project, California;

H.R. 4276. An act to designate the U.S. Post Office Building located at 1105 Moss Street in Lafayette, LA, as the "James Domengeaux Post Office Building"; and

H.R. 4433. An act to designate the U.S. Post Office Building in Jeannette, PA, as the "John Dent Post Office Building".

On October 17, 1988:

H.R. 4857. An act to amend the Job Training Partnership Act to make a technical change.

On October 18, 1988:

H.J. Res. 602. Joint resolution in support of the restoration of a free and independent Cambodia, the withdrawal of Vietnamese forces, and the protection of the Cambodian people from a return to power by the genocidal Khmer Rouge;

H.R. 2032. An act to authorize the conveyance of the vessel, Lane Victory;

H.R. 2835. An act to direct the Secretary of Agriculture to release certain restrictions on a parcel of land located in Henderson, TN;

H.R. 4354. An act to designate certain National Forest System lands in the State of Oklahoma for inclusion in the National Wilderness Preservation System, create the Winding Stair Mountain National Recreation and Wilderness Area, and for other purposes;

H.R. 4365. An act to designate the Sunderland National Salmon Station located in Sunderland, MS, as the "Richard Cronin National Salmon Station"; and

H.R. 5291. An act to provide the Secretary of the Air Force with authority to convey certain land.

On October 20, 1988:

H.J. Res. 488. Joint resolution designating November 6-12, 1988, as "National Women Veterans Recognition Week";

H.R. 2985. An act to designate the facility of the U.S. Postal Service located at 850 Newark Turnpike in Kearny, NJ, as the "Dominick V. Daniels Postal Facility";

H.R. 3029. An act to designate the new Post Office Building in Gretna, LA, as the "William W. Pares, Jr., Post Office Building";

H.R. 4102. An act to provide for the settlement of the water rights claims of the Salt River Pima-Maricopa Indian community in Maricopa County, AZ, and for other purposes;

H.R. 4529. An act extending permission for the President's Commission on White House Fellows to accept certain donations; and

H.R. 5186. An act to designate the Federal Building and U.S. Courthouse located at 109 South Highland, Jackson, TN, as the "Ed Jones Federal Building and United States Courthouse".

NATIONAL SIR WINSTON CHURCHILL RECOGNITION WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged for further consideration of the Senate joint resolution (S.J. Res. 340) designating November 27 through December 3, 1988, as "National Sir Winston Churchill Recognition Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Reserving the right to object, Mr. Speaker, the minority has no objection to this legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 340

Whereas April 9, 1988, marks the 25th anniversary of the granting of honorary citizenship to Sir Winston Churchill by the United States;

Whereas Sir Winston Churchill was born on November 30, 1874;

Whereas Sir Winston Churchill's mother, Jennie Jerome Churchill, was an American, thereby making Sir Winston Churchill a son of America though a subject of Great Britain;

Whereas Sir Winston Churchill inspired the world with his commitment to the ideals of freedom, not only during peace time but during the darkest moments of World War II;

Whereas Sir Winston Churchill recognized the importance of understanding history and the relevance of history to the present day; and

Whereas Sir Winston Churchill made significant contributions to the modern world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 27 through December 3, 1988, is designated as "National Sir Winston Churchill Recognition Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A JOB WELL DONE ON COMMEMORATIVE LEGISLATION

(Mr. DYMALLY asked and was given permission to address the House for 1 minute.)

Mr. DYMALLY. Mr. Speaker, before I ask for general leave on these measures, I would just like to make a few observations.

Mr. Speaker, we have come to the end of what has been a very enjoyable experience working with the gentlewoman from Maryland [Mrs. MORELLA] for the last 2 years.

These resolutions represent a long history and tradition of the House. It is part of this institution, and I take great pleasure and pride in being part of this institution, and therefore I have always with a degree of eagerness brought forth these resolutions for Members who offer them, because they represent the views of millions of constituents across the country, ranging from ethnic groups to special interest groups, geographical areas, you name it. These resolutions in my judgment, Mr. Speaker, are Americana.

The gentlewoman from Maryland [Mrs. MORELLA] over the last few years has been a very conscientious Member. She has respected the nature of this institution. She has performed her duty with objectivity, with impartiality, and with a great deal of pride. So I am saddened to know that we are going to have to bring to an end this very important duty which we perform on this floor, but at the same time I am heartened that she and I will be going home to our respective districts.

I want to pay special tribute to the gentlewoman from Maryland, Mr. Speaker, because she has been most cooperative, a very diligent and enterprising member of the committee.

I might say, Mr. Speaker, I share the sentiments of the chairman of the full committee, the gentleman from Michigan [Mr. FORD] when I say that all of the Members on both sides of the aisle respect her for her work, respect her for the dedication she has put into this effort, the long hours she has given to this and the respect she has for this institution.

Mr. Speaker, these resolutions are not frivolous items of the Congress. If one ever wanted to test how seriously Members feel about it, they should either have been the minority member for the last 2 weeks, or assumed my position, when Members express the concerns and anxieties of their constituents about the delay in bringing these resolutions to the Members on the floor.

So to the gentlewoman from Maryland [Mrs. MORELLA], I want to tip my hat for an outstanding job, for her performance on the committee and the floor in protecting this very important institution, and I wish the gentlewoman well.

COMMENDATION AND APPRECIATION TO THE SUBCOMMITTEE CHAIRMAN DYMALLY

(Mrs. MORELLA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MORELLA. Mr. Speaker, I would simply like to thank the chairman of the subcommittee for making it a very productive and satisfying and fulfilling 2 years, for establishing the kind of leadership that this Congress is noted for, representing the people exceedingly well.

It has been an honor to serve with the gentleman from California in our multiresponsibilities.

Since my minute is almost up, I guess it is best expressed in a line from Shakespeare:

> I give thee thanks and part of thy desserts and will with deeds requite thy gentleness.

NATIONAL AIDS AWARENESS AND PREVENTION MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 192) to designate the month of October 1988, as "National AIDS Awareness and Prevention Month" and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Reserving the right to object, Mr. Speaker, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman for yielding to me.

Mr. Speaker, I am pleased to rise in support of the National AIDS Awareness and Prevention Month resolution. It is extremely important that our

Nation give attention to the need for more education and more preventive measures and more research in this epidemic that has been sweeping across our land. Much of it is drug related.

I am particularly pleased that Senator HATCH and the gentlewoman from California [Mrs. BOXER] have brought this measure to the attention of both bodies during a month in which a great deal is taking place throughout our Nation in focusing attention on this very serious illness. It is for that reason that I am pleased to support the measure.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I want to thank the gentleman from New York for his comments that reflect how all of us feel.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 192

Whereas the President has declared AIDS as the number one public health enemy;

Whereas the Secretary of Health and Human Services has projected that, by the end of 1991, the cumulative total of all AIDS cases in the United States will reach 270,000 and result in nearly 180,000 deaths;

Whereas information, education, and public health measures are the nations primary weapons in prevention and control of the spread of AIDS;

Whereas if the AIDS epidemic is not controlled through a major national educational, informational, and public health effort, the devastating human and economic impact on society will be unprecedented in modern times;

Whereas informing and educating the American public, including the youth of today, about AIDS is crucial to preventing and controlling the spread of AIDS: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of October 1988 is designated as "National AIDS Awareness and Prevention Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate activities.

TITLE I—NATIONAL MINING HALL OF FAME AND MUSEUM

SECTION 101. The National Mining Hall of Fame and Museum, organized and incorporated under the laws of Colorado, is hereby recognized as such and is granted a charter.

POWERS

SEC. 102. The National Mining Hall of Fame and Museum (hereafter in this title referred to as the "corporation"), shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 103. The objects and purposes of the corporation are those provided in its articles of incorporation including—

(1) to honor citizens, mining leaders, miners, prospectors, teachers, scientists, engineers, inventors, governmental leaders, and other individuals, who have helped to make this Nation great by their outstanding contributions to the establishment, development, advancement, or improvement of mining in the United States of America;

(2) to perpetuate the memory of such individuals and record their contributions and achievements by the erection and maintenance of such buildings, monuments, and edifices as may be deemed appropriate as a lasting memorial;

(3) to foster, promote, and encourage a better understanding of the origins and growth of mining, especially in the United States, and the part mining has played in changing the economic, social, and scientific aspects of our Nation;

(4) to establish and maintain a library and museum for collecting and preserving for posterity, the history of those honored by the corporation, together with a documentation of their accomplishments and contributions to mining, including such items as mining pictures, paintings, books, papers, documents, scientific data, relics, mementos, artifacts, and things relating to such items;

(5) to cooperate with other mining organizations which are actively engaged and interested in similar projects; and

(6) to engage in any and all activities incidental thereto or necessary, suitable, or proper for the accomplishment of any of the purposes set forth in this section.

MEMBERSHIP

SEC. 104. Eligibility for membership in the corporation and the rights and privileges of members shall be as provided in the bylaws of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 105. The board of directors of the corporation and the responsibilities thereof shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States in which it is incorporated.

OFFICERS OF CORPORATION

SEC. 106. The officers of the corporation, and the election of such officers shall be as is provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States wherein it is incorporated.

RESTRICTIONS

SEC. 107. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation and any officer and director of the corporation, acting as such officer or director, shall not contribute to, support, or otherwise participate in any political activity or in any manner attempt to influence legislation.

(d) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

(f) The corporation shall retain and maintain its status as a corporation organized and incorporated under the laws of the State of Colorado.

LIABILITY

SEC. 108. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

SERVICE OF PROCESS

SEC. 109. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

BOOKS AND RECORDS; INSPECTION

SEC. 110. The corporation shall keep correct and complete books and records of account and shall keep minutes of any proceedings of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right of vote. All books and records of such corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 111. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(60) The National Mining Hall of Fame and Museum".

ANNUAL REPORT

SEC. 112. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit required by section 111 of this title. The report shall not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 113. The right to alter, amend, or repeal this title is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 114. For purposes of this title, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 115. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954.

TERMINATION

SEC. 116. If the corporation fails to comply with any of the restrictions or other provisions of this title, the charter granted by this title shall expire.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the various commemorative resolutions just considered and adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE HOMER THORNBERRY JUDICIAL BUILDING

(Mr. PICKLE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, today I am happy to introduce legislation which will rename the old downtown Post Office in Austin, TX, as the Homer Thornberry Judicial Building.

Judge Homer Thornberry is deserving of this honor because of his more than 40 years of service to the Federal Government both as a Congressman from the 10th District of Texas and as a judge of the U.S. Fifth Circuit Court of Appeals.

Homer Thornberry was born in Austin, Travis County, TX on January 9, 1909. He attended the public schools in Austin and went on to receive both a bachelors degree and a law degree from the University of Texas. He was a member of the State House of Representatives from 1936 until 1941, served in the U.S. Navy in World War II from 1942 until 1946 and was a member of the Austin City Council from 1946 until 1949.

He was elected as a Democrat to the 81st Congress and served from January 3, 1949 until his resignation on December 20, 1963 serving until he was sworn in as U.S. circuit judge of the U.S. Court of Appeals of the Fifth Judicial Circuit on July 3, 1965 in which capacity he is still serving.

Homer Thornberry succeeded Lyndon Johnson as the Congressman serving the 10th District of Texas. He served in Congress for some 15 years, from 1949 to 1963, and during that time won the respect, admiration, and love of the people of central Texas.

Before I came to the 88th Congress, I was privileged to work closely with then Congressman Homer Thornberry. We were good friends and some of us felt like we were part of his "kitchen cabinet." I knew him to be a hard-working, high-type gentleman with great ability and dedication.

He began as a member of the Rules Committee and rose to a senior appointed position in that committee which showed that he was recognized as a legislative and parliamentary leader indeed, and also a key part of the official leadership in those days.

I believe he was as well liked and respected as any man who ever served in this body. Since coming here as his successor, I have learned, all the more, how much his service meant to the district and what an invaluable contribution he has made to our times.

Serving 15 years in the Congress is a great accomplishment. He worked alongside Senator Lyndon B. Johnson, Sam Rayburn, John McCormack, Carl Albert, Hale Boggs, Charlie Halleck, Joe Martin, and Richard Bolling and many others.

He obtained the reputation of a man of effectiveness and consideration. I assume he was a part of the old "Board of Education Group" so decorously administered by Speaker Rayburn and his colleagues.

He served the people of the 10th District of Texas faithfully and well throughout his term in Congress. He has been just as successful in carrying out his duties as a judge as he was as a U.S. Representative.

In my view, the qualities of a good judge are fairness, good judgment, commonsense, truthfulness, integrity and above all, the ability to reconcile different points of view. Homer Thornberry more than fulfills these qualities.

The old downtown Post Office in Austin is no longer being used as a Post Office and is being renovated to serve as an office building for Federal judges, and the building is in need of an appropriate title. I can think of a no more deserving person than Homer Thornberry to receive this recognition.

For his 15 years of unique and unusual service representing the 10th District of Texas in Congress and his 25 years of continuing service to the people as a judge of the court of appeals, I consider it a personal privilege to recommend that the old Post Office in Austin be designated as the Homer Thornberry Judical Building.

ORDER OF BUSINESS

Mrs. MORELLA. Mr. Speaker, I ask unamimous consent that the special orders of the gentleman from Illinois [Mr. MICHEL] and the gentlewoman from Maryland [Mrs. BENTLEY] be switched today.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

RECOGNITION OF THE RED SHIELD OF DAVID OF THE MAGEN DAVID ADOM SOCIETY OF ISRAEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I rise to call to the attention of my colleagues in the House of Representatives the deplorable nonrecognition of the Magen David Adom Society of Israel by the International Red Cross Societies.

In 1982, the full House of Representatives approved my bill to express the sense of the House that the Red Shield of David of the Magen David Adom Society of Israel should be formally recognized by the League of Red Cross Societies and by the International Committee on the Red Cross. Similar legislation was passed by the full Senate.

During the last 6 years, the position of the International Red Cross has not changed, and in fact, in its recent meeting in Geneva, because of the pressure of 22 Arab nations, the official name of the International Red Cross is not the "International Red Cross & Red Crescent." This most recent action now makes the recognition of the Red Shield of David of Magen David Adom even more remote.

The International Committee on the Red Cross has had a long history of hostile or indifferent attitudes toward the Jewish people and toward the State of Israel. In recent years, information has emerged that the International Red Cross knew about Nazi atrocities, and did not confront the Germans about their barbarous activities. At this point in the RECORD, I would like to include an article which appeared in the October 3 edition of Insight magazine on this subject, and a copy of that article follows:

OLD WOUNDS BOUND TO BE OPENED

In November 1942 Carl-Jacob Burckhardt, vice president of the International Committee of the Red Cross, met with the U.S. consul in Geneva to pass along the information that Hitler had declared Germany would be *Judenfrei*—free of Jews—before the new year. The information was private, not for public consumption; a month earlier the Red Cross had officially decided, with Burckhardt leading the way, to avoid a public outcry about the suspected extermination of the Jews of Europe.

How much did the organization really know about Hitler's "final solution"? Why the silence about the roundup of Europe's Jews? Why did Burckhardt and others influential in the Red Cross oppose public condemnation?

These mysteries about the role it played in the crucial war years have hung like a cloud over one of the world's best-known humanitarian organizations for 40 years, until now.

In 1982 the Red Cross opened its wartime archives to Swiss historian Jean-Claude Favez in order to "enable others to evaluate [and] also to evaluate for itself its action in favor of the victims of Nazi persecution," according to Jacques Moreillon, director general of the International Committee of the Red Cross (the ICRC is the umbrella group for the world's 145 affiliated national Red Cross organizations).

Because secrecy is one of the first principles guiding its operations—the promise that enables it to work where other are barred—opening those files was antithetical to everything the Red Cross stands for. But Favez had free rein, and he used it to go through hundreds of thousands of documents. His evaluation will be published in late October, but it is likely that it will stir up more controversy than it settles.

"The ICRC knew what was happening—that is quite clear," Favez told the British Broadcasting Corp., which recently devoted a television program to the Red Cross and the report. "It did not dare confront the Germans."

In choosing silence, for whatever reason, the Red Cross was in good company. Among those that hesitated to speak out were the U.S. and British governments, which dismissed frequent reports of mass murders as "wild rumor" from "wailing Jews."

Even the Hebrew papers of Palestine bemoaned the "exaggerated" reports coming out of Poland and the Soviet Union. The willful disbelief of many in the Allied governments and the exclusive nature of the Red Cross's mandate under the Geneva Conventions (it was empowered to monitor treatment of prisoners of war, not civilians) created a climate of watchful inertia.

The decision to avoid any action that might provoke the Germans against the Red Cross, or neutral Switzerland, where the organization has its headquarters, was far from the heartless desertion it seems today, Red Cross officials insist.

Indeed, Moreillon has steadfastly defended its conduct. "Before I read Professor Favez's book, my gut feeling was that the committee should have spoken out," he says. "After reading it, strangely enough, I came to the conclusion that at that time it was probably the wisest course."

Moreillon categorizes the information the Red Cross had at the time as "extremely flimsy" and an "impression." But of all the neutral and Allied parties, the organization seems to have been in the best position to know what was happening to the Jews. Unlike any other, it had access to prisoner of war camps in Poland and communicated freely with the German Foreign Ministry; various national Red Cross representatives queried each other about the fate of the Jews, according to letters found in the archives.

Even if the Red Cross had no more than vague suspicions about the death camps, Jewish prisoners were being taken from POW camps, a fact that probably could not escape the notice of its workers who had access to the camps.

In his book "The Terrible Secret," historian Walter Lacqueur details numerous other indications that the French and Slovak divisions of the Red Cross had a very good idea that large-scale massacres were going on.

Still, the 1942 decision against an open protest from the International Committee had less to do with any doubts about the existence of a Nazi scheme for mass extermination than with the opposition of two men on the committee.

Indeed, the information flowing into headquarters throughout the year about the fate of the Jews was solid enough for 21 of the 23 members of the committee to favor some form of official protest at its meeting in October 1942. But Philippe Etter, representative of the Swiss government on the committee (and the man who called the meeting), along with Burckhardt, talked the 21 pro-protest members out of it.

Etter feared German violation of Swiss neutrality, and Burckhardt believed that the Nazis would use any protest as an excuse to renounce the Geneva Conventions and prevent the Red Cross from visiting prisoners of war.

Etter, later prime minister of Switzerland, clearly the villian in earlier accounts of the period, was "bad, but this was known from other sources," says Laqueur, chairman of the International Research Council at the Center for Strategic and International Studies, "He was a pro-Fascist." Burckhardt's role came ino question as a result of Favez's report, which records his personal intervention with Heinrich Himmler, Hitler's interior minister and the person responsible for the death camps, in behalf of a friend. No records show any attempt at intervention in behalf of the Jews.

Favez also contests Burckhardt's claim that the Germans would close off access to prisoners of war. The theory was that if the Red Cross violated the Geneva Conventions by overstepping its mandate, then the Nazis could block all the good works it was legally able to perform.

Originally, the Red Cross dealt only with wounded soldiers, a role outlined in the first Geneva Convention of 1864; its mandate was later extended to shipwrecked sailors and later still to prisoners of war. But World War II interfered with an agreement to extend protection to civilians. So the organization had no legal obligation during the war to assist civilians. And if it had overstepped its bounds?

"Would the Germans have renounced the conventions?" asks Favez. "That was what the ICRC feared. I think they were wrong because there were German POWs in Allied hands, and any unilateral action against the convention by the Reich would have left these prisoners defenseless." He concludes that "the ICRC exaggerated the risks."

But the question remains, if Red Cross officials had intevened in some way, would they have been of any help to the Jews? Gerhart M. Riegner of the World Jewish Congress in Geneva says yes. "If they would have consistently pursued a policy of coming back to these questions with the German authorities, I am personally convinced that they could have saved—I'm not saying millions—but they could have saved many people."

But, adds Riegner, who was with the World Jewish Congress during the war and was one of the first to pass on to the U.S. and British governments and to the ICRC information about Hitler's plans to gas millions of Jews, history should not reflect badly upon today's organization. "You have to separate the present from the situation 40 years ago. The mistakes of the past only become a reflection [of the Red Cross today] when they automatically defend their past actions, and this is wrong."

Moreillon's defense and the revelations of the Favez report have led to unpleasant repercussions from unexpected quarters. In late August the International Committee condemned the Israeli government for the deportation of Palestinians from the occupied territories. In doing so, it departed from its usual policy of confidential consultations with the government in question, something that has angered Israelis.

"They had no right to change their policy and publish their protest to Israel," says Aryeh Harel, president of Magen David Adom (Red Star of David), Israel's national equivalent of the Red Cross. "I am not taking issue with the critique, just the publicity."

Others less impartial in Israel take issue with the critique as well, With the lack of initiative in behalf of the Jews in World War II now public knowledge, many Israelis feel the Red Cross has little right to get on its moral high horse. After all, it was as a result of the Holocaust that the Geneva Conventions were amended to include civilians.

That Israel is now being accused of violating just that provision of the conventions is, for many Israeli Jews, an ironic twist of history.

Officials in Geneva respond that the Red Cross of 1942 and that of 1988 are entirely different, the former smaller and weaker than the one known today for it size and influence.

But the Favez report was only oil on the flames of Israel's already so-so relations with the International Committee of the Red Cross.

Magen David Adom is not recognized by the committee (which monitors compliance with the Geneva Conventions) because the Red Star is not an emblem recognized under those conventions.

Israel, the Jewish state, has little desire to adopt a cross, a symbol of Christianity. But for political reasons, the signatories to the Geneva Conventions have twice voted down the American Red Cross-supported initiative to recognize the star.

The impact of the revelations and the wounds that are bound to be opened when the Favez report is published have prompted many to question why the Red Cross invited this study at all.

"It was an act of tremendous self-confidence by the Red Cross to open their archives," says Iain Guest, who reported the BBC program and is one of the few people to have read Favez's report. "There was a feeling that speculation about what might be in the archives was more embarrassing, more dangerous than whatever revelations came up. They wanted to lay the ghost to rest."

They may have given that ghost new life instead.

Our own country's American Red Cross has continually worked within the International Red Cross to obtain recognition of Magen David Adom and I would also like to include two articles—one from the American Jewish World and one from the Jerusalem Post—outlining the efforts of the Amercian Red Cross in seeking this recognition. Copies of the articles follow:

[From the American Jewish World, Sept. 30, 1988]

U.S. RED CROSS HAS FOUGHT FOR MAGEN DAVID

(By Fred S. Hirsekorn)

The editorial which appeared in the Sept. 2 American Jewish World on the American Red Cross (ARC) unfortunately tends to compound the misunderstandings and tensions, however real or seeming, between our Jewish community and the Red Cross.

It is of real concern that it may reflect and perpetuate the misguided blame placed on the ARC for not energetically and continuously working in support of worldwide recognition of Magen David Adom (MDA) which it indeed has pursued. It thus deserves the understanding and support of our community.

The ARC has recognized the MDA since 1948 and has worked with and steadfastly supported that society and the American Red Magen David for Israel (ARMDI) on the issue of worldwide recognition and also in the fulfillment of MDA's humanitarian activities.

The issue both simple and profound, focuses on the matter of the universally acceptable protective emblem to be used.

MDA understandably does not want to accept the red cross or the red crescent as its symbol.

MDA has been pressing the governments who are signators to the Geneva Convention to accept the red Magen David. In this politically charged world, obtaining worldwide government recognition of the Magen David has been the frustrating problem for the ARC as well as for those of us in our community concerned with the issue.

A gross error made by the International Red Cross movement by accepting a second sign, a red crescent in the late 1880's and granting if official government recognition at the Geneva diplomatic Convention in 1929, further complicates the problem.

The ARC has however always recognized MDA as a fully qualified national society. While MDA does not have legal recognition, it has had de facto recognition both as an emblem of the medical services of the Israeli armed forces and as a fully qualified national society. That support and recognition over the years has been expressed in numerous ways, including:

The ARC brought the recognition issue to a vote at the 1929 Geneva Convention where it was defeated by one vote. It was also not accepted at the diplomatic Conference of Governments in 1949.

The senior ARC delegates to the meeting of the League of Red Cross Societies in 1976 (Dr. Frank Stanton, chairman of the ARC Board of Governors and George Elsey, ARC president), presented an amendment to the League constitution which would have removed the requirement that a national society be eligible only if a current emblem is used.

The amendment was rejected, those against it stating that worldwide recognition of emblems was within the authority of governments, not Red Cross bodies and is to be considered at the 1977 diplomatic conference in the spring of 1977.

The U.S. government delegation to the 1977 conference advised the Israeli delegation it would support any request that the red Magen David be granted status. The Israeli delegation made no such request. It was understood that the Israeli government felt that a negative vote might jeopardize the de facto recognition accorded to MDA.

The ARC at its 1987 annual convention in Denver adopted a resolution to continue its efforts towards MDA recognition.

In November 1987, ARC President Schubert and Jose Aponte, its director of International Services, met with MDA officials in Israel. There they worked out the next "new" agenda for future cooperation between the two societies.

The continued lack of worldwide recognition of MDA and its symbol is indeed a source of frustration to the MDA, the ARC and to many of us involved. The political reality however portends that such recognition is not likely in the foreseeable future.

Rather than abandoning the effort to grant the MDA such recognition, the ARC is committed to encouraging and promoting bilateral relationships between national societies and MDA, thereby establishing de facto recognition of MDA.

Indeed, the ARC has been responsible for the sole new support initiative of MDA recognition and continues to be. The ARC thus deserves the undertanding and support of the Jewish community.

[From the Jerusalem Post, Aug. 28, 1988]

AMERICAN RED CROSS PLEDGES TO HELP MDA ENTER WORLD MOVEMENT

(By Walter Ruby)

New York.—The president of the American Red Cross (ARC) has pledged to assist in a glogal campaign to bring Magen David Adom (MDA) into the international Red Cross organization.

In a meeting last week with the World Jewish Congress-American Section, Richard Schubert pledged support in "every practical and constructive way for full acceptance of the Red Magen David into the international (Red Cross) movement."

According to WJC executive director Elan Steinberg, Schubert agreed to the establishment of a joint ARC-WJC committee to achieve inclusion of MDA. According to Schubert: "We will not yield in this [effort], because it is right and proper and the only way to proceed in accordance with international Red Cross principles."

In 1986, the international Red Cross organization, which includes 145 national Red Cross and Red Crescent groups, changed its name to the International Red Cross and Red Crescent Movement, and restricted membership to national societies using either of those emblems. That ruled out membership for MDA, a move that the WJC and other Jewish groups condemned as "blatant discrimination." Since then American Jewish groups have been pressing the ARC to press for the inclusion of MDA in the organization.

According to Steinberg, Schubert agreed that the new ARC-WJC committee should take steps to enhance relations between the ARC and MDA and to encourage other national Red Cross societies to do the same. Schubert also promised that ARC would press the Internatinal Red Cross and Red Crescent Movement to include MDA, and that the joint committee should launch a programme to draw local and national Jewish leadership into the work of the ARC.

Schubert said that in his opinion MDA is fully qualified for membership in the international Red Cross movement since it is "similar in all respects to the other 145 societies—except it is better organized and more effective in carrying out the humanitarian mission than any of us." Schubert said that he has already written to national Red Cross societies around the world asking them "to do as we have done and extend de facto recognition to MDA and develop cooperative bilateral initiatives with MDA."

The International Red Cross and Red Crescent Movement is expected to take up the issue of MDA membership at its international meeting in 1989.

Since its creation, Magen David Adom has provided major emergency, medical ambulance, and disaster service for the people of Israel, regardless of race, religion, ethnic background, or nationality. Its humanitarian activities are entirely consistent with the traditions of the Red Cross system, and fulfill 9 of the 10 requirements for formal recognition by the League of Red Cross Societies.

Magen David Adom has been excluded from the International Red Cross solely because it does not use one of the symbols formally recognized by the 17th International Red Cross Conference of 1948. The exclusion of the Shield of David as a recognized symbol is arbitrary and without merit. Both the Moslem and Christian religious symbols are formally recognized, and the "Red Crescent" is now in the official title of the international organization.

All of us are deeply concerned about the truth, and with the latest information emerging from the International Red Cross' knowledge of Nazi atrocities, combined with the change in the official name of this organization, it is clear that political and religious bias is the sole basis for denial of recognition of Magen David Adom.

Mr. Speaker, under international law those national societies which are formally recognized by the League of Red Cross Societies gain added legal protection. Under the Geneva Conventions, parties to these treaties are obliged not to interfere with the work of emergency medical service organizations. Formal recognition of the Magen David Adom Society of Israel would afford added protection—the same protection which is now afforded to all other members of the International Red Cross. The time has come to give Magen David Adom the recognition it richly deserves for its contributions to the cause of humanity.

REMEMBER TERRY ANDERSON

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Ms. SLAUGHTER] is recognized for 5 minutes.

Ms. SLAUGHTER of New York. Mr. Speaker, it is with deep regret that I rise again to remember Terry Anderson's imprisonment. October 27 will mark Terry's 41st birthday, his fourth birthday in capitivity. Undoubtedly anything I can say about Terry has been said before, but that does not change the fact that he has been a hostage for well over 3½ years. The enormity of the crime against Terry grows every day he remains a hostage. Islamic Jihad, the organization that holds Terry knows full well that it is engaging in an immoral and illegal process. He has been taken from family and friends, has missed the first 3 years of his daughter's childhood and does not know that his father and brother have died.

The humanitarian imperative to release Terry is stronger now than it has ever been. It should be obvious to his captors by now that their goals are not going to be achieved by continuing to hold Terry. I urge them to release Terry immediately; they have nothing to gain by holding him and have every humanitarian reason to let him rejoin his family. Once again I urge all those who have influence in this matter to exert every effort to obtain Terry Anderson's release. He deserves his freedom.

I want to bring to the attention of my colleagues an idea initiated in western New York State by a local chapter of the Vocational Industrial Clubs of America. It is called the candle in the window project and all it asks is that everyone put an electric candle in their window beginning on Terry's birthday, next Thursday, October 27. These are readily availabe at minimal cost. The symbolism involved is moving. The light from these candles will let our neighbors know that we have not forgotten the hostages and will renew our hopes that they will soon be released. I urge my colleagues and all other citizens of our great nation to participate in this thoughful and worthwhile project.

I would also like to strongly commend the efforts of the humanitarian group "No Greater Love" for its circulation of a birthday card for Terry. The card was designed by cartoonist Garry Trudeau and is being signed by Terry's fellow journalists. The organization plans to send photographs of the card to news agencies in Beirut and to give the original to Terry when he is freed.

A TRIBUTE TO HON. TRENT LOTT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 60 minutes.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, TRENT LOTT, our very good friend and for 8 years the Republican whip is going to be leaving us at the end of the 100th Congress. We will be hearing more from him, I am sure, in future years as he represents the people of Mississippi in the other body; but I thought this would be a good time to say a few words about how much he has meant to us—not just to Republicans, but to the entire House of Representatives.

For 45 years on our side of the aisle we have had only three Republican whips. My Illinois colleague and mentor, the late Les Arends, held the position from 1943 to 1975. It was my good fortune to succeed Les Arends, and then in 1980 when I was elected leader, the Members on our side had the wisdom to elect TRENT as our No. 2 man and as our whip.

I mention this because I guess I know something about the responsibilities and the pressures of the whip job. I therefore speak from experience when I say that TRENT LOTT as whip was a skillful, loyal, dedicated, and highly valued Member of our leadership team.

He brought to the job of whip his usual energy, high spirits, sound political judgment, and shrewd legislative insight; but as we all know, the greater virtue a whip can have is the ability to count—to estimate with accuracy and consistency the number of votes his side can expect to muster on any given vote.

We quickly discovered that TRENT can count and that we could count on him. His advice and his counsel have been a source of sound analysis and solid factual data about the state of the House, usually amidst chaotic and fast-changing events.

If TRENT LOTT's service as party whip were all he had contributed to this institution, he could justifiably be proud of his record; but he also served with great distinction on the Rules Committee, the place where the fate of so much legislation is ultimately determined. Time after time TRENT, as ranking Republican member of the commitee, has come to the floor of the House and clearly spelled out the often complex realities of a rule for the enlightment of our Members.

He analyzed not only what the rule said, but more importantly, what the rule meant in terms of the effect it would have on our ability to freely and openly debate the issue. The Republican cause had no more determined an eloquent spokesman than TRENT LOTT when he was pointing out, with the facts at his finger tips, various inadequacies of the rules crafted by the majority.

In all our deliberations, TRENT has contributed not only his sound judgment, but his sense of humor, his ability to take himself and our duties seriously. He has demonstrated in I guess a relatively short career in the House that he is a fine leader.

□ 1530

In doing so, he has earned the respect, the trust and the admiration of his colleagues on both sides of the aisle.

This House of Representatives certainly is not going to be the same without TRENT LOTT, but we know he is answering the call of the people of his beloved State of Mississippi, and certainly we wish him and Tricia the greatest success and happiness in the years to come, and hopefully it will only be a few steps across the Capitol that will be required for us to all get together again in the new Congress.

Having said that, I am most happy to yield to one who has served so outstandingly in a leadership position on our side of the aisle and one who also is leaving this body, and with great regret we hate to see him leave the legislative Halls of Congress. He has certainly distinguished himself not only here in this body but across this land where he has campaigned in his own behalf and in behalf of the party, done so many great things for us to be thankful and grateful for, and obviously even though he leaves the House of Representatives, we are going to, I am sure, be hearing from him in the years to come.

Obviously, folks, I take this time now to yield to our distinguished friend from New York, the Honorable JACK KEMP.

Mr. KEMP. Mr. Speaker, I thank the gentleman for his kind words not only today but last week when you made similar remarks about my career. I would not want to have missed this opportunity to join my friend from Illinois and our colleagues to express my personal feelings for TRENT and what he means to me and to this body, in addition to the State of Mississippi and our great country.

Since this is the last time that I will rise to speak on the floor of this august House of Representatives, I would like to join the gentleman in the well to make my remarks about Mr. LOTT, because in that way I can pay tribute not just to our colleague from Mississippi but to this beloved House of Representatives that I have served in with my friends for these 18 years. I am going to ask the indulgence of my colleague, our leader from Illinois, if I might join him. I will stand on the Democratic side, which will be quite unique for the gentleman from Buffalo.

Mr. MICHEL. I would be honored, and I think I have a sense of the feeling of what must be going through the mind and the heart of the gentleman from New York. I guess there comes a time when all of us will come to a conclusion at some time that maybe we had best move on to other things, and I know for this gentleman here it will, whenever that time comes, be a very moving kind of thing, when one devotes so much of their time to this institution.

The gentleman from New York has done so many things to enliven this place, and as he knows, I have really enjoyed that religious fervor with which he has approached his task.

Mr. KEMP. I thank the gentleman.

Mr. MICHEL. It is a missionary zeal sometimes that is required to get the story across, and no one has done that better than the gentleman from New York.

Mr. KEMP. This is a tribute to TRENT LOTT, and so I certainly want to get back on the topic at hand.

If the gentleman from Illinois does not mind a football metaphor from an old pro football player, I look upon you as our coach—maybe Ronald Reagan as the coach—and you were the general manager. TRENT LOTT was the quarterback; he was our whip; he was, in the football metaphor, the quarterback. He was the guy on the field who not only took instructions but he organized us. He was the entrepreneur who pulled us together along with you, BOB, and I want to say that my remarks today about TRENT are going to not only fit my good friend from Mississippi but you, BOB, and a lot of our colleagues who have given so much of themselves over the years on behalf of the cause that we have tried to represent to the very best of our ability.

I want my colleagues to know that there is a wonderful book, written by Irving Stone, about the great sculptor Michelangelo, called "Agony and Ecstasy." The teacher of Michelangelo told him one time that, "Sculpture is a hard, brutal task." He said, "Talent is cheap. Dedication is expensive," and then he went on to say to Michelangelo, "It will cost you your life." Michelangelo replied, "But what else is life for?"

Indeed, my friends, what else is life for but to dedicate ourselves to something that is bigger than ourselves? Certainly in that sense, Trent Lott is a dedicated individual who has put many things ahead of his own creature comforts, and at times his own family, to pursue service to community and country, those higher values that each and every one of us has looked forward to serving as we carried out our day-to-day tasks in the U.S. House.

To paraphrase John Adams, freedom requires that each individual conduct himself so that his life demonstrates the dignity of man and the noble rank that man holds among the works of God. Trent Lott is one of those people with whom we associate ourselves who have dedicated themselves to something bigger than just the momentary pleasures of life.

I want to say to my colleagues on the floor how much I have enjoyed serving with you, and I know that if Trent were here right now he would say the same thing, and, Bob, I feel that way about you, you and Trent. My leadership has been with you and Trent in the main, and I am going to miss serving with you in the future, and having served with you in the past, I want you to know, Bob, I will never forget it.

Trent, I hope you see this someday. My wife was watching the tribute that you, Bob, and some of my colleagues did a few days ago, while I was on the road campaigning for the Republican ticket, and she was very moved as she listened to the nice things that you all said about me. I know that Trent and Trish will enjoy watching this tribute.

I just want to say one last thing about Trent Lott. He has never lost sight of his family, and he has never lost sight of his cause. I do not think that there is a Member on our side who has more friends on the Democratic side, and he has done it with dignity and diplomacy. He has never given up his very strong convictions about family, defense, free enterprise, the Republican Party, and the State of Mississippi. I think he has been a magnificent leader, a magnificent whip, a great quarterback. I say that as a pedestrian quarterback over the years.

Bob, I was thinking tonight is Friday. When I first came here in 1971, Jerry Ford was in your spot. I am a big fan of Jerry's as are you, and I remember we were working late one night, as the House will work late tonight. After having checked to make sure the drug bill will pass, I will be leaving shortly. I voted for the drug bill when it was first considered by this body. I staked out my position on a strong, tough drug bill. But, Jerry Ford gave me some great advice, and I want to share it with all of you younger Members of the House.

One night his son, and I do not know whether it was Jack or Steve, was playing football at Virginia. That night Jerry Ford gave me some advice. I said, "Jerry, how can you be here while your son is playing football?" He said "Jack, I do not know that I have ever seen many of my son's games. I do not know that I am going to see any as long as I am in this position." He said, "Let me tell you something, young man: When your son plays football or your daughters are dancing ballet or are in piano recitals, don't you miss it unless you just absolutely have to," and I made that kind of a rule.

Bob, I know you have had a wonderful family and have seen a lot of events and missed some. I want to say my son is playing quarterback tonight for Churchill High School in Bethesda, and I am going to go out and watch the game. I hope you all will understand, as much as I love you, but I am not going to give up that football game for anything.

I do not know that Trent Lott is watching football tonight, but whatever he is doing, I know he is doing something that he believes is in the best interests of his community, his family, and his State.

Tonight, as for me, I am going to beg your leave and beg the leave of my dear constituents in Buffalo, who I have served to the best of my ability for 18 years, and I am going to go out and watch my son play in the Churchill's homecoming game.

I love Trent Lott, and I know it sounds kind of silly for a man to make that kind of comment. But I love his leadership, his sense of values, his courage, and his determination. I love his family, Tricia, and his two wonderful children, Tyeer and Chet. I know he is going to be serving our country in another body. Of course, I say that as a Republican.

Bob, I want you to know I love you and Corinne and your family. I have been honored to serve with you, Bob. Before I break into tears in looking at you and Bob Walker and the intellectual leader of the free-trade movement, Bill Frenzel, whom I came to Congress with, and all of you gentlemen whom I appreciate so much, I want to say thank you, God bless you.

Mr. Speaker, I would like to join in this tribute to a remarkable colleague and a close friend, Trent Lott. While we are sorry to see him leave this body, we all hope he is moving on to a long and illustrious career in the U.S. Senate, well most of us hope he moves to the other body.

During his 16 years in the House, Trent has left his mark on so many issues that are important to the future of our country. I have always been able to count on him in helping to develop the pro-growth, pro-jobs economic policies that are so important to providing hope and opportunity to all working men and women in this country. Trent has also taken an active role in developing pro-family policies that recognize that the family is the foundation of our society, as well as peace-through-strength defense policies to safeguard the freedoms and liberties which we cherish.

Trent's colleagues have recognized his contributions by electing him to the office of Republican whip, the second leadership spot. I particularly enjoyed serving with Trent in the House leadership. His parliamentary skills and dedication to protecting the rights of the minority are legendary and will be sorely missed by our party.

In addition to his service in the House, Trent also made a significant contribution to the 1984 and 1988 Republican platforms. He worked diligently to shape a Republican agenda that is pro-growth and pro-family—an agenda that addresses the concerns and dreams of all Americans.

On a more personal note, both Joanne and I cherish our friendship with Trent and his wonderful wife, Tricia. I have always valued and respected Trent's counsel and insights. We both wish the Lott family a bright, successful, and happy future. While his departure will leave a void in the House, I am confident that he will continue his work for many years on behalf of the good people of Mississippi in the other body. More importantly, Trent Lott will continue to serve America and the cause of freedom.

Mr. MICHEL. The distinguished gentleman from New York distinguished himself again by what he said and the nice way in which he said it, and I am sure both Trent and Tricia appreciate so much what you said and the comments you made with respect to your exchange with our former President, Jerry Ford, when he was in this body. I know in talking with his wife, Betty, over the long period of years and the kind of social settings in which we found ourselves and how she would make the comment about how much time away from the family Jerry was required to take, and whether or not that played any toll or not on his life, he handled it well.

As the gentleman indicated, it is a difficult decision for all of us to make from time to time, and as you well know, with our four children, three of them the boys, good athletes, and I know exactly what you are saying, because, man, I tell you, there was nothing more satisfying whether it was going home to see them play in interscholastic high school sports or trying to travel around the country and watch them in college, nothing more satisfying, and it has to be a mix of that if you are going to keep your good senses around here.

Probably one of the most difficult things for us of the older Members to communicate to the incoming younger Members and those as to how to handle that particular problem is that it is a very important one.

I am happy to yield to that irascible genteman, like JACK was talking about, the gentleman from Pennsylvania who, frankly, probably does more about structuring the rules and requiring us to live by the rules around here than anyone else, and one who worked with TRENT obviously for these many years in doing the very best to make us adhere to those rules, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman. I appreciate him taking this special order so that we all can pay tribute to TRENT LOTT.

I got to know TRENT first when we worked around here together as congressional aides. He was on the other side of the political aisle at that point, working for a Democrat, and he saw that the great opportunities lay ahead in the Republican Party, and when he ran for Congress, he came and ran as a Republican, and has contributed leadership qualities even while he was on the staff.

He then obviously rose to a position of leadership here, and I think that the reason why he was recognized as a leader is because he was someone willing to take tough stands and willing to say that these are important things that need to be done as a part of our work here in the Congress. He was going to come out here and fight the rules fights and do a number of things that this party advanced on, and so his conservative principles have guided many of us. He has been a leader for many of us here in the House.

I think the demonstration of the numbers of his colleagues who are coming to the floor here right now to participate in this special order is a sign of that. I just want to wish TRENT and Trish all the good luck that they deserve in the weeks ahead as he completes his career in the House and runs his campaign for the United States Senate.

I think what we are going to find is that TRENT LOTT will continue to be a valuable Member of the Republican ranks as a Senator from Mississippi and that he will continue to offer guidance to the conservative movements from that particular perspective.

□ 1545

Instead of simply being a leader among us in the House, TRENT LOTT will emerge as one of the great leaders in the country because of the visibility he will be able to obtain in the U.S. Senate.

I thank the gentleman for the opportunity on being given the opportunity to say a few things.

Mr. MICHEL. Mr. Speaker, I will be happy to yield to the gentleman from Missouri [Mr. COLEMAN].

Mr. COLEMAN of Missouri. Mr. Speaker, I thank the gentleman for yielding and for taking this time for this extremely important opportunity for all of us to say a few words about our friend, TRENT LOTT.

I think we all are treading on thin ice to say good things about somebody who will probably end up in the other body, and when one does that with a Member of the other body sometimes it comes back to haunt us, but in terms of TRENT LOTT, I am sure when he leaves this body and goes to the other one he will not change and he will still be the same down-to-earth person that we know and appreciate so much over here.

I look at TRENT LOTT as a Congressman's Congressman. I say that in the sense that we all have our idols. We all have our people that we would like to pattern ourselves after, and I think TRENT LOTT has given all of us, especially the younger Members, some Member to look up to and look at and say here is a man who probably has five times more energy than three or four of us tossed together, and can get more done by 10 o'clock than a lot of the Members get done by 10 o'clock in the evening, and the fact is that he, if he were here today, he would be waltzing through here with a great whirlwind effect, with a comment for each Member, a personal comment, and he would probably have us all lined up to do something, and spread out all the work and try to find out what was going on and do it, fast talking, fast moving, and fast thinking. That is TRENT LOTT. He gets a lot done in a short period of time.

I think his career in the House, although it has gone 16 years, which is a long time, it is a short time when we look at some of the longevity of people like yourself and others in this House who have been here well over 25 or 30 years, and see what TRENT has accomplished in a relatively short period of time. His high energy level is one to witness and to be wondrous about, and one thing that TRENT, although he has accomplished a great deal, even though he is part of this leadership and that is a great sacrifice, because I know that when we finish our work on the floor, for example, the leadership, especially in TRENT, will go out and visit receptions and, like the leader and the gentleman from New York, Mr. KEMP, support all Members in our efforts to assure our own success and our own campaigns and come out to our districts.

I have asked both the leader and the gentleman from New York, TRENT and my friend, the gentleman from New York, who I am sorry to see leave the House, have both come to my district. Everyone has done it all willingly, all did a great job. Each one of these gentlemen, and these are sacrifices that the leadership provides, and very frankly, they do take a lot more time. They take that away from your family and your private work and your recreation, and we all appreciate that.

TRENT LOTT does not take himself too seriously. He would be the first to stand up here and make a quip about something, about himself usually, about him or a Member, and if the Member were not back fast enough, the would win that particular little encounter with the Member. I do not know what the debits and credits for all the various Members, but I know I am far behind TRENT in coming back to his little reactions to me. On the other side of the ledger, he still owes me. I hope to get back to him because certainly in that position he will take as much as he received, I am sure, from the Members.

I want to also say to Tricia, who has been a great helpmate and great supporter, thank you. We really do value your friendship. We wish both of you well, and if this is what you want to do, go to the other body, go do it, but do not forget your friends in the House. I know TRENT LOTT is not going to change, but he will have the same heart and soul of all Members when he transfers over there, and it will be a great benefit to that body as well.

Mr. Speaker, I thank the gentleman for taking this special order.

Mr. MICHEL. Mr. Speaker, I yield to the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I want to thank our leader for taking this time to honor TRENT.

Mr. Speaker, I would like to commend a dear friend and colleague, TRENT LOTT, who, after 10 years of outstanding service and leadership to the House of Representatives, will be moving on to the other body. His distinguished career is marked by his devotion to his country, home State of Mississippi and thorough knowledge of the legislative process. His leadership skills will have a lasting effect on our party and on the House of Representatives, and I believe on the country itself.

TRENT has been a champion of the Reagan policy of returning the reins of Government to State and local leaders. As a member of the Rules Committee, and ranking Republican on the Subcommittee on the Legislative Process, TRENT has been in a strategic position to be an effective player in the legislation that comes to the House floor. As assistant regional whip for the South since 1983, I have had the opportunity to work very closely with TRENT. Over the years, he has created a cohesive and well-oiled whip organization that has established a strong link with the administration.

Through outstanding leadership skills, he has been a vanguard for the Reagan agenda in the House. As one of the House leaders, he has had a very difficult task in trying to please the Members and their many constituencies yet his poise and stature under fire while aggressively pursuing the goals of the Reagan administration, is a tribute to his outstanding leadership skills.

He once came to my district to speak to a Republican group, and we had, like all of those things, we were running late at a dinner, and it finished late, and we got in the car to go back to the airport and he says, "BLILEY, before I leave you have to take me by our White House," so about 11 o'clock at night I had to take him by the White House of the Confederacy so that TRENT could say that he has seen where Jeff Davis had lived.

I wish TRENT and his family much luck in their future endeavors. I am sure he will continue to pursue the same goals of freedom, strong defense and traditional family values that he has striven for in his tenure as a Member of the House.

Again, Mr. Leader, I thank you for this special order and I commend my colleagues who preceded me in the well, the gentleman from New York [Mr. KEMP], for the outstanding service he provided in this party and to the country.

Mr. MICHEL. Mr. Speaker, I thank the gentleman and am happy to yield to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I thank the distinguished leader.

As I heard our former conference chairman, the gentleman from New York [Mr. KEMP], speaking, I remembered back to the day when I came to Congress. JACK was nearly as confused a freshman as I was, and TRENT LOTT was working for Bill Colmer in the Committee on Rules, and the distinguished minority leader had achieved no elective office higher than a winning pitcher on the Republican baseball team, and in that time all Members have worked together and all have been enriched by the service of our retiring minority whip, TRENT LOTT.

It is hard to sum up in a few minutes one's feelings for a person who has led and inspired and helped every Member in this Congress, not just the Republicans, but Democrats as well, a person who has been as bright as he has been pleasant, somebody who was always quick, first to get an idea, first to react on an idea, and yet easy enough to live with so that we did not worry that he was a step or two smarter than we were.

For me, the acid test of a Member, any Member here, is looking at the home. Like our colleagues, the gentleman from New York [Mr. KEMP], TRENT was one of those lucky men in the Congress who overmarried, and if you look at his record we find a good reason why he did so well, and that was because of the support that he had from Trish. Ruthie Frenzel says you can judge a Member of Congress not only by the way he works, but more importantly, even, by the children. Here again, if we know the Lott children, if we know the Kemp children, we can understand that it is not very difficult for Members to figure out that even on their weakest days, even when TRENT did not look so good, we knew a guy that had a wife like that and children like that, had to be one of our very best.

I would be remiss if I let this speech end without admitting that TRENT and I are brothers indeed in the great fraternity of Sigma Nu and even when he made terrible mistakes, I could always forgive him because we brothers are like that.

I do not know why TRENT chose to seek a demotion to the other body, probably a fit of temporary dementia, as our colleague, Les Arends used to say, but for whatever reason, we wish him well, we wish the family well, we know he will be successful and we know that he will not be forgotten by his friends in this House.

I thank the leader for this special order.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Minnesota for his eloquent remarks. Of course, I have said any number of times that was his choice to make at the time he made it, but as young as he is, and as good as he is, already been attested to by his colleagues here, no question in my mind, with proclivity for the people of Mississippi to elect their Representatives and Senators and to keep them there, for example, in a period of time like the distinguished Senator JOHN STENNIS, who is just retiring this year, that TRENT LOTT will be there just as long as he wants, and then, obviously, will move into a leadership role within a telescope period of time.

At this time I am happy to recognize the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Speaker, I thank the distinguished leader for yielding, and unlike the previous speaker, I am unable to slip TRENT the grip or give him a password, but I expect the SAE will be working as well as Sigma Nu, but I do have the privilege of slipping him the grip from the 93d class.

I came here with TRENT, and it has been a joy to serve with him and be a part of that group.

To many politics is a less than revered profession, but when practiced by our colleague, the distinguished minority whip, TRENT LOTT, it is truly elevated to an art.

During his tenure as Republican whip, TRENT has succeeded not only in keeping Republicans in line when it came to enacting important pieces of the Reagan agenda, but in wooing the necessary Democratic votes.

I must say, parenthetically, now and then I noticed he wandered off the reservation when it was in the interest of Mississippi. The Reagan revolution was due in no small part to the artistry and skill of TRENT LOTT.

This was done too in the confines of the strict rules of the House. One can only imagine what magic TRENT will work when he is let loose in the more unbridled Senate, which is sure to be the next stop in his political career.

TRENT has also put to rest that old axiom that the role of the minority is merely to make up a quorum. During his tenure as minority whip he has made the minority Members in this body a force to be reckoned with.

He has also brought a very human element to his job. Whether he agrees with you or not, TRENT always respects a colleagues' right to his or her own view and works to see that that view is heard.

A champion of the conservative agenda, TRENT is also a champion of fairness and equity. He balanced the competing and diverse views of his Republican colleagues like a master juggler.

This body will miss his wit and good humor and House Republicans will miss his able leadership and guidance. I can only hope that it is the will of the people of Mississippi that TRENT is returned to Congress, even if it is to the lesser body.

The best evidence of TRENT's good judgment was his choice of Trish as a partner. I am quite confident that his success at the polls results from votes for Trish.

Mary and I will miss you both as fellow members of the class of 1973, but are happy that you will remain on the Washington scene.

Mr. MICHEL. Mr. Speaker, I thank the distinguished gentleman, and I am happy to yield to the gentleman from Tennessee [Mr. SUNDQUIST].

Mr. SUNDQUIST. Mr. Speaker, I would like to take this opportunity to thank you, Mr. Leader, for taking this special order, and as we are losing one leader, to be reminded of how effective a leader the gentleman from Illinois is, and how much we appreciate his services and his leadership.

□ 1600

TRENT LOTT created a record in this body made possible by the people of the Fifth District in Mississippi. And we are so grateful to them for sending TRENT LOTT to us. TRENT LOTT spoke in a language that was always very clear, at least to this Member from Tennessee, speaking without an accent and always speaking with the philosophy that we knew where he was coming from.

I do not want to dwell too long on Trent's retirement from the House because he will be missed here. But I have every confidence that the people of Mississippi will continue to send Trent Lott to Washington when he joins the other body next year.

But we will miss his sense of humor, we will miss his leadership, we will miss his dignity and his conviction, and as one who has more often than not sided with Trent on the important issues, I have every confidence that his voice will continue to be heard, his judgment heeded and his impact felt far beyond the chamber at the other end of this Capitol.

Our districts, both southern districts, do have a great deal in common. So it should not be of any surprise that we have tended to find common ground on the issues.

I have been proud to work with him on some of these issues and pleased to learn that in Trent we conservatives had an ally who could eloquently make our case here in the House and with the national media.

There is also, alway a problem for anyone who serves in the leadership to balance the demands of the national reputation with the commitment that we all have to make to make sure we look after the people in our districts. One of the reason I think in addition to all we have said about Trent is that he had a wonderful staff. The young ladies on his staff, true to the tradition of Mississippi, were very attractive and the men gentlemanly and we are grateful for their assistance as they have helped us.

Trent raised the profile of the House Republicans in general and conservatives in particular. Through his efforts and his innovative leadership, he has helped us, this group of Republicans, win more than just a few battles and some perhaps more than our members would entitle us to.

I think our country is better off because of that end and because of Trent's leadership.

But it is also important to note, Mr. Speaker, that Trent Lott despite sometimes the reputation that we all get on this side of the aisle as being fiscal conservatives, Trent, as almost all of us that I know of on this side of the aisle, are very sensitive to more than just balancing the budget, making sure that we spend our money wisely. Trent was there to remind us that those who live on Social Security, including his mother and my parents and others, it is important that we keep our commitment to those on Social Security.

Trent had a special commitment to education. His mother taught. Education was very important to Trent Lott.

The environment was important to Trent Lott. So I think that Trent set the example for this country for those of us who call ourselves fiscal conservative but at the same time are real caring people.

So I think Trent Lott has made a contribution to this body and I wish him well as he moves to the other end of the Capitol.

I am going to miss his leadership. But the loss, as I said earlier, is easier to take knowing that Trent is not retiring from the game but he will just be playing in the other league and we wish Trent and Tricia and his family the very best.

Mr. MICHEL. I thank the gentleman from Tennessee and I yield, Mr. Speaker, to the gentleman from Iowa [Mr. Lightfoot].

Mr. LIGHTFOOT. I thank the distinguished leader for yielding and for calling for this special order.

As your list grows longer and the hours grow shorter, I will keep my remarks very short.

I was thinking on the way over here about what to say about Trent and as happens around here we tend to categorize people sometimes with a nickname or something of that nature and I was trying to think of something that could possibly fit Trent. For example, I heard a comment the other day about our colleague, Bob Dornan that he could be equated to a well-hit four wood in a tile shower.

I shared that with Bob and he laughed, fortunately.

I was trying to think of something that had been said or some name or something that we could hang on Trent to have a little fun with him here tonight. I decided in lieu of doing that to share with you an experience I had with Trent when I first came here back in 1984.

I think it typifies your leadership, Mr. Leader, as well as his, in the way that you have handled the Republican Members of Congress. As you recall, in 1985 we had some pretty tough votes in this place.

For one of the new kids on the block some of them were especially tough for me because the President wanted one thing, my district wanted something else and here, you are between a rock and a hard place.

Trent was always there to offer suggestions, advice, the political ramifications of going this way or that way and the issue itself.

But I remember on one particular occasion on a very, very difficult vote that I had been agonizing over for 2 or 3 days, he gave me the sales pitch and when he was completed with it he looked me right in the eye and he said, "When you get up in the morning and you look in the mirror, just don't be tempted to cut the throat of the guy who's looking back at you. Vote the way you feel."

I think that is a good piece of advice for everybody in this body. I have used it ever since then and quite frankly I have not lost one night's sleep because of the way I voted on anything.

So to Tricia and Trent, Godspeed, good luck and we look for you over in the Senate.

Mr. MICHEL. I thank the gentleman for his eloquent comment.

I yield to the distinguished gentleman from Colorado [Mr. Schaefer].

Mr. SCHAEFER. Mr. Speaker, I thank our distinguished leader for yielding to me for a few moments. I am sure I am going to say a number of things that have been said, repeat them and then say some things that other people are going to say behind me.

I can recall 6 years ago when I first came to this distinguished body, Trent Lott and our leader, Bob Michel were two of the people who I really wanted to confer with whenever it came up to a tough vote and other decisions on a number of other items dealing with the legislation on the floor.

Fortunately, our distinguished leader, Mr. Michel, is not leaving us so I will confine my comments to the gentleman from Mississippi.

I can recall he came to my district to speak at a Lincoln Day dinner a couple of years back and he amazed everyone, not only with his knowledge of the issues, but also the style in which he conveyed those, and also some of the stories about his campaigning in Mississippi.

I would have to say that during the 16 years of congressional service, Trent Lott has emerged as one of the Nation's most respected Republican leaders.

He has consistently reinforced that reputation with his outstanding performance as the House Republican whip. His dedication to tax and budget reform has won him praise not only within the Republican Party and members of the national press but also a variety of public interest groups.

The Wall Street Journal, for example, says Mr. Lott has one of the sharpest minds in the U.S. House of Representatives. Mr. Lott has received consistently high ratings from such groups as the U.S. Chamber of Commerce and the Committee for Survival of a Free Congress, and the National Alliance of Senior Citizens.

And he has also won recognition as a friend of both the American taxpayers and the small business community as evidenced by the numerous awards he has won from the National Federation of Independent Business and the National Association of Businessmen and the American Conservative Union.

Mr. Lott's whip organization has played a very important and valuable role in helping resolve many problems that have conflicted us over a period of years. I happened to be on that organization at one time.

I think one of the most important and outstanding accomplishments was his shepherding of many of the Reagan administration's most important legislative victories along with our distinguished leader.

I think the success of the President's budget, the tax cut measures in the House can be attributed to Mr. Lott and his unrelenting activities on the House floor.

So I would just say to Trent and to Tricia, "We certainly will miss you. You are a great credit to the State of Mississippi and our loss here in the House of Representatives will be the Senate's gain."

Mr. MICHEL. I thank the gentleman for his comments and before yielding to the distinguished gentleman from Minnesota [Mr. Stangeland] let me inform the Members as to why we have this picture here down at my side.

You will all recognize it. It has been hanging in the whip's office. It goes with the decor over there. Now it is no accident it happens to be over there. That is my property.

Jim Lightfoot wanted to spice up the special order here a little bit. It just so happened, seeing the gentleman from Louisiana here [Mr. McCrery] that a number of years ago "Old Bob" was asked to come down to a nice Women's Federation dinner down there. I think it was a Lincoln Day affair or some such thing. It was a great one.

At the conclusion of my remarks lo and behold in keeping with the traditions of Mississippi, the old sidewinder and everything else, so appropriate for that part of the country where we just had our recent national convention, they wanted to present to "Old Bob" to take back to Washington this picture. Now it just so happened that there was not the appropriate place, really, to properly display this wonderful picture. I looked at the bareness of the walls over there in the whip's office with Trent Lott and I said "Trent, now this just kind of matches it perfectly. Temporarily you have custody." And there was a little nice old plaque down there presented to Robert Michel with such and such a date. I came back after some time and the plaque was removed. Now, I wonder if Trent has forgotten by what means he had acquired the picture in the first place. I have attempted several filching projects on weekends when he was not around, without success. But I will tell you the time is drawing near, Trent, and when the lease is going to be up and "Old Bob" is going to come back and recapture what is rightfully his, as much as I know you are going to hang on to it as long as you possibly can.

That is the reason, my colleagues, we got this picture out here to help spice up this special order.

As Jack Kemp indicated, we hope to send at least if not the original here, Trent will be seeing the tape and it will give him a laugh.

Mr. Speaker, I yield to the gentleman from Minnesota [Mr. Stangeland].

Mr. STANGELAND. I want to thank the leader for taking this special order on behalf of Trent Lott.

Trent has been a very, very good friend of mine over the years. After I was sworn into office for the first time in 1977 one of the first people to come and shake my hand was Trent Lott. Since that handshake 11 years ago, Trent and I have developed a friendly and warm working relationship. I have appreciated his assistance and insight with many legislative initiatives. There is no doubt that Trent's leadership has helped me to better represent my constituents. In 1980, we elected Trent as our Republican whip. He has done an excellent job in keeping us in line. During the past few years I have had the privilege to serve as Midwestern regional whip under him and I want to thank him for that opportunity.

The Reagan administration owes a great deal of thanks to Trent Lott for implementing much of their programs. When he became whip in 1981 he hit the ground running and never let up. He worked hard to garner the necessary votes to pass the across-the-board tax cuts, the Gramm-Latta budget reductions, military assistance to the Contras and many other matters important to the country.

Trent is a leader because he has the courage of his own convictions. Frankly, we could use a few more like him around here. But Trent is leaving and hopefully come January he will be serving as a Member of the Senate. If so I know he will continue his thoughtful and courageous outlook and will serve with honor and distinction.

It has been facetiously stated when some Members have left this body to go to the other body, it has increased the level of intelligence of both bodies. In the case of the House's great loss will be the Senate's great gain.

I wish Trent and his lovely family all the best the future has to hold and Godspeed.

Mr. MICHEL. I thank the distinguished gentleman and I yield to the gentleman from Michigan [Mr. Schuette].

Mr. SCHUETTE. I certainly want to extend my appreciation to the leader, for holding this much deserved special order for our friend Trent Lott. I am pleased to participate in this as so many of my colleagues have. We will recall the tremendous achievements and accomplishments which Trent has made in this body. We are all going to miss Trent Lott, for his energy, his dynamism and the swift pace that he kept which helped us in this House. I am going to miss his humor. I am certainly going to miss his competence and ability. Also his leadership that he has provided all of us in the House of Representatives, on both sides of the aisle.

Our loss in this House is going to be the other body's gain.

I served two terms with Trent and each time in the whip organization where he has done an excellent job. We are all going to miss his Mississippi fais dodo, though I hope you continue that Trent when you serve in the other body.

But particularly I am going to miss Tricia Lott, that gem of a woman that she is. And she, frankly, was the main reason and really the only reason I ever went to Trent's receptions or fundraisers.

So Tricia, Trent, and their family, Trent, be good and congratulations.

I thank the leader.

Mr. MICHEL. Mr. Speaker, I yield to the distinguished secretary of the conference, the gentleman from California, Mr. Lagomarsino.

Mr. LAGOMARSINO. Mr. Speaker, thank you leader for giving me this opportunity to say a few words about one of the outstanding Members of this body, Congressman Trent Lott, who will shortly be moving on to greener pastures and greater challenges after many years of distinguished service to Mississippi's Fifth District. He has worked hard for his district and has distinguished himself as the Republican whip, carrying out his responsibilities with creativity and effectiveness. He has been a major player in the success of the Reagan revolution. It was a real privilege to serve with him in the whip organization and now in the leadership. His departure will leave a void in the Republican leadership of the House, and his affability and hard working attitude will be missed by all of us. My wife Norma and I have developed a warm friendship with Trent and Trish Lott over the years and we greatly admire them both and wish them and their family the best.

While Trent Lott will surely be missed here in the House of Representatives, it is reassuring to know that the leadership, integrity, and ability of this fine legislator will continue to be of service to his constituency and country as a Member of the other body. The good people of Mississippi will be well-represented by Senator Lott, and I wish him continued success in the future. We won't forget him, and even more important—and somewhat unique—he won't forget us.

□ 1615

Mr. MICHEL. Those were very appropriate remarks.

I am happy to yield to the gentleman from Kansas, Mr. Pat Roberts.

Mr. ROBERTS. Mr. Leader, I want to thank you for this opportunity. I cannot let this occasion go by without letting my fellow colleagues know that the gentleman from Minnesota [Mr. Frenzel] has indicated that the reason that the pastures are so green in the other body is because they are so well fertilized. In that respect, I think probably Trent will doubtlessly bring to that body a special kind or special brand of fertilizer that will be most helpful.

Mr. Speaker, or Mr. Leader, I should say, we have an expression out in my country, Dodge City.

Mr. MICHEL. The farmer was right.

Mr. ROBERTS. That saying is if you want to be a big flea you have to run with tall dogs. As I look around here with all the VIP's and the tall dogs, it looks like to me that our whip, gentle as he is, probably the biggest flea around.

Our colleague, the gentleman from New York [Mr. Kemp], and a leader in his own right, made reference to a higher calling and the requirements and sacrifices of leadership in eloquent fashion in regard to our friend, Trent. I cannot add to that eloquence, but I would like to say this: In all of the leadership functions that Trent has performed, and there have been so many, so many different roles, and duties, and chores, and obligations, and buckets to tote, I have never seen him lose his temper. I have seen him red faced a few time. I have seen him go 65 miles an hour in a 55-mile-an-hour zone, but always in control, and always in good humor.

He has always had time for the rest of us, if you will. Doubtlessly he had all sorts of things on his mind when Pat Roberts would come up to him as a member of the once powerful House Agriculture Committee and talk about acreage base reform, this when he was considering a White House meeting with the President, or a leadership huddle with the leader to determine where we go as a Republican Party in the 1980's and the 1990's, or a meeting to determine the fate of all sorts of legislation, an irate freshman wanting to know the schedule, or something on his mind with regard to family obligations at home, but Trent would take the time, and he would do so with a smile on his face and sincere interest, and chances are he would either take care of the problem or he would make you feel a lot better.

He is a true oilcan man, if I can use that phrase, spreading his own brand of leadership and human kindness all throughout this Chamber. He is a special man, he is special stuff.

And one thing more, one thing more. From those of us who have had the privilege of being staff in this body, and I see some bucket toters, before we had the privilege, the gentleman from Pennsylvania [Mr. Walker], the gentleman from Louisiana [Mr. McCrery], and myself, we tend to appreciate those who really have brought us to the dance. We tend to really appreciate the situation or the life from whence we came. So from those of us who have become an example of the Peter Principle, to one amongst us who has not, we offer our sincere well wishes. An example of the Peter Principle he is not. He has risen from the ranks to effective leadership, and doubtlessly with all of the accolades will probably be elected to the other body and ascend to it, and then come down to his seat from the ceiling.

I thank the leader for yielding.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Kansas.

Mr. Speaker, I am happy to yield to the gentleman from Texas [Mr. Armey], the prime mover of base closing legislation.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding and for taking out this special order to honor Mr. Trent Lott, who was one of my primary opponents in base closing on behalf of his great State of Mississippi. I want to make this perfectly clear, the gentleman from Mississippi [Mr. Lott], did not support that legislation.

Mr. Leader, I cannot help but reflect back on the first time I ever heard of Trent Lott. I was running for Congress in 1984. I had never met a Congressman or perhaps I might not have been running. My young campaign advisers were preparing me for a debate and one of them said "If somebody in the debate asks you what kind of Congressman you would like to be, who among the current Members of Congress you would like to emulate, say Trent Lott."

I thought that sounded all right because I did know a little bit about my opponent and I did not want to say him. But my problem was I had to first find out who Trent Lott was.

Mr. Leader, after having gotten here I did find out who Trent Lott is. He is an art thief.

I thought it was funnier than that.

In all seriousness, Mr. Leader, let me tell my colleagues who Trent Lott is to me. I am a new kid on the block and I had come to town and I had to learn the ropes. I think for a new Member who enters in this very complex and foreboding system, the most important thing you can do is find somebody who understands the procedures of the system and is willing to share that knowledge with you as a new Member in the interest of helping you achieve the objectives you set out for yourself. I think as I look back on Mr. Trent Lott and his influence over me and my ability to work in this body for the first 4 years of my tenure here, clearly I want to thank Trent Lott for helping me understand how the body works and how I ought to conduct myself in order to work effectively within it. That to me is what leadership is, to help the new people who join the organization, sit in and accomplish results on behalf of the organization. I thank Trent Lott for that, and I thank you, Mr. Leader, as well, for taking out this special order.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Texas.

Mr. Speaker, I yield to the gentleman from North Carolina [Mr. Coble].

Mr. COBLE. Mr. Speaker, Mr. Leader, I thank you for having taken this time out for all of us, as had been said earlier.

Mr. Leader, we are the People's House, a diverse body with varying likes and dislikes, but a common bond that is ever present in this, the People's House, is one of geography. Those of us from Dixie, those from the grain belt, the great Northwest, the rugged coast of the Northeast, we all share that common bond that we all know from our respective geographic areas.

I recall the first time I met Trent. He and Trish were hosting an evening reception for those of us who were elected in 1984, and not unlike the gentleman from Texas who just spoke, I did not know Trent Lott. I had heard the name, but I did not know him by sight.

But I soon identified him and I heard him speak, and his Southern dialect, of course, was very prominent. I heard him later in the evening admonishing a staffer who apparently had not done precisely what Trent had wanted to be done for that reception, and Trent, not knowing that I was listening, looked into the eyes of the staffer and said to him "You sorry rascal." As he said those words, they were generously laced with that inimitable Southern dialect, and those of my colleagues from the South must know that "sorry rascal" can be a disparaging indictment or a glowing compliment, subject to interpretation, I suppose. Trent was by no means tearing the boy's face off, but he was admonishing him, as I said, and he was indeed a sorry rascal.

From that evening on, Trent and I have affectionately referred to each other as "sorry rascals." So I say to you down in the delta, where I am sure he probably is now, Trent, you sorry rascal, and I say that affectionately, we all wish you well here as you attempt to win election to the other body, and I feel confident that you will be so elected. And I thank you for all you have done for me personally, for the Republican side of the aisle and for the Democrats as well, because you have been a team player in this House. I know how much the House means to you.

In closing, Mr. Leader, I just want to extend good wishes to Trent, Trish, and the family, and wish him well in early November.

Mr. QUILLEN. Mr. Speaker, I want to commend my friend, Mr. Michel, our great House Republican leader, for calling this special order on the occasion of the close of Trent Lott's distinguished career in the House with the adjournment of the 100th Congress.

I hasten to add that although Trent is leaving the House, this will not mark the end of his congressional career, because I am confident the people of Mississippi are going to elect Congressman Lott to the U.S. Senate in November. Based on Trent's superb record of accomplishment in the House, he is going to make an outstanding U.S. Senator and continue to provide the national leadership of which the people of Mississippi will be proud.

I have known and worked with Trent Lott for 20 years, since he first came to Washington in the late 1960's as the administrative assistant to Congressman William M. Colmer, the Democratic chairman of the House Rules Committee. He did a great job for Bill Colmer as his top aide. When Chairman Colmer retired in 1972, he strongly backed Trent Lott's Republican candidacy to succeed him in his gulf coast Mississippi district, and the voters wisely elected him.

His ability and hard work were recognized at once, and after serving only one term, Congressman Lott obtained a seat on the Rules Committee. We have served together on the committee these 14 years. Congressman Lott has worked hard on the Rules Committee all these years and he had made a difference. Looking back on his service on the Rules Committee, a number of his qualities stand out. Congressman Lott is a serious lawmaker who does his homework and works tirelessly to advance his position. He is intelligent, he is tough, and at the same time, he is a man of good humor with a pleasant and outgoing personality who is both persuasive and pleasant to work with. Because he is also respectful of the views of his colleagues, Congressman Lott advanced rapidly toward a position of leadership which was confirmed formally when he was elected the House Republican whip when the Congress convened in January 1981.

During the past 8 years, Congressman Lott has performed brilliantly as Bob Michel's strong right arm in the House Republican leadership and has, time and time again, provided the margin of decisive difference in helping to devise the strategy and in rounding up the votes to carry President Reagan's programs through the Congress. The political history of the Reagan era will note that time after time, Congressman Lott played a key role in the Congress in advancing the administration programs and achieved a splendid record of leadership. I say to him with sincerity: "Well done, Trent, well done." As House Republican whip, Congressman Lott truly made a difference.

Now, at the end of the 100th Congress, those who have had the pleasure to know and work with Congressman Lott here in the House know that we are going to miss him when the House convenes in January. At the same time, I have every confidence that we will find him a short walk away on the other side of the Capitol, hard at work and continuing to provide effective leadership for Mississippi and for the Nation in the Senate.

Trent, I am going to miss your help and good counsel on the Rules Committee next year. At the same time, I look forward to continuing to work with you, and I am proud to call you my friend. The House's loss is the Senate's gain. You have served Mississippi and America with great distinction in the House. I know you will continue to provide superb leadership for Mississippi and America in the U.S. Senate. No question about it. To my friend, Trent Lott, I say: "Well done."

Mr. MADIGAN. Mr. Speaker, Trent Lott and I arrived in the House of Representatives at the same time, 16 year ago. In the intervening years Trent I have become good friends, only one of a myriad of friendships that Trent has forged among the Members of this body. I have also watched with admiration as he has skyrocketed in just a few short years to beome the second ranking Republican of the House of Representatives.

The reasons for his success have been apparent. He was a skilled legislator from the first and his skill has grown over the years. Willing to take on any task that needed doing, he has matched that willingness with a vigor that allowed him to accomplish prodigious tasks with apparent ease. I admire and respect Trent and what he has accomplished in representing the citizens of the Fifth District of Mississippi.

Trent has demonstrated his great love of the House of Representatives throughout his service here and he will be missed. His enthusiasm for his work and his dedication to this body are trademarks that will not soon be forgotten. Trent has always displayed on abundance of energy and optimism for any task that he takes on.

Trent is leaving the House of Representatives; nevertheless I am confident that we will see him in the 101st Congress as he continues to represent the citizens of Mississippi. He will continue his public service outside of the House but will always be remembered as one who has made an everlasting contribution to this body. He has made a difference and I will miss his presence here.

Mr. SPENCE. Mr. Speaker, from the moment a youthful and vigorous young man from Mississippi, my dear friend, Trent Lott, arrived in the House 16 years ago, to this very minute, we have come to expect good things from Trent, and he has delivered.

I sure hate to see Trent leave the House, but come November, I believe that the people of the great State of Mississippi will send him to the Senate, and once in the Senate he will demonstrate the same political courage, conviction, and dedication that has characterized his eight terms in the House.

Like myself, Trent started out as a Democrat. When the National Democratic Party started flirting with the extreme liberalism, and finally became captive to this misguided philosophy, Trent joined the Republican Party, and he hasn't looked back since. Like his mentor, the late wonderful statesman, Chairman Bill Colmer, Trent made an impact on Congress and indeed, the Nation, that is unsurpassed. In fact, when one thinks of the venerable Bill Colmer and his prized pupil, Trent Lott, it is reminiscent of the relationship of Socrates and Plato.

I am going to miss the dynamic leadership and keen attention to detail, that has characterized Trent's leadership as Republican whip here in the House. He is a student of Congress, and his parliamentary skills are unsurpassed. He enjoys the give and take of a good political fight; yet, he is always a gentleman who has a sense of humor and who is devoid of rancor.

Mr. Speaker, I wish my friend Trent Lott the very best. He has made his mark, and the House is a better place as a result of his exemplary service.

Mr. GREEN. Mr. Speaker, I rise to bid farewell to my colleague, Trent Lott. We shall miss his cheery "whip notices" and phone calls which begin "This is a message from Congressman Trent Lott, the Republican whip."

Trent has been an important part of our leadership—he has been thorough and capable. Democrats and Republicans alike have found him helpful and fair. I want to express my personal appreciation for his many courtesies to me.

We wish him all the best in his bid for the U.S. Senate seat from Mississippi and a long and successful career.

Mr. RINALDO. Mr. Speaker, I am pleased to join my colleagues in paying tribute to my good friend from Mississippi, Trent Lott.

It has been a pleasure to serve with Trent these past 16 years. I got to know him well during our tenure together on the House Merchant Marine and Fisheries Committee in the early years of our House careers.

He impressed me as an effective legislator then and over the years he has demonstrated outstanding leadership qualities.

Trent is a dedicated public servant who takes his responsibilities to his constituents and the Nation very seriously.

His presence in the House will be sorely missed when we meet in January, but Trent, I hope you won't be far away.

Mr. GALLO. Mr. Speaker, in the final days of the 100th Congress, it is traditional for Members of this body to recognize colleagues who have served the people of their district and their country with distinction, and who are now seeking new challenges in another arena.

The gentleman from Mississippi, Mr. Lott, can take great pride in his record of service to the people of his State during his eight terms as a Member of this body.

Perhaps his greatest contribution to the democratic exercise of the legislative process has been the wit and wisdom he has so often exhibited during his tenure in one of the most difficult jobs on Capitol Hill—that of Republican whip.

As the former Republican leader in the New Jersey General Assembly, I know the frustrations that face any individual who accepts a leadership role as a member of the minority party in a legislative body who must work with a chief executive elected from your own party.

As our colleague and leader Mr. MICHEL knows all too well, under these circumstances, a leader has to have eyes in the back of his head and a good sense of humor even on the good days.

On one hand, a leader is expected to convince Members to support all of the President's proposals and must defend those programs when they are attacked by Members of the majority party at this end of Pennsylvania Avenue.

On the other hand, you can be sure that passage of these proposals depends upon the cooperation of the majority party in Congress, or at least a sufficient number of its Members to create a consensus. This often requires a sudden shift of direction that can make you wonder where the parade went when you find yourself all alone in the middle of traffic.

Mr. LOTT, as whip, is charged with the awesome responsibility of explaining the parade route to the rest of us, even when it is changed without notice due to circumstances beyond our control.

During the 97th Congress, Representative TRENT LOTT played a key role in an historic movement toward bipartisan consensus-building in this body that produced landmark legislation, including a tax cut that is still paying dividends in job creation and economic strength. And, to this day, we ask with some sadness, where have all the boll weevils gone?

As freshman whip in the 99th Congress and a regional whip during the 100th Congress, I have been privileged to serve within the whip organization under Mr. LOTT's leadership and to participate in this important process of consensus-building at a time when the search for common ground has led us to some major successes, as well as several memorable disappointments.

Through it all, Mr. LOTT has been a gentleman and a diplomat, using humor to make his point when appropriate, and expressing the sense of frustration that we all have felt at other times during those stormy sessions when no agreement could be found for anything—even adjournment.

I know that I speak for a great many of my colleagues—even those not willing to pubicly admit it before November 8—who believe that Mr. LOTT's leadership abilities have prepared him well for the new challenges he has chosen to pursue.

Mr. BEREUTER. Mr. Speaker, I am honored to join my colleagues today in paying tribute to our distinguished minority whip, TRENT LOTT.

While all of us on this side of the aisle hope November 8 will result in another Republican Senator for Mississippi, we are also a bit saddened to realize that TRENT LOTT will be leaving this body at the close of business for the 100th Congress.

TRENT has served in this Chamber as a Member with distinction for the past 16 years. Some might regard the minority whip's position as a thankless job. Not TRENT LOTT. He assumed his leadership responsibilities with enthusiasm, dedicated to advancing the objectives of this party and the national interest. He was invariably out in front on many of the most important issues of our day. At the same time he worked quietly behind-the-scenes seeking the compromises that produce legislative victories.

It's not easy being in the minority knowing that no matter how hard you try, simply numbers may dictate that your position will not prevail. This never deterred TRENT LOTT.

His unfailing good humor, quick mind, knowledge of the legislative process and Congress, and political skill explain his extraordinarily fine performance as the Republican whip. He succeeded beyond any reasonable expectation because he was trusted and respected by his colleagues. On those occasions when conscience or the specific interests of Member's district required a different vote from the party position, TRENT would make his case, gently and effectively prod, but never threaten or hold a grudge. That is why so many of us consider him a friend as well as a colleague. This Member in particular appreciates the special friendship, and assistance, and advice given to me and my wife by TRENT and Tricia Lott.

Even as he assumed more and more responsibilities for leadership in the House, TRENT LOTT never forgot his constituents in Mississippi. When the interests of Mississippi were on the line, TRENT LOTT was there energetically and effectively fighting for his constituents. They can take satisfaction and justifiable pride in his record.

TRENT, best of luck to you. And I hope that come January, we'll be able to call on the distinguished Senator from Mississippi when there's a legislative roadblock thrown at us by the other body. It is indeed true that the quality of the other body will be improved by your addition but the House of Representatives will be at least in a direct sense, be the loser.

Mr. BADHAM. Mr. Speaker, Congressman LOTT is a good friend who I have supported for leadership positions since I came to Congress. He had been here for 4 years when I won the election in 1976. As we leave the House together, we can look back on some difficult struggles and some dramatic victories. As someone who has had the honor to serve in the California State Assembly and the House of Representatives during Governor and President Reagan's four respective terms of office. I can say that no one in any legislative branch has served President Reagan better, with more dedication and more hours of hard work, than TRENT LOTT.

Moreover, TRENT LOTT has served our Nation. He must be given credit for working toward the economic policies that have given our Nation the longest and strongest period of peacetime economic expansion in our history. And, as a member of the House Armed Services Committee, I can say without reservation that he has helped to rebuild our defenses and make this Nation respected around the world once again.

I wish him the best of luck in his race to take a seat in the other body. When one looks around the House for someone with the qualities that one normally associates with Members of the other body—outstanding speaking skills, thoughtful consideration of policy and vigorous pursuit of well-defined and clear goals—TRENT LOTT is at top of the list. All that, and he is one of the friendliest, most down-to-earth legislators you will ever meet. He will be a great Senator.

Mr. BROWN of Colorodo. Mr. Speaker, I join my colleagues today in a special tribute to our good friend, Congressman TRENT LOTT of Mississippi, who is leaving the House.

TRENT, we will miss you. Since the 93rd Congress, TRENT LOTT has been a skilled, informed, articulate, energetic and effective Representative for his congressional district and the State of Mississippi.

These same qualities have made him one of Capitol Hill's most outstanding Members. The House has benefited immeasurably from his common sense, integrity, and legislative leadership these past 8 years as Republican whip.

As the ranking Republican on the Rules Committee's Subcommittee on Legislative Process, TRENT has been a key architect in efforts to make Congress more accountable to the public and the legislative process in the House more fair and open for Republicans and Democrats alike.

We applaud TRENT for his contribution to public service as a Member of the House and for his efforts promoting individual opportunity and efficient, fiscally responsible government.

We wish TRENT well. Our loss will be the Senate's gain, we hope when the 101st Congress convenes in January, and we eagerly look forward to working with TRENT as a Member of the "other body."

Mr. HAMMERSCHMIDT. Mr. Speaker, this body will lose the services of one of its most outstanding Members when my good friend and colleague, Congressman TRENT LOTT, leaves the House at the end of this Congress.

Like probably all of us here, I am looking forward to sine die adjournment, but certainly not to the end of the association I have enjoyed with the gentleman from Mississippi.

Of course, there is every possibility that he will not be going too far from us, and we may well be working together again on occasion when the 101st Congress convenes. If that should be the case, it will certainly be the other body's gain and our great loss.

I feel fortunate to have enjoyed the personal friendship and close working relationship with TRENT during all of his nearly 16 years in this body.

We have worked together on many projects, including the great Gulfport Harbor, which I know has been near and dear to TRENT's heart.

He worked tirelessly and successfully for that project in both the 1986 and 1988 Water Resources Development Acts and for countless other meritorious projects in his home State. It has always been typical for TRENT to go the last mile for his constituents and for projects in the Fifth Congressional District and throughout his beloved Mississippi. He has never let his leadership responsiblities in the House keep him from taking care of the folks back home.

And, yet, he is a great national leader and one whose vision and concern encompasses the Nation at large. We are fortunate that TRENT LOTT moved so quickly after coming to this body to show that he was indeed an outstanding leader and legislator. His personal warmth, fierce integrity, enormous energy, and great legislative and political ability have made him a natural to help lead our House Republicans.

His effective, fair, and honest manner in dealing with colleagues on both sides of the aisle has reflected favorably both on him and the House. As a result he enjoys the admiration and respect of us all.

TRENT and I have attended more leadership sessions than I could possibly recall. I know first hand the vitally important contribution that TRENT LOTT, as minority whip, and as a senior member of the Rules Committee, has made to the efficient operation of the House.

His has always been a strong clear voice for fiscal responsibility and personal integrity in government.

While I hate to see my friend end his House career, I certainly wish TRENT and his lovely wife and family every success in the future.

Mr. INHOFE. Mr. Speaker, I rise today to commend Representative TRENT LOTT, from Pascagoula, MS, for his 16 years' service in the House of Representatives.

TRENT LOTT is a skilled proven leader. His service as minority whip, the second most powerful Republican position in the U.S. House of Representatives, demonstrates his leadership ability. The Wall Street Journal was right when they stated that Representative TRENT LOTT had "one of the sharpest minds in the House of Representatives."

Mississippi has benefited immensely from TRENT LOTT's service, both as U.S. Congressman and as an eleoquent speaker on the needs of Mississippians. I am sure that the great people of Mississippi will elect him to replace the retiring senior Senator JOHN C. STENNIS. I am honored to have known and worked with Representative LOTT and I wish him the best of luck when he enters the U.S. Senate.

Best wishes to you Representative TRENT LOTT.

Mr. HORTON. Mr. Speaker, I rise today to say a few words about my good friend and colleague TRENT LOTT who will hopefully be moving to the other body for the 101st Congress. TRENT has served with distinction in this body since he joined us in 1972.

I knew TRENT before he came to Congress through his work for the former chairman of the Rules Committee, William M. Colmer. I had the pleasure of serving with Congressman Colmer during my first 10 years in the House. When TRENT decided to run for Bill's seat upon his retirement, he had the good sense to run as a Republican. His rise to the whip position shows his true dedication to the party.

As whip, TRENT has been instrumental in engineering several legislative victories for the President and House Republicans. Without his leadership, much of the President's agenda would have been defeated. His tenure as whip has been successful because of his fairness and skill. TRENT's friendly manner is another reason for his success.

TRENT's work here in the House make him an excellent candidate for the Senate. I know the people of the entire State of Mississippi will benefit from his leadership just like the people of the Fifth District have for the last 16 years. I want to be close by saying—good luck TRENT—I look forward to working with you during conference meetings.

Mr. SHUMWAY. Mr. Speaker, I never begin my remarks in a special order such as this without commenting about how pleased I am to have the opportunity to say farewell to a colleague. Today, though, as we pay tribute to our esteemed minority whip, TRENT LOTT, it's hard to call what I feel "pleased." In truth, I will miss TRENT, and his departure is a great loss to this body. I really hate to see him go.

I can never think of TRENT without recalling my first meeting with him. I have lived all my life in the West, mind you, and when I was a newly elected Member I was quite unfamiliar with the rich diversity of regional speech along the eastern seaboard and into the Deep South. When I was first introduced to TRENT in January 1979, I saw a well-dressed, well-groomed, impressive young man and I expected him to sound like my colleagues at Hastings. Then he spoke. I will never forget my reaction when I first heard that rich, melodious Mississippi accent. It took years for me to be able to reconcile the sound and the picture in my mind.

It took me no time at all to realize what a shining star we had in TRENT LOTT. He is intelligent, articulate, persuasive, practical, likeable and a natural leader. He combines those characteristics to be an exceptionally fine legislator, and an equally successful negotiator. Since coming to Congress, I have frequently been moved to remark how well I now understand the need to try harder when, like the car rental folks, you're number two. TRENT is an outstanding example of what it takes to make our half of the system mesh with the majority half. His leadership has been responsible for so many of the reasoned compromises which best characterize our system of government at its most ideal.

Personally, I have always thought of TRENT with respect and friendship. His lovely wife, Tricia, has been a good friend to my wife, Luana, and together they have made the congressional experience all the more enjoyable for us.

I have no doubt that TRENT LOTT will succeed at any endeavor he undertakes, and that his successes can only be of benefit to those he will serve. I extend every best wishes to him, along with the baleful lament that I will miss hearing that voice on the floor!

Mr. STANGELAND. I want to thank our leader, Representative MICHEL, for taking this special order on behalf of TRENT LOTT.

TRENT has been a good friend over the years. After I was sworn into office for the first time in 1977, one of the first to shake my hand and wish me well was TRENT LOTT.

Since that handshake 11 years ago TRENT and I have developed a friendly working relationship. I have appreciated his assistance and insight with many legislative initiatives. There is no doubt that TRENT'S leadership has helped me to better represent my constituents.

In 1980 we elected TRENT as our Republican whip. I believe he has done an excellent job keeping us in line. During the past few years I have served as a Midwestern regional whip. I want to thank him for that opportunity.

Those of us on the right who are proud of the accomplishments of the Reagan administration owe a great deal of thanks to TRENT LOTT. When he became whip in 1981 he hit the ground running and never let up. He worked hard to garner the necessary votes to pass the across-the-board tax cuts, the Gramm-Latta budget reductions, military assistance to the Contras, and many other matters important to conservatives.

TRENT is a leader because he has the courage of his own convictions. Frankly, we could use a few more like him around here. But, TRENT is leaving and hopefully come January he will be serving as a Member of the Senate. If so, I know he will continue his thoughtful and courageous outlook and will serve with honor and distinction.

Mr. MILLER of Ohio. Mr. Speaker, I want to join my colleagues in extending my personal thanks to TRENT LOTT, our distinguished Republican whip, for the kind of legislative leadership this Nation needs and deserves. TRENT LOTT has served in this House for 16 years, including a stint as our whip since 1981. It would be a tremendous understatement to say that TRENT LOTT has been a driving force in this House on the major issues we face each day. He has had a lasting impact on the domestic and foreign policy agenda of this Nation. The Nation has benefited greatly from his diligence, dedication, and skill. He is a true leader. The people of his congressional district are indeed fortunate to have had a Representative of his caliber and stature.

It will be hard to imagine this House without TRENT'S presence. He, never placed the considerations of politics above the necessities of good government. So, it is with deep regret that we bid you farewell. Let me also wish you well in your pursuit of a seat in the other body. You have a tremendous future ahead of you. You will be missed here, but your excellent example will remain as a remainder of expertise in leadership.

Mr. HUTTO. Mr. Speaker, I appreciate this opportunity to say farewell to our colleague, Congressman TRENT LOTT, who has chosen to leave the House and seek membership in the other body.

TRENT has served very ably as the minority leader for a number of years and, of course, has done a good job for his constituents back home in Mississippi. Although he is from the other party, I have a great deal of respect and admiration for TRENT as do most members on the Democratic side. TRENT has the kind of enduring personality that makes him especially effective in dealing with people and on more than one occasion, he has been the catalyst for working out compromises, which have broken severe deadlocks that had held us at bay.

I particularly want to participate in the special order on the farewell of TRENT LOTT, because I have come to know him quite well for all of the 10 years that I have been in Congress. Shortly after arriving, I joined TRENT and former colleague, Jack Edwards of Alabama, in continuing perhaps the longest running television show of its kind in the country in which we discuss congressional issues. Congressional Report is a half-hour television program, carried weekly by WKRG-TV in Mobile, AL, which covers all or parts of the three districts we represent in Florida, Alabama, and Mississippi. After Jack Edwards retired, he was succeeded by SONNY CALLAHAN, who then took his place on our show.

Despite the fact that I am a Democrat and the two other participants in this program are Republicans, I think that we have been able to discuss frankly the issues and at the same time, present to the public a camaraderie that is complementary of the Nation's lawmaking body. Yes, there were times that we disagreed on certain aspects of proposed legislation or on major national issues, but we always were able to go into depth on these matters without being unusually disagreeable. TRENT always was tactful as well as eloquent in bringing forth the views of his party as well as his own.

One humorous incident about TRENT LOTT I will not forget. In 1979, right after hurricane Fredric had done considerable damage along the gulf coast, TRENT, Jack Edwards, and I, along with a couple of our staffers, were flown down by the Air Force to survey the damage with the ideal of getting Federal assistance. On the way down, TRENT was seated by my administrative assistant, who, ordinarily, as a pilot himself, had no problem with flying. However, on this occasion, my AA developed a case of air sickness just before we landed in Pensacola, FL. Needless to say, TRENT LOTT will not forget this either because he was the victim of my AA's sickness, and although TRENT was headed on to Mississippi, he had to delay the flight in Pensacola for a few moments while he cleaned up himself.

We are really going to miss TRENT and his family. Nancy and I have had the opportunity to know his lovely wife, Tricia. We wish TRENT and Tricia, and their family much happiness in all of their future endeavors.

Mr. GOODLING. Mr. Speaker, I rise to pay tribute to the distinguished departing minority whip, the Honorable TRENT LOTT. TRENT was elected to this august body in the class before mine; I can therefore claim the privilege of having served with him my entire career.

A more concerned representative for his constituency could not be found, and I only hope the good citizens of Mississippi elect to further his excellent service on their behalf as their junior representative in the other body, where I know he will contine to stand out from the crowd.

Mr. MOORHEAD. Mr. Speaker, I appreciate the thoughfulness of BOB MICHEL, the gentleman from Illinois in taking out this special order so we can take a few moments to say a few kind words about our friend and colleague—TRENT LOTT.

I can say with assurance that TRENT LOTT has brought nothing but honor to this institution. He has proved over and over to be a fair and capable leader. He has demonstrated time and time again a keen understanding of the workings of the House.

By example and deed, he has increased the institutional affection in all of us. He has been one of our stellar performers. The House and the minority will be the lesser without him.

He is good friend, a fine gentleman, a respected leader, I wish him every success.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman for yielding and I join him wholeheartedly in honoring our friend, TRENT LOTT.

Last week in this Chamber, several Members rose to similarly honor a departing colleague—Congressman JACK KEMP. Many of the comments offered at that time referred to JACK KEMP's great enthusiasm and energy. I don't think many people will contradict me when I point out that TRENT LOTT brought the same enthusiasm to the House of Representatives.

Our colleague from Mississippi's Fifth District has filled his days here with personal dedication and genuine concern. He has encouraged all of us to work harder through his example and he has brought a real warmth to the more difficult periods with his wit and good humor.

Along with a determined persistence in the matters of budget and tax reform, TRENT has brought with him to Washington a keen and helpful interest in each of his colleagues. This has been particularly evident since his election as minority whip. "Aggressive yet amiable," shrewed and sensible is the way the New York Times put it, and I can't think of a better description.

Certainly all of my colleagues on this side of the aisle can testify to a close and engaging relationship with him, and I am equally certain that a number of those on the other side of the House would say the same.

Also, for these reasons and others, I don't think President Reagan could have found a better person to help steer his proposals through this House in the 8 years of this administration.

It is rare to find in one person such a commitment to a political philosophy, an understanding of regional concerns and an ability to work out the differences for the betterment of the Nation. Yet, we do find all of these in TRENT.

It goes without saying, therefore, that these closing days of the 100th Congress are sad ones—sad in that they are the closing days of this fine legislator's service in the House of Representatives. His voice will be sorely missed in this Chamber.

I can only wish TRENT much success, and along with Tricia and their sons, Chet and Tyler, happiness and health in the future.

Mr. BATEMAN. Mr. Speaker, our colleague from Mississippi, the distinguished minority whip, has a plaque on the wall above his desk.

It reads: "It's hard to be humble when you're from Mississippi."

As a representative from another State not famed for humility, I can understand that sentiment. But in the case of TRENT LOTT, I'd say that there's not much reason to be humble.

TRENT LOTT is a splendid representative of his district, his State and of America. He is a hard worker, a natural leader, a supremely organized individual, a gifted speaker—and a warm human being. He always has time for someone with a problem, be it a colleague here in Washington or a constituent back home caught in the toils of Federal bureaucracy.

Ge[illegible]ng to know TRENT LOTT, and learning from [illegible] have been among my most pleasant and rewarding experiences since coming to this House almost 6 years ago. Not having him around in the next session will be among the saddest. And I know that in saying those things, I speak not only for myself, but for a whole host of my colleagues—on both sides of the aisle—who have enjoyed and profited from serving with this fine leader.

There are lot of excellent testimonials to the leadership of TRENT LOTT. Perhaps the most impressive came from our colleague from New York, Mr. KEMP, in a newspaper interview 3 years ago. JACK KEMP said simply, "He's our quarterback in the House."

JACK KEMP knows a quarterback when he sees one.

Mr. LOTT's widely praised Whip organization is concrete evidence that he knows how to call signals. Each of us in the minority has daily reason to be grateful for the fine work of the organization which TRENT LOTT built.

We will miss TRENT LOTT here in the House during the 101st Congress. Some misguided souls have suggested that he is seeking "higher office"—of course, we all know that it's just "other office." The good thing about it is that if he is successful in November, he will still be on Capitol Hill. That must be the consolation for his friends and supporters.

Good luck, TRENT, and thanks for all you have accomplished.

Mr. LIVINGSTON. Mr. Speaker, TRENT LOTT has been in Congress since 1972. He has served on the influential Rules Committee since 1975, and as minority whip since 1981. I want to thank TRENT LOTT for everything he has done already for our country and the House of Representatives.

TRENT, thank you for all of those great victories in the House of Representatives for the Reagan administration and getting the Reagan agenda going. You and our leader BOB MICHEL will be forever remembered as the offensive backfield that helped the Reagan administration score so many legislative victories over the last 8 years.

TRENT, thank you for leading us on the road to true budget restraint.

Thank you for helping institute the largest tax cuts in the history of this Nation.

Thank you for helping rebuild our Nation's defenses and for this administration's significant foreign policy successes.

Thank you for your leadership on the Rules Committee against tremendous odds.

Thank you for bringing the South back to a position of influence in congressional as well as national politics. As the first deep South Republican to rise so high in the party ledershp and the leader in bring together Southern Democrats together with our party to claim significant legislative victories in the House of Representatives, you have helped the South and the Sun Belt States continue to be the key to success in most congressional and national political contests.

Thank you for staying to true to your beliefs and philosophy throughout your career in the House.

I want to join my colleagues in wishing TRENT every success in what I hope will be a successful Senate career. I know he will continue his great successes in the Senate or any future endeavor he seeks.

Mr. MILLER of Washington. Mr. Speaker, I am pleased to join my colleagues in praising the service of our colleague from Mississippi and minority whip, TRENT LOTT.

Congressman LOTT embodies qualities that all Americans as well as his colleagues admire in a public servant: a dedication to and willingness to fight for principle coupled with an ability to do so with tact and civility.

As a Member who joined this body in 1985 I remember with respect and fondness TRENT'S concern for new Members and his attention to their problems and concerns.

We all wish one of our ablest House leaders well and I know my colleagues join me in thanking TRENT for his service to his State and our Nation.

Mrs. VUCANOVICH. Mr. Speaker, as we come to the end of this historic 100th Congress, I am honored to join in this special order to pay tribute to TRENT LOTT, our distinguished minority whip. I have served with Mr. LOTT for 6 years and it has definitely been my pleasure.

Having TRENT as one of our courageous leaders has made being in the minority party much more tolerable. His dedication to serving Republican Members has been tireless. It is never a easy task to keep everyone informed and up-to-date on floor action, and to deal with the majority party in trying to work out a calendar. TRENT LOTT has done an admirable and exceptional job of carrying out these often thankless tasks.

Most of all, TRENT LOTT has always been easy to talk to, and has been a willing source of good counsel to both experienced and inexperiences Members who sought his advice.

I'm going to miss TRENT greatly, but know that he will be a great Senator for Mississippi and an asset to the other body. I'm sure I join many of my colleagues, on both sides of the aisle, in wishing him the very best of luck.

Mr. JEFFORDS. Mr. Speaker, I am very pleased that Congressman MICHEL has taken out this special order to recognize the accomplishments of our colleague, TRENT LOTT, and to wish him well in his race for the U.S. Senate.

TRENT is probably best known in this body in his capacity as the Republican whip. His efficiency, diligence, and tactful manner have earned him the high respect of the leadership on both sides of the aisle, and across the spectrum of our own party. His legislative and procedural acumen have impressed friend and foe alike, and were frequently the driving force behind Republican victories. His leadership in the House will be missed by our party.

I have had the honor of working with TRENT on several legislative proposals. His forthright and easy manner were a pleasure to deal with, and his sense of fair play an asset to every situation. TRENT's honesty has earned the loyalty of his staff and his colleagues.

His friendship will be missed by the House. Of course, if the voters of Vermont and Mississippi are willing I will continue to have the honor of serving with TRENT in the Senate. Mississippi should be very proud of TRENT for the diligence, intelligence, and integrity he always demonstrated in the House.

Mr. SLAUGHTER. Mr. Speaker, I want to add my remarks to those of a number of Members today who have spoken on the services rendered to this body by the gentleman from Mississippi, TRENT LOTT, in the recent half of his career as minority whip.

I have only had the opportunity of service in this body for the last 4 years, but TRENT LOTT has been one of the ablest, in my opinion, and certainly one of the most influential leaders in this body.

In his service as Republican whip he has been extremely well informed as to the legislation, as to what is in it, its merits and demerits, and what rules under which it is being considered and, frequently, why you ought to vote one way or another—and he was quite persuasive along that line.

Mr. Speaker, he is a gentleman with a fine personality who I believe is popular on both sides of the aisle and, indeed, with every Member of this body.

Mr. Speaker, it has been a great pleasure as well as a valuable instruction to have served while TRENT LOTT was the minority whip these past 4 years. He is a man who, as he goes to the Senate, many of us will remember as a legislator par excellence, and as a friend, a statesman, and a patriot.

Mr. MICHEL. I thank the distinguished gentleman from North Carolina.

Mr. Speaker, I think the time of the gentleman from Illinois is just about to expire, and I am hoping that the gentlewoman from Maine, [Ms. SNOWE] will carry on with your special order.

Before yielding the floor, I just want to make the observation that I do not know of any time, certainly in recent years, when we have had so many Members in a very joyful, uplifting, upbeat kind of expression here for a fellow colleague in the absence of saying something in the form of eulogy for a funeral or his passing. This happens to be one for one who leaves this body voluntarily, simply to move to the other side of the Capitol. And how good it is to be here in the well of the House to yield to so many Members who have asked to express their feelings and their affection, their regard and respect for one of the truly outstanding Members of the House of Representatives, TRENT LOTT.

Mr. Speaker, I yield back the balance of my time.

ORDER OF BUSINESS

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that 37 minutes of my time be yielded to the gentlewoman from Maine [Ms. SNOWE], to continue with the colloquy on the business of eulogizing our good friend, the gentleman from Mississippi, Mr. TRENT LOTT, and also I ask unanimous consent that she be permitted to yield time to other Members.

The SPEAKER pro tempore (Mr. WEISS).

Is there objection to the request of the gentleman from Illinois?

There was no objection.

TRIBUTE TO THE HONORABLE TRENT LOTT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maine [Ms. SNOWE] is recognized for 37 minutes.

Ms. SNOWE. Mr. Speaker, I thank the gentleman from Illinois [Mr. GRAY] for yielding time and demonstrating such bipartisan spirit and cooperation.

Mr. Speaker, I rise with sincere pleasure to join in the special order saluting our distinguished and accomplished colleague, the Honorable TRENT LOTT.

For most of us who serve as his Republican colleagues, it is difficult to conceive of the U.S. House of Representatives without TRENT LOTT. As few other Members have been able to do, he has helped to define this body over the last several years, and has been able to leave his distinct imprint on how we operate as well as the legislation we produce.

TRENT LOTT seems to have an uncanny ability to know precisely when he should be speaking to someone and of whom he should be asking questions. I recall one occasion on the House floor, when I was speaking with one of my colleagues on the hot issue of the day. We were discussing possible strategies when, swooping in from the other side of the Chamber, came TRENT. He said something like "I should be listening to this, shouldn't I?"—and, as was frequently the case, he was right.

It has been this keen eye and astuteness, I believe, that partially explains his effectiveness as a Member of the Congress. It was evident, though, since he first came to the House and presented himself to the Nation as an articulate, passionate member of the Judiciary Committee during the impeachment hearings on President Nixon. He displayed the combination of thoughtfulness and commitment that has marked his career since.

No position demands those qualities more, I would suggest, than the often-thankless job of Republican whip. It's not easy having as your role one in which you attempt to convince politicians to do things that they feel are not in their best interests—but TRENT LOTT has been a master at the job.

I feel qualified to comment on his performance as whip for two major reasons. First, of course, are the experiences I've had as a moderate Republican in this body from the Northeast. Back in 1981 and 1982, for example, several colleagues and I worked as the gypsy moths during the first Reagan budget battles. Some of the President's original proposals could have caused problems for our region of the country, and we sought to make some adjustment. Although TRENT is from a different part of the country, and perhaps a different part of our party, he worked with us to achieve a package that enabled almost all of us to support the party's program.

TRENT knows that it is possible to reach compromise within the set of Republican principles that allow for differences in region and district. And I've also seen this at play serving as TRENT's deputy whip. Again, his selection of someone like myself sends an important signal: that the Republican Party is inclusive, that we need to understand and work with all of our GOP colleagues to achieve the victories we all desire. It's been a great honor for me to have served with him in the Whip organization and a fascinating experience as well.

It was also a great pleasure, I might add, to have had TRENT visit us in Maine at the 1986 Republican Convention. Even though we were tempted to provide English subtitles, so that Maine natives could understand the Mississippi native, he was a smashing success. I would like to note for the record, however, that he declined to visit Bath Iron Works in Maine to see how a real shipyard operates, as compared to a yard in Pascagoula.

Mr. Speaker, the range of issues and ideas with which we identify the gentleman from Mississippi is too overwhelming for one special order. From open rules versus closed rules, to continuing resolutions and budget-busting bills and much beyond, TRENT has done that which many aspire to but few achieve: he has made a difference in how this House works, and perhaps most importantly, has made a difference in the lives of so many of us, myself included.

So I say again that I have been proud to have served with TRENT; and I wish him nothing but the best when he embarks on greater glories as the next Senator from Mississippi.

□ 1630

Mr. Speaker, I yield to the gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Speaker, I will be short because I know there is a large list of speakers that need to be fit into this one-half hour that is left.

Mr. Speaker, when Jean and I arrived here 6 years ago, we immediately found the gentleman from Mississippi [Mr. LOTT] to stand out as one of the great leaders of this institution. His gentleness, his persuasive personality, his untiring dedication to America and the dream she represents for all of us and certainly his dedication and commitment to principle will be sorely missed in this body on both sides of the aisle.

I want to wish Trish and TRENT the best in the other body.

Mr. Speaker, I thank the voters from Mississippi for sharing TRENT and his lovely family with us for the last several years.

Ms. SNOWE. Mr. Speaker, I thank the gentleman from California [Mr. PACKARD] for his remarks.

Mr. Speaker, I yield to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Speaker, I thank the gentlewoman from Maine [Ms. SNOWE] for yielding to me and for her persistence and that of our Republican leader in getting this time for this special order for our friend, the gentleman from Mississippi [Mr. LOTT].

Mr. Speaker, it is a real pleasure for me to be here and speak on behalf of our respected colleague, TRENT LOTT, who is being honored today for his 16 distinguished years of service in the House. I first met TRENT in 1968 when he served as administrative assistant to Bill Colmer, chairman of the Committee on Rules. As has been mentioned, Colmer was a Democrat and I for one am pleased TRENT decided he could win as a Republican, no mean fete coming from Mississippi, realizing the political makeup of Mississippi at the time.

TRENT has been a bright star in the political spectrum ever since he came to Congress in 1972. He has been a member of the Judiciary, Merchant Marine and Fisheries, Post Office and Civil Service Committees, and since 1980 he has very ably served on the Rules Committee where he has kept a close eye and spent a lot of time to see that legislation passing through the Committee on Rules is cost effective, and he has chaired the Republican Research Committee and Republican Platform Committee, and in each capacity he has served with distinction may I say.

TRENT is truly a southern gentleman, one of our Nation's most eloquent speakers, and a master of the art of gentle persuasion. The people of the Fifth District of Mississippi are indeed fortunate to have had this outstanding young man represent them here in the House.

In his most important post as Republican whip, TRENT has had the difficult, and sometimes impossible, task of sorting out and briefing and advising us in the minority on what we are going to be faced with in the legislative arena each day. He has been a most effective leader in this capacity and is to be commended for his role in mustering the votes needed to carry the Republican cause on the floor. As a member of his whip organization, I have found TRENT knowledgeable, effective, and certainly one of the best liked Members of the House.

Now TRENT is faced with another challenge, that of running for the Senate where he is waging a hard-fought, pivotal, and historic campaign of national significance.

My wife Marjorie and I have known TRENT and his wife Tricia for a number of years and consider them our friends. They have two fine children, Tyler and Chet who currently are students at their parents alma mater that fine southern institution, Ole Miss. In their next major endeavor, we want to wish TRENT luck and more votes than his opponent.

Ms. SNOWE. Mr. Speaker, I thank the gentleman from Ohio [Mr. WYLIE] for participating.

Mr. Speaker, I yield to the gentleman from Louisiana [Mr. MCCRERY].

Mr. McCRERY. Mr. Speaker, I thank the gentlewoman from Maine [Ms. SNOWE] for yielding to me.

Mr. Speaker, I rise happily as the newest Republican Member of the 100th Congress and, even more happily, as one of the very first to be reelected to the 101st Congress.

It was only a few short months ago that I had the opportunity to meet the gentleman from Mississippi [Mr. LOTT], but my relationship with him goes back many years. I was privileged to have a fraternal experience in college with him as a member of Sigma Nu Fraternity, and in my senior year in college was chosen to be initiated into the Sigma Nu national honorary chapter or Alpha Chapter. And, as I was being initiated and signing my name on the scroll at Virginia Military Institute, I noticed a name at the top of that scroll. It was TRENT LOTT.

Mr. Speaker, the gentleman from Mississippi [Mr. LOTT] was one of the first Sigma Nu's to be initiated into that honorary chapter, and, having recognized that name as I began to go through the seventies, I noticed his name popping up occasionally in newspapers, and certainly in our fraternal magazine, as one of the rising young leaders in the Congress of the United States. So, I kept up with him through the years and had a great deal of respect for him even though I had never met him.

As I was elected to the Congress and came to Washington, the gentleman from Missisipi [Mr. LOTT] was one of the first people I looked up, and I said to him, "I'm a Sigma Nu, and I need some help. I need to know what to do about hiring staff, how to get on a committee, all those things."

Mr. Speaker, busy as he was with his duties here in the House as whip and in making preparations to run for the U.S. Senate in the other body, he took time out of that busy schedule to help a young guy fresh in Washington, and he was very helpful to me in getting my feet on the ground here and getting myself organized. For that I thank him.

But over these last 6 months I have gotten to know the gentleman from Mississippi [Mr. LOTT] not only as a colleague, but as a person, and I look back to my college days and remember that, as a member of Sigma Nu Fraternity, we were always taught to strive to live by the ideals of love, truth, and honor. And, after knowing the gentleman from Mississippi [Mr. Lott] for just these short 6 months, I truthfully say that Trent Lott is a real Sigma Nu.

Ms. SNOWE. Mr. Speaker, I yield to the distinguished gentleman from Ohio [Mr. Latta] who also, regrettably, will be leaving this body.

Mr. LATTA. Mr. Speaker, I want to thank the gentlewoman from Maine [Ms. Snowe] for taking this time so that we might say a few words about our good friend, the gentleman from Mississippi [Mr. Lott].

My colleagues know that not too many Members in this Chamber knew the gentleman from Mississippi [Mr. Lott] before he was a Member of this body, but I had that privilege serving on the Committee on Rules with Bill Colmer, who was then from Mississippi, and a mentor for Trent. As everybody knows, Bill Colmer was a very conservative Democrat, and we could hardly tell the difference between Bill Colmer's votes and our own on many, many occasions.

The gentleman from Mississippi [Mr. Lott] was laboring up there with Bill Colmer, and, after Bill Colmer left this body, Trent ran and was successful as a Republican because he represented the views of the constituents of that district, the Fifth District of Mississippi.

Now, as he seeks the office of a U.S. Senator from Mississippi, the gentleman from Mississippi [Mr. Lott] likewise would be representing those conservative views of the people in Missisippi. How lucky they are to have a candidate for office who has done the things in such a short time that Trent Lott has, not only for the people of Mississippi, but for the people of all America, because I do not know of a vote, but one, that Trent Lott and I voted differently in the Committee on Rules, and my colleagues know that I never let him forget it. I do not know which one of us was wrong, but we voted differently. That is how we voted in the Committee on Rules, and I was one of those on the committee who supported Trent Lott when he sought that position on the Committee on Rules. Likewise in his leadership appointment.

Mr. Speaker, the gentleman from Mississippi [Mr. Lott] is a different sort of individual. My colleagues know that he can look someone right in the eye, and, if someone disagrees with him, before he stops looking at them, they have to agree with him.

And I have had the good fortune of knowing the gentleman from Mississippi [Mr. Lott] outside this body. His son, Chet, and my son, Bob, Trent and I have hunted together in the hills of Texas, and there are a few hills down there. So, we know one another for quite some time, and I think that the Senate is going to be enhanced tremendously by the presence of Trent Lott. He will be a very energetic individual who will never hesitate to speak his piece, what he thinks is right, and he does it in such a manner that he will bring a lot of votes with him, and there will be votes from Mississippi and for the United States of America.

So, Mr. Speaker, I just want to say that I wish the best to the gentleman from Mississippi [Mr. Lott] in his new assignment in the U.S. Senate. I wish his good wife, Tricia, the best, and Chet, and his lovely daughter.

Ms. SNOWE. Mr. Speaker, I thank the gentleman from Ohio [Mr. Latta]. We want to wish him well in the future. We know that he has made outstanding contributions to the Committee on Rules as well as the Committee on the Budget.

Mr. Speaker, I yield to the gentleman from New Mexico [Mr. Skeen].

Mr. SKEEN. Mr. Speaker, I thank the gentlewoman from Maine [Ms. Snowe] for taking this time and yielding some of it to me to say something about an institution.

Mr. Speaker, I cannot believe that this place will survive without the gentleman from Mississippi [Mr. Lott] because I think he is probably one of the most distinctive, capable Members that I have ever known in this body or in the field of politics, to say the least, and one nice thing about it is that, when he goes to the U.S. Senate, as I am sure he is going to do, he is going to upgrade that body by a whole bunch, and they need a lot of it.

Mr. Speaker, the gentleman from Mississippi [Mr. Lott] was assigned as my buddy in Congress when I came here as a new Member, and so I shared that position with many others, and it was fortuitous for me because it really gave me a good start in understanding what it takes to operate within this body and do it with dignity, style and grace. I have seen the gentleman from Mississippi [Mr. Lott] do his work, do it well, cover all his bases, and never misplace one hair on that fine patch of hair that he has ever looked mussed.

And, besides that, I love his wife, Tricia, because she recognized that I, too, have a great deal to offer in sartorial splendor because I was wearing a suede jacket like I am tonight, the first one she had ever seen, and she insisted to find out where they could find Trent one because we wanted to keep his natty appearance right up to date. So, I appreciated that compliment.

Mr. Speaker, I have also enjoyed working on the whip organization with gentleman from Mississippi [Mr. Lott] and all the other Members of that troupe because they are hard-working because of the leadership that Trent Lott has afforded all of us. And I worked on the labor task force, and we have been exceedingly successful under very difficult circumstances, but it is a tribute to the kind of leadership that Trent Lott has.

Mr. Speaker, I wish him well, the family well, and we are going to miss him, but we know that he is going to be where we can see and visit with him, and I am delighted to be able to be here tonight to add my voice to those who are sending off with their congratulations one of the finer Members of this body.

Mr. Speaker, I appreciate having the opportunity to pay tribute to our colleague from Mississippi, Trent Lott. Trent has not only been a great help to me since I first came to Congress, but he has also been a strong and steady leader in the House of Representatives. I consider him a friend, and he will be missed in this Chamber.

I first met Trent 8 years ago when I began my first term in the House. As a freshman Member, he was assigned as my "buddy". But it has been during the past few years that I have really had the chance to work closely with Trent. Through my work with the minority whip's office, I have observed a skilled and effective leader. Trent's record of building coalitions and his willingness to work with Members on all issues has earned him justified accolades.

This has been no easy task during the past 8 years that Trent has served as House minority whip. There have been many occasions when he has been on the hot seat, when emotions have run a little high. But it is a tribute to Trent that while holding one of the most difficult jobs in Congress, he has maintained the respect and admiration of his colleagues. Trent has always been willing to listen, he has always been fair, and he has always been ready to help when there was a need.

We are loosing a valued and dedicated colleague and leader. Trent has been a credit to this body and has set an example for us all to follow.

Even though Trent is leaving the House, we expect to continue to see him in the halls of Congress, serving in another capacity. Our loss will be the other body's gain.

Trent, thank you again for your dedicated leadership and your friendship. We wish you well.

Ms. SNOWE. Mr. Speaker, I thank the gentleman from New Mexico [Mr. Skeen]. I am sure that the gentleman from Mississippi [Mr. Lott] is going to especially appreciate his comments.

Mr. Speaker, I yield to the gentleman from Arizona [Mr. Kyl].

Mr. KYL. Mr. Speaker, I thank the gentlewoman from Maine [Ms. Snowe] for yielding to me.

Mr. Speaker, my colleagues, the gentleman from Mississippi [Mr. Lott] is one of the first people I met when I first came to Washington, and he has been a help, and an inspiration and a friend ever since. I just want to express how much I appreciated him in my first 2 years in the U.S. Congress.

Mr. Speaker, the success of the gentleman from Mississippi [Mr. Lott] in the House of Representatives of course needs no documentation. His good cheer and effective leadership are known to us all. Though a true national leader, no Member is more intensely loyal to his constituents. No one doubts that he will be just as successful in the other body.

The gentleman from Mississippi [Mr. Lott] has managed to master not only the rules of this House, but also the difficult dilemma of balancing principle and pragmatism. He has never sacrificed the former, and yet he usually has succeeded in the latter.

Mr. Speaker, we all know a natural leader when we see one. We all know that the gentleman from Mississippi [Mr. Lott] is such a leader.

It is also obvious that he is a very fortunate man to have such an outstanding family and, above all, an exceedingly capable and charming wife, Tricia. My wife Carol, and I will continue to treasure our friendship.

It is a great pleasure for me to pay tribute to one of the most outstanding Members of this body, our whip and the next Senator from Mississippi, Mr. Trent Lott.

Ms. SNOWE. Mr. Speaker, I thank the gentleman from Arizona [Mr. Kyl] for participating in this special order.

Mr. Speaker, I yield to the gentleman from New York [Mr. Martin].

Mr. MARTIN of New York. Mr. Speaker, I thank the gentlewoman from Maine [Ms. Snowe] for yielding to me.

Mr. Speaker, I hark back to the first day I arrived in this Chamber, and I think the gentleman from Mississippi [Mr. Lott] was one of the first Members I came to know, and I was flattered very much when Trent asked me to join his whip organization, and in that 7½ years I cannot tell my colleagues how much it has meant to me and how nice it has been to work with Trent Lott on any project.

Mr. Speaker, he is a true gentleman in every respect, a total class act, and, if there is anyone in this House who is a walking, talking chamber of commerce for their State, it is the gentleman from Mississippi [Mr. Lott]. It is almost impossible to carry on a conversation with the gentleman on any subject without him working in the Ole Miss football team or something about Mississippi. He even tried to teach me how to try to pronounce the word, and, as my colleagues know, in 1981 I had the opportunity to escort Mrs. Reagan to Pascagoula when she christened the *Ticonderoga*.

□ 1645

Sometime later on they built another Aegis cruiser and named it after Lake Champlain, which is also in my district. Trent was successful for a time in convincing me that I was getting the better part of the deal, that they would build the ships and then name them after an historic spot in my district. It took me 3 or 4 years to figure out that maybe he was getting a good part of that deal as well.

One thing about Trent Lott that is going to be lost here, but is going to be an immense gain to the other party, whatever problem I had, whatever idea I had or any other Member had, he listened intently. Sometimes that is something that is lacking in this body. We will miss that and we will have to all work harder on that.

Just think how nice it is going to be for that attribute to be added to the other body.

Ms. SNOWE. Mr. Speaker, I thank the gentleman for his contributon.

Mr. Speaker, I yield to the gentleman from Nebraska [Mr. Bereuter].

Mr. BEREUTER. Mr. Speaker, I thank the gentlewoman for yielding to me and for her effort to take out this special order, along with the Republican leader, with respect to our distinguished colleague, the minority whip, Trent Lott.

It was not until this special order that I realized the gentleman from Mississippi was a member of Sigma Nu Fraternity, and I almost stepped out of line because I was in the fraternity next to the Sigma Nu House at the University of Nebraska, and I recall the time that an arrow penetrated through the window and went through three of my sports coats; but despite that fact, he was an extraordinary Member of this House and we look forward to his participation in the other body.

Trent served in this Chamber with distinction for the past 16 years. Some might regard the minority whip's position as a thankless job. Not Trent Lott. He assumed his leadership responsibilities with enthusiasm, dedicated to advancing the objectives of this party and the national interest. He was invariably out in front on many of the most important issues of our day. At the same time, he worked quietly behind the scenes at times seeking the compromises that produce legislative victories, when that was necessary.

He had unfailing good humor, that has been mentioned, and it is absolutely true, a quick mind, knowledge of the legislative process and the Congress and the political skill. These things together I think explain his extraordinarily fine performance as the Republican whip. He succeeded beyond any reasonable expectation because he was trusted and respected by his colleagues.

Even as he assumed more and more responsibilities for leadership in the House, Trent Lott never forgot his constituents in Mississippi. When the interests of Mississippi were on the line, Trent Lott was there energetically and effectively fighting for his constituents. They can take satisfaction and justifiable pride in his record. I am sure that will be reflected in November.

One of my staff members came back from a little trip and she wanted to send this to Trent Lott, because it has been mentioned here that we ought to spice up these proceedings a little bit. This is Double Yellow brand Sundried Possum. It is a product of his great State, apparently canned by the Mississippi Department of Roads. This will be good for a snack for him along the way.

My wife and I and family were in Pasgogoula this year as tourists. Nobody knew us. We were having an evening dinner in Pasgogoula on the way down to the convention in New Orleans. We were asked about Trent Lott, and inevitably the comments were extraordinarily favorable. They liked Trent Lott. They thought he was a great Congressman and a great American, and he is.

Like the gentleman from New Mexico, Trent Lott was my big brother when I came to this body, even though he is 2 years older than I, and that was a great source of help to me, as was Tricia's help to Louise and to myself. We have a special degree of appreciation for that assistance.

We wish him well. It is very, very true that we are the loser for it in a direct sense in the House, but we expect to benefit from his participation in the other body.

Ms. SNOWE. Mr. Speaker, I thank the gentleman for his kind remarks.

Mr. Speaker, I yield to the gentleman from Alabama [Mr. Callahan].

Mr. CALLAHAN. Mr. Speaker, I thank the gentlewoman for yielding to me this time.

Let me echo the sentiments of our colleagues toward our good friend, Trent Lott. He is a great American and he has made a great contribution to this body and we are optimistic that he will make that same contribution to the other body.

Mr. Speaker, I am pleased to insert in the Record my special order to our good friend and colleague from Mississippi, Trent Lott.

While we could look upon this day with a degree of sadness because Trent will be leaving this esteemed body at the end of this Congress, we know that he will remain close to each • of us as he endeavors to represent the entire State of Mississippi as well as he has represented his First Congressional District during these past 16 years.

This body will miss TRENT LOTT because of the dignity, respect, and care that he brought to it. Too often we find ourselves allowing partisanship to upstage statesmanship when we consider the issues of the day, and while TRENT LOTT is a staunch Republican and conservative, he always has the resolve necessary to attempt to work with the other side of the aisle in reaching acceptable compromises that we can all agree on.

TRENT has been more than just a colleague to me, he has been a real friend. When the people of Alabama first sent Karen and me to Washington, the Lotts' were first in line in the welcoming party. TRENT's wife, Trish, was Karen's big sister, and I can never thank TRENT enough for all he did to help me get accustomed to the move from the Alabama Senate to the U.S. House of Representatives.

My constituents in South Alabama will miss TRENT because he has been a part of the longest running congressional television show that is aired in my district "The SONNY CALLAHAN Show." EARL HUTTO, from Florida's First District, and I have had many enjoyable mornings taping our show, and it will certainly take some getting used to for our taping to start on time, since we won't have TRENT to always be running 15 minutes late.

In closing, let me just say to our friend TRENT LOTT that we will miss you in the House. As a partisan spectator I wish you every success in your upcoming Senate race and know that you will continue to serve your family, friends, and constituents well as you move to the other body.

Ms. SNOWE. Mr. Speaker, I thank the gentleman for his participation in this special order.

Mr. Speaker, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman for yielding to me.

Mr. Speaker, I am pleased to rise to pay tribute to our great colleague, to my good friend, and to an outstanding leader in the Congress.

TRENT LOTT first came to Congress as a part of the class of 1972 for the 93d session, the same year that I first entered this body. Throughout the years, TRENT displayed an amazing capacity to learn and to overcome the complexities of this Chamber. TRENT rapidly became the brightest star of our class of 1973.

TRENT has served as an outstanding member of the Rules Committee, in which position he has always conducted himself with fairness and with restraint. It became apparent to all of our colleagues that younger Members of the body naturally looked to TRENT for guidance and advice.

As minority whip, TRENT graciously performed a yeoman's service of keeping us all fully informed, making certain that we all had an equal opportunity to make our voices heard. TRENT's office has always been able and eager to respond to any of our inquiries, and to help his colleagues in any way possible.

TRENT brought to the Congress his qualifications and education as a graduate of the University of Mississippi, his professionalism as a practicing attorney, and his Hill experiences as administrative assistant to former Member, Bill Colmer.

A visit to TRENT's office duly impresses any observer. It is akin to a shrine to Mississippi, for it is chock full of awards, plaques, trophies, and other items of appreciation bestowed upon TRENT by his grateful constituents. It can truly and honestly be said that TRENT is beloved by the constituents of his Fifth Congressional District of Mississippi.

The absence of TRENT from this Chamber will be sorely felt, but our loss will be the gain of the other body. I am confident that within a very short time, TRENT LOTT will rise to the position of respect and leadership in the Senate, which he achieved in the House. I am equally confident that very shortly all Americans will come to realize what we in the House have realized for many years—TRENT LOTT is a truly gifted legislator and a superb American.

TRENT, our class of 1973 is going to miss you very much. I join my colleagues in wishing Trish and TRENT many years of good health, happiness, and continued success in all of their new endeavors in the other body.

Ms. SNOWE. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I yield to the gentlewoman from Kansas [Mrs. MEYERS].

Mrs. MEYERS of Kansas. Mr. Speaker, I appreciate being able to take part in this special order concerning TRENT LOTT.

Mr. Speaker, I want to take this opportunity to express my appreciation for the dedicated and excellent service of Congressman TRENT LOTT, both as the Representative of the people of Mississippi's Fifth District, and as the Republican whip. TRENT's record of rallying Republican support for important legislative initiatives is legend. His service to this body, to the distinguished Republican leader, Mr. MICHEL of Illinois, and to the President of the United States, is without question and without parallel.

TRENT could have starred in the movie "Friendly Persuasion." His style is one of friendly persuasion, and he does it very well.

I remember when I first met TRENT at freshman orientation in 1984. Orientation was a hectic scramble. TRENT put us at ease with his ability to give you substantive information but be humorous at the same time. Both my husband, Dutch, and I, were very impressed with TRENT's beautiful and talented wife Trish, a former Miss Mississippi, during that orientation period, and we've enjoyed seeing them since at their annual Mississippi gumbo feasts in Longworth Cafeteria. We remember TRENT for his big smile and affable manner, and his charming southern accent. But, my most recurring image of TRENT LOTT, and what I think we all will miss the most, is the way he radiates enthusiasm and energy. It can be tough sometimes, coming to the floor knowing that you're going to lose yet another vote. But TRENT would greet you and say hello in such a way that made you believe that you've made his whole day. Without him, life in the House will be just a little dimmer.

As a leader, TRENT is a persuader, not a pressurer. He fights hard for his beliefs, but always retains his sense of humor. Even when he's debating at his most aggressive, he softens it with humor. So that an opponent is laughing with him, even though TRENT's just cut his arguments into shreds.

I'll also remember TRENT LOTT, and I'll remain grateful to him, because when I asked him to come to my District in Kansas—the Third District—help me out at a little fundraising campaign dinner, he did so without hesitation. And he simply "wowed" 'em. His presence there was extremely beneficial to me as a freshman Member of Congress running for a second term. In fact, his 1986 visit went so well, that I ended up without any opposition at all.

This is not a farewell to TRENT, but rather an until we meet again. I am confident that the next time we meet, it will be in his capacity as a U.S. Senator.

Ms. SNOWE. Mr. Speaker, I yield to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I thank the gentlewoman very much for yielding to me.

May I thank my colleague, the gentleman from Illinois [Mr. GRAY], whose heart is as big as his district, and that is pretty big, for yielding the gentlewoman some extra time.

I do not wish to be redundant and repeat all the great accolades, and well-deserved accolades that have been bestowed on our colleague, TRENT LOTT. He is one of the bright, enthusiastic, sparkling people around this place, who gives you great confidence that sometimes impossible things can be accomplished. To be a Republican in Mississippi is tough enough, but to be a successful Republican, a Republican leader is an achievement.

I am sure he has encouraged many of us who sometimes think things are difficult and we look at people like TRENT LOTT and FLOYD SPENCE from South Carolina and THAD COCHRAN and others, and we know that miracles can happen. It is not really a miracle. It is sheer class, persistence, intelligence, knowing his subject, believing in so many things and then voting according to his belief and setting a standard for the rest of us to aspire to.

□ 1700

He is a leader in every sense of the word, and moreover, he is just one heck of a nice guy. He will be a great Senator. He will have a more important theater because there are only 100 over there, and we are sometimes buried with 435. He will stand out. He will achieve, and we will be even more proud of him.

Ms. SNOWE. I thank the gentleman from Illinois for his outstanding comments.

I yield to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Speaker, I thank the gentlewoman for yielding.

In the interests of time, I would simply say that TRENT LOTT has been a good friend. He is one who has come out to my district on a couple of occasions. I finally got him to pronounce Lima, OH, correctly.

We have made significant progress with him. We have to consider that TRENT came from some difficult background and overcame difficult obstacles in a poor and backward part of the world where he was pledged to Sigma Nu, a local boys' club at Ole Miss, and still made it to the top.

We wish him the best.

Ms. SNOWE. Mr. Speaker, I yield to the gentleman from Ohio [Mr. DEWINE].

Mr. DEWINE. Mr. Speaker, I also want to rise and congratulate our colleague and friend, TRENT LOTT, in what we know is going to be a great victory here in about 2½ weeks.

TRENT has been a great friend, a great leader of the House of Representatives. He knows this House probably better than anybody else here does or almost anybody else, and throughout the history of this House, really, he has been a real leader.

I would like to wish not only him well but Tricia well also, because they have been not only friends to Fran and I, but they have been great neighbors, and we are looking forward to seeing them in the U.S. Senate. We know that Chet and Tyler and Trish and TRENT are going to have a great victory in a couple weeks.

Ms. SNOWE. Mr. Speaker, I yield to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I appreciate the gentlewoman yielding.

Mr. Speaker, I appreciated knowing TRENT LOTT here in the House. I have known him only for the 2 years, but he has certainly demonstrated that he is a great leader. During that time he has been exemplified by his, I call it, command presence that he has, the fact that he always had the whip in his hand, whether you could see it or not, and he had incredible persuasive ability and always had a sense of humor.

I remember when the freshman event was sponsored by TRENT LOTT, and the Capitol Steps were there, and they made him join in singing their song, "Immense Expense is Mainly in Defense," and I must say he demonstrated then that he had a great sense of humor about all of the issues.

He also has hosted events with freshmen, with two people over lunch where he talked about issues and talked about their various districts that we represented and the fact that we might have divergent views but had a responsibility to our constituency. He is articulate, well-groomed, representing all of us exceedingly well, and I appreciate the friendship, and I appreciate the leadership that TRENT LOTT gave us in this Chamber, and I certainly do wish him well.

As Shakespeare said, "He, indeed, is a man of sovereign parts, well fitted in arms, glorious in art; nothing becomes him ill that he would well," so my best wishes from a freshman Member to TRENT LOTT and to his wife and his future.

GENERAL LEAVE

Ms. SNOWE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order this evening and that of the previous special order in behalf of the gentleman from Illinois [Mr. MICHEL].

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maine?

There was no objection.

Ms. SNOWE. Mr. Speaker, I yield to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I thank the gentlewoman for yielding.

TRENT LOTT, I think, is one of the finest Members of Congress who has ever served in this body on either side, and I want him to know that personally we on the Republican side will miss his leadership so much, and I personally will miss him so much and look forward to working with him in the Senate.

Ms. SNOWE. Mr. Speaker, I do wish to announce that the gentleman from California [Mr. HUNTER] will be asking for an additional special order to accommodate the Members who have not been able to participate.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. I thank the gentlewoman for yielding.

Mr. Speaker, TRENT LOTT certainly was a master of this House as an institution, and he had no peer in that. He knew its strength as well as its fragilities. I am not sure that anyone will ever understand the other body entirely, but if I were going to bet on somebody mastering that body as an institution, I would certainly bet on TRENT LOTT. In addition, I think we owe to TRENT LOTT, together with JACK KEMP, a very great debt of gratitude for moving our Republican Party from a party of nay-sayers to a party of growth and of freedom, a very positive party, and TRENT LOTT has a great deal of effect in that, and we will certainly miss him here.

We know he will be doing a great job for us in the other body.

Mr. Speaker, I am pleased to join with the distinguished minority leader, Mr. MICHEL, and the rest of my colleagues in lauding one of our own who, I am confident, will continue to serve his State and the Nation in the next Congress but as a Member of the other body.

TRENT LOTT as served in the House with distinction and honor—for 16 years as the Representative of Mississippi's Fifth District and, for the past 7 years, as minority whip. TRENT is moving on in his legislative career, but his contribution in this Chamber as one of its leaders won't soon be forgotten. That's why we are here tonight.

TRENT ascended the leadership ladder with grace and acumen, first as chairman of the Republican Research Committee and, in 1981, at the tender age of 40, he was elected minority whip. His rise can be credited to his tireless efforts on behalf of other Members and the Republican legislative agenda, as well as his knowledge of the legislative process and the issues.

As part of the Republican leadership,

TRENT was an instrumental player in shepherding through the Congress many of President Reagan's legislative initiatives, leading our Nation on a course of unprecedented economic growth and peace abroad.

However, with all of his leadership successes, TRENT never lost sight of the people who sent him here, his Mississippi constituents. You just have to look at his reelection margins to see that TRENT served the Fifth District well.

TRENT has my admiration for a job well done as minority whip and my best wishes as he continues his service to Mississippi and our Nation.

Ms. SNOWE. Mr. Speaker, the gentleman makes an excellent point.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, I, too, want to pay my tribute to our colleague. I want to say that after all this time, I finally today learned that his name was TRENT LOTT. I thought it was Len Trott, and that is what I called him for the first 6 weeks I was here. I am glad to now establish that we are talking about TRENT LOTT, the next Senator with whom we will be working next term, I hope.

Ms. SNOWE. Mr. Speaker, I thank the gentleman and all the Members for participating.

ANNUAL REPORT OF RAILROAD RETIREMENT BOARD FOR FISCAL YEAR 1987—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The Speaker pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce and the Committee on Ways and Means.

(For message, see proceedings of the Senate of today, Friday, October 21, 1988.)

UNION STATION AND MISCELLANEOUS OTHER SUBJECTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. GRAY] is recognized for 23 minutes.

Mr. GRAY of Illinois. Mr. Speaker, I first yield to my distinguished friend and chairman of the Committee on Education and Labor, the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Speaker, I thank the gentleman from Illinois for giving me this generous time to make what I consider to be a most important announcement.

Mr. Speaker, it has come to my attention that the Office of Elementary and Secondary Education within the U.S. Department of Education is in the process of implementing a reorganization plan. As a matter of fact, indirectly and through rumor, it is now expected that this plan will be implemented next Monday, October 24, 1988.

It is certainly a surprise to those of us on the Education and Labor Committee and to me as chairman of that committee that we have not been formally appraised of this reorganization plan. I have a copy of it, an internal copy, dated August 15, 1988, to Mr. Dorsett, Assistant Secretary for Elementary and Secondary Education.

Obviously any reorganization plan coming in the last 2 months of an 8-year administration has to be politically suspect, and in my opinion any such reorganization can only result in disorganization.

Mr. Speaker, I wish to take this time to formally make the announcement that this plan will be thoroughly persued by the committee, and we hope that the new Secretary of Education, the Honorable Mr. Cavazos, will be officially notified that we will certainly look into every implementation of this reorganization Plan.

Mr. Speaker, I submit for inclusion in the RECORD a copy of a letter from myself to Secretary Cavazos dated October 21, 1988.

The letter is as follows:

COMMITTEE ON EDUCATION AND LABOR, SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION,
Washington, DC, October 21, 1988.

Hon. LAURO F. CAVAZOS,
Secretary, U.S. Department of Education, Washington, DC.

DEAR MR. SECRETARY: It has come to my attention that the Office of Elementary and Secondary Education within the U.S. Department of Education is in the process of implementing a reorganization plan.

It was my understanding that this reorganization plan was being held in abeyance. It has now been confirmed that this reorganization plan is, in fact, being implemented this coming Monday, October 24, 1988.

In view of these developments, it is inexplicable to me, given the remaining time that this administration has in office, as to why a new reorganization plan is going forward. In other words, I think that it would be prudent to hold in abeyance, not only a reorganization of the Office of Elementary and Secondary Education, but any reorganization within the Department of Education until a new administration comes aboard.

Your prompt response to this matter will be deeply appreciated.

Respectfully yours,
AUGUSTUS F. HAWKINS,
Chairman.

Mr. GRAY of Illinois. Mr. Speaker, I took out this special order some time ago in order to talk about the new refurbished Union Station, but before I get onto that subject, Mr. Speaker, this being my last time to appear in this well, having come here 34 years ago, I would feel remiss if I did not say that I think we some time overlook the real Trojan horses of this Congress by not talking about some of the staff, the House office, and the Parliamentarians. In fact, one can go throughout the country, Mr. Speaker, and we will hear people sort of make fun of Congress by saying, "Laws and sausages are better if you don't see them made."

Mr. Speaker, I want to tell you that having sat there in that chair behind the rostrum for day in and day out off and on for years, this institution is one that should be respected and revered around the world, because it is the greatest legislative, deliberative body in the entire world, and I want to pay special tribute today to Parliamentarians Bill Brown and Charlie Johnson and all of these people who work hard with them. If we are in session, like we will be tonight, they are always here, the official reporters, the tally clerks, the reading clerks, the pages who work under the auspices of the Sergeant at Arms that do various functions here, the Doorkeeper, the police in the Capitol, the Cloakroom, Barry Sullivan, Tim Friedman, all of those that labor, some of them in the bowels of this great building way down in the basement not even seen.

Mr. Speaker, I brought along a copy of some CONGRESSIONAL RECORDS. It is absolutely unbelievable. These look like a Sears and Roebuck catalog, and this work is put together. It goes to the printer at midnight and is distributed by 6 o'clock in the morning. All of the deliberations are taken down, and recorded for history, and goes to our archives. If somebody wants to know 200 years from now what happened in this 100th Congress, they can go down, and every word that was uttered is there.

I see my distinguished friend, the gentleman from Illinois [Mr. HYDE], standing there, and his great remarks will appear, and historians for years to come will be able to see them.

I yield to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I think it is an apt opportunity for me to simply say how much the gentleman from southern Illinois will be missed by the Illinois delegation and this body.

KEN GRAY was a legend before I knew him, and when you got here, I understood why you are a legend. You are one of the nicest, brightest, most pleasant men I have ever met.

Mr. GRAY of Illinois. Just take all the time you want.

Mr. HYDE. Mr. Speaker, I am, and I am thinking of more and more nice things to say about the gentleman if he gives me more time. I just want you to know, KEN, that you have been a great asset to our State and to your district, and you will be sorely missed, and I hope your friendship will continue over the years.

I wish you every success in whatever you undertake.

Mr. GRAY of Illinois. Mr. Speaker, I deeply appreciate those remarks of my friend HENRY HYDE. He is a great American. Also while we are on the subject, before I get onto the Visitors' Center, I would like to thank all the Members of this body on both sides of the aisle for being a real friend to me during my service. The tribute that they paid me today with a standing ovation, I feel like the little boy who stubbed his toe, and he said, "I am too big to cry, but it hurts too much to laugh"; and thinking about leaving, that is the way I feel.

I yield to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, I, too, want to express my felicitations to honor you with an award. The award is for recognizing this Member from the chair more often than any other Speaker, and I will talk to you about privately what that will involve, but in the event that you are wondering about it, I do appreciate the courtesies you extended the many times you were manning the Speaker's rostrum.

Good luck to the gentleman.

Mr. GRAY of Illinois. Mr. Speaker, the gentleman is very kind, and I appreciate those remarks.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. GRAY of Illinois. I am happy to yield to the distinguished gentleman from Massachusetts [Mr. CONTE], the ranking member of the Committee on Appropriations on the minority side.

Mr. CONTE. Mr. Speaker, we are going to miss the gentleman from Illinois. He's been a giant here. I have served with him, and I have been in this House 30 years, and I served with him many years before he decided to take a sabbatical, to take some time off, and then we had the good fortune of having him come back. KEN, I had a great admiration for you when you were here before, and you took that time off, but I noticed when you came back that you matured a lot the way you handled matters.

Mr. GRAY of Illinois. It is called getting older.

Mr. CONTE. Both of us have. The way you have handled that gavel up there night after night, when everyone had gone home and there would be a few lonely souls down here who wanted to speak on their special orders, you would be up there showing great patience with them, always with great humor, with great levity, and yet holding that gavel very firmly.

I think that you are one of the great giants in this House of Representatives. You will be sorely missed.

Mr. GRAY of Illinois. Mr. Speaker, I want to thank my distinguished friend from Massachusetts. The feeling is mutual. The gentleman is a great Member of this body.

Mr. CONTE. One of the greatest things one can say about a man, KEN, is he is a good man, and in my book, KEN GRAY is a good man.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. GRAY of Illinois. Mr. Speaker, I am happy to yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank my friend for yielding, especially since this is the closing day of the session. I am not going to have the privilege of working with him again, and I remember KEN GRAY from the time I went down and campaigned against him and came back, and he said with a big smile, "How did you like my district?" I think your percentages went up after I went in, and I wanted to tell you that.

Mr. GRAY of Illinois. We were delighted to have you, and you are welcome back anytime.

Mr. HUNTER. Thank you very much.

Mr. GRAY of Illinois. Especially since I am not running.

Mr. HUNTER. The gentleman has handled himself so extraordinarily well, you have, KEN, in that Speaker's seat, and you have run these proceedings that have gone long into the night, night after night. You have been the epitome of a gentleman and a person with whom both sides of the aisle can work.

Mr. GRAY of Illinois. The gentleman is very kind, and I appreciate it.

Mr. HUNTER. I wish I had been here earlier in the gentleman's career so I could make some of the comparisons some of the Members have spoken of, but I was not around.

Mr. GRAY of Illinois. I think the gentleman very much.

Mrs. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. GRAY of Illinois. I am happy to yield to the gentlewoman from Maryland, my good friend.

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Mrs. BENTLEY. Mr. Speaker, I thank the gentleman, and I want to join and echo the remarks of the gentleman from Massachusetts [Mr. CONTE] and the gentleman from California [Mr. HUNTER], and say KEN, I hope you are just taking another sabbatical. We will miss you. I will miss you in particular up there on our special order dinner theater, as you and I and the gentleman from Texas, [Mr. GONZALEZ] have done it time and again, and you are a very superb person and a real gentleman.

Come back and good luck.

Mr. GRAY of Illinois. Mr. Speaker, I appreciate that so much. I put that rumor out myself. I did not know anyone believed me.

Mr. MYERS of Indiana. We will miss you. Our districts join each other, right across the river from each other and our people, the districts are a lot alike in many respects.

I first came here 22 years ago and you were here, and I think I have known you longer than any other seated Member here today because I knew you by reputation before I came here, and then you were a great help to me, and I came here and we are going to miss you. We wish you well.

I know the people in Little Egypt certainly love you there, and I have a good reason why they do. They will miss you and miss your counsel and advice, because through the years we see our friends and the stable people, the kinds of people that make the right decisions leave here, regardless of which side of the aisle. It seems it takes away from the Chamber, and I am saddened every 2 years we pick up the list and see those people retiring, and you are at the top of the list this year.

Mr. GRAY of Illinois. I appreciate that, and I might say if the Wabash River should ever dry up I would be in the gentleman's district. Our districts are only separated by the Wabash River.

Mr. MYERS of Indiana. We will get you registered.

Mr. GRAY of Illinois. Mr. Speaker, I will be delighted to yield to my distinguished colleague and dear friend from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. As the distinguished gentleman from southern Illinois, he could walk across the river, at least some of his constituents think so.

I would like to point out that occasionally members of the Fourth Estate of the press write articles about Members of Congress getting too much pork, and my colleague from southern Illinois used to cut those out, and they became his campaign documents.

He was not on the Committee on Public Works and Transportation for just a better America. It was also for a better Illinois, and many of us are not going to forget that.

I hope this is appropriate, and if the gentleman does not wish to, please say. Too often we do not laugh enough in this Chamber, especially at ourselves. We should take legislation seriously and be able to laugh at ourselves, and I wonder if it is appropriate if the gentleman would not want to say how he got that wonderful ring that is on his finger, because it happens to be my favorite part of the gentleman from southern Illinois.

Mr. GRAY of Illinois. I did not know you were going to do this on national television. You do not really want me to tell it, do you?

Mrs. MARTIN of Illinois. It is a great story.

Mr. GRAY of Illinois. Let me tell you why I am quitting, that is even better.

I was in Brazil along the Amazon in 1987, bitten by a tick, and it affected my legs and when it came time to file, I did not feel like running but a couple of months ago Republican county chairman in my district said he saw me at the fair and I was looking better, but the tick that bit me was still in the hospital, so that tells a little bit more than the ring.

I did not intend for this to be a testimonial, but as I said earlier, I feel like the lady kissed in the dark, she did not know where it came from but she liked it, and I do not know where all the nice comments came from, but I like it.

I took the well to talk about an old project but it has been renovated, and I am referring to Union Station just north of our beautiful Capitol Building.

Mr. Speaker, I am indeed happy that our efforts in the sixties has preserved this national historic landmark from destruction. The owners were going to tear the station down and our efforts to build the National Visitors Center has allowed the station to be the beautiful place it is today.

Mr. Speaker, the National Visitors Center was not a white elephant. It was an incomplete project, the main purpose of a visitors center was a parking garage. In 1987 President Ford and Secretary of Interior Thomas Kleppe shut the project down. The Government did not spend over $100 million on Union Station as some of the news media has reported but only $60 million and that included the parking garage and the land and building. I am inclosing the following documents as proof.

First, Secretary Udall's statement giving the history of the Visitors Center.

Second, letter from the National Park Service showing total cost of $50,484,675 plus $10 million paid this year to buy out the lease so the taxpayers will own the the entire complex for $60,484,675. The assets now owned by the Government far exceed the costs so there has been no loss to the taxpayers and as I have said previously.

The public now owns this extremely valuable property. The newspapers and other media owes the Congress an apology for all the misinformation they fed the public about this project over the years.

Mr. Speaker, I am also enclosing the testimony of Mr. M.C. Mulligan, president of Washington Terminal Co., owners of Union Station, showing that the Government did not pay 1 cent for the building and bought the land for only $60 per square foot, way below the actual value.

I hope we will all use and enjoy the new station and appreciate what Congress has done to save this valuable part of our heritage for Americans and foreign visitors to enjoy.

NATIONAL VISITOR CENTER ACT OF 1967

(Statement of Stewart L. Udall, Secretary of the Interior) October 11, 1967

Mr. Chairman and members of the committee. The Department of Interior recommends enactment of legislation which would authorize the establishment of Union Station as a National Visitor Center under the administration of this department. Such action by the Congress would make possible the renovation of historic Union Station and the provision of facilities to assure the visitor a meaningful and inspired stay in his Nation's Capital. The use of Union Station for this purpose is consistent with its monumental character and its location. The McMillan plan of 1901 envisioned the structure as a gateway to the Nation's Capital from which the visitor sees the historical dome of the U.S. Capitol Building as he enters the city.

The city of Washington offers an unrivaled variety of sights: the Capitol, White House, Supreme Court, monuments, museums, and parks. Excellent lodging, dining, shopping, entertainment, and recreation facilities are offered. But above all, to our citizens Washington is the heart of the Nation, for here is located the seat of the Federal Government; here the Nation's leadership copes with the major problems; here significant decisions of national and international importance are made. To visit Washington is to sense the excitement of today and to see the lasting evidence of our heritage.

In November 1966, the Congress created a study commission to make a full and complete investigation and study of sites and plans to provide facilities and services for visitors and students coming to the Nation's Capital. I had the honor to serve as chairman of this Study Commission. Serving with me on this commission were six members of the House of Representatives, including the distinguished chairman of your subcommittee, the Honorable Kenneth J. Gray; six members of the United States Senate; and a number of distinguished citizen representatives.

The Study Commission divided itself into three subcommittees. The subcommittee to consider a site or sites, chaired by Representative Gray of Illinois studied a number of sites where such a visitor center might be located. It was the view of the subcommittee and the full commission that the projected increase in visitation to this city over the next 15 years would require more than one facility to meet the demand of the millions of visitors from the United States and abroad. The Subcommittee on Information and Interpretive Programs, chaired by Representative Fred Schwengel of Iowa, and the Subcommittee on Transportation and Parking, chaired by Senator Joseph D. Tydings of Maryland, also gave much time and attention to these aspects of visitor accommodations and their reports to full commission were also approved.

Information has been gained also from experiments conducted in recent years by the National Park Service of this department. Kiosks were placed at strategic points in the monumental area to provide information for the visitor. Information stations were placed along major highways entering Washington for a six-week period to determine visitor use of such facilities and the types of information they requested. During the fall of 1966, a six-week experiment was conducted with an interpretive shuttle transportation service in the Mall area. A general orientation program on the Nation's Capital, the Washington briefings for young Americans, developed at the suggestion of the Vice President, were presented as pilot programs at the departmental auditorium. In each experiment, records were made of the type of questions asked, the information and service provided, and the reaction of the visitors.

Moreover, during 1966, we invited a group of business and civic leaders to work with us in improving the visitor experience in Washington. Information gained from interviews with these citizens and other authorities in Washington familiar with the problems of visitors, both from the point of view of seeing the many important places in the Nation's Capital and from the point of view of the interest of the business community, has also been utilized in assessing the visitor center question.

There were approximately ten million visitors in Washington in 1965 for education and pleasure. In 1976, attendance in excess of eighteen million may be expected. Daily attendance even now may vary from a low of 8,500 to a high of 65,000; however, during the busy April through August period, the daily attendance varies from a low of 30,000 to a high of 138,000, with holiday or special event peaks of approximately 150,000. Visitor center facilities of great magnitude are clearly needed.

Mr. Chairman, the National Visitor Center Study Commission has prepared a report to the Congress as required by the act of November 7, 1966. The report summarizes the studies already made of the need for a national visitor center in the Nation's Capital. Union Station was the choice of the full commission for a major visitor center. In the long-range plan it offers an unusually favorable opportunity to launch a program to meet the critical need of providing better visitor service in the capital city. The commission has also employed a consulting firm to study improvements to the Union Station area which would make it suitable for a national visitor center and provide adjacent parking accommodations. These consultants are present and have with them architectural drawings showing how the Union Station might be treated to provide these services. The drawings also show the recommended parking structure which is to be located over the tracks to the north of Union Station.

U.S. DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE, NATIONAL CAPITAL REGION,
Washington, DC, September 26, 1986.

Hon. JAMES J. HOWARD,
Chairman, Committee on Public Works and Transportation, House of Representatives, Washington, DC.

DEAR MR. HOWARD: As requested, briefly listed below are costs incurred by the Department of the Interior, National Park Service, in development of the Union Station-National Visitor Center pursuant to Public Law 90-264 (the National Visitor Center Facilities Act of 1968).

Period	Amount	Cost item
From passage of Public Law 90-264 on March 12, 1968 to September 1976, when NPS stopped construction.	$21,245,397	Advance and project planning, complete renovation work, portion of parking facility and ramps, and Columbia Plaza.
Fiscal years 1977 through 1982.	20,439,946	Rental and taxes after Dept. of Transportation took lead in completing project and DOI became tenant.
Fiscal year 1980	2,300,000	Emergency roof repairs.
June 1982 to present	6,499,332	Roof repairs and renovation of storm drainage system.
Total	50,484,675	

Twenty-one member Commission that saved Union Station from being torn down.

The Subcommittee on Public Buildings and Grounds held extensive hearings last year on the need for establishing a National Visitor Center in our Nation's Capital. After hearings, it was the consensus of this committee that a study commission should be established to further study the need for a Visitor Center and/or Centers, and the Congress enacted last year a Public Law setting up a 21-member Commission to study the need for a center, inspected sites and other matters relating thereto and report back to Congress.

The Speaker of the House of Representatives, the Vice President, and the President of the United States, combined, appointed a 21-member Commission. This Commission is composed of:

The Secretary of the Interior, Hon. Stewart Udall, who is Chairman of the full Commission.

Hon. Kenneth J. Gray, Democrat, of Illinois, chairman of the Subcommittee to Select a Site or Sites.

Senator Joseph Tydings, of Maryland, chairman of the Subcommittee on Parking and Transportation.

4. Hon. Fred Schwengel, Republican of Iowa, chairman of the Subcommittee on Information and Materials for the Center. Also on the Commission.

5. Mr. Carlisle H. Humelsine.

6. Rev. Walter E. Fauntroy.

7. Mrs. Jack Coopersmith.

8. Senator Alan Bible, Democrat, of Nevada.

9. Senator Gaylord Nelson, Democrat, of Wisconsin.

10. Senator Hugh Scott, Republican, of Pennsylvania.

11. Senator Strom Thurmond, Republican, of South Carolina.

12. Senator Howard H. Baker, Jr., Republican, of Tennessee.

13. Congressman John C. Kluczynski, Democrat, of Illinois.

14. Congressman J.J. Pickle, Democrat, of Texas.

15. Congressman William C. Cramer, Republican, of Florida.

16. Congressman George V. Hansen, Republican, of Idaho.

17. Hon. Lawson B. Knott, Jr., Administrator of GSA.

18. Dr. S. Dillon Ripley, Secretary of Smithsonian.

19. Mrs. James Rowe, Jr., National Capital Planning Commission.

20. Mr. William Walton, Fine Arts Commission.

This 21-member Commission held extensive meetings throughout the city, including on-the-site inspections of a number of proposed sites for a National Visitor Center. Helping in a big way was the National Park Service and other Government agencies.

Statement of M.C. Mulligan, President, Washington Terminal Co.

Thank you, Mr. Chairman. My statement is very brief.

My name, as you mentioned, is M.C. Mulligan. I am here today as president of the Washington Terminal Co. to testify regarding H.R. 12603 and its companion bills. Let me state at the outset that my company endorses the purpose of this legislation.

The Washington Terminal Co. is the owner of Washington Union Station and its related passenger terminal facilities. The company constructed these facilities pursuant to a mandate from Congress embodied in the acts of February 12, 1901, and February 28, 1903. The purpose of these statutes was generally to combine the then existing separate terminal facilities of the Baltimore & Ohio and the Pennsylvania Railroads, as well as to eliminate railroad operations at street-grade level in the District of Columbia.

Congress provided that the Terminal Co. be owned equally by the Baltimore & Ohio and the Pennsylvania Railroads, but that the facilities be made available for the use of the other railroad lines reaching the District of Columbia, namely the Chesapeake & Ohio, the Richmond, Fredericksburg & Potomac, and the Southern Railway. The Union Station building, which is primarily the subject of the legislation now before this subcommittee, was constructed in its present form under the provisions of the 1903 statute which included the express requirement that the building be "monumental in character."

As has been brought out, the legislation now before this subcommittee is the result of a study authorized by Public Law 89-790, approved on November 7, 1966. This Public Law established a 21-member body Commission to investigate plans and sites to provide increased service for visitors to Washington, D.C. Specifically, as I recall, the Study Commission was charged with presenting a report to the Congress which would recommend a site or sites, estimate the cost, and include preliminary plans and specifications. The report to which the Chairman has referred will, as I understand it, cover all three of those areas. Since four members of this subcommittee served on this Study Commission, which, I understand, has determined to recommend that Union Station be leased by the Government for use as a National Visitor Center, I am sure you know more about what you recommend than I do. As I understand it, it is to implement this recommendation that H.R. 12603 and related bills have been introduced in the present Congress.

The plan embodied in the proposed legislation contemplates that the Washington Terminal Co. or its nominee will raise the funds necessary: (1) for alteration of the present Union Station building into a National Visitor Center, (2) for construction of a large parking facility to the north of the present building with suitable access for vehicular and pedestrian traffic, and (3) for construction of a new station building for use of the railroads.

The U.S. Government would undertake to lease the converted Union Station building for use as a National Visitor Center, and also to lease the parking facility, each for a term not to exceed 20 years, and it is contemplated that the leases with the Government would provide the basis for borrowing the money necessary to carry out the project. The leases would obligate the Government to operate and maintain the leased facilities and to pay an annual rental to the owners.

The plan further contemplates that the amount of the rentals paid to the owners would represent, in each case, only the sum of a percentage applied to value of the properties and the cost to the company of borrowing the necessary funds for remodeling the present station and construction of the parking facility. It is also my understanding that the lessor would be protected against any increase in real estate tax liability or increase in other financial liability which might arise as a consequence of the leases to the Government of the properties and improvements contemplated under this legislation. Such plan is acceptable to the Washington Terminal Co.

As the members of this subcommittee are aware, the report of the National Visitor Study Commission has not yet been released. Therefore, I respectfully request permission, Mr. Chairman, to file a further statement for the record, if appropriate, after there has been an opportunity to review the report.

Mr. Gray. Without objection that request will be granted.

Mr. Mulligan. In June 1965, a joint committee of the National Capital Planning Commission listed Union Station as one of 20 historic landmarks which contribute significantly to the national cultural heritage and which "must be preserved." Also included in that group of 20 were the White House and the Capitol. Legislation of the nature proposed here would not only preserve this landmark but fulfill an important public need. Accordingly, the terminal company will use its best efforts to implement legislation, if passed by the Congress, along the lines of the plan now being considered.

In closing, Mr. Chairman, let me express my appreciation for the opportunity of appearing before this distinguished legislative body, and let me pledge my support of the efforts to formulate and carry out a plan to utilize Union Station in making the concept of a National Visitor Center a reality.

Thank you, Mr. Chairman.

Mr. Gray. Thank you very much, Mr. Mulligan. Again I want to state for the record how cooperative you personally have been to the Study Commission, and also Mr. Shaw, the manager of Union Station. This has been a long and difficult task in trying to work out a solution to our problems, and I would like to ask you for the record whether or not Union Station per se has not served its usefulness as a railroad station because of changing modes of transportation, and if this station is not utilized for a visitor center there may be the real possibility in years to come that you will have to sell this station and build a smaller Union Station, thereby losing this national monument.

Mr. Mulligan. That is correct. Basically, the station complex, embracing a total of 300 acres of land, represents a plant in total which far exceeds the requirements for railroad operating purposes. A smaller station and a contraction generally of the area is clearly indicated. As a business matter, we would raze the monument, but sometimes there are considerations which transcend business considerations. But this would be, from a business standpoint, our best course of action.

I heard Mr. Knott's testimony, and he stated quite accurately some of the techniques of real estate appraisal. He did not, however, allude to a fourth category which in the trade is known as "highest and best use." Now, the figures adding up in this bill to the $2.9 million were developed on what I consider a most conservative basis. The land value—and I make this statement on the basis of outside qualified expert advice—the land is worth $74 a square foot, the land alone. Now this is a matter upon which experts will disagree, having in mind that certain of the pertinent facilities such as the railroad terminal and some communications facilities in the basement would continue to be required and used in railroad operations, so I discounted that $74 a square foot to $60 a square foot, and multiplying that by 330,000 square feet I get $19.5 million, which is what could reasonably be expected as a realization from the sale of that land if there were no monument on it.

Mr. Gray. It is my understanding that you have used a 5-percent figure as return on your investment for the land value. You heard the Administrator of the General Services Administration testify that in our average leasing arrangements around the country he uses from 9 to 15 percent. Is it not correct that you have used a 5-percent formula on the land value as the return on the leased property?

Mr. Mulligan. That is correct, and I want to make it clear we have ascribed no value—I repeat, no value—to this station itself.

Mr. Gray. To the so-called monument?

NATIONAL VISITOR CENTER ACT OF 1967

(September 12, 1967)

The subcommittee met, pursuant to notice, at 10 a.m., in room 2167, Rayburn House Office Building, Kenneth J. Gray (chairman of the subcommittee) presiding.

Mr. GRAY. The Subcommittee on Public Buildings and Grounds of the House Committee on Public Works will please come to order.

The Chair would like to welcome all of you here this morning and thank you very kindly for coming.

We will conduct open hearings starting today and continuing possibly for 3 or 4 days on H.R. 12603, by Mr. Gray of Illinois; H.R. 12686, by Mr. McClory; H.R. 12693, by Mr. Pickle; H.R. 12752, by Mr. Leggett; H.R. 12760, by Mr. Widnall; H.R. 12770, by Mr. Annunzio; H.R. 12778, By Mr. Matsunaga; H.R. 12784, by Mr. Schwengel and Mr. Mayne; H.R. 12823, by Mr. Eilberg; H.R. 12825, by Mr. Erlenborn; H.R. 12828, by Mr. Farbstein; H.R. 12831, by Mr. Kleppe; H.R. 12845, by Mr. Helstoski; H.R. 12866, by Mr. Grover; H.R. 12870, by Mr. Rodino; and H.R. 12885, by Mr. Henderson, and several identical Senate bills introduced by our colleagues in the other body.

This act, if enacted, will be known as the National Visitor Center Act of 1967.

(H.R. 12603 follows:)

H.R. 12603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Visitor Center Act of 1967".

SEC. 2. The Administrator of the General Services Administration and the Secretary of the Interior, on behalf of the United States, are authorized to negotiate and enter into agreements and leases with the Washington Terminal Company, the owner of the property in the District of Columbia known as Union Station, for the use of portions of such property for a national visitor center and for a parking facility in connection therewith.

SEC. 3. (a) The agreements and leases authorized by section 2 of this Act shall be subject to the following terms and conditions:

(1) The Washington Terminal Company shall agree to undertake such alterations of the existing Union Station Building as the Secretary of the Interior deems necessary to provide adequate facilities for visitors, but the total cost of such alterations shall not exceed $5,000,000;

(2) The lease of the Union Station Building to the United States shall commence upon completion of such alterations and shall be for a term of not more than twenty years;

(3) The Washington Terminal Company shall undertake the construction of a parking facility, including a vehicular access ramp thereto, to accommodate approximately four thousand vehicles in the airspace immediately northerly of existing Union Station Building, at a total cost not to exceed $11,000,000, which facility, upon completion, shall be leased to the United States for a term of not more than twenty years;

(4) The Washington Terminal Company shall construct a new railroad terminal in the area immediately northerly of such parking facility; and

(5) The aggregate cost to the United States of the leases entered into under this Act may not exceed $2,935,000 annually.

(b) The agreements and leases authorized by section 2 of this Act shall be subject to such other terms and conditions as the Administrator of the General Services Administration and the Secretary of the Interior prescribe.

SEC. 4. The Secretary of the Interior shall administer the property leased under this Act in accordance with the statutory authority available to him for the administration of the national park system.

SEC. 5. In connection with his responsibilities to administer any areas in the Mall and its vicinity in the District of Columbia which contain points of intensive visitation or interest, the Secretary of the Interior is directed to utilize the authority in the Act of May 26, 1930 (46 Stat. 382), as amended and supplemented, to provide transportation of visitors by the United States when the Secretary deems such action advisable to facilitate such visitation and to insure proper management and protection of such areas, The Secretary is also directed to make provision for such transportation of visitors to the National Visitor Center established pursuant to this Act.

SEC. 6. The District of Columbia shall not, during the term of any lease entered into by the United States and the Washington Terminal Company pursuant to this Act, include in the assessed valuation of the leased properties for tax purposes any increase in value by reason of the improvements made on such properties by said company in meeting its obligations under any lease or agreement made pursuant to this Act.

SEC. 7. (a) In connection with the construction of the parking facility contemplated by this Act, the District of Columbia shall, upon the request of the Administrator of the General Services Administration, transfer to the said Administrator any real property under its jurisdiction which may be necessary to provide vehicular access to California Avenue.

(b) Any alteration in the existing traffic pattern in Union Station Plaza necessitated or made desirable by reason of the parking facility shall be made only after prior consultation with the Architect of the Capitol.

SEC. 8. Notwithstanding the execution of any agreement or lease pursuant to this Act, the Secretary of the Interior is directed to make a continuing study of the needs of visitors to the Washington metropolitan area, including therein the necessity and desirability of different or additional visitor centers, and to report to the President who shall submit to the Congress such recommendations as he deems appropriate.

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, it gives me great pleasure to say these words about a person who has done yeoman service to this institution for a good number of years.

I knew KEN GRAY when he returned to the Congress, and when we need someone to preside over this great body and we need someone to do the duties of this institution late into the evening, he was there more than any other.

I have the responsibility in the House leadership to make sure that the session is covered at the end of the day, and KEN has magnificently fulfilled that obligation and the void created over the past 4 years.

□ 1730

I just want the gentleman in the well to know how much I am going to miss him, how much we are all going to miss him.

Mr. Speaker, the burdens around here at times get real heavy, the smiles disappear from our faces and we hunch our shoulders as we go about our business, but the gentleman from Illinois, Mr. GRAY, has always been there to pick me up, anyway, when I was down and times were tough. I just want the gentleman to know how much I appreciate it.

My friend from Massachusetts, SIL CONTE, said it best, "You are a good man." That is about the best thing that a Member can say about another Member around here.

Mr. GRAY of Illinois. I thank the gentleman from Michigan for those kind words. I want the gentleman to know that I have nothing but admiration and respect for his ability as deputy majority whip and it has been a pleasure to work with him all these years.

Mr. Speaker, I yield to the gentlewoman from Maryland, Mrs. MORELLA.

Mrs. MORELLA. I thank the gentleman for yielding.

Mr. Speaker, I want to add in tribute to the gentleman from Illinois as a colleague of mine for my 2 years in Congress and as a good person. I want to first of all congratulate him and the other Members of Congress who have put together the spectacular success of the Visitors Center at Union Station. I enjoyed hearing the gentleman articulate some of the chronology involved there.

When I was first elected, I spotted the gentleman on the other side of the aisle and I was immediately enchanted by his attire.

Mr. GRAY of Illinois. Is that retire or attire?

Mrs. MORELLA. I had never seen anybody who was more splendiferous with regard to the variety of bow ties and ensembles. The gentleman is very conservative today and it must be because it is the last day of the 100th Congress.

Mr. GRAY of Illinois. My last day.

Mrs MORELLA. I have since been very impressed by the kindnesses that the gentleman has shown to me when he was Speaker pro tempore so often. It is so very nice to know that among our 434 colleagues that we have someone who can always see the lighter side of things.

Mr. Speaker, you know one of the hospitals in my district is starting something new called humortherapy. It has gotten some publicity throughout the country because they feel that if people can laugh, they can salve all of the wounds. I think the gentleman has demonstrated that because when things are not looking so well, when you can laugh and tell one of those stories—and I do not believe three-quarters of them—but nevertheless they are wonderful stories and the gentleman makes everybody feel as though they were very close friends and he is always there to help them.

I remember in Philadelphia when the gentleman was on that trip, he enchanted my daughter, too, who now, when she talks about Members of Congress, asks how Congressman Gray is. That is because of his great personality.

I just want to join in the tribute and wish the gentleman well in the future.

Mr. GRAY of Illinois. The gentlewoman is very kind and I appreciate her friendship and respect her very much.

Mrs. MORELLA. As Thoreau said to Emerson, "I meet you at the beginning of a new career. We will miss you here.

Mr. GRAY of Illinois. The gentlewoman is very kind and I yield to my friend from Kansas, Mr. Roberts.

Mr. ROBERTS. I thank the gentleman for yielding.

Mr. Speaker, I cannot add too much to what has already been said. But as the fat person said as they crawled through the barbed wire fence, "one more point and we are through". That is the kind of humor, also, I think the gentleman appreciates. I want to thank him for setting the record straight with regard to the National Visitors Center and I want to set the record straight in behalf of the gentleman and also join my many colleagues.

I was a staffer here for many years.

I did want to second all of the notions about my colleagues with regard to the gentleman's service. There is a certain flamboyance that the gentleman in the well has. At one point when he was attired in a sport coat and a tie in the Speaker's chair we wondered if there was a 1984 Dodge pickup without any seat covers. We were assured afterward however, that that coat was made in Illinois and that it had a union label.

I want to tell my colleagues that the leadership in this body does not select anyone to preside who does not have experience and leadership, strength of character, and some authority and most of all fairness.

So from one of the backrail troops, Ken, and I have not asked the gentleman for any time, because I seldom get up to this body to make my points known unless it involves agriculture, I just want to thank the gentleman. "You are indeed a class act and we are going to miss you." I thank the gentleman for yielding.

Mr. GRAY of Illinois. I thank the gentleman so much. I really appreciate that.

Mr. Speaker, I yield to the gentleman from New Jersey, Mr. Hughes, my friend and colleague.

Mr. HUGHES. I just want to echo the sentiments of all of our colleagues who have spoken here.

Mr. Speaker, it has indeed been a pleasure for me to know the gentleman. I heard about the famous Ken Gray, as a matter of fact, when I arrived on campus in 1974. The gentleman had left the Congress by that time. But he has lived up to all expectations as far as I am concermed. No one chairs the Committee of the Whole better than the distinguished gentleman from Illinois.

I want to say to my colleague from Illinois that I was at the Union Station just recently after it had opened. I did not get to the opening ceremonies. Ordinarily I go through Union Station like Grant took Richmond, very fast, carrying my luggage and I just could not get over the beauty of Union Station since it has been completed, and the shops.

I did something else; I went back in because my staff had not arrived, to go through some of the shops. It is magnificent. If my colleagues have not been to Union Station, if they did not avail themselves of that opportunity, they should do so.

So should the American public. It is beautiful, it is a real asset.

The gentleman paid tribute to the Congress for saving Union Station. The gentleman is being very humble. The gentleman was one of the moving factors. Without the gentleman's leadership, Union Station would not be as it is today. It would have been destroyed many, many years ago.

It is one of the gentleman's legacies to this city that the gentleman had the foresight and the commitment, the tenacity to see that through.

I just want to congratulate the gentleman in the well for that and for all his other contributions and to wish Ken and his family every success in the years ahead. Please come back and see us. I know the son of the gentleman in the well works here in Washington so that we will see him from time to time. It will not be too often. "Ken, come back soon."

Mr. GRAY of Illinois. I thank the gentleman from New Jersey. He is a real friend. I appreciate those remarks.

In closing, I would just quote Ralph Waldo Emerson when he said, "Make the most of yourself because that is all there is to you." I can truly say as my last day in this House that every Member here on both sides of the aisle works hard to make the most of themselves.

Thank you, we love all of you.

UNDERSTANDING AGRICULTURE: NEW DIRECTIONS FOR EDUCATION

The SPEAKER pro tempore (Mr. Weiss). Under a previous order of the House, the gentleman from Texas [Mr. Stenholm] is recognized for 30 minutes.

Mr. STENHOLM. Mr. Speaker, we take this time today to discuss a subject that is certainly very near and dear to my heart, and to my colleague, the gentleman from Kansas [Mr. Roberts] and others who will be participating either in person or with statements which I will interject into the Record at the end.

I would say that the topic of our subject today is the Board on Agriculture of the National Research Council Study entitled "Understanding Agriculture: New Directions For Education."

The preface of that report states:

> In the 1980s, many forces have challenged American agriculture and education. These forces include demographics; urbanization; rapid gains in worldwide agricultural production capacity; domestic farm and trade policies; lifestyle changes; global competition in basic and high-technology industries; the explosion in knowledge caused by increasingly sophisticated computers, digital equipment, and biotechnological techniques; specialization within the professions; and public expectations about the role of schools, the food supply, and public institutions. A growing number of educators, farmers, and those in agribusinesses and public institutions recognize the need to adjust policies. Our educational system must meet these challenges.

Mr. Speaker, this new report focuses on the two major elements of agricultural education—agricultural literacy (education about agriculture) and vocational agriculture (education in agriculture).

Moreover, the report correctly points out that in the 1980s, many forces have presented new challenges and opportunities for American agriculture and education. In fact, an extensive array of new biotechnologies and information are becoming available which could revolutionize animal and plant products. Through proper education "in" and "about" agriculture, the successful adoption of these promising technologies can become reality and thereby provide the means for shoring up America's lagging ability to compete in the international marketplace.

The pursuit of public education, at all levels, is a particularly American idea—especially the conviction that educational opportunity must be universally available, and that educational excellence must be consistently sought.

We must recognize that agriculture is too important to be taught only to the small percentage of students considering careers in agriculture and pursuing vocational studies. In fact 4.5 percent of all of our students at the secondary level are pursuing any studies of agriculture at all. All students, regardless of their career goals or whether they are urban, suburban, or rural, should receive some systematic instruction about agriculture. Subsequently, those who are literate about agriculture have some basic knowledge of food and fiber production and what impact agriculture has on their health.

It seems a very long time ago and then not so long ago that I completed my tenure in the Future Farmers of America and was honored in receiving the coveted American Farmer Degree, the highest degree that you can receive.

Then going on to college, graduating from Texas Tech University with a masters degree in agricultural education and then teaching agriculture for 3½ years.

I am proud to have been involved in a program designed to help prepare high school students for a successful entry into the most dynamic industry in America.

Moreover, the vocational agriculture program that I know has been especially important in establishing a sense of pride, responsibility, citizenship and leadership among its members. Granted, some changes and modifications are needed in bringing about new and revised programs and skills, but the fundamental soundness remains.

Today, no other industry offers a broader, more complex array of challenges than agriculture. It is an open field for those interested in the advancement of science and technology as well as involvement in key domestic and world issues.

Mr. Speaker, the opportunities are great today, not perhaps so much to enter into farming agriculture as a vocation, but let us not forget the 20 percent of all of those who labor and work in the United States in any shape, form or fashion today are in fact involved in agriculture to one degree or another. And as the bumper sticker that makes its way around the farm country so aptly says, "If you eat, you are involved in agriculture." So it is with this in mind that I applaud the NRC Board on Agriculture's willingness and commitment to analyze and submit specific findings, conclusions, and recommendations regarding what agriculture education is and what it should become at the secondary level to maintain and enhance our agricultural industry competitiveness.

□ 1745

Mr. Speaker, with these opening remarks, I am now very happy to yield to my friend and colleague, the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, I thank the gentleman for yielding, and I want to thank him for taking this special order to discuss a most important topic.

Mr. Speaker, it is most appropriate and important that those of us who serve on the House Agriculture Committee take this time to address a problem that faces not only our farmers and stockmen and agribusiness throughout America but our Nation's consumers as well.

The problem really is a paradox—our farmers and ranchers or what we call the food and fiber industry has been so successful, most citizens know very little in regard to production agriculture and just as important the role agriculture plays in the health and well being of this Nation.

Now, as my friend and colleague from Texas mentioned, the Board on Agriculture of the National Research Council has published its report, Understanding Agriculture: "New Directions for Education." And, Mr. Speaker, the findings of this report accurately identify serious concerns that many of us have been expressing for some time—there are a great many Americans—from young people to senior citizens and I might add more than a few in this Congress—who do not understand the vital role of agriculture in their daily lives.

It is time we begin a strong, coordinated initiative to expand and enhance the agriculture education system. As we move forward in this effort, it is essential that equal attention is focused on education about agriculture and education in agriculture.

Many young people interested in a career in agriculture have been helped toward their goals through elementary and secondary education curriculums such as the Future Farmers of America and youth programs such as 4-H. In addition, land-grant universities and other colleges throughout the country provide more specialized and indepth education for students who plan to devote their lives to agriculture.

Unfortunately, in an industry that represents 20 percent of the gross national product, precious little attention has been focused on the 97 percent of the population whose closest association with agriculture is a trip to the grocery store. As a nation, we have diluted the importance of agriculture to our daily existence to the point its viability is no longer considered a priority for the welfare of America.

The Council's report highlights the need for an aggressive education effort to teach our urban neighbors, and more than a few of our rural neighbors, about agriculture. I'm proud to say that one of the recommendations of the report is up and running in Kansas. Four years ago, a concerned group of producer associations, university and State officials formed the Kansas Foundation for Agriculture in the classroom—the first of its kind in the Nation.

Two years ago they completed an agriculture awareness survey of elementary, junior, and high school students. The results, which are cited in the Council's report, indicate less than 30 percent gave correct answers to basis agriculture questions—and this is in a major agriculture State.

Mr. Speaker, one of the questions that was asked was: Do you know what is the leading industry in regard to the Kansas economy?

Only 10 percent knew that it was the livestock industry. And this is in Kansas.

Mr. Speaker, something needs to be done. Today there are several low-cost projects directed in this area.

One of the Kansas Foundation's secrets in its ongoing efforts is the volunteerism of farmers, stockmen, and agribusinessmen to share their expertise. Teaching plans for classes ranging from biology to mathematics to history are reviewed by educators, many retired, to incorporate agriculture into current courses, avoiding the time and resource problems of creating separate curriculums.

For example, biology students can learn the fundamental biological processes of plant germination, animal reproduction, genetics, et cetera, by studying farm production cycles. Abstract mathematics is made clearer by learning how farmers use algebra to calculate seed and fertilizer needs and amortize production costs, or use geometry to measure field size.

Throughout history, students can be made aware of agriculture's role in the shaping many of the world's major economies in times of peace and war.

Today, Kansas is one of many States with cooperative efforts in place to teach young people about agriculture. The USDA is expanding its role as an information resource to share data and successful projects with many areas of the country. These efforts are carrying over into programs within agriculture to better prepare students interested in careers to meet the high technology, economic and environmental challenges of agriculture in the 1990's and beyond.

But the effort to increase agriculture literacy has only begun. Congress must face its responsibility in this arena, or we risk damaging one of our most precious resources—a reliable, healthy, and low cost supply of food and fiber.

Agriculture is an essential part of this Nation's social and economic structure on a global basis. The Council's report has identified the problem areas. It is up to us to take this information and meet the challenge of spreading agriculture's vital message.

Mr. Speaker, I thank the gentleman for taking this special order.

Mr. STENHOLM. Mr. Speaker, I thank my friend, the gentleman from Kansas, for participating in this special order.

Mr. Speaker, I would just make a couple of additional comments on why we take this time today and why we believe this report, "Understanding Agriculture: New Directions for Education," is so critical for us today to look and examine. This is not just another study to be talked about once and then to be laid aside.

In the 1920's and 1930's, 30 percent of our population in the United States were in fact farmers. Today it is 2.2 percent. Therefore, it would suggest to even a biased ex-agriculture teacher that changes must occur on the vocational side of training about agriculture, about how to be a better farmer and what that means to us here on a daily basis. The challenges are there, and they are being met from the standpoint of the Future Farmers of America, an organization whose record speaks for itself. But also let me point out that the polls, if you please, show that they peaked in numbers of members in 1976 and 1977 with 697,500 students enrolled in our schools throughout the United States. That was their peak. Today it has declined, according to the last figures we have, to 525,000.

My point is that in fact there are fewer and fewer students having the opportunity to learn anything about our most basic industry. There are fewer and fewer farmers today, and we may arrive at a time 10 or 20 years from today when those of us who have the privilege of serving in this body cannot say, as so many of us can say today and are able to say today, that we have some roots back to the farm, some roots back to agriculture, some basic understanding of agriculture.

By the very nature of the changing times in the United States, that will make it very difficult in the future for us to do that unless our educational system makes some effort to see to it that in fact more, if not all, of those who study in the school systems of the United States have some opportunity to learn something more about our basis industry.

Mr. Speaker, I see that now the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. DE LA GARZA] has arrived, and I yield to him at this time.

Mr. DE LA GARZA. Mr. Speaker, I thank my distinguished colleague for yielding to me in order that I might join him and my other colleagues in discussing this very important issue of education and a new direction on agriculture.

First, let me say that I think probably the first step we should take is to have people understand what agriculture is and what it is that we do. I think we begin by taking the fact that agriculture and everything in agriculture is the largest consumer group in the United States of America and perhaps in the world, and when we think of the jobs related to agriculture, perhaps 20 percent of all the jobs in the United States in one area or another are related to agriculture.

But the different times and the changes in our society and the direction in which we are going demand that we do more.

I want to commend, for example, the 4-H and the FFA, the Future Farmers of America. We have very close contacts with this group, and that is a nucleus of outstanding young men and woman in the United States of America who have done a tremendous amount of good work.

Recently we had group here working with what they call BOAC, Building Our American Communities. The youngsters have projects that they work on. Perhaps one of the exemplary projects I might mention at this time is to identify the direction we should be going, because some people ask, is there a future in American agriculture? Well, a couple of years ago one of the projects taken on by the youngsters in a small town in Oregon was a reforestation project, and when I asked the young man who was the sponsor of the project in that FAA chapter, "When will you harvest the seedlings that you are now planting?" He said, "Oh, I dont know; 50, 60, 70 years from now."

This exemplifies that chapter and the thinking of that young man, because perhaps FFA and that young man were thinking way, way ahead in the future and had confidence in the future.

But what we speak of here is a multiplicity of things. The schools need to have agriculture as part of the curriculum, not just something off in the back room or in the back of the school yard where you have vocational education or a little meeting room for the FFA or the 4-H. It should be a part of the basic standard curriculum.

Second, beginning with adults, we know it is said that there are people out there who think that milk comes out of a carton, that peas come out of a can, and that we just go to a supermarket and ring a little bell and then they bring us whatever cut of meat we would like, chicken or pork or lamb. There are people in our enlightened society like that now. So where do we begin to correct this misconception or inaccuracy or failure in the cultural development of our populace?

We begin in the school, and we begin with the youngsters. We ask, what are the nutritious foods that we should eat? How do we differentiate a cow from a deer?

A few years back one of my secretaries brought one of our youngsters that I had taken to Texas to visit with me so he could see a few things. I had a mounted deer head in my office, and he looked at it and he said, "Cow?"

That is what his understanding was of anything with horns.

This is the minimal of what we can do.

I commend the gentleman for taking this time and for reminding us of the Research Council's Board report: "Understanding Agriculture, a New Direction of America." This is where we need to go. We need to start with your youngsters in urban and rural neighborhoods, everywhere a youngster is, so he knows for his own good and benefit something about agriculture, so he would know what is the proper nutritional value of the things we eat, and then so he would be able to communicate with his peers in the community. Then that develops to the rest of the community and perhaps to the rest of the Nation, so that we do not lose our link to agriculture and so we know the vocabulary of agriculture and we know where everything comes from.

I do not want to take much more of the time of the gentleman, but there are two basic things about agriculture we should cover: No. 1, the physical body, the machine, not the intellect or the soul, how the good Lord made us in his image and likeness. I am not speaking about that. I am speaking only of the machine. The machine needs only three things for survival, air, water, and food. Only the good Lord makes air and water, and only farmers and ranchers make food. That is what it takes for the human physical body to survive.

Then there is the matter of national security. My colleague has listened to me many times on this, and many of my other colleagues have also. But when I was in the Navy, I never got on board a ship. I will cover this very briefly. When I came to Congress, they asked me what they could do for me. I said, "Get me on board a ship."

So I went on a ship, on a carrier, the biggest one I could get. Eventually I asked to get on a submarine. I said, "I want to go on a nuclear-powered submarine." And I did. This is the triad. We can defend our country on the ground, in the air, and on the water, and also on a submarine, under the water. Our adversaries know where our troops are, they know where our planes are stationed, they know where our missiles are, but they do not know where our submarines are. This is what is protecting the peace and security, not only of this Nation but of the free world.

☐ 1800

When I asked the young commander of that ship how long can you keep this submarine under water, he looked at me and said, "That's a military secret." I said, "Oh, come on, you can tell me." He said, "Well, take a guess."

I am thinking of the core of the reactor, the propellant, and I guess 7 years is long, zero is short, and I said 4 years. He said, No, he can keep the submarine under water as long as he has food for his crew. That is the deterrent.

So who is preserving and keeping the peace and security not only of this Nation but of the rest of the free world? The farmers of America, and it is about time that we learn to speak their language.

I thank the gentleman for yielding.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman from Texas, chairman of the Agriculture Committee very much for those pertinent and eloquent remarks that so often, being chairman of the House Agriculture Committee, he is called on to make.

Again, what we have tried to do today is to bring together in a few short words the importance of this particular study, and to show that in fact American agriculture has always been in a state of change, and the concerns of the educational institutions of this country, and the changes this report shows indicate that agriculture will be a part of it.

The FFA is a successful student organization with tremendous leadership and training opportunities for their young people who have the opportunity to participate. The gentleman from Texas, chairman of the committee, mentioned the 4-H program. Again, some 8.5 million young people last year had the opportunity to participate in the 4-H program and in some project in which life usually was a part, and in fact 88 percent of their projects were scientific in nature.

It is this which we must learn to address, to shape and to form into the 1990s and into the year 2000. That is what this study is all about. We commend it to our colleagues for their study and we sincerely thank those who have participated in making the study possible. We have taken this time today to alert a lot of people to the fact of what is happening, what is changing, and what the future of agriculture is going to be, not what it might should be.

Mr. MARLENEE. Mr. Speaker, I am happy to join my colleagues in recognizing the efforts of the board on agriculture of the National Research Council in its recently published study entitled "Understanding Agriculture: New Directions for Education." This study very accurately underscores the vital need to expand our present levels of education not only in agriculture, but also about agriculture.

Such expanded efforts do not require some massive new program with huge amounts of new spending. They simply require that we recognize the merits of and the need for better educating all Americans about their agricultural heritage and the challenges facing agricultural producers and marketers. Such recognition, coupled with some redirection of existing resources, would allow us to provide at least a modest amount of agricultural education to elementary and secondary school students. It is unfortunate that at the present time the vast majority of American students go all the way through their formal education with virtually no background about agricultural production and marketing in this country.

Evdence of this education gap is demonstrated frequently in this Chamber when Members debate agricultural issues and programs. I am not finding fault with our colleagues, Mr. Speaker, when Members from suburban and urban areas challenge our attempts to provide modest amounts of financial security and market stability for producers in order that America can maintain the mightiest, most productive agricultural machine in the world. I do, however, feel that if these Members and their constituents had a broader understanding of the realities of agricultural production that they would not be so quick to oppose our attempts to ensure that our farm and ranch producers are able to remain in business in the face of such challenges as natural disasters, unfair and predatory trade tactics employed by world competitors, and general economic uncertainties created by our own Government's incessant tinkering with taxes, regulations, interest rates, and shifts in foreign policy which affect markets.

Again, I am delighted to see this subject of the need for greater agricultural literacy being brought to our attention by the National Research Council, and I would hope that we can focus an even brighter spotlight on the issue during the 101st Congress when we will be writing a new farm bill.

I do note one area in the report which was not discussed, and that is the need for those organizations which represent the interests of agricultural producers to take a very active role in any program of expanded agricultural education in our schools. Many of our national and regional organizations and cooperatives have a wealth of human resources and agricultural knowledge which can and should be utilized in any such program, and we should provide the framework and the incentives which will take full advantage of these resources. By encouraging such organizations and their members to work in partnership with our educators, we can dramatically improve agricultural literacy in our Nation's schools.

Mr. STANGELAND. Mr. Speaker, today I would like to add my support for, and to call to the attention of my colleagues, the recent report of the board on agriculture of the National Research Council. This report, "Understanding Agriculture: New Directions for Education," focuses on the important role of agricultural education in the secondary schools.

While the board report acknowledges the past successes of some educational programs, it stresses the importance and necessity of building on these programs and going beyond them in scope and content. It also stresses that agriculture is too important a topic to be taught only to the relatively small percentage of students considering careers in agriculture and pursuing vocational agriculture studies.

Our farmers make up about 3 percent of our population, yet they produce enough food and fiber to feed our entire Nation. In addition, they successfully export agricultural products to many other countries throughout the world. Our Nation is truly blessed with natural resources and these farmers who are among the most efficient in the world. Furthermore, agriculture programs and policies play a very important role in many areas of domestic and world affairs.

Yet it appears that the important role of the American farmer and the necessity of sound agricultural policy is not always understood or appreciated uniformly throughout this country. This is why an understanding or what the report calls an "agricultural literacy" is so important. The board defined it as a certain knowledge of food and fiber production, processing, and domestic and international marketing. It also emphasized the importance of being able to make informed personal choices about diet and health.

The board's findings point to two basic challenges: First, agricultural education must become more than vocational agriculture. And second, that it is important to look at the present educational system and to improve upon it. Its recommendations are reasonable and workable.

As a farmer and a member of the Agriculture Committee I salute the board on agriculture's report. Furthermore, I will do all that I can to see that the recommendations are carried out, and I urge my colleagues in Congress to join me, and my distinguished colleagues on the Agriculture Committee, in this effort.

Mr. COMBEST. Mr. Speaker, I want to first compliment the Research Committee on Agricultural Education in Secondary Schools and the National Academy of Science for their efforts in putting together the book "Understanding Agriculture—New Directions for Education." I also want to congratulate the many people who participated in the accumulation of material that went into the publication.

In reviewing the book, there is a heavy focus on agriculture education as a whole, and I believe many of the recommendations in the book could provide for better teaching not only in vocational education, but in many other areas, Although the publication makes many recommendations about where we should be in vocational agriculture education, I believe it is now important that we provide a plan to reach some of these goals.

Every one of us, as public officials, has been given a challenge by the authors to provide leadership in the initiation of agricultural literacy efforts and the reformation of vocational agriculture. It is our duty to take this challenge, look at the recommendations, and move forward in helping provide the best education for the youth of America.

Being one who had the opportunity to experience first hand the vocational education system, much of which was provided while I was a member of the Future Farmers of American [FFA], I continue to have a great interest in this important part of our secondary school system

One recommendation made in the book is that beginning in kindergarten and continuing through 12th grade, all students should receive some systematic instruction about agriculture. I would hope that this is one endeavor that might be accomplished. This is important because we all must remember that if you eat, you are involved in agriculture.

I also found very interesting the recommendation that the establishment of specialized magnet schools for the agricultural sciences in major urban and suburban areas should be encouraged. In addition to teaching a full range of academic courses, my understanding is that these magnet schools would add courses in many specialized agriculture related subjects. Before this is done, I believe many considerations must be evaluated and reviewed, such as facilities, educators, busing, funding, relation to other school systems, what the impact would be on our technical colleges, and what will the interest level be in our urban areas. Although this may be a viable idea, I believe this suggestion should come under much more review.

The book also makes many other recommendations, such as high-tech instructional materials, extravagant laboratories, and other facilities, which brings up the question of where the money is going to come from for these expenses. Now I am not criticizing, but merely making the point that many of our schools would love to do this, but are just not provided the financial base to accomplish such goals.

Another recommendation made by the committee is that the "FFA should change its name and revise its symbols, rituals, contests, awards, and requirements for membership * * *". However, I am not sure that the authors would have specifically addressed this issue had they not been at a national FFA convention in which this was heavily discussed. As a former member of this great organization, I have mixed emotions about such recommendations.

However, I am sure that the FFA will address this matter with open minds and will reach a decision which is best for the Future Farmers of America.

Since 1928, the FFA has been providing an opportunity for many high-school students to broaden their skills and knowledge in not only agriculture, but leadership, public speaking, science, and a wide variety of other activities. I commend the FFA for their past activities and accomplishments, but encourage them to move forward in this new era of agriculture.

I appreciate the gentleman holding this special order so that we can openly discuss the recommendations made by this publication. Although the authors may have gone beyond the original scope of looking at vocational agriculture education in secondary schools, I do believe we have been presented with a valuable study and a challenge to help our vocational education system move into the future.

GENERAL LEAVE

Mr. STENHOLM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order this evening.

The SPEAKER pro tempore (Mr. WEISS). Is there objection to the request of the gentleman from Texas?

There was no objection.

WHY THE UNITED STATES MUST WITHDRAW FROM THE ABM TREATY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. KEMP] is recognized for 60 minutes.

Mr. KEMP. Mr. Speaker, we live in a period of intensive efforts to achieve effective arms control and an enduring basis for peace in strife-torn regions of the world. But we must recognize that the world is not at peace. The Soviet buildup in strategic offense and defense is continuing, as is the Soviet record of treaty violations, and missiles are proliferating throughout the globe, including to Khomeini's Iran and to Qadhafi's Libya.

It remains a world, where we cannot protect our people against even a single missile warhead—whether launched by design or by accident—and where we deter attack solely by the threat of revenge and mutual destruction. In such a world, I believe it imperative that we and our democratic allies no longer delay the deployment of antimissile defenses but that we use our technology and commit ourselves to accelerate their early deployment.

I recently addressed this vital issue in an address to an international conference sponsored in Washington, DC, by the National Institute for Public Policy and two equally distinguished institutes from Israel and the Federal Republic of Germany. I ask that this address be entered into the RECORD as follows:

WHY THE U.S. MUST WITHDRAW FROM THE ABM TREATY AND BUILD A TACTICAL AND STRATEGIC MISSILE DEFENSE SYSTEM IN THE DECADE OF THE 1990'S

(By Representative Jack Kemp)

I am very pleased to join you today at this international conference on "Confronting the Tactical Ballistic Missile (TBM)/Extended Air Threat: U.S., Israeli, and West German Perspectives."

The National Institute for Public Policy, so ably led by Colin Gray and Keith Payne, is to be highly commended for providing today's extraordinary forum. So are the distinguished cosponsoring institutes from Israel and the Federal Republic.

Today, I want to offer several perspectives for the months ahead for Strategic Missile Defense and for the related question of Anti-tactical Ballistic Missile (ATBM) Defense. Our national elections for a new President and a new Congress will affect these perspectives, not only for us Americans, but also for those of you in Europe and Israel.

Let me set before you in stark terms what I believe the challenge is for us here today, beginning with some sobering historical lessons.

Two weeks ago, on September 29-30, we passed the 50th anniversary of the Munich Conference and we are today less than a year away from the 50th anniversary of the outbreak of World War II, a war to which the Munich Conference and a series of diplomatic mistakes and illusions led with all their tragic consequence for mankind.

The need for a strong defense against the arms of ambitious dictatorial powers was a central issue of that time. Winston Churchill's voice for air defense was at the core of his call for a strong defense.

In our own lifetime, as missile and air threats grow globally, the deployment of strategic defense, and its related defense continuum of tactical and theater defense, is a central issue for the defense of peace and freedom.

Make no mistake about it, when Michael Dukakis calls for cutting funding of the Strategic Defense Initiative [SDI] to only $1 billion annually—instead of the $4 billion currently funded, or instead of the $6.2 billion the Administration originally requested—he is killing SDI and jeopardizing our security.

And, as a top defense expert has said, when Michael Dukakis kills SDI he is also killing the highly promising U.S.-Israeli ARROW ATBM program which is being discussed at this conference and which is funded as part of SDI. ARROW is intended as a major means of Israel's future defense and survival against the Soviet, Syrian and Iraqi missiles deployed in the Middle East.

It is hypocrisy—perhaps we need to call it a fantasy and a fraud—for Michael Dukakis to talk of favoring a strong defense when he acts to kill SDI and when, in addition, he opposes most strategic force modernization programs. Don't Michael Dukakis and his liberal Democratic friends who control our Congress realize, as Churchill did fifty years ago and as Senator Henry "Scoop" Jackson did for years in the ranks of the Democratic Party, that weakness provokes aggression and that democracies can best assure peace through strength.

I urge all to head today's article in the Wall Street Journal by former Secretary of Defense Caspar Weinberger. Secretary Weinberger puts the case well for providing essential SDI funding, setting aside the broken ABM Treaty, and beginning SDI deployment by the mid-1990's. That is a program I have strongly advocated for the past several years.

That is the challenge and choice before us, not only in our election here in the United States, but also for our allies and friends throughout the world. Let me now offer some perspectives.

TWELVE PERSPECTIVES ON THE FUTURE OF SDI AND ATBM DEFENSES

1. *We Should Cooperate In The Defense Of Our Global Alliance Of Democracies.*—

Let us begin by recognizing that as democracies, the United States, Israel and the Federal Republic of Germany share the most fundamentally rooted defense perspective of all. Following World War II, we have sought to replace dictatorship, war and holocaust with the building of democratic nations and the hope for the extension of peace with freedom throughout the world.

I am encouraged that our three countries can work together on vital defense priorities. The United States and the Federal Republic are formal allies in NATO, accustomed to the closest possible defense cooperation. Israel and the United States are strategic allies and I have proposed that we form a formal defense alliance, remembering that Israel faces nations dedicated to her destruction and that we share with Israel some of the most fundamental principles and concerns.

As part of a global alliance of democracies facing common threats we should use our advanced technology to assure the best possible deterrent and protection for our people and for a safer world. Our different political parties in each country should be able to unite on such priority defenses. If the political will is there, the technology will not be found wanting.

2. *We Face Growing Missile Threats Throughout The Globe.*—

This is a period of intensive efforts to achieve effective arms control and an enduring basis for peace in strife-torn regions.

But we must recognize that the missile threat is still increasing, whether in Europe, the Middle East or elsewhere, particularly with the proliferation of the fast-flying, highly accurate ballistic missiles. These missiles are dual and triple capable since they can generally be configured for nuclear, chemical or advanced conventional warheads.

In the Middle East, the missile threat is becoming very serious. Soviet SCUDs, SS-12's and SS-21's, and new Iranian, Iraqi, Egyptian, Chinese, Brazilian and Argentinian missiles are reportedly deployed or on their way. They add a new dimension of instability and their availability to countries like Iran, Iraq, Syria and Libya threatens Israel's very survival.

For NATO Europe, after the INF Treaty, the missile- and air-threat to NATO is still growing and the need for missile- and air-, defense is becoming correspondingly greater.

The INF Treaty is eliminating NATO's most credible nuclear deterrent forces as INF and Short-range US and Soviet INF missiles are to be dismantled globally. But new Soviet tactical missiles, as well as a surfeit of mobile new Soviet strategic missiles including the SS-24's and SS-25's, retargetable against Western Europe, are being deployed and developed against NATO Allies, with the FRG a principal target.

NATO is also affected by Middle Eastern developments. The proliferation of missiles there endangers NATO's vital economic and security interests in a volatile area with strategic resources and trade routes. The NATO democracies should also be concerned about the dramatic new dangers the missiles pose to Israel's security.

For the Far East, the deployment of new missiles and advanced aircraft there adds an additional measure of threat, particularly for Japan, which should be drawn closely into priority Allied efforts to deploy ATBM and SDI defenses.

In the Western Hemisphere, where the Soviet Union and its Cuban and Sandinista surrogates are building military power, we also need to be on the alert to the danger of new aircraft and possible missile threats.

3. *We Need SDI/ATBM Insurance Against Cheating On Arms Control Agreements Including INF And START.*—

Today, we live in the aura of the INF Treaty, "glasnost," and "perestroika," but we are not yet in an era of peace and treaty compliance. As testified by senior US defense and intelligence officials, the Soviet Union continues its military buildup and its abysmal record of treaty violations.

In this situation, the lessons of history suggest that the more we place trust in arms control agreements, the greater the risk and the more we require deployed missile defenses as an indispensable insurance policy against cheating.

History presents sober warnings which we ignore only at our peril: agreements not backed by military strength and strong defenses will be violated. Weakness provokes aggression.

That is a lesson of the nineteen thirties when democracies let down their guard while dictators armed and marched. The democracies trusted and complied with a series of agreements—including arms control treaties such as the London Naval Agreements—but their militant adversaries did not.

That is a lesson of the 1970's when the West practiced a unilateral "detente" and dangerously cut back its defenses, while the Soviet Union undertook the biggest military buildup in history. Together with its aggressive allies—expansionist communist dictatorships like Cuba, Sandinista Nicaragua, and the Vietnamese—the Soviet Union broke international agreements and spread weapons, terror and warfare into new regions of the globe.

That is a lesson to be drawn from the pattern of Soviet violations of the arms control agreements it has solemnly signed. Too few today take to heart the series of comprehensive Presidential reports to the US Congress during the past four years detailing Soviet violations. These include SALT I and II, the ABM Treaty, nuclear testing limitations agreements, chemical and biological weapons conventions, and the Helsinki Accords.

The INF Treaty and the proposed Strategic Arms Reduction Treaty [START] do not resolve the problem of Soviet arms control cheating. On the contrary, it is too little understood that both the Soviet incentives and the US military risks of Soviet cheating increase with the INF Treaty and START.

As brought out during the ratification process, even with the INF Treaty's enhanced verification measures, substantial uncertainties remain about verification and the data base (e.g. for SS-20s) involving "non-deployed," or any "undeclared" missiles. Our margin of estimates, and error, may well be 50% or more.

With START, such fundamental INF data and verification problems will be significantly compounded as we would undertake 50% reductions in strategic arms. There, the impact of Soviet cheating is even more critical to our security.

There is also a risk, especially for the shorter- and medium-range missiles, that the Soviet Union could circumvent superpower agreements by providing missiles or warheads to its militant allies in the Middle East and elsewhere.

Finally, even if we could have high confidence in our abilities to detect cheating through verification of highly mobile, and well camouflaged Soviet and 3rd-Country systems, we cannot place confidence in our ability to enforce compliance once we have detected a treaty violation.

The issue is not "don't trust, verify" since neither trust nor verification are enough to safeguard the security of our people. To do so, we need to deploy missile defenses.

4. *SDI Is The Greatest Peace Initiative Since World War II; It Need Not Be A Perfect Shield To Deter And Protective.*—

I am convinced that the Strategic Defense Initiative—and its associated defense continuum of anti-tactical missile defenses—is the greatest peace initiative and greatest hope for peace and security since the end of the Second World War.

Let me summarize why 'I believe we should accelerate the phased deployment of SDI and its associated range of defenses.

The American people today cannot defend themselves against even one missile warhead. We rely solely on the threat of retaliation to deter nuclear war, an ultimately unstable situation relying on Mutual Assured Destruction [MAD].

As new means become available, we need to turn to more stable and, I believe, ultimately more moral means to deter war and to defend our people.

The deployed ability to intercept warheads and/or missiles would serve to deter attack and cheating, and critics are wrong to insist on a "perfect" system as a criterion for deployment. No missile defense system can be perfect, or needs to be, to add to our safety. That is true for military defense as it is for medicine.

Missile defenses would be deployed in phases and layers. As new technologies are applied, each SDI ar ATBM deployment step would increasingly complicate a potential attacker's plans. An attacker could not rely on all his weapons (incluidng those available through cheating) reaching all their targets. He would first need to acquire what he might well decide would be disproportionately expensive and uncertain increases in offense. Facing deployed defenses, and far less confident of overwhelming us or our allies, he might well be deterred altogether from planning or launching any attack at all.

SDI/ATBM deployment would increasingly deter and protect not only against Soviet attack, but also against a Soviet accidental launch and against launch, by design or accident, from whatever source including Khomenini's Iran or Khaddaffi's Libya.

In sum, this is deterrence and insurance protection our people do not now have but which they want. It is what they and their children deserve, notwithstanding the SDI naysayers.

5. *We Increasingly Have The Technological Capability To Deter And Protect Against The Growing Missile Threats.*—

There should be no doubt that we can deploy missile defenses to create a safer world if we use our technology and give this goal our highest defense priority.

We need to remember that when President John F. Kennedy had the vision, the courage and the determination to commit our nation to reaching the moon within the decade of the nineteen-sixties, he did not say we would research and study and consider deploying the Appolo system to reach the moon. He committed the United States to achieving this goal as a highest national priority, and we did it.

Today, I believe, the issue of SDI and ATBM defenses is not chiefly a technological one. The technology is increasingly there or in sight. I have been to the labs and to industry and have talked to the scientists and program managers. They all speak of SDI's remarkable technological progress, particualrly during the past year. They are confident that with sustained direction and funding we can rapidly accelerate the programs.

My confidence in our technological gains has been substantiated just within the last week by Lt. General James Abrahamson, the outstanding director of our Pentagon's Strategic Defense Initiative Organization [SDIO] in testimony before the House and Senate Armed Services Committees.

General Abrahamson has pointed out that with progress in miniaturization, sensors, tracking, integration, etc. our confidence can go up steadily even as the deployment costs are dropping dramatically. With political leadership and adequate funding we should be able to move rapidly ahead on deployment.

6. *The Proponents Of Delay And A Stretch Out of SDI's Phase I.*—

Even as the missile threat is growing and our technology is increasingly able to meet the challenge, some seek further delays in deploying anti-missile systems.

The Democratic Party's leaders and an arms control lobby that favors unsound arms control oppose my call for accelerated deployment. Or like Michael Dukakis they simply dismiss SDI as a "fantasy and a fraud." They see SDI not as an indispensible defense insurance policy and safeguard for any arms reduction agreement, but as an obstacle or provocation.

The opponents of SDI appear threatened by its successes, even as they read public opinion polls showing that the American people want to be defended against missile attack. But those who ignore the threat or who are blinded by illusory arms control hopes cannot hold out against the American people's common sense.

What they can do, however, is to work for delay. Their unsound agenda—to have the US unilaterally keep the broken ABM Treaty intact and to keep us in a situation of nuclear deterrence based on Mutual Assured Destruction—is advanced to the extent SDI's progress is slowed. By extending the timetable for SDI's Phase I—stretching out the resources made available to SDI and constraining the test program—they buy time. That time, they hope, will be used by a new Administration to conclude new agreements imposing new limits on the US SDI program and further extending the ABM Treaty.

In such a context, last week's encouraging reports by Pentagon witnesses to the House and Senate Armed Services Committees on SDI's technological progress also had a negative impact in indicating a stretch out of the SDI program. Let me discuss this issue in a bit more detail.

Congressional Hearings, DAB. One might ask why Senator Sam Nunn and Congressman Les Aspin, the Democratic chairmen of the two committees, held last week's previously unscheduled hearings on SDI and why the Defense Acquisition Board [DAB], first delayed and then was instructed to accelerate its review of SDI at this time, with results that would delay SDI deployment.

The good news coming out of the hearings is old news to those who have been following SDI's progress for these past four and a half years. It is that the money and effort invested in SDI is paying off. We are making exciting progress not only in identifying successful new technologies, but in finding ways to do the job at a far lower cost.

Whereas SDI's Phase I once was expected to cost $115 billion to achieve Initial Operating Capability [IOC], costs are now estimated at $69 billion. The key Space Based Interceptor [SBI] program is down from an estimated $50 billion to about $18 billion. And, there is every reason to believe that further economies will be identified as our experience and knowledge grow and technologies advance.

But there is bad news coming out of last week's hearings as well. Just last year, Phase I technologies, including both a ground- and space-based element [ERIS and SBI], had been identified for a mid-1990s deployment. Yet last week, witnesses from the Defense Acquisition Board, apparently influenced by adverse Congressional funding decisions, unveiled a proposed new SDI funding profile with a reduction of $11.9 billion below that projected last year for the 1990-1994 Five Year Defense Plan [FDYP]. This funding cut would delay SDI's Phase I Initial Operating Capability by several years to the year 2,000.

The DAB's recommendation for delay is, I believe, both unfortunate and unwarranted. I believe it should be reviewed by the President and his senior defense and science advisors on a priority basis. Building on the dramatic progress already achieved, adequate funding should be provided so that we can move confidently ahead with accelerated deployment steps.

7. *ALPS and ARROW—Two Early Deployment Steps For Anti-Missile Defenses.—*

In 1987 the acceleration of initial SDI deployment steps was proposed to the President by a distinguished bipartisan group of government and non-government experts. These included Zbigniew Brzezinski, Jeane Kirpatrick, and Edward Teller and members of Congress including myself.

ALPS/LPS. I believe that an important step compatible with our 1987 proposal would be the early deployment of a Limited- or Accidental Launch Protection System [LPS or ALPS]. If we make a decision now, we can begin deploying such a system in the early nineties.

Also building on a suggestion of last January by Senator Sam Nunn a legislative proposal for an ALPS system was proposed this spring by me and Senators Malcolm Wallop (R-Wyo), Dan Quayle (R-Ind), Pete Wilson (R-Cal), James McClure (R-Idaho) and other Senators and by Representatives Jim Courter (R-NJ), Henry Hyde (R-Ill), Jon Kyl (R-Ariz) and other Members of the House of Representatives.

ALPS could begin with a mix of ground-based radars and interceptors [ERIS, HEDI] deployed initially at Grand Forks Air Force Base in North Dakota with options for expansion in numbers of sites and numbers of missiles at each site. In our view, ALPS or LPS would be an integral first step toward a comprehensive layered SDI system. Building on ALPS, SDI would move rapidly toward space-based SDI elements which could include promising programs like Brilliant Pebbles and Zenith Star.

ARROW. Another step in early missile defense deployment would serve as an outstanding example of Allied cooperation to meet common threats. I refer to the joint US-Israeli cooperation on the ARROW Anti-Tactical Ballistic Missile, perhaps to include Germany. There may be other comparable types of US-Israeli-German and Allied cooperation involving Patriot, SDI elements and other systems as well.

I have no doubt that the 36-month ARROW experiment will pay off with success and that we can move to protect our people, and others, very rapidly after that against tactical ballistic missiles. I would certainly hope that other allies, such as Japan, would also join such a promising priority effort to deter and protect against attack and to provide an indispensible insurance policy against arms control violations.

Regrettably, the Democratic Congressional leadership during the recent defense funding process again slashed the President's proposed SDI budget, sought to impose a series of constraining budgetary "fences" on the Space-Based Interceptor program, and opposed the proposed ALPS system.

Following a Presidential veto of the initial defense bill, Republicans were able to lift restrictive SDI "fences." During the House-Senate conference on the Defense Appropriations Bill, we in the House of Representatives fought successfully to protect the ARROW program from being delayed by Senate proposals for major reorganization and for prolonged new studies prior to expending funds on the program. I personally wrote a letter on behalf of the ARROW to the members of the conference and I am pleased to say that we made our point and won.

8. *Opposition to Strong Missile Defense And To Accelerating SDI—A Question of Politics And A Misreading Of Soviet Actions.—*

I believe opposition within the Congress and in parts of the Defense establishment to accelerated development and deployment of SDI and ATBMs is not chiefly technological or financial.

The technology is on hand to begin ground-based deployments in the very near future and to give us high confidence in planning early space-based deployments. And it is not that we cannot afford SDI, since it would be a relatively small part of our defense budget (it is currently only about 1.5%) and since new economies make it even more affordable today than projected earlier.

The problem is chiefly one of politics: the politics of illusions about arms control, the ABM Treaty and Soviet behavior; the internal politics and Service rivalries within the Pentagon; and the politics of a Democratic-controlled Congress.

There can be no doubt that the Soviet Union, their militant allies and others are developing, deploying and proliferating missiles on an unprecedented scale, including providing these in the Middle-East and other areas of the globe. Under Mikhail Gorbachev's "perestroika" and "glasnost," not one less ruble has been spent for the Soviet military effort, which has consistently outpaced our own. There has been no let up in the Soviet Union's across-the board military buildup, including deployment of new offensive systems and extensive anti-missile and anti-air defenses. There has been no improvement in the record of Soviet treaty violations. And fundamental changes cannot be expected in the foreseeable future.

Our liberal Democratic-controlled Congress and the Democratic Party's Presidential candidate, have failed to recognize these threats and have proved extremely reluctant to fund the requisite modernization and missile defense efforts. They have continued to push for unilateral US compliance with arms control agreements broken by Soviet violations. For the fourth year in a row they have forced a cut in America's defense budget below the previous year's level, even as we are spending less than 7% of our GNP, and less than 30% of our Federal budget on defense. As testified by General Abrahamson, the impact in delaying SDI deployment has been severe.

9. *We Need to Establish A Separate Military Service—The United States Defense Force.—*

The problem of politics is not only one of parties. The internal politics and military Service rivalries within the Pentagon no doubt also figure prominently in the politics of SDI and in the Defense Acquisition Board's recent recommendation for a further SDI stretch-out. We need to alter this institutional problem.

SDI is not a single program; it is a collection of many programs and many systems, of which various ATBM programs are a part. As a whole, it is the biggest yearly funding undertaking in the Defense Department's Research and Development budget. As such it is viewed by each of the military Services as a competitor for individual Service requirements.

Looking into the future, the Services are worried as Congress in recent years has continued to make deep cuts into the Military's spending authority. With funding declines for the past four years, defense is projected to be the slowest growing major federal spending category between now and 1993. At that time, it has been reported, the projected $350 billion defense budget will be less than half the size of the $700 billion entitlement budget. No wonder the Services are asking themselves how they will meet the critical defense missions assigned to them.

US defense requirements will continue to be substantial. The world is not becoming a less dangerous place. Missiles are proliferating and America's foreign policy commitments are not shrinking. Neither is the Soviet Union's military spending or Soviet support of its militant third-world surrogates.

In this situation, the pool of resources assigned to SDI is a high value soft target in the bureaucracy. In Pentagon policy making and infighting, no Service has strategic missile and air defense as its prime mission, a situation reflected in the DAB's recommendations on stretching out SDI programs and Phase I deployments into the late nineties. There are currently no dragons to keep the Service rivals and budget raiders from crossing SDI's moat. The result is cuts and delays.

That is why I, Senator Malcolm Wallop (R-Wyo), Congressman Jim Courter (R-NJ) and others two years ago introduced legislation to create a separate new military Service—a US Defense Force. It would be headed by a Presidentially appointed civilian Secretary and would be commanded by a military Chief of Staff. Its mission would be both developmental and operational. It would be charged to "defend the US from all types of aerial threats, including aircraft, ballistic missiles, cruise missiles and other types of missiles and, in the event of war, to provide access to, provide intelligence from, and secure and retain control of space for the military forces of the United States."

10. *We Should Put Aside The ABM Treaty Long Ago Broken By Soviet Violations And Injurious To Our Fundamental Security.*—

A prime requirement to accelerate early deployment of SDI is that we finally put aside and transcend the ABM Treaty, a treaty based on the bankrupt moral premise that nations have an obligation not to defend their people and territory against attack.

I cannot for the life of me, and my children, understand why we should be continuing to delay and restrict testing and deployment of our strategic defenses in the name of an ABM Treaty long ago broken by Soviet violations and so obviously injurious.

I proposed at the time of the Reykjavik summit in 1986 that we put the ABM Treaty aside, and I continue to consider this step absolutely essential to our security and to global stability. We need to accelerate planned SDI tests beyond current "narrow" and "broad" treaty constraints which encumber our program and delay early deployment.

If there is one thing the past decades of experience with arms control violations should have taught us, it is that our security cannot be bought with a piece of paper. That is as clear for us today as it was for Winston Churchill when Neville Chamberlain returned from Munich almost exactly fifty years ago.

The INF Treaty will not be worth the paper it is written on if the NATO Allies allow Warsaw Pact superiority to go unchallenged and if NATO continues unilateral arms control compliance and restraint at the cost of its defenses.

The ABM treaty is a fatally dangerous delusion if it is extended as a substitute for the active defense of the West and an impediment to the accelerated deployment of SDI and related ATBM defense. Yet the proponents of arms control at any cost recoil from the thought that the ABM Treaty must be formally ended, though both parties are, of course, legally entitled to withdraw from it upon six months notice.

The ABM Treaty has been treated as the crown jewel of arms control; its lustre continues to blind otherwise sensible people to its tragic flaws.

But why should the broken ABM Treaty be allowed any longer to continue so to jeopardize our people's security. According to the Department of Defense, the Soviet Union is currently outspending us by $200 billion to our $4 billion a year on strategic defenses and has spent over $20 billion during the past decade, while our total SDI spending between 1983, when the President first spoke of SDI, and now is only about $13-14 billion.

The mounting Soviet anti-missile capabilities increasingly threaten the possibility of wholesale Soviet breakout from the ABM Treaty. Such a Soviet breakout would go well beyond the modernized defenses currently deployed around Moscow and would take advantage of the extensive Soviet preparations for national territorial defense and of the Soviet life capabilities into space. The longer the US delays deploying its missile defenses, the further behind we will be at that point and the more dangerous the situation.

An accelerated US deployment response no longer artificially impeded by unilateral US compliance with the ABM Treaty is clearly required for deterrence, protection and stability. I strongly agree with former Secretary of Defense Casper Weinberger's statement in today's Wall Street Journal when he said:

"The 1972 ABM Treaty is a prime example of a flawed strategic concept that its supporters hoped would enhance nuclear stability between the US and the Soviet Union. But the treaty was based on two assumptions that were not borne out; that there would soon be deep reductions in offensive weapons, and that both parties would give up defenses (except for one not very effective system).—If the US withdraws from the ABM Treaty and if Congress funds SDI adequately, the US could begin deployment in the mid-1990s. The US already has made enormous progress on strategic defense. . . . In the end the only question is whether the US has the will and clarity of vision necessary to provide the security that SDI brings. If it does, the next steps are for Congress to fund the program adequately and for the US to withdraw from the ABM Treaty."

12. *The Elections And The Future of Missile Defenses.*—

Let me conclude with a final perspective and prognostication about the future impact of the US national elections on SDI and ATBM programs.

SDI and ATBM programs are having a difficult time of it right now in gaining the sustained support and funding appropriate to the threat and to their technological promise. This sorry situation would clearly become very much worse if the Democrats controlled the White House as well as the two houses of our Congress. The days of Senator Henry "Scoop" Jackson have long been replaced by the influence of a Jesse Jackson and by what former Defense Secretary, James Schlesinger, has called the "viscerally anti-defense" views of Michael Dukakis.

However, I am confident that the Democrats, with their predominantly anti-defense views, will not gain control of the White House. I am also quite hopeful they they will lose control of the Senate and will greatly reduce their seats in the House of Representatives.

I am campaigning throughout the country every day toward that end, on behalf of our Congressional candidates and our national ticket of George Bush and Dan Quayle. I know that Vice President Bush, Senator Quayle and the overwhelming majority of Republican Congressional candidates support SDI and ATBM deployment.

We need a national referendum on this issue and I urge that it be a prime focus of the national debate between our Presidential candidates and candidates for the Congress. We need to deter attack and achieve protection for ourselves and our children. During the decade of the nineties, we need missile defenses deployed as our highest defense priority for our nation and for our global alliance of democracies.

CHILE

The SPEAKER pro tempore (Mr. GONZALEZ). Under a previous order of the House, the gentleman from New York [Mr. WEISS] is recognized for 60 minutes.

TRIBUTE TO AMBASSADOR HARRY BARNES, JR.

Mr. WEISS. Mr. Speaker, I would like to thank my colleague, Congressman MORRISON, for joining me in sponsoring this special order.

On October 5, the people of Chile voted to reject the continuation of the brutal dictatorship of Gen. Augusto Pinochet. On that day, an overwhelming majority of Chileans said "no" to more military rule, to another 8 years of repression, forced silences and human rights violations.

Although it is the people of Chile who most deserve the credit for their victory in the plebiscite of October 5, 1988, congratulations are due as well to Ambassador Harry G. Barnes, Jr. For 3 years, Ambassador Barnes has ably and effectively represented a policy of support for the right of the people of Chile to forge their own destiny. In November, he will permanently retire from the Foreign Service.

Since his appointment as Ambassador to Chile in 1985, Ambassador Barnes has reestablished the United States as a supporter of democracy and human rights in that country. Only 1 month after he was appointed, Ambassador Barnes made clear that he would not follow in the path of his predecessor, who remained silent about the massive human rights abuses of the Pinochet government. On December 10, 1985, the anniversary of the adoption of the United Nations Declaration for Human Rights, Ambassador Barnes attended a mass in Santiago sponsored by the Catholic Church to protest human rights violations. It was an important symbol of the renewed emphasis on human rights in United States policy toward Chile.

In July 1986, Rodrigo Rojas de Negri, a United States resident, was burned to death by Chilean security forces. Ambassador Barnes rightly expressed his "shock and horror" at the brutal killing, and felt that the United States must protest the death if our concern for human rights was to be taken seriously. When Ambassador Barnes attended Rojas funeral, he was viciously attacked by Senator JESSE HELMS for "plant[ing] the American flag in the midst of Communist activity."

Throughout his period of service, Ambassador Barnes has sought to be balanced in his approach to Chilean politics. He maintained active channels of communication with the Chilean democratic opposition as well as with the business community and military leaders besides General Pinochet. And he has been able to build a bipartisan consensus within Congress in support of the administration's policy.

The retirement of Ambassador Harry Barnes will be a great loss to the United States and to the people of Chile. For the last 3 years, Ambassador Barnes has worked tirelessly to create the possibility of a democratic transition to Chile. And he has served this country well for 38 years. A career Foreign Service officer, he has served as Ambassador to Romania, India, and Chile and was Director General of the Foreign Service from 1977 to 1981.

Mr. Speaker, I am happy to join my colleagues in applauding the work of Ambassador Harry G. Barnes, Jr. He represents the best of what America has to offer, and he has left behind a legacy which will be long remembered.

Mr. Speaker, I yield to my distinguished colleague, the gentleman from New York [Mr. MCHUGH].

Mr. MCHUGH. Mr. Speaker, I thank my colleague and friend from New York for yielding, and for especially taking this time to pay tribute to Ambassador Harry Barnes.

Mr. Speaker, I would like to commend the ad hoc group in support of democracy in Chile for organizing this special order in honor of Ambassador Harry Barnes.

Ambassador Barnes will be retiring from the Foreign Service later this year after having served our country for 38 years, and I am delighted to participate in this tribute to him. He has served the United States with great dedication and distinction, and he will be missed by those of us in Congress who were privileged to know and work with him. He has had more than his share of challenging assignments, and the United States has had no finer representative to the many countries in which he has served.

I first met Ambassador Barnes when I visited India several years ago. He imparted to me and to our delegation on that occasion a deeper understanding of that important democracy and instilled in us a fuller appreciation of American interests in that region. His interest in the people of India and their culture was genuine, and it was evident from all of our meetings that he enjoyed the enormous respect of Indians in both the public and private sectors.

Subsequently, in November 1985, Harry was chosen to serve as our Ambassador to Chile. His choice was a reflection of the high regard in which he is held by the President and by his colleagues in the State Department, but his new assignment was perhaps the most difficult one in his long, distinguished career.

At that time, our Nation's ability to influence developments in Chile was limited. The situation was further complicated by apparent differences between the administration and Congress regarding the appropriate course of U.S. policy. In Chile itself, the prospects for a return to democracy appeared negligible.

Despite criticism from a few Members of Congress, Harry was able to build a broad bipartisan consensus here at home in support of a policy focused on enhancing respect for basic human rights and encouraging an early return to democracy in Chile. That consensus, which he labored tirelessly to construct, played a critical role in keeping pressure on the Pinochet regime and was instrumental in moving Chile toward free and fair elections.

This month, as we all know, a Presidential plebiscite was finally held, and it resulted in a clear rejection of General Pinochet and authoritarian rule. Both his friends and foes in Chile credit the success of that plebiscite, at least in part, to Harry's patient work and great dedication. Harry always had faith that the Chilean people would opt for democracy and reject General Pinochet if given the opportunity to do so, and his painstaking labors are now beginning to pay real dividends.

Without doubt, Mr. Speaker, Harry Barnes is one of the finest public servants I have met during my years in Congress. As noted, he has served in the Foreign Service for 38 years. He speaks eight foreign languages. In addition to Chile and India, he served as our Ambassador to Romania and as Director General of the Foreign Service. In each of the assignments with which he has been entrusted—in Moscow, in Prague, and in many other posts—he has brought great credit to the United States, to the Department of State, and to himself.

When Harry last visited with me earlier this year, it was obvious that he was looking forward to finally returning to Vermont. As he embarks on this new phase in his life, I join with my colleagues in wishing him and his family all the best in the coming years. We are a better country for his service, and I am confident that he will continue to contribute to our Nation in the years ahead.

Mr. WEISS. Mr. Speaker, I thank the gentleman for his very distinguished remarks.

Mr. Speaker, I yield to my friend, the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding, and thank him for taking what I think is an unusual special order to pay tribute to the career of a very unusual, capable, and effective public servant, Harry Barnes, who is about to retire after nearly four decades of service in the State Department.

I have taken more than the ordinary interest in his career because when I was a young man our families lived scarcely a half a block from each other. I watched Harry grow up, and as they say in the old stories, straight and tall.

I think very few Members of Congress will remember a very important incident around the turn of the half century when Harry was president of a fraternity at Amherst College and was a participant in the first exercise of the local option of fraternity to negate its national charter by demanding the privilege to pledge other than white people into his fraternity. It was a very difficult and painful operation. At the time, he and his fraternity brothers took a lot of abuse, but that act of courage and justice on his part was the kind of thing that those people who know him now would simply expect as normal procedure from Harry Barnes.

He joined the Foreign Service. I lost track of him, picked up his trail again in Budapest, in New Delhi, and now eventually in Santiago. In everyone of the assignments he has been given, Harry Barnes has served this country and his fellow man with great distinction. All I can say about Harry is that if every person in the U.S. Foreign Service served with his dedication and with his effectiveness, we would never worry about the State Department. We would always know that this country's Embassies were in good hands.

I suppose in commenting on his career we ought to think whenever we have complaints about the way the country is represented, we ought to recall that there was in the Service of the United States Harry Barnes, and there are many other Harry Barnes' serving the country with great distinction and with great ability. I mourn his retirement. He is a relatively young man to be leaving the Service, and yet, one never second-guesses the retirement programs of people as smart as he is.

Nevertheless, the U.S. Foreign Service will miss him. I think the people of the world will miss him. Certainly the people who knew him in the countries in which he served will greet his retirement with great regret.

☐ 1815

I really cannot render high enough praise to this unusual public servant, nor can I to the gentleman who took the special order. I do not think I have ever heard of a special order congratulating an Ambassador on his retirment, but I must say, the gentlemen picked the right person to congratulate, and I thank the gentleman.

Mr. WEISS. Mr. Speaker, I thank the gentleman for his comments. I should try to reassure him, When Ambassador Barnes told the gentleman from Connecticut [Mr. MORRISON] and I when we visited in Santiago, Chile, just a brief 2 weeks ago that he was retiring, he also assured us that that did not mean be was retiring from active involvement in matters of concerns internationally.

Indeed, I think his plans are to change his base of operation, but he will continue to be just as active in a different mode, in a different location, as he has been in the past.

I want to say that in the context of Ambassador Barnes' tremendous achievements that it really should be noted. too, that as the gentleman says, there are many other good ambassadors and good people in the Foreign Service of the United States who do not always have the kind of support from the administration and the State Department that Ambassador Barnes was privileged to receive.

I think that it was really a high mark in the achievement of the Reagan administration in recognizing that Ambassador Barnes' efforts toward Chile and in helping to move us, that is, the United States, toward a position of opposition to violation of human rights and toward support of the people of Chile in seeking to return to their traditional democratic form of government, that was the right way to go.

So I want to applaud the President of the United States, the Secretary of State, and the State Department generally, for giving Ambassador Barnes the kind of support which he desperately needed in order to do the marvelous work that he did.

Mr. Speaker, I am pleased to yield to my distinguished friend and colleague, the gentleman from Connecticut [Mr. MORRISON], who shared the visit to Santiago with me a brief 2 weeks ago.

Mr. MORRISON of Connecticut. Mr. Speaker, I thank the gentleman for yielding to me and I thank him particularly for scheduling this special order and in particular for being flexible and when we finally got ourselves to the floor over the last couple weeks to be able to hold this special order. It is something that I think is very much warranted and very appropriate that Members of this body have an opportunity to thank Ambassador Barnes for this extraordinary work on behalf of the defense of human rights in Chile, the representation of the very best of the values of this Nation in a sister country that long shared our democratic tradition, but had that democratic tradition interrupted by a military coup and a longstanding military dictatorship, which while it is in a phase of its transition, we hope, is still in power; also in Ambassador Barnes being a vigilant voice throughout his service in Santiago, Chile, for the return of democracy in that country.

Mr. Speaker, I am very pleased that on two occasions I have been able to travel to Chile with the gentleman from New York. I think our visits there were made more productive by the way in which we were received and assisted by the Embassy, and in particular by Ambassador Barnes.

I always had the feeling on those two trips and on a prior trip in which I also was very well-received by Ambassador Barnes and his staff that he understood ways in which a full understanding by Members of Congress of the situation in the country and a continuing open dialog, which he carried on both to visitors from the Congress in Chile and when he visited Washington, is one of the most helpful ways in which there can be true bipartisanship and cooperation between the legislative and executive branch in the pursuit of foreign policy goals of this government.

Ambassador Barnes is a career Foreign Service officer who distinguished himself as an ambassador in Indian and in Chile, whose 38 years of service in the Foreign Service really stands as a high mark to be aimed at by other dedicated members of that Service.

I hope that in some small way by calling attention to how important an ambassador can be and how effective a qualified and dedicated man like Ambassador Barnes can be will persuade others to both join and stay with the Foreign Service and to give us the kind of quality of representation that we have received.

With respect to the situation in Chile, on our visits and in discussions between Harry Barnes and Members of Congress here in Washington, I always felt that he had taken the time to truly understand the circumstances, the political circumstances in Chile, and to communicate those openly and effectively to us and to suggest to us ways in which our actions and our positions could help him to do his job better.

The gentleman from New York mentioned that this situation, the way in which Ambassador Barnes handled the situation in Chile, the support that he received from the State Department here in Washington, were really a high-water mark for the Reagan administration. I would agree with the statement of the gentleman in that regard.

I think there are other instances where the record is far less favorable, but I do think that we ought to underscore this positive achievement and to note that the progress that has been made in Chile, first and foremost comes from the dedication of the Chilean people and the opposition parties, in particular, to achieving a return to democracy.

Our ability to affect such results is always at the margins, because democracy and democratic traditions and the respect for human rights ultimately must be defended by the people and the institutions of the country involved; but when we support those people and we seek to assist in the building of such institutions, we do in fact advance the very best of our traditions and the very best of our beliefs in foreign affairs. It is that which stands out in the service of Ambassador Barnes and in the situation in Chile today.

I think it is important to note that our new Ambassador will need the same kind of support and encouragement both from the executive branch and from the Congress and will need the same kind of diligence through the transition period that has begun in Chile, because there are many possible pitfulls along the way.

The victory of the opposition in the plebiscite was a glorious and encouraging result, but it is only the first step on the road to the return to democracy. For that reason, Ambassador Barnes' example will continue to be important regarding the relationship between the Congress and the Ambassador, the support from the State Department for the Ambassador, and the diligence and commitment to the best traditions of the Foreign Service and the best ideals of this democracy in promoting those ideals and supporting those ideals elsewhere.

I feel a sense of loss in my concern and continued interest in Chile that Harry Barnes will not be there to continue to advocate these concerns, and also to communicate back to me and to others about the best course of action to support our interests there.

I hope and trust that he will have many other opportunities in his private sector role to continue to express himself and his concerns on this subject and others, but we certainly will miss him.

I want to publicly thank him for the help that he gave to me in doing my work on the Banking Committee as it relates to this subject and the very effective and in fact I think extraordinary service that he has given to this country, and especially in his diligence in his support of the return to democracy in Chile.

Once again, I want to thank the gentleman from New York for leading the delegation we recently took to Chile, for his travels in the past there and for his concern and for his comradeship on this issue, which I think is an important one and may well stand as one of the brightest spots in the foreign policy area of this administration because of what has been achieved by diplomatic and political actions in support of something that we all want to see, which is a government in Chile governed by the will of the Chilean people and respectful of the rights of all the Chilean people. That is something we all want to see returned as quickly as possible.

Mr. WEISS. Mr. Speaker, I want to thank the gentleman for his eloquent remarks and to compliment him for the ongoing role that he has staked out for himself and has played so effectively in providing the kind of support that Ambassador Barnes asked for and needed in order to demonstrate that his work was not just that of a single Ambassador, that it was not only the executive branch of the Government, but he had strong support here in the Congress of the United States.

Mr. LANTOS. Mr. Speaker, I commend my colleague from Connecticut, Mr. MORRISON, and my colleague from New York, Mr. WEISS, for holding this special order on Chile. This is an important time in Chilean history, a time when Chile is beginning its long journey to restore its 150-year tradition of democracy.

In the October 5 plebiscite on whether Gen. Augusta Pinochet's presidential term should be extended to 1997 the courageous people of Chile sent a clear message—they want democracy to begin now. Of the total 7.2 million votes cast, 54.7 percent voted no.

In a nation where registering to vote is voluntary, not obligatory, it is a tribute to the Chilean people that over 90 percent of them registered to vote, and 97 percent of those who registered voted. The Government of Chile also should be commended for compliance with the provisions of the voting laws and its acceptance of the opposition victory.

Mr. Speaker, I welcome the results of the plebicite in Chile. We in the Congress continue to have a strong interest in the restoration of democracy. It is important that the military leaders know that our interest in Chile continues.

The plebiscite is not an end but a beginning. We appeal to the Chilean Government to facilitate a smooth transition to democracy. It is crucial that the outrageous human rights violations which have occurred in the past 15 years now cease, and that normal democratic freedoms be allowed without interference. For example, greater freedom of speech and of the press will be essential for fair and free presidential elections, which are now scheduled for December 1989. We are encouraged by the news that former Foreign Minister Clodomiro Almeyda now has been freed after 16 months of political imprisonment for exercising the right of free speech.

Free exercise of this fundamental right must continue.

We also hope that the almost 500 political prisoners still languishing in Chilean prisons will now be released. At the end of August the Government announced a relaxation in permitting exiles to return to Chile. In keeping with that spirit of liberalization, in September I urged President Pinochet to consider lifting the sentences of administrative exile that were imposed against seven Chilean exiles who still remain in Chilean jails for illegal entry: Victor Maturana Brugos, Sergio Godoy Fritis, Juan Bustos Saavedra, Jorge Martinez Munoz, Arinda Ojeda Aravena, Juan Sandoval Torres, and Rigoberto Villagra Arenas. I again urge President Pinochet to release these men.

Our greatest concern remains for those political prisoners who are currently facing death sentences. We have received reports that many of these prisoners were forced by security personnel to sign confessions under torture while being held incommunicado. Furthermore, their cases are not being heard by civilian courts but by military courts which have consistently shown a lack of independence from the military government.

The longest-held political prisoner in Chile threatened with the death penalty is Rolando Cartegena Cordova, who has been imprisoned for 7 years without a proper trial. He has been tortured and deprived of his human rights. Amnesty International and the U.S. International Human Rights Law Group have opposed the death penalty, particularly for cases such as that of Cartagena's where there have not been full guarantees of a fair trial before an impartial tribunal. Cartagena, like most of the other political prisoners facing possible death sentences, has been offered asylum by a large number of countries, including Spain, Italy, Norway, Finland, and Austria.

Mr. Speaker, it is our hope that the Government of Chile will respond to the appeals in behalf of Cartagena and all other political prisoners still suffering in Chilean prisons. As Chile moves toward demoncracy, it must not forget these prisoners. The United States and the rest of the world have not and will not forget them.

Mr. WEISS. Mr. Speaker, to continue, on my special order.

HUMAN RIGHTS VIOLATIONS UNDER PINOCHET

Mr. Speaker, the October 5 victory of the people of Chile is a day that has been long in coming. Fifteen years ago, General Pinochet initiated a coup against the democratically elected government of Salvador Allende. In so doing, he ended the century and a half tradition of democracy in Chile.

Since that time, the Chilean people have suffered under the brutal dictatorship of General Pinochet. All political activity was outlawed. Freedom of expression and assembly was extinguished. Tens of thousands of Chileans have been killed or have disappeared, many thousands more detained, tortured or exiled.

In recent months before the plebiscite, the Pinochet government had cleverly attempted to create the impression that the regime was moving toward moderation, while still maintaining almost total control over the political process in Chile.

Although there is considerably more than in the past, freedom of expression still remains limited. Countless opposition journalists have been arrested for offenses against the armed forces. The government controls all television programming time, with the exception of the 15 minutes allowed to the opposition for 27 days before the plebiscite. Fifteen minutes a day does not begin to make up for 15 years of government domination.

Systematic human rights violations continue. According to Americas Watch, death threats against activists of all social groups doubled from 1986 to 1987. Opposition leaders have had their homes attacked. The Chilean security forces have recently reacted to the peaceful demonstrations for the NO with repression, resulting in two deaths in Santiago and at least 30 people being wounded, according to Americas Watch. Over 20 journalists were recently attacked by the police.

THE ILLUSION OF ECONOMIC SUCCESS UNDER GENERAL PINOCHET

Although many have lauded General Pinochet for the success of his economic programs, in truth prosperity has only come to a small number of people. The average Chilean is less well off than he was 16 years ago and at least 40 percent of Chile's total population now lives in poverty.

That prosperity has also come at the expense of the working people of Chile. The Pinochet regime has been a notorious violator of internationally recognized workers rights. Even the administration recognized that fact when it finally cut off GSP benefits to Chile in December 1987, as required by law.

Following General Pinochet's seizure of power in 1973, labor leaders were shot, imprisoned, banned, and exiled. Union funds were confiscated, the National Confederation of Workers was banned, and union elections, collective bargaining, and strikes were prohibited.

In recent years, labor abuses have continued. An August, 1987 report by the Childean Commission on Human Rights named dozens of cases of detentions, sacking of union offices and homes of union leaders, threats, intimidations, and firings of labor organizers. Police and military forces regularly raid union offices without a warrent, searching files and terrorizing union officials. On September 14, two Chilean labor leaders, Manuel Bustos

Huerta and Arturo Martinez Molina were sent into internal exile.

Furthermore, Chilean law clearly violates internationally recognized workers rights standards. Union leaders are forbidden from engaging in any political activity. Workplaces with fewer than 25 people are forbidden to form unions, effectively denying the majority of Chilean workers the right to oranize. The Constitution does not recognize the right to strike.

Chile also violates standards regarding child labor, minimum wages, and working conditions. According to a study by the Center for Education Research and Development, more than one-third of 12-year-old children in the Santiage area worked for wages in 1986. According to the United Electrical Workers, more than 1 million workers—some 30 percent of the urban work force and 40 percent of the rural work force—labor at the minimum wage of less than $40 dollars per month for a 48-hour work week. The buying power of the minimum wage has fallen over 20 percent in the past 3 years, and is less than half the level of 1981.

THE PLEBISCITE ON OCTOBER 5

On October 5, the Chilean people finally had an opportunity to speak after 15 years of forced silence. The opportunity was obviously a limited one. A plebiscite can in no way be considered to be a true democratic expression of a people's will. However, despite the inherent limitations of the plebiscite, Chile's major democratic parties decided of participate in hopes that the plebiscite would initiate a return to democracy. That they were able to succeed was a great victory for all those who support democracy. The Chilean people have demonstrated to the world their commitment to democracy and rule of law in their country.

All who were in Chile to witness that historic moment were impressed and moved by the dedication and determination of the Chilean people to make their voices heard. They deserve this chance for democracy, and they deserve the continued support of this country for their efforts.

THE FUTURE FOR DEMOCRACY IN CHILE

Of course, the struggle for democracy in Chile is far from over. The future contains many difficulties for the people of Chile. Under this handcrafted constitution, which was foisted onto the Chilean people, General Pinochet continues to hold office for another year, despite being rejected by the majority of voters. During this important period of transition, it is important that the Government of Chile now allow an environment in which democracy can flourish.

The international community has an important role to play in lending support to those fighting for democracy in Chile. We have seen in other countries—the Philippines, South Korea—that international support for free and fair elections and a democratic environment can be a powerful force.

Indeed, the United States has a particular responsibility to support a Chilean alternative to militarized politics. That is why we organized the Ad Hoc Group in Support of Democracy in Chile, a bipartisan group of Members who are dedicated to the support of a peaceful return to democracy and a respect for civil liberties in Chile. The group currently has almost 50 Members including the chairman of the House Committee on Foreign Affairs. Hon. DANTE FASCELL, and Representatives CROCKETT and YATRON, chairman of the Western Hemisphere Affairs and the Subcommittee on Human Rights respectively.

It is critical that the administration continue to pressure the Pinochet government to allow a full democratic transition in Chile. I hope that in the coming months the administration will not be tempted to abandon its past policy of support for human rights and civil liberties, so effectively represented by Ambassador Barnes, and prematurely reward the Pinochet government for the small steps it has taken. As I have written to Chairman FASCELL in the report on my recent trip to Chile: "The transition to democracy is only beginning; it will not be complete until a civilian government, chosen in a free and fair election, takes office under a democratic Constitution. Until then, rewards are not in order."

Of course, ultimately it is the people of Chile who will play the most important role in this momentous struggle to regain democracy. Let us hope for a time when the Chilean people may once again control their political future, and the military may return to its role as guardian, rather than enemy, of democracy in Chile. At that point, the many can take up the task of shaping a system of justice and order out of the chaos still wrought by the few. Only then, will Chile return to its rightful place in the community of democratic nations.

I would like to take this opportunity to enter a number of items regarding the recent Chilean plebiscite into the RECORD.

First, I am entering the trip report I have submitted to Chairman FASCELL regarding the congressional study mission to Chile on October 1-3, 1988.

Second, I am entering the statement on the plebiscite by President Adolfo Suarez of the Republic of Spain, a leader of the international observer delegation organized by the National Democratic Institute for International Affairs, as well as a list of the members of the delegation. International observers played an important role in certifying that the process was conducted as openly and fairly as possible.

COMMITTEE ON FOREIGN AFFAIRS,
October 19, 1988.

Memo to: Hon. Dante B. Fascell, Chairman Committee on Foreign Affairs.

From: Hon. Ted Weiss.

Subject: Report of Study Mission to Chile.

During the period October 1-3, 1988, I visited Chile to observe the process leading up to the historic October 5 plebiscite, accompanied by Hon. Bruce Morrison. I undertook to lead this mission at your request, Mr. Chairman, and that of the Chairman of the Subcommittee on Western Hemisphere Affairs, Hon. Geo. W. Crockett, Jr., who was unable to make the trip.

In our all-too-brief time in Chile we were given a briefing by the principal officers of the U.S. Embassy and were able to meet with the head of the Chilean Election Commission, which organized the plebiscite; the staff of the Crusade for Civic Participation, a USAID-funded voter education project; leaders of the Vicariate of Solidarity, the church's human rights office; U.S. and Chilean journalists; and leading proponents of both the "yes" and the "no" votes. We attended the third annual meeting of the Parliamentary Assembly for Democracy, a group of representatives of democratic parliaments from around the world organized by former Chilean congressmen, which I was privileged to address as a representative of the U.S. Congress; a dinner sponsored by the National Democratic Institute for International Affairs for its 60 election observers; and a meeting sponsored by NDI with key supporters of the "Yes" vote. We were also able to walk through a community of shelters built with Office of Foreign Disaster Assistance funds and to visit a child care center there, and also to speak with a group of "No" proponents in a poor area on the outskirts of Santiago. Regrettably, no Chilean government official agreed to meet with the delegation; this had the effect of limiting our access to the key leaders of the "Yes" campaign, which was effectively run by the government.

We are very deeply indebted to United States Ambassador Harry Barnes and his able staff, especially Bruce Wharton, who handled our complicated schedule and fast-changing demands flawlessly; Deputy Chief of Mission George Jones, whose insights were consistently helpful; and Public Affairs Officer Marilyn McAfee, who hosted a breakfast for us with Chilean journalists. We use the word "distinguished" too easily in this institution, but surely there are few in the United States Foreign Service to whom it can be more justly applied than Ambassador Barnes, who has represented our country with great sensitivity, skill, and courage in this difficult post. Too seldom in the past few years has the United States been the beacon of hope that it should be to Latin America's democrats, but Ambassador Barnes has made us such in Chile. We should all be proud and honored to have been represented by this man.

Being in Chile just days before the plebiscite was a moving experience. In the preceding month the "No" forces had opened up a commanding lead in the polls. Those with whom we met were palpably confident, and intensely proud that they were about to pull off a historic victory in a plebiscite conducted under a Constitution that was written to keep the present government in power. At the same time, there was a distinct undercurrent of concern that Gen. Pinochet would do something before or on the day of the plebiscite to deny the "No" its victory. These two emotions—euphoria and fear—vied with each other in many of our meetings.

In the end, thankfully, events justified the euphoria, and not the fear. In our view, four factors produced this outcome. The first was Pinochet's decision to impose himself as the candidate of the "Yes." The 1980 Constitution provided for an up-or-down vote on a single regime candidate, who would serve an eight-year term if he won and until March, 1990, if he lost. Many "Yes" supporters believed Pinochet would not be the strongest candidate and hoped he woud not run. Whereas a consensus civilian candidate could run on the regime's achievements, Pinochet carried the baggage of its excesses. The people with whom we met seemed to associate the "No's" rise in the polls more than anything else with Pinochet's August 30 announcement of his candidacy.

The second was the agreement to give each side a free 15-minute national TV spot each day throughout September. This hardly dented the government's prohibitive advantage in coverage through its total control of the media. But the "No" was legitimized by the mere fact that it could appear side-by-side with the "Yes" and attack Pinochet on the government channel. The actual content of the ads was of secondary importance but, by common consent, the "No" adds were more skillfully done, which added to their impact.

The third was the excellent work done by the "No" forces in voter registration, getting its message out to the countryside, and getting out the vote. The victory was a tribute to hard work, political organziation, and—ultimately—faith in the democratic process even in less-than-ideal conditions.

Although the reasons for which Chilean proponents of democracy would vote "No" are self-evident, the reasons for which democratic politicians and businessmen would support the "Yes" are less clear. The reasons that we were given centered on, first, support for the regime's economic model and, second, the idea that a "Yes" vote would provide for greater "certainty" in the transition to democracy. Only one of the "Yes" proponents that we heard argued the straight government line—that the "No" forces were dominated by radical socialists, a "No" vote would return the country to the Allende period with its extreme polarization, and therefore what the regime euphemistically calls "guided democracy" is in fact required to impose the necessary changes on the country. The others took a more nuanced position, distancing themselves from one or another aspect of the "Yes" campaign—such as Pinochet's candidacy, his human rights record, or the plebiscite format—and arguing that the "Yes" approach was merely another path to democracy.

The Constitution now permits Pinochet, having lost the plebiscite, to remain as President for one additional year—from March, 1989, when his current term expires, to March, 1990. Presidential and congressional elections must be called three months prior to the end of that extra year—i.e., in December, 1989. They are expected to be held later that same month. Pinochet may not succeed himself, although there is some talk in Santiago that he may try to find a way around that constitutional provision by resigning prior to the expiration of his term and then announcing his candidacy in the election to succeed his successor.

Indeed, when we were in Santiago, spinning scenarios for the post-plebiscite period was the biggest sport after taking odds on whether Pinochet would permnit the plebiscite to proceed. Scenarios following a "No" victory boil down to two. The first, as suggested above, is that Pinochet would remain in office for the full period permitted by the Constitution, refuse to negotiate any constitutional reforms, use his still-considerable power to divide and destroy the opposition, present himself or another regime candidate in next year's election, and snatch victory from the jaws of defeat.

Under the other scenario, Pinochet would not remain in office for the full 17 months after losing the plebiscite, particularly if—as happened—he loses decisively. His pride would not pemit it. He also despises politics and politicians too much to mix it up with them in the 1989 campaign. Therefore, there will be some kind of "rearrangement" of the relationship between Pinochet and the Army and between the opposition and the regime leading to Pinochet's early departure from power and early elections.

We do not take the regime's current denials that it would contemplate any such thing to be the definitive last word on the matter. Indeed, we believe the wisest statement about the future that we heard while in Santiago was the following: "A big victory for the 'No' will have a big impact on Chile, with repercussions that we cannot yet foresee."

Meanwhile, the objective of the opposition is to make the second scenario come true. The opposition now seeks through negotiations with the regime to accomplish changes in the antidemocratic 1980 Constitution under which Pinochet had hoped to govern. Recognizing that direct negotiations with the opposition would be a hard pill for the military to swallow right away, they believe that the negotiations will be indirect and "implicit' at first. Among the constitutional changes sought by the opposition are:

Most important, deletion of the provision making it almost impossible to amend the Constitution, which is the provision that most makes the negotiations necessary in the first place;

Advancement of the date for Presidential elections, so as to reduce Pinochet's lame-duck status from 17 months to something more reasonable;

Deletion of the provision that one-third of the Senate be appointed;

Addition of a provision for the election of state and local government officials;

Removal of the proscription on the Communist Party; and

An increase in civilian representation on the National Security Council, which under the Constitution can veto any Presidential action or act of Congress that affects the "national security."

Crucial to the opposition's prospects will be its ability to remain united in the face of issues that it will find inherently more divisive than the simple issue of "Yes" or "No" on the plebiscite. Based on the impressive political maturity that we saw among the opposition leaders during our visit, we would not be surprised to see the opposition pull it off again. Clearly, however, Chilean political history over the longer term does not provide grounds for optimism.

A possible vehicle for unity is a "governability pact" being discussed by the opposition parties. Under this idea, six of the 16 parties united in the Command for the No" would form a center-right coalition dominated by the Christian Democrats to present a single candidate for the Presidency. The left wing of the Command, led by the Socialists, would not present a candidate and would serve as the loyal opposition. If it can be achieved, this plan would have three advantages: it would maintain opposition unity; it would present to the country a conservative option that would emphasize continuity and decrease fears of radical changes after an opposition victory; and it would keep the role of loyal opposition squarely within the democratic camp instead of leaving it to the communists. This idea may seem visionary, but if anyone can do it, the people we met can.

Human rights abuses have continued unabated during the period leading up to the plebiscite. Journalists are arrested for the crime of "offenses against the armed forces;" they are soon released on bail, but they still face harsh penalties of up to ten years in prison—which can have a chilling effect on what they write. Other forms of repression that relate to the plebiscite have included: attacks on the homes of leaders in the "No" campaign; arrests of participants in "No" demonstrations (which never happens to "Yes" demonstrators); the recent internal exile of two labor leaders; and threats against people who have appeared in "No" ads. The Vicariate of Solidarity expects the human rights situation to remain serious for the duration of Pinochet's rule.

The government's description of Chile's "economic miracle" is well known, and central to the "Yes" platform was the idea that a "Yes" victory would entail a continuation of the economic model that Chile has followed for the past 15 years. The economic analysis of the "No" forces is less well known, and people's expectations of the economic policy effects of a "No" victory are less clear. Consequently, a report of our conversation with a leading "No" economist is of interest.

Pinochet is wrong, he said, in describing the October 5 vote as a plebiscite on the regime's economic model. He said that if the "No" wins, Pinochet will be succeeded by a center-right government that would not go back to an economic policy of state intervention. The strong points of the economy from which this government would benefit upon taking office are low inflation, a good balance-of-payments situation, and a strong export posture. The economic weaknesses with which this government would have to cope include the following:

First, large and unprecedented income disparities have opened up under Pinochet. The percentage of the workforce that is unionized is down significantly, and temporary workers make up a greater proportion of the workforce. Public health, housing, and education programs have declined and are in bad shape. In this situation, it is very difficult to open up the system without creating a tremendous demand.

Second, Chile has a weak productive base, and lacks state instruments for stimulating investment in the productive sectors. Chile is not becoming a Korea or a Taiwan; 80 percent of its exports are unprocessed natural resources. Chile cannot develop on this model.

Third, Chile is very vulnerable to external factors, both because of its export profile, and because of heavy involvement by foreign banks.

This person described Chile as "10 percent Euro-Chile" (a well-to-do sector that is getting richer) and "50 percent Afro-Chile" (a poor sector that is getting poorer), with the rest remaining pretty much as they were.

Looking back on our visit, what will remain with us much longer than the specific information that we acquired and have reported in this memo is the tremendous impression that Chile's democratic opposition forces made on us. Derided only months ago as squabbling, divided, and unable to "get it together," they were very much together by the time of our visit. The task that they pulled off in voter registration, civic education, logistical organization for the plebiscite, and political campaigning—all under rules of the game that were stacked against them and over the active hostility of the State—we would have thought impossible if we had not seen it with our own eyes. And capping it all was the unprecedented political unity and capacity for political self-denial that they displayed. We like to think in this country that we can give other people lessons in democracy, but these people need no lessons from us—only support.

As the Chilean democratic opposition knows only too well, the struggle is not over; it is only beginning. The task of remaining united and continuing to combat the overwhelming resources of the State during the transition to civilian government will be even harder than what has already been accomplished. United States policy continues to be crucial. During this period, we must continue the pressure on Pinochet, increase our support of the opposition, and be careful to coordinate policy with Chile's democratic leaders. There are those who will say we should now "reward" Pinochet for the plebiscite. But the transition to democracy is only beginning; it will not be complete until a civilian government, chosen in a free and fair election, takes office under a democratic Constitution. Until then, rewards are not in order. We hope the Committee and the Congress will uphold this principle for Chile, as it has for Argentina, Guatemala, and other countries that have gone through such a transition before.

STATEMENT BY INTERNATIONAL OBSERVER DELEGATION PRESIDENT ADOLFO SUAREZ

I am pleased to offer a statement on behalf of the international delegation which yesterday witnesses the Chilean plebiscite. This delegation, sponsored by the National Democratic Institute, includes 60 individuals from 23 countries and represents all political ideologies within the democratic spectrum.

Our delegation was present in more than 15 Chilean cities, from Punta Arenas in the south to Arica in the north. We are able to visit and observe the electoral process at 10 percent of the polling sites in the country. We will prepare a detailed report on our observations and issue it publicly in the near future.

Today, we would like to offer a consensus view of the leaders of our delegation as to what we have seen here in the past few days. For we realize that we have witnessed an historic event and one that has captured the imagination and the attention of the democratic peoples of the world.

The long and proud democratic tradition of Chile was reawakened yesterday by Chileans of all political persuasions. We congratulate the Chilean people. We want especially to congratulate those who played a key role in the conduct and administration of the plebiscite: the government; the supporters of the two positions; the electoral service; and law enforcement officials.

It was our delegation's belief that the Chilean people have been heard.

The expression of the people's will is a triumph for all Chileans and for democracy in the world.

We have been greatly impressed by the leaders of the "No" campaign, prior to and following the plebiscite. They have acted responsibly in calling for a national dialog and reconciliation. Their objective was not a negative one: they sought not to defeat a president, but to bring about free elections. Now they have the support of the Chilean people.

The government, in conducting a free and fair plebiscite, and acknowledging the result, has taken the first important step at reconciliation. Supporters of the "Yes" also acted responsibly and patriotically in pursuing a different path.

This is the spirit in which democracy can thrive.

The international community, well represented by this delegation, offers its strong support to the people of Chile as they begin the process of transition. There can be no turning back in the effort to rekindle the democratic spirit that has made this a great nation.

Our view is that the result of this plebiscite demonstrates, more than anything else, a strong desire for free elections. We expect that the dialog that will now begin will be influenced by that very positive aspiration. While matters of law must be reconciled, all should be motivated by a desire to satisfy the express wish of the Chilean people for democratically conducted elections.

Both the process and the results make this delegation believe that Chile has opened up an irreversible step toward democracy. That is to say, toward national reconciliation, the establishment of representative government, respect for individual rights, and toward a peaceful coexistence in liberty and development.

The delegation believes that from today onward, the Chilean people have begun a journey down a road which, through a necessary dialog, with free elections, with full participation by all Chileans, will result in a consensus for change that will institutionalize peace, liberty and democracy.

INTERNATIONAL OBSERVER DELEGATION TO THE CHILEAN PRESIDENTIAL PLEBISCITE, OCTOBER 5, 1988

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Misael Pastrana, Colombia.
Bruce Babbitt, United States.
Peter Dailey, United States.

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□ 1830

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GONZALEZ). Pursuant to House Resolution 563, the Chair will notify the House that a motion to suspend the rules with respect to the technical corrections tax bill may be offered.

The Chair will offer this explanation: that obviously House Resolution 563 means that this satisfies the 1-hour notification provision of that rule.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2756. An act granting the consent and approval of Congress to the addition of the State of Ohio as a party to the Middle Atlantic Interstate Forest Fire Protection Compact;

H.R. 2806. An act to amend the Federal Land Policy and Management Act of 1976, to permit temporary use for military purposes of public lands in Alaska managed by the Bureau of Land Management, Department of the Interior, and for other purposes;

H.R. 3680. An act to revoke certain public land orders, transfer certain public lands, and for other purposes;

H.J. Res. 650. Joint resolution designating April 1989 as "Actors' Fund of America Appreciation Month"; and

H. Con. Res. 331. Concurrent resolution to acknowledge the contribution of the Iroquois Confederacy of Nations to the development of the United States Constitution and to reaffirm the continuing government-to-government relationship between Indian tribes and the United States established in the Constitution.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1975. An act to protect cave resources on Federal lands, and for other purposes;

H.R. 3313. An act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes; and

H.R. 4212. An act to amend the Joint Resolution of April 27, 1962, to permit the Secretary of the Interior to establish the former home of Alexander Hamilton as a national memorial at its present location in New York, New York.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to the bill (H.R. 4445) "An act to amend title 18, United States Code, to prohibit certain firearms especially useful to terrorists," with an amendment.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 1919) "An act for the relief of Michael Wilding."

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 2470) "An act to promote energy conservation and technology competitiveness in the American Steel and aluminum industries."

The message also announced that the Senate recedes from its amendment to the bill (H.R. 4919) "An act to approve the governing international fishery agreement between the United States and the Union of Soviet Socialist Republics, and for other purposes."

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore (Mr. WEISS). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, we are here at sort of a terminal point in the 100th Congress, a very historic Congress, and we are in the throes of the usual doings in the final points of any session where urgent and pending matters are being ironed out between the Senate and the House of Representatives.

The fact of the matter is that no matter what we do between now and the point that we adopt the sine die adjournment resolution, there are things that are obviously not going to hold off until the 101st Congress is assembled, God willing, on January 3, 1989. One of those is the acute, the severe and very unstable, or the prolonged disequilibrium in our financial institutional structures.

For some time now I have anticipated that we would have to face inevitably, inexorably a complete restructuring of the financial institutional framework of reference in our country. Going back to 20 years ago, more than 20 years ago, 23, and the establishment then of several commissions to study the restructuralization of the financial institutions following, subsequent to, 1965, the so-called Hunt Commission was created. It toiled and it issued a report in which recommendations on confronting the advent of technological and societal changes over which no particular society or nation had control.

The explosive nature of technology in the instantaneous electronic communication world changed everything including the transcontinental and even within any confines of a domestic market of any nation the entire nature of banking.

For example, in States such as mine, in the State of Texas, where we have had an inherent, built-in fear of overleaning concentration of financial or banking resources encrusted in our basic State constitution, and the one presently prevailing is called the 1875 Constitution, but it is now containing more than 300 amendments, clearly revealing that again at no time can a legislative body control development of a society or the stagnation of history.

Human beings, as long as alive, are not going to remain static or passive. They are not going to freeze, as I was trying in vain to tell my colleagues here just a year and a half ago, 2 years ago, 3 years ago, when the rallying cry here to bring about some kind of budgetary action was a freeze, a freeze and a freeze on spending, so they said, and I kept reminding my colleagues, as I do tonight, that our country is still very young. It is dynamic, and it is going to continue to grow, and it is not going to be straitjacketed.

Mr. Speaker, if we, the people's representatives, do not keep pace, if we are not sensitive and responsive to these crying needs and changes that are emanating from the midst of the hurly-burly of American life, it will be then that we are performing a disservice and not really performing our functions as our oath of office prescribes us to, and all it says is that we shall perform our duties well and faithfully, besides the basic oath to uphold the Constitution against all enemies, both foreign as well as domestic. That is our first and uppermost oath and requirement. Right with it is that we shall faithfully and well perfom the duties of our office.

Mr. Speaker, I believe that in order to do that, particularly those of us who through assignment here, belong to the committees that have the cutting edge of dealing with these problems, and we pointed out since before 1965, but particularly since 1965, it was obvious that the feeling was being reflected in the formation of, first, in the private sector some of these study commissions, then by the Congress, the construction of some of the commissions such as the Hunt Commission, and the point is that that is history, and it is to no avail to say that, "Well, we told you so."

In the first place, I do not believe in such a thing. I believe that we live for now and the future. The dead hand of the past is the dead hand of the past, and that the wise person in trying to discern what should be done now and what should be done as we go into the future will profit from the lessons learned from the past; I see no evidences tonight as we are on the verge of breaking up and departing in order to terminate the 100th Congress in the history of our Nation.

The last time, last Friday, the time before last, I took this floor and pointed out the utterances of the President that night before in which he indicated that he would be willing to call a special session after our adjournment in order to focus and concentrate on the single issue of aid to the so-called Contras and said that if anything happened, particularly in Nicaragua, but he did not mention El Salvador, where everything is really crumbling now, but he mentioned in Nicaragua, and they have forgotten about Panama, and Gen. Manuel Antonio Noriega, which just a few months ago the President, with great ado, said he should go, and, "I am going to proclaim an embargo on Panama," as he has on Nicaragua before, and has renewed it for this year.

□ 1845

But why would we not be called, inevitably, as I see it, inexorably, unless the emerging crisis, we do not respond to a call that would have to deal with the real issue that is in our midst, and that is the crisis in our financial institutions, the whole framework of reference attendant to it. These others pale into insignificance, and surely the President must have recognized because on the following day of my special order, that is to say on Saturday, the news came out that the President had dropped the idea of pursuing that, that the advisers pointed out even if he did call a special session with the avowed intention of dealing exclusively with Nicaragua, there was nothing to prevent an enlargement or the enlargement of the scope of the dealings and the business that a special session would then dwell on. But it did emphasize in my mind the need to bring to the attention of my colleagues that the 100th Congress, the 99th Congress, the 98th Congress, the 96th Congress and more particularly the 95th Congress, has failed to address and to head off what I see now as an inevitable, a real deep crisis, and that if with the grace of God only we can be vouchsafed some kind of protection from a real uncontrollable crisis, it will not be because of anything that our national leadership had done, it will be just because of the grace of God and his beneficence toward us and our country.

I think it was Bismarck that said once that the way he felt was that God seemed to take care of drunks and the United States. In other words, it shows what I am sure many foreign leaders throughout history have shown, exasperations with the upstart Americans.

But today we are in a different position. Whether we like it or not we have been thrust into a position of responsibility as world leaders. The world has shrunk. We are now bound in a much contracted world by strong steel and electronic bonds of instant communication.

All during World War II, it would have been unthinkable and impossible for us to board an airplane in Washington and a few hours later arrive in London or Paris or in Tokyo, for that matter. But today we take these things for granted. But also concomitant with that has been the internalization of forces that up to now domestically, at least, we had some control, such as interest rates, which in turn are at the heart of the well-being of any society, all through human history, as I have said repeatedly. It is at the heart of the matter. The reason is simple. Interest rate or rates is that mechanism by virtue of which wealth is transferred from one sector of society to another.

The truth is that we have had great instability, this equilibrium in such basic things as the interest rate to the point where such phrases as prime interest rates are really now in an Orwellian sense, completely without any real meaningful significance as compared to 10, 20 years ago.

The truth of the matter is that mostly because of the instability of interest rates, mostly because our country has been flaggelated by extortionist and usurious rates of interest, we have the concomitance and the end results of a real crisis that is going to task the ability and the sense of responsibility and the devotion and duty of every American, and particularly those that are in a position of knowledge and power.

There is no doubt that higher interest rates and the resulting appreciation of the dollar gave rise to the unallowable and just absolutely abhorrent trade deficit or international accounts deficit.

In the first half of the 1980's, we went from a creditor nation. We have gone from the most powerful creditor nation to the most indebted debtor nation in the world. Now, this administration and its leaders and its finance officials seem to think that debt is not a bad thing. But I do not know. Maybe I am old fashioned, and ever since I can remember, and I am a Depression kid, I always learned that a penny saved was a penny earned, in the words of an old English teacher I had, that if we were in debt, we were not free, and so America today is not free to choose its own destiny insofar as its economics, which seems its standard of living, its fiscal and monetary, which are fancy words for tax and credit and money matters. No longer are we the masters of our fate in that respect.

All of this, incredibly, has been done to the triumphant notes of prosperity, so proclaimed by this President and a host of my colleagues. What are the facts? The facts are that because that root cause of uncontrollable extortionist, usurious interest rates and, by the way, and by way of parentheses, for years now I have been accustomed to hearing and having citizens contact me and say they heard me talk and they thought we had usury laws and I would say, no, on a national basis we have not had any since 1865. Those States that so managed to safeguard some form of antiusury laws have been eroded by the impact of the Federal Government's policies where limits have been lifted on most of the significant programs that have everything to do from home purchasing to business transactions, and with the impact of the force in overwhelming force of the Federal level, the States have crumbled and removed, as they have in the State of Texas, all visible protection against usury.

But what are the consequences? Do we have prosperity? This talk on the part of the Federal Reserve Board which has led to actions since this last March in a steady increase in interest rates. Why? Because the Fed managers say there is a danger of inflation. But when have we had deflation in the cost of living? Do we pay less for rent? Do we pay less in-house payments? Do we pay less for groceries? Do we pay less for the vital needs of life or utilities like gas and water? Of course not. They are still going up. So where is the deflation that this administration says it has brought about in the way of reduction of inflation? Where has inflation been reduced in the prime cost of living in our country? I do not see it back home.

I would have a hard time arguing with my constituents when I go back every weekend to tell them they are paying less for these vital necessities of life, the indispensable things. What I have recorded in my office in San Antonio is a good barometer.

ANNOUNCEMENT BY THE CHAIR

The **SPEAKER** pro tempore (Mr. WEISS). If the distinguished gentleman from Texas will yield for an announcement, the Chair would like to announce in addition to the tax measure to be brought up under suspension, two additional measures may be considered, H.R. 3313 and S. 1687.

Lists are available in the Cloakrooms.

I thank the gentleman for yielding.

Mr. GONZALEZ. Mr. Speaker, the fact is we have had a steep transfer of wealth from our more humble and poorer citizens of great proportion to the upper 10 percent, and I have figured that from 1981 to 1988 $130 billion in income will have been shifted from the lower 90 percent of the country's wage earners, this is the index I use, the wage earners, from the lower 90 percent of our country's wage earners to the 10 percent rich and affluent and powerful.

No society, particularly none such as ours in which the last bulwark of democratic society, really even those countries that we tend to say are kissing kin, have never had the kind of class structure that we could compare to our class list up to now, society. But that is the issue. We are now developing permanent subclasses, the lump and proletariat equivalent of Europe

Is that compatible with the sustained endeavor on our part to uphold that tradition and that institutional life force that gave us the more insignificant of citizens, with no particular social position or economic ability, the freedom and the ability and the opportunity to gain election, from the lowest to the highest legislative bodies in our countries? Where else? I doubt it seriously in our mother country, England, certainly France, certainly Germany, where you have built-in class structures, where you have the workers. I doubt seriously if you are a shoemaker in London or in Sussex or in France or in Germany that your daughter or son is going to go to that medical school if he wants to be a doctor. I doubt it very seriously.

We in the United States are confronted at this time with whether or not we in our time will follow the fate of these more over and less structured societies. I have spoken here just within the last 3 weeks about the emerging unity in Europe that we are confronted in 1992 with the realization of a United States of Europe, a single market, with about some 80 million to 90 million more highly cultured, highly trained, well educated citizens. Add to that this phenomenon that I have been trying to address, where we are disunited, where we are not integrating, we are not even responding to what is obviously, what is going to be a force that worldwide challenges the erstwhile position, because world leadership, if not exercised in true leadership form will lapse, vacuum created, and that power will float somewhere else.

At this point, for instance, our biggest banking institutions, the largest bank in the world just 10 years ago was American. Today the largest American financial institution is No. 28 in the world. The stock exchange in Tokyo is 500 percent greater in every line of endeavor than the New York Stock Exchange.

ANNOUNCEMENT BY THE CHAIR

□ 1900

Mr. GONZALEZ [continuing]. Virtually those forces that are external to our shores and over which we no longer have any control are the ones that will compel decisions, even by these powerful entities to whom either through inadvertence, lapse, or abdication the Congresses and Presidents have given to creature agencies such as the Federal Reserve Board which, unfortunately, is a misnomer because it is not a Federal agency. It is the private commercial bank institution.

Today it is controlled by the seven or eight principal banking institutions in our country. There is no question of that.

They determine what the interest rate shall be.

The first five or six of the seven or eight, if we count one that acted temporarily, chairmen of the Federal Reserve Board since I have been in the Congress these 27 years all vehemently and stoutly denied that they had anything to do with interest rate fluctuations, much less any ability to control.

Now lately, of course, they all very proudly admit sure they have the control. They can do that, as we always said they could. We always contradicted the chairmen. Of course they looked down their nose and smoked on occasion—one a pipe, another a cigar—and then looked down condescendingly on the politician saying "Who are you? Why you are just a little old Member of Congress. What do you know about this?"

Nevertheless, we would hold our ground. The record will show in the hearings and proceedings that are now about 20 volumes somewhere that we said, "You haven't answered the question. You have ducked it and you have dodged it. Of course you do." Because the Congress is no longer constitutionally responsible for the coinage or affixing the value of our money.

I have said time and time again, I have asked both publicly here and privately my colleagues to take a dollar bill out of their pockets and see if it does not say "Federal Reserve note." Then I point out to them that when I came to the Congress 27 years ago if you had 10 $1 bills, maybe one was a Federal Reserve note and the others were U.S. Treasury notes.

Now just in that you have the whole story about this tremendous power, and this unaccountable power.

The Federal Reserve Board does not account to the Congress and it does not account to the Presidents even though they appoint them. They are accountable only to those forces from which they emanate, the banks.

So that through the years I have been introducing legislation to bring the Federal Reserve Board back to the nature of the agency or the creature that the Congress created in 1913, with the Federal Reserve Board Act.

Well, that was almost as if somebody was getting insulted. I have not even been able to get a committee hearing with one exception in 1967 when that great fellow Texan, that great American Wright Patman did entertain some discussion on a series of bills, some of which I had cosponsored with him and some of which I had introduced individually.

I had another bill which I introduced and reintroduced through all the Congresses, a bill that would enlarge the membership of the Federal

Reserve Board to include tradesmen, to include members of other financial institutions, not just the banks, to bring in other sections of the country, other elements. Why not have a plain, ordinary businessman? I think the decisions would be radically different, would have been radically different in the 1960's, the critical point where we did not respond to the emerging forces not only internally but worldwide. And the statistics clearly show it.

We talk about prosperity because a claim is made by the administration that during their term of office 9 million jobs have been created. Well, if I were them I would go slow because if we take the prior 5 years, including the 4 Carter years, we had a greater increase in number of jobs created. You had 20 million.

But what were those jobs and what have these jobs been? These jobs have been low wage nonproducing. The producing or manufacturing jobs we have lost just in the last 8 years 3 million, lost forever, permanent, good-paying, producing manufacturing jobs in this country.

There is a direct correlation between the exponential increase in our international trade account, that is our trade deficit, and the loss of these sector jobs, absolutely there is no disputation about that correlation.

But you cannot get anybody to listen as we have not been able to for over 20 years.

The other charge that if there is any malady, and this is what the distinguished chairman of the Federal Reserve Board would come and tell us, he would say, "Well, you all are spenders. If you can control spending." But what was the deficit? The deficit was not even $3 billion or $4 billion. Was it managed? Of course it was managed. As we pointed out to the at least two chairmen of the Federal Reserve Board, we said, "Congress, the U.S. Government up to now has not done anything different but from what all corporate activities do, the big structured corporations very similar to the Government, they all proceed on deficit spending."

They issue bonds, that is they borrow. But as long as their economy is in balance, as long as AT&T is installing telephones and doing business it can handle the debt, it is managing it.

In that case it is not necessarily bad.

We, the ordinary plain living since post-World War II era, we go into debt on installment purchases. This is the only way that we found that with the vast breakthrough after World War II and the production of fiber and artificial fiber and materials, plastics, all of which was totally unknown to our world before World War II. The profusion and variety of colorful wear and habit that you could purchase after World War II with the breakthrough in the polyester fibers and all is something that really has not been recorded except by those who remember how drab it was before World War II and how limited.

But that was mass production which we had before World War II. Henry Ford's famous factory production line, the wonder of the world.

But we also had to have some mass consumption. But after World War II we had to have mass credit availability in order that the American people, the American family could through installment purchases at reasonable interest rates—what were the interest rates that I remember? They were not even 5 percent. Three percent was considered pretty high when I was on the city council between 1953 and 1956 in San Antonio. Any revenue bond issue that was over 3 percent was considered onerous.

What happened? How could Franklin Roosevelt have financed World War II at a time when we were spending 46½ percent of our gross national product on the Federal level, naturally, to wage and win the war. How could he finance that debt at 2 or less percent when we have had Treasury bills go as high as 15 percent? No nation can long endure because you will then get into a vicious compound interest situation and there is no way out of the rathole unless you have one of two things: A repudiation or a moratorium, or what is more apt, a collapse.

You do not have to be a prophet, you do not have to be a big name economist. In fact, if the economists had been this bright I can tell you this, they never have in advance come to the committee and described any kind of situation that should be anticipated. As a matter of fact, the most awesome moment in my experience was in 1971 when we had before the Banking Committee the Secretary of the Treasury, my fellow Texan, former Gov. John Connally, we had the big labor leader, George Meany, and next to him the other great labor leader from the automobile workers, and next to him the chairman of General Foods, and next to him the chairman of GM.

And what were they asking us to do? In the words of the Secretary of the Treasury, and a noted economist, "We are here to ask you to pass this bill unchanged, no amendments whatsoever, not even a comma."

What was that bill? The Economic Stabilization Act of 1971.

In plain ordinary words wage and price controls.

Did any say "You can have aberrations. This is peacetime."? If we had a difficult time during the war to impose wage and price controls, how much more so in time of peace? And how are you going to set a wage and price control without changing the whole structure of our country and going through a Hitlerian or Stalinist or a Mussolini regime in such a complicated encomy as the United States unless you have total control?

I had 5 minutes and I said, "Gentlemen, all I can tell you is this, that this is frightening. It reminds me of the Weimar Republic in Germany. It reminds me of the grand chamber of German economics that came and presented the same kind of thing.

However, this bill that you want us to pass sight unseen and unchanged will give the President more power and more control over all of our economic life, over all corporate activity, than Hilter was ever given, much less Franklin Roosevelt at the height of World War II.

I heard one say "Who is that guy?" Someone else said, "He must be a mad Mexican." But nobody would listen.

So I then had an amendment when we got to markup. The amendment was very simple. It said the President shall account to the Congress through a report as to the administration and progress or lack thereof of the administration of the Economic Stabilization Act every 90 days.

The chairman, my great friend from Texas, Wright Patman, called me in and he said, "Henry, let's not delay things. We want to help our good friend John from Texas." I said "Mr. Chairman, this is one time when I must dissent."

So when I maneuvered with another member of the committee in the Congress at that time who has since left the Congress, a gentleman from California, who for other reasons prided himself on being a conservative.

□ 1915

And he said, "I don't like the government this much." So we pettifogged, and through dilatory tactics we held up the conciliation all during the month of October in 1971, and it was not until October 30 when the chairman finally exploded in my presence and he said, "Henry, we are not going to listen any more. We have just got to go on.

So we rammed the bill through on October 30, 1971. What happened then? It had not been in force 3 months before we had the Administrator, Dr. Dunlap, from that great institution, Harvard, come before us and say, "Well, we have to change."

But by then I had had a meatpacker or a meat processor in San Antonio say, "Henry, what's the matter with you guys? You know I buy meat on the hoof at a certain price. It is not under control. Agriculture is not under control. When I buy it now, I have to pay this. But if I sell it to the processor, that is to Gebhart's Chili Products, who can chili and everything else, they are under control. I am under control. How are they going to pass it on? How are they going to pass it on without some increase in the price of that can of chili, with or without beans?

I said, "That is very interesting."

I had a call from a local banker who said, "Hey, the farmer is not under control, but I am."

Well, here comes Dr. Dunlap, and he says, "Well, that's right, we are going to have to make some adjustments here, there , and everywhere."

Well, of course. No matter how they fiddle-faddled around, the only thing in my opinion—and this is mine; I take responsibility for this opinion, although some of these prominent economists came back later and they never would admit to it—was that that was the way we had to end up, because coupled with that was the fact that they forgot the most important point of what they should have learned, the point that everybody who lived through World War I should have learned and remembered, and that is that just as important as it may be to impose wage and price controls, it is equally, if not more important, that you devise exactly how you are going to lift them, because if you do not, you will have more aberrations and more destructive forces than any good you might have done with the controls.

Sure enough, by 1973 they decided, "Well, let's do something." Now, what was the reason all that array of powerful leaders was giving us to understand that we had something unseen as an emergency? It was that inflation had reached 5 percent believe it or not. So then by 1973, after we had phase I, trying to phase it out, we had phase II, then we had phase III, and we ended up with what then described as stagflation. And we still have it because, as I said a few minutes ago, nowhere in the essentials of life have we really had a decrease, any deflation or any evidence of a deflationary cost of food.

My goodness, I pay $2.39 for a package of ginger cookies that I used to pay 39 cents for, and at the time we passed the Economic Stabilization Act in 1971, I was not paying over 39 cents for that item. Today is over $2.35, if you can get it at that price.

But those are cookies, and they are not essential. So let us take an apple. How much do we pay here in the Northeast for one individual apple, even if we are nearby the Virginia orchards? Well, we used to get apples in 1971, and I could get a dozen apples for less than a dollar. Today you are lucky if you can get them for less than 30 cents each. The same thing is true with oranges.

All right. But those are not necessities. What about pinto beans? Up here in the Northeast, my colleagues probably do not understand much about those, but down in Texas that was a staple food during the Depression. Pinto beans were a very, very staple food. I remember in the Depression when that was all we had three times a day. We would have refried beans in the morning, we would have daldosos, that is, soupy beans, at noon, and we would have some more refried beans at night. I could get a 10-pound sack at the corner grocery store for about 15 cents, maybe less. On sale you could get them for about 10 cents.

Today what do you pay for 4 pounds of pinto beans? Well, that is not a staple food any longer, Is that inexpensive? The reason we ate pinto beans was that it was a great source of nutrition and it was cheap and abundant.

All of these essentials are up in price. What do we do? We are far more precarious in our living in our country than we were in all the bad times of that era 60 years ago from that standpoint. Sixty years ago, when I was 12 years old, I could go to the river or the creek, for that matter, and drink the water. I could fetch the water, bring it in. Today nobody can do that in America. You have to depend on the water company. And what happens if the water supply is cut off, for whatever reason, in a teeming metropolis such as here or those we find in the Northeast or other places in the country?

These are things we had better ponder. We had better look to our own strengthening among us Americans, because at the heart of it is all of this question. And what is the question? Finances. Wage earners are being disproportionately taxed and the rich and affluent are escaping their just share of taxation.

A while ago when I was presiding, I announced that we would have 1 hour's notice on the possibility of bringing up the so-called technical corrections tax bill. Technical corrections to what? To the tax bill that we passed in 1986. But how big are these technical corrections? The bill is this thick.

Have taxes been reduced? I will ask my colleagues that question. Well, we are privileged. Frankly, this is why I styled my addresses to the Members as "My Advice to the Privileged Orders." I took that phrase from a great American patriot, Joel Barlow, who was, among other things, George Washington's troop chaplain. But he was also a great thinker, a pamphleteer, a poet, and a great comrade in arms of Tom Paine, and in many ways perhaps he was a lot more disturbing in his writing than Tom Paine. He addressed a series of essays to the "Privileged Orders of Europe," as some were entitled. He was pointing out what came to light later, and like people who witnessed the Russian Revolution in our century, many people were shaken to the marrow by the French Revolution. Great Britain and other European countries and static societies throughout the world were shaken, and I am sure that the staid upper classes in England must have been quite perplexed.

In the words of one, "The world turned upside down" to see the reprobate Americans become revolutionaries. They were the liberal, radical revolutionaries of that day. They were not the conservatives. George Washington was a revolutionary. Alexander Hamilton, Tom Paine, all of these were revolutionaries, all these fellows were big, flaming liberals. Worse than that, they were radicals, real revolutionaries.

And then there on the Continent across the channel were the French. As one said, they were going mad with the horrible bloodletting of the French Revolution. Instead of the word, "Communist," the word was then "Jacobin." That was the fear that pervaded English society, much as the fear of communism has agitated us and led us to great contortions and aberrations and spasms.

So all of that is tied in, and this is what I wanted to bring out. I do not believe, even though we in our judgment think we have concluded business, that we will be allowed to rest quietly back in our respective districts until those of us who are reelected and come back to form the 101st Congress on January 3, because the situation with respect to our depository institutions is acute. I am the one who has stood up since the beginning of this year and warned about the debacle emerging in the savings and loan industry. In Texas the savings and loan industry is a ward of the Federal Government. The Home Loan Bank Board owns 65 percent of the S&L's in Texas.

But no one here would listen. I asked that a task force be formed. But, of course, we live in a sort of self-contained entity, and my colleagues from other parts of the country thought, "Well, this is a Texan looking out just of for Texas."

But, I said, "This is national. It's not just Texas. Yes, Texas, Oklahoma, and the other oil-producing States are feeling it. These are the first manifestations because of the oil crisis, but it is national. Sooner or later it will be national."

Why would I say that? Well, because since 1977 and 1979, I pointed out that we had reached the point of absurdity if we considered the so-called insurance funds, the FSLIC in the case of the S&L's and the FDIC, the Federal Deposit Insurance Corporation in the case of banks, as actually insurance. I said, "Well, in the first place, in the case of the banks you now have about in excess of a trillion dollars in insured deposits, and all you have in that fund is less than $20 billion.

Now, some things are bound to happen. Either it ought to be called something else or we ought to confront it and we ought to ask, "What was the impact when Congresses went up from $10,000 to $25,000 and then up to $100,000 in so-called insured deposits?"

What about the decision of the Federal Reserve Board to bailout—"nationalize" is what I call it; if this had happened in Mexico, we would say the bank had been nationalized—the great Continental Illinois Bank in Chicago to the tune of some $6 billion? A decision was made, in the opinion of the managers, for the sake of the national interest to go beyond the $100,000 depositor.

Clearly, should we not have been alerted then? What about before that? We saw the manifestations in the three or four money manias that we had been experiencing in the 1970's from the real estate investment trusts. Yes, some came to our attention because of the chicanery and corruption, but what gave rise to that? What about the other money manias, the so-called uninsured money markets which in turn, as we were pointing out, were disintermediating? That is a very fancy banking word for saying that they sucked out funds from other standard orthodox institutions.

When they talk about the S&L crisis and why we should never bail them out, my colleagues forget that that is not what worries me. I am not interested in bailing out a crook. I never have been. In fact, I have exposed some back home and up here.

□ 1930

But what is forgotten is in Texas alone almost a trillion in these home equity resources that these greedy, speculative fingers would love to get their fingers on; this is what would be at risk if the S&L industry—and it is on the verge. It is there. The insurance fund is broke. It is kaput.

Mr. Speaker, are we doing anything about it? Has anybody discussed this on the eve of our leaving? If so, I wish some of my colleagues would bring it to my attention.

Therefore, in anticipation, I have drafted a letter to the gentleman from Texas [Mr. WRIGHT], our distinguished fellow Texan and Speaker of the House, in which I am asking to place this letter in the RECORD at this point.

HOUSE OF REPRESENTATIVES,
Washington, DC, October 18, 1988.

Hon. JIM WRIGHT,
Speaker of the House, The Capitol, Washington, DC.

DEAR MR. SPEAKER: I am grateful that you have given so much time and personal attention to the problems of the thrift industry generally, and the Federal Savings & Loan Insurance Corporation (FSLIC) specifically. Your personal knowledge and concern will serve well as the Congress prepares, as it inevitably must, to deal with the insolvency of the FSLIC.

The problems of the thrift industry are a clear and present danger to the nation's economy. Even though attention is almost exclusively focused on Texas, the industry has significant problems elsewhere. Among other things, the special assessments required to finance FSLIC's existing comments are imposing losses on dozens of otherwise profitable thrifts. Additionally, particularly in Texas, healthy thrifts are being forced to pay high rates for deposits owing to the general lack of confidence in FSLIC's soundness and its inability to deal decisively with insolvent institutions. Prevalence of this so-called Texas premium is another drag upon soundly operated thrifts.

Even though a National Thrift Commission will be appointed within a few days to study the situation and report back at the earliest possible date, there remains a genuine risk that the situation could get out of control prior to the reporting date. As you know, the Chairman of the Federal Home Loan Bank Board has throughout the year, grossly underestimated the cost of resolving problem thrift cases. What had been portrayed as a $15 billion problem, has now become one of at least $50 billion. If estimates of FSLIC income are as overstated as its likely outlays were understated, we have the makings of a truly explosive situation.

I have suggested that FSLIC be afforded a credit of facility of $50 billion, through the United States Treasury. Of that amount, FSLIC would be required to repay as much as possible, but it is clear that at least some portion of that credit would have to be forgiven. This approach would be a much less costly source of funds for FSLIC than is possible through the present operations of its FICO subsidiary. Additionally, the availability of such amounts would enable FSLIC to move decisively rather than continue its present band-aid approach of issuing questionable notes in the hope of insolvent thrifts will some day have their problems cured through the passage of time.

I had hoped the present Congresss would consider a plan of this dimension, but the Administration was unwilling to concede the need, and Congress unable to achieve consensus. However, there remains the possibility of a crisis.

I suggest, Mr. Speaker, that you exert your leadership to devise a contingency plan, in the event of a crisis in the thrift industry. If this were done, you would be prepared and Congress would be prepared to provide resources in case of any crisis that might occur between adjournment of this Congress and commencement of the next.

While I do not like to think an emergency session would be necessary, I do believe the House should be prepared.

With best wishes.

Sincerely,

HENRY. B. GONZALEZ,
Member of Congress.

Mr. Speaker, I say, "I'm grateful that you have given so much time and personal attention to the problems that have emanated from Texas," however, I will go down to the third-to-the-last paragraph where I have suggested that FSLIC be afforded a credit facility of $50 billion.

Yes, that is what I am suggesting, and I did so since August. Everybody was away somewhere, but I took the time to leave my home and come to Washington to announce a plan whereby through a line of credit from the U.S. Treasury, FSLIC, the savings insurance fund, would be allowed to have the money to do what ought to be done and should have been done.

So, Mr. Speaker, it would be a loan just like so many other credit agency functions. It would enable FSLIC to package these deals, and it would safeguard the small S&L's, and we must remember that the S&L's were especially created by the Congress in the forties in order to provide credit for home construction and an affordable home to purchase for the average American family. They were given a special favor by the so-called regulation Q. They could have a little bit of little yield above the banks who did not want to fool around with home mortgages, especially long-term, 30-year, fixed mortgages, which is the only way. This was our mass credit availability for our family in America not to be homeless as they are now, many of them, 30 million to be exact, but to be able to have that American dream which is now a nightmare, and that is the ownership of a home at affordable rates, at affordable prices. But, of course, we have interest rate subsidization and control. That went out, and so the Congress helped expedite this Congress with the 1982 act.

Again, Mr. Speaker, it was very difficult for me, very painful. I was the only one going up and arguing against my own leaders in the committee. I went to the Committee on Rules. I am unreported. I am not saying this in retrospect, so in this letter I am saying, Mr. Speaker, I had hoped that the present Congress would consider a plan of this dimension, but the administration was unwilling to concede the need, Congress is unable to achieve consensus, however, there remains the possibility of a crisis.

Mr. Speaker, I will say more than I am saying in this letter. It is inevitable. There is no question about it. Are we going to stand by and suffer the collapse of the S&L industry? This is imminent. Are we going to stand by and have the vouchsafe word of Congress not honored?

I suggest, Mr. Speaker, that leadership must be exerted to devise a contingency plan. What I am suggesting is be prepared to call a special session in the event of a crisis. If this were done, the Congress would be prepared to provide resources in case of any crisis that might occur between adjournment of this Congress and commencement of the next.

Mr. Speaker, I say this in all earnestness, and I also wish to at this point in the RECORD to add an article appearing in the Dallas Morning News for Wednesday, October 12. It is entitled "Timely S&L Closing Urged," by David Logess. It has a Honolulu dateline, and it quotes Alan Greenspan, the Chairman of the Federal Reserve Board saying, "We better do that," and I ask that that be placed in the Record.

The article follows:

[From the Dallas Morning News, Oct. 12, 1988]

Timely S&L Closings Urged

(By David LaGesse)

Honolulu.—Regulators must quickly close bankrupt savings and loans if authorities are to maintain stability in the nation's financial system, Alan Greenspan, chairman of the Federal Reserve Board, said Tuesday.

Greenspan appeared to criticize public policy that has allowed hundreds of insolvent thrifts to continue operating nationwide.

"There will always be some owners and managers whose fraudulent behavior or simple incompetence puts their institutions at risk," Greenspan said in a speech to the American Bankers Association. Continued volatility in national and international markets will help force those mismanaged institutions into insolvency.

So regulators fully expect bank and thirft failures to continue, though perhaps not at the record levels of recent years, Greenspan said.

"Various sectors of our and the world economy inevitably will experience unexpected changes in supply and demand," he said.

The Federal reserve and the nation's bank and thirft insurance funds can prevent those failures from becoming systemic problems, the Fed chairman said. To do so, "the timely closing of insolvent firms is vital if we are to avoid . . . increased costs to the deposit insurance funds that result when a failed institution is allowed to operate with the public's money."

That remark brought applause from the audience of bankers, who complain of competing with broke savings and loans that have increased the cost of deposits for everyone.

Greenspan also endorsed a government policy of not protecting investors who own banks through holding companies.

In the collapse of First RepublicBank Corp., for example, federal regulators committed billions to sell the company's 41 insured banks. But the government went out of its way to wipe out the owners of First Republic bonds and stock.

"Such efforts correctly focus safety-net protection on the depository institution and provide holding company creditors a strong incentive to control risk-taking at both the bank and holding company level," Greenspan said.

Mr. Speaker, I want to close out by saying that it will not wait, and the reason I am telling you is that the evidences are plain that these institutions are losing customers, and people are beginning to lose faith. We cannot afford to have that turn into a rout. It should not be. It will be a sad day for America, and I say that I am writing to the Speaker and other leaders to think of a possibility of coming back, not to address Contra aid. If the President want to bring that up, fine, but to address a prime, prime matter of prime interest to the further well-being of our country.

Mr. Speaker, I yield back the balance of my time.

FURTHER TRIBUTE TO THE HONORABLE TRENT LOTT

The SPEAKER pro tempore (Mr. Gray of Illinois). Under a previous order of the House, the gentleman from California [Mr. Hunter] is recognized for 60 minutes.

Mr. HUNTER. Mr. Speaker, earlier tonight a number of colleagues of the gentleman from Mississippi [Mr. Lott] rose and talked about him and his remarkable career in the House of Representatives, and, now that he is moving on to the U.S. Senate, it is fully appropriate that all of his friends and colleagues gathered and talked, and several of us had a few things to say and did not have an opportunity because of the lack of time, and the gentleman from Pennsylvania [Mr. Schulze], my good friend, is there and several other Members who would like to say a few things about that guy from Mississippi, Trent Lott.

Mr. Speaker, when I came here in 1980, I remember campaigning initially and coming into Washington to try to win friends and win support for my race in San Diego, CA. One of the people who really gave me some great advice and helped me tremendously was the gentleman from Mississippi [Mr. Lott] because Trent Lott, maybe more than any other politician of his time, was interested in changing and broadening the Republican Party and making it truly the party of the people, the party of working Americans, a party that could command a national majority. Because of that Trent Lott helped many new candidates who are out on the campaign trail, and I was one of those people, and I wanted to thank him tonight for doing that, to thank him publicly and personally.

Mr. Speaker, I think along with the gentleman from New York [Mr. Kemp] that the gentleman from Mississippi [Mr. Lott] had been responsible for making our party the party of working America, the party of economic opportunity, and he was on the cutting edge of change because in Mississippi in his own district Republicans had not won for many, many years until leaders like Trend Lott showed that perhaps the other party was moving away from the values that the party, the Democrat Party had cherished under F.D.R., and Harry Truman and other Democrat leaders and was moving somewhat to the left, and Trent Lott could see that, and he moved Mississippi to understand that peace through strength is important, that very important platform that George Bush is campaigning on today.

Mr. Speaker, we largely owe the success of the Reagan administration to a lot of strong conservatives in this House of Representatives, not the least of whom is the gentleman from Mississippi [Mr. Lott]. I can remember standing on the House floor with Trent and watching him lead our party in debate on the importance of helping countries that would be free around the world, the freedom fighters in Nicaragua, the Mujahedin in Afghanistan, the people who struggle with Mr. Svaimbi in Angola against the Cuban expeditionary force. Because of Trent Lott and his leadership and a lot of other good Americans in this Congress, we have rolled back the Soviet Union, and we have an era in which we see Soviet troops departing Afghanistan, and we have Cuban troops on the verge, we are told, of departing Angola, and we have some real hopes around the world.

The gentleman from Mississippi [Mr. Lott] was leader in developing the idea in the U.S. Congress that America should only negotitate from a position of strength, and he did that very effectively.

My colleagues know that in the area of economic expansion the gentleman from Mississippi [Mr. Lott] was a guy who stood with the gentleman from New York [Mr. Kemp] and induced Americans who maybe were not wealthy, were not prosperous, to vote with our party because our party presented the real opportunity for all Americans to move up the economic ladder. I think he, as much as the gentleman from New York [Mr. Kemp] was responsible for people who carry lunch buckets coming into our party, voting for us, at least on the national level, and really seeing to it that the great economic expansion programs like the tax cut that was passed in 1981 got through.

Mr. Speaker, the gentleman from Mississippi was a leader in that area. He brought the average American into the Republican Party, and I think for that we owe him a debt of gratitude.

He is going to be a good Senator, and, gosh knows, Mississippi has had one of the finest in the great John Stennis who really embodies the tradition of the conservative Democrat, one of the most important political figures in our country, and his career has been a real piece of history for all Americans, not just Mississippians, to look at and to revere. Trent Lott is going to fill those big shoes of John Stennis. We wish him Godspeed.

My colleagues know that I am from San Diego, and we are a naval town. We specialize in and one of our industries is shipbuilding and repair, and there is nobody who moves ships into his home port in Pascagoula like Trent Lott. I can say to my colleagues that when he, as I on the west coast, we even look to some of our sailing ships to make sure they are still in the harbor. I guess the message for Mississippi is that Trent Lott means ships for Pascagoula, and it has been a pleasure and a challenge, I can say to my colleagues, to compete with Trent over the years and try to see to it that he does not take the entire U.S. Navy into Pascagoula for overhaul.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. SCHULZE], a long-time friend of the gentleman from Mississippi [Mr. LOTT].

Mr. SCHULZE. Mr. Speaker, I thank the gentleman from California [Mr. HUNTER] for yielding, and I would like to join in this tribute to our colleague, although we do believe he will perhaps be moving down to the other end of the hall and not really leaving us for good.

Mr. Speaker, I could not pass up the opportunity to just reminisce for a second about when I first came to Congress. The gentleman from Mississippi [Mr. LOTT] seemed to me to symbolize the New South. He was bright, young, intelligent, articulate and the type of individual any of us would be happy to have represent us in such a legislative body.

Also, sometimes forgotten is that he is a very dedicated family man with his wife, Trisha, who is a marvelous lady, who complements him well, who is hard-working, and sincere and does a marvelous job for him when he cannot make an appearance. She fills in. His devotion to his children, both Chet and Tyler, is outstanding. If any of my colleagues want to get TRENT off a legislative topic, just ask him how the kids are doing, and he just brightens up and will spend about half an hour telling you what the youngsters are up to, and they are both marvelous children and extremely successful.

Mr. Speaker, we are going to miss the gentleman from Mississippi [Mr. LOTT] here. I had the opportunity to do some traveling with both TRENT and Trish from time to time over the 14 years that I have been associated with him and, as well, served among his whip organization, and so we did a lot of work together.

Mr. Speaker, I feel better off for having been associated with the gentleman from Mississippi [Mr. LOTT] over the years. He is a marvelous legislator. He is a dedicated human being and a great family man. And he will take those attributes with him to the Senate, and my colleagues know the old saying is that he makes both bodies better, but he certainly will enhance that body by his very presence of being there. Although we do not see as much of Senators as we do our colleagues in the House, we would hope from time to time we will see him.

In fact, Mr. Speaker, I think that maybe someday we will see the gentleman from Mississippi [Mr. LOTT] on a much higher scale on the national level. He is that type of individual. He is young enough and has enough of a good background that he may someday be a national candidate in this Nation, and we would probably be very well served if he were.

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Mr. HUNTER. Mr. Speaker, if the gentleman will let me take back a minute of my time, I would like to reminisce with the gentleman about the Lott Gallup polls that TRENT would take coming back from a break. All the members of the whip organization would sit around and TRENT would do district by district and ask us what was happening in the United States and what were the issues of the day, and how did our people feel.

You know, it was interesting that he could take all information and absorb it and you could see later that was manifested in his position on issues, the way he approached issues, and made the Republican program an appealing program to the American people by taking that very informal whip poll and developing an excellent vehicle for us to move our legislation.

Does the gentleman recall those sit around discussions?

Mr. SCHULZE. Mr. Speaker, the gentleman is correct and, of course, that is part of the quality of leadership, that is part of his ability to be attractive to his colleagues, and why we think so much of him. He did have that ability.

He also had the ability in a political sense to understand the flow of legislation in this House and to understand where the Members were coming from, usually the Members on both sides of the aisle.

I know there were oftentimes when he would defend a Member's position at the White House or at some of the Departments or Cabinet-level positions, defend the positions of the Members of the House in opposition to perhaps the position of the White House at the time, but he did it in a very articulate manner and did it in a way which made us proud to be associated with him.

Mr. HUNTER. The gentleman is absolutely right. TRENT LOTT never asked anybody to fall on their sword and he always defended the rights of an individual, of an individual Representative, to exercise the prerogative of simply representing that very strong feeling coming from his district, and when you had to match up a district, the feelings in a district, the sentiment in a district with perhaps the position of the Republican leadership in the House or in the White House, TRENT LOTT always remembered that Representatives are truly Representatives and represent the people.

Mr. SCHULZE. I also had the privilege of quail hunting with TRENT LOTT one time. I can tell you that he is a marvelous shot and was a great man with a shotgun and made some very tough shots on some quail. He enjoyed the outdoors. He enjoyed the fresh air and sunshine and walking through the woods, hunting with a dog.

I guess it is a tribute to Mississippi. There are probably an awful lot of sportsmen and outdoorsmen in Mississippi and he is probably typical of that breed.

Mr. HUNTER. I always had the impression that the only way you could take guns away from Mississippians would be to pry them out of their cold hands.

You know, in south Texas they have a saying for the big deer up there. They call the big deer, that is a big 12-point buck with a 25-inch spread and big high tines, the kind of deer that hunters dream of in that west Texas country in that mesquite, they call them "muy grande." They even have a muy grande deer contest where you bring in the biggest deer and see who bagged the biggest deer.

I have always thought of TRENT LOTT as kind of the muy grande of legislators.

Mr. SCHULZE. Mr. Speaker, I would be inclined to agree with that. He walks proudly, as a big buck does. He does prevail in all that he surveys and does a great job for all of us.

Mr. Speaker, to conclude my remarks, I will insert the following statement:

Mr. Speaker, I rise to pay tribute to my colleague, TRENT LOTT of Mississippi, on the occasion of his pending departure from the House of Representatives. He will be sorely missed by those in the House who have had the opportunity of knowing, and working with, this accomplished statesman and leader.

TRENT began his career of service to his home State when, after receiving his bachelor's degree in public administration from the University of Mississippi, he accepted a position as the university's field representative. While working in this capacity, TRENT earned his J.D. degree from the University of Mississippi Law School and began practicing law in his home town of Pascagoula.

In 1968, TRENT accepted the position of administrative assistant to his predecessor, the late Congressman William M. Colmer. After serving the citizens of the Fifth District of Mississippi in that capacity for 4 years, he was elected to the 93d Congress.

TRENT first served on the Judiciary Committee where he took part in the historic watergate impeachment proceedings. In 1975 he won an appointment to the Committee on Rules, where he now serves as ranking Republican on the Subcommittee on Legislative Process. His position on the Rules Committee gives him the opportunity to critically scrutinize and control proceedings on key legislation prior to its introduction on the House floor.

As Republican whip, TRENT has served his party well. He has worked endlessly to develop a highly educational and extensively effective information system which has greatly enhanced Republican unity. TRENT has truly gained the respect of his colleagues, and through his diligence and hard work, has emerged as an experienced and distinguished statesman.

I have had the privilege of knowing and working with TRENT for many years. His work in the House has benefited both his Mississippi constituents and the entire Nation. I would like to take this opportunity to bid TRENT farewell and wish him continued success in both public and private life.

Mr. HUNTER. Mr. Speaker, I think it is not time to yield to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I think I will ask the gentleman from Pennsylvania to revise and extend his remarks, especially about TRENT LOTT being a pretty good shot on that quail.

I thank my good friend, the gentleman from California [Mr. HUNTER], for taking out this time for us to say a few words in tribute to TRENT LOTT. I am sorry to see TRENT leave these green pastures for the ones across the mall. No doubt once TRENT is in there, the Senate will become a little more energetic and certainly it will be quicker with a quip. But we in the House will be the less for his absence.

TRENT has done an outstanding job for our party and for his constitutents in Mississippi. Holding the whip's job is far from easy. But when you have got the skills of a TRENT LOTT, the affability and wit of a TRENT LOTT, and the energy and commitment of a TRENT LOTT, you have got more than enough.

As a friend I have nothing but the highest regrad for TRENT, and as a colleague I have the greatest respect and admiration for the way he has helped lead this Congress over the past 8 years. We've spent a great deal of time together, especially since TRENT became whip. I can think of many times when we would journey over to the White House for meetings with the President, and TRENT would always speak his piece. Even when he would disagree with the President, TRENT would look the President right in the eye and say so.

Here in the Halls of Congress TRENT could always be seen using his great powers of persuasion on legislation. Coming from different parts of the country, and having different ideas, we did not always agree. But we did it with out being disagreeable. But part of his leadership has been in understanding and working with the differences that invariably arise amongst Members. I have appreciated that, and I place high value upon it, and I know it will serve him extremely well when he enters that other deliberative body.

So good luck, TRENT. After working on the Rules Committee for your 16 years in the House, I hope you will bring some better order to the Senate. Our loss is their gain, but I am happy that all of "old Miss" will soon have the benefit of your service.

Mr. HUNTER. Mr. Speaker, I thank the distinguished gentleman from Massachusetts for his comments about TRENT LOTT.

Mr. Speaker, I am happy to yield to the gentlewoman from Maryland [Mrs. BENTLEY], the very distinguished leader from Maryland.

Mrs. BENTLEY. Mr. Speaker, I thank the gentleman from California for taking this time to pay tribute also to our great leader, TRENT LOTT, and to wish him Godspeed.

I am at a disadvantage with the gentleman from California [Mr. HUNTER], namely, I am not a hunter, as is the gentleman from California and the gentleman from Massachusetts [Mr. CONTE] and the rest of them were laughing about some of the hunting down in old Mississippi, and I do not know any of the old tales about TRENT LOTT, but from a 4-year vantage, I can say that I have come to know and to respect TRENT LOTT as a legislator, as a minority whip, and most of all as a fighter for his party, and as a man. He has been the very model of what used to be known as the southern gentleman.

He has never been too busy to help new Members in their bewilderment in their new surroundings, and I think a number of the new Members testified to that today.

Whether it is legislative matter, an intraparty concern, a question of office organization, TRENT always has been available, whether it is for a senior Member or for a freshman Member.

He and I have fought the battle, the battle of saving our shipyards together, and trying to figure out how we can get business away from southern California.

TRENT has always understood the need of this country for a shipbuilding capability, for maintaining a skilled labor base. I think that is something we are all fighting for, to make sure that we have the skills in this country not only for construction, but for maintenance and repair of the ships that we have.

I am so delighted that we are going to have somebody on the other side who understands this as thoroughly as TRENT LOTT does.

The gentleman from New York [Mr. MARTIN] pointed out earlier today how the gentleman from Mississippi [Mr. LOTT] always listens intently to the other Members. So I say that it is wonderful that we do not have to say goodbye to him, but instead to wish him well on the other side of the dome.

It is also a comfort to know that his knowledge and his fighting spirit will still be available to us and the country.

With that, I want to say to TRENT and his family, "Don't forget us on this side of the dome," and always, Godspeed, TRENT.

Mr. HUNTER. Mr. Speaker, I thank the gentlewoman.

Mr. Speaker, I yield to the gentleman from Ohio [Mr. ECKART].

Mr. ECKART. Mr. Speaker, I thank my friend for yielding to me.

Mr. Speaker, I am sure there is ample support on this side of the aisle to comment and to commend TRENT's career in the House.

I was elected in 1980 and was elected as my freshman class whip. One of the first folks that I sat down to visit with after I was lectured thoroughly by our leadership was my colleague, the gentleman from Mississippi, simply because I though it was appropriate to develop that kind of a relationship so that we understood each other.

I have to say, throughout my time that I have worked here, while we have disagreed on certain votes, he has always characterized, he has always comported himself, and he has already represented the best interests of what we believe democracy should be.

I want to commend him on his career and I want to thank the gentleman for taking this time for those of us who have enjoyed a good working relationship with him, and let the record know that beyond partisanship, beyond geography, sometimes beyond philosophy, we find him to be a man with whom we can work, whose judgment we can trust, and who has the respect of his peers.

Mr. HUNTER. Mr. Speaker, I am happy now to yield to that great outdoorsman and guardian of Alaska's people and resources, the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Speaker, I thank the gentleman from California [Mr. HUNTER] for yielding to me.

Mr. Speaker, we are here and it is a pleasure to recognize the contributions, the friendship, and the respect that TRENT LOTT has gained from this body while he is still alive. Many times as we give these accolades to people, they have gone to the Lord's making, and yet TRENT is alive and well and will do a great job on the Senate side.

I do not know how many of you realize that when you are a Congressman from a single State how important it is to have access to the leadership on both sides of the aisle so that you can express your point of view, but also the differences that we have in that great State of Alaska, be it whales and the problems they have or be it land and the problems we have had in the State of Alaska, any time I have picked up the phone and talked to TRENT LOTT he always said, "Wolfman, what can I do for you?" He always said, "What can I do for you?" And that is a strong sign of good leadership and generating loyalty when it is needed.

So to Trent and his family, as mentioned before, we are not losing you. You are going to the other side, we are not sure why, but I am sure you will add a great deal to that body, as you have added to this body on the House side.

I am sure even after you get over there in that rarefied air, if I pick up the phone, Trent is going to say, "What can I do for you, Wolfman?" I am going to be again as proud of him then as I am now.

Mr. HUNTER. Mr. Speaker, I thank the distinguished gentleman.

The gentleman brought up the point that when Trent Lott would go to the White House for leadership meetings and one of us asked him to be our advocate, he was, and pretty soon we would get a call back, whether it was Don Regan or whoever, Trent would have at least made the point. Perhaps he would not have prevailed, but he always carried the message and made the point for us. He was our advocate, and for that we thank him very much.

I agree with the gentleman from Alaska. I am going to be calling on him also in the Senate to help us with our problems here. It is only a couple hundred feet walk down there and we will just take that walk and talk with our friend.

Mr. Speaker, let me just say one or two things in closing about Trent Lott.

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We see Members of this body with their children, and we can see reflected in their children all the character and characteristics of their parent. It was always interesting to me and inspiring to me to see Chet, who often accompanied Trent when they got a few minutes to break away and go out in the outdoors hunting or fishing in that great Mississippi tradition, to see that Chet, Trent's son, had all those great characteristics that Trent had of high intelligence and the ability to communicate and be a good friend, a good comrade.

I once watched Trent in a political debate in a little political argument one time in a kind of unusual forum, and I was pleased to see Chet intervene in the debate and carry the debate for his father and carry it with eloquence and with that great Trent Lott intelligence and strong advocacy for that particular position and in watching Chet pick up the cudgel and enter the debate and espouse a conservative point of view.

I could see that truly here was a chip off the old block that, in fact, all of Trent Lott's great characteristics that make him a great whip on the House floor and make him a real leader, and as the gentleman from Alaska and the gentleman from Pennsylvania said, a person we can and we will see in national office someday, all those great characteristics were exemplified by his children, and that truly is about the greatest comment one can make, I think, about any individual in this House or even in the other body is how they treat their children and how their children turn out. Trent Lott has a wonderful, wonderful family.

We will close now, unless anybody else has something they would like to say about Trent Lott. We wish him Godspeed, and we know he is going to be successful in his quest for the Senate. A lot of us will be taking that walk—it is only a couple of hundred feet—to continue to confer and ask for leadership from our friend, Trent Lott.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one if its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2707. An act to amend the Disaster Relief Act of 1974 to provide for more effective assistance in response to major disasters and emergencies, and for other purposes;

H.R. 2839. An act to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, to simplify the boundaries of the Goshute Reservation, and for other purposes; and

H.R. 4362. An act to amend section 3 of the Act of June 14, 1926, as amended (43 U.S.C. 869-2), to authorize the issuance of patents with a limited reverter provision of lands devoted to solid waste disposal, and for other purposes.

The message also announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 168. Concurrent resolution to correct the enrollment of H.R. 5043;

S. Con. Res. 169. Concurrent resolution to authorize a correction in the enrollment of S. 1382; and

S. Con. Res. 170. Concurrent resolution directing the clerk of the House of Representatives to make corrections in the enrollment of H.R. 3911.

RETIREMENT OF LARRY FILSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. Rostenkowski] is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, with greater regret, I must inform my colleagues of the retirement of one of the finest staff people ever to serve the U.S. House of Representatives. Larry Filson, the deputy legislative counsel in the Office of Legislative Counsel, will be leaving at the end of this year after nearly 40 years on Capitol Hill. I've waited to the very end of the 100th Congress to make this announcement, and thank him for his service, because I hoped he might change his mind. Well, I'm afraid he hasn't and it's hard to imagine the 101st Congress without him.

The Office of Legislative Counsel is one of the most important and respected on Capitol Hill. It is there that the decisions of the Members of the House are translated into the language of the law. The Office of Legislative Counsel enjoys a reputation for professionalism, nonpartisanship, and dedication that is unrivaled in Washington. Larry Filson helped establish the Office's tradition of excellence.

A graduate of Park College and Columbia Law School, Larry joined the Office of Legislative Counsel on October 1, 1949. He was promoted to assistant counsel in 1952 and became deputy counsel in 1972. Larry has drafted legislation in all areas of Federal law, using in his early days a now antique Royal manual typewriter.

His work speaks for itself. A sampler of the landmark laws that reflect his drafting skill would include—

First, all of the major Social Security laws since 1954, including the original Medicare, Medicaid, and supplementary security income laws;

Second, the National Aeronautics and Space Act of 1958;

Third, the Congressional Budget Act;

Fourth, Gramm-Rudman-Hollings; and most recently

Fifth, the Family Support Act.

The tools of Larry's trade are a sharpened pencil, an encyclopedic knowledge of the law, a healthy irreverence, and a love for the legislative process.

His self-effacing style masks a firm determination to make the laws that we pass work. Over the years, countless Members and their legislative assistants have not only been helped, they've been saved because of Larry's expertise. Many a stalled legislative drafting session has been salvaged by Larry taking a puff on his pipe and saying, "I think what you're really trying to do is this." As if by magic, the right words would appear.

Mr. Speaker, Larry Filson's career on Capitol Hill is an example of public service at its finest. I know that all of my colleagues join me in thanking him for his service and in wishing him all the best.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. Davis] is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, I was unavoidably forced to return to my home district on Wednesday, October 21, 1988, and missed two recorded votes.

Were I able to be present on the floor, I would have voted "nay" in rollcall 449 on House Resolution 587, the rule under which S. 2752 was considered. I would have also voted "nay" on the passage of S. 2752 in rollcall No. 450.

RETIREMENT OF ROBERT E. ALLEN, HOUSE ENROLLING-DIGEST CLERK

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COELHO. Mr. Speaker, as we near the close of this historic 100th Congress, I want to bring to the attention of Members that this sine die adjournment will be the last "working" adjournment for one of our long time dedicated and loyal House employees. House Enrolling-Digest Clerk Robert E. Allen is retiring at the end of this year after 27 years of Government service, over 22 of which have been with the House of Representatives.

Bob began his Government service at the Government Printing Office. In 1966, he joined the staff of the House Daily Digest Office where his father, Jerry Allen, had previously served as the House Daily Digest editor from 1947 until his retirement in 1965.

Less than 2 years later the then Clerk of the House named Bob House Enrolling Clerk, and in 1968 combined the two offices—Enrolling and Digest—so that for over two decades Bob has been quietly and expertly overseeing these two important functions for the Clerk of the House. As Enrolling-Digest Clerk, Bob has been responsible for the preparation, printing, and proofreading of House-passed legislation and communications requiring transmittal to the Senate or the President, and the daily compilation of House legislative proceedings for printing in the Daily Digest section of the Congressional Record.

We often joke that no one really reads everything we pass around here, but for almost 22 years Bob and his staff have done just that—every word, every punctuation mark, and every indentation in every House-passed bill—oftentimes reading them twice, first in the proofreading of the engrossed bill for transmittal to the Senate and again as an enrolled bill for transmittal to the President.

Particularly at this time of year just before a sine die adjournment, the engrossing and enrolling of the mass of legislation that accumulates is crucial in expediting the legislative process and fulfilling the intent of the Congress. Bob enjoys an enviable reputation among his colleagues and Members alike because he has mastered the art of remaining in control of the situation in the eye of this legislative hurricane, while responding to innumerable inquiries, preparing engrossments for the Senate, proofreading enrolled bills, and dealing with the many details involved in these tasks. An Enrolling Clerk needs to have the eye of an eagle, the stamina of a dynamo, and the patience of a saint. Within the bounds of human frality, Bob Allen has achieved all three. His coolness, expertise, and craftsmanship under trying circumstances are well known and appreciated.

Perhaps "craftsmanship" would best describe Bob's professional contribution. In the new age of computer printing, his knowledge of printing style and techniques will be sorely missed. He is one of a vanishing breed of public servants who has brought to bear his total experience with the printed word on the business of serving the Congress, the President, and the American people.

Soon now, Bob will have the time to play more golf, split wood for his fireplace, visit his three children and one grandchild who now reside in Colorado, and enjoy a well-earned retirement in the company of his lovely wife, Charlotte. But those he leaves behind will miss his humor, his strength, and his expertise.

On behalf of the membership of the House of Representatives and the many staff people who have had the advantage of working with you, Bob, we extend our high esteem, respect, and appreciation for a job well done.

FEDERAL CAVE RESOURCES PROTECTION ACT OF 1988

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1975) to protect cave resources on Federal lands, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment: Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Federal Cave Resources Protection Act of 1988".

SEC. 2. FINDINGS, PURPOSES, AND POLICY.

(a) Findings.—The Congress finds and declares that—

(1) significant caves on Federal lands are an invaluable and irreplaceable part of the Nation's natural heritage; and

(2) in some instances, these significant caves are threatened due to improper use, increased recreational demand, urban spread, and a lack of specific statutory protection.

(b) Purposes.—The purposes of this Act are—

(1) to secure, protect, and preserve significant caves on Federal lands for the perpetual use, enjoyment, and benefit of all people; and

(2) to foster increased cooperation and exchange of information between governmental authorities and those who utilize caves located on Federal lands for scientific, education, or recreational purposes.

(c) Policy.—It is the policy of the United States that Federal lands be managed in a manner which protects and maintains, to the extent practical, significant caves.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) Cave.—The term "cave" means any naturally occurring void, cavity, recess, or system of interconnected passages which occurs beneath the surface of the earth or within a cliff or ledge (including any cave resource therein, but not including any vug, mine, tunnel, aqueduct, or other manmade excavation) and which is large enough to permit an individual to enter, whether or not the entrance is naturally formed or manmade. Such term shall include any natural pit, sinkhole, or other feature which is an extension of the entrance.

(2) Federal lands.—The term "Federal lands" means lands the fee title to which is owned by the United States and administered by the Secretary of Agriculture or the Secretary of the Interior.

(3) Indian lands.—The term "Indian lands" means lands of Indian tribes or Indian individuals which are either held in trust by the United States for the benefit of an Indian tribe or subject to a restriction against alienation imposed by the United States.

(4) Indian tribe.—The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in, or established pursuant to, the Alaska Native Claims settlement Act (43 U.S.C. 1601 et seq.).

(5) Cave resource.—The term "cave resource" includes any material or substance occurring naturally in caves on Federal lands, such as animal life, plant life, paleontological deposits, sediments, minerals, speleogens, and speleothems.

(6) Secretary.—The term "Secretary" means the Secretary of Agriculture or the Secretary of the Interior, as appropriate.

(7) Speleothem.—The term "speleothem" means any natural mineral formation or deposit occurring in a cave or lava tube, including but not limited to any stalactite, stalagmite, helictite, cave flower, flowstone, concretion, drapery, rimstone, or formation of clay or mud.

(8) Speleogen.—The term "speleogen" means relief features on the walls, ceiling, and floor of any cave or lava tube which are part of the surrounding bedrock, including but not limited to anastomoses, scallops, meander niches, petromorphs and rock pendants in solution caves and similar features unique to volcanic caves.

SEC. 4. MANAGEMENT ACTIONS.

(a) Regulations.—Not later than nine months after the date of the enactment of this Act, the Secretary shall issue such regulations as he deems necessary to achieve the purposes of this Act. Regulations shall include, but not be limited to, criteria for the identification of significant caves. The Secretaries shall cooperate and consult with

one another in preparation of the regulations. To the extent practical, regulations promulgated by the respective Secretaries should be similar.

(b) IN GENERAL.—The Secretary shall take such actions as may be necessary to further the purposes of this Act. Those actions shall include (but need not be limited to)—

(1) identification of significant caves on Federal lands:

(A) The Secretary shall prepare an initial list of significant caves for lands under his jurisdiction not later than one year after the publication of final regulations using the significance criteria defined in such regulations. Such a list shall be developed after consultation with appropriate private sector interests, including cavers.

(B) The initial list of significant caves shall be updated periodically, after consultation with appropriate private sector interests, including cavers. The Secretary shall prescribe by policy or regulation the requirements and process by which the initial list will be updated, including management measures to assure that caves under consideration for the list are protected during the period of consideration. Each cave recommended to the Secretary by interested groups for possible inclusion on the list of significant caves shall be considered by the Secretary according to the requirements prescribed pursuant to this paragraph, and shall be added to the list if the Secretary determines that the cave meets the criteria for significance as defined by the regulations.

(2) regulation or restriction of use of significant caves, as appropriate;

(3) entering into volunteer management agreements with persons of the scientific and recreational caving community; and

(4) appointment of appropriate advisory committees.

(c) PLANNING AND PUBLIC PARTICIPATION.—The Secretary shall—

(1) ensure that significant caves are considered in the preparation or implementation of any land management plan if the preparation or revision of the plan began after the enactment of this Act; and

(2) foster communication, cooperation, and exchange of information between land managers, those who utilize caves, and the public.

SEC. 5. CONFIDENTIALITY OF INFORMATION CONCERNING NATURE AND LOCATION OF SIGNIFICANT CAVES.

(a) IN GENERAL.—Information concerning the specific location of any significant cave may not be made available to the public under section 552 of title 5, United States Code, unless the Secretary determines that disclosure of such information would further the purposes of this Act and would not create a substantial risk of harm, theft, or destruction of such cave.

(b) EXCEPTIONS.—Notwithstanding subsection (a), the Secretary may make available information regarding significant caves upon the written request by Federal and State governmental agencies or bona fide educational and research institutions. Any such written request shall, at a minimum—

(1) describe the specific site or area for which information is sought;

(2) explain the purpose for which such information is sought; and

(3) include assurances satisfactory to the Secretary that adequate measures are being taken to protect the confidentiality of such information and to ensure the protection of the significant cave from destruction by vandalism and unauthorized use.

SEC. 6. COLLECTION AND REMOVAL FROM FEDERAL CAVES.

(a) PERMIT.—The Secretary is authorized to issue permits for the collection and removal of cave resources under such terms and conditions as the Secretary may impose, including the posting of bonds to insure compliance with the provisions of any permit:

(1) Any permit issued pursuant to this section shall include information concerning the time, scope, location, and specific purpose of the proposed collection, removal or associated activity, and the manner in which such collection, removal, or associated activity is to be performed must be provided.

(2) The Secretary may issue a permit pursuant to this subsection only if he determines that the proposed collection or removal activities are consistent with the purposes of this Act, and with other applicable provisions of law.

(b) REVOCATION OF PERMIT.—Any permit issued under this section shall be revoked by the Secretary upon a determination by the Secretary that the permittee has violated any provision of this Act, or has failed to comply with any other condition upon which the permit was issued. Any such permit shall be revoked by the Secretary upon assessment of a civil penalty against the permittee pursuant to section 8 or upon the permittee's conviction under section 7 of this Act. The Secretary may refuse to issue a permit under this section to any person who has violated any provision of this Act or who has failed to comply with any condition of a prior permit.

(c) TRANSFERABILITY OF PERMITS.—Permits issued under this Act are not transferable.

(d) CAVE RESOURCES LOCATED ON INDIAN LANDS.—(1)(A) Upon application by an Indian tribe, the Secretary is authorized to delegate to the tribe all authority of the Secretary under this section with respect to issuing and enforcing permits for the collection or removal of any cave resource, or to carrying out activities associated with such collection or removal, from any cave resource located on the affected Indian lands.

(B) In the case of any permit issued by the Secretary for the collection or removal of any cave resource, or to carry out activities associated with such collection or removal, from any cave resource located on Indian lands (other than permits issued pursuant to subparagraph (A)), the permit may be issued only after obtaining the consent of the Indian or Indian tribe owning or having jurisdiction over such lands. The permit shall include such reasonable terms and conditions as may be requested by such Indian or Indian tribe.

(2) If the Secretary determines that issuance of a permit pursuant to this section may result in harm to, or destruction of, any religious or cultural site, the Secretary, prior to issuing such permit, shall notify any Indian tribe which may consider the site as having significant religious or cultural importance. Such notice shall not be deemed a disclosure to the public for purposes of section 5.

(3) A permit shall not be required under this section for the collection or removal of any cave resource located on Indian lands or activities associated with such collection, by the Indian or Indian tribe owning or having jurisdiction over such lands.

(e) EFFECT OF PERMIT.— No action specifically authorized by a permit under this section shall be treated as a violation of section 7.

SEC. 7. PROHIBITED ACTS AND CRIMINAL PENALTIES.

(a) PROHIBITED ACTS.—

(1) Any person who, without prior authorization from the Secretary knowingly destroys, disturbs, defaces, mars, alters, removes or harms any significant cave or alters the free movement of any animal or plant life into or out of any significant cave located on Federal lands, or enters a significant cave with the intention of committing any act described in this paragraph shall be punished in accordance with subsection (b).

(2) Any person who possesses, consumes, sells, barters or exchanges, or offers for sale, barter or exchange, any cave resource from a significant cave with knowledge or reason to know that such resource was removed from a significant cave located on Federal lands shall be punished in accordance with subsection (b).

(3) Any person who counsels, procures, solicits, or employs any other person to violate any provisions of this subsection shall be punished in accordance with section (b).

(4) Nothing in this section shall be deemed applicable to any person who was in lawful possession of a cave resource from a significant cave prior to the date of enactment of this Act.

(b) PUNISHMENT.—The punishment for violating any provision of subsection (a) shall be imprisonment of not more than one year or a fine in accordance with the applicable provisions of title 18 of the United States Code, or both. In the case of a second or subsequent violation, the punishment shall be imprisonment of not more than 3 years or a fine in accordance with the applicable provisions of title 18 of the United States Code, or both.

SEC. 8. CIVIL PENALTIES.

(a) ASSESSMENT.—(1) The Secretary may issue an order assessing a civil penalty against any person who violates any prohibition contained in this Act, any regulation promulgated pursuant to this act, or any permit issued under this Act. Before issuing such an order, the Secretary shall provide such person written notice and the opportunity to request a hearing on the record within 30 days. Each violation shall be a separate offense, even if such violations occurred at the same time.

(2) The amount of such civil penalty shall be determined by the Secretary taking into account appropriate factors, including (A) the seriousness of the violation; (B) the economic benefit (if any) resulting from the violation; (C) any history of such violations; and (D) such other matters as the Secretary deems appropriate. The maximum fine permissible under this section is $10,000.

(b) JUDICIAL REVIEW.—Any person aggrieved by an assessment of a civil penalty under this section may file a petition for judicial review of such assessment with the United States District Court for the District of Columbia or for the district in which the violation occurred. Such a petition shall be filed within the 30-day period beginning on the date the order assessing the civil penalty was issued.

(c) COLLECTION.—If any person fails to pay an assessment of a civil penalty—

(1) within 30 days after the order was issued under subsection (a), or

(2) if the order is appealed within such 30-day period, within 10 days after court has entered a final judgment in favor of the Secretary under subsection (b),

the Secretary shall notify the Attorney General and the Attorney General shall bring a *civil action in an appropriate United States district court to recover the amount of penalty assessed (plus costs, attorney's fees, and interest at currently prevailing rates from the date the order was issued or the date of such final judgment, as the case may be). In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review.*

(d) SUBPOENAS.—The Secretary may issue subpoenas in connection with proceedings under this subsection compelling the attendance and testimony of witnesses and subpoenas duces tecum, and may request the Attorney General to bring an action to enforce any subpoena under this section. The district courts shall have jurisdiction to enforce such subpoenas and impose sanctions.

SEC. 9. MISCELLANEOUS PROVISIONS.

(a) AUTHORIZATION.—There are authorized to be appropriated $100,000 to carry out the purposes of this Act.

(b) EFFECT ON LAND MANAGEMENT PLANS.—Nothing in this Act shall require the amendment or revision of any land management plan the preparation of which began prior to the enactment of this Act.

(c) FUND.—Any money collected by the United States as permit fees for collection and removal of cave resources; received by the United States as a result of the forfeiture of a bond or other security by a permittee who does not comply with the requirements of such permit issued under section 7; or collected by the United States by way of civil penalties or criminal fines for violations of this Act shall be placed in a special fund in the Treasury. Such moneys shall be available for obligation or expenditure (to the extent provided for in advance in appropriation Acts) as determined by the Secretary for the improved management, benefit, repair, or restoration of significant caves located on Federal lands.

(d) Nothing in this Act shall be deemed to affect the full operation of the mining and mineral leasing laws of the United States, or otherwise affect valid existing rights.

SEC. 10. SAVINGS PROVISIONS.

(a) WATER.—Nothing in this Act shall be construed as authorizing the appropriation of water by any Federal, State, or local agency, Indian tribe, or any other entity or individual. Nor shall any provision of this Act—

(1) affect the rights or jurisdiction of the United States, the States, Indian tribes, or other entities over waters of any river or stream or over any ground water resource;

(2) alter, amend, repeal, interpret, modify, or be in conflict with any interstate compact made by the States; or

(3) alter or establish the respective rights of States, the United States, Indian tribes, or any person with respect to any water or water-related right.

(b) FISH AND WILDLIFE.—Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the States with respect to fish and wildlife.

Mr. VENTO (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Minnesota?

Mr. YOUNG of Alaska. Mr. Speaker, reserving the right to object, I do not intend to object, and I yield to the gentleman from Minnesota [Mr. VENTO] for an explanation.

Mr. VENTO. Mr. Speaker, I appreciate the gentleman's cooperating in taking these bills up under unanimous consent.

Mr. Speaker, H.R. 1975, the Federal Cave Resources Protection Act provides new and specific authorities to the Secretaries of the Interior and Agriculture regarding the management of caves located on public lands. The bill, introduced by our colleague, Representative BOUCHER, was originally passed by the House on March 28, 1988. Subsequently, the Senate considered the measure on and has now returned the bill to the House with an amendment.

The Senate amendment includes several technical changes as well as three substantive alterations to the bill. The substantive changes involve: First, the determination of cave significance; second, the integration of cave management with other resource management policies; and third, deleting references to water resources. These alterations to the bill, while somewhat stilted are nevertheless in keeping with the overall policy direction of the legislation. The intent of the legislation was and remains that cave resources be given due consideration as new land management plans are prepared or existing plans are revised or amended under authority of existing law. The legislation is further intended to provide a measure of protection for caves from indiscriminate use. I expect the respective Secretaries to encourage public involvement as regulations and determinations are made pursuant to this act.

Mr. Speaker, I support adoption of H.R. 1975, as amended, and recommend its passage by the House.

Mr. YOUNG of Alaska. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment to H.R. 1975 just considered and adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

RECREATION AND PUBLIC PURPOSES AMENDMENT ACT OF 1988

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4362) to amend section 3 of the act of June 14, 1926, as amended (43 U.S.C. 869-2), to authorize the issuance of patents with a limited reverter provision of lands devoted to solid waste disposal, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Senate amendments:

Page 3, strike out all after line 20 over to and including line 3 on page 4 and insert:

"(A) except as otherwise provided in subparagraphs (B) and (D) of this paragraph, the document of conveyance shall provide that the lands conveyed under this subsection shall revert to the United States, unless substantially all of the lands have been used, on or before the date five years after the date of conveyance, for the purpose or purposes specified in the application, or for other use or uses authorized under section 3(a) with the consent of the Secretary.

Page 4, line 15, strike out "All" and insert: "Subject to appropriations, all".

Page 7, after line 2, insert:

SEC. 4. CONGRESSIONAL PREVIEW.—(a) The Secretary shall not make any conveyance of land or renunciation of reversionary interests under this Act until he has published in the Federal Register regulations implementing this Act and until sixty days (not counting days on which the House of Representatives or the Senate has adjourned for more than three days) after these regulations have been submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives.

(b) During the first three years after enactment of this Act the Secretary shall not make any conveyance of land or renunciation of reversionary interests under this Act until thirty days (not counting days on which the House of Representatives or the Senate has adjourned for more than three days) after notice of intention to do so has been submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives.

Mr. VENTO (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. YOUNG of Alaska. Mr. Speaker, reserving the right to object, I yield to the gentleman from Minnesota [Mr. VENTO] for an explanation.

Mr. VENTO. Mr. Speaker, last month the House passed H.R. 4362, a bill aimed at providing the Interior Department with new flexibility in making public lands available to local governments for purposes of solid-waste disposal sites. This would be done through amendments to the Recreation and Public Purposes Act, under which such lands are currently made available for this purpose.

The Senate has now returned the bill to us after making some minor amendments. The amendments are technical in nature and were worked out in consultation with House committee staff. I believe we should now concur in the Senate amendments and so clear the bill for the President's signature.

Mr. YOUNG of Alaska. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendments to H.R. 4362, just considered and adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SOUTHWESTERN PENNSYLVANIA HERITAGE PRESERVATION COMMISSION

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3313) to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Senate amendments:

Page 11, after line 3, (d) as subsection (e):

"(d) Study Report.—The Commission in consultation with the Secretary, the Pittsburgh Area Steel Industry Heritage Task Force and other interested parties which represent the greater Allegheny and Washington Counties/Mon-Valley area shall within 2 years of enactment of this Act, submit a report concerning the cultural and historical resource values of the greater Allegheny and Washington Counties/Mon-Valley area to the Secretary. Such report shall include an analysis of the methods and means of inventorying, preserving and interpreting the cultural and historical resources of the area, along with recommendations concerning the coordination of activities in the 11 counties represented by the Commission and the Pittsburgh Area Steel Industry Heritage Task Force and other interested parties. The Secretary shall review the report and submit it along with any comments or recommendations that the Secretary may wish to make to the Committee on Interior and Insular Affairs of the U.S. House of Representatives and the Committee on Energy and Natural Resources of the U.S. Senate within 180 days after receipts of such report from the Commission.".

Page 11, line 4, strike out "(d)" and insert: "(e)".

Mr. VENTO (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. YOUNG of Alaska. Mr. Speaker, reserving the right to object, I yield to the gentleman from Minnesota [Mr. Vento].

Mr. VENTO. Mr. Speaker, H.R. 3313 provides for the establishment of a heritage preservation commission in southwestern Pennsylvania to foster a cooperative partnership in preserving and enhancing the region's industrial and labor heritage. The legislation originally passed the House on July 26, 1988. Subsequently, the Senate considered the measure today and has now returned the bill to the House with an amendment.

The Senate amendment, which is acceptable to me provides that a report will be prepared and submitted to the Congress concerning the cultural and historical resource values of the greater Allegheny and Washington Counties/Mon-Valley area. This area lies immediately adjacent to the nine-county area designated under the bill. The information provided will help assess the overall regional effect of this historic preservation effort.

Mr. Speaker, I want to commend Representative Murtha, the sponsor of the bill, and Representative Murphy, a member of the Interior Committee, for their efforts in crafting this legislation. Concurrence by the House today will complete legislative action on H.R. 3313. I support H.R. 3313, as amended, and commend it to the House.

Mr. YOUNG of Alaska. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendments to H.R. 3313, just considered and adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

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DISASTER RELIEF AND EMERGENCY ASSISTANCE AMENDMENTS OF 1988

Mr. NOWAK. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 2707) to amend the disaster Relief Act of 1974 to provide for more effective assistance in response to major disasters and emergencies, and for other purposes.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

TITLE I—DISASTER RELIEF AND EMERGENCY ASSISTANCE AMENDMENTS

SEC. 101. SHORT TITLE; AMENDMENTS TO DISASTER RELIEF ACT OF 1974.

(a) Short Title.—This title may be cited as "The Disaster Relief and Emergency Assistance Amendments of 1988,".

(b) Amendments to Disaster Relief Act of 1974.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Disaster Relief Act of 1974 (42 U.S.C. 5121-5202).

SEC. 102. AMENDMENT TO SHORT TITLE.

(a) Amendment to Short Title.—The first section is amended by striking out "Disaster Relief Act of 1974" and inserting in lieu thereof the "Robert T. Stafford Disaster Relief and Emergency Assistance Act.".

(b) References.—Whenever any reference is made in any law (other than this Act), regulation, document, rule, record, or other paper of the United States to a section or provision of the Disaster Relief Act of 1974, such reference shall be deemed to be a reference to such section or provision of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

SEC. 103. AMENDMENTS TO TITLE I.

(a) Findings and Declarations.—Section 101(b) (42 U.S.C. 5121(b)) is amended—

(1) by striking out paragraph (7);

(2) by striking out "; and" at the end of paragraph (6); and

(3) by inserting "and" at the end of paragraph (5).

(b) Definition of Emergency.—Section 102(1) is amended to read as follows:

"(1) Emergency.—'Emergency' means any occasion or instance for which, in the determination of the President, Federal assistance is needed to supplement State and local efforts and capabilities to save lives and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe in any part of the United States.".

(c) Definition of Major Disaster.—Section 102(2) is amended to read as follows:

"(2) Major Disaster.—'Major disaster' means any natural catastrophe (including any hurricane, tornado, storm, high water, winddriven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this Act to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.".

(d) Technical Amendments.—Paragraphs (3) and (4) of section 102 are each amended by striking out "the Canal Zone,".

(e) Local Government.—

(1) In general.—The term "local government" is deemed to have the same meaning in the Disaster Relief and Emergency Assistance Act, as amended by this Act, as that term had on October 1, 1988, under section 102(6) of the Disaster Relief Act of 1974 and regulations implementing the Disaster Relief Act of 1974.

(2) Termination of effectiveness.—Paragraph (1) shall not be effective on and after the 90th day after the President transmits to the Committee on Public Works and Transportation of the House of Representatives and to the Committee on Environment and Public Works of the Senate a report which includes an interpretation of the term "local government" for purposes of the Disaster Relief and Emergency Assistance Act, as amended by this Act.

(f) Definitions of Public and Private Nonprofit Facilities.—Section 102 is amended by adding at the end thereof the following new paragraphs:

"(8) Public facility.—'Public facility' means the following facilities owned by a State or local government:

"(A) Any flood control, navigation, irrigation, reclamation, public power, sewage treatment and collection, water supply and distribution, watershed development, or airport facility.

"(B) Any non-Federal-aid street, road, or highway.

"(C) Any other public building, structure, or system, including those used for educational, recreational, or cultural purposes.

"(D) Any park.

"(9) Private nonprofit facility.—'Private nonprofit facility' means private nonprofit educational, utility, emergency, medical, rehabilitational, and temporary or permanent custodial care facilities (including those for the aged and disabled), other private nonprofit facilities which provide essential services of a governmental nature to the general public, and facilities on Indian reservations as defined by the President.".

SEC. 104. DISASTER PREPAREDNESS ASSISTANCE.

(a) Maximum Amount of State Disaster Assistance Planning Grants.—Section 201(d) is amended by striking out "$25,000" and inserting in lieu thereof "$50,000".

(b) Technical Amendments.—Section 201 is amended—

(1) in subsection (a) by striking out "(including the Defense Civil Preparedness Agency)"; and

(2) in subsection (d) by inserting "including evaluations of natural hazards and development of the programs and actions required to mitigate such hazards;" after "plans,".

SEC. 105. DISASTER AND EMERGENCY ASSISTANCE ADMINISTRATION.

(a) Waiver of Conditions.—Title III is amended—

(1) by striking out the heading for such title and inserting in lieu thereof

"TITLE III—MAJOR DISASTER AND EMERGENCY ASSISTANCE ADMINISTRATION"

and

(2) by striking out sections 301 and 302 and inserting in lieu thereof the following new section:

"SEC. 301. WAIVER OF ADMINISTRATIVE CONDITIONS.

"Any Federal agency charged with the administration of a Federal assistance program may, if so requested by the applicant State or local authorities, modify or waive, for a major disaster, such administrative conditions for assistance as would otherwise prevent the giving of assistance under such programs if the inability to meet such conditions is a result of the major disaster.".

(b) Coordinating Officers.—

(1) Redesignation.—Section 303, and any reference thereto, is redesignated as section 302.

(2) Inclusion of emergencies.—Such section is amended in subsection (a) by inserting "or emergency" after "major disaster".

(c) Redesignation of Section 304.—Section 304, and any reference thereto, is redesignated as section 303.

(d) Removal of Emergency Assistance and Cooperation Provisions From Title III; Redesignation of Sections 307, 308, and 309.—Title III is further amended by striking out sections 305 and 306 and by redesignating sections 307, 308, and 309, and any references thereto, as sections 304, 305, and 306, respectively.

(e) Use of Local Firms and Individuals.—

(1) Redesignation.—Section 310, and any reference thereto, is redesignated as section 307.

(2) Inclusion of emergencies.—Such section is amended by inserting "or emergency" after "major disaster" each place it appears.

(3) Use of department of defense resources.—Such section is further amended by adding at the end thereof the following new sentence: "This section shall not be considered to restrict the use of Department of Defense resources in the provision of major disaster assistance under this Act.".

(f) Redesignation of Section 311 and 312; Conforming Amendment.—Sections 311 and 312, and any references thereto, are redesignated as sections 308 and 309, respectively. Such section 308, relating to nondiscrimination in disaster assistance, is amended by striking out "section 402 of 404 of" in subsection (b).

(g) Priority to Certain Applications for Public Facility and Public Housing Assistance.—Title III is amended by striking out section 313 and inserting in lieu thereof the following new section:

"SEC. 310. PRIORITY TO CERTAIN APPLICATIONS FOR PUBLIC FACILITY AND PUBLIC HOUSING ASSISTANCE.

"(a) Priority.—In the processing of applications for assistance, priority and immediate consideration shall be given by the head of the appropriate Federal agency, during such period as the President shall prescribe, to applications from public bodies situated in areas affected by major disasters under the following Acts:

"(1) The United States Housing Act of 1937 for the provision of low-income housing.

"(2) Section 702 of the Housing Act of 1954 for assistance in public work planning.

"(3) The Community Development Block Grant Program under title I of the Housing and Community Development Act of 1974.

"(4) Section 306 of the Consolidated Farm and Rural Development Act.

"(5) The Public Works and Economic Development Act of 1965.

"(6) The Appalachian Regional Development Act of 1965.

"(7) The Federal Water Pollution Control Act.

"(b) Obligation of Certain Discretionary Funds.—In the obligation of discretionary funds or funds which are not allocated among the States or political subdivisions of a State, the Secretary of Housing and Urban Development and the Secretary of Commerce shall give priority to applications for projects for major disaster areas.".

(h) Insurance.—Title III is further amended by striking out section 314 and inserting in lieu thereof the following new section:

"SEC. 311. INSURANCE.

"(a) Applicants for Replacement of Damaged Facilities.—

"(1) Compliance with certain regulations.—An applicant for assistance under section 406 of this Act (relating to repair, restoration, and replacement of damaged facilities), section 422 of this Act (relating to simplified procedure) or section 803 of the Public Works and Economic Development Act of 1965 shall comply with regulations prescribed by the President to assure that, with respect to any property to be replaced, restored, repaired, or constructed with such assistance, such types and extent of insurance will be obtained and maintained as may be reasonably available, adequate, and necessary, to protect against future loss to such property.

"(2) Determination.—In making a determination with respect to availability, adequacy, and necessity under paragraph (1), the President shall not require greater types and extent of insurance than are certified to him as reasonable by the appropriate State insurance commissioner responsible for regulation of such insurance.

"(b) Maintenance of Insurance.—No applicant for assistance under section 406 of this Act (relating to repair, restoration, and replacement of damaged facilities), section 422 of this Act (relating to simplified procedure), or section 803 of the Public Works and Economic Development Act of 1965 may receive such assistance for any property or part thereof for which the applicant has previously received assistance under this Act unless all insurance required pursuant to this section has been obtained and maintained with respect to such property.

"(c) State Acting as Self-Insurer.—A State may elect to act as a self-insurer with respect to any or all of the facilities owned by the State. Such an election, if declared in writing at the time of acceptance of assistance under section 406 or 422 of this Act or section 803 of the Public Works and Economic Development Act of 1965 or subsequently and accompanied by a plan for self-insurance which is satisfactory to the President, shall be deemed compliance with subsection (a). No such self-insurer may receive assistance under section 406 or 422 of this Act for any property or part thereof for which it has previously received assistance under this Act, to the extent that insurance for such property or part thereof would have been reasonably available.".

(i) Duplication of Benefits.—Title III is further amended by striking out section 315 and inserting in lieu thereof the following new section:

"SEC. 312. DUPLICATION OF BENEFITS.

"(a) General Prohibition.—The President, in consultation with the head of each Federal agency administering any program providing financial assistance to persons, business concerns, or other entities suffering losses as a result of a major disaster or emergency, shall assure that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.

"(b) Special Rules.—

"(1) Limitation.—This section shall not prohibit the provision of Federal assistance to a person who is or may be entitled to receive benefits for the same purposes from another source if such person has not received such other benefits by the time of application for Federal assistance and if such person agrees to repay all duplicative assistance to the agency providing the Federal assistance.

"(2) Procedures.—The President shall establish such procedures as the President considers necessary to ensure uniformity in preventing duplication of benefits.

"(3) Effect of partial benefits.—Receipt of partial benefits for a major disaster or emergency shall not preclude provision of additional Federal assistance for any part of a loss or need for which benefits have not been provided.

"(c) Recovery of Duplicative Benefits.—A person receiving Federal assistance for a major disaster or emergency shall be liable to the United States to the extent that such assistance duplicates benefits available to the person for the same purpose from another source. The agency which provided the duplicative shall collect such duplicative assistance from the recipient in accordance with chapter 37 of title 31, United States Code, relating to debt collection, when the head of such agency considers it to be in the best interest of the Federal Government.

"(d) Assistance Not Income.—Federal major disaster and emergency assistance provided to individuals and families under this Act, and comparable disaster assistance provided by States, local governments, and disaster assistance organizations, shall not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit programs.".

(j) Reviews and Reports.—Title III is further amended by striking out section 316 and inserting in lieu thereof the following new section:

"SEC. 313. STANDARDS AND REVIEWS.

"The President shall establish comprehensive standards which shall be used to assess the efficiency and effectiveness of Federal major disaster and emergency assistance programs administered under this Act. The President shall conduct annual reviews of the activities of Federal agencies and State and local governments in major disaster and emergency preparedness and in providing major disaster and emergency assistance in order to assure maximum coordination and effectiveness of such programs and consistency in policies for reimbursement of States under this Act.".

(k) Penalties.—Title III is further amended by striking out section 317 and inserting in lieu thereof the following new section:

"SEC. 314. PENALTIES.

"(a) Misuse of Funds.—Any person who knowingly misapplies the proceeds of a loan or other cash benefit obtained under this Act shall be fined an amount equal to one and one-half times the misapplied amount of the proceeds or cash benefit.

"(b) Civil Enforcement.—Whenever it appears that any person has violated or is about to violate any provision of this Act, including any civil penalty imposed under this Act, the Attorney General may bring a civil action for such relief as may be appropriate. Such action may be brought in an appropriate United States district court.

"(c) Referral to Attorney General.—The President shall expeditiously refer to the Attorney General for appropriate action any evidence developed in the performance of functions under this Act that may warrant consideration for criminal prosecution.

(d) Civil Penalty.—Any individual who knowingly violates any order or regulation issued under this Act shall be subject to a civil penalty of not more than $5,000 for each violation.".

(l) Redesignation of Section 318.—Section 318, and any reference thereto, is redesignated as section 315.

(m) Protection of Environment; Recovery of Assistance; Audit and Investigations.—

(1) Additions to title iii.—Title III is further amended by adding at the end thereof the following new sections:

"SEC. 316. PROTECTION OF ENVIRONMENT.

"An action which is taken or assistance which is provided pursuant to section 402, 403, 406, 407, or 502, including such assistance provided pursuant to the procedures provided for in section 422, which has the effect of restoring a facility substantially to its condition prior to the disaster or emergency, shall not be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 852). Nothing in this section shall alter or affect the applicability of the National Environmental Policy Act of 1969 to other Federal actions taken under this Act or under any other provisions of law.

"SEC. 317. RECOVERY OF ASSISTANCE.

"(a) Party Liable.—Any person who intentionally causes a condition for which Federal assistance is provided under this Act or under any other Federal law as a result of a declaration of a major disaster or emergency under this Act shall be liable to the United States for the reasonable costs incurred by the United States in responding to such disaster or emergency to the extent that such costs are attributable to the intentional act or omission of such person which caused such condition. Such action for reasonable costs shall be brought in an appropriate United States district court.

"(b) Rendering of Care.—A person shall not be liable under this section for costs incurred by the United States as a result of actions taken or omitted by such person in the course of rendering care or assistance in response to a major disaster or emergency.

"SEC. 318. AUDITS AND INVESTIGATIONS.

"(a) In General.—Subject to the provisions of chapter 75 of title 31, United States Code, relating to requirements for single audits, the President shall conduct audits and investigations as necessary to assure compliance with this Act, and in connection therewith may question such persons as may be necessary to carry out such audits and investigations.

"(b) Access to Records.—For purposes of audits and investigations under this section, the President and Comptroller General may inspect any books, documents, papers, and records of any person relating to any activity undertaken or funded under this Act.

"(c) State and Local Audits.—The President may require audits by State and local governments in connection with assistance under this Act when necessary to assure compliance with this Act or related regulations.

"SEC. 319. ADVANCE OR NON-FEDERAL SHARE.

"(a) In General.—The President may lend or advance to an eligible applicant or a State is responsible under the cost-sharing provisions of this Act in any case in which—

"(1) the State is unable to assume its financial responsibility under such cost-sharing provisions—

"(A) with respect to concurrent, multiple major disasters in a jurisdiction, or

"(B) after incurring extraordinary costs as a result of a particular disaster; and

"(2) the damages caused by such disasters or disaster are so overwhelming and severe that it is not possible for the applicant or the State to assume immediately their financial responsibility under this Act.

"(b) Terms of Loans and Advances.—

"(1) In general.—Any loan or advance under this section shall be repaid to the United States.

"(2) Interest.—Loans and advances under this section shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the reimbursement period of the loan or advance.

"(c) Regulations.—The President shall issue regulations describing the terms and conditions under which any loan or advance authorized by this section may be made.

"SEC. 320. LIMITATION ON USE OF SLIDING SCALES.

"No geographic area shall be precluded from receiving assistance under this Act solely by virtue of an arithmetic formula or sliding scale based on income or population.

"SEC. 321. RULES AND REGULATIONS.

"The President may prescribe such rules and regulations as may be necessary and proper to carry out the provisions of this Act, and may exercise, either directly or through such Federal agency as the President may designate, any power or authority conferred to the President by this Act.".

(2) Conforming amendment to title iv.—Title IV is amended by striking out section 405, relating to protection of the environment.

SEC. 106. MAJOR DISASTER ASSISTANCE PROGRAMS.

(a) Procedure for Declaration; General Federal Assistance; Essential Assistance; and Hazard Mitigation.—Title IV is amended—

(1) by striking out the heading for such title and inserting in lieu thereof

"TITLE IV—MAJOR DISASTER ASSISTANCE PROGRAMS";

(2) by redesignating section 401 (relating to Federal facilities), and any reference thereto, as section 405; and

(3) by inserting before such section 405 the following new sections:

"SEC. 401. PROCEDURE FOR DECLARATION.

"All requests for a declaration by the President that a major disaster exists shall be made by the Governor of the affected

State. Such a request shall be based on a finding that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. As part of such request, and as a prerequisite to major disaster assistance under this Act, the Governor shall take appropriate response action under State law and direct execution of the State's emergency plan. The Governor shall furnish information on the nature and amount of State and local resources which have been or will be committed to alleviating the results of the disaster, and shall certify that, for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proportion) will comply with all applicable cost-sharing requirements of this Act. Based on the request of a Governor under this section, the President may declare under this Act that a major disaster or emergency exists.

"SEC. 402. GENERAL FEDERAL ASSISTANCE.

"In any major disaster, the President may—

"(1) direct any Federal agency, with or without reimbursement, to utilize its authorities and the resources granted to it under Federal law (including personnel, equipment, supplies, facilities, and managerial, technical, and advisory services) in support of State and local assistance efforts;

"(2) coordinate all disaster relief assistance (including voluntary assistance) provided by Federal agencies, private organizations, and State and local governments;

"(3) provide technical and advisory assistance to affected State and local governments for—

"(A) the performance of essential community services;

"(B) issuance of warnings of risks and hazards;

"(C) public health and safety information, including dissemination of such information;

"(D) provision of health and safety measures; and

"(E) management, control, and reduction of immediate threats to public health and safety; and

"(4) assist State and local governments in the distribution of medicine, food, and other consumable supplies, and emergency assistance.

"SEC. 403. ESSENTIAL ASSISTANCE.

"(a) IN GENERAL.—Federal agencies may on the direction of the President, provide assistance essential to meeting immediate threats to life and property resulting from a major disaster, as follows:

"(1) FEDERAL RESOURCES, GENERALLY.—Utilizing, lending, or donating to State and local governments Federal equipment, supplies, facilities, personnel, and other resources, other than the extension of credit, for use or distribution by such governments in accordance with the purposes of this Act.

"(2) MEDICINE, FOOD, AND OTHER CONSUMABLES.—Distributing or rendering through State and local governments, the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief and disaster assistance organizations medicine, food, and other consumable supplies, and other services and assistance to disaster victims.

"(3) WORK AND SERVICES TO SAVE LIVES AND PROTECT PROPERTY.—Performing on public or private lands or waters any work or services essential to saving lives and protecting and preserving property or public health and safety, including—

"(A) debris removal;

"(B) search and rescue, emergency medical care, emergency mass care, emergency shelter, and provision of food, water, medicine, and other essential needs, including movement of supplies or persons;

"(C) clearance of roads and construction of temporary bridges necessary to the performance of emergency tasks and essential community services;

"(D) provision of temporary facilities for schools and other essential community services;

"(E) demolition of unsafe structures which endanger the public;

"(F) warning of further risks and hazards;

"(G) dissemination of public information and assistance regarding health and safety measures;

"(H) provision of technical advice to State and local governments on disaster management and control; and

"(I) reduction of immediate threats to life, property, and public health and safety.

"(4) CONTRIBUTIONS.—Making contributions to State or local governments or owners or operators of private nonprofit facilities for the purpose of carrying out the provisions of this subsection.

"(b) FEDERAL SHARE.—The Federal share of assistance under this section shall be not less than 75 percent of the eligible cost of such assistance.

"(c) UTILIZATION OF DOD RESOURCES.—

"(1) GENERAL RULE.—During the immediate aftermath of an incident which may ultimately qualify for assistance under this title or title V of this Act, the Governor of the State in which such incident occurred may request the President to direct the Secretary of Defense to utilize the resources of the Department of Defense for the purpose of performing on public and private lands any emergency work which is made necessary by such incident and which is essential for the preservation of life and property. If the President determines that such work is essential for the preservation of life and property, the President shall grant such request to the extent the President determines practicable. Such emergency work may only be carried out for a period not to exceed 10 days.

"(2) RULES APPLICABLE TO DEBRIS REMOVAL.—Any removal of debris and wreckage carried out under this subsection shall be subject to section 407(b), relating to unconditional authorization and indemnification for debris removal.

"(3) EXPENDITURES OUT OF DISASTER RELIEF FUNDS.—The cost of any assistance provided pursuant to this subsection shall be reimbursed out of funds made available to carry out this Act.

"(4) FEDERAL SHARE.—The Federal share of assistance under this subsection shall be not less than 75 percent.

"(5) GUIDELINES.—Not later than 180 days after the date of the enactment of the Disaster Relief and Emergency Assistance Amendments of 1988, the President shall issue guidelines for carrying out this subsection. Such guidelines shall consider any likely effect assistance under this subsection will have on the availability of other forms of assistance under this Act.

"(6) DEFINITIONS.—For purposes of this section—

"(A) DEPARTMENT OF DEFENSE.—The term 'Department of Defense' has the meaning the term 'department' has under section 101 of title 10, United States Code.

"(B) EMERGENCY WORK.—The term 'emergency work' includes clearance and removal of debris and wreckage and temporary restoration of essential public facilities and services.

"SEC. 404. HAZARD MITIGATION.

"The President may contribute up to 50 percent of the cost of hazard mitigation measures which the President has determined are cost-effective and which substantially reduce the risk of future damage, hardship, loss, or suffering in any area affected by a major disaster. Such measures shall be identified following the evaluation of natural hazards under section 409 and shall be subject to approval by the President. The total of contributions under this section for a major disaster shall not exceed 10 percent of the estimated aggregate amounts of grants to be made under section 406 with respect to such major disaster.".

"(b) REPAIR AND RESTORATION OF DAMAGED FACILITIES.—Title IV is further amended by striking out section 402, relating to repair and restoration of damaged facilities, and inserting in lieu thereof the following new section:

"SEC. 406. REPAIR, RESTORATION, AND REPLACEMENT OF DAMAGED FACILITIES.

"(a) CONTRIBUTIONS.—The President may make contributions—

"(1) to a State or local government for the repair, restoration, reconstruction, or replacement of a public facility which is damaged or destroyed by a major disaster and for associated expenses incurred by such government; and

"(2) to a person who owns or operates a private nonprofit facility damaged or destroyed by a major disaster for the repair, restoration, reconstruction, or replacement of such facility and for associated expenses incurred by such person.

"(b) MINIMUM FEDERAL SHARE.—The Federal share of assistance under this section shall be not less than—

"(1) 75 percent of the net eligible cost of repair, restoration, reconstruction, or replacement carried out under this section;

"(2) 100 percent of associated expenses described in subsections (f)(1) and (f)(2); and

"(3) 75 percent of associated expenses described in subsections (f)(3), (f)(4), and (f)(5).

"(c) LARGE IN LIEU CONTRIBUTIONS.—

"(1) FOR PUBLIC FACILITIES.—In any case where a State or local government determines that the public welfare would not be best served by repairing, restoring, reconstructing, or replacing any public facility owned or controlled by such State or local government, it may elect to receive, in lieu of a contribution under subsection (a)(1), a contribution of not to exceed 90 percent of the Federal share of the Federal estimate of the cost of repairing, restoring, reconstructing, or replacing, such facility and of associated expenses. Funds contributed under this subsection may be used to repair, restore, or expand other selected public facilities, to construct new facilities, or to fund hazard mitigation measures which the State or local government determines to be necessary to meet a need for governmental services and functions in the area affected by the major disaster.

"(2) FOR THE PRIVATE NONPROFIT FACILITIES.—In any case where a person who owns or operates a private nonprofit facility determines that the public welfare would not be best served by repairing, restoring, reconstructing, or replacing such facility, such person may elect to receive, in lieu of a contribution under subsection (a)(2), a contribution of not to exceed 90 percent of the Federal share of the Federal estimate of the cost of repairing, restoring, reconstructing, or replacing such facility and of associated expenses. Funds contributed under this subsection may be used to repair, restore, or expand other selected private nonprofit facilities owned nonprofit by such person, to construct new private nonprofit facilities to be owned or operated by such person, or to fund hazard mitigation measures which such person determines to be necessary to meet a need for its services and functions in the area affected by the major disaster.

"(3) Restriction on use for state or local contribution.—Funds provided under this subsection shall not be used for any State or local government cost-sharing contribution required under this Act.

"(d) Flood Insurance.—

"(1) Reduction of federal assistance.—If a public facility or private nonprofit facility located in a special flood hazard area identified for more than 1 year by the Director pursuant to the National Flood Insurance Act of 1986 (42 U.S.C. 4001 et seq.) is damaged or destroyed, after the 180th day following the date of the enactment of the Disaster Relief and Emergency Assistance Amendments of 1988, by flooding in a major disaster and such facility is not covered on the date of such flooding by flood insurance, the Federal assistance which would otherwise be available under this section with respect to repair, restoration, reconstruction, and replacement of such facility and associated expenses shall be reduced in accordance with paragraph (2).

"(2) Amount of reduction.—The amount of a reduction in Federal assistance under this section with respect to a facility shall be the lesser of—

"(A) the value of such facility on the date of the flood damage or destruction, or

"(B) the maximum amount of insurance proceeds which would have been payable with respect to such facility if such facility had been covered by flood insurance under the National Flood Insurance Act of 1968 on such date.

"(3) Exception.—Paragraphs (1) and (2) shall not apply to a private nonprofit facility which is not covered by flood insurance solely because of the local government's failure to participate in the flood insurance program established by the National Flood Insurance Act.

"(4) Dissemination of information.—The President shall disseminate information regarding the reduction in Federal assistance provided for by this subsection to State and local governments and the owners and operators of private nonprofit facilities who may be affected by such a reduction.

"(e) Net Eligible Cost.—

"(1) General rule.—For purposes of this section, the cost of repairing, restoring, reconstructing, or replacing a public facility or private nonprofit facility on the basis of the design of such facility as it existed immediately prior to the major disaster and in conformity with current applicable codes, specifications, and standards (including floodplain management and hazard mitigation criteria required by the President or by the Coastal Barrier Resources Act (16 U.S.C. 3501 et seq.)) shall, at a minimum, be treated as the net eligible cost of such repair, restoration, reconstruction, or replacement.

"(2) Special rule.—In any case in which the facility being repaired, restored, reconstructed, or replaced under this section was under construction on the date of the major disaster, the cost of repairing, restoring, reconstructing, or replacing such facility shall include, for purposes of this section, only those costs which, under the contract for such construction, are the owner's responsibility and not the contractor's responsibility.

"(f) Associated Expenses.—For purposes of this section, associated expenses include the following:

"(1) Necessary costs.—Necessary costs of requesting, obtaining, and administering Federal assistance based on a percentage of assistance provided as follows:

"(A) For an applicant whose net eligible costs equal less than $100,000, 3 percent of such net eligible costs.

"(B) For an applicant whose net eligible costs equal $100,000 or more but less than $1,000,000, $3,000 plus 2 percent of such net eligible costs in excess of $100,000.

"(C) For an applicant whose net eligible costs equal $1,000,000 or more but less than $5,000,000, $21,000 plus 1 percent of such net eligible costs in excess of $1,000,000.

"(D) For an applicant whose net eligible costs equal $5,000,000 or more, $61,000 plus ½ percent of such net eligible costs in excess of $5,000,000.

"(2) Extraordinary costs.—Extraordinary costs incurred by a State for preparation of damage survey reports, final inspection reports, project applications, final audits, and related field inspections by State employees, including overtime pay and per diem and travel expenses of such employees, but not including pay for regular time of such employees, based on the total amount of assistance provided under sections 403, 404, 406, 407, 502, and 503 in such State in connection with the major disaster as follows:

"(A) If such total amount is less than $100,000, 3 percent of such total amount.

"(B) If such total amount is $100,000 or more but less than $1,000,000, $3,000 plus 2 percent of such total amount in excess of $100,000.

"(C) If such total amount is $1,000,000 or more but less than $5,000,000, $21,000 plus 1 percent of such total amount in excess of $1,000,000.

"(D) If such total amount is $5,000,000 or more, $61,000 plus ½ percent of such total amount in excess of $5,000,000.

"(3) Costs of national guard.—The costs of mobilizing and employing the National Guard for performance of eligible work.

"(4) Costs of prison labor.—The costs of using prison labor to perform eligible work, including wages actually paid, transportation to a worksite, and extraordinary costs of guards, food, and lodging.

"(5) Other labor costs.—Base and overtime wages for an applicant's employees and extra hires performing eligible work plus fringe benefits on such wages to the extent that such benefits were being paid before the disaster.".

(c) Debris Removal.—

(1) Redesignation.—Section 403 (relating to debris removal) and any reference thereto, is redesignated as section 407.

(2) Inclusion of nonprofit facilities.—Subsection (a)(2) of such section 407 is amended by inserting after "local government" the following: "or owner or operator of a private nonprofit facility".

(3) Rules relating to large lots; federal share.—Such section 407 is further amended by adding at the end thereof the following new subsections:

"(c) Rules Relating to Large Lots.—The President shall issue rules which provide for recognition of differences existing among urban, suburban, and rural lands in implementation of this section so as to facilitate adequate removal of debris and wreckage from large lots.

"(d) Federal Share.—The Federal share of assistance under this section shall be not less than 75 percent of the eligible cost of debris and wreckage removal carried out under this section.".

(d) Temporary Housing Assistance.—Title IV is further amended by striking out section 404, relating to temporary housing assistance, and inserting in lieu thereof the following new section:

"SEC. 408. TEMPORARY HOUSING ASSISTANCE.

"(a) Provision of Temporary Housing.—

"(1) In general.—The President may—

"(A) provide, by purchase or lease, temporary housing (including unoccupied habitable dwellings), suitable rental housing, mobile homes, or other readily fabricated dwellings to persons who, as a result of a major disaster, require temporary housing; and

(B) reimburse State and local governments in accordance with paragraph (4) for the cost of sites provided under paragraph (2).

"(2) Mobile home site.—

"(A) In general.—Any mobile home or other readily fabricated dwelling provided under this section shall whenever possible be located on a site which—

"(i) is provided by the State or local government; and

"(ii) has utilities provided by the State or local government, by the owner of the site, or by the occupant who was displaced by the major disaster.

"(B) Other sites.—Mobile homes and other readily fabricated dwellings may be located on sites provided by the President if the President determines that such sites would be more economical or accessible than sites described in subparagraph (A).

"(3) Period.—Federal financial and operational assistance under this section shall continue for not longer than 18 months after the date of the major disaster declaration by the President, unless the President determines that due to extraordinary circumstances it would be in the public interest to extend such 18-month period.

"(4) Federal share.—The Federal share of assistance under this section shall be 100 percent; except that the Federal share of assistance under this section for construction and site development costs (including installation of utilities) at a mobile home group site shall be 75 percent of the eligible cost of such assistance. The State or local government receiving assistance under this section shall pay any cost which is not paid for from the Federal share.

"(b) Temporary Mortgage and Rental Payments.—The President is authorized to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of individuals and families who, as a result of financial hardship caused by a major disaster, have received written notice of dispossession or eviction from a residence by reason of a foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to such disaster. Such assistance shall be provided for the duration of the period of financial hardship but not to exceed 18 months.

"(c) In Lieu Expenditures.—In lieu of providing other types of temporary housing after a major disaster, the President is authorized to make expenditures for the purpose of repairing or restoring to a habitable condition owner-occupied private residential structures made uninhabitable by a major disaster which are capable of being restored quickly to a habitable condition.

"(d) Transfer of Temporary Housing.—

"(1) Direct sale to occupants.—Notwithstanding any other provision of law, any temporary housing acquired by purchase may be sold directly to individuals and families who are occupants of temporary housing at prices that are fair and equitable, as determined by the President

"(2) Transfers to states, local governments, and voluntary organizations.—The President may sell or otherwise make available temporary housing units directly to States, other governmental entities, and voluntary organizations. The President shall impose as a condition of transfer under this paragraph a covenant to comply with the provisions of section 308 requiring nondiscrimination in occupancy of such temporary housing units. Such disposition shall be limited to units purchased under the provisions of subsection (a) and to the purposes of providing temporary housing for disaster victims in major disasters or emergencies.

"(e) Notification.—

"(1) In general.—Each person who applies for assistance under this section shall be notified regarding the type and amount of any assistance for which such person qualifies. Whenever practicable, such notice shall be provided within 7 days after the date of submission of such application.

"(2) Information.—Notification under this subsection shall provide information regarding—

"(A) all forms of such assistance available;

"(B) any specific criteria which must be met to qualify for each type of assistance that is available;

"(C) any limitations which apply to each type of assistance; and

"(D) the address and telephone number of offices responsible for responding to—

(i) appeals of determinations of eligibility for assistance; and

"(ii) requests for changes in the type or amount of assistance provided.

"(f) Location.—In providing assistance under this section, consideration shall be given to the location of and travel time—

"(1) the applicant's home and place of business;

"(2) schools which the applicant or members of the applicant's family who reside with the applicant attend; and

"(3) crops or livestock which the applicant tends in the course of any involvement in farming which provides 25 percent or more of the applicant's annual income.".

(e) Redesignation of Sections 406 and 407.—Sections 406 (relating to minimum standards for public and private structures) and 407 (relating to unemployment assistance), and any references thereto, are redesignated as sections 409 and 410, respectively.

(f) Unemployment Assistance Limitations.—Section 410 (as so redesignated) is amended as follows:

(1) Entitlement to other compensation.—The first sentence of subsection (a) is amended by inserting "for the weeks of such unemployment with respect to which the individual is not entitled to any other unemployment compensation (as that term is defined in section 85(b) of the Internal Revenue Code of 1986) or waiting period credit" after "is unemployed".

(2) Term of assistance.—The second sentence of subsection (a) is amended by striking out "one year" and inserting in lieu thereof "26 weeks".

(3) Repeal of reduction in compensation.—The third sentence of subsection (a) is amended by striking out "occurred," and all that follows through the end of the sentence and inserting in lieu thereof "occurred.".

(4) Reemployment assistance.—Subsection (b) is amended to read as follows:

"(b) Reemployment Assistance.—

"(1) State assistance.—A State shall provide, without reimbursement from any funds provided under this Act, reemployment assistance services under any other law administered by the State to individuals receiving benefits under this section.

"(2) Federal assistance.—The President may provide reemployment assistance services under other laws to individuals who are unemployed as a result of a major disaster and who reside in a State which does not provide such services.".

(g) Individual and Family Grant Programs.—Title IV is amended by striking out section 408 (relating to individual and family grant programs) and inserting in lieu thereof the following new section:

"SEC. 411. INDIVIDUAL AND FAMILY GRANT PROGRAMS.

"(a) In General.—The President is authorized to make a grant to a State for the purpose of making grants to individuals or families adversely affected by a major disaster for meeting disaster-related necessary expenses or serious needs of such individuals or families in those cases where such individuals or families are unable to meet such expenses or needs through assistance under other provisions of this Act or through other means.

"(b) Cost Sharing.—

"(1) Federal share.—The Federal share of a grant to an individual or a family under this section shall be equal to 75 percent of the actual cost incurred.

"(2) State contribution.—The Federal share of a grant under this section shall be paid only on condition that the remaining 25 percent of the cost is paid to an individual or family from funds made available by a State.

"(c) Regulations.—The President shall promulgate regulations to carry out this section and such regulations shall include national criteria, standards, and procedures for the determination of eligibility for grants and the administration of grants under this section.

"(d) Administrative Expenses.—A State may expend not to exceed 5 percent of any grant made by the President to it under subsection (a) for expenses of administering grants to individuals and families under this section.

"(e) Administration Through Governor.—The Governor of a State shall administer the grant program authorized by this section in the State.

"(f) Limit on Grants to Individuals.—No individual or family shall receive grants under this section aggregating more than $10,000 with respect to any single major disaster. Such $10,000 limit shall annually be adjusted to reflect changes in the Consumer Price Index for All Urban Consumers published by the Department of Labor.".

(h) Redesignation of Sections 409 Through 412.—Sections 409 (relating to food coupons and distribution), 410 (relating to food commodities), 411 (relating to relocation assistance), and 412 (relating to legal services), and any references thereto, are redesignated as sections 412, 413, 414, and 415, respectively.

(i) Crisis Counseling.—Section 413 (relating to crisis counseling assistance and training), and any reference thereto, is redesignated as section 416. Such section is amended by striking out "(through the National Institute of Mental Health)".

(j) Redesignation of Sections 414 Through 418.—Sections 414 (relating to community disaster loans), 415 (relating to emergency communications), 416 (relating to emergency public transportation), 417 (relating to fire suppression grants), and section 418 (relating to timber sale contracts), and any references thereto, are redesignated as sections 417, 418, 419, 420, and 421, respectively.

(k) Simplified Procedure.—Title IV is further amended by striking out section 419 (relating to in-lieu contribution) and inserting in lieu thereof the following new section:

"SEC. 422. SIMPLIFIED PROCEDURE.

"If the Federal estimate of the cost of—

"(1) repairing, restoring, reconstructing, or replacing under section 406 any damaged or destroyed public facility or private nonprofit facility,

"(2) emergency assistance under section 403 or 502, or

"(3) debris removed under section 407,

is less than $35,000, the President (on application of the State or local government or the owner or operator of the private nonprofit facility) may make the contribution to such State or local government or owner or operator under section 403, 406, 407, or 502, as the case may be, on the basis of such Federal estimate. Such $35,000 amount shall be adjusted annually to reflect changes in the Consumer Price Index for All Urban Consumers published by the Department of Labor.".

(l) Appeals; Date of Eligibility; Expenses Incurred Before Date of Disaster; Advance of Non-Federal Share; Limitation on Use of Sliding Scales.—Title IV is further amended by adding at the end thereof the following new sections:

"SEC. 423. APPEALS OF ASSISTANCE DECISIONS.

"(a) Right of Appeal.—Any decision regarding eligibility for, from, or amount of assistance under this title may be appealed within 60 days after the date on which the applicant for such assistance is notified of the award or denial of award of such assistance.

"(b) Period for Decisions.—A decision regarding an appeal under subsection (a) shall be rendered within 90 days after the date on which the Federal official designated to administer such appeals receives notice of such appeal.

"(c) Rules.—The President shall issue rules which provide for the fair and impartial consideration of appeals under this section.

"SEC. 424. DATE OF ELIGIBILITY; EXPENSES INCURRED BEFORE DATE OF DISASTER.

"Eligibility for Federal assistance under this title shall begin on the date of the occurrence of the event which results in a declaration by the President that a major disaster exists; except that reasonable expenses which are incurred in anticipation of and immediately preceding such event may be eligible for Federal assistance under this Act.".

SEC. 107. FEDERAL EMERGENCY ASSISTANCE PROGRAMS.

(a) Federal Emergency Assistance Programs.—Title V is amended to read as follows:

"TITLE V—EMERGENCY ASSISTANCE PROGRAMS

"SEC. 501. PROCEDURE FOR DECLARATION.

"(a) Request and Declaration.—All requests for a declaration by the President that an emergency exists shall be made by the Governor of the affected State. Such a request shall be based on a finding that the situation is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. As a part of such request, and as a prerequisite to emergency assistance under this Act, the Governor shall take appropriate action under State law and direct execution of the State's emergency plan. The Governor shall furnish information describing the State and local efforts and resources which have been or will be used to alleviate the emergency, and will define the type and extent of Federal aid required. Based upon such Governor's request, the President may declare that an emergency exists.

"(b) Certain Emergencies Involving Federal Primary Responsibility.—The President may exercise any authority vested in him by section 502 or section 503 with respect to an emergency when he determines that an emergency exists for which the primary responsibility for response rests with the United States because the emergency involves a subject area for which, under the Constitution or laws of the United States, the United States exercises exclusive or preeminent responsibility and authority. In determining whether or not such an emergency exists, the President shall consult the Governor of any affected State, if practicable. The President's determination may be made without regard to subsection (a).

"SEC. 502. FEDERAL EMERGENCY ASSISTANCE.

"(a) Specified.—In any emergency, the President may—

"(1) direct any Federal agency, with or without reimbursement, to utilize its authorities and the resources granted to it under Federal law (including personnel, equipment, supplies, facilities, and managerial, technical and advisory services) in support of State and local emergency assistance efforts to save lives, protect property and public health and safety, and lessen or avert the threat of a catastrophe;

"(2) coordinate all disaster relief assistance (including voluntary assistance) provided by Federal agencies, private organizations, and State and local governments;

"(3) provide technical and advisory assistance to affected State and local governments for—

"(A) the performance of essential community services;

"(B) issuance of warnings of risks or hazards;

"(C) public health and safety information, including dissemination of such information;

"(D) provision of health and safety measures; and

"(E) management, control, and reduction of immediate threats to public health and safety;

"(4) provide emergency assistance through Federal agencies;

"(5) remove debris in accordance with the terms and conditions of section 407;

"(6) provide temporary housing assistance in accordance with section 408; and

"(7) assist State and local governments in the distribution of medicine, food, and other consumable supplies, and emergency assistance.

"(b) General.—Whenever the Federal assistance provided under subsection (a) with respect to an emergency is inadequate, the President may also provide assistance with respect to efforts to save lives, protect property and public health and safety, and lessen or avert the threat of a catastrophe.

"SEC. 503. AMOUNT OF ASSISTANCE.

"(a) Federal Share.—The Federal share for assistance provided under this title shall be equal to not less than 75 percent of the eligible costs.

"(b) Limit on Amount of Assistance.—

"(1) In general.—Except as provided in paragraph (2), total assistance provided under this title for a single emergency shall not exceed $5,000,000.

"(2) Additional assistance.—The limitation described in paragraph (1) may be exceeded when the President determines that—

"(A) continued emergency assistance is immediately required;

"(B) there is a continuing and immediate risk to lives, property, public health or safety; and

"(C) necessary assistance will not otherwise be provided on a timely basis.

"(3) Report.—Whenever the limitation described in paragraph (1) is exceeded, the President shall report to the Congress on the nature and extent of emergency assistance requirements and shall propose additional legislation if necessary.".

(b) Savings Clause.—The amendment made by subsection (a) shall not be construed as having any effect on title VIII of the Public Works and Economic Development Act of 1965 which was added to such Act by section 501 of the Disaster Relief Act of 1974 on May 22, 1974.

SEC. 108. AMENDMENTS TO TITLE VI.

(a) Rules.—Section 601(a) is amended—

(1) by inserting "(1)" after "Sec. 601. (a)"; and

(2) by adding at the end the following new paragraph:

"(2) Deadline for payment of assistance.—Rules and regulations authorized by paragraph (1) shall provide that payment of any assistance under this Act to a State shall be completed within 60 days after the date of approval of such assistance.".

(b) Effective Date.—Section 605 is repealed.

(c) Authorization of Appropriations.—Section 606 is repealed.

SEC. 109. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Agricultural Act of 1949.—(1) Section 401(c) of the Agricultural Act of 1949 (7 U.S.C. 1421(c)) is amended by striking out "Public Law 875, Eighty-first Congress" and inserting in lieu thereof "the Disaster Relief and Emergency Assistance Act".

(2) Section 407 of such Act (7 U.S.C. 1427) is amended by striking out "Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855)" and inserting in lieu thereof "the Disaster Relief and Emergency Assistance Act".

(b) Agricultural Act of 1970.—Section 813(d) of the Agricultural Act of 1970 (7 U.S.C. 1427a(d)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(c) Consolidated Farm and Rural Development Act.—(1) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking out "Act of 1974" each place it appears and inserting in lieu thereof "and Emergency Assistance Act".

(2) Section 324(d) of such Act (7 U.S.C. 1964(d)) is amended by striking out ' 'Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(d) Food Stamp Act of 1977.—Section 5(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(1)) is amended by striking out "section 302(a) of the Disaster Relief Act of 1974" and inserting in lieu thereof "sections 402 and 502 of the Disaster Relief and Emergency Assistance Act".

(e) National Housing Act.—(1) Section 8(b)(2) of the National Housing Act (12 U.S.C. 1706c(b)(2)) is amended by striking out "102(2) and 301 of the Disaster Relief Act of 1974" and inserting in lieu thereof "102(2) and 401 of the Disaster Relief and Emergency Assistance Act".

(2) Section 203(h) of such Act (12 U.S.C. 1709(h)) is amended—

(A) by striking out "riot or civil disorder,"; and

(B) by striking out "102(2) and 301 of the Disaster Relief Act of 1974" and inserting in lieu thereof "102(2) and 401 of the Disaster Relief and Emergency Assistance Act".

(3) Section 221(f) of such Act (12 U.S.C. 17151(f)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(f) Small Business Act.—(1) Section 7(b)(2)(A) of the Small Business Act (15 U.S.C. 636(b)(2)(A)) is amended by striking out "the Act entitled 'An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes', approved September 30, 1950, as amended (42 U.S.C. 1855-1855g)" and inserting in lieu thereof "the Disaster Relief and Emergency Assistance Act".

(2) Section 7(b)(E) of such Act (15 U.S.C. 636(b)(E)) is amended by striking out "subsection (b) of section 315 of Public Law 93-288 (42 U.S.C. 5155)" and inserting in lieu thereof "section 312(a) of the Disaster Relief and Emergency Assistance Act".

(3) Section 7(f) of such Act (15 U.S.C. 636(f)) is amended by striking out "section 2(a) of the Act of September 30, 1950 (42 U.S.C. 1855a(a))" and inserting in lieu thereof "section 102(2) of the Disaster Relief and Emergency Assistance Act".

(g) Endangered Species Act of 1973.—Section 7(p) of the Endangered Species Act of 1973 (16 U.S.C. 1536(p)) is amended—

(1) by striking out "Disaster Relief Act of 1974" each place it appears and inserting in lieu thereof "Disaster Relief and Emergency Assistance Act"; and

(2) by striking out "401 or 402" and inserting in lieu thereof "405 or 406".

(h) Coastal Barrier Resources Act.—Section 6(a)(6)(E) of the Coastal Barrier Resources Act (16 U.S.C. 3505(a)(6)(E)) is amended by striking out "305 and 306 of the Disaster Relief Act of 1974 (42 U.S.C. 5145 and 5146)" and inserting in lieu thereof "402, 403, and 502 of the Disaster Relief and Emergency Assistance Act".

(i) Impact Aid Act.—Section 7(a)(1)(A) of the Act of September 30, 1950, commonly known as the Impact Aid Act (Public Law 874, 81st Congress; 20 U.S.C. 241-1(a)(1)(A)), is amended by striking out "102(2) and 301 of the Disaster Relief Act of 1974" and inserting in lieu thereof "102(2) and 401 of the Disaster Relief and Emergency Assistance Act".

(j) Public Law 815 of the 81st Congress.—Section 16(a)(1)(A) of the Act of September 23, 1950 (Public Law 815, 81st Congress; 20 U.S.C. 646(a)(1)(A)), is amended by striking out "102(2) and 301 of the Disaster Relief Act of 1974" and inserting in lieu thereof "102(2) and 401 of the Disaster Relief and Emergency Assistance Act".

(k) Title 23.—Section 125(b) of title 23, United States Code, is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(l) Internal Revenue Code of 1986.—Sections 165(i)(1), 165(k), 5064(b)(3), and 5708(a) of the Internal Revenue Code of 1986 (26 U.S.C. 165(i)(1), 165(k), 5064(b)(3), and 5708(a)) are each amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(m) Act of August 18, 1941.—Section 5(a) of the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved August 18, 1941 (33 U.S.C. 701n), is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(n) Title 38.—Section 1820(f) of title 38, United States Code, is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(o) National Flood Insurance Act of 1968.—Section 1306(c)(5) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)(5)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(p) Social Security Act.—Subsections (a)(2)(A) and (b)(11) of section 1612 of the Social Security Act (42 U.S.C. 1382a (a)(2)(A) and (b)(11) are each amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(q) Older Americans Act of 1965.—Section 310(a)(1) of the Older Americans Act of 1965 (42 U.S.C. 3030(a)(1)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(r) Public Works and Economic Development Act of 1965.—(1) Section 801(b) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3231(b)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(2) Section 802(b) of such Act (42 U.S.C. 3232(b)) is amended by striking out "402(f) of the Disaster Relief Act of 1974" and inserting in lieu thereof "406(c) of the Disaster Relief and Emergency Assistance Act".

(s) Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Agencies Appropriation Act, 1973.—Section 406 of the Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Agencies Appropriation Act, 1973 is amended by striking out "Act of 1970 (84 Stat. 1744)" and inserting in lieu thereof "and Emergency Assistance Act".

(t) Flood Disaster Protection Act of 1973.—Section 3(a)(4) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)(4)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(u) Earthquake Hazards Reduction Act of 1977.—Subsections (g) and (i) of section 5 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704) are each amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(v) CERCLA.—Section 101(23) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(23)) is amended by striking out "Act of 1974" and inserting in lieu thereof "and Emergency Assistance Act".

(w) Act of June 30, 1954.—Section 3 of the Act of June 30, 1954 (68 Stat. 330; 48 U.S.C. 1681 note) is amended by striking out "102(2) and 301 of the Disaster Relief Act of 1974" and inserting in lieu thereof "102(2) and 401 of the Disaster Relief and Emergency Assistance Act".

SEC. 110. RECOMMENDATIONS CONCERNING IMPROVEMENT OF RELATIONSHIPS AMONG DISASTER MANAGEMENT OFFICIALS.

Not later than 1 year after the date of the enactment of this Act, the President shall recommend to the Congress proposals to improve the operational and fiscal relationships that exist among Federal, State, and local major disaster and emergency management officials. Such proposals should include provisions which—

(1) decrease the amount of time for processing requests for major disaster and emergency declarations and providing Federal assistance for major disasters and emergencies;

(2) provide for more effective utilization of State and local resources in major disaster and emergency relief efforts; and

(3) improve the timeliness of reimbursement of State and local governments after the submission of necessary documentation.

SEC. 111. STUDY OF DISASTER DECLARATION PROCESS.

(a) Findings.—The Congress finds and declares that—

(1) the explosion at the Pacific Engineering and Production Company in Henderson, Nevada, on May 4, 1988, resulted in the deaths of two people, more than 350 injuries, and damages to more than 3,000 buildings;

(2) the Governor of Nevada on May 9, 1988, requested the President to declare a major disaster for Nevada as a result of the catastrophic accident that occurred on May 4;

(3) the Federal Emergency Management Agency's recommendations in response to the Governor's disaster declaration request were delivered to the White House on May 12;

(4) the Governor of Nevada was not kept informed of the status of the State's request for Federal disaster assistance and information concerning the Governor's request was selectively disseminated; and

(5) the untimely and selective release of information concerning the disaster had a negative impact on the victims of the Henderson explosion, and the citizens of Nevada as a whole.

(b) Study and Report.—The Comptroller General of the United States shall—

(1) conduct a study of the process by which disaster declarations are made; and

(2) not later than 180 days after the date of enactment of this Act, transmit a report to the Congress describing the findings of the study along with recommendations on ways to improve and ensure the nonpolitical functioning of the process for declaring disasters.

SEC. 112. DECLARED DISASTERS AND EMERGENCIES NOT AFFECTED.

This title shall not affect the administration of any assistance for a major disaster or emergency declared by the President before the date of the enactment of this Act.

SEC. 113. DEADLINE FOR ISSUANCE OF REGULATIONS.

Regulations necessary to carry out this title and the amendments made by this title shall be issued no later than the 180th day following the date of the enactment of this Act.

TITLE II—GREAT LAKES DAMAGE ASSISTANCE AND PREVENTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Great Lakes Planning Assistance Act of 1988".

SEC. 202. DAMAGE ASSISTANCE PROGRAM.

(a) In General.—The Director is authorized to provide assistance to Great Lakes States in the establishment of State programs to reduce and prevent damage attributable to high water levels in the Great Lakes.

(b) Grants.—Upon application by a Great Lakes State within 1 year after the date of enactment of this Act, the Director may make a one-time grant to the State of not more than $250,000 for use by the State for—

(1) preparation of plans for mitigation, warning, emergency operations, and emergency assistance;

(2) coordination of available State and Federal assistance;

(3) development and implementation of nonstructural measures to reduce or prevent damage attributable to high water levels in the Great Lakes, including establishment of setback requirements and other conditions on construction and reconstruction of public and private facilities, mapping of flooding zones, and technical assistance; and

(4) assisting local governments in developing and implementing plans for nonstructural reduction and prevention of damages attributable to high water levels in the Great Lakes.

(c) Technical Assistance.—The Director may provide technical assistance to Great Lakes States for carrying out any activity carried out with assistance under this section.

(d) State Matching.—A State which receives a grant under this section shall match the grant with an amount of funds from non-Federal sources equal to 25 percent of the amount of the grant.

(e) Authorization.—There are authorized to be appropriated for making grants under this section not more than $2,000,000 for fiscal year beginning after September 30, 1988.

SEC. 203. CORPS OF ENGINEERS.

(a) Technical and Other Assistance.—The Secretary of the Army may—

(1) provide emergency assistance to prevent or reduce damage attributable to high water levels in the Great Lakes, including provision of sandbags, sheeting, and stones and other armoring devices (taking account of flooding and erosion of other property which may be caused by such activity) but not including construction of permanent structures;

(2) provide technical assistance to individuals and local governments with respect to measures to prevent or reduce such damage; and

(3) compile and disseminate information on—

(A) water levels of the Great Lakes,

(B) techniques for prevention or reduction of such damage, and

(C) emergency relief available to persons who suffer economic injury attributable to high water levels in the Great lakes.

(b) Issuance of Permits.—

(1) Consideration of Flooding and Erosion.—In issuing a permit under—

(A) Section 10 of the Act of March 3, 1989 (33 U.S.C. 403); or

(B) Section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344);

for any activity carried out with assistance under this title, the Secretary of the Army shall take account of flooding and erosion of other property which may be caused by such activity.

(2) Bank stabilization.—

(A) General rule.—In issuing permits under sections 10 of the Act of March 3, 1989 (33 U.S.C. 403) and 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) for a project involving dredging of any portion of the Great Lakes, the Secretary of the Army shall, if feasible, encourage for bank stabilization purposes the disposal of nonhazardous compatible sand from such project on shorelines affected by erosion.

(B) Consultation.—In carrying out subparagraph (A), the Secretary of the Army shall consult affected State and local governments.

SEC. 204. GREAT LAKES COASTAL BARRIER ACT OF 1988.

(a) Short Title.—This section may be cited as the "Great Lakes Coastal Barrier Act of 1988".

(b) Study of Coastal Barriers Resources System to Include Barriers Within Great Lakes Shore Areas.—Section 4 of the Coastal Barrier Resources Act (16 U.S.C. 3503) is amended to read as follows:

"SEC. 4. COASTAL BARRIER RESOURCES SYSTEM.

"(a) In General.—The Coastal Barrier Resources System consists of—

"(1) those undeveloped coastal barriers that are located on the Atlantic and Gulf Coast of the United States and included within the System on April 19, 1983; and

"(2) those undeveloped coastal barriers along the shore areas of the Great Lakes that are designated by Congress by law after considering the recommendations of the Secretary made under subsection (b) of this section.

"(b) Inclusion of Great Lake Barriers.—

"(1) In general.—

"(A) Recomendations and maps.—Except as provided in subparagraph (B), not later than 3 months after the date of the enactment of the Great Lakes Coastal Barrier Act of 1988, the Secretary shall recommend to Congress and prepare maps identifying the boundaries of those undeveloped coastal barriers along the shore areas of Great Lakes that the Secretary considers appropriate for inclusion in the Coastal Barrier Resources System.

"(B) Excluded areas.—The Secretary may not recommend for inclusion as an undeveloped coastal barrier, and sections 5 and 6 of this Act do not apply to, any area that is publicly owned and protected by Federal, State, or local government law, or held by a qualified organization defined in section 170(h)(3) of the Tax Reform Act of 1986 (26 U.S.C. 170(h)(3)), primarily for wildlife refuge, sanctuary, recreational, or natural resource conservation purposes.

"(2) Consultations and considerations.—Before recommending undeveloped coastal barriers under paragraph (1) of this section, the Secretary shall—

"(A) consult with and provide an opportunity for comment by appropriate United States Government agencies, State agencies (including the coastal zone management agencies) of the States bordering the Great Lakes, and the public; and

"(B) update on the basis of aerial photographs and consider the draft coastal barrier inventory maps prepared by the Secretary in January 1985 for the States of Michigan, Wisconsin, Ohio, New York (Great Lakes) and Minnesota.

"(3) Provision of maps.—As soon as practicable after the revision of the maps referred to in paragraph (2)(B) of this subsection is completed, the Secretary shall provide copies of the maps to—

"(A) each appropriate State and county or equivalent jurisdiction in which System units are located;

"(B) the coastal zone management agency in each appropriate State that has a coastal zone management program approved under section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455); and

"(C) each appropriate United States Government agency; and

"(D) the Congress.

"(4) Public inspection of maps.—The Director of the United States Fish and Wildlife Service shall make available for public inspection all maps prepared under this section.

"(c) Boundary Modifications.—

"(1) In general.—The Secretary shall—

"(A) conduct a review of the System maps at least once every 5 years after the date of the enactment of the Great Lakes Coastal Barrier Act of 1988; and

"(B) subject to paragraph (2), make any minor and technical modifications to the boundaries of any System unit that are necessary solely to reflect changes that have occurred in the size or location of that unit as a result of natural forces.

"(2) Consultations.—The Secretary shall conduct the reviews required under paragraph (1) in consultation with the chief executive officer of—

"(A) each appropriate State and county equivalent jurisdiction in which System units are located;

"(B) the coastal zone management agency in each appropriate State that has a coastal zone management program approved under section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455);

"(C) each appropriate United States Government agency; and

"(D) the public.

"(d) System Maps.—The Office of the Director of the United States Fish and Wildlife Service, Department of the Interior, and other appropriate offices of the Service shall have available for public inspection all System maps.".

(c) Conforming Amendments.—

(1) Congressional findings.—Section 2 of the Coastal Barrier Resources Act (16 U.S.C. 3501) is amended by inserting "and along the shore areas of the Great Lakes" after "Atlantic and Gulf Coasts" at each place it appears.

(2) Definitions.—Section 3 of the Coastal Barrier Resources Act (16 U.S.C. 3502) is amended as follows:

(A) Redesignation.—Paragraphs (4) and (5), and any reference thereto, are redesignated as paragraphs (5) and (7), respectively.

(B) Great Lakes Defined.—The following is inserted after paragraph (3):

"(4) The term 'Great Lakes' means Lake Ontario, Lake Erie, Lake Huron, Lake St. Clair, Lake Michigan, and Lake Superior, to the extent that those lakes are subject to the jurisdiction of the United States.".

(C) System maps defined.—The following is inserted after paragraph (5) (as redesignated):

"(6) The term 'system maps' means—

"(A) the maps that are entitled 'Coastal Barrier Resources System', numbered A01 through T12 (but excluding maps T02 and T03) and dated September 30, 1982, and the maps numbered T02A and T03A and dated December 8, 1982; and

"(B) the maps prepared under section 4(b) of this Act and any modification to those maps under that section.".

(d) Expansion of Highways in Michigan.—The limitations on the use of Federal expenditures or financial assistance within the Coastal Barrier Resources System under section 6(a)(3) of the Coastal Barrier Resources Act (16 U.S.C. 3505(a)(3)) shall not apply to existing highways located within the State of Michigan if the Congress adds new units to the Coastal Barrier Resources System under section 4 of that Act, and those units include portions of United States or State highways in the State of Michigan.

SEC. 205. DEFINITIONS.

For purposes of this title—

(1) Director.—The term "Director" means the Director of the Federal Emergency Management Agency.

(2) High water levels.—The term "high water levels" means water levels above the long-term average of water levels from 1900.

(3) Local government.—The term "local government" means a county, city, village, town, district, or other political subdivision of a Great Lakes State and an Indian tribe or authorized tribal organization.

(4) Great lakes state.—The term "Great Lakes State" means Minnesota, Wisconsin, Illinois, Ohio, Michigan, Indiana, Pennsylvania, and New York.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

The last sentence of section 91 of the Water Resources Development Act of 1974 (88 Stat. 39), relating to authorization of appropriations for the New York Harbor collection and removal of drift project, is amended by striking out "$30,500,000" and inserting in lieu thereof "$6,000,000 annually".

SEC. 302. HUDSON RIVER CHANNEL.

That portion of Public Law 100-202 designated as the Energy and Water Development Appropriations Act of 1988 is amended by striking out in the undesignated paragraph "The following portion of the Hudson River" all that follows through "the States of New York and New Jersey." (101 Stat. 1329-109) and inserting in lieu thereof the following:

"The following portion of the Hudson River in the Borough of Manhattan, New York County, State of New York, is hereby declared not to be part of the federally authorized Channel Deepening Project: that portion of the Hudson River and land thereunder more particularly bounded and described as follows: Beginning at a point in the United States Pierhead Line approved by the Secretary of War on July 31, 1941, said point having a coordinate of North 4,677.56 feet and West 11,407.92 feet and running: (1) Northerly along said Pierhead Line on a bearing of N21-01'-53"W for a distance of 700.00 feet to a point; thence (2) westerly at right angles to said Pierhead Line on a bearing of S68-58'-07"W for a distance of 200.00 feet to a point; thence (3) Southerly and parallel with said Pierhead Line on a bearing of S21-01'-53"E for a distance of 700.00 feet to a point; thence (4)

Easterly at right angles to said Pierhead Line on a bearing of N68-58'-07"E for a distance of 200.00 feet to the point of beginning. Bearings and coordinates are in the system used on the Borough Survey, Borough President's Office, Manhattan. This declaration shall apply to all or any part of the described area which is used or needed for New York Harbor passenger ferry boat service, as such service may be operated by, or contracted for operation by, a bi-State agency created by compact between the States of New York and New Jersey.".

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is a second demanded?

Mr. CLINGER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. NOWAK] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. NOWAK].

Mr. NOWAK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to speak on behalf of the bill H.R. 2707 and urge its prompt passage by the House of Representatives. This bill amends the Disaster Relief Act of 1974, and represents the first major revision of this act since that time. It provides for a more efficient and orderly Federal response to assist the citizens of this country when they have been devastated by catastrophe.

This bill is a compromise of H.R. 2707 as it passed the House this past March and was developed in negotiations with the Senate and the administration. The Office of Management and Budget has indicated that it will recommend approval of this legislation by the President and I ask unanimous consent that a letter to that effect be placed in the RECORD at this point. Although the bill is a compromise, it retains the major reforms of the Disaster Relief Program as passed so overwhelmingly by the House. The reforms are designed to assure consistency in the types of assistance provided and to make it more responsive to the needs of communities and individuals.

These reforms include:

Modifications to the definitions of disaster and emergency to better delineate the differences between the two situations and the types of assistance available;

Establishment of the Federal share at not less than 75 percent for major disasters and emergencies;

A provision for the Federal Government to advance the non-Federal share;

A prohibition on the use of a sliding scale or arithmetic formula to deny relief to a particular geographic area;

Federal assistance for mitigation measures to reduce the risk of future damage; and,

Improvements in temporary housing, individual and family grants, delivery of assistance, and disaster preparedness assistance.

The Disaster Relief Act provides assistance for disasters where substantial efforts are needed to repair and restore facilities and provide housing and other assistance to individuals, and for emergencies, where a lesser level of assistance is needed to save lives and protect health and property.

The cost sharing for assistance has been established at not less than 75 percent. It is expected that in certain circumstances the Federal share will be greater than 75 percent and as high as 100 percent where the circumstances warrant it. In both major disasters and emergencies, the particular needs and circumstances of a situation may warrant a higher Federal share. Items which would logically appear to be 100 percent Federal include:

Emergencies involving Federal primary responsibility;

Situations where there is a need for a unique Federal capability;

Implementation of the Federal "catastrophic earthquake plan";

Federal efforts in search and rescue, mass care, and emergency medical services;

Federal technical assistance; and

Federal studies.

Title II of the bill authorizes a program of assistance related to the fluctuating water levels on the Great Lakes. During 1985 and 1986, four of the five Great Lakes were at levels far in excess of their historical average. The Subcommittee on Water Resources reviewed this dangerous and threatening situation and developed a program to help States address this threat. Now, thankfully, the lake levels have declined but the threat from a recurrence of the high levels remains real. Therefore, the grant and assistance program in the House-passed bill has been replaced with a more modest provision authorizing assistance to the Great Lakes States.

The new provision includes one-time grants, with a 25-percent non-Federal match, for the States to use in preparing plans, coordinating assistance, providing assistance to local governments, and developing and implementing nonstructural measures to prevent future damages.

The Secretary of the Army is authorized to provide technical and other assistance in the Great Lakes area. This clarifies several existing, general authorities of the Secretary. In addition, the Secretary of the Interior is directed to make recommendations concerning Great Lakes areas for inclusion under the Coastal Barriers Resources Act. Section 204 of this bill amends the Coastal Barrier Resources Act to include undeveloped coastal barriers along the shore areas of the Great Lakes. The Honorable ROBERT DAVIS, ranking minority member of the Committee on Merchant Marine and Fisheries introduced similar legislation, which was approved by the Merchant Marine and Fisheries Committee.

In the interest of passing this important measure, it has been included as part of H.R. 2107, a bill within the jurisdiction of the Committee on Public Works, with the agreement and cooperation of the Committee on Merchant Marine and Fisheries. The Committee on Merchant Marine and Fisheries has jurisdiction over the Coastal Barrier Resources Act, which originated in that committee. By including this provision, there is no intent to alter in any way jurisdiction over the act. Even though this bill as a result of the Senate action, specifically amends the Coastal Barrier Resources Act, this action today sets no precedent diminishing or altering the jurisdiction of the Merchant Marine and Fisheries Committee over this statute and its subject matter.

I believe that the combination of assistance to the States and the recommendations concerning the Coastal Barrier Resources Act is a sound approach to help reduce future damages from high-water levels in the Great Lakes. This program should more than pay for itself in economical and environmental benefit over time.

Mr. Speaker, I would like to briefly discuss some of the other changes made in the House-passed bill.

One of the changes is the deletion of a provision granting authority for FEMA to forgive advances of the non-Federal share. By deleting this new authority, but retaining the authority to make advances, FEMA is expected to retain its current practices of reviewing the ability of a State or local government to repay its share and to adjust repayment terms based upon the circumstances of the State or local government. The President has also been specifically given the authority to reimburse State and local governments for reasonable expenses incurred in anticipation of an event which results in a major disaster declaration. This authority emphasizes the current practice of FEMA in paying those expenses. These expenses must be incurred in anticipation of, and immediately preceding, the event. This period could range from a few hours to several days depending upon the circumstances. By adding that the expenses must be incurred "immediately preceding," it is intended that the authority could not be used to repay expenses incurred years or months in advance as permanent protective measures. However, "immediately preceding" could be several days or more in particular circumstances.

Mr. Speaker, the bill is a bipartisan effort of the Members of the House of Representatives and the Senate. It has the widespread support of all interested groups and the administration. I urge my colleagues to join me giving this legislation their unanimous support.

Mr. Speaker, I include in the Record a letter from Joseph R. Wright, Jr., Acting Director of the Office of Management and Budget to the gentleman from California [Mr. Anderson], the chairman of the Committee on Public Works and Transportation.

The letter referred to is as follows:

Executive Office of the President,
Office of Management and Budget,
Washington, DC, October 20, 1988.

Hon. Glenn M. Anderson,
Chairman, Committee on Public Works and Transportation, U.S. House of Representatives, Washington, DC.

Dear Mr. Chairman: I would like to commend you and your colleagues on the Committee on Public Works and Transportation for making substantial improvements in the "Disaster Relief and Emergency Assistance Amendments of 1988."

The Administration has always supported the major provisions of the bills to reform and improve the Disaster Relief Act, especially the cost-sharing principle and the easing of administrative and paperwork burdens on State and local governments. The new provision for Federal payment of administrative expenses by formula should be particularly helpful to State and local governments, as it removes burdensome tracking and record-keeping efforts, and eliminates non-productive disputes over costs at all levels of government.

In those areas of the bill where we have disagreed, we have discussed the different points of view and agreed on mutually acceptable language. Accordingly, the Office of Management and Budget will recommend that the President approve the amended version of the "Disaster Relief and Emergency Assistance Amendments of 1988," if it is passed without further amendment.

Sincerely,

Joseph R. Wright, Jr.
Acting Director.

Mr. Speaker, I reserve the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

I am pleased to rise in support of H.R. 2707 which represents the end of a long, long run of negotiations and compromises, and I am also pleased to report that the Office of Management and Budget, the administration, supports this compromise and it reflects a give and take on all sides.

Quoting from a letter from Joseph R. Wright, Acting Director of the Office of Management and Budget, "The Office of Management and Budget will recommend that the President approve the amended version of the Disaster Relief and Emergency Assistance of 1988 as it is passed without further amendment."

We have a bill, Mr. Speaker, which has been hammered out over a long period and represents a compromise on all sides.

The genesis of the legislation arises from a natural disaster that really has struck the adjoining districts of my colleague, the gentleman from Pennsylvania [Mr. Ridge] and myself. In May 1985 a severe weather system moved through northwestern Pennsylvania, spawning tornadoes that killed 65 people and cost over $250 million in damages.

Within a matter of days, the Federal Emergency Management Agency set up disaster assistance centers to help victims of the storms. FEMA personnel did their level best working with these people to overcome the storm's afteraffects and get their lives back in order.

It's difficult to relate the severity of the damage. Entire towns were flattened. Large employers lost their plants and facilities and faced tremendous expenses to rebuild. One problem would compound another, making each day a physical and emotional challenge.

Months afterwards, Representative Ridge and I held a series of town meetings to assess the effectiveness FEMA, which is our Federal Government's only conduit for disaster relief. From these sessions, and with the assistance of professional disaster relief officials, we were able to develop a list of steps our Government can take to improve the delivery of disaster relief assistance, and this incorporates many of these recommendations.

Ironically, at the same time we were in the initial drafting stages, and the gentleman from Pennsylvania [Mr. Ridge], really took the lead in this effort. FEMA establishes a proposed rulemaking that would severely limit, not expand, the Federal role in disaster relief. Their misguided efforts gave us additional impetus to seek legislative changes.

I want to say the limitations faced by local governments to respond to disaster in my district, local governments have but limited resources that can be brought to bear following a disaster. They must not only cope with damage incurred in their own equipment, but they are expected to extend assistance to the community. Churches, schools, and other public services can only go so far to help overcome this.

The Federal Government has a natural and legitimate role to target national resources to come to the assistance of local communities.

I believe the Federal Government's obligation to work with local governments and its citizenry must be strengthened, so they may again become productive members of society.

FEMA is the Federal Government's only response mechanism. As small as it is, FEMA is the best we have. And from experience, I can assure you it needs improving.

I can assure Members that this bill affects some very, very needed improvements in the operation of FEMA. H.R. 2707 is a modest bill, Mr. Speaker, but it makes vitally needed improvements. I want to commend the gentleman from California [Mr. Anderson], and our ranking Republican Member, the gentleman from Arkansas [Mr. Hammerschmidt], and want to particularly commend the gentleman from New York [Mr. Nowak], and the gentleman from Minnesota [Mr. Stangeland], and especially my good friend, the gentleman from Pennsylvania [Mr. Ridge], my neighbor, in their tireless efforts on this legislation. As I indicated, the administration supports this legislation and I would urge its adoption.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. Frenzel].

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

This is the fourth bill on the current list of 10 which is going to go without a vote. Those of us in the curmudgeon caucus here are trying to arrange for speedy disposal of these noncontroversial, nonspending bills without the necessity of a vote so that it will not be necessary to fill the hall with noisy Members anxious to go home.

I would like to offer a note of caution. A number of bills have gone over to the other body, and are now being redecorated. When they arrive in the House, those bills are going to be subjected to a vote. The bills that have significant authorizations or expenditures in them will be inevitably subjected to a vote, and I expect they will fail. Some will be subjected to pocket vetoes.

Suspension bills require two-thirds, so I would urge that Members who have bills in the Senate try to follow them, keep track of them, and let those Members who are exercising this disciplinary role here have an idea of what is before the House. If not, those bills will likely fail.

We will try to make things as easy as possible, but we are not going to be a part of allowing the Senate to give us one after another add-on bills. In total they amount to a series of continuing resolutions.

So this bill is one that ought to be passed, and there will be a few more, too, but we urge everyone to be cautious lest their worthy bills fail.

Mr. Speaker, I thank the gentleman for yielding.

Mr. CLINGER. Mr. Speaker, I reserve the balance of my time.

Mr. NOWAK. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. Anderson].

Mr. ANDERSON. Mr. Speaker, H.R. 2707 amends the Federal Disaster

Relief and Emergency Assistance Program, and is a compromise developed by the Committee on Public Works and Transportation working with the Senate and the administration. It will enable Federal officials to work with their State and local counterparts to prepare an effective Federal response to emergencies and disasters caused by natural catastrophes.

The bill revises the Disaster Relief Act of 1974 to improve the delivery of Federal assistance to State and local governments that have been victimized by disasters. This is the first major revision of the program since 1974.

Many Members are aware of problems with the administration of the disaster relief program by the Federal Emergency Management Agency. There have been many complaints about the Agency's response to local needs during disasters.

The concerns about the program became especially widespread 3 years ago when FEMA proposed cutbacks in the program that would have reduced Federal disaster assistance despite the expressed intent of Congress. This bill ensures that those changes in policy cannot be made by administrative action.

H.R. 2707 has strong bipartisan support. The disaster relief title closely follows the bill passed by the House this past March and the bill introduced by the gentleman from Pennsylvania, [Mr. RIDGE] which had more than 100 cosponsors.

Many Members have made significant contributions to the legislation we are bringing before the House today. The chairman of the Subcommittee on Water Resources, Mr. NOWAK, has devoted a great deal of effort to its development. The gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking Republican member of the committee, and the gentleman from Minnesota [Mr. STANGELAND], the ranking republican member of the Subcommittee on Water Resources, deserve much of the credit as do the chairman of the Subcommittee on Investigations and Oversight, the gentleman from Minnesota [Mr. OBERSTAR] and the ranking Republican member of the subcommittee, the gentleman from Pennsylvania [Mr. CLINGER].

Title I of the bill maintains the Federal share at not less than 75 percent for major disasters and emergencies to prevent implementation of FEMA's proposal to reduce it to 50 percent. It also prohibits the use of mathematical sliding scales such as the one proposed by FEMA in 1986 which would have discriminated against large population sites such as California and New York.

Title II deals with the very important problem of high water levels on the Great Lakes. The gentleman from New York and other members of the committee have been working on this issue for several years and have produced a program that will provide much needed technical and planning assistance.

Mr. Speaker, this legislation is designed to provide help for people when they need it the most, at the time of disasters and emergencies. It will help get that assistance there in a more timely and effective manner. I urge my colleagues to support the bill.

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Mr. CLINGER. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. RIDGE], one of the principal architects of this legislation, a gentleman who has tirelessly worked on reforming and upgrading and improving the operations of the Federal Emergency Management Administration.

Mr. RIDGE. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in strong support of the Disaster Relief and Emergency Assistance Amendments of 1988. This bill is the culmination of nearly 3 years of effort on my part as well the result of literally years of appeals from disaster victims and State and local emergency management professionals. I would also like to commend my colleagues on the Public Works and Transportation Committee who in the past 2 years have helped move this issue from the back burners to where we are today.

While time would not allow me to mention all of those who have been involved, our colleagues ARLAN STANGELAND, BILL CLINGER, TRENT LOTT, HENRY NOWAK, JIM OBERSTAR, and JOHN PAUL HAMMERSCHMIDT have all helped to craft this final bill.

Our colleagues should also be aware that this legislation was not created in a vacuum on Capitol Hill. In particular, assistance provided by the National Emergency Management Association, the National Coordinating Council on Emergency Management, the National Association of Counties, the Association of State Floodplain Managers, and the National Rural Electric Association, was essential in the drafting of the bill and in helping to build a bipartisan coalition of 112 cosponsors.

Most of all, I would like to dedicate our effort today to the families of the 65 residents of Pennsylvania who tragically lost their lives in the tornado disaster of May 31, 1985. While the suffering and loss which they have endured, along with thousands of other victims of natural disasters in America can never be erased, their strength and courage above all else has driven me to proceed with this reform effort.

Mr. Speaker, I was not at all pleased with the recovery effort which the Federal Emergency Management Agency directed in my district during the summer of 1985. Disaster victims were waiting for housing assistance for up to 6 weeks after their homes were destroyed. I was touring demolished homesites arguing with Federal officials regarding which trees to remove from a lot, debating whether the tree was either damaged or destroyed, whether it was uprooted enough to be eligible for removal.

I discovered that the Federal agency responsible for meeting the needs of our constituents following a national disaster declaration was more concerned with asserting authority than in working partnership with State and local governments. They were more concerned with scoring well on agency performance reviews than in meeting the needs of suffering individuals who had unique personal needs and problems. Federal housing assistance, clearly mandated by Federal law, was being offered for the convenience of the Government and not to meet the critical needs of the individuals affected.

From that time forward, I was convinced that somewhere along the way, the Federal Emergency Management Agency had lost its sense of mission. What I discovered in talking with many of my colleagues was that such negative performance reviews were commonplace and frustration with the Federal disaster relief efforts ran far and wide. State and local emergency management officials has been calling for reform for years and yet FEMA was allowed to continue to whittle away by rulemaking and regulation at the very core and substance of the Disaster Relief Act of 1974.

Mr. Speaker, it is time for Congress to reassert our proper authority to ensure that the trustees of our national disaster programs are performing up to the standards which the American people deserve. The bill we bring forth today can help put Federal disaster assistance programs back on track, back in the proper perspective.

Our bill will clearly state what types of assistance are eligible for Federal support, at what level, and for what purpose. Specific cost-sharing formulas will ensure that bureaucratic infighting does not impede the expeditious delivery of disaster relief. It will also ensure that individuals, and State and local governments will know what is available to assist them at all times. These cost-sharing formulas will not be subject to abuse by arbitrary and capricious rulemaking as has been a common practice in the past several years.

This legislation will also mandate that Federal disasters be declared based on all the available information. The decision to declare a national disaster will remain where it should, with the President. The bill will prevent FEMA from using any arithmetic formula to exclusively determine whether a disaster declaration is in order. FEMA's backdoor attempt to reduce disaster assistance by nearly 50 percent in 1986 which was so soundly rejected, will not be a problem in the future.

We will mandate that families who have lost their homes and do not have insurance to cover temporary living expenses, will be placed in a temporary housing situation as expeditiously as possible, usually within a week's time. They will be offered assistance which will take into account the unique and individual needs of their family.

The inevitable debris that is left in the wake of a natural disaster will be removed. FEMA regulations which have been established to prevent the job from being completed properly will have to be rewritten.

Incentives will be provided to individuals and State and local governments to encourage them to perform hazard mitigation measures. Such measures can save lives and personal property and will help to protect the Federal disaster fund from being used twice to repair the same damage in future disaster situations.

The ceiling for the individual and family grant program will be increased to reflect today's costs. The current cap was set in 1974. This program provides funds for disaster victims to purchase only essential household goods and personal property items. By definition, to be eligible for any assistance in this small grant program, you must first be denied an SBA disaster loan which offers 4 percent interest on loans which can be extended for as much as 30 years. Clearly, such individuals who cannot qualify for such low interest loans are clearly in desperate need for assistance.

A major provision in the bill encourages the use of an emergency declaration when such assistance is warranted. The assistance will be immediate and short term. Federal expenditures in the emergency declaration title will be capped. Such assistance can be used to respond to both natural and nonnatural disasters, such as the crisis that can be posed by a major chemical spill. It is expected that the authority provided will serve as a practical and useful tool in protecting the lives and properties of our citizens, short of declaring a national disaster.

And finally, the bill will require FEMA to report to Congress with respect to a number of provisions which mandate prompt and effective delivery of disaster assistance and regarding the issue of timely reimbursement to State and local government. Congressional oversight and program improvements must become the norm rather than a once-a-decade exercise.

Mr. Speaker, for Members of the House who have been fortunate enough not to have had a Federal disaster declared in their district, I would share with then some basic facts. While we automatically appropriate nearly $100 million each year for the international disaster fund, for our own citizens, there is no cash assistance, and there are no guarantees.

Most natural disasters receive no Federal help. Only about half of all of our Governor's requests for a disaster declaration receive a favorable reply from the President. Nothing that is insured, be it public or private, is eligible for any Federal assistance. There is no district cash program or support for our citizens even though they send millions overseas each year in private contributions. Our Federal disaster response programs are modest—to say the very least. But from time to time, American citizens need and deserve our help.

I urge my colleagues to support this bipartisan reform effort which is long overdue. I can state with some certainty that nature will not wait until the 101st Congress before it strikes again, in your congressional district, or in mine.

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

I would like to just express my appreciation again to the gentleman from Pennsylvania [Mr. Ridge] for his inestimable contribution to this legislation. He saw a problem coming, he went to work on it, and he worked with all the bodies that impacted upon this, the interests groups; he was able to forge a compromise and bring it to fruition. I think he deserves enormous credit for that.

Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. Henry].

Mr. HENRY. I thank the gentleman for yielding.

Mr. Speaker, I appreciate the gentleman yielding this time to me and I speak very briefly just to commend the gentleman from Pennsylvania [Mr. Ridge] for 3, really 4 long, hard years of effort on this bill.

Two years ago Michigan, west Michigan and central Michigan in particular, was struck by the severest flooding, we are told by geologists, in over 400 years.

The damage done to our communities and our urban environments, but even more importantly, perhaps, at least in terms of immediate impact, the damage of the agricultural communities was even more severe than the drought of this past year. It was the first time that I had, as a Member, to deal with disaster assistance.

Let me tell you I am convinced that under this legislation that Mr. Ridge, the gentleman from Pennsylvania, has worked so long and so hard to bring before this body to this final point of passage, our ability to protect the interests and concerns, to respond with immediacy and compassion and efficiency, quite frankly, to the needs of our constituents in these very tragic circumstances is very much enhanced.

I just want to express my personal commendation to the gentleman from Pennsylvania [Mr. Ridge].

Mr. CLINGER. Mr. Speaker, I yield myself an additional 2 minutes.

I would like to recognize some other individuals who really had a tremendous impact on this legislation and specifically our chairman, Mr. Nowak.

One of the major provisions in this bill is the Great Lakes planning assistance which he is the architect of, the author of, and principal mover of, which establishes the $2 million grant program with 25 percent State matching requirement, to help the eight Great Lakes States prevent or reduce shoreline damages attributable to high lake levels.

I know that he would prefer that we would be able to fund this at a higher level but I think this is a good start. This is at least a beginning toward addressing a problem that promises to become even more severe in the years ahead. I think he deserves a great deal of commendation for his leadership in addressing a problem that is not peculiar to the Great Lakes but certainly a critical problem in the Great Lakes.

Finally, I would just like to read into the Record, if I may, Mr. Speaker, the letter from the Office of Management and Budget so that there is no misunderstanding as to the support of the administration of this important piece of legislation. The letter is from Joseph K. Wright, Jr., Acting Director of the Office of Management and Budget, addressed to John P. Hammerschmidt, with an identical letter sent to our inestimable chairman, the gentleman from California [Mr. Anderson].

Executive Office
of the President,
Office of Management and Budget,
Washington, DC, October 20, 1988.

Hon. John P. Hammerschmidt,
House of Representatives,
Washington, DC.

Dear Mr. Hammerschmidt: I would like to commend you and your colleagues on the Committee on Public Works and Transportation for making substantial improvements in the "Disaster Relief and Emergency Assistance Amendments of 1988."

The Administration has always supported the major provisions of the bills to reform and improve the Disaster Relief Act, especially the cost-sharing principle and the easing of administrative and paperwork burdens on State and local governments. The new provision for Federal payment of administrative expenses by formula should be particularly helpful to State and local governments, as it removes burdensome tracking and record-keeping efforts, and eliminates non-productive disputes over costs at all levels of government.

In those areas of the bill where we have disagreed, we have discussed the different points of view and agreed on mutually acceptable language. Accordingly, the Office of Management and Budget will recommend that the President approve the amended version of the "Disaster Relief and Emergency Assistance Amendments of 1988," if it is passed without further amendment.

Sincerely,

Joseph K. Wright, Jr.,
Acting Director.

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Mr. NOWAK. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. Panetta] who also had a great deal of input and took a great deal of time and effort to organize this bill in the fashion we passed it.

Mr. PANETTA. Mr. Speaker, I want to rise and commend all of those who worked on this legislation over the last few months, the gentleman from Pennsylvania [Mr. Ridge], the gentleman from New York [Mr. Nowak], and all of those on both sides of the aisle.

Mr. Speaker, this has been a bill that has been 5 years in the coming. A problem for those of us who have had to endure disasters is that the disaster program itself has been a disaster, and for 5 years recommendations have been made to try to revise that program so that it will be more meaningful in terms of the help that is provided to communities.

Those of us that have endured national disasters know what we have had to deal with in the disaster program. The provisions in this bill will help communities be able to serve the people who endure those kinds of tragedies.

Mr. Speaker, my commendation is not only there for those who have worked on this legislation, but also for the U.S. organizations of countries throughout this country because it is those at the county level that have had to deal with this issue up close in terms of disasters and also the assistance that was or was not available. I want to commend all of those. This is an important step toward really providing relief to those that are impacted by such tragedies.

Mr. STANGELAND. Mr. Speaker, I rise in strong support of the substitute to H.R. 2707. This compromise, based on earlier House- and Senate-passed bills, provides a comprehensive overhaul of the Nation's disaster relief program and increases shoreline protection along the Great Lakes.

First, let me thank and congratulate Members in both bodies for their hard work on this consensus legislation. The leadership of the House Public Works and Transportation Committee—Chairman Glenn Anderson, ranking minority member John Paul Hammerschmidt, and subcommittee Chairman Henry Nowak—showed interest in this legislation from the beginning and sacrificed many hours to make it an acceptable compromise. Chairman Nowak, in particular, is to be commended for his leadership on the Great Lakes portions of our bill. Congressmen Jim Oberstar and Bill Clinger of the Investigations and Oversight Subcommittee were also instrumental in developing the bill and promoting its passage. And of course, I must congratulate one of the original cosponsors and chief proponents of H.R. 2707, Congressman Tom Ridge. Without his expertise and persistence, I doubt very seriously that we would have such a worthy and widely supported bill before this body today.

Finally, Mr. Speaker, I would be remiss if I did not thank the House Merchant Marine and Fisheries Committee for its work on the Great Lakes provisions and the Senate Environment and Public Works Committee for its work on the entire bill. As always, we appreciate the leadership and cooperation of the chairman from North Dakota [Mr. Burdick] and the gentlemen from Vermont [Mr. Stafford], New York [Mr. Moynihan], and Idaho [Mr. Symms]. Without their assistance and cooperation, we could not have developed such a good bill.

H.R. 2707, which the Senate recently passed, contains provisions from the Senate's committee-reported bill (S. 2380), the House-passed bill; and updated comments of the administration and State and local emergency management officials. Title I of the substitute, which is the heart of the bill, provides important reforms to the Disaster Relief Act of 1974. Title II, the Great Lakes Planning Assistance Act of 1988, provides environmentally sensitive protection against shoreline erosion and unwise development. Title III contains a few miscellaneous provisions related to water resources.

Mr. Speaker, allow me to highlight some of the key provisions in Title I, the Disaster Relief and Emergency Assistance Amendments of 1988. The new bill builds upon the strong base of the House-passed bill. It clarifies the Federal Government's response authorities and financial responsibilities and establishes a stronger partnership among Federal, State, local, and private entities. It strengthens FEMA's existing program by adding needed uniformity, consistency, timeliness, and above all else, fairness.

We have also made additional technical and conforming amendments to the 1974 statute to reflect new laws and to incorporate changes made by H.R. 2707. For example, we have rewritten the section entitled "Protection of the Environment," which involves the National Environmental Policy Act of 1969. Our intent is not to change the substantive requirements under current law in any way. Instead, we intend only to make technical and conforming changes.

Title I reorganizes the disaster relief program to clearly define Presidential authority to respond to major disasters and emergencies. Major disasters would include primarily natural catastrophes or, in certain instances, nonnatural catastrophes while emergencies would include any occasion or instance in which Federal assistance was necessary. However, we do not intend for emergency declarations to be available in responding to public health problems such as disease epidemics or environmental or nuclear catastrophes for which Federal assistance is already available. Nor do we intend to interfere with existing Federal emergency authorities or the Comprehensive Crime Control Act's law enforcement emergency assistance provisions.

Perhaps most importantly the bill clarifies cost-sharing requirements under the law, establishing a minimum Federal share of 75 percent for major disaster and emergency expenses. The bill also details what eligible assistance State and local governments and private nonprofit facilities should expect to receive.

H.R. 2707 provides greater recognition of hazard mitigation by encouraging measures to prevent a recurrence of a major disaster or minimize the damages that might be sustained. The bill authorizes Federal grants for hazard mitigation and increases the amounts of money available for disaster preparedness grants to the States. The limited increase in Federal funding should provide enormous dividends in the future, because local governments and private nonprofit facilities will find greater incentives to prevent, rather than merely react to, disasters.

The bill also injects greater discipline into the planning procedures of State and local governments by conditioning future Federal disaster assistance upon flood insurance. Requiring flood-prone areas to obtain flood insurance and participate in the National Flood Insurnace Program should save the Federal Treasury millions of dollars in the future.

H.R. 2707 also makes administrative reforms. In response to FEMA's 1986 proposed regulations, this legislation contains important provisons on eligibility of communities and private nonprofit facilities for Federal assistance, the date of eligibility, and the ability to advance payments.

Our substitute modifies the definition of public and private nonprofit facilities. We have added the term "essential services of a governmental nature to the general public" to provide flexibility, not to encourage unsupported, broad-reaching expansions of the definition.

We also deleted the amendment to the definition of "local government" contained in the House-passed bill. The House Public Works and Transportation Committee, However, has not changed its view of the need to include special purpose districts when appropriate. Instead, we have agreed to retain the definition in current law and to place a report and wait requirement on FEMA if and when they ever decide to change their interpretation of the definition. In no way are we encouraging FEMA to revise their current interpretation.

New section 424 of the bill addresses predisaster expenses. Our intent is to encourage individuals and communities to take prudent emergency preparedness measures immediately preceding an incident which may ultimately qualify as major disaster. Such activities include, but are not limited to, issuance of warnings, public health and safety information, mobilization of emergency resources, and construction or preparation of temporary hazard reduction facilities which might reduce or eliminate damages from an impending disaster incident. Long-term or permanent measures are not contemplated by this section.

We recognize FEMA should have flexibility in determining threshold questions of eligibility. However, we do not condone and will not allow arbitrary decisions based solely on sliding scales or mathematical formulas involving population or income. Therefore, we have retained the House bill's provision that prohibits FEMA from using a sliding scale or mathematical formula as the sole basis for eligibility determinations.

We intend that such determinations be made on the basis of other factors such as, but not limited to, the following:

First, disaster in the current or previous fiscal year for which the Governor has declared a state of emergency;

Second, hazard mitigation efforts taken by State or local governments;

Third, significant loss of tax base;

Fourth, imminent threats to public health and safety;

Fifth, extent and type of insurance available;

Sixth, assistance available from other Federal programs; and

Seventh, impact of damages on affected individuals as well as States and local governments.

H.R. 2707 will also help to cut the redtape experienced by individuals and State, local, and private nonprofit entities. People should be able to receive assistance when they truly need it and without endless hassles. This bill helps ensure that happens without creating a drain on the Federal Treasury or unnecessarily increasing the Federal Government's role.

Title II has been modified significantly to reflect concerns of FEMA, the corps and the administration. The gentleman from New York [Mr. Nowak] is to be commended for his hard work and leadership on this. As a result, we have a workable program the administration can support.

Title II encourages wise shoreline development and environmentally protective responses, but steers clear of any kind of Federal land use planning. The basic message in title II is: We know we can't completely control the lake levels, just as we can't control Mother Nature, but we can minimize or prevent future damages. Who do this is title II by providing technical assistance and establishing incentives for improved lakeshore management and environmentally sensitive development.

We encourage the Great Lakes States to participate in the Coastal Zone Management Program, adopt tough erosion setback requirements, and not build in the flood zone.

Title II also authorizes the Corps of Engineers to provide emergency assistance to prevent flooding and high water level damage, to provide technical assistance, and to complete and disseminate information on water levels.

In addition, title II encourages, where feasible, the use of natural, nonstructural measures to control shoreline erosion. This is an important, environmentally protective policy and I am proud to support it. Title II also encourages—but does not require—the use of dredged material for beach nourishment when feasible and mutually acceptable to the parties. Nothing in this bill, however, conditions the issuance of a section 10 or section 404 permit on using dredged material for such purposes.

The coastal barrier resources provisions in title II direct the Secretary of Interior to identify Great Lakes shorelines eligible for inclusion in the coastal barrier resources system. Let me commend the gentleman from Michigan [Mr. Davis] and the gentleman from Ohio [Mr. Glenn] for their work in this area. Under section 204, privately owned, unprotected and undeveloped areas could be recommended for inclusion in the resources system; Congress would then have to approve the recommendation.

This section is consistent with the whole thrust of title II. It will discourage unwise development in areas with high risk of erosion or flooding. It makes sense not to use Federal money to build in flood zones at the same time we are encouraging setback and flood plain requirements and paying subsidized insurance.

This study also makes good environmental sense. It may lead to the inclusion of certain Great Lakes areas in the coastal barriers resource system. We need to protect these barrier islands.

We also need to protect the Federal Treasury. The coastal barriers resources system does that by banning the use of Federal dollars for development along shorelines. Existing public works project would not be affected.

Title III contains two provisions involving water resources projects in the New York and New Jersey Harbor and along the Hudson River Channel. Both provisions are already in the conference report on S. 2100, the Water Resources Development Act of 1988, which has the support of Congress and the administration.

Mr. Speaker, I urge all of my colleagues to support this widely accepted compromise. H.R. 2707 is timely and important. We need to pass it now to continue the road to comprehensive reform in providing disaster relief and environmentally sensitive shoreline protection.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of H.R. 2707, the Robert T. Stafford Disaster Relief and Emergency Assistance Amendments of 1988.

This is a carefully crafted compromise between the bill passed by the House earlier this year and the bill which has been passed in the Senate in prior years. It also reflects the recommendations made by the Federal Emergency Management Agency and the Office of Management and Budget. The compromise is acceptable to both the House and Senate and the administration has indicated that the President is prepared to approve the measure in its current form.

Mr. Speaker, let me commend the leadership of both the House and Senate Public Works Committees, especially Chairman Glenn Anderson from the full committee and Chairman Henry Nowak and the ranking Republican, Arlan Stangeland, of our Water Resources Subcommittee. This bill would not have been possible without their commitment and leadership.

I also want to extend my heartfelt thanks to the original author of the House bill and its guiding spirit, the Honorable Tom Ridge of Pennsylvania. Tom has devoted a great deal of his time, working with other Members, with our committee, and with affected interest groups, to develop this comprehensive bill. Other members of our committee who have demonstrated great leadership in the development of this bipartisan bill include Jim Oberstar and Bill Clinger.

Mr. Speaker, this is a good bill. It is a long-awaited bill that makes a number of significant changes to the Disaster Relief Program. It provides new direction to FEMA on costs eligible to be reimbursed under the act. For the first time, FEMA would be specifically authorized to compensate public and private nonprofit entities for cost-effective hazard mitigation expenses.

In the long run, payment of these expenses may significantly reduce recurring damages, thereby minimizing future expenses of the program.

The bill also distinguishes between emergencies and major disasters. Under the bill emergencies would be defined very broadly to allow FEMA to respond to virtually any natural or man-made disaster.

Emergency assistance would be limited, however, to not more than $5 million absent a Presidential declaration of continuing need.

Another significant improvement in the bill is the establishment of a new authority for the President to involve the services of the Department of Defense in responding to crisis situations. This new authority, proposed by Congressman Trent Lott of Mississippi, would be available during the immediate aftermath of a natural catastrophe.

It could be used even prior to a Presidential declaration of a major disaster or emergency.

Mr. Speaker, I again endorse the compromise bill which the Senate has sent to us and I urge the Members of the House to approve the bill and send it to the President for signature.

Ms. Snowe, I rise to express my strong support for the enactment of H.R. 2707, the Major Disaster Relief Act amendments legislation.

I would first like to commend the gentleman from Pennsylvania, [Mr. Ridge] for introducing this initiative and for bringing the deficiencies in our emergency response system to the attention of the Congress and Federal agency officials.

This legislation is needed to respond to natural emergencies. I saw first-hand the many problems in our response system when, in the spring of 1987, the State of Maine was afflicted by severe damages as a result of dramatic flooding conditions.

Maine officials estimated that total damages exceeded $100 million dollars: Hundreds of homes were permanently destroyed; over 400 small businesses were crippled by wrecked foundations and lost inventory; scores of small dams, roads, bridges, and other facilities were destroyed.

State and local officials, working hand-in-hand with community leaders and other volunteers, accomplished heroic work in tough conditions. I believe the State did the best job it could for its citizens. But additional Federal support was needed, and the response from the Federal level was insufficient.

From my personal experiences working with citizens, contacting officials, and helping to assess community damages, I believe available relief assistance from the Federal Government needs to be expanded, and accelerated, and the bureaucratic maze simplified.

This bill will serve to vastly improve the role of the Federal Emergency Management

Agency, and to strengthen the necessary cooperation between Federal, State, and local officials when sudden disasters occur.

Key provisions of this legislation include broadening and increasing funding for the Individual and Family Grant Program, improving access to temporary housing for citizens, and enlarging Federal cost-sharing for both public and private assistance needs.

Mr. Speaker, I have seen first-hand the real and terrifying results of a major disaster in my State. Sufficient relief assistance, without delays and endless amounts of red tape should be our very top priority in our efforts to confront a critical public need.

I urge my colleagues to support this important bill.

Mr. DAVIS of Michigan. Mr. Speaker, no one is more pleased than I that this bill is only one step away from final passage in the Congress. Six months ago, the House voted to accept my amendment to this bill which authorized the Department of the Interior to examine areas along the Great Lakes shore for possible future inclusion in the Coastal Barrier Resources System. This provision has remained in the bill before us today and it marks an important first step in protecting and preventing future shoreline damage when Great Lakes water levels rise. It has the support of the Department of the Interior, various environmental groups, as well as every affected Great Lakes State.

Despite the form of the coastal barrier provision, which is taken from my bill, H.R. 2810, I want to emphasize to the Great Lakes States which support the bill that the provision is intended to authorize a two-step process. First, the U.S. Fish and Wildlife Service will review the maps of the Great Lakes prepared in 1985, update those maps after consulting with the States, affected communities, and other interested parties, and then transmit to the Congress recommendations for areas which meet the definition of "developed coastal barrier" in the act. Congress can then act to include these new areas into the System by passing new legislation—the very process which created the original Coastal Barrier System. This will allow us the opportunity to consider the quality of the recommendations made, which caused some concern when the Department of the Interior first looked at the Lakes with an eye toward expanding the Coastal Barrier System.

I want to thank my colleagues on the House Public Works Committee and their staffs for working with me on this provision, and Senator GLENN for his work in ensuring that we do not forget our Nation's fourth coast.

Mr. CLINGER. Mr. Speaker, I reserve the balance of my time.

Mr. NOWAK. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CLINGER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from New York [Mr. NOWAK] that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 2707.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NOWAK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ESTABLISHING FORMER HOME OF ALEXANDER HAMILTON AS A NATIONAL MEMORIAL

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4212) to amend the joint resolution of April 27, 1962, to permit the Secretary of the Interior to establish the former home of Alexander Hamilton as a national memorial at its present location in New York, NY, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Senate amendments:

Page 3, line 18, strike out "Act.". and insert "Act, but not to exceed $2,500,000 for development.".

Page 3, after line 18, insert:

SEC. 2. Notwithstanding any other provision of law or any order of land classification based thereon, the Secretary of the Interior is authorized to consider an application for desert land entry covering approximately 280 acres of public lands, 105 of which constitute a part of a scenic easement area of the Dinosaur National Monument, Utah, as identified on a map entitled "Desert Land Entry—Dinosaur National Monument—October 1, 1987.". If the applicant meets the requirements of section 2 of this Act, the Secretary shall issue a patent to the applicant in accordance with the Desert Land Entry Act (43 U.S.C. 321 et seq.). Such patent shall reserve to the United States a right-of-way 200 feet in width for the Dinosaur National Monument entrance road.

SEC. 3. The Secretary shall not issue a patent to the lands described in section 1 until the applicant has: (a) complied with the requirements of the Desert Land Entry Act; and (b) conveyed to the United States, at no cost, title to scenic easements for purposes of Dinosaur National Monument on lands identified by the National Park Service as tracts 07-114, south half; 07-115, the complete tract.

SEC. 4. The scenic easements acquired by the Secretary and any patents issued by him under this Act shall be subject to the restrictions set forth in the scenic easement deed dated March 16, 1967, and filed in the records of Moffat County, Colorado, at pages 2 and 3 of book 341 of the deed of records of the county.

Mr. VENTO (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. NIELSON of Utah. Mr. Speaker reserving the right to object, I yield to the gentleman from Minnesota [Mr. VENTO] for an explanation.

Mr. VENTO. Mr. Speaker, I appreciate the gentleman from Utah yielding so that I can explain the amendments.

Mr. Speaker, the Senate has amended H.R. 4212, a bill to establish the Hamilton Grange National Memorial in New York. Originally introduced by our colleague CHARLES RANGEL, this legislation will finally resolve a 26-year-old issue. When the site was originally authorized in 1962, its supporters assumed that Alexander Hamilton's house would be moved to a more pastoral location. The legislation specified that the site could not be formally established until Alexander Hamilton's house was relocated. Today, all parties agree that the house cannot—and should not—be moved.

This legislation acknowledges that fact, and allows for the establishment of the Hamilton Grange National Memorial in its present location. By establishing the site, its preservation and interpretation will be enhanced. We will be better able to learn about Alexander Hamilton, his life, and the life of this country when we were still a very young Nation. Finally establishing this site is a fitting recognition of this part of our Nation's history.

Mr. Speaker, the Senate amended H.R. 4212, adding a ceiling for the Hamilton Grange National Memorial development of $2.5 million. That change is acceptable. The Senate has also amended the bill by adding provisions dealing with an application under the Desert Land Entry Act relating to certain lands in Utah in the vicinity of the Dinosaur National Monument. These are identical to provisions previously approved by the House as part of another bill (S. 1927), and thus are acceptable. I urge the House to pass H.R. 4212 as amended.

Mr. NIELSON of Utah. Mr. Speaker, further reserving the right to object, I do not object. Dinosaur National Monument is in my district and also the district of the gentleman from Colorado [Mr. CAMPBELL], and it straddles the two States. We are in accord with what this does, and I support it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendments just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

CORRECTING OVERSIGHTS IN ESTABLISHMENT AND DEVELOPMENT OF UTAH COMPONENT OF CONFEDERATED TRIBES OF THE GOSHUTE RESERVATION

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2839) to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, to simplify the boundaries of the Goshute Reservation, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Senate amendments:

Page 3, line 11, strike out "(1)".

Page 3, line 17, strike out all after "States" over to and including "abandoned" in line 4 on page 4.

Page 4, line 9, strike out "10(a)" and insert "9(a)".

Page 4, line 15, strike out "10(b)" and insert "9(b)".

Page 4, line 17, after "Reservation." insert "So long as such lands are held in trust, they shall not be developed for commercial purposes.".

Page 4, line 19, strike out "10(c)" and insert "9(c)".

Page 4, line 24, strike out "10(d)" and insert "9(d)".

Page 5, line 6, strike out "10(e)" and insert "9(e)".

Page 5, line 12, strike out "10(f)" and insert "9(f)".

Page 5, line 14, after "Reservation." insert "So long as such lands are held in trust, they shall not be developed for commercial purposes.".

Page 6, line 6, strike out "10(g)(1)" and insert "9(g)(1)".

Page 6, line 7, strike out "United States, the" and insert "United States as the result of an exchange of public domain land, the".

Page 6, line 13, strike out "10(g)(2)" and insert "9(g)(2)".

Page 6, strike out all after line 17, over to and including line 24 on page 7.

Page 8, line 1, strike out "6" and insert "5".

Page 8, line 5, strike out "10(h)" and insert "9(h)".

Page 8, line 10, strike out "7" and insert "6".

Page 8, lines 13 and 14, strike out "Act, and any lands acquired pursuant to section 5, is" and insert "Act is".

Page 8, line 15, strike out "8" and insert "7".

Page 8, line 23, strike out "9" and insert "8".

Page 9, line 5, strike out "10" and insert "9".

Page 9, line 9, strike out "public domain" and insert "acquired".

Page 15, lines 7 and 8, strike out "the southwest ¼, and the southwest ¼ of the northwest ¼" and insert "and the southwest ¼".

Page 17, after line 15, insert:

Sec. 10. Except for the conveyance of lands pursuant to subsections 3(e) or 3(f), the conveyance of interests of the United States under sections 3 and 4 of this Act in lands located in Tooele County, Utah shall be subject to the payment by the Tribe of fair market value for those interest as determined by the Secretary.

Page 17, after line 15, insert:

SEC. 11. LANDS HELD IN TRUST FOR THE UTE MOUNTAIN UTE INDIAN TRIBE.

(a) Land Held in Trust.—The land described in subsection (b) is declared—

(1) to be held in trust by the United States for the benefit of the Ute Mountain Ute Indian Tribe, and

(2) to be part of the Ute Mountain Ute Indian Reservation.

(b) Land Descriptions.—The land referred to in subsection (a) is the parcel of land withdrawn from the public domain and reserved for use as a site for a school for the Ute Indians under the Act approved May 31, 1924 (43 Stat. 246) and more particularly described as follows:

The 40-acre parcel which is approximately the northeast quarter of the southwest quarter of section 7, township 36 south, range 21 east, Salt Lake meridian, San Juan County, Utah, and is bordered by Indian allotment number 15 on the east, by Indian allotment number 55 on the north, and by public domain land on the south and west.

(c) The Act approved May 31, 1924 (43 Stat. 246) is repealed.

Mr. VENTO (during the reading). Mr. Speaker, I ask unanimous consent the Senate amendments be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. NIELSON of Utah. Mr. Speaker, reserving the right to object, I do not object.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. NIELSON of Utah. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, H.R. 2839, by Mr. Hansen of Utah, provides for the transfer of certain lands to the United States in trust for the Goshute Tribe of Utah to correct historical and geographical oversights in the establishment of their reservation.

The House passed the bill on November 16 of last year by unanimous consent. The Senate has just passed the bill with several amendments. The most important are one to delete a provision authorizing the tribe to acquire other lands and another to require the tribe to pay fair market value for some of the lands transferred to them from the U.S. Government.

Another is to transfer certain land to the Ute Mountain Ute Tribe in Colorado which passed the House as a separate measure.

Mr. Speaker, these amendments are acceptable to both the Democratic and Republican leadership of the Interior Committee and are supported by the administration. I know of no opposition to the bill as amended by the Senate.

Mr. NIELSON of Utah. Mr. Speaker, further reserving the right to object, I do not object. I want to congratulate the gentleman from Utah [Mr. Hansen] for his bill, H.R. 2839, which affects the Goshute Indians in the State of Utah, which is mostly his area.

Mr. Speaker, I would also like to commend Senator Garn of my State for combining these two bills, the bill, H.R. 2839, the bill of the gentleman from Utah [Mr. Hansen] and my bill, H.R. 5239, which is the transfer of certain land to the Ute Moutain Tribe of Colorado. I think the combination serves both of our districts very well and does serve to right a wrong that was done several years ago.

Mr. Speaker, I certainly urge the Members to support this bill.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendments just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE CONCURRENT RESOLUTION 339

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the name of the gentlewoman from California [Mrs. Boxer] be removed from the list of cosponsors of House Concurrent Resolution 339.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CORRECTING ENROLLMENT OF S. 1382, FEDERAL ENERGY MANAGEMENT IMPROVEMENT ACT

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 169) to authorize a correction in the enrollment of the bill (S. 1382) to amend the National Energy Conservation Policy Act to improve the Federal Energy Management Program and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. NIELSON of Utah. Mr. Speaker, reserving the right to object, on my reservation of objection I yield to the gentleman from Michigan [Mr. DINGELL], the chairman of my committee, to further explain the bill.

Mr. DINGELL. Mr. Speaker, I am delighted to do so.

Mr. Speaker, the resolution before the House directs the Clerk of the Senate to make a technical correction in the enrollment of the text of the bill, S. 1382, a bill to amend the National Energy Conservation Policy Act to improve the Federal Energy Management Program, and for other purposes.

Mr. NIELSON of Utah. Mr. Speaker, I rise in support of Senate Concurrent Resolution 169, which makes a technical correction in the enrollment of S. 1382, which the House passed last week. This technical correction deletes the word "metallic" from the exceptions to the definition of "look-alike firearm" and also deletes the word "metallic" from the portion of the bill that prohibits States from banning the sale of traditional BB guns, paint ball guns, and pellet guns. The intent of this technical amendment is to make clear the intent of Congress that paint ball guns, which fire plastic projectiles, can be sold, and need not contain the blaze orange "barrel plug" required for toy guns. I believe that this technical amendment is entirely consistent with the will of Congress when it passed S. 1382, and I urge my colleagues to support it.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. NIELSON of Utah. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I want to thank the gentleman from Utah for yielding to me.

Mr. Speaker, I want to commend the gentleman for his assistance in handling this legislation, and I want to express my thanks to him for his assistance in handling other legislation yesterday. He is an outstanding Member of the body, and I very much appreciate his friendship and his active participation in this House.

Mr. NIELSON of Utah. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 169

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the text of the bill (S. 1382) to amend the National Energy Conservation Policy Act to improve the Federal Energy Management Program and for other purposes, the Clerk of the Senate shall make the following corrections:

(1) In section 4(c), strike out "metallic".

(2) In section 4(g)(ii) strike out "metallic".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

TECHNICAL CORRECTIONS AND AMENDMENTS TO HEALTH OMNIBUS PROGRAMS EXTENSION OF 1988 AND PUBLIC HEALTH SERVICE ACT

Mr. WYDEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5560) to amend the Public Health Service Act, and the Health Omnibus Programs Extension of 1988, to make technical corrections relating to the Health Omnibus Programs Extension of 1988.

The Clerk read as follows:

H.R. 5560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EFFECTIVE DATE.

Except as provided in section 203(b)(1), the amendments made by this Act shall take effect immediately after the enactment of the Health Omnibus Programs Extension of 1988.

TITLE I—TECHNICAL AND CONFORMING AMENDMENTS TO HEALTH OMNIBUS PROGRAMS EXTENSION OF 1988

SEC. 101. CERTAIN REFERENCES.

Except as otherwise expressly provided, any reference made in this title to an amendment or repeal of a section or other provision shall be considered to be made to a section or other provision of the Health Omnibus Programs Extension of 1988.

SEC. 102. AMENDMENTS TO TITLE II.

(a) Section 243.—Section 243 is amended—

(1) in subsection (a)—

(A) by striking "(hereinafter in this subtitle referred to as AIDS)"; and

(B) by striking "concerning AIDS" and inserting "concerning such syndrome"; and

(2) in subsection (c)—

(A) in paragraph (2), by striking "AIDS" and inserting "acquired immune deficiency syndrome";

(B) in paragraph (3), by striking "AIDS" and inserting "acquired immune deficiency syndrome";

(C) in paragraph (4)—

(i) by striking "AIDS" the first place it appears and inserting "acquired immune deficiency syndrome"; and

(ii) by striking "AIDS" the second place it appears and inserting "such syndrome";

(D) in paragraph (5), by striking "AIDS" and inserting "acquired immune deficiency syndrome"; and

(E) in paragraph (6), in the matter preceding subparagraph (A), by striking "AIDS" and inserting "acquired immune deficiency syndrome"; and

(F) in paragraph (7), by striking "AIDS" and inserting "acquired immune deficiency syndrome".

(b) Section 251—Section 251(b) is amended by striking "of enactment of this Act" and inserting "of the enactment of this title".

(c) Section 253.—Section 253 is amended by striking "health workers," and inserting "health workers and".

(d) Section 256.—Section 256 is amended—

(1) in subsection (b), by striking "Surgeon General of the United States" and inserting "Surgeon General of the Public Health Service"; and

(2) in subsection (d)(2), by striking "subsection (a)" and inserting "paragraph (1)".

SEC. 103. AMENDMENTS TO TITLE VI.

(a) Section 601.—Section 601 is amended—

(1) by striking "This Act"' in subsection (a) and inserting "This title"; and

(2) by striking "this Act"' in subsection (b) and inserting "this title".

(b) Section 638.—Section 638(b) is amended—

(1) by striking "title VII" each place it occurs and inserting "titles VII and VIII"; and

(2) by striking ", after the date of the enactment of this Act," in paragraphs (1) and (2).

(c) Section 639.—Section 639(b) is amended by striking "shall compile and analyze" and inserting "shall develop a uniform methodology for collection of, and shall compile and analyze.".

SEC. 104. AMENDMENT TO TITLE VII.

(a) Section 704.—Section 704(b) is amended by striking out ", after the date of the enactment of this Act," in paragraphs (1) and (2).

(b) Section 705.—Section 705(b) is amended by striking out ", after the date of the enactment of this Act," in paragraphs (1) and (2).

(c) Section 732.—Section 732 is amended by striking "this title" each place it appears and inserting "this subtitle".

SEC. 105. AMENDMENTS TO TITLE IX.

(a) Section 902.—Section 902 is amended—

(1) in subsection (c), by striking "the human immunodeficiency virus" and inserting "the etiologic agent for acquired immune deficiency syndrome"; and

(2) in subsection (d)(3)(B)(i), by striking "the human immunodeficiency virus" and inserting "the etiologic agent for acquired immune deficiency syndrome".

(b) Section 903.—Section 903 is amended by striking "the human immunodeficiency virus" and inserting "the etiologic agent for acquired immune deficiency syndrome".

TITLE II—TECHNICAL AND CONFORMING AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

SEC. 201. CERTAIN REFERENCES.

Except as otherwise expressly provided, any reference made in this title to an amendment or repeal of a section or other provision shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 201 et seq.).

SEC. 202. AMENDMENTS TO TITLE III.

Section 308(b)(2)(A) (42 U.S.C. 242m(b)(2)(A)) is amended—

(1) by inserting after the first sentence the following: "Each application for a grant, contract, or cooperative agreement in an amount exceeding $50,000 of direct costs for the dissemination of research findings or the development of research agendas (including conferences, workshops, and meetings) shall be submitted to a standing peer review group with persons with appropriate expertise and shall not be submitted to any peer review group established to review applications for research, evaluation, or demonstration projects."; and

(2) by striking in the last sentence "of each such application" and inserting "of an application described in the first two sentences of this subparagraph".

SEC. 203. AMENDMENTS TO TITLE IV.

(a) NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS.—

(1) Subpart 13 of part C of title IV, as added by section 101(4) of the Health Omnibus Programs Extension of 1988, is amended by adding at the end the following new sections:

"NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS ADVISORY BOARD

"SEC. 464D. (a) The Secretary shall establish in the Institute the National Deafness and Other Communications Disorders Advisory Board (hereafter in this section referred to as the 'Advisory Board').

"(b) The Advisory Board shall be composed of eighteen appointed members and nonvoting ex officio members as follows:

"(1) The Secretary shall appoint—

"(A) twelve members from individuals who are scientists, physicians, and other health and rehabilitation professionals, who are not officers or employees of the United States, and who represent the specialties and disciplines relevant to deafness and other communication disorders, including not less than two persons with a communication disorder; and

"(B) six members from the general public who are knowledgeable with respect to such disorders, including not less than one person with a communication disorder and not less than one person who is a parent of an individual with such a disorder.

Of the appointed members, not less than five shall by virtue of training or experience be knowledgeable in diagnoses and rehabilitation of communication disorders, education of the hearing, speech, or language impaired, public health, public information, community program development, occupational hazards to communications senses, or the aging process.

"(2) The following shall be ex officio members of each Advisory Board:

"(A) The Assistant Secretary for Health, the Director of NIH, the Director of the National Institute on Deafness and Other Communication Disorders, the Director of the Centers for Disease Control, the Chief Medical Director of the Veterans' Administration, and the Assistant Secretary of Defense for Health Affairs (or the designees of such officers).

"(B) Such other officers and employees of the United States as the Secretary determines necessary for the Advisory Board to carry out its functions

"(c) Members of an Advisory Board who are officers or employees of the Federal Government shall serve as members of the Advisory Board without compensation in addition to that received in their regular public employment. Other members of the Board shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Board.

"(d) The term of office of an appointed member of the Advisory Board is four years, except that no term of office may extend beyond the expiration of the Advisory Board. Any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve after the expiration of the member's term until a successor has taken office. If a vacancy occurs in the Advisory Board, the Secretary shall make an appointment to fill the vacancy not later than 90 days from the date the vacancy occurred.

"(e) The members of the Advisory Board shall select a chairman from among the appointed members.

"(f) The Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with an executive director and one other professional staff member. In addition, the Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with such additional professional staff members, such clerical staff members, such services of consultants, such information, and (through contracts or other arrangements) such administrative support service and facilities, as the Secretary determines are necessary for the Advisory Board to carry out its functions.

"(g) The Advisory Board shall meet at the call of the chairman or upon request of the Director of the Institute, but not less often than four times a year.

"(h) The Advisory Board shall—

"(1) review and evaluate the implementation of the plan prepared under section 464A(a) and periodically update the plan to ensure its continuing relevance;

"(2) for the purpose of assuring the most effective use and organization of resources respecting deafness and other communication disorders, advise and make recommendations to the Congress, the Secretary, the Director of NIH, the Director of the Institute, and the heads of other appropriate Federal agencies for the implementation and revision of such plan; and

"(3) maintain liaison with other advisory bodies related to Federal agencies involved in the implementation of such plan and with key non-Federal entities involved in activities affecting the control of such disorders.

"(i) In carrying out its functions, the Advisory Board may establish subcommittees, convene workshops and conferences, and collect data. Such subcommittees may be composed of Advisory Board members and nonmember consultants with expertise in the particular area addressed by such subcommittees. The subcommittees may hold such meetings as are necessary to enable them to carry out their activities.

"(j) The Advisory Board shall prepare an annual report for the Secretary which—

"(1) describes the Advisory Board's activities in the fiscal year for which the report is made;

"(2) describes and evaluates the progress made in such fiscal year in research, treatment, education, and training with respect to the deafness and other communication disorder;

"(3) summarizes and analyzes expenditures made by the Federal Government for activities respecting such disorders in such fiscal year; and

"(4) contains the Advisory Board's recommendations (if any) for changes in the plan prepared under section 464A(a).

"(k) The National Deafness and Other Communication Disorders Advisory Board shall be established not later than 90 days after the date of the enactment of the National Institute on Deafness and Other Communication Disorders and Health Research Extension Act of 1988.

"INTERAGENCY COORDINATING COMMITTEE

"SEC. 464E. (a) The Secretary may establish a committee to be known as the Deafness and Other Communication Disorders Interagency Coordinating Committee (hereafter in this section referred to as the 'Coordinating Committee').

"(b) The Coordinating Committee shall, with respect to deafness and other communication disorders—

"(1) provide for the coordination of the activities of the national research institutes; and

"(2) coordinate the aspects of all Federal health programs and activities relating to deafness and other communication disorders in order to assure the adequacy and technical soundness of such program and activities and in order to provde for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities.

"(c) The Coordinating Committee shall be composed of the directors of each of the national research institutes and divisions involved in research with respect to deafness and other communication disorders and representatives of all other Federal departments and agencies whose program involve health functions or responsibilities relevant to deafness and other communication disorders.

"(d) The Committee shall be chaired by the Director of NIH (or the designee of the Director). The Committee shall meet at the call of the chair, but not less often than four times a year.

"(e) Not later than 120 days after the end of each fiscal year, the Committee shall prepare and transmit to the Secretary, the Director of NIH, the Director of the Institute, and the advisory council for the Institute a report detailing the activities of the Committee in such fiscal year in carrying out subsection (b).

"LIMITATION ON ADMINISTRATIVE EXPENSES

"SEC. 464F. With respect to amounts appropriated for a fiscal year for the National Institutes of Health, the limitation established in section 408(b)(1) on the expenditure of such amounts for administrative expenses shall apply to administrative expenses of the National Institute on Deafness and Other Communication Disorders.".

"(2)(A) Personnel employed by the National Institutes of Health in connection with the functions vested under paragraph 1, and under section 101(4) of the Health Omnibus Programs Extension of 1988, in the Director of the National Institute on Deafness and Other Communication Disorders, and assets, property contracts, liabilities, records, unexpended balances of appropriations, authorizations, allocations, and other funds of the National Institutes of Health, arising from or employed, held, used, available to, or to be made available, in connection with such functions shall be transferred to the Director for appropriate allocation. Unexpended funds transferred under this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(B) With respect to functions vested under paragraph 1, and under section 101(4) of the Health Omnibus Programs Extension of 1988, in the Director of the National Institute on Deafness and Other Communication Disorders, all orders, rules, regulations, grants, contracts, certificates, licenses, privileges, and other determinations, actions, or official documents, that have been issued, made, granted, or allowed to become effective, and that are effective on the date of the enactment of this Act, shall continue in effect according to their terms unless changed pursuant to law.

(b) Effect of Enactment of Similar Provisions Establishing National Institute on Deafness and Other Communication Disorders.—

(1) Paragraphs (2) and (3) shall take effect immediately after the enactment of both the bill, S. 1727, of the One Hundredth Congress, and the Health Omnibus Programs Extension of 1988.

(2)(A) The provisions of the Public Health Service Act referred to in subparagraph (b), as similarly amended by the enactment of the bill, S. 1727, of the One Hundredth Congress, by subtitle A of title I of the Health Omnibus Programs Extension of 1988, and by subsection (a)(1) of this section, are amended to read as if the amendments made by such subtitle A and such subsection (a)(1) had not been enacted.

(B) The provisions of the Public Health Service Act referred to in subparagraph (A) are—

(A) section 401(b)(1) and 457;

(B) part C of title IV; and

(C) the heading for subpart 10 of such part C.

(3) Subsection (a)(2) of this section is repealed.

(c) Section 405.—Section 405(c)(3) (42 U.S.C. 284(c)(3)), as amended by section 116(2)(A) of the Health Omnibus Program Extension of 1988, is amended—

(1) by inserting "and appoint" after "establish"; and

(2) by inserting "and appointed" after "established".

(d) Section 408.—Section 408(a)(2)(B) (42 U.S.C. 284(c)), as amended by section 118(a) of the Health Omnibus Programs Extension of 1988, is amended by inserting a comma after "419."

SEC. 204. AMENDMENTS TO TITLE V.

(a) Section 528.—Section 528(a)(1) (42 U.S.C. 290cc-28), as amended by section 812(b) of the Health Omnibus Programs Extension of 1988, is amended by striking "the Northern" and inserting "the Commonwealth of the Northern".

(b) Section 536.—Section 536(3) (42 U.S.C. 290cc-36), as amended by section 812(a) of the Health Omnibus Programs Extension of 1988, is amended by striking "the Northern" and inserting "the Commonwealth of the Northern".

SEC. 205. AMENDMENTS TO TITLE VII.

(a) Section 708.—Section 708(h)(2) (42 U.S.C. 292(h)(2)), as amended by section 626 of the Health Omnibus Programs Extension of 1988, is amended by inserting "shall" before "include".

(b) Section 728.—Section 728(a) (42 U.S.C. 294(a)), as amended by section 602(b)(1) and section 707 of the Health Omnibus Programs Extension of 1988, is amended in the second sentence—

(1) by inserting "(including loans to new borrowers)" after "new loans"; and

(2) by striking "for such fiscal year." and inserting "for such fiscal year".

(c) Section 784.—Section 784(b) (42 U.S.C. 295g-4(b)), as amended by section 609(a) of the Health Omnibus Programs Extension of 1988, is amended to read as if the amendments made by such section 609(a) had not been enacted.

(d) Section 787.—Section 787(a)(2(G) (42 U.S.C. 295g—7(a)(2)(G)), as added by section 611(a)(3) of the Health Omnibus Programs Extension of 1988, is amended striking ", except schools of medicine, osteopathy, or dentistry".

(e) Section 787.—Section 787(b)(3) (42 U.S.C. 295g—7(b)(3)), as added by section 611(b) of the Health Omnibus Programs Extension of 1988, is amended—

(1) by striking "total enrollment" the first place it appears and inserting "proportionate enrollment"; and

(2) by striking "total enrollment" the second place it appears and inserting "percentage".

(d) Section 791.—Section 791(d) (42 U.S.C. 295h(d)), as amended by section 618(b) of the Health Omnibus Programs Extension of 1988, is amended by striking "$1,420,000 for fiscal year 1990" and thereof "$1,600,000 for fiscal year 1990".

(e) Section 788B.—Section 788B(f), as added by section 622 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in paragraph (1), by striking "AIDS patients" and inserting "patients with acquired immune deficiency syndrome";

(2) In paragraph (2), by striking "AIDS patients" and inserting "patients with acquired immune deficiency syndrome";

(3) in paragraph (3), by striking "AIDS patients" and inserting "patients with acquired immune deficiency syndrome"; and

(4) in paragraph (4)—

(A) by inserting "Maintenance of State Effort.—" after "(4)"; and

(B) by striking "allocation" and inserting in lieu thereof "allotted".

(f) Section 796.—Section 796(a) (42 U.S.C. 295h—5(a)), as amended by section 624 of the Health Omnibus Programs Extension of 1988, is amended by striking "shall make grants" and inserting "may make grants".

(g) Section 799A.—Section 799A, as amended by section 637(a) of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (f)(4)—

(A) by striking "this paragraph" and inserting "this section"; and

(B) by striking "acting through the Director of the Indian Health Service"; and

(2) in subsection (h)(2), by striking "each of the fiscal years 1989, 1990, and 1991" and insering "fiscal year 1989".

SEC. 206. AMENDMENTS TO TITLE VIII.

(a) Section 843.—Section 843(b), as added by section 715 of the Health Omnibus Programs Extension of 1988, is amended in section 843(b), by striking "844(a)" and inserting "827(a)".

(b) Section 847.—Section 847(j), as added by section 716 of the Health Omnibus Programs Extension of 1988, is amended by striking "subsection (1)" and inserting "subsection (k)".

SEC. 207. AMENDMENTS TO TITLE XXIII.

(a) Section 2304.—Section 2304(c)(2)(B), as added by section 201(4) of the Health Omnibus Programs Extension of 1988, is amended by striking the period and inserting a semicolon.

(b) Section 2313.—Section 2313, as added by section 201(4) of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (a), by striking "through the National Institutes of Allergy" and inserting "through the Director of the National Institute of Allergy"; and

(2) in subsection (b)(2)(B)(iii), by striking "Institutes" and inserting "Institute".

(c) Section 2317.—Section 2317(e), as added by section 201(4) of the Health Omnibus Programs Extension of 1988, is amended in the subsection heading by inserting "On Clinical Trials and Treatments" after "Bank".

(d) Section 2320.—Section 2320(a)(5), as added by section 201(4) of the Health Omnibus Programs Extension of 1988, is amended in the first sentence, by striking "section" and inserting "subsection".

(e) Section 2341.—Section 2341(c), as added by section 201(4) of the Health Omnibus Programs Extension of 1988, is amended by striking "Fderal Policy Act" and inserting "Amendments".

SEC. 208. AMENDMENTS TO TITLE XXIV.

(a) Section 2402—Section 2402(b), as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended in the last sentence, by inserting "infected" after "health services to individuals".

(b) Section 2404.—Section 2404(c)(1), as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended by striking "September 1 of 1989" and inserting "September 1, 1989,".

(c) Section 2409.—Section 2409, as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (b), in the subsection heading, by inserting "of Payments" after "Withholding"; and

(2) in subsection (e)(1), by striking "the several States" and inserting "several States".

(d) Section 2411.—Section 2411(a), as added by section 211 of the Health Omnibus Program Extension of 1988, is amended in the first sentence, by inserting before "this part." the following: "any program or service carried out pursuant to".

(e) Section 2413.—Section 2413(4)(B), as added by section 211 of the Health Omnibus Program Extension of 1988, is amended by striking "section 2408(d)" and inserting "subsections (b) and (d) of section 2408".

(f) Section 2414.—Section 2414, as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (a), by striking "grants under section 2401" and inserting "allotments under section 2401(a)"; and

(2) in subsection (b), by striking "or territory" each place it appears.

(g) Section 2415.—Section 2415, as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended by striking "part A" and all that follows and inserting "this part is repealed.".

(h) Section 2421.—Section 2421, as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in paragraph (1) of subsection (a)—

(A) by striking '"patients infected" and all that follows through "persons who" and inserting the following: '"individuals infected with the etiologic agent for acquired immune deficiency syndrome' means individuals who"; and

(B) by striking "such person with the human immunodeficiency virus," and inserting "such individuals with such etiologic agent,"';

(2) in paragraph (2) of subsection (a), by striking "persons" and inserting "individuals";

(3) in subsection (b)—

(A) by striking "patients infected with the human immunodeficiency virus," and inserting the following; "individuals infected with the etiologic agent for acquired immune deficiency syndrome,"; and

(B) by striking "such patients" and inserting "such individuals";

(4) in paragraph (1) of subsection (c)—

(A) in the matter preceding subparagraph (A), by striking "patients infected with the human immunodeficiency virus" and inserting the following: "individuals infected with the etiologic agent for acquired immune deficiency syndrome";

(B) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking "such patients" and inserting "such individuals";

(ii) in clause (ii), by striking "AIDS patients" and insertisng "individuals with acquired immune deficiency syndrome"; and

(iii) in clause (iii), by striking "patients" and inserting "such individuals"; and

(C) in subparagraph (B), by striking "patients infected with the human immunodeficiency virus" and inserting the following: "individuals infected with the etiologic agent for acquired immune deficiency syndrome";

(5) in paragraph (2)(C) of subsection (c), by striking "patients infected with the human immunodeficiency virus" and inserting the following: "individuals infected with the etiologic agent for aquired immune deficiency syndrome";

(6) in subsection (d)(2)(B), by striking "AIDS cases" and inserting "cases of acquired immune deficiency syndrome";

(7) in subsection (e)(2)(A), by striking "patients infected with the human immunodeficiency virus" and inserting the following: "individuals infected with the etiologic agent for acquired immune deficiency syndrome";

(8) in paragraph (1) of subsection (f)—

(A) by striking "the acquired immunodeficiency syndrome" and inserting "acquired immune deficiency syndrome"; and

(B) by striking "human immunodeficiency virus" and inserting "etiologic agent for such syndrome";

(9) in paragraph (2) of subsection (f), by striking "the acquired immunodeficiency syndrome" and inserting "such syndrome"; and

(10) in subsection (g)—

(A) by striking "1988" and inserting "1989"; and

(B) by striking "1989 through 1991" and inserting "1990 and 1992".

(i) Section 2432.—Section 2432, as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "indicate that the individual" and inserting "indicate that an individual"; and

(B) in paragraph (6), by striking "(4)" and inserting "(5)"; and

(2) in subsection (e)—

(A) in paragraph (1), by striking "part" and inserting "subpart";

(B) in paragraph (2), by striking "part" and inserting "subpart"; and

(C) in paragraph (3), by striking "part" and inserting "subpart".

SEC. 209. AMENDMENTS TO FIRST TITLE XXV.

(a) Section 2500.—Section 2500(a), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended by striking "In General,—" and inserting "In General.—" and by striking "this part" and inserting "this title".

(b) Section 2502.—Section 2502(9), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended by striking "section 2525" and inserting "section 253 of the AIDS Amendments of 1988".

(c) Section 2503.—Section 2503(a)(3), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended by striking "and" after the semicolon.

(d) Section 2505.—Section 2505(b), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in paragraph (1), by inserting "make" before "payments"; and

(2) in paragraph (2), by striking "make" before "payments".

(d) Section 2506.—Section, as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in the matter preceding paragraph (1), by striking "'The" and inserting "'(a) In General.—The";

(2) in paragraph (5) by striking the matter after and below subparagraph (B);

(3) in paragraph (8)—

(A) by striking "funds from to payments" and inserting "funds from payments"; and

(B) by striking "and" after the semicolon;

(4) in paragraph (9) by striking "2509(e);" and inserting "2508(e); and"; and

(5) add at the end the following new subsection:

"(b) Definition.—For purposes of subsection (a)(5), the term 'significant percentage' means at least a percentage of 1 percent of the number of reported cases of acquired immune deficiency syndrome in the United States.".

(e) Section 2507.—Section 2507, as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (a)(1), by striking "amount described" and inserting "applicable amount specified";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "2516(a)" and inserting "2514(a)"; and

(ii) by striking "subsection (a)(1) is" and inserting "subsection (a)(1) shall be";

(B) in paragraph (2), by striking "subsection (a)(1) is" and inserting "subsection (a)(1) shall be"; and

(C) in paragraph (3), by striking "subsection (a)(1) is" and inserting "subsection (a)(1) shall be"; and

(3) in subsection (d)—

(A) in paragraph (1), in the last sentence, by inserting "under section 2501(a)" after "allotment"; and

(B) in paragraph (2)(A), by striking "2507" and inserting "2503".

(f) Section 2508.—Section 2508, as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (a)(1), by striking "2507" and inserting "2503";

(2) in subsection (b)—

(A) in the subsection heading, by inserting "of Payments" before the period; and

(B) in paragraph (1), by striking "2507" and inserting "2503";

(3) in subsection (d), by striking "2507" and inserting "2503"; and

(4) in subsection (e)(1), by striking "2507" and inserting "2503".

(g) Section 2510.—Section 2510(b)(2), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended in the first sentence, by striking "the program involved" and inserting "section 2501(a)".

(h) Section 2512.—Section, as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended in the last sentence, by striking "2301" and inserting "2301(a)".

(i) Section 2524.—Section 2524(b)(2), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended by striking "this section" and inserting "the AIDS Amendments of 1988".

SEC. 210. AMENDMENT TO SECOND TITLE XXV AND TO CERTAIN OTHER PROVISIONS.

(a) Title XXV.—The second title XXV, relating to miscellaneous and as redesignated by section 201(2) of the Health Omnibus Programs Extension of 1988 and made the second such title pursuant to section 221 of the Health Omnibus Programs Extension of 1988, is amended by redesignating sections 2501 through 2514 as sections 2604 through 2614.

(b) Certain Other Provisions.—The Public Health Service Act (42 U.S.C. 201 et seq.) is amended—

(1) in section 465(f), by striking "2501" and inserting "2601";

(2) in section 497, by striking "2501" and inserting "2601"; and

(3) in section 305(i), by striking "2513" each place it appears and inserting "2613".

TITLE III—TECHNICAL AND CONFORMING AMENDMENT TO FEDERAL FOOD, DRUG, AND COSMETIC ACT

SEC. 301. AMENDMENT TO SECTION 903.

Section 903(b)(2) of the Federal Food, Drug, and Cosmetic Act (as added by section 503 of the Health Omnibus Programs Extension of 1988) is amended by inserting "for executing this Act and" after "shall be responsible".

TITLE IV—MISCELLANEOUS

SEC. 401. MISCELLANEOUS.

If the bill, H.R. 4833, of the One Hundredth Congress, is enacted, and the Health Omnibus Programs Extension of 1988 has not been enacted, then title VIII of the Public Health Service Act is amended to read as if such H.R. 4833 had not been enacted. If the Health Omnibus Programs Extension of 1988 is enacted, and the bill, H.R. 4833, of the One Hundredth Congress, is subsequently enacted, then title VIII of the Public Health Service Act is amended to read as if such H.R. 4833 had not been enacted.

PARLIAMENTARY INQUIRY

Mr. FRENZEL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FRENZEL. Mr. Speaker, we have been given a list of bills, a list of 10 bills that we are to work on. There is a blank number down there, No. 5, and may I inquire of the Chair if this is the bill which makes corrections in S. 2889?

The **SPEAKER** pro tempore. The gentleman from Minnesota is correct.

Is a second demanded?

Mr. NIELSON of Utah. Mr. Speaker, I demand a second.

The **SPEAKER** pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The **SPEAKER** pro tempore. The gentleman from Oregon [Mr. WYDEN] will be recognized for 20 minutes, and the gentleman from Utah [Mr. NIELSON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. WYDEN. Mr. Speaker, I will be very brief.

First of all, Mr. Speaker, these technical corrections consist of measures that have been worked over very, very carefully with both the majority and the minority, both in this body and in the other body, and the gentleman from Utah [Mr. NIELSON], representing the minority, can attest to the fact that the minority has been fully included in it.

Mr. Speaker, in my view, these are very technical in nature. There are a couple of places where the language perhaps was not quite as precise as it might be, but they are technical in nature.

Mr. NIELSON of Utah. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this bill. This legislation consists of a series of amendments that were necessary to make technical corrections to the Health Omnibus Programs Act that was recently sent to the President.

Mr. Speaker, these technical amendments have been worked out with the majority and minority of the Committee on Energy and Commerce and by the Senate Labor and Human Resources Committee. These amendments are necessary to make the Health Omnibus Programs Act to work properly.

I urge my colleagues to support them, and it has been cleared with the minority Members.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. NIELSON. I yield such time as he may consume to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I just want to notify the Members that I intend to ask for a vote on the bill. It is not my intention that anyone should vote against it. I shall vote for it. But the the hour is getting late. It would be nice to know who is around, and it would also be nice to hear from the management as to what we can expect for the rest of the evening.

Mr. NIELSON of Utah. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

□ 2100

Mr. WYDEN. Mr. Speaker, I yield myself such time as I may consume.

Again, Mr. Speaker, just very briefly, I want to state that these are technical matters of language. For example, on page 3 there is a change so that the Surgeon General of the United States would be changed to Surgeon General of the Public Health Service. That is representative of the kind of language changes that are being made.

I urge my colleagues to support the bill.

Mr. NIELSON. Mr. Speaker, I yield back the balance of my time.

Mr. WYDEN. Mr. Speaker, I yield back the balance of my time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Oregon [Mr. WYDEN] that the House suspend the rules and pass the bill, H.R. 5560.

The question was taken.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The **SPEAKER** pro tempore (Mr. GRAY of Illinois). Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore. The Chair will entertain requests for Members to address the House for 1 minute.

JAPANESE AND AMERICAN AUTOMOBILE TRADE

(Without objection, Mr. SMITH of Florida was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Florida. Mr. Speaker, I read an interesting piece in the paper this morning. I think my colleagues would be interested to know about this.

Japanese automakers have asked their Government to negotiate with the United States for removing the informal cap on the number of automobiles that the Japanese can export here to the United States.

Now, many of you out there who may be listening are not aware of it, but in the last year of production, the United States was able to sell only 1,000 cars in Japan—1,000.

Do you know how many cars the Japanese shipped to the United States last year under this informal cap that is so small they want it removed? It was 2.3 million—2.3 million cars, and now these poor people in Japan who just do not know what to do with all the cars they are producing, they want to ship more here, and they have taken only a thousand of ours.

Do they think we are stupid? They probably do, because in the last 8 years this administration has frankly allowed this to happen.

It is time to stop this from happening. It is time this country stood up and said. "If you want your goods sold in our country, then you are going to let our goods be sold in your country and in the same percentage."

I think it is an absolute disgrace and I hope this administration for once stands up for the American people, the American worker, and the American economy and says "brrumph" to you and your attempt to ship more Japanese cars to the United States.

WHY AMERICAN CARS ARE NOT SOLD IN JAPAN

(Without objection, Mr. FRENZEL was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, those people who decry the discrepancy between the number of Japanese cars sold in the United States and United States cars sold in Japan ought to inquire as to why United States cars are not sold in Japan.

The answer is, of course, that American companies do not try to sell them.

The problem is that in the first place, we make cars with the steering wheel on the wrong side for Japan. We have never changed our production lines to produce cars for the Japanese markets.

In the second place, we make larger cars which are unsuited for driving in Japan.

In the third place, since we have not set up separate lines, we have to run our models through homologation plants in Japan, which take little time, and delivery is slow in the event the Japanese would like to buy these cars.

In the fourth place, in Japan to drive an American car which is large and expensive, one normally drives with a chauffeur. In America we put the amenities in the front seat because the owner is usually the driver. In Japan it is the other way around.

The net of it is that the United States has made no significant effort to break into the Japanese market.

There are cars that do pretty well over there. Mercedes is one. There are a few other foreign cars which sell in Japan much better than American made models.

If the American producers wanted to sell over there, I am sure with their ingenuity and productivity, they could do so.

Mr. SMITH of Florida. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Florida.

Mr. SMITH of Florida. Mr. Speaker, I thank the gentleman for yielding to me.

Some of what the gentleman has said is basically correct, but the root cause of what the gentleman has said lies in another area, not that our companies here in the United States have not taken the trouble to try to sell.

I think the gentleman is probably aware why they cannot sell. Is the gentleman aware of the restrictions placed on cars that are imported from the United States that are totally different from the requirements for Japanese cars, the fact that they make the wheel bases much different than the United States can or does produce and different than their own specifications? The specifications for the exhaust are totally different.

The specifications for the suspension systems are totally different, so that in essence they are putting a bar by regulation and specifications on vehicles that could be produced in this country if they would allow us to compete with them.

I am sure the gentleman understands that not every car in this country we produce is larger than cars that are produced in Japan. We produce many American automobiles in this country that are as small or smaller than many of the Japanese models.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for his contribution. I do think I understand.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Speaker, the gentleman from Florida [Mr. SMITH] has been around. I think he ought to know. I have talked to the American manufacturers and asked them why they have not tried to penetrate the Japanese market, and they just tell you point blank they do not want to. They would rather buy into the market and the ownership of the companies over there. That follows their corporate philosophy on how to make money. They are not interested in exporting American cars to Japan. Ask them, and they will tell you that. Call up the head of General Motors or Chrysler or any of them. They will tell you that.

Mr. FRENZEL. Mr. Speaker, the gentleman is correct. We have never found an interest on the American side to open that market.

A FURTHER TRIBUTE TO THE HONORABLE TRENT LOTT

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, just about everything that could be said about our friend TRENT LOTT has already been said. But perhaps I can offer a slightly different perspective from the point of view—not of a colleague—but of a lowly bureaucrat.

Back in 1976 I was just such a lowly bureaucrat. I served as chief counsel of the Economic Development Administration, and we were trying to run something called the Local Public Works Act which required us to distribute about $2 billion in public works money to projects throughout the country. In an effort to be even handed and fair we devised a formula to insure that only solid projects would be selected.

Unfortunately our formula was not perfect or even right. In Mississippi it resulted in the selection of only one project which used up all the State's allocation and it wasn't even a very good project. In dealing with many Members of Congress I had learned that they can be pretty abusive toward civil servants and I was prepared to feel the wrath of Congressman Lott whose district we had shut out with our faulty formula.

It never happened. TRENT was sympathetic to our problem. He was disappointed, of course, but never abrasive and I felt then for the first time what I have felt ever since I have been in this body—the gentleman from Mississippi is a totally class act. He is a southern gentleman in the best sense of that word and I join with all of my colleagues in wishing him well as he moves to the other body.

Parenthetically, I want to echo the sentiments of my colleagues who have praised TRENT as an effective whip. I can certainly corroborate their views. As a representative of a western Pennsylvania district—a rust belt district—I have on occasion had to vote contrary to the desires of my President and my party. It was TRENT's job to try to get me to vote with the administration. He could have threatened. He could have been heavy handed. He could have played hard ball. He never did. He reasoned with me but if I told him that I could not go along, he always understood. The result was that I went along with TRENT more often than I would have otherwise and felt guilty when I didn't because TRENT was so darned decent and understanding.

It has been a privilege to serve with the gentleman from Mississippi.

A FURTHER TRIBUTE TO THE HONORABLE KENNETH GRAY

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, it has come to my understanding that the gentleman from Illinois who is presiding over the body at this time is going to now retire and give up that chair and his position in this body.

I wanted to take a moment to mention my respect for the gentleman from Illinois and the admiration in which I hold him for the fine job he does always when he presides over this body.

Mr. Speaker, I would also like to thank the gentleman from Illinois for being such a wonderfully colorful character. The gentleman has made bow ties respectable. I never knew that could be possible, and the gentleman has made a bright smile and a cheerful word a pleasant part of my day here many, many times.

As the gentleman from Illinois takes his departure from the body, I would like if I could personally for myself to the gentleman from Illinois to ask one request of the gentleman as he leaves this body. Please take care of that ring and keep it polished nicely for me.

A PARTING TRIBUTE TO CALIFORNIA COLLEAGUES

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, as long as we have some time here this evening, I would like to just mention a couple of our departing comrades and colleagues from California whom we have not dwelt upon enough in special orders in the last week or so.

Specifically, the gentleman from California [Mr. BADHAM] is leaving after a distinguished career in the Congress, a friend of mine, and member of the House Armed Services Committee, one of the true experts on national defense.

BOB and his wonderful wife, Anne, hosted Lynne and myself. When I first came into the Congress, he was one of my best friends, really a big brother in every sense of the term.

I can remember Ann and BOB inviting us out to dinner and telling us about how things worked in Congress, informing us about this city and really trying to make things comfortable and convenient for us.

Later on as my colleague on the House Armed Services Committee, BOB BADHAM, demonstrated, as he had many years before, that he was one of the foremost experts on national defense in this country.

I have always been very impressed about BOB's ability to be very thorough about weapons systems.

In a body in which many Members vote because of a parochial interest, and that is not always a bad thing, because of jobs in their districts and information that has been given to them by one side or the other, BOB BADHAM always had an indepth meritorious justification for his decisions on weapons systems. I came to know him as one of the real experts in the legislative branch and a person whose capability far exceeded oftentimes the expertise of those people who are our leaders in the Pentagon and other parts of this administration.

So it is with real sadness that I see Bob Badham leaving our ranks. I just hope he has a good life and serves his country as well on the outside as he has on the inside of this House.

Mr. PASHAYAN. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Speaker, I should like to associate myself with the gentleman's remarks.

I think at least it took me by surprise when he made his mind up and announced his decision to leave this august Chamber, but I certainly join the gentleman in his remarks and in wishing him the very best.

I understand he is going to remain active in things having to do with good government.

As we well know, he is very well prepared to participate directly or indirectly in activities associated with government.

Mr. HUNTER. Mr. Speaker, if the gentleman will allow me to take my time back for a second, I think my friend, the gentleman from California [Mr. Pashayan] would agree that it would be a shame if this Nation lost Bob Badham's expertise on national security issues. He has an expertise that he has gained over many, many years, and a very incisive mind, a very keen intellect and understanding that again a lot of administration officials do not have when they come into their positions.

Mr. PASHAYAN. And he has always believed in a very strong national defense and understands the fundamental principle that the best way to achieve treaties and other peaceful arrangements is by means of maintaining a very strong national defense.

Mr. HUNTER. Mr. Speaker, another gentleman whom we would like to talk about is our good friend, the gentleman from California, Mr. Dan Lungren, also a California colleague.

I know the gentleman from California, Mr. Pashayan, particularly is a gentleman who is interested in parliamentary affairs and is an expert himself in those areas, and I know the gentleman agrees that Dan Lungren is one of the standouts in this House as a legislator and a person who understands how to use his parliamentary skills in this body.

I can remember several years ago when the Senate passed the President's Omnibus Crime Control bill at something like 91 to 1.

□ 2115

Yet it came over in this House and it was moved into the Committee on the Judiciary and did not come out for a vote for, I think, over a year. Finally the gentleman from California [Mr. Lungren] moved it out by use of his parliamentary expertise, and the vote in favor of that particular bill was overwhelming.

Because of that, judges were allowed to keep criminals who were awaiting trial in jail after making a decision as to whether or not they were a danger to their community. Among other things that it did, that one piece of legislation made America safer.

Mr. PASHAYAN. Mr. Speaker, the gentleman is entirely correct in what he says, but let us not at this time forget the work of the gentleman from California [Mr. Lungren] and efforts in the reform of the immigration laws. That was an enormous undertaking, perhaps even larger than the one the gentleman mentioned. The reform of all the immigration laws took several years to get through this Congress, and the gentleman from California [Mr. Lungren] was one of the principal architects of the substance in the Immigration Reform Act as well as one of the primary movers as far as its proceeding through the processes of the House. He made a landmark effort, I think in the reform of the immigration laws which was long overdue and sorely needed.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. Mr. Speaker, I am happy to yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Since the gentleman has the time, I would like to talk about the subject I know best, maybe, the National Guard and veterans' programs.

I would like to point out to the gentleman that we have had really a great year in veterans' programs, and the gentleman and other Members of the Congress certainly participated, in fact, the best friend the veteran has is this Congress right here in Washington, DC.

We have had the Cabinet-level bill now which will be signed by the President next Tuesday. We tried to find the biggest place in Washington, and we think that is at Fort McNair. We hope that many veterans and many Members of Congrss will come out for the Cabinet-level signing, moving from the Veterans' Administration, independent agency, to a Cabinet-level position.

We are very proud of that for the veterans. We have come up with judicial review which lets the veterans, if he is turned down or she is turned down at the Veterans' Administration, that they can move these cases, if they want to, into the Federal courts.

We beefed up the peacetime GI education bill. We have now implemented, or it will be implemented on, I believe, December 1, and there will be in effect a 4.1-percent cost-of-living increase COLA for the service-connected veteran, and also the pensioner will receive a 4-percent cost-of-living increase effective in December.

We have had a good year, and I just wanted to mention it, and I appreciate the gentleman from California yielding that time. If he has comments, it is his time.

Mr. HUNTER. Mr. Speaker, I thank the gentleman. I want to acknowledge his leadership in seeing to it that veterans in this country have a quality of life.

A lot of people have talked about the people who perhaps did not participate in wars, and in some cases in the media those people have been denigrated.

I think the gentleman from Mississippi has a better alternative, and that is to elevate our veterans, people who did participate in conflicts, and now there are a lot of people who live in houses which are not $100,000 houses who have jobs that are not jobs that put them on Easy Street, they carry lunch buckets, a lot of great women who served in our conflicts in Vietnam and other conflicts, who do not have the easiest of lives, have a little bit more pride because of the gentleman from Mississippi.

Let me say there are a lot of other great advocates of the veterans in this House, but I think of the gentleman from New York [Mr. Solomon], a great advocate of the veteran, and many other people on both sides of the aisle, but I always remember the general from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. Mr. Speaker, I am happy to yield to the gentleman from Mississippi.

Mr. MONTGOMERY. The gentleman from New York [Mr. Solomon] certainly took the major lead in the veterans' Cabinet-level bill. He was on top of it. He worried the gentleman from California [Mr. Edwards] to death, as I did, to bring the bill out, and the gentleman from New York [Mr. Horton] on the gentleman's side of the aisle was certainly supportive of bringing it out of the Governmental Affairs Committee.

The nice thing about this Cabinet-level position, as the gentleman said, it will certainly bring dignity for the veteran. The veteran now can go through the front door of the White House and not have to worry about going through the back door because of having a Secretary.

This will be a low-cost item. That is what we like in that. We just have to change the signs on the buildings. We have our staff, we have our buildings, we have our hospitals, and we will have to buy one chair to go around the Cabinet table in the White House.

I know that the gentleman from Pennsylvania likes that very much, and the gentleman from Minnesota and some others of our colleagues.

Mr. HUNTER. Mr. Speaker, I did want to make a point that those of us on this side of the aisle have always depended on the great general from Mississippi to take our messages to the President on his very frequent visits. Now and again some of us get to the White House, usually through tours, and sometimes we get to see the President, but this gentleman has a special rapport, especially with Vice President BUSH, whom, I know, he endorses.

Mr. MONTGOMERY. I will be gald to help the gentleman in that area if he needs some help.

TRIBUTE TO THE HONORABLE GEORGE C. WORTLEY

(Mr. MARTIN of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of New York. Mr. Speaker, yesterday I had the very distinct privilege this time of year of being in my district, but one thing I missed, and I am sorry I did, and that is the opportunity to speak during the special order that was taken out for my dear friend and retiring Member from the House of Representatives and my former neighbor, the gentleman from New York [Mr. WORTLEY].

GEORGE WORTLEY and I came here together in the 97th Congress, and I assume we made something in the order of 350 round trips back and forth to the district. We have had a lot of time to spend together.

I do want to point out, Mr. Speaker, that the dedication of his gentleman and the friendship that he has shown me, he has been a gentleman and has been a true leader of our delegation, in particular as far as matters dealing with banking. He is going to be missed, but I do know that he is going to be there at the end of the telephone when we need him to give us his guidance, as I say, particularly, and his expertise here in the House of Representatives, in banking.

Mr. HUNTER. Mr. Speaker, will the gentleman yield,

Mr. MARTIN of New York. I am happy to yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding, because I could not help but say a word or two about the gentleman from New York [Mr. WORTLEY], who came in with 52 other Republican freshmen, with myself and the gentleman from New York [Mr. MARTIN] in 1980, and truly GEORGE WORTLEY has been a brother on Capitol Hill.

We have done a lot of things together. We fought in a lot of losing battles together, and a few winning battles. I can remember not long ago, after one of GEORGE's superhuman efforts at reelection, which he is always successful at, I said, "GEORGE, when you leave, I am leaving," and GEORGE looked at me and said, "You may not want to say that right now, DUNCAN." I realize now that was just a week or two before he made his decision to go explore that other life that is outside of Congress.

GEORGE WORTLEY is pure character, competence, integrity, and that warm, great friendship that can always be depended upon.

I guess if we roll all of those things up into a ball, they spell loyalty to your allies and always a helping hand, with a smile, and I will miss GEORGE WORTLEY.

Mr. MARTIN of New York. Mr. Speaker, I appreciate the contribution of the gentleman. To GEORGE and Barbara, you are always welcome here, and you are always welcome, particularly with the 97th class. He was such an integral part of that.

It is kind of nice when somebody makes the decision themselves that they know when the time is to depart. I think in GEORGE's case it was a little too early, but he made the decision, but God bless him and Godspeed.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of New York. I am happy to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I wanted to add my words to the commendations for GEORGE WORTLEY and for Barbara. We got to know them, my wife and I, very well about a year ago when we went on a trip to Chile, and I can say that GEORGE and Barbara were a delight to be with.

I think we did a lot of good on that trip, and GEORGE will be missed here, but I am sure he will come back around and give us some advice from time to time.

Mr. MARTIN of New York. Mr. Speaker, one other thing, in closing, I just did want to point out that over the course of the last 2 years in particular, there is one project, a hanger at Hancock Field in Syracuse, NY, that GEORGE has been on my case about week after week after week. It is a tragic facility, and in dire need of repair, and if there is ever anyone who is going to be at a groundbreaking, it is going to be GEORGE when we finally put that hangar together.

Mr. DAUB. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of New York. I am happy to yield to the gentleman from Nebraska.

Mr. DAUB. Mr. Speaker, I want to thank the gentleman very much for taking this time to let those of us who know and love GEORGE WORTLEY to say a few words about him.

I am submitting my remarks for the RECORD, and I submitted them before I knew that we were going to all come together and do this live.

GEORGE and I came to Congress, and we all came together in the class of 1981, with Ronald Reagan, and he stood for his principles, represented his district in an able fashion. The thing I liked the most about him, as least, is that it gets written up in my fraternity magazine, the Kappa Sigma fraternity, for his leadership here, regularly, so others remember him, and we will miss you.

We look forward to sharing the private life with you when we both leave this session.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of New York. I am happy to yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I would like to say something about our soon to be ex-colleague, our beloved friend, the gentleman from New York [Mr. WORTLEY].

I did not come in with him. I did not serve on any committees with him, but GEORGE is an unusual guy. He somehow gets to know everybody, and he was one who got to know me. He impressed me with the kind of work that he did, and with his persistance and his hard work for his district and for the people of the United States.

Like the gentleman, I think his retirement is a little premature, but I have enough respect for GEORGE to know that he knows what is right for him, and like all the previous speakers, I would like to wish him well and to thank the gentleman for remembering him tonight.

TRIBUTE TO HON. ERNEST L. KONNYU

(Without objection Mr. HUNTER was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, I think it is important for those of us from California and other friends of the gentleman from California [Mr. KONNYU] to say a couple of words about ERNIE KONNYU, since we have not had much of an opportunity over this past week because we have had a pretty tough schedule.

ERNIE KONNYU is a new Member of this Congress who, unfortunately, is no longer going to be with us, but one thing that I will always remember about ERNIE and very much admire is that ERNIE KONNYU was coming from a director that was not totally conservative, was not totally in favor of the support that the President of the

United States has displayed for those people who are fighting for freedom in Central America, Nicaragua, and other parts of the world.

ERNIE KONNYU was a guy very much interested in freedom, and he would often go against polls even when it was evident that his district perhaps did not support the Mujahidin who were fighting the Soviets in Afghanistan or did not support perhaps Jonas Savimbi's troops in Africa. ERNIE KONNYU did not just display an attention to the domestic agenda. He always went out and worked and fought for people who were not free in this world but who wanted to be free. He was very interested in foreign policy even when it did not accrue to his political benefit to do that.

Mr. Speaker, I think it is important to have Members like that in this House, and perhaps ERNIE was one of the most fervent advocates of that rule laid down by Sam Rayburn that in matters of foreign policy the best politics is no politics. ERNIE KONNYU supported our President very strongly, and that is one reason why we had military aid, at least for a short period of time, for those 16- and 17-year-old campesinos in Nicaragua who were fighting for freedom, who unfortunately have been abandoned by the United States and by this Congress, and many of whom will be dying shortly and are dying right now in Central America.

Because of guys like ENIE KONNYU and leaders like CHARLIE WILSON in this Congress, the Mujahidin, and because of other Members like the gentleman from Florida [Mr. MCCOLLUM], who helped to found the McCollum airlift, the Mujahidin in Afghanistan are prevailing and Soviet tanks are leaving, so this is not just a body that develops domestic policy and works to feed parochial interests in districts. It is always a body that has some real people of courage in the area of foreign policy, and ERNIE KONNYU was one of those people.

Mr. Speaker, we wish ERNIE and his wonderful wife well in their new life outside of Congress. Those of us in the California delegation are sorry, and his many friends in Congress are sorry, to see him go.

Mr. Speaker, I thank the Speaker for indulging the California delegation in remembering some of our friends.

□ 2130

AMERICA'S SPACE PROGRAM

(Mr. NELSON of Florida asked and was given permission to address the House for 1 minute.)

Mr. NELSON of Florida. Mr. Speaker, I just want to take this occasion to say that last week when I met with the crew of the spaceship *Discovery* that it was really a lifting of all of our spirits to see this coming together of America, to see that spaceship soar into the heavens and have a successful mission as they have.

Upon inspection of the spacecraft, all of the systems worked as we expected them to. The solid rocket booster redesign worked exceptionally well. The orbiter itself came back very clean, and I think we can look forward now to an expanded and vigorous space program.

Mr. Speaker, today in the Congress we passed a bill that should give us some considerable viability for expansion of commercial space programs in the future. That is a bill that I had the privilege of introducing. It came through our Subcommittee on Space Science and Applications and through the full Committee on Science, Space, and Technology, giving incentives for commercial firms to enter into the launching business to put satellites in orbit. We see that these rockets that they have produced, the Titans, the Atlases, the Deltas, have always been owned by the U.S. Government in the past, but now we are encouraging those rocket manufacturers to offer for sale to send those satellites into geosynchronous orbit commercial satellites, usually communication satellites, to send them into orbit and offer that as a service, a launch service for a commercial enterprise. We are going to see that blossoming now as a result of this bill passed in the Congress and now sent to the President for his signature.

So I think that for the future of our Nation's Space Program we have a lot to be thankful for, particularly starting a week and a half ago with the safe return of the spaceship *Discovery.*

TRIBUTE TO HON. KENNETH J. GRAY

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, last night the Speaker pro tempore [Mr. GRAY] was eulogized by some of his friends. I saw their performance from home and regretted I was not able to take part.

During the most difficult moments that the House is in session the gentleman from Illinois [Mr. GRAY] has presided over the House with fairness and wit, and has kept very difficult and sometimes unpleasant situations from getting any more so.

As one who watched the gentleman from Illinois with great admiration over many years I would like to say thank you for the way you have handled the affairs of the House, and particularly for the light touch and the fair touch you have exhibited for all Members. I really do not want to say anything more, I do not want to put wings on the dog.

The SPEAKER pro tempore (Mr. GRAY). The Chair appreciates the remarks of the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker pro tempore, we are going to miss you, and I particularly am going to miss you.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding because I want to associate myself with his remarks and point out that as one who spends a great deal of time on the floor I have particularly appreciated the gentleman from Illinois [Mr. GRAY] and all of the time that he spends in the chair. He has always been a model of decorum and has always been very helpful to those of us who are at times trying to understand the very difficult legislative schedule.

So I too want to add my congratulations to the gentleman from Illinois for all that he has done for the House and for the Members of the House over the last several years.

The SPEAKER pro tempore. The Chair thanks his friend, the gentleman from Pennsylvania, for those remarks.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 1149. An act to amend the Foreign Sovereign Immunities Act with respect to admiralty jurisdiction; and

H.R. 5115. An act to extend for 2 years section 314 of the Immigration Reform and Control Act of 1986, to make additional visas available to immigrants from underrepresented countries to enhance diversity in immigration, and to extend through December 31, 1989, H-1 nonimmigrant status for certain registered nurses; and

H.J. Res. 438. Joint resolution designating November 4, 1988, as "National Teacher Appreciation Day."

The message also announced that the Senate has passed with amendments in which the concurrence of the House is requested, a bill and a joint resolution of the House of the following titles:

H.R. 4505. An act to authorize appropriations to the Department of Energy for civilian research and development programs for fiscal year 1989; and

H.J. Res. 137. Joint resolution designating the month of May as "National Asparagus Month."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to the bill (H.R. 4972) "An act to authorize appropriations for the Patent and Trademark Office in the

Department of Commerce, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to the bill (H.R. 5043) "An act to amend section 207 of title 18, United States Code, relating to restrictions on post-employment activities."

The message also announced that the Senate recedes from its amendment to the amendments of the House to the bill (S. 2042) "An act to authorize the Vietnam Women's Memorial Project, Inc., to construct a statue at the Vietnam Veterans' Memorial in honor and recognition of the women of the United States who served in the Vietnam conflict."

The message also announced, that the senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2100) "An act to authorize the U.S. Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 2186) "An act to improve the efficiency and effectiveness of management of public buildings."

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 2201) "An act to make certain record rental provisions in title 17, United States Code, the Copyright Act, permanent."

TRIBUTE TO THE HONORABLE WILLIAM PROXMIRE, THE HONORABLE KENNETH J. GRAY, AND THE HONORABLE GEORGE C. WORTLEY

(Mr. OBEY. asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, I would simply like to add my agreement to the words uttered about the gentleman in the chair, and also the gentleman from New York [Mr. WORTLEY] who is probably one of the nicest people I have ever served with in this institution.

I know it is against the rules technically, but I would also like to say a word about a Member of the Senate who is retiring. Senator PROXMIRE came into the U.S. Congress in 1957 in a special election. I think it is fair to say that he has served his country and his State with dignity, with an absolute integrity which has become the envy of any person in public life. And I think he has indicated through his career an absolute concern about the welfare of working families in this country and the effectiveness and stability of the financial institutions which underpin so much of our economy.

I have to say, as one Member of the Congress, I very much regret to see BILL PROXMIRE leaving this place. He has brought a high sense of public purpose to public service. We need more of that, and I think we will all miss him.

TRIBUTE TO THE LATE HONORABLE DAVID SATTERFIELD

(Mr. SLAUGHTER of Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLAUGHTER of Virginia. Mr. Speaker, in recent days this House lost one of its former Members, Dave Satterfield of Richmond, VA.

Dave Satterfield served many years in the Congress. Prior to that service, he had gone to the University of Richmond and received a law degree from the University of Virginia. He served his country in the Second World War as a Navy pilot. He saw active duty and he had combat duty, upon returning to his home in Richmond from naval service he attended and graduated from the Law School of the University of Virginia.

Dave Satterfield began his public service on the city council of his home city of Richmond. He served several years in that body. Then he ran for and was elected to the House of Delegates of the General Assembly of Virginia. It was my good fortune to be able to serve with Dave Satterfield during the time that he was in the General Assembly of Virginia from 1960 until 1965.

In 1964 he was elected to the Congress of the United States representing the Third Distirct of Virginia. Dave Satterfield served 8 terms or 16 years in this body. He served in this body as his father had served some years earlier as a Member of Congress from the same district.

Dave Satterfield was liked and respected by all who knew him. He was liked and respected for his manner, always courteous and always listening to the other side. He was an able man, a man of strong convictions, and his service in this body was marked by his integrity.

Dave Satterfield stands as a person whose career and character can be a model for us all. He voted as he felt was best for his country. He served his country to the best of his ability regardless of partisan or political considerations, and for 16 years we had the good fortune to have him serve us in the Congress of the United States.

TERRORIST FIREARMS DETECTION ACT OF 1988

Mr. HUGHES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4445) to amend title 18, United States Code, to prohibit certain firearms especially useful to terrorists, with a Senate amendment to the House amendment to the Senate amendment thereto, and concur in the Senate amendment to the House amendment to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment to the Senate amendment as follows:

Senate amendment to House amendment to Senate amendment:

Page 2A, of the House amendment to the Senate amendment, strike out all after line 7 over to and including line 1 on page 3 and insert:

"(C) the term 'Security Exemplar' means an object, to be fabricated at the direction of the Secretary, that is—

"(i) constructed of, during the 12-month period beginning on the date of the enactment of this subsection, 3.7 ounces of material type 17-4 PH stainless steel in a shape resembling a handgun; and

"(ii) suitable for testing and calibrating metal detectors;

Provided, however, That at the close of such 12-month period, and at appropriate times thereafter the Secretary shall promulgate regulations to permit the manufacture, importation, sale, shipment, delivery, possession, transfer, or receipt of firearms previously prohibited under this subparagraph that are as detectable as a "Security Exemplar" which contains 3.7 ounces of material type 17-4 PH stainless steel, in a shape resembling a handgun, or such lesser amount as is detectable in view of advances in state-of-the-art developments in weapons detection technology;

Mr. HUGHES (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. McCOLLUM. Mr. Speaker, reserving the right to object, I am not planning to object, but I would like the gentleman from New Jersey [Mr. HUGHES] to explain what this does. It brings a bill that was brought up yesterday on plastic guns back from the Senate, and there is an amendment that the gentleman from Idaho, Mr. McCLURE, I believe, put on that.

I would ask the gentleman from New Jersey what we have done with this and to explain it.

Mr. HUGHES. Mr. Speaker, will the gentleman yield?

Mr. McCOLLUM. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Speaker, basically this is the same bill except that the gentleman from Idaho changed the formula by which the Secretary of the

Treasury made by regulation exempt firearms because of the improvement of the state of the art that no longer need to be banned, and that they are as detectable as the 3.7-ounce weapons that we talk about in this bill.

It does not change the substance of the bill. I have talked with the distinguished gentleman from Michigan, Mr. DINGELL, who has been very interested in this legislation and has worked tirelessly on this legislation. Basically it is the same, except that the gentleman from Idaho is a little more comfortable with this language.

Mr. McCOLLUM. If I might reclaim my time, I would say I have just read this language and that we are talking about literally changing a phrase on the exemplar question, and it makes this a much better, a much clearer phrase on the detectable question, which is what the plastics question is all about.

Mr. HUGHES. If the gentleman will yield further, the intent being that as the state of the art improves and we encourage the FAA and other agencies to improve the state of the art, that we will not ban those weapons that are detectable.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. McCOLLUM. Further reserving the right to object, I am glad to yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I thank the gentleman from Florida and my good friend, the gentleman from New Jersey, Mr. HUGHES. I have consulted with the gentleman, and I believe what he has said is correct, that this is a fair and proper resolution to the matter.

I would like to thank my friend from New Jersey and also the gentleman from Florida.

Mr. McCOLLUM. Mr. Speaker, further reserving the right to object, I want to ask a clarification question. This is the only change in this bill? There is no money in the bill and there is not anything like that in there? There has been no other change in the Senate?

Mr. HUGHES. No other changes. That is the only change on the exemplar itself. It only deals with the security exemplar provision and just changes some phraseology.

Mr. McCOLLUM. There was never any money involved in this bill anyway.

Mr. HUGHES. No money involved, the gentleman is correct.

Mr. McCOLLUM. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from New Jersey?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4445.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will continue to entertain requests for 1-minute speeches pending further legislative business.

TRIBUTE TO THE HONORABLE KENNETH J. GRAY

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute.)

Mr. KOSTMAYER. Mr. Speaker, I just want to join with the many other Members of the House who have spoken today commending the gentleman in the chair for his work here. Those of us who serve in this institution have become used to seeing the gentleman from Illinois in the chair presiding with precision and skill over this sometimes tumultuous body in which we are proud to serve. We are going to miss him.

I was not here during his first years of service, but I have been here with him during the past several terms that he has served, and many of us, including this gentleman from Pennsylvania, are going to miss him. He has done an enormously skillful job and is a master parliamentarian at presiding over the House.

Mr. Speaker, we wish him the very best as he returns to his native State and I am really happy that he has returned for a second tour of duty and hope that he will consider returning even for a third tour of duty after being away for several terms.

So I know I join with many of my colleagues on both sides of the aisle in saying that I have had the privilege and the pleasure of serving with the gentleman from Illinois [Mr. GRAY] and will miss his presence in the chair and on the floor of the House.

□ 2145

The SPEAKER pro tempore (Mr. GRAY of Illinois). The gentleman from Pennsylvania [Mr. KOSTMAYER] is very kind. The Chair appreciates it tremendously.

Are these additional Members desiring to utilize the 1-minute rule?

RECESS

The SPEAKER pro tempore. The Chair declares the House in recess for 10 minutes.

Accordingly (at 9 o'clock and 47 minutes p.m.), the House stood in recess.

□ 2203

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 10 o'clock and 3 minutes p.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H.R. 5552. An act to provide that the Consumer Product Safety Commission amend its regulations regarding lawn darts;

H.J. Res. 446. Joint resolution designating October 30 through November 5, 1988, as "National Jukebox Week";

H.J. Res. 564. Joint resolution designating the first week of April 1989 as "National Earthquake Awareness Week";

H.J. Res. 604. Joint resolution designating February 5 through 11, 1989, as "National Burn Awareness Week";

H.J. Res. 626. Joint resolution designating September 13, 1989, as "Uncle Sam Day";

H.J. Res. 573. Joint resolution to designate the week beginning November 13, 1988, as "National Craniofacial Awareness Week";

H.J. Res. 649. Joint resolution designating November 12, 1988, as "National Firefighters Day"; and

H.J. Res. 654. Joint resolution designating November 4 through 10, 1988, as the "Week of Remembrance of Kristallnacht".

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to the bill (H.R. 3917) "An act for the relief of Rajani Lal."

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 2102) "An act to prohibit the licensing of certain facilities on portions of the Salmon and Snake Rivers in Idaho, and for other purposes."

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 395. Joint resolution to designate January 4, 1989, as "National Commissioned Corps of the Public Health Service Centennial Day".

COMMUNICATION FROM THE HONORABLE ROBERT H. MICHEL, MEMBER OF CONGRESS

The SPEAKER laid before the House the following communication from the Honorable ROBERT H. MICHEL, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, October 19, 1988.
Hon. JIM WRIGHT,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I appoint the following employees of the House of Representatives to the Fair Employment Practices Review Panel:

Mr. Alan F. Coffey, Jr., Chief Associate Counsel, Committee on the Judiciary;

Ms. Alberta Sue Forrest, Minority Professional Staff Member, Committee on Veterans Affairs.

Thank you.

Sincerely yours,
ROBERT H. MICHEL,
Republican Leader.

COMMUNICATION FROM THE HONORABLE FRANK ANNUNZIO, CHAIRMAN OF THE COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER laid before the House the following communication from the Honorable FRANK ANNUNZIO, chairman of the Committee on House Administration:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOUSE ADMINISTRATION,
Washington, DC, October 11, 1988.
Hon. JIM WRIGHT,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to H. Res. 558, the Fair Employment Practices Resolution, I have appointed the Honorable Joe Kolter as chairman of, and the Honorable Bill Clay to serve on, the review panel for the 100th Congress.

With every best wish, I am

Sincerely,
FRANK ANNUNZIO,
Chairman.

COMMUNICATION FROM THE HONORABLE BILL FRENZEL, RANKING MINORITY MEMBER OF THE COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER laid before the House the following communication from the Honorable BILL FRENZEL, ranking minority member on the Committee on House Administration:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOUSE ADMINISTRATION,
Washington, DC, October 12, 1988.
Hon. JAMES C. WRIGHT, Jr.,
The Speaker, Room H-204, the Capitol, Washington, DC.

DEAR MR. SPEAKER: Pursuant to H. Res. 558, The Fair Employment Practices Resolution, I have appointed the Honorable Barbara Vucanovich and the Honorable Pat Roberts to serve on the review panel for the 100th Congress.

Best regards,
BILL FRENZEL,
Ranking Minority Member.

APPOINTMENT TO REVIEW PANEL OF THE OFFICE OF FAIR EMPLOYMENT PRACTICES

The SPEAKER. Pursuant to the provisions of section 7(a)(1) of House Resolution 558, 100th Congress, the chair appoints to the review panel of the Office of Fair Employment Practices the following elected officers of the House of Representatives: Mr. Donald K. Anderson, Clerk; and Mr. James T. Molloy, Doorkeeper.

APPOINTMENT AS MEMBERS OF THE ADVISORY COMMITTEE OF THE WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

The SPEAKER. Pursuant to the provisions of section 5(a)(2) of Public Law 100-382, the Chair appoints the following members on the part of the House to the advisory committee of the White House Conference on Library and Information Services:

From the House of Representatives: Mr. FORD of Michigan; Mr. WILLIAMS of Montana; Mr. OWENS of New York; and

Mr. Nelwyn Murphy, of Booneville, MS; and Mrs. Virginia G. Young, of Columbia, MO.

APPOINTMENT AS MEMBER TO THE NATIONAL COMMISSION ON CHILDREN

The SPEAKER. Pursuant to the provisions of section 1139 of the Social Security Act, as amended by section 9136 of Public Law 100-203, the Chair appoints on the part of the House the following member to the National Commission on Children to fill the existing vacancy thereon: Section B: Individuals who are elected or appointed public officials: Mr. Raymond L. Flynn, Mayor, Boston, MA.

RECESS

The SPEAKER. Are there Members who seek recognition for 1 mimute?

If not, the House will stand in recess for 15 minutes.

Accordingly (at 10 o' clock and 6 minutes p.m.) the House stood in recess.

□ 1023

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 10 o'clock and 35 minutes p.m.

AUTHORIZING PRINTING OF "THE UNITED STATES SENATE HISTORICAL ALMANAC"

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 146) to authorize the printing of the Senator BOB DOLE's series of "Senate Bicentennial Minutes," and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, and I shall not object, this is a resolution to authorize the printing by the Senate of some of the historical material presented over the past 2 years by Senator DOLE in the Senate.

Previously the House, as a matter of comity, as this is, passed a similar resolution for the brilliant utterances of the majority leader. This is for the minority leader. It is a routine matter of comity.

Mr. Speaker, I yield to the distinguished gentleman from Illinois [Mr. ANNUZIO], chairman of the House Administration Committee, for his explanation.

Mr. ANNUNZIO. Mr. Speaker, I thank my distinguished colleague, the gentleman from Minnesota, for yielding. As always, the gentleman is correct.

Mr. FRENZEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 146

Whereas the Senate of the United States in 1989 will commemorate its two hundredth anniversary; and

Whereas the Senate has determined that the series of "Senate Bicentennial Minutes", which Senator Bob Dole began on January 6, 1987, is worthly of separate publication and wide distribution: Now therefore, be it

Resolved by the Senate (the House of Representatives concurring), That there be printed as a Senate document "The United States Historical Almanac" by Senator Bob Dole to be published under the supervision of the Secretary of the Senate with the editorial assistance of the Senate Historical Office.

SEC. 2. Such document shall include illustrations, and shall be in such style, form, manner, and binding as directed by the Joint Committee on Printing after consultation with the Secretary of the Senate.

SEC. 3. In addition to the usual number of copies, there shall be printed with suitable binding 5,000 additional copies, for use by the Secretary of the Senate.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Concurrent Resolution 146, the Senate concurrent resolution just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CONFERENCE REPORT ON H.R. 4333 TECHNICAL AND MISCELLANEOUS REVENUE ACT OF 1988

Mr. ROSTENKOWSKI submitted the following conference report and statement on the bill (H.R. 4333) to make technical corrections relating to the Tax Reform Act of 1986, and for other purposes.

CONFERENCE REPORT (H. REPT. 100-1104)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4333) to make technical corrections relating to the Tax Reform Act of 1986, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Technical and Miscellaneous Revenue Act of 1988".

(b) DEFINITIONS.—For purposes of this Act—

(1) 1986 CODE.—The term "1986 Code" means the Internal Revenue Code of 1986.

(2) REFORM ACT.—Except where incompatible with the intent, the term "Reform Act" means the Tax Reform Act of 1986.

(c) CLERICAL AMENDMENT.—Paragraph (29) of section 7701(a) of the 1986 Code is amended by striking out "of 1954" and inserting in lieu thereof "of 1986".

(d) TABLE OF CONTENTS.—

TITLE I—TECHNICAL CORRECTIONS TO TAX REFORM ACT OF 1986

Sec. 1001. Amendments related to title I of the Reform Act.
Sec. 1002. Amendments related to title II of the Reform Act.
Sec. 1003. Amendments related to title III of the Reform Act.
Sec. 1004. Amendments related to title IV of the Reform Act.
Sec. 1005. Amendments related to title V of the Reform Act.
Sec. 1006. Amendments related to title VI of the Reform Act.
Sec. 1007. Amendments related to title VII of the Reform Act.
Sec. 1008. Amendments related to title VIII of the Reform Act.
Sec. 1009. Amendments related to title IX of the Reform Act.
Sec. 1010. Amendments related to title X of the Reform Act.
Sec. 1011. Amendments related to parts I and II of subtitle A of title XI of the Reform Act.
Sec. 1011A. Amendments related to parts III and IV of subtitle A of title XI of the Reform Act.
Sec. 1011B. Amendments related to subtitles B and C of title XI of the Reform Act.
Sec. 1012. Amendments related to title XII of the Reform Act.
Sec. 1013. Amendments related to title XIII of the Reform Act.
Sec. 1014. Amendments related to title XIV of the Reform Act.
Sec. 1015. Amendments related to title XV of the Reform Act.
Sec. 1016. Amendments related to title XVI of the Reform Act.
Sec. 1017. Amendments related to title XVII of the Reform Act.
Sec. 1018. Amendments related to title XVIII of the Reform Act.
Sec. 1019. Effective date.

TITLE II—AMENDMENTS RELATED TO TAX PROVISIONS IN OTHER LEGISLATION

Sec. 2001. Amendments related to Superfund Revenue Act of 1986.
Sec. 2002. Amendments related to Harbor Maintenance Revenue Act of 1986.
Sec. 2003. Amendments related to Omnibus Budget Reconciliation Act of 1986.
Sec. 2004. Amendments related to the Revenue Act of 1987.
Sec. 2005. Amendments related to Pension Protection Act and full funding limitations.
Sec. 2006. Amendments related to section 9201 of the Omnibus Budget Reconciliation Act of 1987.

TITLE III—ADDITIONAL SIMPLIFICATION AND CLARIFICATION PROVISIONS

Subtitle A—Diesel Fuel Excise Tax Collection and Exemption Procedures

Sec. 3001. Tax-free purchases of certain fuels.
Sec. 3002. Expedited refund for certain fuels used in nontaxable uses.
Sec. 3003. Marine retailers treated as producers.

Subtitle B—Health Care Continuation Rules

Sec. 3011. Failure to satisfy continuation requirements of group health plans.

Subtitle C—Employee Benefit Nondiscrimination Rules

Sec. 3021. Modifications to discrimination rules applicable to certain employee benefit plans.

Subtitle D—Estate and Gift Taxes

Sec. 3031. Estate tax valuation freezes.

Subtitle E—Indian Fishing Rights

Sec. 3041. Federal tax treatment of income derived by Indians from exercise of fishing rights secured by treaty, etc.
Sec. 3042. State tax treatment of income derived by Indians from exercise of fishing rights secured by treaty, etc.
Sec. 3043. Conforming amendments relating to old-age, survivors, and disability insurance program.
Sec. 3044. Effective date; no inference created.

TITLE IV—EXTENSIONS AND MODIFICATIONS OF EXPIRING TAX PROVISIONS

Sec. 4001. Extension and modification of exclusion for employer-provided education assistance.
Sec. 4002. Extension and modification of exclusion of amounts received under group legal services plans.
Sec. 4003. Carryover of post-1987 low-income housing credit dollar amounts permitted.
Sec. 4004. Simplification of rule where partnership holds qualified low-income building.
Sec. 4005. Provisions relating to mortgage revenue bonds and mortgage credit certificates.
Sec. 4006. Extension of certain business energy credits.
Sec. 4007. Extension of credit for increasing research activities.
Sec. 4008. Denial of deduction for 50 percent of amounts allowed as a research credit.
Sec. 4009. Allocation of research and experimental expenditures.
Sec. 4010. Extension and modification of targeted jobs credit.
Sec. 4011. Treatment of publicly offered regulated investment companies under 2-percent floor.
Sec. 4012. Extension and modifications of provisions relating to financial institutions.

TITLE V—REVENUE INCREASE PROVISIONS

Subtitle A—Corporate Estimated Tax Provisions

Sec. 5001. Corporate estimated tax payments.

Subtitle B—Insurance Provisions

Sec. 5011. Limitation on unreasonable mortality and other expense charges under section 7702.
Sec. 5012. Treatment of modified endowment contracts.
Sec. 5013. Valuation of group-term life insurance.
Sec. 5014. Study.

Subtitle C—Loss Transfer Rules for Alaska Native Corporations

Sec. 5021. Repeal of rules permitting loss transfers by Alaska Native Corporations.

Subtitle D—Estate and Gift Tax Provisions

Sec. 5031. Valuation tables.
Sec. 5032. Rate schedule for tax on estates of nonresidents not citizens.
Sec. 5033. Disallowance of marital deduction where spouse is not citizen of United States.

Subtitle E—Long-Term Contract Provisions

Sec. 5041. Long-term contract provisions.

Subtitle F—Tax-Exempt Bond Provisions

Sec. 5051. Treatment of certain pooled financing bonds.
Sec. 5052. Treasury regulations relating to student loan bonds.
Sec. 5053. Restrictions on bonds used to provide residential rental property for family units.

Subtitle G—Excise Tax Provisions

Sec. 5061. Imposition of excise tax on manufacture or importation of pipe tobacco.
Sec. 5062. Modification of distilled spirits tax credit for flavors content.

Subtitle H—Other Revenue Increase Provisions

Sec. 5071. Increase in penalty for bad checks.
Sec. 5072. Time for payment of tax on reversion of pension plan assets.
Sec. 5073. Denial of deduction for certain residential telephone service.
Sec. 5074. Partnership reporting of unrelated business taxable income.
Sec. 5075. Options subject to wash sale rules.
Sec. 5076. Interest charge on installment sales of certain property.

TITLE VI—OTHER SUBSTANTIVE REVENUE PROVISIONS

Subtitle A—Provisions Relating to Individuals

Sec. 6001. Treatment of certain amounts paid to or for the benefit of an institution of higher education.
Sec. 6002. Nonrecognition of gain where one spouse dies before occupying new residence.
Sec. 6003. Meals on certain vessels and offshore oil platforms exempt from 80 percent limitation on deduction for meals.
Sec. 6004. Treatment of certain innocent spouses.
Sec. 6005. Interim treatment of certain amounts awarded to Christa McAuliffe Fellows.
Sec. 6006. Election to claim certain unearned income of child on parent's return.
Sec. 6007. Jury duty pay remitted to an individual's employer allowed as a deduction in computing gross income.
Sec. 6008. Business use of automobiles by rural mail carriers.
Sec. 6009. Exclusion from gross income for income from United States savings bonds used to pay tuition and fees.
Sec. 6010. Modification of additional exemption for student dependents.
Sec. 6011. Principal residence capital gains exclusion.

Subtitle B—Provisions Relating to Accounting and Agriculture

Sec. 6026. Amendments to uniform capitalization rules.
Sec. 6027. Treatment of single purpose agricultural or horticultural structures.
Sec. 6028. Treatment of property used in the farming business.
Sec. 6029. Treatment of certain trees.
Sec. 6030. One-year deferral of proceeds from live-stock sold on account of drought.
Sec. 6031. Certain repledges permitted.
Sec. 6032. Treatment of indirect holdings through trusts under section 448 of the 1986 Code.
Sec. 6033. Disaster assistance act payments included in special rule for taxable year of inclusion.

Subtitle C—Pensions and Employee Benefits

Sec. 6051. Provisions relating to benefits under discriminatory plans.
Sec. 6052. Modifications of discrimination rules applicable to certain annuity contracts.
Sec. 6053. Required distribution beginning date for governmental and church plans.
Sec. 6054. Section 415 limitation for State and local plans.
Sec. 6055. Minimum participation standards.
Sec. 6056. Study of effect of minimum participation rule on employers required to provide certain retirement benefits.
Sec. 6057. Prohibition on collectibles not to include State coins.
Sec. 6058. Application of fundings rules to multiple employer plans.
Sec. 6059. Application of section 415 limitations to police and firefighters.
Sec. 6060. Excise tax on disposition of stock by an ESOP not to apply to certain forced dispositions.
Sec. 6061. Loans to acquire employer securities.
Sec. 6062. Effective date of section 415 limitations of collectively bargained agreements.
Sec. 6063. Treatment of pre-1989 elections for dependent care assistance under cafeteria plans.
Sec. 6064. Modifications to section 457.
Sec. 6065. Exception for governmental plans.
Sec. 6066. Air transportation of cargo and of passengers treated as same service for purposes of fringe benefits inclusion.
Sec. 6067. Special rule for applying spin-off rules to bridge banks.
Sec. 6068. Income averaging allowed to lump-sum distributions of alternate payees.
Sec. 6069. Increase in employer reversion tax.
Sec. 6070. Definition of part-time employee for purposes of section 89.
Sec. 6071. Rural telephone cooperatives permitted to have qualified cash or to deferred arrangements.
Sec. 6072. Study of treatment of certain technical personnel.

Subtitle D—Insurance Provisions

Sec. 6076. Treatment of certain workers' compensation funds.
Sec. 6077. Special estimated tax payments.
Sec. 6078. Church self-funded death benefit plans treated as life insurance.
Sec. 6079. Treatment of structured settlements.
Sec. 6080. Variable contracts invested in government securities permitted.

Subtitle E—Excise Tax Provisions

Sec. 6101. Authority to prescribe tolerances for the volume of wine in bottles for purposes of the excise tax on wine.
Sec. 6102. Wholesale distributors to administer claims for refund of gasoline tax.
Sec. 6103. Authority to exempt articles from excise tax on heavy trucks and trailers where benefit accrues to United States.
Sec. 6104. Application of reduced gasoline tax rate to blenders.
Sec. 6105. Certain educational institutions exempt from user fees on permits for industrial use of specially denatured distilled spirits.
Sec. 6106. Small procedures exempt from occupational tax on distilled spirits plants.
Sec. 6107. Quarterly payment of archery excise tax.
Sec. 6108. Extension of time for enacting authorizing legislation relating to the oil spill liability trust fund.
Sec. 6109. Donated cargo exempt from harbor maintenance tax.
Sec. 6110. Relay cargo.
Sec. 6111. Clarification of meaning of manufacture under truck excise tax.

Subtitle F—Foreign Provisions

Sec. 6126. Dual resident companies.
Sec. 6127. Election to be treated as qualified electing fund to be made by taxpayer.
Sec. 6128. Treatment of certain United States affiliate obligations.
Sec. 6129. Treatment of certain insurance branches of foreign corporations.
Sec. 6130. Treatment of certain instruments under foreign currency rules.
Sec. 6131. Treatment of insurance companies under chain deficit rule.
Sec. 6132. Virgin Islands treated as qualified Caribbean basin country.
Sec. 6133. Treatment of certain United States obligations held by possession banks.
Sec. 6134. Treatment of certain gambling winnings received by nonresident aliens.
Sec. 6135. Election to be treated as domestic corporation.
Sec. 6136. Tax exemption for ENJEBI community trust fund.
Sec. 6137. Application of section 912 to judicial employees.
Sec. 6138. Study of definition of United States resident.
Sec. 6139. Sunset of treaty provisions.
Sec. 6140. Treatment of certain awards by the district court of Guam.

Subtitle G—Estate Tax Provisions

Sec. 6151. Treatment of certain rents under section 2032A.
Sec. 6152. Clarification of treatment of joint and survivor annuities under Qtip rules.

Subtitle H—Tax-Exempt Bond Provisions

Sec. 6176. Clarification of small issue bond definition of manufacturing facility.
Sec. 6177. Rules applicable to tax and revenue anticipation bonds.
Sec. 6178. Amendment to mortgage bond purchase price regulations.
Sec. 6179. Application of security interest test to bond financing of hazardous waste clean-up activities.
Sec. 6180. Tax-exempt financing for certain rail facilities.
Sec. 6181. Rules relating to rebate on earnings on bona fide debt service fund.
Sec. 6182. Bonds issued by volunteer fire departments.
Sec. 6183. Disregard of pooled financings in determination of qualification for small issuer exception.

Subtitle I—Provisions Relating to Exempt Organizations

Sec. 6201. Certain games of chance not treated as unrelated trade or business.
Sec. 6202. Purchase of insurance by cooperative hospital service organizations.
Sec. 6203. Cancellation of certain debts originated by or guaranteed by the United States not taken into account in determining tax exempt status of certain organizations.

Sec. 6204. Determination of operating foundation status for certain purposes.

Subtitle J—Taxpayer Rights and Procedures

Sec. 6226. Short title.

PART I—TAXPAYER RIGHTS

Sec. 6227. Disclosure of rights of taxpayers.

Sec. 6228. Procedures involving taxpayer interviews.

Sec. 6229. Taxpayers may rely on written advice of Internal Revenue Service.

Sec. 6230. Taxpayer assistance orders.

Sec. 6231. Basis for evaluation of Internal Revenue Service employees.

Sec. 6232. Procedures relating to Internal Revenue Service regulations.

Sec. 6233. Content of tax due, deficiency, and other notices.

Sec. 6234. Installment payment of tax liability.

Sec. 6235. Assistant Commissioner for taxpayer services.

PART II—LEVY AND LIEN PROVISIONS

Sec. 6236. Levy and distraint.

Sec. 6237. Review of jeopardy levy and assessment procedures.

Sec. 6238. Administrative appeal of liens.

PART III—PROCEEDINGS BY TAXPAYERS

Sec. 6239. Awarding costs and certain fees in administrative and court proceedings.

Sec. 6240. Civil cause of action for damages sustained due to failure to release lien.

Sec. 6241. Civil cause of action for damages sustained due to certain unauthorized actions by internal revenue service.

Sec. 6242. Assessable penalty for improper disclosure or use of information by preparers of returns.

PART IV—TAX COURT JURISDICTION

Sec. 6243. Jurisdiction to restrain certain premature assessments.

Sec. 6244. Jurisdiction to enforce overpayment determinations.

Sec. 6245. Jurisdiction to review certain sales of seized property.

Sec. 6246. Jurisdiction to redetermine interest on deficiencies.

Sec. 6247. Jurisdiction to modify decisions in certain estate tax cases.

Subtitle K—Other Administrative Provisions

Sec. 6251. Exchange of information.

Sec. 6252. Provisions relating to previously required studies.

Sec. 6253. Repeal of secretarial authority to prescribe class lives.

Sec. 6254. Amendments related to Crude Oil Windfall Profit Tax Act of 1980.

Subtitle L—Provisions Relating to Corporations and Personal Holding Companies

Sec. 6276. Authority to pay refunds to certain fiduciaries of insolvent members of affiliated groups.

Sec. 6277. Application of net operating loss limitations to bankruptcy reorganizations.

Sec. 6278. Application of section 7503 of 1986 Code for purposes of section 10222(b) of Revenue Act of 1987.

Sec. 6279. Interest earned by brokers or dealers not taken into account as personal holding company income.

Sec. 6280. Treatment of certain bank holding companies.

Sec. 6281. Authority to waive appraisal requirement for certain charitable contributions of property.

Sec. 6282. Distributions by cooperative housing corporations.

Subtitle M—Miscellaneous Provisions

Sec. 6301. Repeal of limit on long-term bonds.

Sec. 6302. One-year extension of credit for producing fuel from a nonconventional source.

Sec. 6303. Certain discharge of debt income not included in adjusted book income.

Sec. 6304. Nonconventional fuels credit.

Sec. 6305. Treatment of certain family services providers.

TITLE VII—RAILROAD UNEMPLOYMENT AND RETIREMENT PROGRAMS

Sec. 7001. Short title.

Sec. 7002. References to Railroad Unemployment Insurance Act.

Subtitle A—Financing Provisions

Sec. 7101. Amendments relating to definition of "compensation".

Sec. 7102. Contribution adjustments.

Sec. 7103. Administrative expenses.

Sec. 7104. Notification to employer.

Sec. 7105. Annual report.

Sec. 7106. Amendments relating to railroad unemployment repayment tax.

Sec. 7107. GAO study of fraud and payment errors.

Sec. 7108. One-year extension of time limit for filing report by Commission on Railroad Retirement Reform.

Subtitle B—Benefit and Other Adjustments

Sec. 7201. Waiting period for benefits and benefit increases.

Sec. 7202. Qualifying condition.

Sec. 7203. Increase in maximum permitted subsidiary remuneration.

Subtitle C—Retirement Act Amendments

Sec. 7301. Additional lump sum payment in certain cases.

Sec. 7302. Deletion of last person service as a disqualification.

Sec. 7303. Earnings of disability annuitants.

Sec. 7304. Allowance of credit for military service.

TITLE VIII—AMENDMENTS RELATING TO SOCIAL SECURITY ACT PROGRAMS

Subtitle A—Old-Age, Survivors, and Disability Insurance and Related Provisions

Sec. 8001. Interim disability benefits in cases of delayed final decisions.

Sec. 8002. Application of earnings test in year of individual's death.

Sec. 8003. Phaseout of reduction in windfall benefits.

Sec. 8004. Denial of benefits to individuals deported or ordered deported on the basis of associations with the Nazi Government of Germany during World War II.

Sec. 8005. Modifications in the term of office of public members of the board of trustees of the social security trust funds.

Sec. 8006. Continuation of disability benefits during appeal.

Sec. 8007. Exemption from social security for employers and employees who are both members of certain religious faiths.

Sec. 8008. Blood donor locator service.

Sec. 8009. Requirement of social security account number as a condition for receipt of social security benefits.

Sec. 8010. Substitution of certificate of election for application to establish entitlement for certain reduced widow's and widower's benefits.

Sec. 8011. Calculation of the windfall benefit guarantee amount based on pension amounts payable in the first month of concurrent entitlement rather than concurrent eligibility.

Sec. 8012. Consolidation of reports on continuing disability reviews.

Sec. 8013. Exclusion of employees separated from employment before January 1, 1989, from rule including as wages taxable under FICA certain payments for group-term life insurance.

Sec. 8014. Clarification of applicability of Government pension offset to certain Federal employees.

Sec. 8015. Amendments to rules governing social security coverage of Federal employment.

Sec. 8016. Technical corrections in OASDI provisions.

Sec. 8017. Certain cash wages paid to seasonal agricultural laborers excluded from OASDI coverage.

Sec. 8018. Certain employer pension contributions not included in FICA wage base.

Sec. 8019. Reports regarding certain disability-related benefits.

Subtitle B—Public Assistance Provisions

Sec. 8101. Extension of prohibition against implementation of certain proposed regulations.

Sec. 8102. Review of policy governing use of AFDC funds to meet emergency needs of families eligible for AFDC through emergency assistance or special needs payments; report to Congress.

Sec. 8103. Disregard of certain housing assistance payments in determining income and resources under SSI program.

Sec. 8104. Foster care independent living initiatives.

Sec. 8105. Technical corrections to Family Support Act of 1988.

Subtitle C—National Commission on Children

Sec. 8201. Delay in reporting date for National Commission on Children.

Subtitle D—Unemployment Compensation

Sec. 8301. Self-employment demonstration project.

Subtitle E—Medicare and Medicaid

PART I—PROVISIONS RELATING TO PART A OF MEDICARE

Sec. 8401. Extension of disproportionate share provisions.

Sec. 8402. Maintenance of bad debt collection policy.

Sec. 8403. Application of wage indices in case of areas affected by section 4005(a)(1) of OBRA of 1987.

Sec. 8404. Demonstration projects with respect to chronic ventilator-dependent units in hospitals.

Sec. 8405. Election of personnel policy for PROPAC employees.

PART II—RELATING TO PARTS A AND B OF MEDICARE PROGRAM

Sec. 8411. Elimination of waivers of 50:50 rule for HMO enrollment.

Sec. 8412. Increase in authorization for the patient outcome assessment research program.

Sec. 8413. Delay in reporting deadline for the United States Bipartisan Commission on Comprehensive Health Care.

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Sec. 10001. Short title.

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Sec. 10003. Visual protection.

Sec. 10004. Highway relocation.

TITLE I—TECHNICAL CORRECTIONS TO TAX REFORM ACT OF 1986

SEC. 1001. AMENDMENTS RELATED TO TITLE I OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 101 OF THE REFORM ACT.—

(1) Paragraph (2) of section 6867(b) of the 1986 Code is amended by striking out "at a 50-percent rate" and inserting in lieu thereof "at the highest rate of tax specified in section 1".

(2)(A) Section 531 of the 1986 Code is amended to read as follows:

"SEC. 531. IMPOSITION OF ACCUMULATED EARNINGS TAX.

"In addition to other taxes imposed by this chapter, there is hereby imposed for each taxable year on the accumulated taxable income (as defined in section 535) of each corporation described in section 532, an accumulated earnings tax equal to 28 percent of the accumulated taxable income."

(B) The amendment made by subparagraph (A) shall apply to taxable years beginning after December 31, 1987. Such amendment shall not be treated as a change in a rate of tax for purposes of section 15 of the 1986 Code.

(3) The last sentence of section 1(g)(2) of the 1986 Code is amended by inserting before the period at the end thereof the following: "and subparagraph (B) shall be applied as if a deduction for a personal exemption were allowable under section 151 to such individual for such individual's spouse."

(b) AMENDMENTS RELATED TO SECTION 102 OF THE REFORM ACT.—

(1) Paragraph (5) of section 63(c) of the 1986 Code is amended—

(A) by striking out "the standard deduction applicable" and inserting in lieu thereof "the basic standard deduction applicable", and

(B) by striking out "STANDARD DEDUCTION" in the paragraph heading and inserting in lieu thereof "BASIC STANDARD DEDUCTION".

(2) Subclause (I) of section 6012(a)(1)(C)(i) of the 1986 Code is amended to read as follows:

"(I) income (other than earned income) in excess of the sum of the amount in effect under section 63(c)(5)(A) plus the additional standard deduction (if any) to which the individual is entitled, or".

(3)(A) Subparagraph (A) of section 62(a)(2) of the 1986 Code is amended by adding at the end thereof the following new sentence: "The fact that the reimbursement may be provided by a third party shall not be determinative of whether or not the preceding sentence applies."

(B) Paragraph (2) of section 527(e) of the 1986 Code (defining exempt function) is amended by adding at the end thereof the following new sentence: "Such term includes the making of expenditures relating to an office described in the preceding sentence which, if incurred by the individual, would be allowable as a deduction under section 162(a)."

(c) AMENDMENT RELATED TO SECTION 111 OF THE REFORM ACT.—Paragraph (3) of section 32(i) of the 1986 Code is amended to read as follows:

"(3) ROUNDING.—If any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10)."

(d) AMENDMENTS RELATED TO SECTION 123 OF THE REFORM ACT.—

(1)(A) Clause (ii) of section 4941(d)(2)(G) of the 1986 Code is amended to read as follows:

"(ii) scholarships and fellowship grants which would be subject to the provisions of section 117(a) (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) and are to be used for study at an educational organization described in section 170(b)(1)(A)(ii),".

(B) Paragraph (1) of section 4945(g) of the 1986 Code is amended to read as follows:

"(1) the grant constitutes a scholarship or fellowship grant which would be subject to the provisions of section 117(a) (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii),".

(2)(A) The second sentence of section 1441(b) of the 1986 Code is amended to read as follows: "The items of income referred to in subsection (a) from which tax shall be deducted and withheld at the rate of 14 percent are amounts which are received by a nonresident alien individual who is temporarily present in the United States as a nonimmigrant under subparagraph (F), (J), or (M) of section 101(a)(15) of the Immigration and Nationality Act and which are—

"(1) incident to a qualified scholarship to which section 117(a) applies, but only to the extent includible in gross income; or

"(2) in the case of an individual who is not a candidate for a degree at an educational organization described in 170(b)(1)(A)(ii), granted by—

"(A) an organization described in section 501(c)(3) which is exempt from tax under section 501(a),

"(B) a foreign government,

"(C) an international organization, or a binational or multinational educational and cultural foundation or commission created or continued pursuant to the Mutual Educational and Cultural Exchange Act of 1961, or

"(D) the United States, or an instrumentality or agency thereof, or a State, or a possession of the United States, or any political subdivision thereof, or the District of Columbia,

as a scholarship or fellowship for study, training, or research in the United States."

(B) Subsection (c) of section 871 of the 1986 Code is amended—

(i) by striking out "section 1441(b)(1) or (2)" and inserting in lieu thereof "the second sentence of section 1441(b)"; and

(ii) by striking out "(F) or (J)" each place it appears and inserting in lieu thereof "(F), (J), or (M)".

(C) The following provisions of the 1986 Code are each amended by striking out "(F) or (J)" each place it appears and inserting in lieu thereof "(F), (J), or (M)":

(i) Section 3121(b)(19).

(ii) Section 3231(e)(1).

(iii) Section 3306(c)(19).

(D) Clause (i)(I) of section 7701(b)(5)(D) of the 1986 Code is amended by striking out "subparagraph (F)" and inserting in lieu thereof "subparagraph (F) or (M)".

(E) Section 210(a)(19) of the Social Security Act is amended by striking out "(F) or (J)" each place it appears and inserting in lieu thereof "(F), (J), or (M)".

(e) AMENDMENT RELATED TO SECTION 131 OF THE REFORM ACT.—Subsection (f) of section 86 of the 1986 Code is amended by inserting "and" at the end of paragraph (3), by striking out paragraph (4), and by redesignating paragraph (5) as paragraph (4).

(f) AMENDMENTS RELATED TO SECTION 132 OF THE REFORM ACT.—

(1) Section 67 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(f) COORDINATION WITH OTHER LIMITATION.—This section shall be applied before the application of the dollar limitation of the last sentence of section 162(a) (relating to trade or business expenses)."

(2) Paragraph (4) of section 67(b) of the 1986 Code is amended—

(A) by striking out "deduction" and inserting in lieu thereof "deductions", and

(B) by inserting before the comma at the end thereof "and section 642(c) (relating to deduction for amounts paid or permanently set aside for a charitable purpose)".

(3) Subsection (e) of section 67 of the 1986 Code is amended to read as follows:

"(e) DETERMINATION OF ADJUSTED GROSS INCOME IN CASE OF ESTATES AND TRUSTS.—For

purposes of this section, the adjusted gross income of an estate or trust shall be computed in the same manner as in the case of an individual, except that—

"(1) the deductions for costs which are paid or incurred in connection with the administration of the estate or trust and which would not have been incurred if the property were not held in such trust or estate, and

"(2) the deductions allowable under sections 642(b), 651, and 661,

shall be treated as allowable in arriving at adjusted gross income. Under regulations, appropriate adjustments shall be made in the application of part I of subchapter J of this chapter to take into account the provisions of this section."

(4) Subsection (c) of section 67 of the 1986 Code is amended by striking out the last sentence and inserting in lieu thereof the following: "The preceding sentence shall not apply—

"(1) with respect to cooperatives and real estate investment trusts, and

"(2) except as provided in regulations, with respect to estates and trusts."

(g) AMENDMENTS RELATED TO SECTION 142 OF THE REFORM ACT.—

(1) Subparagraph (A) of section 274(n)(2) of the 1986 Code is amended to read as follows:

"(A) such expense is described in paragraph (2), (3), (4), (7), (8), or (9) of subsection (e),".

(2) Paragraph (2) of section 274(k) of the 1986 Code is amended to read as follows:

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to—

"(A) any expense described in paragraph (2), (3), (4), (7), (8), or (9) of subsection (e), and

"(B) any other expense to the extent provided in regulations."

(3) Clause (ii) of section 274(m)(1)(B) of the 1986 Code is amended to read as follows:

"(ii) any expense described in paragraph (2), (3), (4), (7), (8), or (9) of subsection (e).".

(4)(A) Paragraph (2) of section 274(n) of the 1986 Code is amended—

(i) by striking "or" at the end of subparagraph (C),

(ii) by striking the period at the end of subparagraph (D) and inserting ", or", and

(iii) by adding at the end thereof the following:

"(E) in the case of an employer who pays or reimburses moving expenses of an employee, such expenses are includible in the income of the employee under section 82.

In the case of the employee, the exception of subparagraph (A) shall not apply to expenses described in subparagraph (E)."

(B) The following provisions of the 1986 Code are each amended by striking out "section 217" and inserting in lieu thereof "section 217 (determined without regard to section 274(n))":

(i) Section 3121(a)(11).

(ii) Section 3306(b)(9).

(iii) Section 3401(a)(15).

(C) Section 209(k) of the Social Security Act is amended by striking out "section 217 of the Internal Revenue Code of 1954" and inserting in lieu thereof "section 217 of the Internal Revenue Code of 1986 (determined without regard to section 274(n) of such Code)".

(5) Paragraphs (1) and (2) of section 274(h) of the 1986 Code are each amended by striking out "trade or business that" and inserting in lieu thereof "trade or business and that".

(h) AMENDMENTS RELATED TO SECTION 143 OF THE REFORM ACT.—

(1) Paragraph (5) of section 280A(c) of the 1986 Code is amended by adding at the end thereof the following new sentence: "Any amount taken into account for any taxable year under the preceding sentence shall be subject to the limitation of the 1st sentence of this paragraph whether or not the dwelling unit is used as a residence during such taxable year."

(2) Clause (ii) of section 280A(c)(5)(B) of the 1986 Code is amended by striking out "trade or business" and inserting in lieu thereof "trade or business (or rental activity)".

(3) Section 183(e)(2) of the 1986 Code is amended by striking out "2" and inserting in lieu thereof "3 (or 2 if applicable)".

SEC. 1002. AMENDMENTS RELATED TO TITLE II OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 201 OF THE REFORM ACT.—

(1) Subsection (d) of section 1250 of the 1986 Code is amended by striking out paragraph (11).

(2) Subparagraph (B) of section 201(d)(14) of the Reform Act is amended by striking out "section 168(c)(2)(F)" and inserting in lieu thereof "within the meaning of section 168(c)(2)(F)".

(3) Paragraph (4) of section 312(k) of the 1986 Code is amended by striking out "paragraphs (1) and (3)" and inserting in lieu thereof "paragraph (1)".

(4) Paragraph (4) of section 46(e) of the 1986 Code is amended—

(A) by striking out "168(j)(6)" in subparagraph (B) and inserting in lieu thereof "168(i)(3)",

(B) by striking out "paragraphs (8) and (9) of section 168(j)" in subparagraph (D) and inserting in lieu thereof "paragraphs (5) and (6) of section 168(h)",

(C) by striking out "168(j)" in subparagraph (E) and inserting in lieu thereof "168(h)", and

(D) by striking out "168(j)(4)" in subparagraph (E) and inserting in lieu thereof "168(h)(2)".

(5) Clause (i) of section 168(d)(3)(A) of the 1986 Code is amended by striking out "and which are".

(6)(A) Subparagraph (B) of section 168(f)(5) of the 1986 Code is amended—

(i) by striking out "1st full taxable year" in clause (ii) and inserting in lieu thereof "1st taxable year", and

(ii) by striking out "or" at the end of clause (i), by striking out the period at the end of clause (ii) and inserting in lieu thereof ", or", and by adding at the end thereof the following new clause:

"(iii) any property to which this section (as amended by the Tax Reform Act of 1986) applied in the hands of the transferor."

(B) Paragraph (5) of section 168(f) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) SPECIAL RULE.—In the case of any property to which this section would apply but for this paragraph, the depreciation deduction under section 167 shall be determined under the provisions of this section as in effect before the amendments made by section 201 of the Tax Reform Act of 1986."

(7)(A) Subparagraph (A) of section 168(i)(7) of the 1986 Code is amended by adding at the end thereof the following new sentence: "In any case where this section as in effect before the amendments made by section 201 of the Tax Reform Act of 1986 applied to the property in the hands of the transferor, the reference in the preceding sentence to this section shall be treated as a reference to this section as so in effect."

(B) Subparagraph (B) of section 168(i)(7) of the 1986 Code is amended to read as follows:

"(B) TRANSACTIONS COVERED.—The transactions described in this subparagraph are—

"(i) any transaction described in section 332, 351, 361, 371(a), 374(a), 721, or 731, and

"(ii) any transaction between members of the same affiliated group during any taxable year for which a consolidated return is made by such group.

Subparagraph (A) shall not apply in the case of a termination of a partnership under section 708(b)(1)(B)."

(C) Subparagraph (D) of section 168(i)(7) of the 1986 Code is hereby repealed.

(8) Subparagraph (B) of section 168(h)(2) of the 1986 Code is amended to read as follows:

"(B) EXCEPTION FOR CERTAIN PROPERTY SUBJECT TO UNITED STATES TAX AND USED BY FOREIGN PERSON OR ENTITY.—Clause (iii) of subparagraph (A) shall not apply with respect to any property if more than 50 percent of the gross income for the taxable year derived by the foreign person or entity from the use of such property is—

"(i) subject to tax under this chapter, or

"(ii) included under section 951 in the gross income of a United States shareholder for the taxable year with or within which ends the taxable year of the controlled foreign corporation in which such income was derived.

For purposes of the preceding sentence, any exclusion or exemption shall not apply for purposes of determining the amount of the gross income so derived, but shall apply for purposes of determining the portion of such gross income subject to tax under this chapter."

(9) Subsection (a) of section 178 of the 1986 Code is amended by striking out "the deduction allowable to a lessee of a lease for any taxable year for amortization under section 167, 169, 179, 185, 190, 193, or 194" and inserting in lieu thereof "the deduction allowable to a lessee for exhaustion, wear and tear, obsolescence, or amortization".

(10) Subparagraph (A) of section 280F(d)(3) of the 1986 Code is amended by striking out "any recovery deduction" and inserting in lieu thereof "any depreciation deduction".

(11)(A) Paragraph (2) of section 168(b) of the 1986 Code is amended to read as follows:

"(2) 150 PERCENT DECLINING BALANCE METHOD IN CERTAIN CASES.—Paragraph (1) shall be applied by substituting '150 percent' for '200 percent' in the case of—

"(A) any 15-year or 20-year property, or

"(B) any property (other than property described in paragraph (3)) with respect to which the taxpayer elects under paragraph (5) to have the provisions of this paragraph apply."

(B) Paragraph (5) of section 168(b) of the 1986 Code is amended by striking out "under paragraph (3)(C)" and inserting in lieu thereof "under paragraph (2)(B) or (3)(C)".

(C) Subsection (c) of section 168 of the 1986 Code is amended to read as follows:

"(c) APPLICABLE RECOVERY PERIOD.—For purposes of this section—

"(1) IN GENERAL.—Except as provided in paragraph (2), the applicable recovery period shall be determined in accordance with the following table:

"In the case of:	The applicable recovery period is:
3-year property...........	3 years
5-year property...........	5 years

7-year property	*7 years*
10-year property	*10 years*
15-year property	*15 years*
20-year property	*20 years*
Residential rental property	*27.5 years*
Nonresidential real property	*31.5 years.*

"(2) PROPERTY FOR WHICH 150 PERCENT METHOD ELECTED.—In the case of property to which an election under subsection (b)(2)(B) applies, the applicable recovery period shall be determined under the table contained in subsection (g)(2)(C)."

(12) Clause (i) of section 56(a)(1)(C) of the 1986 Code is amended by striking out "do not apply" and inserting in lieu thereof "do not apply by reason of section 203, 204, or 251(d) of such Act".

(13) The heading of paragraph (24) of section 381(c) of the 1986 Code is amended by striking out "RECOVERY ALLOWANCE FOR RECOVERY PROPERTY" and inserting in lieu thereof "DEPRECIATION DEDUCTION".

(14) Paragraph (5) of section 48(a) of the 1986 Code is amended—

(A) by striking out "168(j)(4)(C)" and inserting in lieu thereof "168(h)(2)(C)",

(B) by striking out "168(j)(4)(A)(iii)" and inserting in lieu thereof "168(h)(2)(A)(iii)",

(C) by striking out "168(j)(4)(B)" and inserting in lieu thereof "168(h)(2)(B)",

(D) by striking out "168(j)(6)" and inserting in lieu thereof "168(i)(3)",

(E) by striking out "168(j)(3)(C)(ii)" and inserting in lieu thereof "168(h)(1)(C)(ii)",

(F) by striking out "paragraphs (8) and (9) of section 168(j)" and inserting in lieu thereof "paragraphs (5) and (6) of section 168(h)", and

(G) by striking out subparagraph (E) and inserting in lieu thereof the following:

"(E) CROSS REFERENCE.—

"For provision providing special rules for the application of this paragraph and paragraph (4), see section 168(h)."

(15) The last sentence of section 46(e)(3) of the 1986 Code is amended—

(A) by striking out "recovery property (within the meaning of section 168)" and inserting in lieu thereof "property to which section 168 applies",

(B) by striking out "present class life" and inserting in lieu thereof "class life", and

(C) by striking out "168(g)(2)" and inserting in lieu thereof "168(i)(1)".

(16)(A) Subsection (s) of section 48 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(9) TERMINATION.—This subsection shall not apply to any property placed in service after December 31, 1985, unless such property is transition property (as defined in section 49(e)(1))."

(B) Paragraph (4) of section 168(f) of the 1986 Code is amended to read as follows:

"(4) SOUND RECORDINGS.—Any works which result from the fixation of a series of musical, spoken, or other sounds, regardless of the nature of the material (such as discs, tapes, or other phonorecordings) in which such sounds are embodied."

(17) Paragraph (7) of section 46(c) of the 1986 Code is amended—

(A) by striking out "recovery property" and inserting in lieu thereof "property to which section 168 applies",

(B) by striking out "168(c)" each place it appears and inserting in lieu thereof "168(e)",

(C) by striking out "168(f)(3)(B)" and inserting in lieu thereof "168(f)(3)(B) (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986)", and

(D) by striking out "RECOVERY PROPERTY" in the paragraph heading and inserting in lieu thereof "PROPERTY TO WHICH SECTION 168 APPLIES".

(18) Paragraph (1) of section 47(d) of the 1986 Code is amended by striking out "section 48(c)(8)(C)" and inserting in lieu thereof "section 46(c)(8)(C)".

(19) Paragraph (1) of section 179(d) of the 1986 Code is amended by striking out "recovery property" and inserting in lieu thereof "tangible property (to which section 168 applies)".

(20) Section 48 of the 1986 Code is amended by redesignating the subsection (s) relating to cross references as subsection (t).

(21) Clause (v) of section 168(e)(3)(B) of the 1986 Code is amended by striking out "any property" and inserting in lieu thereof "any section 1245 property".

(22) The last sentence of section 167(l)(3)(G) of the 1986 Code is amended by striking out "section 168(e)(3)(C)" and inserting in lieu thereof "section 168(i)(9)(B)".

(23)(A) Subparagraph (B) of section 168(d)(3) of the 1986 Code is amended to read as follows:

"(B) CERTAIN PROPERTY NOT TAKEN INTO ACCOUNT.—For purposes of subparagraph (A), there shall not be taken into account—

"(i) any nonresidential real property and residential rental property, and

"(ii) any other property placed in service and disposed of during the same taxable year."

(B) Clause (ii) of section 168(d)(3)(B) of the 1986 Code (as added by subparagraph (A)) shall apply to taxable years beginning after March 31, 1988, unless the taxpayer elects, at such time and in such manner as the Secretary of the Treasury or his delegate may prescribe, to have such clause apply to taxable years beginning on or before such date.

(24) Subsection (a) of section 167 of the 1986 Code is amended by striking out the last sentence.

(25) Subparagraph (B) of section 46(d)(1) of the 1986 Code is amended—

(A) by striking out "recovery property (within the meaning of section 168)" in clause (i) and inserting in lieu thereof "property to which section 168 applies", and

(B) by striking out "which is not recovery property (within the meaning of section 168)" in clause (ii) and inserting in lieu thereof "to which section 168 does not apply".

(26)(A) Subparagraph (E) of section 47(a)(5) of the 1986 Code is amended by adding at the end thereof the following new clause:

"(v) TREATMENT AS RECOVERY PROPERTY.—Any reference in this paragraph to recovery property shall be treated as including a reference to any property to which section 168 (as amended by the Tax Reform Act of 1986) applies."

(B) Subparagraph (D) of section 47(a)(5) of the 1986 Code is amended by striking out the last sentence.

(C) Clause (iii) of section 47(a)(5)(E) of the 1986 Code is amended by striking out "section 168(c)" and inserting in lieu thereof "section 168(e)".

(27) Subparagraph (A) of section 47(a)(9) of the 1986 Code is amended by striking out "section 168(j)(4)(C)" and inserting in lieu thereof "section 168(h)(2)".

(28) Clause (i) of section 47(d)(3)(C) of the 1986 Code is amended—

(A) by striking out "present class life (as defined in section 168(g)(2))" and inserting in lieu thereof "class life (as defined in section 168(i)(1))", and

(B) by striking out "no present class life" and inserting in lieu thereof "no class life".

(29) Paragraph (1) of section 48(a) of the 1986 Code is amended by striking out "recovery property (within the meaning of section 168)" in the material following subparagraph (G) and inserting in lieu thereof "property to which section 168 applies".

(30) Subparagraph (C) of section 48(l)(2) of the 1986 Code is amended by striking out "which is recovery property (within the meaning of section 168)" and inserting in lieu thereof "to which section 168 applies".

(31) Subsection (d) of section 167 of the 1986 Code is amended by striking out "recovery property defined in section 168" and inserting in lieu thereof "property to which section 168 applies".

(b) AMENDMENTS RELATED TO SECTION 202 OF THE REFORM ACT.—

(1) Paragraph (3) of section 179(b) of the 1986 Code is amended to read as follows:

"(3) LIMITATION BASED ON INCOME FROM TRADE OR BUSINESS.—

"(A) IN GENERAL.—The amount allowed as a deduction under subsection (a) for any taxable year (determined after the application of paragraphs (1) and (2)) shall not exceed the aggregate amount of taxable income of the taxpayer for such taxable year which is derived from the active conduct by the taxpayer of any trade or business during such taxable year.

"(B) CARRYOVER OF DISALLOWED DEDUCTION.—The amount allowable as a deduction under subsection (a) for any taxable year shall be increased by the lesser of—

"(i) the aggregate amount disallowed under subparagraph (A) for all prior taxable years (to the extent not previously allowed as a deduction by reason of this subparagraph), or

"(ii) the excess (if any) of—

"(I) the limitation of paragraphs (1) and (2) (or if lesser, the aggregate amount of taxable income referred to in subparagraph (A)), over

"(II) the amount allowable as a deduction under subsection (a) for such taxable year without regard to this subparagraph.

"(C) COMPUTATION OF TAXABLE INCOME.—For purposes of this paragraph, taxable income derived from the conduct of a trade or business shall be computed without regard to the deduction allowable under this section."

(2) Paragraph (1) of section 280F(d) of the 1986 Code is amended by striking out "subsections (a) and (b)" and inserting in lieu thereof "subsections (a) and (b), and the limitation of paragraph (3) of this subsection,".

(c) AMENDMENTS RELATED TO SECTION 203 OF THE REFORM ACT.—

(1) Subparagraph (B) of section 203(a)(1) of the Reform Act is amended by adding at the end thereof the following new sentence: "No election may be made under this subparagraph with respect to property to which section 168 of the Internal Revenue Code of 1986 would not apply by reason of section 168(f)(5) of such Code if such property were placed in service after December 31, 1986."

(2) Subsection (d) of section 203 of the Reform Act is amended—

(A) by striking out "the case of any taxable year" and inserting in lieu thereof "the case of any taxable year beginning before October 1, 1987", and

(B) by adding at the end thereof the following new sentence: "The preceding sentence shall only apply to property which would be taken into account if such amendments did apply."

(3) Notwithstanding section 203 of the Reform Act, the amendments made by section 201 of the Reform Act shall apply to any real property which was acquired before January 1, 1987, and was converted on or after such date from personal use to a use for which depreciation is allowable.

(4) Paragraph (1) of section 203(b) of the Reform Act is amended by adding at the end thereof the following new sentence:

"For purposes of this paragraph, all members of the same affiliated group of corporations (within the meaning of section 1504 of the Internal Revenue Code of 1986) filing a consolidated return shall be treated as one taxpayer."

(5) Paragraph (1) of section 203(c) of the Reform Act is amended by striking out "Subparagraph" and inserting in lieu thereof "Except as otherwise provided in this subsection or section 204, subparagraph".

(6) Clause (i) of section 203(b)(2)(C) of the Reform Act is amended by striking out "shall be the class life" and inserting in lieu thereof "applies shall be the class life".

(7) Paragraph (3) of section 203(b) of the Reform Act is amended—

(A) by inserting before the comma at the end of subparagraph (A) "(or would have met such requirements if placed in service by such person)", and

(B) by inserting ", or is leased to such person," before "not later than".

(8) Paragraph (2) of section 203(a) of the Reform Act is amended to read as follows:

"(2) SECTION 202.—

"(A) IN GENERAL.—The amendments made by section 202 shall apply to property placed in service after December 31, 1986, in taxable years ending after such date.

"(B) SPECIAL RULE FOR FISCAL YEARS INCLUDING JANUARY 1, 1987.—In the case of any taxable year (other than a calendar year) which includes January 1, 1987, for purposes of applying the amendments made by section 202 to property placed in service during such taxable year and after December 31, 1986—

"(i) the limitation of section 179(b)(1) of the Internal Revenue Code of 1986 (as amended by section 202) shall be reduced by the aggregate deduction under section 179 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) for section 179 property placed in service during such taxable year and before January 1, 1987,

"(ii) the limitation of section 179(b)(2) of such Code (as so amended) shall be applied by taking into account the cost of all section 179 property placed in service during such taxable year, and

"(iii) the limitation of section 179(b)(3) of such Code shall be applied by taking into account the taxable income for the entire taxable year reduced by the amount of any deduction under section 179 of such Code for property placed in service during such taxable year and before January 1, 1987."

(d) AMENDMENTS RELATED TO SECTION 204 OF THE REFORM ACT.—

(1) Subparagraph (B) of section 204(a)(1) of the Reform Act is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and by inserting after clause (iii) the following new clause:

"(iv) described in subparagraph (F) or (H)."

(2) Subparagraph (C) of section 204(a)(1) of the Reform Act is amended by striking out the last sentence and inserting in lieu thereof the following:

"For purposes of this subparagraph, section 203(b)(2) shall be applied by substituting 'January 1, 1994' for 'January 1, 1991' each place it appears."

(3) Subparagraph (E) of section 204(a)(1) of the Reform Act is amended by striking out the last sentence and inserting in lieu thereof the following: "For purposes of this subparagraph, section 203(b)(2) shall be applied by substituting 'January 1, 1998' for 'January 1, 1991' each place it appears."

(4) Subparagraph (F) of section 204(a)(1) of the Reform Act is amended—

(A) by striking out "paragraph" and inserting in lieu thereof "subparagraph",

(B) by striking out ", or" at the end of clause (iii) and inserting in lieu thereof a period, and

(C) by striking out so much of clause (iv) as precedes subclause (I) thereof and inserting in lieu thereof the following:

"A project is also described in this subparagraph if it is a mixed-use development which is—".

(5) The last sentence of section 204(a)(1)(F) of the Reform Act is amended—

(A) by striking out "subsection (b)(2)" and inserting in lieu thereof "section 203(b)(2)", and

(B) by striking out "1993" and inserting in lieu thereof "1998".

(6) Subparagraph (H) of section 204(a)(1) of the Reform Act is amended by striking out "July 1, 1986" and inserting in lieu thereof "June 30, 1986".

(7)(A) Paragraph (4) of section 204(a) of the Reform Act is amended to read as follows:

"(4) PROPERTY TREATED UNDER PRIOR TAX ACTS.—The amendments made by section 201 shall not apply—

"(A) to property described in section 12(c)(2) (as amended by the Technical and Miscellaneous Revenue Act of 1988), 31(g)(5), or 31(g)(17)(J) of the Tax Reform Act of 1984,

"(B) to property described in section 209(d)(1)(B) of the Tax Equity and Fiscal Responsibility Act of 1982, as amended by the Tax Reform Act of 1984, and

"(C) to property described in section 216(b)(3) of the Tax Equity and Fiscal Responsibility Act of 1982."

(B) Paragraph (2) of section 12(c) of the Tax Reform Act of 1984 is amended by striking out "which is placed in service before January 1, 1988".

(8) Subparagraph (K) of section 204(a)(5) of the Reform Act is amended—

(A) by striking out "either" in the matter preceding clause (i),

(B) by striking out "super calendar" in clause (i) and inserting in lieu thereof "supercalendared",

(C) by striking out "were incurred" in clause (i) and inserting in lieu thereof "was incurred", and

(D) by inserting "the project" before "involves" in clause (v).

(9) Paragraph (5) of section 204(a) of the Reform Act is amended by adding at the end thereof the following new subparagraph:

"(Z) A project is described in this subparagraph if—

"(i) such project involves a fiber optic network of at least 475 miles, passing through Minnesota and Wisconsin; and

"(ii) before January 1, 1986, at least $15,000,000 was expended or committed for electronic equipment or fiber optic cable to be used in constructing the network."

(10)(A) Paragraph (8) of section 204(a) of the Reform Act is amended by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a comma, and by adding at the end thereof the following new subparagraphs:

"(D) a bond volume carryforward election was made for the facility and the facility is for Chattanooga, Knoxville, or Kingsport, Tennessee, or

"(E) such facility is to serve Haverhill, Massachusetts."

(B) Paragraph (8) of section 204(a) of the Reform Act is amended by striking out ", and section 203(c),".

(11) Paragraph (10) of section 204(a) of the Reform Act is amended—

(A) by striking out "either" in the material preceding subparagraph (A),

(B) by striking out "wastewater treatment facility" in subparagraph (C) and inserting in lieu thereof "wastewater treatment facility serving Greenville, South Carolina", and

(C) by striking out "the letter of intent and service agreement described in subparagraph (A)(2) of this paragraph" in subparagraph (D) and inserting in lieu thereof "such letter of intent and service agreement".

(12) Paragraph (11) of section 204(a) of the Reform Act is amended—

(A) by striking out "Kansas, Florida, Georgia, or Texas" in subparagraph (A) and inserting in lieu thereof "the United States",

(B) by striking out "the purchase" in subparagraph (C) and inserting in lieu thereof "the purchaser", and

(C) by striking out the last sentence.

(13) Paragraph (14) of section 204(a) of the Reform Act is amended by striking out the period at the end of subparagraph (E) and inserting in lieu thereof a comma, and by inserting after subparagraph (E) the following:

"(F) the project has a planned scheduled capacity of approximately 38,000 kilowatts, the project property is placed in service before January 1, 1991, and the project is operated, established, or constructed pursuant to certain agreements, the negotiation of which began before 1986, with public or municipal utilities conducting business in Massachusetts, or

"(G) the Board of Regents of Oklahoma State University took official action on July 25, 1986, with respect to the project.

In the case of the project described in subparagraph (F), section 203(b)(2)(A) shall be applied by substituting 'January 1, 1991' for 'January 1, 1989'."

(14) Paragraph (15) of section 204(a) of the Reform Act is amended—

(A) by adding "located in New Mexico" after "to a project",

(B) by striking out "$72,000" and inserting in lieu thereof "$72,000,000", and

(C) by striking out the last sentence and inserting in lieu thereof the following:

"For purposes of this paragraph, section 203(b)(2) shall be applied by substituting 'January 1, 1996' for 'January 1, 1991' each place it appears."

(15) Paragraph (24) of section 204(a) of the Reform Act is amended by adding at the end thereof the following new subparagraphs:

"(E) The amendments made by section 201 shall not apply to the Muskegon, Michigan, Cross-Lake Ferry project having a projected cost of approximately $7,200,000.

"(F) The amendments made by section 201 shall not apply to a new automobile carrier vessel, the contract price for which is no greater than $28,000,000, and which will be constructed for and placed in service by OSG Car Carriers, Inc., to transport, under the United States flag and with an American crew, foreign automobiles to North America in a case where negotiations for

such transportation arrangements commenced in 1985, and definitive transportation contracts were awarded before June 1986."

(16) Paragraph (25) of section 204(a) of the Reform Act is amended by striking out "wood energy products" and inserting in lieu thereof "wood energy projects".

(17) Paragraph (27) of section 204(a) of the Reform Act is amended—

(A) in subparagraph (B), by striking out "525,000" and inserting in lieu thereof "540,000",

(B) in subparagraph (C)—

(i) by striking out "$32,000,000" and inserting in lieu thereof "$22,000,000", and

(ii) by striking out "before" and inserting in lieu thereof "on",

(C) in subparagraph (D), by striking out "and 7th Avenue", and

(D) in subparagraph (H), by striking out "$62,000" and inserting in lieu thereof "$62,600,000".

(18) Paragraph (27) of section 204(a) of the Reform Act is amended by adding at the end thereof the following:

"(I) A 600,000 square foot mixed use building known as Flushing Center with respect to which a letter of intent was executed on March 26, 1986.

In the case of the building described in subparagraph (I), section 203(b)(2)(A) shall be applied by substituting 'January 1, 1993' for the applicable date which would otherwise apply."

(19) Paragraph (31) of section 204(a) of the Reform Act is amended by striking out "$10,200,000" and inserting in lieu thereof "$10,500,000".

(20) Paragraph (32) of section 204(a) of the Reform Act is amended—

(A) in subparagraph (A)—

(i) by striking out "July 30, 1984" and inserting in lieu thereof "December 26, 1985",

(ii) by striking out "February 28, 1985" and inserting in lieu thereof "July 2, 1986", and

(iii) by striking out "on June 17, 1985" and inserting in lieu thereof "in May 1985",

(B) in subparagraph (B)—

(i) by striking out "August 30, 1984" and inserting in lieu thereof "December 26, 1985",

(ii) by striking out "May 4, 1985" and inserting in lieu thereof "July 2, 1986", and

(iii) by striking out "on July 3, 1985" and inserting in lieu thereof "in July 1985",

(C) in subparagraph (E)—

(i) by striking out "$2,200,000" and inserting in lieu thereof "$5,000,000",

(ii) by striking out "on January 27, 1986" and inserting "in 1986", and

(iii) by inserting "in Masontown, Pennsylvania," after "plant",

(D) by amending subparagraph (K) to read as follows:

"(K) A 250 megawatt coal-fired electric plant in northeastern Nevada estimated to cost $600,000,000 and known as the Thousand Springs project, on which the Sierra Pacific Power Company, a subsidiary of Sierra Pacific Resources, began in 1980 work to design, finance, construct, and operate (and section 203(b)(2) shall be applied with respect to such plant by substituting 'January 1, 1995' for 'January 1, 1991'),",

(E) in subparagraph (L), by inserting "in connection with" after "housing",

(F) by amending subparagraph (M) to read as follows:

"(M) property which is part of the Kenosha Downtown Redevelopment Project and which is financed with the proceeds of bonds issued pursuant to section 1317(6)(W),",

(G) in subparagraph (O), by striking out "New Orleans, Louisiana" and inserting in lieu thereof "Pensacola, Florida", and

(H) in subparagraph (S)—

(i) by inserting "to be" before "placed",

(ii) by inserting "Coal" before "Company",

(iii) by inserting "(or any subsidiary thereof)" after "Company", and

(iv) by striking out "on December 31, 1985" and inserting in lieu thereof "by December 31, 1985".

(21) Subparagraph (T) of section 204(a)(32) of the Reform Act is amended to read as follows:

"(T) a portion of a fiber optics network placed in service by LDX NET after December 31, 1988, but only to the extent the cost of such portion does not exceed $25,000,000,".

(22) Subparagraph (U) of section 204(a)(32) of the Reform Act is amended by striking out "placed in service" and inserting in lieu thereof "constructed".

(23) Subparagraph (X) of section 204(a)(32) of the Reform Act is amended by striking out "the home rule city and the State housing finance agency adopted inducement resolutions on December 20, 1985" and inserting in lieu thereof "the home rule city on December 4, 1985, and the State housing finance agency on December 20, 1985, adopted inducement resolutions".

(24) Subparagraph (C) of paragraph (33) of section 204(a) of the Reform Act is amended to read as follows:

"(C)(i) a waste-to-energy project in Derry, New Hampshire, costing approximately $60,000,000, and

"(ii) a waste-to-energy project in Manchester, New Hampshire, costing approximately $60,000,000,".

(25) Paragraph (33) of section 204(a) of the Reform Act is amended by striking out "and" at the end of subparagraph (J), by striking out the period at the end of subparagraph (K) and inserting in lieu thereof ", and", and by inserting after subparagraph (K) the following:

"(L) a cogeneration facility to be built at a paper company in Turners Falls, Massachusetts, with respect to which a letter of intent was executed on behalf of the paper company on September 26, 1985."

(26) Subsection (a) of section 204 of the Reform Act is amended by adding at the end thereof the following new paragraphs:

"(34) The amendments made by section 201 shall not apply to an approximately 240,000 square foot beverage container manufacturing plant located in Batesville, Mississippi, or plant equipment used exclusively on the plant premises if—

"(A) a 2-year supply contract was signed by the taxpayer and a customer on November 1, 1985,

"(B) such contract further obligated the customer to purchase beverage containers for an additional 5-year period if physical signs of construction of the plant are present before September 1986,

"(C) ground clearing for such plant began before August 1986, and

"(D) construction is completed, the equipment is installed, and operations are commenced before July 1, 1987.

"(35) The amendments made by section 201 shall not apply to any property which is part of the multifamily housing at the Columbia Point Project in Boston, Massachusetts. A project shall be treated as not described in the preceding sentence and as not described in section 252(f)(1)(D) unless such project includes at substantially all times throughout the compliance period (within the meaning of section 42(i)(1) of the Internal Revenue Code of 1986), a facility which provides health services to the residents of such project for fees commensurate with the ability of such individuals to pay for such services.

"(36) The amendments made by section 201 shall not apply to any ethanol facility located in Blair, Nebraska, if—

"(A) in July of 1984 an initial binding construction contract was entered into for such facility,

"(B) in June of 1986, certain Department of Energy recommended contract changes required a change of contractor, and

"(C) in September of 1986, a new contract to construct such facility, consistent with such recommended changes, was entered into.

"(37) The amendments made by section 201 shall not apply to any property which is part of a sewage treatment facility if, prior to January 1, 1986, the City of Conyers, Georgia, selected a privatizer to construct such facility, received a guaranteed maximum price bid for the construction of such facility, signed a letter of intent and began substantial negotiations of a service agreement with respect to such facility.

"(38) The amendments made by section 201 shall not apply to—

"(A) a $28,000,000 wood resource complex for which construction was authorized by the Board of Directors on August 9, 1985,

"(B) an electrical cogeneration plant in Bethel, Maine which is to generate 2 megawatts of electricity from the burning of wood residues, with respect to which a contract was entered into on July 10, 1984, and with respect to which $200,000 of the expected $2,000,000 cost had been committed before June 15, 1986,

"(C) a mixed income housing project in Portland, Maine which is known as the Back Bay Tower and which is expected to cost $17,300,000,

"(D) the Eastman Place project and office building in Rochester, New York, which is projected to cost $20,000,000, with respect to which an inducement resolution was adopted in December 1986, and for which a binding contract of $500,000 was entered into on April 30, 1986,

"(E) the Marquis Two project in Atlanta, Georgia which has a total budget of $72,000,000 and the construction phase of which began under a contract entered into on March 26, 1986,

"(F) a 166-unit continuing care retirement center in New Orleans, Louisiana, the construction contract for which was signed on February 12, 1986, and is for a maximum amount not to exceed $8,500,000,

"(G) the expansion of the capacity of an oil refining facility in Rosemont, Minnesota from 137,000 to 207,000 barrels per day which is expected to be completed by December 31, 1990, and

"(H) a project in Ransom, Pennsylvania which will burn coal waste (known as 'culm') with an approximate cost of $64,000,000 and for which a certification from the Federal Energy Regulatory Commission was received on March 11, 1986.

"(39) The amendments made by section 201 shall not apply to any facility for the manufacture of an improved particle board if a binding contract to purchase such equipment was executed March 3, 1986, such equipment will be placed in service by January 1, 1988, and such facility is located in or near Moncure, North Carolina."

(27) Subsection (b) of section 204 of the Reform Act is amended by inserting "(as amended by the Tax Reform Act of 1984)" immediately before the period at the end thereof.

(28) Subparagraph (A) of section 204(c)(1) of the Reform Act is amended by inserting "located in Pennsylvania and" before "constructed pursuant".

(29) Paragraph (3) of section 204(c) of the Reform Act is amended—

(A) by striking out "for the applicable date" and inserting in lieu thereof "(or, in the case of a project described in subparagraph (B), by substituting 'April 1, 1992') for the applicable date",

(B) by striking out "before April 1, 1986" in subparagraph (A) and inserting in lieu thereof "on or before April 1, 1986", and

(C) by adding at the end thereof the following:

"In the case of an aircraft described in subparagraph (A), section 203(b)(1)(A) shall be applied by substituting 'April 1, 1986' for 'March 1, 1986' and section 49(e)(1)(B) of the Internal Revenue Code of 1986 shall not apply."

(30)(A) Paragraph (4) of section 204(c) of the Reform Act is amended by striking out all that precedes subparagraph (L) and inserting in lieu thereof the following:

"(4) The amendments made by section 201 shall not apply to a limited amount of the following property or a limited amount of property set forth in a submission before September 16, 1986, by the following taxpayers:

"(A) Arena project, Michigan, but only with respect to $78,000,000 of investments.

"(B) Campbell Soup Company, Pennsylvania, California, North Carolina, Ohio, Maryland, Florida, Nebraska, Michigan, South Carolina, Texas, New Jersey, and Delaware, but only with respect to $9,329,000 of regular investment tax credits.

"(C) The Southeast Overtown/Park West development, Florida, but only with respect to $200,000,000 of investments.

"(D) Equipment placed in service and operated by Leggett and Platt before July 1, 1987, but only with respect to $2,000,000 of regular investment tax credits, and subsections (c) and (d) of section 49 of the Internal Revenue Code of 1986 shall not apply to such equipment.

"(E) East Bank Housing Project.

"(F) $1,561,215 of investments by Standard Telephone Company.

"(G) Five aircraft placed in service before January 1, 1987, by Presidential Air.

"(H) A rehabilitation project by Ann Arbor Railroad, but only with respect to $2,900,000 of investments.

"(I) Property that is part of a cogeneration project located in Ada, Michigan, but only with respect to $30,000,000 of investments.

"(J) Anchor Store Project, Michigan, but only with respect to $21,000,000 of investments.

"(K) A waste-fired electrical generating facility of Biogen Power, but only with respect to $34,000,000 of investments."

(B) Paragraph (4) of section 204(c) of the Reform Act is amended by striking out all that follows subparagraph (L) and inserting in lieu thereof the following:

"(M) Interests of Samuel A. Hardage (whether owned individually or in partnership form).

"(N) Two aircraft of Mesa Airlines with an aggregate cost of $5,723,484.

"(O) Yarn-spinning equipment used at Spray Cotton Mills, but only with respect to $3,000,000 of investments.

"(P) 328 units of low-income housing at Angelus Plaza, but only with respect to $20,500,000 of investments.

"(Q) One aircraft of Continental Aviation Services with a cost of approximately $15,000,000 that was purchased pursuant to a contract entered into during March of 1983 and that is placed in service by December 31, 1988."

(31) Paragraph (29) of section 204(a) of the Reform Act is amended—

(A) by striking out "January 18" in subparagraph (A) and inserting in lieu thereof "January 25", and

(B) by striking out "law suits filed on June 22, 1984, and November 21, 1985" in subparagraph (B) and inserting in lieu thereof "a law suit filed on October 25, 1985".

(32) Subparagraph (J) of section 204(a)(33) of the Reform Act, as amended by paragraph (25), is amended to read as follows:

"(J) A 25.85 megawatt alternative energy facility located in Deblois, Maine, with respect to which certification by the Federal Energy Regulatory Commission was made on April 3, 1986,".

(33) Paragraph (3) of section 204(c) of the Reform Act is amended—

(A) by inserting "and" at the end of subparagraph (B),

(B) by striking out subparagraph (C), and

(C) by redesignating subparagraph (D) as subparagraph (C).

(34) Subclause (II) of section 204(a)(5)(J)(ii) of the Reform Act is amended to read as follows:

"(II) the Board of Directors of an automobile manufacturer approved a written plan for the conversion of existing facilities to produce new models of a vehicle not currently produced in the United States, such facilities will be placed in service by July 1, 1987, and such Board action occurred in July 1985 with respect to a $602,000,000 expenditure, a $438,000,000 expenditure, and a $321,000,000 expenditure."

(35) Subparagraph (T) of section 204(a)(5) of the Reform Act is amended to read as follows:

"(T) A project is described in this subparagraph if it is a plant facility on Alaska's North Slope which is placed in service before January 1, 1988, and—

"(i) the approximate cost of which is $675,000,000, of which approximately $400,000,000 was spent on off-site construction,

"(ii) the approximate cost of which is $445,000,000, of which approximately $400,000,000 was spent on off-site construction and more than 50 percent of the project cost was spent prior to December 31, 1985, or

"(iii) the approximate cost of which is $375,000,000, of which approximately $260,000,000 was spent on off-site construction."

(e) Amendments Relating to Section 211 of the Reform Act.—

(1) Paragraph (1) of section 49(d) of the 1986 Code is amended to read as follows:

"(1) In general.—In the case of periods after December 31, 1985, with respect to so much of the credit determined under section 46(a) with respect to transition property as is attributable to the regular investment credit (as defined in subsection (c)(5)(B))—

"(A) paragraphs (1), (2), and (7) of section 48(q) and section 48(d)(5) shall be applied by substituting '100 percent' for '50 percent' each place it appears, and

"(B) sections 48(q)(4) and 196(d) shall not apply."

(2) Subparagraph (B) of section 49(c)(4) of the 1986 Code is amended to read as follows:

"(B) No carryback for years straddling July 1, 1987; gross up of carryforwards.—In any case to which paragraph (3) applies—

"(i) the amount of the reduction under paragraph (3) may not be carried back to any taxable year, but

"(ii) there shall be added to the carryforwards from the taxable year (before applying paragraph (2)) an amount equal to the amount which bears the same ratio to the carryforwards from such taxable year (determined without regard to this clause) as—

"(I) the applicable percentage, bears to

"(II) 1 minus the applicable percentage."

(3) Clause (i) of section 49(c)(5)(B) of the 1986 Code is amended to read as follows:

"(i) In general.—The term 'regular investment credit' means the credit determined under section 46(a) to the extent attributable to the regular percentage."

(4) Paragraph (1) of section 211(e) of the Reform Act is amended by adding at the end thereof the following new sentence: "Section 49(c) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to taxable years ending after June 30, 1987, and to amounts carried to such taxable years."

(5) Paragraph (4)(A) of section 211(e) of the Reform Act is amended—

(A) by striking out "Paragraphs (c) and (d) of section 49 of the Internal Revenue Code of 1954" and inserting in lieu thereof "Subsections (c) and (d) of section 49 of the Internal Revenue Code of 1986", and

(B) by striking out "1935" and inserting in lieu thereof "1985".

(6) Paragraph (4)(B) of section 211(e) of the Reform Act is amended by striking out "shall be treated as transition property" and inserting in lieu thereof "shall be treated as transition property and subsections (c) and (d) of section 49 of such Code shall not apply to such property".

(7) Paragraph (4) of section 211(e) of the Reform Act is amended by adding at the end thereof the following new subparagraphs:

"(C) Any solid waste disposal facility which will process and incinerate solid waste of one or more public or private entities including Dakota County, Minnesota, and with respect to which a bond carryforward from 1985 was elected in an amount equal to $12,500,000 shall be treated as transition property within the meaning of section 49(e) of the Internal Revenue Code of 1986.

"(D) For purposes of section 49 of such Code, the following property shall be treated as transition property:

"(i) 2 catamarans built by a shipbuilder incorporated in the State of Washington in 1964, the contracts for which were signed on April 22, 1986 and November 12, 1985, and 1 barge built by such shipbuilder the contract for which was signed on August 7, 1985.

"(ii) 2 large passenger ocean-going United States flag cruise ships with a passenger rated capacity of up to 250 which are built by the shipbuilder described in clause (i), which are the first such ships built in the United States since 1952, and which were designed at the request of a Pacific Coast cruise line pursuant to a contract entered into in October 1985. This clause shall apply only to that portion of the cost of each ship which does not exceed $40,000,000.

"(iii) Property placed in service during 1986 by Satellite Industries, Inc., with headquarters in Minneapolis, Minnesota, to the extent that the cost of such property does not exceed $1,950,000.

"(E) Subsections (c) and (d) of section 49 of such Code shall not apply to property described in section 204(a)(4) of this Act."

(8)(A) Subsection (d) of section 38 is amended to read as follows:

"(d) ORDERING RULES.—For purposes of sections 46(f), 47(a), 196(a), and any other provision of this title where it is necessary to ascertain the extent to which the credits determined under any section referred to in subsection (b) are used in a taxable year or as a carryback or carryforward—

"(1) IN GENERAL.—The order in which such credits are used shall be determined on the basis of the order in which they are listed in subsection (b) as of the close of the taxable year in which the credit is used.

"(2) COMPONENTS OF INVESTMENT CREDIT.—The order in which credits attributable to a percentage referred to in section 46(a) are used shall be determined on the basis of the order in which such percentages are listed in section 46(a) as of the close of the taxable year in which the credit is used.

"(3) CREDITS NO LONGER LISTED.—For purposes of this subsection—

"(A) the credit allowable by section 40, as in effect on the day before the date of the enactment of the Tax Reform Act of 1984, (relating to expenses of work incentive programs) and the credit allowable by section 41(a), as in effect on the day before the date of the enactment of the Tax Reform Act of 1986, (relating to employee stock ownership credit) shall be treated as referred to in that order after the last paragraph of subsection (b), and

"(B) the employee plan percentage (as defined in section 46(a)(2)(E), as in effect on the day before the date of the enactment of the Tax Reform Act of 1984) shall be treated as referred to after section 46(a)(2)."

(B) Subparagraph (C) of section 49(c)(5) of the 1986 Code is hereby repealed.

(C) The amendments made by this paragraph shall apply to taxable years beginning after December 31, 1983, and to carrybacks from such years.

(f) AMENDMENTS RELATED TO SECTION 212 OF THE REFORM ACT.—

(1) Paragraph (2) of section 212(f) of the Reform Act is amended by striking out so much of such paragraph as precedes subparagraph (A) and insert in lieu thereof the following:

"(2) SPECIAL RULE.—In the case of the LTV Corporation, in lieu of the requirements of paragraph (1)—".

(2) Subclause (I) of section 212(f)(2)(B)(i) of the Reform Act is amended by striking out "such involvement begins" and inserting in lieu thereof "when the corporation receives the refund".

(3) Subsection (g) of section 212 of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE FOR RESTRUCTURING.—In the case of any corporation, any restructuring shall not limit, increase, or otherwise affect the benefits which would have been available under this section but for such restructuring."

(4) Section 212 of the Reform Act is amended by adding at the end thereof the following new subsection:

"(h) TENTATIVE REFUNDS.—Rules similar to the rules of section 6425 of the Internal Revenue Code of 1986 shall apply to any overpayment resulting from the application of this section."

(5) Subparagraph (B) of section 212(g)(2) of the Reform Act is amended by striking out "determined under" and inserting in lieu thereof "determined for periods before January 1, 1986, under".

(6) Section 212(f) of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(3) In the case of a qualified corporation, no offset to any refund under this section may be made by reason of any tax imposed by section 4971 of the Internal Revenue Code of 1986 (or any interest or penalty attributable to any such tax), and the date on which any such refund is to be paid shall be determined without regard to such corporation's status under title 11, United States Code."

(g) AMENDMENT RELATED TO SECTION 213 OF THE REFORM ACT.—Subparagraph (B) of section 213(e)(2) of the Reform Act is amended by striking out "determined under" and inserting in lieu thereof "determined for periods before January 1, 1986, under".

(h) AMENDMENTS RELATED TO SECTION 231 OF THE REFORM ACT.—

(1) Subsection (g) of section 41 of the 1986 Code is amended by adding at the end thereof the following new sentence: "If the amount determined under subsection (a) for any taxable year exceeds the limitation of the preceding sentence, such amount may be carried to other taxable years under the rules of section 39; except that the limitation of the preceding sentence shall be taken into account in lieu of the limitation of section 38(c) in applying section 39."

(2) Subsection (c) of section 6411 of the 1986 Code is amended by striking out "unused research credit,".

(3) Section 936(h)(5)(C)(i)(IV)(c) of the 1986 Code is amended—

(A) by striking out "section 30" and inserting in lieu thereof "section 41", and

(B) by striking out "section 30(f)" and inserting in lieu thereof "section 41(f)".

(i) AMENDMENTS RELATED TO SECTIONS 241 AND 242 OF THE REFORM ACT.—

(1) Section 167 of the 1986 Code is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

"(r) TRADEMARK OR TRADE NAME EXPENDITURES NOT DEPRECIABLE.—

"(1) IN GENERAL.—No depreciation deduction shall be allowable under this section (and no depreciation or amortization deduction shall be allowable under any other provision of this subtitle) with respect to any trademark or trade name expenditure.

"(2) TRADEMARK OR TRADE NAME EXPENDITURE.—For purposes of this subsection, the term 'trademark or trade name expenditure' means any expenditure which is directly connected with the acquisition, protection, expansion, registration (Federal, State, or foreign), or defense of a trademark or trade name."

(2)(A) Paragraph (1) of section 168(c) of the 1986 Code (as amended by section 102(a)) is amended by adding at the end thereof the following new item:

"Any railroad grading or tunnel bore.. 50 years."

(B)(i) Paragraph (3) of section 168(b) of the 1986 Code is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) Any railroad grading or tunnel bore."

(ii) Paragraph (5) of section 168(b) of the 1986 Code (as amended by section 102(a)) is amended by striking out "(3)(C)" and inserting in lieu thereof "(3)(D)".

(C) Subsection (e) of section 168 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) RAILROAD GRADING OR TUNNEL BORE.—The term 'railroad grading or tunnel bore' means all improvements resulting from excavations (including tunneling), construction of embankments, clearings, diversions of roads and streams, sodding of slopes, and from similar work necessary to provide, construct, reconstruct, alter, protect, improve, replace, or restore a roadbed or right-of-way for railroad track."

(D) Paragraph (2) of section 168(d) of the 1986 Code is amended by striking out "and" at the end of subparagraph (A), by inserting "and" at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

"(C) any railroad grading or tunnel bore,".

(E) Clause (i) of section 168(d)(3)(B) of the 1986 Code (as amended by section 102(a)) is amended by striking out "and residential rental property" and inserting in lieu thereof "residential rental property, and railroad grading or tunnel bore".

(F) The table contained in paragraph (2)(C) of section 168(g) of the 1986 Code is amended by adding at the end thereof the following new item:

"(iv) Any railroad grading or tunnel bore.. 50 years."

(G) Subparagraph (E) of section 168(i)(1) of the 1986 Code is amended by adding at the end thereof the following new clause:

"(iii) SPECIAL RULE FOR RAILROAD GRADING OR TUNNEL BORES.—In the case of any property which is a railroad grading or tunnel bore—

"(I) such property shall be treated as an assigned property,

"(II) the recovery period applicable to such property shall be treated as an assigned item, and

"(III) clause (ii) of subparagraph (D) shall not apply."

(H) The table contained in subparagraph (A) of section 467(e)(3) of the 1986 Code is amended by adding at the end thereof the following new item:

"Any railroad grading or tunnel bore.. 50 years."

(I) Paragraph (3) of section 1245(a) of the 1986 Code is amended by striking out "or" at the end of subparagraph (D), by striking out the period at the end of subparagraph (E), and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(F) any railroad grading or tunnel bore (as defined in section 168(e)(4))."

(j) AMENDMENTS RELATED TO SECTION 243 OF THE REFORM ACT.—

(1) Section 243 of the Reform Act (related to deduction of bus and freight forwarder operating authority) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) APPLICATION OF SECTION 334(b)(2).—For purposes of subsections (a) and (b), the reference to section 334(b)(2) in section 266(c)(2)(A)(ii) of the Economic Recovery Tax Act of 1981 shall be a reference to such section as in effect before its repeal."

(2) The heading of subparagraph (A) of section 243(b)(2) of the Reform Act is amended by striking out "TO BEGIN IN 1987".

(k) AMENDMENTS RELATED TO SECTION 251 OF THE REFORM ACT.—

(1) Paragraph (2)(B) of section 251(d) of the Reform Act is amended by striking out clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(2) Subparagraph (P) of section 251(d)(3) of the Reform Act is amended by striking

out "San Francisco" and inserting in lieu thereof "San Jose, California".

(3) Paragraph (4) of section 251(d) of the Reform Act is amended—

(A) by striking out "Lakeland marbel Arcade" in subparagraph (K) and inserting in lieu thereof "Marble Arcade office building",

(B) by striking out "and" at the end of subparagraph (Y), and

(C) by striking out subparagraph (Z) and inserting in lieu thereof the following:

"(Z) the Bigelow-Hartford Carpet Mill in Enfield, Connecticut,

"(AA) properties abutting 125th street in New York County from 7th Avenue west to Morningside and the pier area on the Hudson River at the end of such 125th Street,

"(BB) the City of Los Angeles Central Library project pursuant to an agreement dated December 28, 1983,

"(CC) the Warehouse Row project in Chattanooga, Tennessee,

"(DD) any project described in section 204(a)(1)(F) of this Act,

"(EE) the Wood Street Commons project in Pittsburgh, Pennsylvania,

"(FF) any project described in section 803(d)(6) of this Act,

"(GG) Union Station, Indianapolis, Indiana,

"(HH) the Mattress Factory project in Pittsburgh, Pennsylvania,

"(II) Union Station in Providence, Rhode Island,

"(JJ) South Pack Plaza, Asheville, North Carolina,

"(KK) Old Louisville Trust Project, Louisville, Kentucky,

"(LL) Stewarts Rehabilitation Project, Louisville, Kentucky,

"(MM) Bernheim Officenter, Louisville, Kentucky,

"(NN) Springville Mill Project, Rockville, Connecticut, and

"(OO) the D.J. Stewart Company Building, State and Main Streets, Rockford, Illinois."

(4) Subsection (d) of section 251 of the Reform Act is amended by striking out paragraph (6) and inserting in lieu thereof the following:

"(6) EXPENSING OF REHABILITATION EXPENSES FOR THE FRANKFORD ARSENAL.—In the case of any expenditures paid or incurred in connection with improvements (including repairs and maintenance) of the Frankford Arsenal pursuant to a contract and partnership agreement during the 8-year period specified in the contract or agreement, all such expenditures to be made during the period 1986 through and including 1993 shall—

"(A) be treated as made (and allowable as a deduction) during 1986,

"(B) be treated as qualified rehabilitation expenditures made during 1986, and

"(C) be allocated in accordance with the partnership agreement regardless of when the interest in the partnership was acquired, except that—

"(i) if the taxpayer is not the original holder of such interest, no person (other than the taxpayer) had claimed any benefits by reason of this paragraph,

"(ii) no interest under section 6611 of the 1986 Code on any refund of income taxes which is solely attributable to this paragraph shall be paid for the period—

"(I) beginning on the date which is 45 days after the later of April 15, 1987, or the date on which the return for such taxes was filed, and

"(II) ending on the date the taxpayer acquired the interest in the partnership, and

"(iii) if the expenditures to be made under this provision are not paid or incurred before January 1, 1994, then the tax imposed by chapter 1 of such Code for the taxpayer's last taxable year beginning in 1993 shall be increased by the amount of the tax benefits by reason of this paragraph which are attributable to the expenditures not so paid or incurred.

"(7) SPECIAL RULE.—In the case of the rehabilitation of the Willard Hotel in Washington, D.C., section 205(c)(1)(B)(ii) of the Tax Equity and Fiscal Responsibility Act of 1982 shall be applied by substituting '1987' for '1986'."

(5) Subparagraph (B) of section 251(d)(3) of the Reform Act is amended by striking out "Pontabla" and inserting in lieu thereof "Pontalba".

(6) Subparagraph (T) of section 251(d)(4) of the Reform Act is amended by striking out "Louisville" and inserting in lieu thereof "Covington".

(l) AMENDMENTS RELATED TO SECTION 252 OF THE REFORM ACT.—

(1)(A) Subparagraph (A) of section 42(b)(2) of the 1986 Code is amended by striking out "for the month" and all that follows and inserting in lieu thereof "for the earlier of—

"(i) the month in which such building is placed in service, or

"(ii) at the election of the taxpayer—

"(I) the month in which the taxpayer and the housing credit agency enter into an agreement with respect to such building (which is binding on such agency, the taxpayer, and all successors in interest) as to the housing credit dollar amount to be allocated to such building, or

"(II) in the case of any building to which subsection (h)(4)(B) applies, the month in which the tax-exempt obligations are issued.

A month may be elected under clause (ii) only if the election is made not later than the 5th day after the close of such month. Such an election, once made, shall be irrevocable."

(B) Clause (ii) of section 42(b)(2)(C) of the 1986 Code is amended by striking out "the month in which the building was placed in service" and inserting in lieu thereof "the month applicable under clause (i) or (ii) of subparagraph (A)".

(2)(A) Subparagraph (A) of section 42(c)(2) of the 1986 Code (defining qualified low-income building) is amended to read as follows:

"(A) which is part of a qualified low-income housing project at all times during the period—

"(i) beginning on the 1st day in the compliance period on which such building is part of such a project, and

"(ii) ending on the last day of the compliance period with respect to such building, and".

(B) Paragraph (1) of section 42(f) of the 1986 Code (defining credit period) is amended by striking out "beginning with" and all that follows and inserting in lieu thereof "beginning with—

"(A) the taxable year in which the building is placed in service, or

"(B) at the election of the taxpayer, the succeeding taxable year,

but only if the building is a qualified low-income building as of the close of the 1st year of such period. The election under subparagraph (B), once made, shall be irrevocable."

(3) Clause (ii) of section 42(d)(2)(D) of the 1986 Code is amended to read as follows:

"(ii) SPECIAL RULES FOR CERTAIN TRANSFERS.—For purposes of determining under subparagraph (B)(ii) when a building was last placed in service, there shall not be taken into account any placement in service—

"(I) in connection with the acquisition of the building in a transaction in which the basis of the building in the hands of the person acquiring it is determined in whole or in part by reference to the adjusted basis of such building in the hands of the person from whom acquired,

"(II) by a person whose basis in such building is determined under section 1014(a) (relating to property acquired from a decedent),

"(III) by any governmental unit or qualified nonprofit organization (as defined in subsection (h)(5)) if the requirements of subparagraph (B)(ii) are met with respect to the placement in service by such unit or organization and all the income from such property is exempt from Federal income taxation, or

"(IV) by any person who acquired such building by foreclosure (or by instrument in lieu of foreclosure) of any purchase-money security interest held by such person if the requirements of subparagraph (B)(ii) are met with respect to the placement in service by such person and such building is resold within 12 months after the date such building is placed in service by such person after such foreclosure."

(4) Paragraph (3) of section 42(d) of the 1986 Code is amended to read as follows:

"(3) ELIGIBLE BASIS REDUCED WHERE DISPROPORTIONATE STANDARDS FOR UNITS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the eligible basis of any building shall be reduced by an amount equal to the portion of the adjusted basis of the building which is attributable to residential rental units in the building which are not low-income units and which are above the average quality standard of the low-income units in the building.

"(B) EXCEPTION WHERE TAXPAYER ELECTS TO EXCLUDE EXCESS COSTS.—

"(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to a residential rental unit in a building which is not a low-income unit if—

"(I) the excess described in clause (ii) with respect to such unit is not greater than 15 percent of the cost described in clause (ii)(II), and

"(II) the taxpayer elects to exclude from the eligible basis of such building the excess described in clause (ii) with respect to such unit.

"(ii) EXCESS.—The excess described in this clause with respect to any unit is the excess of—

"(I) the cost of such unit, over

"(II) the amount which would be the cost of such unit if the average cost per square foot of low-income units in the building were substituted for the cost per square foot of such unit.

The Secretary may by regulation provide for the determination of the excess under this clause on a basis other than square foot costs."

(5) Subparagraph (A) of section 42(d)(5) of the 1986 Code is amended by inserting before the period "(increased, in the case of an existing building which meets the requirements of paragraph (2)(B), by the amounts described in paragraph (2)(A)(i)(II))".

(6)(A) Paragraph (5) of section 42(d) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) ELIGIBLE BASIS NOT TO INCLUDE EXPENDITURES WHERE 167(k) ELECTED.—The eligible basis of any building shall not include any portion of its adjusted basis which is attributable to amounts with respect to which an election is made under section 167(k)."

(B) Subparagraph (A) of section 42(d)(5) of the 1986 Code is amended by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B) and (C)".

(7) Subparagraph (A) of section 42(d)(6) of the 1986 Code is amended by inserting "or" at the end of clause (i), by striking out ", or" at the end of clause (ii) and inserting in lieu thereof a period, and by striking out clause (iii).

(8) Clause (ii) of section 42(d)(6)(B) of the 1986 Code (defining federally assisted building) is amended by striking out "of 1934".

(9)(A) Paragraph (3) of section 42(f) of the 1986 Code is amended to read as follows:

"(3) DETERMINATION OF APPLICABLE PERCENTAGE WITH RESPECT TO INCREASES IN QUALIFIED BASIS AFTER 1ST YEAR OF CREDIT PERIOD.—

"(A) IN GENERAL.—In the case of any building which was a qualified low-income building as of the close of the 1st year of the credit period, if—

"(i) as of the close of any taxable year in the compliance period (after the 1st year of the credit period) the qualified basis of such building exceeds

"(ii) the qualified basis of such building as of the close of the 1st year of the credit period,

the applicable percentage which shall apply under subsection (a) for the taxable year to such excess shall be the percentage equal to ⅔ of the applicable percentage which (after the application of subsection (h)) would but for this paragraph apply to such basis.

"(B) 1ST YEAR COMPUTATION APPLIES.—A rule similar to the rule of paragraph (2)(A) shall apply to any increase in qualified basis to which subparagraph (A) applies for the 1st year of such increase."

(B) Paragraph (3) of section 42(b) of the 1986 Code is amended to read as follows:

"(3) CROSS REFERENCES.—

"(A) For treatment of certain rehabilitation expenditures as separate new buildings, see subsection (e).

"(B) For determination of applicable percentage for increases in qualified basis after the 1st year of the credit period, see subsection (f)(3).

"(C) For authority of housing credit agency to limit applicable percentage and qualified basis which may be taken into account under this section with respect to any building, see subsection (h)(6)."

(10) Subparagraph (B) of section 42(g)(2) of the 1986 Code (defining gross rent) is amended by striking out "Federal rental assistance" and inserting in lieu thereof "rental assistance".

(11) Paragraph (2) of section 42(g) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) UNITS WHERE FEDERAL RENTAL ASSISTANCE IS REDUCED AS TENANT'S INCOME INCREASES.—If the gross rent with respect to a residential unit exceeds the limitation under subparagraph (A) by reason of the fact that the income of the occupants thereof exceeds the income limitation applicable under paragraph (1), such unit shall, nevertheless, be treated as a rent-restricted unit for purposes of paragraph (1) if—

"(i) a Federal rental assistance payment described in subparagraph (B)(i) is made with respect to such unit or its occupants, and

"(ii) the sum of such payment and the gross rent with respect to such unit does not exceed the sum of the amount of such payment which would be made and the gross rent which would be payable with respect to such unit if—

"(I) the income of the occupants thereof did not exceed the income limitation applicable under paragraph (1), and

"(II) such units were rent-restricted within the meaning of subparagraph (A).

The preceding sentence shall apply to any unit only if the result described in clause (ii) is required by Federal statute as of the date of the enactment of this subparagraph and as of the date the Federal rental assistance payment is made."

(12) Paragraph (3) of section 42(g) of the 1986 Code is amended to read as follows:

"(3) DATE FOR MEETING REQUIREMENTS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, a building shall be treated as a qualified low-income building only if the project (of which such building is a part) meets the requirements of paragraph (1) not later than the close of the 12-month period beginning on the date the building is placed in service.

"(B) BUILDINGS WHICH RELY ON LATER BUILDINGS FOR QUALIFICATION.—

"(i) IN GENERAL.—In determining whether a building (hereinafter in this subparagraph referred to as the 'prior building') is a qualified low-income building, the taxpayer may take into account 1 or more additional buildings placed in service during the 12-month period described in subparagraph (A) with respect to the prior building only if the taxpayer elects to apply clause (ii) with respect to each additional building taken into account.

"(ii) TREATMENT OF ELECTED BUILDINGS.—In the case of a building which the taxpayer elects to take into account under clause (i), the period under subparagraph (A) for such building shall end at the close of the 12-month period applicable to the prior building.

"(iii) DATE PRIOR BUILDING IS TREATED AS PLACED IN SERVICE.—For purposes of determining the credit period and the compliance period for the prior building, the prior building shall be treated for purposes of this section as placed in service on the most recent date any additional building elected by the taxpayer (with respect to such prior building) was placed in service.

"(C) SPECIAL RULE.—A building—

"(i) other than the 1st building placed in service as part of a project, and

"(ii) other than a building which is placed in service during the 12-month period described in subparagraph (A) with respect to a prior building which becomes a qualified low-income building,

shall in no event be treated as a qualified low-income building unless the project is a qualified low-income housing project (without regard to such building) on the date such building is placed in service."

(13) Paragraph (4) of section 42(g) of the 1986 Code is amended by inserting before the period "; except that, in applying such provisions (other than section 142(d)(4)(B)(iii)) for such purposes, the term 'gross rent' shall have the meaning given such term by paragraph (2)(B) of this subsection".

(14)(A) Paragraph (1) of section 42(h) of the 1986 Code is amended to read as follows:

"(1) CREDIT MAY NOT EXCEED CREDIT AMOUNT ALLOCATED TO BUILDING.—

"(A) IN GENERAL.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the housing credit dollar amount allocated to such building under this subsection.

"(B) TIME FOR MAKING ALLOCATION.—Except in the case of an allocation which meets the requirements of subparagraph (C) or (D), an allocation shall be taken into account under subparagraph (A) only if it is made not later than the close of the calendar year in which the building is placed in service.

"(C) EXCEPTION WHERE BINDING COMMITMENT.—An allocation meets the requirements of this subparagraph if there is a binding commitment (not later than the close of the calendar year in which the building is placed in service) by the housing credit agency to allocate a specified housing credit dollar amount to such building beginning in a specified later taxable year.

"(D) EXCEPTION WHERE INCREASE IN QUALIFIED BASIS.—

"(i) IN GENERAL.—An allocation meets the requirements of this subparagraph if such allocation is made not later than the close of the calendar year in which ends the taxable year to which it will 1st apply but only to the extent the amount of such allocation does not exceed the limitation under clause (ii).

"(ii) LIMITATION.—The limitation under this clause is the amount of credit allowable under this section (without regard to this subsection) for a taxable year with respect to an increase in the qualified basis of the building equal to the excess of—

"(I) the qualified basis of such building as of the close of the 1st taxable year to which such allocation will apply, over

"(II) the qualified basis of such building as of the close of the 1st taxable year to which the most recent prior housing credit allocation with respect to such building applied.

"(iii) HOUSING CREDIT DOLLAR AMOUNT REDUCED BY FULL ALLOCATION.—Notwithstanding clause (i), the full amount of the allocation shall be taken into account under paragraph (2)."

(B) Clause (ii) of section 42(h)(6)(B) of the 1986 Code is hereby repealed.

(15) Subparagraph (A) of section 42(h)(4) of the 1986 Code is amended by striking out "financed" and all that follows and inserting in lieu thereof "financed by any obligation the interest on which is exempt from tax under section 103 if—

"(i) such obligation is taken into account under section 146, and

"(ii) principal payments on such financing are applied within a reasonable period to redeem obligations the proceeds of which were used to provide such financing."

(16) Paragraph (5) of section 42(h) of the 1986 Code is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

"(D) TREATMENT OF CERTAIN SUBSIDIARIES.—

"(i) IN GENERAL.—For purposes of this paragraph, a qualified nonprofit organization shall be treated as satisfying the material participation test of subparagraph (B) if any qualified corporation in which such organization holds stock satisfies such test.

"(ii) QUALIFIED CORPORATION.—For purposes of clause (ii), the term 'qualified corporation' means any corporation if 100 percent of the stock of such corporation is held by 1 or more qualified nonprofit organizations at all times during the period such corporation is in existence."

(17) Subparagraph (D) of section 42(h)(6) of the 1986 Code is amended to read as follows:

"(D) CREDIT REDUCED IF ALLOCATED CREDIT DOLLAR AMOUNT IS LESS THAN CREDIT WHICH WOULD BE ALLOWABLE WITHOUT REGARD TO PLACED IN SERVICE CONVENTION, ETC.—

"(i) IN GENERAL.—The amount of the credit determined under this section with respect to any building shall not exceed the clause (ii) percentage of the amount of the credit which would (but for this subparagraph) be determined under this section with respect to such building.

"(ii) DETERMINATION OF PERCENTAGE.—For purposes of clause (i), the clause (ii) percentage with respect to any building is the percentage which—

"(I) the housing credit dollar amount allocated to such building bears to

"(II) the credit amount determined in accordance with clause (iii).

"(iii) DETERMINATION OF CREDIT AMOUNT.—The credit amount determined in accordance with this clause is the amount of the credit which would (but for this subparagraph) be determined under this section with respect to the building if—

"(I) this section were applied without regard to paragraphs (2)(A) and (3)(B) of subsection (f), and

"(II) subsection (f)(3)(A) were applied without regard to 'the percentage equal to ⅔ of'."

(18) Paragraph (6) of section 42(h) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(E) HOUSING CREDIT AGENCY TO SPECIFY APPLICABLE PERCENTAGE AND MAXIMUM QUALIFIED BASIS.—In allocating a housing credit dollar amount to any building, the housing credit agency shall specify the applicable percentage and the maximum qualified basis which may be taken into account under this section with respect to such building. The applicable percentage and maximum qualified basis so specified shall not exceed the applicable percentage and qualified basis determined under this section without regard to this subsection."

(19)(A) Subparagraph (A) of section 42(i)(2) of the 1986 Code is amended—

(i) by inserting "or any prior taxable year" after "such taxable year",

(ii) by striking out "there is outstanding" and inserting in lieu thereof "there is or was outstanding", and

(iii) by striking out "are used" and inserting in lieu thereof "are or were used".

(B) Subparagraph (B) of section 42(i)(2) of the 1986 Code is amended to read as follows:

"(B) ELECTION TO REDUCE ELIGIBLE BASIS BY BALANCE OF LOAN OR PROCEEDS OF OBLIGATIONS.—A loan or tax-exempt obligation shall not be taken into account under subparagraph (A) if the taxpayer elects to exclude from the eligible basis of the building for purposes of subsection (d)—

"(i) in the case of a loan, the principal amount of such loan, and

"(ii) in the case of a tax-exempt obligation, the proceeds of such obligation."

(C) Paragraph (2) of section 42(i) of the 1986 Code is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) SPECIAL RULE FOR SUBSIDIZED CONSTRUCTION FINANCING.—Subparagraph (A) shall not apply to any tax-exempt obligation or below market Federal loan used to provide construction financing for any building if—

"(i) such obligation or loan (when issued or made) identified the building for which the proceeds of such obligation or loan would be used, and

"(ii) such obligation is redeemed, and such loan is repaid, before such building is placed in service."

(D) Subparagraph (D) of section 42(i)(2) of the 1986 Code is amended by striking out "subparagraph (A)" and inserting in lieu thereof "this paragraph".

(20) Paragraph (4) of section 42(j) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(F) NO RECAPTURE WHERE DE MINIMIS CHANGES IN FLOOR SPACE.—The Secretary may provide that the increase in tax under this subsection shall not apply with respect to any building if—

"(i) such increase results from a de minimis change in the floor space fraction under subsection (c)(1), and

"(ii) the building is a qualified low-income building after such change."

(21) Clause (i) of section 42(j)(5)(B) of the 1986 Code is amended to read as follows:

"(i) more than ½ the capital interests, and more than ½ the profit interests, in which are owned by a group of 35 or more partners each of whom is a natural person or an estate, and".

(22) Paragraph (6) of section 42(j) of the 1986 Code is amended—

(A) by inserting "(OR INTEREST THEREIN)" after "BUILDING" in the heading, and

(B) by inserting "or an interest therein" after "disposition of a building" in the text.

(23) Subparagraph (B) of section 42(k)(2) of the 1986 Code is amended by inserting before the period at the end thereof the following: ", except that this subparagraph shall not apply in the case of a federally assisted building described in subsection (d)(6)(B) if—

"(i) a security interest in such building is not permitted by a Federal agency holding or insuring the mortgage secured by such building, and

"(ii) the proceeds from the financing (if any) are applied to acquire or improve such building."

(24)(A) Subsection (l) of section 42 of the 1986 Code is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) ANNUAL REPORTS TO THE SECRETARY.—The Secretary may require taxpayers to submit an information return (at such time and in such form and manner as the Secretary prescribes) for each taxable year setting forth—

"(A) the qualified basis for the taxable year of each qualified low-income building of the taxpayer,

"(B) the information described in paragraph (1)(C) for the taxable year, and

"(C) such other information as the Secretary may require.

The penalty under section 6652(j) shall apply to any failure to submit the return required by the Secretary under the preceding sentence on the date prescribed therefor."

(B) The subsection heading of subsection (l) of section 42 is amended to read as follows:

"(l) CERTIFICATIONS AND OTHER REPORTS TO SECRETARY.—".

(25) Paragraph (1) of section 42(n) of the 1986 Code is amended by inserting before the period at the end thereof the following: ", and, except for any building described in paragraph (2)(B), subsection (h)(4) shall not apply to any building placed in service after 1989".

(26) Subsection (d) of section 39 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) NO CARRYBACK OF LOW-INCOME HOUSING CREDIT BEFORE 1987.—No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 42 (relating to low-income housing credit) may be carried back to a taxable year ending before January 1, 1987."

(27) Paragraph (1) of section 55(c) of the 1986 Code (defining regular tax) is amended by striking out "section 42(j)" and inserting in lieu thereof "subsection (j) or (k) of section 42".

(28) Subparagraph (A) of section 252(f)(1) of the Reform Act is amended by striking out "and" at the end of clause (i), by striking out the period at the end of clause (ii) and inserting in lieu thereof a comma, and by inserting after clause (ii) the following new clauses:

"(iii) the eligible basis of such building shall be treated, for purposes of section 42(h)(4)(A) of such Code, as if it were financed by an obligation the interest on which is exempt from tax under section 103 of such Code and which is taken into account under section 146 of such Code, and

"(iv) the amendments made by section 803 shall not apply."

(29) Subparagraph (E) of section 252(f)(1) of the Reform Act is amended by striking out "maximum annual additional credit" and inserting in lieu thereof "maximum present value of additional credits".

(30) Subparagraph (E) of section 252(f)(2) of the Reform Act is amended by adding at the end thereof the following new sentence: "The preceding sentence shall apply to any building only to the extent of the portion of the additional housing credit dollar amount (allocated to such agency under subparagraph (A)) allocated to such building."

(31) Subsection (f) of section 252 of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(5) TRANSITIONAL RULE.—In the case of any rehabilitation expenditures incurred with respect to units located in the neighborhood strategy area within the community development block grant program in Ft. Wayne, Indiana—

"(A) the amendments made by this section shall not apply, and

"(B) paragraph (1) of section 167(k) of the Internal Revenue Code of 1986, shall be applied as if it did not contain the phrase 'and before January 1, 1987'.

The number of units to which the preceding sentence applies shall not exceed 150."

(32) Subsection (g) of section 42 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULE WHERE DE MINIMIS EQUITY CONTRIBUTION.—Property shall not be treated as failing to be residential rental property for purposes of this section merely because the occupant of a residential unit in the project pays (on a voluntary basis) to the lessor a de minimis amount to be held toward the purchase by such occupant of a residential unit in such project if—

"(A) all amounts so paid are refunded to the occupant on the cessation of his occupancy of a unit in the project, and

"(B) the purchase of the unit is not permitted until after the close of the compliance period with respect to the building in which the unit is located.

Any amount paid to the lessor as described in the preceding sentence shall be included *in gross rent under paragraph (2) for purposes of determining whether the unit is rent-restricted."*

(m) Amendments Related to Section 261 of the Reform Act.—

(1) Subparagraph (A) of section 7518(g)(6) of the 1986 Code, is amended by striking out "section 1(i)" and inserting in lieu thereof "section 1(j)".

(2) Subparagraph (A) of section 607(h)(6) of the Merchant Marine Act, 1936 is amended by striking out "section 1(i)" and inserting in lieu thereof "section 1(j)".

SEC. 1003. AMENDMENTS RELATED TO TITLE III OF THE REFORM ACT.

(a) Amendments Related to Section 301 of the Reform Act.—

(1) Subparagraph (B) of section 172(d)(4) of the 1986 Code is amended by striking out ", (2)(B),".

(2) Paragraph (1) of section 3402(m) of the 1986 Code is amended by striking out "section 62 (other than paragraph (13) thereof)" and inserting in lieu thereof "section 62(a) (other than paragraph (10) thereof)".

(3) Paragraph (2) of section 1212(b) of the 1986 Code is amended to read as follows:

"(2) Treatment of amounts allowed under section 1211(b) (1) or (2).—

"(A) In general.—For purposes of determining the excess referred to in subparagraph (A) or (B) of paragraph (1), there shall be treated as a short-term capital gain in the taxable year an amount equal to the lesser of—

"(i) the amount allowed for the taxable year under paragraph (1) or (2) of section 1211(b), or

"(ii) the adjusted taxable income for such taxable year.

"(B) Adjusted taxable income.—For purposes of subparagraph (A), the term 'adjusted taxable income' means taxable income increased by the sum of—

"(i) the amount allowed for the taxable year under paragraph (1) or (2) of section 1211(b), and

"(ii) the deduction allowed for such year under section 151 or any deduction in lieu thereof.

For purposes of the preceding sentence, any excess of the deductions allowed for the taxable year over the gross income for such year shall be taken into account as negative taxable income."

(b) Amendments Related to Section 302 of the Reform Act.—

(1) Section 302 of the Reform Act is amended by striking out subsection (c).

(2)(A) Paragraph (2) of section 904(b) of the 1986 Code is amended to read as follows:

"(2) Capital gains.—For purposes of this section—

"(A) In general.—Taxable income from sources outside the United States shall include gain from the sale or exchange of capital assets only to the extent of foreign source capital gain net income.

"(B) Special rules where capital gain rate differential.—In the case of any taxable year for which there is a capital gain rate differential—

"(i) in lieu of applying subparagraph (A), the taxable income from sources outside the United States shall include gain from the sale or exchange of capital assets only in an amount equal to foreign source capital gain net income reduced by the rate differential portion of foreign source net capital gain,

"(ii) the entire taxable income shall include gain from the sale or exchange of capital assets only in an amount equal to capital gain net income reduced by the rate differential portion of net capital gain, and

"(iii) for purposes of determining taxable income from sources outside the United States, any net capital loss (and any amount which is a short-term capital loss under section 1212(a)) from sources outside the United States to the extent taken into account in determining capital gain net income for the taxable year shall be reduced by an amount equal to the rate differential portion of the excess of net capital gain from sources within the United States over net capital gain."

(B) Paragraph (3) of section 904(b) of the 1986 Code is amended by striking out subparagraph (D) and inserting in lieu thereof the following new subparagraphs:

"(D) Capital gain rate differential.—There is a capital gain rate differential for any taxable year if—

"(i) in the case of a taxpayer other than a corporation, subsection (j) of section 1 applies to such taxable year, or

"(ii) in the case of a corporation, any rate of tax imposed by section 11, 511, or 831 (a) or (b) (whichever applies) exceeds the alternative rate of tax under section 1201(a) (determined without regard to the last sentence of section 11(b)).

"(E) Rate differential portion.—

"(i) In general.—The rate differential portion of foreign source net capital gain, net capital gain, or the excess of net capital gain from sources within the United States over net capital gain, as the case may be, is the same proportion of such amount as—

"(I) the excess of the highest applicable tax rate over the alternative tax rate, bears to

"(II) the highest applicable tax rate.

"(ii) Highest applicable tax rate.—For purposes of clause (i), the term 'highest applicable tax rate' means—

"(I) in the case of a taxpayer other than a corporation, the highest rate of tax set forth in subsection (a), (b), (c), (d), or (e) of section 1 (whichever applies), or

"(II) in the case of a corporation, the highest rate of tax specified in section 11(b).

"(iii) Alternative tax rate.—For purposes of clause (i), the term 'alternative tax rate' means—

"(I) in the case of a taxpayer other than a corporation, the alternative rate of tax determined under section 1(j), or

"(II) in the case of a corporation, the alternative rate of tax under section 1201(a)."

(3) Effective for taxable years beginning after December 31, 1987, paragraph (1) of section 1445(e) of the 1986 Code is amended by striking out "34 percent" and inserting in lieu thereof "34 percent (or, to the extent provided in regulations, 28 percent)".

(c) Amendments Related to Section 311 of the Reform Act.—

(1) Subsection (a) of section 1201 of the 1986 Code is amended by striking out "831(a)" and inserting in lieu thereof "831 (a) or (b)".

(2) Subsection (c) of section 311 of the Reform Act is amended by inserting before the period at the end thereof the following: "; except that the amendment made by subsection (b)(4) shall apply to payments made after December 31, 1986".

(3) Subparagraph (D) of section 593(b)(2) of the 1986 Code is amended by striking out "and" at the end of clause (iii), by striking out the period at the end of clause (iv) and inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(v) if there is a capital gain rate differential (as defined in section 904(b)(3)(D)) for the taxable year, by excluding from gross income the rate differential portion (within the meaning of section 904(b)(3)(E)) of the lesser of—

"(I) the net long-term capital gain for the taxable year, or

"(II) the net long-term capital gain for the taxable year from the sale or exchange of property other than property described in clause (iii)."

(d) Amendment Related to Section 321 of the Reform Act.—

(1)(A) Subsection (b) of section 422A of the 1986 Code is amended by adding at the end thereof the following new sentence:

"Such term shall not include any option if (as of the time the option is granted) the terms of such option provide that it will not be treated as an incentive stock option."

(B) In the case of an option granted after December 31, 1986, and on or before the date of the enactment of this Act, such option shall not be treated as an incentive stock option if the terms of such option are amended before the date 90 days after such date of enactment to provide that such option will not be treated as an incentive stock option.

(2)(A) Section 422A of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(d) $100,000 Per Year Limitation.—

"(1) In general.—To the extent that the aggregate fair market value of stock with respect to which incentive stock options (determined without regard to this subsection) are exercisable for the 1st time by any individual during any calendar year (under all plans of the individual's employer corporation and its parent and subsidiary corporations) exceeds $100,000, such options shall be treated as options which are not incentive stock options.

"(2) Ordering rule.—Paragraph (1) shall be applied by taking options into account in the order in which they were granted.

"(3) Determination of fair market value.—For purposes of paragraph (1), the fair market value of any stock shall be determined as of the time the option with respect to such stock is granted."

(B) Subsection (b) of section 422A of the 1986 Code is amended by adding "and" at the end of paragraph (5), by striking out "; and" at the end of paragraph (6) and inserting in lieu thereof a period, and by striking out paragraph (7).

(C) Paragraph (1) of section 422A(c) of the 1986 Code is amended by striking out "paragraph (7) of subsection (b)" and inserting in lieu thereof "subsection (d)".

SEC. 1004. AMENDMENTS RELATED TO TITLE IV OF THE REFORM ACT.

(a) Amendments Related to Section 405 of the Reform Act.—

(1) Paragraph (1) of section 108(a) of the 1986 Code is amended by striking out "or" at the end of subparagraph (A), by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", or" and by adding at the end thereof the following new subparagraph:

"(C) the indebtedness discharged is qualified farm indebtedness."

(2) Paragraph (2) of section 108(a) of the 1986 Code is amended to read as follows:

"(2) Coordination of exclusions.—

"(A) Title 11 exclusion takes precedence.—Subparagraphs (B) and (C) of paragraph (1) shall not apply to a discharge which occurs in a title 11 case.

"(B) Insolvency exclusion takes precedence over qualified farm exclusion.—Subparagraph (C) of paragraph (1) shall not

apply to a discharge to the extent the taxpayer is insolvent."

(3) Subsection (b) of section 108 of the 1986 Code is amended—

(A) by striking out "subparagraph (A) or (B)" in paragraph (1) and inserting in lieu thereof "subparagraph (A), (B), or (C)", and

(B) by striking out "IN TITLE 11 CASE OR INSOLVENCY" in the subsection heading.

(4) Subsection (g) of section 108 of the 1986 Code is amended to read as follows:

"(g) SPECIAL RULES FOR DISCHARGE OF QUALIFIED FARM INDEBTEDNESS.—

"(1) DISCHARGE MUST BE BY QUALIFIED PERSON.—

"(A) IN GENERAL.—Subparagraph (C) of subsection (a)(1) shall apply only if the discharge is by a qualified person.

"(B) QUALIFIED PERSON.—For purposes of subparagraph (A), the term 'qualified person' has the meaning given to such term by section 46(c)(8)(D)(iv); except that such term shall include any Federal, State, or local government or agency or instrumentality thereof.

"(2) QUALIFIED FARM INDEBTEDNESS.—For purposes of this section, indebtedness of a taxpayer shall be treated as qualified farm indebtedness if—

"(A) such indebtedness was incurred directly in connection with the operation by the taxpayer of the trade or business of farming, and

"(B) 50 percent or more of the aggregate gross receipts of the taxpayer for the 3 taxable years preceding the taxable year in which the discharge of such indebtedness occurs is attributable to the trade or business of farming.

"(3) AMOUNT EXCLUDED CANNOT EXCEED SUM OF TAX ATTRIBUTES AND BUSINESS AND INVESTMENT ASSETS.—

"(A) IN GENERAL.—The amount excluded under subparagraph (C) of subsection (a)(1) shall not exceed the sum of—

"(i) the adjusted tax attributes of the taxpayer, and

"(ii) the aggregate adjusted bases of qualified property held by the taxpayer as of the beginning of the taxable year following the taxable year in which the discharge occurs.

"(B) ADJUSTED TAX ATTRIBUTES.—For purposes of subparagraph (A), the term 'adjusted tax attributes' means the sum of the tax attributes described in subparagraphs (A), (B), (C), and (E) of subsection (b)(2) determined by taking into account $3 for each $1 of the attributes described in subparagraphs (B) and (E) of subsection (b)(2).

"(C) QUALIFIED PROPERTY.—For purposes of this paragraph, the term 'qualified property' means any property which is used or is held for use in a trade or business or for the production of income.

"(D) COORDINATION WITH INSOLVENCY EXCLUSION.—For purposes of this paragraph, the adjusted basis of any qualified property and the amount of the adjusted tax attributes shall be determined after any reduction under subsection (b) by reason of amounts excluded from gross income under subsection (a)(1)(B)."

(5) Paragraph (4) of section 1017(b) of the 1986 Code is amended to read as follows:

"(4) SPECIAL RULES FOR QUALIFIED FARM INDEBTEDNESS.—

"(A) IN GENERAL.—Any amount which under subsection (b)(2)(D) of section 108 is to be applied to reduce basis and which is attributable to an amount excluded under subsection (a)(1)(C) of section 108—

"(i) shall be applied only to reduce the basis of qualified property held by the taxpayer, and

"(ii) shall be applied to reduce the basis of qualified property in the following order:

"(I) First the basis of qualified property which is depreciable property.

"(II) Second the basis of qualified property which is land used or held for use in the trade or business of farming.

"(III) Then the basis of other qualified property.

"(B) QUALIFIED PROPERTY.—For purposes of this paragraph, the term 'qualified property' has the meaning given to such term by section 108(g)(3)(C).

"(C) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of subparagraph (C), (D), and (E) of paragraph (3) shall apply for purposes of this paragraph and section 108(g)."

(6)(A) Paragraphs (6) and (7) of section 108(d) of the 1986 Code are each amended by striking out "subsections (a) and (b)" and inserting in lieu thereof "subsections (a), (b), and (g)".

(B) The subsection heading for section 108(d) of the 1986 Code is amended by striking out "SUBSECTIONS (a), AND (b)" and inserting in lieu thereof "SUBSECTIONS (a), (b), AND (g)".

(C) The headings for paragraphs (6) and (7)(A) of section 108(d) of the 1986 Code are each amended by striking out "SUBSECTIONS (a) AND (b)" and inserting in lieu thereof "SUBSECTIONS (a), (b), AND (g)".

(b) AMENDMENT RELATED TO SECTION 406 OF THE REFORM ACT.—Section 406 of the Reform Act is amended—

(1) by inserting "before October 1, 1987," after "from the sale", and

(2) by striking out "to the extent such gain" and all that follows down through the period at the end thereof and inserting in lieu thereof "to the extent such gain is properly taken into account under the taxpayer's method of accounting during 1987.".

(c) AMENDMENT RELATED TO SECTION 413 OF THE REFORM ACT.—Subsection (a) of section 1254 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) ADJUSTMENT FOR AMOUNTS INCLUDED IN GROSS INCOME UNDER SECTION 617(b)(1)(A).—The amount of the expenditures referred to in paragraph (1)(A)(i) shall be properly adjusted for amounts included in gross income under section 617(b)(1)(A)."

SEC. 1005. AMENDMENTS RELATED TO TITLE V OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 501 OF THE REFORM ACT.—

(1) Clause (ii) of section 469(e)(1)(A) of the 1986 Code (relating to certain income not treated as income from passive activity) is amended by inserting "not derived in the ordinary course of a trade or business which is" after "gain or loss".

(2)(A) Subparagraph (A) of section 469(g)(1) of the 1986 Code (relating to disposition of interests in passive activities in fully taxable transactions) is amended to read as follows:

"(A) IN GENERAL.—If all gain or loss realized on such disposition is recognized, the excess of—

"(i) the sum of—

"(I) any loss from such activity for such taxable year (determined after application of subsection (b)), plus

"(II) any loss realized on such disposition, over

"(ii) net income or gain for such taxable year from all passive activities (determined without regard to losses described in clause (i)),

shall be treated as a loss which is not from a passive activity."

(B) Subparagraph (C) of section 469(g)(1) of the 1986 Code is amended to read as follows:

"(C) INCOME FROM PRIOR YEARS.—To the extent provided in regulations, income or gain from the activity for preceding taxable years shall be taken into account under subparagraph (A)(ii) for the taxable year to the extent necessary to prevent the avoidance of this section."

(3) Subparagraph (A) of section 469(g)(2) of the 1986 Code is amended—

(A) by striking out "paragraph (1)" and inserting in lieu thereof "paragraph (1)(A)"; and

(B) by striking out "such losses" the first place it appears and inserting in lieu thereof "losses described in paragraph (1)(A)".

(4) Section 469(g)(3) of the 1986 Code is amended—

(A) by striking out "realized (or to be realized)" and inserting in lieu thereof "(realized or to be realized", and

(B) by inserting a closing parenthesis after "completed".

(5) Paragraph (4) of section 469(h) of the 1986 Code (relating to certain closely held C corporations and personal service corporations) is amended by inserting "only" before "if".

(6) Paragraph (1) of section 469(i) of the 1986 Code (relating to $25,000 offset for rental real estate activities) is amended by striking out "in the taxable year in which such portion of such loss or credit arose" and inserting in lieu thereof "in such taxable year (and if any portion of such loss or credit arose in another taxable year, in such other taxable year)".

(7) Subparagraph (C) of section 469(i)(6) of the 1986 Code (relating to interest as a limited partner) is amended by striking out "No" and inserting in lieu thereof "Except as provided in regulations, no".

(8) Subparagraph (A) of section 469(j)(6) of the 1986 Code (relating to special rule for gifts) is amended by inserting "with respect to which a deduction has not been allowed by reason of subsection (a)" before ", and".

(9) Section 469(j) of the 1986 Code (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraphs:

"(10) COORDINATION WITH SECTION 280A.—If a passive activity involves the use of a dwelling unit to which section 280A(c)(5) applies for any taxable year, any income, deduction, gain, or loss allocable to such use shall not be taken into account for purposes of this section for such taxable year.

"(11) AGGREGATION OF MEMBERS OF AFFILIATED GROUPS.—Except as provided in regulations, all members of an affiliated group which files a consolidated return shall be treated as 1 corporation."

(10) Section 501(c) of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(4) INCOME FROM SALES OF PASSIVE ACTIVITIES IN TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 1987.—If—

"(A) gain is recognized in a taxable year beginning after December 31, 1986, from a sale or exchange of an interest in an activity in a taxable year beginning before January 1, 1987, and

"(B) such gain would have been treated as gain from a passive activity had section 469 of the Internal Revenue Code of 1986 (as added by this section) been in effect for the taxable year in which the sale or exchange occurred and for all succeeding taxable years,

then such gain shall be treated as gain from a passive activity for purposes of such section."

(11) Subsection (j) of section 469 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(12) Special rule for distributions by estates or trusts.—If any interest in a passive activity is distributed by an estate or trust—

"(A) the basis of such interest immediately before such distribution shall be increased by the amount of any passive activity losses allocable to such interest, and

"(B) such losses shall not be allowable as a deduction for any taxable year."

(12) Subsection (m) of section 469 of the 1986 Code, as redesignated by section 10211 of the Revenue Act of 1987, is amended by striking all that precedes subparagraph (B) of paragraph (3) thereof and inserting in lieu thereof the following:

"(m) Phase-In of Disallowance of Losses and Credits for Interest Held Before Date of Enactment.—

"(1) In general.—In the case of any passive activity loss or passive activity credit for any taxable year beginning in calendar years 1987 through 1990, subsection (a) shall not apply to the applicable percentage of that portion of such loss (or such credit) which is attributable to pre-enactment interests.

"(2) Applicable percentage.—For purposes of this subsection, the applicable percentage shall be determined in accordance with the following table:

"In the case of taxable years beginning in:	The applicable percentage is:
1987	65
1988	40
1989	20
1990	10.

"(3) Portion of loss or credit attributable to pre-enactment interests.—For purposes of this subsection—

"(A) In general.—The portion of the passive activity loss (or passive activity credit) for any taxable year which is attributable to pre-enactment interests is the lesser of—

"(i) the amount of the passive activity loss (or passive activity credit) which is disallowed for the taxable year under subsection (a) (without regard to this subsection), or

"(ii) the amount of the passive activity loss (or passive activity credit) which would be disallowed for the taxable year (without regard to this subsection and without regard to any amount allocable to an activity for the taxable year under subsection (b)) taking into account only pre-enactment interests."

(b) Amendments Related to Section 502 of the Reform Act.—

(1) Subparagraph (A) of section 502(d)(1) of the Reform Act (defining qualified investor) is amended to read as follows:

"(A) if—

"(i) in the case of a project placed in service on or before August 16, 1986, such person held an interest in such project on August 16, 1986, and such person made his initial investment after December 31, 1983, or

"(ii) in the case of a project placed in service after August 16, 1986, such person made his initial investment after December 31, 1983, and such person held an interest in such project on December 31, 1986, and".

(2) Subsection (d) of section 502 of the Reform Act (defining qualified investor) is amended by adding after paragraph (2) the following new paragraph:

"(3) Special rule for certain partnerships.—In the case of any property which is held by a partnership—

"(A) which placed such property in service on or after December 31, 1985, and before August 17, 1986, and continuously held such property through the close of the taxable year for which the determination is being made, and

"(B) which was not treated as a new partnership or as terminated at any time on or after the date on which such property was placed in service and through the close of the taxable year for which the determination is being made,

paragraph (1)(A)(i) shall be applied by substituting 'December 31, 1988' for 'August 16, 1986' the 2nd place it appears."

(3) The subsection (d) of section 502 of the Reform Act which relates to special rules is redesignated as subsection (e).

(c) Amendments Related to Section 511 of the Reform Act.—

(1) Subparagraph (A) of section 163(d)(3) of the 1986 Code (defining investment interest) is amended by striking out "incurred or continued to purchase or carry" and inserting in lieu thereof "properly allocable to".

(2) Subparagraph (B) of section 163(d)(4) of the 1986 Code is amended to read as follows:

"(B) Investment income.—The term 'investment income' means the sum of—

"(i) gross income (other than gain taken into account under clause (ii)) from property held for investment, and

"(ii) any net gain attributable to the disposition of property held for investment."

(3) Subparagraph (A) of section 163(d)(6) of the 1986 Code is amended to read as follows:

"(A) In general.—The amount of interest paid or accrued during any such taxable year which is disallowed under this subsection shall not exceed the sum of—

"(i) the amount which would be disallowed under this subsection if—

"(I) paragraph (1) were applied by substituting 'the sum of the ceiling amount and the net investment income' for 'the net investment income', and

"(II) paragraphs (4)(E) and (5)(A)(ii) did not apply, and

"(ii) the applicable percentage of the excess of—

"(I) the amount which (without regard to this paragraph) is not allowable as a deduction under this subsection for the taxable year, over

"(II) the amount described in clause (i).

The preceding sentence shall not apply to any interest treated as paid or accrued during the taxable year under paragraph (2)."

(4) Subparagraph (A) of section 163(h)(2) of the 1986 Code is amended by striking out "incurred or continued in connection with the conduct of" and inserting in lieu thereof "properly allocable to".

(5) Subparagraph (C) of section 163(h)(3) of the 1986 Code (defining qualified residence interest) is amended to read as follows:

"(C) Cost not less than balance of indebtedness incurred on or before August 16, 1986.—

"(i) In general.—The amount under subparagraph (B)(ii)(I) at any time after August 16, 1986, shall not be less than the outstanding principal amount (as of such time) of indebtedness—

"(I) which was incurred on or before August 16, 1986, and which was secured by the qualified residence on August 16, 1986, or

"(II) which is secured by the qualified residence and was incurred after August 16, 1986, to refinance indebtedness described in subclause (I) (or refinanced indebtedness meeting the requirements of this subclause) to the extent (immediately after the refinancing) the principal amount of the indebtedness resulting from the refinancing does not exceed the principal amount of the refinanced indebtedness (immediately before the refinancing).

"(ii) Limitation on period of refinancing.—Subclause (II) of clause (i) shall not apply to any indebtedness after—

"(I) the expiration of the term of the indebtedness described in clause (i)(I), or

"(II) if the principal of the indebtedness described in clause (i)(I) is not amortized over its term, the expiration of the term of the 1st refinancing of such indebtedness (or if earlier, the date which is 30 years after the date of such refinancing)."

(6)(A) The heading for section 163(h)(5) of the 1986 Code is amended to read as follows:

"(5) Other definitions and special rules.—For purposes of this subsection—".

(B) Paragraph (5) of section 163(h) of the 1986 Code is amended—

(i) by striking out "For purposes of this subsection—" in subparagraph (A), and

(ii) by striking out "For purposes of this paragraph, any" in subparagraph (B) and inserting in lieu thereof "Any".

(7) Clause (iii) of section 163(h)(5)(A) of the 1986 Code is amended by striking out "USED OR" in the heading thereof and by striking out "or use".

(8) Section 163(h)(5) of the 1986 Code is amended by adding at the end thereof the following new subparagraphs:

"(C) Unenforceable security interests.—Indebtedness shall not fail to be treated as secured by any property solely because, under any applicable State or local homestead or other debtor protection law in effect on August 16, 1986, the security interest is ineffective or the enforceability of the security interest is restricted.

"(D) Special rules for estates and trusts.—For purposes of determining whether any interest paid or accrued by an estate or trust is qualified residence interest, any residence held by such estate or trust shall be treated as a qualified residence of such estate or trust if such estate or trust establishes that such residence is a qualified residence of a beneficiary who has a present interest in such estate or trust or an interest in the residuary of such estate or trust."

(9) Paragraph (6) of section 163(h) of the 1986 Code is amended by striking out "subsection" the 3rd place it appears and inserting in lieu thereof "paragraph".

(10) Paragraph (2)(A) of section 511(d) of the Reform Act is amended to read as follows:

"(2)(A) Sections 467(c)(5) and 1255(b)(2) are each amended by striking out '163(d),'."

(11) If—

(A) any amount was disallowed as a deduction under section 163(d) of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of the Reform Act),

(B) such amount would (but for this paragraph) be treated as investment interest paid or accrued by the taxpayer in the taxpayer's first taxable year beginning after December 31, 1986, and

(C) the taxpayer makes an election under this paragraph at such time and in such manner as the Secretary of the Treasury or his delegate shall prescribe,

to the extent such amount is attributable to an activity subject to the limitations of sec-

tion 469 of the 1986 Code, such amount shall not be treated as investment interest but shall be treated as a deduction allocable to such activity for such first taxable year. Subsection (m) of section 469 of the 1986 Code and section 501(c)(2) of the Reform Act shall not apply to any amount so treated.

(12) Subparagraph (E) of section 163(h)(2) of the 1986 Code is amended by inserting before the period "or under section 6166A (as in effect before its repeal by the Economic Recovery Tax Act of 1981)".

(13) For purposes of applying the amendments made by this subsection and the amendments made by section 10102 of the Revenue Act of 1987, the provisions of this subsection shall be treated as having been enacted immediately before the enactment of the Revenue Act of 1987.

(14)(A) For purposes of applying section 163(h) of the 1986 Code to any taxable year beginning during 1987, if, incident to a divorce or legal separation—

(i) an individual acquires the interest of a spouse or former spouse in a qualified residence in a transfer to which section 1041 of the 1986 Code applies, and

(ii) such individual incurs indebtedness which is secured by such qualified residence,

the amount determined under paragraph (3)(B)(ii)(I) of section 163(h) of the 1986 Code (as in effect before the amendments made by the Revenue Act of 1987) with respect to such qualified residence shall be increased by the amount determined under subparagraph (B).

(B) The amount determined under this subparagraph shall be equal to the excess (if any) of—

(i) the lesser of the amount of the indebtedness described in subparagraph (A)(ii), or the fair market value of the spouse's or former spouse's interest in the qualified residence as of the time of the transfer, over

(ii) the basis of the spouse or former spouse in such interest in such residence (adjusted only by the cost of any improvements to such residence).

(15) Clause (i) of section 7872(d)(1)(E) of the 1986 Code is amended by striking out "section 163(d)(3)" and inserting in lieu thereof "section 163(d)(4)".

SEC. 1006. AMENDMENTS RELATED TO TITLE VI OF THE REFORM ACT.

(a) AMENDMENT RELATED TO SECTION 601 OF THE REFORM ACT.—Section 15 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(e) REFERENCES TO HIGHEST RATE.—If the change referred to in subsection (a) involves a change in the highest rate of tax imposed by section 1 or 11(b), any reference in this chapter to such highest rate (other than in a provision imposing a tax by reference to such rate) shall be treated as a reference to the weighted average of the highest rates before and after the change determined on the basis of the respective portions of the taxable year before the date of the change and on or after the date of the change."

(b) AMENDMENTS RELATED TO SECTIONS 611 AND 612 OF THE REFORM ACT.—

(1) In the case of dividends received or accrued during 1987—

(A) subparagraph (B) of section 245(c)(1) of the 1986 Code shall be applied by substituting "80 percent" for the percentage specified therein, and

(B) subparagraph (B) of section 861(a)(2) of the 1986 Code shall be applied by substituting "$^{100}/_{80}$ths" for the fraction specified therein.

(2) Paragraph (3) of section 854(b) of the 1986 Code is amended to read as follows:

"(3) AGGREGATE DIVIDENDS.—For purposes of this subsection—

"(A) IN GENERAL.—In computing the amount of aggregate dividends received, there shall only be taken into account dividends received from domestic corporations.

"(B) DIVIDENDS.—For purposes of subparagraph (A), the term 'dividend' shall not include any distribution from—

"(i) a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organizations) or section 521 (relating to farmers' cooperative associations), or

"(ii) a real estate investment trust which, for the taxable year of the trust in which the dividend is paid, qualifies under part II of subchapter M (section 856 and following).

"(C) LIMITATIONS ON DIVIDENDS FROM REGULATED INVESTMENT COMPANIES.—In determining the amount of any dividend for purposes of this paragraph, a dividend received from a regulated investment company shall be subject to the limitations prescribed in this section."

(c) AMENDMENTS RELATED TO SECTION 614 OF THE REFORM ACT.—

(1) Section 1059(d) of the 1986 Code (relating to extension to certain property distributions) is amended by striking out paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(2) Section 1059(d)(5) of the 1986 Code (defining dividend announcement date), as redesignated by paragraph (1), is amended by inserting "amount or" before "payment".

(3) Section 1059(d)(6) of the 1986 Code (relating to exception where stock held during entire existence of corporation), as redesignated by paragraph (1), is amended to read as follows:

"(6) EXCEPTION WHERE STOCK HELD DURING ENTIRE EXISTENCE OF CORPORATION.—

"(A) IN GENERAL.—Subsection (a) shall not apply to any extraordinary dividend with respect to any share of stock of a corporation if—

"(i) such stock was held by the taxpayer during the entire period such corporation was in existence, and

"(ii) except as provided in regulations, no earnings and profits of such corporation were attributable to transfers of property from (or earnings and profits of) a corporation which is not a qualified corporation.

"(B) QUALIFIED CORPORATION.—For purposes of subparagraph (A), the term 'qualified corporation' means any corporation (including a predecessor corporation)—

"(i) with respect to which the taxpayer holds directly or indirectly during the entire period of such corporation's existence at least the same ownership interest as the taxpayer holds in the corporation distributing the extraordinary dividend, and

"(ii) which has no earnings and profits—

"(I) which were earned by, or

"(II) which are attributable to gain on property which accrued during a period the corporation holding the property was,

a corporation not described in clause (i).

"(C) APPLICATION OF PARAGRAPH.—This paragraph shall not apply to any extraordinary dividend to the extent such application is inconsistent with the purposes of this section."

(4) Paragraph (1) of section 1059(e) of the 1986 Code (relating to treatment of partial liquidation) is amended by striking out "for purposes of this section (without regard to the holding period of the stock)" and inserting in lieu thereof: "to which paragraphs (1) and (2) of subsection (a) apply without regard to the period the taxpayer held such stock".

(5) Paragraph (2) of section 1059(e) of the 1986 Code (relating to qualifying dividends) is amended to read as follows:

"(2) QUALIFYING DIVIDENDS.—

"(A) IN GENERAL.—Except as provided in regulations, the term 'extraordinary dividend' does not include any qualifying dividend (within the meaning of section 243).

"(B) EXCEPTION.—Subparagraph (A) shall not apply to any portion of a dividend which is attributable to earnings and profits which—

"(i) were earned by a corporation during a period it was not a member of the affiliated group, or

"(ii) are attributable to gain on property which accrued during a period the corporation holding the property was not a member of the affiliated group."

(6) Subparagraph (A) of section 1059(e)(3) of the 1986 Code (relating to qualified preferred dividends) is amended to read as follows:

"(A) IN GENERAL.—In the case of 1 or more qualified preferred dividends with respect to any share of stock—

"(i) this section shall not apply to such dividends if the taxpayer holds such stock for more than 5 years, and

"(ii) if the taxpayer disposes of such stock before it has been held for more than 5 years, the aggregate reduction under subsection (a)(1) with respect to such dividends shall not be greater than the excess (if any) of—

"(I) the qualified preferred dividends paid with respect to such stock during the period the taxpayer held such stock, over

"(II) the qualified preferred dividends which would have been paid during such period on the basis of the stated rate of return."

(7) Clause (i) of section 1059(e)(3)(C) of the 1986 Code is amended—

(A) by striking out "any dividend payable" and inserting in lieu thereof "any fixed dividend payable", and

(B) by adding at the end thereof the following new sentence:

"Such term shall not include any dividend payable with respect to any share of stock if the actual rate of return on such stock exceeds 15 percent."

(8) Subparagraph (B) of section 1059(e)(3) of the 1986 Code is amended—

(A) by striking out "subparagraph (A)" and the material preceding clause (i) and inserting in lieu thereof "this paragraph", and

(B) by striking out "subparagraph (B)(i)(II)" in clause (ii) and inserting in lieu thereof "clause (i)(II)".

(9) Subsection (f) of section 1059 of the 1986 Code is amended by inserting before the period at the end thereof the following: "and in the case of stock held by pass-thru entities".

(d) AMENDMENTS RELATED TO SECTION 621 OF THE REFORM ACT.—

(1)(A) Section 382(e)(2) of the 1986 Code is amended—

(i) by inserting "or other corporate contraction" after "redemption" each place it appears, and

(ii) by inserting "OR OTHER CORPORATE CONTRACTION" after "REDEMPTION" in the heading thereof.

(B) Clause (ii) of section 382(h)(3)(A) of the 1986 Code is amended—

(i) by inserting "or other corporate contraction" after "redemption" each place it appears, and

(ii) by inserting "OR OTHER CORPORATE CONTRACTIONS" after "REDEMPTIONS" in the heading thereof.

(C) Section 382(m) of the 1986 Code is amended by inserting "and" at the end of paragraph (3), by striking out paragraph (4), and by redesignating paragraph (5) as paragraph (4).

(D) The amendments made by this paragraph shall apply with respect to ownership changes after June 10, 1987.

(2) Section 382(g)(4)(C) of the 1986 Code is amended by inserting "rules similar to" before "the rules".

(3)(A) Section 382(h)(1)(C) of the 1986 Code is amended to read as follows:

"(C) SPECIAL RULES FOR CERTAIN SECTION 338 GAINS.—If an election under section 338 is made in connection with an ownership change and the net unrealized built-in gain is zero by reason of paragraph (3)(B), then, with respect to such change, the section 382 limitation for the post-change year in which gain is recognized by reason of such election shall be increased by the lesser of—

"(i) the recognized built-in gains by reason of such election, or

"(ii) the net unrealized built-in gain (determined without regard to paragraph (3)(B))."

(B) Paragraph (5) of section 382(h) of the 1986 Code is amended by striking out "recognized built-in gains and losses" and inserting in lieu thereof "recognized built-in gains to the extent such gains increased the section 382 limitation for the year (or recognized built-in losses to the extent such losses are treated as pre-change losses)".

(4) Section 382(i)(3) of the 1986 Code is amended—

(A) by inserting "the earlier of" before "the 1st day", and

(B) by inserting "or the taxable year in which the transaction being tested occurs" after "1st post-change year".

(5)(A) Section 382(k)(1) of the 1986 Code is amended by inserting "or having a net operating loss for the taxable year in which the ownership change occurs" after "carryover".

(B) Section 382(k)(2) of the 1986 Code is amended to read as follows:

"(2) OLD LOSS CORPORATION.—The term 'old loss corporation' means any corporation—

"(A) with respect to which there is an ownership change, and

"(B) which (before the ownership change) was a loss corporation."

(6) Section 382(l)(3)(A) of the 1986 Code is amended by striking out "and" at the end of clause (iii), and by striking out clause (iv) and inserting in lieu thereof the following new clauses:

"(iv) except to the extent provided in regulations, an option to acquire stock shall be treated as exercised if such exercise results in an ownership change, and

"(v) in attributing stock from an entity under paragraph (2) of section 318(a), there shall not be taken into account—

"(I) in the case of attribution from a corporation, stock which is not treated as stock for purposes of this section, or

"(II) in the case of attribution from another entity, an interest in such entity similar to stock described in subclause (I)."

(7) Clause (ii) of section 382(l)(5)(A) of the 1986 Code is amended by striking out "immediately after such ownership change" and inserting in lieu thereof "after such ownership change and as a result of being shareholders or creditors immediately before such change".

(8) Section 382(l)(5)(F) of the 1986 Code is amended—

(A) by inserting "'1504(a)(2)(B)' for '1504(a)(2)' and" after "substituting" in clause (i)(I), and

(B) by striking out "deposits described in subclause (II)" in clause (ii)(III) and inserting in lieu thereof "the amount of deposits in the new loss corporation immediately after the change".

(9) Paragraph (6) of section 382(l) of the 1986 Code is amended by striking out "shall be the value of the new loss corporation immediately after the ownership change" and inserting in lieu thereof "shall reflect the increase (if any) in value of the old loss corporation resulting from any surrender or cancellation of creditors' claims in the transaction".

(10) Section 382(l) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(8) PREDECESSOR AND SUCCESSOR ENTITIES.—Except as provided in regulations, any entity and any predecessor or successor entities of such entity shall be treated as 1 entity."

(11) Paragraph (1) of section 621(f) of the Reform Act is amended to read as follows:

"(1) AMENDMENTS MADE BY SUBSECTIONS (a), (b), and (c).—

"(A) IN GENERAL.—

"(i) CHANGES AFTER 1986.—The amendments made by subsections (a), (b), and (c) shall apply to any ownership change after December 31, 1986.

"(ii) PLANS OF REORGANIZATION ADOPTED BEFORE 1987.—For purposes of clause (i), any equity structure shift pursuant to a plan of reorganization adopted before January 1, 1987, shall be treated as occurring when such plan was adopted.

"(B) TERMINATION OF OLD SECTION 382.—Except in a case described in any of the following paragraphs—

"(i) section 382(a) of the Internal Revenue Code of 1954 (as in effect before the amendment made by subsection (a) and the amendments made by section 806 of the Tax Reform Act of 1976) shall not apply to any increase in percentage points occurring after December 31, 1988, and

"(ii) section 382(b) of such Code (as so in effect) shall not apply to any reorganization occurring pursuant to a plan of reorganization adopted after December 31, 1986.

In no event shall sections 382 (a) and (b) of such Code (as so in effect) apply to any ownership change described in subparagraph (A).

"(C) COORDINATION WITH SECTION 382(i).—For purposes of section 382(i) of the Internal Revenue Code of 1986 (as added by this section), any equity structure shift pursuant to a plan of reorganization adopted before January 1, 1987, shall be treated as occurring when such plan was adopted."

(12)(A) Section 621(f)(2)(C) of the Reform Act is amended by inserting "and reincorporated in Delaware in 1987," after "1924,".

(B) Clause (ii) of section 621(f)(2)(C) of the Reform Act is amended to read as follows:

"(ii) the amendments made by subsections (e) and (f) of section 806 of the Tax Reform Act of 1976 shall not apply to such debt restructuring, except that the amendment treated as part of such subsections under section 59(b) of the Tax Reform Act of 1984 (relating to qualified workouts) shall apply to such debt restructuring."

(13) Subparagraph (D) of section 621(f)(2) of the Reform Act is amended—

(A) by striking out "or reorganization", and

(B) by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, in applying section 382 (as so in effect), if a person has a warrant to acquire stock, such stock shall be considered as owned by such person."

(14) Section 621(f)(3) of the Reform Act is amended by striking out "after December 31, 1986".

(15) Paragraph (4) of section 621(f) of the Reform Act is amended by striking out the last sentence and inserting in lieu thereof the following:

"Any regulations prescribed under section 382 of the Internal Revenue Code of 1986 (as added by subsection (a)) which have the effect of treating a group of shareholders as a separate 5-percent shareholder by reason of a public offering shall not apply to any public offering before January 1, 1989, for the benefit of institutions described in section 591 of such Code. Unless the corporation otherwise elects, an underwriter of any offering of stock in a corporation before September 19, 1986 (January 1, 1989, in the case of an offering for the benefit of an institution described in the preceding sentence), shall not be treated as acquiring any stock of such corporation by reason of a firm commitment underwriting to the extent the stock is disposed of pursuant to the offering (but in no event later than 60 days after the initial offering)."

(16) Subparagraph (A) of section 621(f)(7) of the Reform Act is amended by striking out "the parent corporation referred to in section 203(d)(13)(B)" and inserting in lieu thereof "a parent corporation incorporated in March 1980 under the laws of Delaware".

(17)(A) Subsection (e) of section 382 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) TREATMENT OF FOREIGN CORPORATIONS.—Except as otherwise provided in regulations, in determining the value of any old loss corporation which is a foreign corporation, there shall be taken into account only items treated as connected with the conduct of a trade or business in the United States."

(B) The amendment made by subparagraph (A) shall apply to any ownership change after June 10, 1987. For purposes of the preceding sentence, any equity structure shift pursuant to a plan of reorganization adopted on or before June 10, 1987, shall be treated as occurring when such plan was adopted.

(18) Subparagraph (C) of section 382(l)(5) of the 1986 Code is amended to read as follows:

"(C) REDUCTION OF TAX ATTRIBUTES WHERE DISCHARGE OF INDEBTEDNESS.—

"(i) IN GENERAL.—In any case to which subparagraph (A) applies, 50 percent of the amount which, but for the application of section 108(e)(10)(B), would have been applied to reduce tax attributes under section 108(b) shall be so applied.

"(ii) CLARIFICATION WITH SUBPARAGRAPH (B).—In applying clause (i), there shall not be taken into account any indebtedness for interest described in subparagraph (B)."

(19) Subparagraph (E) of section 382(l)(5) of the 1986 Code is amended by striking out so much of such subparagraph as precedes clause (i) thereof and inserting in lieu thereof the following:

"(E) ONLY CERTAIN STOCK TAKEN INTO ACCOUNT.—For purposes of subparagraph (A)(ii), stock transferred to a creditor shall be taken into account only to the extent such stock is transferred in satisfaction of

indebtedness and only if such indebtedness—".

(20) Paragraph (4) of section 382(h) of the 1986 Code is amended—

(A) by inserting before the comma at the end of subparagraph (A) the following: "(or to the extent the amount so disallowed is attributable to capital losses, under rules similar to the rules for the carrying forward of net capital losses)", and

(B) by striking out "TREATED AS A NET OPERATING LOSS" in the paragraph heading and inserting in lieu thereof "ALLOWED AS A CARRYFORWARD".

(21) Paragraph (1) of section 382(g) of the 1986 Code is amended—

(A) by striking out "new loss corporation" and inserting in lieu thereof "loss corporation", and

(B) by striking out "old loss corporation" and inserting in lieu thereof "loss corporation".

(22) Paragraph (6) of section 382(h) of the 1986 Code is amended to read as follows:

"(6) TREATMENT OF CERTAIN BUILT-IN ITEMS.—

"(A) INCOME ITEMS.—Any item of income which is properly taken into account during the recognition period but which is attributable to periods before the change date shall be treated as a recognized built-in gain for the taxable year in which it is properly taken into account.

"(B) DEDUCTION ITEMS.—Any amount which is allowable as a deduction during the recognition period but which is attributable to periods before the change date shall be treated as a recognized built-in loss for the taxable year for which it is allowable as a deduction.

"(C) ADJUSTMENTS.—The amount of the net unrealized built-in gain or loss shall be properly adjusted for amounts treated as recognized built-in gains or losses under this paragraph."

(23) Paragraph (9) of section 382(h) of the 1986 Code is amended by striking out "is transferred" and inserting in lieu thereof "was acquired (or is subsequently transferred)".

(24) Subsection (m) of section 382 of the 1986 Code (as amended by paragraph (1)) is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and", and by adding at the end thereof the following:

"(5) providing, in the case of any group of corporations described in section 1563(a) (determined by substituting '50 percent' for '80 percent' each place it appears and determined without regard to paragraph (4) thereof), appropriate adjustments to value, built-in gain or loss, and other items so that items are not omitted or taken into account more than once."

(25) Clause (ii) of section 382(l)(5)(A) of the 1986 Code is amended by striking out "stock of controlling corporation" and inserting in lieu thereof "stock of a controlling corporation".

(26) Clause (ii) of section 382(h)(3)(B) of the 1986 Code is amended by striking out "there shall not" and inserting in lieu thereof "except as provided in regulations, there shall not".

(27) Subparagraph (B) of section 382(l)(5) of the 1986 Code is amended by striking out "the net operating loss deduction under section 172(a) for any post-change year shall be determined" and inserting in lieu thereof "the pre-change losses and excess credits (within the meaning of section 383(a)(2)) which may be carried to a post-change year shall be computed".

(28)(A) Clause (ii) of section 382(h)(3)(A) of the 1986 Code is amended by striking out "determinations under clause (i)" and inserting in lieu thereof "to the extent provided in regulations, determinations under clause (i)".

(B) The amendment made by subparagraph (A) shall apply in the case of ownership changes on or after June 21, 1988.

(29) Subclause (I) of section 382(l)(5)(F)(iii) of the 1986 Code is amended by striking out "section 368(a)(D)(ii)" and inserting in lieu thereof "section 368(a)(3)(D)(ii)".

(e) AMENDMENTS RELATED TO SECTION 631 OF THE REFORM ACT.—

(1) Clause (ii) of section 336(d)(2)(B) of the 1986 Code is amended to read as follows:

"(ii) CERTAIN ACQUISITIONS TREATED AS PART OF PLAN.—For purposes of clause (i), any property described in clause (i)(I) acquired by the liquidated corporation after the date 2 years before the date of the adoption of the plan of complete liquidation shall, except as provided in regulations, be treated as acquired as part of a plan described in clause (i)(II)."

(2) Paragraph (3) of section 336(d) of the 1986 Code is amended by adding at the end thereof the following new sentence: "The preceding sentence shall apply to any distribution to the 80-percent distributee only if subsection (a) or (b)(1) of section 337 applies to such distribution."

(3) Subsection (e) of section 336 of the 1986 Code is amended by striking out "such corporation may elect" and inserting in lieu thereof "an election may be made".

(4) Subparagraph (B) of section 337(b)(2) of the 1986 Code is amended—

(A) by striking out "or 511(b)(2)" in clause (i),

(B) by striking out "in an unrelated trade or business (as defined in section 513)" in clause (i) and inserting in lieu thereof "in an activity the income from which is subject to tax under section 511(a)", and

(C) by striking out "an unrelated trade or business of such organization" in clause (ii) and inserting in lieu thereof "an activity referred to in clause (i)".

(5)(A) Subsection (d) of section 337 of the 1986 Code is amended—

(i) by striking out "made to this subpart by the Tax Reform Act of 1986" and inserting in lieu thereof "made by subtitle D of title VI of the Tax Reform Act of 1986", and

(ii) by inserting "or through the use of a regulated investment company, real estate investment trust, or tax-exempt entity" after "subchapter)" in paragraph (1).

(B) The amendment made by subparagraph (A)(ii) shall not apply to any reorganization if before June 10, 1987—

(i) the board of directors of a party to the reorganization adopted a resolution to solicit shareholder approval for the transaction, or

(ii) the shareholders or the board of directors of a party to the reorganization approved the transaction.

(6) Subsection (b) of section 334 of the 1986 Code is amended to read as follows:

"(b) LIQUIDATION OF SUBSIDIARY.—

"(1) IN GENERAL.—If property is received by a corporate distributee in a distribution in a complete liquidation to which section 332(a) applies (or in a transfer described in section 337(b)(1)), the basis of such property in the hands of such distributee shall be the same as it would be in the hands of the transferor; except that, in any case in which gain or loss is recognized by the liquidating corporation with respect to such property, the basis of such property in the hands of such distributee shall be the fair market value of the property at the time of the distribution.

"(2) CORPORATE DISTRIBUTEE.—For purposes of this subsection, the term 'corporate distributee' means only the corporation which meets the stock ownership requirements specified in section 332(b)."

(7)(A) Subparagraph (B) of section 453(h)(1) of the 1986 Code is amended by striking out "to one person" and inserting in lieu thereof "to 1 person in 1 transaction".

(B) Subparagraph (E) of section 453(h)(1) of the 1986 Code is amended by striking out "section 368(c)(1)" and inserting in lieu thereof "section 368(c)".

(8)(A) Part VII of subchapter C of chapter 1 of the 1986 Code is hereby repealed.

(B) Subsection (b) of section 311 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE FOR CERTAIN DISTRIBUTIONS OF PARTNERSHIP OR TRUST INTERESTS.—If the property distributed consists of an interest in a partnership or trust, the Secretary may by regulations provide that the amount of the gain recognized under paragraph (1) shall be computed without regard to any loss attributable to property contributed to the partnership or trust for the principal purpose of recognizing such loss on the distribution."

(C) The table of parts for subchapter C of chapter 1 of the 1986 Code is amended by striking out the item relating to part VII.

(9) Paragraph (1) of section 267(a) of the 1986 Code is amended—

(A) by striking out "(other than a loss in case of a distribution in corporate liquidation)", and

(B) by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any loss of the distributing corporation (or the distributee) in the case of a distribution in complete liquidation."

(10) Paragraph (1) of section 301(b) of the 1986 Code is amended to read as follows:

"(1) GENERAL RULE.—For purposes of this section, the amount of any distribution shall be the amount of money received, plus the fair market value of the other property received."

(11) Subsection (d) of section 301 of the 1986 Code is amended to read as follows:

"(d) BASIS.—The basis of property received in a distribution to which subsection (a) applies shall be the fair market value of such property."

(12) Section 301 of the 1986 Code is amended by striking out subsection (e) and by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(13)(A) Subsection (a) of section 367 of the 1986 Code is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) PARAGRAPHS (2) AND (3) NOT TO APPLY TO CERTAIN SECTION 361 TRANSACTIONS.—Paragraphs (2) and (3) shall not apply in the case of an exchange described in section 361. Subject to such basis adjustments and such other conditions as shall be provided in regulations, the preceding sentence shall not apply if the transferor corporation is controlled (within the meaning of section 368(c)) by 5 or fewer domestic corporations. For purposes of the preceding sentence, all members of the same affiliated group (within the meaning of section 1504) shall be treated as 1 corporation."

(B) The amendment made by subparagraph (A) shall apply to exchanges on or after June 21, 1988, except that such amendment shall not apply to any exchange pursuant to any reorganization for which a plan of reorganization was adopted before June 21, 1988.

(C) Section 367(e)(2) of the 1986 Code (as amended by the Reform Act) shall not apply in the case of any corporation completely liquidated before June 10, 1987, into a corporation organized in a country which has an income tax treaty with the United States.

(14)(A) Subsection (d) of section 1248 of the 1986 Code is amended by striking out paragraph (2).

(B) Subparagraph (B) of section 1248(f)(1) of the 1986 Code is amended to read as follows:

"(B) such domestic corporation distributes stock of such foreign corporation in a distribution to which section 311(a), 337, or 361(c)(1) applies,".

(C) Paragraph (1) of section 1248(f) of the 1986 Code is amended by striking out "distribution, sale, or exchange" in the last sentence and inserting in lieu thereof "distribution".

(D) Subsection (f) of section 1248 of the 1986 Code is amended by striking out paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(E) The subsection heading for section 1248(f) of the 1986 Code is amended by striking out "SECTION 311, 336, OR 337 TRANSACTIONS" and inserting in lieu thereof "NONRECOGNITION TRANSACTIONS".

(15) Paragraph (1) of section 995(c) of the 1986 Code is amended by inserting "or" at the end of subparagraph (A), by striking out ", or" at the end of subparagraph (B) and inserting in lieu thereof a period, and by striking out subparagraph (C) and the sentence following subparagraph (C).

(16) Subsection (d) of section 245 of the 1986 Code is hereby repealed.

(17) Paragraph (14) of section 1223 of the 1986 Code is amended to read as follows:

"(14) CROSS REFERENCE.—

"For special holding period provision relating to certain partnership distributions, see section 735(b)."

(18) Clause (ii) of section 341(e)(1)(C) of the 1986 Code is amended—

(A) by striking out "sale or exchange" the first place it appears and inserting in lieu thereof "liquidating sale or exchange", and

(B) by striking out ", gain or loss on which was not recognized to such other corporation under section 337(a),".

(19) Subsection (l) of section 897 of the 1986 Code is hereby repealed.

(20) Paragraph (7) of section 338(h) of the 1986 Code is hereby repealed.

(21)(A) The heading of subsection (b) of section 336 of the 1986 Code is amended by striking out "IN EXCESS OF BASIS".

(B) The heading of paragraph (2) of section 311(b) of the 1986 Code is amended by striking out "IN EXCESS OF BASIS".

(22) Section 453B of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(h) CERTAIN LIQUIDATING DISTRIBUTIONS BY S CORPORATIONS.—If—

"(1) an installment obligation is distributed by an S corporation in a complete liquidation, and

"(2) receipt of the obligation is not treated as payment for the stock by reason of section 453(h)(1),

then, except for purposes of any tax imposed by subchapter S, no gain or loss with respect to the distribution of the obligation shall be recognized by the distributing corporation. Under regulations prescribed by the Secretary, the character of the gain or loss to the shareholder shall be determined in accordance with the principles of section 1366(b)."

(f) AMENDMENTS RELATED TO SECTION 632 OF THE REFORM ACT.—

(1) Subsection (a) of section 1374 of the 1986 Code is amended by striking out "a recognized built-in gain" and inserting in lieu thereof "a net recognized built-in gain".

(2) Subsection (b) of section 1374 of the 1986 Code is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) shall be computed by applying the highest rate of tax specified in section 11(b) to the net recognized built-in gain of the S corporation for the taxable year.

"(2) NET OPERATING LOSS CARRYFORWARDS FROM C YEARS ALLOWED.—Notwithstanding section 1371(b)(1), any net operating loss carryforward arising in a taxable year for which the corporation was a C corporation shall be allowed for purposes of this section as a deduction against the net recognized built-in gain of the S corporation for the taxable year. For purposes of determining the amount of any such loss which may be carried to subsequent taxable years, the amount of the net recognized built-in gain shall be treated as taxable income. Rules similar to the rules of the preceding sentences of this paragraph shall apply in the case of a capital loss carryforward arising in a taxable year for which the corporation was a C corporation."

(3) Subparagraph (B) of section 1374(b)(4) of the 1986 Code is amended to read as follows:

"(B) the amount of the net recognized built-in gain shall be treated as the taxable income."

(4) Paragraph (2) of section 1374(c) of the 1986 Code is amended by striking out "recognized built-in gains" each place it appears and inserting in lieu thereof "net recognized built-in gain".

(5)(A) Section 1374 of the 1986 Code is amended by striking out all that follows paragraph (1) of subsection (d) and inserting in lieu thereof the following:

"(2) NET RECOGNIZED BUILT-IN GAIN.—

"(A) IN GENERAL.—The term 'net recognized built-in gain' means, with respect to any taxable year in the recognition period, the lesser of—

"(i) the amount which would be the taxable income of the S corporation for such taxable year if (except as provided in subsection (b)(2)) only recognized built-in gains and recognized built-in losses were taken into account, or

"(ii) such corporation's taxable income for such taxable year (determined as provided in section 1375(b)(1)(B)).

"(B) CARRYOVER.—If, for any taxable year, the amount referred to in clause (i) of subparagraph (A) exceeds the amount referred to in clause (ii) of subparagraph (A), such excess shall be treated as a recognized built-in gain in the succeeding taxable year. The preceding sentence shall apply only in the case of a corporation treated as an S corporation by reason of an election made on or after March 31, 1988.

"(3) RECOGNIZED BUILT-IN GAIN.—The term 'recognized built-in gain' means any gain recognized during the recognition period on the disposition of any asset except to the extent that the S corporation establishes that—

"(A) such asset was not held by the S corporation as of the beginning of the 1st taxable year for which it was an S corporation, or

"(B) such gain exceeds the excess (if any) of—

"(i) the fair market value of such asset as of the beginning of such 1st taxable year, over

"(ii) the adjusted basis of the asset as of such time.

"(4) RECOGNIZED BUILT-IN LOSSES.—The term 'recognized built-in loss' means any loss recognized during the recognition period on the disposition of any asset to the extent that the S corporation establishes that—

"(A) such asset was held by the S corporation as of the beginning of the 1st taxable year referred to in paragraph (3), and

"(B) such loss does not exceed the excess of—

"(i) the adjusted basis of such asset as of the beginning of such 1st taxable year, over

"(ii) the fair market value of such asset as of such time.

"(5) TREATMENT OF CERTAIN BUILT-IN ITEMS.—

"(A) INCOME ITEMS.—Any item of income which is properly taken into account during the recognition period but which is attributable to periods before the 1st taxable year for which the corporation was an S corporation shall be treated as a recognized built-in gain for the taxable year in which it is properly taken into account.

"(B) DEDUCTION ITEMS.—Any amount which is allowable as a deduction during the recognition period but which is attributable to periods before the 1st taxable year referred to in subparagraph (A) shall be treated as a recognized built-in loss for the taxable year for which it is allowable as a deduction.

"(C) ADJUSTMENT TO NET UNREALIZED BUILT-IN GAIN.—The amount of the net unrealized built-in gain shall be properly adjusted for amounts treated as recognized built-in gains or losses under this paragraph.

"(6) TREATMENT OF CERTAIN PROPERTY.—If the adjusted basis of any asset is determined (in whole or in part) by reference to the adjusted basis of any other asset held by the S corporation as of the beginning of the 1st taxable year referred to in paragraph (3)—

"(A) such asset shall be treated as held by the S corporation as of the beginning of such 1st taxable year, and

"(B) any determination under paragraph (3)(B) or (4)(B) with respect to such asset shall be made by reference to the fair market value and adjusted basis of such other asset as of the beginning of such 1st taxable year.

"(7) RECOGNITION PERIOD.—The term 'recognition period' means the 10-year period beginning with the 1st day of the 1st taxable year for which the corporation was an S corporation.

"(8) TREATMENT OF TRANSFER OF ASSETS FROM C CORPORATION TO S CORPORATION.—

"(A) IN GENERAL.—Except to the extent provided in regulations, if—

"(i) an S corporation acquires any asset, and

"(ii) the S corporation's basis in such asset is determined (in whole or in part) by reference to the basis of such asset (or any other property) in the hands of a C corporation,

then a tax is hereby imposed on any net recognized built-in gain attributable to any such assets for any taxable year beginning in the recognition period. The amount of such tax shall be determined under the rules of this section as modified by subparagraph (B).

"(B) Modifications.—For purposes of this paragraph, the modifications of this subparagraph are as follows:

"(i) In general.—The preceding paragraphs of this subsection shall be applied by taking into account the day on which the assets were acquired by the S corporation in lieu of the beginning of the 1st taxable year for which the corporation was an S corporation.

"(ii) Subsection (c)(1) not to apply.—Subsection (c)(1) shall not apply.

"(9) Reference to 1st taxable year.—Any reference in this section to the 1st taxable year for which the corporation was an S corporation shall be treated as a reference to the 1st taxable year for which the corporation was an S corporation pursuant to its most recent election under section 1362.

"(e) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section including regulations providing for the appropriate treatment of successor corporations."

(B) Subparagraph (B) of section 1375(b)(1) of the 1986 Code is amended to read as follows:

"(B) Limitation.—The amount of the excess net passive income for any taxable year shall not exceed the amount of the corporation's taxable income for such taxable year as determined under section 63(a)—

"(i) without regard to the deductions allowed by part VIII of subchapter B (other than the deduction allowed by section 248, relating to organization expenditures), and

"(ii) without regard to the deduction under section 172."

(C) Subsection (b) of section 1375 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) Coordination with section 1374.—Notwithstanding paragraph (3), the amount of passive investment income shall be determined by not taking into account any recognized built-in gain or loss of the S corporation for any taxable year in the recognition period. Terms used in the preceding sentence shall have the same respective meanings as when used in section 1374."

(D) Subsection (c) of section 1375 of the 1986 Code is amended to read as follows:

"(c) Credits Not Allowable.—No credit shall be allowed under part IV of subchapter A of this chapter (other than section 34) against the tax imposed by subsection (a)."

(E) Paragraph (2) of section 1366(f) of the 1986 Code is amended by striking out "as defined in section 1374(d)(2)" and inserting in lieu thereof "within the meaning of section 1374".

(6) Paragraph (3) of section 1362(d) of the 1986 Code is amended—

(A) by striking out clause (v) of subparagraph (D), and

(B) by adding at the end thereof the following new subparagraph:

"(E) Special rule for options and commodity dealings.—

"(i) In general.—In the case of any options dealer or commodities dealer, passive investment income shall be determined by not taking into account any gain or loss (in the normal course of the taxpayer's activity of dealing in or trading section 1256 contracts) from any section 1256 contract or property related to such a contract.

"(ii) Definitions.—For purposes of this subparagraph—

"(I) Options dealer.—The term 'options dealer' has the meaning given such term by section 1256(g)(8).

"(II) Commodities dealer.—The term 'commodities dealer' means a person who is actively engaged in trading section 1256 contracts and is registered with a domestic board of trade which is designated as a contract market by the Commodities Futures Trading Commission.

"(III) Section 1256 contract.—The term 'section 1256 contract' has the meaning given to such term by section 1256(b)."

(7) The subsection (d) of section 1363 of the 1986 Code which relates to distributions of appreciated property, and subsection (e) of section 1363 of the 1986 Code, are hereby repealed.

(g) Amendments Related to Section 633 of the Reform Act.—

(1) Subsection (b) of section 633 of the Reform Act is amended to read as follows:

"(b) Built-In Gains of S Corporations.—

"(1) In general.—The amendments made by section 632 (other than subsection (b) thereof) shall apply to taxable years beginning after December 31, 1986, but only in cases where the return for the taxable year is filed pursuant to an S election made after December 31, 1986.

"(2) Application of prior law.—In the case of any taxable year of an S corporation which begins after December 31, 1986, and to which the amendments made by section 632 (other than subsection (b) thereof) do not apply, paragraph (1) of section 1374(b) of the Internal Revenue Code of 1954 (as in effect on the date before the date of the enactment of this Act) shall be applied as if it read as follows:

" '(1) an amount equal to 34 percent of the amount by which the net capital gain of the corporation for the taxable year exceeds $25,000, or' ".

(2) Subparagraph (B) of section 633(c)(1) of the Reform Act is amended by striking out "50 percent or more" and inserting in lieu thereof "more than 50 percent".

(3) Paragraph (1) of section 633(d) of the Reform Act is amended—

(A) by striking out "this section" and inserting in lieu thereof "this subtitle",

(B) by striking out "would be recognized and inserting in lieu thereof "would be recognized by the liquidating corporation", and

(C) by adding at the end thereof the following new sentence: "Section 333 of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of this Act) shall continue to apply to any complete liquidation described in the preceding sentence.".

(4) Subparagraph (C) of section 633(d)(2) of the Reform Act is amended to read as follows:

"(C) any gain on an asset acquired by the qualified corporation if—

"(i) the basis of such asset in the hands of the qualified corporation is determined (in whole or in part) by reference to the basis of such asset in the hands of the person from whom acquired, and

"(ii) a principal purpose for the transfer of such asset to the qualified corporation was to secure the benefits of this subsection."

(5)(A) Subparagraph (A) of section 633(d)(5) of the Reform Act is amended by striking out "10 or fewer qualified persons" and inserting in lieu thereof "a qualified group".

(B) Paragraph (6) of section 633(d) of the Reform Act is amended to read as follows:

"(6) Definitions and special rules.—For purposes of this subsection—

"(A) Qualified group.—

"(i) In general.—Except as provided in clause (ii), the term 'qualified group' means any group of 10 or fewer qualified persons who at all times during the 5-year period ending on the date of the adoption of the plan of complete liquidation (or, if shorter, the period during which the corporation or any predecessor was in existence) owned (or was treated as owning under the rules of subparagraph (C)) more than 50 percent (by value) of the stock in such corporation.

"(ii) 5-year ownership requirement not to apply in certain cases.—In the case of—

"(I) any complete liquidation pursuant to a plan of liquidation adopted before March 31, 1988,

"(II) any distribution not in liquidation made before March 31, 1988,

"(III) an election to be an S corporation filed before March 31, 1988, or

"(IV) a transaction described in section 338 of the Internal Revenue Code of 1986 where the acquisition date (within the meaning of such section 338) is before March 31, 1988,

the term 'qualified group' means any group of 10 or fewer qualified persons.

"(B) Qualified person.—The term 'qualified person' means—

"(i) an individual,

"(ii) an estate, or

"(iii) any trust described in clause (ii) or clause (iii) of section 1361(c)(2)(A) of the Internal Revenue Code of 1986.

"(C) Attribution rules.—

"(i) In general.—Any stock owned by a corporation, trust (other than a trust referred to in subparagraph (B)(iii), or partnership shall be treated as owned proportionately by its shareholders, beneficiaries, or partners, and shall not be treated as owned by such corporation, trust, or partnership. Stock considered to be owned by a person by reason of the application of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person.

"(ii) Family members.—Stock owned (or treated as owned) by members of the same family (within the meaning of section 318(a)(1) of the Internal Revenue Code of 1986) shall be treated as owned by 1 person, and shall be treated as owned by such 1 person for any period during which it was owned (or treated as owned) by any such member.

"(iii) Treatment of certain trusts.—Stock owned (or treated as owned) by the estate of any decedent or by any trust referred to in subparagraph (B)(iii) with respect to such decedent shall be treated as owned by 1 person and shall be treated as owned by such 1 person for the period during which it was owned (or treated as owned) by such estate or any such trust or by the decedent.

"(D) Special holding period rules.—Any property acquired by reason of the death of an individual shall be treated as owned at all times during which such property was owned (or treated as owned) by the decedent.

"(E) Controlled group of corporations.—All members of the same controlled group (as defined in section 267(f)(1) of such Code) shall be treated as 1 corporation for purposes of determining whether any of such corporations met the requirement of paragraph (5)(B) and for purposes of determining the applicable percentage with respect to any of such corporations. For purposes of the preceding sentence, an S corporation shall not be treated as a member of a controlled group unless such corporation was a C corporation for its taxable year which includes August 1, 1986, or it was not *described for such taxable year in paragraph (1) or (2) of section 1374(c) of such Code (as in effect on the day before the date of the enactment of this Act)."*

(6) Subsection (d) of section 633 of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(9) Application to nonliquidating distributions.—The provisions of this subsection shall also apply in the case of any distribution (not in complete liquidation) made by a qualified corporation before January 1, 1989, without regard to whether such corporation is completely liquidated."

(7) Paragraph (8) of the section 633(d) of the Reform Act is amended by striking out "becomes an S corporation for a taxable year beginning before January 1, 1989" and inserting in lieu thereof "makes an election to be an S corporation under section 1362 of such Code before January 1, 1989, without regard to whether such corporation is completely liquidated".

(8) Section 633 of the Reform Act is amended by redesignating the subsections following the first subsection (d) as subsections (e), (f), and (g), respectively.

(9) Subsection (f)(2) of section 633 of the Reform Act (as so redesignated) is amended by striking out "May 9, 1929" and inserting in lieu thereof "May 9, 1929 (or any direct or indirect subsidiary of such corporation)".

(10) Paragraph (3) of section 633(f) of the Reform Act (as so redesignated) is amended by striking out "of such Code)" in the last sentence thereof and inserting in lieu thereof "of such Code".

(11) Subclause (I) of section 633(f)(4)(A)(i) of the Reform Act (as so redesignated) is amended by striking out "binding on the selling corporation to sell substantially all its assets" and inserting in lieu thereof "to sell substantially all of the assets of a selling corporation organized under the laws of Massachusetts on October 20, 1976,".

(12) Subparagraph (A) of section 633(f)(5) of the Reform Act (as so redesignated) is amended to read as follows:

"(A) a voting trust established not later than December 31, 1987, shall qualify as a trust permitted as a shareholder of an S corporation and shall be treated as only 1 shareholder if the holders of beneficial interests in such voting trust are—

"(i) employees or retirees of such corporation, or

"(ii) in the case of stock or voting trust certificates acquired from an employee or retiree of such corporation, the spouse, child, or estate of such employee or retiree or a trust created by such employee or retiree which is described in section 1361(c)(2) of the Internal Revenue Code of 1986 (or treated as described in such section by reason of section 1361(d) of such Code), and".

(h) Amendments Related to Section 641 of the Reform Act.—

(1) Paragraph (3) of section 1060(b) of the 1986 Code is amended by striking out "the Secretary may find necessary" and inserting in lieu thereof "the Secretary deems necessary".

(2) Section 1060 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(d) Treatment of Certain Partnership Transactions.—In the case of a distribution of partnership property or a transfer of an interest in a partnership—

"(1) the rules of subsection (a) shall apply but only for purposes of determining the value of goodwill or going concern value (or similar items) for purposes of applying section 755, and

"(2) if section 755 applies, such distribution or transfer (as the case may be) shall be treated as an applicable asset acquisition for purposes of subsection (b)."

(3)(A) Subparagraph (B) of section 6724(d)(1) of the 1986 Code (defining information return) is amended by striking out "or" at the end of clause (ix), by striking out the period at the end of clause (x) and inserting in lieu thereof ", or", and by adding at the end thereof the following new clause:

"(xi) section 1060(b) (relating to reporting requirements of transferors and transferees in certain asset acquisitions)."

(B) Section 1060 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(e) Cross Reference.—

"For provisions relating to penalties for failure to file a return required by this section, see section 6721."

(i) Amendments Related to Section 642 of the Reform Act.—

(1) Paragraph (1) of section 453(g) of the 1986 Code is amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(A) subsection (a) shall not apply,

"(B) for purposes of this title—

"(i) except as provided in clause (ii), all payments to be received shall be treated as received in the year of the disposition, and

"(ii) in the case of any payments which are contingent as to the amount but with respect to which the fair market value may not be reasonably ascertained, the basis shall be recovered ratably, and

"(C) the purchaser may not increase the basis of any property acquired in such sale by any amount before the time such amount is includible in the gross income of the seller."

(2)(A) Section 453(g) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) Related persons.—For purposes of this subsection, the term 'related persons' has the meaning given to such term by section 1239(b), except that such term shall include 2 or more partnerships having a relationship to each other described in section 707(b)(1)(B)."

(B) Section 453(g)(1) of the 1986 Code is amended by striking out "(within the meaning of section 1239(b))".

(3) The heading of paragraph (2) of section 642(c) of the Reform Act is amended by striking out "Traditional" and inserting in lieu thereof "Transitional".

(j) Amendments Related to Section 643 of the Reform Act.—

(1)(A) Subsection (e) of section 171 of the 1986 Code is amended to read as follows:

"(e) Treatment as Offset to Interest Payments.—Except as provided in regulations, in the case of any taxable bond—

"(1) the amount of any bond premium shall be allocated among the interest payments on the bond under rules similar to the rules of subsection (b)(3), and

"(2) in lieu of any deduction under subsection (a), the amount of any premium so allocated to any interest payment shall be applied against (and operate to reduce) the amount of such interest payment.

For purposes of the preceding sentence, the term 'taxable bond' means any bond the interest of which is not excludable from gross income."

(B) Paragraph (5) of section 1016(a) of the 1986 Code is amended by striking out "allowable pursuant to section 171(a)(1)" and inserting in lieu thereof "allowable pursuant to section 171(a)(1) (or the amount applied to reduce interest payments under section 171(e)(2))".

(C) The amendments made by this paragraph shall apply in the case of obligations acquired after December 31, 1987; except that the taxpayer may elect to have such amendment apply to obligations acquired after October 22, 1986.

(2) Paragraph (2) of section 643(b) of the Reform Act is amended by striking out "issued after" and inserting in lieu thereof "acquired after".

(k) Amendments Related to Section 646 of the Reform Act.—

(1) Paragraph (2) of section 646(b) of the Reform Act is amended to read as follows:

"(2) such entity is exclusively engaged in the leasing of mineral property and activities incidental thereto, and".

(2) Paragraph (3) of section 646(b) of the Reform Act is amended by inserting "as of October 22, 1986," after "publicly traded".

(3) Subparagraph (A) of section 646(c)(1) of the Reform Act is amended by inserting "before January 1, 1991" after "entity".

(4) Paragraph (2) of section 646(c) of the Reform Act is amended to read as follows:

"(2) Agreement.—

"(A) In general.—The agreement described in this paragraph is a written agreement signed by the board of trustees of the entity which provides that the entity will not acquire any additional property other than property described in subparagraph (B).

"(B) Permissible acquisitions.—Property is described in this paragraph if it is—

"(i) surface rights to property the acquisition of which—

"(I) is necessary to mine mineral rights held on October 22, 1986, and

"(II) is required by a written binding agreement between the entity and an unrelated person entered into on or before October 22, 1986,

"(ii) surface rights to property which are not described in clause (i) and which—

"(I) are acquired in an exchange to which section 1031 applies, and

"(II) are necessary to mine mineral rights held on October 22, 1986,

"(iii) tangible personal property incidental to the leasing of mineral property and activities incidental thereto, or

"(iv) part of any required reserves of the entity."

(5) Paragraph (1) of section 646(d) of the Reform Act is amended by striking out subparagraph (B) and inserting in lieu thereof:

"(B) for purposes of section 333 of such Code (as so in effect)—

"(i) any person holding an income interest in such entity as of such time shall be treated as a qualified electing shareholder, and

"(ii) the earnings and profits, and the value of money or stock or securities, of such entity shall be apportioned ratably among persons described in clause (i).

The amendments made by subtitle D of this title and section 1804 of this Act shall not apply to any liquidation under this paragraph."

(6)(A) Paragraph (2) of section 646(d) of the Reform Act is amended to read as follows:

"(2) Termination of election.—If an entity ceases to be described in subsection (b) or violates any term of the agreement described in subsection (c)(2), the entity shall, for purposes of the Internal Revenue Code of 1986, be treated as a corporation for the taxable year in which such cessation or violation occurs and for all subsequent taxable years."

(B) Paragraph (3) of section 646(c) of the Reform Act is amended to read as follows:

"(3) Beginning of period for which election is in effect.—The period during which an election is in effect under this subsection shall begin on the 1st day of the 1st taxable year beginning after the date of the enactment of this Act and following the taxable year in which the election is made."

(7)(A) Subsection (e) of section 646 of the Reform Act is amended to read as follows:

"(e) Special Rule for Persons Holding Income Interests.—In applying subpart E of part I of subchapter J of chapter 1 of the Internal Revenue Code of 1986 to any entity to which this section applies—

"(1) a reversionary interest shall not be taken into account until it comes into possession, and

"(2) all items of income, gain, loss, deduction, and credit shall be allocated to persons holding income interests for the period of the allocation."

(B) Section 646(d)(3) of the Reform Act is amended by striking out "or by reason of subsection (e)".

(l) Amendments Related to Section 651 of the Reform Act.—

(1)(A) Paragraph (6) of section 852(b) of the 1986 Code (as added by section 651(b)(1)(A) of the Reform Act) is redesignated as paragraph (7).

(B) Subsection (b) of section 855 of the 1986 Code is amended by striking out "section 852(b)(6)" and inserting in lieu thereof "section 852(b)(7)".

(2) Paragraph (2) of section 4982(e) of the 1986 Code is amended to read as follows:

"(2) Capital gain net income.—

"(A) In general.—Except as provided in subparagraph (B), the term 'capital gain net income' has the meaning given such term by section 1222(9) (determined by treating the 1-year period ending on October 31 of any calendar year as the company's taxable year).

"(B) Reduction by net ordinary loss for calendar year.—The amount determined under subparagraph (A) shall be reduced (but not below the net capital gain) by the amount of the company's net ordinary loss for the calendar year.

"(C) Definitions.—For purposes of this paragraph—

"(i) Net capital gain.—The term 'net capital gain' has the meaning given such term by section 1222(11) (determined by treating the 1-year period ending on October 31 of the calendar year as the company's taxable year).

"(ii) Net ordinary loss.—The net ordinary loss for the calendar year is the amount which would be the net operating loss of the company for the calendar year if the amount of such loss were determined in the same manner as ordinary income is determined under paragraph (1)."

(3) Paragraph (2) of section 852(c) of the 1986 Code is amended to read as follows:

"(2) Coordination with tax on undistributed income.—For purposes of applying this chapter to distributions made by a regulated investment company with respect to any calendar year, the earnings and profits of such company shall be determined without regard to any net capital loss (or net foreign currency loss) attributable to transactions after October 31 of such year and with such other adjustments as the Secretary may by regulations prescribe. The preceding sentence shall apply—

"(A) only to the extent that the amount distributed by the company with respect to the calendar year does not exceed the required distribution for such calendar year (as determined under section 4982 by substituting '100 percent' for each percentage set forth in section 4982(b)(1)), and

"(B) except as provided in regulations, only if an election under section 4982(e)(4) is not in effect with respect to such company."

(4) Subparagraph (C) of section 852(b)(3) of the 1986 Code is amended—

(A) by striking out "net capital loss" each place it appears in the 3rd sentence and inserting in lieu thereof "net capital loss or net long-term capital loss", and

(B) by striking out "regulated investment company taxable income" in the last sentence and inserting in lieu thereof "the taxable income of the regulated investment company".

(5) Subsection (e) of section 4982 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) Treatment of foreign currency gains and losses after October 31 of calendar year.—Any foreign currency gain or loss which is attributable to a section 988 transaction and which is properly taken into account for the portion of the calendar year after October 31 shall not be taken into account in determining the amount of the ordinary income of the regulated investment company for such calendar year but shall be taken into account in determining the ordinary income of the investment company for the following calendar year. In the case of any company making an election under paragraph (4), the preceding sentence shall be applied by substituting the last day of the company's taxable year for October 31."

(6) Section 4982 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(f) Exception for Certain Regulated Investment Companies.—This section shall not apply to any regulated investment company for any calendar year if at all times during such calendar year each shareholder in such company was either—

"(1) a trust described in section 401(a) and exempt from tax under section 501(a), or

"(2) a segregated asset account of a life insurance company held in connection with variable contracts (as defined in section 817(d)).

For purposes of the preceding sentence, any shares attributable to an investment in the regulated investment company (not exceeding $250,000) made in connection with the organization of such company shall not be taken into account."

(7) Subsection (b) of section 852 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(8) Special rule for treatment of certain foreign currency losses.—To the extent provided in regulations, the taxable income of a regulated investment company (other than a company to which an election under section 4982(e)(4) applies) shall be computed without regard to any net foreign currency loss attributable to transactions after October 31 of such year, and any such net foreign currency loss shall be treated as arising on the 1st day of the following taxable year."

(8) Subsection (a) of section 852 of the 1986 Code is amended by adding at the end thereof the following new sentence:

"The Secretary may waive the requirements of paragraph (1) for any taxable year if the regulated investment company establishes to the satisfaction of the Secretary that it was unable to meet such requirements by reason of distributions previously made to meet the requirements of section 4982."

(9) Effective with respect to dividends declared in 1988 and subsequent calendar years, paragraph (7) of section 852(b) of the 1986 Code (as redesignated by paragraph (1)) is amended—

(A) by striking out "in December" and inserting in lieu thereof "in October, November, or December",

(B) by striking out "in such month" and inserting in lieu thereof "in such a month",

(C) by striking out "on such date" in subparagraphs (A) and (B) and inserting in lieu thereof "on December 31 of such calendar year", and

(D) by striking out "before February 1" and inserting in lieu thereof "during January".

(10) Paragraph (1) of section 852(e) of the 1986 Code is amended by striking out "subsection (a)(3)" and inserting in lieu thereof "subsection (a)(2)".

(m) Amendments Related to Section 652 of the Reform Act.—

(1) Paragraph (1) of section 851(a) of the 1986 Code is amended to read as follows:

"(1) which, at all times during the taxable year—

"(A) is registered under the Investment Company Act of 1940, as amended (15 U.S.C. 80a-1 to 80b-2) as a management company or unit investment trust, or

"(B) has in effect an election under such Act to be treated as a business development company, or".

(2) Paragraph (1) of section 851(e) of the 1986 Code is amended by striking out "a registered management company or registered business development company" and inserting in lieu thereof "a management company or a business development company described in subsection (a)(1)".

(n) Amendments Related to Section 653 of the Reform Act.—

(1) Subsection (b) of section 851 of the 1986 Code is amended by adding at the end thereof the following new sentence: "Income derived from a partnership or trust shall be treated as described in paragraph (2) only to the extent such income is attributable to items of income of the partnership or trust (as the case may be) which would be described in paragraph (2) if realized by the regulated investment company in the same manner as realized by the partnership or trust."

(2)(A) Paragraph (3) of section 851(b) of the 1986 Code is amended to read as follows:

"(3) less than 30 percent of its gross income is derived from the sale or disposition of any of the following which was held for less than 3 months:

"(A) stock or securities (as defined in section 2(a)(36) of the Investment Company Act of 1940, as amended),

"(B) options, futures, or forward contracts (other than options, futures, or forward contracts on foreign currencies), or

"(C) foreign currencies (or options, futures, or forward contracts on foreign currencies) but only if such currencies (or options, futures, or forward contracts) are not directly related to the company's principal business of investing in stock or securities (or options and futures with respect to stocks or securities), and".

(B) Subsection (b) of section 851 of the 1986 Code is amended by striking out "which are not ancillary" in the material following paragraph (4), and inserting in lieu thereof "which are not directly related".

(C) Subparagraph (C) of section 851(b)(3) of the 1986 Code (as amended by subparagraph (A)), and the amendment made by subparagraph (B), shall apply to taxable

years beginning after the date of the enactment of this Act.

(4) Clause (i) of section 851(g)(2)(A) of the 1986 Code (defining designated hedge) is amended by striking out "contractual option" and inserting in lieu thereof "contractual obligation".

(5) Subsection (b) of section 851 of the 1986 Code is amended by adding at the end thereof the following new sentence: "In the case of the taxable year in which a regulated investment company is completely liquidated, there shall not be taken into account under paragraph (3) any gain from the sale, exchange, or distribution of any property after the adoption of the plan of complete liquidation."

(o) Amendments Related to Section 654 of the Reform Act.—Subsection (q) of section 851 of the 1986 Code (as added by section 654 of the Reform Act)—

(1) is redesignated as subsection (h), and

(2) is amended by adding at the end thereof the following new paragraph:

"(3) Special rule for abnormal redemptions.—

"(A) In general.—Any fund treated as a separate corporation under paragraph (1) shall not be disqualified under subsection (b)(3) for any taxable year by reason of sales resulting from abnormal redemptions on any day and occurring before the close of the 5th business day after such day if—

"(i) the sum of the percentages determined under subparagraph (B) for the abnormal redemptions on such day and for abnormal redemptions on prior days during such taxable year exceeds 30 percent; and

"(ii) the regulated investment company of which such fund is a part would meet the requirements of subsection (b)(3) for such taxable year if all the funds which are part of such company were treated as a single company.

"(B) Abnormal redemptions.—For purposes of subparagraph (A), the term 'abnormal redemptions' means redemptions occurring on any day if the net redemptions on such day exceed 1 percent of the fund's net asset value.

"(C) Determination of net asset value.—For purposes of this paragraph, net asset value for any day shall be determined as of the close of the preceding day.

"(D) Limitation.—For purposes of subparagraph (A), any sale or other disposition of stock or securities held less than 3 months occurring during any day shall be deemed to result from abnormal redemptions until the cumulative proceeds from such sales or dispositions occurring during such day, plus the cumulative net positive cash flow of the fund for preceding business days (if any) following the day with abnormal redemptions, exceed the amount of net redemptions on the day with abnormal redemptions."

(p) Amendments Related to Section 662 of the Reform Act.—

(1) Subclause (I) of section 856(c)(6)(D)(i) of the 1986 Code (as added by section 662 of the Reform Act) is amended by striking out "debt instrument" and inserting in lieu thereof "debt instrument (within the meaning of section 1275(a)(1))".

(2) Notwithstanding section 669 of the Reform Act, the amendment made by section 662(c) of the Reform Act shall apply to taxable years beginning after December 31, 1986, but only in the case of obligations acquired after October 22, 1986.

(3) Subsection (c) of section 856 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(8) Treatment of liquidating gains.—In the case of the taxable year in which a real estate investment trust is completely liquidated, there shall not be taken into account under paragraph (4) any gain from the sale, exchange, or distribution of any property after the adoption of the plan of complete liquidation."

(4)(A) Paragraph (6) of section 856(c) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(G) Treatment of certain interest rate agreements.—Except to the extent provided by regulations, any—

"(i) payment to a real estate investment trust under a bona fide interest rate swap or cap agreement entered into by the real estate investment trust to hedge any viable rate indebtedness of such trust incurred or to be incurred to acquire or carry real estate assets, and

"(ii) any gain from the sale or other disposition of such agreement,

shall be treated as income qualifying under paragraph (2) and such agreement shall be treated as a security for purposes of paragraph (4)(A)."

(B) The amendment made by subparagraph (A) shall apply to taxable years ending after the date of the enactment of this Act.

(5) Subclause (I) of section 856(c)(6)(D)(ii) of the 1986 Code (as added by section 662 of the Reform Act) is amended by striking out "stock in" and inserting in lieu thereof "stock (or certificates of beneficial interests) in".

(q) Amendments Related to Section 663 of the Reform Act.—

(1) Subparagraph (A) of section 856(d)(6) of the 1986 Code is amended to read as follows:

"(A) In general.—If—

"(i) a real estate investment trust receives or accrues, with respect to real or personal property, amounts from a tenant which derives substantially all of its income with respect to such property from the subleasing of substantially all of such property, and

"(ii) a portion of the amount such tenant receives or accrues, directly or indirectly, from subtenants consists of qualified rents,

then the amounts which the trust receives or accrues from the tenant shall not be excluded from the term 'rents from real property' by reason of being based on the income or profits of such tenant to the extent the amounts so received or accrued are attributable to qualified rents received or accrued by such tenant."

(2) Subsection (f) of section 856 of the 1986 Code is amended to read as follows:

"(f) Interest.—

"(1) In general.—For purposes of paragraphs (2)(B) and (3)(B) of subsection (c), the term 'interest' does not include any amount received or accrued, directly or indirectly, if the determination of such amount depends in whole or in part on the income or profits of any person except that—

"(A) any amount so received or accrued shall not be excluded from the term 'interest' solely by reason of being based on a fixed percentage or percentages of receipts or sales, and

"(B) where a real estate investment trust receives any amount which would be excluded from the term 'interest' solely because the debtor of the real estate investment trust receives or accrues any amount the determination of which depends in whole or in part on the income or profits of any person, only a proportionate part (determined pursuant to regulations prescribed by the Secretary) of the amount received or accrued by the real estate investment trust from the debtor will be excluded from the term 'interest'.

"(2) Special rule.—If—

"(A) a real estate investment trust receives or accrues with respect to an obligation secured by a mortgage on real property or an interest in real property amounts from a debtor which derives substantially all of its gross income with respect to such property (not taking into account any gain on any disposition) from the leasing of substantially all of its interests in such property to tenants, and

"(B) a portion of the amount which such debtor receives or accrues, directly or indirectly, from tenants consists of qualified rents (as defined in subsection (d)(6)(B)),

then the amounts which the trust receives or accrues from such debtor shall not be excluded from the term 'interest' by reason of being based on the income or profits of such debtor to the extent the amounts so received are attributable to qualified rents received or accrued by such debtor."

(r) Amendment Related to Section 664 of the Reform Act.—Clause (i) of section 857(e)(2)(B) of the 1986 Code is amended by striking out "as original issue discount on instruments" and inserting "with respect to instruments".

(s) Amendments Related to Section 668 of the Reform Act.—

(1) Paragraph (2) of section 4981(e) of the 1986 Code is amended to read as follows:

"(2) Capital gain net income.—

"(A) In general.—The term 'capital gain net income' has the meaning given such term by section 1222(9) (determined by treating the calendar year as the trust's taxable year).

"(B) Reduction for net ordinary loss.—The amount determined under subparagraph (A) shall be reduced by the amount of the trust's net ordinary loss for the taxable year.

"(C) Net ordinary loss.—For purposes of this paragraph, the net ordinary loss for the calendar year is the amount which would be net operating loss of the trust for the calendar year if the amount of such loss were determined in the same manner as ordinary income is determined under paragraph (1)."

(2) Subparagraph (C) of section 857(b)(3) of the 1986 Code is amended by striking out "real estate investment trust taxable income" in the last sentence and inserting in lieu thereof "the taxable income of the real estate investment trust".

(3) Subparagraph (A) of section 4981(c)(1) of the 1986 Code is amended by striking out "such calendar year" and inserting in lieu thereof "such calendar year (but computed without regard to that portion of such deduction which is attributable to the amount excluded under section 857(b)(2)(D))".

(4) Subsection (a) of section 857 of the 1986 Code is amended by adding at the end thereof the following new sentence:

"The Secretary may waive the requirements of paragraph (1) for any taxable year if the real estate investment trust establishes to the satisfaction of the Secretary that it was unable to meet such requirements by reason of distributions previously made to meet the requirements of section 4981."

(5) Effective with respect to dividends declared in 1988 and subsequent calendar years, paragraph (8) of section 857(b) of the 1986 Code is amended—

(A) by striking out "in December" and inserting in lieu thereof "in October, November, or December",

(B) by striking out "in such month" and inserting in lieu thereof "in such a month",

(C) by striking out "on such date" in subparagraphs (A) and (B) and inserting in lieu thereof "on December 31 of such calendar year", and

(D) by striking out "before February 1" and inserting in lieu thereof "during January".

(t) Amendments Related to Section 671 of the Reform Act.—

(1) Paragraph (1) of section 860C(e) of the 1986 Code is amended to read as follows:

"(1) Amounts treated as ordinary.—Any amount taken into account under subsection (a) by any holder of a residual interest in a REMIC shall be treated as ordinary income or ordinary loss, as the case may be."

(2)(A) Paragraph (4) of section 860D(a) of the 1986 Code is amended—

(i) by striking out "4th month ending after" and inserting in lieu thereof "3rd month beginning after", and

(ii) by striking out "and each quarter ending thereafter" and inserting in lieu thereof "and at all times thereafter".

(B) The amendment made by subparagraph (A)(ii) shall take effect on January 1, 1988.

(3)(A) Clause (i) of section 860F(a)(2)(A) of the 1986 Code is amended to read as follows:

"(i) the substitution of a qualified replacement mortgage for a qualified mortgage (or the repurchase in lieu of substitution of a defective obligation),".

(B)(i) Paragraph (2) of section 860F(a) of the 1986 Code is amended by striking out the last sentence of subparagraph (A).

(ii) Subsection (a) of section 860F of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) Exceptions.—Notwithstanding subparagraphs (A) and (D) of paragraph (1), the term 'prohibited transaction' shall not include any disposition—

"(A) required to prevent default on a regular interest where the threatened default resulted from a default on 1 or more qualified mortgages, or

"(B) to facilitate a clean-up call (as defined in regulations)."

(C) Subparagraph (D) of section 860F(a)(2) of the 1986 Code is amended by striking out "described in subsection (b)".

(4) Subparagraph (A) of section 860F(b)(1) of the 1986 Code is amended by striking out "the transfer of any property to a REMIC" and inserting in lieu thereof "the transfer of any property to a REMIC in exchange for regular or residual interests in such REMIC".

(5)(A) Paragraph (1) of section 860G(a) of the 1986 Code is amended to read as follows:

"(1) Regular interest.—The term 'regular interest' means any interest in a REMIC which is issued on the startup day with fixed terms and which is designated as a regular interest if—

"(A) such interest unconditionally entitles the holder to receive a specified principal amount (or other similar amount), and

"(B) interest payments (or other similar amount), if any, with respect to such interest at or before maturity—

"(i) are payable based on a fixed rate (or to the extent provided in regulations, at a variable rate), or

"(ii) consist of a specified portion of the interest payments on qualified mortgages and such portion does not vary during the period such interest is outstanding.

The interest shall not fail to meet the requirements of subparagraph (A) merely because the timing (but not the amount) of the principal payments (or other similar amounts) may be contingent on the extent of prepayments on qualified mortgages and the amount of income from permitted investments."

(B) Paragraph (2) of section 860G(a) of the 1986 Code is amended to read as follows:

"(2) Residual interest.—The term 'residual interest' means an interest in a REMIC which is issued on the startup day, which is not a regular interest, and which is designated as a residual interest."

(C) Paragraph (3) of section 860G(a) of the 1986 Code is amended—

(i) by striking out "on or before the startup day" in subparagraph (A)(i) and inserting in lieu thereof "on the startup day in exchange for regular or residual interests in the REMIC",

(ii) by inserting "if, except as provided in regulations, such purchase is pursuant to a fixed-price contract in effect on the startup day" before the comma at the end of subparagraph (A)(ii), and

(iii) by striking out "on or before the startup day" in subparagraph (C) and inserting in lieu thereof "on the startup day in exchange for regular or residual interests in the REMIC".

(D) Subparagraph (A) of section 860G(a)(4) of the 1986 Code is amended to read as follows:

"(A) which would be a qualified mortgage if transferred on the startup day in exchange for regular or residual interests in the REMIC, and".

(E) Paragraph (9) of section 860G(a) of the 1986 Code is amended to read as follows:

"(9) Startup day.—The term 'startup day' means the day on which the REMIC issues all of its regular and residual interests. To the extent provided in regulations, all interests issued (and all transfers to the REMIC) during any period (not exceeding 10 days) permitted in such regulations shall be treated as occurring on the day during such period selected by the REMIC for purposes of this paragraph."

(F) The amendments made by this paragraph shall not apply to any REMIC where the startup day (as defined in section 860G(a)(9) of the 1986 Code as in effect on the day before the date of the enactment of this Act) is before July 1, 1987.

(6) Paragraph (3) of section 860G(a) of the 1986 Code is amended—

(A) by striking out "directly or indirectly," in subparagraph (A), and

(B) by adding at the end thereof the following new sentence:

"For purposes of this subparagraph, any obligation secured by stock held by a person as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as so defined) shall be treated as secured by an interest in real property."

(7) Subparagraph (B) of section 860G(a)(7) of the 1986 Code is amended by inserting before the period at the end of the 1st sentence the following: "or lower than expected returns on cash flow investments".

(8)(A) Paragraph (8) of section 860G(a) of the 1986 Code is amended—

(i) by striking out "section 856(e)" in subparagraph (A) and inserting in lieu thereof "section 856(e) (without regard to paragraph (5) thereof)", and

(ii) by striking out the last sentence and inserting in lieu thereof the following:

"Solely for purposes of section 860D(a), the determination of whether any property is foreclosure property shall be made without regard to section 856(e)(4)."

(B) Section 860G of the 1986 Code is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Tax on Income From Foreclosure Property.—

"(1) In general.—A tax is hereby imposed for each taxable year on the net income from foreclosure property of each REMIC. Such tax shall be computed by multiplying the net income from foreclosure property by the highest rate of tax specified in section 11(b).

"(2) Net income from foreclosure property.—For purposes of this part, the term 'net income from foreclosure property' means the amount which would be the REMIC's net income from foreclosure property under section 857(b)(4)(B) if the REMIC were a real estate investment trust."

(C) Paragraph (1) of section 860C(b) of the 1986 Code is amended by striking out "and" at the end of subparagraph (C), by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(E) the amount of the net income from foreclosure property (if any) shall be reduced by the amount of the tax imposed by section 860G(c)."

(9)(A) Section 860G of the 1986 Code (as amended by paragraph (8)) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) Tax on Contributions After Startup Date.—

"(1) In general.—Except as provided in paragraph (2), if any amount is contributed to a REMIC after the startup day, there is hereby imposed a tax for the taxable year of the REMIC in which the contribution is received equal to 100 percent of the amount of such contribution.

"(2) Exceptions.—Paragraph (1) shall not apply to any contribution which is made in cash and is described in any of the following subparagraphs:

"(A) Any contribution to facilitate a clean-up call (as defined in regulations) or a qualified liquidation.

"(B) Any payment in the nature of a guarantee.

"(C) Any contribution during the 3-month period beginning on the startup day.

"(D) Any contribution to a qualified reserve fund by any holder of a residual interest in the REMIC.

"(E) Any other contribution permitted in regulations."

(B) The amendment made by subparagraph (A) shall not apply to any REMIC where the startup day (as defined in section 860G(a)(9) of the 1986 Code as in effect on the day before the date of the enactment of this Act) is before July 1, 1987.

(10) Subsection (e) of section 860G of the 1986 Code (as redesignated by paragraph (9)) is amended by striking out "and" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof a comma, and by adding at the end thereof the following new paragraphs:

"(4) providing appropriate rules for treatment of transfers of qualified replacement mortgages to the REMIC where the transferor holds any interest in the REMIC, and

"(5) providing that a mortgage will be treated as a qualified replacement mortgage only if it is part of a bona fide replacement (and not part of a swap of mortgages)."

(11) Paragraph (6) of section 856(c) of the 1986 Code is amended by redesignating the

last subparagraph as subparagraph (F) and by striking out the subparagraph (D) added by section 671(b)(1) of the Reform Act and inserting in lieu thereof the following:

"(E) A regular or residual interest in a REMIC shall be treated as a real estate asset, and any amount includible in gross income with respect to such an interest shall be treated as interest on an obligation secured by a mortgage on real property; except that, if less than 95 percent of the assets of such REMIC are real estate assets (determined as if the real estate investment trust held such assets), such real estate investment trust shall be treated as holding directly (and as receiving directly) its proportionate share of the assets and income of the REMIC. For purposes of determining whether any interest in a REMIC qualifies under the preceding sentence, any interest held by such REMIC in another REMIC shall be treated as a real estate asset under principles similar to the principles of the preceding sentence, except that, if such REMIC's are part of a tiered structure, they shall be treated as one REMIC for purposes of this subparagraph."

(12) Clause (xi) of section 7701(a)(19)(C) of the 1986 Code is amended by striking out "are loans described" and inserting in lieu thereof "are assets described".

(13) Subparagraph (B) of section 860E(c)(2) of the 1986 Code is amended by striking out "issue price of residual interest" and inserting in lieu thereof "issue price of the residual interest".

(14) Clause (ii) of section 860F(b)(1)(D) of the 1986 Code is amended by striking out "the real estate mortgage pool" and inserting in lieu thereof "the REMIC".

(15) Subsection (a) of section 860E of the 1986 Code is amended by adding at the end thereof the following new paragraphs:

"(3) Special rule for affiliated groups.—All members of an affiliated group filing a consolidated return shall be treated as 1 taxpayer for purposes of this subsection, except that paragraph (2) shall be applied separately with respect to each corporation which is a member of such group and to which section 593 applies.

"(4) Treatment of certain subsidiaries.—

"(A) In general.—For purposes of this subsection, a corporation to which section 593 applies and each qualified subsidiary of such corporation shall be treated as a single corporation to which section 593 applies.

"(B) Qualified subsidiary.—For purposes of this subsection, the term 'qualified subsidiary' means any corporation—

"(i) all the stock of which, and substantially all the indebtedness of which, is held directly by the corporation to which section 593 applies, and

"(ii) which is organized and operated exclusively in connection with the organization and operation of 1 or more REMIC's."

(16)(A) Subsection (a) of section 860D of the 1986 Code is amended by striking out "and" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(6) with respect to which there are reasonable arrangements designed to ensure that—

"(A) residual interests in such entity are not held by disqualified organizations (as defined in section 860E(e)(5)), and

"(B) information necessary for the application of section 860E(e) will be made available by the entity."

(B) Section 860E of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(e) Tax on Transfers of Residual Interests to Certain Organizations, Etc.—

"(1) In general.—A tax is hereby imposed on any transfer of a residual interest in a REMIC to a disqualified organization.

"(2) Amount of tax.—The amount of the tax imposed by paragraph (1) on any transfer of a residual interest shall be equal to the product of—

"(A) the amount (determined under regulations) equal to the present value of the total anticipated excess inclusions with respect to such interest for periods after such transfer, multiplied by

"(B) the highest rate of tax specified in section 11(b)(1).

"(3) Liability.—The tax imposed by paragraph (1) on any transfer shall be paid by the transferor; except that, where such transfer is through an agent for a disqualified organization, such tax shall be paid by such agent.

"(4) Transferee furnishes affidavit.—The person (otherwise liable for any tax imposed by paragraph (1)) shall be relieved of liability for the tax imposed by paragraph (1) with respect to any transfer if—

"(A) the transferee furnishes to such person an affidavit that the transferee is not a disqualified organization, and

"(B) as of the time of the transfer, such person does not have actual knowledge that such affidavit is false.

"(5) Disqualified organization.—For purposes of this section, the term 'disqualified organization' means—

"(A) the United States, any State or political subdivision thereof, any foreign government, any international organization, or any agency or instrumentality of any of the foregoing,

"(B) any organization (other than a cooperative described in section 521) which is exempt from tax imposed by this chapter unless such organization is subject to the tax imposed by section 511, and

"(C) any organization described in section 1381(a)(2)(C).

For purposes of subparagraph (A), the rules of section 168(h)(2)(D) (relating to treatment of certain taxable instrumentalities) shall apply; except that, in the case of the Federal Home Loan Mortgage Corporation, clause (ii) of such section shall not apply.

"(6) Treatment of pass-thru entities.—

"(A) Imposition of tax.—If, at any time during any taxable year of a pass-thru entity, a disqualified organization is the record holder of an interest in such entity, there is hereby imposed on such entity for such taxable year a tax equal to the product of—

"(i) the amount of excess inclusions for such taxable year allocable to the interest held by such disqualified organization, multiplied by

"(ii) the highest rate of tax specified in section 11(b)(1).

"(B) Pass-thru entity.—For purposes of this paragraph, the term 'pass-thru entity' means—

"(i) any regulated investment company, real estate investment trust, or common trust fund,

"(ii) any partnership, trust, or estate, and

"(iii) any organization to which part I of subchapter T applies.

Except as provided in regulations, a person holding an interest in a pass-thru entity as a nominee for another person shall, with respect to such interest, be treated as a pass-thru entity.

"(C) Tax to be deductible.—Any tax imposed by this paragraph with respect to any excess inclusion of any pass-thru entity for any taxable year shall, for purposes of this title (other than this subsection), be applied against (and operate to reduce) the amount included in gross income with respect to the residual interest involved.

"(D) Exception where holder furnishes affidavit.—No tax shall be imposed by subparagraph (A) with respect to any interest in a pass-thru entity for any period if—

"(i) the record holder of such interest furnishes to such pass-thru entity an affidavit that such record holder is not a disqualified organization, and

"(ii) during such period, the pass-thru entity does not have actual knowledge that such affidavit is false.

"(7) Waiver.—The Secretary may waive the tax imposed by paragraph (1) on any transfer if—

"(A) within a reasonable time after discovery that the transfer was subject to tax under paragraph (1), steps are taken so that the interest is no longer held by the disqualified organization, and

"(B) there is paid to the Secretary such amounts as the Secretary may require.

"(8) Administrative provisions.—For purposes of subtitle F, the taxes imposed by this subsection shall be treated as excise taxes with respect to which the deficiency procedures of such subtitle apply."

(C) Paragraph (2) of section 26(b) of the 1986 Code is amended by striking out "and" at the end of subparagraph (J), by striking out the period at the end of subparagraph (K) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(L) section 860E(e) (relating to taxes with respect to certain residual interests)."

(D)(i) The amendments made by subparagraph (A) shall apply in the case of any REMIC where the start-up day (as defined in section 860G(a)(9) of the 1986 Code, as in effect on the day before the date of the enactment of this Act) is after March 31, 1988; except that such amendments shall not apply in the case of a REMIC formed pursuant to a binding written contract in effect on such date.

(ii) The amendments made by subparagraphs (B) and (C) (except to the extent they relate to paragraph (6) of section 860E(e) of the 1986 Code as added by such amendments) shall apply to transfers after March 31, 1988; except that such amendments shall not apply to any transfer pursuant to a binding written contract in effect on such date.

(iii) Except as provided in clause (iv), the amendments made by subparagraphs (B) and (C) (to the extent they relate to paragraph (6) of section 860E(e) of the 1986 Code as so added) shall apply to excess inclusions for periods after March 31, 1988 but only to the extent such inclusions are—

(I) allocable to an interest in a pass-thru entity acquired after March 31, 1988, or

(II) allocable to an interest in a pass-thru entity acquired on or before March 31, 1988, but attributable to a residual interest acquired by the pass-thru entity after March 31, 1988.

For purposes of the preceding sentence, any interest in a pass-thru entity (or residual interest) acquired after March 31, 1988, pursuant to a binding written contract in effect on such date shall be treated as acquired before such date.

(iv) In the case of any real estate investment trust, regulated investment company, common trust fund, or publicly traded partnership, no tax shall be imposed under section 860E(e)(6) of the 1986 Code (as added by the amendment made by subparagraph (B)) for any taxable year beginning before January 1, 1989.

(17) Subparagraph (B) of section 860E(c)(2) of the 1986 Code is amended—

(A) by inserting "(adjusted for contributions)" after "residual interest" the second place it appears, and

(B) by striking "decreased by" in clause (ii) and inserting in lieu thereof "decreased (but not below zero) by".

(18)(A) Subsection (e) of section 860F of the 1986 Code is amended by adding at the end thereof the following new sentences: "Such return shall be filed by the REMIC. The determination of who may sign such return shall be made without regard to the first sentence of this subsection."

(B) Unless the REMIC otherwise elects, the amendment made by subparagraph (A) shall not apply to any REMIC where the start-up day (as defined in section 860G(a)(9) of the 1986 Code as in effect on the day before the date of the enactment of this Act) is before the date of the enactment of this Act.

(19) Subsection (a) of section 860D of the 1986 Code is amended by adding at the end thereof the following new sentence:

"In the case of a qualified liquidation (as defined in section 860F(a)(4)(A)), paragraph (4) shall not apply during the liquidation period (as defined in section 860F(a)(4)(B)."

(20) Subsection (a) of section 860A of the 1986 Code is amended by striking out "this chapter" each place it appears and inserting in lieu thereof "this subtitle".

(21) Paragraph (1) of section 860C(b) of the 1986 Code is amended by striking out "and in the same manner" and inserting in lieu thereof "and, except as provided in regulations, in the same manner".

(22) The following sections of the 1986 Code are each amended by striking out "real estate mortgage pool" and inserting in lieu thereof "REMIC":

(A) Section 382(l)(4)(B)(ii).

(B) Section 860F(a)(2)(A)(iii).

(C) Section 860F(a)(2)(C).

(D) Section 860F(b)(1)(C)(ii).

(E) Section 860F(b)(1)(D)(ii).

(23) Subsection (d) of section 860E of the 1986 Code is amended by adding at the end thereof the following new sentence:

"Rules similar to the rules of the preceding sentence shall apply also in the case of regulated investment companies, common trust funds, and organizations to which part I of subchapter T applies."

(24) Subparagraph (C) of section 6049(d)(7) of the 1986 Code is amended by striking out "the issue price" and inserting in lieu thereof "the adjusted issue price".

(25)(A) Paragraph (19) of section 7701(a) of the 1986 Code is amended by adding at the end thereof the following new sentence: "For purposes of determining whether any interest in a REMIC qualifies under clause (xi), any regular interest in another REMIC held by such REMIC shall be treated as a loan described in a preceding clause under principles similar to the principles of clause (xi); except that, if such REMIC's are part of a tiered structure, they shall be treated as 1 REMIC for purposes of clause (xi)."

(B) Paragraph (4) of section 593(d) of the 1986 Code is amended by adding at the end thereof the following new sentence: "For purposes of determining whether any interest in a REMIC qualifies under the preceding sentence, any interest in another REMIC held by such REMIC shall be treated as a qualifying real property loan under principles similar to the principles of the preceding sentence, except that if such REMIC's are part of a tiered structure, they shall be treated as 1 REMIC for purposes of this paragraph."

(26) Section 860E of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(f) TREATMENT OF VARIABLE INSURANCE CONTRACTS.—Except as provided in regulations, with respect to any variable contract (as defined in section 817), there shall be no adjustment in the reserve to the extent of any excess inclusion."

(27) Subsection (a) of section 860E of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) COORDINATION WITH SECTION 172.—Any excess inclusion for any taxable year shall not be taken into account—

"(A) in determining under section 172 the amount of any net operating loss for such taxable year, and

"(B) in determining taxable income for such taxable year for purposes of the 2nd sentence of section 172(b)(2)."

(u) AMENDMENTS RELATED TO SECTION 672 OF THE REFORM ACT.—

(1) Subparagraph (B) of section 163(e)(2) of the 1986 Code is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (7)".

(2) Subparagraph (B) of section 1278(a)(4) of the 1986 Code is amended by striking out "section 1272(a)(6)" and inserting in lieu thereof "section 1272(a)(7)".

(3) Section 1288(a) of the 1986 Code is amended by striking out "paragraph (6)" each place it appears and inserting in lieu thereof "paragraph (7)".

(4) Sections 1271(a)(2)(A)(ii) and 1275(a)(4)(B)(ii)(I) of the 1986 Code are each amended by striking out "subsection (a)(6)" and inserting in lieu thereof "subsection (a)(7)".

(v) AMENDMENT RELATED TO SECTION 674 OF THE REFORM ACT.—Subparagraph (A) of section 6049(d)(7) of the 1986 Code is amended by inserting "(and such amounts shall be treated as paid when includible in gross income under section 860B(b))" before the period at the end thereof.

(w) AMENDMENTS RELATED TO SECTION 675 OF THE REFORM ACT.—

(1) Subsection (a) of section 675 of the Reform Act is amended to read as follows:

"(a) GENERAL RULE.—Except as otherwise provided in this section, the amendments made by this subtitle shall take effect on January 1, 1987."

(2) Section 675 of the Reform Act is amended by adding at the end thereof the following new subsection:

"(d) STUDY.—The Secretary of the Treasury or his delegate shall conduct a study of the operation of the amendments made by this part and their competitive impact on savings and loan institutions and similar financial institutions. Not later than January 1, 1990, the Secretary shall submit a report of such study to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (together with such recommendations as he may deem advisable)."

SEC. 1007. AMENDMENTS RELATED TO TITLE VII OF THE REFORM ACT.

(a) AMENDMENTS TO SECTION 55 OF THE 1986 CODE.—

(1) Paragraph (1) of section 55(c) of the 1986 Code is amended by inserting before the period at the end of the first sentence the following: "and the section 936 credit allowable under section 27(b)".

(2) Paragraph (2) of section 55(b) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"If a taxpayer is subject to the regular tax, such taxpayer shall be subject to the tax imposed by this section (and, if the regular tax is determined by reference to an amount other than taxable income, such amount shall be treated as the taxable income of such taxpayer for purposes of the preceding sentence)."

(3) Effective with respect to taxable years ending after the date of the enactment of this Act, paragraph (3) of section 55(d) of the 1986 Code is amended by adding at the end thereof the following new sentence: "In the case of a taxpayer described in paragraph (1)(C)(i), alternative minimum taxable income shall be increased by the lesser of (i) 25 percent of the excess of alternative minimum taxable income (determined without regard to this sentence) over $155,000, or (ii) $20,000.".

(b) AMENDMENTS TO SECTION 56 OF THE 1986 CODE.—

(1) Paragraph (3) of section 56(a) of the 1986 Code is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, in the case of a contract described in section 460(e)(1), the percentage of the contract completed shall be determined under section 460(b)(2) by using the simplified procedures for allocation of costs prescribed under section 460(b)(4)."

(2) Subparagraph (E) of section 56(b)(1) of the 1986 Code is amended to read as follows:

"(E) STANDARD DEDUCTION AND DEDUCTION FOR PERSONAL EXEMPTIONS NOT ALLOWED.—The standard deduction under section 63(c), the deduction for personal exemptions under section 151, and the deduction under section 642(b) shall not be allowed."

(3) Subparagraph (C) of section 56(b)(1) of the 1986 Code is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof a comma, and by adding at the end thereof the following new clauses:

"(iv) in lieu of the exception under section 163(d)(3)(B)(i), the term 'investment interest' shall not include any qualified housing interest (as defined in subsection (e)), and

"(v) the adjustments of this section and sections 57 and 58 shall apply in determining net investment income under section 163(d)."

(4) Clause (iii) of section 56(b)(1)(C) of the 1986 Code is amended—

(A) by striking out "specified activity bond" and inserting in lieu thereof "specified private activity bond", and

(B) by striking out "section 56(a)(5)(B)" and inserting in lieu thereof "section 57(a)(5)(B)".

(5) Subparagraph (A) of section 56(d)(2) of the 1986 Code is amended—

(A) by striking out "(other than subsection (a)(6) thereof)", and

(B) by adding at the end thereof the following new sentence:

"An item of tax preference shall be taken into account under clause (ii) only to the extent such item increased the amount of the net operating loss for the taxable year under section 172(c)."

(6)(A) Paragraph (1) of section 56(e) of the 1986 Code is amended—

(i) by striking out "interest which is" and inserting in lieu thereof "interest which is qualified residence interest (as defined in section 163(h)(3)) and is", and

(ii) by striking out "section 163(h)(3)" in subparagraph (B) and inserting in lieu thereof "section 163(h)(4)".

(B) Paragraph (3) of section 56(e) of the 1986 Code is amended by striking out "interest paid or accrued" and inserting in lieu thereof "interest which is qualified residence interest (as defined in section 163(h)(3)) and is paid or accrued".

(7) The last sentence of section 56(f)(2)(B) of the 1986 Code is amended by striking out "any such taxes" and inserting in lieu thereof "any such taxes (otherwise eligible for the credit provided by section 901 without regard to section 901(j))".

(8) Clause (iii) of section 56(f)(3)(A) of the 1986 Code is amended by striking out "an income statement" and inserting in lieu thereof "an income statement for a substantial nontax purpose".

(9) Subparagraph (B) of section 56(f)(3) of the 1986 Code is amended by striking out "paragraph (3)(A)" and inserting in lieu thereof "this subsection".

(10) Subparagraph (C) of section 56(f)(3) of the 1986 Code is amended by adding at the end thereof the following new sentence: "If the taxpayer has 2 or more statements described in the clause (or subclause) with the lowest number designation, the applicable financial statement shall be the one of such statements specified in regulations."

(11)(A) Subparagraph (F) of section 56(f)(2) of the 1986 Code is amended to read as follows:

"(F) TREATMENT OF TAXES ON DIVIDENDS FROM 936 CORPORATIONS.—

"(i) IN GENERAL.—For purposes of determining the alternative minimum tax foreign tax credit, 50 percent of any withholding tax or income tax paid to a possession of the United States with respect to dividends received from a corporation eligible for the credit provided by section 936 shall be treated as a tax paid to a foreign country by the corporation receiving the dividend.

"(ii) LIMITATION.—If the aggregate amount of the dividends referred to in clause (i) for any taxable year exceeds the excess referred to in paragraph (1), the amount treated as a tax paid to a foreign country under clause (i) shall not exceed the amount which would be so treated without regard to this clause multiplied by a fraction—

"(I) the numerator of which is the excess referred to in paragraph (1), and

"(II) the denominator of which is the aggregate amount of such dividends.

"(iii) TREATMENT OF TAXES IMPOSED ON 936 CORPORATION.—For purposes of this subparagraph, taxes paid by any corporation eligible for the credit provided by section 936 to a possession of the United States shall be treated as a withholding tax paid with respect to any dividend paid by such corporation to the extent such taxes would be treated as paid by the corporation receiving the dividend under rules similar to the rules of section 902 (and the amount of any such dividend shall be increased by the amount so treated)."

(B) Clause (iii) of section 56(g)(4)(C) of the 1986 Code is amended by striking out "clause (ii)(I)" and inserting in lieu thereof "clause (i)".

(12) Clause (iii) of section 56(g)(4)(B) of the 1986 Code is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any annuity contract held under a plan described in section 403(a)."

(13) Paragraph (1) of section 56(c) of the 1986 Code is amended—

(A) by striking out "ADJUSTED EARNINGS AND PROFITS" in the paragraph heading and inserting in lieu thereof "ADJUSTED CURRENT EARNINGS", and

(B) by striking out "ADJUSTED EARNINGS AND PROFITS" in the heading of subparagraph (B) and inserting in lieu thereof "ADJUSTED CURRENT EARNINGS".

(14)(A) Subsection (b) of section 56 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) TREATMENT OF INCENTIVE STOCK OPTIONS.—Section 421 shall not apply to the transfer of stock acquired pursuant to the exercise of an incentive stock option (as defined in section 422A). The adjusted basis of any stock so acquired shall be determined on the basis of the treatment prescribed by the preceding sentence."

(B) Paragraph (3) of section 57(a) of the 1986 Code is hereby repealed.

(C) The amendments made by this paragraph shall apply with respect to options exercised after December 31, 1987.

(15) Clause (i) of section 56(a)(1)(A) of the 1986 Code is amended by striking out "REAL" in the heading and inserting in lieu thereof "PERSONAL".

(16) The heading of paragraph (1) of section 56(b) of the 1986 Code is amended by striking out "ITEMIZED".

(17) Subparagraph (A) of section 56(g)(4) of the 1986 Code is amended by adding at the end thereof the following new clauses:

"(vi) ELECTION TO HAVE CUMULATIVE LIMITATION.—

"(I) IN GENERAL.—In the case of any property placed in service during a taxable year to which an election under this clause applies, in lieu of applying clause (i), the depreciation deduction for such property for any taxable year shall be the lesser of the accumulated 168(g) depreciation or the accumulated book depreciation; reduced by the aggregate amount of the depreciation deductions determined under this subclause with respect to such property for prior taxable years.

"(II) ACCUMULATED 168(G) DEPRECIATION.—For purposes of this clause, the term 'accumulated section 168(g) depreciation' means the aggregate amount of the depreciation deductions determined under the alternative system of section 168(g) with respect to the property for all periods before the close of the taxable year.

"(III) ACCUMULATED BOOK DEPRECIATION.—For purposes of this clause, the term 'accumulated book depreciation' means the aggregate amount of the depreciation deductions determined under the method used for book purposes with respect to the property for all periods before the close of the taxable year.

"(IV) ELECTION.—The taxpayer may make an election under this clause for any taxable year beginning after 1989. Such an election, once made with respect to any such taxable year, shall apply to all property placed in service during such taxable year, and shall be irrevocable.

"(V) SIMILAR RULES FOR PROPERTY DESCRIBED IN CLAUSE (ii), (iii), OR (iv).—Rules similar to the rules of the preceding provisions of this clause shall also apply in the case of property to which clause (ii), (iii), or (iv) applies.

"(vii) SPECIAL RULE FOR CERTAIN LEASED PROPERTY.—In the case of any property subject to a lease where the income of the taxpayer for book purposes with respect to such property is determined without an allowance for depreciation, the excess of—

"(I) the alternative minimum taxable income from the lease (determined without regard to this subsection and any allowance for depreciation), over

"(II) the income from such lease reported for book purposes,

shall be treated as the depreciation deduction determined with respect to such property determined for book purposes. In the case of property described in the preceding sentence, the rules of clause (vi) shall apply whether or not the taxpayer makes an election under such clause.

"(viii) SPECIAL RULE FOR CERTAIN PROPERTY.—In the case of any property described in paragraph (1), (2), (3), or (4) of section 168(f), the amount of depreciation allowable for purposes of the regular tax shall be treated as the amount allowable under the alternative system of section 168(g)."

(18) Paragraph (4) of section 56(g) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(I) ADJUSTED BASIS.—The adjusted basis of any property with respect to which an adjustment under this paragraph applies shall be determined by applying the treatment prescribed in this paragraph."

(19) Subsection (a) of section 56 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(8) SECTION 87 NOT APPLICABLE.—Section 87 (relating to alcohol fuel credit) shall not apply."

(c) AMENDMENTS TO SECTION 57 OF THE 1986 CODE.—

(1) Clause (iii) of section 57(a)(5)(C) of the 1986 Code is amended by inserting "(whether a current or advance refunding)" after "any refunding bond".

(2) Clause (i) of section 57(a)(5)(C) of the 1986 Code is amended to read as follows:

"(i) IN GENERAL.—For purposes of this part, the term 'specified private activity bond' means any private activity bond (as defined in section 141) which is issued after August 7, 1986, and the interest on which is not includible in gross income under section 103."

(3) Subparagraph (A) of section 57(a)(6) of the 1986 Code is amended by inserting "or 642(c)" after "section 170".

(d) AMENDMENTS TO SECTION 58 OF THE 1986 CODE.—

(1) Paragraph (2) of section 58(a) of the 1986 Code is amended—

(A) by striking out "(as modified by section 461(i)(4)(A))", and

(B) by striking out "section 469(d), without regard to paragraph (1)(B) thereof" and inserting in lieu thereof "section 469(c)".

(2) Paragraph (3) of section 58(a) of the 1986 Code is amended by striking out "section 469(g)(1)(C)" and inserting in lieu thereof "section 469(j)(2)".

(3) Subsection (a) of section 58 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) DETERMINATION OF LOSS.—In determining the amount of the loss from any tax shelter farm activity, the adjustments of sections 56 and 57 shall apply."

(4) Subsection (b) of section 58 of the 1986 Code is amended by striking out paragraphs (1), (2), and (3), and inserting in lieu thereof the following:

"(1) the adjustments of sections 56 and 57 shall apply,

"(2) the provisions of section 469(m) (relating to phase-in of disallowance) shall not apply, and

"(3) in lieu of applying section 469(j)(7), the passive activity loss of a taxpayer shall be computed without regard to qualified

housing interest (as defined in section 56(e))."

(e) AMENDMENTS TO SECTION 59 OF THE 1986 CODE.—

(1) Paragraph (2) of section 59(e) of the 1986 Code is amended by striking out "would have been allowable as a deduction" and inserting in lieu thereof "would have been allowable as a deduction (determined without regard to section 291)".

(2) Subsection (h) of section 59 of the 1986 Code is amended by striking out "taxable year—" and all that follows and inserting in lieu thereof "taxable year with the adjustments of sections 56, 57, and 58."

(3) Paragraph (1) of section 59(a) of the 1986 Code is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(D) the determination of whether any income is high-taxed income for purposes of section 904(d)(2) were made on the basis of the applicable rate specified in section 55(b)(1)(A) in lieu of the highest rate of tax specified in section 1 or 11 (whichever applies)."

(4) Subsection (i) of section 59 of the 1986 Code is amended—

(A) by striking out "of this subtitle" and inserting in lieu thereof "of this subtitle (other than this part)", and

(B) by striking out "by this title" and inserting in lieu thereof "by this subtitle".

(f) TRANSITIONAL PROVISIONS.—

(1) In the case of the taxable year of an estate or trust which begins before January 1, 1987, and ends on or after such date, the items of tax preference apportioned to any beneficiary of such estate or trust under section 58(c) of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) shall be taken into account for purposes of determining the amount of the tax imposed by section 55 of the Internal Revenue Code of 1986 (as amended by the Tax Reform Act of 1986) on such beneficiary for such beneficiary's taxable year in which such taxable year of the estate or trust ends.

(2) The last sentence of subparagraph (B) of section 701(f)(6) of the Reform Act is amended to read as follows: "The aggregate amount of investment tax credits with respect to the unit in Mississippi allowed solely by reason of being described in this subparagraph shall not exceed $141,000,000."

(3) Subsection (f) of section 701 of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(7) AGREEMENT VESSEL DEPRECIATION ADJUSTMENT.—

"(A) For purposes of part VI of subchapter A of chapter 1 of the Internal Revenue Code of 1986, in the case of a qualified taxpayer, alternative minimum taxable income for the taxable year shall be reduced by an amount equal to the agreement vessel depreciation adjustment.

"(B) For purposes of this paragraph, the agreement vessel depreciation adjustment shall be an amount equal to the depreciation deduction that would have been allowable for such year under section 167 of such Code with respect to agreement vessels placed in service before January 1, 1987, if the basis of such vessels had not been reduced under section 607 of the Merchant Marine Act of 1936, as amended, and if depreciation with respect to such vessel had been computed using the 25-year straight-line method. The aggregate amount by which basis of a qualified taxpayer is treated as not reduced by reason of this subparagraph shall not exceed $100,000,000.

"(C) For purposes of this paragraph, the term 'qualified taxpayer' means a parent corporation incorporated in the State of Delaware on December 1, 1972, and engaged in water transportation, and includes any other corporation which is a member of the affiliated group of which the parent corporation is the common parent. No taxpayer shall be treated as a qualified corporation for any taxable year beginning after December 31, 1991."

(4)(A) If any property to which this paragraph applies is placed in service in a taxable year which begins before January 1, 1987, and ends on or after August 1, 1986, the item of tax preference determined under section 57(a) of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) with respect to such property shall be the excess of—

(i) the amount allowable as a deduction for depreciation or amortization for such taxable year, over

(ii) the amount which would be determined for such taxable year under the rules of paragraph (1) or (5) (whichever is appropriate) of section 56(a) of the Internal Revenue Code of 1954 (as amended by the Tax Reform Act of 1986).

(B) This paragraph shall apply to any property—

(i) which is described in paragraph (4) or (12) of section 57(a) of the Internal Revenue Code of 1954 (as so in effect), and

(ii) to which paragraph (1) or (5) of section 56(a) of the Internal Revenue Code of 1986 would apply if the taxable year referred to in subparagraph (A) began after December 31, 1986.

(5) In determining the amount of the alternative minimum tax foreign tax credit under section 59 of the 1986 Code, there shall not be taken into account any taxes paid or accrued in a taxable year beginning after December 31, 1986, which are treated under section 904(c) of the 1986 Code as paid or accrued in a taxable year beginning on or before December 31, 1986.

(g) MISCELLANEOUS AMENDMENTS.—

(1) Subparagraph (K) of section 26(b)(2) of the 1986 Code is amended by striking out the comma at the end thereof and inserting in lieu thereof ").".

(2)(A) So much of section 38(c) as precedes paragraph (4) thereof is amended to read as follows:

"(c) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of the taxpayer's net income tax over the greater of—

"(A) the tentative minimum tax for the taxable year, or

"(B) 25 percent of so much of the taxpayer's net regular tax liability as exceeds $25,000.

For purposes of the preceding sentence, the term 'net income tax' means the sum of the regular tax liability and the tax imposed by section 55, reduced by the credits allowable under subparts A and B of this part, and the term 'net regular tax liability' means the regular tax liability reduced by the sum of the credits allowable under subparts A and B of this part.

"(2) REGULAR INVESTMENT TAX CREDIT MAY OFFSET 25 PERCENT OF MINIMUM TAX.—

"(A) IN GENERAL.—In the case of a C corporation, the amount determined under paragraph (1)(A) shall be reduced by the lesser of—

"(i) the portion of the regular investment tax credit not used against the normal limitation, or

"(ii) 25 percent of the taxpayer's tentative minimum tax for the taxable year.

"(B) PORTION OF REGULAR INVESTMENT TAX CREDIT NOT USED AGAINST NORMAL LIMIT.—For purposes of subparagraph (A), the portion of the regular investment tax credit for any taxable year not used against the normal limitation is the excess (if any) of—

"(i) the portion of the credit under subsection (a) which is attributable to the application of the regular percentage under section 46, over

"(ii) the limitation of paragraph (1) (without regard to this paragraph) reduced by the portion of the credit under subsection (a) which is not so attributable.

"(C) LIMITATION.—In no event shall this paragraph permit the allowance of a credit which would result in a net chapter 1 tax less than an amount equal to 10 percent of the amount determined under section 55(b)(1)(A) without regard to the alternative tax net operating loss deduction. For purposes of the preceding sentence, the term 'net chapter 1 tax' means the sum of the regular tax liability for the taxable year and the tax imposed by section 55 for the taxable year, reduced by the sum of the credits allowable under this part for the taxable year (other than under section 34)."

(B) Subsection (c) of section 38 of the 1986 Code is amended—

(i) by redesignating paragraph (4) as paragraph (3), and

(ii) by striking out "subparagraphs (A) and (B) of paragraph (1)" each place it appears in such paragraph and inserting in lieu thereof "subparagraph (B) of paragraph (1).

(3)(A) Subsection (c) of section 47 of the 1986 Code is amended by striking out "or D" and inserting in lieu thereof "D, or G".

(B) Subparagraph (D) of section 42(j)(4) of the 1986 Code is amended by striking out "or D" and inserting in lieu thereof "D, or G".

(4) The last sentence of clause (ii) of section 53(d)(1)(B) of the 1986 Code is amended by striking out "earnings and profits" and inserting in lieu thereof "current earnings".

(5) Sections 173(b), 174(e)(2), and 263(c) of the 1986 Code are each amended by striking out "section 59(d)" and inserting in lieu thereof "section 59(e)".

(6) Section 511 of the 1986 Code is amended by striking out subsection (d).

(7) Sections 616(e) and 617(j) of the 1986 Code are each amended by striking out "section 58(i)" and inserting in lieu thereof "section 59(e)".

(8) Paragraph (4) of section 701(c) of the Reform Act is amended by striking out "section 631(a)" and inserting in lieu thereof "section 221(a)".

(9) Subparagraph (B) of section 1362(e)(5) of the 1986 Code is amended by striking out "Subsection (d)(2)" and inserting in lieu thereof "Subsection (d)".

(10) Subsection (a) of section 6154 of the 1986 Code (as in effect before its repeal by the Revenue Act of 1987) is amended by striking out "11, 59A" and inserting in lieu thereof "11, 55, 59A".

(11) Paragraph (1) of section 962(a) of the 1986 Code is amended—

(A) by striking out "section 1" and inserting in lieu thereof "sections 1 and 55", and

(B) by striking out "section 11" and inserting in lieu thereof "sections 11 and 55".

(12) Subsection (h) of section 32 of the 1986 Code is amended by striking out "for taxpayers other than corporations".

(13)(A) Subsection (d) of section 2 of the 1986 Code is amended by striking out "the tax imposed by section 1" and inserting in lieu thereof "the taxes imposed by sections 1 and 55".

(B) Subsection (d) of section 11 of the 1986 Code is amended by striking out "the tax imposed by subsection (a)" and inserting in lieu thereof "the taxes imposed by subsection (a) and section 55".

SEC. 1008. AMENDMENTS RELATED TO TITLE VIII OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 801 OF THE REFORM ACT.—

(1)(A) Subparagraph (B) of section 448(d)(2) of the 1986 Code (defining qualified personal service corporation) is amended by striking out "or indirectly" and inserting in lieu thereof "(or indirectly through 1 or more partnerships, S corporations, or qualified personal service corporations not described in paragraph (2) or (3) of subsection (a))".

(B) Section 448(d) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(8) USE OF RELATED PARTIES, ETC.—The Secretary shall prescribe such regulations as may be necessary to prevent the use of related parties, pass-thru entities, or intermediaries to avoid the application of this section."

(2) Subparagraph (C) of section 448(d)(4) of the 1986 Code (relating to special rules for application of paragraph (2)) is amended by striking out "all such members" and inserting in lieu thereof "such group".

(3) Paragraph (2) of section 461(i) of the 1986 Code is amended to read as follows:

"(2) SPECIAL RULE FOR SPUDDING OF OIL OR GAS WELLS.—

"(A) IN GENERAL.—In the case of a tax shelter, economic performance with respect to amounts paid during the taxable year for drilling an oil or gas well shall be treated as having occurred within a taxable year if drilling of the well commences before the close of the 90th day after the close of the taxable year.

"(B) DEDUCTION LIMITED TO CASH BASIS.—

"(i) TAX SHELTER PARTNERSHIPS.—In the case of a tax shelter which is a partnership, in applying section 704(d) to a deduction or loss for any taxable year attributable to an item which is deductible by reason of subparagraph (A), the term 'cash basis' shall be substituted for the term 'adjusted basis'.

"(ii) OTHER TAX SHELTERS.—Under regulations prescribed by the Secretary, in the case of a tax shelter other than a partnership, the aggregate amount of the deductions allowable by reason of subparagraph (A) for any taxable year shall be limited in a manner similar to the limitation under clause (i).

"(C) CASH BASIS DEFINED.—For purposes of subparagraph (B), a partner's cash basis in a partnership shall be equal to the adjusted basis of such partner's interest in the partnership, determined without regard to—

"(i) any liability of the partnership, and

"(ii) any amount borrowed by the partner with respect to such partnership which—

"(I) was arranged by the partnership or by any person who participated in the organization, sale, or management of the partnership (or any person related to such person within the meaning of section 465(b)(3)(C)), or

"(II) was secured by any asset of the partnership."

(4) Section 464 of the 1986 Code (relating to limitations on deductions for certain farming expenses) is amended by adding at the end thereof the following new subsection:

"(g) TERMINATION.—Except as provided in subsection (f), subsections (a) and (b) shall not apply to any taxable year beginning after December 31, 1986."

(5) Paragraph (4) of section 801(d) of the Reform Act is amended by striking out "the completed contract method" and inserting in lieu thereof "a method of accounting for long-term contracts".

(6) Section 801(d) of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(5) SPECIAL RULE FOR PARAGRAPHS (2) AND (3).—If any loan, lease, contract, or evidence of any transaction to which paragraph (2) or (3) applies is transferred after June 10, 1987, to a person other than a related party (within the meaning of paragraph (2)), paragraph (2) or (3) shall cease to apply on and after the date of such transfer."

(7) Paragraph (3) of section 448(d) of the 1986 Code is amended by adding at the end thereof the following new sentence: "An S corporation shall not be treated as a tax shelter for purposes of this section merely by reason of being required to file a notice of exemption from registration with a State agency described in section 461(i)(3)(A), but only if there is a requirement applicable to all corporations offering securities for sale in the State that to be exempt from such registration the corporation must file such a notice."

(8) Subparagraph (C) of section 448(d)(4) of the 1986 Code is amended by striking out "substantially all of" and inserting in lieu thereof "90 percent or more of".

(9) Paragraph (3) of section 448(c) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(D) TREATMENT OF PREDECESSORS.—Any reference in this subsection to an entity shall include a reference to any predecessor of such entity."

(b) AMENDMENTS RELATED TO SECTION 803 OF THE REFORM ACT.—

(1) Paragraph (2) of section 263A(a) of the 1986 Code is amended by adding at the end thereof the following new sentence: "Any cost which (but for this subsection) could not be taken into account in computing taxable income for any taxable year shall not be treated as a cost described in this paragraph."

(2) Section 263A(c) of the 1986 Code (relating to general exceptions) is amended—

(A) by striking out "263(c), 616(a), or 617(a)" and inserting in lieu thereof "263(c), 263(i), 291(b)(2), 616, or 617", and

(B) by adding at the end thereof the following new paragraph:

"(6) COORDINATION WITH SECTION 59(E).—Paragraphs (2) and (3) shall apply to any amount allowable as a deduction under section 59(e) for qualified expenditures described in subparagraphs (B), (C), (D), and (E) of paragraph (2) thereof."

(3) Subparagraph (B) of section 263A(d)(2) of the 1986 Code (relating to special rule for person with minority interest who materially participates) is amended—

(A) by striking out "such grove, orchard, or vineyard" in clause (i) and inserting in lieu thereof "the plants described in subparagraph (A) at all times during the taxable year in which such amounts were paid or incurred", and

(B) by striking out "such grove, orchard, or vineyard during the 4-taxable year period beginning with the taxable year in which the grove, orchard, or vineyard was lost or damaged" and inserting in lieu thereof "the plants described in subparagraph (A) during the taxable year in which such amounts were paid or incurred".

(4) Paragraph (3) of section 263A(f) of the 1986 Code (relating to interest relating to property used to produce property) is amended—

(A) by striking out "incurred or continued in connection with" and inserting in lieu thereof "allocable (as determined under paragraph (2)) to", and

(B) by inserting "(as so determined)" after "allocable".

(5) Section 447(b) of the 1986 Code is amended—

(A) by striking out "of" before "expenses", and

(B) by striking out "OF" before "EXPENSES" in the heading thereof.

(6) Section 447(g)(1) of the 1986 Code is amended by striking out "trade or business of farming" each place it appears and inserting in lieu thereof "qualified farming trade or business".

(7) Paragraph (4)(A)(i) of section 803(d) of the Reform Act is amended by striking out "203" each place it appears and inserting in lieu thereof "204".

(8) The allocation used in the regulations prescribed under section 263A(h)(2) of the Internal Revenue Code of 1986 for apportioning storage costs and related handling costs shall be determined by dividing the amount of such costs by the beginning inventory balances and the purchases during the year and by multiplying the resulting allocation ratio by inventory amounts determined in accordance with the provisions of the joint explanatory statement of the committee of conference of the conference report accompanying H.R. 3838 (H.R. Rept. No. 99-841, Vol. II., 99th Cong., 2d Sess. II-306-307 (1986)).

(c) AMENDMENTS RELATED TO SECTION 804 OF THE REFORM ACT.—

(1) Paragraph (3) of section 460(b) of the 1986 Code is amended—

(A) by striking out "subparagraph" and inserting in lieu thereof "paragraph",

(B) by striking out "paragraph (1)" each place it appears in subparagraph (B) and inserting in lieu thereof "subparagraph (A)", and

(C) by striking out "paragraph (1)" in subparagraph (C) and inserting in lieu thereof "subparagraph (B)".

(2)(A) Section 460(b) of the 1986 Code (relating to percentage of completion method) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULES.—

"(A) SIMPLIFIED METHOD OF COST ALLOCATION.—In the case of any long-term contract, the Secretary may prescribe a simplified procedure for allocation of costs to such contract in lieu of the method of allocation under subsection (c).

"(B) LOOK-BACK METHOD NOT TO APPLY TO CERTAIN CONTRACTS.—Paragraph (2)(B) and subsection (a)(2) shall not apply to any contract—

"(i) the gross price of which (as of the completion of the contract) does not exceed the lesser of—

"(I) $1,000,000, or

"(II) 1 percent of the average annual gross receipts of the taxpayer for the 3 taxable years preceding the taxable year in which the contract was completed, and

"(ii) which is completed within 2 years of the contract commencement date.

For purposes of this subparagraph, rules similar to the rules of subsections (e)(2) and (f)(3) shall apply."

(B) Section 460(b)(2) of the 1986 Code is amended by striking out "In" and inserting in lieu thereof "Except as provided in paragraph (4), in".

(3) Subparagraph (B) of section 804(d)(2) of the Reform Act is amended by striking out "section 263A(c)(5)" and inserting in lieu thereof "section 460(c)(5)".

(4)(A) Paragraph (3) of section 460(b) of the 1986 Code is amended by adding at the end thereof the following new sentences:

"For purposes of the preceding sentence, any amount received or accrued after completion of the contract shall be taken into account by discounting (using the Federal mid-term rate determined under section 1274(d) as of the time such amount was received or accrued) such amount to its value as of the completion of the contract. The taxpayer may elect with respect to any contract to have the preceding sentence not apply to such contract."

(B) Subparagraph (B) of section 460(b)(2) of the 1986 Code is amended by striking out "completion of the contract" and inserting in lieu thereof "completion of the contract (or, with respect to any amount received or accrued after completion of the contract, when such amount is so received or accrued)".

(d) AMENDMENT RELATED TO SECTION 805 OF THE REFORM ACT.—

(1) Section 166(d)(1)(A) of the 1986 Code is amended by striking out "subsections (a) and (c)" and inserting in lieu thereof "subsection (a)".

(2) Subsection (b) of section 805 of the Reform Act is amended by inserting ", as amended by section 901(d)(4)," after "Section 166".

(3) Subsection (a) of section 582 of the 1986 Code is amended by striking out "subsections (a), (b), and (c) of section 166" and inserting in lieu thereof "subsections (a) and (b) of section 166".

(e) AMENDMENTS RELATED TO SECTION 806 OF THE REFORM ACT.—

(1)(A) Clause (i) of section 706(b)(1)(B) of the 1986 Code is amended to read as follows:

"(i) the majority interest taxable year (as defined in paragraph (4)),".

(B) Paragraph (4) of section 706(b) of the 1986 Code is amended to read as follows:

"(4) MAJORITY INTEREST TAXABLE YEAR; LIMITATION ON REQUIRED CHANGES.—

"(A) MAJORITY INTEREST TAXABLE YEAR DEFINED.—For purposes of paragraph (1)(B)(i)—

"(i) IN GENERAL.—The term 'majority interest taxable year' means the taxable year (if any) which, on each testing day, constituted the taxable year of 1 or more partners having (on such day) an aggregate interest in partnership profits and capital of more than 50 percent.

"(ii) TESTING DAYS.—The testing days shall be—

"(I) the 1st day of the partnership taxable year (determined without regard to clause (i)), or

"(II) the days during such representative period as the Secretary may prescribe.

"(B) FURTHER CHANGE NOT REQUIRED FOR 3 YEARS.—Except as provided in regulations necessary to prevent the avoidance of this section, if, by reason of paragraph (1)(B)(i), the taxable year of a partnership is changed, such partnership shall not be required to change to another taxable year for either of the 2 taxable years following the year of change."

(2) Clause (iii) of section 706(b)(1)(B) of the 1986 Code is amended by striking out "or such other period as the Secretary may prescribe in regulations" and inserting in lieu thereof "unless the Secretary by regulations prescribes another period".

(3) Section 706(b) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) APPLICATION WITH OTHER SECTIONS.—Except as provided in regulations, for purposes of determining the taxable year to which a partnership is required to change by reason of this subsection, changes in taxable years of other persons required by this subsection, section 441(i), section 584(h), section 645, or section 1378(a) shall be taken into account."

(4) Paragraph (2) of section 441(i) of the 1986 Code (defining personal service corporation) is amended by adding at the end thereof the following:

"A corporation shall not be treated as a personal service corporation unless more than 10 percent of the stock (by value) in such corporation is held by employee-owners (within the meaning of section 269A(b)(2), as modified by the preceding sentence). If a corporation is a member of an affiliated group filing a consolidated return, all members of such group shall be taken into account in determining whether such corporation is a personal service corporation."

(5)(A) Section 584 of the 1986 Code (relating to common trust funds) is amended by adding at the end thereof the following new subsection:

"(h) TAXABLE YEAR OF COMMON TRUST FUND.—For purposes of this subtitle, the taxable year of any common trust fund shall be the calendar year."

(B) The amendment made by subparagraph (A) shall take effect as if included in the amendments made by section 806 of the Reform Act, except that section 806(e)(1) shall be applied by substituting "December 31, 1987" for "December 31, 1986". For purposes of section 806(e)(2) of the Reform Act—

(i) a participant in a common trust fund shall be treated in the same manner as a partner, and

(ii) subparagraph (C) thereof shall be applied by substituting "December 31, 1987" for "December 31, 1986" and as if it did not contain the election to include all income in the short taxable year.

(6) Section 806(c)(2) of the Reform Act is amended by striking out "Section 267(a)" and inserting in lieu thereof "Section 267(a)(2)".

(7) Subparagraph (C) of section 806(e)(2) of the Reform Act is amended—

(A) by striking out "(including such short taxable year)", and

(B) by striking out "short taxable year" the second place it appears and inserting in lieu thereof "the partner's or shareholder's taxable year with or within which the partnership's or S corporation's short taxable year ends".

(8) Section 806(e)(2) of the Reform Act is amended—

(A) by striking out "any taxable year" and inserting in lieu thereof "the taxpayer's first taxable year beginning after December 31, 1986", and

(B) by striking out "taxpayer" each place it appears and inserting in lieu thereof "partnership, S corporation, or personal service corporation".

(9) Nothing in section 806 of the Reform Act or in any legislative history relating thereto shall be construed as requiring the Secretary of the Treasury or his delegate to permit an automatic change of a taxable year.

(10) Subsection (e) of section 806 of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(3) BASIS, ETC. RULES.—

"(A) BASIS RULE.—The adjusted basis of any partner's interest in a partnership or shareholder's stock in an S corporation shall be determined as if all of the income to be taken into account ratably in the 4 taxable years referred to in paragraph (2)(C) were included in gross income for the 1st of such taxable years.

"(B) TREATMENT OF DISPOSITIONS.—If any interest in a partnership or stock in an S corporation is disposed of before the last taxable year in the spread period, all amounts which would be included in the gross income of the partner or shareholder for subsequent taxable years in the spread period under paragraph (2)(C) and attributable to the interest or stock disposed of shall be included in gross income for the taxable year in which the disposition occurs. For purposes of the preceding sentence, the term 'spread period' means the period consisting of the 4 taxable years referred to in paragraph (2)(C)."

(f) AMENDMENTS RELATED TO SECTION 811 OF THE REFORM ACT.—

(1) Paragraph (4) of section 453C(b) of the 1986 Code is amended—

(A) by striking out "at any time during" and inserting in lieu thereof "as of the close of", and

(B) by striking out "as of the close of such taxable year in lieu" and inserting in lieu thereof "as of the close of such taxable year (determined by not taking into account any indebtedness described in paragraph (3)(B)) in lieu".

(2) So much of paragraph (2) of section 453C(d) of the 1986 Code as precedes subparagraph (A) is amended to read as follows:

"(2) EXCESS ALLOCABLE INSTALLMENT INDEBTEDNESS.—If the allocable installment indebtedness for any taxable year exceeds the amount which may be allocated under paragraph (1) to applicable installment obligations arising in (and outstanding as of the close of) such taxable year, such excess shall—".

(3) Subparagraph (A) of section 453C(e)(1) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"Such term also includes any obligation held by any person if the basis of such obligation in the hands of such person is determined (in whole or in part) by reference to the basis of such obligation in the hands of another person and such obligation was an applicable installment obligation in the hands of such other person."

(4) Paragraph (2) of section 453C(e) of the 1986 Code (relating to aggregation rules) is amended by striking out "For" and inserting in lieu thereof "Except as provided in regulations, for".

(5) Subparagraph (B) of section 453C(e)(4) of the 1986 Code is amended by striking out "or (3)".

(6) Paragraph (4) of section 811(c) of the Reform Act is amended by striking out the second subparagraphs (D) and (E).

(7) Paragraph (5) of section 811(c) of the Reform Act is amended by striking out "October 23, 1985" each place it appears and inserting in lieu thereof "October 23, 1984".

(8) Section 811(c) of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(9) SPECIAL RULES.—For purposes of section 453C of the 1986 Code (as added by subsection (a))—

"(A) REVOLVING CREDIT PLANS, ETC.—The term 'applicable installment obligation' shall not include any obligation arising out of any disposition or sale described in paragraph (1) or (2) of section 453(k) of such Code (as added by section 812(a)).

"(B) CERTAIN DISPOSITIONS DEEMED MADE ON FIRST DAY OF TAXABLE YEAR.—In the case of a taxpayer's 1st taxable year ending after December 31, 1986, dispositions after February 28, 1986, and before the 1st day of such taxable year shall be treated as made on such 1st day."

(9) For purposes of applying the amendments made by this subsection and the amendments made by section 10202 of the Revenue Act of 1987, the provisions of this subsection shall be treated as having been enacted immediately before the enactment of the Revenue Act of 1987.

(g) AMENDMENTS RELATED TO SECTION 812 OF THE REFORM ACT.—

(1) Section 453 of the 1986 Code is amended by redesignating the subsection (j) added by section 812 of the Reform Act as subsection (k).

(2) Subsection (c) of section 453A of the 1986 Code (as in effect on the date before the date of the enactment of the Revenue Act of 1987) is amended by striking out "453(j)" and inserting in lieu thereof "453(k)".

(3) Paragraph (1) of section 812(c) of the Reform Act is amended by striking out "paragraph (2)" and inserting in lieu thereof "paragraphs (2) and (3)".

(4) Subsection (c) of section 812 of the Reform Act is amended by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) SALES OF STOCK, ETC.—Section 453(k)(2) of the Internal Revenue Code of 1986, as added by subsection (a), shall apply to sales after December 31, 1986, in taxable years ending after such date."

(5) Paragraph (3) of section 812(c) of the Reform Act (as so redesignated) is amended by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following:

"(B) such change shall be treated as having been made with the consent of the Secretary,

"(C) the period for taking into account adjustments under section 481 of such Code by reason of such change shall be equal to 4 years, and

"(D) except as provided in paragraph (4), the amount taken into account in each of such 4 years shall be the applicable percentage (determined in accordance with the following table) of the net adjustment:

"In the case of the:	The applicable percentage is:
1st taxable year.......	15
2nd taxable year.....	25
3rd taxable year......	30
4th taxable year......	30.

If the taxpayer's last taxable year beginning before January 1, 1987, was the taxpayer's 1st taxable year in which sales were made under a revolving credit plan, all adjustments under section 481 of such Code shall be taken into account in the taxpayer's 1st taxable year beginning after December 31, 1986."

(6) Subsection (c) of section 812 of the Reform Act is amended by adding at the end thereof the following new paragraphs:

"(4) ACCELERATION OF ADJUSTMENTS WHERE CONTRACTION IN AMOUNT OF INSTALLMENT OBLIGATIONS.—

"(A) IN GENERAL.—If the percentage determined under subparagraph (B) for any taxable year in the adjustment period exceeds the percentage which would otherwise apply under paragraph (3)(D) for such taxable year (determined after the application of this paragraph for prior taxable years in the adjustment period)—

"(i) the percentage determined under subparagraph (B) shall be substituted for the applicable percentage which would otherwise apply under paragraph (3)(D), and

"(ii) any increase in the applicable percentage by reason of clause (i) shall be applied to reduce the applicable percentage determined under paragraph (3)(D) for subsequent taxable years in the adjustment period (beginning with the 1st of such subsequent taxable years).

"(B) DETERMINATION OF PERCENTAGE.—For purposes of subparagraph (A), the percentage determined under this subparagraph for any taxable year in the adjustment period is the excess (if any) of—

"(i) the percentage determined by dividing the aggregate contraction in revolving installment obligations by the aggregate face amount of such obligations outstanding as of the close of the taxpayer's last taxable year beginning before January 1, 1987, over

"(ii) the sum of the applicable percentages under paragraph (3)(D) (as modified by this paragraph) for prior taxable years in the adjustment period.

"(C) AGGREGATE CONTRACTION IN REVOLVING INSTALLMENT OBLIGATIONS.—For purposes of subparagraph (B), the aggregate contraction in revolving installment obligations is the amount by which—

"(i) the aggregate face amount of the revolving installment obligations outstanding as of the close of the taxpayer's last taxable year beginning before January 1, 1987, exceeds

"(ii) the aggregate face amount of the revolving installment obligations outstanding as of the close of the taxable year involved.

"(D) REVOLVING INSTALLMENT OBLIGATIONS.—For purposes of this paragraph, the term 'revolving installment obligations' means installment obligations arising under a revolving credit plan.

"(E) TREATMENT OF CERTAIN OBLIGATIONS DISPOSED OF ON OR BEFORE OCTOBER 26, 1987.—For purposes of subparagraphs (B)(i) and (C)(i), in determining the aggregate face amount of revolving installment obligations outstanding as of the close of the taxpayer's last taxable year beginning before January 1, 1987, there shall not be taken into account any obligation—

"(i) which was disposed of to an unrelated person on or before October 26, 1987, or

"(ii) was disposed of to an unrelated person on or after such date pursuant to a binding written contract in effect on October 26, 1987, and at all times thereafter before such disposition.

For purposes of the preceding sentence, the term 'unrelated person' means any person who is not a related person (as defined in section 453(g) of the Internal Revenue Code of 1986).

"(5) LIMITATION ON LOSSES FROM SALES OF OBLIGATIONS UNDER REVOLVING CREDIT PLANS.—If 1 or more obligations arising under a revolving credit plan and taken into account under paragraph (3) are disposed of during the adjustment period, then, notwithstanding any other provision of law—

"(A) no losses from such dispositions shall be recognized, and

"(B) the aggregate amount of the adjustment for taxable years in the adjustment period (in reverse order of time) shall be reduced by the amount of such losses.

"(6) ADJUSTMENT PERIOD.—For purposes of paragraphs (4) and (5), the adjustment period is the 4-year period under paragraph (3)."

(h) AMENDMENT RELATED TO SECTION 821 OF THE REFORM ACT.—Section 821(b)(3) of the Reform Act is amended by adding at the end thereof the following new sentence: "The preceding sentence shall also apply to any taxable year beginning after August 16, 1986, and before January 1, 1987, if the taxpayer treated such income in the same manner for the taxable year preceding such taxable year."

(i) AMENDMENT RELATED TO SECTION 822 OF THE REFORM ACT.—Paragraph (1) of section 703(b) of the 1986 Code is amended by striking out "or (d)(4)".

(j) AMENDMENTS RELATED TO SECTION 824 OF THE REFORM ACT.—

(1) Section 6501(o) of the 1986 Code which relates to cross references is amended by striking out paragraph (3).

(2) Paragraph (4) of section 824(c) of the Reform Act is amended by striking out "an indemnity agreement" and inserting in lieu thereof "an underwriting agreement".

SEC. 1009. AMENDMENTS RELATED TO TITLE IX OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 901 OF THE REFORM ACT.—

(1) Subparagraph (C) of section 46(e)(4) of the 1986 Code is amended by adding at the end thereof the following new sentences: "Notwithstanding the preceding provisions of this subparagraph, any such election shall terminate effective with respect to the 1st taxable year of the organization making such election which begins after 1986 and during which such organization (or any successor organization) was not at any time the lessee under any lease of regular investment tax credit property. For purposes of the preceding sentence, the term 'regular investment tax credit property' means any section 38 property if the regular percentage applied to such property and the amount of qualified investment with respect to such property would have been reduced under paragraph (1) but for an election under this subparagraph."

(2)(A) Paragraph (5) of section 585(c) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) ELECTION MADE BY EACH MEMBER.—In the case of a parent-subsidiary controlled group, any election under this section shall be made separately by each member of such group."

(B) Subclause (I) of section 585(c)(3)(A)(iii) of the 1986 Code is amended by striking out "or such greater amount as the taxpayer may designate" and inserting in lieu thereof "or such higher percentage of such net amount as the taxpayer may elect".

(C) Clause (ii) of section 585(c)(3)(B) of the 1986 Code is amended by striking out "designates an amount" and inserting in lieu thereof "elects a higher percentage".

(3) Paragraph (4) of section 585(c) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"If the amount of the reserve referred to in subparagraph (B) as of the close of any taxable year exceeds the outstanding balance (as of such time) of the loans referred to in subparagraph (B), such excess shall be included in gross income for such taxable year."

(b) AMENDMENTS RELATED TO SECTION 902 OF THE REFORM ACT.—

(1) Paragraph (3) of section 902(f) of the Reform Act is amended—

(A) in subparagraph (F), by striking out "distribution company" and inserting in lieu thereof "distribution facility",

(B) in subparagraph (L), by striking out "waterfront project" and inserting in lieu thereof "2 Festival Market Place projects at Union Pier Terminal and 1 project at the Remount Road Container Yard, State Pier No. 15 at North Charleston Terminal",

(C) in subparagraph (M), by striking out "Pontabla" and inserting in lieu thereof "Pontalba",

(D) in subparagraph (P), by striking out "Birmingham, Alabama," and inserting in lieu thereof "Homewood, Alabama, the", and

(E) by adding at the end thereof the following new subparagraphs:

"(T) Bellows Falls, Vermont—building project.

"(U) East Broadway Project, Louisville, Kentucky.

"(V) O.K. Industries, Oklahoma."

(2) Paragraph (4) of section 902(f) of the Reform Act is amended by striking out "subparagraph" and inserting in lieu thereof "paragraph".

(3)(A) Paragraph (3) of section 265(b) of the 1986 Code is amended to read as follows:

"(3) EXCEPTION FOR CERTAIN TAX-EXEMPT OBLIGATIONS.—

"(A) IN GENERAL.—Any qualified tax-exempt obligation acquired after August 7, 1986, shall be treated for purposes of paragraph (2) and section 291(e)(1)(B) as if it were acquired on August 7, 1986.

"(B) QUALIFIED TAX-EXEMPT OBLIGATION.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the term 'qualified tax-exempt obligation' means a tax-exempt obligation—

"(I) which is issued after August 7, 1986, by a qualified small issuer,

"(II) which is not a private activity bond (as defined in section 141), and

"(III) which is designated by the issuer for purposes of this paragraph.

"(ii) CERTAIN BONDS NOT TREATED AS PRIVATE ACTIVITY BONDS.—For purposes of clause (i)(II), there shall not be treated as a private activity bond—

"(I) any qualified 501(c)(3) bond (as defined in section 145), or

"(II) any obligation issued to refund (or which is part of a series of obligations issued to refund) an obligation issued before August 8, 1986, which was not an industrial development bond (as defined in section 103(b)(2) as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) or a private loan bond (as defined in section 103(o)(2)(A), as so in effect, but without regard to any exemption from such definition other than section 103(o)(2)(A)).

"(C) QUALIFIED SMALL ISSUER.—

"(i) IN GENERAL.—For purposes of subparagraph (B), the term 'qualified small issuer' means, with respect to obligations issued during any calendar year, any issuer if the reasonably anticipated amount of tax-exempt obligations (other than obligations described in clause (ii)) which will be issued by such issuer during such calendar year does not exceed $10,000,000.

"(ii) OBLIGATIONS NOT TAKEN INTO ACCOUNT IN DETERMINING STATUS AS QUALIFIED SMALL ISSUER.—For purposes of clause (i), an obligation is described in this clause if such obligation is—

"(I) a private activity bond (other than a qualified 501(c)(3) bond, as defined in section 145),

"(II) an obligation to which section 141(a) does not apply by reason of section 1312, 1313, 1316(g), or 1317 of the Tax Reform Act of 1986 and which would (if issued on August 15, 1986) have been an industrial development bond (as defined in section 103(b)(2) as in effect on the day before the date of the enactment of such Act) or a private loan bond (as defined in section 103(o)(2)(A), as so in effect, but without regard to any exception from such definition other than section 103(o)(2)(A)), or

"(III) an obligation issued to refund (other than to advance refund within the meaning of section 149(d)(5)) any obligation to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation.

"(iii) ALLOCATION OF AMOUNT OF ISSUE IN CERTAIN CASES.—In the case of an issue under which more than 1 governmental entity receives benefits, if—

"(I) all governmental entities receiving benefits from such issue irrevocably agree (before the date of issuance of the issue) on an allocation of the amount of such issue for purposes of this subparagraph, and

"(II) such allocation bears a reasonable relationship to the respective benefits received by such entities,

then the amount of such issue so allocated to an entity (and only such amount with respect to such issue) shall be taken into account under clause (i) with respect to such entity.

"(D) LIMITATION ON AMOUNT OF OBLIGATIONS WHICH MAY BE DESIGNATED.—

"(i) IN GENERAL.—Not more than $10,000,000 of obligations issued by an issuer during any calendar year may be designated by such issuer for purposes of this paragraph.

"(ii) CERTAIN REFUNDINGS OF DESIGNATED OBLIGATIONS DEEMED DESIGNATED.—Except as provided in clause (iii), in the case of a refunding (or series of refundings) of a qualified tax-exempt obligation, the refunding obligation shall be treated as a qualified tax-exempt obligation (and shall not be taken into account under clause (i)) if—

"(I) the refunding obligation was not taken into account under subparagraph (C) by reason of clause (ii)(III) thereof,

"(II) the average maturity date of the refunding obligations issued as part of the issue of which such refunding obligation is a part is not later than the average maturity date of the obligations to be refunded by such issue, and

"(III) the refunding obligation has a maturity date which is not later than the date which is 30 years after the date the original qualified tax-exempt obligation was issued.

Subclause (II) shall not apply if the average maturity of the issue of which the original qualified tax-exempt obligation was a part (and of the issue of which the obligations to be refunded are a part) is 3 years or less. For purposes of this clause, average maturity shall be determined in accordance with section 147(b)(2)(A).

"(iii) CERTAIN OBLIGATIONS MAY NOT BE DESIGNATED OR DEEMED DESIGNATED.—No obligation issued as part of an issue may be designated under this paragraph (or may be treated as designated under clause (ii)) if—

"(I) any obligation issued as part of such issue is issued to refund another obligation, and

"(II) the aggregate face amount of such issue exceeds $10,000,000.

"(E) AGGREGATION OF ISSUERS.—For purposes of subparagraphs (C) and (D)—

"(i) an issuer and all entities which issue obligations on behalf of such issuer shall be treated as 1 issuer,

"(ii) all obligations issued by a subordinate entity shall, for purposes of applying subparagraphs (C) and (D) to each other entity to which such entity is subordinate, be treated as issued by such other entity, and

"(iii) an entity formed (or, to the extent provided by the Secretary, availed of) to avoid the purposes of subparagraph (C) or (D) and all entities benefiting thereby shall be treated as 1 issuer.

"(F) TREATMENT OF COMPOSITE ISSUES.—In the case of an obligation which is issued as part of a direct or indirect composite issue, such obligation shall not be treated as a qualified tax-exempt obligation unless—

"(i) the requirements of this paragraph are met with respect to such composite issue (determined by treating such composite issue as a single issue), and

"(ii) the requirements of this paragraph are met with respect to each separate lot of obligations which are part of the issue (determined by treating each such separate lot as a separate issue)."

(B) In the case of any obligation issued after August 7, 1986, and before January 1, 1987, the time for making a designation with respect to such obligation under section 265(b)(3)(B)(iii) of the 1986 Code shall not expire before January 1, 1989.

(C) If—

(i) an obligation is issued on or after January 1, 1986, and on or before August 7, 1986,

(ii) when such obligation was issued, the issuer made a designation that it intended to qualify under section 802(e)(3) of H.R. 3838 of the 99th Congress as passed by the House of Representatives, and

(iii) the issuer makes an election under this subparagraph with respect to such obligation,

for purposes of section 265(b)(3) of the 1986 Code, such obligation shall be treated as issued on August 8, 1986.

(D)(i) Except as provided in clause (ii), the following provisions of section 265(b)(3) of the 1986 Code (as amended by this subparagraph (A)) shall apply to obligations issued after June 30, 1987:

(I) subparagraph (C)(ii)(III),

(II) clauses (ii) and (iii) of subparagraph (D), and

(III) subparagraphs (E) and (F).

(ii) At the election of an issuer (made at such time and in such manner as the Secretary of the Treasury or his delegate may prescribe), the provisions referred to in clause (i) shall apply to such issuer as if included in the amendments made by section 902(a) of the Tax Reform Act of 1986.

(4) Subparagraph (B) of section 291(e)(1) of the 1986 Code is amended by redesignating the clause (iv) added by section 902(c)(2) of the Reform Act as clause (v).

(5) Clause (i) of section 291(e)(1)(B) of the 1986 Code is amended by striking out "section 582(a)(2)" and inserting in lieu thereof "section 585(a)(2)".

(6) Paragraph (1) of section 902(e) of the Reform Act is amended by striking out "Section 163(h)(12)" and inserting in lieu thereof "Section 163(i)(2) (as redesignated by section 511(b) of this Act)".

(7) Paragraph (4) of section 902(f) of the Reform Act is amended—

(A) by inserting "and qualified 501(c)(3) bonds designated by such Governor for purposes of this paragraph," after "1987),", and

(B) by striking out "subparagraph" in the last sentence and inserting in lieu thereof "paragraph".

(c) AMENDMENTS RELATED TO SECTION 903 OF THE REFORM ACT.—

(1) Paragraph (1) of section 172(b) of the 1986 Code is amended by redesignating subparagraphs (L) and (M) as subparagraphs (K) and (L), respectively.

(2) Subparagraph (A) of section 172(b)(1) of the 1986 Code is amended by striking out "Except" and all that follows down through "a net operating loss" and inserting in lieu thereof "Except as otherwise provided in this paragraph, a net operating loss".

(3) Subparagraph (B) of section 172(b)(1) of the 1986 Code is amended to read as follows:

"(B) Except as otherwise provided in this paragraph, a net operating loss for any taxable year ending after December 31, 1975, shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of the loss."

(d) AMENDMENTS RELATED TO SECTION 905 OF THE REFORM ACT.—

(1) Subsection (l) of section 165 of the 1986 Code is amended by redesignating paragraph (6) as paragraph (7) and by striking out paragraph (5) and inserting in lieu thereof the following:

"(5) ELECTION TO TREAT AS ORDINARY LOSS.—

"(A) IN GENERAL.—In lieu of any election under paragraph (1), the taxpayer may elect to treat the amount referred to in paragraph (1) for the taxable year as an ordinary loss described in subsection (c)(2) incurred during the taxable year.

"(B) LIMITATIONS.—

"(i) DEPOSIT MAY NOT BE FEDERALLY INSURED.—No election may be made under subparagraph (A) with respect to any loss on a deposit in a qualified financial institution if part or all of such deposit is insured under Federal law.

"(ii) DOLLAR LIMITATION.—With respect to each financial institution, the aggregate amount of losses attributable to deposits in such financial institution to which an election under subparagraph (A) may be made by the taxpayer for any taxable year shall not exceed $20,000 ($10,000 in the case of a separate return by a married individual). The limitation of the preceding sentence shall be reduced by the amount of any insurance proceeds under any State law which can reasonably be expected to be received with respect to losses on deposits in such institution.

"(6) ELECTION.—Any election by the taxpayer under this subsection for any taxable year—

"(A) shall apply to all losses for such taxable year of the taxpayer on deposits in the institution with respect to which such election was made, and

"(B) may be revoked only with the consent of the Secretary."

(2) Paragraph (1) of section 905(c) of the Reform Act is amended to read as follows:

"(1) IN GENERAL.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1981, and, except as provided in paragraph (2), the amendment made by subsection (b) shall apply to taxable years beginning after December 31, 1982."

(3) The subsection (f) of section 451 of the 1986 Code which was added by section 905(b) of the 1986 Reform Act is redesignated as subsection (g).

(4) If on the date of the enactment of this Act (or at any time before the date 1 year after such date of enactment) credit or refund of any overpayment of tax attributable to amendments made by section 905 of the Reform Act or by this subsection (or the assessment of any underpayment of tax so attributable) is barred by any law or rule of law—

(A) credit or refund of any such overpayment may nevertheless be made if claim therefore is filed before the date 1 year after such date of enactment, and

(B) assessment of any such underpayment may nevertheless be made if made before the date 1 year after such date of enactment.

SEC. 1010. AMENDMENTS RELATED TO TITLE X OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 1011 OF THE REFORM ACT.—

(1) Paragraph (1) of section 813(a) of the 1986 Code (relating to foreign life insurance companies) is amended by striking out "the special life insurance company deduction and".

(2) Paragraph (1) of section 1011(d) of the Reform Act is amended—

(A) by striking out "any bond" and inserting in lieu thereof "any market discount bond (as defined in section 1278 of the Internal Revenue Code of 1986)",

(B) by striking out "28 percent" and inserting in lieu thereof "31.6 percent", and

(C) by adding at the end thereof the following new sentence: "The preceding sentence shall apply only if the tax determined under the preceding sentence is less than the tax which would otherwise be imposed."

(3) Paragraph (2) of section 1011(d) of the Reform Act is amended to read as follows:

"(2) QUALIFIED LIFE INSURANCE COMPANY.—For purposes of paragraph (1), the term 'qualified life insurance company' means any life insurance company subject to tax under part I of subchapter L of chapter 1 of the Internal Revenue Code of 1986."

(b) AMENDMENTS RELATED TO SECTION 1012 OF THE REFORM ACT.—

(1) Clause (iv) of section 1012(c)(4)(C) of the Reform Act is amended to read as follows:

"(iv) dental benefit coverage provided by a Delta Dental Plans Association organization through contracts with independent professional service providers so long as the provision of such coverage is the principal activity of such organization."

(2) Clause (ii) of section 1012(c)(4)(C) of the Reform Act is amended by striking out "Association" and inserting in lieu thereof "Plan".

(3) The Secretary of the Treasury or his delegate may prescribe rules providing proper adjustments for taxpayers which become subject to subchapter L of chapter 1 of the 1986 Code by reason of the amendments made by section 1012 of the Reform Act with respect to short taxable years which begin during 1987 by reason of section 843 of such Code.

(4)(A) Paragraph (3) of section 501(m) of the 1986 Code is amended by striking out "and" at the end of subparagraph (C), by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(E) charitable gift annuities."

(B) Subsection (m) of section 501 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) CHARITABLE GIFT ANNUITY.—For purposes of paragraph (3)(E), the term 'charitable gift annuity' means an annuity if—

"(A) a portion of the amount paid in connection with the issuance of the annuity is allowable as a deduction under section 170 or 2055, and

"(B) the annuity is described in section 514(c)(5) (determined as if any amount paid in cash in connection with such issuance were property)."

(c) AMENDMENTS RELATED TO SECTION 1021 OF THE REFORM ACT.—

(1)(A) Subparagraph (C) of section 832(b)(7) of the 1986 Code (relating to special rules for determining premiums earned) is amended by striking out "this part" and inserting in lieu thereof "section 831(a)".

(B) The subparagraph heading for such subparagraph is amended by striking out "NONLIFE INSURANCE COMPANY" and inserting in lieu thereof "INSURANCE COMPANY TAXABLE UNDER SECTION 831(a)".

(2) Paragraph (7) of section 832(b) of the 1986 Code is amended by adding at the end thereof the following new subparagraphs:

"(D) TREATMENT OF COMPANIES WHICH BECOME TAXABLE UNDER SECTION 831(a).—

"(i) EXCEPTION TO PHASE-IN FOR COMPANIES WHICH WERE NOT TAXABLE, ETC., BEFORE 1987.—Subparagraph (C) of paragraph (4) shall not apply to any insurance company which, for each taxable year beginning before January 1, 1987, was not subject to the tax imposed by section 821(a) or 831(a) (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) by reason of being—

"(I) subject to tax under section 821(c) (as so in effect), or

"(II) described in section 501(c) (as so in effect) and exempt from tax under section 501(a).

"(ii) PHASE-IN BEGINNING AT LATER DATE FOR COMPANIES NOT 1ST TAXABLE UNDER SECTION 831(a) IN 1987.—In the case of an insurance company—

"(I) which was not subject to the tax imposed by section 831(a) for its 1st taxable year beginning after December 31, 1986, by reason of being subject to tax under section 831(b), or described in section 501(c) and exempt from tax under section 501(a), and

"(II) which, for any taxable year beginning before January 1, 1987, was subject to the tax imposed by section 821(a) or 831(a) (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986),

subparagraph (C) of paragraph (4) shall apply beginning with the 1st taxable year beginning after December 31, 1986, for which such company is subject to the tax imposed by section 831(a) and shall be applied by substituting the last day of the preceding taxable year for 'December 31, 1986' and the 1st day of the 7th succeeding taxable year for 'January 1, 1993'.

"(E) TREATMENT OF CERTAIN RECIPROCAL INSURERS.—In the case of a reciprocal (within the meaning of section 835(a)) which reports (as required by State law) on its annual statement reserves on unearned premiums net of premium acquisition expenses—

"(i) subparagraph (B) of paragraph (4) shall be applied by treating unearned premiums as including an amount equal to such expenses, and

"(ii) appropriate adjustments shall be made under subparagraph (c) of paragraph (4) to reflect the amount by which—

"(I) such reserves at the close of the most recent taxable year beginning before January 1, 1987, are greater or less than,

"(II) 80 percent of the sum of the amount under subclause (I) plus such premium acquisition expenses,"

(3) Paragraph (5) of section 832(e) of the 1986 Code is amended by striking out "and" at the end of subparagraph (A) and by striking out the period at the end of subparagraph (B) and inserting in lieu thereof a comma.

(d) AMENDMENTS RELATED TO SECTION 1022 OF THE REFORM ACT.—

(1) Section 832 of the 1986 Code (defining insurance company taxable income) is amended by adding at the end thereof the following new subsection:

"(g) DIVIDENDS WITHIN GROUP.—In the case of an insurance company subject to tax under section 831(a) filing or required to file a consolidated return under section 1501 with respect to any affiliated group for any taxable year, any determination under this part with respect to any dividend paid by one member of such group to another member of such group shall be made as if such group were not filing a consolidated return."

(2) Subclause (II) of section 832(b)(5)(B)(ii) of the 1986 Code (relating to losses incurred) is amended by inserting "(directly or indirectly)" after "attributable".

(3) For purposes of section 832(b)(5)(C)(i) of the 1986 Code, any stock or obligation acquired on or after August 8, 1986, by an insurance company subject to the tax imposed by section 831 of the 1986 Code (hereinafter in this paragraph referred to as the "acquiring company") from another insurance company so subject (hereinafter in this paragraph referred to as the "transferor company") shall be treated as acquired on the date on which such stock or obligation was acquired by the transferor company if—

(A) the transferor company acquired such stock or obligation before August 8, 1986, and

(B) at all times after the date on which such stock or obligation was acquired by the transferor company and before the date of the acquisition by the acquiring company, the transferor company and the acquiring company were members of the same affiliated group filing a consolidated return.

For purposes of the preceding sentence, the date on which the stock or obligation was acquired by the transferor company shall be determined with regard to any prior application of the preceding sentence. For purposes of this paragraph, if the acquiring corporation or transferor corporation was a party to a reorganization described in section 368(a)(1)(F) of the 1986 Code, any reference to such corporation shall include a reference to any predecessor thereof involved in such reorganization.

(e) AMENDMENTS RELATED TO SECTION 1023 OF THE REFORM ACT.—

(1) Subparagraph (B) of section 846(f)(6) of the 1986 Code (relating to special rule for certain accident and health insurance lines of business) is amended by striking out "paid during the year" and inserting in lieu thereof "paid in the middle of the year".

(2) Subsection (g) of section 846 of the 1986 Code is amended by striking out "and" at the end of paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(3) regulations providing appropriate adjustments in the application of this section to a taxpayer having a taxable year which is not the calendar year."

(3) Subsection (e) of section 1023 of the Reform Act (relating to discounting of unpaid losses and certain unpaid expenses) is amended by adding at the end thereof the following new paragraph:

"(4) APPLICATION OF FRESH START TO COMPANIES WHICH BECOME SUBJECT TO SECTION 831(A) TAX IN LATER TAXABLE YEAR.—If—

"(A) an insurance company was not subject to tax under section 831(a) of the Internal Revenue Code of 1986 for its 1st taxable year beginning after December 31, 1986, by reason of being—

"(i) subject to tax under section 831(b) of such Code, or

"(ii) described in section 501(c) of such Code and exempt from tax under section 501(a) of such Code, and

"(B) such company becomes subject to tax under such section 831(a) for any later taxable year,

paragraph (2) and subparagraphs (A) and (C) of paragraph (3) shall be applied by treating such later taxable year as its 1st taxable year beginning after December 31, 1986, and by treating the calendar year in which such later taxable year begins as 1987; and paragraph (3)(B) shall not apply."

(f) AMENDMENTS RELATED TO SECTION 1024 OF THE REFORM ACT.—

(1) Subparagraph (A) of section 831(b)(2) of the 1986 Code (relating to companies to which alternative tax applies) is amended by adding at the end thereof the following new sentence:

"The election under clause (ii) shall apply to the taxable year for which made and for all subsequent taxable years for which the requirements of clause (i) are met. Such an election, once made, may be revoked only with the consent of the Secretary."

(2) Subsection (a) of section 835 of the 1986 Code (relating to election by reciprocal) is amended by striking out "section 821(a)" and inserting in lieu thereof "section 831(a)".

(3) Subsection (f) of section 835 of the 1986 Code is amended by striking out "subsection (e)" and inserting in lieu thereof "subsection (d)".

(4) Paragraph (6) of section 243(b) of the 1986 Code (relating to special rules for insurance companies) is amended by striking out "or 821".

(5) Subsection (c) of section 543 of the 1986 Code (relating to gross income of insurance companies other than life or mutual) is amended—

(A) by striking out "OR MUTUAL" in the heading and inserting in lieu thereof "INSURANCE COMPANIES", and

(B) by striking out "life or mutual" in the text and inserting in lieu thereof "a life insurance company".

(6) Subsection (g) of section 816 of the 1986 Code (relating to burial and funeral benefit insurance companies) is amended by striking out "section 821 or".

(7) The table of sections for part II of subchapter L of chapter 1 of the 1986 Code (relating to other insurance companies) is amended by striking out the item relating to section 831 and inserting in lieu thereof the following new item:

"Sec. 831. Tax on insurance companies other than life insurance companies."

(8) Paragraph (1) of section 1024(d) of the Reform Act is amended by adding at the end thereof the following new sentence: "In the case of a company taxable under section 831(b) of the Internal Revenue Code of 1986 (as amended by subsection (a)), any amount included in gross income under this paragraph shall be treated as gross investment income."

(9) Section 831(b) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) LIMITATION ON USE OF NET OPERATING LOSSES.—For purposes of this part, except as provided in section 844, a net operating loss (as defined in section 172) shall not be carried—

"(A) to or from any taxable year for which the insurance company is not subject to the tax imposed by subsection (a), or

"(B) to any taxable year if, between the taxable year from which such loss is being carried and such taxable year, there is an intervening taxable year for which the insurance company was not subject to the tax imposed by subsection (a)."

(g) AMENDMENTS RELATED TO SECTION 1031 OF THE REFORM ACT.—

(1) Paragraph (1) of section 1031(a) of the Reform Act is amended by inserting "(whether made in a lump sum or a series of substantially equal payments over a period of not more than 6 years)" after "any initial payment".

(2) Paragraph (2) of section 1031(a) of the Reform Act is amended by striking out "initial payment" each place it appears and inserting in lieu thereof "initial payment referred to in paragraph (1)".

(3) Paragraph (2) of section 1031(a) of the Reform Act is amended by striking out "this title" each place it appears and inserting in lieu thereof "the Internal Revenue Code of 1986".

(h) SPECIAL RULE FOR MUTUAL LIFE INSURANCE COMPANY.—

(1) IN GENERAL.—Paragraph (2) of section 217(i) of the Tax Reform Act of 1984 is amended to read as follows:

"(2) EFFECT OF ELECTION ON SUBSIDIARIES OF ELECTING PARENT.—For purposes of determining the amount of the small life insurance company deduction of any controlled group which includes a mutual company which made an election under paragraph (1), the taxable income of such electing company shall be taken into account under section 806(b)(2) of the Internal Revenue Code of 1954 (relating to phaseout of small life insurance company deduction)."

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 1986, and before January 1, 1992.

(3) REVENUE LOSS LIMITED.—The decrease in the amount of Federal revenue by reason of the amendment made by this subsection shall not exceed $300,000 per taxable year.

(i) DELAY IN EFFECTIVE DATE FOR DIVERSIFICATION REQUIREMENTS WITH RESPECT TO ACCOUNTS FOR CERTAIN IMMEDIATE ANNUITIES.—Section 817(h) of the 1986 Code shall not apply until January 1, 1989, with respect to a variable contract (as defined in section 817(d) of the 1986 Code) if—

(1) such contract provides for the payment of an immediate annuity (as defined in section 72(u)(4) of the 1986 Code),

(2) such contract was outstanding on September 12, 1986, and

(3) the segregated asset account on which such contract is based was, on September 12, 1986, wholly invested in deposits insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

(j) TREATMENT OF ALTERNATIVE MINIMUM TAX WITH RESPECT TO SHAREHOLDERS SURPLUS ACCOUNT.—

(1) Paragraph (2) of section 815(c) of the 1986 Code (relating to shareholders surplus account) is amended by adding at the end thereof the following new sentence:

"If for any taxable year a tax is imposed by section 55, under regulations proper adjustments shall be made for such year and all subsequent taxable years in the amounts taken into account under subparagraphs (A) *and (B) of this paragraph and subparagraph (B) of subsection (d)(3)."*

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1986.

(k) TREATMENT OF CERTAIN ITEMS AS NOT INTEREST FOR SOURCE RULES, ETC.—Subsection (f) of section 818 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) ITEMS DESCRIBED IN SECTION 807(C) TREATED AS NOT INTEREST FOR SOURCE RULES, ETC.—For purposes of part I of subchapter N, items described in any paragraph of section 807(c) shall be treated as amounts which are not interest."

SEC. 1011. AMENDMENTS RELATED TO PARTS I AND II OF SUBTITLE A OF TITLE XI OF THE REFORM ACT.

(a) AMENDMENT RELATED TO SECTION 1101 OF THE REFORM ACT.—

(1) Paragraph (4) of section 219(g) of the 1986 Code (relating to special rule for married individuals filing separately) is amended to read as follows:

"(4) SPECIAL RULE FOR MARRIED INDIVIDUALS FILING SEPARATELY AND LIVING APART.—A husband and wife who—

"(A) file separate returns for any taxable year, and

"(B) live apart at all times during such taxable year,

shall not be treated as married individuals for purposes of this subsection."

(2)(A) Except as provided in subparagraph (B), the amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1987.

(B) A taxpayer may elect to have the amendment made by paragraph (1) apply to any taxable year beginning in 1987.

(b) AMENDMENTS RELATED TO SECTION 1102 OF THE REFORM ACT.—

(1) Sections 408(d)(2)(C) and 408(o)(4)(B)(iv) of the 1986 Code are each amended by striking out "with or within which the taxable year ends" and inserting in lieu thereof "in which the taxable year begins".

(2)(A) Section 408(d)(4) of the 1986 Code (relating to excess contributions returned before due date of return) is amended by striking out "to the extent that such contribution exceeds the amount allowable as a deduction under section 219".

(B) Section 408(d)(4) of the 1986 Code is amended—

(i) by striking out "excess" each place it appears, and

(ii) by striking out "EXCESS CONTRIBUTIONS" in the heading and inserting in lieu thereof "CONTRIBUTIONS".

(3) Sections 408(d)(5) and 4973(b) of the 1986 Code are each amended by striking out all that follows "section 219" in the last sentence thereof and inserting in lieu thereof "shall be computed without regard to section 219(g).".

(4)(A) Section 6693(b) of the 1986 Code (relating to overstatement of designated nondeductible contributions) is amended to read as follows:

"(b) PENALTIES RELATING TO NONDEDUCTIBLE CONTRIBUTIONS.—

"(1) OVERSTATEMENT OF DESIGNATED NONDEDUCTIBLE CONTRIBUTIONS.—Any individual who—

"(A) is required to furnish information under section 408(o)(4) as to the amount of designated nondeductible contributions made for any taxable year, and

"(B) overstates the amount of such contributions made for such taxable year,

shall pay a penalty of $100 for each such overstatement unless it is shown that such overstatement is due to reasonable cause.

"(2) FAILURE TO FILE FORM.—Any individual who fails to file a form required to be filed by the Secretary under section 408(o)(4) shall pay a penalty of $50 for each such failure unless it is shown that such failure is due to reasonable cause."

(B)(i) The heading for section 6693 of the 1986 Code is amended by striking out "overstatement of" and inserting in lieu thereof "penalties relating to".

(ii) The item relating to section 6693 in the table of sections for subchapter B of chapter 68 is amended by striking out "overstatement of" and inserting in lieu thereof "penalties relating to".

(c) AMENDMENTS RELATED TO SECTION 1105 OF THE REFORM ACT.—

(1) Section 402(g)(2)(C) of the 1986 Code (relating to taxation of distribution) is amended—

(A) by striking out "(and no tax shall be imposed under section 72(t))" in clause (i),

(B) by striking out "such excess deferral is made" in clause (ii) and inserting in lieu thereof "such income is distributed", and

(C) by inserting at the end thereof the following new flush sentence:

"No tax shall be imposed under section 72(t) on any distribution described in the preceding sentence."

(2) Section 402(g)(2) is amended by striking out "REQUIRED DISTRIBUTION" in the heading thereof and inserting in lieu thereof "DISTRIBUTION".

(3) Section 402(g)(2) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(D) PARTIAL DISTRIBUTIONS.—If a plan distributes only a portion of any excess deferral and income allocable thereto, such portion shall be treated as having been distributed ratably from the excess deferral and the income."

(4) Section 402(g)(3) of the 1986 Code (defining elective deferral) is amended by striking out "paragraph" and inserting in lieu thereof "subsection".

(5)(A) Clause (iii) of section 402(g)(8)(A) of the 1986 Code (relating to special rule for certain organizations) is amended by inserting "(determined in the manner prescribed by the Secretary)" after "taxable years".

(B) Section 402(g)(8) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(D) YEARS OF SERVICE.—For purposes of this paragraph, the term 'years of service' has the meaning given such term by section 403(b)."

(6)(A) Section 402(g) of the 1986 Code, as added by section 1852(b)(3)(A) of the Reform Act, is redesignated as subsection (i).

(B) Section 402(g) of the 1986 Code, as added by section 1854(f)(2) of the Reform Act, is redesignated as subsection (j).

(C) Section 1854(f)(4)(C) of the Reform Act is amended by striking out "section 402(g)" and inserting in lieu thereof "section 402(j)".

(7)(A) Section 401(a) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(30) LIMITATIONS ON ELECTIVE DEFERRALS.—In the case of a trust which is part of a plan under which elective deferrals (within the meaning of section 402(g)(3)) may be made with respect to any individual during a calendar year, such trust shall not constitute a qualified trust under this subsection unless the plan provides that the amount of such deferrals under such plan and all other plans, contracts, or arrangements of an employer maintaining such plan may not exceed the amount of the limitation in effect under section 402(g)(1) for taxable years beginning in such calendar year."

(B) Section 403(b)(1) of the 1986 Code is amended by striking out "and" at the end of subparagraph (C), by inserting "and" at the end of subparagraph (D), and by inserting after subparagraph (D) the following new subparagraph:

"(E) in the case of a contract purchased under a plan which provides a salary reduction agreement, the plan meets the requirements of section 401(a)(30),".

(C) Subparagraph (A) of section 408(k)(6) of the 1986 Code, as amended by subsection (f)(1), is amended by adding at the end thereof the following new clause:

"(iv) LIMITATIONS ON ELECTIVE DEFERRALS.—Clause (i) shall not apply to a simplified employee pension unless the requirements of section 401(a)(30) are met."

(D) Subparagraph (D) of section 501(c)(18) of the 1986 Code is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and by inserting after clause (iii) the following new clause:

"(iv) the requirements of section 401(a)(30) are met."

(E)(i) Except as provided in clause (ii), the amendments made by this paragraph shall apply to plan years beginning after December 31, 1987.

(ii) In the case of a plan described in section 1105(c)(2) of the Reform Act, the amendments made by this paragraph shall not apply to contributions made pursuant to an agreement described in such section for plan years beginning before the earlier of—

(I) the later of January 1, 1988, or the date on which the last of such agreements terminates (determined without regard to any extension thereof after February 28, 1986), or

(II) January 1, 1989.

(8) Section 1105(c)(2)(A) of the Reform Act is amended by striking out "the last of such collective bargaining agreements" and inserting in lieu thereof "such agreement".

(9) Section 1105(c) of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(6) REPORTING REQUIREMENTS.—The amendments made by subsection (b) shall apply to calendar years beginning after December 31, 1986."

(10) Notwithstanding any other provision of law, a plan may incorporate by reference the dollar limitations under section 402(g) of the Internal Revenue Code of 1986.

(11) Section 402(g)(3) of the 1986 Code is amended by inserting at the end thereof the following new sentence: "An employer contribution shall not be treated as an elective deferral described in subparagraph (C) if under the salary reduction agreement such contribution is made pursuant to a one-time irrevocable election made by the employee at the time of initial eligibility to participate in the agreement or is made pursuant to a similar arrangement specified in regulations."

(12) Subparagraph (A) of section 403(b)(12) of the 1986 Code is amended by inserting after clause (ii) the following new sentence:

"For purposes of clause (i), a contribution shall be treated as not made pursuant to a salary reduction agreement if under the agreement it is made pursuant to a 1-time irrevocable election made by the employee at

the time of initial eligibility to participate in the agreement or is made pursuant to a similar arrangement specified in regulations."

(d) AMENDMENTS RELATED TO SECTION 1106 OF THE REFORM ACT.—

(1) Section 404(l) of the 1986 Code (relating to limitation on amount of compensation which may be taken into account) is amended by adding at the end thereof the following new sentence: "For purposes of clause (i), (ii), or (iii) of subsection (a)(1)(A), and in computing the full funding limitation, any adjustment under the preceding sentence shall not be taken into account for any year before the year for which such adjustment first takes effect.".

(2) Section 415(b)(5)(D) of the 1986 Code (relating to application to changes in benefit structures) is amended by striking out "this paragraph" and inserting in lieu thereof "subparagraph (A)".

(3) Paragraph (2) of section 415(k) of the 1986 Code (relating to contributions to provide cost-of-living protection under defined benefit plans), as added by section 1106(c) of the Reform Act, is amended—

(A) by striking out "to the arrangement" in subparagraph (C)(ii) and inserting in lieu thereof "to such increase", and

(B) by striking out subparagraph (D) and inserting in lieu thereof:

"(D) ARRANGEMENT ELECTIVE; TIME FOR ELECTION.—An arrangement meets the requirements of this subparagraph only if it is elective, it is available under the same terms to all participants, and it provides that such election may at least be made in the year in which the participant—

"(i) attains the earliest retirement age under the defined benefit plan (determined without regard to any requirement of separation from service), or

"(ii) separates from service."

(4) Sections 401(a)(17) and 404(l) of the 1986 Code are each amended by adding at the end thereof the following new sentence: "In determining the compensation of an employee, the rules of section 414(q)(6) shall apply, except that in applying such rules, the term 'family' shall include only the spouse of the employee and any lineal descendants of the employee who have not attained age 19 before the close of the year."

(5) Paragraph (4) of section 1106(i) of the Reform Act is amended by striking the period at the end thereof and inserting in lieu thereof "(determined as if the amendments made by this section were in effect for such year).".

(6) Section 415(b)(5)(B) of the 1986 Code is amended by inserting "and subsection (e)" after "paragraphs (1)(B) and (4)".

(7) Subparagraph (A) of section 415(c)(6) of the 1986 Code is amended—

(A) by striking out "paragraph (c)(1)(A) (as adjusted for such year pursuant to subsection (d)(1))", and inserting in lieu thereof "paragraph (1)(A)"; and

(B) by striking out "paragraph (c)(1)(A) (as so adjusted)" and inserting in lieu thereof "paragraph (1)(A)".

(8) Sections 414(q)(1)(D) and 416(i)(1)(A)(i) of the 1986 Code are each amended by striking out "150 percent of the amount in effect under section 415(c)(1)(A)" and inserting in lieu thereof "50 percent of the amount in effect under section 415(b)(1)(A)".

(e) AMENDMENTS RELATED TO SECTION 1107 OF THE REFORM ACT.—

(1) Section 457(c)(2) of the 1986 Code is amended by striking out "and paragraphs (2) and (3) of subsection (b)".

(2) Section 457(d)(1)(A) of the 1986 Code (relating to distribution requirements) is amended to read as follows:

"(A) under the plan amounts will not be made available to participants or beneficiaries earlier than—

"(i) the calendar year in which the participant attains age 70½,

"(ii) when the participant is separated from service with the employer, or

"(iii) when the participant is faced with an unforeseeable emergency (determined in the manner prescribed by the Secretary in regulations)."

(3) Paragraph (7) of section 401(k) of the 1986 Code (defining rural electric cooperative plan) is amended to read as follows:

"(7) RURAL ELECTRIC COOPERATIVE PLAN.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'rural electric cooperative plan' means any pension plan—

"(i) which is a defined contribution plan (as defined in section 414(i)), and

"(ii) which is established and maintained by a rural electric cooperative.

"(B) RURAL ELECTRIC COOPERATIVE DEFINED.—For purposes of subparagraph (A), the term 'rural electric cooperative' means—

"(i) any organization which—

"(I) is exempt from tax under this subtitle or which is a State or local government or political subdivision thereof (or agency or instrumentality thereof), and

"(II) is engaged primarily in providing electric service on a mutual or cooperative basis,

"(ii) any organization described in paragraph (4) or (6) of section 501(c) and at least 80 percent of the members of which are organizations described in clause (i), and

"(iii) an organization which is a national association of organizations described in clause (i) or (ii)."

(4) Section 414(o) of the 1986 Code is amended by inserting "or any requirement under section 457" after "(n)(3)".

(5)(A) Paragraph (6) of section 818(a) of the 1986 Code (defining pension plan contracts) is amended—

(i) by striking out "State" in subparagraph (A),

(ii) by inserting "or any organization (other than a governmental unit) exempt from tax under this subtitle," after "foregoing," in subparagraph (B),

(iii) by striking out "or" before "agency" in subparagraph (B), and

(iv) by inserting ", or organization" after "instrumentality" the second place it appears in subparagraph (B).

(B) The amendments made by this paragraph shall apply to contracts issued after December 31, 1986.

(6) Section 1107(c)(3) of the Reform Act is amended—

(A) by striking out "eligible" each place it appears, and

(B) by inserting at the end of subparagraph (B) the following new sentence: "This subparagraph shall only apply to individuals who were covered under the plan and agreement on August 16, 1986."

(7) Paragraph (5) of section 1107(c) of the Reform Act is amended—

(A) by striking out "to employees on August 1, 1986, of",

(B) by striking out "a deferred compensation plan" in subparagraph (A) and inserting in lieu thereof "to employees on August 16, 1986,",

(C) by inserting "maintaining a deferred compensation plan" after "Alabama" in subparagraph (A), and

(D) by striking out "a deferred compensation plan" in subparagraph (B) and inserting in lieu thereof "to individuals eligible to participate on August 16, 1986, in a deferred compensation plan".

(8) Section 3121(v)(3)(A) of the 1986 Code is amended by striking out "457(e)(1)" and inserting in lieu thereof "457(f)(1)".

(9) Effective for years beginning after December 31, 1988, paragraph (9) of section 457(e) of the 1986 Code is amended by inserting "after separation from service and" before "within 60 days".

(10) Subclause (I) of section 457(d)(2)(B)(i) of the 1986 Code is amended to read as follows:

"(I) the amounts payable with respect to the participant will be paid at times specified by the Secretary which are not later than the time determined under section 401(a)(9)(G) (relating to incidental death benefits),".

(f) AMENDMENTS RELATED TO SECTION 1108 OF THE REFORM ACT.—

(1) Subparagraph (A) of section 408(k)(6) of the 1986 Code (relating to salary reduction arrangements under simplified employee pensions) is amended to read as follows:

"(A) ARRANGEMENTS WHICH QUALIFY.—

"(i) IN GENERAL.—A simplified employee pension shall not fail to meet the requirements of this subsection for a year merely because, under the terms of the pension, an employee may elect to have the employer make payments—

"(I) as elective employer contributions to the simplified employee pension on behalf of the employee, or

"(II) to the employee directly in cash.

"(ii) 50 PERCENT OF ELIGIBLE EMPLOYEES MUST ELECT.—Clause (i) shall not apply to a simplified employee pension unless an election described in clause (i)(I) is made or is in effect with respect to not less than 50 percent of the employees of the employer eligible to participate.

"(iii) REQUIREMENTS RELATING TO DEFERRAL PERCENTAGE.—Clause (i) shall not apply to a simplified employee pension for any year unless the deferral percentage for such year of each highly compensated employee eligible to participate is not more than the product of—

"(I) the average of the deferral percentages for such year of all employees (other than highly compensated employees) eligible to participate, multiplied by

"(II) 1.25."

(2) Section 408(k)(6)(B) of the 1986 Code (relating to exception where more than 25 employees) is amended by inserting "who were eligible to participate (or would have been required to be eligible to participate if a pension was maintained)" after "25 employees".

(3)(A) Section 408(k)(6)(D)(ii) of the 1986 Code (defining deferral percentage) is amended by striking out "(within the meaning of section 414(s))" and inserting in lieu thereof "(not in excess of the first $200,000)".

(B) Subparagraph (B) of section 408(k)(7) of the 1986 Code (defining compensation) is amended to read as follows:

"(B) COMPENSATION.—Except as provided in paragraph (2)(C), the term 'compensation' has the meaning given such term by section 414(s)."

(C) Subparagraph (C) of section 408(k)(3) of the 1986 Code is amended by striking out "total" before "compensation".

(D) Section 408(k)(8) of the 1986 Code is amended by striking out "paragraph (3)(C)" and inserting in lieu thereof "paragraphs (3)(C) and (6)(D)(ii)".

(4) Section 408(k)(6) of the 1986 Code (relating to employee may elect salary reduc-

tion arrangement) is amended by redesignating subparagraph (F) as subparagraph (G) and by inserting after subparagraph (E) the following new subparagraph:

"(F) EXCEPTION WHERE PENSION DOES NOT MEET REQUIREMENTS NECESSARY TO INSURE DISTRIBUTION OF EXCESS CONTRIBUTIONS.—This paragraph shall not apply with respect to any year for which the simplified employee pension does not meet such requirements as the Secretary may prescribe as are necessary to insure that excess contributions are distributed in accordance with subparagraph (C), including—

"(i) reporting requirements, and

"(ii) requirements which, notwithstanding paragraph (4), provide that contributions (and any income allocable thereto) may not be withdrawn from a simplified employee pension until a determination has been made that the requirements of subparagraph (A)(iii) have been met with respect to such contributions."

(5) Section 408(d) of the 1986 Code (relating to tax treatment of distributions) is amended by adding at the end thereof the following new paragraph:

"(7) SPECIAL RULES FOR SIMPLIFIED EMPLOYEE PENSIONS.—

"(A) TRANSFER OR ROLLOVER OF CONTRIBUTIONS PROHIBITED UNTIL DEFERRAL TEST MET.—Notwithstanding any other provision of this subsection or section 72(t), paragraph (1) and section 72(t)(1) shall apply to the transfer or distribution from a simplified employee pension of any contribution under a salary reduction arrangement described in subsection (k)(6) (or any income allocable thereto) before a determination as to whether the requirements of subsection (k)(6)(A)(iii) are met with respect to such contribution.

"(B) CERTAIN EXCLUSIONS TREATED AS DEDUCTIONS.—For purposes of paragraphs (4) and (5) and section 4973, any amount excludable or excluded from gross income under section 402(h) shall be treated as an amount allowable or allowed as a deduction under section 219."

(6) Subparagraph (C) of section 404(h)(1) of the 1986 Code is amended by inserting "(or during the taxable year in the case of a taxable year described in subparagraph (A)(ii))" after "taxable year" the second place it appears.

(7) Section 1108(h) of the Reform Act is amended to read as follows:

"(h) EFFECTIVE DATES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to years beginning after December 31, 1986.

"(2) INTEGRATION RULES.—Subparagraphs (D) and (E) of section 408(k)(3) of the Internal Revenue Code of 1954 (as in effect before the amendments made by this section) shall continue to apply for years beginning after December 31, 1986, and before January 1, 1989, except that employer contributions under an arrangement under section 408(k)(6) of the Internal Revenue Code of 1986 (as added by this section) may not be integrated under such subparagraphs."

(8) Section 209(e)(8) of the Social Security Act is amended to read as follows:

"(8) under a simplified employee pension (as defined in section 408(k)(1) of such Code), other than any contributions described in section 408(k)(6) of such Code,".

(9) Section 3401(a)(12)(C) of the 1986 Code is amended—

(A) by striking out "section 219" and inserting in lieu thereof "section 402(h) (1) and (2)", and

(B) by striking out "a deduction" and inserting in lieu thereof "an exclusion".

(10) Section 408(k)(8) of the 1986 Code is amended by inserting ", except that in the case of years beginning after 1988, the $200,000 amount (as so adjusted) shall not exceed the amount in effect under section 401(a)(17)" after "section 415(d)".

(g) AMENDMENTS RELATED TO SECTION 1111 OF THE REFORM ACT.—

(1)(A) Section 401(l)(2)(B) of the 1986 Code (defining contribution percentages) is amended by inserting "by the employer" after "contributed" each place it appears.

(B) Clause (ii) of section 401(l)(3)(A) of the 1986 Code is amended by inserting "attributable to employer contributions" after "benefits".

(2) Section 401(l)(5)(C) of the 1986 Code (defining average annual compensation) is amended to read as follows:

"(C) AVERAGE ANNUAL COMPENSATION.—The term 'average annual compensation' means the participant's highest average annual compensation for—

"(i) any period of at least 3 consecutive years, or

"(ii) if shorter, the participant's full period of service."

(3) Section 401(l)(5)(E) of the 1986 Code (defining covered compensation) is amended—

(A) by striking out "age 65" each place it appears" and inserting in lieu thereof "the social security retirement age", and

(B) by adding at the end thereof the following new clause:

"(iii) SOCIAL SECURITY RETIREMENT AGE.—For purposes of this subparagraph, the term 'social security retirement age' has the meaning given such term by section 415(b)(8)."

(4) Section 1111(c)(3) of the Reform Act is amended by striking out "benefits pursuant to, and individuals covered by, any such agreement in".

(h) AMENDMENTS RELATED TO SECTION 1112 OF THE REFORM ACT.—

(1) Section 410(b)(4)(B) of the 1986 Code (relating to exclusion of employees not meeting age and service requirements) is amended—

(A) by striking out "do not meet" and inserting in lieu thereof "not meeting", and

(B) by striking out "and".

(2) Section 410(b)(6) of the 1986 Code (relating to definitions and special rules) is amended by redesignating subparagraph (F) as subparagraph (G) and by adding after subparagraph (E) the following new subparagraph:

"(F) EMPLOYERS WITH ONLY HIGHLY COMPENSATED EMPLOYEES.—A plan maintained by an employer which has no employees other than highly compensated employees for any year shall be treated as meeting the requirements of this subsection for such year."

(3) Section 401(a)(26) of the 1986 Code (relating to additional participation requirements) is amended by redesignating subparagraph (F) as subparagraph (H) and by adding after subparagraph (E) the following new subparagraphs:

"(F) SPECIAL RULE FOR CERTAIN DISPOSITIONS OR ACQUISITIONS.—Rules similar to the rules of section 410(b)(6)(C) shall apply for purposes of this paragraph."

"(G) SEPARATE LINES OF BUSINESS.—At the election of the employer and with the consent of the Secretary, this paragraph may be applied separately with respect to each separate line of business of the employer. For purposes of this paragraph, the term 'separate line of business' has the meaning given such term by section 414(r) (without regard to paragraph (7) thereof)."

(4) Section 402(b)(2) of the 1986 Code (relating to failure to meet requirements of section 410(b)) is amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(A) HIGHLY COMPENSATED EMPLOYEES.—If 1 of the reasons a trust is not exempt from tax under section 501(a) is the failure of the plan of which it is a part to meet the requirements of section 401(a)(26) or 410(b), then a highly compensated employee shall, in lieu of the amount determined under paragraph (1), include in gross income for the taxable year with or within which the taxable year of the trust ends an amount equal to the vested accrued benefit of such employee (other than the employee's investment in the contract) as of the close of such taxable year of the trust.

"(B) FAILURE TO MEET COVERAGE TESTS.—If a trust is not exempt from tax under section 501(a) for any taxable year solely because such trust is part of a plan which fails to meet the requirements of section 401(a)(26) or 410(b), paragraph (1) shall not apply by reason of such failure to any employee who was not a highly compensated employee during—

"(i) such taxable year, or

"(ii) any preceding period for which service was creditable to such employee under the plan."

(5) Subsections (m)(4)(A) and (n)(3)(A) of section 414 of the 1986 Code are each amended by striking out "and (16)" and inserting in lieu thereof "(16), (17), and (26)".

(6) Clause (iii) of section 1112(e)(3)(A) of the Reform Act is amended by striking out "a plan or merger" and inserting in lieu thereof "the plan".

(7) Section 1112(e)(2) of the Reform Act is amended by striking out "employees covered by such agreement in".

(8) Subsection (e) of section 1112 of the Reform Act is amended by striking out paragraph (3)(C) and by adding at the end of such subsection the following new paragraph:

"(4) SPECIAL RULE FOR PLANS WHICH MAY NOT TERMINATE.—To the extent provided in regulations prescribed by the Secretary of the Treasury or his delegate, if a plan is prohibited from terminating under title IV of the Employee Retirement Income Security Act of 1974 before the 1st year to which the amendment made by subsection (b) would apply, the amendment made by subsection (b) shall only apply to years after the 1st year in which the plan is able to terminate."

(9) Subparagraph (B) of section 1112(e)(3) of the Reform Act is amended to read as follows:

"(B) INTEREST RATE FOR DETERMINING ACCRUED BENEFIT OF HIGHLY COMPENSATED EMPLOYEES FOR CERTAIN PURPOSES.—In the case of a termination, transfer, or distribution of assets of a plan described in subparagraph (A)(ii) before the 1st year to which the amendment made by subsection (b) applies—

"(i) AMOUNT ELIGIBLE FOR ROLLOVER, INCOME AVERAGING, OR TAX-FREE TRANSFER.—For purposes of determining any eligible amount, the present value of the accrued benefit of any highly compensated employee shall be determined by using an interest rate not less than the highest of—

"(I) the applicable rate under the plan's method in effect under the plan on August 16, 1986,

"(II) the highest rate (as of the date of the termination, transfer, or distribution) deter-

mined under any of the methods applicable under the plan at any time after August 15, 1986, and before the termination, transfer, or distribution in calculating the present value of the accrued benefit of an employee who is not a highly compensated employee under the plan (or any other plan used in determining whether the plan meets the requirements of section 401 of the Internal Revenue Code of 1986), or

"(III) 5 percent.

"(ii) ELIGIBLE AMOUNT.—For purposes of clause (i), the term 'eligible amount' means any amount with respect to a highly compensated employee which—

"(I) may be rolled over under section 402(a)(5) of such Code,

"(II) is eligible for income averaging under section 402(e)(1) of such Code, or capital gains treatment under section 402(a)(2) or 403(a)(2) of such Code (as in effect before this Act), or

"(III) may be transferred to another plan without inclusion in gross income.

"(iii) AMOUNTS SUBJECT TO EARLY WITHDRAWAL OR EXCESS DISTRIBUTION TAX.—For purposes of sections 72(t) and 4980A of such Code, there shall not be taken into account the excess (if any) of—

"(I) the amount distributed to a highly compensated employee by reason of such termination or distribution, over

"(II) the amount determined by using the interest rate applicable under clause (i).

"(iv) DISTRIBUTIONS OF ANNUITY CONTRACTS.—If an annuity contract purchased after August 16, 1986, is distributed to a highly compensated employee in connection with such termination or distribution, there shall be included in gross income for the taxable year of such distribution an amount equal to the excess of—

"(I) the purchase price of such contract, over

"(II) the present value of the benefits payable under such contract determined by using the interest rate applicable under clause (i).

Such excess shall not be taken into account for purposes of sections 72(t) and 4980A of such Code.

"(v) HIGHLY COMPENSATED EMPLOYEE.—For purposes of this subparagraph, the term 'highly compensated employee' has the meaning given such term by section 414(q) of such Code."

(10) Section 413(b) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(9) PLANS COVERING A PROFESSIONAL EMPLOYEE.—Notwithstanding subsection (a), in the case of a plan (and trust forming part thereof) which covers any professional employee, paragraph (1) shall be applied by substituting 'section 410(a)' for 'section 410', and paragraph (2) shall not apply."

(11) Section 410(b)(4) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) REQUIREMENTS NOT TREATED AS BEING MET BEFORE ENTRY DATE.—An employee shall not be treated as meeting the age and service requirements described in this paragraph until the first date on which, under the plan, any employee with the same age and service would be eligible to commence participation in the plan.

(i) AMENDMENTS RELATED TO SECTION 1114 OF THE REFORM ACT.—

(1) Paragraph (1) of section 414(q) of the 1986 Code (defining highly compensated employee) is amended by adding at the end thereof the following new flush sentence:

"The Secretary shall adjust the $75,000 and $50,000 amounts under this paragraph at the same time and in the same manner as under section 415(d)."

(2) Section 414(q)(6) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) RULES TO APPLY TO OTHER PROVISIONS.—

"(i) IN GENERAL.—Except as provided in regulations and in clause (ii), the rules of subparagraph (A) shall be applied in determining the compensation of (or any contributions or benefits on behalf of) any employee for purposes of any section with respect to which a highly compensated employee is defined by reference to this subsection.

"(ii) EXCEPTION FOR DETERMINING INTEGRATION LEVELS.—Clause (i) shall not apply in determining the portion of the compensation of a participant which is under the integration level for purposes of section 401(l)."

(3)(A) Section 414(q)(8) of the 1986 Code (relating to excluded employees) is amended—

(i) by inserting "and" at the end of subparagraph (D), by striking ", and" at the end of subparagraph (E) and inserting in lieu thereof a period, and by striking out subparagraph (F), and

(ii) by striking out "The" in the last sentence thereof and inserting in lieu thereof "Except as provided by the Secretary, the".

(B) Section 414(q) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(11) SPECIAL RULE FOR NONRESIDENT ALIENS.—For purposes of this subsection and subsection (r), employees who are nonresident aliens and who receive no earned income (within the meaning of section 911(d)(2)) from the employer which constitutes income from sources within the United States (within the meaning of section 861(a)(3)) shall not be treated as employees."

(4)(A) Paragraph (8) of section 414(q) of the 1986 Code is amended by inserting "or the number of officers taken into account under paragraph (5)" after "paragraph (4)".

(B) Section 416(i)(1)(A) of the 1986 Code is amended by adding at the end thereof the following new sentence: "For purposes of determining the number of officers taken into account under clause (i), employees described in section 414(q)(8) shall be excluded."

(5) Subparagraph (B) of section 408(k)(3) of the 1986 Code is amended to read as follows:

"(B) SPECIAL RULES.—For purposes of subparagraph (A), there shall be excluded from consideration employees described in subparagraph (A) or (C) of section 410(b)(3)."

(j) AMENDMENTS RELATED TO SECTION 1115 OF THE REFORM ACT.—

(1) So much of section 414(s) of the 1986 Code as precedes paragraph (2) is amended to read as follows:

"(s) COMPENSATION.—For purposes of any applicable provision—

"(1) IN GENERAL.—Except as provided in this subsection, the term 'compensation' has the meaning given such term by section 415(c)(3)."

(2) Section 414(s) of the 1986 Code is amended by striking out paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by adding at the end thereof the following new paragraph:

"(4) APPLICABLE PROVISION.—For purposes of this subsection, the term 'applicable provision' means any provision which specifically refers to this subsection."

(3)(A) Section 416(i)(1) of the 1986 Code (defining key employee) is amended by adding at the end thereof the following new subparagraph:

"(D) COMPENSATION.—For purposes of this paragraph, the term 'compensation' has the meaning given such term by section 414(q)(7)."

(B) The amendment made by this paragraph shall apply to years beginning after December 31, 1988.

(k) AMENDMENTS RELATED TO SECTION 1116 OF THE REFORM ACT.—

(1)(A) Subparagraph (B) of section 401(k)(2) of the 1986 Code (relating to distributions from a cash or deferred arrangement) is amended—

(i) by striking out subclauses (II), (III), and (IV) of clause (i) and inserting in lieu thereof:

"(II) an event described in paragraph (10),", and

(ii) by redesignating subclauses (V) and (VI) as subclauses (III) and (IV), respectively.

(B) Section 401(k) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(10) DISTRIBUTIONS UPON TERMINATION OF PLAN OR DISPOSITION OF ASSETS OR SUBSIDIARY.—

"(A) IN GENERAL.—The following events are described in this paragraph:

"(i) TERMINATION.—The termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).

"(ii) DISPOSITION OF ASSETS.—The disposition by a corporation of substantially all of the assets (within the meaning of section 409(d)(2)) used by such corporation in a trade or business of such corporation, but only with respect to an employee who continues employment with the corporation acquiring such assets.

"(iii) DISPOSITION OF SUBSIDIARY.—The disposition by a corporation of such corporation's interest in a subsidiary (within the meaning of section 409(d)(3)), but only with respect to an employee who continues employment with such subsidiary.

"(B) DISTRIBUTIONS MUST BE LUMP SUM DISTRIBUTIONS.—

"(i) IN GENERAL.—An event shall not be treated as described in subparagraph (A) with respect to any employee unless the employee receives a lump sum distribution by reason of the event.

"(ii) LUMP SUM DISTRIBUTION.—For purposes of this subparagraph, the term 'lump sum distribution' has the meaning given such term by section 402(e)(4), without regard to clauses (i), (ii), (iii), and (iv) of subparagraph (A), subparagraph (B), or subparagraph (H) thereof.

"(C) TRANSFEROR CORPORATION MUST MAINTAIN PLAN.—An event shall not be treated as described in clause (ii) or (iii) of subparagraph (A) unless the transferor corporation continues to maintain the plan after the disposition."

(C)(i) Subparagraph (A)(i) of section 401(k)(10) of the 1986 Code (as added by subparagraph (B)) shall apply to distributions after October 16, 1987.

(ii) Subparagraph (B) of section 401(k)(10) of the 1986 Code (as added by subparagraph (B)) shall apply to distributions after March 31, 1988.

(2) Subparagraph (B) of section 401(k)(2) of the 1986 Code is amended—

(A) by inserting "amounts held by the trust which are attributable to employer contributions made pursuant to the employee's election" after "under which",

(B) by striking out "amounts held by the trust which are attributable to employer contributions made pursuant to the employee's election" in clause (i), and

(C) by striking out "amounts" in clause (ii).

(3)(A) Clause (ii) of section 401(k)(3)(A) of the 1986 Code is amended by inserting "eligible" before "highly compensated employees" each place it appears.

(B) Section 1116(b)(4) of the Reform Act is amended by striking out "any" the first place it appears and inserting in lieu thereof "an".

(4) Subparagraph (C) of section 401(k)(3) of the 1986 Code, as added by section 1116(e) of the Reform Act, is redesignated as subparagraph (D).

(5) Subclause (I) of section 401(k)(3)(D)(ii) of the 1986 Code, as redesignated by paragraph (4), is amended by striking out "meets" and inserting in lieu thereof "meet".

(6) Section 401(k)(4)(A) of the 1986 Code is amended by striking out "provided by such employer".

(7) Section 401(k)(8) of the 1986 Code (relating to arrangement not disqualified if excess contributions distributed) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new subparagraph:

"(E) TREATMENT OF MATCHING CONTRIBUTIONS FORFEITED BY REASON OF EXCESS DEFERRAL OR CONTRIBUTION.—For purposes of paragraph (2)(C), a matching contribution (within the meaning of subsection (m)) shall not be treated as forfeitable merely because such contribution is forfeitable if the contribution to which the matching contribution relates is treated as an excess contribution under subparagraph (B), an excess deferral under section 402(g)(2)(A), or an excess aggregate contribution under section 401(m)(6)(B)."

(8) Subparagraph (B) of section 1116(f)(2) of the Reform Act is amended by adding at the end thereof the following new sentence: "If clause (i) or (ii) applies to any arrangement adopted by a governmental unit, then any cash or deferred arrangement adopted by such unit on or after the date referred to in the applicable clause shall be treated as adopted before such date."

(9) Section 401(k)(4)(B) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"This subparagraph shall not apply to a rural electric cooperative plan."

(10) Clause (i) of section 1116(f)(2)(B) of the Reform Act is amended by striking out "(or political subdivision thereof)" and inserting in lieu thereof "or political subdivision thereof, or any agency or instrumentality thereof,".

(l) AMENDMENTS RELATED TO SECTION 1117 OF THE REFORM ACT.—

(1) Paragraph (1) of section 401(m) of the 1986 Code (relating to nondiscrimination test for matching contributions and employee contributions) is amended by striking out "A plan" and inserting in lieu thereof "A defined contribution plan".

(2) Paragraph (3) of section 401(m) of the 1986 Code (relating to requirements) is amended by adding at the end thereof the following new sentence: "If matching contributions are taken into account for purposes of subsection (k)(3)(A)(ii) for any plan year, such contributions shall not be taken into account under subparagraph (A) for such year."

(3) The last sentence of section 401(m)(2)(B) of the 1986 Code is amended by striking out "such contributions" the first place it appears and inserting in lieu thereof "contributions to which this subsection applies".

(4) Section 401(m)(4)(A) of the 1986 Code (defining matching contribution) is amended by striking out "the plan" each place it appears and inserting in lieu thereof "a defined contribution plan".

(5)(A) Section 401(m)(4)(B) of the 1986 Code (defining elective deferral) is amended by striking out "section 402(g)(3)(A)" and inserting in lieu thereof "section 402(g)(3)".

(B) The amendment made by this paragraph shall take effect as if included in the amendments made by section 1120 of the Reform Act.

(6) Subparagraph (C) of section 401(m)(6) of the 1986 Code is amended by striking out "EXCESS" in the subparagraph heading and inserting in lieu thereof "EXCESS AGGREGATE".

(7) Section 401(m)(7)(A) of the 1986 Code (relating to additional tax of section 72(t) not applicable) is amended by striking out "paragraph (8)" and inserting in lieu thereof "paragraph (6)".

(8) Section 4979(a)(1) of the 1986 Code (relating to tax on certain excess contributions) is amended by striking out "a cash or deferred arrangement which is part of".

(9) Section 4979(c) of the 1986 Code (defining excess contributions) is amended—

(A) by striking out "403(b),", and

(B) by striking out "408(k)(8)(B)" and inserting in lieu thereof "408(k)(6)(C)".

(10) Section 4979(d) of the 1986 Code (defining excess aggregate contribution) is amended by adding at the end thereof the following new sentence: "For purposes of determining excess aggregate contributions under an annuity contract described in section 403(b), such contract shall be treated as a plan described in subsection (e)(1)."

(11) Paragraph (2) of section 4979(f) of the 1986 Code (relating to inclusion in prior year) is amended to read as follows:

"(2) YEAR OF INCLUSION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any amount distributed as provided in paragraph (1) shall be treated as received and earned by the recipient in his taxable year for which such contribution was made.

"(B) DE MINIMIS DISTRIBUTIONS.—If the total excess contributions and excess aggregate contributions distributed to a recipient under a plan for any plan year are less than $100, such distributions (and any income allocable thereto) shall be treated as earned and received by the recipient in his taxable year in which such distributions were made."

(12) Subsection (d) of section 1117 of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(4) DISTRIBUTIONS BEFORE PLAN AMENDMENT.—

"(A) IN GENERAL.—If a plan amendment is required to allow a plan to make any distribution described in section 401(m)(6) of the Internal Revenue Code of 1986, any such distribution which is made before the close of the 1st plan year for which such amendment is required to be in effect under section 1140 shall be treated as made in accordance with the provisions of the plan.

"(B) DISTRIBUTIONS PURSUANT TO MODEL AMENDMENT.—

"(i) SECRETARY TO PRESCRIBE AMENDMENT.—The Secretary of the Treasury or his delegate shall prescribe an amendment which allows a plan to make any distribution described in section 401(m)(6) of the Internal Revenue Code of 1986.

"(ii) ADOPTION BY PLAN.—If a plan adopts the amendment prescribed under clause (i) and makes a distribution in accordance with such amendment, such distribution shall be treated as made in accordance with the provisions of the plan."

(m) AMENDMENTS RELATED TO SECTION 1120 OF THE REFORM ACT.—

(1)(A) Section 403(b)(10) of the 1986 Code (relating to nondiscrimination requirements), as added by section 1120(b) of the Reform Act, is redesignated as paragraph (12).

(B) Subparagraph (D) of section 403(b)(1) of the 1986 Code is amended by striking out "paragraph (10)" and inserting in lieu thereof "paragraph (12)".

(2) Clause (i) of section 403(b)(12)(A), as redesignated by paragraph (1), is amended—

(A) by inserting "(17)," after "(5),", and

(B) by inserting ", section 401(m)," after "section 401(a)" the first place it appears.

(3) Section 1120(c) of the Reform Act is amended to read as follows:

"(c) EFFECTIVE DATES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to years beginning after December 31, 1988.

"(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before March 1, 1986, the amendments made by this section shall not apply to plan years beginning before the earlier of—

"(A) January 1, 1991, or

"(B) the later of—

"(i) January 1, 1989, or

"(ii) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof after February 28, 1986)."

SEC. 1011A. AMENDMENTS RELATED TO PARTS III AND IV OF SUBTITLE A OF TITLE XI OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 1121 OF THE REFORM ACT.—

(1) Subparagraph (F) of section 402(a)(5) of the 1986 Code (relating to transfer treated as rollover contribution under section 408) is amended by striking out "described in subparagraph (A)" and inserting in lieu thereof "resulting in any portion of a distribution being excluded from gross income under subparagraph (A)".

(2)(A) Section 408(d)(3)(A) is amended by striking out the last sentence thereof.

(B) The amendment made by subparagraph (A) shall apply to rollover contributions made in taxable years beginning after December 31, 1986.

(3) Section 1121(d) of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(5) PLANS MAY INCORPORATE SECTION 401(a)(9) REQUIREMENTS BY REFERENCE.—Notwithstanding any other provision of law, except as provided in regulations prescribed by the Secretary of the Treasury or his delegate, a plan may incorporate by reference the requirements of section 401(a)(9) of the Internal Revenue Code of 1986."

(4) Section 1121(d)(3) of the Reform Act is amended by striking out "plan years" and inserting in lieu thereof "years".

(5) Section 402(a)(5)(F)(ii) of the Internal Revenue Code of 1954 shall not apply to distributions after October 22, 1986, and before the 1st taxable year beginning after 1986 which are attributable to benefits which accrued before January 1, 1985.

(b) Amendments Related to Section 1122 of the Reform Act.—

(1)(A) Section 72(f) of the 1986 Code (relating to special rules for computing employees' contributions) is amended by striking out "for purposes of subsections (d)(1) and (e)(7), the consideration for the contract contributed by the employee,".

(B) Section 72(n) of the 1986 Code (relating to annuities under retired serviceman's family protection plan or survivor benefit plan) is amended by striking out "Subsections (b) and (d)" and inserting in lieu thereof "Subsection (b)".

(C) Sections 406(e) and 407(e) of the 1986 Code are each amended by striking out paragraph (1) and by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(2)(A) Section 72 of the 1986 Code (relating to annuities and certain proceeds of endowment and life insurance contracts) is amended by adding after subsection (c) the following new subsection:

"(d) Treatment of Employee Contributions Under Defined Contribution Plans as Separate Contracts.—For purposes of this section, employee contributions (and any income allocable thereto) under a defined contribution plan may be treated as a separate contract."

(B) Section 72(e) of the 1986 Code is amended by striking out paragraph (9).

(3) Section 414(k)(2) of the 1986 Code (relating to certain plans treated as defined contribution plans) is amended by inserting "72(d) (relating to treatment of employee contributions as separate contract)," before "411(a)(7)(A)".

(4)(A) The amendment made by section 1122(e)(1) of the Reform Act is repealed and the Internal Revenue Code of 1986 shall be applied and administered as if such amendment had not been enacted.

(B) Subclause (I) of section 402(a)(5)(D)(i) of the 1986 Code is amended by inserting "is payable as provided in clause (i), (iii), or (iv) of subsection (e)(4)(A) (without regard to the second sentence thereof) and" after "such distribution" the first place it appears.

(C) Section 402(a)(5)(D)(i) of the 1986 Code is amended by adding at the end thereof the following new sentence: "Any distribution described in section 401(a)(28)(B)(ii) shall be treated as meeting the requirements of subclauses (I) and (II)."

(D) Section 402(a)(5)(D)(iii) is amended by striking out "10-YEAR" in the heading.

(E) Section 402(a)(5)(D)(i)(II) of the 1986 Code (as in effect after the amendment made by subparagraph (A)) shall not apply to distributions after December 31, 1986, and before March 31, 1988.

(5) Clause (ii) of section 402(a)(6)(H) of the 1986 Code (relating to special rule for frozen deposits) is amended by adding at the end thereof the following new flush sentence: "A deposit shall not be treated as a frozen deposit unless on at least 1 day during the 60-day period described in paragraph (5)(C) (without regard to this subparagraph) such deposit is described in the preceding sentence."

(6) Clause (i) of section 402(e)(4)(B) of the 1986 Code is amended by striking out "taxpayer" and inserting in lieu thereof "employee".

(7) The last sentence of section 402(e)(4)(J) of the 1986 Code (relating to unrealized appreciation on employer securities) is amended to read as follows: "In accordance with rules prescribed by the Secretary, a taxpayer may elect, on the return of tax on which a distribution is required to be included, not to have this subparagraph apply with respect to such distribution."

(8) Section 402 of the 1986 Code (relating to taxability of beneficiary of employees' trust) is amended as follows:

(A) Subsection (a)(1) is amended by striking out "paragraphs (2) and (4)" and inserting in lieu thereof "paragraph (4)".

(B) Subsection (a)(4) is amended by striking out "or (2)".

(C) Subsection (a)(6)(C) is amended by striking out "paragraph (2) of subsection (a), and".

(D) Subsection (a)(6)(E)(ii) is amended by striking out "paragraph (2) of subsection (a), and" and by striking out the comma after "subsection (e)".

(E) Subsection (e)(1)(A) is amended by striking out "ordinary income portion of a".

(F) Subsection (e)(4)(A) is amended—

(i) by striking out "Except for purposes of subsection (a)(2) and section 403(a)(2), a" and inserting in lieu thereof "A", and

(ii) by striking out "subsection (a)(2) of this section, and subsection (a)(2) of section 403,".

(G) Subparagraph (L) of subsection (e)(4) is hereby repealed.

(H) Subsection (e)(4)(M) is amended by striking out ", subsection (a)(2) of this section, and section 403(a)(2)".

(I) Subsection (e)(5) is amended by striking out "and paragraph (2) of subsection (a)".

(J) Subsection (e)(6)(C) is amended to read as follows:

"(C) Special lump-sum treatment.—For purposes of this paragraph, special lump sum treatment applies to any distribution if any portion of such distribution is taxed under this subsection by reason of an election under paragraph (4)(B)."

(9)(A) Section 72(e)(7) of the 1986 Code is hereby repealed.

(B) Section 72(e)(5)(D) is amended by striking out "paragraphs (7) and (8)" and inserting in lieu thereof "paragraph (8)".

(C) Section 72(e)(8)(A) is amended by striking out "(other than paragraph (7))".

(D) Section 72(q)(2)(E) of the 1986 Code is amended by striking out "(determined without regard to subsection (e)(7))".

(10) Section 402(e)(1)(B) of the 1986 Code (relating to amount of tax on lump-sum distributions) is amended by adding at the end thereof the following new flush sentence: "For purposes of the preceding sentence, in determining the amount of tax under section 1(c), section 1(g) shall be applied without regard to paragraph (2)(B) thereof."

(11) Section 1122(h) of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(9) Special rule for state plans.—In the case of a plan maintained by a State which on May 5, 1986, permitted withdrawal by the employee of employee contributions (other than as an annuity), section 72(e) of the Internal Revenue Code of 1986 shall be applied—

"(A) without regard to the phrase 'before separation from service' in paragraph (8)(D), and

"(B) by treating any amount received (other than as an annuity) before or with the 1st annuity payment as having been received before the annuity starting date."

(12) Subparagraph (B) of section 1122(h)(2) of the Reform Act is amended by inserting ", except that section 72(b)(3) of the Internal Revenue Code of 1986 (as added by such subsection) shall apply to individuals whose annuity starting date is after July 1, 1986" after "1986".

(13) Sections 1122 (h)(3)(C) and (h)(4)(C) of the Reform Act are each amended by striking out "with respect to any other lump sum distribution" and inserting in lieu thereof "for purposes of such Code".

(14) Clause (i) of section 1122(h)(3)(C) of the Reform Act is amended—

(A) by striking out "individual" and inserting in lieu thereof "employee", and

(B) by inserting "or by an individual, estate, or trust with respect to such an employee" after "1986".

(15) Section 1122(h)(5) of the Reform Act is amended—

(A) by striking out "individual" and inserting in lieu thereof "employee",

(B) by inserting "and by including in gross income the zero bracket amount in effect under section 63(d) of such Code for such years" after "1986" in the last sentence, and

(C) by adding at the end thereof the following new sentence: "This paragraph shall also apply to an individual, estate, or trust which receives a distribution with respect to an employee described in this paragraph."

(16) Sections 406(c) and 407(c) of the 1986 Code are each amended—

(A) by striking out "subsections (a)(2) and (e) of section 402, and section 403(a)(2)" and inserting in lieu thereof "section 402(e)", and

(B) by striking out "OF CAPITAL GAIN PROVISIONS AND" in the heading thereof.

(c) Amendments Related to Section 1123 of the Reform Act.—

(1) Subparagraph (A) of section 72(t)(2) of the 1986 Code (relating to subsection not to apply to certain distributions) is amended by striking out "on account of early retirement under the plan" in clause (v).

(2) Subparagraph (C) of section 72(t)(2) of the 1986 Code (relating to certain plans) is amended to read as follows:

"(C) Exceptions for distributions from employee stock ownership plans.—Any distribution made before January 1, 1990, to an employee from an employee stock ownership plan (as defined in section 4975(e)(7)) or a tax credit employee stock ownership plan (as defined in section 409) if—

"(i) such distribution is attributable to assets which have been invested in employer securities (within the meaning of section 409(l)) at all times during the 5-plan-year period preceding the plan year in which the distribution is made, and

"(ii) at all times during such period the requirements of sections 401(a)(28) and 409 (as in effect at such times) are met with respect to such employer securities."

(3) Subparagraph (A) of section 72(t)(3) of the 1986 Code (relating to certain exceptions not to apply to individual retirement plans) is amended by striking out "and (C)" and inserting in lieu thereof "(C), and (D)".

(4) Subparagraphs (D) and (G) of section 72(q)(2) of the 1986 Code are each amended by striking out the period at the end thereof and inserting in lieu thereof a comma.

(5) Subparagraph (B) of section 72(q)(3) of the 1986 Code (relating to change in substantially equal payments) is amended by striking out "employee" each place it appears and inserting in lieu thereof "taxpayer".

(6) Section 72(q)(2) of the 1986 Code (relating to subsection not to apply to certain dispositions) is amended by inserting after subparagraph (G) the following new subparagraph:

"(H) to which subsection (t) applies (without regard to paragraph (2) thereof),".

(7) Subparagraph (D) of section 72(q)(2) and clause (iv) of section 72(t)(2)(A) of the 1986 Code are each amended by inserting "designated" before "beneficiary".

(8) Paragraph (2) of section 72(o) of the 1936 Code (relating to additional tax if amount received before age 59½) is hereby repealed.

(9) Subparagraph (I) of section 402(e)(4) of the 1986 Code is amended by striking out "clause (ii) of".

(10) Section 26(b)(2) of the 1986 Code is amended—

(A) by striking out ", (o)(2)," in subparagraph (C), and

(B) by striking out "408(f) (relating to additional tax on income from certain retirement accounts)" in subparagraph (D) and inserting in lieu thereof "72(t) (relating to 10-percent additional tax on early distributions from qualified retirement plans)".

(11) Section 1123(e)(2) of the Reform Act is amended—

(A) by striking out "taxable", and

(B) by inserting ", but only with respect to distributions from contracts described in section 403(b) of the Internal Revenue Code of 1986 which are attributable to assets other than assets held as of the close of the last year beginning before January 1, 1989" after "1988".

(12) Section 1123(e) of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(5) SPECIAL RULE FOR DISTRIBUTIONS UNDER AN ANNUITY CONTRACT.—The amendments made by paragraphs (1), (2), and (3) of subsection (b) shall not apply to any distribution under an annuity contract if—

"(A) as of March 1, 1986, payments were being made under such contract pursuant to a written election providing a specific schedule for the distribution of the taxpayer's interest in such contract, and

"(B) such distribution is made pursuant to such written election."

(13) Section 72(t) of the 1986 Code shall apply to any distribution without regard to whether such distribution is made without the consent of the participant pursuant to section 411(a)(11) or section 417(e) of the 1986 Code.

(d) AMENDMENTS RELATED TO SECTION 1124 OF THE REFORM ACT.—

(1) Section 1124(a) of the Reform Act is amended to read as follows:

"(a) IN GENERAL.—If an employee dies, separates from service, or becomes disabled before 1987 and an individual, trust, or estate receives a lump-sum distribution with respect to such employee after December 31, 1986, and before March 16, 1987, on account of such death, separation from service, or disability, then, for purposes of the Internal Revenue Code of 1986, such individual, estate, or trust may treat such distribution as if it were received in 1986."

(2) Section 1124(b) of the Reform Act is amended—

(A) by striking out "employee" each place it appears and inserting in lieu thereof "individual, estate, or trust", and

(B) by inserting "with respect to an employee" after "receives".

(3) Section 1124 of the Reform Act is amended by adding at the end thereof the following new subsection:

"(c) LUMP SUM DISTRIBUTION.—For purposes of this section, the term 'lump sum distribution' has the meaning given such term by section 402(e)(4)(A) of the Internal Revenue Code of 1986, without regard to subparagraph (B) or (H) of section 402(e)(4) of such Code."

(e) AMENDMENTS RELATED TO SECTION 1131 OF THE REFORM ACT.—

(1) Subsection (c) of section 4972 of the 1986 Code (defining nondeductible contributions) is amended to read as follows:

"(c) NONDEDUCTIBLE CONTRIBUTIONS.—For purposes of this section—

"(1) IN GENERAL.—The term 'nondeductible contributions' means, with respect to any qualified employer plan, the sum of—

"(A) the excess (if any) of—

"(i) the amount contributed for the taxable year by the employer to or under such plan, over

"(ii) the amount allowable as a deduction under section 404 for such contributions (determined without regard to subsection (e) thereof), and

"(B) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

"(i) the portion of the amount so determined returned to the employer during the taxable year, and

"(ii) the portion of the amount so determined deductible under section 404 for the taxable year (determined without regard to subsection (e) thereof).

"(2) ORDERING RULE FOR SECTION 404.—For purposes of paragraph (1), the amount allowable as a deduction under section 404 for any taxable year shall be treated as—

"(A) first from carryforwards to such taxable year from preceding taxable years (in order of time), and

"(B) then from contributions made during such taxable year.

"(3) CONTRIBUTIONS WHICH MAY BE RETURNED TO EMPLOYER.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account any contribution for such taxable year which is distributed to the employer in a distribution described in section 4980(c)(2)(B)(ii) if such distribution is made on or before the last day on which a contribution may be made for such taxable year under section 404(a)(6).

"(4) PRE-1987 CONTRIBUTIONS.—The term 'nondeductible contribution' shall not include any contribution made for a taxable year beginning before January 1, 1987."

(2) Paragraph (1) of section 4972(d) of the 1986 Code (defining qualified employer plan) is amended to read as follows:

"(1) QUALIFIED EMPLOYER PLAN.—

"(A) IN GENERAL.—The term 'qualified employer plan' means—

"(i) any plan meeting the requirements of section 401(a) which includes a trust exempt from tax under section 501(a),

"(ii) an annuity plan described in section 403(a), and

"(iii) any simplified employee pension (within the meaning of section 408(k)).

"(B) EXEMPTION FOR GOVERNMENTAL AND TAX EXEMPT PLANS.—The term 'qualified employer plan' does not include a plan described in subparagraph (A) or (B) of section 4980(c)(1)."

(3) Section 1131(d) of the Reform Act is amended to read as follows:

"(d) EFFECTIVE DATES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1986.

"(2) SPECIAL RULES FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before March 1, 1986, the amendments made by this section shall not apply to contributions pursuant to any such agreement for taxable years beginning before the earlier of—

"(A) January 1, 1989, or

"(B) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof after February 28, 1986)."

(4)(A) Subparagraph (A) of section 404(a)(7) of the 1986 Code is amended—

(i) by striking out "provisions" and inserting in lieu thereof "paragraphs", and

(ii) by inserting "or in connection with trusts or plans described in 2 or more of such paragraphs" after "1 or more defined benefit plans".

(B) Paragraph (3) of section 404(h) of the 1986 Code is amended to read as follows:

"(3) COORDINATION WITH SUBSECTION (a)(7).—For purposes of subsection (a)(7), a simplified employee pension shall be treated as if it were a separate stock bonus or profit-sharing trust."

(5) In the case of any taxable year beginning in 1987, the amount under section 4972(c)(1)(A)(ii) of the 1986 Code for a plan to which title IV of the Employee Retirement Income Security Act of 1974 applies shall be increased by the amount (if any) by which, as of the close of the plan year with or within which such taxable year begins—

(A) the liabilities of such plan (determined as if the plan had terminated as of such time), exceed

(B) the assets of such plan.

(f) AMENDMENTS RELATED TO SECTION 1132 OF THE REFORM ACT.—

(1) Section 4980(c)(1)(A) of the 1986 Code (defining qualified plan) is amended by striking out "this subtitle" and inserting in lieu thereof "subtitle A".

(2) Section 4980(c)(3)(A) of the 1986 Code (relating to exception for employee stock ownership plans) is amended—

(A) by inserting "or a tax credit employee stock ownership plan (as described in section 409)" after "section 4975(e)(7)", and

(B) by inserting ", except to the extent necessary to meet the requirements of section 401(a)(28)," after "must".

(3) Subparagraph (C) of section 4980(c)(3) of the 1986 Code is amended—

(A) by striking out "(by reason of the limitations of section 415)", and

(B) by adding at the end thereof the following new sentence:

"The amount allocated in the year of transfer shall not be less than the lesser of the maximum amount allowable under section 415 or ⅛ of the amount attributable to the securities acquired."

(4) Subparagraph (B) of section 1132(c)(2) of the Reform Act is amended by striking out "November 19, 1978" and inserting in lieu thereof "September 19, 1978".

(5) Section 1132(c) of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(5) SPECIAL RULE FOR EMPLOYEE STOCK OWNERSHIP PLANS.—Section 4980(c)(3) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to reversions occurring after March 31, 1985."

(6) Section 4980(c)(3) of the 1986 Code is amended by adding at the end thereof the following new subparagraphs:

"(F) NO CREDIT OR DEDUCTION ALLOWED.—No credit or deduction shall be allowed under chapter 1 for any amount transferred to an employee stock ownership plan in a transfer to which this paragraph applies.

"(G) AMOUNT TRANSFERRED TO INCLUDE INCOME THEREON, ETC.—The amount transferred shall not be treated as meeting the re-

quirements of subparagraphs (B) and (C) unless amounts attributable to such amount also meet such requirements."

(7) Section 4980(c)(3)(C) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"In the case of dividends on securities held in the suspense account, the requirements of this subparagraph are met only if the dividends are allocated to accounts of participants or paid to participants in proportion to their accounts, or used to repay loans used to purchase employer securities."

(g) AMENDMENTS RELATED TO SECTION 1133 OF THE REFORM ACT.—

(1)(A) Section 4981A of the 1986 Code (as added by section 1133 of the Reform Act) is redesignated as section 4980A.

(B) The table of sections for chapter 43 of the 1986 Code is amended by redesignating section 4981A as section 4980A.

(2) Paragraph (1) of section 4980A(c) of the 1986 Code (as redesignated by paragraph (1)) is amended by striking out "$112,500 (adjusted at the same time and in the same manner as under section 415(d))" and inserting in lieu thereof "the greater of—

"(A) $150,000, or

"(B) $112,500 (adjusted at the same time and in the same manner as under section 415(d))."

(3) Section 4980A(c)(2) of the 1986 Code (relating to exclusion of certain distributions), as redesignated by paragraph (1), is amended—

(A) by striking out "employee's" in subparagraph (C) and inserting in lieu thereof "individual's", and

(B) by adding after subparagraph (D) the following new subparagraphs:

"(E) Any retirement distribution with respect to an individual of an annuity contract the value of which is not includible in gross income at the time of the distribution (other than distributions under, or proceeds from the sale or exchange of, such contract).

"(F) Any retirement distribution with respect to an individual of—

"(i) excess deferrals (and income allocable thereto) under section 402(g)(2)(A)(ii), or

"(ii) excess contributions (and income allocable thereto) under section 401(k)(8) or 408(d)(4) or excess aggregate contributions (and income allocable thereto) under section 401(m)(6)."

(4)(A) Section 4980A of the 1986 Code, as redesignated by paragraph (1), is amended by adding at the end thereof the following new subsection:

"(f) EXEMPTION OF ACCRUED BENEFITS IN EXCESS OF $562,500 ON AUGUST 1, 1986.—For purposes of this section—

"(1) IN GENERAL.—If an election is made with respect to an eligible individual to have this subsection apply, the individual's excess distributions and excess retirement accumulation shall be computed without regard to any distributions or interests attributable to the accrued benefit of the individual as of August 1, 1986.

"(2) REDUCTION IN AMOUNTS WHICH MAY BE RECEIVED WITHOUT TAX.—If this subsection applies to any individual—

"(A) EXCESS DISTRIBUTIONS.—Subsection (c)(1) shall be applied—

"(i) without regard to subparagraph (A), and

"(ii) by reducing (but not below zero) the amount determined under subparagraph (B) thereof by retirement distributions attributable (as determined under rules prescribed by the Secretary) to the individual's accrued benefit as of August 1, 1986.

"(B) EXCESS RETIREMENT ACCUMULATION.—The amount determined under subsection (d)(3)(B) (without regard to subsection (c)(1)(A)) with respect to such individual shall be reduced (but not below zero) by the present value of the individual's accrued benefit as of August 1, 1986, which has not been distributed as of the date of death.

"(3) ELIGIBLE INDIVIDUAL.—For purposes of this subsection, the term 'eligible individual' means any individual if, on August 1, 1986, the present value of such individual's interests in qualified employer plans and individual retirement plans exceeded $562,500.

"(4) CERTAIN AMOUNTS EXCLUDED.—In determining an individual's accrued benefit for purposes of this subsection, there shall not be taken into account any portion of the accrued benefit—

"(A) payable to an alternate payee pursuant to a qualified domestic relations order (within the meaning of section 414(p)) if includible in income of the alternate payee, or

"(B) attributable to the individual's investment in the contract (as defined in section 72(f)).

"(5) ELECTION.—An election under paragraph (1) shall be made on an individual's return of tax imposed by chapter 1 or 11 for a taxable year beginning before January 1, 1989."

(B) Section 4980A(c) of the 1986 Code, as redesignated by paragraph (1), is amended by striking out paragraph (5).

(5) Section 4980A(d) of the 1986 Code (relating to increase in estate tax if individual dies with excess accumulation), as redesignated by paragraph (1), is amended—

(A) by striking out "section 2010" in paragraph (2) and inserting in lieu thereof "chapter 11", and

(B) by adding at the end thereof the following new paragraphs:

"(4) RULES FOR COMPUTING EXCESS RETIREMENT ACCUMULATION.—The excess retirement accumulation of an individual shall be computed without regard to—

"(A) any community property law,

"(B) the value of—

"(i) amounts payable to an alternate payee pursuant to a qualified domestic relations order (within the meaning of section 414(p)) if includible in income of the alternate payee, and

"(ii) the individual's investment in the contract (as defined in section 72(f)), and

"(C) the excess (if any) of—

"(i) any interests which are payable immediately after death, over

"(ii) the value of such interests immediately before death.

"(5) ELECTION BY SPOUSE TO HAVE EXCESS DISTRIBUTION RULE APPLY.—

"(A) IN GENERAL.—If the spouse of an individual is the beneficiary of all of the interests described in paragraph (3)(A), the spouse may elect—

"(i) not to have this subsection apply, and

"(ii) to have this section apply to such interests and any retirement distribution attributable to such interests as if such interests were the spouse's.

"(B) DE MINIMIS EXCEPTION.—If 1 or more persons other than the spouse are beneficiaries of a de minimis portion of the interests described in paragraph (3)(A)—

"(i) the spouse shall not be treated as failing to meet the requirements of subparagraph (A), and

"(ii) if the spouse makes the election under subparagraph (A), this section shall not apply to such portion or any retirement distribution attributable to such portion."

(6) Subparagraph (B) of section 4980A(d)(3) of the 1986 Code, as redesignated by paragraph (1), is amended to read as follows:

"(B) the present value (as determined under rules prescribed by the Secretary as of the valuation date prescribed in subparagraph (A)) of a single life annuity with annual payments equal to the limitation of subsection (c) (as in effect for the year in which death occurs and as if the individual had not died)."

(7) Section 2013 of the 1986 Code (relating to credit for tax on prior transfer) is amended by adding at the end thereof the following new subsection:

"(g) TREATMENT OF ADDITIONAL TAX UNDER SECTION 4980A.—For purposes of this section, the estate tax paid shall not include any portion of such tax attributable to section 4980A(d)."

(8) Paragraph (1) of section 1133(c) of the Reform Act is amended by inserting ", other than a distribution with respect to a decedent dying before January 1, 1987" after "1986".

(9) Section 4980A(d)(3)(A) of the 1986 Code is amended by inserting "(other than as a beneficiary, determined after application of paragraph (5))" after "the individual's interests".

(10) Section 691(c)(1) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) EXCESS RETIREMENT ACCUMULATION TAX.—For purposes of this subsection, no deduction shall be allowed for the portion of the estate tax attributable to the increase in such tax under section 4980A(d)."

(11) Section 2053(c)(1)(B) of the 1986 Code is amended by adding at the end thereof the following new sentence: "This subparagraph shall not apply to any increase in the tax imposed by this chapter by reason of section 4980A(d)."

(12) Section 6018(a) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) RETURN REQUIRED IF EXCESS RETIREMENT ACCUMULATION TAX.—The executor shall make a return with respect to the estate tax imposed by subtitle B in any case where such tax is increased by reason of section 4980A(d)."

(h) AMENDMENTS RELATED TO SECTION 1134 OF THE REFORM ACT.—

(1) Section 72(p)(3)(A) of the 1986 Code (relating to denial of interest deductions in certain cases) is amended by inserting "to which paragraph (1) does not apply by reason of paragraph (2) during the period" after "loan".

(2) Subparagraph (B) of section 72(p)(3) of the 1986 Code is amended to read as follows:

"(B) PERIOD TO WHICH SUBPARAGRAPH (A) APPLIES.—For purposes of subparagraph (A), the period described in this subparagraph is the period—

"(i) on or after the 1st day on which the individual to whom the loan is made is a key employee (as defined in section 416(i)), or

"(ii) such loan is secured by amounts attributable to elective deferrals described in subparagraph (A) or (C) of section 402(g)(3)."

(i) AMENDMENTS RELATED TO SECTION 1135 OF THE REFORM ACT.—

(1) Subparagraph (A) of section 72(u)(1) of the 1986 Code (relating to annuity contracts not held by natural persons) is amended by inserting "(other than subchapter L)" after "subtitle".

(2) Subparagraph (D) of section 72(u)(3) of the 1986 Code (relating to exceptions) is amended by striking out "until such time as the employee separates from service" and inserting in lieu thereof "until all amounts

under such contract are distributed to the employee for whom such contract was purchased or the employee's beneficiary".

(3) Subparagraphs (D) and (E) of section 72(u)(3) of the 1986 Code (relating to exceptions) are each amended by striking out "which".

(4) Paragraph (4) of section 72(u) of the 1986 Code is amended by striking out "and" at the end of subparagraph (A), by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(C) which provides for a series of substantially equal periodic payments (to be made not less frequently than annually) during the annuity period."

(j) AMENDMENTS RELATED TO SECTION 1136 OF THE REFORM ACT.—

(1) Section 401(a)(27) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(B) PLAN MUST DESIGNATE TYPE.—In the case of a plan which is intended to be a money purchase pension plan or a profit-sharing plan, a trust forming part of such plan shall not constitute a qualified trust under this subsection unless the plan designates such intent at such time and in such manner as the Secretary may prescribe."

(2) Section 401(a)(27) of the 1986 Code is amended by striking out "(27)" and inserting in lieu thereof:

"(27) DETERMINATIONS AS TO PROFIT-SHARING PLANS.—

"(A) CONTRIBUTIONS NEED NOT BE BASED ON PROFITS.—".

(k) AMENDMENT RELATED TO SECTION 1139 OF THE REFORM ACT.—Clause (i) of section 1139(d)(2)(A) of the Reform Act is amended by striking out "before January" and inserting in lieu thereof "after January".

(l) AMENDMENT RELATED TO SECTION 1145 OF THE REFORM ACT.—Subparagraph (E) of section 401(a)(11) of the 1986 Code (relating to cross reference) is redesignated as subparagraph (F).

(m) AMENDMENTS RELATED TO SECTION 1147 OF THE REFORM ACT.—

(1) Subparagraph (C) of section 7701(j)(1) of the 1986 Code (relating to tax treatment of Federal Thrift Savings Fund) is amended by inserting ", section 401(k)(4)(B)," after "paragraph (2)".

(2) Section 8440(a)(3) of title 5, United States Code, is amended by inserting ", 401(k)(4)(B) of such Code," after "subsection (b)".

SEC. 1011B. AMENDMENTS RELATED TO SUBTITLES B AND C OF TITLE XI OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 1151 OF THE REFORM ACT.—

(1) Paragraph (2) of section 89(a) of the 1986 Code (relating to year of inclusion) is amended to read as follows:

"(2) YEAR OF INCLUSION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B)—

"(i) any amount included in gross income under paragraph (1) shall be taken into account for the taxable year of the employee with or within which the plan year ends, and

"(ii) any deduction of the employer attributable to such amount shall be allowable for the taxable year of the employer with or within which the plan year ends.

"(B) ELECTION TO DELAY INCLUSION FOR 1 YEAR.—If an employer maintaining a plan with a plan year ending after September 30 and on or before December 31 of a calendar year elects the application of this subparagraph—

"(i) amounts included in gross income under paragraph (1) with respect to employees of such employer shall be taken into account for the taxable year of the employee following the taxable year determined under subparagraph (A), but

"(ii) any deduction of the employer which is attributable to such amounts shall be allowable for the taxable year with or within which the plan year following the plan year in which the excess benefits occurred ends."

(2) Paragraph (4) of section 89(b) of the 1986 Code (defining nontaxable benefits) is amended by adding at the end thereof the following new sentence: "Such term includes any group-term life insurance the cost of which is includible in gross income under section 79."

(3) Paragraph (1) of section 89(g) of the 1986 Code (relating to the aggregation of comparable health plans) is amended by adding at the end thereof the following new subparagraph:

"(C) EMPLOYEES COVERED BY MORE THAN 1 PLAN.—The Secretary may provide that 2 or more plans providing benefits to the same participant shall be treated as 1 plan for purposes of applying subsections (d)(1)(B), (d)(2), and (f)."

(4) Subparagraph (B) of section 89(g)(2) of the 1986 Code (relating to sworn statements) is amended by adding at the end thereof the following new sentence: "No statement shall be required under clause (ii) with respect to any individual eligible for coverage at no cost under a health plan which provides core health benefits and with respect to whom the employee does not elect any core health coverage from the employer."

(5) Subparagraph (D) of section 89(g)(2) of the 1986 Code is amended by striking out "under such plan" and inserting in lieu thereof "under such plans".

(6) Section 89(g) of the 1986 Code is amended by striking out paragraph (6).

(7) Subparagraph (A) of section 89(h)(1) of the 1986 Code (relating to excluded employees) is amended by inserting "(or 1st day of a period of less than 31 days specified by the plan)" after "month".

(8) Section 89(j) of the 1986 Code (relating to other definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(12) EMPLOYERS WITH ONLY HIGHLY COMPENSATED EMPLOYEES.—The requirements of subsections (d) and (e) shall not apply to any statutory employee benefit plan for any year for which the only employees of the employer maintaining the plan are highly compensated employees."

(9) Section 89(k) of the 1986 Code (relating to requirement that plan be in writing) is amended by adding at the end thereof the following new paragraph:

"(5) LOSS OF EXEMPTION FOR CERTAIN PLANS.—If a plan described in paragraph (2)(E) fails to meet the requirements of paragraph (1), the organization which is part of such plan shall not be exempt from tax under section 501(a)."

(10) Section 6652(k)(2)(B) of the 1986 Code (relating to amount of additional tax) is amended by striking out "subsection (g)(3)" and inserting in lieu thereof "subsection (g)(3)(C)(i)".

(11)(A) Subsection (a) of section 125 of the 1986 Code is amended to read as follows:

"(a) GENERAL RULE.—Except as provided in subsection (b), no amount shall be included in the gross income of a participant in a cafeteria plan solely because, under the plan, the participant may choose among the benefits of the plan."

(B) Paragraph (1) of section 125(b) of the 1986 Code is amended by striking out "A plan shall be treated as failing to meet the requirements of this subsection" and inserting in lieu thereof "In the case of a highly compensated employee, subsection (a) shall not apply to any benefit attributable to a plan year".

(C) Paragraph (2) of section 125(b) of the 1986 Code is amended by striking out "a plan shall be treated as failing to meet the requirements of this subsection" and inserting in lieu thereof "subsection (a) shall not apply to any plan year".

(12) Subparagraph (B) of section 125(c)(1) of the 1986 Code (defining cafeteria plans) is amended to read as follows:

"(B) the participant may choose among 2 or more benefits consisting of cash and qualified benefits."

(13)(A) Paragraph (1) of section 125(e) of the 1986 Code (defining qualified benefits) is amended by inserting "and without regard to section 89(a)" after "subsection (a)".

(B) The last sentence of section 125(b)(2) of the 1986 Code is amended to read as follows: "For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includible in gross income."

(14) Subsection (d) of section 129 of the 1986 Code is amended by redesignating paragraph (8) as paragraph (7).

(15) Paragraph (7) of section 129(d) of the 1986 Code (as so redesignated) is amended—

(A) by inserting "under all plans of the employer" after "employees" the 2nd and 3rd time it appears in subparagraph (A),

(B) by striking out "there shall be disregarded" in subparagraph (B) and inserting in lieu thereof "a plan may disregard", and

(C) by striking out "415(q)(7)" in subparagraph (B) and inserting in lieu thereof "414(q)(7)".

(16) Section 414(m)(4) of the 1986 Code is amended by inserting "and" at the end of subparagraph (A), by striking out the comma at the end of subparagraph (B) and inserting in lieu thereof a period, and by striking out subparagraphs (C) and (D).

(17) Paragraph (2) of section 414(t) of the 1986 Code is amended by striking out "132," and inserting in lieu thereof "132, 162(i)(2), 162(k),".

(18) Paragraph (6) of section 129(e) of the 1986 Code is amended by striking out "of subsection (d)" and inserting in lieu thereof "of subsection (d) (other than paragraphs (4) and (7) thereof)".

(19) Subparagraph (C) of section 414(n)(3) of the 1986 Code is amended by striking out "132," and inserting in lieu thereof "132, 162(i)(2), 162(k),".

(20) Section 414(t)(1) of the 1986 Code (relating to application of controlled group rules to certain employees) is amended by striking out "of section 414" each place it appears.

(21) Section 89(j)(6) of the 1986 Code is amended by striking out "described in subparagraph (A), (B), or (C) of subsection (i)(2)".

(22)(A) Section 3121 of the 1986 Code (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(x) BENEFITS PROVIDED UNDER CERTAIN EMPLOYEE BENEFIT PLANS.—Notwithstanding any paragraph of subsection (a) (other than paragraph (1)), the term 'wages' shall include any amount which is includible in gross income by reason of section 89."

(B) Section 3231(e) of the 1986 Code (defining compensation) is amended by adding

at the end thereof the following new paragraph:

"(8) BENEFITS PROVIDED UNDER CERTAIN EMPLOYEE BENEFIT PLANS.—Notwithstanding any other paragraph of this subsection (other than paragraph (2)), the term 'compensation' shall include any amount which is includible in gross income by reason of section 89."

(C) Section 3306 of the 1986 Code (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(t) BENEFITS PROVIDED UNDER CERTAIN EMPLOYEE BENEFIT PLANS.—Notwithstanding any paragraph of subsection (b) (other than paragraph (1)), the term 'wages' shall include any amount which is includible in gross income by reason of section 89."

(D) Section 3401 of the 1986 Code (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(g) BENEFITS PROVIDED UNDER CERTAIN EMPLOYEE BENEFIT PLANS.—Notwithstanding any paragraph of subsection (a), the term 'wages' shall include any amount which is includible in gross income by reason of section 89."

(E) The third to last sentence of section 209 of the Social Security Act is amended—

(i) by striking out the period at the end of clause (2) and inserting in lieu thereof ", or", and

(ii) by inserting after clause (2) the following new clause:

"(3) Any amount required to be included in gross income under section 89 of the Internal Revenue Code of 1986."

(F) The amendments made by this paragraph shall not apply to any individual who separated from service with the employer before January 1, 1989.

(23)(A) Sections 3121(a)(5)(G) and 3306(b)(5)(G) of the 1986 Code are each amended by inserting "if such payment would not be treated as wages without regard to such plan and it is reasonable to believe that (if section 125 applied for purposes of this section) section 125 would not treat any wages as constructively received" after "section 125)".

(B) Section 209(e)(9) of the Social Security Act is amended by inserting "if such payment would not be treated as wages without regard to such plan and it is reasonable to believe that (if section 125 applied for purposes of this section) section 125 would not treat any wages as constructively received" after "1986)".

(24) Section 1151(h)(3) of the Reform Act is amended by striking out "Section 6039B(c)" and inserting in lieu thereof "Section 6039D(c)".

(25) Paragraph (1) of section 1151(k) of the Reform Act is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, the amendments made by subsections (e)(1) and (i)(3)(C) shall, to the extent they relate to sections 106, 162(i)(2), and 162(k) of the Internal Revenue Code of 1986, apply to years beginning after 1986."

(26) Section 1151(k) of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(6) CERTAIN PLANS MAINTAINED BY EDUCATIONAL INSTITUTIONS.—If an educational organization described in section 170(b)(1)(A)(ii) of the Internal Revenue Code of 1986 makes an election under this paragraph with respect to a plan described in section 125(c)(2)(C) of such Code, the amendments made by this section shall apply with respect to such plan for plan years beginning after the date of the enactment of this Act."

(27)(A) Section 4976 of the 1986 Code is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) TAX ON FUNDED WELFARE BENEFIT FUNDS WHICH INCLUDE DISCRIMINATORY EMPLOYEE BENEFIT PLAN.—

"(1) IN GENERAL.—If—

"(A) an employer maintains a welfare benefit fund, and

"(B) a discriminatory employee benefit plan (within the meaning of section 89) is part of such fund for any plan year,

there is hereby imposed on such employer for the taxable year with or within which the plan year ends a tax in the amount determined under paragraph (2).

"(2) AMOUNT OF TAX.—The amount of the tax under paragraph (1) shall be equal to the excess (if any) of—

"(A) the product of the highest rate of tax imposed by section 11, multiplied by the lesser of—

"(i) the aggregate excess benefits (as defined in section 89) for such plan year, or

"(ii) the taxable income of the fund for such plan year, over

"(B) the amount of tax imposed by chapter 1 on such fund for such plan year."

(B) Section 4976(b) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) LIMITATION IN CASE OF BENEFITS TO WHICH SECTION 89 APPLIES.—If section 89 applies to any post-retirement medical benefit or life insurance benefit provided by a fund, the amount of the disqualified benefit under paragraph (1)(B) with respect to such benefit shall not exceed the aggregate excess benefits provided by the plan (as determined under section 89)."

(C) Section 505(a)(1) of the 1986 Code is amended by adding at the end thereof the following new subsection: "This paragraph shall not apply to any organization by reason of a failure to meet the requirements of subsection (b) with respect to a benefit to which section 89 applies."

(28) Section 89(h)(4) of the 1986 Code is amended by striking out "subsection (h)(5)" and inserting in lieu thereof "subsection (g)(5)".

(29) Section 89(k)(1) of the 1986 Code is amended by striking out the last sentence and inserting in lieu thereof the following new sentences:

"Such inclusion shall be coordinated (under regulations prescribed by the Secretary) with any inclusion under subsection (a) with respect to such plan. In the case of a statutory employee benefit plan described in subsection (i)(1)(B), any amount required to be included in gross income under this subsection shall be included in the gross income of the beneficiary."

(30) Section 129(d)(1)(B) of the 1986 Code is amended by striking out "(6)" and inserting in lieu thereof "(7)".

(31)(A) Section 129(d) of the 1986 Code is amended—

(i) by striking out the last sentence of paragraph (3), and

(ii) by inserting at the end thereof the following new paragraph:

"(8) EXCLUDED EMPLOYEES.—For purposes of paragraphs (2), (3), and (7), there shall be excluded from consideration employees who are excluded from consideration under section 89(h)."

(B) Sections 117(d)(4), 120(c)(2), 127(b)(2), 132(h)(1), and 505(b)(2) of the 1986 Code are each amended—

(i) by striking out "may" the first place it appears and inserting in lieu thereof "shall", and

(ii) by striking out "may be" the second place it appears and inserting in lieu thereof "are".

(32) Section 505(b) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(7) $200,000 COMPENSATION LIMIT.—A plan shall not be treated as meeting the requirements of this subsection unless under the plan the annual compensation of each employee taken into account for any year does not exceed $200,000. The Secretary shall adjust the $200,000 amount at the same time and in the same manner as under section 415(d)."

(33) Section 3401(a) of the 1986 Code is amended by inserting "or" at the end of paragraph (18), by striking out paragraph (19), and by redesignating paragraph (20) as paragraph (19).

(34) Section 89(l)(2) of the 1986 Code is amended by striking out "6652(l)"and inserting in lieu thereof "6652(k)".

(b) AMENDMENTS RELATED TO SECTION 1161 OF THE REFORM ACT.—

(1) Section 162(m) of the 1986 Code (relating to special rules for health insurance costs of self-employed individuals) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX PURPOSES.—The deduction allowable by reason of this subsection shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2."

(2) Section 162(m) of the 1986 Code (relating to cross reference) as redesignated by section 1161(a) of the Reform Act, is redesignated as subsection (n).

(3) Section 162(m)(2)(A) of the 1986 Code is amended by inserting: "derived by the taxpayer from the trade or business with respect to which the plan providing the medical care coverage is established" after "401(c))".

(4) Section 211(a) of the Social Security Act is amended by inserting after paragraph (13) the following new paragraph:

"(14) The deduction under section 162(m) (relating to health insurance costs of self-employed individuals) shall not be allowed."

(c) AMENDMENTS RELATED TO SECTION 1163 OF THE REFORM ACT.—

(1) Paragraph (8) of section 129(e) of the 1986 Code (relating to treatment of onsite facilities) is amended—

(A) by inserting "maintained by an employer" after "onsite facility",

(B) by inserting "of dependent care assistance provided to an employee" after "the amount",

(C) by inserting "of the facility by a dependent of the employee" after "utilization" in subparagraph (A), and

(D) by inserting "with respect to such dependent" after "provided" in subparagraph (B).

(2)(A) Paragraph (2) of section 129(a) of the 1986 Code is amended to read as follows:

"(2) LIMITATION OF EXCLUSION.—

"(A) IN GENERAL.—The amount which may be excluded under paragraph (1) for dependent care assistance with respect to dependent care services provided during a taxable year shall not exceed $5,000 ($2,500 in the case of a separate return by a married individual).

"(B) YEAR OF INCLUSION.—The amount of any excess under subparagraph (A) shall be included in gross income in the taxable year in which the dependent care services were *provided (even if payment of dependent care assistance for such services occurs in a subsequent taxable year).*

"(C) MARITAL STATUS.—For purposes of this paragraph, marital status shall be determined under the rules of paragraphs (3) and (4) of section 21(e)."

(B) Section 6051(a) of the 1986 Code is amended by striking out the period at the end of paragraph (8) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(9) the total amount incurred for dependent care assistance with respect to such employee under a dependent care assistance program described in section 129(d)."

(C)(i) Except as provided in this subparagraph, the amendments made by this paragraph shall apply to taxable years beginning after December 31, 1987.

(ii) A taxpayer may elect to have the amendment made by subparagraph (A) apply to taxable years beginning in 1987.

(iii) In the case of a taxpayer not making an election under clause (ii), any dependent care assistance provided in a taxable year beginning in 1987 with respect to which reimbursement was not received in such taxable year shall be treated as provided in the taxpayer's first taxable year beginning after December 31, 1987.

(d) AMENDMENT RELATED TO SECTION 1164 OF THE REFORM ACT.—Section 119(d)(2) of the 1986 Code is amended—

(1) by striking out "(as of the close of the calendar year in which the taxable year begins)" in subparagraph (A)(i), and

(2) by adding at the end thereof the following:

"The appraised value under subparagraph (A)(i) shall be determined as of the close of the calendar year in which the taxable year begins, or, in the case of a rental period not greater than 1 year, at any time during the calendar year in which such period begins."

(e) AMENDMENTS RELATED TO SECTION 1166 OF THE REFORM ACT.—Section 7701(a)(20) of the 1986 Code (defining employee) is amended—

(1) by striking out "106, and 125" and inserting in lieu thereof "and 106", and

(2) by inserting "and for purposes of applying section 125 with respect to cafeteria plans," before "the term".

(f) AMENDMENTS RELATED TO SECTION 1168 OF THE REFORM ACT.—

(1) Paragraph (1) of section 134(b) of the 1986 Code is amended by striking out "or regulation thereunder" and inserting in lieu thereof ", regulation, or administrative practice".

(2)(A) Section 134(b)(1) of the 1986 Code is amended by inserting "(other than personal use of a vehicle)" after "in-kind benefit".

(B) The amendment made by subparagraph (A) shall apply to taxable years beginning after December 31, 1986.

(3) Section 134(b)(3)(A) of the 1986 Code is amended by striking out "under any provision of law or regulation described in paragraph (1)".

(4) Section 1168(c) of the Reform Act is amended by striking out "1986" and inserting in lieu thereof "1984".

(g) AMENDMENTS RELATED TO SECTION 1172 OF THE REFORM ACT.—

(1) Section 1172(b)(1)(A) of the Reform Act is amended by inserting "each place it appears" before the comma.

(2) Paragraphs (2) and (3) of section 409(n) of the 1986 Code (relating to securities received in certain transactions) is amended by inserting "or section 2057" after "section 1042" each place it appears.

(3) Paragraph (1) of section 2057(b) of the 1986 Code (relating to qualified sale) is amended by striking out "is".

(h) AMENDMENTS RELATED TO SECTION 1173 OF THE REFORM ACT.—

(1) Section 133 of the 1986 Code (relating to exclusion of interest on securities acquisition loans) is amended by adding at the end thereof the following new subsection:

"(e) PERIOD TO WHICH INTEREST EXCLUSION APPLIES.—

"(1) IN GENERAL.—In the case of—

"(A) an original securities acquisition loan, and

"(B) any securities acquisition loan (or series of such loans) used to refinance the original securities acquisition loan,

subsection (a) shall apply only to interest accruing during the excludable period with respect to the original securities acquisition loan.

"(2) EXCLUDABLE PERIOD.—For purposes of this subsection, the term 'excludable period' means, with respect to any original securities acquisition loan—

"(A) IN GENERAL.—The 7-year period beginning on the date of such loan.

"(B) LOANS DESCRIBED IN SUBSECTION (b)(1)(A).—If the term of an original securities acquisition loan described in subsection (b)(1)(A) is greater than 7 years, the term of such loan. This subparagraph shall not apply to a loan described in subsection (b)(3)(B).

"(3) ORIGINAL SECURITIES ACQUISITION LOAN.—For the purposes of this subsection, the term 'original securities acquisition loan' means a securities acquisition loan described in subparagraph (A) or (B) of subsection (b)(1)."

(2)(A) Section 133(b) of the 1986 Code (defining securities acquisition loan) is amended—

(i) by striking out "or are used to refinance such a loan," in paragraph (1)(A),

(ii) by striking out ", except that this subparagraph shall not apply to any loan the commitment period of which exceeds 7 years" in paragraph (1)(B), and

(iii) by adding at the end thereof the following new paragraph:

"(5) TREATMENT OF REFINANCINGS.—The term 'securities acquisition loan' shall include any loan which—

"(A) is (or is part of a series of loans) used to refinance a loan described in subparagraph (A) or (B) of paragraph (1), and

"(B) meets the requirements of paragraphs (2) and (3)."

(B) Subparagraph (B) of section 133(b)(3) of the 1986 Code is amended to read as follows:

"(B) repayment terms providing for more rapid repayment of principal or interest on such loan, but only if allocations under the plan attributable to such repayment do not discriminate in favor of highly compensated employees (within the meaning of section 414(q))."

(3) Section 404(k) of the 1986 Code is amended—

(A) by inserting "(whether or not allocated to participants)" after "employer securities" in paragraph (2)(C), and

(B) by adding at the end thereof the following new sentence: "Paragraph (2)(C) shall not apply to dividends from employer securities which are allocated to any participant unless the plan provides that employer securities with a fair market value not less than the amount of such dividends are allocated to such participant for the year which (but for paragraph (2)(C)) such dividends would have been allocated to such participant."

(4) Subparagraph (C) of section 852(b)(5) of the 1986 Code (relating to interest on certain loans used to acquire employer securities) is amended by striking out "paragraph" and inserting in lieu thereof "section".

(5)(A) The amendments made by paragraphs (1) and (2) shall apply to—

(i) any loan used to acquire employer securities after July 18, 1984, and

(ii) loans made after July 18, 1984, which were used (or were part of a series of loans used) to refinance any loan which—

(I) was used to acquire employer securities after May 23, 1984 (July 18, 1984, in the case of a loan described in section 133(b)(3)(B) of the Internal Revenue Code of 1986), and

(II) met the requirements of section 133 (other than subsection (b)(2) thereof) of such Code as in effect as of the later of the date on which the loan was made, or July 19, 1984.

In no event shall such amendments apply to any loan described in section 133(b)(1)(B) of such Code which is made before October 22, 1986 (or loan used, or part of a series of loans used, to refinance such a loan).

(B) Subparagraph (B) of section 1173(c)(2) of the Reform Act is amended to read as follows:

"(B) Section 133(b)(1)(A) of the Internal Revenue Code of 1986, as amended by subsection (b)(2), shall apply to any loan used (or part of a series of loans used) to refinance a loan which—

"(i) was used to acquire employer securities after May 23, 1984, and

"(ii) met the requirements of section 133 of the Internal Revenue Code of 1986 as in effect as of the later of—

"(I) the date on which the loan was made, or

"(II) July 19, 1984."

(6) Section 404(k) of the 1986 Code is amended by striking out "merely by reason of any distribution" in the third sentence and inserting in lieu thereof "or as engaging in a prohibited transaction for purposes of section 4975(d)(3) merely by reason of any distribution or payment".

(i) AMENDMENTS RELATED TO SECTION 1174 OF THE REFORM ACT.—

(1) Clause (ii) of section 409(o)(1)(A) of the 1986 Code (relating to distribution requirement) is amended by striking out "such year" and inserting in lieu thereof "distribution is required to begin under this clause".

(2) Section 1174(a)(2) of the Reform Act is amended by striking out "plan terminations" and inserting in lieu thereof "distributions".

(3) Section 409(o)(1)(A) of the 1986 Code is amended by striking out "unless the participant otherwise elects" and inserting in lieu thereof "if the participant and, if applicable pursuant to sections 401 (a)(11) and 417, with the consent of the participant's spouse elects".

(j) AMENDMENTS RELATED TO SECTION 1175 OF THE REFORM ACT.—

(1) Subclause (II) of section 401(a)(28)(B) of the 1986 Code (relating to method of meeting requirements) is amended by inserting "and within 90 days after the period during which the election may be made, the plan invests the portion of the participant's account covered by the election in accordance with such election" after "clause (i)".

(2) Clause (iv) of section 401(a)(28)(B) of the 1986 Code is amended to read as follows:

"(iv) QUALIFIED ELECTION PERIOD.—For purposes of this subparagraph, the term 'quali-

fied election period' means the 6-plan-year period beginning with the later of—

"(I) the 1st plan year in which the individual first became a qualified participant, or

"(II) the 1st plan year beginning after December 31, 1986.

For purposes of the preceding sentence, an employer may elect to treat an individual first becoming a qualified participant in the 1st plan year beginning in 1987 as having become a participant in the 1st plan year beginning in 1988."

(3) The last sentence of section 409(d) of the 1986 Code (relating to employer securities must stay in the plan) is amended by inserting "or to any distribution or reinvestment required under section 401(a)(28)" after "section 401(a)(9)".

(4) Section 4978(d) of the 1986 Code (relating to section not to apply to certain dispositions) is amended by adding at the end thereof the following new paragraph:

"(4) Dispositions to meet diversification requirements.—This section shall not apply to any disposition of qualified securities which is required under section 401(a)(28)."

(5) Section 409(h) of the 1986 Code (relating to right to demand employer securities; put option) is amended by adding at the end thereof the following new paragraph:

"(7) Exception where employee elected diversification.—Paragraph (1)(A) shall not apply with respect to the portion of the participant's account which the employee elected to have reinvested under section 401(a)(28)(B)."

(6) Section 401(a)(28)(B) of the 1986 Code is amended by adding at the end thereof the following new clause:

"(v) Coordination with distribution rules.—Any distribution required by this subparagraph shall not be taken into account in determining whether—

"(I) a subsequent distribution is a lump-sum distribution under section 402(e)(4)(A), or

"(II) section 402(a)(5)(D)(iii) applies to a subsequent distribution."

(k) Amendments Related to Section 1176 of the Reform Act.—

(1) Section 401(a)(22) of the 1986 Code is amended by striking out "is not publicly traded" each place it appears and inserting in lieu thereof "is not readily tradable on an established market".

(2) Section 401(a)(22) of the 1986 Code is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, subsections (b), (c), (m), and (o) of section 414 shall not apply except for determining whether stock of the employer is not readily tradable on an established market."

(3) Section 409(l)(4) of the 1986 Code (relating to nonvoting common stock may be acquired in certain cases), as added by section 1176(b) of the Reform Act, is redesignated as paragraph (5).

(l) Amendments Related to Section 1177 of the Reform Act.—

(1) Paragraph (2) of section 1177(b) of the Reform Act is amended by striking out "section 143(d)(3)(C)" and inserting in lieu thereof "section 146(d)(3)(C)".

(2) Subsection (b) of section 1177 of the Reform Act is amended by striking out "made by this subtitle" and inserting in lieu thereof "made by section 1175".

(3) If any newspaper corporation described in section 1177(b) of the Reform Act, as amended by this subsection, pays in cash a dividend within 60 days after the date of the enactment of this Act to the corporation's employee stock ownership plans and if a corporate resolution declaring such dividend was adopted before November 30, 1987, and such resolution specifies that such dividend shall be contingent upon passage by the Congress of technical corrections, then such dividend (to the extent the aggregate amount so paid does not exceed $3,500,000) shall be treated as if it had been declared and paid in 1987 for all purposes of the Internal Revenue Code of 1986.

SEC. 1012. AMENDMENTS RELATED TO TITLE XII OF THE REFORM ACT.

(a) Amendments Related to Section 1201 of the Reform Act.—

(1)(A) Subparagraph (C) of section 904(d)(2) of the 1986 Code is amended to read as follows:

"(C) Financial services income.—

"(i) In general.—Except as otherwise provided in this subparagraph, the term 'financial services income' means any income which is received or accrued by any person predominantly engaged in the active conduct of a banking, insurance, financing, or similar business, and which is—

"(I) described in clause (ii),

"(II) passive income (determined without regard to subclause (I) of subparagraph (A)(iii)), or

"(III) export financing interest which (but for subparagraph (B)(ii)) would be high withholding tax interest.

"(ii) General description of financial services income.—Income is described in this clause if such income is—

"(I) derived in the active conduct of a banking, financing, or similar business,

"(II) derived from the investment by an insurance company of its unearned premiums or reserves ordinary and necessary for the proper conduct of its insurance business, or

"(III) of a kind which would be insurance income as defined in section 953(a) determined without regard to those provisions of paragraph (1)(A) of such section which limit insurance income to income from countries other than the country in which the corporation was created or organized.

"(iii) Exceptions.—The term 'financial services income' does not include—

"(I) any high withholding tax interest,

"(II) any dividend from a noncontrolled section 902 corporation, and

"(III) any export financing interest not described in clause (i)(III)."

(B) Clause (i) of section 864(d)(5)(A) of the 1986 Code is amended by striking out "(C)(iii)" and inserting in lieu thereof "(C)(iii)(III)".

(2) Subparagraph (D) of section 904(d)(2) of the 1986 Code is amended by adding at the end thereof the following new sentence: "Such term does not include any dividend from a noncontrolled section 902 corporation and does not include any financial services income."

(3) Paragraph (3) of section 904(d) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(H) Exception for certain high withholding tax interest.—This paragraph shall not apply to any amount which—

"(i) without regard to this paragraph, is high withholding tax interest (including any amount treated as high withholding tax interest under paragraph (2)(B)(iii)), and

"(ii) would (but for this subparagraph) be treated as financial services income under this paragraph.

The amount to which this paragraph does not apply by reason of the preceding sentence shall not exceed the interest or equivalent income of the controlled foreign corporation taken into account in determining financial services income without regard to this subparagraph."

(4) Subparagraph (E) of section 904(d)(3) of the 1986 Code is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "If a controlled foreign corporation meets the requirements of section 954(b)(3)(A) (relating to de minimis rule) for any taxable year, for purposes of this paragraph, none of its foreign base company income (as defined in section 954(a) without regard to section 954(b)(5)) and none of its gross insurance income (as defined in section 954(b)(3)(C)) for such taxable year shall be treated as income in a separate category, except that this sentence shall not apply to any income which (without regard to this sentence) would be treated as financial services income.", and

(B) by striking out "income (other than high withholding tax interest and dividends from a noncontrolled section 902 corporation)" and inserting in lieu thereof "passive income".

(5) Paragraph (2) of section 1201(e) of the Reform Act is amended by adding at the end thereof the following new subparagraph:

"(J) Treatment of affiliated group filing consolidated return.—For purposes of this paragraph, all members of an affiliated group of corporations filing a consolidated return shall be treated as 1 corporation."

(6) Subparagraph (A) of section 904(d)(2) of the 1986 Code is amended—

(A) by striking out "The term" in clause (ii) and inserting in lieu thereof "Except as provided in clause (iii), the term", and

(B) by adding at the end thereof the following new clause:

"(iv) Clarification of application of section 864(d)(6).—In determining whether any income is of a kind which would be foreign personal holding company income, the rules of section 864(d)(6) shall apply only in the case of income of a controlled foreign corporation."

(7) Subparagraph (F) of section 904(d)(3) of the 1986 Code is amended to read as follows:

"(F) Separate category.—For purposes of this paragraph—

"(i) In general.—Except as provided in clause (ii), the term 'separate category' means any category of income described in subparagraph (A), (B), (C), (D), or (E) of paragraph (1).

"(ii) Coordination with high-taxed income provisions.—

"(I) In determining whether any income of a controlled foreign corporation is in a separate category, subclause (III) of paragraph (2)(A)(iii) shall not apply.

"(II) Any income of the taxpayer which is treated as income in a separate category under this paragraph shall be so treated notwithstanding any provision of paragraph (2); except that the determination of whether any amount is high-taxed income shall be made after the application of this paragraph."

(8) Clause (iii) of section 904(d)(2)(B) of the 1986 Code is amended to read as follows:

"(iii) Regulations.—The Secretary may by regulations provide that—

"(I) amounts (not otherwise high withholding tax interest) shall be treated as high withholding tax interest where necessary to prevent avoidance of the purposes of this subparagraph, and

"(II) a tax shall not be treated as a withholding tax or other tax imposed on a gross basis if such tax is in the nature of a prepayment of a tax imposed on a net basis."

(9) Clause (ii) of section 904(d)(2)(I) of the 1986 Code is amended by striking out "except to the extent that" and all that follows down through "and" at the end thereof and inserting in lieu thereof the following: "except that—

"(I) such taxes shall be treated as paid or accrued with respect to shipping income to the extent the taxpayer establishes to the satisfaction of the Secretary that such taxes were paid or accrued with respect to such income,

"(II) in the case of a person described in subparagraph (C)(i), such taxes shall be treated as paid or accrued with respect to financial services income to the extent the taxpayer establishes to the satisfaction of the Secretary that such taxes were paid or accrued with respect to such income, and

"(III) such taxes shall be treated as paid or accrued with respect to high withholding tax interest to the extent the taxpayer establishes to the satisfaction of the Secretary that such taxes were paid or accrued with respect to such income, and".

(10) Clause (i) of section 904(d)(2)(E) of the 1986 Code is amended by striking out "during which it was a controlled foreign corporation" and inserting in lieu thereof "during which it was a controlled foreign corporation and except as provided in regulations, the taxpayer was a United States shareholder in such corporation".

(11) Subparagraph (E) of section 904(d)(1) of the 1986 Code is amended by striking out "dividends" and inserting in lieu thereof "in the case of a corporation, dividends".

(b) Amendment Related to Section 1202 of the Reform Act.—

(1) Paragraph (7) of section 902(c) of the 1986 Code is amended—

(A) by striking out "secton 960" and inserting in lieu thereof "section 960", and

(B) by striking out "this section" the second place it appears and inserting in lieu thereof "this section and section 960".

(2) Paragraph (1) of section 902(c) of the 1986 Code is amended by striking out "sections 964 and 986" and inserting in lieu thereof "sections 964(a) and 986".

(3) For purposes of sections 902 and 960 of the 1986 Code, the increase in earnings and profits of any foreign corporation under section 1023(e)(3)(C) of the Reform Act shall be taken into account ratably over the 10-year period beginning with the corporation's first taxable year beginning after December 31, 1986.

(4) Paragraph (3) of section 404A(d) of the 1986 Code is amended by striking out "the amount determined" and inserting in lieu thereof "except as provided in regulations, the amount determined".

(c) Amendment Related to Section 1203 of the Reform Act.—Paragraph (5) of section 904(f) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(F) Dispositions.—If any separate limitation loss for any taxable year is allocated against any separate limitation income for such taxable year, except to the extent provided in regulations, rules similar to the rules of paragraph (3) shall apply to any disposition of property if gain from such disposition would be in the income category with respect to which there was such separate limitation loss."

(d) Amendments Related to Section 1211 of the Reform Act.—

(1) Subsection (d) of section 865 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) Coordination with subsection (c).—

"(A) Gain not in excess of depreciation adjustments sourced under subsection (c).—Notwithstanding paragraph (1), any gain from the sale of an intangible shall be sourced under subsection (c) to the extent such gain does not exceed the depreciation adjustments with respect to such intangible.

"(B) Subsection (c)(2) not to apply to intangibles.—Paragraph (2) of subsection (c) shall not apply to any gain from the sale of an intangible."

(2) Subparagraph (A) of section 865(e)(1) of the 1986 Code is amended by striking out "(d), or (f)" and inserting in lieu thereof "(d)(1)(B) or (3), or (f)".

(3)(A) Clause (ii) of section 865(g)(1)(A) of the 1986 Code is amended by striking out "partnership,".

(B) Subsection (h) of section 865 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) Treatment of partnerships.—In the case of a partnership, except as provided in regulations, this section shall be applied at the partner level."

(4) Subsection (f) of section 865 of the 1986 Code is amended to read as follows:

"(f) Stock of Affiliates.—If—

"(1) a United States resident sells stock in an affiliate which is a foreign corporation,

"(2) such sale occurs in a foreign country in which such affiliate is engaged in the active conduct of a trade or business, and

"(3) more than 50 percent of the gross income of such affiliate for the 3-year period ending with the close of such affiliate's taxable year immediately preceding the year in which the sale occurred was derived from the active conduct of a trade or business in such foreign country,

any gain from such sale shall be sourced outside the United States. For purposes of paragraphs (2) and (3), the United States resident may elect to treat an affiliate and all other corporations which are wholly owned (directly or indirectly) by the affiliate as one corporation."

(5) Effective with respect to taxable years beginning after December 31, 1987, subparagraph (B) of section 865(e)(2) of the 1986 Code is amended to read as follows:

"(B) Exception.—Subparagraph (A) shall not apply to any sale of inventory property which is sold for use, disposition, or consumption outside the United States if an office or other fixed place of business of the taxpayer in a foreign country materially participated in the sale."

(6)(A) Subsection (g) of section 865 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) Special rule for certain stock sales by residents of Puerto Rico.—Paragraph (2) shall not apply to the sale by an individual who was a bona fide resident of Puerto Rico during the entire taxable year of stock in a corporation if—

"(A) such corporation is engaged in the active conduct of a trade or business in Puerto Rico, and

"(B) more than 50 percent of its gross income for the 3-year period ending with the close of such corporation's taxable year immediately preceding the year in which such sale occurred was derived from the active conduct of a trade or business in Puerto Rico.

For purposes of the preceding sentence, the taxpayer may elect to treat a corporation and all other corporations which are wholly owned (directly or indirectly) by such corporation as one corporation."

(B) Subsection (i) of section 865 of the 1986 Code is amended by striking out "and" at the end of paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(3) providing that, subject to such conditions (which may include provisions comparable to section 877) as may be provided in such regulations, subsections (e)(1)(B) and (g)(2) shall not apply for purposes of sections 931, 933, and 936."

(7) Subparagraph (B) of section 864(c)(4) of the 1986 Code is amended by striking out "or" at the end of clause (i), by striking out the period at the end of clause (ii) and inserting in lieu thereof "; or", and by adding at the end thereof the following new clause:

"(iii) is derived from the sale or exchange (outside the United States) through such office or other fixed place of business of personal property described in section 1221(1), except that this clause shall not apply if the property is sold or exchanged for use, consumption, or disposition outside the United States and an office or other fixed place of business of the taxpayer in a foreign country participated materially in such sale."

(8) Section 865 of the 1986 Code is amended by redesignating subsections (h), (i), and (j) as subsections (i), (j), and (k), respectively, and by inserting after subsection (g) the following new subsection:

"(h) Treatment of Gains From Sale of Certain Stock or Intangibles and From Certain Liquidations.—

"(1) In general.—In the case of gain to which this subsection applies—

"(A) such gain shall be sourced outside the United States, but

"(B) subsections (a), (b), and (c) of section 904 and sections 902, 907, and 960 shall be applied separately with respect to such gain.

"(2) Gain to which subsection applies.—This subsection shall apply to—

"(A) Gain from sale of certain stock or intangibles.—Any gain—

"(i) which is from the sale of stock in a foreign corporation or an intangible (as defined in subsection (d)(2)) and which would otherwise be sourced in the United States under this section,

"(ii) which, under a treaty obligation of the United States (applied without regard to this section), would be sourced outside the United States, and

"(iii) with respect to which the taxpayer chooses the benefits of this subsection.

"(B) Gain from liquidation in possession.—Any gain which is derived from the receipt of any distribution in liquidation of a corporation—

"(i) which is organized in a possession of the United States, and

"(ii) more than 50 percent of the gross income of which during the 3-taxable year period ending with the close of the taxable year immediately preceding the taxable year in which the distribution is received from the active conduct of a trade or business in such possession."

(9) Subparagraph (A) of section 865(e)(1) of the 1986 Code is amended by striking out "outside the United States" the first place it appears and inserting in lieu thereof "in a foreign country".

(10) Subparagraph (B) of section 864(c)(4) of the 1986 Code is amended—

(A) by striking out "(including any gain or loss realized on the sale or exchange of such property)" in clause (i), and

(B) by striking out ", or gain or loss from the sale or exchange of stock or notes, bonds, or other evidences of indebtedness" in clause (ii).

(11) Clause (i) of section 865(g)(1)(A) of the 1986 Code is amended to read as follows—

"(i) any individual who—

"(I) is a United States citizen or a resident alien and does not have a tax home (as so defined) in section 911(d)(3)) in a foreign country, or

"(II) is a nonresident alien and has a tax home (as so defined) in the United States, and".

(12) Paragraph (2) of section 865(d) of the 1986 Code is amended by inserting "franchise," after "trade brand,".

(e) Amendments Related to Section 1212 of the Reform Act.—

(1)(A) Paragraph (3) of section 883(c) of the 1986 Code is amended to read as follows:

"(3) Special rules for publicly traded corporations.—

"(A) Exception.—Paragraph (1) shall not apply to any corporation which is organized in a foreign country meeting the requirements of paragraph (1) or (2) of subsection (a) (as the case may be) and the stock of which is primarily and regularly traded on an established securities market in such foreign country, another foreign country meeting the requirements of such paragraph, or the United States.

"(B) Treatment of stock owned by publicly traded corporation.—Any stock in another corporation which is owned (directly or indirectly) by a corporation meeting the requirements of subparagraph (A) shall be treated as owned by individuals who are residents of the foreign country in which the corporation meeting the requirements of subparagraph (A) is organized."

(B) Paragraph (1) of section 883(c) of the 1986 Code is amended—

(i) by striking out "Paragraphs (1) and (2) of subsection (a)" and inserting in lieu thereof "Paragraph (1) or (2) of subsection (a) (as the case may be)", and

(ii) by striking out "such paragraphs (1) and (2)" and inserting in lieu thereof "such paragraph".

(2)(A) Paragraphs (1) and (2) of section 883(a) of the 1986 Code are each amended by striking out "to citizens of the United States and".

(B) Paragraphs (1) and (2) of section 872(b) of the 1986 Code are each amended by striking out "to citizens of the United States and to corporations organized in the United States" and inserting in lieu thereof "to individual residents of the United States".

(3)(A) The section heading for section 863 of the 1986 Code is amended to read as follows:

"SEC. 863. SPECIAL RULES FOR DETERMINING SOURCE."

(B) The table of sections for part I of subchapter N of chapter 1 of the 1986 Code is amended by striking out the item relating to section 863 and inserting in lieu thereof the following:

"Sec. 863. Special rules for determining source."

(4) Subsection (c) of section 862 is hereby repealed.

(5) Paragraphs (1) and (2) of section 872(b) of the 1986 Code and paragraphs (1) and (2) of section 883(a) of the 1986 Code are each amended by striking out "operation" and inserting in lieu thereof "international operation".

(6) Paragraph (1) of section 887(b) of the 1986 Code is amended—

(A) by striking out "under section 863(c)" and inserting in lieu thereof "under section 863(c)(2)", and

(B) by adding at the end thereof the following new sentence: "To the extent provided in regulations, such term does not include any income of a kind to which an exemption under paragraph (1) or (2) of section 883(a) would not apply."

(f) Amendment Related to Section 1213 of the Reform Act.—Paragraph (2) of section 863(e) of the 1986 Code is amended by striking out "foreign country" each place it appears and inserting in lieu thereof "foreign country (or possession of the United States)".

(g) Amendments Related to Section 1214 of the Reform Act.—

(1) (A) Paragraph (1) of section 1214(d) of the Reform Act is amended to read as follows:

"(1) In general.—The amendments made by this section shall apply to payments made in a taxable year of the payor beginning after December 31, 1986."

(B) A taxpayer may elect not to have the amendment made by subparagraph (A) apply and to have section 1214(d)(1) of the Reform Act apply as in effect before such amendment. Such election shall be made at such time and in such manner as the Secretary of the Treasury or his delegate may prescribe.

(2) Subparagraph (B) of section 1214(d)(2) of the Reform Act is amended by striking out "section 904(d)(2)(G)" and inserting in lieu thereof "section 904(d)(2)(H)".

(3) Subparagraph (B) of section 861(c)(1) of the 1986 Code is amended—

(A) by striking out "subchapter)" in clause (i) and inserting in lieu thereof "subchapter) or, in the case of a corporation, is attributable to income so derived by a subsidiary of such corporation",

(B) by striking out "or chain of subsidiaries of such corporation" in clause (ii), and

(C) by adding at the end thereof the following new sentence:

"For purposes of this subparagraph, the term 'subsidiary' means any corporation in which the corporation referred to in this subparagraph owns (directly or indirectly) stock meeting the requirements of section 1504(a)(2) (determined by substituting '50 percent' for '80 percent' each place it appears)."

(4) Paragraph (1) of section 2105(b) of the 1986 Code is amended by striking out "section 861(c), if any interest thereon would be treated by reason of section 861(a)(1)(A) as income from sources without the United States" and inserting in lieu thereof "section 871(i)(3), if any interest thereon would not be subject to tax by reason of section 871(i)(1)".

(5) Paragraph (2) of section 864(c) of the 1986 Code is amended by striking out the last sentence.

(6) Paragraph (3) of section 907(c) of the 1986 Code is amended:

(A) by striking out subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively, and

(B) by striking out "and dividends described in subparagraph (B)".

(7) Subsection (a) of section 1442 of the 1986 Code is amended—

(A) by striking out "and the references in" and inserting in lieu thereof "the references in", and

(B) by inserting before the period at the end thereof the following: ", and the reference in section 1441(c)(10) to section 871(i)(2) shall be treated as referring to section 881(d)".

(h) Amendments Related to Section 1215 of the Reform Act.—

(1) Paragraph (4) of section 864(e) of the 1986 Code is amended to read as follows:

"(4) Basis of stock in nonaffiliated 10-percent owned corporations adjusted for earnings and profits changes.—

"(A) In general.—For purposes of allocating and apportioning expenses on the basis of assets, the adjusted basis of any stock in a nonaffiliated 10-percent owned corporation shall be—

"(i) increased by the amount of the earnings and profits of such corporation attributable to such stock and accumulated during the period the taxpayer held such stock, or

"(ii) reduced (but not below zero) by any deficit in earnings and profits of such corporation attributable to such stock for such period.

"(B) Nonaffiliated 10-percent owned corporation.—For purposes of this paragraph, the term 'nonaffiliated 10-percent owned corporation' means any corporation if—

"(i) such corporation is not included in the taxpayer's affiliated group, and

"(ii) members of such affiliated group own 10 percent or more of the total combined voting power of all classes of stock of such corporation entitled to vote.

"(C) Earnings and profits of lower tier corporations taken into account.—

"(i) In general.—If, by reason of holding stock in a nonaffiliated 10-percent owned corporation, the taxpayer is treated under clause (iii) as owning stock in another corporation with respect to which the stock ownership requirements of clause (ii) are met, the adjustment under subparagraph (A) shall include an adjustment for the amount of the earnings and profits (or deficit therein) of such other corporation which are attributable to the stock the taxpayer is so treated as owning and to the period during which the taxpayer is treated as owning such stock.

"(ii) Stock ownership requirements.—The stock ownership requirements of this clause are met with respect to any corporation if members of the taxpayer's affiliated group own (directly or through the application of clause (iii)) 10 percent or more of the total combined voting power of all classes of stock of such corporation entitled to vote.

"(iii) Stock owned through entities.—For purposes of this subparagraph, stock owned (directly or indirectly) by a corporation, partnership, or trust shall be treated as being owned proportionately by its shareholders, partners, or beneficiaries. Stock considered to be owned by a person by reason of the application of the preceding sentence, shall, for purposes of applying such sentence, be treated as actually owned by such person.

"(D) Coordination with subpart F, etc.—For purposes of this paragraph, proper adjustment shall be made to the earnings and profits of any corporation to take into account any earnings and profits included in gross income under section 951 or under any other provision of this title and reflected in the adjusted basis of the stock."

(2)(A) Paragraph (1) of section 864(e) of the 1986 Code is amended by striking out "from sources outside the United States".

(B) Subsection (h) of section 936 of the 1986 Code is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) Section 864(e)(1) not to apply.—This subsection shall be applied as if section 864(e)(1) (relating to treatment of affiliated groups) had not been enacted."

(C) The heading for part I of subchapter N of chapter 1 of the 1986 Code is amended to read as follows:

"PART I—SOURCE RULES AND OTHER GENERAL RULES RELATING TO FOREIGN INCOME".

(D) The table of parts for subchapter N of chapter 1 of the 1986 Code is amended by striking out the item relating to part I and inserting in lieu thereof the following:

"Part I. Source rules and other general rules relating to foreign income."

(3) Paragraph (3) of section 864(e) of the 1986 Code is amended by striking out the last sentence and inserting in lieu thereof the following: "A similar rule shall apply in the case of the portion of any dividend (other than a qualifying dividend as defined in section 243(b)) equal to the deduction allowable under section 243 or 245(a) with respect to such dividend and in the case of a like portion of any stock the dividends on which would be so deductible and would not be qualifying dividends (as so defined)."

(4)(A) Paragraph (5) of section 864(e) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(D) TREATMENT OF BANK HOLDING COMPANIES.—To the extent provided in regulations—

"(i) a bank holding company (within the meaning of section 2(a) of the Bank Holding Company Act of 1956), and

"(ii) any subsidiary of a financial institution described in section 581 or 591 or of any bank holding company if such subsidiary is predominantly engaged (directly or indirectly) in the active conduct of a banking, financing, or similar business,

shall be treated as a corporation described in subparagraph (C)."

(B) Subparagraph (B) of section 864(e)(5) of the 1986 Code is amended by adding at the end thereof the following new sentence: "This subparagraph shall not apply for purposes of paragraph (6)."

(5) Paragraph (6) of section 864(e) of the 1986 Code is amended by striking out "directly allocable and apportioned" and inserting in lieu thereof "directly allocable or apportioned".

(6)(A) Paragraph (7) of section 864(e) of the 1986 Code is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a comma, and by adding at the end thereof the following new subparagraphs:

"(D) for direct allocation of interest expense in the case of indebtedness resulting in a disallowance under section 246A,

"(E) for appropriate adjustments in the application of paragraph (3) in the case of an insurance company, and

"(F) that this subsection shall not apply for purposes of any provision of this subchapter to the extent the Secretary determines that the application of this subsection for such purposes would not be appropriate."

(B) Subsection (e) of section 864 of the 1986 Code is amended by striking out "(except as provided in regulations)" in the material preceding paragraph (1).

(7) Paragraph (2) of section 1215(c) of the Reform Act is amended to read as follows:

"(2) TRANSITIONAL RULES.—

"(A) GENERAL PHASE-IN.—

"(i) IN GENERAL.—In the case of the 1st 3 taxable years of the taxpayer beginning after December 31, 1986, the amendments made by this section shall not apply to interest expenses paid or accrued by the taxpayer during the taxable year with respect to an aggregate amount of indebtedness which does not exceed the general phase-in amount.

"(ii) GENERAL PHASE-IN AMOUNT.—Except as provided in clause (iii), the general phase-in amount for purposes of clause (i) is the applicable percentage (determined under the following table) of the aggregate amount of indebtedness of the taxpayer outstanding on November 16, 1985:

"In the case of the:	The applicable percentage is:
1st taxable year...	75
2nd taxable year..	50
3rd taxable year...	25.

"(iii) LOWER LIMIT WHERE TAXPAYER REDUCES INDEBTEDNESS.—For purposes of applying this subparagraph to interest expenses attributable to any month, the general phase-in amount shall in no event exceed the lowest amount of indebtedness of the taxpayer outstanding as of the close of any preceding month beginning after November 16, 1985. To the extent provided in regulations, the average amount of indebtedness outstanding during any month shall be used (in lieu of the amount outstanding as of the close of such month) for purposes of the preceding sentence.

"(B) CONSOLIDATION RULE NOT TO APPLY TO CERTAIN INTEREST.—

"(i) IN GENERAL.—In the case of the 1st 5 taxable years of the taxpayer beginning after December 31, 1986—

"(I) subparagraph (A) shall not apply for purposes of paragraph (1) of section 864(e) of the Internal Revenue Code of 1986 (as added by this section), but

"(II) such paragraph (1) shall not apply to interest expenses paid or accrued by the taxpayer during the taxable year with respect to an aggregate amount of indebtedness which does not exceed the special phase-in amount.

"(ii) SPECIAL PHASE-IN AMOUNT.—The special phase-in amount for purposes of clause (i) is the sum of—

"(I) the general phase-in amount as determined for purposes of subparagraph (A),

"(II) the 5-year phase-in amount, and

"(III) the 4-year phase-in amount.

For purposes of applying this subparagraph to interest expense attributable to any month, the special phase-in amount shall in no event exceed the limitation determined under subparagraph (A)(iii).

"(iii) 5-YEAR PHASE-IN AMOUNT.—The 5-year phase-in amount is the lesser of—

"(I) the applicable percentage (determined under the following table for purposes of this subclause) of the 5-year debt amount, or

"(II) the applicable percentage (determined under the following table for purposes of this subclause) of the 5-year debt amount reduced by paydowns:

"In the case of the:	The applicable percentage for purposes of subclause (I) is:	The applicable percentage for purposes of subclause (II) is:
1st taxable year.	8⅓	10
2nd taxable year.	16⅔	25
3rd taxable year.	25	50
4th taxable year.	33⅓	100
5th taxable year.	16⅔	100.

"(iv) 4-YEAR PHASE-IN AMOUNT.—The 4-year phase-in amount is the lesser of—

"(I) the applicable percentage (determined under the following table for purposes of this subclause) of the 4-year debt amount, or

"(II) the applicable percentage (determined under the following table for purposes of this subclause) of the 4-year debt amount reduced by paydowns to the extent such paydowns exceed the 5-year debt amount:

"In the case of the:	The applicable percentage for purposes of subclause (I) is:	The applicable percentage for purposes of subclause (II) is:
1st taxable year.	5	6¼
2nd taxable year.	10	16⅔
3rd taxable year.	15	37½
4th taxable year.	20	100
5th taxable year.	0	0.

"(v) 5-YEAR DEBT AMOUNT.—The term '5-year debt amount' means the excess (if any) of—

"(I) the amount of the outstanding indebtedness of the taxpayer on May 29, 1985, over

"(II) the amount of the outstanding indebtedness of the taxpayer as of the close of December 31, 1983.

The 5-year debt amount shall not exceed the aggregate amount of indebtedness of the taxpayer outstanding on November 16, 1985.

"(vi) 4-YEAR DEBT AMOUNT.—The term '4-year debt amount' means the excess (if any) of—

"(I) the amount referred to in clause (v)(II), over

"(II) the amount of the outstanding indebtedness of the taxpayer as of the close of December 31, 1982.

The 4-year debt amount shall not exceed the aggregate amount of indebtedness of the taxpayer outstanding on November 16, 1985, reduced by the 5-year debt amount.

"(vii) PAYDOWNS.—For purposes of applying this subparagraph to interest expenses attributable to any month, the term 'paydowns' means the excess (if any) of—

"(I) the aggregate amount of indebtedness of the taxpayer outstanding on November 16, 1985, over

"(II) the lowest amount of indebtedness of the taxpayer outstanding as of the close of any preceding month beginning after November 16, 1985 (or, to the extent provided in regulations under subparagraph (A)(iii), the average amount of indebtedness outstanding during any such month).

"(C) COORDINATION OF SUBPARAGRAPHS (A) AND (B).—In applying subparagraph (B), there shall first be taken into account indebtedness to which subparagraph (A) applies.

"(D) SPECIAL RULES.—

"(i) In the case of the 1st 9 taxable years of the taxpayer beginning after December 31, 1986, the amendments made by this section shall not apply to interest expenses paid or accrued by the taxpayer during the taxable year with respect to an aggregate amount of indebtedness which does not exceed the applicable percentage (determined under the following table) of the indebtedness described in clause (iii) or (iv):

"In the case of the:	The applicable percentage is:
1st taxable year...	90
2nd taxable year..	80
3rd taxable year...	70
4th taxable year...	60
5th taxable year...	50
6th taxable year...	40
7th taxable year...	30
8th taxable year...	20
9th taxable year...	10.

"(ii) The provisions of this subparagraph shall apply in lieu of the provisions of subparagraphs (A) and (B).

"(iii) INDEBTEDNESS OUTSTANDING ON MAY 29, 1985.—Indebtedness is described in this clause if it is indebtedness (which was outstanding on May 29, 1985) of a corporation incorporated on June 13, 1917, which has its principal place of business in Bartlesville, Oklahoma.

"(iv) INDEBTEDNESS OUTSTANDING ON MAY 29, 1985.—Indebtedness is described in this clause if it is indebtedness (which was outstanding on May 29, 1985) of a member of an affiliated group (as defined in section 1504(a)), the common parent of which was incorporated on August 26, 1926, and has its principal place of business in Harrison, New York.

"(E) TREATMENT OF AFFILIATED GROUP.—For purposes of this paragraph, all members of the same affiliated group of corporations (as defined in section 864(e)(5)(A) of the Internal Revenue Code of 1986, as added by this section) shall be treated as 1 taxpayer whether or not such members filed a consolidated return."

"(F) ELECTION TO HAVE PARAGRAPH NOT APPLY.—A taxpayer may elect (at such time and in such manner as the Secretary of the Treasury or his delegate may prescribe) to have this paragraph not apply. In the case of members of the same affiliated group (as so defined), such an election may be made only if each member consents to such election."

(i) AMENDMENTS RELATED TO SECTION 1221 OF THE REFORM ACT.—

(1)(A) Subparagraph (C) of section 953(c)(3) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"An election under this subparagraph made for any taxable year shall not be effective if the corporation (or any predecessor thereof) was a disqualified corporation for the taxable year for which the election was made or for any prior taxable year beginning after 1986."

(B) Clause (i) of section 953(c)(3)(D) of the 1986 Code is amended to read as follows:

"(i) PERIOD DURING WHICH ELECTION IN EFFECT.—

"(I) IN GENERAL.—Except as provided in subclause (II), any election under subparagraph (C) shall apply to the taxable year for which made and all subsequent taxable years unless revoked with the consent of the Secretary.

"(II) TERMINATION.—If a foreign corporation which made an election under subparagraph (C) for any taxable year is a disqualified corporation for any subsequent taxable year, such election shall not apply to any taxable year beginning after such subsequent taxable year."

(C) Paragraph (3) of section 953(c) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(E) DISQUALIFIED CORPORATION.—For purposes of this paragraph the term 'disqualified corporation' means, with respect to any taxable year, any foreign corporation which is a controlled foreign corporation for an uninterrupted period of 30 days or more during such taxable year (determined without regard to this subsection) but only if a United States shareholder (determined without regard to this subsection) owns (within the meaning of section 958(a)) stock in such corporation at some time during such taxable year."

(2)(A) Paragraph (1) of section 953(c) of the 1986 Code is amended by striking out "and" at the end of subparagraph (A), by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(C) the pro rata share referred to in section 951(a)(1)(A)(i) shall be determined under paragraph (5) of this subsection."

(B) Subsection (c) of section 953 of the 1986 Code is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) DETERMINATION OF PRO RATA SHARE.—

"(A) IN GENERAL.—The pro rata share determined under this paragraph for any United States shareholder is the lesser of—

"(i) the amount which would be determined under paragraph (2) of section 951(a) if—

"(I) only related person insurance income were taken into account,

"(II) stock owned (within the meaning of section 958(a)) by United States shareholders on the last day of the taxable year were the only stock in the foreign corporation, and

"(III) only distributions received by United States shareholders were taken into account under subparagraph (B) of such paragraph (2), or

"(ii) the amount which would be determined under paragraph (2) of section 951(a) if the entire earnings and profits of the foreign corporation for the taxable year were subpart F income.

"(B) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall prescribe regulations providing for such modifications to the provisions of this subpart as may be necessary or appropriate by reason of subparagraph (A)."

(3)(A) Paragraph (2) of section 953(c) of 1986 Code is amended by striking out "with respect to which the primary insured is" and inserting in lieu thereof "with respect to which the person (directly or indirectly) insured is".

(B) Subparagraph (A) of section 953(c)(3) of the 1986 Code is amended—

(i) by striking out "persons who are the primary insured" and inserting in lieu thereof "persons who are (directly or indirectly) insured", and

(ii) by striking out "to any such primary insured" and inserting in lieu thereof "to any such person".

(C) The amendments made by this paragraph to the extent such amendments add the phrase "(directly or indirectly)" shall apply only to taxable years beginning after December 31, 1987.

(4)(A) Subsection (c) of section 953 of the 1986 Code (as amended by paragraph (2)) is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

"(6) RELATED PERSON.—For purposes of this subsection—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'related person' has the meaning given such term by section 954(d)(3).

"(B) TREATMENT OF CERTAIN LIABILITY INSURANCE POLICIES.—In the case of any policy of insurance covering liability arising from services performed as a director, officer, or employee of a corporation or as a partner or employee of a partnership, the person performing such services and the entity for which such services are performed shall be treated as related persons."

(B) Paragraphs (2) and (3)(A) of section 953(c) of the 1986 Code are each amended by striking out "(within the meaning of section 954(d)(3))".

(5) Paragraph (2) of section 953(c) of the 1986 Code is amended by striking out "insurance income attributable" and inserting in lieu thereof "insurance income (within the meaning of subsection (a)) attributable".

(6) For purposes of applying section 952(c)(1)(A) of the 1986 Code, the earnings and profits of any corporation shall be determined without regard to any increase in earnings and profits under section 1023(e)(3)(C) of the Reform Act.

(7) Subsection (b) of section 953 of the 1986 Code is amended—

(A) by striking out paragraph (1) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively,

(B) by striking out subparagraph (A) of paragraph (1) (as so redesignated) and inserting in lieu thereof the following:

"(A) The small life insurance company deduction.", and

(C) by striking out "(other than those taken into account under paragraph (3))" in paragraph (3) (as so redesignated).

(8) Subparagraph (B) of section 953(c)(3) of the 1986 Code is amended—

(A) by striking out "related person insurance income" and inserting in lieu thereof "related person insurance income (determined on a gross basis)", and

(B) by striking out "its insurance income" and inserting in lieu thereof "its insurance income (as so determined)".

(9) Subclause (II) of section 953(c)(3)(C)(i) of the 1986 Code is amended—

(A) by striking out "all benefits" and inserting in lieu thereof "all benefits (other than with respect to section 884)", and

(B) by striking out "under any income tax treaty" and inserting in lieu thereof "granted by the United States under any treaty".

(10) Paragraph (7) of section 861(a) of the 1986 Code is amended to read as follows:

"(7) Amounts received as underwriting income (as defined in section 832(b)(3)) derived from the issuing (or reinsuring) of any insurance or annuity contract—

"(A) in connection with property in, liability arising out of an activity in, or in connection with the lives or health of residents of, the United States, or

"(B) in connection with risks not described in subparagraph (A) as a result of any arrangement whereby another corporation receives a substantially equal amount of premiums or other consideration in respect to issuing (or reinsuring) any insurance or annuity contract in connection with property in, liability arising out of activity in, or in connection with the lives or health of residents of, the United States."

(11) Subparagraph (A) of section 955(a)(2) of the 1986 Code is amended by striking out "beginning before 1987" and inserting in lieu thereof "beginning before 1987 (to the extent such amount exceeds the sum of the decreases in qualified investments determined under this paragraph for prior taxable years beginning after 1986)".

(12) Paragraphs (6) and (7) of section 954(b) of the 1986 Code are each amended by striking out "(determined without regard to the exclusion under paragraph (2) of this subsection)".

(13)(A) Subparagraph (C) of section 1221(g)(3) of the Reform Act is amended—

(i) by striking out "July 9" and inserting in lieu thereof "June 9", and

(ii) by striking out "March 31, 1982" and inserting in lieu thereof "November 3, 1981".

(B) Subparagraph (D) of section 1221(g)(3) of the Reform Act is amended—

(i) by striking out "as of August 16, 1986, under a reinsurance contract in effect on such date" and inserting in lieu thereof "under a reinsurance contract",

(ii) by striking out "the preceding sentence" and inserting in lieu thereof "this subparagraph", and

(iii) by adding at the end thereof the following: "For purposes of this paragraph, the amount of qualified reinsurance income shall not exceed the amount of insurance income from reinsurance contracts for calendar year 1985. In the case of controlled foreign corporations described in subparagraph (C)(ii), the preceding sentence shall not apply and the qualified reinsurance income of any such corporation shall not exceed such corporation's proportionate share of $27,000,000 (determined on the basis of respective amounts of qualified reinsurance income determined without regard to this subparagraph)."

(14)(A) Paragraph (3) of section 954(d) of the 1986 Code is amended by striking out "50 percent or more" each place it appears and inserting in lieu thereof "more than 50 percent".

(B) Clause (ii) of section 861(c)(2)(B) of the 1986 Code is amended to read as follows:

"(ii) such section shall be applied by substituting '10 percent or more' for 'more than 50 percent' each place it appears."

(15) Subsection (b) of section 951 of the 1986 Code is amended by striking out "section 957(d)" and inserting in lieu thereof "section 957(c)".

(16) Subsection (c) of section 952 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE FOR DETERMINING EARNINGS AND PROFITS.—For purposes of this subsection, earnings and profits of any controlled foreign corporation shall be determined without regard to paragraphs (4), (5), and (6) of section 312(n). Under regulations, the preceding sentence shall not apply to the extent it would increase earnings and profits by an amount which was previously distributed by the controlled foreign corporation."

(17) Subparagraph (A) of section 881(c)(4) of the 1986 code is amended by striking out clauses (ii), (iii), (iv), and (v) and inserting in lieu thereof the following:

"(ii) Paragraph (4) of section 954(b) (relating to exception for certain income subject to high foreign taxes).

"(iii) Clause (i) of section 954(c)(3)(A) (relating to certain income received from related persons)."

(18) Subparagraph (B) of section 954(c)(1) of the 1986 Code is amended by striking out "or" at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

"(ii) which is an interest in a trust, partnership, or REMIC, or".

(19)(A) Subsection (a) of section 6046 of the 1986 Code is amended by striking out "and" at the end of paragraph (2), by redesignating paragraph (3) as paragraph (4), and by inserting after paragraph (2) the following new paragraph:

"(3) each person (not described in paragraph (2)) who, at any time after January 1, 1987, is treated as a United States shareholder under section 953(c) with respect to a foreign corporation, and".

(B) Subsection (b) of section 6046 of the 1986 Code is amended by striking out "subsection (a)(2)" and inserting in lieu thereof "paragraph (2) or (3) of subsection (a)".

(C) Subsection (a) of section 6046 of the 1986 Code is amended by adding at the end thereof the following new sentence:

"In the case of a foreign corporation with respect to which any person is treated as a United States shareholder under section 953(c), paragraph (1) shall be treated as including a reference to each United States person who is an officer or director of such corporation."

(20) Subparagraph (B) of section 954(c)(1) of the 1986 Code is amended by striking out the last sentence and inserting in lieu thereof the following:

"In the case of any regular dealer in property, gains and losses from the sale or exchange of any such property or arising out of bona fide hedging transactions reasonably necessary to the conduct of the business of being a dealer in such property shall not be taken into account under this subparagraph. Gains and losses from the sale or exchange of any property which, in the hands of the controlled foreign corporation, is property described in section 1221(1) also shall not be taken into account under this subparagraph."

(21) Subsection (c) of section 953 (as amended by this subsection) is amended by striking out paragraph (7) and inserting in lieu thereof the following:

"(7) COORDINATION WITH SECTION 1248.—For purposes of section 1248, if any person is (or would be but for paragraph (3)) treated under paragraph (1) as a United States shareholder with respect to any foreign corporation which would be taxed under subchapter L if it were a domestic corporation and which is (or would be but for paragraph (3)) treated under paragraph (1) as a controlled foreign corporation—

"(A) such person shall be treated as meeting the stock ownership requirements of section 1248(a)(2) with respect to such foreign corporation, and

"(B) such foreign corporation shall be treated as a controlled foreign corporation.

"(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection, including—

"(A) regulations preventing the avoidance of this subsection through cross insurance arrangements or otherwise, and

"(B) regulations which may provide that a person will not be treated as a United States shareholder under paragraph (1) with respect to any foreign corporation if neither such person (nor any related person to such person) is (directly or indirectly) insured under any policy of insurance or reinsurance issued by such foreign corporation."

(22) Subclause (III) of section 952(c)(1)(B)(iii) of the 1986 Code is amended by striking out "insurance income" and inserting in lieu thereof "insurance income or foreign personal holding company income,".

(23) Clause (iii) of section 952(c)(1)(B) of the 1986 Code is amended by redesignating subclauses (III) and (IV) as subclauses (V) and (VI), respectively, and by inserting after subclause (II) the following new subclauses:

"(III) foreign base company sales income,

"(IV) foreign base company services income,".

(24) Clause (ii) of section 952(c)(1)(B) of the 1986 Code is amended by adding at the end thereof the following new sentence: "In determining the deficit attributable to qualified activities described in clause (iii) (III) or (IV), deficits in earnings and profits (to the extent not previously taken into account under this section) for taxable years beginning after 1962 and before 1987 also shall be taken into account. In the case of the qualified activity described in clause (iii)(II), the rule of the preceding sentence shall apply, except that '1982' shall be substituted for '1962'."

(25)(A) Paragraph (1) of section 952(c) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) CERTAIN DEFICITS OF MEMBER OF THE SAME CHAIN OF CORPORATIONS MAY BE TAKEN INTO ACCOUNT.—

"(i) IN GENERAL.—A controlled foreign corporation may elect to reduce the amount of its subpart F income for any taxable year which is attributable to any qualified activity by the amount of any deficit in earnings and profits of a qualified chain member for a taxable year ending with (or within) the taxable year of such controlled foreign corporation to the extent such deficit is attributable to such activity. To the extent any deficit reduces subpart F income under the preceding sentence, such deficit shall not be taken into account under subparagraph (B).

"(ii) QUALIFIED CHAIN MEMBER.—For purposes of this subparagraph, the term 'qualified chain member' means, with respect to any controlled foreign corporation, any other corporation which is created or organized under the laws of the same foreign country as the controlled foreign corporation but only if—

"(I) all the stock of such other corporation (other than directors' qualifying shares) is owned at all times during the taxable year in which the deficit arose (directly or through 1 or more corporations other than the common parent) by such controlled foreign corporation, or

"(II) all the stock of such controlled foreign corporation (other than directors' qualifying shares) is owned at all times during the taxable year in which the deficit arose (directly or through 1 or more corporations other than the common parent) by such other corporation.

"(iii) COORDINATION.—This subparagraph shall be applied after subparagraphs (A) and (B)."

(B) Subparagraph (B) of section 954(c)(3) of the 1986 Code is amended by inserting before the period at the end thereof the following: "or creates (or increases) a deficit which under section 952(c) may reduce the subpart F income of the payor or another controlled foreign corporation".

(j) AMENDMENT RELATED TO SECTION 1224 OF THE REFORM ACT.—Paragraph (2) of section 901(g) of the 1986 Code and section 936(d)(3)(B) of the 1986 Code are each amended by striking out "section 957(c)" and inserting in lieu thereof "section 957(c) (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986)".

(k) AMENDMENT RELATED TO SECTION 1225 OF THE REFORM ACT.—Subsection (c) of section 1225 of the Reform Act is amended by striking out "March 1, 1986" and inserting in lieu thereof "January 1, 1986".

(l) AMENDMENTS RELATED TO SECTION 1226 OF THE REFORM ACT.—

(1) Subsection (a) of section 246A of the 1986 Code is amended by striking out the last sentence.

(2)(A) Paragraph (8) of section 245 of the 1986 Code is amended to read as follows:

"(8) DISALLOWANCE OF FOREIGN TAX CREDIT.—No credit shall be allowed under section 901 for any taxes paid or accrued (or treated as paid or accrued) with respect to the United States-source portion of any dividend received by a corporation from a qualified 10-percent-owned foreign corporation."

(B) Subsection (a) of section 245 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(10) Coordination with treaties.—If—

"(A) any portion of a dividend received by a corporation from a qualified 10-percent-owned foreign corporation would be treated as from sources in the United States under paragraph (9),

"(B) under a treaty obligation of the United States (applied without regard to this subsection), such portion would be treated as arising from sources outside the United States, and

"(C) the taxpayer chooses the benefits of this paragraph,

this subsection shall not apply to such dividend (but subsections (a), (b), and (c) of section 904 and sections 902, 907, and 960 shall be applied separately with respect to such portion of such dividend)."

(3) Subsection (a) of section 245 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(11) Coordination with section 1248.—For purposes of this subsection, the term 'dividend' does not include any amount treated as a dividend under section 1248."

(m) Amendments Related to Section 1228 of the Reform Act.—

(1) Subsection (a) of section 1228 of the Reform Act is amended by striking out "and" at the end of paragraph (3), and by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) the transfer, sale, exchange, or other disposition is part of a single integrated plan, whereby the stock of the corporation described in paragraph (1) becomes owned directly by the 2 corporations specifically referred to in subsection (b) or by such 2 corporations and by 1 or both of their jointly owned direct subsidiaries,

"(5) within 20 days after each transfer, sale, exchange, or other disposition, the person making such transfer, sale, exchange, or other disposition notifies the Internal Revenue Service of the transaction, the date of the transaction, the basis of the stock involved, the holding period for such stock, and such other information as the Internal Revenue Service may require, and

"(6) the integrated plan is completed before the date 4 years after the date of the enactment of the Technical and Miscellaneous Revenue Act of 1988.

In the case of any underpayment attributable to a failure to meet any requirement of this subsection, the period during which such underpayment may be assessed shall in no event expire before the date 5 years after the date of the enactment of the Technical and Miscellaneous Revenue Act of 1988."

(2) Subsection (c) of section 1228 of the Reform Act is hereby repealed.

(n) Amendments Related to Section 1231 of the Reform Act.—

(1) Subparagraph (A) of section 1231(g)(2) of the Reform Act is amended by adding at the end thereof the following new sentence: "In the case of any transfer (or license) which is not to a foreign person, the preceding sentence shall be applied by substituting 'August 16, 1986' for 'November 16, 1985'."

(2) Subparagraph (B) of section 1231(g)(2) of the Reform Act is amended by striking out "was made" and inserting in lieu thereof ", if any, was made".

(3) Subsection (g) of section 1231 of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(5) Transitional rule for increase in gross income test.—

"(A) In general.—If—

"(i) a corporation fails to meet the requirements of subparagraph (B) of section 936(a)(2) of the Internal Revenue Code of 1986 (as amended by subsection (d)(1)) for any taxable year beginning in 1987 or 1988,

"(ii) such corporation would have met the requirements of such subparagraph (B) if such subparagraph had been applied without regard to the amendment made by subsection (d)(1), and

"(iii) 75 percent or more of the gross income of such corporation for such taxable year (or, in the case of a taxable year beginning in 1988, for the period consisting of such taxable year and the preceding taxable year) was derived from the active conduct of a trade or business within a possession of the United States, such corporation shall nevertheless be treated as meeting the requirements of such subparagraph (B) for such taxable year if it elects to reduce the amount of the qualified possession source investment income for the taxable year by the amount of the shortfall determined under subparagraph (B) of this paragraph.

"(B) Determination of shortfall.—The shortfall determined under this subparagraph for any taxable year is an amount equal to the excess of—

"(i) 75 percent of the gross income of the corporation for the 3-year period (or part thereof) referred to in section 936(a)(2)(A) of such Code, over

"(ii) the amount of the gross income of such corporation for such period (or part thereof) which was derived from the active conduct of a trade or business within a possession of the United States.

"(C) Special rule.—Any income attributable to the investment of the amount not treated as qualified possession source investment income under subparagraph (A) shall not be treated as qualified possession source investment income for any taxable year."

(4) Subparagraph (B) of section 1231(a)(1) of the Reform Act is amended by striking out "at the end thereof" and inserting in lieu thereof "at the end of the material relating to payment of cost sharing".

(5)(A) Clause (ii) of section 936(d)(4)(A) of the 1986 Code is amended to read as follows:

"(ii) in accordance with a specific authorization granted by the Commissioner of Financial Institutions of Puerto Rico pursuant to regulations issued by such Commissioner."

(B) Clauses (i) and (ii) of section 936(d)(4)(C) of the 1986 Code are each amended by striking out "the Secretary of the Treasury of Puerto Rico" and inserting in lieu thereof "the Commissioner of Financial Institutions of Puerto Rico".

(o) Amendment Related to Section 1234 of the Reform Act.—Subsection (d) of section 6039E of the 1986 Code is amended by adding at the end thereof the following new sentence:

"Nothing in the preceding sentence shall be construed to require the disclosure of information which is subject to section 245A of the Immigration and Nationality Act (as in effect on the date of the enactment of this sentence)."

(p) Amendments Related to Section 1235 of the Reform Act.—

(1) Paragraph (1) of section 1291(d) of the 1986 Code is amended to read as follows:

"(1) In general.—This section shall not apply with respect to any distribution paid by a passive foreign investment company, or any disposition of stock in a passive foreign investment company, if such company is a qualified electing fund for each of its taxable years—

"(A) which begins after December 31, 1986, and for which such company is a passive foreign investment company, and

"(B) which includes any portion of the taxpayer's holding period."

(2) Subsection (c) of section 1296 of the 1986 Code is amended by striking out "owns at least" and inserting in lieu thereof "owns (directly or indirectly) at least".

(3) Paragraph (3) of section 1291(b) of the 1986 Code is amended by striking out "and" at the end of subparagraph (D), by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(F) proper adjustment shall be made for amounts not includible in gross income by reason of section 551(d), 959(a), or 1293(c)."

(4) Paragraph (2) of section 1294(c) of the 1986 Code is amended—

(A) by striking out "is disposed of" in subparagraph (A) and inserting in lieu thereof "is transferred",

(B) by striking out "such disposition or cessation" each place it appears and inserting in lieu thereof "such transfer or cessation", and

(C) by striking out "Dispositions" in the paragraph heading and inserting in lieu thereof "Transfers".

(5) Paragraph (1) of section 1296(b) of the 1986 Code is amended to read as follows:

"(1) In general.—Except as provided in paragraph (2), the term 'passive income' means any income which is of a kind which would be foreign personal holding company income as defined in section 954(c)."

(6)(A) Subsection (f) of section 1291 of the 1986 Code is amended to read as follows:

"(f) Recognition of Gain.—To the extent provided in regulations, in the case of any transfer of stock in a passive foreign investment company where (but for this subsection) there is not full recognition of gain, the excess (if any) of—

"(1) the fair market value of such stock, over

"(2) its adjusted basis,

shall be treated as gain from the sale or exchange of such stock and shall be recognized notwithstanding any provision of law. Proper adjustment shall be made to the basis of any such stock for gain recognized under the preceding sentence."

(B) Subsection (e) of section 1291 of the 1986 Code is amended by striking out "Rules similar" and inserting in lieu thereof "Except to the extent inconsistent with the regulations prescribed under subsection (f), rules similar".

(7)(A) Paragraphs (4) and (5) of section 1291(a) of the 1986 Code are hereby repealed.

(B) Section 1291 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(g) Coordination With Foreign Tax Credit Rules.—

"(1) In general.—If there are creditable foreign taxes with respect to any distribution in respect of stock in a passive foreign investment company—

"(A) the amount of such distribution shall be determined for purposes of this section with regard to section 78,

"(B) the excess distribution taxes shall be allocated ratably to each day in the taxpayer's holding period for the stock, and

"(C) to the extent—

"(i) that such excess distribution taxes are allocated to a taxable year referred to in subsection (a)(1)(B), such taxes shall be taken into account under section 901 for the current year, and

"(ii) that such excess distribution taxes are allocated to any other taxable year, such taxes shall reduce (subject to the principles

of section 904(d) and not below zero) the increase in tax determined under subsection (c)(2) for such taxable year by reason of such distribution (but such taxes shall not be taken into account under section 901).

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) CREDITABLE FOREIGN TAXES.—The term 'creditable foreign taxes' means, with respect to any distribution—

"(i) any foreign taxes deemed paid under section 902 with respect to such distribution, and

"(ii) any withholding tax imposed with respect to such distribution,

but only if the taxpayer chooses the benefits of section 901 and such taxes are creditable under section 901 (determined without regard to paragraph (1)(C)(ii)).

"(B) EXCESS DISTRIBUTION TAXES.—The term 'excess distribution taxes' means, with respect to any distribution, the portion of the creditable foreign taxes with respect to such distribution which is attributable (on a pro rata basis) to the portion of such distribution which is an excess distribution.

"(C) SECTION 1248 GAIN.—The rules of this subsection also shall apply in the case of any gain which but for this section would be includible in gross income as a dividend under section 1248."

(8) Section 1294 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(g) CROSS REFERENCE.—

"For provisions providing for interest for the period of the extension under this section, see section 6601."

(9) Paragraph (2) of section 1291(e) of the 1986 Code is amended by striking out "not" the second place it appears.

(10)(A) Subsection (a) of section 1297 of the 1986 Code is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) OPTIONS.—To the extent provided in regulations, if any person has an option to acquire stock, such stock shall be considered as owned by such person. For purposes of this paragraph, an option to acquire such an option, and each one of a series of such options, shall be considered as an option to acquire such stock."

(B) Paragraph (5) of section 1297(a) of the 1986 Code (as redesignated by subparagraph (A)) is amended by striking out "paragraph (2) or (3)" and inserting in lieu thereof "paragraph (2), (3), or (4)".

(11) Paragraph (3) of section 904(d) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(I) LOOK-THRU APPLIES TO PASSIVE FOREIGN INVESTMENT COMPANY INCLUSION.—If—

"(i) a passive foreign investment company is a controlled foreign corporation, and

"(ii) the taxpayer is a United States shareholder in such controlled foreign corporation,

any amount included in gross income under section 1293 shall be treated as income in a separate category to the extent such amount is attributable to income in such category."

(12) Clause (ii) of section 1291(a)(1)(B) of the 1986 Code is amended to read as follows:

"(ii) any period in the taxpayer's holding period before the 1st day of the 1st taxable year of the company which begins after December 31, 1986, and for which it was a passive foreign investment company, and".

(13) Subparagraph (A) of section 1291(b)(2) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"For purposes of clause (ii), any excess distribution received during such 3-year period shall be taken into account only to the extent it was included in gross income under subsection (a)(1)(B)."

(14) Subparagraph (A) of section 1291(a)(3) of the 1986 Code is amended by striking out "in the case of an excess distribution" and inserting in lieu thereof "for purposes of applying this section to an excess distribution".

(15) Subsection (b) of section 1293 of the 1986 Code is amended by adding at the end thereof the following new sentence: "To the extent provided in regulations, if the fund establishes to the satisfaction of the Secretary that it uses a shorter period than the taxable year to determine shareholders' interests in the earnings of such fund, pro rata shares may be determined by using such shorter period."

(16) Subparagraph (B) of section 1296(b)(2) of the 1986 Code is amended by striking out "by a corporation which" and inserting in lieu thereof "by a corporation which is predominantly engaged in an insurance business and which".

(17) Paragraph (5) of section 1297(b) of the 1986 Code is amended to read as follows:)

"(5) APPLICATION OF PART WHERE STOCK HELD BY OTHER ENTITY.—

"(A) IN GENERAL.—Under regulations, in any case in which a United States person is treated as owning stock in a passive foreign investment company by reason of subsection (a)—

"(i) any disposition by the United States person or the person owning such stock which results in the United States person being treated as no longer owning such stock, or

"(ii) any disposition of property in respect of such stock to the person holding such stock,

shall be treated as a disposition to, the United States person with respect to the stock in the passive foreign investment company.

"(B) AMOUNT TREATED IN SAME MANNER AS PREVIOUSLY TAXED INCOME.—Rules similar to the rules of section 959(b) shall apply to any amount described in subparagraph (A) and to any amount included in gross income under section 1293(a) (or which would have been so included but for section 951(f)) in respect of stock which the taxpayer is treated as owning under subsection (a)."

(18) Subsection (e) of section 1293 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) DETERMINATION OF EARNINGS AND PROFITS.—The earnings and profits of any qualified electing fund shall be determined without regard to paragraphs (4), (5), and (6) of section 312(n). Under regulations, the preceding sentence shall not apply to the extent it would increase earnings and profits by an amount which was previously distributed by the qualified electing fund."

(19) Subsection (d) of section 1248 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(7) AMOUNTS INCLUDED IN GROSS INCOME UNDER SECTION 1293.—Earnings and profits of the foreign corporation attributable to any amount previously included in the gross income of such person under section 1293 with respect to the stock sold or exchanged, but only to the extent the inclusion of such amount did not result in an exclusion of an amount under section 1293(c)."

(20) Paragraph (6) of section 1297(b) of the 1986 Code is amended by striking out "If a" and inserting in lieu thereof "Except as provided in regulations, if a".

(21) Section 1246 of the 1986 Code is amended by redesignating the subsection relating to information with respect to certain foreign investment companies as subsection (f), by redesignating the subsection relating to coordination with section 1248 as subsection (g), and by redesignating the subsection relating to cross reference as subsection (h).

(22) Subparagraph (A) of section 1297(b)(3) of the 1986 Code is amended to read as follows:

"(A) neither such corporation (nor any predecessor) was a passive foreign investment company for any prior taxable year,".

(23) Subsection (c) of section 1293 of the 1986 Code is amended by striking out "shall be treated as a distribution which is not a dividend" and inserting in lieu thereof "shall be treated, for purposes of this chapter, as a distribution which is not a dividend; except that such distribution shall immediately reduce earnings and profits".

(24) Subsection (b) of section 1297 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(8) TREATMENT OF CERTAIN FOREIGN CORPORATIONS OWNING STOCK IN 25-PERCENT OWNED DOMESTIC CORPORATION.—

"(A) IN GENERAL.—If—

"(i) a foreign corporation is subject to the tax imposed by section 531 (or waives any benefit under any treaty which would otherwise prevent the imposition of such tax), and

"(ii) such foreign corporation owns at least 25 percent (by value) of the stock of a domestic corporation,

for purposes of determining whether such foreign corporation is a passive foreign investment company, any qualified stock held by such domestic corporation shall be treated as an asset which does not produce passive income (and is not held for the production of passive income) and any amount included in gross income with respect to such stock shall not be treated as passive income.

"(B) QUALIFIED STOCK.—For purposes of subparagraph (A), the term 'qualified stock' means any stock in a C corporation which is a domestic corporation and which is not a regulated investment company or real estate investment trust."

(25) Section 1294 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(f) TREATMENT OF LOANS TO SHAREHOLDER.—For purposes of this section and section 1293, any loan by a qualified electing fund (directly or indirectly) to a shareholder of such fund shall be treated as a distribution to such shareholder.

(26)(A) Paragraph (2) of section 1296(b) of the 1986 Code is amended by striking out "or" at the end of subparagraph (A), by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", or", and by adding at the end thereof the following:

"(C) which is interest, a dividend, or a rent or royalty, which is received or accrued from a related person (within the meaning of section 954(d)(3)) to the extent such amount is properly allocable (under regulations prescribed by the Secretary) to income of such related person which is not passive income.

For purposes of subparagraph (C), the term 'related person' has the meaning given such term by section 954(d)(3) determined by substituting 'foreign corporation' for 'controlled foreign corporation' each place it appears in section 954(d)(3)."

(B) The paragraph heading for paragraph (2) of section 1296(b) of the 1986 Code is amended by striking out "EXCEPTION FOR CERTAIN BANKS AND INSURANCE COMPANIES" and inserting in lieu thereof "EXCEPTIONS".

(27) Subsection (a) of section 1296 of the 1986 Code is amended by adding at the end thereof the following new sentences:

"A foreign corporation may elect to have the determination under paragraph (2) based on the adjusted bases of its assets in lieu of their value. Such an election, once made, may be revoked only with the consent of the Secretary."

(28) Paragraph (2) of section 1291(d) of the 1986 Code is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) ADDITIONAL ELECTION FOR SHAREHOLDER OF CONTROLLED FOREIGN CORPORATIONS.—

"(i) IN GENERAL.—If—

"(I) a passive foreign investment company becomes a qualified electing fund for a taxable year which begins after December 31, 1986,

"(II) the taxpayer holds stock in such company on the first day of such taxable year, and

"(III) such company is a controlled foreign corporation (as defined in section 957(a)),

the taxpayer may elect to include in gross income as a dividend received on such first day an amount equal to the portion of the post-1986 earnings and profits of such company attributable (under regulations prescribed by the Secretary) to the stock in such company held by the taxpayer on such first day. The amount treated as a dividend under the preceding sentence shall be treated as an excess distribution and shall be allocated under subsection (a)(1)(A) only to days during periods taken into account in determining the post-1986 earnings and profits so attributable.

"(ii) POST-1986 EARNINGS AND PROFITS.—For purposes of clause (i), the term 'post-1986 earnings and profits' means earnings and profits which were accumulated in taxable years of such company beginning after December 31, 1986, and during the period or periods the stock was held by the taxpayer while the company was a passive foreign investment company.

"(iii) COORDINATION WITH SECTION 959(e).—For purposes of section 959(e), any amount included in gross income under this subparagraph shall be treated as included in gross income under section 1248(a).

"(C) ADJUSTMENTS.—In the case of any stock to which subparagraph (A) or (B) applies—

"(i) the adjusted basis of such stock shall be increased by the gain recognized under subparagraph (A) or the amount treated as a dividend under subparagraph (B), as the case may be, and

"(ii) the taxpayer's holding period in such stock shall be treated as beginning on the first day referred to in such subparagraph."

(29)(A) Clause (ii) of section 904(d)(2)(A) of the 1986 Code is amended by striking out "or section 1293" and inserting in lieu thereof "or, except as provided in subparagraph (E)(iii) or paragraph (3)(I), section 1293".

(B) Subparagraph (E) of section 904(d)(2) of the 1986 Code is amended by adding at the end thereof the following new clause:

"(iii) TREATMENT OF INCLUSIONS UNDER SECTION 1293.—If any foreign corporation is a non-controlled section 902 corporation with respect to the taxpayer, any inclusion under section 1293 with respect to such corporation shall be treated as a dividend from such corporation."

(30) Clause (ii) of section 864(b)(2)(A) of the 1986 Code is amended by striking out "section 542(c)(7)" and inserting in lieu thereof "section 542(c)(7), 542(c)(10),".

(31) Paragraph (1) of section 1291(c) of the 1986 Code is amended by adding at the end thereof the following new sentence: "Any increase in the tax imposed by this chapter for the current year under subsection (a) to the extent attributable to the amount referred to in subparagraph (B) shall be treated as interest paid under section 6601 on the due date for the current year."

(32) Section 1293 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(g) OTHER SPECIAL RULES.—

"(1) EXCEPTION FOR CERTAIN INCOME.—For purposes of determining the amount included in the gross income of any person under this section, the ordinary earnings and net capital gain of a qualified electing fund shall not include any item of income received by such fund if—

"(A) such fund is a controlled foreign corporation (as defined in section 957(a)) and such person is a United States shareholder (as defined in section 951(b)) in such fund, and

"(B) such person establishes to the satisfaction of the Secretary that—

"(i) such income was subject to an effective rate of income tax imposed by a foreign country greater than 90 percent of the maximum rate of tax specified in section 11, or

"(ii) such income is—

"(I) from sources within the United States,

"(II) effectively connected with the conduct by the qualified electing fund of a trade or business in the United States, and

"(III) not exempt from taxation (or subject to a reduced rate of tax) pursuant to a treaty obligation of the United States.

"(2) PREVENTION OF DOUBLE INCLUSION.—The Secretary shall prescribe such adjustment to the provisions of this section as may be necessary to prevent the same item of income of a qualified electing fund from being included in the gross income of a United States person more than once."

(33) Paragraph (3) of section 1291(b) of the 1986 Code (as amended by paragraph (3)) is amended by striking out "and" at the end of subparagraph (E), by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(G) if a charitable deduction was allowable under section 642(c) to a trust for any distribution of its income, proper adjustments shall be made for the deduction so allowable to the extent allocable to distributions or gain in respect of stock in a passive foreign investment company."

(34) Paragraph (2) of section 1294(c) of the 1986 Code is amended by adding at the end thereof the following new sentence: "To the extent provided in regulations, the preceding sentence shall not apply in the case of a transfer in a transaction with respect to which gain or loss is not recognized (in whole or in part), and the transferee in such transaction shall succeed to the treatment under this section of the transferor."

(35) Section 1297 of the 1986 Code is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) TREATMENT OF STOCK HELD BY POOLED INCOME FUND.—If stock in a passive foreign investment company is owned (or treated as owned under subsection (a)) by a pooled income fund (as defined in section 642(c)(5)) and no portion of any gain from a disposition of such stock may be allocated to income under the terms of the governing instrument of such fund—

"(1) section 1291 shall not apply to any gain on a disposition of such stock by such fund if (without regard to section 1291) a deduction would be allowable with respect to such gain under section 642(c)(3),

"(2) section 1293 shall not apply with respect to such stock, and

"(3) in determining whether section 1291 applies to any distribution in respect of such stock, subsection (d) of section 1291 shall not apply."

(36) Paragraph (1) of section 1297(b) of the 1986 Code is amended by striking out "passive foreign investment corporation" and inserting in lieu thereof "passive foreign investment company".

(37)(A) Paragraph (2) of section 1295(b) of the 1986 Code is amended by adding at the end thereof the following new sentence: "To the extent provided in regulations, such an election may be made later than as required by the preceding sentence in cases where the company failed to make a timely election because it reasonably believed it was not a passive foreign investment company."

(B) The period during which an election under section 1295(b) of the 1986 Code may be made shall in no event expire before the date 60 days after the date of enactment of this Act.

(q) AMENDMENTS RELATED TO SECTION 1241 OF THE ACT.—

(1)(A) Subparagraph (B) of section 884(b)(2) of the 1986 Code is amended to read as follows:

"(B) LIMITATION.—

"(i) IN GENERAL.—The increase under subparagraph (A) for any taxable year shall not exceed the accumulated effectively connected earnings and profits as of the close of the preceding taxable year.

"(ii) ACCUMULATED EFFECTIVELY CONNECTED EARNINGS AND PROFITS.—For purposes of clause (i), the term 'accumulated effectively connected earnings and profits' means the excess of—

"(I) the aggregate effectively connected earnings and profits for preceding taxable years beginning after December 31, 1986, over

"(II) the aggregate dividend equivalent amounts determined for such preceding taxable years."

(B) For purposes of applying section 884 of the 1986 Code, the earnings and profits of any corporation shall be determined without regard to any increase in earnings and profits under sections 1023(e)(3)(C) and 1021(e)(2)(C) of the Reform Act or arising from section 823(b)(4)(C) of the 1986 Code.

(2)(A) Paragraph (1) of section 884(e) of the 1986 Code is amended to read as follows:

"(1) LIMITATION ON TREATY EXEMPTION.—No treaty between the United States and a foreign country shall exempt any foreign corporation from the tax imposed by subsection (a) (or reduce the amount thereof) unless—

"(A) such treaty is an income tax treaty, and

"(B) such foreign corporation is a qualified resident of such foreign country."

(B) Paragraph (3) of section 884(e) of the 1986 Code is amended to read as follows:

"(3) COORDINATION WITH WITHHOLDING TAX.—

"(A) IN GENERAL.—If a foreign corporation is subject to the tax imposed by subsection (a) for any taxable year (determined after the application of any treaty), no tax shall be imposed by section 871(a), 881(a), 1441, or 1442 on any dividends paid by such corporation out of its earnings and profits for such taxable year.

"(B) LIMITATION ON CERTAIN TREATY BENEFITS.—If—

"(i) any dividend described in section 861(a)(2)(B) is received by a foreign corporation, and

"(ii) subparagraph (A) does not apply to such dividend,

rules similar to the rules of subparagraphs (A) and (B) of subsection (f)(3) shall apply to such dividend."

(C) Subsection (f) of section 884 of the 1986 Code is amended—

(i) by striking out the 2nd sentence of paragraph (1), and

(ii) by adding at the end thereof the following new paragraph:

"(3) COORDINATION WITH TREATIES.—

"(A) PAYOR MUST BE QUALIFIED RESIDENT.—In the case of any interest described in paragraph (1) which is paid or accrued by a foreign corporation, no benefit under any treaty between the United States and the foreign country of which such corporation is a resident shall apply unless—

"(i) such treaty is an income tax treaty, and

"(ii) such foreign corporation is a qualified resident of such foreign country.

"(B) RECIPIENT MUST BE QUALIFIED RESIDENT.—In the case of any interest described in paragraph (1) which is received or accrued by any corporation, no benefit under any treaty between the United States and the foreign country of which such corporation is a resident shall apply unless—

"(i) such treaty is an income tax treaty, and

"(ii) such foreign corporation is a qualified resident of such foreign country."

(3) Paragraph (1) of section 884(f) of the 1986 Code is amended—

(A) by striking out "sections 871, 881, 1441, and 1442" and inserting in lieu thereof "this subtitle", and

(B) by adding at the end thereof the following new sentence:

"To the extent provided in regulations, subparagraph (A) shall not apply to interest in excess of the amounts reasonably expected to be deductible under section 882 in computing the effectively connected taxable income of such foreign corporation."

(4) Paragraph (4) of section 884(e) of the 1986 Code is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) CORPORATIONS OWNED BY PUBLICLY TRADED DOMESTIC CORPORATIONS.—A foreign corporation which is a resident of a foreign country shall be treated as a qualified resident of such foreign country if—

"(i) such corporation is wholly owned (directly or indirectly) by a domestic corporation, and

"(ii) the stock of such domestic corporation is primarily and regularly traded on an established securities market in the United States."

(5) Subparagraph (A) of section 884(e)(4) of the 1986 Code is amended—

(A) by striking out "more than 50 percent" in clause (i) and inserting in lieu thereof "50 percent or more", and

(B) by striking out "or the United States" in clause (ii) and inserting in lieu thereof "or citizens or residents of the United States".

(6) Subsection (e) of section 884 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) EXCEPTION FOR INTERNATIONAL ORGANIZATIONS.—This section shall not apply to an international organization (as defined in section 7701(a)(18))."

(7) Subparagraph (B) of section 861(a)(2) of the 1986 Code is amended by striking out "other than under section 884(d)(2)" each place it appears and inserting in lieu thereof "other than income described in section 884(d)(2)".

(8) Paragraph (2) of section 26(b) of the 1986 Code is amended by striking out "and" at the end of subparagraph (J), by striking out the period at the end of subparagraph (K) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(L) section 884 (relating to branch profits tax)."

(9) Section 861 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(f) CROSS REFERENCE.—

"For treatment of interest paid by the branch of a foreign corporation, see section 884(f)."

(10) The paragraph (6) of section 906(b) of the 1986 Code which was added by section 1241(c) of the Reform Act is redesignated as paragraph (7).

(11) Subsection (c) of section 2104 of the 1986 Code is amended by striking out "section 861(a)(1)(B), section 861(a)(1)(G), or section 861(a)(1)(H)" and inserting in lieu thereof "subparagraph (A), (C), or (D) of section 861(a)(1)".

(12) Subparagraph (A) of section 904(g)(9) of the 1986 Code is amended by striking out "861(a)(1)(B)" and inserting in lieu thereof "861(a)(1)(A)".

(13)(A) Paragraph (1) of section 4373 of the 1986 Code is amended to read as follows:

"(1) EFFECTIVELY CONNECTED ITEMS.—Any amount which is effectively connected with the conduct of a trade or business within the United States unless such amount is exempt from the application of section 882(a) pursuant to a treaty obligation of the United States."

(B) The amendment made by subparagraph (A) shall apply with respect to premiums paid after the date 30 days after the date of the enactment of this Act.

(14) Paragraph (1) of section 884(f) of the 1986 Code is amended by inserting "(or having gross income treated as effectively connected with the conduct of a trade or business in the United States)" after "United States" in the material preceding subparagraph (A) thereof.

(15) Section 861(a)(2)(C) of the 1986 Code is amended by striking out "section 243(d)"and inserting in lieu thereof "section 243(e)".

(r) AMENDMENTS RELATED TO SECTION 1242 OF THE REFORM ACT.—

(1) Paragraph (7) of section 864(c) of the 1986 Code is amended to read as follows:

"(7) TREATMENT OF CERTAIN PROPERTY TRANSACTIONS.—For purposes of this title, if—

"(A) any property ceases to be used or held for use in connection with the conduct of a trade or business within the United States, and

"(B) such property is disposed of within 10 years after such cessation,

the determination of whether any income or gain attributable to such disposition is taxable under section 871(b) or 882 (as the case may be) shall be made as if such sale or exchange occurred immediately before such cessation and without regard to the requirement that the taxpayer be engaged in a trade or business within the United States during the taxable year for which such income or gain is taken into account."

(2) Paragraph (6) of section 864(c) of the 1986 Code is amended to read as follows:

"(6) TREATMENT OF CERTAIN DEFERRED PAYMENTS, ETC.—For purposes of this title, in the case of any income or gain of a nonresident alien individual or a foreign corporation which—

"(A) is taken into account for any taxable year, but

"(B) is attributable to a sale or exchange of property or the performance of services (or any other transaction) in any other taxable year,

the determination of whether such income or gain is taxable under section 871(b) or 882 (as the case may be) shall be made as if such income or gain were taken into account in such other taxable year and without regard to the requirement that the taxpayer be engaged in a trade or business within the United States during the taxable year referred to in subparagraph (A)."

(s) AMENDMENTS RELATED TO SECTION 1246 OF THE REFORM ACT.—

(1)(A) Section 1446 of the 1986 Code is amended to read as follows:

"SEC. 1446. WITHHOLDING TAX ON FOREIGN PARTNERS' SHARE OF EFFECTIVELY CONNECTED INCOME.

"(a) GENERAL RULE.—If—

"(1) a partnership has effectively connected taxable income for any taxable year, and

"(2) any portion of such income is allocable under section 704 to a foreign partner,

such partnership shall pay a withholding tax under this section at such time and in such manner as the Secretary shall by regulations prescribe.

"(b) AMOUNT OF WITHHOLDING TAX.—

"(1) IN GENERAL.—The amount of the withholding tax payable by any partnership under subsection (a) shall be equal to the applicable percentage of the effectively connected taxable income of the partnership which is allocable under section 704 to foreign partners.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means—

"(A) the highest rate of tax specified in section 1 in the case of the portion of the effectively connected taxable income which is allocable under section 704 to foreign partners who are not corporations, and

"(B) the highest rate of tax specified in section 11(b) in the case of the portion of the effectively connected taxable income which is allocable under section 704 to foreign partners which are corporations.

"(c) EFFECTIVELY CONNECTED TAXABLE INCOME.—For purposes of this section, the term 'effectively connected taxable income' means the taxable income of the partnership which is effectively connected (or treated as effectively connected) with the conduct of a trade or business in the United States computed with the following adjustments:

"(1) Paragraph (1) of section 703(a) shall not apply.

"(2) The partnership shall be allowed a deduction for depletion with respect to oil and gas wells but the amount of such deduction shall be determined without regard to sections 613 and 613A.

"(3) There shall not be taken into account any item of income, gain, loss, or deduction to the extent allocable under section 704 to any partner who is not a foreign partner.

"(d) TREATMENT OF FOREIGN PARTNERS.—

"(1) ALLOWANCE OF CREDIT.—Each foreign partner of a partnership shall be allowed a credit under section 33 for such partner's share of the withholding tax paid by the *partnership under this section. Such credit shall be allowed for the partner's taxable year in which (or with which) the partnership taxable year (for which such tax was paid) ends.*

"(2) CREDIT TREATED AS DISTRIBUTED TO PARTNER.—A foreign partner's share of any withholding tax paid by the partnership under this section shall be treated as distributed to such partner by such partnership on the last day of the partnership's taxable year (for which such tax was paid).

"(e) FOREIGN PARTNER.—For purposes of this section, the term 'foreign partner' means any partner who is not a United States person.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section, including regulations providing for the application of this section in the case of publicly traded partnerships."

(B) Paragraph (2) of section 6401(b) of the 1986 Code is amended by striking out the last sentence and inserting in lieu thereof the following: "The preceding sentence shall not apply to any credit so allowed by reason of section 1446."

(C) The table of sections for subchapter A of chapter 3 of the 1986 Code is amended by striking out the item relating to section 1446 and inserting in lieu thereof the following:

"Sec. 1446. Withholding of tax on foreign partners' share of effectively connected income."

(D) The amendments made by this paragraph shall apply to taxable years beginning after December 31, 1987. No amount shall be required to be deducted and withheld under section 1446 of the 1986 Code (as in effect before the amendment made by subparagraph (A)).

(2)(A) Subsection (a) of section 872 of the 1986 Code is amended by striking out "the case of a nonresident alien individual" and inserting in lieu thereof "the case of a nonresident alien individual, except where the context clearly indicates otherwise".

(B) Subsection (b) of section 882 of the 1986 Code is amended by striking out the "the case of a foreign corporation" and inserting in lieu thereof "the case of a foreign corporation, except where the context clearly indicates otherwise".

(t) AMENDMENTS RELATED TO SECTION 1247 OF THE REFORM ACT.—

(1) Subparagraph (A) of section 892(a)(2) of the 1986 Code is amended by striking out "or" at the end of clause (i), by striking out the period at the end of clause (ii) and inserting in lieu thereof ", or", and by adding at the end thereof the following new clause:

"(iii) derived from the disposition of any interest in a controlled commercial entity."

(2) Clause (ii) of section 892(a)(2)(A) of the 1986 Code is amended to read as follows:

"(ii) received by a controlled commercial entity or received (directly or indirectly) from a controlled commercial entity."

(3) Subsection (a) of section 892 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) TREATMENT AS RESIDENT.--For purposes of this title, a foreign government shall be treated as a corporate resident of its country. A foreign government shall be so treated for purposes of any income tax treaty obligation of the United States if such government grants equivalent treatment to the Government of the United States."

(4) Section 893 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(c) LIMITATION ON EXCLUSION.—Subsection (a) shall not apply to—

"(1) any employee of a controlled commercial entity (as defined in section 892(a)(2)(B)), or

"(2) any employee of a foreign government whose services are primarily in connection with a commercial activity (whether within or outside the United States) of the foreign government."

(u) AMENDMENT RELATED TO SECTION 1249 OF THE REFORM ACT.—Subsection (d) of section 1503 of the 1986 Code is amended by adding at the end thereof the following new paragraphs:

"(3) TREATMENT OF LOSSES OF SEPARATE BUSINESS UNITS.—To the extent provided in regulations, any loss of a separate unit of a domestic corporation shall be subject to the limitations of this subsection in the same manner as if such unit were a wholly owned subsidiary of such corporation.

"(4) INCOME ON ASSETS ACQUIRED AFTER THE LOSS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to prevent the avoidance of the purposes of this subsection by contributing assets to the corporation with the dual consolidated loss after such loss was sustained."

(v) AMENDMENTS RELATED TO SECTION 1261 OF THE REFORM ACT.—

(1)(A) So much of section 986 of the 1986 Code as precedes subsection (c) thereof is amended to read as follows:

"SEC. 986. DETERMINATION OF FOREIGN TAXES AND FOREIGN CORPORATION'S EARNINGS AND PROFITS.

"(a) FOREIGN TAXES.—

"(1) IN GENERAL.—For purposes of determining the amount of the foreign tax credit—

"(A) any foreign income taxes shall be translated into dollars using the exchange rates as of the time such taxes were paid to the foreign country or possession of the United States, and

"(B) any adjustment to the amount of foreign income taxes shall be translated into dollars using—

"(i) except as provided in clause (ii), the exchange rate as of the time when such adjustment is paid to the foreign country or possession, or

"(ii) in the case of any refund or credit of foreign income taxes, using the exchange rate as of the time of original payment of such foreign income taxes.

"(2) FOREIGN INCOME TAXES.—For purposes of paragraph (1), 'foreign income taxes' means any income, war profits, or excess profits taxes paid to any foreign country or to any possession of the United States.

"(b) EARNINGS AND PROFITS AND DISTRIBUTIONS.—For purposes of determining the tax under this subtitle—

"(1) of any shareholder of any foreign corporation, the earnings and profits of such corporation shall be determined in the corporation's functional currency, and

"(2) in the case of any United States person, the earnings and profits determined under paragraph (1) (when distributed, deemed distributed, or otherwise taken into account under this subtitle) shall (if necessary) be translated into dollars using the appropriate exchange rate."

(B) Section 987 of the 1986 Code is amended by inserting "and" at the end of paragraph (2), by striking out ", and" at the end of paragraph (3) and inserting in lieu thereof a period, and by striking out paragraph (4).

(C) The table of sections for subpart J of part III of subchapter N of chapter 1 is amended by striking out the item relating to section 986 and inserting in lieu thereof the following:

"Sec. 986. Determination of foreign taxes and foreign corporation's earnings and profits."

(2)(A) Subsection (c) of section 988 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) SPECIAL RULES WHERE TAXPAYER TAKES OR MAKES DELIVERY.—If the taxpayer takes or makes delivery in connection with any section 988 transaction described in paragraph (1)(B)(iii), any gain or loss (determined as if the taxpayer sold the contract, option, or instrument on the date on which he took or made delivery for its fair market value on such date) shall be recognized in the same manner as if such contract, option, or instrument were so sold."

(B) The amendment made by subparagraph (A) shall not apply in any case in which the taxpayer takes or makes delivery before June 11, 1987.

(3)(A) Subsection (b) of section 988 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE FOR CERTAIN CONTRACTS, ETC.—In the case of any section 988 transaction described in subsection (c)(1)(B)(iii), any gain or loss from such transaction shall be treated as foreign currency gain or loss (as the case may be)."

(B) Subclause (II) of section 988(c)(1)(C)(i) of the 1986 Code is amended to read as follows:

"(II) any gain or loss from such transaction shall be treated as foreign currency gain or loss (as the case may be)."

(C) Paragraph (2) of section 988(c) of the 1986 Code is amended by inserting "or" at the end of subparagraph (A), by striking out ", or" at the end of subparagraph (B) and inserting in lieu thereof a period, and by striking out subparagraph (C).

(D) Paragraph (3) of section 988(c) of the 1986 Code is amended to read as follows:

"(3) PAYMENT DATE.—The term 'payment date' means the date on which the payment is made or received."

(4) The first sentence of paragraph (1) of section 988(d) is amended by striking out "this section" and inserting in lieu thereof "this subtitle".

(5) Subsection (b) of section 989 of the 1986 Code is amended—

(A) by striking out "951(a)" in paragraph (3) and inserting in lieu thereof "951(a)(1)(A)", and

(B) by adding at the end thereof the following new sentence:

"For purposes of the preceding sentence, any amount included in income under section 951(a)(1)(B) shall be treated as an actual distribution made on the last day of the taxable year for which such amount was so included."

(6) Clause (iii) of section 988(c)(1)(B) of the 1986 Code is amended to read as follows:

"(iii) Entering into or acquiring any forward contract, futures contract, option, or similar financial instrument unless such instrument would be marked to market under section 1256 if held on the last day of the taxable year."

(7) Subparagraph (B) of section 988(a)(3) of the 1986 Code is amended by adding at the end thereof the following new clause:

"(iii) SPECIAL RULE FOR PARTNERSHIPS.—To the extent provided in regulations, in the case of a partnership, the determination of residence shall be made at the partner level."

(8) Clause (i) of section 988(a)(3)(B) of the 1986 Code is amended by adding at the end thereof the following new sentence: "If an individual does not have a tax home (as so defined), the residence of such individual shall be the United States if such individual is a United States citizen or a resident alien and shall be a country other than the United States if such individual is not a United States citizen or a resident alien."

(9) Section 903 of the 1986 Code is amended by striking out "this subpart" and inserting in lieu thereof "this part".

(w) Amendments Related to Section 1274 of the Reform Act.—

(1) Subsection (e) of section 932 of the 1986 Code is amended to read as follows:

"(e) Special Rule for Applying Section to Tax Imposed in Virgin Islands.—In applying this section for purposes of determining income tax liability incurred to the Virgin Islands, the provisions of this section shall not be affected by the provisions of Federal law referred to in section 934(a)."

(2) Paragraph (4) of section 932(c) of the 1986 Code is amended to read as follows:

"(4) Residents of the virgin islands.—In the case of an individual—

"(A) who is a bona fide resident of the Virgin Islands at the close of the taxable year,

"(B) who, on his return of income tax to the Virgin Islands, reports income from all sources and identifies the source of each item shown on such return, and

"(C) who fully pays his tax liability referred to in section 934(a) to the Virgin Islands with respect to such income,

for purposes of calculating income tax liability to the United States, gross income shall not include any amount included in gross income on such return, and allocable deductions and credits shall not be taken into account."

(3) Paragraph (2) of section 932(c) of the 1986 Code is amended by striking out "his income tax return" and inserting in lieu thereof "an income tax return".

(4) Subsection (c) of section 1274 of the Reform Act is amended by striking out "this title" and inserting in lieu thereof "the Internal Revenue Code of 1986".

(x) Amendment Related to Section 1275 of the Reform Act.—Section 1444 of the 1986 Code is amended by striking out "(as modified by section 934A)".

(y) Amendment Related to Section 1276 of the Reform Act.—Subsection (a) of section 7654 of the 1986 Code is amended by striking out "an individual to which" and inserting in lieu thereof "an individual to whom".

(z) Amendment Related to Section 1277 of the Reform Act.—

(1) Section 1277 of the Reform Act is amended by adding at the end thereof the following new subsection:

"(f) Exemption From Withholding.—Notwithstanding subsection (b), the modification of section 884 of the Internal Revenue Code of 1986 by reason of the amendment to section 881 of such Code by section 1273(b)(1) of this Act shall apply to taxable years beginning after December 31, 1986."

(2) Subsection (e) of section 1277 of the Reform Act is amended by striking out "The preceding sentence" and inserting in lieu thereof "Notwithstanding subsection (b), the preceding sentence".

(aa) Coordination With Treaties.—

(1) Treaty obligations.—

(A) Subsection (d) of section 7852 of the 1986 Code is amended to read as follows:

"(d) Treaty Obligations—

"(1) In general.—For purposes of determining the relationship between a provision of a treaty and any law of the United States affecting revenue, neither the treaty nor the law shall have preferential status by reason of its being a treaty or law.

"(2) Savings clause for 1954 treaties.—No provision of this title (as in effect without regard to any amendment thereto enacted after August 16, 1954) shall apply in any case where its application would be contrary to any treaty obligation of the United States in effect on August 16, 1954."

(B) Section 7852(d)(1) of the 1986 Code, as added by subparagraph (A), shall apply to any taxable period with respect to which the time for assessment of any deficiency has not expired by reason of any law or rule of law before the date of the enactment of this Act.

(2) Certain amendments to apply notwithstanding treaties.—The following amendments made by the Reform Act shall apply notwithstanding any treaty obligation of the United States in effect on the date of the enactment of the Reform Act:

(A) The amendments made by section 1201 of the Reform Act.

(B) The amendments made by title VII of the Reform Act to the extent such amendments relate to the alternative minimum tax foreign tax credit.

(3) Certain amendments not to apply to the extent inconsistent with treaties.—The following amendments made by the Reform Act shall not apply to the extent the application of such amendments would be contrary to any treaty obligation of the United States in effect on the date of the enactment of the Reform Act:

(A) The amendments made by section 1211 of the Reform Act to the extent—

(i) such amendments apply in the case of an individual treated as a resident of a foreign country under a treaty obligation of the United States as so in effect, or

(ii) such amendments relate to income of a nonresident from the sale or exchange of inventory property which would otherwise be sourced under section 865(e)(2) of the 1986 Code.

(B) The amendments made by section 1212(a) of the Reform Act; except for purposes of determining the amount of the foreign tax credit.

(C) The amendments made by subsections (b) and (c) of section 1212 of the Reform Act.

(D) The amendments made by section 1214 of the Reform Act; except for purposes of determining the amount of the foreign tax credit.

(E) The amendment made by section 1241(a) of the Reform Act to the extent that, under a treaty obligation of the United States, interest described in section 884(f)(1)(A) of the 1986 Code (as added by such amendment) which is in excess of amounts deducted would be treated as other than United States source.

(F) The amendment made by section 1241(b)(2)(A) of the Reform Act.

(G) The amendment made by section 1241(a) of the Reform Act to the extent such amendment relates to section 884(f)(1)(B) of the 1986 Code.

(H) The amendments made by section 1242 of the Reform Act to the extent they relate to paragraph (7) of section 864(c) of the 1986 Code.

(I) The amendment made by section 1247(a) of the Reform Act.

(J) The amendments made by section 123 of the Reform Act.

(4) Treatment of technical corrections.—For purposes of paragraphs (2) and (3), any amendment made by this title shall be treated as if it had been included in the provision of the Reform Act to which such amendment relates.

(5) Reporting of certain treaty-based return positions.—

(A) Subchapter B of chapter 61 of the 1986 Code is amended by redesignating section 6114 as section 6115 and by inserting after section 6113 the following new section:

"SEC. 6114. TREATY-BASED RETURN POSITIONS.

"(a) In General.—Each taxpayer who, with respect to any tax imposed by this title, takes the position that a treaty of the United States overrules (or otherwise modifies) an internal revenue law of the United States shall disclose (in such manner as the Secretary may prescribe) such position—

"(1) on the return of tax for such tax (or any statement attached to such return), or

"(2) if no return of tax is required to be filed, in such form as the Secretary may prescribe.

"(b) Waiver Authority.—The Secretary may by regulations waive the requirements of subsection (a) with respect to classes of cases for which the Secretary determines that the waiver will not impede the assessment and collection of tax."

(B) Part I of subchapter B of chapter 68 of the 1986 Code is amended by adding at the end thereof the following new section:

"SEC. 6712. FAILURE TO DISCLOSE TREATY-BASED RETURN POSITIONS.

"(a) General Rule.—If a taxpayer fails to meet the requirements of section 6114, there is hereby imposed a penalty equal to $1,000 ($10,000 in the case of a C corporation) on each such failure.

"(b) Authority to Waive.—The Secretary may waive all or any part of the penalty provided by this section on a showing by the taxpayer that there was reasonable cause for the failure and that the taxpayer acted in good faith.

"(c) Penalty in Addition to Other Penalties.—The penalty imposed by this section shall be in addition to any other penalty imposed by law."

(C)(i) The table of sections for subchapter B of chapter 61 of the 1986 Code is amended by striking out the item relating to section 6114 and inserting in lieu thereof the following:

"Sec. 6114. Treaty-based return positions.

"Sec. 6115. Cross reference."

(ii) The table of sections for part I of subchapter B of chapter 68 of the 1986 Code is amended by adding at the end thereof the following new item:

"Sec. 6712. Failure to disclose treaty-based return positions."

(D) The amendments made by this paragraph shall apply to taxable periods the due date for filing returns for which (without extension) occurs after December 31, 1988.

(6) Subsection (a) of section 894 of the 1986 Code is amended to read as follows:

"(a) Treaty Provisions.—

"(1) In general.—The provisions of this title shall be applied to any taxpayer with due regard to any treaty obligation of the United States which applies to such taxpayer.

"(2) Cross reference.—

For relationship between treaties and this title, see section 7852(d)."

(bb) Miscellaneous Foreign Technical Corrections.—

(1) Provisions relating to foreign personal holding companies.—

(A) Subsection (f) of section 551 of the 1986 Code is amended—

(i) by amending paragraph (1) to read as follows:

"(1) a foreign partnership or an estate or trust which is a foreign estate or trust, or", and

(ii) by striking out the last sentence and inserting in lieu thereof the following: "In any case to which the preceding sentence applies, the Secretary may by regulations provide that rules similar to the rules of section 1297(b)(5) shall apply, and provide for such other adjustments in the application of this subchapter as may be necessary to carry out the purposes of this subsection."

(B) Subsection (a) of section 551 of the 1986 Code is amended by striking out "(other than estates or trusts the gross income of which under this subtitle includes only income from sources within the United States)" and inserting in lieu thereof "(other than foreign estates or trusts)".

(C) Subsection (c) of section 552 of the 1986 Code is amended to read as follows:

"(c) LOOK-THRU FOR CERTAIN DIVIDENDS AND INTEREST.—

"(1) IN GENERAL.—For purposes of this part, any related person dividend or interest shall be treated as foreign personal holding company income only to the extent such dividend or interest is attributable (determined under rules similar to the rules of subparagraphs (C) and (D) of section 904(d)(3)) to income of the related person which would be foreign personal holding company income.

"(2) RELATED PERSON DIVIDEND OR INTEREST.—For purposes of paragraph (1), the term 'related person dividend or interest' means any dividend or interest which—

"(A) is described in subparagraph (A) of section 954(c)(3), and

"(B) is received from a related person which is not a foreign personal holding company (determined without regard to this subsection).

For purposes of the preceding sentence, the term 'related person' has the meaning given such term by section 954(d)(3) (determined by substituting 'foreign personal holding company' for 'controlled foreign corporation' each place it appears)."

(D) The amendments made by this paragraph shall apply to taxable years of foreign corporations beginning after December 31, 1986.

(2) TREATMENT OF CERTAIN PAYMENTS OUTSIDE THE UNITED STATES.—

(A) Subparagraph (A) of section 3405(d)(13) of the 1986 Code is amended by striking out "the United States" and inserting in lieu thereof "the United States and any possession of the United States".

(B) Clause (i) of section 3405(d)(13)(B) of the 1986 Code is amended to read as follows:

"(i) a United States citizen or a resident alien of the United States, or".

(C) The heading of paragraph (13) of section 3405(d) of the 1986 Code is amended by striking out "UNITED STATES" and inserting in lieu thereof "UNITED STATES OR ITS POSSESSIONS".

(D) The amendments made by this paragraph shall apply to distributions made after the date of the enactment of this Act.

(3) CLARIFICATION OF DISCLOSURE UNDER CERTAIN AGREEMENTS.—

(A) Paragraph (4) of section 6103(k) of the 1986 Code is amended—

(i) by striking out "or other convention" and inserting in lieu thereof "or other convention or bilateral agreement", and

(ii) by striking out "such convention" and inserting in lieu thereof "such convention or bilateral agreement".

(B) Subparagraph (A) of section 6103(b)(5) of the 1986 Code is amended by striking out "the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau" and inserting in lieu thereof "and the Commonwealth of the Northern Mariana Islands".

(C) The amendments made by this paragraph shall take effect on the date of the enactment of the Tax Reform Act of 1986.

(4) COORDINATION OF TREATIES WITH SECTION 904(g).—

(A) Subsection (g) of section 904 of the 1986 Code is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following new paragraph:

"(10) COORDINATION WITH TREATIES.—

"(A) IN GENERAL.—If—

"(i) any amount derived from a United States-owned foreign corporation would be treated as derived from sources within the United States under this subsection by reason of an item of income of such United States-owned foreign corporation,

"(ii) under a treaty obligation of the United States (applied without regard to this subsection and by treating any amount included in gross income under section 951(a)(1) as a dividend), such amount would be treated as arising from sources outside the United States, and

"(iii) the taxpayer chooses the benefits of this paragraph,

this subsection shall not apply to such amount to the extent attributable to such item of income (but subsections (a), (b), and (c) of this section and sections 902, 907, and 960 shall be applied separately with respect to such amount to the extent so attributable).

"(B) SPECIAL RULE.—Amounts included in gross income under section 951(a)(1) shall be treated as a dividend under subparagraph (A)(ii) only if dividends paid by each corporation (the stock in which is taken into account in determining whether the shareholder is a United States shareholder in the United States-owned foreign corporation), if paid to the United States shareholder, would be treated under a treaty obligation of the United States as arising from sources outside the United States (applied without regard to this subsection)."

(B) The amendment made by subparagraph (A) shall take effect as if included in the amendment made by section 121 of the Tax Reform Act of 1984.

(5) TREATMENT OF ELECTION UNDER SECTION 338.—

(A) IN GENERAL.—Subsection (h) of section 338 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(16) COORDINATION WITH FOREIGN TAX CREDIT PROVISIONS.—Except as provided in regulations, this section shall not apply for purposes of determining the source or character of any item for purposes of subpart A of part III of subchapter N of this chapter (relating to foreign tax credit). The preceding sentence shall not apply to any gain to the extent such gain is includible in gross income as a dividend under section 1248 (determined without regard to any deemed sale under this section by a foreign corporation)."

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply to qualified stock purchases (as defined in section 338(d)(3) of the 1986 Code) after March 31, 1988, except that, in the case of an election under section 338(h)(10) of the 1986 Code, such amendment shall apply to qualified stock purchases (as so defined) after June 10, 1987.

(6) TREATMENT OF TAX-EXEMPT SHAREHOLDERS OF A DISC.—

(A) Section 995 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(g) TREATMENT OF TAX-EXEMPT SHAREHOLDERS.—If any organization described in subsection (a)(2) or (b)(2) of section 511 is a shareholder in a DISC—

"(1) any amount deemed distributed to such shareholder under subsection (b),

"(2) any actual distribution to such shareholder which under section 996 is treated as out of accumulated DISC income, and

"(3) any gain which is treated as a dividend under subsection (c),

shall be treated as derived from the conduct of an unrelated trade or business (and the modifications of section 512(b) shall not apply). The rules of the preceding sentence shall apply also for purposes of determining any such shareholder's DISC-related deferred tax liability under subsection (f)."

(B) The amendment made by subparagraph (A) shall apply to taxable years beginning after December 31, 1987.

(7) TREATMENT OF CERTAIN AMOUNTS PREVIOUSLY TAXED UNDER SECTION 1248.—

(A) IN GENERAL.—Subsection (e) of section 959 of the 1986 Code is amended by striking out "such person under" and inserting in lieu thereof "such person (or, in any case to which section 1248(e) applies, of the domestic corporation referred to in section 1248(e)(2)) under".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply in the case of transactions to which section 1248(e) of the 1986 Code applies and which occur after December 31, 1986.

(8) TREATMENT OF SHARED FSC'S.—

(A) IN GENERAL.—Section 927 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(g) TREATMENT OF SHARED FSC'S.—

"(1) IN GENERAL.—Except as provided in paragraph (2), each separate account referred to in paragraph (3) maintained by a shared FSC shall be treated as a separate corporation for purposes of this subpart.

"(2) CERTAIN REQUIREMENTS APPLIED AT SHARED FSC LEVEL.—Paragraph (1) shall not apply—

"(A) for purposes of—

"(i) subparagraphs (A), (B), (D), and (E) of section 922(a)(1),

"(ii) paragraph (2) of section 922(a),

"(iii) subsections (b), (c), and (e) of section 924, and

"(iv) subsection (f) of this section, and

"(B) for such other purposes as the Secretary may by regulations prescribed.

"(3) SHARED FSC.—For purposes of this subsection, the term 'shared FSC' means any corporation if—

"(A) such corporation maintains a separate account for transactions with each shareholder (and persons related to such shareholder),

"(B) distributions to each shareholder are based on the amounts in the separate account maintained with respect to such shareholder, and

"(C) such corporation meets such other requirements as the Secretary may by regulations prescribe."

(B) The amendment made by subparagraph (A) shall apply as if included in the provision of the Tax Reform Act of 1984 to which it relates.

(9) CLARIFICATION OF DIVIDENDS RECEIVED DEDUCTION FOR DIVIDENDS FROM A FSC.—

(A) Subsection (c) of section 245 of the 1986 Code is amended to read as follows:

"(c) CERTAIN DIVIDENDS RECEIVED FROM FSC.—

"(1) IN GENERAL.—In the case of a domestic corporation, there shall be allowed as a deduction an amount equal to—

"(A) 100 percent of any dividend received from another corporation which is distributed out of earnings and profits attributable to foreign trade income for a period during which such other corporation was a FSC, and

"(B) 70 percent (80 percent in the case of dividends from a 20-percent owned corporation as defined in section 243(c)(2)) of any dividend received from another corporation which is distributed out of earnings and profits attributable to effectively connected income received or accrued by such other corporation while such other corporation was a FSC.

"(2) EXCEPTION FOR CERTAIN DIVIDENDS.—Paragraph (1) shall not apply to any dividend which is distributed out of earnings and profits attributable to foreign trade income which—

"(A) is section 923(a)(2) nonexempt income (within the meaning of section 927(d)(6)), or

"(B) would not, but for section 923(a)(4), be treated as exempt foreign trade income.

"(3) NO DEDUCTION UNDER SUBSECTION (a) OR (b).—No deduction shall be allowable under subsection (a) or (b) with respect to any dividend which is distributed out of earnings and profits of a corporation accumulated while such corporation was a FSC.

"(4) DEFINITIONS.—For purposes of this subsection—

"(A) FOREIGN TRADE INCOME; EXEMPT FOREIGN TRADE INCOME.—The terms 'foreign trade income' and 'exempt foreign trade income' have the respective meanings given such terms by section 923.

"(B) EFFECTIVELY CONNECTED INCOME.—The term 'effectively connected income' means any income which is effectively connected (or treated as effectively connected) with the conduct of a trade or business in the United States and is subject to tax under this chapter. Such term shall not include any foreign trade income."

(B) The amendment made by subparagraph (A) shall apply as if included in the provision of the Tax Reform Act of 1984 to which it relates.

SEC. 1013. AMENDMENTS RELATED TO TITLE XIII OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 1301 OF THE REFORM ACT.—

(1) Clause (iii) of section 142(d)(4)(B) of the 1986 Code is amended by striking out "average rent" and inserting in lieu thereof "average gross rent".

(2) Clause (iii) of section 143(a)(2)(A) of the 1986 Code is amended by striking out "no bond which is part of such issue meets" and inserting in lieu thereof "such issue does not meet".

(3) Paragraph (4) of section 143(b) of the 1986 Code is amended by inserting "is part of an issue which" after "which".

(4)(A) Clause (ii) of section 144(a)(12)(A) of the 1986 Code is amended by inserting "(or series of bonds)" before "issued to refund".

(B)(i) Subclause (I) of section 144(a)(12)(A)(ii) of the 1986 Code is amended to read as follows:

"(I) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,".

(ii) Subparagraph (A) of section 144(a)(12) of the 1986 Code is amended by adding at the end thereof the following new sentence: "For purposes of clause (ii)(I), average maturity shall be determined in accordance with section 147(b)(2)(A)."

(iii) A refunding bond issued before July 1, 1987, shall be treated as meeting the requirement of subclause (I) of section 144(a)(12)(A)(ii) of the 1986 Code if such bond met the requirement of such subclause as in effect before the amendments made by this subparagraph.

(C) Clause (ii) of section 144(a)(12)(A) of the 1986 Code is amended by adding "and" at the end of subclause (II), by striking out subclause (III), and by redesignating subclause (IV) as subclause (III).

(5) Subparagraph (B) of section 144(b)(1) of the 1986 Code is amended—

(A) by striking out "to which part B of title IV of the Higher Education Act of 1965 (relating to guaranteed student loans) does not apply", and

(B) by striking out "of such Act" and inserting in lieu thereof "of the Higher Education Act of 1965", and

(C) by striking out "eligible" and all that follows in such subparagraph and inserting in lieu thereof the following: "eligible. A program shall not be treated as described in this subparagraph if such program is described in subparagraph (A).

A bond shall not be treated as a qualified student loan bond if the issue of which such bond is a part meets the private business tests of paragraphs (1) and (2) of section 141(b) (determined by treating 501(c)(3) organizations as governmental units with respect to their activities which do not constitute unrelated trades or businesses, determined by applying section 513(a))."

(6) Subclause (I) of section 145(b)(2)(B)(ii) of the 1986 Code is amended by striking out "103(b)" and inserting in lieu thereof "103(b)(2)".

(7) Clause (i) of section 145(b)(2)(C) of the 1986 Code is amended by striking out "subparagraph (B)(ii)" and inserting in lieu thereof "subparagraph (B)".

(8) Paragraph (4) of section 145(b) of the 1986 Code is amended by striking out "subparagraphs (C) and (D)" and inserting in lieu thereof "subparagraphs (C), (D), and (E)".

(9) Subparagraph (A) of section 146(f)(5) of the 1986 Code (as in effect before the amendments made by section 10631 of the Revenue Act of 1987) is amended to read as follows:

"(A) the purpose of issuing exempt facility bonds described in 1 of the paragraphs of section 142(a),".

(10)(A) Paragraph (1) of section 146(k) of the 1986 Code is amended by striking out "paragraph (2)" and inserting in lieu thereof "paragraphs (2) and (3)".

(B) Subsection (k) of section 146 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) TREATMENT OF GOVERNMENTAL BONDS TO WHICH VOLUME CAP ALLOCATED.—Paragraph (1) shall not apply to any bond to which volume cap is allocated under section 141(b)(5)—

"(A) for an output facility, or

"(B) for a facility of a type described in paragraph (4), (5), (6), or (10) of section 142(a),

if the issuer establishes that the State's share of the private business use (as defined by section 141(b)(6)) of the facility will equal or exceed the State's share of the volume cap allocated with respect to bonds issued to finance the facility."

(11) Subsection (e) of section 147 of the 1986 Code is amended by striking out "treated as".

(12) Subsection (f) of section 147 of the 1986 Code (relating to public approval requirement for private activity bonds) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULES FOR SCHOLARSHIP FUNDING BOND ISSUES AND VOLUNTEER FIRE DEPARTMENT BOND ISSUES.—

"(A) SCHOLARSHIP FUNDING BONDS.—In the case of a qualified scholarship funding bond, any governmental unit which made a request described in section 150(d)(2)(B) with respect to the issuer of such bond shall be treated for purposes of paragraph (2) of this subsection as the governmental unit on behalf of which such bond was issued. Where more than one governmental unit within a State has made a request described in section 150(d)(2)(B), the State may also be treated for purposes of paragraph (2) of this subsection as the governmental unit on behalf of which such bond was issued.

"(B) VOLUNTEER FIRE DEPARTMENT BONDS.—In the case of a bond of a volunteer fire department which meets the requirements of section 150(e), the political subdivision described in section 150(e)(2)(B) with respect to such department shall be treated for purposes of paragraph (2) of this subsection as the governmental unit on behalf of which such bond was issued."

(13)(A) Paragraph (1) of section 147(g) of the 1986 Code (relating to restriction on issuance costs financed by issue) is amended by striking out "aggregate face amount of the issue" and inserting in lieu thereof "proceeds of the issue".

(B) Paragraph (2) of section 147(g) of the 1986 Code is amended by striking out "aggregate authorized face amount of the issue does not" and inserting in lieu thereof "proceeds of the issue do not".

(C) The amendments made by this paragraph shall apply to bonds issued after June 30, 1987.

(14) Paragraph (2) of section 148(d) of the 1986 Code (relating to special rules for reasonably required reserve or replacement fund) is amended by striking out "any fund described in paragraph (1)" and inserting in lieu thereof "any reserve or replacement fund".

(15) Paragraph (3) of section 148(f) of the 1986 Code is amended by adding at the end thereof the following new sentence: "A series of issues which are redeemed during a 6-month period (or such longer period as the Secretary may prescribe) shall be treated (at the election of the issuer) as 1 issue for purposes of the preceding sentence if no bond which is part of any issue in such series has a maturity of more than 270 days or is a private activity bond."

(16)(A) Subclause (I) of section 148(f)(4)(B)(iii) of the 1986 Code (relating to safe harbor for determining when proceeds of tax or revenue anticipation bonds are expended) is amended by striking out "aggregate face amount of such issue" and inserting in lieu thereof "proceeds of such issue".

(B) The amendment made by subparagraph (A) shall apply to bonds issued after June 30, 1987.

(17)(A) Subparagraph (C) of section 148(f)(4) of the 1986 Code is amended—

(i) by striking out the heading and inserting in lieu thereof:

"(C) EXCEPTION FOR GOVERNMENTAL UNITS ISSUING $5,000,000 OR LESS OF BONDS.—

"(i) IN GENERAL.—",

(ii) by redesignating clauses (i) through (iv) as subclauses (I) through (IV), respectively, and moving the margins of such subclauses 2 ems to the right, and

(iii) by striking out the last sentence and inserting in lieu thereof the following new clauses:

"(ii) AGGREGATION OF ISSUERS.—For purposes of subclause (IV) of clause (i)—

"(I) an issuer and all entities which issue bonds on behalf of such issuer shall be treated as 1 issuer,

"(II) all bonds issued by a subordinate entity shall, for purposes of applying such subclause to each other entity to which such entity is subordinate, be treated as issued by such other entity, and

"(III) an entity formed (or, to the extent provided by the Secretary, availed of) to avoid the purposes of such subclause (IV) and all other entities benefiting thereby shall be treated as 1 issuer.

"(iii) CERTAIN REFUNDING BONDS NOT TAKEN INTO ACCOUNT IN DETERMINING SMALL ISSUER STATUS.—There shall not be taken into account under subclause (IV) of clause (i) any bond issued to refund (other than to advance refund) any bond to the extent the amount of the refunding bond does not exceed the outstanding amount of the refunded bond.

"(iv) CERTAIN ISSUES ISSUED BY SUBORDINATE GOVERNMENTAL UNITS, ETC., EXEMPT FROM REBATE REQUIREMENT.—An issue issued by a subordinate entity of a governmental unit with general taxing powers shall be treated as described in clause (i)(I) if the aggregate face amount of such issue does not exceed the lesser of—

"(I) $5,000,000, or

"(II) the amount which, when added to the aggregate face amount of other issues issued by such entity, does not exceed the portion of the $5,000,000 limitation under clause (i)(IV) which such governmental unit allocates to such entity.

For purposes of the preceding sentence, an entity which issues bonds on behalf of a governmental unit with general taxing powers shall be treated as a subordinate entity of such unit. An allocation shall be taken into account under subclause (II) only if it is irrevocable and made before the issuance date of such issue and only to the extent that the limitation so allocated bears a reasonable relationship to the benefits received by such governmental unit from issues issued by such entity.

"(v) DETERMINATION OF WHETHER REFUNDING BONDS ELIGIBLE FOR EXCEPTION FROM REBATE REQUIREMENT.—If any portion of an issue is issued to refund other bonds, such portion shall be treated as a separate issue which does not meet the requirements of paragraphs (2) and (3) by reason of this subparagraph unless—

"(I) the aggregate face amount of such issue does not exceed $5,000,000,

"(II) each refunded bond was issued as part of an issue which was treated as meeting the requirements of paragraphs (2) and (3) by reason of this subparagraph,

"(III) the average maturity date of the refunding bonds issued as part of such issue is not later than the average maturity date of the bonds to be refunded by such issue, and

"(IV) no refunding bond has a maturity date which is later than the date which is 30 years after the date the original bond was issued.

Subclause (III) shall not apply if the average maturity of the issue of which the original bond was a part (and of the issue of which the bonds to be refunded are a part) is 3 years or less. For purposes of this clause, average maturity shall be determined in accordance with section 147(b)(2)(A).

"(vi) REFUNDINGS OF BONDS ISSUED UNDER LAW PRIOR TO TAX REFORM ACT OF 1986.—If section 141(a) did not apply to any refunded bond, the issue of which such refunded bond was a part shall be treated as meeting the requirements of subclause (II) of clause (v) if—

"(I) such issue was issued by a governmental unit with general taxing powers,

"(II) no bond issued as part of such issue was an industrial development bond (as defined in section 103(b)(2), but without regard to subparagraph (B) of section 103(b)(3)) or a private loan bond (as defined in section 103(o)(2)(A), but without regard to any exception from such definition other than section 103(o)(2)(C)), and

"(III) the aggregate face amount of all tax-exempt bonds (other than bonds described in subclause (II)) issued by such unit during the calendar year in which such issue was issued did not exceed $5,000,000.

References in subclause (II) to section 103 shall be to such section as in effect on the day before the date of the enactment of the Tax Reform Act of 1986. Rules similar to the rules of clauses (ii) and (iii) shall apply for purposes of subclause (III). For purposes of subclause (II) of clause (i), bonds described in subclause (II) of this clause to which section 141(a) does not apply shall not be treated as private activity bonds."

(B) Subclause (IV) of section 148(f)(4)(C)(i) of the 1986 Code (as redesignated by subparagraph (A)) is amended by striking out "(and all subordinate entities thereof)".

(C)(i) Except as provided in clause (ii), the amendments made by this paragraph shall apply to bonds issued after June 30, 1987.

(ii) At the election of an issuer (made at such time and in such manner as the Secretary of the Treasury or his delegate may prescribe), the amendments made by this paragraph shall apply to such issuer as if included in the amendments made by section 1301(a) of the Tax Reform Act of 1986.

(18) Clause (i) of section 148(f)(4)(D) of the 1986 Code is amended—

(A) by inserting "for a program" before "described in section 144(b)(1)(A)",

(B) by striking out "such a program" and inserting in lieu thereof "such program", and

(C) by adding at the end thereof the following: "Amounts designated as interest on student loans shall not be taken into account in determining whether the issuer is reimbursed for such costs. Except as otherwise hereafter provided in regulations prescribed by the Secretary, costs described in subclause (I) paid from amounts earned as described in the first sentence of this clause may also be taken into account in determining the yield on the student loans under a program described in section 144(b)(1)(A)."

(19) Subparagraph (B) of section 148(f)(7) of the 1986 Code is amended by striking out "due to reasonable cause and not" and inserting in lieu thereof "not due".

(20) Clause (iii) of section 149(b)(3)(A) of the 1986 Code is amended by striking out "with respect to any bond issued before July 1, 1989".

(21) Subparagraph (A) of section 149(b)(4) of the 1986 Code is amended by striking out "a qualified student loan bond, and a qualified redevelopment bond" and inserting in lieu thereof "and a qualified student loan bond".

(22) Paragraph (3) of section 149(e) of the 1986 Code (relating to information reporting) is amended by striking out "there is reasonable cause for the failure to file such statement in a timely fashion" and inserting in lieu thereof "the failure to file in a timely fashion is not due to willful neglect".

(23)(A) Subparagraph (B) of section 150(b)(4) of the 1986 Code (relating to change in use of facilities financed with tax-exempt private activity bonds) is amended by inserting before the period "or a qualified small issue bond".

(B) The heading for paragraph (4) of section 150(b) of the 1986 Code is amended by inserting "AND SMALL ISSUE BONDS" after "EXEMPT FACILITY BONDS".

(C) Subparagraph (A) of section 150(b)(1) of the 1986 Code is amended by inserting "tax-exempt" before "qualified mortgage bond".

(24)(A) Subsection (e) of section 150 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) TREATMENT AS PRIVATE ACTIVITY BONDS ONLY FOR CERTAIN PURPOSES.—Bonds which are part of an issue which meets the requirements of paragraph (1) shall not be treated as private activity bonds except for purposes of sections 147(f) and 149(d)."

(B) The amendment made by subparagraph (A) shall apply to bonds issued after October 21, 1988.

(25) Clause (ii) of section 1301(f)(2)(C) of the Reform Act is amended to read as follows:

"(ii) Clause (ii) of section 25(c)(2)(A) is amended by striking out all that follows 'an amount of' and inserting in lieu thereof 'private activity bonds which it may otherwise issue during such calendar year under section 146,'."

(26) Subsection (h) of section 25 of the 1986 Code (relating to credit for interest on certain home mortgages) is amended by striking out "1987" and inserting in lieu thereof "1988".

(27) The date contained in section 143(a)(1)(B) of the 1986 Code shall be treated as contained in section 103A(c)(1)(B) of the Internal Revenue Code of 1954, as in effect on the day before the date of the enactment of the Reform Act, for purposes of any bond issued to refund a bond to which such 103A(c)(1) applies.

(28)(A) Subparagraph (A) of section 146(i)(2) of the 1986 Code is amended to read as follows:

"(A) the average maturity date of the qualified student loan bonds to be refunded by the issue of which the refunding bond is a part, or".

(B) Subparagraph (A) of section 146(i)(3) of the 1986 Code is amended to read as follows:

"(A) the average maturity date of the qualified mortgage bonds to be refunded by the issue of which the refunding bond is a part, or".

(C) Subsection (i) of section 146 of the 1986 Code is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) AVERAGE MATURITY.—For purposes of paragraphs (2) and (3), average maturity shall be determined in accordance with section 147(b)(2)(A)."

(29) Subparagraph (D) of section 147(f)(2) of the 1986 Code is amended by striking out "the maturity date" and all that follows and

inserting in lieu thereof "the average maturity date of the issue of which the refunding bond is a part is later than the average maturity date of the bonds to be refunded by such issue. For purposes of the preceding sentence, average maturity shall be determined in accordance with subsection (b)(2)(A)."

(30) Subparagraph (A) of section 150(b)(1) of the 1986 Code is amended by inserting before the period "and before the date such residence is again the principal residence of at least 1 of the mortgagors who received such financing".

(31) Subparagraph (A) of section 150(b)(2) of the 1986 Code is amended by striking out "described paragraph" and inserting in lieu thereof "described in paragraph".

(32) Paragraph (2) of section 150(b) of the 1986 Code is amended by adding at the end thereof the following: "If the provisions of prior law corresponding to section 142(d) apply to a refunded bond, such provisions shall apply (in lieu of section 142(d)) to the refunding bond."

(33) Subsection (b) of section 150 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(6) SMALL ISSUE BONDS WHICH EXCEED CAPITAL EXPENDITURE LIMITATION.—In the case of any financing provided from the proceeds of any bond which, when issued, purported to be a qualified small issue bond, no deduction shall be allowed under this chapter for interest on such financing which accrues during the period such bond is not a qualified small issue bond."

(34)(A) Paragraph (7) of section 103(c) of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) is amended by striking out "necessary" and inserting in lieu thereof "necessary".

(B) Subparagraph (A) shall apply to obligations sold after May 2, 1978, and to which Treasury regulation section 1.103-13 (1979) was provided to apply.

(35) VALIDATION OF SINKING FUND REGULATIONS.—

(A) Treasury Regulation section 1.103-13(g) (1979) is hereby enacted into positive law.

(B)(i) Except as provided in clause (ii), subparagraph (A) shall apply to obligations sold after May 2, 1978, and to which such regulation was provided to apply.

(ii) Treasury Regulation section 1.103-13(g) (1979) as enacted into positive law by subparagraph (A) shall cease to apply to the extent hereafter modified by the Secretary of the Treasury or his delegate by regulations.

(36) Clause (i) of section 147(f)(2)(E) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"If the office of any elected official described in subclause (II) is vacated and an individual is appointed by the chief elected executive officer of the governmental unit and confirmed by the elected legislative body of such unit (if any) to serve the remaining term of the elected official, the individual so appointed shall be treated as the elected official for such remaining term."

(37) The table of sections for part III of subchapter B of chapter 1 of the 1986 Code is amended by striking out the items relating to sections 103 and 103A and inserting in lieu thereof the following new item:

"Sec. 103. Interest on State and local bonds."

(38) Subparagraph (B) of section 141(b)(5) of the 1986 Code is amended by striking out "which would cause bond" and inserting in lieu thereof "which would cause a bond".

(39) Clause (ii) of section 142(b)(1)(B) of the 1986 Code is amended by striking out "(as defined in 168(i)(3))" and inserting in lieu thereof "(as defined in section 168(i)(3))".

(40) Subparagraph (B) of section 146(d)(4) of the 1986 Code is amended by striking out "with respect a possession" and inserting in lieu thereof "with respect to a possession".

(41) Clause (ii) of section 48(l)(11)(A) of the 1986 Code is amended by striking out "an industrial development bond (within the meaning of section 103(b)(2))" and inserting in lieu thereof "a private activity bond (within the meaning of section 141)".

(42) Subsection (a) of section 7478 of the 1986 Code is amended—

(A) by striking out "whether prospective obligations are described in section 103(a)" in paragraph (1) and inserting in lieu thereof "whether interest on prospective obligations will be excludable from gross income under section 103(a)", and

(B) by striking out "whether such prospective obligations are described in section 103(a)" and inserting in lieu thereof "whether interest on such prospective obligations will be excludable from gross income under section 103(a)".

(43)(A) Subsection (b) of section 148 of the 1986 Code (defining higher yielding investments) is amended by adding at the end thereof the following new paragraph:

"(3) ALTERNATIVE MINIMUM TAX BONDS TREATED AS INVESTMENT PROPERTY IN CERTAIN CASES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'investment property' does not include any tax-exempt bond.

"(B) EXCEPTION.—With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C)), the term 'investment property' includes a specified private activity bond (as so defined)."

(B) Paragraph (2) of section 148(b) of the 1986 Code (defining investment property) is amended by striking the last sentence.

(C) The amendments made by this paragraph shall apply to obligations issued after March 31, 1988.

(44) Subparagraph (B) of section 46(c)(5) of the 1986 Code is amended—

(A) by striking out "INDUSTRIAL DEVELOPMENT BONDS" in the heading and inserting in lieu thereof "PRIVATE ACTIVITY BONDS", and

(B) by striking "an industrial development bond (within the meaning of section 103(b)(2))" and inserting in lieu thereof "a private activity bond (within the meaning of section 141)".

(b) AMENDMENTS RELATED TO SECTION 1311 OF THE REFORM ACT.—

(1) Section 1311 of the Reform Act is amended by redesignating subsection (d) as subsection (f), and by inserting after subsection (c) the following new subsections:

"(d) PUBLIC APPROVAL AND INFORMATION REPORTING.—Sections 147(f) and 149(e) of the 1986 Code shall apply to bonds issued after December 31, 1986.

"(e) REBATE REQUIREMENT FOR QUALIFIED SCHOLARSHIP FUNDING BONDS.—Section 150(d) of the 1986 Code shall apply to payments made after August 15, 1986."

(2) Paragraph (2) of section 1311(b) of the Reform Act (relating to effective date for section 1301(f)) is amended by inserting "with respect to non-issued bond amounts elected" after "issued".

(c) AMENDMENTS RELATED TO SECTION 1313 OF THE REFORM ACT.—

(1) Clause (i) of section 1313(a)(1)(B) of the Reform Act is amended by striking out "the proceeds" and inserting in lieu thereof "the net proceeds".

(2)(A) Subparagraph (C) of section 1313(a)(3) of the Reform Act is amended by striking out "section 148" and inserting in lieu thereof "sections 143(g) and 148".

(B) The amendment made by subparagraph (A) shall apply to bonds issued after June 30, 1987.

(3) Subparagraph (E) of section 1313(a)(3) of the Reform Act is amended by striking out "of such Code".

(4) Paragraph (3) of section 1313(a) of the Reform Act is amended by adding at the end thereof the following new sentence: "In the case of a refunding bond described in paragraph (1) with respect to a qualified bond described in paragraph (2)(B), the requirements of section 1312(b)(1) which applied to such qualified bond shall be treated as specified in this paragraph with respect to such refunding bond."

(5) Subparagraph (A) of section 1313(a)(4) of the Reform Act is amended by inserting "and by substituting 'September 1, 1986' for 'August 16, 1986'" before the comma at the end thereof.

(6) Paragraph (2) of section 1313(b) of the Reform Act is amended by adding at the end thereof "For purposes of the preceding sentence, the determination of whether a bond is described in such subsection (o)(2)(A) shall be made without regard to any exception other than section 103(o)(2)(C) of such Code."

(7) Subparagraph (F) of section 1313(b)(3) of the Reform Act is amended by striking out "of such Code".

(8) Paragraph (3) of section 1313(b) of the Reform Act is amended by adding after subparagraph (F) the following new subparagraph:

"(G) Except as provided in the last sentence of subsection (c)(2) of this section, the requirements of section 145(b) (relating to $150,000,000 limitation on bonds other than hospital bonds)."

(9) Paragraph (5) of section 1313(b) of the Reform Act is amended by striking out "are to be" and inserting in lieu thereof "are or will be".

(10)(A) The heading for subsection (c) of section 1313 of the Reform Act is amended by striking out "CURRENT" and inserting in lieu thereof "CERTAIN".

(B) Paragraph (1) of section 1313(c) of the Reform Act is amended—

(i) by striking out "apply to any bond" and inserting in lieu thereof "apply to any bond (or series of bonds)", and

(ii) by striking out "law do not" and inserting in lieu thereof "law did not".

(11)(A) Subparagraph (A) of section 1313(c)(1) of the Reform Act is amended to read as follows:

"(A) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,".

(B) Paragraph (1) of section 1313(c) of the Reform Act is amended by adding at the end thereof the following new sentence:

"For purposes of subparagraph (A), average maturity shall be determined in accordance with section 147(b)(2)(A) of the 1986 Code."

(C) Paragraph (1) of section 1313(c) of the Reform Act is amended by adding "and" at the end of subparagraph (B), by striking out subparagraph (C), and by redesignating subparagraph (D) as subparagraph (C).

(D) Subparagraph (B) of section 1313(c)(2) of the Reform Act is amended by striking out "and (D)" and inserting in lieu thereof "and (C)".

(E) A refunding bond issued before July 1, 1987, shall be treated as meeting the requirement of subparagraph (A) of section 1313(c)(1) of the Reform Act if such bond met the requirement of such subparagraph as in effect before the amendments made by this paragraph.

(12)(A) Subparagraph (N) of section 103(b)(6) of the Internal Revenue Code of 1954, as in effect on the day before the date of the enactment of the Reform Act (relating to termination dates), is amended by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively, and by striking out clause (i) and inserting in lieu thereof the following new clauses:

"(i) IN GENERAL.—Except as provided in clause (ii), this paragraph shall not apply to any obligation issued after December 31, 1986.

"(ii) CERTAIN REFUNDINGS.—This paragraph shall apply to any obligation (or series of obligations) issued to refund an obligation issued on or before December 31, 1986, if—

"(I) the average maturity date of the issue of which the refunding obligation is a part is not later than the average maturity date of the obligations to be refunded by such issue,

"(II) the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation, and

"(III) the proceeds of the refunding obligation are used to redeem the refunded obligation not later than 90 days after the date of the issuance of the refunding obligation.

For purposes of subclause (I), average maturity shall be determined in accordance with subsection (b)(14)(B)(i)."

(B) The date applicable under section 144(a)(12)(B) of the 1986 Code shall be treated as contained in section 103(b)(6)(N)(iii) of the Internal Revenue Code of 1954, as in effect on the day before the date of the enactment of the Reform Act, for purposes of any bond issued to refund a bond to which such section 103(b)(6)(N)(iii) applies.

(13) Paragraph (2) of section 1313(c) of the Reform Act is amended—

(A) by striking out "apply to any bond" and inserting in lieu thereof "apply to any bond (or series of bonds)",

(B) by striking out "subsection does not" and inserting in lieu thereof "subsection did not", and

(C) by striking out "the proceeds" in subparagraph (A)(i) and inserting in lieu thereof "the net proceeds".

(14)(A) Section 1313 of the Reform Act is amended by adding at the end thereof the following new subsection:

"(d) MORTGAGE AND STUDENT LOAN TARGETING RULES TO APPLY TO LOANS MADE MORE THAN 3 YEARS AFTER THE DATE OF THE ORIGINAL ISSUE.—Subsections (a)(3) and (b)(3) shall be treated as including the requirements of subsections (e) and (f) of section 143 and paragraphs (3) and (4) of section 144(b) of the 1986 Code with respect to bonds the proceeds of which are used to finance loans made more than 3 years after the date of the issuance of the original bond."

(B) The amendment made by subparagraph (A) shall apply with respect to refunding bonds issued after October 16, 1987.

(15) A bond issued to refund an obligation described in section 103(o)(3) of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) shall not be treated as described in section 144(b) of the 1986 Code unless it is described in section 144(b)(1)(A) of the 1986 Code.

(d) AMENDMENTS RELATED TO SECTION 1314 OF THE REFORM ACT.—

(1) Subsection (a) of section 1314 of the Reform Act is amended by adding at the end thereof the following: "The preceding sentence shall also apply to the first advance refunding after September 25, 1985, if a bond issued before September 26, 1985."

(2) Subsection (f) of section 1314 of the Reform Act is amended by striking out "December" and inserting in lieu thereof "August".

(3) Section 1314 of the Reform Act is amended by redesignating subsection (g) as subsection (i) and by inserting after subsection (f) the following new subsections:

"(g) TERMINATION OF MORTGAGE BOND POLICY STATEMENT REQUIREMENT.—Paragraph (5) of section 103A(j) of the 1954 Code (relating to policy statement) shall not apply to any bond issued after August 15, 1986, and shall not apply to nonissued bond amounts elected under section 25 of the 1986 Code after such date.

"(h) ARBITRAGE RESTRICTION ON INVESTMENTS IN INVESTMENT-TYPE PROPERTY.—In the case of a bond issued before August 16, 1986 (September 1, 1986 in the case of a bond described in section 1312(c)(2)), section 103(c) of the 1954 Code shall be applied by treating the reference to securities in paragraph (2) thereof as including a reference to investment-type property but only for purposes of determining whether any bond issued after October 16, 1987, to advance refund such bond (or a bond which is part of a series of refundings of such bond) is an arbitrage bond (within the meaning of section 148(a) of the 1986 Code)."

(e) AMENDMENTS RELATED TO SECTION 1315 OF THE REFORM ACT.—

(1) Subsection (c) of section 1315 of the Reform Act is amended—

(A) by inserting "for calendar year 1986" after "1954 Code" each place it appears,

(B) by striking out "before August 16" each place it appears and inserting in lieu thereof "on August 15", and

(C) by adding at the end thereof the following new sentence:

"The preceding sentence shall not apply to the extent section 1313(b)(5) treats any bond as a private activity bond for purposes of section 146 of the 1986 Code."

(2)(A) Subsection (e) of section 1315 of the Reform Act is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any bond which (if issued on August 15, 1986) would have been an industrial development bond (as defined in section 103(b)(2) of the 1954 Code)."

(B) The amendment made by subparagraph (A) shall apply to bonds issued after June 10, 1987.

(f) AMENDMENTS RELATED TO SECTION 1316 OF THE REFORM ACT.—

(1)(A) Subsections (a)(1), (b)(1), (c)(1), and (f)(1) of section 1316 of the Reform Act are each amended by inserting "and as having a carryforward purpose described in section 146(f)(5) of such Code" after "the 1986 Code".

(B) The amendment made by subparagraph (A) shall apply only with respect to carryforwards of volume cap for years after 1986.

(2) Subsection (c) of section 1316 of the Reform Act is amended by adding at the end thereof the following new paragraph:

"(4) APPLICATION OF SECTION 147(b).—A bond to which this subsection applies (other than a refunding bond) shall be treated as meeting the requirements of section 147(b) of the 1986 Code if the average maturity (determined in accordance with section 147(b)(2)(A) of such Code) of the issue of which such bond is a part does not exceed 20 years. A bond issued to refund (or which is part of a series of bonds issued to refund) a bond described in the preceding sentence shall be treated as meeting the requirements of such section if the refunding bond has a maturity date not later than the date which is 20 years after the date on which the original bond was issued."

(3) Paragraph (1) of section 1316(e) of the Reform Act is amended—

(A) by inserting "(and section 103(h)(2)(B)(ii) of the 1954 Code)" after "1986 Code" the first place it appears, and

(B) by inserting "(and section 103(b)(16) of the 1954 Code)" after "1986 Code" in the last sentence.

(4) Paragraph (2) of section 1316(g) of the Reform Act is amended—

(A) by striking out "described in the paragraph (3)" in subparagraph (A) and inserting in lieu thereof "issued to provide a facility described in paragraph (3)", and

(B) by striking out "which paragraph (3)" in subparagraph (C) and inserting in lieu thereof "which such paragraph (3)".

(5) Paragraph (6) of section 1316(g) of the Reform Act is amended by inserting "(and the provisions of section 1314)" after "section 1301".

(6) Paragraph (7) of section 1316(g) of the Reform Act is amended to read as follows:

"(7) In the case of a bond described in section 632(d) of the Tax Reform Act of 1984—

"(A) section 141 of the 1986 Code shall be applied without regard to subsection (a)(2) and paragraphs (4) and (5) of subsection (b),

"(B) paragraphs (1) and (2) of section 141(b) of the 1986 Code shall be applied by substituting '25 percent' for '10 percent' each place it appears, and

"(C) section 149(b) of the 1986 Code shall not apply.

This paragraph shall not apply to any bond issued after December 31, 1990."

(7)(A) Subparagraph (A) of section 1316(g)(8) of the Reform Act is amended by inserting "and as having a carryforward purpose described in section 146(f)(5) of such Code" after "the 1986 Code".

(B) The amendment made by subparagraph (A) shall apply only with respect to carryforwards of volume cap for years after 1986.

(8) Paragraph (2) of section 1316(j) of the Reform Act is amended to read as follows:

"(2) by adding at the end thereof the following new sentence: 'In the case of refunding obligations not to exceed $100,000,000 issued after October 21, 1986, by Dade County, Florida, for the purpose of advance refunding its Aviation Revenue Bonds (Series J), the first sentence of this paragraph shall be applied by substituting "the date which is 1 year after the date of the enactment of the Technical and Miscellaneous Revenue Act of 1988" for "December 31, 1984" and the amendments made by section 1301 of the Tax Reform Act of 1986 shall not apply.'"

(9) Paragraph (2) of section 1316(k) of the Reform Act is amended by striking out "$55,000,000 must be redeemed no later than November 1, 1987" and inserting in lieu thereof "no more than $55,000,000 shall be outstanding later than November 1, 1987".

(10) Section 1104 of the Mortgage Subsidy Bond Tax Act of 1980 is amended by adding at the end of subsection (r) the following new sentence:

"Section 148(f) of the Internal Revenue Code of 1986 and the amendments made by section 1301 of the Tax Reform Act of 1986 shall not apply to any bonds described in paragraph (1) which may be issued as a result of the amendments made by the Tax Reform Act of 1986."

(11) Subsection (l) of section 1316 of the Reform Act is hereby repealed.

(g) AMENDMENTS RELATED TO SECTION 1317 OF THE REFORM ACT.—

(1) Subparagraph (J) of section 1317(2) of the Reform Act is amended by striking out "began construction in 1980" and inserting in lieu thereof ", a subsidiary of Sierra Pacific Resources, began in 1980 work to design, finance, construct, and operate".

(2) Subparagraph (C) of section 1317(3) of the Reform Act is amended to read as follows:

"(C) A facility is described in this subparagraph if—

"(i) it is one or more stadiums to be used either by an American League baseball team or a National Football League team currently using a stadium in a city having a population in excess of 2,500,000 and described in section 146(d)(3) of the 1986 Code,

"(ii) the bonds to be used to provide financing for one or more such stadiums are issued by a political subdivision or a State agency pursuant to a resolution approving an inducement resolution adopted by a State agency on November 20, 1985, as it may be amended (whether or not the beneficiaries of such issue or issues are the beneficiaries (if any) specified in such inducement resolution and whether or not the number of such stadiums and the locations thereof are as specified in such inducement resolution) or pursuant to P.A. 84-1470 of the State in which such city is located (and by an agency created thereby), and

"(iii) such stadium or stadiums are located in the city described in (i).

The aggregate face amount of bonds to which this subparagraph applies shall not exceed $250,000,000. In the case of any carryforward of volume cap for one or more stadiums described in the first sentence of this subparagraph, such carryforward shall be valid with respect to bonds issued for such stadiums notwithstanding any other provision of the 1986 Code or the 1954 Code, and whether or not (i) there is a change in the number of stadiums or the beneficiaries or sites of the stadium or stadiums and (ii) the bonds are issued by either of the state agencies described in the first sentence of this subparagraph."

(3)(A) Subparagraph (P) of section 1317(3) of the Reform Act is amended—

(i) by striking out "approved" and inserting in lieu thereof "authorized", and

(ii) by striking out "December 9, 1985" and inserting in lieu thereof "December 2, 1985".

(B) Section 1317(3)(A) of the Reform Act is amended by striking out "domed".

(C) Section 1317(3)(U) of the Reform Act is amended by deleting "coliseum complex." and inserting in lieu thereof "coliseum complex, or is a renovation of an existing stadium located in Oakland, California, and used by an American League baseball team."

(D) Section 1317(3)(W) of the Reform Act is amended by striking out "$225,000,000" and inserting "$25,000,000".

(4) Paragraph (3) of section 1317 of the Reform Act is amended by adding at the end thereof the following new subparagraph:

"(Z) A facility is described in this subparagraph if—

"(i) such facility was a redevelopment project that was approved in concept by the city council sitting as the redevelopment agency in October 1984, and

"(ii) $20,000,000 in funds for such facility was identified in a 5-year budget approved by the city redevelopment agency on October 25, 1984

The aggregate face amount of bonds to which this subparagraph applies shall not exceed $80,000,000."

(5) Paragraph (4) of section 1317 of the Reform Act is amended—

(A) by striking out "1986. The bonds" and inserting in lieu thereof "1986, and the bonds",

(B) by striking out "and" at the end of subparagraph (A), and

(C) by adding "and" at the end of subparagraph (B).

(6) Subparagraph (W) of section 1317(6) of the Reform Act is amended to read as follows:

"(W) A project is described in this subparagraph if such project is—

"(i) a part of the Kenosha Downtown Redevelopment project, and

"(ii) located in an area bounded—

"(I) on the east by the east wall of the Army Corps of Engineers Confined Disposal Facility (extended),

"(II) on the north by 48th Street (extended),

"(III) on the west by the present Chicago & Northwestern Railroad tracks, and

"(IV) on the south by the north line of Eichelman Park (60th Street) (extended).

The aggregate face amount of bonds to which this subparagraph applies shall not exceed $105,000,000."

(7) Paragraph (6) of section 1317 of the Reform Act is amended by redesignating subparagraph (X) as subparagraph (Z) and by inserting after subparagraph (W) the following new subparagraphs:

"(X) A project is described in this subparagraph if a redevelopment plan for such project was approved by the city council of Bell Gardens, California, on June 12, 1979. The aggregate face amount of bonds to which this subparagraph applies shall not exceed $10,000,000.

"(Y) Nothing in this paragraph shall be construed as having the effect of exempting from tax interest on any bond issued after June 10, 1987, if such interest would not have been exempt from tax were such bond issued on August 15, 1986."

(8) The last sentence of subparagraph (A) of section 1317(7) of the Reform Act is amended by inserting before the period "and section 149(d)(2) of the 1986 Code shall not apply to bonds so treated".

(9) Subparagraph (D) of section 1317(7) of the Reform Act is amended to read as follows:

"(D) A facility is described in this subparagraph if—

"(i) it is a convention, trade, or spectator facility,

"(ii) a regional convention, trade, and spectator facilities study committee was created before March 19, 1985, with respect to such facility, and

"(iii) feasibility and preliminary design consultants were hired on May 1, 1985, and October 31, 1985, with respect to such facility.

The aggregate face amount of bonds to which this subparagraph applies shall not exceed the excess of $175,000,000 over the amount of bonds to which paragraph (48)(B) applies."

(10) Clause (ii) of section 1317(7)(G) of the Reform Act is amended to read as follows:

"(ii) such facility's location was approved in December 1985 by a task force created jointly by the Governor of the State within which such facility will be located and the mayor of the capital city of such State, and".

(11) Subparagraph (J) of section 1317(7) of the Reform Act is amended—

(A) by striking out "civic festival" in clause (i) and inserting in lieu thereof "aquafestival",

(B) by striking out clause (ii) and inserting in lieu thereof the following:

"(ii) a referendum was held on April 6, 1985, in which voters permitted the city council to lease 130 acres of dedicated parkland for the purpose of constructing such facility, and", and

(C) by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

(12) Subparagraph (E) of section 1317(9) of the Reform Act is amended by striking out "March 5, 1985" and inserting in lieu thereof "March 6, 1985".

(13) Clause (iii) of section 1317(9)(J) of the Reform Act is amended by striking out all that precedes "by the governor" and inserting in lieu thereof the following:

"(iii) such facility's location was approved in December 1985 by a task force created jointly".

(14) Subparagraph (A) of section 1317(11) of the Reform Act is amended by striking out "and section 142(a)" and inserting in lieu thereof "in section 142(a)".

(15) Subparagraph (C) of section 1317(11) of the Reform Act is amended to read as follows:

"(C) A facility is described in this subparagraph if it is described in section 1865(c)(2)(C) of this Act."

(16) Subparagraph (X) of section 1317(13) of the Reform Act is amended by striking out the last sentence.

(17) Paragraph (13) of section 1317 of the Reform Act is amended by adding at the end thereof the following new subparagraphs:

"(AA) A residential rental property project is described in this subparagraph if it is the Carriage Trace residential rental project in Clinton, Tennessee. The aggregate face amount of bonds to which this subparagraph applies shall not exceed $10,000,000.

"(BB) A residential rental property project is described in this subparagraph if—

"(i) a contract to purchase such property was dated as of August 9, 1985,

"(ii) there was an inducement resolution adopted on September 27, 1985, for the issuance of obligations to finance such property,

"(iii) there was a State court final validation of such financing on November 15, 1985, and

"(iv) the certificate of nonappeal from such validation was available on December 15, 1985.

The aggregate face amount of bonds to which this subparagraph applies shall not exceed $27,750,000."

(18) Paragraph (14) of section 1317 of the Reform Act is amended by striking out "$90,000,000" and inserting in lieu thereof "$130,000,000" and by inserting "incorporated on February 20, 1985" before the period at the end of the 1st sentence.

(19) Subparagraph (B) of section 1317(15) of the Reform Act is amended—

(A) by striking out all that follows "agreement with" in clause (i) and inserting in lieu thereof "an underwriter to provide planning and financial guidance for a possible bond issue, and", and

(B) by striking out "certificates" in clause (ii) and inserting in lieu thereof "bond issue"

(20) Paragraph (16) of section 1317 of the Reform Act is amended by striking out the last sentence.

(21) Clause (i) of section 1317(19)(D) of the Reform Act is amended by striking out "light rail transitway" and inserting in lieu thereof "fixed guideway".

(22) Paragraph (20) of section 1317 of the Reform Act is amended by striking out "Section 148(f)" and inserting in lieu thereof "Subsections (c)(2) and (f) of section 148".

(23) Subparagraph (B) of section 1317(21) of the Reform Act is amended—

(A) by striking out "Subsection (c)" and inserting in lieu thereof "Subsections (c)(2)", and

(B) by striking out "103A(g)(5)(C)l" and inserting in lieu thereof "103A(g)(5)(C)".

(24) Paragraph (22) of section 1317 of the Reform Act is amended to read as follows:

"(22) DOWNTOWN REDEVELOPMENT PROJECT.—Subsection (b) of section 626 of the Tax Reform Act of 1984 is amended by adding at the end thereof the following new paragraph:

"'(7) EXCEPTION FOR CERTAIN DOWNTOWN REDEVELOPMENT PROJECT.—The amendments made by this section shall not apply to any obligation which is issued as part of an issue 95 percent or more of the proceeds of which are to be used to provide a project to acquire and redevelop a downtown area if—

"'(A) on August 15, 1985, a downtown redevelopment authority adopted a resolution to issue obligations for such project,

"'(B) before September 26, 1985, the city expended, or entered into binding contracts to expend, more than $10,000,000 in connection with such project, and

"'(C) the State supreme court issued a ruling regarding the proposed financing structure for such project on December 11, 1985.

The aggregate face amount of obligations to which this paragraph applies shall not exceed $85,000,000 and such obligations must be issued before January 1, 1992.'"

(25) Subparagraph (A) of section 1317(24) of the Reform Act is amended by adding at the end thereof the following: "The last paragraph of this section shall not apply to the treatment under the preceding sentence."

(26)(A) Clause (i) of section 1317(25)(A) of the Reform Act is amended by striking out "3 counties" and inserting in lieu thereof "1 or more of 3 counties".

(B) Clause (i) of section 1317(25)(B) of the Reform Act is amended by adding at the end thereof the following new sentence: "For purposes of applying section 146(k) of the 1986 Code, the public utility facility described in subparagraph (A) shall be treated as described in paragraph (2) of such section and such paragraph shall be applied without regard to the requirement that the issuer establish that a State's share of the use of a facility (or its output) will equal or exceed the State's share of the private activity bonds issued to finance the facility."

(27) Subparagraph (I) of section 1317(27) of the Reform Act is amended by adding at the end thereof the following: "For purposes of determining whether any bond to which this subparagraph applies is a qualified small issue bond, there shall not be taken into account under section 144(a) of the 1986 Code capital expenditures with respect to any facility of the United States Government and there shall not be taken into account any bond allocable to the United States Government."

(28) Clause (i) of section 1317(29)(B) of the Reform Act is amended by striking out all that follows "1993" and inserting in lieu thereof ", by the State of Connecticut, and".

(29) Subparagraph (D) of section 1317(29) of the Reform Act is amended by striking out "the net proceeds" and inserting in lieu thereof "the proceeds".

(30) Section 1317(33)(A)(ii) of the Reform Act is amended—

(A) by striking out "on" and inserting in lieu thereof "dated" each place it appears, and

(B) by inserting "dated on December 1, 1985" after "(Series 1985A and 1985B)" in subclause (III).

(31) Subparagraph (B) of section 1317(33) of the Reform Act is amended—

(A) by striking out "and before August 7, 1988,", and

(B) by adding at the end thereof the following new sentence: "The aggregate face amount of bonds to which this subparagraph applies shall not exceed $90,000,000."

(32) Subparagraph (G) of section 1317(33) of the Reform Act is amended by striking out "subparagraph (H)" and inserting in lieu thereof "subparagraph (F)".

(33) Subparagraph (H) of section 1317(33) of the Reform Act is amended—

(A) by striking out clause (ii) and inserting in lieu thereof the following:

"(ii) the proceeds of the issue are to be used to finance projects (to be determined by such university and the issuer) which are similar to those projects intended to be financed by bonds that were the subject of a request transmitted to Congress on November 7, 1985", and

(B) by adding at the end thereof the following: "Bonds to which this subparagraph applies shall be treated as qualified 501(c)(3) bonds if such bonds would not (if issued on August 15, 1986) be industrial development bonds (as defined in section 103(b)(2) of the 1954 Code), and section 147(f) of the 1986 Code shall not apply to the issue of which such bonds are a part. Bonds issued to finance facilities described in this subparagraph shall be treated as issued to finance such facilities notwithstanding the fact that a period in excess of 1 year has expired since the facilities were placed in service."

(34) Subparagraph (K) of section 1317(33) of the Reform Act is amended—

(A) by striking out "the issue is" in clause (i) and inserting in lieu thereof "the issue or issues are",

(B) by inserting "at least" before "900 units",

(C) by striking out "2,000 square feet" and inserting in lieu thereof "245,000 square feet", and

(D) by striking out "$150,000,000" and inserting in lieu thereof "$112,000,000".

(35) Paragraph (33) of section 1317 of the Reform Act is amended by striking out subparagraphs (M), (N), and (O) and inserting in lieu thereof the following new subparagraphs:

"(M) Proceeds of an issue are described in this subparagraph if such issue is issued on behalf of the Society of the New York Hospital to finance completion of a project commenced by such hospital in 1981 for construction of a diagnostic and treatment center or to refund bonds issued on behalf of such hospital in connection with the construction of such diagnostic and treatment center or to finance construction and renovation projects associated with an inpatient psychiatric care facility. The aggregate face amount of bonds to which this subparagraph applies shall not exceed $150,000,000.

"(N) Any bond to which section 145(b) of the 1986 Code does not apply by reason of this paragraph (other than subparagraph (A) thereof) shall be taken into account in determining whether such section applies to any later issue.

"(O) In the case of any refunding bond—

"(i) to which any subparagraph of this paragraph applies, and

"(ii) to which the last sentence of section 1313(c)(2) applies,

such bond shall be treated as having such subparagraph apply (and the refunding bond shall be treated for purposes of such section as issued before January 1, 1986, and as not being an advance refunding) unless the issuer elects the opposite result."

(36) Paragraph (36) of section 1317 of the Reform Act is amended by striking out "$80,000,000" and inserting in lieu thereof "$400,000,000".

(37) Paragraph (38) of section 1317 of the Reform Act is amended by striking out "and sections 148 and 149".

(38) Paragraphs (39) and (40) of section 1317 of the Reform Act are amended to read as follows:

"(39) CERTAIN BONDS TREATED AS QUALIFIED 501(C)(3) BONDS.—A bond issued as part of an issue shall be treated for purposes of part IV of subchapter B of chapter 1 of the 1986 Code as a qualified 501(c)(3) bond if—

"(A) such bond would not (if issued on August 15, 1986) be an industrial development bond (as defined in section 103(b)(2) of the 1954 Code), and

"(B) such issue was approved by city voters on January 19, 1985, for construction or renovation of facilities for the cultural and performing arts.

The aggregate face amount of bonds to which this paragraph applies shall not exceed $5,000,000.

"(40) CERTAIN LIBRARY BONDS.—In the case of a bond issued before January 1, 1986, by the City of Los Angeles Community Redevelopment Agency to provide the library and related structures associated with the City of Los Angeles Central Library Project, the ownership and use of the land and facilities associated with such project by persons which are not governmental units (or payments from such persons) shall not adversely affect the exclusion from gross income under section 103 of the 1954 Code of interest on such bonds."

(39) Paragraph (41) of section 1317 of the Reform Act is amended to read as follows:

"(41) CERTAIN REFUNDING OBLIGATIONS FOR CERTAIN POWER FACILITIES.—With respect to 2 net billed nuclear power facilities located in the State of Washington on which construction has been suspended, the requirements of section 147(b) of the 1986 Code shall be treated as satisfied with respect to refunding bonds issued before 1992 if—

"(A) each refunding bond has a maturity date not later than the maturity date of the refunded bond, and

"(B) the facilities have not been placed in service as of the date of issuance of the refunding bond.

The aggregate face amount of bonds to which this paragraph applies shall not exceed $2,000,000,000. Section 146 of the 1986 Code and the last paragraph of this section shall not apply to bonds to which this paragraph applies."

(40) Paragraph (43) of section 1317 of the Reform Act is amended by inserting before the period "and the Internal Revenue Code of 1986 shall be applied without regard to section 149(d)(2)."

(41) Paragraph (44) of section 1317 of the Reform Act is amended—

(A) by inserting after "1986 Code" the following: "and the temporary period limitation of section 148(c)(2) of the 1986 Code",

(B) by striking out "$100,000,000" and inserting in lieu thereof "$200,000,000", and

(C) by striking out "Hospitals Bond Pool" in the second item in the table and inserting in lieu thereof "Hospital Equipment Loan Council".

(42) Paragraph (48) of section 1317 of the Reform Act is amended by striking out "either" in the material preceding subparagraph (A) and inserting in lieu thereof "any".

(43) Subparagraph (B) of section 1317(48) of the Reform Act is amended by striking out "subparagraph (O)" and inserting in lieu thereof "paragraph (6)(U)".

(44) Paragraph (48) of section 1317 of the Reform Act is amended by adding at the end thereof the following new subparagraph:

"(C) A facility which is part of a project described in paragraph (6)(O). The aggregate face amount of bonds to which this subparagraph applies shall not exceed $20,000,000."

(45) Paragraph (49) of section 1317 of the Reform Act is amended—

(A) by striking out "149(d)" and inserting in lieu thereof "149(d)(2)", and

(B) by inserting "United States" before "Housing Act of 1937".

(46) Paragraph (50) of section 1317 of the Reform Act is amended to read as follows:

"(50) TRANSITIONED BONDS SUBJECT TO CERTAIN RULES.—In the case of any bond to which any provision of this section applies, except as otherwise expressly provided, sections 103 and 103A of the 1954 Code shall be applied as if the requirements of sections 147(g), 148, and 149(d) of the 1986 Code were included in each such section."

(47) Paragraph (51) of section 1317 of the Reform Act is amended—

(A) by striking out "Section 141(a)" and inserting in lieu thereof "Section 141(b)", and

(B) by striking out "141(a)(3)" and inserting in lieu thereof "141(b)(3)".

(48) Paragraph (52) of section 1317 of the Reform Act is amended by striking out "This section" and inserting in lieu thereof "Except as otherwise provided in this section, this section".

(49) The material preceding subparagraph (A) of section 1317(2) of the Reform Act is amended by striking out "section 103(b)(4)(C)" and inserting in lieu thereof "section 103(b)(4)(F)".

(50) Clause (ii) of section 1317(27)(H) of the Reform Act is amended by striking out "November 14, 1985" and inserting in lieu thereof "November 13, 1985".

(51) Subparagraph (I) of section 1317(33) of the Reform Act is amended by striking out "November 11, 1985" and inserting in lieu thereof "November 1, 1985".

(52) Subparagraph (J) of section 1317(3) of the Reform Act is amended by striking out "October 29" in clause (iv) and inserting in lieu thereof "November 5".

(h) AMENDMENTS RELATED TO SECTION 1318 OF THE REFORM ACT.—Section 1318 of the Reform Act (relating to definitions, etc., relating to effective dates and transitional rules) is amended—

(1) by inserting "(a) DEFINITIONS.—" before "For purposes of this subtitle—", and

(2) by adding at the end thereof the following new subsections:

"(b) MINIMUM TAX TREATMENT.—

"(1) IN GENERAL.—Any bond described in paragraph (2) shall not be treated as a private activity bond for purposes of section 57 of the 1986 Code unless such bond would (if issued on August 7, 1986) be—

"(A) an industrial development bond (as defined in section 103(b)(2) of the 1954 Code), or

"(B) a private loan bond (as defined in section 103(o)(2)(A) of the 1954 Code, without regard to any exception from such definition other than section 103(o)(2)(C) of such Code).

"(2) BONDS DESCRIBED.—For purposes of paragraph (1), a bond is described in this paragraph if—

"(A) the amendments made by section 1301 do not apply to such bond by reason of section 1312 or 1316(g),

"(B) any provision of section 1317 applies to such bond, or

"(C) the proceeds of such bond are used to refund any bond referred to in subparagraph (A) or (B) (or any bond which is part of a series of refundings of such a bond) if the requirements of paragraphs (1), (2), and (3) of subsection (c) are met with respect to the refunding bond.

"(c) CURRENT REFUNDINGS NOT TAKEN INTO ACCOUNT IN APPLYING AGGREGATE LIMIT ON BONDS TO WHICH TRANSITIONAL RULES APPLY.—The limitation on the aggregate face amount of bonds to which any provision of section 1316(g) or 1317 applies shall not be reduced by the face amount of any bond the proceeds of which are to be used exclusively to refund any bond to which such provision applies (or any bond which is part of a series of refundings of such bond) if—

"(1) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

"(2) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

"(3) the net proceeds of the refunding bond are used to redeem the refunded bond not later than 90 days after the date of the issuance of the refunding bond.

For purposes of paragraph (1), average maturity shall be determined in accordance with section 147(b)(2)(A) of the 1986 Code. No limitation in section 1316(g) or 1317 on the period during which bonds may be issued under such section shall apply to any refunding bond which meets the requirements of this subsection.

"(d) SPECIAL RULE PERMITTING CARRYFORWARD OF VOLUME CAP FOR CERTAIN TRANSITIONED PROJECTS.—A bond to which section 1312 or 1317 applies shall be treated as having a carryforward purpose described in section 146(f)(5) of the 1986 Code, and the requirement of section 146(f)(2)(A) of the 1986 Code shall be treated as met if such project is identified with reasonable specificity. The preceding sentence shall not apply so as to permit a carryforward with respect to any qualified small issue bond."

(i) APPLICATION TO 501(c)(3) BONDS.—In accordance with section 1302 of the Reform Act, each amendment and other provision of this Act which applies to private activity bonds shall, unless otherwise expressly provided, apply to qualified 501(c)(3) bonds.

SEC. 1014. AMENDMENTS RELATED TO TITLE XIV OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 1401 OF THE REFORM ACT.—

(1) Subsection (e) of section 672 of the 1986 Code is amended to read as follows:

"(e) GRANTOR TREATED AS HOLDING ANY POWER OR INTEREST OF GRANTOR'S SPOUSE.—

"(1) IN GENERAL.—For purposes of this subpart, a grantor shall be treated as holding any power or interest held by—

"(A) any individual who was the spouse of the grantor at the time of the creation of such power or interest, or

"(B) any individual who became the spouse of the grantor after the creation of such power or interest, but only with respect to periods after such individual became the spouse of the grantor.

"(2) MARITAL STATUS.—For purposes of paragraph (1)(A), an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married."

(2) Paragraph (3) of section 675 of the 1986 Code is amended by adding at the end thereof the following new sentence:

"For periods during which an individual is the spouse of the grantor (within the meaning of section 672(e)(2)), any reference in this paragraph to the grantor shall be treated as including a reference to such individual."

(3) Subsection (c) of section 674 of the 1986 Code is amended by adding at the end thereof the following new sentence: "For periods during which an individual is the spouse of the grantor (within the meaning of section 672(e)(2)), any reference in this subsection to the grantor shall be treated as including a reference to such individual."

(b) AMENDMENT RELATED TO SECTION 1402 OF THE REFORM ACT.—Section 673 of the 1986 Code is amended by adding at the end thereof the following new subsections:

"(c) SPECIAL RULE FOR DETERMINING VALUE OF REVERSIONARY INTEREST.—For purposes of subsection (a), the value of the grantor's reversionary interest shall be determined by assuming the maximum exercise of discretion in favor of the grantor.

"(d) POSTPONEMENT OF DATE SPECIFIED FOR REACQUISITION.—Any postponement of the date specified for the reacquisition of possession or enjoyment of the reversionary interest shall be treated as a new transfer in trust commencing with the date on which the postponement is effective and terminating with the date prescribed by the postponement. However, income for any period shall not be included in the income of the grantor by reason of the preceding sentence if such income would not be so includible in the absence of such postponement."

(c) AMENDMENTS RELATED TO SECTION 1403 OF THE REFORM ACT.—

(1) If a beneficiary of a trust to which section 664 of the 1986 Code applies elects (at such time and in such manner as the Secretary of the Treasury or his delegate may prescribe) to have this paragraph apply, such beneficiary shall be entitled to the benefits of section 1403(c)(2) of the Reform Act with respect to amounts included in gross income under section 664(b) of the 1986 Code in the same manner as if such amounts were included in gross income under section 652(a) of the 1986 Code.

(2) Any trust beneficiary may elect (at such time and in such manner as the Secretary of the Treasury or his delegate may prescribe) to waive the benefits of section 1403(c)(2) of the Reform Act.

(3)(A) For purposes of determining the gross income of any pass-thru entity, such pass-thru entity shall not be allowed the benefits of section 806(e)(2)(C) (other than with respect to income from a common trust fund) or 1403(c)(2) of the Reform Act if such pass-thru entity is required to change its taxable year by reason of the amendments made by section 806 or 1403 of the Reform Act.

(B) For purposes of subparagraph (A), the term "pass-thru entity" means any trust, partnership, S corporation, or common trust fund.

(4) If any trust was required to change its taxable year by the amendments made by section 1403 of the Reform Act, such change shall be treated as initiated by such trust and approved by the Secretary of the Treasury or his delegate.

(d) AMENDMENTS RELATED TO SECTION 1404 OF THE REFORM ACT.—

(1) Subsection (a) of section 1404 of the Reform Act is amended—

(A) by striking out "Subsection (k) of section 6654" and inserting in lieu thereof "Subsection (l) of section 6654, as amended by section 1841 of this Act", and

(B) by striking out " '(k) TRUSTS" and inserting in lieu thereof " '(l) TRUSTS".

(2) Subsection (l) of section 6654 of the 1986 Code is amended to read as follows:

"(l) ESTATES AND TRUSTS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, this subsection shall apply to any estate or trust.

"(2) EXCEPTION FOR ESTATES AND CERTAIN TRUSTS.—With respect to any taxable year ending before the date 2 years after the date of the decedent's death, this section shall not apply to—

"(A) the estate of such decedent, or

"(B) any trust—

"(i) all of which was treated (under subpart E of part I of subchapter J of chapter 1) as owned by the decedent, and

"(ii) to which the residue of the decedent's estate will pass under his will.

"(3) EXCEPTION FOR CHARITABLE TRUSTS AND PRIVATE FOUNDATIONS.—This section shall not apply to any trust which is subject to the tax imposed by section 511 or which is a private foundation.

"(4) SPECIAL RULE FOR ANNUALIZATIONS.—In the case of any estate or trust to which this section applies, subsection (d)(2)(B)(i) shall be applied by substituting 'ending before the date 1 month before the due date for the installment' for 'ending before the due date for the installment'."

(3) Subsection (g) of section 643 of the 1986 Code is amended—

(A) by striking out the last sentence of paragraph (1), and

(B) by amending paragraph (2) to read as follows:

"(2) TIME FOR MAKING ELECTION.—An election under paragraph (1) shall be made on or before the 65th day after the close of the taxable year of the trust and in such manner as the Secretary may prescribe."

(4) Subsection (g) of section 643 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) EXTENSION TO LAST YEAR OF ESTATE.—In the case of a taxable year reasonably expected to be the last taxable year of an estate—

"(A) any reference in this subsection to a trust shall be treated as including a reference to an estate, and

"(B) the fiduciary of the estate shall be treated as the trustee."

(e) AMENDMENTS RELATED TO SECTION 1411 OF THE REFORM ACT.—

(1) Paragraph (3) of section 1(i) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) COORDINATION WITH SECTION 644.—If tax is imposed under section 644(a)(1) with respect to the sale or exchange of any property of which the parent was the transferor, for purposes of applying subparagraph (A) to the taxable year of the parent in which such sale or exchange occurs—

"(i) taxable income of the parent shall be increased by the amount treated as included in gross income under section 644(a)(2)(A)(i), and

"(ii) the amount described in subparagraph (A)(ii) shall be increased by the amount of the excess referred to in section 644(a)(2)(A)."

(2) The last sentence of subparagraph (A) of section 1(i)(3) of the 1986 Code is amended by striking out "any deduction or credit" and inserting in lieu thereof "any exclusion, deduction, or credit".

(3) Subparagraph (A) of section 1(i)(4) of the 1986 Code is amended—

(A) by striking out "gross income for the taxable year which is not earned income" in clause (i) and inserting in lieu thereof "adjusted gross income for the taxable year which is not attributable to earned income",

(B) by striking out "his deduction" in clause (ii)(II) and inserting in lieu thereof "his deductions",

(C) by striking out "the deductions allowed" in clause (ii)(II) and inserting in lieu thereof "the itemized deductions allowed", and

(D) by striking out "gross income" in clause (ii)(II) and inserting in lieu thereof "adjusted gross income".

(4) Clause (iv) of section 6103(e)(1)(A) of the 1986 Code is amended by striking out "section 1(j)" and inserting in lieu thereof "section 1(i) or 59(j)".

(5)(A) Section 59 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(j) TREATMENT OF UNEARNED INCOME OF MINOR CHILDREN.—

"(1) LIMITATION ON EXEMPTION AMOUNT.—In the case of a child to whom section 1(i) applies, the exemption amount for purposes of section 55 shall not exceed the sum of—

"(A) such child's earned income (as defined in section 911(d)(2)) for the taxable year, plus

"(B) $1,000.

"(2) LIMITATION BASED ON PARENTAL MINIMUM TAX.—

"(A) IN GENERAL.—In the case of a child to whom section 1(i) applies, the amount of the tax imposed by section 55 shall not exceed such child's share of the allocable parental minimum tax.

"(B) ALLOCABLE PARENTAL MINIMUM TAX.—For purposes of this paragraph, the term 'allocable parental minimum tax' means the excess of—

"(i) the tax which would be imposed by section 55 on the parent if—

"(I) the amount of the parent's tentative minimum tax were increased by the aggregate of the tentative minimum taxes of all children of the parent to whom section 1(i) applies, and

"(II) the amount of the parent's regular tax were increased by the aggregate of the regular taxes of all children of the parent to whom section 1(i) applies, over

"(ii) the tax imposed by section 55 on the parent without regard to this subparagraph.

"(C) CHILD SHARE.—A child's share of any allocable parental minimum tax shall be determined under rules similar to the rules of section 1(i)(3)(B).

"(D) OTHERS RULES MADE APPLICABLE.—For purposes of this paragraph, rules similar to the rules of paragraphs (5) and (6) of section 1(i) shall apply."

(B) The amendment made by subparagraph (A) shall apply to taxable years beginning after December 31, 1988.

(6) Subparagraph (A) of section 1(i)(5) of the 1986 Code is amended by striking out "custodial parent" and inserting in lieu thereof "custodial parent (within the meaning of section 152(e))".

(7) Paragraph (3) of section 1(i) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) SPECIAL RULE WHERE PARENT HAS DIFFERENT TAXABLE YEAR.—Except as provided in regulations, if the parent does not have the same taxable year as the child, the allocable parental tax shall be determined on the basis of the taxable year of the parent ending in the child's taxable year."

(f) AMENDMENT RELATED TO SECTION 1421 OF THE REFORM ACT.—Subsection (a) of section 1421 of the Reform Act is amended by striking out "within the time prescribed for filing such return (including extensions thereof)".

(g) AMENDMENTS RELATED TO SECTION 1431 OF THE REFORM ACT.—

(1) Subsection (a) of section 2611 of the 1986 Code is amended by striking out "generation-skipping transfers" and inserting in lieu thereof "generation-skipping transfer".

(2) Subsection (b) of section 2611 of the 1986 Code is amended by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(3)(A) Section 2642 of the 1986 Code is amended by adding at the end thereof the following new subsection:

(e) SPECIAL RULES FOR CHARITABLE LEAD ANNUITY TRUSTS.—

"(1) IN GENERAL.—For purposes of determining the inclusion ratio for any charitable lead annuity trust, the applicable fraction shall be a fraction—

"(A) the numerator of which is the adjusted GST exemption, and

"(B) the denominator of which is the value of all of the property in such trust immediately after the termination of the charitable lead annuity.

"(2) ADJUSTED GST EXEMPTION.—For purposes of paragraph (1), the adjusted GST exemption is an amount equal to the GST exemption allocated to the trust increased by interest determined—

"(A) at the interest rate used in determining the amount of the deduction under section 2055 or 2522 (as the case may be) for the charitable lead annuity, and

"(B) for the actual period of the charitable lead annuity.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) CHARITABLE LEAD ANNUITY TRUST.—The term 'charitable lead annuity trust' means any trust in which there is a charitable lead annuity.

"(B) CHARITABLE LEAD ANNUITY.—The term 'charitable lead annuity' means any interest in the form of a guaranteed annuity with respect to which a deduction was allowed under section 2055 or 2522 (as the case may be).

"(4) COORDINATION WITH SUBSECTION (d).—Under regulations, appropriate adjustments shall be made in the application of subsection (d) to take into account the provisions of this subsection."

(B) The amendment made by subparagraph (A) shall apply for purposes of determining the inclusion ratio with respect to property transferred after October 13, 1987.

(4)(A) Section 2642 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(f) SPECIAL RULES FOR CERTAIN INTER VIVOS TRANSFERS.—Except as provided in regulations—

"(1) IN GENERAL.—For purposes of determining the inclusion ratio, if—

"(A) an individual makes an inter vivos transfer of property, and

"(B) the value of such property would be includible in the gross estate of such individual under chapter 11 if such individual died immediately after making such transfer (other than by reason of section 2035),

any allocation of GST exemption to such property shall not be made before the close of the estate tax inclusion period (and the value of such property shall be determined under paragraph (2)). If such transfer is a direct skip, such skip shall be treated as occurring as of the close of the estate tax inclusion period.

"(2) VALUATION.—In the case of any property to which paragraph (1) applies, the value of such property shall be—

"(A) if such property is includible in the gross estate of the transferor (other than by reason of section 2035), its value for purposes of chapter 11, or

"(B) if subparagraph (A) does not apply, its value as of the close of the estate tax inclusion period (or, if any allocation of GST exemption to such property is not made on a timely filed gift tax return for the calendar year in which such period ends, its value as of the time such allocation is filed with the Secretary).

"(3) ESTATE TAX INCLUSION PERIOD.—For purposes of this subsection, the term 'estate tax inclusion period' means any period after the transfer described in paragraph (1) during which the value of the property involved in such transfer would be includible in the gross estate of the transferor under chapter 11 if he died. Such period shall in no event extend beyond the earlier of—

"(A) the date on which there is a generation-skipping transfer with respect to such property, or

"(B) the date of the death of the transferor.

"(4) TREATMENT OF SPOUSE.—Except as provided in regulations, any reference in this subsection to an individual or transferor shall be treated as including a reference to the spouse of such individual or transferor.

"(5) COORDINATION WITH SUBSECTION (d).—Under regulations, appropriate adjustments shall be made in the application of subsection (d) to take into account the provisions of this subsection."

(B) Paragraph (2) of section 2642(a) of the 1986 Code is amended by striking out the last sentence.

(C) Subparagraph (A) of section 2642(b)(2) of the 1986 Code is amended by inserting before the period at the end thereof the following: "; except that, if the requirements prescribed by the Secretary respecting allocation of post-death changes in value are not met, the value of such property shall be determined as of the time of the distribution concerned."

(D) Subsection (b) of section 2642 of the 1986 Code is amended by inserting "Except as provided in subsection (f)—" immediately after the subsection heading.

(E) Subparagraph (B) of section 2642(b)(2) of the 1986 Code is amended—

(i) by striking out "at or after the death of the transferor" and inserting in lieu thereof "to property transferred as a result of the death of the transferor"; and

(ii) by striking out "AT OR AFTER DEATH" in the subparagraph heading and inserting in lieu thereof "TO PROPERTY TRANSFERRED AT DEATH".

(F) Paragraph (3) of section 2642(b) of the 1986 Code is amended—

(i) by striking out "to any property is made during the life of the transferor but is" and inserting in lieu thereof "to any property not transferred as a result of the death of the transferor is"; and

(ii) by striking out "INTER VIVOS ALLOCATIONS" in the subparagraph heading and inserting in lieu thereof "ALLOCATIONS TO INTER VIVOS TRANSFERS".

(5)(A) Paragraph (1) of section 2613(a) of the 1986 Code is amended by striking out "a person assigned" and inserting in lieu thereof "a natural person assigned".

(B) Subsection (c) of section 2612 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) LOOK-THRU RULES NOT TO APPLY.—Solely for purposes of determining whether any transfer to a trust is a direct skip, the rules of section 2651(e)(2) shall not apply."

(6) Subsection (c) of section 2652 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) CERTAIN SUPPORT OBLIGATIONS DISREGARDED.—The fact that income or corpus of the trust may be used to satisfy an obligation of support arising under State law shall be disregarded in determining whether a person has an interest in the trust, if—

"(A) such use is discretionary, or

"(B) such use is pursuant to the provisions of any State law substantially equivalent to the Uniform Gifts to Minors Act."

(7) Paragraph (2) of section 2612(c) of the 1986 Code is amended by adding at the end thereof the following new sentence: "If any transfer of property to a trust would be a direct skip but for this paragraph, any generation assignment under this paragraph shall apply also for purposes of applying this chapter to transfers from the portion of the trust attributable to such property."

(8) Paragraph (2) of section 2652(c) of the 1986 Code is amended—

(A) by striking out "NOMINAL INTERESTS" in the paragraph heading and inserting in lieu thereof "INTERESTS", and

(B) by striking out "the tax" and inserting in lieu thereof "any tax".

(9) Paragraph (1) of section 2652(a) of the 1986 Code is amended—

(A) by striking out "a transfer of a kind" each place it appears and inserting in lieu thereof "any property", and

(B) by adding at the end thereof the following new sentence:

"An individual shall be treated as transferring any property with respect to which such individual is the transferor."

(10) Section 2663 of the 1986 Code is amended by striking out "and" at the end of paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(3) regulations providing for such adjustments as may be necessary to the application of this chapter in the case of any arrangement which, although not a trust, is treated as a trust under section 2652(b)."

(11) Paragraph (3) of section 2651(e) of the 1986 Code is amended to read as follows:

"(3) TREATMENT OF CERTAIN CHARITABLE ORGANIZATIONS AND GOVERNMENTAL ENTITIES.—Any—

"(A) organization described in section 511(a)(2),

"(B) charitable trust described in section 511(b)(2), and

"(C) governmental entity,

shall be assigned to the transferor's generation."

(12) Paragraph (2) of section 2654(a) of the 1986 Code is amended—

(A) by striking out "any increase" and inserting in lieu thereof "any increase or decrease", and

(B) by striking out "such increase" and inserting in lieu thereof "such increase or decrease (as the case may be)".

(13) Subsection (b) of section 2654 of the 1986 Code is amended to read as follows:

"(b) CERTAIN TRUSTS TREATED AS SEPARATE TRUSTS.—For purposes of this chapter—

"(1) the portions of a trust attributable to transfers from different transferors shall be treated as separate trusts, and

"(2) substantially separate and independent shares of different beneficiaries in a trust shall be treated as separate trusts.

Except as provided in the preceding sentence, nothing in this chapter shall be construed as authorizing a single trust to be treated as 2 or more trusts."

(14) Paragraph (3) of section 2652(a) of the 1986 Code is amended—

(A) by striking out "any property" in subparagraphs (A) and (B) and inserting in lieu thereof "any trust", and

(B) by striking out "may elect to treat such property" and inserting in lieu thereof "may elect to treat all of the property in such trust".

(15) Paragraph (2) of section 2612(a) of the 1986 Code is amended to read as follows:

"(2) CERTAIN PARTIAL TERMINATIONS TREATED AS TAXABLE.—If, upon the termination of an interest in property held in trust by reason of the death of a lineal descendant of the transferor, a specified portion of the trust's assets are distributed to 1 or more skip persons (or 1 or more trusts for the exclusive benefit of such persons), such termination shall constitute a taxable termination with respect to such portion of the trust property."

(16) Paragraph (2) of section 2632(b) of the 1986 Code is amended by striking out "paragraph (1)) with respect to a prior direct skip" and inserting in lieu thereof "paragraph (1) with respect to a prior direct skip)".

(17)(A) Subsection (c) of section 2642 of the 1986 Code is amended to read as follows:

"(c) TREATMENT OF CERTAIN DIRECT SKIPS WHICH ARE NONTAXABLE GIFTS.—

"(1) IN GENERAL.—In the case of a direct skip which is a nontaxable gift, the inclusion ratio shall be zero.

"(2) EXCEPTION FOR CERTAIN TRANSFERS IN TRUST.—Paragraph (1) shall not apply to any transfer to a trust for the benefit of an individual unless—

"(A) during the life of such individual, no portion of the corpus or income of the trust may be distributed to (or for the benefit of) any person other than such individual, and

"(B) if such individual dies before the trust is terminated, the assets of such trust will be includible in the gross estate of such individual.

"(3) NONTAXABLE GIFT.—For purposes of this subsection, the term 'nontaxable gift' means any transfer of property to the extent such transfer is not treated as a taxable gift by reason of—

"(A) section 2503(b) (taking into account the application of section 2513), or

"(B) section 2503(e)."

(B) Paragraph (1) of section 2642(d) of the 1986 Code is amended by striking out "(other than a nontaxable gift)".

(C) The amendments made by this paragraph shall apply to transfers after March 31, 1988.

(18) Clause (i) of section 2642(d)(2)(B) of the 1986 Code is amended to read as follows:

"(i) the value of the property involved in such transfer reduced by the sum of—

"(I) any Federal estate tax or state death tax actually recovered from the trust attributable to such property, and

"(II) any charitable deduction allowed under section 2055 or 2522 with respect to such property, and".

(19) Paragraph (2) of section 2651(b) of the 1986 Code is amended by striking out "a spouse of the transferor" and inserting in lieu thereof "a spouse (or former spouse) of the transferor".

(20) Section 2652 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(d) Executor.—For purposes of this chapter, the term 'executor' has the meaning given such term by section 2203."

(h) AMENDMENTS RELATED TO SECTION 1433 OF THE REFORM ACT.—

(1) Subsection (a) of section 1433 of the Reform Act is amended by striking out "this part" and inserting in lieu thereof "this subtitle".

(2) Paragraph (2) of section 1433(b) of the Reform Act is amended—

(A) by striking out "this part" in the material preceding subparagraph (A) and inserting in lieu thereof "this subtitle",

(B) by inserting before the comma at the end of subparagraph (A) the following: "(or out of income attributable to corpus so added)", and

(C) by inserting "or revocable trust" after "a will" in subparagraph (B).

(3)(A) Subsection (b) of section 1433 of the Reform Act is amended by striking out paragraph (3) and inserting in lieu thereof the following new paragraphs:

"(3) TREATMENT OF CERTAIN TRANSFERS TO GRANDCHILDREN.—

"(A) IN GENERAL.—For purposes of chapter 13 of the Internal Revenue Code of 1986, the term 'direct skip' shall not include any transfer before January 1, 1990, from a transferor to a grandchild of the transferor to the extent the aggregate transfers from such transferor to such grandchild do not exceed $2,000,000.

"(B) TREATMENT OF TRANSFERS IN TRUST.—For purposes of subparagraph (A), a transfer in trust for the benefit of a grandchild shall be treated as a transfer to such grandchild if (and only if)—

"(i) during the life of the grandchild, no portion of the corpus or income of the trust may be distributed to (or for the benefit of) any person other than such grandchild,

"(ii) the assets of the trust will be includible in the gross estate of the grandchild if the grandchild dies before the trust is terminated, and

"(iii) all of the income of the trust for periods after the grandchild has attained age 21 will be distributed to (or for the benefit of) such grandchild not less frequently than annually.

"(C) COORDINATION WITH SECTION 2653(a) OF THE 1986 CODE.—In the case of any transfer which would be a generation-skipping transfer but for subparagraph (A), the rules of section 2653(a) of the Internal Revenue Code of 1986 shall apply as if such transfer were a generation-skipping transfer.

"(D) COORDINATION WITH TAXABLE TERMINATIONS AND TAXABLE DISTRIBUTIONS.—For purposes of chapter 13 of the Internal Revenue Code of 1986, the terms 'taxable termination' and 'taxable distribution' shall not include any transfer which would be a direct skip but for subparagraph (A).

"(4) DEFINITIONS.—Terms used in this section shall have the same respective meanings as when used in chapter 13 of the Internal Revenue Code of 1986; except that section 2612(c)(2) of such Code shall not apply in determining whether an individual is a grandchild of the transferor."

(B) Clause (iii) of section 1443(b)(3)(B) of the Reform Act (as amended by subparagraph (A)) shall apply only to transfers after June 10, 1987.

(4) Subsection (d) of section 1433 of the Reform Act is amended—

(A) by striking out "shall be treated as a direct skip" and inserting in lieu thereof "shall be treated as a direct skip to such grandchild",

(B) by striking out "would be a direct skip" in subparagraph (B) and inserting in lieu thereof "would be a direct skip to a grandchild", and

(C) by adding at the end thereof the following new sentence: "Unless the grandchild otherwise directs by will, the estate of such grandchild shall be entitled to recover from the person receiving the property on the death of the grandchild any increase in Federal estate tax on the estate of the grandchild by reason of the preceding sentence."

(5) Subparagraph (C) of section 1433(b)(2) of the Reform Act shall not exempt any direct skip from the amendments made by subtitle D of title XIV of the Reform Act if—

(A) such direct skip results from the application of section 2044 of the 1986 Code, and

(B) such direct skip is attributable to property transferred to the trust after October 21, 1988.

SEC. 1015. AMENDMENTS RELATED TO TITLE XV OF THE REFORM ACT.

(a) AMENDMENT RELATED TO SECTION 1501 OF THE REFORM ACT.—Subparagraph (B) of section 6724(d)(2) of the 1986 Code is amended by striking out "6031(b)" and inserting in lieu thereof "6031(b) or (c)".

(b) AMENDMENTS RELATED TO SECTION 1503 OF THE REFORM ACT.—

(1) Subparagraph (A) of section 6013(b)(5) of the 1986 Code is amended to read as follows:

"(A) COORDINATION WITH SECTION 6653.—For purposes of section 6653, where the sum of the amounts shown as tax on the separate returns of each spouse is less than the amount shown as tax on the joint return made under this subsection—

"(i) such sum shall be treated as the amount shown on the joint return,

"(ii) any negligence (or disregard of rules or regulations) on either separate return shall be treated as negligence (or such disregard) on the joint return, and

"(iii) any fraud on either separate return shall be treated as fraud on the joint return."

(2)(A) Paragraph (1) of section 6653(a) of the 1986 Code is amended to read as follows:

"(1) IN GENERAL.—If any part of any underpayment (as defined in subsection (c)) of tax required to be shown on a return is due to negligence (or disregard of rules or regulations), there shall be added to the tax an amount equal to 5 percent of the underpayment."

(B) Paragraph (1) of section 6653(b) of the 1986 Code is amended to read as follows:

"(1) IN GENERAL.—If any part of any underpayment (as defined in subsection (c)) of tax required to be shown on a return is due to fraud, there shall be added to the tax an amount equal to 75 percent of the portion of the underpayment which is attributable to fraud."

(C) Paragraph (2) of section 6601(e) of the 1986 Code is amended by striking out "6659" each place it appears and inserting in lieu thereof "6653, 6659".

(3) Subsection (g) of section 6653 of the 1986 Code is amended by adding at the end thereof the following new sentence: "If any penalty is imposed under subsection (a) by reason of the preceding sentence, only the portion of the underpayment which is attributable to the failure described in the preceding sentence shall be taken into account in determining the amount of the penalty under subsection (a)."

(4) The amendments made by this subsection (other than paragraph (3)) shall apply to returns the due date for which (determined without regard to extensions) is after December 31, 1988.

(c) AMENDMENT RELATED TO SECTION 1504 OF THE REFORM ACT.—The repeal made by section 8002(c) of the Omnibus Budget Reconciliation Act of 1986 shall take effect as if the Tax Reform Act of 1986 had been enacted on the day before the date of the enactment of the Omnibus Budget Reconciliation Act of 1986.

(d) AMENDMENTS RELATED TO SECTION 1511 OF THE REFORM ACT.—Section 6621 of the 1986 Code is amended—

(1) by striking out "short-term Federal rate" each place it appears in subsections (a) and (b)(1) and inserting in lieu thereof "Federal short-term rate", and

(2) by striking out "SHORT-TERM FEDERAL RATE" in the heading of subsection (b) and inserting in lieu thereof "FEDERAL SHORT-TERM RATE".

(e) AMENDMENTS RELATED TO SECTION 1521 OF THE REFORM ACT.—

(1)(A) Paragraph (1) of section 6045(c) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"A person shall not be treated as a broker with respect to activities consisting of managing a farm on behalf of another person."

(B) The amendment made by subparagraph (A) shall take effect as if included in the amendments made by section 311(a)(1) of the Tax Equity and Fiscal Responsibility Act of 1982.

(2)(A) Subsection (e) of section 6045 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) PROHIBITION OF SEPARATE CHARGE FOR FILING RETURN.—It shall be unlawful for any real estate reporting person to separately charge any customer for complying with any requirement of paragraph (1)."

(B) The amendment made by subparagraph (A) shall take effect on the date of the enactment of this Act.

(3) Subsection (e) of section 6045 of the 1986 Code is amended—

(A) by striking out "real estate broker" each place it appears in the text and inserting in lieu thereof "real estate reporting person", and

(B) by striking out "REAL ESTATE BROKER" in the heading of paragraph (2) and inserting in lieu thereof "REAL ESTATE REPORTING PERSON".

(f) AMENDMENT RELATED TO SECTION 1522 OF THE REFORM ACT.—Section 6050M of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(e) EXCEPTION FOR CERTAIN CLASSIFIED OR CONFIDENTIAL CONTRACTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), this section shall not apply in the case of a contract described in paragraph (3).

"(2) REPORTING REQUIREMENT.—Each Federal executive agency which has entered into a contract described in paragraph (3) shall, upon a request of the Secretary which identifies a particular person, acknowledge whether such person has entered into such a contract with such agency and, if so, provide to the Secretary—

"(A) the information required under this section with respect to such person, and

"(B) such other information with respect to such person which the Secretary and the head of such Federal executive agency agree is appropriate.

"(3) DESCRIPTION OF CONTRACT.—For purposes of this subsection, a contract between a Federal executive agency and another person is described in this paragraph if—

"(A) the fact of the existence of such contract or the subject matter of such contract has been designated and clearly marked or clearly represented, pursuant to the provisions of Federal law or an Executive order, as requiring a specific degree of protection against unauthorized disclosure for reasons of national security, or

"(B) the head of such Federal executive agency (or his designee) pursuant to regulations issued by such agency determines, in writing, that filing the required return under this section would interfere with the effective conduct of a confidential law enforcement or foreign counterintelligence activity."

(g) AMENDMENTS RELATED TO SECTION 1523 OF THE REFORM ACT.—Section 6676 of the 1986 Code is amended—

(1) by striking out "6049, or 6050N" in subsection (a)(3) and inserting in lieu thereof "or 6049",

(2) by striking out "6049, or 6050N" in subsection (b)(1)(A) and inserting in lieu thereof "or 6049", and

(3) by striking out ", DIVIDENDS, AND ROYALTIES" in the heading for subsection (b) and inserting in lieu thereof "AND DIVIDEND".

(h) AMENDMENTS RELATED TO SECTION 1542 OF THE REFORM ACT.—Subsection (h) of section 6154 of the 1986 Code (as in effect before its repeal by the Revenue Act of 1987) is amended—

(1) by striking out "subject to the tax imposed by section 4940" in paragraph (1),

(2) by amending paragraph (2) to read as follows:

"(2) any tax imposed by section 511, and any tax imposed by section 1 or 4940 on a private foundation, shall be treated as a tax imposed by section 11, and", and

(3) by adding at the end thereof the following new sentence:

"In the case of an organization described in paragraph (1), subsection (c) of section 6655 shall be applied by substituting '5th month' for 'third month' and subsection (d)(3)(A) of section 6655 shall be applied by substituting '2 months' for '3 months' in clause (i), by substituting '4 months' for '5 months, in clause (ii), by substituting '7 months' for '8 months' in clause (iii), and by substituting '10 months' for '11 months' in clause (iv)."

(i) AMENDMENT RELATED TO SECTION 1551 OF THE REFORM ACT.—Clause (iii) of section 7430(c)(2)(A) of the 1986 Code is amended to read as follows:

"(iii) meets the requirements of the 1st sentence of section 2412(d)(1)(B) of title 28, United States Code (as in effect on October 22, 1986) and meets the requirements of section 2412(d)(2)(B) of such title 28 (as so in effect)."

(j) PROVISION RELATED TO SECTION 1556 OF THE REFORM ACT.—To the extent the salary recommendations submitted by the President on January 5, 1987, are inconsistent with the provisions of section 7443A(d)(1) of the 1986 Code, such recommendations shall not be effective for any period.

(k) AMENDMENT RELATED TO SECTION 1557 OF THE REFORM ACT.—

(1) Subsection (d) of section 7447 of the 1986 Code is amended by adding at the end thereof the following new sentence: "In computing the rate of the retired pay under paragraph (1) of this subsection for any individual who is entitled thereto, any period during which such individual performs services under subsection (c) on a substantially full-time basis shall be treated as a period during which he has served as a judge."

(2) The amendment made by paragraph (1) shall apply for purposes of determining the amount of retired pay for months beginning after the date of the enactment of this Act regardless of when the services under section 7447(c) of the 1986 Code were performed.

(l) AMENDMENTS RELATED TO SECTION 1561 OF THE REFORM ACT.—

(1) Subsection (e)(2) of section 7609 of the 1986 Code is amended—

(A) by inserting "or the summoned party's response to a summons described in subsection (f)," after "the summons described in subsection (c),", and

(B) by striking out "the summons is issued other" and inserting in lieu thereof "the summons is issued".

(2) Subsection (i) of section 7609 of the 1986 Code is amended—

(A) by striking out "the third-party recordkeeper" in paragraph (4) and inserting in lieu thereof "the summoned party", and

(B) by inserting "AND SUMMONED PARTY" after "RECORDKEEPER" in the subsection heading.

(3) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(m) AMENDMENT RELATED TO SECTION 1562 OF THE REFORM ACT.—Subsection (d) of section 6212 of the 1986 Code is amended by adding at the end thereof the following new sentence: "Nothing in this subsection shall affect any suspension of the running of any period of limitations during any period during which the rescinded notice was outstanding."

(n) AMENDMENT RELATED TO SECTION 1563 OF THE REFORM ACT.—Subparagraph (B) of section 6404(e)(1) of the 1986 Code is amended—

(1) by inserting "error or" before "delay", and

(2) by inserting "erroneous or" before "dilatory".

(o) AMENDMENT RELATED TO SECTION 1565 OF THE REFORM ACT.—Effective with respect to levies made after December 31, 1988, paragraph (10) of section 6334(a) of the 1986 Code is amended—

(1) in subparagraph (A)—

(A) by striking out "IV" and inserting in lieu thereof "III, IV, V,", and

(B) by adding "or" at the end thereof,

(2) in subparagraph (C) by striking out "21," and inserting in lieu thereof "13, 21, 23," and

(3) by striking out subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(p) AMENDMENT RELATED TO SECTION 1581 OF THE REFORM ACT.—Subsection (c) of section 1581 of the Reform Act is amended by adding at the end thereof the following new sentence:

"The preceding sentence shall not apply if its application would result in an increase in the number of withholding allowances for the employee."

(q) GENERAL REQUIREMENT OF RETURN, STATEMENT, OR LIST.—

(1) Subsection (a) of section 6011 of the 1986 Code is amended by striking out "for the collection thereof" and inserting in lieu thereof "with respect to the collection thereof".

(2) The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(r) CERTAIN REFUNDABLE CREDITS TO BE ASSESSED UNDER DEFICIENCY PROCEDURES.—

(1) Subsection (a) of section 6201 of the 1986 Code is amended by striking out paragraph (4).

(2) Paragraph (4) of section 6211(b) is amended to read as follows:

"(4) For purposes of subsection (a)—

"(A) any excess of the sum of the credits allowable under sections 32 and 34 over the tax imposed by subtitle A (determined without regard to such credits), and

"(B) any excess of the sum of such credits as shown by the taxpayer on his return over the amount shown as the tax by the taxpayer on such return (determined without regard to such credits),

shall be taken into account as negative amounts of tax."

(3) Subsection (h) of section 6211 of the 1986 Code is amended by striking out paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(4) The amendments made by this subsection shall apply to notices of deficiencies mailed after the date of the enactment of this Act.

(s) NOTICE OF LIEN ON PERSONAL PROPERTY.—

(1) Subsection (f) of section 6323 of the 1986 Code is amended—

(A) by inserting ", except that State law merely conforming to or reenacting Federal law establishing a national filing system does not constitute a second office for filing as designated by the laws of such State" after "situated" in paragraph (1)(A)(ii), and

(B) by adding at the end thereof the following new paragraph:

"(5) NATIONAL FILING SYSTEMS.—The filing of a notice of lien shall be governed solely by this title and shall not be subject to any other Federal law establishing a place or places for the filing of liens or encumbrances under a national filing system."

(2) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(t) EFFECT OF HONORING LEVY.—

(1) Subsection (d) of section 6332 of the 1986 Code is amended—

(A) by inserting "and any other person" after "delinquent taxpayer", and

(B) by striking out the last sentence thereof.

(2) The amendment made by this subsection shall apply to levies issued after the date of the enactment of this Act.

(u) COLLECTION AFTER COMMENCEMENT OF JUDICIAL PROCEEDINGS.—

(1) The last sentence of section 6502(a) of the 1986 Code is amended to read as follows: "If a timely proceeding in court for the collection of a tax is commenced, the period during which such tax may be collected by levy shall be extended and shall not expire until the liability for the tax (or a judgment against the taxpayer arising from such liability) is satisfied or becomes enforceable."

(2) The amendment made by this subsection shall apply to levies issued after the date of the enactment of this Act.

SEC. 1016. AMENDMENTS RELATED TO TITLE XVI OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 1603 OF THE REFORM ACT.—

(1)(A) Subparagraph (A) of section 501(c)(25) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"For purposes of clause (iii), the term 'real property' shall not include any interest as a tenant in common (or similar interest) and shall not include any indirect interest."

(B) The amendment made by subparagraph (A) shall apply with respect to property acquired by the organization after June 10, 1987, except that such amendment shall not apply to any property acquired after June 10, 1987, pursuant to a binding written contract in effect on June 10, 1987, and at all times thereafter before such acquisition.

(2) Subparagraph (D) of section 501(c)(25) of the 1986 Code is amended by striking out so much of such subparagraph as precedes clause (i) and inserting in lieu thereof the following:

"(D) A corporation or trust shall in no event be treated as described in subparagraph (A) unless such corporation or trust permits its shareholders or beneficiaries—"

(3)(A) Paragraph (25) of section 501(c) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(E)(i) For purposes of this title—

"(I) a corporation which is a qualified subsidiary shall not be treated as a separate corporation, and

"(II) all assets, liabilities, and items of income, deduction, and credit of a qualified subsidiary shall be treated as assets, liabilities, and such items (as the case may be) of the corporation or trust described in subparagraph (A).

"(ii) For purposes of this subparagraph, the term 'qualified subsidiary' means any corporation if, at all times during the period such corporation was in existence, 100 percent of the stock of such corporation is held by the corporation or trust described in subparagraph (A).

"(iii) For purposes of this subtitle, if any corporation which was a qualified subsidiary ceases to meet the requirements of clause (ii), such corporation shall be treated as a new corporation acquiring all of its assets (and assuming all of its liabilities) immediately before such cessation from the corporation or trust described in subparagraph (A) in exchange for its stock."

(B) Subparagraph (C) of section 501(c)(25) of the 1986 Code is amended by inserting "or" at the end of clause (iii), by striking out ", or" at the end of clause (iv) and inserting in lieu thereof a period, and by striking out clause (v).

(4) Paragraph (25) of section 501(c) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(F) For purposes of subparagraph (A), the term 'real property' includes any personal property which is leased under, or in connection with, a lease of real property, but only if the rent attributable to such personal property (determined under the rules of section 856(d)(1)) for the taxable year does not exceed 15 percent of the total rent for the taxable year attributable to both the real and personal property leased under, or in connection with, such lease."

(5)(A) Paragraph (9) of section 514(c) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(E) SPECIAL RULES FOR ORGANIZATIONS DESCRIBED IN SECTION 501(C)(25).—

"(i) IN GENERAL.—In computing under section 512 the unrelated business taxable income of a disqualified holder of an interest in an organization described in section 501(c)(25), there shall be taken into account—

"(I) as gross income derived from an unrelated trade or business, such holder's pro rata share of the items of income described in clause (ii)(I) of such organization, and

"(II) as deductions allowable in computing unrelated business taxable income, such holder's pro rata share of the items of deduction described in clause (ii)(II) of such organization.

Such amounts shall be taken into account for the taxable year of the holder in which (or with which) the taxable year of such organization ends.

"(ii) DESCRIPTION OF AMOUNTS.—For purposes of clause (i)—

"(I) gross income is described in this clause to the extent such income would (but for this paragraph) be treated under subsection (a) as derived from an unrelated trade or business, and

"(II) any deduction is described in this clause to the extent it would (but for this paragraph) be allowable under subsection (a)(2) in computing unrelated business taxable income.

"(iii) DISQUALIFIED HOLDER.—For purposes of this subparagraph, the term 'disqualified holder' means any shareholder (or beneficiary) which is not described in clause (i) or (ii) of subparagraph (C)."

(B) The amendment made by subparagraph (A) shall apply with respect to interests in the organization acquired after June 10, 1987, except that such amendment shall not apply to any such interest acquired after June 10, 1987, pursuant to a binding written contract in effect on June 10, 1987, and at all times thereafter before such acquisition.

(6) The last sentence of section 514(c)(9)(B) of the 1986 Code is amended by striking out "clause (vi)" and inserting in lieu thereof "this paragraph".

(b) REPEAL OF SECTION 1608 OF THE REFORM ACT.—Section 1608 of the Reform Act is hereby repealed.

SEC. 1017. AMENDMENTS RELATED TO TITLE XVII OF THE REFORM ACT.

(a) AMENDMENTS RELATED TO SECTION 1701 OF THE REFORM ACT.—Clause (i) of section 51(d)(12)(B) of the 1986 Code is amended by striking out "subsection (a)(1)" and inserting in lieu thereof "subsection (a)".

(b) AMENDMENT RELATED TO SECTION 1702 OF THE REFORM ACT.—Subsection (j) of section 6652 of the 1986 Code, as added by section 1702(b) of the Reform Act and as in effect before its repeal by the Revenue Act of 1987, is amended by inserting "(and the corresponding provision of section 4041(d)(1))" after "section 4041(a)(1)".

(c) AMENDMENTS RELATED TO SECTION 1703 OF THE REFORM ACT.—

(1)(A) Subsection (a) of section 4081 of the 1986 Code, as amended by section 1703 of the Reform Act, is amended by redesignating paragraph (2) as paragraph (3) and by striking out paragraph (1) and inserting in lieu thereof the following new paragraphs:

"(1) IN GENERAL.—There is hereby imposed a tax at the rate specified in paragraph (2) on the earlier of—

"(A) the removal, or

"(B) the sale,

of gasoline by the refiner or importer thereof or the terminal operator.

"(2) RATES OF TAX.—

"(A) IN GENERAL.—The rate of the tax imposed by this section is the sum of—

"(i) the Highway Trust Fund financing rate, and

"(ii) the Leaking Underground Storage Tank Trust Fund financing rate.

"(B) RATES.—For purposes of subparagraph (A)—

"(i) the Highway Trust Fund financing rate is 9 cents a gallon, and

"(ii) the Leaking Underground Storage Tank Trust Fund financing rate is 0.1 cent a gallon."

(B) Subsections (b) and (c) of section 4081 of the 1986 Code, as amended by section 1703 of the Reform Act, are each amended by striking out "subsection (d)" and inserting in lieu thereof "subsection (a)".

(C) Subsection (e) of section 4081 of the 1986 Code, as amended by section 1703 of the Reform Act, is amended—

(i) by striking out "subsection (d)(2)(A)" in paragraph (1) and inserting in lieu thereof "subsection (a)(2)", and

(ii) by striking out "subsection (d)(2)(B)" each place it appears in paragraph (2) and inserting in lieu thereof "subsection (a)(2)".

(D) Section 4081 of the 1986 Code, as amended by section 1703 of the Reform Act, is amended by striking out subsection (d) and by redesignating subsection (e) as subsection (d).

(2) Subsection (b) of section 34 of the 1986 Code is amended by striking out "section 6421(i) or 6427(j)" and inserting in lieu thereof "section 6421(j) or 6427(k)".

(3) Sections 4041(b)(1)(C) and 6427(m)(3) of the 1986 Code are each amended by striking out "section 6421(d)(2)" and inserting in lieu thereof "section 6421(e)(2)".

(4) Paragraph (3) of section 4041(f) of the 1986 Code is amended to read as follows:

"(3) TERMINATION.—Except with respect to the taxes imposed by subsection (d), paragraph (1) shall not apply on and after October 1, 1993."

(5) The amendment made by section 10502(d)(4) of the Revenue Act of 1987 shall be treated as if included in the amendments made by section 1703 of the Reform Act except that the reference to section 4091 of the Internal Revenue Code of 1986 shall not apply to sales before April 1, 1988.

(6) Section 6421 of the 1986 Code is amended by redesignating subsection (i) (relating to income tax credit in lieu of payment) and subsection (j) (relating to cross references) as subsections (j) and (k), respectively.

(7) Subsections (a) and (b)(1) of section 6421 of the 1986 Code are each amended by striking out "subsection (i)" and inserting in lieu thereof "subsection (j)".

(8) Paragraph (2) of section 6421(j) of the 1986 Code (as redesignated by paragraph (6)) is amended by striking out "subsection (c)(2)" and inserting in lieu thereof "subsection (d)(2)".

(9) Sections 7210, 7603, 7604(b), 7604(c)(2), 7605(a), 7609(c)(1), and 7610(c) of the 1986 Code are each amended by striking out "6421(f)(2)" and inserting in lieu thereof "6421(g)(2)".

(10) Paragraph (2) of section 6427(k) of the 1986 Code is amended by striking out "subsection" and all that follows and inserting in lieu thereof "paragraph (2) or (3) of subsection (i)."

(11) Paragraph (6) of section 6511(i) of the 1986 Code is amended by striking out "section 6421(c)" and inserting in lieu thereof "section 6421(d)".

(12) Subparagraph (G) of section 1703(e)(2) of the Reform Act is amended by striking out all that follows "are amended" and inserting in lieu thereof "by striking out '6427(i)(2)' and inserting in lieu thereof '6427(j)(2)'."

(13) Paragraph (2) of section 1703(f) of the Reform Act is amended by adding at the end thereof the following new sentence: "All other provisions of law, including penalties, applicable with respect to the taxes imposed by section 4081 of the Internal Revenue Code of 1986 shall apply to the floor stocks taxes imposed by this section."

(14) Paragraph (1) of section 4081(c) of the 1986 Code, as amended by section 1703 of the Reform Act, is amended by striking out "3 cents" and inserting in lieu thereof "3⅓ cents".

(15) Subsection (d) of section 6421 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) APPLICATION TO SALES UNDER SUBSECTION (c).—For purposes of this subsection, gasoline shall be treated as used for a purpose referred to in subsection (c) when it is sold for such a purpose."

(16) Section 4222(d) of the 1986 Code is amended by striking out "4083" and inserting in lieu thereof "4101".

SEC. 1018. AMENDMENTS RELATED TO TITLE XVIII OF THE REFORM ACT.

(a) AMENDMENT RELATED TO SECTION 1801 OF THE REFORM ACT.—Clause (iii) of section 1801(a)(2)(A) of the Reform Act is amended to read as follows:

"(iii) a person became a partner in such partnership (or a beneficiary in such trust) after its formation but before September 26, 1985,".

(b) AMENDMENTS RELATED TO SECTION 1802 OF THE REFORM ACT.—

(1) The last sentence of section 31(g)(17)(L) of the Tax Reform Act of 1984, as added by section 1802(a)(10)(G) of the Reform Act, is amended—

(A) by striking out "Registry of Deeds" each place it appears and inserting in lieu thereof "Register of Deed", and

(B) by striking out "May 7, 1985" and inserting in lieu thereof "May 7, 1984".

(2) Subparagraph (E) of section 168(j)(9) of the 1986 Code (as amended by section 1802(a)(2) of the Reform Act and as in effect before the amendments made by section 201 of the Reform Act) is amended—

(A) by striking out "this paragraph" in clauses (i) and (ii)(I) and inserting in lieu thereof "this paragraph and paragraph (8)", and

(B) by striking out clause (iii) and inserting in lieu thereof the following:

"(iii) TAX-EXEMPT CONTROLLED ENTITY.—

"(I) IN GENERAL.—The term 'tax-exempt controlled entity' means any corporation (which is not a tax-exempt entity determined without regard to this subparagraph and paragraph (4)(E)) if 50 percent or more (in value) of the stock in such corporation is held by 1 or more tax-exempt entities (other than a foreign person or entity).

"(II) ONLY 5-PERCENT SHAREHOLDERS TAKEN INTO ACCOUNT IN CASE OF PUBLICLY TRADED STOCK.—For purposes of subclause (I), in the case of a corporation the stock of which is publicly traded on an established securities market, stock held by a tax-exempt entity shall not be taken into account unless such entity holds at least 5 percent (in value) of the stock in such corporation. For purposes of this subclause, related entities (within the meaning of paragraph (7)) shall be treated as 1 entity.

"(III) SECTION 318 TO APPLY.—For purposes of this clause, a tax-exempt entity shall be treated as holding stock which it holds through application of section 318 (determined without regard to the 50-percent limitation contained in subsection (a)(2)(C) thereof)."

(c) AMENDMENT RELATED TO SECTION 1803 OF THE REFORM ACT.—

(1) Subparagraph (A) of section 1803(a)(8) of the Reform Act is amended by striking out "September 27, 1985" and inserting in lieu thereof "December 31, 1985".

(2) Subsection (c) of section 1278 of the 1986 Code is amended by inserting before the period ", including regulations providing proper adjustments in the case of a bond the principal of which may be paid in 2 or more payments".

(3) Section 1278(b) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) BASIS ADJUSTMENT.—The basis of any bond in the hands of the taxpayer shall be increased by the amount included in gross income pursuant to this subsection."

(d) AMENDMENTS RELATED TO SECTION 1804 OF THE REFORM ACT.—

(1) Paragraph (3) of section 1804(b) of the Reform Act is amended by striking out "Paragraph (3) of section 54" and inserting "Paragraph (3) of section 54(d)".

(2) Clause (i) of section 54(d)(3)(D) of the Tax Reform Act of 1984 is amended by striking out "subtitle D of title VI" and inserting "subtitle D of title VI of the Tax Reform Act of 1986".

(3) Clause (ii) of section 54(d)(3)(D) of the Tax Reform Act of 1984 (as added by section 1804(b)(3) of the Tax Reform Act of 1986) is amended—

(A) by striking out "December 9, 1968," each place it appears and inserting in lieu thereof "December 10, 1968,", and

(B) by striking out "October 5, 1981" and inserting in lieu thereof "March 2, 1978,".

(4) Subsection (b) of section 312 of the 1986 Code is amended by striking out "of any property" and inserting in lieu thereof "of any property (other than an obligation of such corporation)".

(5)(A) Section 361 of the 1986 Code is amended to read as follows:

"SEC. 361. NONRECOGNITION OF GAIN OR LOSS TO CORPORATIONS; TREATMENT OF DISTRIBUTIONS.

"(a) GENERAL RULE.—No gain or loss shall be recognized to a corporation if such corporation is a party to a reorganization and exchanges property, in pursuance of the plan of reorganization, solely for stock or securities in another corporation a party to the reorganization.

"(b) EXCHANGES NOT SOLELY IN KIND.—

"(1) GAIN.—If subsection (a) would apply to an exchange but for the fact that the property received in exchange consists not only of stock or securities permitted by subsection (a) to be received without the recognition of gain, but also of other property or money, then—

"(A) PROPERTY DISTRIBUTED.—If the corporation receiving such other property or money distributes it in pursuance of the plan of reorganization, no gain to the corporation shall be recognized from the exchange, but

"(B) PROPERTY NOT DISTRIBUTED.—If the corporation receiving such other property or money does not distribute it in pursuance of the plan of reorganization, the gain, if any, to the corporation shall be recognized.

The amount of gain recognized under subparagraph (B) shall not exceed the sum of the money and the fair market value of the other property so received which is not so distributed.

"(2) LOSS.—If subsection (a) would apply to an exchange but for the fact that the property received in exchange consists not only of property permitted by subsection (a) to be received without the recognition of gain or loss, but also of other property or money, then no loss from the exchange shall be recognized.

"(3) TREATMENT OF TRANSFERS TO CREDITORS.—For purposes of paragraph (1), any transfer of the other property or money received in the exchange by the corporation to its creditors in connection with the reorganization shall be treated as a distribution in pursuance of the plan of reorganization. The Secretary may prescribe such regulations as may be necessary to prevent avoidance of tax through abuse of the preceding sentence or subsection (c)(3).

"(c) TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), no gain or loss shall be recognized to a corporation a party to a reorganization on the distribution to its shareholders of property in pursuance of the plan of reorganization.

"(2) DISTRIBUTIONS OF APPRECIATED PROPERTY.—

"(A) IN GENERAL.—If—

"(i) in a distribution referred to in paragraph (1), the corporation distributes property other than qualified property, and

"(ii) the fair market value of such property exceeds its adjusted basis (in the hands of the distributing corporation),

then gain shall be recognized to the distributing corporation as if such property were sold to the distributee at its fair market value.

"(B) QUALIFIED PROPERTY.—For purposes of this subsection, the term 'qualified property' means—

"(i) any stock in (or right to acquire stock in) the distributing corporation or obligation of the distributing corporation, or

"(ii) any stock in (or right to acquire stock in) another corporation which is a party to the reorganization or obligation of another corporation which is such a party if such stock (or right) or obligation is received by the distributing corporation in the exchange.

"(C) TREATMENT OF LIABILITIES.—If any property distributed in the distribution referred to in paragraph (1) is subject to a liability or the shareholder assumes a liability of the distributing corporation in connection with the distribution, then, for purposes of subparagraph (A), the fair market value of such property shall be treated as not less than the amount of such liability.

"(3) TREATMENT OF CERTAIN TRANSFERS TO CREDITORS.—For purposes of this subsection, any transfer of qualified property by the corporation to its creditors in connection with the reorganization shall be treated as a distribution to its shareholders pursuant to the plan of reorganization.

"(4) COORDINATION WITH OTHER PROVISIONS.—Section 311 and subpart B of part II of this subchapter shall not apply to any distribution referred to in paragraph (1)."

(B) Section 358 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(f) DEFINITION OF NONRECOGNITION PROPERTY IN CASE OF SECTION 361 EXCHANGE.—For purposes of this section, the property permitted to be received under section 361 without the recognition of gain or loss shall be treated as consisting only of stock or securities in another corporation a party to the reorganization."

(C) Section 355 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(c) TAXABILITY OF CORPORATION ON DISTRIBUTION.—Section 311 shall apply to any distribution—

"(1) to which this section (or so much of section 356 as relates to this section) applies, and

"(2) which is not in pursuance of a plan of reorganization,

in the same manner as if such distribution were a distribution to which subpart A of *part I applies; except that subsection (b) of section 311 shall not apply to any distribution of stock or securities in the controlled corporation."*

(D) Subsection (c) of section 336 of the 1986 Code (as amended by section 631 of the Reform Act) is amended to read as follows:

"(c) Exception for Liquidations Which Are Part of a Reorganization.—

> *"For provision providing that this subpart does not apply to distributions in pursuance of a plan of reorganization, see section 361(c)(4)."*

(E) Subsection (a) of section 311 of the 1986 Code is amended by striking out "distribution, with respect to its stock," and inserting in lieu thereof "distribution (not in complete liquidation) with respect to its stock".

(F) The table of sections for subpart C of part III of subchapter C of chapter 1 of the 1986 Code is amended by striking out the item relating to section 361 and inserting in lieu thereof the following new item:

"Sec. 361. Nonrecognition of gain or loss to corporations; treatment of distributions."

(G) Effective with respect to transfers on or after June 21, 1988, section 351 of the 1986 Code is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) Treatment of Controlled Corporation.—If—

"(1) property is transferred to a corporation (hereinafter in this subsection referred to as the 'controlled corporation') in an exchange with respect to which gain or loss is not recognized (in whole or in part) to the transferor under this section, and

"(2) such exchange is not in pursuance of a plan of reorganization,

section 311 shall apply to any transfer in such exchange by the controlled corporation in the same manner as if such transfer were a distribution to which subpart A of part I applies."

(6) Subparagraph (A) of section 280G(b)(5) of the 1986 Code is amended—

(A) in clause (i) by striking out "section 1361(b))" and inserting in lieu thereof "section 1361(b) but without regard to paragraph (1)(C) thereof)", and

(B) by adding at the end thereof the following: "Stock described in section 1504(a)(4) shall not be taken into account under clause (ii)(I) if the payment does not adversely affect the shareholder's redemption and liquidation rights."

(7) Subparagraph (B) of section 280G(b)(5) of the 1986 Code (relating to shareholder approval requirements) is amended by adding at the end thereof the following new sentence:

"The regulations prescribed under subsection (e) shall include regulations providing for the application of this subparagraph in the case of shareholders which are not individuals (including the treatment of nonvoting interests in an entity which is a shareholder) and where an entity holds a de minimis amount of stock in the corporation."

(8) Paragraph (5) of section 280G(d) of the 1986 Code is amended by striking out "officer or any member" and inserting in lieu thereof "officer of any member".

(9) Paragraph (3) of section 338(e) of the 1986 Code is amended by striking out "which meet the 80 percent requirements of subparagraphs (A) and (B) of subsection (d)(3)" and inserting in lieu thereof "which meet the requirements of section 1504(a)(2)".

(10)(A) Paragraph (7) of section 1504(b) of the 1986 Code is amended to read as follows:

"(7) A DISC (as defined in section 992(a)(1))."

(B) Section 1504 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(f) Special Rule for Certain Amounts Derived From a Corporation Previously Treated as a DISC.—In determining the consolidated taxable income of an affiliated group for any taxable year beginning after December 31, 1984, a corporation which had been a DISC and which would otherwise be a member of such group shall not be treated as such a member with respect to—

"(1) any distribution (or deemed distribution) of accumulated DISC income which was not treated as previously taxed income under section 805(b)(2)(A) of the Tax Reform Act of 1984, and

"(2) any amount treated as received under section 805(b)(3) of such Act."

(e) Provision Related to Section 1806 of the Reform Act.—If—

(1) on a return for the 1st taxable year of the trusts involved beginning after March 1, 1984, 2 or more trusts were treated as a single trust for purposes of the tax imposed by chapter 1 of the Internal Revenue Code of 1954,

(2) such trusts would have been required to be so treated but for the amendment made by section 1806(b) of the Reform Act, and

(3) such trusts did not accumulate any income during such taxable year and did not make any accumulation distributions during such taxable year,

then, notwithstanding the amendment made by section 1806(b) of the Reform Act, such trusts shall be treated as one trust for purposes of such taxable year.

(f) Amendments Related to Section 1807 of the Reform Act.—

(1) Paragraphs (1)(A) and (2)(E) of section 468B(d) of the 1986 Code are each amended by striking out "the taxpayer" and inserting in lieu thereof "the taxpayer (or any related person)".

(2) Subparagraph (A) of section 468B(d)(2) of the 1986 Code is amended to read as follows:

"(A) which is established pursuant to a court order and which extinguishes completely the taxpayer's tort liability with respect to claims described in subparagraph (D),".

(3) Clause (i) of section 1807(a)(7)(C) of the Reform Act is amended to read as follows:

"(i) any portion of such fund which is established pursuant to a court order and with qualified payments, which meets the requirements of subparagraphs (C) and (D) of section 468B(d)(2) of the Internal Revenue Code of 1954 (as added by this paragraph), and with respect to which an election is made under subparagraph (F) thereof, shall be treated as a designated settlement fund for purposes of section 468B of such Code,"

(4) Paragraph (2) of section 468B(b) of the 1986 Code is amended—

(A) by striking out "the corporation," and inserting in lieu thereof "a corporation.", and

(B) by striking out "no other" and inserting in lieu thereof "No other".

(5)(A) Section 468B of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(g) Clarification of Taxation of Certain Funds.—Nothing in any provision of law shall be construed as providing that an escrow account, settlement fund, or similar fund is not subject to current income tax. The Secretary shall prescribe regulations providing for the taxation of any such account or fund whether as a grantor trust or otherwise."

(B) Subparagraph (D) of section 1807(a)(7) of the Reform Act is hereby repealed.

(g) Amendments Related to Section 1810 of the Reform Act.—

(1) Paragraph (5) of section 1810(a) of the Reform Act is amended by striking out "section 125(b)(5)" each place it appears and inserting in lieu thereof "section 121(b)(5)".

(2) Section 133(d)(3)(B)(iii) of the Tax Reform Act of 1984, as amended by section 1810(i)(2) of the Reform Act, is amended by striking out "Tax Reform Act of 1985" and inserting in lieu thereof "Tax Reform Act of 1986".

(3) Clause (iv) of section 7701(b)(5)(A) of the 1986 Code is amended by striking out "section 274(k)(2)" and inserting in lieu thereof "section 274(l)(1)(B)".

(h) Amendment Related to Section 1821 of the Reform Act.—

(1) Subsection (e) of section 812 of the 1986 Code (relating to dividends from certain subsidiaries not included in gross investment income) is amended to read as follows:

"(e) Dividends From Certain Subsidiaries Not Included in Gross Investment Income.—

"(1) In general.—For purposes of this section, the term 'gross investment income' shall not include any dividend received by the life insurance company which is a 100 percent dividend.

"(2) 100 percent dividend defined.—

"(A) In general.—Except as provided in subparagraphs (B) and (C), the term '100 percent dividend' means any dividend if the percentage used for purposes of determining the deduction allowable under section 243, 244, or 245(b) is 100 percent.

"(B) Certain dividends out of tax-exempt interest, etc.—The term '100 percent dividend' does not include any distribution by a corporation to the extent such distribution is out of tax-exempt interest or out of dividends which are not 100 percent dividends (determined with the application of this subparagraph).

"(C) Certain dividends received by foreign corporations.—The term '100 percent dividends' does not include any dividend described in section 805(a)(4)(E) (relating to certain dividends in the case of foreign corporations)."

(2) The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 211 of the Tax Reform Act of 1984.

(i) Amendment Related to Section 1822 of the Reform Act.—Clause (i) of section 216(b)(4)(C) of the Tax Reform Act of 1984 (relating to section 818(c) elections made by certain acquired companies) is amended by striking out "clause (i)" and inserting in lieu thereof "subclause (I)".

(j) Amendment Related to Section 1825 of the Reform Act.—Paragraph (4) of section 1825(a) of the Reform Act (relating to amendments related to section 221 of the Tax Reform Act of 1984) is amended by striking out "Section 7702(e)(2)" and inserting in lieu thereof "Effective with respect to contracts entered into after October 22, 1986, section 7702(e)(2)".

(k) Amendments Related to Section 1826 of the Reform Act.—

(1) Paragraph (5) of section 72(s) of the 1986 Code is amended by striking out "or" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(D) which is a qualified funding asset (as defined in section 130(d), but without regard to whether there is a qualified assignment)."

(2) The paragraph heading of paragraph (5) of section 72(s) of the 1986 Code is amended by striking out "ANNUITY CONTRACTS WHICH ARE PART OF QUALIFIED PLANS" and inserting in lieu thereof "CERTAIN ANNUITY CONTRACTS".

(l) AMENDMENTS RELATED TO SECTION 1842 OF THE REFORM ACT.—

(1) Subsection (c) of section 425 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) TRANSFERS BETWEEN SPOUSES OR INCIDENT TO DIVORCE.—In the case of any transfer described in subsection (a) of section 1041—

"(A) such transfer shall not be treated as a disposition for purposes of this part, and

"(B) the same tax treatment under this part with respect to the transferred property shall apply to the transferee as would have applied to the transferor."

(2) Paragraph (1) of section 425(c) of the 1986 Code is amended by striking out "paragraph (2) and (3)" and inserting in lieu thereof "paragraphs (2), (3), and (4)".

(3) Effective with respect to transfers after June 21, 1988, subsection (d) of section 1041 of the 1986 Code is amended—

(A) by striking out "Paragraph (1) of subsection (a)" and inserting in lieu thereof "Subsection (a)", and

(B) by striking out "the spouse" and inserting in lieu thereof "the spouse (or former spouse)".

(m) AMENDMENTS RELATED TO SECTION 1866 OF THE REFORM ACT.—

(1) Section 1866 of the Reform Act is amended by striking out "obligation issued to refund" and inserting in lieu thereof "obligation (or series of obligations) issued to refund".

(2)(A) Paragraph (1) of section 1866 of the Reform Act is amended to read as follows:

"(1) the average maturity of the issue of which the refunding obligation is a part does not exceed the average maturity of the obligations to be refunded by such issue,".

(B) Section 1866 of the Reform Act is amended by adding at the end thereof the following new sentence: "For purposes of paragraph (1), average maturity shall be determined in accordance with subsection (b)(14)(B)(i) of such Code."

(3) Paragraph (4) of section 1866 of the Reform Act is amended by striking out "30 days" and inserting in lieu thereof "90 days".

(4) Section 1866 of the Reform Act is amended by adding "and" at the end of paragraph (2), by striking out paragraph (3), and by redesignating paragraph (4) as paragraph (3).

(5) A refunding obligation issued before July 1, 1987, shall be treated as meeting the requirement of paragraph (1) of section 1866 of the Reform Act if such obligation met the requirement of such paragraph as enacted by the Reform Act.

(n) AMENDMENTS RELATED TO SECTION 1869 OF THE REFORM ACT.—

(1) Clause (ii) of section 1869(c)(3)(A) of the Reform Act is amended by striking out "pursuant to the exercise of eminent domain" and inserting in lieu thereof "(by a governmental unit having the power to exercise eminent domain)".

(2) Subparagraph (C) of section 1869(c)(3) of the Reform Act is amended by inserting "(or similar issues)" after "resulting from the issue".

(o) AMENDMENTS RELATED TO SECTION 1875 OF THE REFORM ACT.—

(1) Clause (ii) of section 6230(a)(2)(A) of the 1986 Code is amended by striking out "nonpartnership items" and inserting in lieu thereof "nonpartnership items (other than by reason of section 6231(b)(1)(C))".

(2) Subsection (g) of section 1246 of the 1986 Code (as redesignated by this Act) is amended by striking out "1248(g)(3)" and inserting in lieu thereof "1248(g)(2)".

(3) Subsection (f) of section 6229 of the 1986 Code is amended by adding at the end thereof the following new sentence: "The period described in the preceding sentence (including any extension period under this sentence) may be extended with respect to any partner by agreement entered into by the Secretary and such partner."

(p) AMENDMENT RELATED TO SECTION 1878 OF THE REFORM ACT.—Paragraph (1) of section 852(e) of the 1986 Code is amended by striking out "subsection (a)(3)" and inserting in lieu thereof "subsection (a)(2)".

(q) AMENDMENTS RELATED TO SECTION 1879 OF THE REFORM ACT.—

(1) Subclause (II) of section 28(b)(2)(A)(ii) of the 1986 Code is amended to read as follows:

"(II) before the date on which an application with respect to such drug is approved under section 505(b) or 507 of such Act or, if the drug is a biological product, before the date on which a license for such drug is issued under section 351 of the Public Health Service Act; and".

(2) The last sentence of section 1361(d)(3) of the 1986 Code is amended by striking out "treated as a separate trust under section 663(c)" and inserting in lieu thereof "within the meaning of section 663(c)".

(3) Subsection (p) of section 1879 of the Reform Act is amended—

(A) by striking out "Subsection (a)" in paragraph (2) and inserting "Paragraph (1)", and

(B) by striking out "subsection (a)" each place it appears in paragraphs (2) and (3) and inserting in lieu thereof "paragraph (1)".

(4)(A) Subsection (d) of section 1286 of the 1986 Code is amended to read as follows:

"(d) SPECIAL RULES FOR TAX-EXEMPT OBLIGATIONS.—

"(1) IN GENERAL.—In the case of any tax-exempt obligation (as defined in section 1275(a)(3)) from which 1 or more coupons have been stripped—

"(A) the amount of the original issue discount determined under subsection (a) with respect to any stripped bond or stripped coupon—

"(i) shall be treated as original issue discount on a tax-exempt obligation to the extent such discount does not exceed the tax-exempt portion of such discount, and

"(ii) shall be treated as original issue discount on an obligation which is not a tax-exempt obligation to the extent such discount exceeds the tax-exempt portion of such discount,

"(B) subsection (b)(1)(A) shall not apply, and

"(C) subsection (b)(2) shall be applied by increasing the basis of the bond or coupon by the sum of—

"(i) the interest accrued but not paid before such bond or coupon was disposed of (and not previously reflected in basis), plus

"(ii) the amount included in gross income under subsection (b)(1)(B).

"(2) TAX-EXEMPT PORTION.—For purposes of paragraph (1), the tax-exempt portion of the original issue discount determined under subsection (a) is the excess of—

"(A) the amount referred to in subsection (a)(1), over

"(B) an issue price which would produce a yield to maturity as of the purchase date equal to the lower of—

"(i) the coupon rate of interest on the obligation from which the coupons were separated, or

"(ii) the yield to maturity (on the basis of the purchase price) of the stripped obligation or coupon.

The purchaser of any stripped obligation or coupon may elect to apply clause (i) by substituting 'original yield to maturity of' for 'coupon rate of interest on'."

(B)(i) Except as provided in clause (ii), the amendment made by subparagraph (A) shall apply to any purchase or sale after June 10, 1987, of any stripped tax-exempt obligation or stripped coupon from such an obligation.

(ii) If—

(I) any person held any obligation or coupon in stripped form on June 10, 1987, and

(II) such obligation or coupon was held by such person on such date for sale in the ordinary course of such person's trade or business,

the amendment made by subparagraph (A) shall not apply to any sale of such obligation or coupon by such person and shall not apply to any such obligation or coupon while held by another person who purchased such obligation or coupon from the person referred to in subclause (I).

(5) Clause (ii) of section 368(a)(2)(F) of the 1986 Code is amended—

(A) by striking out the two parenthetical phrases in the first sentence, and

(B) by adding at the end thereof the following new sentence: "For purposes of this clause, a person holding stock in a regulated investment company, a real estate investment trust, or an investment company which meets the requirements of this clause shall, except as provided in regulations, be treated as holding its proportionate share of the assets held by such company or trust."

(r) AMENDMENTS RELATED TO SECTION 1895 OF THE REFORM ACT.—

(1) Subsection (b) of section 1895 of the Reform Act is amended by striking out paragraphs (1) and (2).

(2)(A) Clause (ii) of section 3121(u)(2)(B) of the 1986 Code is amended by striking out "or" at the end of subclause (IV), by striking out the period at the end of subclause (V) and inserting in lieu thereof ", or", and by inserting after subclause (V) the following new subclause:

"(VI) by an individual in a position described in section 1402(c)(2)(E)."

(B) The amendment made by subparagraph (A) shall apply to services performed after March 31, 1986.

(s) MISCELLANEOUS PROVISIONS.—

(1) Subsection (a) of section 8021 of the 1986 Code is amended by striking out "6103(d)" and inserting in lieu thereof "6103(f)".

(2)(A) Section 2503 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(f) TREATMENT OF CERTAIN LOANS OF ARTWORKS.—

"(1) IN GENERAL.—For purposes of this subtitle, any loan of a qualified work of art shall not be treated as a transfer (and the value of such qualified work of art shall be determined as if such loan had not been made) if—

"(A) such loan is to an organization described in section 501(c)(3) and exempt from tax under section 501(c) (other than a private foundation), and

"(B) the use of such work by such organization is related to the purpose or function constituting the basis for its exemption under section 501.

"(2) DEFINITIONS.—For purposes of this section—

"(A) QUALIFIED WORK OF ART.—The term 'qualified work of art' means any archaeological, historic, or creative tangible personal property.

"(B) PRIVATE FOUNDATION.—The term 'private foundation' has the meaning given such term by section 509, except that such term shall not include any private operating foundation (as defined in section 4942(j)(3))."

(B) The amendment made by subparagraph (A) shall apply to loans after July 31, 1969.

(3)(A) Subparagraph (B) of section 1563(d)(1) of the 1986 Code is amended by striking out "subsection (e)(1)" and inserting in lieu thereof "paragraphs (1), (2), and (3) of subsection (e)".

(B) The amendment made by subparagraph (A) shall apply to taxable years beginning after the date of the enactment of this Act.

(t) ADDITIONAL AMENDMENTS RELATED TO PENSION PLANS.—

(1) AMENDMENTS RELATED TO SECTION 1826 OF THE REFORM ACT.—

(A) Section 72(s)(7) of the 1986 Code is amended by striking out "primary annuity" and inserting in lieu thereof "primary annuitant".

(B) Section 72(q)(2)(B) of the 1986 Code is amended by striking out the last parenthesis.

(C) Section 419A(f)(5) of the 1986 Code is amended by striking out "accounts" and inserting in lieu thereof "account".

(D) Section 1826(c) of the Reform Act is amended by striking out "made" and inserting in lieu thereof "commencing".

(2) AMENDMENTS RELATED TO SECTION 1851 OF THE REFORM ACT.—

(A) Section 1851(a) of the Reform Act is amended by striking out paragraph (4) thereof.

(B) Subclause (II) of section 512(a)(3)(E)(ii) of the 1986 Code is amended, (i) by striking out "subclause (II)" and inserting in lieu thereof "subclause (I)", and (ii) by striking out the comma at the end thereof and inserting in lieu thereof a period.

(C) Section 419(a)(1) of the 1986 Code is amended by striking out "subchapter" and inserting in lieu thereof "chapter".

(D) Subparagraph (B) of section 1851(a)(3) of the Reform Act is amended by inserting ", section 505, and section 4976(b)(1)(B)" after "section 419A".

(3) AMENDMENTS RELATED TO SECTION 1852 OF THE REFORM ACT.—

(A) Paragraph (4) of section 1852(a) of the Reform Act is amended by adding at the end thereof the following new subparagraph:

"(C) An individual whose required beginning date would, but for the amendment made by subparagraph (A), occur after December 31, 1986, but whose required beginning date after such amendment occurs before January 1, 1987, shall be treated as if such individual had become a 5-percent owner during the plan year ending in 1986."

(B) Section 1852(h)(2) of the Reform Act is amended by striking out "section 416(l)" and inserting in lieu thereof "section 415(l)".

(C) Section 1852(h)(1) of the Reform Act is amended by striking out "Subsection" and inserting in lieu thereof "Effective for years beginning after December 31, 1985, subsection".

(D) Subparagraph (E) of section 408(d)(3) of the 1986 Code is amended by striking out "subparagraph" and inserting in lieu thereof "paragraph".

(4) AMENDMENTS RELATED TO SECTION 1854 OF THE REFORM ACT.—

(A) Section 404(k) of the 1986 Code is amended by striking out "avoidance" in the 4th sentence and inserting in lieu thereof "evasion".

(B) Section 409(h)(2) of the 1986 Code (relating to plan may distribute cash) is amended by striking out "section 409(o)" and inserting in lieu thereof "paragraph (1)(B)".

(C) Subparagraph (C) of section 409(n)(3) of the 1986 Code (defining nonallocation period) is amended to read as follows:

"(C) NONALLOCATION PERIOD.—The term 'nonallocation period' means the period beginning on the date of the sale of the qualified securities and ending on the later of—

"(i) the date which is 10 years after the date of sale, or

"(ii) the date of the plan allocation attributable to the final payment of acquisition indebtedness incurred in connection with such sale."

(D) Subparagraph (A) of section 1042(c)(4) of the 1986 Code (defining qualified replacement property) is amended by inserting "(as in effect immediately before the Tax Reform Act of 1986)" after "section 954(c)(3)".

(E) Clause (i) of section 1042(c)(4)(B) of the 1986 Code (relating to operating corporation) is amended by striking out "placement period" and inserting in lieu thereof "replacement period".

(F) Section 1854(a)(3)(B) of the Reform Act is amended by striking out "1042(b)(3)" and inserting in lieu thereof "1042(b)".

(G) Subparagraph (C) of section 1854(a)(3) of the Reform Act is amended to read as follows:

"(C)(i) Except as provided in clause (ii), the amendments made by this paragraph shall apply to sales of securities after the date of the enactment of this Act.

"(ii) A taxpayer or executor may elect to have section 1042(b)(3) of the Internal Revenue Code of 1954 (as in effect before the amendment made by subparagraph (B)) apply to sales before the date of the enactment of this Act as if such section included the last sentence of section 409(n)(1) of the Internal Revenue Code of 1986 (as added by subparagraph (A))."

(H) Section 409(e)(5) of the 1986 Code is amended by striking out "(2) or".

(5) AMENDMENT RELATED TO SECTION 1875 OF THE REFORM ACT.—Section 1875(c)(7)(B) of the Reform Act is amended by striking out "and section 405(c)".

(6) AMENDMENT RELATED TO SECTION 1879 OF THE REFORM ACT.—Subparagraph (B) of section 125(c)(2) of the 1986 Code (relating to exception for cash and deferred arrangements) is amended by inserting "or rural electric cooperative plan (within the meaning of section 401(k)(7))" after "stock bonus plan".

(7) AMENDMENTS RELATED TO SECTION 1895 OF THE REFORM ACT.—

(A) Section 106(b)(1) of the 1986 Code (relating to exception for highly compensated individuals where plan fails to provide certain continuation coverage) is amended—

(i) by striking out "any amount contributed by an employer" and inserting in lieu thereof "any employer-provided coverage", and

(ii) by striking out "to a group" and inserting in lieu thereof "under a group".

(B) Section 1895(d)(5)(A) of the Reform Act is amended by striking out "section 162(k)(2)" and inserting in lieu thereof "section 162(k)(5)".

(8) AMENDMENTS RELATED TO SECTION 1898 OF THE REFORM ACT.—

(A) Subparagraph (G) of section 402(a)(6) of the 1986 Code (relating to treatment of potential future vesting), as added by section 1898(a)(3) of the Reform Act, is redesignated as subparagraph (I).

(B) Subparagraph (A) of section 411(a)(11) of the 1986 Code is amended by striking out "vested" and inserting in lieu thereof "nonforfeitable".

(C) Section 402(f)(1) of the 1986 Code is amended by striking out "a eligible" and inserting in lieu thereof "an eligible".

(D) Section 1899A of the Reform Act is amended by striking out paragraph (13).

(E) Subparagraph (B) of section 414(p)(4) of the 1986 Code is amended—

(i) by striking out "means earlier of" and inserting in lieu thereof "means the earlier of", and

(ii) by striking out "in" each place it appears.

(F) Section 414(p)(10) of the 1986 Code (relating to waiver of certain distribution requirements) is amended by inserting ", 403(b)," after "section 401".

(G) Section 414(p)(9) of the 1986 Code is amended by adding at the end thereof the following new sentence: "For purposes of this title, except as provided in regulations, any distribution from an annuity contract under section 403(b) pursuant to a qualified domestic relations order shall be treated in the same manner as a distribution from a plan to which section 401(a)(13) applies."

(u) ADDITIONAL CLERICAL AMENDMENTS.—

(1) Paragraph (5) of section 104(b) of the Reform Act is amended by striking out "1222(b)" and inserting in lieu thereof "1122(b)".

(2) The amendment made by section 122(c)(2) of the Reform Act shall be applied as if it also struck out the comma at the end of section 274(b)(1)(B) of the 1986 Code.

(3) Clause (i) of section 280F(b)(3)(B) of the 1986 Code is amended by striking out "recovery deductions" and inserting in lieu thereof "depreciation deductions".

(4) Subparagraph (A) of section 803(b)(3) of the Reform Act is amended by inserting closing quotation marks after "section 189)" and by striking out the closing quotation marks following "subparagraph (B)".

(5) Paragraph (1) of section 823(b) of the Reform Act is amended to read as follows:

"(1) Paragraph (5) of section 461(h), as amended by section 805(c)(5), is amended by striking out subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B)."

(6) The amendment made by section 1122(b)(2)(B)(iii) of the Reform Act shall be applied as if it struck out "Initial separate tax".

(7) The amendment made by section 1122(b)(2)(C) of the Reform Act shall be applied as if it did not strike out "the".

(8) Paragraph (2) of section 72(q)(2) of the 1986 Code is amended by striking out the

period at the end of subparagraph (D) and inserting in lieu thereof a comma.

(9) Subparagraph (A) of section 417(e)(3) of the 1986 Code is amended by striking out "subclause (II)" and inserting in lieu thereof "clause (ii)".

(10) Subparagraph (A) of section 246(c)(1) of the 1986 Code is amended by striking out "Which" and inserting in lieu thereof "which".

(11) Subsection (a) of section 164 of the 1986 Code is amended by striking out "the GST tax" and inserting in lieu thereof "The GST tax".

(12) Subparagraph (B) of section 1851(a)(6) of the Reform Act is amended by striking out "Subsection (b)" and inserting in lieu thereof "Subsection (a)".

(13)(A) Paragraph (1) of section 1878(e) of the Reform Act is amended by striking out "last sentence of section 514(c)(9)(B) (relating to exceptions)" and inserting in lieu thereof "second to the last sentence of section 514(c)(9)(B) (as amended by paragraph (3))".

(B) Paragraph (3) of section 1878(e) of the Reform Act is amended by striking out "is amended" and inserting in lieu thereof ", and the last sentence of such section, are amended".

(14) Paragraph (23) of section 501(c) of the 1986 Code is amended by striking out "any association" and inserting in lieu thereof "Any association".

(15) Paragraph (1) of section 501(c) of the 1986 Code is amended by striking out "any corporation organized" and inserting in lieu thereof "Any corporation organized".

(16) The table of chapters for subtitle E of the 1986 Code is amended by inserting "smokeless tobacco," after "cigarettes," in the item relating to chapter 52.

(17) Paragraph (4) of section 3321(c) of the 1986 Code is amended by adding a period at the end thereof.

(18) Paragraph (3) of section 521(b) of the Superfund Revenue Act of 1986 is amended by striking out "Paragraph (1) of section 9506(b)" and inserting in lieu thereof "Subsection (b) of section 9506".

(19) Paragraph (2) of section 5054(a) of the 1986 Code is amended by adding a period at the end thereof.

(20) Paragraph (3) of section 9507(b) of the 1986 Code is amended by striking out "Deep Water" each place it appears and inserting in lieu thereof "Deepwater".

(21) Subparagraph (I) of section 231(d)(3) of the Reform Act is amended by striking out "section 6511(d)(6)" and inserting in lieu thereof "section 6511(d)(4)".

(22) Subsection (a) of section 1016 of the 1986 Code is amended by striking out all that follows paragraph (20) and inserting in lieu thereof the following:

"(21) to the extent provided in section 48(q), in the case of expenditures with respect to which a credit has been allowed under section 38;

"(22) for amounts allowed as deductions under section 59(e) (relating to optional 10-year writeoff of certain tax preferences);

"(23) to the extent provided in section 1059 (relating to reduction in basis for extraordinary dividends); and

"(24) in the case of qualified replacement property the acquisition of which resulted under section 1042 in the nonrecognition of any part of the gain realized on the sale or exchange of any property, to the extent provided in section 1042(d)."

(23) Paragraph (1) of section 7518(g) of the 1986 Code is amended by striking out "not qualified withdrawal" and inserting in lieu thereof "not a qualified withdrawal".

(24) The table of sections for part IV of subchapter P of chapter 1 of the 1986 Code is amended by striking out the item relating to section 1254 and inserting in lieu thereof the following:

"Sec. 1254. Gain from disposition of interest in oil, gas, geothermal, or other mineral properties."

(25) Paragraph (1) of section 453(f) of the 1986 Code is amended by striking out "subsection (g)" and inserting in lieu thereof "subsections (g)".

(26) Paragraph (8) of section 453(f) of the 1986 Code is amended by striking out "payment to be" and inserting in lieu thereof "payments to be".

(27) Subparagraph (B) of section 668(b)(1) of the Reform Act is amended by striking out "section 856" and inserting in lieu thereof "section 858".

(28) The second to the last sentence of section 857(b)(3)(C) of the 1986 Code is amended by striking out "such capital loss such" and inserting in lieu thereof "such capital loss shall".

(29) Subsection (a) of section 669 of the Reform Act is amended by striking out "this part" and inserting in lieu thereof "this subtitle".

(30) The table of parts for subchapter M of chapter 1 of the 1986 Code is amended by adding at the end thereof the following new item:

"Part IV. Real estate mortgage investment conduits."

(31) Subsection (c) of section 1277 of the 1986 Code is amended by inserting a closing parenthesis after "section 585(a)(2)".

(32) The table of parts for subchapter L of chapter 1 of the 1986 Code is amended by striking out the items relating to parts II, III, and IV and inserting in lieu thereof the following:

"Part II. Other insurance companies.
"Part III. Provisions of general application."

(33) Paragraph (7) of section 6051(a) of the 1986 Code is amended by adding a comma at the end thereof.

(34) Paragraph (14) of section 1114(b) of the Reform Act is amended—

(A) by striking out "section 501(c)(17)" and inserting in lieu thereof "section 501(c)(17)(A)", and

(B) by striking out "duties consists" and inserting in lieu thereof "duties consist".

(35) Subparagraph (C) of section 3121(v)(3) of the 1986 Code is amended by striking out "Saving" and inserting in lieu thereof "Savings".

(36) Paragraph (4) of section 6652(k) of the 1986 Code is amended by striking out "or section 6678" and inserting in lieu thereof "or part II of subchapter B of this chapter".

(37) The table of sections for part I of subchapter N of chapter 1 of the 1986 Code is amended by adding at the end thereof the following new item:

"Sec. 865. Source rules for personal property sales."

(38) The amendment made by section 1221(b)(3)(B) of the Reform Act shall be construed as striking out paragraph (3) of section 954(e) of the 1986 Code.

(39) The heading of section 861(a)(6) of the 1986 Code is amended by striking out "personal property" and inserting in lieu thereof "inventory property".

(40) Subsection (a) of section 1296 of the 1986 Code is amended by inserting a comma after "this subpart".

(41) Subsection (b) of section 7703 of the 1986 Code is amended by striking out "section 151(e)(3)" and inserting in lieu thereof "section 151(c)(3)".

(42) Paragraph (3) of section 1404(c) of the Reform Act is amended by striking out "section 6601" and inserting in lieu thereof "section 6601(b)".

(43) Subsection (a) of section 2611 of the 1986 Code is amended by striking out "mean" and inserting in lieu thereof "means".

(44) Subparagraph (D) of section 3406(h)(5) of the 1986 Code is amended by adding a period at the end thereof.

(45) The table of sections for part III of subchapter C of chapter 76 of the 1986 Code is amended by adding at the end thereof the following new item:

"Sec. 7475. Practice fee."

(46) The paragraph added to section 1276(b) of the 1986 Code by section 1803(a)(13)(A)(iii) of the Reform Act is amended—

(A) by inserting "(3)" before "SPECIAL" in the paragraph heading,

(B) by inserting a 1 em dash after "PAYMENTS." in the heading, and

(C) by adding a period at the end thereof.

(47) Subparagraph (C) of section 809(d)(4) of the 1986 Code is amended by striking out "the Secretary—" and inserting in lieu thereof "The Secretary—".

(48) Subsection (f) of section 7872 of the 1986 Code is amended by redesignating the paragraph (11) added by section 1854 of the Reform Act as paragraph (12).

(49) Paragraph (5) of section 7611(i) of the 1986 Code is amended by striking out "the title" and inserting in lieu thereof "this title".

(50) Section 13303(a) of Public Law 99-272 is amended (in the matter proposed to be inserted in section 3306(c) of the Internal Revenue Code of 1954), effective as of the date of its enactment, by inserting a comma immediately after "1988".

(51) Subsection (f) of section 6511 of the 1986 Code is amended—

(A) by striking out "chapter 42" in the text and inserting in lieu thereof "section 4912, chapter 42,", and

(B) by striking out "CERTAIN CHAPTER 43 TAXES" in the subsection heading and inserting in lieu thereof "SIMILAR TAXES".

(52) Section 2503(e)(2)(B) of the 1986 Code is amended by striking out "section 213(e)" and inserting in lieu thereof "section 213(d)".

SEC. 1019. EFFECTIVE DATE.

(a) GENERAL RULE.—Except as otherwise provided in this title, any amendment made by this title shall take effect as if included in the provision of the Reform Act to which such amendment relates.

(b) WAIVER OF ESTIMATED TAX PENALTIES.—No addition to tax shall be made under section 6654 or 6655 of the 1986 Code for any period before April 16, 1989, (March 16, 1989 in the case of a taxpayer subject to section 6655 of the 1986 Code) with respect to any underpayment to the extent such underpayment was created or increased by any provision of this title or title II.

TITLE II—AMENDMENTS RELATED TO TAX PROVISIONS IN OTHER LEGISLATION

SEC. 2001. AMENDMENTS RELATED TO SUPERFUND REVENUE ACT OF 1986.

(a) AMENDMENTS RELATED TO SECTION 513 OF THE ACT.—

(1) Subsection (e) of section 4662 of the 1986 Code is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) REFUNDS DIRECTLY TO EXPORTER.—The Secretary shall provide, in regulations, the circumstances under which a credit or refund (without interest) of the tax under section 4661 shall be allowed or made to the person who exported the taxable chemical or taxable substance, where—

"(A) the person who paid the tax waives his claim to the amount of such credit or refund, and

"(B) the person exporting the taxable chemical or taxable substance provides such information as the Secretary may require in such regulations."

(2) Subparagraph (A) of section 4662(b)(10) of the 1986 Code is amended by striking out "a mixture of" and inserting in lieu thereof "one or more".

(b) AMENDMENTS RELATED TO SECTION 515 OF THE ACT.—

(1) Subparagraph (B) of section 4672(a)(2) of the 1986 Code is amended by inserting "(or more than 50 percent of the value)" after "more than 50 percent of the weight".

(2) Paragraph (2) of section 4672(a) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"If an importer or exporter of any substance requests that the Secretary determine whether such substance be listed as a taxable substance under paragraph (1) or be removed from such listing, the Secretary shall make such determination within 180 days after the date the request was filed."

(3) Paragraph (4) of section 4672(a) of such Code is amended to read as follows:

"(4) MODIFICATIONS TO LIST.—The Secretary shall add to the list under paragraph (3) substances which meet either the weight or value tests of paragraph (2)(B) and may remove from such list only substances which meet neither of such tests."

(c) AMENDMENTS RELATED TO SECTION 516 OF THE ACT.—

(1) Section 59A of the 1986 Code (relating to environmental tax) is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c) EXCEPTION FOR RIC'S AND REIT'S.—The tax imposed by subsection (a) shall not apply to—

"(1) a regulated investment company to which part I of subchapter M applies, and

"(2) a real estate investment trust to which part II of subchapter M applies."

(2) Paragraph (1) of section 882(a) of the 1986 Code is amended by inserting "59A," after "55,".

(3)(A) Subparagraph (B) of section 56(f)(2) of the 1986 Code is amended by adding at the end thereof the following new sentence: "No adjustment shall be made under this subparagraph for the tax imposed by section 59A."

(B) Paragraph (2) of section 59A(b) of the 1986 Code is amended by inserting "(and the last sentence of section 56(f)(2)(B))" before the period at the end thereof.

(d) AMENDMENTS RELATED TO SECTION 521 OF THE ACT.—

(1)(A) The amendments made by subsections (b)(3) and (d)(17) of section 10502 of the Revenue Act of 1987 shall be treated as if included in the amendments made by section 521 of the Superfund Revenue Act of 1986 except that the last sentence of paragraphs (2) and (3) of section 4041(d) of the Internal Revenue Code of 1986 (as amended by such subsection (b)(3)) and the reference to section 4091 of such Code in section 9508(c)(2)(A) of such Code (as amended by such subsection (d)(1)) shall not apply to sales before April 1, 1988.

(B) Paragraph (2) of section 6416(b) of the 1986 Code is amended by striking out "(or under paragraph (1)(A) or (2)(A) of section 4041(a) or under paragraph (1)(A) or (2)(A) of section 4041(d) or under section 4051)" and inserting in lieu thereof "(or under subsection (a) or (d) of section 4041 in respect of sales or under section 4051)".

(2) Paragraph (3) of section 4041(c) of the 1986 Code is amended by striking out "the rate at which" and inserting in lieu thereof "the Highway Trust Fund financing rate at which".

(3)(A) Subparagraph (A) of section 4041(b)(1) of the 1986 Code is amended by striking out "subsection (a)" and inserting in lieu thereof "subsection (a) or (d)(1)".

(B) Subparagraph (B) of section 4041(b)(1) of the 1986 Code is amended by inserting before the period "and by the corresponding provision of subsection (d)(1)".

(C) Subsection (b) of section 4041 of the 1986 Code is amended by striking out paragraph (3).

(D) Subparagraph (A) of section 4041(b)(2) of the 1986 Code is amended to read as follows:

"(A) IN GENERAL.—In the case of any qualified methanol or ethanol fuel—

"(i) subsection (a)(2) shall be applied by substituting '3 cents' for '9 cents', and

"(ii) subsection (d)(1) shall be applied by substituting '0.05 cent' for '0.1 cent' with respect to the sales and uses to which clause (i) applies."

(E) Subsection (f) of section 6421 of the 1986 Code is amended by striking out all that follows paragraph (1) and inserting in lieu thereof the following new paragraphs:

"(2) GASOLINE USED IN AVIATION.—This section shall not apply in respect of gasoline which is used as a fuel in an aircraft—

"(A) in noncommercial aviation (as defined in section 4041(c)(4)), or

"(B) in aviation which is not noncommercial aviation (as so defined) with respect to the tax imposed by section 4081 at the Leaking Underground Storage Tank Trust Fund financing rate.

"(3) LEAKING UNDERGROUND STORAGE TANK TRUST FUND TAX ON GASOLINE USED IN TRAINS.—This section shall not apply with respect to the tax imposed by section 4081 at the Leaking Underground Storage Tank Trust Fund financing rate on gasoline used as a fuel in a train."

(F) The second sentence of section 6421(a) of the 1986 Code is amended by striking out "paragraph (3) of subsection (e)" and inserting in lieu thereof "paragraph (2) of subsection (f)".

(4)(A) Paragraph (1) of section 1703(f) of the Reform Act (relating to floor stock taxes) is amended by striking out "9 cents" and inserting in lieu thereof "9.1 cents".

(B) Paragraph (4) of section 1703(f) of the Reform Act is amended to read as follows:

"(4) TRANSFER OF FLOOR STOCK TAX REVENUES TO TRUST FUNDS.—For purposes of determining the amount transferred to any trust fund, the tax imposed by this section shall be treated as imposed by section 4081 of the Internal Revenue Code of 1986—

"(A) at the Highway Trust Fund financing rate under such section to the extent of 9 cents per gallon, and

"(B) at the Leaking Underground Storage Tank Trust Fund financing rate under such section to the extent of 0.1 cent per gallon."

(5)(A) Paragraph (1) of section 4081(c) of the 1986 Code, as amended by section 1703 of the Reform Act, is amended by inserting "and by substituting '⅑ cent' for '0.1 cent'" before "in the case of the removal".

(B) The last sentence of section 4081(c)(2) of the 1986 Code, as amended by such section 1703, is amended by striking out "5⅔ cents a gallon" and inserting in lieu thereof "reduced by the amount of tax imposed (and not credited or refunded) on any prior removal or sale of such fuel".

(6)(A) Paragraph (1) of section 4091(c) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"In the case of a sale described in subparagraph (B), the Leaking Underground Storage Tank Trust Fund financing rate shall be ⅑ cent per gallon."

(B) Paragraph (4) of section 4091(b) of the 1986 Code is amended by inserting "except as provided in subsection (c)," after "paragraph (1),".

(C) The last sentence of section 4091(c)(2) of the 1986 Code is amended by striking out "5 cents a gallon" and inserting in lieu thereof "reduced by the amount of tax imposed (and not credited or refunded) on any prior sale of such fuel".

(D) The amendments made by this paragraph shall take effect as if included in the amendments made by section 10502 of the Revenue Act of 1987.

(7)(A) The amendment made by section 10502(c)(4) of the Revenue Act of 1987 shall be treated as if included in the amendments made by section 1703 of the Reform Act except that references to section 4091 of the Internal Revenue Code of 1986 shall not apply to sales before April 1, 1988.

(B) Subparagraph (A) of section 6427(f)(1) of the 1986 Code is amended—

(i) by striking out "regular Highway Trust Fund financing rate" each place it appears and inserting in lieu thereof "regular tax rate", and

(ii) by striking out "incentive Highway Trust Fund financing rate" and inserting in lieu thereof "incentive tax rate".

(C) Subparagraph (B) of section 6427(g)(1) of the 1986 Code is amended to read as follows:

"(B) DEFINITIONS.—For purposes of subparagraph (A)—

"(i) REGULAR TAX RATE.—The term 'regular tax rate' means—

"(I) in the case of gasoline, the aggregate rate of tax imposed by section 4081 determined without regard to subsection (c) thereof, and

"(II) in the case of diesel fuel, the aggregate rate of tax imposed by section 4091 on such fuel determined without regard to subsection (c) thereof.

"(ii) INCENTIVE TAX RATE.—The term 'incentive tax rate' means—

"(I) in the case of gasoline, the aggregate rate of tax imposed by section 4081 with respect to fuel described in subsection (c)(1) thereof, and

"(II) in the case of diesel fuel, the aggregate rate of tax imposed by section 4091 with respect to fuel described in subsection (c)(1)(B) thereof."

(D) Paragraph (2) of section 6427(l) of the 1986 Code is amended by inserting "under section 4041" after "exempt".

(E) The amendments made by this paragraph shall take effect as if included in the amendments made by section 10502 of the Revenue Act of 1987.

(e) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect as if included in the provision of the Superfund Revenue Act of 1986 to which it relates.

SEC. 2002. AMENDMENTS RELATED TO HARBOR MAINTENANCE REVENUE ACT OF 1986.

(a) ORDER OF ENACTMENTS.—

(1) For purposes of section 4042 of the 1986 Code, the amendment made by section 521(a)(3) of the Superfund Revenue Act of 1986 shall be treated as enacted after the amendment made by section 1404(a) of the Harbor Maintenance Revenue Act of 1986.

(2) Paragraph (2) of section 4042(b) of the 1986 Code is amended to read as follows:

"(2) RATES.—For purposes of paragraph (1)—

"(A) The Inland Waterways Trust Fund financing rate is the rate determined in accordance with the following table:

If the use occurs:	The tax per gallon is:
Before 1990	10 cents
During 1990	11 cents
During 1991	13 cents
During 1992	15 cents
During 1993	17 cents
During 1994	19 cents
After 1994	20 cents.

"(B) The Leaking Underground Storage Tank Trust Fund financing rate is 0.1 cent per gallon."

(b) CARGO TRANSPORTED BETWEEN POSSESSIONS, ETC.—Subparagraph (B) of section 4462(b)(1) of the 1986 Code is amended to read as follows:

"(B) cargo loaded on a vessel in Alaska, Hawaii, or any possession of the United States for transportation to the United States mainland, Alaska, Hawaii, or such a possession for ultimate use or consumption in the United States mainland, Alaska, Hawaii, or such a possession,".

(c) DELAY IN DUE DATE FOR STUDY OF CARGO DIVERSION.—Section 1407 of the Harbor Maintenance Revenue Act of 1986 is amended by striking out "1 year from the date of the enactment of this Act" and inserting in lieu thereof "December 1, 1988".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provision of the Harbor Maintenance Revenue Act of 1986 to which it relates.

SEC. 2003. AMENDMENTS RELATED TO OMNIBUS BUDGET RECONCILIATION ACT OF 1986.

(a) AMENDMENT RELATED TO SECTION 1011 OF THE ACT.—

(1) Subparagraph (B) of section 501(c)(12) of the 1986 Code is amended by striking out "or" at the end of clause (ii), by striking out the period at the end of clause (iii), and inserting in lieu thereof ", or", and by adding at the end thereof the following new clause:

"(iv) from the prepayment of a loan under section 306A, 306B, or 311 of the Rural Electrification Act of 1936 (as in effect on January 1, 1987)."

(2) Subparagraph (C) of section 501(c)(12) of the 1986 Code is amended to read as follows:

"(C) In the case of a mutual or cooperative electric company, subparagraph (A) shall be applied without taking into account any income received or accrued—

"(i) from qualified pole rentals, or

"(ii) from the prepayment of a loan under section 306A, 306B, or 311 of the Rural Electrification Act of 1936 (as in effect on January 1, 1987)."

(3) The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of the Omnibus Budget Reconciliation Act of 1986.

(b) AMENDMENTS RELATED TO SECTION 8011 OF THE ACT.—

(1) The following provisions of the 1986 Code are each amended by striking out "the 14th day after the date on which" and inserting in lieu thereof "the 14th day after the last day of the semimonthly period during which":

(A) Subparagraphs (A) and (B) of section 5061(d)(2).

(B) Paragraph (3) of section 5061(d).

(C) Clauses (i) and (ii) of section 5703(b)(2)(B).

(D) Subparagraph (C) of section 5703(b)(2).

(2) The amendments made by paragraph (1) shall take effect as if included in the amendments made by section 8011 of the Omnibus Budget Reconciliation Act of 1986.

(c) AMENDMENT RELATED TO SECTION 8041 OF THE ACT.—

(1) IN GENERAL.—Paragraph (3) of section 901(j) of the 1986 Code is amended—

(A) by striking out "Section 275" and inserting in lieu thereof "Sections 275 and 78", and

(B) by inserting ", ETC." after "DEDUCTION" in the paragraph heading.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on January 1, 1987.

(d) AMENDMENT RELATED TO SECTION 9002 OF THE ACT.—Paragraph (3) of section 3509(d) of the 1986 Code is amended by striking out "subsection (d)(3)" and inserting in lieu thereof "subsection (d)(4)".

SEC. 2004. AMENDMENTS RELATED TO THE REVENUE ACT OF 1987.

(a) AMENDMENT RELATED TO SECTION 10101 OF THE ACT.—Section 10101(b) of the Revenue Act of 1987 is amended to read as follows:

"(b) EFFECTIVE DATE.—

"(1) IN GENERAL.—The amendment made by subsection (a) shall apply to expenses paid in taxable years beginning after December 31, 1987.

"(2) SPECIAL RULE FOR CAFETERIA PLANS.—For purposes of section 125 of the Internal Revenue Code of 1986, a plan shall not be treated as failing to be a cafeteria plan solely because under the plan a participant elected before January 1, 1988, to receive reimbursement under the plan for dependent care assistance for periods after December 31, 1987, and such assistance included reimbursement for expenses at a camp where the dependent stays overnight."

(b) AMENDMENTS RELATED TO SECTION 10102 OF THE ACT.—

(1) Subsection (h) of section 163 of the 1986 Code is amended by redesignating paragraph (6) as paragraph (5).

(2) Clause (ii) of section 56(b)(1)(C) of the 1986 Code is amended by striking out "163(h)(6)" and inserting in lieu thereof "163(h)(5)".

(3) Paragraph (1) of section 56(e) of the 1986 Code is amended—

(A) by striking out "substantially rehabilitating" and inserting in lieu thereof "substantially improving", and

(B) by striking out "or is paid" in subparagraph (A).

(c) AMENDMENT RELATED TO SECTION 10103.—Paragraph (1) of section 10103(a) of the Revenue Act of 1987 is amended by inserting "in a plan established for its employees by the United States" after "participant".

(d) AMENDMENTS RELATED TO SECTION 10202 OF THE ACT.—

(1) Subparagraph (A) of section 453(l)(1) of the 1986 Code, is amended by striking out "disposes of personal property" and inserting in lieu thereof "disposes of personal property of the same type".

(2) Section 453A of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section, including regulations—

"(1) disallowing the use of the installment method in whole or in part for transactions in which the rules of this section otherwise would be avoided through the use of related persons, pass-thru entities, or intermediaries, and

"(2) providing that the sale of an interest in a partnership or other pass-thru entity will be treated as a sale of the proportionate share of the assets of the partnership or other entity."

(3) Paragraph (3) of section 10202(e) of the Revenue Act of 1987 is amended by adding at the end thereof the following new subparagraph:

"(C) CERTAIN DISPOSITIONS DEEMED MADE ON 1ST DAY OF TAXABLE YEAR.—If the taxpayer makes an election under subparagraph (A), in the case of the taxpayer's 1st taxable year ending after December 31, 1986—

"(i) dispositions after August 16, 1986, and before the 1st day of such taxable year shall be treated as made on such 1st day, and

"(ii) subsections (b)(2)(B) and (c)(4) of section 453A of such Code shall be applied separately with respect to such dispositions by substituting for '$5,000,000' the amount which bears the same ratio to $5,000,000 as the number of days after August 16, 1986, and before such 1st day bears to 365."

(4) Paragraph (2) of section 10202(e) of the Revenue Act of 1987 is amended by adding at the end thereof the following new subparagraph:

"(C) CERTAIN RULES MADE APPLICABLE.—For purposes of this paragraph, rules similar to the rules of paragraphs (4) and (5) of section 812(c) of the Tax Reform Act of 1986 (as added by the Technical and Miscellaneous Revenue Act of 1988) shall apply."

(5) Subsection (k) of section 453 of the 1986 Code is amended by striking out "and section 453A".

(6) Subparagraph (A) of section 10202(e)(2) of the Revenue Act of 1987 is amended by striking out "section 453A of the Internal Revenue Code of 1986" and inserting in lieu thereof "section 453(l)(1) of the Internal Revenue Code of 1986 as added by this section".

(7) Paragraph (2) of section 453A(b) of the 1986 Code is amended by striking out "for purposes of this paragraph" and inserting in lieu thereof "for purposes of this paragraph and subsection (c)(4)".

(8) Paragraph (3) of section 453A(b) of the 1986 Code is amended to read as follows:

"(3) EXCEPTION FOR FARM PROPERTY.—An installment obligation shall not be treated as described in paragraph (1) if it arises from the disposition of any property used or produced in the trade or business of farming (within the meaning of section 2032A(e) (4) or (5)."

(e) AMENDMENTS RELATED TO SECTION 10206 OF THE ACT.—

(1)(A) Subsection (a) of section 444 of the 1986 Code is amended by striking out "as provided in subsections (b) and (c)" and inserting in lieu thereof "as otherwise provided in this section".

(B) Paragraph (3) of section 444(d) of the 1986 Code is amended to read as follows:

"(3) TIERED STRUCTURES, ETC.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph—

"(i) no election may be under subsection (a) with respect to any entity which is part of a tiered structure, and

"(ii) an election under subsection (a) with respect to any entity shall be terminated if such entity becomes part of a tiered structure.

"(B) EXCEPTIONS FOR STRUCTURES CONSISTING OF CERTAIN ENTITIES WITH SAME TAXABLE YEAR.—Subparagraph (A) shall not apply to any tiered structure which consists only of partnerships or S corporations (or both) all of which have the same taxable year."

(C) Subparagraph (B) of section 444(d)(2) of the 1986 Code is amended by striking out "under subparagraph (A)" and inserting in lieu thereof "under subparagraph (A) or paragraph (3)(A)".

(2)(A) Section 444 of the 1986 Code is amended by redesignating subsection (f) as subsection (g) and inserting after subsection (e) the following new subsection:

"(f) PERSONAL SERVICE CORPORATION.—For purposes of this section, the term 'personal service corporation' has the meaning given to such term by section 441(i)(2)."

(B) Subsection (f) of section 280H of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) PERSONAL SERVICE CORPORATION.—The term 'personal service corporation' has the meaning given to such term by section 441(i)(2)."

(3) Paragraph (2) of section 280H(f) of the 1986 Code is amended by striking out "section 296A(b)(2)" and inserting in lieu thereof "section 269A(b)(2) (as modified by section 441(i)(2))".

(4)(A) Paragraph (2) of section 7519(b) of the 1986 Code is amended to read as follows:

"(2) the net required payment balance."

(B) Subsection (e) of section 7519 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) NET REQUIRED PAYMENT BALANCE.—The term 'net required payment balance' means the excess (if any) of—

"(A) the aggregate of the required payments under this section for all preceding applicable election years, over

"(B) the aggregate amount allowable as a refund to the entity under subsection (c) for all preceding applicable election years."

(5) Subsection (c) of section 7519 of the 1986 Code is amended to read as follows:

"(c) REFUND OF PAYMENTS.—

"(1) IN GENERAL.—If, for any applicable election year, the amount determined under subsection (b)(2) exceeds the amount determined under subsection (b)(1), the entity shall be entitled to a refund of such excess for such year.

"(2) TERMINATION OF ELECTIONS, ETC.—If—

"(A) an election under section 444 is terminated effective with respect to any year, or

"(B) the entity is liquidated during any year, the entity shall be entitled to a refund of the net required payment balance.

"(3) DATE ON WHICH REFUND PAYABLE.—Any refund under this subsection shall be payable on later of—

"(A) April 15 of the calendar year following—

"(i) in the case of the year referred to in paragraph (1), the calendar year in which it begins,

"(ii) in the case of the year referred to in paragraph (2), the calendar year in which it ends, or

"(B) the day 90 days after the day on which claim therefor is filed with the Secretary."

(6) Subsection (g) of section 7519 of the 1986 Code is amended by striking out "including regulations" and all that follows down through the period at the end thereof and inserting in lieu thereof

"including regulations providing for appropriate adjustments in the application of this section and sections 280H and 444 in cases where—

"(1) 2 or more applicable election years begin in the same calendar year, or

"(2) the base year is a taxable year of less than 12 months."

(7) Subparagraph (B) of section 7519(d)(2) of the 1986 Code is amended by inserting before the period at the end thereof the following: "(and such corporation shall be treated as an S corporation for such taxable year for purposes of paragraph (3))".

(8) Subsection (d) of section 7519 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) TREATMENT OF GUARANTEED PAYMENTS.—

"(A) IN GENERAL.—Any guaranteed payment by a partnership shall not be treated as an applicable payment, and the amount of the net income of the partnership shall be determined by not taking such guaranteed payment into account.

"(B) GUARANTEED PAYMENT.—For purposes of subparagraph (A), the term 'guaranteed payment' means any payment referred to in section 707(c)."

(9) Paragraph (4) of section 7519(d) of the 1986 Code is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding provisions of this paragraph, for taxable years beginning after 1987, the applicable percentage for any partnership or S corporation shall be 100 percent if more than 50 percent of such entity's net income for the short taxable year which would have resulted if the entity had not made an election under section 444 would have been allocated to partners or shareholders who would not have been entitled to the benefits of section 806(e)(2)(C) of the Tax Reform Act of 1986 with respect to such income."

(10) Subparagraphs (A) and (B) of section 7519(d)(2) of the 1986 Code are each amended by striking out "(other than credits)" and inserting in lieu thereof "(other than credits and tax-exempt income)".

(11) Paragraph (4) of section 10206(d) of the Revenue Act of 1987 is amended by adding at the end thereof the following new sentence: "The preceding sentence shall apply only in the case of an election under section 444 of such Code made for a taxable year beginning before 1989."

(12) Subparagraph (A) of section 444(d)(2) of the 1986 Code is amended by inserting "or otherwise terminates such election" before the period at the end of the first sentence thereof.

(13) Paragraph (4) of section 444(b) of the 1986 Code is amended by striking out "the term" and inserting in lieu thereof "except as provided in regulations, the term".

(14)(A) Paragraph (4) of section 280H(f) of the 1986 Code is amended to read as follows:

"(4) ADJUSTED TAXABLE INCOME.—The term 'adjusted taxable income' means taxable income determined without regard to—

"(A) any amount paid to an employee-owner which is includible in the gross income of such employee-owner, and

"(B) any net operating loss carryover to the extent such carryover is attributable to amounts described in subparagraph (A)."

(B) Subparagraph (A) of section 7519(d)(3) of the 1986 Code is amended by striking out "or incurred".

(C) Subsections (c)(1)(A)(i) and (d)(1) of section 280H of the 1986 Code are each amended by striking out "or incurred".

(f) AMENDMENTS RELATED TO SECTION 10211 OF THE ACT.—

(1) Paragraph (4) of section 7704(e) of the 1986 Code is amended by striking out "as may be required" and inserting in lieu thereof "or to pay such amounts as may be required".

(2) Paragraph (2) of section 10211(c) of the Revenue Act of 1987 is amended by adding at the end thereof the following new subparagraph:

"(C) COORDINATION WITH PASSIVE-TYPE INCOME REQUIREMENTS.—In the case of an existing partnership, paragraph (1) of section 7704(c) of the Internal Revenue Code of 1986 (as added by this section) shall be applied by substituting for 'December 31, 1987' the earlier of—

"(i) December 31, 1997, or

"(ii) the day (if any) as of which such partnership ceases to be treated as an existing partnership by reason of subparagraph (B)."

(3) Paragraph (1) of section 7704(c) of the 1986 Code is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, a partnership shall not be treated as being in existence during any period before the 1st taxable year in which such partnership (or a predecessor) was a publicly traded partnership."

(4) Paragraph (1) of section 7704(d) of the 1986 Code is amended by adding at the end thereof the following new sentence: "For purposes of subparagraph (E), the term 'mineral or natural resource' means any product of a character with respect to which a deduction for depletion is allowable under section 611; except that such term shall not include any product described in subparagraph (A) or (B) of section 613(b)(7)."

(5) Paragraph (3) of section 7704(d) of the 1986 Code is amended to read as follows:

"(3) REAL PROPERTY RENT.—The term 'real property rent' means amounts which would qualify as rent from real property under section 856(d) if—

"(A) such section were applied without regard to paragraph (2)(C) thereof (relating to independent contractor requirements), and

"(B) stock owned, directly or indirectly, by or for a partner would not be considered as owned under section 318(a)(3)(A) by the partnership unless 5 percent or more (by value) of the interests in such partnership are owned, directly or indirectly, by or for such partner."

(g) AMENDMENT RELATED TO SECTION 10212 OF THE ACT.—Subsection (k) of section 469 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) COORDINATION WITH SUBSECTION (g).—For purposes of subsection (g), a taxpayer shall not be treated as having disposed of his entire interest in an activity of a publicly traded partnership until he disposes of his entire interest in such partnership."

(h) AMENDMENTS RELATED TO SECTION 10214 OF THE ACT.—

(1) Subparagraph (E) of section 514(c)(9) of the 1986 Code is amended by adding at the end thereof the following new clause:

"(iii) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subparagraph, including regulations which may provide for exclusion or segregation of items."

(2) Clause (i) of section 514(c)(9)(E) of the 1986 Code is amended by striking out subclause (I) and by redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively.

(i) Amendments Related to Section 10221 of the Act.—

(1) Paragraph (2) of section 10221(e) of the Revenue Act of 1987 is amended by striking out "amendments made by subsection (b)" and inserting in lieu thereof "amendments made by subsection (c)".

(2) Subsection (b) of section 244 of the 1986 Code is amended by striking out "section 243(c)(4)" and inserting in lieu thereof "section 243(d)(4)".

(j) Amendments Related to Section 10222 of the Act.—

(1)(A) Paragraph (1) of section 1503(e) of the 1986 Code is amended by striking out so much of such paragraph as precedes subparagraph (A) thereof and inserting in lieu thereof the following:

"(1) In general.—Solely for purposes of determining gain or loss on the disposition of intragroup stock and the amount of any inclusion by reason of an excess loss account, in determining the adjustments to the basis of such intragroup stock on account of the earnings and profits of any member of an affiliated group for any consolidated year (and in determining the amount in such account)—"

(B) Paragraph (2) of section 10222(a) of the Revenue Act of 1987 is amended by adding at the end thereof the following new subparagraph:

"(C) Treatment of certain excess loss accounts.—

"(i) In general.—If—

"(I) any disposition on or before December 15, 1987, of stock resulted in an inclusion of an excess loss account (or would have so resulted if the amendments made by paragraph (1) had applied to such disposition), and

"(II) there is an unrecaptured amount with respect to such disposition,

the portion of such unrecaptured amount allocable to stock disposed of in a disposition to which the amendment made by paragraph (1) applies shall be taken into account as negative basis. To the extent permitted by the Secretary of the Treasury or his delegate, the preceding sentence shall not apply to the extent the taxpayer elects to reduce its basis in indebtedness of the corporation with respect to which there would have been an excess loss account.

"(ii) Special rules.—For purposes of this subparagraph—

"(I) Unrecaptured amount.—The term 'unrecaptured amount' means the amount by which the inclusion referred to in clause (i)(I) would have been increased if the amendment made by paragraph (1) and applied to the disposition.

"(II) Coordination with binding contract exception.—A disposition shall be treated as occurring on or before December 15, 1987, if the amendment made by paragraph (1) does not apply to such disposition by reason of subparagraph (B)."

(2) Subsection (e) of section 1503 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) Adjustments.—Under regulations prescribed by the Secretary, proper adjustments shall be made in the application of paragraph (1)—

"(A) in the case of any property acquired by the corporation before consolidation, for the difference between the adjusted basis of such property for purposes of computing taxable income and its adjusted basis for purposes of computing earnings and profits, and

"(B) in the case of any property, for any basis adjustment under section 48(q)."

(3)(A) Paragraph (2) of section 1503(e) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) Application of section 312(n)(7) not affected.—The reference in paragraph (1) to subsection (n) of section 312 shall be treated as not including a reference to paragraph (7) of such subsection."

(B) Subsection (e) of section 301 of the 1986 Code (as redesignated by section 106(e)(12) of this Act) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) Application of section 312(n)(7) not affected.—The reference in paragraph (1) to subsection (n) of section 312 shall be treated as not including a reference to paragraph (7) of such subsection."

(4) Subparagraph (B) of section 10222(b)(2) of the Revenue Act of 1987 is amended to read as follows:

"(B) Exception.—The amendment made by paragraph (1) shall not apply for purposes of determining gain or loss on any disposition of stock after December 15, 1987, and before January 1, 1989, if such disposition is pursuant to a written binding contract, governmental order, letter of intent or preliminary agreement, or stock acquisition agreement, in effect on or before December 15, 1987."

(k) Amendments Related to Section 10223 of the Act.—

(1) Subparagraph (D) of section 355(b)(2) of the 1986 Code is amended by striking out clauses (i) and (ii) and inserting in lieu thereof the following:

"(i) was not acquired by any distributee corporation directly (or through 1 or more corporations, whether through the distributing corporation or otherwise) within the period described in subparagraph (B) and was not acquired by the distributing corporation directly (or through 1 or more corporations) within such period, or

"(ii) was so acquired by any such corporation within such period, but, in each case in which such control was so acquired, it was so acquired, only by reason of transactions in which gain or loss was not recognized in whole or in part, or only by reason of such transactions combined with acquisitions before the beginning of such period."

(2) Subparagraph (A) of section 304(b)(4) of the 1986 Code is amended by striking out "stock of 1 member" and inserting in lieu thereof "stock from 1 member".

(3) Paragraph (2) of section 10223(d) of the Revenue Act of 1987 is amended by adding at the end thereof the following new subparagraph:

"(D) Treatment of certain members of affiliated group.—

"(i) In general.—For purposes of subparagraph (A), all corporations which were in existence on the designated date and were members of the same affiliated group which included the distributees on such date shall be treated as 1 distributee.

"(ii) Limitation to stock held on designated date.—Clause (i) shall not exempt any distribution from the amendments made by this section if such distribution is with respect to stock not held by the distributee (determined without regard to clause (i)) on the designated date directly or indirectly through a corporation which goes out of existence in the transaction.

"(iii) Designated date.—For purposes of this subparagraph, the term 'designated date' means the later of—

"(I) December 15, 1987, or

"(II) the date on which the acquisition meeting the requirements of subparagraph (A) occurred."

(4) Subparagraph (B) of section 10223(d)(2) of the Revenue Act of 1987 is amended—

(A) by striking out "before January 1, 1993" and inserting in lieu thereof "on or before March 31, 1988", and

(B) by striking out "before January 1, 1989,".

(l) Amendment Related to Section 10224 of the Act.—Sections 1201(a) and 1561(a) of the 1986 Code, and section 904(b)(3)(D)(ii) of the 1986 Code (as amended by section 106(b)(2) of this Act), are each amended by striking out "section 11(b)" and inserting in lieu thereof "section 11(b)(1)".

(m) Amendments Related to Section 10226 of the Act.—

(1)(A) Subsection (a) of section 384 of the 1986 Code is amended to read as follows:

"(a) General Rule.—If—

"(1)(A) a corporation acquires directly (or through 1 or more other corporations) control of another corporation, or

"(B) the assets of a corporation are acquired by another corporation in a reorganization described in subparagraph (A), (C), or (D) of section 368(a)(1), and

"(2) either of such corporations is a gain corporation,

income for any recognition period taxable year (to the extent attributable to recognized built-in gains) shall not be offset by any preacquisition loss (other than a preacquisition loss of the gain corporation)."

(B) Subsection (c) of section 384 of the 1986 Code is amended by redesignating paragraph (4) as paragraph (8) and by inserting after paragraph (3) the following new paragraphs:

"(4) Gain corporation.—The term 'gain corporation' means any corporation with a net unrealized built-in gain.

"(5) Control.—The term 'control' means ownership of stock in a corporation which meets the requirements of section 1504(a)(2).

"(6) Treatment of members of same group.—Except as provided in regulations and except for purposes of subsection (b), all corporations which are members of the same affiliated group immediately before the acquisition date shall be treated as 1 corporation. To the extent provided in regulations, section 1504 shall be applied without regard to subsection (b) thereof for purposes of the preceding sentence.

"(7) Treatment of predecessors and successors.—Any reference in this section to a corporation shall include a reference to any predecessor or successor thereof."

(C) Paragraph (2) of section 384(c) of the 1986 Code is amended to read as follows:

"(2) Acquisition date.—The term 'acquisition date' means—

"(A) in any case described in subsection (a)(1)(A), the date on which the acquisition of control occurs, or

"(B) in any case described in subsection (a)(1)(B), the date of the transfer in the reorganization."

(D) Paragraph (1) of section 384(c) of the 1986 Code is amended by striking out "subsection (a)(2)" and inserting in lieu thereof "subsection (a)(1)(B)".

(2) Paragraph (2) of section 384(e) of the 1986 Code is amended by striking out "the gain corporation" and inserting in lieu thereof "a corporation".

(3) Subsection (b) of section 384 of the 1986 Code is amended to read as follows:

"(b) EXCEPTION WHERE CORPORATIONS UNDER COMMON CONTROL.—

"(1) IN GENERAL.—Subsection (a) shall not apply to the preacquisition loss of any corporation if such corporation and the gain corporation were members of the same controlled group at all times during the 5-year period ending on the acquisition date.

"(2) CONTROLLED GROUP.—For purposes of this subsection, the term 'controlled group' means a controlled group of corporations (as defined in section 1563(a)); except that—

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears,

"(B) the ownership requirements of section 1563(a) must be met both with respect to voting power and value, and

"(C) the determination shall be made without regard to subsection (a)(4) of section 1563.

"(3) SHORTER PERIOD WHERE CORPORATIONS NOT IN EXISTENCE FOR 5 YEARS.—If either of the corporations referred to in paragraph (1) was not in existence throughout the 5-year period referred to in paragraph (1), the period during which such corporation was in existence (or if both, the shorter of such periods) shall be substituted for such 5-year period."

(4) Section 384 of the 1986 Code is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) ORDERING RULES FOR NET OPERATING LOSSES, ETC.—

"(1) CARRYOVER RULES.—If any preacquisition loss may not offset a recognized build-in gain by reason of this section, such gain shall not be taken into account in determining under section 172(b)(2) the amount of such loss which may be carried to other taxable years. A similar rule shall apply in the case of any excess credit or net capital loss limited by reason of subsection (d).

"(2) ORDERING RULE FOR LOSSES CARRIED FROM SAME TAXABLE YEAR.—In any case in which—

"(A) a preacquisition loss for any taxable year is subject to limitation under subsection (a), and

"(B) a net operating loss from such taxable year is not subject to such limitation,

taxable income shall be treated as having been offset 1st by the loss subject to such limitation."

(5) In any case where the acquisition date (as defined in section 384(c)(2) of the 1986 Code as amended by this subsection) is before March 31, 1988, the acquiring corporation may elect to have the amendments made by this subsection not apply. Such an election shall be made in such manner as the Secretary of the Treasury or his delegate shall prescribe and shall be made not later than the later of the due date (including extensions) for filing the return for the taxable year of the acquiring corporation in which the acquisition date occurs or the date 120 days after the date of the enactment of this Act. Such an election, once made, shall be irrevocable.

(n) AMENDMENTS RELATED TO SECTION 10227 OF THE ACT.—Paragraph (4) of section 1363(d) of the 1986 Code (relating to recapture of LIFO benefits) is amended by adding at the end thereof the following new subparagraph:

"(D) NOT TREATED AS MEMBER OF AFFILIATED GROUP.—Except as provided in regulations, the corporation referred to in paragraph (1) shall not be treated as a member of an affiliated group with respect to the amount included in gross income under paragraph (1)."

(o) AMENDMENTS RELATED TO SECTION 10228 OF THE ACT.—

(1)(A) Subsection (a) of section 5881 of the 1986 Code is amended by striking out "gain realized by such person on such receipt" and inserting in lieu thereof "gain or other income of such person by reason of such receipt".

(B)(i) Subsection (b) of section 5881 of the 1986 Code is amended by striking out "a corporation to directly or indirectly acquire its stock" and inserting in lieu thereof "a corporation (or any person acting in concert with such corporation) to directly or indirectly acquire stock of such corporation".

(ii) The amendment made by clause (i) shall apply to transactions occurring on or after March 31, 1988.

(C) Subsection (d) of section 5881 of the 1986 Code is amended—

(i) by striking out "the gain" and inserting in lieu thereof "the gain or other income", and

(ii) by striking out "GAIN RECOGNIZED" in the subsection heading and inserting in lieu thereof "AMOUNT RECOGNIZED".

(2) Section 5881 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(e) ADMINISTRATIVE PROVISIONS.—For purposes of the deficiency procedures of subtitle F, any tax imposed by this section shall be treated as a tax imposed by subtitle A."

(p) AMENDMENTS RELATED TO SECTION 10241 OF THE ACT.—

(1) Paragraph (1) of section 811(d) of the 1986 Code is amended by striking out "the prevailing State assumed interest rate for the contract" and inserting in lieu thereof "the greater of the prevailing State assumed interest rate or applicable Federal interest rate in effect under section 807 for the contract".

(2) Paragraph (2) of section 812(b) of the 1986 Code is amended by striking out the last sentence and inserting in lieu thereof the following:

"In any case where neither the prevailing State assumed interest rate nor the applicable Federal interest rate is used, another appropriate rate shall be used for purposes of subparagraph (A)."

(q) AMENDMENTS RELATED TO SECTION 10242 OF THE ACT.—

(1) Subsection (h) of section 816 of the 1986 Code is amended by striking out "section 842(c)(1)(A)" and inserting in lieu thereof "section 842(b)(2)(B)(i)".

(2)(A) Subparagraph (B) of section 842(b)(3) of the 1986 Code is amended by striking out "held for the production of such income".

(B) Subparagraph (B) of section 842(b)(4) of the 1986 Code is amended by striking out "held for the production of investment income".

(3) Subparagraph (d) of section 842 of the 1986 Code is amended by striking out "and" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(4) which may provide that, in the case of companies taxable under part II of this subchapter, determinations under subsection (b) will be made separately for categories of such companies established in such regulations."

(r) AMENDMENT RELATED TO SECTION 10301 OF THE ACT.—Paragraph (3) of section 6655(g) of the 1986 Code is amended by striking the sentence following subparagraph (C) and inserting in lieu thereof the following:

"In the case of any organization described in subparagraph (A), subsection (b)(2)(A) shall be applied by substituting '5th month' for '3rd month', and subsection (e)(2)(A) shall be applied by substituting '2 months' for '3 months' and in clause (i)(I), by substituting '4 months' for '5 months' in clause (i)(II), by substituting '7 months' for '8 months' in clause (i)(III), and by substituting '10 months' for '11 months' in clause (i)(IV)".

(s) AMENDMENTS RELATED TO SECTION 10502 OF THE ACT.—

(1) Section 4093 of the 1986 Code is amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following new subsection:

"(d) CERTAIN AVIATION FUEL SALES.—Under regulations prescribed by the Secretary, the Leaking Underground Storage Tank Trust Fund financing rate under section 4091 shall not apply to aviation fuel sold for use or used as supplies for vessels or aircraft (within the meaning of section 4221(d)(3))."

(2) Subparagraph (B) of section 6427(l)(3) of the 1986 Code (relating to no refund of Leaking Underground Storage Tank Trust Fund financing tax) is amended by inserting "(except as supplies for vessels or aircraft within the meaning of section 4221(d)(3))" after "aircraft".

(3) Section 6427 of the 1986 Code is amended by redesignating the subsection (p) relating to gasoline used in noncommercial aviation during period rate reduction in effect and subsection (q) (relating to cross references) as subsections (q) and (r), respectively.

(t) AMENDMENTS RELATED TO SECTION 10512 OF THE ACT.—

(1) Section 5276 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(c) EXCEPTION FOR UNITED STATES.—Subsection (a) shall not apply to any permit issued to an agency or instrumentality of the United States."

(2) Subsection (a) of section 5113 of the 1986 Code is amended—

(A) by inserting "taxpaid wine bottling house," after "bonded wine cellar," each place it appears, and

(B) by striking out "DISTILLED SPIRITS PLANTS, BONDED WINE CELLARS, OR BREWERIES" in the heading and inserting in lieu thereof "CONTROLLED PREMISES".

(3) Section 5123 of the 1986 Code is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) COORDINATION OF TAXES UNDER SECTION 5121.—No tax shall be imposed by section 5121(a) with respect to a person's activities at any place during a year if such person has paid the tax imposed by section 5121(b) with respect to such place for such year."

(4) Section 5113 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(g) COORDINATION OF TAXES UNDER SECTION 5111.—No tax shall be imposed by section 5111(a) with respect to a person's activities at any place during a year if such person has paid the tax imposed by section 5111(b) with respect to such place for such year."

(u) EFFECTIVE DATE.—Except as otherwise provided in this section, any amendment made by this section shall take effect as if included in the provisions of the Revenue Act of 1987 to which such amendment relates.

SEC. 2005. AMENDMENTS RELATED TO PENSION PROTECTION ACT AND FULL FUNDING LIMITATIONS.

(a) AMENDMENT RELATED TO SECTION 9303.—

(1) Section 4972(c) of the 1986 Code is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) SPECIAL RULE FOR SELF-EMPLOYED INDIVIDUALS.—For purposes of paragraph (1), if—

"(A) the amount which is required to be contributed to a plan under section 412 on behalf of an individual who is an employee (within the meaning of section 401(c)(1)), exceeds

"(B) the earned income (within the meaning of section 404(a)(8)) of such individual derived from the trade or business with respect to which such plan is established,

such excess shall be treated as an amount allowable as a deduction under section 404."

(2)(A) Subparagraph (C) of section 412(1)(3) of the 1986 Code is amended—

(i) by striking out "October 17, 1987" in clause (i) and inserting in lieu thereof "October 29, 1987", and

(ii) by striking out "October 16, 1987" in clause (iii) and inserting in lieu thereof "October 28, 1987".

(B) Subparagraph (C) of section 302(d)(3) of the Employee Retirement Income Security Act of 1974 is amended—

(i) by striking out "October 17, 1987" in clause (i) and inserting in lieu thereof "October 29, 1987", and

(ii) by striking out "October 16, 1987" in clause (iii) and inserting in lieu thereof "October 28, 1987".

(b) AMENDMENTS RELATED TO SECTION 9307.—

(1) The last sentence of section 404(a)(1)(D) of the 1986 Code is amended by striking out "For purposes of this subparagraph" and inserting in lieu thereof "For purposes of determining whether a plan has more than 100 participants".

(2) Section 404(a)(7)(A) of the 1986 Code is amended by adding at the end thereof the following new sentence: "For purposes of clause (ii), if paragraph (1)(D) applies to a defined benefit plan for any plan year, the amount necessary to satisfy the minimum funding standard provided by section 412 with respect to such plan for such plan year shall not be less than the unfunded current liability of such plan under section 412(l).".

(3) Section 404(a)(1)(D) of the 1986 Code is amended by striking out "(without regard to any reduction by the credit balance in the funding standard account)".

(c) AMENDMENTS RELATED TO SECTION 9301.—

(1) Section 414(l) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(2) ALLOCATION OF ASSETS IN PLAN SPIN-OFFS, ETC.—

"(A) IN GENERAL.—In the case of a plan spin-off of a defined benefit plan, a trust which forms part of—

"(i) the original plan, or

"(ii) any plan spun off from such plan,

shall not constitute a qualified trust under this section unless the applicable percentage of excess assets are allocated to each of such plans.

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the term 'applicable percentage' means, with respect to each of the plans described in clauses (i) and (ii) of subparagraph (A), the percentage determined by dividing—

"(i) the excess (if any) of—

"(I) the amount determined under section 412(c)(7)(A)(i) with respect to the plan, over

"(II) the amount of the assets required to be allocated to the plan after the spin-off (without regard to this paragraph), by

"(ii) the sum of the excess amounts determined separately under clause (i) for all such plans.

"(C) EXCESS ASSETS.—For purposes of subparagraph (A), the term 'excess assets' means an amount equal to the excess (if any) of—

"(i) the fair market value of the assets of the original plan immediately before the spin-off, over

"(ii) the amount of assets required to be allocated after the spin-off to all plans (determined without regard to this paragraph).

"(D) CERTAIN SPUN-OFF PLANS NOT TAKEN INTO ACCOUNT.—

"(i) IN GENERAL.—A plan involved in a spin-off which is described in clause (ii), (iii), or (iv) shall not be taken into account for purposes of this paragraph, except that the amount determined under subparagraph (C)(ii) shall be increased by the amount of assets allocated to such plan.

"(ii) PLANS TRANSFERRED OUT OF CONTROLLED GROUPS.—A plan is described in this clause if, after such spin-off, such plan is maintained by an employer who is not a member of the same controlled group as the employer maintaining the original plan.

"(iii) PLANS TRANSFERRED OUT OF MULTIPLE EMPLOYER PLANS.—A plan as described in this clause if, after the spin-off, any employer maintaining such plan (and any member of the same controlled group as such employer) does not maintain any other plan remaining after the spin-off which is also maintained by another employer (or member of the same controlled group as such other employer) which maintained the plan in existence before the spin-off.

"(iv) TERMINATED PLANS.—A plan is described in this clause if, pursuant to the transaction involving the spin-off, the plan is terminated.

"(v) CONTROLLED GROUP.—For purposes of this subparagraph, the term 'controlled group' means any group treated as a single employer under subsection (b), (c), (m), or (o).

"(E) PARAGRAPH NOT TO APPLY TO MULTIEMPLOYER PLANS.—This paragraph does not apply to any multiemployer plan with respect to any spin-off to the extent that participants either before or after the spin-off are covered under a multiemployer plan to which title IV of the Employee Retirement Income Security Act of 1974 applies.

"(F) APPLICATION TO SIMILAR TRANSACTION.—Except as provided by the Secretary, rules similar to the rules of this paragraph shall apply to transactions similar to spin-offs."

(2) Section 414(l) of the 1986 Code is amended by striking out the heading and inserting in lieu thereof:

"(l) MERGER AND CONSOLIDATIONS OF PLANS OR TRANSFERS OF PLAN ASSETS.—

"(1) IN GENERAL.—".

(3)(A) Except as provided in subparagraph (B), the amendments made by this subsection shall apply with respect to transactions occurring after July 26, 1988.

(B) The amendments made by this subsection shall not apply to any transaction occurring after July 26, 1988, if on or before such date the board of directors of the employer, approves such transaction or the employer took similar binding action.

(d) OTHER PROVISIONS.—

(1) Subparagraph (C) of section 412(l)(3) of the 1986 Code is amended—

(A) by striking out "October 17, 1987" in clause (i) and inserting in lieu thereof "October 29, 1987", and

(B) by striking out "October 16, 1987" in clause (iii) and inserting in lieu thereof "October 28, 1987".

(2) Subparagraph (B) of section 302(d)(3) of the Employee Retirement Income Security Act of 1974 is amended—

(A) by striking out "October 17, 1987" in clause (i) and inserting in lieu thereof "October 29, 1987", and

(B) by striking out "October 16, 1987" in clause (iii) and inserting in lieu thereof "October 28, 1987".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by the provisions of the Omnibus Budget Reconciliation Act of 1987 to which it relates.

SEC. 2006. AMENDMENTS RELATED TO SECTION 9201 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1987.

(a) Subsection (c) of section 4132 of the 1986 Code (relating to imposition of tax on certain vaccines) is amended by redesignating paragraphs (1) and (2) as paragraphs (3) and (4), respectively, and by inserting before paragraph (3) (as so redesignated) the following new paragraphs:

"(1) CERTAIN USES TREATED AS SALES.—Any manufacturer, producer, or importer of a vaccine which uses such vaccine before it is sold shall be liable for the tax imposed by section 4131 in the same manner as if such vaccine were sold by such manufacturer, producer, or importer.

"(2) TREATMENT OF VACCINES SHIPPED TO UNITED STATES POSSESSIONS.—Section 4221(a)(2) shall not apply to any vaccine shipped to a possession of the United States."

(b) Subsection (a) of section 9510 of the 1986 Code is amended—

(1) by inserting "appropriated or" before "credited", and

(2) by inserting "this section or" before "section 9602(b)".

(c) The amendments made by this section shall take effect as if included in the amendments made by section 9201 of the Omnibus Budget Reconciliation Act of 1987.

TITLE III—ADDITIONAL SIMPLIFICATION AND CLARIFICATION PROVISIONS

Subtitle A—Diesel Fuel Excise Tax Collection and Exemption Procedures

SEC. 3001. TAX-FREE PURCHASES OF CERTAIN FUELS.

(a) IN GENERAL.—Subsection (c) of section 4093 of the 1986 Code (relating to exceptions; special rule) is amended to read as follows:

"(c) EXEMPTION FOR NONTAXABLE USES AND BUS USES.—

"(1) IN GENERAL.—No tax shall be imposed by section 4091 on fuel sold by a producer or importer for use by the purchaser in a nontaxable use (as defined in section 6427(l)(2)) or a use described in section 6427(b)(1).

"(2) EXCEPTIONS.—

"(A) CERTAIN LEAKING UNDERGROUND STORAGE TANK TRUST FUND TAXES.—In the case of fuel sold for use in—

"(i) a diesel-powered train, and

"(ii) an aircraft,

paragraph (1) shall not apply to so much of the tax imposed by section 4091 as is attributable to the Leaking Underground Storage Tank Trust Fund financing rate imposed by such section.

"(B) CERTAIN BUS USES.—Paragraph (1) shall not apply to so much of the tax imposed by section 4091 as is not refundable by reason of the application of section 6427(b)(2)(A).

"(3) REGISTRATION REQUIRED.—Except to the extent provided by the Secretary, paragraph (1) shall not apply to any sale unless—

"(A) both the seller and the purchaser are registered under section 4101, and

"(B) the purchaser's name, address, and registration number under such section are provided to the seller.

"(4) INFORMATION REPORTING.—

"(A) RETURNS BY PRODUCERS AND IMPORTERS.—Each producer or importer who makes a reduced-tax sale during the calendar year shall make a return (at such time and in such form as the Secretary may by regulations prescribe) showing with respect to each such sale—

"(i) the name, address, and registration number under section 4101 of the purchaser,

"(ii) the amount of fuel sold, and

"(iii) such other information as the Secretary may require.

"(B) STATEMENTS TO PURCHASERS.—Every person required to make a return under subparagraph (A) shall furnish to each purchaser whose name is required to be set forth on such return a written statement showing the name and address of the person required to make such return, the registration number under section 4101 of such person, and the information required to be shown on the return with respect to such purchaser. The written statement required under the preceding sentence shall be furnished to the purchaser on or before January 31 of the year following the calendar year for which the return under subparagraph (A) is required to be made.

"(C) RETURNS BY PURCHASERS.—Each person who uses during the calendar year fuel purchased in a reduced-tax sale shall make a return (at such time and in such form as the Secretary may by regulations prescribe) showing—

"(i) whether such use was a nontaxable use (as defined in section 6427(l)(2)) or a use described in section 6427(b)(1) and the amount of fuel so used,

"(ii) the date of the sale of the fuel so used,

"(iii) the name, address, and registration number under section 4101 of the seller, and

"(iv) such other information as the Secretary may require.

"(D) REDUCED-TAX SALE.—For purposes of this paragraph, the term 'reduced tax sale' means any sale of taxable fuel on which the amount of tax otherwise required to be paid under section 4091 is reduced by reason of paragraph (1) (other than sales described in subsections (a) and (b) of this section)."

(b) PENALTY FOR FAILING TO PROVIDE INFORMATION.—

(1) Subparagraph (B) of section 6724(d)(1) of the 1986 Code (defining information return) is amended by striking out "or" at the end of clause (ix), by striking out the period at the end of clause (x) and inserting in lieu thereof ", or", and by adding at the end thereof the following new clause:

"(xi) subparagraph (A) or (C) of subsection (c)(4), or subsection (d), of section 4093 (relating to information reporting with respect to tax on diesel and aviation fuels)."

(2) Paragraph (2) of section 6724(d) of the 1986 Code (defining payee statement) is amended by striking out "or" at the end of subparagraph (S), by striking out the period at the end of subparagraph (T) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(U) section 4093(c)(4)(B) (relating to certain purchasers of diesel and aviation fuels)."

(3)(A) The text of section 7232 of the 1986 Code is amended by striking out "or lubricating oil" and inserting in lieu thereof ", lubricating oil, diesel fuel, or aviation fuel".

(B) The heading for section 7232 of the 1986 Code is amended by striking out "OR LUBRICATING OIL" and inserting in lieu thereof ", LUBRICATING OIL, DIESEL FUEL, OR AVIATION FUEL".

(C) The table of sections for part II of subchapter A of chapter 75 of the 1986 Code is amended by striking out "or lubricating oil" in the item relating to section 7232 and inserting in lieu thereof ", lubricating oil, diesel fuel, or aviation fuel".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on January 1, 1989.

(2) REFUNDS WITH INTEREST FOR PRE-EFFECTIVE DATE PURCHASES.—

(A) IN GENERAL.—In the case of fuel—

(i) which is purchased from a producer or importer during the period beginning on April 1, 1988, and ending on December 31, 1988,

(ii) which is used (before the claim under this subparagraph is filed) by any person in a nontaxable use (as defined in section 6427(l)(2) of the 1986 Code), and

(iii) with respect to which a claim is not permitted to be filed for any quarter under section 6427(i) of the 1986 Code,

the Secretary of the Treasury or the Secretary's delegate shall pay (with interest) to such person the amount of tax imposed on such fuel under section 4091 of the 1986 Code (to the extent not attributable to amounts described in section 6427(l)(3) of the 1986 Code) if claim therefor is filed not later than June 30, 1989. Not more than 1 claim may be filed under the preceding sentence and such claim shall not be taken into account under section 6427(i) of the 1986 Code. Any claim for refund filed under this paragraph shall be considered a claim for refund under section 6427(l) of the 1986 Code.

(B) INTEREST.—The amount of interest payable under subparagraph (A) shall be determined under section 6611 of the 1986 Code except that the date of the overpayment with respect to fuel purchased during any month shall be treated as being the 1st day of the succeeding month. No interest shall be paid under this paragraph with respect to fuel used by any agency of the United States.

(C) REGISTRATION PROCEDURES REQUIRED TO BE SPECIFIED.—Not later than the 30th day after the date of the enactment of this Act, the Secretary of the Treasury or the Secretary's delegate shall prescribe the procedures for complying with the requirements of section 4093(c)(3) of the 1986 Code (as added by this section).

SEC. 3002. EXPEDITED REFUND FOR CERTAIN FUELS USED IN NONTAXABLE USES.

(a) EXPEDITED REFUND.—Section 6427(i) of the 1986 Code (relating to time for filing claims; period covered) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULE FOR NONTAXABLE USES OF DIESEL FUEL AND AVIATION FUEL TAXED UNDER SECTION 4091.—

"(A) IN GENERAL.—If at the close of any of the 1st 3 quarters of the taxable year of any person, at least $750 is payable under subsection (l) to such person with respect to fuel used during such quarter or any prior quarter during the taxable year (and for which no other claim has been filed), a claim may be filed under subsection (l) with respect to such fuel.

"(B) TIME FOR FILING CLAIM.—No claim filed under this paragraph shall be allowed unless filed during the 1st quarter following the last quarter included in the claim."

(b) ALLOWANCE OF PAYMENT.—Paragraph (2) of section 6427(k) of the 1986 Code (relating to income tax credit in lieu of payment), as amended by title I, is amended by striking out "paragraph (2) or (3)" and inserting in lieu thereof "paragraph (2), (3), or (4)".

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 6427(i) of the 1986 Code is amended by striking out "paragraph (2)" and inserting in lieu thereof "paragraphs (2), (3), and (4)".

(2) Paragraph (2)(A) of section 6427(i) of the 1986 Code is amended by striking out "(l),".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel used after December 31, 1988.

SEC. 3003. MARINE RETAILERS TREATED AS PRODUCERS.

(a) IN GENERAL.—Subparagraph (B) of section 4092(b)(1) of the 1986 Code (relating to certain persons treated as producers) is amended by striking out the period at the end of clause (ii) and inserting in lieu thereof ", or" and by adding at the end thereof the following:

"(iii) a retailer selling diesel fuel exclusively to purchasers as supplies for commercial and noncommercial vessels.

To the extent provided in regulations, a retailer shall not be treated as not described in clause (iii) by reason of selling de minimis amounts of diesel fuel other than as supplies for commercial and noncommercial vessels."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 1988.

Subtitle B—Health Care Continuation Rules

SEC. 3011. FAILURE TO SATISFY CONTINUATION COVERAGE REQUIREMENTS OF GROUP HEALTH PLANS.

(a) IN GENERAL.—Chapter 43 of the 1986 Code (relating to qualified pension, etc., plans) is amended by adding at the end thereof the following new section:

"SEC. 4980B. FAILURE TO SATISFY CONTINUATION COVERAGE REQUIREMENTS OF GROUP HEALTH PLANS.

"(a) GENERAL RULE.—There is hereby imposed a tax on the failure of a group health plan to meet the requirements of subsection (f) with respect to any qualified beneficiary.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to a qualified beneficiary shall be $100 for each day in the noncompliance period with respect to such failure.

"(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period—

"(A) beginning on the date such failure first occurs, and

"(B) ending on the earlier of—

"(i) the date such failure is corrected, or

"(ii) the date which is 6 months after the last day in the period applicable to the qualified beneficiary under subsection (f)(2)(B) (determined without regard to clause (iii) thereof).

If a person is liable for tax under subsection (e)(1)(B) by reason of subsection (e)(2)(B) with respect to any failure, the noncompliance period for such person with respect to such failure shall not begin before the 45th day after the written request described in subsection (e)(2)(B) is provided to such person.

"(3) MINIMUM TAX FOR NONCOMPLIANCE PERIOD WHERE FAILURE DISCOVERED AFTER NOTICE OF EXAMINATION.—Notwithstanding paragraphs (1) and (2) of subsection (c)—

"(A) IN GENERAL.—In the case of 1 or more failures with respect to a qualified beneficiary—

"(i) which are not corrected before the date a notice of examination of income tax liability is sent to the employer, and

"(ii) which occurred or continued during the period under examination,

the amount of tax imposed by subsection (a) by reason of such failures with respect to such beneficiary shall not be less than the lesser of $2,500 or the amount of tax which would be imposed by subsection (a) without regard to such paragraphs.

"(B) HIGHER MINIMUM TAX WHERE VIOLATIONS ARE MORE THAN DE MINIMIS.—To the extent violations by the employer (or the plan in the case of a multiemployer plan) for any year are more than de minimis, subparagraph (A) shall be applied by substituting '$15,000' for '$2,500' with respect to the employer (or such plan).

"(c) LIMITATIONS ON AMOUNT OF TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that none of the persons referred to in subsection (e) knew, or exercising reasonable diligence would have known, that such failure existed.

"(2) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) on any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 30-day period beginning on the 1st date any of the persons referred to in subsection (e) knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) $100 LIMIT ON AMOUNT OF TAX FOR FAILURES ON ANY DAY WITH RESPECT TO A QUALIFIED BENEFICIARY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the maximum amount of tax imposed by subsection (a) on failures on any day during the noncompliance period with respect to a qualified beneficiary shall be $100.

"(B) SPECIAL RULE WHERE MORE THAN 1 QUALIFIED BENEFICIARY.—If there is more than 1 qualified beneficiary with respect to the same qualifying event, the maximum amount of tax imposed by subsection (a) on all failures on any day during the noncompliance period with respect to such qualified beneficiaries shall be $200.

"(4) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—In the case of failures which are due to reasonable cause and not to willful neglect—

"(A) SINGLE EMPLOYER PLANS.—

"(i) IN GENERAL.—In the case of failures with respect to plans other than multiemployer plans, the tax imposed by subsection (a) for failures during the taxable year of the employer shall not exceed the amount equal to the lesser of—

"(I) 10 percent of the aggregate amount paid or incurred by the employer (or predecessor employer) during the preceding taxable year for group health plans, or

"(II) $500,000.

"(ii) TAXABLE YEARS IN THE CASE OF CERTAIN CONTROLLED GROUPS.—For purposes of this subparagraph, if not all persons who are treated as a single employer for purposes of this section have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

"(B) MULTIEMPLOYER PLANS.—

"(i) IN GENERAL.—In the case of failures with respect to a multiemployer plan, the tax imposed by subsection (a) for failures during the taxable year of the trust forming part of such plan shall not exceed the amount equal to the lesser of—

"(I) 10 percent of the amount paid or incurred by such trust during such taxable year to provide medical care (as defined in section 213(d)) directly or through insurance, reimbursement, or otherwise, or

"(II) $500,000.

For purposes of the preceding sentence, all plans of which the same trust forms a part shall be treated as 1 plan.

"(ii) SPECIAL RULE FOR EMPLOYERS REQUIRED TO PAY TAX.—If an employer is assessed a tax imposed by subsection (a) by reason of a failure with respect to a multiemployer plan, the limit shall be determined under subparagraph (A) (and not under this subparagraph) and as if such plan were not a multiemployer plan.

"(C) SPECIAL RULE FOR PERSONS PROVIDING BENEFITS.—In the case of a person described in subsection (e)(1)(B) (and not subsection (e)(1)(A)), the aggregate amount of tax imposed by subsection (a) for failures during a taxable year with respect to all plans shall not exceed $2,000,000.

"(5) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) TAX NOT TO APPLY TO CERTAIN PLANS.—This section shall not apply to—

"(1) any failure of a group health plan to meet the requirements of subsection (f) if all employers maintaining such plan normally employed fewer than 20 employees on a typical business day during the preceding calendar year,

"(2) any governmental plan (within the meaning of section 414(d)), or

"(3) any church plan (within the meaning of section 414(e)).

"(e) LIABILITY FOR TAX.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the following shall be liable for the tax imposed by subsection (a) on a failure:

"(A)(i) In the case of a plan other than a multiemployer plan, the employer.

"(ii) In the case of a multiemployer plan, the plan.

"(B) Each person who is responsible (other than in a capacity as an employee) for administering or providing benefits under the plan and whose act or failure to act caused (in whole or in part) the failure.

"(2) SPECIAL RULES FOR PERSONS DESCRIBED IN PARAGRAPH (1)(B).—

"(A) NO LIABILITY UNLESS WRITTEN AGREEMENT.—Except in the case of liability resulting from the application of subparagraph (B) of this paragraph, a person described in subparagraph (B) (and not in subparagraph (A)) of paragraph (1) shall be liable for the tax imposed by subsection (a) on any failure only if such person assumed (under a legally enforceable written agreement) responsibility for the performance of the act to which the failure relates.

"(B) FAILURE TO COVER QUALIFIED BENEFICIARIES WHERE CURRENT EMPLOYEES ARE COVERED.—A person shall be treated as described in paragraph (1)(B) with respect to a qualified beneficiary if—

"(i) such person provides coverage under a group health plan for any similarly situated beneficiary under the plan with respect to whom a qualifying event has not occurred, and

"(ii) the—

"(I) employer or plan administrator, or

"(II) in the case of a qualifying event described in subparagraph (C) or (E) of subsection (f)(3) where the person described in clause (i) is the plan administrator, the qualified beneficiary,

submits to such person a written request that such person make available to such qualified beneficiary the same coverage which such person provides to the beneficiary referred to in clause (i).

"(f) CONTINUATION COVERAGE REQUIREMENTS OF GROUP HEALTH PLANS.—

"(1) IN GENERAL.—A group health plan meets the requirements of this subsection only if each qualified beneficiary who would lose coverage under the plan as a result of a qualifying event is entitled to elect, within the election period, continuation coverage under the plan.

"(2) CONTINUATION COVERAGE.—For purposes of paragraph (1), the term 'continuation coverage' means coverage under the plan which meets the following requirements:

"(A) TYPE OF BENEFIT COVERAGE.—The coverage must consist of coverage which, as of the time the coverage is being provided, is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom a qualifying event has not occurred. If coverage under the plan is modified for any group of similarly situated beneficiaries, the coverage shall also be modified in the same manner for all individuals who are qualified beneficiaries under the plan pursuant to this subsection in connection with such group.

"(B) PERIOD OF COVERAGE.—The coverage must extend for at least the period beginning on the date of the qualifying event and ending not earlier than the earliest of the following:

"(i) MAXIMUM REQUIRED PERIOD.—

"(I) GENERAL RULE FOR TERMINATIONS AND REDUCED HOURS.—In the case of a qualifying event described in paragraph (3)(B), except as provided in subclause (II), the date which is 18 months after the date of the qualifying event.

"(II) SPECIAL RULE FOR MULTIPLE QUALIFYING EVENTS.—If a qualifying event (other than a qualifying event described in paragraph (3)(F)) occurs during the 18 months after the date of a qualifying event described in paragraph (3)(B), the date which is 36 months after the date of the qualifying event described in paragraph (3)(B).

"(III) SPECIAL RULE FOR CERTAIN BANKRUPTCY PROCEEDINGS.—In the case of a qualifying event described in paragraph (3)(F) (relating to bankruptcy proceedings), the date of

the death of the covered employee or qualified beneficiary (described in subsection (g)(1)(D)(iii)), or in the case of the surviving spouse or dependent children of the covered employee, 36 months after the date of the death of the covered employee.

"(IV) GENERAL RULE FOR OTHER QUALIFYING EVENTS.—In the case of a qualifying event not described in paragraph (3)(B) or (3)(F), the date which is 36 months after the date of the qualifying event.

"(ii) END OF PLAN.—The date on which the employer ceases to provide any group health plan to any employee.

"(iii) FAILURE TO PAY PREMIUM.—The date on which coverage ceases under the plan by reason of a failure to make timely payment of any premium required under the plan with respect to the qualified beneficiary. The payment of any premium (other than any payment referred to in the last sentence of subparagraph (C)) shall be considered to be timely if made within 30 days after the date due or within such longer period as applies to or under the plan.

"(iv) GROUP HEALTH PLAN COVERAGE OR MEDICARE ELIGIBILITY.—The date on which the qualified beneficiary first becomes, after the date of the election—

"(I) covered under any other group health plan (as an employee or otherwise), or

"(II) in the case of a qualified beneficiary other than a qualified beneficiary described in subsection (g)(1)(D) entitled to benefits under title XVIII of the Social Security Act.

"(C) PREMIUM REQUIREMENTS.—The plan may require payment of a premium for any period of continuation coverage, except that such premium—

"(i) shall not exceed 102 percent of the applicable premium for such period, and

"(ii) may, at the election of the payor, be made in monthly installments.

If an election is made after the qualifying event, the plan shall permit payment for continuation coverage during the period preceding the election to be made within 45 days of the date of the election.

"(D) NO REQUIREMENT OF INSURABILITY.—The coverage may not be conditioned upon, or discriminate on the basis of lack of, evidence of insurability.

"(E) CONVERSION OPTION.—In the case of a qualified beneficiary whose period of continuation coverage expires under subparagraph (B)(i), the plan must, during the 180-day period ending on such expiration date, provide to the qualified beneficiary the option of enrollment under a conversion health plan otherwise generally available under the plan.

"(3) QUALIFYING EVENT.—For purposes of this subsection, the term 'qualifying event' means, with respect to any covered employee, any of the following events which, but for the continuation coverage required under this subsection, would result in the loss of coverage of a qualified beneficiary—

"(A) The death of the covered employee.

"(B) The termination (other than by reason of such employee's gross misconduct), or reduction of hours, of the covered employee's employment.

"(C) The divorce or legal separation of the covered employee from the employee's spouse.

"(D) The covered employee becoming entitled to benefits under title XVIII of the Social Security Act.

"(E) A dependent child ceasing to be a dependent child under the generally applicable requirements of the plan.

"(F) A proceeding in a case under title 11, United States Code, commencing on or after July 1, 1986, with respect to the employer from whose employment the covered employee retired at any time.

In the case of an event described in subparagraph (F), a loss of coverage includes a substantial elimination of coverage with respect to a qualified beneficiary described in subsection (g)(1)(D) within one year before or after the date of commencement of the proceeding.

"(4) APPLICABLE PREMIUM.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'applicable premium' means, with respect to any period of continuation coverage of qualified beneficiaries, the cost to the plan for such period of the coverage for similarly situated beneficiaries with respect to whom a qualifying event has not occurred (without regard to whether such cost is paid by the employer or employee).

"(B) SPECIAL RULE FOR SELF-INSURED PLANS.—To the extent that a plan is a self-insured plan—

"(i) IN GENERAL.—Except as provided in clause (ii), the applicable premium for any period of continuation coverage of qualified beneficiaries shall be equal to a reasonable estimate of the cost of providing coverage for such period for similarly situated beneficiaries which—

"(I) is determined on an actuarial basis, and

"(II) takes into account such factors as the Secretary may prescribe in regulations.

"(ii) DETERMINATION ON BASIS OF PAST COST.—If a plan administrator elects to have this clause apply, the applicable premium for any period of continuation coverage of qualified beneficiaries shall be equal to—

"(I) the cost to the plan for similarly situated beneficiaries for the same period occurring during the preceding determination period under subparagraph (C), adjusted by

"(II) the percentage increase or decrease in the implicit price deflator of the gross national product (calculated by the Department of Commerce and published in the Survey of Current Business) for the 12-month period ending on the last day of the sixth month of such preceding determination period.

"(iii) CLAUSE (ii) NOT TO APPLY WHERE SIGNIFICANT CHANGE.—A plan administrator may not elect to have clause (ii) apply in any case in which there is any significant difference between the determination period and the preceding determination period, in coverage under, or in employees covered by, the plan. The determination under the preceding sentence for any determination period shall be made at the same time as the determination under subparagraph (C).

"(C) DETERMINATION PERIOD.—The determination of any applicable premium shall be made for a period of 12 months and shall be made before the beginning of such period.

"(5) ELECTION.—For purposes of this subsection—

"(A) ELECTION PERIOD.—The term 'election period' means the period which—

"(i) begins not later than the date on which coverage terminates under the plan by reason of a qualifying event,

"(ii) is of at least 60 days' duration, and

"(iii) ends not earlier than 60 days after the later of—

"(I) the date described in clause (i), or

"(II) in the case of any qualified beneficiary who receives notice under paragraph (6)(D), the date of such notice.

"(B) EFFECT OF ELECTION ON OTHER BENEFICIARIES.—Except as otherwise specified in an election, any election of continuation coverage by a qualified beneficiary described in subparagraph (A)(i) or (B) of subsection (g)(1) shall be deemed to include an election of continuation coverage on behalf of any other qualified beneficiary who would lose coverage under the plan by reason of the qualifying event. If there is a choice among types of coverage under the plan, each qualified beneficiary is entitled to make a separate selection among such types of coverage.

"(6) NOTICE REQUIREMENT.—In accordance with regulations prescribed by the Secretary—

"(A) The group health plan shall provide, at the time of commencement of coverage under the plan, written notice to each covered employee and spouse of the employee (if any) of the rights provided under this subsection.

"(B) The employer of an employee under a plan must notify the plan administrator of a qualifying event described in subparagraph (A), (B), (D), or (F) of paragraph (3) with respect to such employee within 30 days of the date of the qualifying event.

"(C) Each covered employee or qualified beneficiary is responsible for notifying the plan administrator of the occurrence of any qualifying event described in subparagraph (C) or (E) of paragraph (3) within 60 days after the date of the qualifying event.

"(D) The plan administrator shall notify—

"(i) in the case of a qualifying event described in subparagraph (A), (B), (D), or (F) of paragraph (3), any qualified beneficiary with respect to such event, and

"(ii) in the case of a qualifying event described in subparagraph (C) or (E) of paragraph (3) where the covered employee notifies the plan administrator under subparagraph (C), any qualified beneficiary with respect to such event,

of such beneficiary's rights under this subsection.

For purposes of subparagraph (D), any notification shall be made within 14 days of the date on which the plan administrator is notified under subparagraph (B) or (C), whichever is applicable, and any such notification to an individual who is a qualified beneficiary as the spouse of the covered employee shall be treated as notification to all other qualified beneficiaries residing with such spouse at the time such notification is made.

"(7) COVERED EMPLOYEE.—For purposes of this subsection, the term 'covered employee' means an individual who is (or was) provided coverage under a group health plan by virtue of the individual's employment or previous employment with an employer.

"(g) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED BENEFICIARY.—

"(A) IN GENERAL.—The term 'qualified beneficiary' means, with respect to a covered employee under a group health plan, any other individual who, on the day before the qualifying event for that employee, is a beneficiary under the plan—

"(i) as the spouse of the covered employee, or

"(ii) as the dependent child of the employee.

"(B) SPECIAL RULE FOR TERMINATIONS AND REDUCED EMPLOYMENT.—In the case of a qualifying event described in subsection (f)(3)(B), the term 'qualified beneficiary' includes the covered employee.

"(C) EXCEPTION FOR NONRESIDENT ALIENS.—Notwithstanding subparagraphs (A) and (B), the term 'qualified beneficiary' does not include an individual whose status as a cov-

ered employee is attributable to a period in which such individual was a nonresident alien who received no earned income (within the meaning of section 911(d)(2)) from the employer which constituted income from sources within the United States (within the meaning of section 861(a)(3)). If an individual is not a qualified beneficiary pursuant to the previous sentence, a spouse or dependent child of such individual shall not be considered a qualified beneficiary by virtue of the relationship of the individual.

"(D) SPECIAL RULE FOR RETIREES AND WIDOWS.—In the case of a qualifying event described in subsection (f)(3)(F), the term 'qualified beneficiary' includes a covered employee who had retired on or before the date of substantial elimination of coverage and any other individual who, on the day before such qualifying event, is a beneficiary under the plan—

"(i) as the spouse of the covered employee,

"(ii) as the dependent child of the covered employee, or

"(iii) as the surviving spouse of the covered employee.

"(2) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning given such term by section 162(i)."

"(3) PLAN ADMINISTRATOR.—The term 'plan administrator' has the meaning given the term 'administrator' by section 3(16)(A) of the Employee Retirement Income Security Act of 1974.

"(4) CORRECTION.—A failure of a group health plan to meet the requirements of subsection (f) with respect to any qualified beneficiary shall be treated as corrected if—

"(A) such failure is retroactively undone to the extent possible, and

"(B) the qualified beneficiary is placed in a financial position which is as good as such beneficiary would have been in had such failure not occurred.

For purposes of applying subparagraph (B), the qualified beneficiary shall be treated as if he had elected the most favorable coverage in light of the expenses he incurred since the failure first occurred.".

(b) TECHNICAL AMENDMENTS.—

(1) Section 106 of the 1986 Code (relating to contributions by employer to accident and health plans) is amended to read as follows:

"SEC. 106. CONTRIBUTIONS BY EMPLOYER TO ACCIDENT AND HEALTH PLANS.

"Gross income of an employee does not include employer-provided coverage under an accident or health plan."

(2) Subsection (i) of section 162 of the 1986 Code (relating to group health plans) is amended by striking out paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(3) Section 162 of the 1986 Code is amended by striking out subsection (k) and by redesignating—

(A) the subsection relating to stock redemption expenses as subsection (k),

(B) the subsection relating to special rules for health insurance costs of self-employed individuals as subsection (l), and

(C) the subsection relating to cross references as subsection (m).

(4) Subparagraph (C) of section 414(n)(3) of the 1986 Code, as amended by section 111B(a) of this Act, is amended by striking out "162(i)(2), 162(k)(2)," and by striking out "and 505" and inserting in lieu thereof "505, and 4980B".

(5) Paragraph (2) of section 414(t) of the 1986 Code, as amended by section 111B(a) of this Act, is amended by striking out "162(i)(2), 162(k)(2)," and by striking out "or 505" and inserting in lieu thereof "505, or 4980B".

(6) Paragraph (1) of section 607 of the Employee Retirement Income Security Act of 1974 is amended by striking out "section 162(i)(3) of the Internal Revenue Code of 1954" and inserting in lieu thereof "section 162(i)(2) of the Internal Revenue Code of 1986".

(7) Paragraph (1) of section 2208 of the Public Health Service Act is amended by striking out "section 162(i)(3) of the Internal Revenue Code of 1954" and inserting in lieu thereof "section 162(i)(2) of the Internal Revenue Code of 1986".

(c) CLERICAL AMENDMENT.—The table of sections for chapter 43 of the 1986 Code is amended by adding at the end thereof the following new item:

"Sec. 4980B. Failure to satisfy continuation coverage requirements of group health plans."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1988, but shall not apply to any plan for any plan year to which section 162(k) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act) did not apply by reason of section 10001(e)(2) of the Consolidated Omnibus Budget Reconciliation Act of 1985.

Subtitle C—Employee Benefit Nondiscrimination Rules

SEC. 3021. MODIFICATIONS TO DISCRIMINATION RULES APPLICABLE TO CERTAIN EMPLOYEE BENEFIT PLANS.

(a) MODIFICATIONS TO SECTION 89.—

(1) DETERMINATIONS BASED ON TESTING YEAR.—

(A) Section 89 of the 1986 Code (as amended by title I) is amended by striking out "plan year" each place it appears and inserting in lieu thereof "testing year".

(B) Subsection (j) of section 89 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(13) TESTING YEAR.—The term 'testing year' means—

"(A) any 12-month period beginning with the calendar month designated in the plan for purposes of this section, or

"(B) if there is no such designation, the calendar year.

No period may be designated under subparagraph (A) unless the same period is designated with respect to all other plans of the employer of the same type. Any designation under subparagraph (A) may be changed only with the consent of the Secretary."

(C) Subsection (c) of section 4976 of the 1986 Code (as added by title I) is amended—

(i) by striking out "any plan year" in paragraph (1) and inserting in lieu thereof "any testing year (as defined in section 89(j)(13))"; and

(ii) by striking out "such plan year" each place it appears in paragraph (2)(A) and inserting in lieu thereof "such testing year".

(2) TIME FOR TESTING.—

(A) IN GENERAL.—Subsection (g) of section 89 is amended by adding at the end thereof the following new paragraph:

"(6) TIME FOR TESTING.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the determination of whether any plan is a discriminatory employee benefit plan for any testing year shall be made on the basis of the facts as of the testing day.

"(B) ADJUSTMENT WHERE BENEFIT OF HIGHLY COMPENSATED EMPLOYEE CHANGES.—If the employer-provided benefit (actually provided or made available) of a highly compensated employee changes during the testing year by reason of any change in the terms of the plan or the making of an election by such employee, the amount taken into account as such employee's employer-provided benefit shall be adjusted to take into account such change and the portion of the testing year during which the changed benefit is provided (or made available).

"(C) TREATMENT OF NON-HIGHLY COMPENSATED EMPLOYEES WHERE CHANGE IN PLAN.—Rules similar to the rules of subparagraph (B) shall apply in the case of employees who are not highly compensated employees and who are affected by any change in the terms of the plan, except that the determination of such employees' employer-provided benefits (actually provided or made available) shall be determined as of the date after such change selected by the employer and permitted under regulations prescribed by the Secretary.

"(D) TESTING DAY.—For purposes of this paragraph, the term 'testing day' means—

"(i) the day designated in the plan as the testing day for purposes of this paragraph, or

"(ii) if there is no day so designated, the last day of the testing year.

"(E) LIMITATIONS.—

"(i) DESIGNATION MUST BE CONSISTENT FOR ALL PLANS OF SAME TYPE.—No day may be designated under subparagraph (D)(i) with respect to any plan unless the same day is so designated with respect to all other plans of the employer of the same type.

"(ii) DESIGNATION BINDING.—Any designation under subparagraph (D)(i) shall apply to the testing year for which made and all subsequent years unless revoked with the consent of the Secretary.

"(F) SPECIAL RULE FOR MULTIPLE EMPLOYER PLAN.—In the case of a multiemployer plan or any other plan maintained by more than 1 employer, each employer may, subject to such rules as the Secretary may prescribe, elect its own testing year under paragraph (13) of subsection (j) and its own testing date under this paragraph."

(B) DESIGNATIONS FOR 1989 NOT BINDING.—Any designation of a testing day for a year beginning in 1989 shall be disregarded in determining the day which may be designated as the testing day for years beginning after 1989.

(3) SAMPLING.—Subsection (g) of section 89 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(7) SAMPLING.—For purposes of determining whether a plan is a discriminatory employee benefit plan (but not for purposes of identifying the highly compensated employees who have a discriminatory excess or the amount of any such excess), determinations under this section may be made on the basis of a statistically valid random sample. The preceding sentence shall apply only if—

"(A) the sampling is conducted by an independent person in a manner not inconsistent with regulations prescribed by the Secretary, and

"(B) the statistical method and sample size result in a 95 percent probability that the results will have a margin of error not greater than 3 percent."

(4) SPECIAL VALUATION RULE FOR MULTIEMPLOYER PLANS.—Paragraph (3) of section 89(g) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(E) SPECIAL RULE FOR MULTIEMPLOYER PLANS.—

"(i) In general.—Except as provided in regulations and clause (ii), an employer may treat the contribution such employer makes to a multiemployer plan on behalf of an employee as the employer-provided benefit of such employee under such plan.

"(ii) Adjustment.—If—

"(I) the allocation of plan benefits between highly compensated employees and other employees under a multiemployer plan (or within either of such groups) varies materially from the allocation of employer contributions to such plan, or

"(II) the employer contributions relate to benefits of different types,

the employer-provided benefit determined under clause (i) shall be appropriately adjusted to take into account such material variation or such employer contribution.

"(iii) Exception for professionals.—This subparagraph shall not apply to any employer maintaining a multiemployer plan if such employer makes contributions to such plan on behalf of any individual performing services in the field of health, law, engineering, architecture, accounting, actuarial science, financial services, or consulting or in such other field as the Secretary may prescribe."

(5) Excluded employee requirements.—

(A) Multiemployer plans.—Subsection (h) of section 89 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(6) Special rule for multiemployer plan.—Except as provided in regulations, any multiemployer plan shall not be taken into account in applying subparagraph (A), (B), (C), or (D) of paragraph (1) with respect to other plans of the employer. For purposes of this paragraph, a rule similar to the rule of subsection (g)(3)(E)(iii) shall apply."

(B) Students.—Paragraph (1) of section 89(h) of the 1986 Code is amended by adding after subparagraph (F) the following new subparagraph:

"(G) Employees who are students if—

"(i) such students are performing services described in section 3121(b)(10), and

"(ii) core health coverage is made available to such students by such employer."

(6) Comparability rules.—Paragraph (1) of section 89(g) of the 1986 Code, as amended by section 111B(a)(3), is amended by adding at the end thereof the following new subparagraphs:

"(D) Special rules for applying subsection (f).—

"(i) In general.—For purposes of applying subsection (f)—

"(I) except as provided in clause (ii), subparagraph (B) shall be applied by substituting '90 percent' for '95 percent', and

"(II) a group of plans of the same type shall be treated as comparable plans if the requirements of subparagraph (E) are met.

"(ii) Election to use lower percentage in determining comparability.—If an election by the employer under this clause applies for the testing year—

"(I) subclause (I) of clause (i) shall not apply,

"(II) for purposes of applying subsection (f), subparagraph (B) of this paragraph shall be applied by substituting '80 percent' for '95 percent', and

"(III) subsection (f) shall be applied with respect to all health plans maintained by the employer by substituting '90 percent' for '80 percent'.

"(E) Plans treated as comparable if employee cost difference is $100 or less.—

"(i) In general.—A group of plans of the same type shall be treated as comparable with respect to a group of employees if—

"(I) such plans are available to all employees in the group on the same terms, and

"(II) the difference in annual cost to employees between the plans with the lowest and highest annual employee cost is not greater than $100.

"(ii) Coordination with subparagraph (B).—A plan not in the group of plans described in clause (i) shall be treated as part of such group if, under subparagraph (B) (without regard to clause (iii) of this subparagraph), such plan is comparable to the plan in such group with the largest employer-provided benefit.

"(iii) Other plans providing comparable benefits.—A plan not in the group of plans described in clause (i) shall be treated as part of such group with respect to an employee if—

"(I) in the case of an employee who is not a highly compensated employee, such employee is eligible to participate in the plan in such group with the largest employer-provided benefit (without regard to clause (ii)),

"(II) in the case of an employee who is not a highly compensated employee, the annual cost to such employee under such plan is not lower than the lowest cost permitted within such group, and

"(III) the employer-provided benefit under such plan is less than the employer-provided benefit under the plan in such group with the largest such benefit (without regard to clause (ii)).

"(iv) Separate application of requirements.—If an employer elects the application of paragraph (2)(A)(ii), the amount under clause (i) shall be allocated among plans covering spouses and dependents and plans covering employees in such manner as the employer specifies.

"(v) Cost-of-living adjustment.—In the case of testing years beginning after 1989, the $100 amount under clause (i) shall be increased by the percentage (if any) by which—

"(I) the CPI for the calendar year preceding the year in which the testing year begins, exceeds

"(II) the CPI for 1988.

For purposes of this clause, the CPI for any calendar year shall be determined under section 1(f).".

(7) Other coverage.—

(A) Subparagraph (A) of section 89(g)(2) of the 1986 Code is amended—

(i) by striking out "subsection (e)" each place it appears and inserting in lieu thereof "subsection (e) or (f)", and

(ii) by adding at the end thereof the following new sentence: "The provisions of the preceding sentence shall not apply for purposes of applying subsection (f) unless the requirements of subsection (f) would be met if such subsection were applied without regard to the preceding sentence and on the basis of eligibility to participate rather than coverage."

(B) Subparagraph (D) of section 89(g)(2) of the 1986 Code is amended by adding at the end thereof the following sentence: "The Secretary shall make such adjustments as are necessary in applying the rules of the preceding sentence to subsection (f)."

(8) Sworn statements.—Paragraph (2) of section 89(g) of the 1986 Code is amended—

(A) by adding at the end thereof the following new subparagraph:

"(E) Special rule.—No employee who is not a highly compensated employee may be disregarded under subparagraph (A)(i) with respect to any health plan of the employer unless under such plan such employee is entitled, when the coverage under the other health plan referred to in subparagraph (A)(i) ceases, to elect coverage under the plan of the employer (whether or not an election is otherwise available). Such election is to be on the same terms as if such employee was making such election during a subsequent open season. Rules similar to the rules of the preceding sentences of this subparagraph shall apply in the case of an employee treated as not having a spouse or dependents or having a spouse or dependents covered by a health plan of another employer providing core benefits."; and

(B) by striking out "and" at the end of subparagraph (B)(i), by striking out the period at the end of subparagraph (B)(ii) and inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(iii) the health coverage (if any) received by the employee from the employer."

(9) Definition of plan.—Paragraph (11) of section 89(j) of the 1986 Code is amended by striking out "Each option" and inserting in lieu thereof "Except as provided in subsection (g)(1), each option".

(10) Modification of penalty.—Subparagraph (B) of section 6652(k)(2) of the 1986 Code is amended to read as follows:

"(B) the amount which bears the same ratio to the employer-provided benefit (within the meaning of section 89 without regard to subsection (g)(3)(C)(i) thereof) with respect to the employee to whom such failure relates as the amount of such benefit required to be but not shown on timely statements under sections 6051(a) and 6051(d) bears to the amount required to be shown.".

(11) Cafeteria plans.—Subparagraph (D) of section 89(g)(3) of the 1986 Code is amended to read as follows:

"(D) Salary reductions.—

"(i) In general.—Except for purposes of subsections (d)(1)(A)(ii) and (j)(5), any salary reduction shall be treated as an employer-provided benefit.

"(ii) Special rule for subsection (d)(1)(a)(ii).—Notwithstanding clause (i), any salary reduction under a cafeteria plan (within the meaning of section 125) shall be treated as an employer-provided benefit for purposes of subsection (d)(1)(A)(ii) if—

"(I) the percentage of employees who are not highly compensated employees eligible to participate in the plan is not greater than the percentage of highly compensated employees so eligible,

"(II) all employees eligible to participate in the plan are eligible under the same terms and conditions, and

"(III) no highly compensated employee eligible under the plan is eligible to participate in any other plan maintained by the employer for any benefit of the same type unless the benefit is available on the same terms and conditions to every employee who is not a highly compensated employee eligible to participate in the plan.

"(iii) Regulations.—Notwithstanding clause (i) or (ii), the Secretary may by regulations provide that any salary reduction shall or shall not be treated as an employer-provided benefit to prevent avoidance of the purposes of this section."

(12) Part-time employees.—Paragraph (5) of section 89(j) of the 1986 Code is amended by striking out the last sentence thereof.

(13) Acquisitions and dispositions.—

(A) Clause (ii) of section 89(j)(8)(A) of the 1986 Code is amended to read as follows:

"(ii) either—

"(I) the coverage under such plan is not significantly changed during the transition *period (other than by reason of the change in members in such group), or*

"(II) such plan meets such other requirements as the Secretary may prescribe by regulation.".

(B) Subclause (II) of section 410(b)(6)(C)(i) of the 1986 Code is amended by inserting "or such plan meets such other requirements as the Secretary may prescribe by regulation" before the end period.

(14) DEPENDENT CARE ASSISTANCE.—Subparagraph (B) of section 129(d)(7) of the 1986 Code (as redesignated and amended by section 111B of this Act) is amended—

(A) by striking out "(within the meaning of section 414(q)(7))", and

(B) by adding at the end thereof the following new sentence: "For purposes of this subparagraph, the term 'compensation' has the meaning given such term by section 414(q)(7), except that, under rules prescribed by the Secretary, an employer may elect to determine compensation on any other basis which does not discriminate in favor of highly compensated employees.".

(15) REPORTING REQUIREMENTS.—

(A) Section 6039D(d) of the 1986 Code is amended—

(i) by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE FOR MULTIEMPLOYER PLANS.—In the case of a multiemployer plan, the plan shall be required to provide any information required by this section which the Secretary determines, on the basis of the agreement between the plan and employer, is held by the plan (and not the employer)", and

(ii) by inserting "AND SPECIAL RULES" after "DEFINITIONS" in the heading thereof.

(B) The amendments made by this paragraph shall apply to years beginning after 1984.

(b) MODIFICATION TO DEFINITIONS OF HIGHLY COMPENSATED AND COMPENSATION AND TO SEPARATE LINE OF BUSINESS RULES.—

(1) DEFINITION OF HIGHLY COMPENSATED.—Subsection (q) of section 414 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(12) SIMPLIFIED METHOD FOR DETERMINING HIGHLY COMPENSATED EMPLOYEES.—

"(A) IN GENERAL.—If an election by the employer under this paragraph applies to any year, in determining whether an employee is a highly compensated employee for such year—

"(i) subparagraph (B) of paragraph (1) shall be applied by substituting '$50,000' for '$75,000', and

"(ii) subparagraph (C) of paragraph (1) shall not apply.

"(B) REQUIREMENT FOR ELECTION.—An election under this paragraph shall not apply to any year unless—

"(i) at all times during such year, the employer maintained significant business activities (and employed employees) in at least 2 significantly separate geographic areas, and

"(ii) the employer satisfies such other conditions as the Secretary may prescribe."

(2) LINE OF BUSINESS REQUIREMENTS.—

(A) SAFE HARBOR RULE.—Paragraph (3) of section 414(r) of the 1986 Code is amended to read as follows:

"(3) SAFE HARBOR RULE.—

"(A) IN GENERAL.—The requirements of subparagraph (C) of paragraph (2) shall not apply to any line of business if the highly compensated employee percentage with respect to such line of business is—

"(i) not less than one-half, and

"(ii) not more than twice, the percentage which highly compensated employees are of all employees of the employer. An employer shall be treated as meeting the requirements of clause (i) if at least 10 percent of all highly compensated employees of the employer perform services solely for such line of business.

"(B) DETERMINATION MAY BE BASED ON PRECEDING YEAR.—The requirements of subparagraph (A) shall be treated as met with respect to any line of business if such requirements were met with respect to such line of business for the preceding year and if—

"(i) no more than a de minimis number of employees were shifted to or from the line of business after the close of the preceding year, or

"(ii) the employees shifted to or from the line of business after the close of the preceding year contained a substantially proportional number of highly compensated employees.".

(B) SEPARATE OPERATING UNITS.—Section 89(g)(5) of the 1986 Code is amended by adding at the end thereof the following new sentence: "In applying section 414(r)(7) for purposes of this section, an operating unit shall be treated as in a separate geographic area from another unit if such units are at least 35 miles apart.".

(3) COMPENSATION FOR GROUP-LIFE INSURANCE PLANS.—

(A) Paragraph (4) of section 89(j) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(D) COMPENSATION.—For purposes of applying this paragraph—

"(i) IN GENERAL.—Compensation shall be determined on any basis determined by the employer which does not discriminate in favor of highly compensated employees.

"(ii) SPECIAL RULES FOR 1989 AND 1990.—In the case of testing years beginning in 1989 or 1990, the employer may elect to treat base compensation as compensation."

(B) Subparagraph (A) of section 89(j)(4) of the 1986 Code is amended by striking out "(within the meaning of section 414(s))".

(c) TRANSITIONAL PROVISIONS FOR PURPOSES OF SECTION 89.—

(1) TEMPORARY VALUATION RULES.—In the case of testing years beginning before the later of January 1, 1991, or the date 1 year after the Secretary of the Treasury or his delegate first issues such valuation rules as are necessary to apply the provisions of section 89 of the 1986 Code to health plans (or if later the effective date of such rules)—

(A) Section 89(g)(3)(B) of the 1986 Code shall not apply.

(B)(i) Except as provided in clause (ii), the value of coverage under a health plan for purposes of section 89 of the 1986 Code shall be determined in substantially the same manner as costs under a health plan are determined under section 4980B(f)(4) of the 1986 Code.

(ii) For purposes of determining whether an employer meets the requirements of subsections (d), (e), and (f) of section 89 of the 1986 Code, value under clause (i) may be determined under any other reasonable method selected by the employer.

(2) FORMER EMPLOYEES.—The amendments made by section 1151 of the Reform Act shall not apply to former employees who separated from service with the employer before January 1, 1989 (and were not reemployed on or after such date), and such former employees shall not be taken into account in determining whether the requirements of section 89 of the 1986 Code are met with respect to other former employees. The preceding sentence shall not apply to the extent that—

(A) the value of employer-provided benefits provided to any such former employee exceeds the value of such benefits which were provided under the terms of the plan as in effect on December 31, 1988, or

(B) the employer-provided benefits provided to such former employees are modified so as to discriminate in favor of such former employees who are highly compensated employees.

Any excess value under the preceding sentence shall be determined without regard to any increase required by Federal law, regulation or rule or any increase which is the same for employees separating on or before December 31, 1988, and employees separating after such date and which does not discriminate in favor of highly compensated employees who separated from service after December 31, 1988.

(3) WRITTEN PLAN REQUIREMENT.—The requirements of section 89(k)(1)(A) of the 1986 Code shall be treated as met with respect to any testing year beginning in 1989, if—

(A) the plan is in writing before the close of such year,

(B) the employees had reasonable notice of the plan's essential features on or before the beginning of such year, and

(C) the provisions of the written plan apply for the entire year.

(4) RULES TO BE PRESCRIBED BEFORE NOVEMBER 15, 1988.—Not later than November 15, 1988, the Secretary of the Treasury or his delegate shall issue such rules as may be necessary to carry out the provisions of section 89 of the 1986 Code.

(d) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall take effect as if included in the amendments made by section 1151 of the Tax Reform Act of 1986; except that the amendment made by subsection (a)(8) shall apply to testing years beginning after December 31, 1989.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to years beginning after December 31, 1986.

Subtitle D—Estate and Gift Taxes

SEC. 3031. ESTATE TAX VALUATION FREEZES.

(a) DEEMED GIFT.—

(1) IN GENERAL.—Paragraph (4) of section 2036(c) of the 1986 Code is amended to read as follows:

"(4) TREATMENT OF CERTAIN TRANSFERS.—

"(A) IN GENERAL.—For purposes of this subtitle, if, before the death of the original transferor—

"(i) the original transferor transfers all (or any portion of) the retained interest referred to in paragraph (1), or

"(ii) the original transferee transfers all (or any portion of) the transferred property referred to in paragraph (1) to a person who is not a member of the original transferor's family,

the original transferor shall be treated as having made a transfer by gift of property to the original transferee equal to the paragraph (1) inclusion (or proportionate amount thereof). Proper adjustments shall be made in the amount treated as a gift by reason of the preceding sentence to take into account prior transfers to which this subparagraph applied and take into account any right of recovery (whether or not exercised) under section 2207B.

"(B) COORDINATION WITH PARAGRAPH (1).—In any case to which subparagraph (A) applies, nothing in paragraph (1) or section 2035(d)(2) shall require the inclusion of the transferred property (or proportionate amount thereof).

"(C) SPECIAL RULE WHERE PROPERTY RETRANSFERRED.—In the case of a transfer described in subparagraph (A)(ii) from the original transferee to the original transferor, the paragraph (1) inclusion (or proportion thereof) shall be reduced by the excess (if any) of—

"(i) the fair market value of the property so transferred, over

"(ii) the amount of the consideration paid by the original transferor in exchange for such property.

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) ORIGINAL TRANSFEROR.—The term 'original transferor' means the person making the transfer referred to in paragraph (1).

"(ii) ORIGINAL TRANSFEREE.—The term 'original transferee' means the person to whom the transfer referred to in paragraph (1) is made. Such term includes any member of the original transferor's family to whom the property is subsequently transferred.

"(iii) PARAGRAPH (1) INCLUSION.—The term 'paragraph (1) inclusion' means the amount which would have been included in the gross estate of the original transferor under subsection (a) by reason of paragraph (1) (determined without regard to sections 2032 and 2032A) if the original transferor died immediately before the transfer referred to in subparagraph (A). The amount determined under the preceding sentence shall be reduced by the amount (if any) of the taxable gift resulting from the transfer referred to in paragraph (1)(B).

"(iv) TRANSFERS TO INCLUDE TERMINATIONS, ETC.—Terminations, lapses, and other changes in any interest in property of the original transferor or original transferee shall be treated as transfers.

"(E) CONTINUING INTEREST IN TRANSFERRED PROPERTY MAY NOT BE RETAINED.—A transfer (to which subparagraph (A) would otherwise apply) shall not be taken into account under subparagraph (A) if the original transferor or the original transferee (as the case may be) retains a direct or indirect continuing interest in the property transferred in such transfer."

(2) CROSS REFERENCE.—Subsection (d) of section 2501 of the 1986 Code is amended by adding at the end thereof the following:

"(3) For treatment of certain transfers related to estate tax valuation freezes as gifts to which this chapter applies, see section 2036(c)(4)."

(b) TREATMENT OF CERTAIN GRANTOR RETAINED INCOME TRUSTS.—Subsection (c) of section 2036 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(6) TREATMENT OF CERTAIN GRANTOR RETAINED INTEREST TRUSTS.—

"(A) IN GENERAL.—For purposes of this subsection, any retention of a qualified trust income interest shall be disregarded and the property with respect to which such interest exists shall be treated as held by the transferor while such income interest continues.

"(B) QUALIFIED TRUST INCOME INTEREST.—For purposes of subparagraph (A), the term 'qualified trust income interest' means any right to receive amounts determined solely by reference to the income from property held in trust if—

"(i) such right is for a period not exceeding 10 years,

"(ii) the person holding such right transferred the property to the trust, and

"(iii) such person is not a trustee of such trust."

(b) EXCEPTIONS.—Subsection (c) of section 2036 of the 1986 Code is amended by adding at the end thereof the following new paragraphs:

"(7) EXCEPTIONS.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to a transaction solely by reason of 1 or more of the following:

"(i) The receipt (or retention) of qualified debt.

"(ii) Except as provided in regulations, the existence of an agreement for the sale or lease of goods or other property to be used in the enterprise or the providing of services and—

"(I) the agreement is an arm's length agreement for fair market value, and

"(II) the agreement does not otherwise involve any change in interests in the enterprise.

"(iii) An option or other agreement to buy or sell property at the fair market value of such property as of the time the option is (or the rights under the agreement are) exercised.

"(B) LIMITATIONS.—

"(i) SERVICES PERFORMED AFTER TRANSFER.—In the case of compensation for services performed after the transfer referred to in paragraph (1)(B), clause (ii) of subparagraph (A) shall not apply if such services were performed under an agreement providing for the performance of services over a period greater than 3 years after the date of the transfer. For purposes of the preceding sentence, the term of any agreement includes any period for which the agreement may be extended at the option of the service provider.

"(ii) AMOUNTS MUST NOT BE CONTINGENT ON PROFITS, ETC.—Clause (ii) of subparagraph (A) shall not apply to any amount determined (in whole or in part) by reference to gross receipts, income, profits, or similar items of the enterprise.

"(C) QUALIFIED DEBT.—For purposes of this paragraph, except as provided in subparagraph (D), the term "qualified debt' means any indebtedness if—

"(i) such indebtedness—

"(I) unconditionally requires the payment of a sum certain in money in 1 or more fixed payments on specified dates, and

"(II) has a fixed maturity date not more than 15 years from the date of issue (or, in the case of indebtedness secured by real property, not more than 30 years from the date of issue).

"(ii) the only other amount payable under such indebtedness is interest determined at—

"(I) a fixed rate, or

"(II) a rate which bears a fixed relationship to a specified market interest rate,

(iii) the interest payment dates are fixed,

"(iv) such indebtedness is not by its terms subordinated to the claims of general creditors,

"(v) except in a case where such indebtedness is in default as to interest or principal, such indebtedness does not grant voting rights to the person to whom the debt is owed or place any limitation on the exercise of voting rights by others, and

"(vi) such indebtedness—

"(I) is not (directly or indirectly) convertible into an interest in the enterprise which would not be qualified debt, and

"(II) does not otherwise grant any right to acquire such an interest.

The requirement of clause (i)(I) that the principal be payable on 1 or more specified dates and the requirement of clause (i)(II) shall not apply to indebtedness payable on demand if such indebtedness is issued in return for cash to be used to meet normal business needs of the enterprise.

"(D) SPECIAL RULE FOR STARTUP DEBT.—

"(i) IN GENERAL.—For purposes of this paragraph, the term 'qualified debt' includes any qualified startup debt.

"(ii) QUALIFIED STARTUP DEBT.—For purposes of clause (i), the term 'qualified startup debt' means any indebtedness if—

"(I) such indebtedness unconditionally requires the payment of a sum certain in money,

"(II) such indebtedness was received in exchange for cash to be used in any enterprise involving the active conduct of a trade or business,

"(III) the person to whom the indebtedness is owed has not at any time (whether before, on, or after the exchange referred to in subclause (II)) transferred any property (including goodwill) which was not cash to the enterprise or transferred customers or other business opportunities to the enterprise,

"(IV) the person to whom the indebtedness is owed has not at any time (whether before, on, or after the exchange referred to in subclause (II)) held any interest in the enterprise (including an interest as an officer, director, or employee) which was not qualified startup debt,

"(V) any person who (but for subparagraph (A)(i)) would have been an original transferee (as defined in paragraph (4)(C)) participates in the active management (as defined in section 2032A(e)(12)) of the enterprise, and

"(VI) such indebtedness meets the requirements of clauses (v) and (vi) of subparagraph (C).

"(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including such regulations as may be necessary or appropriate to prevent avoidance of the purposes of this subsection through distributions or otherwise."

(d) TREATMENT OF SPOUSE.—Subparagraph (C) of section 2036(c)(3) of the 1986 Code is amended by striking out "An individual" and inserting in lieu thereof "Except as provided in regulations, an individual".

(e) CLARIFICATION OF RETENTION TEST.—Subparagraph (B) of section 2036(c)(1) of the 1986 Code is amended by striking out "while" and all that follows down through the comma at the end of such subparagraph and inserting in lieu thereof "while retaining an interest in the income of, or rights in, the enterprise,".

(f) RIGHT OF RECOVERY.—

(1) IN GENERAL.—Subchapter C of chapter 11 of the 1986 Code is amended by inserting after section 2207A the following new section:

"SEC. 2207B. RIGHT OF RECOVERY WHERE DECEDENT RETAINED INTEREST.

"(a) ESTATE TAX.—

"(1) IN GENERAL.—If any part of the gross estate on which tax has been paid consists of the value of property included in the gross estate by reason of section 2036 (relating to transfers with retained life estate), the decedent's estate shall be entitled to recover from the person receiving the property the amount which bears the same ratio to the total tax under this chapter which has been paid as—

"(A) the value of such property, bears to

"(B) the taxable estate.

"(2) DECEDENT MAY OTHERWISE DIRECT BY WILL.—Paragraph (1) shall not apply if the decedent otherwise directs in a provision of his will (or a revocable trust) specifically referring to this section.

"(b) Gift Tax.—If for any calendar year tax is paid under chapter 12 with respect to any person by reason of property treated as transferred by such person under section 2036(c)(4), such person shall be entitled to recover from the original transferee (as defined in section 2036(c)(4)(C)(ii)) the amount which bears the same ratio to the total tax for such year under chapter 12 as—

"(1) the value of such property for purposes of chapter 12, bears to

"(2) the total amount of the taxable gifts for such year.

"(c) More Than One Recipient.—For purposes of this section, if there is more than 1 person receiving the property, the right of recovery shall be against each such person.

"(d) Penalties and Interest.—In the case of penalties and interest attributable to the additional taxes described in subsections (a) and (b), rules similar to the rules of subsections (a), (b), and (c) shall apply.

"(e) No Right of Recovery Against Charitable Remainder Trusts.—No person shall be entitled to recover any amount by reason of this section from a trust to which section 664 applies (determined without regard to this section)."

(2) Conforming amendment.—The table of sections for subchapter C of chapter 11 of the 1986 Code is amended by inserting after the item relating to section 2207A the following new item:

"Sec. 2207B. Right of recovery where decedent retained interest."

(g) Treatment of Consideraton.—

(1) Paragraph (2) of section 2036(c) of the 1986 Code is amended to read as follows:

"(2) Special rules for consideration furnished by family members.—

"(A) In general.—The exception contained in subsection (a) for a bona fide sale shall not apply to a transfer described in paragraph (1) if such transfer is to a member of the transferor's family.

"(B) Treatment of consideration.—

"(i) In General.—In the case of a transfer described in paragraph (1), if—

"(I) a member of the transferor's family provides consideration in money or money's worth for such member's interest in the enterprise, and

"(II) it is established to the satisfaction of the Secretary that such consideration originally belonged to such member and was never received or acquired (directly or indirectly) by such member from the transferor for less than full and adequate consideration in money or money's worth,

paragraph (1) shall not apply to the applicable fraction of the portion of the enterprise which would (but for this subparagraph) have been included in the gross estate of the transferor by reason of this subsection (determined without regard to any reduction under paragraph (5) for the value of the retained interest).

"(ii) Applicable fraction.—For purposes of clause (i), the applicable fraction is a fraction—

"(I) the numerator of which is the amount of the consideration referred to in clause (i), and

"(II) the denominator of which is the value of the portion referred to in clause (i) immediately after the transfer described in paragraph (1).

"(iii) Section 2043 not to apply.—The provisions of this subparagraph shall be in lieu of any adjustment under section 2043."

(2) Paragraph (5) of section 2036(c) of the 1986 Code is amended to read as follows:

"(5) Adjustments.—Appropriate adjustments shall be made in the amount included in the gross estate by reason of this subsection for the value of the retained interest, extraordinary distributions, and changes in the capital structure of the enterprise after the transfer described in paragraph (1)."

(h) Effective Date.—

(1) In general.—Except as provided in this subsection, any amendment made by this section shall take effect as if included in the provisions of the Revenue Act of 1987 to which such amendment relates.

(2) Subsection (a).—The amendments made by subsection (a) shall apply in cases where the transfer referred to in section 2036(c)(1)(B) of the 1986 Code is on or after June 21, 1988.

(3) Subsection (f).—If an amount is included in the gross estate of a decedent under section 2036 of the 1986 Code other than solely by reason of section 2036(c) of the 1986 Code, the amendments made by subsection (f) shall apply to such amount only with respect to property transferred after the date of the enactment of this Act.

(4) Correction period.—If section 2036(c)(1) of the 1986 Code would (but for this paragraph) apply to any interest arising from a transaction entered into during the period beginning after December 17, 1987, and ending before January 1, 1990, such section shall not apply to such interest if—

(A) during such period, such actions are taken as are necessary to have such section 2036(c)(1) not apply to such transaction (and any such interest), or

(B) the original transferor and his spouse on January 1, 1990 (or, if earlier, the date of the original transferor's death), does not hold any interest in the enterprise involved.

(5) Clarification of effective date.—For purposes of section 10402(b) of the Revenue Act of 1987, with respect to property transferred on or before December 17, 1987—

(A) any failure to exercise a right of conversion,

(B) any failure to pay dividends, and

(c) failures to exercise other rights specified in regulations,

shall not be treated as a subsequent transfer.

Subtitle E—Indian Fishing Rights

SEC. 3041. FEDERAL TAX TREATMENT OF INCOME DERIVED BY INDIANS FROM EXERCISE OF FISHING RIGHTS SECURED BY TREATY, ETC.

(a) General Rules.—Subchapter C of chapter 80 of the 1986 Code (relating to provisions affecting more than one subtitle) is amended by adding at the end thereof the following new section:

"SEC. 7873. INCOME DERIVED BY INDIANS FROM EXERCISE OF FISHING RIGHTS.

"(a) In General.—

"(1) Income and self-employment taxes.—No tax shall be imposed by subtitle A on income derived—

"(A) by a member of an Indian tribe directly or through a qualified Indian entity, or

"(B) by a qualified Indian entity,

from a fishing rights-related activity of such tribe.

"(2) Employment taxes.—No tax shall be imposed by subtitle C on remuneration paid for services performed in a fishing rights-related activity of an Indian tribe by a member of such tribe for another member of such tribe or for a qualified Indian entity.

"(b) Definitions.—For purposes of this section—

"(1) Fishing rights-related activity.—The term 'fishing rights-related activity' means, with respect to an Indian tribe, any activity directly related to harvesting, processing, or transporting fish harvested in the exercise of a recognized fishing right of such tribe or to selling such fish but only if substantially all of such harvesting was performed by members of such tribe.

"(2) Recognized fishing rights.—The term 'recognized fishing rights' means, with respect to an Indian tribe, fishing rights secured as of March 17, 1988, by a treaty between such tribe and the United States or by an Executive order or an Act of Congress.

"(3) Qualified Indian entity.—

"(A) In general.—The term 'qualified Indian entity' means, with respect to an Indian tribe, any entity if—

"(i) such entity is engaged in a fishing rights-related activity of such tribe,

"(ii) all of the equity interests in the entity are owned by qualified Indian tribes, members of such tribes, or their spouses,

"(iii) except as provided in regulations, in the case of an entity which engages to any extent in any substantial processing or transporting of fish, 90 percent or more of the annual gross receipts of the entity is derived from fishing rights-related activities of one or more qualified Indian tribes each of which owns at least 10 percent of the equity interests in the entity, and

"(iv) substantially all of the management functions of the entity are performed by members of qualified Indian tribes.

For purposes of clause (iii), equity interests owned by a member (or the spouse of a member) of a qualified Indian tribe shall be treated as owned by the tribe.

"(B) Qualified Indian tribe.—For purposes of subparagraph (A), an Indian tribe is a qualified Indian tribe with respect to an entity if such entity is engaged in a fishing rights-related activity of such tribe.

"(c) Special Rules.—

"(1) Distributions from qualified Indian entity.—For purposes of this section, any distribution with respect to an equity interest in a qualified Indian entity of an Indian tribe to a member of such tribe shall be treated as derived by such member from a fishing rights-related activity of such tribe to the extent such distribution is attributable to income derived by such entity from a fishing rights-related activity of such tribe.

"(2) De minimis unrelated amounts may be excluded.—If, but for this paragraph, all but a de minimis amount—

"(A) derived by a qualified Indian tribal entity, or by an individual through such an entity, is entitled to the benefits of paragraph (1) of subsection (a), or

"(B) paid to an individual for services is entitled to the benefits of paragraph (2) of subsection (a),

then the entire amount shall be entitled to the benefits of such paragraph."

(b) Clerical Amendment.—The table of sections for such subchapter C is amended by adding at the end thereof the following new item:

"Sec. 7873. Income derived by Indians from exercise of fishing rights."

SEC. 3042. STATE TAX TREATMENT OF INCOME DERIVED BY INDIANS FROM EXERCISE OF FISHING RIGHTS SECURED BY TREATY, ETC.

Section 2079 of the Revised Statutes (25 U.S.C. 71) is amended by adding at the end thereof the following new sentence: "Such treaties, and any Executive orders and Acts of Congress under which the rights of any Indian tribe to fish are secured, shall be construed to prohibit (in addition to any other prohibition) the imposition under any law of a State or political subdivision thereof of any tax on any income derived from the exercise of rights to fish secured by such treaty, Executive order, or Act of Congress if section 7873 of the Internal Revenue Code of 1986 does not permit a like Federal tax to be imposed on such income."

SEC. 3043. CONFORMING AMENDMENTS RELATING TO COVERAGE UNDER OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM.

(a) Exclusion From Wages of Income Derived by Indians from Exercise of Fishing Rights.—Section 209 of the Social Security Act (42 U.S.C. 409) is amended—

(1) in subsection (r), by striking out "or" at the end;

(2) in subsection (s), by striking out the period and inserting in lieu thereof "; or"; and

(3) by inserting after subsection (s) the following new subsection:

"(t) Remuneration consisting of income excluded from taxation under section 7873 of the Internal Revenue Code of 1986 (relating to income derived by Indians from exercise of fishing rights)."

(b) Exclusion From Net Earnings From Self-Employment of Income Derived by Indians From Exercise of Fishing Rights.—Section 211(a) of such Act (42 U.S.C. 411(a)) is amended—

(1) in paragraph (12), by striking out "and" at the end;

(2) in paragraph (13), by striking out the period and inserting in lieu thereof "; and"; and

(3) by inserting after paragraph (13) the following new paragraph:

"(14) There shall be excluded income excluded from taxation under section 7873 of the Internal Revenue Code of 1986 (relating to income derived by Indians from exercise of fishing rights)."

(c) Cross-References in SECA and FICA to Applicable Indian Fishing Rights Provisions.—

(1) SECA.—Subsection (a) of section 1402 of the 1986 Code (relating to net earnings from self-employment) is amended by striking out "and" at the end of paragraph (13), by striking out the period at the end of paragraph (14) and inserting in lieu thereof "; and", and by inserting after paragraph (14) the following new paragraph:

"(15) in the case of a member of an Indian tribe, the special rules of section 7873 (relating to income derived by Indians from exercise of fishing rights) shall apply."

(2) FICA.—Subsection (a) of section 3121 of the 1986 Code (relating to wages) is amended by striking out "or" at the end of paragraph (19), by striking out the period at the end of paragraph (20) and inserting in lieu thereof "; or", and by inserting after paragraph (20) the following new paragraph:

"(21) in the case of a member of an Indian tribe, any remuneration on which no tax is imposed by this chapter by reason of section 7873 (relating to income derived by Indians from exercise of fishing rights)."

SEC. 3044. EFFECTIVE DATE; NO INFERENCE CREATED.

(a) Effective Date.—The amendments made by this subtitle shall apply to all periods beginning before, on, or after the date of the enactment of this Act.

(b) No Inference Created.—Nothing in the amendments made by this subtitle shall create any inference as to the existence or non-existence or scope of any exemption from tax for income derived from fishing rights secured as of March 17, 1988, by any treaty, law, or Executive Order.

TITLE IV—EXTENSIONS AND MODIFICATIONS OF EXPIRING TAX PROVISIONS

SEC. 4001. EXTENSION AND MODIFICATION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) Extension.—Subsection (d) of section 127 of the 1986 Code (relating to educational assistance programs) is amended by striking out "December 31, 1987" and inserting in lieu thereof "December 31, 1988".

(b) Restrictions Relating to Education at the Graduate Level.—

(1) In general.—Paragraph (1) of section 127(c) of the 1986 Code is amended by adding at the end thereof the following new sentence: "The term 'educational assistance' also does not include any payment for, or the provision of any benefits with respect to, any graduate level course of a kind normally taken by an individual pursuing a program leading to a law, business, medical, or other advanced academic or professional degree."

(2) Special rule for teaching and research assistants.—Subsection (d) of section 117 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) Special rules for teaching and research assistants.—In the case of the education of an individual who is a graduate student at an educational organization described in section 170(b)(1)(A)(ii) and who is engaged in teaching or research activities for such organization, paragraph (2) shall be applied as if it did not contain the phrase '(below the graduate level)'."

(c) Effective Dates.—The amendments made by this section shall apply to taxable years beginning after December 31, 1987.

SEC. 4002. EXTENSION AND MODIFICATION OF EXCLUSION OF AMOUNTS RECEIVED UNDER GROUP LEGAL SERVICES PLANS.

(a) Extension.—Section 120(e) of the 1986 Code is amended by striking out "1987" and inserting in lieu thereof "1988".

(b) Limitation on Value of Insurance Protection Which May Be Excluded.—

(1) In general.—Section 120(a) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"No exclusion shall be allowed under this section with respect to an individual for any taxable year to the extent that the value of insurance (whether through an insurer or self-insurance) against legal costs incurred by the individual (or his spouse or dependents) provided under a qualified group legal services plan exceeds $70."

(2) Conforming amendment.—Subparagraph (A) of section 125(e)(2) of the 1986 Code is amended by inserting "or any insurance under a qualified group legal services plan the value of which is so includable only because it exceeds the limitation of section 120(a)" after "section 79".

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 1987.

SEC. 4003. CARRYOVER OF POST-1987 LOW-INCOME HOUSING CREDIT DOLLAR AMOUNTS PERMITTED.

(a) In General.—Section 42(h)(1) of the 1986 Code (relating to housing credit dollar amount may not be carried over, etc.), as amended by section 1002(l)(14)(A) of this Act, is amended by adding at the end thereof the following new subparagraph:

"(E) Exception where 10 percent of cost incurred.—

"(i) In general.—An allocation meets the requirements of this subparagraph if such allocation is made with respect to a qualified building which is placed in service not later than the close of the second calendar year following the calendar year in which the allocation is made.

"(ii) Qualified building.—For purposes of clause (i), the term 'qualified building' means any building which is part of a project if the taxpayer's basis in such project (as of the close of the calendar year in which the allocation is made) is more than 10 percent of the taxpayer's reasonably expected basis in such project (as of the close of the second calendar year referred to in clause (i)). Such term does not include any existing building unless a credit is allowable under subsection (e) for rehabilitation expenditures paid or incurred by the taxpayer with respect to such building for a taxable year ending during the second calendar year referred to in clause (i) or the prior taxable year."

(b) Conforming Amendments.—

(1) Section 42(h)(1)(B) of the 1986 Code, as amended by section 1002 of this Act, is amended by striking out "(C) or (D)" and inserting in lieu thereof "(C), (D), or (E)".

(2) Paragraph (3) of section 501(c) of the Reform Act is hereby repealed.

(3) Subsection (n) of section 42 of the 1986 Code, as amended by title I of this Act, is amended to read as follows:

"(n) Termination.—The State housing credit ceiling under subsection (h) shall be zero for any calendar year after 1989 and subsection (h)(4) shall not apply to any building placed in service after 1989."

(c) Effective Date.—The amendments made by this section shall apply to amounts allocated in calendar years after 1987.

SEC. 4004. SIMPLIFICATION OF RULE WHERE PARTNERSHIP HOLDS QUALIFIED LOW-INCOME BUILDING.

(a) In General.—Subparagraph (B) of section 42(j)(5) of the 1986 Code, as amended by title I of this Act, is amended to read as follows:

"(B) Partnerships to which paragraph applies.—This paragraph shall apply to any partnership which has 35 or more partners unless the partnership elects not to have this paragraph apply."

(b) Effective Dates.—

(1) In general.—The amendment made by subsection (a) shall take effect as if included in the amendments made by section 252 of the Reform Act.

(2) Period for election.—The period for electing not to have section 42(j)(5) of the 1986 Code apply to any partnership shall not expire before the date which is 6 months after the date of the enactment of this Act.

SEC. 4005. PROVISIONS RELATING TO MORTGAGE REVENUE BONDS AND MORTGAGE CREDIT CERTIFICATES.

(a) Extension of Authority To Issue Bonds and Certificates.—

(1) Subparagraph (B) of section 143(a)(1) of the 1986 Code (relating to termination) is amended by striking out "December 31, 1988" each place it appears and inserting in lieu thereof "December 31, 1989".

(2) Subsection (h) of section 25 of the 1986 Code (relating to credit for interest on certain home mortgages), as amended by section 1013(a)(26) of this Act, is amended by striking out "1988" and inserting in lieu thereof "1989".

(b) Calculation of Income Limits for Qualified Mortgage Bond Financed Homes in High Housing Cost Areas.—Section 143(f) of the 1986 Code (relating to income requirements) is amended by adding at the end thereof the following new paragraph:

"(5) ADJUSTMENT OF INCOME REQUIREMENT BASED ON RELATION OF HIGH HOUSING COSTS TO INCOME.—

"(A) IN GENERAL.—If the residence (for which financing is provided under the issue) is located in a high housing cost area and the limitation determined under this paragraph is greater than the limitation otherwise applicable under paragraph (1), there shall be substituted for the income limitation in paragraph (1), a limitation equal to the percentage determined under subparagraph (B) of the area median gross income for such area.

"(B) INCOME REQUIREMENTS FOR RESIDENCES IN HIGH HOUSING COST AREA.—The percentage determined under this subparagraph for a residence located in a high housing cost area is the percentage (not greater than 140 percent) equal to the product of—

"(I) 115 percent, and

"(II) the amount by which the housing cost/income ratio for such area exceeds 0.2.

"(C) HIGH HOUSING COST AREAS.—For purposes of this paragraph, the term 'high housing cost area' means any statistical area for which the housing cost/income ratio is greater than 1.2.

"(D) HOUSING COST/INCOME RATIO.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'housing cost/income ratio' means, with respect to any statistical area, the number determined by dividing—

"(I) the applicable housing price ratio for such area, by

"(II) the ratio which the area median gross income for such area bears to the median gross income for the United States.

"(ii) APPLICABLE HOUSING PRICE RATIO.—For purposes of clause (i), the applicable housing price ratio for any area is the new housing price ratio or the existing housing price ratio, whichever results in the housing cost/income ratio being closer to 1.

"(iii) NEW HOUSING PRICE RATIO.—The new housing price ratio for any area is the ratio which—

"(I) the average area purchase price (as defined in subsection (e)(2)) for residences described in subsection (e)(3)(A) which are located in such area bears to

"(II) the average purchase price (determined in accordance with the principles of subsection (e)(2)) for residences so described which are located in the United States.

"(iv) EXISTING HOUSING PRICE RATIO.—The existing housing price ratio for any area is the ratio determined in accordance with clause (iii) but with respect to residences described in subsection (e)(3)(B)."

(c) DETERMINATIONS OF FAMILY INCOME TO BE BASED ON FAMILY SIZE.—Subsection (f) of section 143 of the 1986 Code (relating to income requirements) is further amended by adding at the end thereof the following new paragraph:

"(6) ADJUSTMENT TO INCOME REQUIREMENTS BASED ON FAMILY SIZE.—In the case of a mortgagor having a family of fewer than 3 individuals, the preceding provisions of this subsection shall be applied by substituting—

"(A) '100 percent' for '115 percent' each place it appears, and

"(B) '120 percent' for '140 percent' each place it appears."

(d) QUALIFIED MORTGAGE BONDS SUBJECT TO ARBITRAGE REBATE RULES APPLICABLE TO OTHER TAX-EXEMPT BONDS.—

(1) Paragraph (1) of section 143(g) of the 1986 Code (relating to requirements related to arbitrage) is amended—

(A) by striking out "paragraphs (2) and (3) of this subsection" and inserting in lieu thereof "paragraph (2) of this subsection and, in the case of an issue described in subsection (b)(1), such issue also meets the requirements of paragraph (3) of this subsection", and

(B) by striking out "(other than subsection (f) thereof)".

(2) Paragraph (1) of section 148(f) of the 1986 Code is amended by striking out "qualified mortgage bond or".

(e) LOANS PROVIDED THROUGH QUALIFIED MORTGAGE ISSUE MUST ORIGINATE WITHIN 42 MONTHS OF DATE OF ISSUE.—Paragraph (2) of section 143(a) of the 1986 Code (defining qualified mortgage issue) is amended by adding at the end thereof the following new subparagraph:

"(D) PROCEEDS MUST BE USED WITHIN 42 MONTHS OF DATE OF ISSUANCE.—

"(i) IN GENERAL.—Except as otherwise provided in this subparagraph, an issue shall not meet the requirement of subparagraph (A)(i) unless—

"(I) all proceeds of the issue required to be used to finance owner-occupied residences are so used within the 42-month period beginning on the date of issuance of the issue (or, in the case of a refunding bond, within the 42-month period beginning on the date of issuance of the original bond) or, to the extent not so used within such period, are used within such period to redeem bonds which are part of such issue, and

"(II) no portion of the proceeds of the issue are used to make or finance any loan (other than a loan which is a nonpurpose investment within the meaning of section 148(f)(6)(A)) after the close of such period.

"(ii) EXCEPTION.—Clause (i) (and clause (iv) of subparagraph (A)) shall not be construed to require amounts of less than $250,000 to be used to redeem bonds. The Secretary may by regulation treat related issues as 1 issue for purposes of the preceding sentence."

(f) REPAYMENTS OF FINANCING PROVIDED BY A QUALIFIED MORTGAGE ISSUE MUST BE USED TO REDEEM BONDS.—Subparagraph (A) of section 143(a)(2) of the 1986 Code is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and by adding at the end thereof the following:

"(iv) except as provided in subparagraph (D)(ii), repayments of principal on financing provided by the issue are used not later than the close of the 1st semiannual period beginning after the date the prepayment (or complete repayment) is received to redeem bonds which are part of such issue.

Clause (iv) shall not apply to amounts received within 10 years after the date of issuance of the issue (or, in the case of refunding bond, the date of issuance of the original bond)."

(g) RECAPTURE OF PORTION OF FEDERAL SUBSIDY FROM USE OF MORTGAGE BONDS AND MORTGAGE CREDIT CERTIFICATES.—

(1) IN GENERAL.—Section 143 of the 1986 Code (relating to mortgage revenue bonds) is amended by adding at the end thereof the following new subsection:

"(m) RECAPTURE OF PORTION OF FEDERAL SUBSIDY FROM USE OF QUALIFIED MORTGAGE BONDS AND MORTGAGE CREDIT CERTIFICATES.—

"(1) IN GENERAL.—If, during the taxable year, any taxpayer disposes of an interest in a residence with respect to which there is or was any federally-subsidized indebtedness for the payment of which the taxpayer was liable in whole or part, then the taxpayer's tax imposed by this chapter for such taxable year shall be increased by the recapture amount with respect to such indebtedness.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to—

"(A) any disposition by reason of death, and

"(B) any disposition which is more than 10 years after the testing date.

"(3) FEDERALLY-SUBSIDIZED INDEBTEDNESS.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'federally-subsidized indebtedness' means any indebtedness if—

"(i) financing for the indebtedness was provided in whole or part from the proceeds of any tax-exempt qualified mortgage bond, or

"(ii) any credit was allowed under section 25 (relating to interest on certain home mortgages) to the taxpayer for interest paid or incurred on such indebtedness.

"(B) EXCEPTION FOR HOME IMPROVEMENT LOANS.—Such term shall not include any indebtedness to the extent such indebtedness is federally-subsidized indebtedness solely by reason of being a qualified home improvement loan (as defined in subsection (k)(4)).

"(4) RECAPTURE AMOUNT.—For purposes of this subsection—

"(A) IN GENERAL.—The recapture amount with respect to any indebtedness is the amount equal to the product of—

"(i) the federally-subsidized amount with respect to the indebtedness, and

"(ii) the holding period percentage.

"(B) FEDERALLY-SUBSIDIZED AMOUNT.—The federally-subsidized amount with respect to any indebtedness is the amount equal to 6.25 percent of the highest principal amount of the indebtedness for which the taxpayer was liable.

"(C) HOLDING PERIOD PERCENTAGE.—

"(i) DISPOSITIONS DURING 1ST 5 YEARS.—If the disposition of the taxpayer's interest in the residence occurs during the 5-year period beginning on the testing date, the holding period percentage is the percentage determined by dividing the number of full months during which the requirements of subparagraph (D) were met by 60.

"(ii) DISPOSITIONS DURING 2D 5 YEARS.—If the disposition of the taxpayer's interest in the residence occurs during the 5-year period following the 5-year period described in clause (i), the holding period percentage is the percentage determined by dividing—

"(I) the excess of 120 over the number of full months during which such requirements were met by

"(II) 60.

"(iii) RETIREMENTS OF INDEBTEDNESS.—If the federally-subsidized indebtedness is completely repaid during any month of the 10-year period beginning on the testing date, the holding period percentage for succeeding months shall be determined by reducing ratably over the remainder of such period (or, if lesser, 5 years) the holding period percentage which would have been determined under this subparagraph had the taxpayer disposed of his interest in the residence on the date of the repayment.

"(D) TESTING DATE.—The term 'testing date' means the earliest date on which all of the following requirements are met:

"(i) The indebtedness is federally-subsidized indebtedness.

"(ii) The taxpayer is liable in whole or part for payment of the indebtedness.

"(5) REDUCTION OF RECAPTURE AMOUNT IF TAXPAYER MEETS CERTAIN INCOME LIMITATIONS.—

"(A) IN GENERAL.—The recapture amount which would (but for this paragraph) apply with respect to any disposition during a taxable year shall be reduced (but not below *zero) by 2 percent of such amount for each $100 by which adjusted qualifying income exceeds the modified adjusted gross income of the taxpayer for such year.*

"(B) ADJUSTED QUALIFYING INCOME.—For purposes of this paragraph, the term 'adjusted qualifying income' means the amount equal to the sum of—

"(i) $5,000, plus

"(ii) the product of—

"(I) the highest family income which (as of the date the financing was provided) would have met the requirement of subsection (f) with respect to the residence, and

"(II) the percentage equal to the sum of 100 percent plus 5 percent for each full year during the period beginning on such date and ending on the date of the disposition.

For purposes of clause (ii)(I), highest family income shall be determined without regard to subsection (f)(3)(A) and on the basis of the number of members of the taxpayer's family as of the date of the disposition.

"(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'modified adjusted gross income' means adjusted gross income—

"(i) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is excluded from gross income under section 103, and

"(ii) decreased by the amount of gain (if any) included in gross income of the taxpayer by reason of the disposition to which this subsection applies.

"(6) LIMITATION ON RECAPTURE AMOUNT BASED ON GAIN REALIZED.—

"(A) IN GENERAL.—In no event shall the recapture amount of the taxpayer with respect to any indebtedness exceed 50 percent of the gain (if any) on the disposition of the taxpayer's interest in the residence. For purposes of the preceding sentence, gain shall be taken into account whether or not recognized, and the adjusted basis of the taxpayer's interest in the residence shall be determined without regard to sections 1033(b) and 1034(e) for purposes of determining gain.

"(B) DISPOSITIONS OTHER THAN SALES, EXCHANGES, AND INVOLUNTARY CONVERSIONS.—In the case of a disposition other than a sale, exchange, or involuntary conversion, gain shall be determined as if the interest had been sold for its fair market value.

"(C) INVOLUNTARY CONVERSIONS RESULTING FROM CASUALTIES.—In the case of property which (as a result of its destruction in whole or in part by fire, storm, or other casualty) is compulsorily or involuntarily converted, paragraph (1) shall not apply to such conversion if the taxpayer purchases (during the period specified in section 1033(a)(2)(B)) property for use as his principal residence on the site of the converted property. For purposes of subparagraph (A), the adjusted basis of the taxpayer in the residence shall not be adjusted for any gain or loss on a conversion to which this subparagraph applies.

"(7) ISSUER TO INFORM MORTGAGOR OF FEDERALLY-SUBSIDIZED AMOUNT AND FAMILY INCOME LIMITS.—The issuer of the issue which provided the federally-subsidized indebtedness to the mortgagor shall—

"(A) at the time of settlement, provide a written statement informing the mortgagor of the potential recapture under this subsection, and

"(B) not later than 90 days after the date such indebtedness is provided, provide a written statement to the mortgagor specifying—

"(i) the federally-subsidized amount with respect to such indebtedness, and

"(ii) the amounts described in paragraph (5)(B)(ii) for each category of family size for each year of the 10-year period beginning on the date the financing was provided.

"(8) SPECIAL RULES.—

"(A) NO BASIS ADJUSTMENT.—No adjustment shall be made to the basis of any property for the increase in tax under this subsection.

"(B) SPECIAL RULE WHERE 2 OR MORE PERSONS HOLD INTERESTS IN RESIDENCE.—Except as provided in subparagraph (C) and in regulations prescribed by the Secretary, if 2 or more persons hold interests in any residence and are jointly liable for the federally-subsidized indebtedness, the recapture amount shall be determined separately with respect to their respective interests in the residence.

"(C) TRANSFERS TO SPOUSES AND FORMER SPOUSES.—Paragraph (1) shall not apply to any transfer on which no gain or loss is recognized under section 1041. In any such case, the transferee shall be treated under this subsection in the same manner as the transferor would have been treated had such transfer not occurred.

"(D) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this subsection, including regulations dealing with dispositions of partial interests in a residence."

(2) ISSUER INFORMATION REQUIREMENT.—

(A) Subparagraph (A) of section 143(a)(2) of the 1986 Code is amended by striking out "and (i)" and inserting in lieu thereof "(i), and (m)(7)".

(B) Subparagraph (C) of section 143(a)(2) of the 1986 Code is amended by striking out "and (h)" and inserting in lieu thereof ", (h), and (m)(7)".

(3) BROKER REPORTING.—Subsection (e) of section 6045 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) WHETHER SELLER'S FINANCING WAS FEDERALLY-SUBSIDIZED.—In the case of a real estate transaction involving a residence, the real estate broker shall specify on the return under subsection (a) and the statement under subsection (b) whether or not the financing (if any) of the seller was federally-subsidized indebtedness (as defined in section 143(m)(3))."

(4) NO CREDITS AGAINST TAX.—Paragraph (2) of section 26(b) of the 1986 Code (relating to limitation based on tax liability; definition of tax liability), as amended by title I of this Act, is amended by striking out "and" at the end of subparagraph (K), by striking out the period at the end of subparagraph (L) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(M) section 143(m) (relating to recapture of portion of federal subsidy from use of mortgage bonds and mortgage credit certificates)."

(5) RECAPTURE TAX NOT INCLUDED IN ESTIMATED TAXES.—Paragraph (1) of section 6654(f) of the 1986 Code (relating to failure by individual to pay estimated income tax) is amended by inserting "(other than any increase in such tax by reason of section 143(m))" after "chapter 1".

(6) AUTHORITY TO CHANGE PREPAYMENT ASSUMPTIONS FOR ARBITRAGE RESTRICTIONS.—Clause (iv) of section 143(g)(2)(B) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"The Secretary may by regulation adjust the mortgage prepayment rate otherwise used in determining the effective rate of interest to the extent the Secretary determines that such an adjustment is appropriate by reason of the impact of subsection (m)."

(7) CROSS REFERENCE.—Section 25 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(j) RECAPTURE OF PORTION OF FEDERAL SUBSIDY FROM USE OF MORTGAGE CREDIT CERTIFICATES.—

"For provisions increasing the tax imposed by this chapter to recapture a portion of the Federal subsidy from the use of mortgage credit certificates, see section 143(m)."

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to bonds issued, and nonissued bond amounts elected, after December 31, 1988.

(2) SPECIAL RULES RELATING TO CERTAIN REQUIREMENTS AND REFUNDING BONDS.—In the case of a bond issued to refund (or which is part of a series of bonds issued to refund) a bond issued before January 1, 1989—

(A) the amendments made by subsections (b) and (c) shall apply to financing provided after the date of issuance of the refunding issue, and

(B) the amendment made by subsection (f) shall apply to payments (including on loans made before such date of issuance) received on or after such date of issuance.

(3) SUBSECTION (g).—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by subsection (g) shall apply to financing provided, and mortgage credit certificates issued, after December 31, 1990.

(B) EXCEPTION.—The amendments made by subsection (g) shall not apply to financing provided pursuant to a binding contract (entered into before June 23, 1988) with a homebuilder, lender, or mortgagor if the bonds (the proceeds of which are used to provide such financing) are issued—

(i) before June 23, 1988, or

(ii) before August 1, 1988, pursuant to a written application (made before July 1, 1988) for State bond volume authority.

(i) STUDY OF RECAPTURE PROVISIONS.—The Comptroller General of the United States shall conduct a study of section 143(m) of the 1986 Code (as added by this section) and of alternatives to accomplish the purposes of such section. A report of such study shall be submitted not later than July 1, 1990, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SEC. 4006. EXTENSION OF CERTAIN BUSINESS ENERGY CREDITS.

Each of the following provisions in the table under section 46(b)(2)(A) of the 1986 Code are amended by striking out "December 31, 1988" and inserting in lieu thereof "December 31, 1989":

(1) The item relating to the 10 percent credit in clause (viii).

(2) The item relating to the 10 percent credit in clause (ix).

(3) Clause (x).

SEC. 4007. EXTENSION OF CREDIT FOR INCREASING RESEARCH ACTIVITIES.

(a) EXTENSION.—Subsection (h) of section 41 of the 1986 Code (relating to credit for increasing research activities) is amended—

(1) by striking out "December 31, 1988" each place it appears and inserting in lieu thereof "December 31, 1989", and

(2) by striking out "January 1, 1989" each place it appears and inserting in lieu thereof "January 1, 1990".

(b) GAO STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study of

the credit provided by section 41 of the 1986 Code.

(2) REPORT.—The report of the study under paragraph (1) shall be submitted not later than December 31, 1989, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SEC. 4008. DENIAL OF DEDUCTION FOR 50 PERCENT AMOUNTS ALLOWED AS A RESEARCH CREDIT.

(a) IN GENERAL.—Section 280C of the 1986 Code (relating to certain expenses for which credits are allowable) is amended by adding at the end thereof the following new subsection:

"(c) CREDIT FOR INCREASING RESEARCH ACTIVITIES.—

"(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified research expenses (as defined in section 41(b)) or basic research expenses (as defined in section 41(e)(2)) otherwise allowable as a deduction for the taxable year which is equal to 50 percent of the amount of the credit determined for such taxable year under section 41(a).

"(2) SIMILAR RULE WHERE TAXPAYER CAPITALIZES RATHER THAN DEDUCTS EXPENSES.—If—

"(A) 50 percent of the amount of the credit determined for the taxable year under section 41(a)(1), exceeds

"(B) the amount allowable as a deduction for such taxable year for qualified research expenses or basic research expenses (determined without regard to paragraph (1)),

the amount chargeable to capital account for the taxable year for such expenses shall be reduced by the amount of such excess.

"(3) CONTROLLED GROUPS.—Paragraph (3) of subsection (b) shall apply for purposes of this subsection."

(b) RESEARCH CREDIT TO BE ELECTIVE.—

(1) IN GENERAL.—Section 41 of the 1986 Code is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) ELECTION TO HAVE RESEARCH CREDIT NOT APPLY.—

"(1) IN GENERAL.—A taxpayer may elect to have this section not apply for any taxable year.

"(2) TIME FOR MAKING ELECTION.—An election under paragraph (1) for any taxable year may be made (or revoked) at any time before the expiration of the 3-year period beginning on the last day prescribed by law for filing the return for such taxable year (determined without regard to extensions).

"(3) MANNER OF MAKING ELECTION.—An election under paragraph (1) (or revocation thereof) shall be made in such manner as the Secretary may by regulations prescribe."

(2) DEDUCTION FOR UNUSED RESEARCH CREDIT.—

(A) Subsection (c) of section 196 of the 1986 Code is amended by striking out "and" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(4) the research credit determined under section 41(a) for taxable years beginning after December 31, 1988."

(B) Subsection (d) of section 196 of the 1986 Code is amended to read as follows:

"(d) SPECIAL RULE FOR INVESTMENT TAX CREDIT AND RESEARCH CREDIT.—Subsection (a) shall be applied by substituting an amount equal to 50 percent of for an amount equal to in the case of—

"(1) the investment credit determined under section 46(a) (other than a credit to which section 48(q)(3) applies), and

"(2) the research credit determined under section 41(a)."

(c) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 28(b) of the 1986 Code is amended by striking out "1988" and inserting in lieu thereof "1989".

(2) Subsection (n) of section 6501 of the 1986 Code is amended by striking out "or 51(j)" and inserting in lieu thereof ", 41(h), or 51(j)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1988.

SEC. 4009. ALLOCATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) GENERAL RULE.—For purposes of sections 861(b), 862(b), and 863(b) of the 1986 Code, qualified research and experimental expenditures shall be allocated and apportioned as follows:

(1) Any qualified research and experimental expenditures expended solely to meet legal requirements imposed by a political entity with respect to the improvement or marketing of specific products or processes for purposes not reasonably expected to generate gross income (beyond de minimis amounts) outside the jurisdiction of the political entity shall be allocated only to gross income from sources within such jurisdiction.

(2) In the case of any qualified research and experimental expenditures (not allocated under paragraph (1)) to the extent—

(A) that such expenditures are attributable to activities conducted in the United States, 64 percent of such expenditures shall be allocated and apportioned to income from sources within the United States and deducted from such income in determining the amount of taxable income from sources within the United States, and

(B) that such expenditures are attributable to activities conducted outside the United States, 64 percent of such expenditures shall be allocated and apportioned to income from sources outside the United States and deducted from such income in determining the amount of taxable income from sources outside the United States.

(3) The remaining portion of qualified research and experimental expenditures (not allocated under paragraphs (1) and (2)) shall be apportioned, at the annual election of the taxpayer, on the basis of gross sales or gross income, except that, if the taxpayer elects to apportion on the basis of gross income, the amount apportioned to income from sources outside the United States shall be at least 30 percent of the amount which would be so apportioned on the basis of gross sales.

(b) QUALIFIED RESEARCH AND EXPERIMENTAL EXPENDITURES.—For purposes of this section, the term "qualified research and experimental expenditures" means amounts which are research and experimental expenditures within the meaning of section 174 of the 1986 Code. For purposes of this subsection, rules similar to the rules of subsection (c) of section 174 of the 1986 Code shall apply.

(c) SPECIAL RULES FOR EXPENDITURES ATTRIBUTABLE TO ACTIVITIES CONDUCTED IN SPACE, ETC.—

(1) IN GENERAL.—Any qualified research and experimental expenditures described in paragraph (2)—

(A) if incurred by a United States person, shall be allocated and apportioned under this section in the same manner as if they were attributable to activities conducted in the United States, and

(B) if incurred by a person other than a United States person, shall be allocated and apportioned under this section in the same manner as if they were attributable to activities conducted outside the United States.

(2) DESCRIPTION OF EXPENDITURES.—For purposes of paragraph (1), qualified research and experimental expenditures are described in this paragraph if such expenditures are attributable to activities conducted—

(A) in space,

(B) on or under water not within the jurisdiction (as recognized by the United States) of a foreign country, possession of the United States, or the United States, or

(C) in Antarctica.

(d) AFFILIATED GROUP.—

(1) Except as provided in paragraph (2), the allocation and apportionment required by subsection (a) shall be determined as if all members of the affiliated group (as defined in subsection (e)(5) of section 864 of the 1986 Code) were a single corporation.

(2) For purposes of the allocation and apportionment required by subsection (a)—

(A) sales and gross income from products produced in whole or in part in a possession by an electing corporation (within the meaning of section 936(h)(5)(E) of the 1986 Code); and

(B) dividends from an electing corporation,

shall not be taken into account, except that this paragraph shall not apply to sales of (and gross income and dividends attributable to sales of) products with respect to which an election under section 936(h)(5)(F) of the 1986 Code is not in effect.

(3) The qualified research and experimental expenditures taken into account for purposes of subsection (a) shall be adjusted to reflect the amount of such expenditures included in computing the cost-sharing amount (determined under section 936(h)(5)(C)(i)(I) of the 1986 Code).

(4) The Secretary of the Treasury or his delegate may prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations providing for the source of gross income and the allocation and apportionment of deductions to take into account the adjustments required by paragraph (3).

(5) Paragraph (6) of section 864(e) of the 1986 Code shall not apply to qualified research and experimental expenditures.

(e) YEARS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—Except as provided in this subsection, this section shall apply to the taxpayer's 1st taxable year beginning after August 1, 1987.

(2) REDUCTION IN AMOUNTS TO WHICH SECTION APPLIES.—Notwithstanding paragraph (1), this section shall only apply to that portion of the qualified research and experimental expenditures for the taxable year referred to in paragraph (1) which bears the same ratio to the total amount of such expenditures as—

(A) the lesser of 4 months or the number of months in the taxable year, bears to

(B) the number of months in the taxable year.

SEC. 4010. EXTENSION AND MODIFICATION OF TARGETED JOBS CREDIT.

(a) 2-YEAR EXTENSION.—Paragraph (4) of section 51(c) of the 1986 Code (relating to termination) is amended by striking out "December 31, 1988" and inserting in lieu thereof "December 31, 1989".

(b) EXTENSION OF AUTHORIZATION.—Paragraph (2) of section 261(f) of the Economic

Recovery Tax Act of 1981 is amended by striking out "and 1988" and inserting in lieu thereof "1988, and 1989".

(c) Economically Disadvantaged Youth Status Restricted to Individuals Under Age 23.—

(1) In general.—Subparagraph (B) of section 51(d)(3) of the 1986 Code is amended by striking out "age 25" and inserting in lieu thereof "age 23".

(2) Effective date.—The amendment made by paragraph (1) shall apply to individuals who begin work for the employer after December 31, 1988.

(d) Reduction in Percentage of Credit for Summer Youth Employees.—

(1) In general.—Subparagraph (B) of section 51(d)(12) of the 1986 Code is amended by striking out clause (i) and by redesignating clauses (ii) and (iii) as clauses (i) and (ii).

(2) Effective date.—The amendment made by paragraph (1) shall apply to individuals who begin work for the employer after December 31, 1988.

SEC. 4011. TREATMENT OF PUBLICLY OFFERED REGULATED INVESTMENT COMPANIES UNDER 2-PERCENT FLOOR.

(a) In General.—Subsection (c) of section 67 of the 1986 Code, as amended by section 1001(f) of this Act, is amended to read as follows:

"(c) Disallowance of Indirect Deduction Through Pass-Thru Entity.—

"(1) In general.—The Secretary shall prescribe regulations which prohibit the indirect deduction through pass-thru entities of amounts which are not allowable as a deduction if paid or incurred directly by an individual and which contain such reporting requirements as may be necessary to carry out the purposes of this subsection.

"(2) Treatment of publicly offered regulated investment companies.—

"(A) In general.—Paragraph (1) shall not apply with respect to any publicly offered regulated investment company.

"(B) Publicly offered regulated investment companies.—For purposes of this subsection—

"(i) In general.—The term 'publicly offered regulated investment company' means a regulated investment company the shares of which are—

"(I) continuously offered pursuant to a public offering (within the meaning of section 4 of the Securities Act of 1933, as amended (15 U.S.C. 77a to 77aa)),

"(II) regularly traded on an established securities market, or

"(III) held by or for no fewer than 500 persons at all times during the taxable year.

"(ii) Secretary may reduce 500 person requirement.—The Secretary may by regulation decrease the minimum shareholder requirement of clause (i)(III) in the case of regulated investment companies which experience a loss of shareholders through net redemptions of their shares.

"(3) Treatment of certain other entities.—Paragraph (1) shall not apply—

"(A) with respect to cooperatives and real estate investment trusts, and

"(B) except as provided in regulations, with respect to estates and trusts.

"(4) Termination.—This subsection shall not apply to any taxable year beginning after December 31, 1989."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1987.

SEC. 4012. EXTENSION AND MODIFICATIONS OF PROVISIONS RELATING TO FINANCIAL INSTITUTIONS.

(a) 1-Year Extension.—

(1) Reorganizations.—Paragraph (1) of section 904(c) of the Reform Act is amended by striking out "December 31, 1988" and inserting in lieu thereof "December 31, 1989".

(2) FSLIC financial assistance.—Paragraph (2)(A) of section 904(c) of the Reform Act is amended by striking out "December 31, 1988" and inserting in lieu thereof "December 31, 1989".

(3) Net operating loss rules.—The last sentence of section 382(l)(5)(F) of the 1986 Code is amended by striking out "December 31, 1988" and inserting in lieu thereof "December 31, 1989".

(b) Application of Certain Provisions to Banks.—

(1) Special rules for reorganizations and net operating losses.—

(A) Section 368(a)(3)(D) of the 1986 Code (as in effect before the amendment made by section 904(a) of the Reform Act) is amended by adding at the end thereof the following new clauses:

"(iv) In the case of a financial institution to which section 585 applies—

"(I) the term 'title 11 or similar case' means only a case in which the applicable authority (which shall be treated as the court in such case) makes the certification described in subclause (II), and

"(II) clause (ii) shall apply to such institution, except that for purposes of clause (ii)(III), the applicable authority must certify that the grounds set forth in such clause (modified in such manner as the Secretary determines necessary because such institution is not an institution to which section 593 applies) exist with respect to such transferor or will exist in the near future in the absence of action by the applicable authority.

For purposes of this clause, the term 'applicable authority' means the Comptroller of the Currency or the Federal Deposit Insurance Corporation, or if neither has the supervisory authority with respect to the transfer, the equivalent State authority.

"(v) For purposes of this subparagraph, in applying section 593, the determination as to whether a corporation is a domestic building and loan association shall be made without regard to section 7701(a)(19)(C)."

(B) Subclause (I) of section 382(l)(5)(F)(iii) of the 1986 Code is amended by inserting "(as modified by section 368(a)(3)(D)(iv))" after "section 368(a)(3)(D)(ii)".

(C)(i) The amendment made by subparagraph (A) shall apply to acquisitions after the date of the enactment of this Act and before January 1, 1990.

(ii) The amendment made by subparagraph (B) shall apply to any ownership change occurring after the date of the enactment of this Act and before January 1, 1990.

(2) Assistance payments.—

(A) Section 597(a) of the 1986 Code (as in effect before the amendments made by section 904(b) of the Reform Act) is amended by adding at the end thereof the following new sentence: "Gross income of a bank does not include any amount of money or other property received from the Federal Deposit Insurance Corporation pursuant to sections 13(c), 15(c)(1), and 15(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1821(f) and 1823(c)(1) and (c)(2)), regardless of whether any note or other instrument is issued in exchange therefor."

(B) Section 597(b) of the 1986 Code, as amended by subsection (c)(1), is amended by adding at the end thereof the following new subsection:

"(d) Domestic Building and Loan Association.—For purposes of this section, the term 'domestic building and loan association' has the meaning given such term by section 7701(a)(19) without regard to subparagraph (C) thereof."

(C) Section 597(b) of the 1986 Code (as so in effect) is amended by inserting "or bank" after "association".

(D)(i) The heading for section 597 of the 1986 Code (as so in effect) is amended by inserting "or FDIC" after "FSLIC".

(ii) The item relating to section 597 in part II of subchapter H of chapter 1 of the 1986 Code (as so in effect) is amended by inserting "or FDIC" after "FSLIC".

(E) The amendments made by this paragraph shall apply to any transfer—

(i) after the date of the enactment of this Act, and before January 1, 1990, unless such transfer is pursuant to an acquisition occurring on or before such date of enactment, and

(ii) after December 31, 1989, if such transfer is pursuant to an acquisition occurring after such date of enactment and before January 1, 1990.

(c) Certain Tax Attributes Reduced by 50 Percent of Financial Assistance of FSLIC and FDIC; Application of Section 265.—

(1) Reduction in tax attributes.—Section 597 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(c) Reduction of Tax Attributes by 50 Percent of Amounts Excludable Under Subsection (a).—

"(1) In general.—50 percent of any amount excludable under subsection (a) for any taxable year shall be applied to reduce the tax attributes of the taxpayer as provided in paragraph (2).

"(2) Tax attributes reduced; order of reduction.—The reduction referred to in paragraph (1) shall be made in the following tax attributes in the following order:

"(A) NOL.—Any pre-assistance net operating loss for the taxable year.

"(B) Interest.—The amount of any interest with respect to which a deduction is allowable for the taxable year.

"(C) Built-in portfolio losses.—Recognized built-in portfolio losses for the taxable year.

"(3) Pre-assistance net operating loss.—For purposes of paragraph (2)(A)—

"(A) In general.—The pre-assistance net operating loss shall be determined in the same manner as a pre-change loss under section 382(d), except that—

"(i) the applicable financial institution shall be treated as the old loss corporation, and

"(ii) the determination date shall be substituted for the change date.

"(B) Ordering rule.—The reduction under paragraph (2)(A) shall be made in the carryovers in the order in which carryovers are taken into account under this chapter for the taxable year.

"(4) Recognized built-in portfolio losses.—For purposes of paragraph (2)(C), recognized built-in portfolio losses shall be determined in the same manner as recognized built-in losses under section 382(h), except that—

"(A) the only assets taken into account shall be—

"(i) the loan portfolio,

"(ii) marketable securities (within the meaning of section 453(f)(2)), and

"(iii) property described in section 595(a),

"(B) the rules of clauses (i) and (ii) of paragraph (3)(A) shall apply,

"(C) there shall be no limit on the number of years in the recognition period, and

"(D) section 382(h) shall be applied without regard to paragraph (3)(B) thereof.

"(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) APPLICABLE FINANCIAL INSTITUTION.—The term 'applicable financial institution' means the domestic building and loan association or bank the financial condition of which was determined by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation to require the financial assistance described in subsection (a).

"(B) DETERMINATION DATE.—The term 'determination date' means the date of the determination under subparagraph (A). Except as provided by the Secretary, any subsequent revision or modification of such determination shall be treated as made on the original determination date.

"(C) TAXABLE ASSET ACQUISITIONS.—

"(i) IN GENERAL.—In the case of any acquisition of the assets of any applicable financial institution to which section 381 does not apply—

"(I) paragraph (1) shall not apply to any amounts excludable under subsection (a) which are payments made at the time of the acquisition to the person acquiring such assets, and

"(II) rights to receive future payments excludable under subsection (a) in connection with the acquisition shall be treated as provided in clause (ii).

"(ii) TREATMENT OF FUTURE PAYMENTS.—

"(I) IN GENERAL.—Rights to receive future payments described in clause (i)(II) shall be treated as assets to which basis is allocated.

"(II) RECOVERY OF BASIS.—Any basis allocated under subclause (I) shall be recovered in such manner as the Secretary may provide, but in no event shall the amount recovered for any taxable year beginning before the taxable year in which the rights expire exceed the aggregate payments received with respect to such rights for all taxable years reduced by the amount of basis recovered with respect to such rights in preceding taxable years.

"(III) APPLICATION OF PARAGRAPH (1).—Paragraph (1) shall apply to payments described in subclause (I) in a taxable year only to the extent such payments exceed the amount of basis recovered in such taxable year.

"(D) TREATMENT OF REPAYMENTS.—If a taxpayer repays an amount to which paragraph (1) applied in a preceding taxable year, there shall be allowed as a deduction for the taxable year of repayment an amount equal to the reduction in tax attributes under paragraph (1) attributable to the amount repaid.

"(E) CARRYOVERS.—If 50 percent of the amount excludable under subsection (a) for any taxable year exceeds the amount of the tax attributes described in paragraph (2) for such taxable year, then, for purposes of this subsection, the amount excludable under subsection (a) for the succeeding taxable year shall be increased by an amount equal to twice the amount of such excess.

"(F) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subsection."

(2) APPLICATION OF SECTION 265.—Subparagraph (B) of section 904(c)(2) of the Reform Act is amended by striking out "Section 265(a)(1)" and inserting in lieu thereof "Section 265".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to any transfer—

(A) after December 31, 1988, and before January 1, 1990, unless such transfer is pursuant to an acquisition occurring before January 1, 1989, and

(B) after December 31, 1989, if such transfer is pursuant to an acquisition occurring after December 31, 1988, and before January 1, 1990.

In the case of a taxpayer to which the amendments made by subsection (b)(1) apply, subparagraphs (A) and (B) shall be applied by substituting "the date of the enactment of this Act" for "December 31, 1988".

TITLE V—REVENUE INCREASE PROVISIONS

Subtitle A—Corporate Estimated Taxes

SEC. 5001. CORPORATE ESTIMATED TAX PAYMENTS.

(a) GENERAL RULE.—Paragraph (1) of section 6655(e) of the 1986 Code (relating to annualization) is amended by striking out the last sentence.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to installments required to be made after December 31, 1988.

Subtitle B—Insurance Provisions

SEC. 5011. LIMITATION ON UNREASONABLE MORTALITY AND OTHER EXPENSE CHARGES UNDER SECTION 7702.

(a) GENERAL RULE.—Subparagraph (B) of section 7702(c)(3) of the 1986 Code (relating to guideline premium requirements) is amended by striking out clauses (i) and (ii) and inserting in lieu thereof the following:

"(i) reasonable mortality charges which meet the requirements (if any) prescribed in regulations and which (except as provided in regulations) do not exceed the mortality charges specified in the prevailing commissioners' standard tables (as defined in section 807(d)(5)) as of the time the contract is issued,

"(ii) any reasonable charges (other than mortality charges) which (on the basis of the company's experience, if any, with respect to similar contracts) are reasonably expected to be actually paid, and".

(b) SPECIAL RULES.—Paragraph (3) of section 7702(c) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(D) SPECIAL RULES FOR SUBPARAGRAPH (B)(ii).—

"(i) CHARGES NOT SPECIFIED IN THE CONTRACT.—If any charge is not specified in the contract, the amount taken into account under subparagraph (B)(ii) for such charge shall be zero.

"(ii) NEW COMPANIES, ETC.—If any company does not have adequate experience for purposes of the determination under subparagraph (B)(ii), to the extent provided in regulations, such determination shall be made on the basis of the industry-wide experience."

(c) INTERIM RULES.—

(1) REGULATIONS.—Not later than January 1, 1990, the Secretary of the Treasury (or his delegate) shall issue regulations under section 7702(c)(3)(B)(i) of the 1986 Code (as amended by subsection (a)).

(2) STANDARDS BEFORE REGULATIONS TAKE EFFECT.—In the case of any contract to which the amendments made by this section apply and which is issued before the effective date of the regulations required under paragraph (1), mortality charges which do not differ materially from the charges actually expected to be imposed by the company (taking into account any relevant characteristic of the insured of which the company is aware) shall be treated as meeting the requirements of clause (i) of section 7702(c)(3)(B) of the 1986 Code (as amended by subsection (a)).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contracts entered into on or after October 21, 1988.

SEC. 5012. TREATMENT OF MODIFIED ENDOWMENT CONTRACTS.

(a) DISTRIBUTION RULES.—

(1) IN GENERAL.—Subsection (e) of section 72 of the 1986 Code (relating to amounts not received as annuities) is amended by adding at the end thereof the following new paragraph:

"(10) TREATMENT OF MODIFIED ENDOWMENT CONTRACTS.—

"(A) IN GENERAL.—Notwithstanding paragraph (5)(C), in the case of any modified endowment contract (as defined in section 7702A)—

"(i) paragraphs (2)(B) and (4)(A) shall apply, and

"(ii) in applying paragraph (4)(A), 'any person' shall be substituted for 'an individual'.

"(B) TREATMENT OF CERTAIN BURIAL CONTRACTS.—Notwithstanding subparagraph (A), paragraph (4)(A) shall not apply to any assignment (or pledge) of a modified endowment contract if such assignment (or pledge) is solely to cover the payment of expenses referred to in section 7702(e)(2)(C)(iii) and if the maximum death benefit under such contract does not exceed $25,000."

(2) TECHNICAL AMENDMENT.—Subparagraph (C) of section 72(e)(5) of the 1986 Code is amended by striking out "Except to the extent" and inserting in lieu thereof "Except as provided in paragraph (10) and except to the extent".

(b) ADDITIONAL TAX.—

(1) IN GENERAL.—Section 72 of the 1986 Code (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended by redesignating subsection (v) as subsection (w) and by inserting after subsection (u) the following new subsection:

"(v) 10-PERCENT ADDITIONAL TAX FOR TAXABLE DISTRIBUTIONS FROM MODIFIED ENDOWMENT CONTRACTS.—

"(1) IMPOSITION OF ADDITIONAL TAX.—If any taxpayer receives any amount under a modified endowment contract (as defined in section 7702A), the taxpayer's tax under this chapter for the taxable year in which such amount is received shall be increased by an amount equal to 10 percent of the portion of such amount which is includible in gross income.

"(2) SUBSECTION NOT TO APPLY TO CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to any distribution—

"(A) made on or after the date on which the taxpayer attains age 59½,

"(B) which is attributable to the taxpayer's becoming disabled (within the meaning of subsection (m)(7)), or

"(C) which is part of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the taxpayer or the joint lives (or joint life expectancies) of such taxpayer and his beneficiary."

(2) TECHNICAL AMENDMENT.—Subparagraph (C) of section 26(b)(2) of the 1986 Code is amended by striking out "or (q)" and inserting in lieu thereof "(q), or (v)".

(c) MODIFIED ENDOWMENT CONTRACT DEFINED.—

(1) IN GENERAL.—Chapter 79 of the 1986 Code is amended by inserting after section 7702 the following new section:

"SEC. 7702A. MODIFIED ENDOWMENT CONTRACT DEFINED.

"(a) GENERAL RULE.—For purposes of section 72, the term 'modified endowment con-

tract' means any contract meeting the requirements of section 7702—

"(1) which—

"(A) is entered into on or after June 21, 1988, and

"(B) fails to meet the 7-pay test of subsection (b), or

"(2) which is received in exchange for a contract described in paragraph (1).

"(b) 7-PAY TEST.—For purposes of subsection (a), a contract fails to meet the 7-pay test of this subsection if the accumulated amount paid under the contract at any time during the 1st 7 contract years exceeds the sum of the net level premiums which would have been paid on or before such time if the contract provided for paid-up future benefits after the payment of 7 level annual premiums.

"(c) COMPUTATIONAL RULES.—

"(1) IN GENERAL.—Except as provided in this subsection, the determination under subsection (b) of the 7 level annual premiums shall be made—

"(A) as of the time the contract is issued, and

"(B) by applying the rules of section 7702(b)(2) and of section 7702(e) (other than paragraph (2)(C) thereof), except that the death benefit provided for the 1st contract year shall be deemed to be provided until the maturity date without regard to any scheduled reduction after the 1st 7 contract years.

"(2) REDUCTION IN BENEFITS DURING 1ST 7 YEARS.—

"(A) IN GENERAL.—If there is a reduction in benefits under the contract within the 1st 7 contract years, this section shall be applied as if the contract had originally been issued at the reduced benefit level.

"(B) REDUCTIONS ATTRIBUTABLE TO NONPAYMENT OF PREMIUMS.—Any reduction in benefits attributable to the nonpayment of premiums due under the contract shall not be taken into account under subparagraph (A) if the benefits are reinstated within 90 days after the reduction in such benefits.

"(3) TREATMENT OF MATERIAL CHANGES.—

"(A) IN GENERAL.—If there is a material change in the benefits under (or in other terms of) the contract which was not reflected in any previous determination under this section, for purposes of this section—

"(i) such contract shall be treated as a new contract entered into on the day on which such material change takes effect, and

"(ii) appropriate adjustments shall be made in determining whether such contract meets the 7-pay test of subsection (b) to take into account the cash surrender value under the contract.

"(B) TREATMENT OF CERTAIN INCREASES IN FUTURE BENEFITS.—For purposes of subparagraph (A), the term 'material change' includes any increase in future benefits under the contract.

Such term shall not include—

"(i) any increase which is attributable to the payment of premiums necessary to fund the lowest level of future benefits payable in the 1st 7 contract years (determined after taking into account death benefit increases described in subparagraph (A) or (B) of section 7702(e)(2)) or to crediting of interest or other earnings (including policyholder dividends) in respect of such premiums, and

"(ii) to the extent provided in regulations, any cost-of-living increase based on an established broad-based index if such increase is funded ratably over the remaining life of the contract.

"(4) SPECIAL RULE FOR CONTRACTS WITH DEATH BENEFITS UNDER $10,000.—In the case of a contract—

"(A) which provides an initial death benefit of $10,000 or less, and

"(B) which requires at least 7 nondecreasing annual premium payments,

each of the 7 level annual premiums determined under subsection (b) (without regard to this paragraph) shall be increased by $75. For purposes of this paragraph, the contract involved and all contracts previously issued to the same insurer by the same company shall be treated as one contract.

"(5) REGULATORY AUTHORITY FOR CERTAIN COLLECTION EXPENSES.—The Secretary may by regulations prescribe rules for taking into account expenses solely attributable to the collection of premiums paid more frequently than annually.

"(d) DISTRIBUTIONS AFFECTED.—If a contract fails to meet the 7-pay test of subsection (b), such contract shall be treated as failing to meet such requirements only in the case of—

"(1) distributions during the contract year in which the failure takes effect and during any subsequent contract year, and

"(2) under regulations prescribed by the Secretary, distributions (not described in paragraph (1)) in anticipation of such failure.

For purposes of the preceding sentence, any distribution which is made within 2 years before the failure to meet the 7-pay test shall be treated as made in anticipation of such failure.

"(e) DEFINITIONS.—For purposes of this section—

"(1) AMOUNT PAID.—

"(A) IN GENERAL.—The term 'amount paid' means—

"(i) the premiums paid under the contract, reduced by

"(ii) amounts to which section 72(e) applies (determined without regard to paragraph (4)(A) thereof) but not including amounts includible in gross income.

"(B) TREATMENT OF CERTAIN PREMIUMS RETURNED.—If, in order to comply with the requirements of subsection (b), any portion of any premium paid during any contract year is returned by the insurance company (with interest) within 60 days after the end of such contract year, the amount so returned (excluding interest) shall be deemed to reduce the sum of the premiums paid under the contract during such contract year.

"(C) INTEREST RETURNED INCLUDIBLE IN GROSS INCOME.—Notwithstanding the provisions of section 72(e), the amount of any interest returned as provided in subparagraph (B) shall be includible in the gross income of the recipient.

"(2) CONTRACT YEAR.—The term 'contract year' means the 12-month period beginning with the 1st month for which the contract is in effect, and each 12-month period beginning with the corresponding month in subsequent calendar years.

"(3) OTHER TERMS.—Except as otherwise provided in this section, terms used in this section shall have the same meaning as when used in section 7702."

(2) CLERICAL AMENDMENT.—The table of sections for chapter 79 of the 1986 Code is amended by inserting after the item relating to section 7702 the following new item:

"Sec. 7702A. Modified endowment contract defined."

(d) OTHER MODIFICATIONS.—

(1) TREATMENT OF LOANS.—Subparagraph (A) of section 72(e)(4) of the 1986 Code (relating to loans treated as distributions) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply for purposes of determining investment in the contract, except that the investment in the contract shall be increased by any amount included in gross income by reason of the amount treated as received under the preceding sentence."

(2) ANTI-ABUSE RULES.—Subsection (e) of section 72 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(11) ANTI-ABUSE RULES.—

"(A) IN GENERAL.—For purposes of determining the amount includible in gross income under this subsection—

"(i) all modified endowment contracts issued by the same company to the same policyholder during any 12-month period shall be treated as 1 modified endowment contract, and

"(ii) all annuity contracts issued by the same company to the same policyholder during any 12-month period shall be treated as 1 annuity contract.

"(B) REGULATORY AUTHORITY.—The Secretary may by regulations prescribe such additional rules as may be necessary or appropriate to prevent avoidance of the purposes of this subsection through serial purchases of contracts or otherwise."

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to contracts entered into on or after June 21, 1988.

(2) SPECIAL RULE WHERE DEATH BENEFIT INCREASES BY MORE THAN $150,000.—If the death benefit under the contract increases by more than $150,000 over the death benefit under the contract in effect on October 20, 1988, the rules of section 7702A(c)(3) of the 1986 Code (as added by this section) shall apply in determining whether such contract is issued on or after June 21, 1988. The preceding sentence shall not apply in the case of a contract which, as of June 21, 1988, required at least 7 level annual premium payments and under which the policyholder continues to make level annual premium payments over the life of the contract.

(3) CERTAIN OTHER MATERIAL CHANGES TAKEN INTO ACCOUNT.—A contract entered into before June 21, 1988, shall be treated as entered into after such date if—

(A) on or after June 21, 1988, the death benefit under the contract is increased (or a qualified additional benefit is increased or added) and before June 21, 1988, the owner of the contract did not have a unilateral right under the contract to obtain such increase or addition without providing additional evidence of insurability, or

(B) the contract is converted after June 20, 1988, from a term life insurance contract to a life insurance contract providing coverage other than term life insurance coverage without regard to any right of the owner of the contract to such conversion.

(4) CERTAIN EXCHANGES PERMITTED.—In the case of a modified endowment contract which—

(A) required at least 7 annual level premium payments,

(B) is entered into after June 20, 1988, and before the date of the enactment of this Act, and

(C) is exchanged within 3 months after such date of enactment for a life insurance contract which meets the requirements of section 7702A(b),

the contract which is received in exchange for such contract shall not be treated as a modified endowment contract if the taxpayer elects, notwithstanding section 1035 of the 1986 Code, to recognize gain on such exchange.

(5) SPECIAL RULE FOR ANNUITY CONTRACTS.—In the case of annuity contracts, the amendments made by subsection (d) shall apply to contracts entered into after October 21, 1988.

SEC. 5013. VALUATION OF GROUP-TERM LIFE INSURANCE.

(a) GENERAL RULE.—Subsection (c) of section 79 of the 1986 Code (relating to the determination of the cost of insurance) is amended by striking out the last sentence.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1988.

SEC. 5014. STUDY.

(a) GENERAL RULE.—The Secretary of the Treasury and the Comptroller General of the United States shall each conduct a study on—

(1) the effectiveness of the revised tax treatment of life insurance and annuity products in preventing the sale of life insurance primarily for investment purposes, and

(2) the policy justification for, and the practical implications of, the present-law treatment of the earnings on the cash surrender value of life insurance and annuity contracts in light of the reforms made by the Tax Reform Act of 1986.

(b) REPORT.—Not later than June 1, 1989, the Secretary of the Treasury and the Comptroller General of the United States shall each submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the study conducted under subsection (a), together with such recommendations as they may deem advisable.

Subtitle C—Loss Transfer Rules for Alaska Native Corporations

SEC. 5021. REPEAL OF RULES PERMITTING LOSS TRANSFERS BY ALASKA NATIVE CORPORATIONS.

(a) GENERAL RULE.—Nothing in section 60(b)(5) of the Tax Reform Act of 1984 (as amended by section 1804(e)(4) of the Tax Reform Act of 1986)—

(1) shall allow any loss (or credit) of any corporation which arises after April 26, 1988, to be used to offset the income (or tax) of another corporation if such use would not be allowable without regard to such section 60(b)(5) as so amended, or

(2) shall allow any loss (or credit) of any corporation which arises on or before such date to be used to offset disqualified income (or tax attributable to such income) of another corporation if such use would not be allowable without regard to such section 60(b)(5) as so amended.

(b) EXCEPTION FOR EXISTING CONTRACTS.—

(1) IN GENERAL.—Subsection (a) shall not apply to any loss (or credit) of any corporation if—

(A) such corporation was in existence on April 26, 1988, and

(B) such loss (or credit) is used to offset income assigned (or attributable to property contributed) pursuant to a binding contract entered into before July 26, 1988.

(2) $40,000,000 LIMITATION.—The aggregate amount of losses (and the deduction equivalent of credits as determined in the same manner as under section 469(j)(5) of the 1986 Code) to which paragraph (1) applies with respect to any corporation shall not exceed $40,000,000. For purposes of this paragraph, a Native Corporation and all other corporations all of the stock of which is owned directly by such corporation shall be treated as 1 corporation.

(3) SPECIAL RULE FOR CORPORATIONS UNDER TITLE 11.—In the case of a corporation which on April 26, 1988, was under the jurisdiction of a Federal district court under title 11 of the United States Code—

(A) paragraph (1)(B) shall be applied by substituting the date 1 year after the date of the enactment of this Act for "July 26, 1988",

(B) paragraph (1) shall not apply to any loss or credit which arises on or after the date 1 year after the date of the enactment of this Act, and

(C) paragraph (2) shall be applied by substituting "$99,000,000" for "$40,000,000".

(c) SPECIAL ADMINISTRATIVE RULES.—

(1) NOTICE TO NATIVE CORPORATIONS OF PROPOSED TAX ADJUSTMENTS.—Notwithstanding section 6103 of the 1986 Code, the Secretary of the Treasury or his delegate shall notify a Native Corporation or its designated representative of any proposed adjustment—

(A) of the tax liability of a taxpayer which has contracted with the Native Corporation (or other corporation all of the stock of which is owned directly by the Native Corporation) for the use of losses of such Native Corporation (or such other corporation), and

(B) which is attributable to an asserted overstatement of losses by, or missassignment of income (or income attributable to property contributed) to, an affiliated group of which the Native Corporation (or such other corporation) is a member.

Such notice shall only include information with respect to the transaction between the taxpayer and the Native Corporation.

(2) RIGHTS OF NATIVE CORPORATION.—

(A) IN GENERAL.—If a Native Corporation receives a notice under paragraph (1), the Native Corporation shall have the right to—

(i) submit to the Secretary of the Treasury or his delegate a written statement regarding the proposed adjustment, and

(ii) meet with the Secretary of the Treasury or his delegate with respect to such proposed adjustment.

The Secretary of the Treasury or his delegate may discuss such proposed adjustment with the Native Corporation or its designated representative.

(B) EXTENSION OF STATUTE OF LIMITATIONS.—Subparagraph (A) shall not apply if the Secretary of the Treasury or his delegate determines that an extension of the statute of limitation is necessary to permit the participation described in subparagraph (A) and the taxpayer and the Secretary or his delegate have not agreed to such extension.

(3) JUDICIAL PROCEEDINGS.—In the case of any proceeding in a Federal court or the United States Tax Court involving a proposed adjustment under paragraph (1), the Native Corporation, subject to the rules of such court, may file an amicus brief concerning such adjustment.

(4) FAILURES.—For purposes of the 1986 Code, any failure by the Secretary of the Treasury or his delegate to comply with the provisions of this subsection shall not affect the validity of the determination of the Internal Revenue Service of any adjustment of tax liability of any taxpayer described in paragraph (1).

(d) DISQUALIFIED INCOME DEFINED.—For purposes of subsection (a), the term "disqualified income" means any income assigned (or attributable to property contributed) after April 26, 1988, by a person who is not a Native Corporation or a corporation all the stock of which is owned directly by a Native Corporation.

(e) BASIS DETERMINATION.—For purposes of determining basis for Federal tax purposes, no provision in any law (whether enacted before, on, or after the date of the enactment of this Act) shall affect the date on which the transfer to the Native Corporation is made. The preceding sentence shall apply to all taxable years whether beginning before, on, or after such date of enactment.

Subtitle D—Estate and Gift Tax Provisions

SEC. 5031. VALUATION TABLES.

(a) GENERAL RULE.—Chapter 77 of the 1986 Code (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 7520. VALUATION TABLES.

"(a) GENERAL RULE.—For purposes of this title, the value of any annuity, any interest for life or a term of years, or any remainder or reversionary interest shall be determined—

"(1) under tables prescribed by the Secretary, and

"(2) by using an interest rate (rounded to the nearest 2/10ths of 1 percent) equal to 120 percent of the Federal midterm rate in effect under section 1274(d)(1) for the month in which the valuation date falls.

If an income, estate, or gift tax charitable contribution is allowable for any part of the property transferred, the taxpayer may elect to use such Federal midterm rate for either of the 2 months preceding the month in which the valuation date falls for purposes of paragraph (2). In the case of transfers of more than 1 interest in the same property with respect to which the taxpayer may use the same rate under paragraph (2), the taxpayer shall use the same rate with respect to each such interest.

"(b) SECTION NOT TO APPLY FOR CERTAIN PURPOSES.—This section shall not apply for purposes of part I of subchapter D of chapter 1 or any other provision specified in regulations.

"(c) TABLES.—

"(1) IN GENERAL.—The tables prescribed by the Secretary for purposes of subsection (a) shall contain valuation factors for a series of interest rate categories.

"(2) INITIAL TABLE.—Not later than the day 3 months after the date of the enactment of this section, the Secretary shall prescribe initial tables for purposes of subsection (a). Such tables may be based on the same mortality experience as used for purposes of section 2031 on the date of the enactment of this section.

"(3) REVISION FOR RECENT MORTALITY CHARGES.—Not later than December 31, 1989, the Secretary shall revise the initial tables prescribed for purposes of subsection (a) to take into account the most recent mortality experience available as of the time of such revision. Such tables shall be revised not less frequently than once each 10 years thereafter to take into account the most recent mortality experience available as of the time of the revision.

"(d) VALUATION DATE.—For purposes of this section, the term 'valuation date' means the date as of which the valuation is made.

"(e) TABLES TO INCLUDE FORMULAS.—For purposes of this section, the term 'tables' includes formulas."

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 of the 1986 Code is amended by adding at the end thereof the following new item:

"Sec. 7520. Valuation tables."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply in cases where the date as of which the valuation is to be made occurs on or after the 1st day of *the 6th calendar month beginning after the date of the enactment of this Act.*

SEC. 5032. RATE SCHEDULE FOR TAX ON ESTATES OF NONRESIDENTS NOT CITIZENS.

(a) GENERAL RULE.—Subsection (b) of section 2101 of the 1986 Code (relating to computation of tax) is amended by striking out "a tentative tax computed in accordance with the rate schedule set forth in subsection (d)" each place it appears and inserting in lieu thereof "a tentative tax computed under section 2001(c)".

(b) AMOUNT OF UNIFIED CREDIT.—

(1) IN GENERAL.—Subsection (c) of section 2102 of the 1986 Code is amended—

(A) by striking out "$3,600" in paragraphs (1) and (2)(A) and inserting in lieu thereof "$13,000", and

(B) by striking out "$15,075" in paragraph (2)(B) and inserting in lieu thereof "$46,800".

(2) COORDINATION WITH TREATIES, ETC.—Paragraph (3) of section 2102(c) of the 1986 Code is amended to read as follows:

"(3) SPECIAL RULES.—

"(A) COORDINATION WITH TREATIES.—To the extent required under any treaty obligation of the United States, the credit allowed under this subsection shall be equal to the amount which bears the same ratio to $192,800 as the value of the part of the decedent's gross estate which at the time of his death is situated in the United States bears to the value of his entire gross estate wherever situated.

"(B) COORDINATION WITH GIFT TAX UNIFIED CREDIT.—If a credit has been allowed under section 2505 with respect to any gift made by the decedent, each dollar amount contained in paragraph (1) or (2) or subparagraph (A) of this paragraph (whichever applies) shall be reduced by the amount so allowed."

(c) TECHNICAL AMENDMENT.—Subsection (d) of section 2101 of the 1986 Code is hereby repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after the date of the enactment of this Act.

SEC. 5033. DISALLOWANCE OF MARITAL DEDUCTION WHERE SPOUSE IS NOT CITIZEN OF UNITED STATES.

(a) ESTATE TAX.—

(1) IN GENERAL.—Section 2056 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(d) DISALLOWANCE OF MARITAL DEDUCTION WHERE SURVIVING SPOUSE NOT UNITED STATES CITIZEN.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if the surviving spouse of the decedent is not a citizen of the United States—

"(A) no deduction shall be allowed under subsection (a), and

"(B) section 2040(b) shall not apply.

"(2) MARITAL DEDUCTION ALLOWED FOR CERTAIN TRANSFERS IN TRUST.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to any property passing to the surviving spouse in a qualified domestic trust.

"(B) PROPERTY PASSING OUTSIDE OF PROBATE ESTATE.—If any property passes from the decedent to the surviving spouse of the decedent outside of the decedent's probate estate, for purposes of subparagraph (A), such property shall be treated as passing to such spouse in a qualified domestic trust if such property is transferred to such a trust before the day on which the return of the tax imposed by section 2001 is made.

"(3) ALLOWANCE OF CREDIT TO CERTAIN SPOUSES.—If—

"(A) property passes to the surviving spouse of the decedent (hereinafter in this paragraph referred to as the 'first decedent'),

"(B) without regard to this subsection, a deduction would be allowable under subsection (a) with respect to such property, and

"(C) such surviving spouse dies and the estate of such surviving spouse is subject to the tax imposed by section 2001,

the Federal estate tax paid (or treated as paid under section 2056A(b)(6)) by the first decedent with respect to such property shall be allowed as a credit under section 2013 to the estate of such surviving spouse and the amount of such credit shall be determined under such section without regard to when the first decedent died."

(2) TREATMENT OF QUALIFIED DOMESTIC TRUST.—Part IV of subchapter A of chapter 11 of the 1986 Code is amended by inserting after section 2056 the following new section:

"SEC. 2056A. QUALIFIED DOMESTIC TRUST.

"(a) QUALIFIED DOMESTIC TRUST DEFINED.—For purposes of this section and section 2056(d), the term 'qualified domestic trust' means, with respect to any decedent, any trust if—

"(1) the trust instrument requires that all trustees of the trust be individual citizens of the United States or domestic corporations,

"(2) the surviving spouse of the decedent is entitled to all the income from the property in such trust, payable annually or at more frequent intervals,

"(3) such trust meets such requirements as the Secretary may by regulations prescribe to ensure the collection of any tax imposed by subsection (b), and

"(4) an election under this section by the executor of the decedent applies to such trust.

"(b) TAX TREATMENT OF TRUST.—

"(1) IMPOSITION OF ESTATE TAX.—There is hereby imposed an estate tax on—

"(A) any distribution before the date of the death of the surviving spouse from a qualified domestic trust other than a distribution of income required under subsection (a)(2), and

"(B) the value of the property remaining in a qualified domestic trust on the date of the death of the surviving spouse.

"(2) AMOUNT OF TAX.—

"(A) IN GENERAL.—In the case of any taxable event, the amount of the estate tax imposed by paragraph (1) shall be the amount equal to—

"(i) the tax which would have been imposed under section 2001 on the estate of the decedent if the taxable estate of the decedent had been increased by the sum of—

"(I) the amount involved in such taxable event, plus

"(II) the aggregate amount involved in previous taxable events with respect to qualified domestic trusts of such decedent, reduced by

"(ii) the tax which would have been imposed under section 2001 on the estate of the decedent if the taxable estate of the decedent had been increased by the amount referred to in clause (i)(II).

"(B) TENTATIVE TAX WHERE TAX OF DECEDENT NOT FINALLY DETERMINED.—

"(i) IN GENERAL.—If the tax imposed on the estate of the decedent under section 2001 is not finally determined before the taxable event, the amount of the tax imposed by paragraph (1) on such event shall be determined by using the highest rate of tax in effect under section 2001 as of the date of the decedent's death.

"(ii) REFUND OF EXCESS WHEN TAX FINALLY DETERMINED.—If—

"(I) the amount of the tax determined under clause (i), exceeds

"(II) the tax determined under subparagraph (A) on the basis of the final determination of the tax imposed by section 2001 on the estate of the decedent,

such excess shall be allowed as a credit or refund if claim therefore is filed not later than 1 year after the date of such final determination.

"(3) TAX IMPOSED WHERE TRUST CEASES TO QUALIFY.—If any person other than an individual citizen of the United States or a domestic corporation becomes a trustee of a qualified domestic trust (or such trust ceases to meet the requirements of subsection (a)(3)), the tax imposed by paragraph (1) shall apply as if the surviving spouse died on the date on which such person became such a trustee or the date of such cessation, as the case may be.

"(4) DUE DATE.—The estate tax imposed by paragraph (1) shall be due and payable on the 15th day of the 4th month following the calendar year in which the taxable event occurs.

"(5) LIABILITY FOR TAX.—Each trustee shall be personally liable for the amount of the tax imposed by paragraph (1). Rules similar to the rules of section 2204 shall apply for purposes of the preceding sentence.

"(6) TREATMENT OF TAX.—For purposes of section 2056(d), any tax paid under paragraph (1) shall be treated as a tax paid under section 2001 with respect to the estate of the decedent.

"(7) LIEN FOR TAX.—For purposes of section 6324, any tax imposed by paragraph (1) shall be treated as an estate tax imposed under this chapter with respect to a decedent dying on the date of the taxable event (and the property involved shall be treated as the gross estate of such decedent).

"(8) TAXABLE EVENT.—The term 'taxable event' means the event resulting in tax being imposed under paragraph (1).

"(c) DEFINITIONS.—For purposes of this section—

"(1) PROPERTY INCLUDES INTEREST THEREIN.—The term 'property' includes an interest in property.

"(2) INCOME.—The term 'income' has the meaning given to such term by section 643(b).

"(d) ELECTION.—An election under this section with respect to any trust shall be made by the executor on the return of the tax imposed by section 2001. Such an election, once made, shall be irrevocable."

(3) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter A of chapter 1 of the 1986 Code is amended by inserting after the item relating to section 2056 the following new item:

"Sec. 2056A. Qualified domestic trusts."

(b) GIFT TAX.—Section 2523 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(i) DISALLOWANCE OF MARITAL DEDUCTION WHERE SPOUSE NOT CITIZEN.—If the spouse of the donor is not a citizen of the United States—

"(1) no deduction shall be allowed under this section,

"(2) section 2503(b) shall be applied with respect to gifts made by the donor to such spouse by substituting '$100,000' for '$10,000', and

"(3) the principles of sections 2515 and 2515A (as such sections were in effect before their repeal by the Economic Recovery Tax Act of 1981) shall apply, except that the pro-

visions of such section 2515 providing for an election shall not apply.'"

(c) Estates of Nonresidents Who Are Not Citizens but Have Citizens as Spouses.—Subsection (a) of section 2106 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) Marital deduction allowed where spouse is citizen.—The amount which would be deductible with respect to property situated in the United States at the time of the decedent's death under the principles of section 2056."

(d) Effective Date.—

(1) The amendments made by subsections (a) and (c) shall apply to estates of the decedents dying after the date of the enactment of this Act.

(2) The amendments made by subsection (b) shall apply to gifts on or after July 14, 1988.

Subtitle E—Long-Term Contract Provisions

SEC. 5041. LONG-TERM CONTRACT PROVISIONS.

(a) General Rule.—Subsection (a) of section 460 of the 1986 Code is amended—

(1) by striking out "70 percent" each place it appears (including in the heading of paragraph (2)) and inserting in lieu thereof "90 percent", and

(2) by striking out "30 percent" in paragraph (1)(B) and inserting in lieu thereof "10 percent".

(b) Special Rules for Residential Construction Contracts.—

(1) Exception for home construction contracts.—Paragraph (1) of section 460(e) of the 1986 Code is amended to read as follows:

"(1) In general.—Subsections (a), (b), and (c) (1) and (2) shall not apply to—

"(A) any home construction contract, or

"(B) any other construction contract entered into by a taxpayer—

"(i) who estimates (at the time such contract is entered into) that such contract will be completed within the 2-year period beginning on the contract commencement date of such contract, and

"(ii) whose average annual gross receipts for the 3 taxable years preceding the taxable year in which such contract is entered into do not exceed $10,000,000.

In the case of a home construction contract with respect to which the requirements of clauses (i) and (ii) of subparagraph (B) are not met, section 263A shall apply notwithstanding subsection (c)(4) thereof."

(2) Special treatment for other residential construction contracts.—Subsection (e) of section 460 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) Special rule for residential construction contracts which are not home construction contracts.—In the case of any residential construction contract which is not a home construction contract, subsection (a) shall be applied—

"(A) by substituting '70 percent' for '90 percent' each place it appears, and

"(B) by substituting '30 percent' for '10 percent'.

(3) Definitions.—Subsection (e) of section 460 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(6) Definitions relating to residential construction contracts.—For purposes of this subsection—

"(A) Home construction contract.—The term 'home construction contract' means any construction contract if 80 percent or more of the estimated total contract costs (as of the close of the taxable year in which the contract was entered into) are reasonably expected to be attributable to the building, construction, reconstruction, or rehabilitation of—

"(i) dwelling units contained in buildings containing 4 or fewer dwelling units, and

"(ii) improvements to real property directly related to such dwelling units and located on the site of such dwelling units.

For purposes of clause (i), each townhouse or rowhouse shall be treated as a separate building.

"(B) Residential construction contract.—The term 'residential construction contract' means any contract which would be described in subparagraph (A) if clause (i) of such subparagraph reads as follows:

"'(i) dwelling units (as defined in section 167(k)), and'."

(4) Certain home construction contracts not subject to minimum tax.—Paragraph (3) of section 56(a) of the 1986 Code is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any home construction contract (as defined in section 460(e)(6)) with respect to which the requirements of clauses (i) and (ii) of section 460(e)(1)(B) are met."

(c) Regulatory Authority.—Section 460 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(h) Regulations.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations to prevent the use of related parties, pass-thru entities, intermediaries, options, or other similar arrangements to avoid the application of this section."

(d) Simplified Look-Back Method for Pass-Thru Entities.—Subsection (b) of section 460 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(5) Simplified look-back method for pass-thru entities.—

"(A) In general.—In the case of a pass-thru entity—

"(i) the look-back method of paragraph (3) shall be applied at the entity level,

"(ii) in determining overpayments and underpayments for purposes of applying paragraph (3)(B)—

"(I) any increase in the income under the contract for any taxable year by reason of the allocation under paragraph (3)(A) shall be treated as giving rise to an underpayment determined by applying the highest rate for such year to such increase, and

"(II) any decrease in such income for any taxable year by reason of such allocation shall be treated as giving rise to an overpayment determined by applying the highest rate for such year to such decrease, and

"(iii) any interest required to be paid by the taxpayer under paragraph (3) shall be paid by such entity (and any interest entitled to be received by the taxpayer under paragraph (3) shall be paid to such entity).

"(B) Exceptions.—

"(i) Closely held pass-thru entities.—This paragraph shall not apply to any closely held pass-thru entity.

"(ii) Foreign contracts.—This paragraph shall not apply to any contract unless substantially all of the income from such contract is from sources in the United States.

"(C) Other definitions.—For purposes of this paragraph—

"(i) Highest rate.—The term 'highest rate' means—

"(I) the highest rate of tax specified in section 11, or

"(II) if at all times during the year involved more than 50 percent of the interests in the entity are held by individuals directly or through 1 or more other pass-thru entities, the highest rate of tax specified in section 1.

"(ii) Pass-thru entity.—The term 'pass-thru entity' means any—

"(I) partnership,

"(II) S corporation, or

"(III) trust.

"(iii) Closely held pass-thru entity.—The term 'closely held pass-thru entity' means any pass-thru entity if, at any time during any taxable year for which there is income under the contract, 50 percent or more (by value) of the beneficial interests in such entity are held (directly or indirectly) by or for 5 or fewer persons. For purposes of the preceding sentence, rules similar to the constructive ownership rules of section 1563(e) shall apply."

(e) Effective Dates.—

(1) Subsections (a), (b), and (c).—

(A) In general.—Except as otherwise provided in this paragraph, the amendments made by subsections (a), (b), and (c) shall apply to contracts entered into on or after June 21, 1988.

(B) Binding bids.—The amendments made by subsections (a), (b), and (c) shall not apply to any contract resulting from the acceptance of a bid made before June 21, 1988. The preceding sentence shall apply only if the bid could not have been revoked or altered at any time on or after June 21, 1988.

(C) Special rule for certain ship contracts.—The amendments made by subsections (a), (b), and (c) shall not apply in the case of a qualified ship contract (as defined in section 10203(b)(2)(B) of the Revenue Act of 1987).

(2) Subsection (d).—The amendment made by subsection (d) shall apply as if included in the amendments made by section 804 of the Reform Act; except that such amendment shall not apply to any contract completed in a taxable year ending before the date of the enactment of this Act, if the due date (determined with regard to extensions) for the return for such year is before such date of enactment.

(d) Study.—The Secretary of the Treasury or his delegate shall conduct a study of the revenue realization method of accounting for long-term contracts and of improvements to the percentage of completion method of accounting for such contracts. Not later than the date 6 months after the date of the enactment of this Act, the Secretary shall submit a report on such study to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

Subtitle F—Tax-Exempt Bond Provisions

SEC. 5051. TREATMENT OF CERTAIN POOLED FINANCING BONDS.

(a) In General.—Section 149 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(f) Treatment of Certain Pooled Financing Bonds.—

"(1) In general.—Section 103(a) shall not apply to any pooled financing bond unless, with respect to the issue of which such bond is a part, the requirements of paragraphs (2) and (3) are met.

"(2) Reasonable expectation requirement.—

"(A) In general.—The requirements of this paragraph are met with respect to an issue if the issuer reasonably expects that as of the close of the 3-year period beginning on the date of issuance of the issue, at least 95 percent of the net proceeds of the issue (as of *the close of such period) will have been used directly or indirectly to make or finance loans to ultimate borrowers.*

"(B) CERTAIN FACTORS MAY NOT BE TAKEN INTO ACCOUNT IN DETERMINING EXPECTATIONS.—Expectations as to changes in interest rates or in the provisions of this title (or in the regulations or rulings thereunder) may not be taken into account in determining whether expectations are reasonable for purposes of this paragraph.

"(C) NET PROCEEDS.—For purposes of subparagraph (A), the term 'net proceeds' has the meaning given such term by section 150 but shall not include proceeds used to finance issuance costs and shall not include proceeds necessary to pay interest (during such period) on the bonds which are part of the issue.

"(D) REFUNDING BONDS.—For purposes of subparagraph (A), in the case of a refunding bond, the date of issuance taken into account is the date of issuance of the original bond.

"(3) COST OF ISSUANCE PAYMENT REQUIREMENTS.—The requirements of this paragraph are met with respect to an issue if—

"(A) the payment of legal and underwriting costs associated with the issuance of the issue is not contingent, and

"(B) at least 95 percent of the reasonably expected legal and underwriting costs associated with the issuance of the issue are paid not later than the 180th day after the date of the issuance of the issue.

"(4) POOLED FINANCING BOND.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'pooled financing bond' means any bond issued as part of an issue more than $5,000,000 of the proceeds of which are reasonably expected (at the time of the issuance of the bonds) to be used (or are intentionally used) directly or indirectly to make or finance loans to 2 or more ultimate borrowers.

"(B) EXCEPTIONS.—Such term shall not include any bond if—

"(i) section 146 applies to the issue of which such bond is a part (other than by reason of section 141(b)(5)) or would apply but for section 146(i), or

"(ii) section 143(l)(3) applies to such issue.

"(5) DEFINITION OF LOAN; TREATMENT OF MIXED USE ISSUES.—

"(A) LOAN.—For purposes of this subsection, the term 'loan' does not include—

"(i) any loan which is a nonpurpose investment (within the meaning of section 148(f)(6)(A), determined without regard to section 148(b)(3)), and

"(ii) any use of proceeds by an agency of the issuer unless such agency is a political subdivision or instrumentality of the issuer.

"(B) PORTION OF ISSUE TO BE USED FOR LOANS TREATED AS SEPARATE ISSUE.—If only a portion of the proceeds of an issue is reasonably expected (at the time of issuance of the bond) to be used (or is intentionally used) as described in paragraph (4)(A), such portion and the other portion of such issue shall be treated as separate issues for purposes of determining whether such portion meets the requirements of this subsection."

(b) EFFECTIVE DATE—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to bonds issued after October 21, 1988.

(2) SPECIAL RULE FOR REFUNDING BONDS.—In the case of a bond issued to refund a bond issued before October 22, 1988—

(A) if the 3-year period described in section 149(f)(2)(A) of the 1986 Code would (but for this paragraph) expire on or before October 22, 1989, such period shall expire on October 21, 1990, and

(B) if such period expires after October 22, 1989, the portion of the proceeds of the issue of which the refunded bond is a part which is available (on the date of issuance of the refunding issue) to provide loans shall be treated as proceeds of a separate issue (issued after October 21, 1988) for purposes of applying section 149(f) of the 1986 Code.

SEC. 5052. TREASURY REGULATIONS RELATING TO STUDENT LOAN BONDS.

If the Secretary of the Treasury or his delegate does not issue regulations under section 625 of the Tax Reform Act of 1984 and section 148(g) of the Internal Revenue Code of 1986 before July 1, 1989, the Secretary or his delegate shall before such date submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report explaining why such regulations were not issued.

SEC. 5053. RESTRICTIONS ON BONDS USED TO PROVIDE RESIDENTIAL RENTAL PROPERTY FOR FAMILY UNITS.

(a) 501(c)(3) BONDS USED TO PROVIDE RESIDENTIAL RENTAL HOUSING FOR FAMILY UNITS MUST MEET TARGETING REQUIREMENTS.—Section 145 of the 1986 Code (defining qualified 501(c)(3) bond) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) RESTRICTIONS ON BONDS USED TO PROVIDE RESIDENTIAL RENTAL HOUSING FOR FAMILY UNITS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, a bond which is part of an issue shall not be a qualified 501(c)(3) bond if any portion of the net proceeds of the issue are to be used directly or indirectly to provide residential rental property for family units.

"(2) EXCEPTION FOR BONDS USED TO PROVIDE QUALIFIED RESIDENTIAL RENTAL PROJECTS.—Paragraph (1) shall not apply to any bond issued as part of an issue if the portion of such issue which is to be used as described in paragraph (1) is to be used to provide—

"(A) a residential rental property for family units if the first use of such property is pursuant to such issue,

"(B) qualified residential rental projects (as defined in section 142(d)), or

"(C) property which is to be substantially rehabilitated in a rehabilitation beginning within the 2-year period ending 1 year after the date of the acquisition of such property.

"(3) SUBSTANTIAL REHABILITATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), rules similar to the rules of section 48(g)(1)(C) shall apply in determining for purposes of paragraph (2)(C) whether property is substantially rehabilitated.

"(B) EXCEPTION.—For purposes of subparagraph (A), clause (ii) of section 48(g)(1)(C) shall not apply, but the Secretary may extend the 24-month period in section 48(g)(1)(C)(i) where appropriate due to circumstances not within the control of the owner."

(b) RESIDENTIAL RENTAL PROJECT NOT LOCATED WITHIN JURISDICTION OF ISSUER TREATED AS INVESTMENT PROPERTY.—Paragraph (2) of section 148(b) of the 1986 Code (defining investment property) is amended by striking out "or" at the end of subparagraph (C), by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the issuer and which is not acquired to implement a court ordered or approved housing desegregation plan."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to obligations issued after October 21, 1988.

(2) EXCEPTION FOR CONSTRUCTION OR BINDING AGREEMENT.—

(A) The amendments made by this section shall not apply to bonds (other than refunding bonds) with respect to a facility—

(i)(I) the original use of which begins with the taxpayer, and the construction, reconstruction, or rehabilitation of which began before July 14, 1988, and was completed on or after such date, or

(II) the original use of which begins with the taxpayer and with respect to which a binding contract to incur significant expenditures for construction, reconstruction, or rehabilitation was entered into before July 14, 1988, and some of such expenditures are incurred on or after such date, and

(ii) described in an inducement resolution or other comparable preliminary approval adopted by an issuing authority (or by a voter referendum) before July 14, 1988.

For purposes of the preceding sentence, the term "significant expenditures" means expenditures greater than 10 percent of the reasonably anticipated cost of the construction, reconstruction, or rehabilitation of the facility involved.

(B) Subparagraph (A) shall not apply to any bond issued after December 31, 1989, and shall not apply unless it is reasonably expected (at the time of issuance of the bond) that the facility will be placed in service before January 1, 1990.

(3) REFUNDINGS.—The amendments made by this section shall not apply to any bond issued to refund (or which is part of a series of bonds issued to refund) a bond issued before July 15, 1988, if—

(A) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

(B) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

(C) the proceeds of the refunding bond are used to redeem the refunded bond not later than 90 days after the date of the issuance of the refunding bond.

For purposes of subparagraph (A), average maturity shall be determined in accordance with section 147(b) of the 1986 Code.

Subtitle G—Excise Tax Provisions

SEC. 5061. IMPOSITION OF EXCISE TAX ON MANUFACTURE OR IMPORTATION OF PIPE TOBACCO.

(a) IN GENERAL.—Section 5701 of the 1986 Code (relating to rate of tax on cigarettes, etc.) is amended by redesignating (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) PIPE TOBACCO.—On pipe tobacco, manufactured in or imported into the United States, there shall be imposed a tax of 45 cents per pound (and a proportionate tax at the like rate on all fractional parts of a pound)."

(b) PIPE TOBACCO DEFINED.—Section 5702 of the 1986 Code (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(o) PIPE TOBACCO.—The term 'pipe tobacco' means any tobacco which, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or

purchased by, consumers as tobacco to be smoked in a pipe."

(c) Technical Amendments.—

(1) Subsection (c) of section 5702 of the 1986 Code (defining tobacco products) is amended by striking out "and smokeless tobacco" and inserting in lieu thereof "smokeless tobacco, and pipe tobacco".

(2) Subsection (d) of section 5702 of the 1986 Code (defining tobacco products) is amended by striking out "or smokeless tobacco" and inserting in lieu thereof "smokeless tobacco, or pipe tobacco".

(3) The chapter heading for chapter 52 of the 1986 Code is amended to read as follows:

"CHAPTER 52—CIGARS, CIGARETTES, SMOKELESS TOBACCO, PIPE TOBACCO, AND CIGARETTE PAPERS AND TUBES".

(4) The table of chapters for subtitle E is amended by striking the item relating to chapter 52 and inserting in lieu thereof the following new item:

"Chapter 52. Cigars, cigarettes, smokeless tobacco, pipe tobacco, and cigarette papers and tubes".

(d) Effective Date.—

(1) In general.—The amendments made by this section shall apply to pipe tobacco removed (within the meaning of section 5702(k) of the 1986 Code) after December 31, 1988.

(2) Transitional rule.—Any person who—

(A) on the date of the enactment of this Act, is engaged in business as a manufacturer of pipe tobacco, and

(B) before January 1, 1989, submits an application under subchapter B of chapter 52 of the 1986 Code to engage in such business, may, notwithstanding such subchapter B, continue to engage in such business pending final action on such application. Pending such final action, all provisions of chapter 52 of the 1986 Code shall apply to such applicant in the same manner and to the same extent as if such applicant were a holder of a permit to manufacture pipe tobacco under such chapter 52.

(e) Floor Stocks Tax.—

(1) Imposition of tax.—On pipe tobacco manufactured in or imported into the United States which is removed before January 1, 1989, and held on such date for sale by any person, there is hereby imposed a tax of 45 cents per pound (and a proportionate tax at the like rate on all fractional parts of a pound).

(2) Liability for tax and method of payment.—

(A) Liability for tax.—A person holding pipe tobacco on 45 cents to which the tax imposed by paragraph (1) applies shall be liable for such tax.

(B) Method of payment.—The tax imposed by paragraph (1) shall be treated as a tax imposed by section 5701 of the 1986 Code and shall be due and payable on February 14, 1989, in the same manner as the tax imposed by such section is payable with respect to pipe tobacco removed on or after January 1, 1989.

(C) Treatment of pipe tobacco in foreign trade zones.—Notwithstanding the Act of June 18, 1934 (48 Stat. 998, 19 U.S.C. 81a) or any other provision of law, pipe tobacco which is located in a foreign trade zone on January 1, 1989, shall be subject to the tax imposed by paragraph (1) and shall be treated for purposes of this subsection as held on such date for sale if—

(i) internal revenue taxes have been determined, or customs duties liquidated, with respect to such pipe tobacco before such date pursuant to a request made under the first proviso of section 3(a) of such Act, or

(ii) such pipe tobacco is held on such date under the supervision of a customs officer pursuant to the second proviso of such section 3(a).

Under regulations prescribed by the Secretary of the Treasury or his delegate, provisions similar to sections 5706 and 5708 of the 1986 Code shall apply to pipe tobacco with respect to which tax is imposed by paragraph (1) by reason of this subparagraph.

(3) Pipe tobacco.—For purposes of this subsection, the term "pipe tobacco" shall have the meaning given to such term by subsection (o) of section 5702 of the 1986 Code.

(4) Exception where liability does not exceed $1,000.—No tax shall be imposed by paragraph (1) on any person if the tax which would but for this paragraph be imposed on such person does not exceed $1,000. For purposes of the preceding sentence, all persons who are treated as a single taxpayer under section 5061(e)(3) of the 1986 Code shall be treated as 1 person.

SEC. 5063. MODIFICATION OF DISTILLED SPIRITS TAX CREDIT FOR FLAVORS CONTENT.

(a) In General.—Subparagraph (B) of section 5010(c)(2) of the 1986 Code (defining flavors content) is amended by striking out the "and" at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

"(ii) alcohol derived from flavors distilled at a distilled spirits plant, and".

(b) Effective Date.—The amendments made by this section shall apply with respect to distilled spirits withdrawn from bond after the date of the enactment of this Act.

Subtitle H—Other Revenue Increase Provisions

"SEC. 5071. INCREASE IN PENALTY FOR BAD CHECKS.

(a) General Rule.—Section 6657 of the 1986 Code (relating to bad checks) is amended—

(1) by striking out "1 percent" and inserting in lieu thereof "2 percent".

(2) by striking out "$500" and inserting in lieu thereof "$750", and

(3) by striking out "$5" and inserting in lieu thereof "$15".

(b) Effective Date.—The amendment made by subsection (a) shall apply to checks or money orders received after the date of the enactment of this Act.

SEC. 5072. TIME FOR PAYMENT OF TAX ON REVERSION OF PENSION PLAN ASSETS.

(a) In General.—Section 4980(c) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) Time for payment of tax.—For purposes of subtitle F, the time for payment of the tax imposed by subsection (a) shall be the last day of the month following the month in which the employer reversion occurs."

(b) Effective Date.—The amendment made by subsection (a) shall apply to reversions after December 31, 1988.

SEC. 5073. DENIAL OF DEDUCTION FOR CERTAIN RESIDENTIAL TELEPHONE SERVICE.

(a) General Rule.—Section 262 of the 1986 Code (relating to personal, living, and family expenses) is amended to read as follows:

"SEC. 262. PERSONAL, LIVING, AND FAMILY EXPENSES.

"(a) General Rule.—Except as otherwise expressly provided in this chapter, no deduction shall be allowed for personal, living, or family expenses.

"(b) Treatment of Certain Phone Expenses.—For purposes of subsection (a), in the case of an individual, any charge (including taxes thereon) for basic local telephone service with respect to the 1st telephone line provided to any residence of the taxpayer shall be treated as a personal expense."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1988.

SEC. 5074. PARTNERSHIP REPORTING OF UNRELATED BUSINESS TAXABLE INCOME.

(a) In General.—Section 6031 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(d) Separate Statement of Items of Unrelated Business Taxable Income.—In the case of any partnership regularly carrying on a trade or business (within the meaning of section 512(c)(1)), the information required under subsection (b) to be furnished to its partners shall include such information as is necessary to enable each partner to compute its distributive share of partnership income or loss from such trade or business in accordance with section 512(a)(1), but without regard to the modifications described in paragraphs (8) through (15) of section 512(b)."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1988.

SEC. 5075. OPTIONS SUBJECT TO WASH SALE RULES.

(a) In General.—Subsection (a) of section 1091 of the 1986 Code (relating to losses from wash sales of stock or securities) is amended by adding at the end thereof the following sentence: "For purposes of this section, the term 'stock or securities' shall, except as provided in regulations, include contracts or options to acquire or sell stock or securities."

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to any sale after the date of enactment of this Act, in taxable years ending after such date.

SEC. 5076. INTEREST CHARGE ON INSTALLMENT SALES OF CERTAIN PROPERTY.

(a) General Rule.—Paragraph (1) of section 453A(b) of the 1986 Code is amended to read as follows:

"(1) In general.—This section shall apply to any obligation which arises from the disposition of any property under the installment method, but only if the sales price of such property exceeds $150,000."

(b) Clerical Amendments.—

(1) The section heading of section 453A of the 1986 Code is amended by striking out "OF REAL PROPERTY".

(2) The table of sections of subpart B of part II of subchapter A of chapter 1 of the 1986 Code is amended by striking out "of real property" in the item relating to section 453A.

(c) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to sales after December 31, 1988.

(2) Binding contract, etc.—The amendments made by this section shall not apply to any sale on or before December 31, 1990, if—

(A) such sale is pursuant to a written binding contract in effect on October 21, 1988, and at all times thereafter before such sale,

(B) such sale is pursuant to a letter of intent in effect on October 21, 1988, or

(C) there is a board of directors or shareholder approval for such sale on or before October 21, 1988.

SEC. 5077. APPLICATION OF NET OPERATING LOSS RULES TO STOCK ACQUIRED BY AN EMPLOYEE STOCK OWNERSHIP PLAN.

(a) In General.—Clause (ii) of section 382(l)(3)(C) of the 1986 Code is amended by striking "and" at the end of subclause (I), by striking the period at the end of subclause (II) and inserting in lieu thereof "; and", and by adding at the end thereof the following:

"(III) immediately after the acquisition the plan has a number of participants which is not less than 50 percent of the average number of employees of the loss corporation during the 3-year period ending with such acquisition.

for purposes of subclause (III), except as provided in regulations, all members of an affiliated group which includes the loss corporation and which files a consolidated return shall be treated as 1 loss corporation."

(b) Effective Date.—

(1) In General.—The amendment made by subsection (a) shall apply to acquisition after December 31, 1988.

(2) Exception.—The amendment made by subsection (a) shall not apply to acquisitions after December 31, 1988, pursuant to a binding written contract entered into on or before October 21, 1988.

TITLE VI—OTHER SUBSTANTIVE REVENUE PROVISIONS

Subtitle A—Provisions Relating to Individuals

SEC. 6001. TREATMENT OF CERTAIN AMOUNTS PAID TO OR FOR THE BENEFIT OF AN INSTITUTION OF HIGHER EDUCATION.

(a) In General.—Section 170 of the 1986 Code is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) Treatment of Certain Amounts Paid to or for the Benefit of Institutions of Higher Education.—

"(1) In general.—For purposes of this section, 80 percent of any amount described in paragraph (2) shall be treated as a charitable contribution.

"(2) Amount described.—For purposes of paragraph (1), an amount is described in this paragraph if—

"(A) the amount is paid by the taxpayer to or for the benefit of an educational organization—

"(i) which is described in subsection (b)(1)(A)(ii), and

"(ii) which is an institution of higher education (as defined in section 3304(f)), and

"(B) such amount would be allowable as a deduction under this section but for the fact that the taxpayer receives (directly or indirectly) as a result of paying such amount the right to purchase tickets for seating at an athletic event in an athletic stadium of such institution.

If any portion of a payment is for the purchase of such tickets, such portion and the remaining portion (if any) of such payment shall be treated as separate amounts for purposes of this subsection."

(b) Effective Date.—

(1) In general.—The amendment made by this section shall apply to taxable years beginning after December 31, 1983.

(2) Waiver of statute of limitations.—If on the date of the enactment of this Act (or at any time within 1 year after such date of enactment) refund or credit of any overpayment of tax resulting from the application of section 170(m) of the 1986 Code (as added by subsection (a)) is barred by any law or rule of law, refund or credit of such overpayment shall, nevertheless, be made or allowed if claim therefore is filed before the date 1 year after the date of the enactment of this Act.

SEC. 6002. NONRECOGNITION OF GAIN WHERE 1 SPOUSE DIES BEFORE OCCUPYING NEW RESIDENCE.

(a) In General.—Subsection (g) of section 1034 of the 1986 Code (relating to rollover of gain on sale of principal residence) is amended by adding at the end thereof the following: "For purposes of this subsection, except to the extent provided in regulations, in the case of an individual who dies after the date of the sale of the old residence and is married on the date of death, consent to the application of paragraph (2) by such individual's spouse and use of the new residence as the principal residence of such spouse shall be treated as consent and use by such individual."

(b) Effective Date.—The amendment made by paragraph (1) shall apply to sales and exchanges of old residences (within the meaning of section 1034 of the 1986 Code) after December 31, 1984, in taxable years ending after such date.

SEC. 6003. MEALS ON CERTAIN VESSELS AND OFFSHORE OIL PLATFORMS EXEMPT FROM 80 PERCENT LIMITATION ON DEDUCTION FOR MEALS.

(a) In General.—Paragraph (2) of section 274(n) of the 1986 Code (relating to only 80 percent of meal and entertainment expenses allowed as deduction), as amended by title I of this Act, is amended by striking out "or" at the end of subparagraph (D), by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(F) such expense is for food or beverages—

"(i) required by Federal law to be provided to crew members of a commercial vessel,

"(ii) provided to crew members of a commercial vessel—

"(I) which is operating on the Great Lakes, the Saint Lawrence Seaway, or any inland waterway of the United States, and

"(II) which is of a kind which would be required by Federal law to provide food and beverages to crew members if it were operated at sea,

"(iii) provided on an oil or gas platform or drilling rig if the platform or rig is located offshore, or

"(iv) provided on an oil or gas platform or drilling rig, or at a support camp which is in proximity and integral to such platform or rig, if the platform or rig is located in the United States north of 54 degrees north latitude.".

Clauses (i) and (ii) of subparagraph (F) shall not apply to vessels primarily engaged in providing luxury water transportation (determined under the principles of subsection (m))."

(b) Effective Dates.—

(1) Clauses (i) and (ii) of section 274(n)(2)(F) of the 1986 Code, as added by subsection (a), shall apply to taxable years beginning after December 31, 1988.

(2) Clauses (iii) and (iv) of section 274(n)(2)(F) of the 1986 Code, as added by subsection (a), shall apply to taxable years beginning after December 31, 1987.

SEC. 6004. TREATMENT OF CERTAIN INNOCENT SPOUSES.

Subsection (c) of section 424 of the Tax Reform Act of 1984 (relating to innocent spouse relieved of liability in certain cases) is amended by adding at the end thereof the following new paragraph:

"(3) Transitional rule.—If—

"(A) a joint return under section 6013 of the Internal Revenue Code of 1954 was filed before January 1, 1985.

"(B) on such return there is an understatement (as defined in section 6661(b)(2)(A) of such Code) which is attributable to disallowed deductions attributable to activities of one spouse,

"(C) the amount of such disallowed deductions exceeds the taxable income shown on such return,

"(D) without regard to any determination before October 21, 1988, the other spouse establishes that in signing the return he or she did not know, and had no reason to know, that there was such an understatement, and

"(E) the marriage between such spouses terminated and immediately after such termination the net worth of the other spouse was less than $10,000

notwithstanding any law or rule of law (including res judicata), the other spouse shall be relieved of liability for tax (including interest, penalties, and other amounts) for such taxable year to the extent such liability is attributable to such understatement, and, to the extent the liability so attributable has been collected from such other spouse, it shall be refunded or credited to such other spouse. No credit or refund shall be made under the preceding sentence unless claim therefor has been submitted to the Secretary of the Treasury or his delegate before the date 1 year after the date of the enactment of this paragraph, and no interest on such credit or refund shall be allowed for any period before such date of enactment.".

SEC. 6005. INTERIM TREATMENT OF CERTAIN AMOUNTS AWARDED TO CHRISTA McAULIFFE FELLOWS.

(a) In General.—In the case of an individual who is a Christa McAuliffe Fellow (as defined in section 561(b) of the Higher Education Act of 1965) and is awarded a fellowship pursuant to section 561 of such Act, for purposes of the 1986 Code, gross income shall not include any amount of such fellowship award—

(1) which is expended for a project approved by the Secretary of Education pursuant to section 563(b) of such Act, and

(2) which is not expended directly or indirectly for the personal use or benefit of such individual.

(b) Effective Date.—Subsection (a) shall apply to amounts received before July 1, 1990, in taxable years beginning before such date.

SEC. 6006. ELECTION TO CLAIM CERTAIN UNEARNED INCOME OF CHILD ON PARENT'S RETURN.

(a) In General.—Subsection (i) of section 1 of the 1986 Code (relating to persons required to make returns of income) is amended by adding at the end thereof the following new paragraph:

"(7) Election to claim certain unearned income of child on parent's return.—

"(A) In general.—If—

"(i) any child to whom this subsection applies has gross income for the taxable year only from interest and dividends (including Alaska Permanent Fund dividends),

"(ii) such gross income is more than $500 and less than $5,000,

"(iii) no estimated tax payments for such year are made in the name and TIN of such child, and no amount has been deducted and withheld under section 3406, and

"(iv) the parent of such child (as determined under paragraph (5)) elects the application of subparagraph (B),

such child shall be treated as having no gross income for such year and shall not be required to file a return under section 6012.

"(B) INCOME INCLUDED ON PARENT'S RETURN.—In the case of a parent making the election under this paragraph—

"(i) the gross income of each child to whom such election applies (to the extent the gross income of such child exceeds $1,000) shall be included in such parent's gross income for the taxable year,

"(ii) the tax imposed by this section for such year with respect to such parent shall be the amount equal to the sum of—

"(I) the amount determined under this section after the application of clause (i), plus

"(II) for each such child, the lesser of $75 or 15 percent of the excess of the gross income of such child over $500, and

"(iii) any interest which is an item of tax preference under section 57(a)(5) of the child shall be treated as an item of tax preference of such parent (and not of such child).

"(C) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1988.

SEC. 6007. JURY DUTY PAY REMITTED TO AN INDIVIDUAL'S EMPLOYER ALLOWED AS A DEDUCTION IN COMPUTING GROSS INCOME.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the 1986 Code (relating to additional itemized deductions for individuals) is amended by redesignating section 220 as section 221 and by inserting after section 219 the following new section:

"SEC. 220. JURY DUTY PAY REMITTED TO EMPLOYER.

"If—

"(1) an individual receives payment for the discharge of jury duty, and

"(2) the employer of such individual requires the individual to remit any portion of such payment to the employer in exchange for payment by the employer of compensation for the period the individual was performing jury duty,

then there shall be allowed as a deduction the amount so remitted.".

(b) DEDUCTION ALLOWED IN ARRIVING AT ADJUSTED GROSS INCOME.—Subsection (a) of section 62 of the 1986 Code (defining adjusted gross income) is amended by inserting after paragraph (12) the following new paragraph:

"(13) JURY DUTY PAY REMITTED TO EMPLOYER.—The deduction allowed by section 220.".

(c) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of the 1986 Code is amended by striking out the item relating to section 220 and inserting in lieu thereof the following new items:

"Sec. 220. Jury duty pay remitted to employer.
"Sec. 221. Cross references.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply as if included in the amendments made by section 132 of the Tax Reform Act of 1986.

SEC. 6008. BUSINESS USE OF AUTOMOBILES BY RURAL MAIL CARRIERS.

(a) GENERAL RULE.—In the case of any employee of the United States Postal Service who performs services involving the collection and delivery of mail on a rural route, such employee shall be permitted to compute the amount allowable as a deduction under chapter 1 of the Internal Revenue Code of 1986 for the use of an automobile in performing such services by using a standard mileage rate for all miles of such use equal to 150 percent of the basic standard rate.

(b) SUBSECTION (a) NOT TO APPLY IF EMPLOYEE CLAIMS DEPRECIATION DEDUCTIONS FOR AUTOMOBILE.—Subsection (a) shall not apply with respect to any automobile if, for any taxable year beginning after December 31, 1987, the taxpayer claimed depreciation deductions for such automobile.

(c) BASIC STANDARD RATE.—For purposes of this section, the term "basic standard rate" means the standard mileage rate which is prescribed by the Secretary of the Treasury or his delegate for computing the amount of the deduction for the business use of an automobile and which—

(1) is in effect at the time of the use referred to in subsection (a),

(2) applies to an automobile which is not fully depreciated, and

(3) applies to the first 15,000 miles (or such other number as the Secretary of the Treasury or his delegate may hereafter prescribe) of business use during the taxable year.

(d) EFFECTIVE DATE.—The provisions of this section shall apply to taxable years beginning after December 31, 1987.

SEC. 6009. EXCLUSION FROM GROSS INCOME FOR INCOME FROM UNITED STATES SAVINGS BONDS USED TO PAY TUITION AND FEES.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the 1986 Code (relating to items specifically excluded from gross income) is amended by redesignating section 135 as section 136 and by inserting after section 134 the following new section:

"SEC. 135. INCOME FROM UNITED STATES SAVINGS BONDS USED TO PAY HIGHER EDUCATION TUITION AND FEES.

"(a) GENERAL RULE.—In the case of an individual who pays qualified higher education expenses during the taxable year, no amount shall be includible in gross income by reason of the redemption during such year of any qualified United States savings bond.

"(b) LIMITATIONS.—

"(1) LIMITATION WHERE REDEMPTION PROCEEDS EXCEED HIGHER EDUCATION EXPENSES.—

"(A) IN GENERAL.—If—

"(i) the aggregate proceeds of qualified United States savings bonds redeemed by the taxpayer during the taxable year exceed

"(ii) the qualified higher education expenses paid by the taxpayer during such taxable year,

the amount excludable from gross income under subsection (a) shall not exceed the applicable fraction of the amount excludable from gross income under subsection (a) without regard to this subsection.

"(B) APPLICABLE FRACTION.—For purposes of subparagraph (A), the term 'applicable fraction' means the fraction the numerator of which is the amount described in subparagraph (A)(ii) and the denominator of which is the amount described in subparagraph (A)(i).

"(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

"(A) IN GENERAL.—If the modified adjusted gross income of the taxpayer for the taxable year exceeds $40,000 ($60,000 in the case of a joint return), the amount which would (but for this paragraph) be excludable from gross income under subsection (a) shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so excludable as such excess bears to $15,000 ($30,000 in the case of a joint return).

"(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 1990, each dollar amount contained in subparagraph (A) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1989' for 'calendar year 1987' in subparagraph (B) thereof.

"(C) ROUNDING.—If any amount as adjusted under subparagraph (A) or (B) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50 (or if such amount is a multiple of $25, such amount shall be rounded to the next highest multiple of $50).

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED UNITED STATES SAVINGS BOND.—The term 'qualified United States savings bond' means any United States savings bond issued—

"(A) after December 31, 1989,

"(B) to an individual who has attained age 24 before the date of issuance, and

"(C) at discount under section 3105 of title 31, United States Code.

"(2) QUALIFIED HIGHER EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified higher education expenses' means tuition and fees required for the enrollment or attendance of—

"(i) the taxpayer,

"(ii) the taxpayer's spouse, or

"(iii) any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151,

at an eligible educational institution.

"(B) EXCEPTION FOR EDUCATION INVOLVING SPORTS, ETC.—Such term shall not include expenses with respect to any course or other education involving sports, games, or hobbies other than as part of a degree program.

"(3) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligibhool (as defined in subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins Vocational Education Act) which is in any State (as defined in section 521(27) of such Act), as such sections are in effect on October 21, 1988.

"(4) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year determined—

"(A) without regard to this section and sections 911, 931, and 933, and

"(B) after the application of sections 86, 469, and 219.

"(d) SPECIAL RULES.—

"(1) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—The amount of qualified higher education expenses otherwise taken into account under subsection (a) respect to the education of an individual shall be reduced (before the application of subsection (b)) by the sum of the amounts received with respect to such individual for the taxable year as—

"(A) a qualified scholarship which under section 117 is not includable in gross income,

"(B) an educational assistance allowance under chapter 30, 31, 32, 34, or 35 of title 38, United States Code, or

"(C) a payment (other than a gift, bequest, devise, or inheritance within the meaning of *section 102(a)) for educational expenses, or attributable to attendance at an eligible educational institution, which is exempt from income taxation by any law of the United States.*

"(2) NO EXCLUSION FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and his spouse file a joint return for the taxable year.

"(3) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations requiring record keeping and information reporting."

(b) PROMOTION OF PUBLIC AWARENESS OF PROGRAM.—The Secretary of the Treasury or his delegate shall take such actions as may be necessary to make the general public aware of the program established by this section.

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (A) of section 86(b)(2) of the 1986 Code is amended by inserting "135," before "911".

(2) Clause (i) of section 219(g)(3)(A) of the 1986 Code is amended by striking "section 911" and inserting "sections 135 and 911".

(3) Subparagraph (D) of section 469(i)(3) of the 1986 Code is amended by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively, and by inserting after clause (i) the following new clause:

"(ii) the amount excludable from gross income under section 135,".

(4) The table of sections for part III of subchapter B of chapter 1 of the 1986 Code is amended by striking the last item and inserting the following new items:

"Sec. 135. Income from United States savings bonds used to pay higher education tuition and fees.

"Sec. 136. Cross references to other Acts."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

(e) PARENTAL ASSISTANCE WITH TUITION STAMP STUDY.—The Secretary of the Treasury or his delegate, after consultation with the Secretary of Education or his delegate, shall conduct a study of the feasibility of using stamps or similar programs to encourage and facilitate savings by parents towards the purchase of Series EE bonds eligible for the exclusion provided under the amendments made by this section. Not later than December 31, 1989, the Secretary of the Treasury or his delegate shall submit the results of such study, together with any recommendations deemed appropriate, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SEC. 6010. MODIFICATION OF ADDITIONAL EXEMPTION FOR STUDENT DEPENDENTS.

(a) IN GENERAL.—Clause (ii) of section 151(c)(1)(B) of the 1986 Code (relating to additional exemption for dependents) is amended by inserting "who has not attained the age of 24 at the close of such calendar year" before the period.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1988.

SEC. 6011. PRINCIPAL RESIDENCE CAPITAL GAINS EXCLUSION.

(a) IN GENERAL.—Subsection (d) of section 121 of the Internal Revenue Code of 1986 (relating to one-time exclusion of gain from sale of principal residence by individual who has attained age 55) is amended by adding at the end thereof the following new paragraph:

"(9) DETERMINATION OF USE DURING PERIODS OF OUT-OF-RESIDENCE CARE.—In the case of a taxpayer who—

"(A) becomes physically or mentally incapable of self-care, and

"(B) owns property and uses such property as the taxpayer's principal residence during the 5-year period described in subsection (a)(2) for periods aggregating at least 1 year, then the taxpayer shall be treated as using such property as the taxpayer's principal residence during any time during such 5-year period in which the taxpayer owns the property and resides in any facility (including a nursing home) licensed by a State or political subdivision to care for an individual in the taxpayer's condition."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to any sale or exchange after September 30, 1988, in taxable years ending after such date.

Subtitle B—Provisions Relating to Accounting and Agriculture

SEC. 6026. AMENDMENTS TO UNIFORM CAPITALIZATION RULES.

(a) TREATMENT OF CERTAIN PRODUCERS OF CREATIVE PROPERTY.—Section 263A of the 1986 Code is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) EXEMPTION FOR FREE LANCE AUTHORS, PHOTOGRAPHERS, AND ARTISTS.—

"(1) IN GENERAL.—Nothing in this section shall require the capitalization of any qualified creative expense.

"(2) QUALIFIED CREATIVE EXPENSE.—For purposes of this subsection, the term 'qualified creative expense' means any expense—

"(A) which is paid or incurred by an individual in the trade or business of such individual (other than as an employee) of being a writer, photographer, or artist, and

"(B) which, without regard to this section, would be allowable as a deduction for the taxable year.

Such term does not include any expense related to printing, photographic plates, motion picture films, video tapes, or similar items.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) WRITER.—The term 'writer' means any individual if the personal efforts of such individual create (or may reasonably be expected to create) a literary manuscript, musical composition (including any accompanying words), or dance score.

"(B) PHOTOGRAPHER.—The term 'photographer' means any individual if the personal efforts of such individual create (or may reasonably be expected to create) a photograph or photographic negative or transparency.

"(C) ARTIST.—

"(i) IN GENERAL.—The term 'artist' means any individual if the personal efforts of such individual create (or may reasonably be expected to create) a picture, painting, sculpture, statue, etching, drawing, cartoon, graphic design, or original print edition.

"(ii) CRITERIA.—In determining whether any expense is paid or incurred in the trade or business of being an artist, the following criteria shall be taken into account:

"(I) The originality and uniqueness of the item created (or to be created).

"(II) The predominance of aesthetic value over utilitarian value of the item created (or to be created).

"(D) TREATMENT OF CERTAIN PERSONAL SERVICE CORPORATIONS.—

"(i) IN GENERAL.—In the case of a personal service corporation, this subsection shall apply to any expense of such corporation which directly relates to the activities of the qualified employee-owner in the same manner as if such expense were incurred by such employee-owner.

"(ii) QUALIFIED EMPLOYEE-OWNER.—The term 'qualified employee-owner' means any individual who is an employee-owner of the personal service corporation and who is a writer, photographer, or artist, but only if substantially all of the stock of such corporation is owned by such individual and members of his family (as defined in section 267(c)(4)).

"(iii) PERSONAL SERVICE CORPORATION.—For purposes of this subparagraph, the term 'personal service corporation' means any personal service corporation (as defined in section 269A(b))."

(b) TREATMENT OF ANIMALS PRODUCED IN FARMING BUSINESS.—

(1) IN GENERAL.—Subparagraph (A) of section 263A(d)(1) of the 1986 Code (relating to exception for farming businesses) is amended to read as follows:

"(A) IN GENERAL.—This section shall not apply to any of the following which is produced by the taxpayer in a farming business:

"(i) Any animal.

"(ii) Any plant which has a preproductive period of 2 years or less."

(2) CONFORMING AMENDMENTS.—

(A) The heading of paragraph (1) of section 263(d) of the 1986 Code is amended to read as follows:

"(1) SECTION NOT TO APPLY TO CERTAIN PROPERTY.—".

(B) Subsections (d)(3) and (e) of section 263A of the 1986 Code are each amended by striking out "or animal" each place it appears.

(c) TREATMENT OF PISTACHIO TREES.—Subparagraph (B) of section 263A(d)(3) of the 1986 Code (relating to certain persons not eligible) is amended to read as follows:

"(B) CERTAIN PERSONS NOT ELIGIBLE.—No election may be made under this paragraph by a corporation, partnership, or tax shelter, if such corporation, partnership, or tax shelter is required to use an accrual method of accounting under section 447 or 448(a)(3)."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this section shall take effect as if included in the amendments made by section 803 of the Tax Reform Act of 1986.

(2) SUBSECTION (b).—

(A) IN GENERAL.—The amendments made by subsection (b) shall apply to costs incurred after December 31, 1988, in taxable years ending after such date.

(B) REVOCATION OF ELECTION.—If the taxpayer made an election under section 263A(d)(3) of the 1986 Code for a taxable year beginning before January 1, 1989, such taxpayer may, without the consent of the Secretary of the Treasury or his delegate, revoke such election effective for the taxpayer's 1st taxable year beginning after December 31, 1988.

SEC. 6027. TREATMENT OF SINGLE PURPOSE AGRICULTURAL OR HORTICULTURAL STRUCTURES.

(a) IN GENERAL.—Paragraph (3) of section 168(e) of the 1986 Code (relating to classification of property) is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by

inserting after subparagraph (C) the following new subparagraph:

"(D) 10-YEAR PROPERTY.—The term '10-year property' includes any single purpose agricultural or horticultural structure (within the meaning of section 48(p))."

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (C) of section 168(e)(3) of the 1986 Code is amended by adding "and" at the end of clause (i), by striking out clause (ii), and by redesignating clause (iii) as clause (ii).

(2) The table contained in subparagraph (B) of section 168(g)(3) of the 1986 Code is amended by striking out all that follows the item relating to subparagraph (C)(i) and inserting in lieu thereof the following new items:

"(D)	*15*
"(E)(i)	*24*
"(E)(ii)	*24*
"(F)	*50".*

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to property placed in service after December 31, 1988.

(2) EXCEPTION.—The amendments made by this section shall not apply to any property if such property is placed in service before January 1, 1990, and if such property—

(A) is constructed, reconstructed, or acquired by the taxpayer pursuant to a written contract which was binding on July 14, 1988, or

(B) is constructed or reconstructed by the taxpayer and such construction or reconstruction began by July 14, 1988.

SEC. 6028. TREATMENT OF PROPERTY USED IN A FARMING BUSINESS.

(a) IN GENERAL.—Paragraph (2) of section 168(b) of the 1986 Code (as amended by title I) is amended by striking out "or" at the end of subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:

"(B) any property used in a farming business (within the meaning of section 263A(e)(4)), or".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to property placed in service after December 31, 1988.

(2) EXCEPTION.—The amendments made by this section shall not apply to any property if such property is placed in service before July 1, 1989, and if such property—

(A) is constructed, reconstructed, or acquired by the taxpayer pursuant to a written contract which was binding on July 14, 1988, or

(B) is constructed or reconstructed by the taxpayer and such construction or reconstruction began by July 14, 1988.

SEC. 6029. TREATMENT OF CERTAIN TREES.

(a) IN GENERAL.—Subparagraph (D) of section 168(e)(3) of the 1986 Code (relating to classification of certain property), as amended by section 6027 of this Act, is amended to read as follows:

"(D) 10-YEAR PROPERTY.—The term '10-year property' includes—

"(i) any single purpose agricultural or horticultural structure (within the meaning of section 48(p)), and

"(ii) any tree or vine bearing fruit or nuts."

(b) ONLY STRAIGHT-LINE DEPRECIATION ALLOWED.—Paragraph (3) of section 168(b) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(D) Property described in subsection (e)(3)(D)(ii)."

(c) CLASS LIFE DETERMINATION.—The table contained in subparagraph (B) of section 168(g)(3) of the 1986 Code, as amended by section 6027 of this Act, is amended by striking out the item relating to subparagraph (D) and inserting in lieu thereof the following new item:

"(D)(i)	*15*
"(D)(ii)	*20".*

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 1988.

SEC. 6030. ONE-YEAR DEFERRAL OF PROCEEDS FROM LIVESTOCK SOLD ON ACCOUNT OF DROUGHT.

(a) IN GENERAL.—Paragraph (1) of section 451(e) of the 1986 Code (relating to special rule for proceeds from livestock sold on account of drought) is amended by striking out "(other than livestock described in section 1231(b)(3))".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to sales or exchanges occurring after December 31, 1987.

SEC. 6031. CERTAIN REPLEDGES PERMITTED.

(a) GENERAL RULE.—Section 453A(d) of the 1986 Code (relating to pledges, etc., of installment obligations) shall not apply to any pledge after December 17, 1987, of an installment obligation to secure any indebtedness if such indebtedness is incurred to refinance indebtedness which was outstanding on December 17, 1987, and which was secured on such date and all times thereafter before such refinancing by a pledge of such installment obligation.

(b) LIMITATION.—Subsection (a) shall not apply to the extent that the principal amount of the indebtedness resulting from the refinancing exceeds the principal amount of the refinanced indebtedness immediately before the refinancing.

(c) CERTAIN REFINANCINGS PERMITTED.—For purposes of subsection (a), if—

(1) a refinancing is attributable to the calling of indebtedness by the creditor, and

(2) such refinancing is not with the creditor under the refinanced indebtedness or a person related to such creditor,

such refinancing shall, to the extent the refinanced indebtedness qualifies under subsections (a) and (b), be treated as a continuation of such refinanced indebtedness.

SEC. 6032. TREATMENT OF INDIRECT HOLDINGS THROUGH TRUSTS UNDER SECTION 448 OF THE 1986 CODE.

(a) GENERAL RULE.—Paragraph (2) of section 448(d) of the 1986 Code (defining qualified personal service corporation) is amended by adding at the end thereof the following new sentence:

"To the extent provided in regulations which shall be prescribed by the Secretary, indirect holdings through a trust shall be taken into account under subparagraph (B)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1986.

SEC. 6033. DISASTER ASSISTANCE ACT PAYMENTS INCLUDED IN SPECIAL RULE FOR TAXABLE YEAR OF INCLUSION.

(a) DISASTER ASSISTANCE PAYMENTS.—The second sentence of section 451(d) of the 1986 Code (relating to special rule for crop insurance proceeds or disaster payments) is amended by inserting "or title II of the Disaster Assistance Act of 1988," after "the Agricultural Act of 1949, as amended,".

(b) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to payments received before, on, or after the date of enactment of this Act.

Subtitle C—Pensions and Employee Benefits

SEC. 6051. PROVISIONS RELATING TO BENEFITS UNDER DISCRIMINATORY PLANS.

(a) PROVISIONS NOT TO APPLY TO CHURCH PLANS.—Section 89(i) of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) CHURCH PLANS.—The term 'statutory employee benefit plan' shall not include a plan maintained by a church for church employees. For purposes of this paragraph, the term 'church' has the meaning given such term by section 3121(w)(3)(A), including a qualified church-controlled organization (as defined in section 3121(w)(3)(B))."

(b) CAFETERIA PLANS MAINTAINED BY EDUCATIONAL INSTITUTIONS.—Section 125(c)(2)(C) of the 1986 Code is amended by adding at the end thereof the following new sentence: "In applying section 89 to a plan described in this subparagraph, contributions under the plan shall be tested as of the time the contributions were made."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1151 of the Reform Act.

SEC. 6052. MODIFICATIONS OF DISCRIMINATION RULES APPLICABLE TO CERTAIN ANNUITY CONTRACTS.

(a) EXCLUDED EMPLOYEES.—

(1) IN GENERAL.—The last sentence of section 403(b)(12)(A) of the 1986 Code is amended to read as follows: "Subject to the conditions applicable under section 410(b)(4), there may be excluded for purposes of this subparagraph employees who are students performing services described in section 3121(b)(10) and employees who normally work less than 20 hours per week."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendment made by section 1120(b) of the Reform Act.

(b) SAMPLING.—In the case of plan years beginning in 1989, 1990, or 1991, determinations as to whether a plan meets the requirements of section 403(b)(12) of the 1986 Code may be made on the basis of a statistically valid random sample. The preceding sentence shall apply only if—

(1) the sampling is conducted by an independent person in a manner not inconsistent with regulations prescribed by the Secretary, and

(2) the statistical method and sample size result in a 95 percent probability that the results will have a margin of error not greater than 3 percent.

SEC. 6053. REQUIRED DISTRIBUTION BEGINNING DATE FOR GOVERNMENTAL AND CHURCH PLANS.

(a) IN GENERAL.—Section 401(a)(9)(C) of the 1986 Code is amended by adding at the end thereof the following new sentence: "In the case of a governmental plan or church plan (as defined in section 89(i)(4)), the required beginning date shall be the later of the date determined under the preceding sentence or April 1 of the calendar year following the calendar year in which the employee retires."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the amendments made by section 1121 of the Reform Act.

SEC. 6054. SECTION 415 LIMITATION FOR STATE AND LOCAL PLANS.

(a) MODIFIED LIMITATIONS.—Section 415(b) of the 1986 Code is amended by adding at

the end thereof the following new paragraph:

"(10) SPECIAL RULE FOR STATE AND LOCAL GOVERNMENT PLANS.—

"(A) LIMITATION TO EQUAL ACCRUED BENEFIT.—In the case of a plan maintained for its employees by any State or political subdivision thereof, or by any agency or instrumentality of the foregoing, the limitation with respect to a qualified participant under this subsection shall not be less than the accrued benefit of the participant under the plan (determined without regard to any amendment of the plan made after October 14, 1987).

"(B) QUALIFIED PARTICIPANT.—For purposes of this paragraph, the term 'qualified participant' means a participant who first became a participant in the plan maintained by the employer before January 1, 1990.

"(C) ELECTION.—This paragraph shall not apply to any plan unless each employer maintaining the plan elects before the close of the 1st plan year beginning after December 31, 1989, to have this subsection (other than paragraph (2)(G)) applied without regard to paragraph (2)(F)."

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendment made by this subsection apply to years beginning after December 31, 1982.

(2) ELECTION.—Section 415(b)(10)(C) of the 1986 Code (as added by subsection (a)) shall not apply to any year beginning before January 1, 1990.

SEC. 6055. MINIMUM PARTICIPATION STANDARDS.

(a) IN GENERAL.—Section 401(a)(26) of the 1986 Code, as amended by this Act, is amended by redesignating subparagraph (H) as subparagraph (I) and by inserting after subparagraph (G) the following new subparagraph:

"(H) SPECIAL RULE FOR CERTAIN POLICE OR FIREFIGHTERS.—

"(i) IN GENERAL.—An employer may elect to have this paragraph applied separately with respect to any classification of qualified public safety employees for whom a separate plan is maintained.

"(ii) QUALIFIED PUBLIC SAFETY EMPLOYEE.—For purposes of this subparagraph, the term 'qualified public safety employee' means any employee of any police department or fire department organized and operated by a State or political subdivision if the employee provides police protection, firefighting services, or emergency medical services for any area within the jurisdiction of such State or political subdivision."

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 1112(b) of the Reform Act.

SEC. 6056. STUDY OF EFFECT OF MINIMUM PARTICIPATION RULE ON EMPLOYERS REQUIRED TO PROVIDE CERTAIN RETIREMENT BENEFITS.

(a) STUDY.—The Secretary of the Treasury or his delegate shall conduct a study on the application of section 401(a)(26) of the Internal Revenue Code of 1986 to Government contractors who—

(1) are required by Federal law to provide certain employees specified retirement benefits, and

(2) establish a separate plan for such employees while maintaining a separate plan for employees who are not entitled to such benefits.

Such study shall consider the Federal requirements with respect to employee benefits for employees of Government contractors, whether a special minimum participation rule should apply to such employees, and methods by which plans may be modified to satisfy minimum participation requirements.

(b) REPORT.—The Secretary of the Treasury or his delegate shall report the results of the study under subsection (a) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives not later than September 1, 1989.

SEC. 6057. PROHIBITION ON COLLECTIBLES NOT TO INCLUDE STATE COINS.

(a) IN GENERAL.—Paragraph (3) of section 408(m) of the 1986 Code is amended to read as follows:

"(3) EXCEPTION FOR CERTAIN COINS.—In the case of an individual retirement account, paragraph (2) shall not apply to—

"(A) any gold coin described in paragraph (7), (8), (9), or (10) of section 5112(a) of title 31,

"(B) any silver coin described in section 5112(e) of title 31, or

"(C) any coin issued under the laws of any State."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to acquisitions after the date of the enactment of this Act.

SEC. 6058. APPLICATION OF FUNDING RULES TO MULTIPLE EMPLOYER PLANS.

(a) IN GENERAL.—Paragraph (4) of section 413(c) of the 1986 Code is amended to read as follows:

"(4) FUNDING.—

"(A) IN GENERAL.—In the case of a plan established after December 31, 1988, each employer shall be treated as maintaining a separate plan for purposes of section 412 unless such plan uses a method for determining required contributions which provides that any employer contributes not less than the amount which would be required if such employer maintained a separate plan.

"(B) OTHER PLANS.—In the case of a plan not described in subparagraph (A), the requirements of section 412 shall be determined as if all participants in the plan were employed by a single employer unless the plan administrator elects not later than the close of the first plan year of the plan beginning after the date of enactment of the Technical and Miscellaneous Revenue Act of 1988 to have the provisions of subparagraph (A) apply. An election under the preceding sentence shall take effect for the plan year in which made and, once made, may be revoked only with the consent of the Secretary."

(b) DEDUCTION LIMITATIONS.—Paragraph (6) of section 413(c) of the 1986 Code is amended to read as follows:

"(6) DEDUCTION LIMITATIONS.—

"(A) IN GENERAL.—In the case of a plan established after December 31, 1988, each applicable limitation provided by section 404(a) shall be determined as if each employer were maintaining a separate plan.

"(B) OTHER PLANS.—

"(i) IN GENERAL.—In the case of a plan not described in subparagraph (A), each applicable limitation provided by section 404(a) shall be determined as if all participants in the plan were employed by a single employer, except that if an election is made under paragraph (4)(B), subparagraph (A) shall apply to such plan.

"(ii) SPECIAL RULE.—If this subparagraph applies, the amounts contributed to or under the plan by each employer who maintains the plan (for the portion of the taxable year included within a plan year) shall be considered not to exceed any such limitation if the anticipated employer contributions for such plan year (determined in a reasonable manner not inconsistent with regulations prescribed by the Secretary) do not exceed such limitation. If such anticipated contributions exceed such a limitation, the portion of each such employer's contributions which is not deductible under section 404 shall be determined in accordance with regulations prescribed by the Secretary."

(c) CONFORMING AMENDMENT.—Section 413(c) of the 1986 Code is amended by striking out the last sentence and by inserting after paragraph (6) the following new paragraph:

"(7) ALLOCATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), allocations of amounts under paragraphs (4), (5), and (6) among the employers maintaining the plan shall not be inconsistent with regulations prescribed for this purpose by the Secretary.

"(B) ASSET AND LIABILITIES OF PLAN.—For purposes of applying paragraphs (4)(A) and (6)(A), the assets and liabilities of each plan shall be treated as the assets and liabilities which would be allocated to a plan maintained by the employer if the employer withdrew from the multiple employer plan."

(d) EFFECTIVE DATE.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan years beginning after the date of the enactment of this Act.

SEC. 6059. APPLICATION OF SECTION 415 LIMITATIONS TO POLICE AND FIREFIGHTERS.

(a) IN GENERAL.—Clause (ii) of section 415(b)(2)(H) of the 1986 Code is amended by striking out "20 years" and inserting in lieu thereof "15 years".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as if included in the amendments made by section 1106(b)(2) of the Reform Act.

SEC. 6060. EXCISE TAX ON DISPOSITION OF STOCK BY AN ESOP NOT TO APPLY TO CERTAIN FORCED DISPOSITIONS.

(a) IN GENERAL.—Subsection (e) of section 4978A of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(4) FORCED DISPOSITION OCCURRING BY OPERATION OF A STATE LAW.—Any forced disposition of qualified employer securities by the employee stock ownership plan of a corporation occurring by operation of a State law shall not be treated as a disposition. This paragraph shall only apply to securities which, at the time such securities were purchased by the employee stock ownership plan, were regularly traded on an established securities market."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the amendment made by section 10413 of the Revenue Act of 1987.

SEC. 6061. LOANS TO ACQUIRE EMPLOYER SECURITIES.

Notwithstanding the last sentence of section 111B(h)(5)(A) of this Act, the amendments made by paragraphs (1) and (2) of section 111B(h) of this Act shall not apply to any loan used to refinance a loan described in section 133(b)(1)(A) of the 1986 Code which is made before October 22, 1986, if the terms of the refinanced loan do not extend the total commitment period beyond the later of—

(1) the term of the original securities acquisition loan, or

(2) the amortization period used to determine the regular payments (prior to any

final or balloon payment) applicable to the original securities acquisition loan.

SEC. 6062. EFFECTIVE DATE OF SECTION 415 LIMITATIONS OF COLLECTIVELY BARGAINED AGREEMENTS.

(a) In General.—Paragraph (2) of section 1106(i) of the Reform Act is amended to read as follows:

"(2) Collective bargaining agreements.—In the case of a plan in effect before March 1, 1986, pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers, the amendments made by this section (other than subsection (d)) shall not apply to contributions or benefits pursuant to such agreement in years beginning before October 1, 1991."

(b) Effective Date.—The amendment made by this section shall take effect as if included in the provisions of section 1106 of the Reform Act.

SEC. 6063. TREATMENT OF PRE-1989 ELECTIONS FOR DEPENDENT CARE ASSISTANCE UNDER CAFETERIA PLANS.

For purposes of section 125 of the 1986 Code, a plan shall not be treated as failing to be a cafeteria plan solely because under the plan a participant elected before January 1, 1989, to receive reimbursement under the plan for dependent care assistance for periods after December 31, 1988, and such assistance is includible in gross income under the provisions of the Family Support Act of 1988.

SEC. 6064. MODIFICATIONS TO SECTION 457.

(a) Codification of Exception for Certain Plans.—

(1) Subsection (e) of section 457 of the 1986 Code (as amended by section 1107 of the Reform Act) is amended by adding at the end thereof the following new paragraph:

"(11) Certain plans excepted.—Any bona fide vacation leave, sick leave, compensatory time, severance pay, disability pay, or death benefit plan shall be treated as a plan not providing for the deferral of compensation."

(2) Subsection (d) of section 457 of the 1986 Code (as in effect on the day before the date of the enactment of the Reform Act) is amended by adding at the end thereof the following new paragraph:

"(10) Certain plans excepted.—Any bona fide vacation leave, sick leave, compensatory time, severance pay, disability pay, or death benefit plan shall be treated as a plan not providing for the deferral of compensation."

(b) Treatment of Nonelective Deferred Compensation of Nonemployees.—

(1) Subsection (e) of section 457 of the 1986 Code (as amended by section 1107 of the Reform Act) is amended by adding at the end thereof the following new paragraph:

"(12) Exception for nonelective deferred compensation of nonemployees.—

"(A) In general.—This section shall not apply to nonelective deferred compensation attributable to services not performed as an employee.

"(B) Nonelective deferred compensation.—For purposes of subparagraph (A), deferred compensation shall be treated as nonelective only if all individuals (other than those who have not satisfied any applicable initial service requirement) with the same relationship to the payor are covered under the same plan with no individual variations or options under the plan."

(2) Subsection (d) of section 457 of the 1986 Code (as in effect on the day before the date of the enactment of the Reform Act) is amended by adding at the end thereof the following new paragraph:

"(11) Exception for nonelective deferred compensation of nonemployees.—

"(A) In general.—This section shall not apply to nonelective deferred compensation attributable to services not performed as an employee.

"(B) Nonelective deferred compensation.—For purposes of subparagraph (a), deferred compensation shall be treated as nonelective only if all individuals (other than those who have not satisfied any applicable initial service requirement) with the same relationship to the payor are covered under the same plan with no individual variations or options under the plan."

(c) Section Not To Apply to Church Plans.—Section 457(e) of the 1986 Code (as amended by section 1107 of the Reform Act) is amended by adding at the end thereof the following new paragraph:

"(13) Exception for church plans.—The term 'eligible deferred compensation plan' shall not include a plan maintained by a church for church employees. For purposes of this paragraph, the term 'church' has the meaning given such term by section 3121(w)(3)(A), including a qualified church-controlled organization (as defined in section 3121(w)(3)(B)."

(d) Effective Date.—

(1) In general.—The amendments made by this section shall apply to taxable years beginning after December 31, 1987.

(2) Exception for certain collectively bargained plans.—

(A) In general.—Section 457 of the 1986 Code (as in effect before and after the amendments made by section 1107 of the Reform Act) shall not apply to nonelective deferred compensation provided under a plan in existence on December 31, 1987, and maintained pursuant to a collective bargaining agreement.

(B) Nonelective plan.—For purposes of this paragraph, a nonelective plan is a plan which covers a broad group of employees and under which the covered employees earn nonelective deferred compensation under a definite, fixed and uniform benefit formula.

(C) Termination.—This paragraph shall cease to apply to a plan as of the effective date of the first material modification of the plan agreed to after December 31, 1987.

(3) Treatment of certain nonelective deferred compensation.—Section 457 of the 1986 Code shall not apply to amounts deferred under a nonelective deferred compensation plan maintained by an eligible employer described in section 457(e)(1)(A) of the 1986 Code (as in effect after the Reform Act)—

(A) if such amounts were deferred from periods before July 14, 1988, or

(B) if—

(i) such amounts are deferred from periods on or after such date pursuant to an agreement which—

(I) was in writing on such date, and

(II) on such date provides for a deferral for each taxable year covered by the agreement of a fixed amount or of an amount determined pursuant to a fixed formula, and

(ii) the individual with respect to whom the deferral is made was covered under such agreement on such date.

Subparagraph (B) shall not apply to any taxable year ending after the date on which any modification of the amount or formula described in subparagraph (B)(i)(II) agreed to in writing before January 1, 1989, is effective. The preceding sentence shall not apply to a modification agreed to in writing before January 1, 1989, which does not increase any benefit of a participant. Amounts described in the first sentence of this paragraph shall be taken into account for purposes of applying section 457 of the 1986 Code to other amounts deferred under any eligible deferred compensation plan.

(4) Study.—The Secretary of the Treasury or his delegate shall conduct a study on the tax treatment of deferred compensation paid by State and local governments and tax-exempt organizations (including deferred compensation paid to independent contractors). Not later than January 1, 1990, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the study conducted under this paragraph together with such recommendations as he may deem advisable.

SEC. 6065. EXCEPTION FOR GOVERNMENTAL PLANS.

In the case of plan years beginning before January 1, 1993, section 401(a)(26) of the 1986 Code shall not apply to any governmental plan (within the meaning of section 414(d) of such Code) with respect to employees who were participants in such plan on July 14, 1988.

SEC. 6066. AIR TRANSPORTATION OF CARGO AND OF PASSENGERS TREATED AS SAME SERVICE FOR PURPOSES OF FRINGE BENEFITS INCLUSION.

(a) In General.—Subsection (h) of section 132 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(8) Air cargo.—For purposes of subsection (b), the transportation of cargo by air and the transportation of passengers by air shall be treated as the same service."

(b) Effective Date.—The amendment made by subsection (a) shall apply to transportation furnished after December 31, 1987, in taxable years ending after such date.

SEC. 6067. SPECIAL RULE FOR APPLYING SPIN-OFF RULES TO BRIDGE BANKS.

(a) In General.—Section 414(l)(2) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(G) Special rules for bridge banks.—For purposes of this paragraph, in the case of a bridge bank established under section 11(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(i))—

"(i) such bank shall be treated as a member of any controlled group which includes any insured bank (as defined in section 3(h) of such Act (12 U.S.C. 1813(h)))—

"(I) which maintains a defined benefit plan,

"(II) which is closed by the appropriate bank regulatory authorities, and

"(III) any asset and liabilities of which are received by the bridge bank, and

"(ii) the requirements of this paragraph shall not be treated as met with respect to such plan unless during the 180-day period beginning on the date such insured bank is closed—

"(I) the bridge bank has the right to require the plan to transfer (subject to the provisions of this paragraph) not more than 50 percent of the excess assets (as defined in subparagraph (C)) to a defined benefit plan maintained by the bridge bank with respect to participants or former participants (including retirees and beneficiaries) in the original plan employed by the bridge bank or formerly employed by the closed bank, and

"(II) no other merger, spin-off, termination, or similar transaction involving the portion of the excess assets described in subclause (I) may occur without the prior written consent of the bridge bank."

(b) STUDY.—The Secretary of the Treasury or his delegate, in consultation with the Federal Deposit Insurance Corporation, shall conduct a study with respect to the proper method of allocating assets in the case of a transaction to which the amendment made by this subsection applies. The Secretary of the Treasury shall not later than January 1, 1990, report the results of such study to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 205(c) of this Act.

SEC. 6068. INCOME AVERAGING ALLOWED TO LUMP-SUM DISTRIBUTIONS OF ALTERNATE PAYEES.

(a) IN GENERAL.—Section 402(e)(4) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(O) LUMP-SUM DISTRIBUTIONS OF ALTERNATE PAYEES.—If any distribution or payment of the balance to the credit of an employee would be treated as a lump-sum distribution, then, for purposes of this subsection, the payment under a qualified domestic relations order (within the meaning of section 414(p)) of the balance to the credit of an alternate payee who is the spouse or former spouse of the employee shall be treated as a lump-sum distribution. For purposes of this subparagraph, the balance to the credit of the alternate payee shall not include any amount payable to the employee."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 1984.

SEC. 6069. INCREASE IN EMPLOYER REVERSION TAX.

(a) IN GENERAL.—Section 4980(a) of the 1986 Code is amended by striking out "10 percent" and inserting in lieu thereof "15 percent".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to reversions occurring on or after October 21, 1988.

(2) EXCEPTION.—The amendment made by subsection (a) shall not apply to any reversion on or after October 21, 1988, pursuant to a plan termination if—

(A) with respect to plans subject to title IV of the Employee Retirement Income Security Act of 1974, a notice of intent to terminate required under such title was provided to participants (or if no participants, to the Pension Benefit Guaranty Corporation) before October 21, 1988,

(B) with respect to plans subject to title I of such Act, a notice of intent to reduce future accruals required under section 204(h) of such Act was provided to participants in connection with the termination before October 21, 1988,

(C) with respect to plans not subject to title I or IV of such Act, the Board of Directors of the employer approved the termination or the employer took other binding action before October 21, 1988, or

(D) such plan termination was directed by a final order of a court of competent jurisdiction entered before October 21, 1988, and notice of such order was provided to participants before such date.

SEC. 6070. DEFINITION OF PART-TIME EMPLOYEE FOR PURPOSES OF SECTION 89.

For purposes of section 89(f) of the 1986 Code, in the case of a plan maintained by an employer which employs fewer than 10 employees on a normal working day during a plan year, section 89(h)(1)(B) of such Code shall be applied—

(1) by substituting "35 hours" for "17½ hours" in the case of a plan year beginning in 1989, and

(2) by substituting "25 hours" for "17½ hours" in the case of plan years beginning in 1990.

All persons treated as 1 employer for purposes of subsection (b), (c), (m), (n), or (o) section 414 of the 1986 Code shall be treated as 1 employer for purposes of the preceding sentence.

SEC. 6071. RURAL TELEPHONE COOPERATIVES PERMITTED TO HAVE QUALIFIED CASH OR DEFERRED ARRANGEMENTS.

(a) IN GENERAL.—Paragraphs (1) and (2) of section 401(k) of the 1986 Code (relating to cash or deferred arrangements) are each amended by striking out "or a rural electric cooperative plan" and inserting in lieu thereof "or a rural cooperative plan".

(b) RURAL COOPERATIVE PLAN DEFINED.—

(1) Paragraph (7) of section 401(k) of the 1986 Code (as amended by title I) is amended to read as follows:

"(7) RURAL COOPERATIVE PLAN.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'rural cooperative plan' means any pension plan—

"(i) which is a defined contribution plan (as defined in section 414(i)), and

"(ii) which is established and maintained by a rural cooperative.

"(B) RURAL COOPERATIVE DEFINED.—For purposes of subparagraph (A), the term 'rural cooperative' means—

"(i) any organization which—

"(I) is exempt from tax under this subtitle or which is a State or local government or political subdivision thereof (or agency or instrumentality thereof), and

"(II) is engaged primarily in providing electric service on a mutual or cooperative basis,

"(ii) any organization described in paragraph (4) or (6) of section 501(c) and at least 80 percent of the members of which are organizations described in clause (i),

"(iii) a cooperative telephone company described in section 501(c)(12), and

"(iv) an organization which is a national association of organizations described in clause (i), (ii), or (iii)."

(2) Subparagraph (B) of section 401(k)(4) of the 1986 Code (as amended by title I) is amended by striking out "rural electric plan" and inserting in lieu thereof "rural cooperative plan".

(c) AMENDMENTS TO SECTION 457.—Section 457 of the 1986 Code (as amended by section 1107 of the Reform Act) is amended by striking out "rural electric cooperative plan" in subsection (c)(2) and inserting in lieu thereof "rural cooperative plan".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 6072. STUDY OF TREATMENT OF CERTAIN TECHNICAL PERSONNEL.

The Secretary of the Treasury or his delegate shall conduct a study of the treatment provided by section 1706 of the Reform Act (relating to treatment of certain technical personnel). The report of such study shall be submitted not later than September 1, 1989, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

Subtitle D—Insurance Provisions

SEC. 6076. TREATMENT OF CERTAIN WORKERS' COMPENSATION FUNDS.

(a) TREATMENT FOR TAXABLE YEARS BEGINNING BEFORE 1987.—In the case of any taxable year beginning before January 1, 1987, a deficiency shall not be assessed against (and if assessed, shall not be collected from) any qualified group self-insurers' fund to the extent such deficiency is attributable to the timing of policyholder dividend deductions.

(b) QUALIFIED GROUP SELF-INSURERS' FUND.—For purposes of this section, the term "qualified group self-insurers' fund" means any group of 2 or more employers which has been in existence for not less than 2 years, and who enter into agreements to pool their liabilities under the State workers' disability compensation laws for the purpose of qualifying as a self-insurer under such laws, if—

(1) the group has received a certificate of approval from, and is subject to regulation by, the State board or agency that is responsible for administering the State workers' disability compensation laws,

(2) each employer who is a member of the group, by written agreement, is jointly and severally bound to assume and discharge, by payment, any lawful judgment or award entered by a court of competent jurisdiction or by the State agency responsible for administering the State workers' disability compensation laws against a member of the group,

(3) the group is prohibited by State law or regulation from using the monies collected for a purpose other than to pay, or to reserve against, claims under the State workers' disability compensation laws and expenses,

(4) the group is prohibited by State law or regulation from taking projected investment income into account in determining members' premiums,

(5) the group is required by State law or regulation to submit to the State board or agency that is responsible for administering the State workers' disability compensation laws. An audited financial statement,

(6) the group's investments are limited by State law or regulation to bonds, notes, or other evidences of indebtedness issued, assumed or guaranteed by the United States of America, or by an agency or instrumentality thereof, certificates of deposit in a federally insured bank, shares or savings deposits in a federally insured savings and loan association or credit union, and certificates of deposit issued by a commercial bank duly chartered under State law, and other investments which are approved by the State board or agency that is responsible for administering the State workers disability compensation laws, and

(7) the group exclusively covers workers' compensation liability, is not a commercial insurance carrier or company licensed by the State board, agency, or commissioner respsonsible for regulating and licensing insurance carriers and companies; and is not subject to filing under the regulatory statements of the National Association of Insurance Commissioners.

SEC. 6077. SPECIAL ESTIMATED TAX PAYMENTS.

(a) GENERAL RULE.—Part III of subchapter L of chapter 1 of the 1986 Code (relating to provisions of general application) is amended by adding at the end thereof the following new section:

"SEC. 847. SPECIAL ESTIMATED TAX PAYMENTS.

"In the case of taxable years beginning after December 31, 1987, of an insurance company required to discount unpaid losses (as defined in section 846)—

"(1) ADDITIONAL DEDUCTION.—There shall be allowed as a deduction for the taxable year, if separate estimated tax payments are made as required by paragraph (2), an amount not to exceed the excess of—

"(A) the amount of the undiscounted, unpaid losses (as defined in section 846(b)) attributable to losses incurred after December 31, 1986, over

"(B) the amount of the related discounted, unpaid losses determined under section 846, to the extent such amount was not deducted under this paragraph in a preceding taxable year. Section 6655 shall be applied to any taxable year without regard to the deduction allowed under the preceding sentence.

"(2) SPECIAL ESTIMATED TAX PAYMENTS.—The deduction under paragraph (1) shall be allowed only to the extent that special estimated tax payments are made in an amount equal to the tax benefit attributable to such deduction, on or before the date that any taxes (determined without regard to this section) for the taxable year for which the deduction is allowed are due to be paid. If a deduction would be allowed but for the fact that special estimated tax payments were not timely made, such deduction shall be allowed to the extent such payments are made within a reasonable time, as determined by the Secretary, if all interest and penalties, computed as if this sentence did not apply, are paid. If amounts are included in gross income under paragraph (5) or (6) for any taxable year and an additional tax is due for such year (or any other year) as a result of such inclusion, an amount of special estimated tax payments equal to such additional tax shall be applied against such additional tax. If, after any such payment is so applied, there is an adjustment reducing the amount of such additional tax, in lieu of any credit or refund for such reduction, a special estimated tax payment shall be treated as made in an amount equal to the amount otherwise allowable as a credit or refund. To the extent that a special estimated tax payment is not used to offset additional tax due for any of the first 15 taxable years beginning after the year for which the payment was made, such special estimated tax payment shall be treated as an estimated tax payment made under section 6655 for the 16th year after the year for which the payment was made.

"(3) SPECIAL LOSS DISCOUNT ACCOUNT.—Each company which is allowed a deduction under paragraph (1) shall, for purposes of this part, establish and maintain a special loss discount account.

"(4) ADDITIONS TO SPECIAL LOSS DISCOUNT ACCOUNT.—There shall be added to the special loss discount account for each taxable year an amount equal to the amount allowed as a deduction for the taxable year under paragraph (1).

"(5) SUBTRACTIONS FROM SPECIAL LOSS DISCOUNT ACCOUNT AND INCLUSION IN GROSS INCOME.—After applying paragraph (4), there shall be subtracted for the taxable year from the special loss discount account and included in gross income:

"(A) The excess (if any) of the amount in the special loss discount account with respect to losses incurred in each taxable year over the amount of the excess referred to in paragraph (1) with respect to losses incurred in that year, and

"(B) Any amount improperly subtracted from the special loss discount account under subparagraph (A) to the extent special estimated tax payments were used with respect to such amount.

"(6) RULES IN THE CASE OF LIQUIDATION OR TERMINATION OF TAXPAYER'S INSURANCE BUSINESS.—

"(A) IN GENERAL.—If a company liquidates or otherwise terminates its insurance business and does not transfer or distribute such business in an acquisition of assets referred to in section 381(a), the entire amount remaining in such special loss discount account shall be subtracted and included in gross income. Except in the case where a company transfers or distributes its insurance business in an acquisition of assets, referred to in section 381(a), if the company is not subject to the tax imposed by section 801 or section 831 for any taxable year, the entire amount in the account at the close of the preceding taxable year shall be subtracted from the account in such preceding taxable year and included in gross income.

"(B) ELIMINATION OF BALANCE OF PAYMENTS.—In any case to which subparagraph (A) applies, any special estimated tax payment remaining after the credit attributable to the inclusion under subparagraph (A) shall be voided.

"(7) MODIFICATION OF THE AMOUNT OF SPECIAL ESTIMATED TAX PAYMENTS IN THE EVENT OF SUBSEQUENT MARGINAL RATE REDUCTION OR INCREASE.—In the event of a reduction in any tax rate provided under section 11 for any tax year after the enactment of this section, the Secretary shall prescribe regulations providing for a reduction in the amount of any special estimated tax payments made for years before the effective date of such section 11 rate reductions. Such reduction in the amount of such payments shall reduce the amount of such payments to the amount that they would have been if the special deduction permitted under paragraph (1) had occurred during a year that the lower marginal rate under section 11 applied. Similar rules shall be applied in the event of a marginal rate increase.

"(8) TAX BENEFIT DETERMINATION.—The tax benefit attributable to the deduction under paragraph (1) shall be determined under regulations prescribed by the Secretary, by taking into account tax benefits that would arise from the carryback of any net operating loss for the year, as well as current year tax benefits. Tax benefits for the current year and carryback years shall include those that would arise from the filing of a consolidated return with another insurance company required to determine discounted, unpaid losses under section 846 without regard to the limitations on consolidation contained in section 1503(c).

"(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

"(A) providing for the separate application of this section with respect to each accident year, and

"(B) such adjustments in the application of this section as may be necessary to take into account the tax imposed by section 55."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter L of chapter 1 of the 1986 Code is amended by adding at the end thereof the following new item:

"Sec. 847. Special estimated tax payments."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1987.

SEC. 6078. CHURCH SELF-FUNDED DEATH BENEFIT PLANS TREATED AS LIFE INSURANCE.

(a) IN GENERAL.—Section 7702 of the 1986 Code (defining life insurance contract) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) CERTAIN CHURCH SELF-FUNDED DEATH BENEFIT PLANS TREATED AS LIFE INSURANCE.—

"(1) IN GENERAL.—In determining whether any plan or arrangement described in paragraph (2) is a life insurance contract, the requirement of subsection (a) that the contract be a life insurance contract under applicable law shall not apply.

"(2) DESCRIPTION.—For purposes of this subsection, a plan or arrangement is described in this paragraph if—

"(A) such plan or arrangement provides for the payment of benefits by reason of the death of the individuals covered under such plan or arrangement, and

"(B) such plan or arrangement is provided by a church for the benefit of its employees and their beneficiaries, directly or through an organization described in section 414(e)(3)(A) or an organization described in section 414(e)(3)(B)(ii).

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) CHURCH.—The term 'church' means a church or a convention or association of churches.

"(B) EMPLOYEE.—The term 'employee' includes an employee described in section 414(e)(3)(B)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the amendment made by section 221(a) of the Tax Reform Act of 1984.

SEC. 6079. TREATMENT OF STRUCTURED SETTLEMENTS.

(a) TREATMENT UNDER MINIMUM TAX.—

(1) The last sentence of section 56(g)(4)(B)(iii) of the 1986 Code (as amended by title I) is amended to read as follows: "The preceding sentence shall not apply to any annuity contract which is held under a plan described in section 403(a) or which is described in section 72(u)(3)(C)."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 701 of the Reform Act.

(b) CERTAIN CREDITOR RIGHTS PERMITTED.—

(1) IN GENERAL.—Subsection (c) of section 130 of the 1986 Code (relating to certain personal injury liability assignments) is amended—

(A) by striking out subparagraph (C) of paragraph (2) and redesignating subparagraphs (D) and (E) of paragraph (2) as subparagraphs (C) and (D), respectively, and

(B) by adding at the end thereof the following new sentence:

"The determination for purposes of this chapter of when the recipient is treated as having received any payment with respect to which there has been a qualified assignment shall be made without regard to any provision of such assignment which grants the recipient rights as a creditor greater than those of a general creditor."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to assignments after the date of the enactment of this Act.

SEC. 6080. VARIABLE CONTRACTS INVESTED IN GOVERNMENT SECURITIES PERMITTED.

(a) IN GENERAL.—Subsection (h) of section 817 of the 1986 Code (relating to treatment of certain nondiversified contracts) is amended by adding at the end thereof the following new paragraph:

"(6) GOVERNMENT SECURITIES FUNDS.—In determining whether a segregated asset account is adequately diversified for purposes of paragraph (1), each United States Government agency or instrumentality shall be treated as a separate issuer."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1987.

Subtitle E—Excise Tax Provisions

SEC. 6101. AUTHORITY TO PRESCRIBE TOLERANCES FOR THE VOLUME OF WINE IN BOTTLES FOR PURPOSES OF THE EXCISE TAX ON WINE.

(a) In General.—Section 5041 of the 1986 Code (relating to imposition and rate of tax on wine) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) Tolerances.—Where the Secretary finds that the revenue will not be endangered thereby, he may by regulation prescribe tolerances (but not greater than ½ of 1 percent) for bottles and other containers, and, if such tolerances are prescribed, no assessment shall be made and no tax shall be collected for any excess in any case where the contents of a bottle or other container are within the limit of the applicable tolerance prescribed."

(b) Effective Date.—The amendment made by subsection (a) shall apply to wine removed after December 31, 1988.

SEC. 6102. WHOLESALE DISTRIBUTORS TO ADMINISTER CLAIMS FOR REFUND OF GASOLINE TAX.

(a) In General.—Subsection (a) of section 6416 of the 1986 Code (relating to certain taxes and services) is amended by adding at the end thereof the following new paragraph:

"(4) Wholesale distributors to administer credits and refunds of gasoline tax.—

"(A) In general.—For purposes of this subsection, a wholesale distributor who purchases any product on which tax imposed by section 4081 has been paid and who sells the product to its ultimate purchaser shall be treated as the person (and the only person) who paid such tax.

"(B) Wholesale distributor.—For purposes of subparagraph (A), the term 'wholesale distributor' has the meaning given such term by section 4092(b)(2) (determined by substituting 'any product taxable under section 4081' for 'a taxable fuel' therein)."

(b) Effective Date.—The amendment made by this section shall apply to fuel sold by wholesale distributors (as defined in section 6416(a)(4)(B) of the 1986 Code, as added by this section) after September 30, 1988.

SEC. 6103. AUTHORITY TO EXEMPT ARTICLES FROM EXCISE TAX ON HEAVY TRUCKS AND TRAILERS WHERE BENEFIT ACCRUES TO UNITED STATES.

(a) In General.—Section 4293 of the 1986 Code is amended by inserting "section 4051," after "section 4041,".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 6104. APPLICATION OF REDUCED GASOLINE TAX RATE TO BLENDERS.

(a) In General.—Paragraph (1) of section 4081(c) of the 1986 Code (relating to gasoline mixed with alcohol at refinery, etc.) is amended by adding after the 1st sentence the following new sentence: "Subject to such terms and conditions as the Secretary may prescribe (including the application of section 4101), the treatment under the preceding sentence also shall apply to use in producing gasohol after the time of such removal or sale.".

(b) Effective Date.—The amendment made by this section shall take effect on October 1, 1989.

SEC. 6105. CERTAIN EDUCATIONAL INSTITUTIONS EXEMPT FROM USER FEES ON PERMITS FOR INDUSTRIAL USE OF SPECIALLY DENATURED DISTILLED SPIRITS.

(a) In General.—Section 5276 of the 1986 Code (relating to occupational tax) is amended by adding at the end thereof the following new subsection:

"(c) Exemption for Certain Educational Institutions.—Subsection (a) shall not apply with respect to any scientific university, college of learning, or institution of scientific research which—

"(1) is issued a permit under section 5271(a)(2), and

"(2) with respect to any calendar year during which such permit is in effect, procures less than 25 gallons of specially denatured distilled spirits for experimental or research use but not for consumption (other than organoleptic tests) or sale."

(b) Conforming Amendment.—Section 5276(a) of the 1986 Code is amended by striking out "A permit" and inserting in lieu thereof "Except as provided in subsection (c), a permit".

(c) Effective Date.—The amendments made by this section shall take effect on July 1, 1989.

SEC. 6106. SMALL PRODUCERS EXEMPT FROM OCCUPATIONAL TAX ON DISTILLED SPIRITS PLANTS.

(a) In General.—Section 5081 of the 1986 Code (relating to imposition and rate of occupational tax) is amended by adding at the end thereof the following new subsection:

"(c) Exemption for Small Producers.—Subsection (a) shall not apply with respect to any taxpayer who is a proprietor of an eligible distilled spirits plant (as defined in section 5181(c)(4))."

(b) Conforming Amendment.—Paragraph (1) of section 5081(b) of the 1986 Code (relating to reduced rates for small proprietors) is amended by inserting "not described in subsection (c)" after "taxpayer".

(c) Effective Date.—The amendments made by this section shall take effect on July 1, 1989.

SEC. 6107. QUARTERLY PAYMENT OF ARCHERY EXCISE TAX.

(a) In General.—Subsection (d) of section 6302 of the 1986 Code (relating to mode or time of collection) is amended to read as follows:

"(d) Time for Payment of Manufacturers' Excise Tax on Sporting Goods.—The taxes imposed by subsections (a) and (b) of section 4161 (relating to taxes on sporting goods) shall be due and payable on the date for filing the return for such taxes."

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to articles sold by the manufacturer, producer, or importer after December 31, 1988.

SEC. 6108. EXTENSION OF TIME FOR ENACTING AUTHORIZING LEGISLATION RELATING TO THE OIL SPILL LIABILITY TRUST FUND.

Subparagraph (B) of section 4611(f)(2) of the 1986 Code (defining qualified authorizing legislation) is amended by striking out "September 1, 1987" and inserting in lieu thereof "December 31, 1990".

SEC. 6109. DONATED CARGO EXEMPT FROM HARBOR MAINTENANCE TAX.

(a) General Rule.—Section 4462 of the 1986 Code (relating to definitions and special rules) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Exemption for Humanitarian and Development Assistance Cargos.—No tax shall be imposed under this subchapter on any nonprofit organization or cooperative for cargo which is owned or financed by such nonprofit organization or cooperative and which is certified by the United States Customs Service as intended for use in humanitarian or development assistance overseas."

(b) Effective Date.—The amendment made by subsection (a) shall take effect on April 1, 1987.

SEC. 6110. RELAY CARGO.

(a) In General.—Subsection (g) of section 4462 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(3) Relay cargo.—Only 1 tax shall be imposed under section 4461(a) on cargo (moving under a single bill of lading) which is unloaded from one vessel and loaded onto another vessel at any port in the United States for relay to or from any port in Alaska, Hawaii, or any possession of the United States. For purposes of this paragraph, the term 'cargo' does not include any item not treated as cargo under subsection (b)(2)."

(b) Effective Date.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 6111. CLARIFICATION OF MEANING OF MANUFACTURE UNDER TRUCK EXCISE TAX.

(a) In General.—Paragraph (1) of section 4052(a) of the 1986 Code (defining first retail sale) is amended by striking out "manufacture, production" and inserting in lieu thereof "production, manufacture".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on January 1, 1988.

Subtitle F—Foreign Provisions

SEC. 6126. DUAL RESIDENT COMPANIES.

(a) General Rule.—In the case of a transaction which—

(1) involves the transfer after the date of the enactment of this Act by a domestic corporation, with respect to which there is a qualified excess loss account, of its assets and liabilities to a foreign corporation in exchange for all of the stock of such foreign corporation, followed by the complete liquidation of the domestic corporation into the common parent, and

(2) qualifies, pursuant to Revenue Ruling 87-27, as a reorganization which is described in section 368(a)(1)(F) of the 1986 Code,

then, solely for purposes of applying Treasury Regulation section 1.1502-19 to such qualified excess loss account, such foreign corporation shall be treated as a domestic corporation in determining whether such foreign corporation is a member of the affiliated group of the common parent.

(b) Treatment of Income of New Foreign Corporation.—

(1) In general.—In any case to which subsection (a) applies, for purposes of the 1986 Code—

(A) the source and character of any item of income of the foreign corporation referred to in subsection (a) shall be determined as if such foreign corporation were a domestic corporation,

(B) the net amount of any such income shall be treated as subpart F income (without regard to section 952(c) of the 1986 Code), and

(C) the amount in the qualified excess loss account referred to in subsection (a) shall—

(i) be reduced by the net amount of any such income, and

(ii) be increased by the amount of any such income distributed directly or indirectly to the common parent described in subsection (a).

(2) Limitation.—Paragraph (1) shall apply to any item of income only to the extent that the net amount of such income does not exceed the amount in the qualified excess

loss account after being reduced under paragraph (1)(C) for prior income.

(3) Basis adjustments not applicable.—To the extent paragraph (1) applies to any item of income, there shall be no increase in basis under section 961(a) of such Code on account of such income (and there shall be no reduction in basis under section 961(b) of such Code on account of an exclusion attributable to the inclusion of such income).

(4) Recognition of gain.—For purposes of paragraph (1), if the foreign corporation referred to in subsection (a) transfers any property acquired by such foreign corporation in the transaction referred to in subsection (a) (or transfers any other property the basis of which is determined in whole or in part by reference to the basis of property so acquired) and (but for this paragraph) there is not full recognition of gain on such transfer, the excess (if any) of—

(A) the fair market value of the property transferred, over

(B) its adjusted basis,

shall be treated as gain from the sale or exchange of such property and shall be recognized notwithstanding any other provision of law. Proper adjustment shall be made to the basis of any such property for gain recognized under the preceding sentence.

(c) Definitions.—For purposes of this section—

(1) Common parent.—The term "common parent" means the common parent of the affiliated group which included the domestic corporation referred to in subsection (a)(1).

(2) Qualified excess loss account.—The term "qualified excess loss account" means any excess loss account (within the meaning of the consolidated return regulations) to the extent such account is attributable—

(A) to taxable years beginning before January 1, 1988, and

(B) to periods during which the domestic corporation was subject to an income tax of a foreign country on its income on a residence basis or without regard to whether such income is from sources in or outside of such foreign country.

The amount of such account shall be determined as of immediately after the transaction referred to in subsection (a) and without, except as provided in subsection (b), diminution for any future adjustment.

(3) Net amount.—The net amount of any item of income is the amount of such income reduced by allocable deductions as determined under the rules of section 954(b)(5) of the 1986 Code.

(4) Second same country corporation may be treated as domestic corporation in certain cases.—If—

(A) another foreign corporation acquires from the common parent stock of the foreign corporation referred to in subsection (a) after the transaction referred to in subsection (a),

(B) both of such foreign corporations are subject to the income tax of the same foreign country on a residence basis, and

(C) such common parent complies with such reporting requirements as the Secretary of the Treasury or his delegate may prescribe for purposes of this paragraph,

such other foreign corporation shall be treated as a domestic corporation in determining whether the foreign corporation referred to in subsection (a) is a member of the affiliated group referred to in subsection (a) (and the rules of subsection (b) shall apply (i) to any gain of such other foreign corporation on any disposition of such stock, and (ii) to any other income of such other foreign corporation except to the extent it establishes to the satisfaction of the Secretary of the Treasury or his delegate that such income is not attributable to property acquired from the foreign corporation referred to in subsection (a)).

SEC. 6127. ELECTION TO BE TREATED AS QUALIFIED ELECTING FUND TO BE MADE BY TAXPAYER

(a) General Rule.—Section 1295 of the 1986 Code (defining qualified electing fund) is amended to read as follows:

"SEC. 1295. QUALIFIED ELECTING FUND.

"(a) General Rule.—For purposes of this part, any passive foreign investment company shall be treated as a qualified electing fund with respect to the taxpayer if—

"(1) an election by the taxpayer under subsection (b) applies to such company for the taxable year, and

"(2) such company complies with such requirements as the Secretary may prescribe for purposes of—

"(A) determining the ordinary earnings and net capital gain of such company, and

"(B) otherwise carrying out the purposes of this subpart.

"(b) Election.—

"(1) In general.—A taxpayer may make an election under this subsection with respect to any passive foreign investment company for any taxable year of the taxpayer. Such an election, once made with respect to any company, shall apply to all subsequent taxable years of the taxpayer with respect to such company unless revoked by the taxpayer with the consent of the Secretary.

"(2) When made.—An election under this subsection may be made for any taxable year at any time on or before the due date (determined with regard to extensions) for filing the return of the tax imposed by this chapter for such taxable year. To the extent provided in regulations, such an election may be made later than as required in the preceding sentence where the taxpayer fails to make a timely election because the taxpayer reasonably believed that the company was not a passive foreign investment company."

(b) Conforming Amendments.—

(1) Paragraph (1) of section 1291(d) of the 1986 Code (as amended by title I) is amended by striking out "for each" in the material preceding subparagraph (A) and inserting in lieu thereof "with respect to the taxpayer for each".

(2) Subparagraphs (A)(i) and (B)(i) of section 1291(d)(2) of the 1986 Code (as amended by title I) are each amended by striking out "for a taxable year" and inserting in lieu thereof "with respect to the taxpayer for a taxable year".

(c) Effective Date.—

(1) In general.—The amendments made by this section shall take effect as if included in the amendments made by section 1235 of the Reform Act.

(2) Time for making election.—The period during which an election under section 1295(b) of the 1986 Code may be made shall in no event expire before the date 60 days after the date of the enactment of this Act.

SEC. 6128. TREATMENT OF CERTAIN UNITED STATES AFFILIATE OBLIGATIONS.

(a) General Rule.—Subparagraph (B) of section 127(g)(3) of the Tax Reform Act of 1984 is amended by inserting before the period at the end thereof the following: "as such principles are applied in Revenue Ruling 86-6, except that the maximum debt-to-equity ratio described in such Revenue Rulings shall be increased from 5-to-1 to 25-to-1.

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 6129. TREATMENT OF CERTAIN INSURANCE BRANCHES OF FOREIGN CORPORATIONS.

(a) General Rule.—Section 964 of the 1986 Code (relating to miscellaneous provisions) is amended by adding at the end thereof the following new subsection:

"(d) Treatment of Certain Branches.—

"(1) In general.—For purposes of this chapter, section 6038, section 6046, and such other provisions as may be specified in regulations—

"(A) a qualified insurance branch of a controlled foreign corporation shall be treated as a separate foreign corporation created under the laws of the foreign country with respect to which such branch qualifies under paragraph (2), and

"(B) except as provided in regulations, any amount directly or indirectly transferred or credited from such branch to one or more other accounts of such controlled foreign corporation shall be treated as a dividend paid to such controlled foreign corporation.

"(2) Qualified insurance branch.—For purposes of paragraph (1), the term 'qualified insurance branch' means any branch of a controlled foreign corporation which is licensed and predominantly engaged on a permanent basis in the active conduct of an insurance business in a foreign country if—

"(A) separate books and accounts are maintained for such branch,

"(B) the principal place of business of such branch is in such foreign country,

"(C) such branch would be taxable under subchapter L if it were a separate domestic corporation, and

"(D) an election under this paragraph applies to such branch.

An election under this paragraph shall apply to the taxable year for which made and all subsequent taxable years unless revoked with the consent of the Secretary.

"(3) Regulations.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years of foreign corporations beginning after December 31, 1988.

SEC. 6130. TREATMENT OF CERTAIN INSTRUMENTS UNDER FOREIGN CURRENCY RULES.

(a) General Rule.—Clause (iii) of section 988(c)(1)(B) of the 1986 Code (as amended by title I) is amended by striking out "unless such instrument would be marked to market under section 1256 if held on the last day of the taxable year".

(b) Special Rules.—Paragraph (1) of section 988(c) of the 1986 Code is amended by adding at the end thereof the following new subparagraphs:

"(D) Exception for certain instruments marked to market.—

"(i) In general.—Clause (iii) of subparagraph (B) shall not apply to any regulated futures contract or nonequity option which would be marked to market under section 1256 if held on the last day of the taxable year.

"(ii) Election out.—

"(I) In general.—The taxpayer may elect to have clause (i) not apply to such taxpayer. Such an election shall apply to contracts held at any time during the taxable year for which such election is made or any succeeding taxable year unless such election is revoked with the consent of the Secretary.

"(II) TIME FOR MAKING ELECTION.—Except as provided in regulations, an election under subclause (I) for any taxable year shall be made on or before the 1st day of such taxable year (or, if later, on or before the 1st day during such year on which the taxpayer holds a contract described in clause (i)).

"(III) SPECIAL RULE FOR PARTNERSHIPS, ETC.—In the case of a partnership, an election under subclause (I) shall be made by each partner separately. A similar rule shall apply in the case of an S corporation.

"(iii) TREATMENT OF CERTAIN PARTNERSHIPS.—This subparagraph shall not apply to any income or loss of a partnership for any taxable year if such partnership made an election under subparagraph (E)(iii)(V) for such year or any preceding year.

"(E) SPECIAL RULES FOR CERTAIN FUNDS.—

"(i) IN GENERAL.—In the case of a qualified fund, clause (iii) of subparagraph (B) shall not apply to any instrument which would be marked to market under section 1256 if held on the last day of the taxable year (determined after the application of clause (iv)).

"(ii) SPECIAL RULE WHERE ELECTING PARTNERSHIP DOES NOT QUALIFY.—If any partnership made an election under clause (iii)(V) for any taxable year and such partnership has a net loss for such year or any succeeding year from instruments referred to in clause (i), the rules of clauses (i) and (iv) shall apply to any such loss year whether or not such partnership is a qualified fund for such year.

"(iii) QUALIFIED FUND DEFINED.—For purposes of this subparagraph, the term 'qualified fund' means any partnership if—

"(I) at all times during the taxable year (and during each preceding taxable year to which an election under subclause (V) applied), such partnership has at least 20 partners and no single partner owns more than 20 percent of the interests in the capital or profits of the partnership,

"(II) the principal activity of such partnership for such taxable year (and each such preceding taxable year) consists of buying and selling options, futures, or forwards with respect to commodities,

"(III) at least 90 percent of the gross income of the partnership for the taxable year (and for each such preceding taxable year) consisted of income or gains described in subparagraph (A), (B), or (G) of section 7704(d)(1) or gain from the sale or disposition of capital assets held for the production of interest or dividends,

"(IV) no more than a de minimis amount of the gross income of the partnership for the taxable year (and each such preceding taxable year) was derived from buying and selling commodities, and

"(V) an election under this subclause applies to the taxable year.

An election under subclause (V) for any taxable year shall be made on or before the 1st day of such taxable year (or, if later, on or before the 1st day during such year on which the partnership holds an instrument referred to in clause (i)). Any such election shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary.

"(iv) TREATMENT OF CERTAIN CURRENCY CONTRACTS.—

"(I) IN GENERAL.—Except as provided in regulations, in the case of a qualified fund, any bank forward contract, any foreign currency futures contract traded on a foreign exchange, or to the extent provided in regulations any similar instrument, which is not otherwise a section 1256 contract shall be treated as a section 1256 contract for purposes of section 1256.

"(II) GAINS AND LOSSES TREATED AS SHORT-TERM.—In the case of any instrument treated as a section 1256 contract under subclause (I), subparagraph (A) of section 1256(a)(3) shall be applied by substituting '100 percent' for '40 percent' (and subparagraph (B) of such section shall not apply).

"(v) SPECIAL RULES FOR CLAUSE (iii)(I).—

"(I) CERTAIN GENERAL PARTNERS.—The interest of a general partner in the partnership shall not be treated as failing to meet the 20-percent ownership requirements of clause (iii)(I) for any taxable year of the partnership if, for the taxable year of the partner in which such partnership taxable year ends, such partner (and each corporation filing a consolidated return with such partner) had no ordinary income or loss from a section 988 transaction which is foreign currency gain or loss (as the case may be).

"(II) TREATMENT OF INCENTIVE COMPENSATION.—For purposes of clause (iii)(I), any income allocable to a general partner as incentive compensation based on profits rather than capital shall not be taken into account in determining such partner's interest in the profits of the partnership.

"(III) TREATMENT OF TAX-EXEMPT PARTNERS.—Except as provided in regulations, the interest of a partner in the partnership shall not be treated as failing to meet the 20-percent ownership requirements of clause (iii)(I) if none of the income of such partner from such partnership is subject to tax under this chapter (whether directly or through 1 or more pass-thru entities).

"(IV) LOOK-THRU RULE.—In determining whether the requirements of clause (iii)(I) are met with respect to any partnership, except to the extent provided in regulations, any interest in such partnership held by another partnership shall be treated as held proportionately by the partners in such other partnership.

"(vi) OTHER SPECIAL RULES.—For purposes of this subparagraph—

"(I) RELATED PERSONS.—Interests in the partnership held by persons related to each other (within the meaning of sections 267(b) and 707(b)) shall be treated as held by 1 person.

"(II) PREDECESSORS.—References to any partnership shall include a reference to any predecessor thereof.

"(III) INADVERTENT TERMINATIONS.—Rules similar to the rules of section 7704(e) shall apply.

"(IV) TREATMENT OF CERTAIN DEBT INSTRUMENTS.—For purposes of clause (iii)(IV), any debt instrument which is a section 988 transaction shall be treated as a commodity."

(c) AMENDMENT OF SECTION 1092(b).—Paragraph (2) of section 1092(b) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(D) TIMING AND CHARACTER AUTHORITY.—The regulations prescribed under paragraph (1) shall include regulations relating to the timing and character of gains and losses in case of straddles where at least 1 position is ordinary and at least 1 position is capital."

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to forward contracts, future contracts, options, and similar instruments entered into or acquired after October 21, 1988.

(2) TIME FOR MAKING ELECTION.—The time for making any election under subparagraph (D) or (E) of section 988(c)(1) of the 1986 Code shall not expire before the date 30 days after the date of the enactment of this Act.

(3) TRANSITIONAL RULES.—

(A) The requirements of subclause (IV) of section 988(c)(1)(E)(iii) of the 1986 Code (as added by subsection (b)) shall not apply to periods before the date of the enactment of this Act.

(B) In the case of any partner in an existing partnership, the 20-percent ownership requirements of subclause (I) of such section 988(c)(1)(E)(iii) shall be treated as met during any period during which such partner does not own a percentage interest in the capital or profits of such partnership greater than 33⅓ percent (or, if lower, the lowest such percentage interest of such partner during any prior period after October 21, 1988, during which such partnership is in existence). For purposes of the preceding sentence, the term 'existing partnership' means any partnership if—

(i) such partnership was in existence on October 21, 1988, and principally engaged on such date in buying and selling options, futures, or forwards with respect to commodities, or

(ii) a registration statement was filed with respect to such partnership with the Securities and Exchange Commission on or before such date and such registration statement indicated that the principal activity of such partnership will consist of buying and selling instruments referred to in clause (i).

SEC. 6131. TREATMENT OF INSURANCE COMPANIES UNDER CHAIN DEFICIT RULE.

(a) IN GENERAL.—Subparagraph (B) of section 952(c)(1) of the 1986 Code is amended by adding at the end thereof the following new clause:

"(vii) SPECIAL RULES FOR INSURANCE INCOME.—

"(I) IN GENERAL.—An election may be made under this clause to have section 953(a) applied for purposes of this title without regard to the same country exception under paragraph (1)(A) thereof. Such election, once made, may be revoked only with the consent of the Secretary.

"(II) SPECIAL RULES FOR AFFILIATED GROUPS.—In the case of an affiliated group of corporations (within the meaning of section 1504 but without regard to section 1504(b)(3) and by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears), no election may be made under subclause (I) for any controlled foreign corporation unless such election is made for all other controlled foreign corporations who are members of such group and who were created or organized under the laws of the same country as such controlled foreign corporation. For purposes of clause (v), in determining whether any controlled corporation described in the preceding sentence is a qualified insurance company, all such corporations shall be treated as 1 corporation."

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 1221(f) of the Reform Act.

SEC. 6132. VIRGIN ISLANDS TREATED AS QUALIFIED BASIN COUNTRY.

(a) IN GENERAL.—Subparagraph (B) of section 936(d)(4) of the 1986 Code is amended by inserting "and the Virgin Islands" after "section 274(h)(6)(A)".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to investments made after the date of the enactment of this Act.

SEC. 6133. TREATMENT OF CERTAIN UNITED STATES OBLIGATIONS HELD BY POSSESSION BANKS.

(a) IN GENERAL.—Subsection (e) of section 882 of the 1986 Code is amended—

(1) by inserting "which is not portfolio interest (as defined in section 881(c)(2))" before "shall", and

(2) by striking out the last sentence thereof.

(b) EXCLUSION FROM BRANCH PROFITS TAX.—Paragraph (2) of section 884(d) of the 1986 Code is amended by striking out "or" at the end of subparagraph (C), by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", or" and by inserting after subparagraph (D) the following new subparagraph:

"(E) income treated as effectively connected with the conduct of a trade or business within the United States under section 882(e)."

(c) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1988.

SEC. 6134. TREATMENT OF CERTAIN GAMBLING WINNINGS RECEIVED BY NONRESIDENT ALIENS.

(a) EXEMPTION FROM TAX.—

(1) Section 871 of the 1986 Code (relating to tax on nonresident alien individuals) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) EXEMPTION FOR CERTAIN GAMBLING WINNINGS.—No tax shall be imposed under paragraph (1)(A) of subsection (a) on the proceeds from a wager placed in any of the following games: blackjack, baccarat, craps, roulette, or big-6 wheel. The preceding sentence shall not apply in any case where the Secretary determines by regulation that the collection of the tax is administratively feasible."

(2) Subsection (c) of section 1441 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(11) CERTAIN GAMBLING WINNINGS.—No tax shall be required to be deducted and withheld under subsection (a) from any amount exempt from the tax imposed by section 871(a)(1)(A) by reason of section 871(j)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 6135. ELECTION TO BE TREATED AS DOMESTIC CORPORATION.

(a) IN GENERAL.—Section 953 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(d) ELECTION BY FOREIGN INSURANCE COMPANY TO BE TREATED AS DOMESTIC CORPORATION.—

"(1) IN GENERAL.—If—

"(A) a foreign corporation is a controlled foreign corporation (as defined in section 957(a) by substituting '25 percent or more' for 'more than 50 percent' and by using the definition of United States shareholder under 953(c)(1)(A)),

"(B) such foreign corporation would qualify under part I or II of subchapter L for the taxable year if it were a domestic corporation,

"(C) such foreign corporation meets such requirements as the Secretary shall prescribe to ensure that the taxes imposed by this chapter on such foreign corporation are paid, and

"(D) such foreign corporation makes an election to have this paragraph apply and waives all benefits to such corporation granted by the United States under any treaty, for purposes of this title, such corporation shall be treated as a domestic corporation.

"(2) PERIOD DURING WHICH ELECTION IS IN EFFECT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an election under paragraph (1) shall apply to the taxable year for which made and all subsequent taxable years unless revoked with the consent of the Secretary.

"(B) TERMINATION.—If a corporation which made an election under paragraph (1) for any taxable year fails to meet the requirements of subparagraphs (A), (B), and (C), of paragraph (1) for any subsequent taxable year, such election shall not apply to any taxable year beginning after such subsequent taxable year.

"(3) TREATMENT OF LOSSES.—If any corporation treated as a domestic corporation under this subsection is treated as a member of an affiliated group for purposes of chapter 6 (relating to consolidated returns), any loss of such corporation shall be treated as a dual consolidated loss (as defined in section 1503(d)).

"(4) EFFECT OF ELECTION.—

"(A) IN GENERAL.—For purposes of section 367, any foreign corporation making an election under paragraph (1) shall be treated as transferring (as of the 1st day of the 1st taxable year to which such election applies) all of its assets to a domestic corporation in connection with an exchange to which section 354 applies.

"(B) EXCEPTION FOR PRE-1988 EARNINGS AND PROFIT.—

"(i) IN GENERAL.—Earnings and profits of the foreign corporation accumulated in taxable years beginning before January 1, 1988, shall not be included in the gross income of the persons holding stock in such corporation by reason of subparagraph (A).

"(ii) TREATMENT OF DISTRIBUTIONS.—For purposes of this title, any distribution made by a corporation to which an election under paragraph (1) applies out of earnings and profits accumulated in taxable years beginning before January 1, 1988, shall be treated as a distribution made by a foreign corporation.

"(iii) CERTAIN RULES TO CONTINUE TO APPLY TO PRE-1988 EARNINGS.—The provisions specified in clause (iv) shall be applied without regard to paragraph (1), except that, in the case of a corporation to which an election under paragraph (1) applies, only earnings and profits accumulated in taxable years beginning before January 1, 1988, shall be taken into account.

"(iv) SPECIFIED PROVISIONS.—The provisions specified in this clause are:

"(I) Section 1248 (relating to gain from certain sales or exchanges of stock in certain foreign corporations).

"(II) Subpart F of part III of subchapter N to the extent such subpart relates to earnings invested in United States property or amounts referred to in clause (ii) or (iii) of section 951(a)(1)(A).

"(III) Section 884 to the extent the foreign corporation reinvested 1987 earnings and profits in United States assets.

"(5) EFFECT OF TERMINATION.—For purposes of section 367, if—

"(A) an election is made by a corporation under paragraph (1) for any taxable year, and

"(B) such election ceases to apply for any subsequent taxable year,

such corporation shall be treated as a domestic corporation transferring (as of the 1st day of such subsequent taxable year) all of its property to a foreign corporation in connection with an exchange to which section 354 applies.

"(6) ADDITIONAL TAX ON CORPORATION MAKING ELECTION.—

"(A) IN GENERAL.—If a corporation makes an election under paragraph (1), the amount of tax imposed by this chapter for the 1st taxable year to which such election applies shall be increased by the amount determined under subparagraph (B).

"(B) AMOUNT OF TAX.—The amount of tax determined under this paragraph shall be equal to the lesser of—

"(i) ¾ of 1 percent of the aggregate amount of capital and accumulated surplus of the corporation as of December 31, 1987, or

"(ii) $1,500,000."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1987.

SEC. 6136. TAX EXEMPTION FOR ENJEBI COMMUNITY TRUST FUND.

(a) IN GENERAL.—Any earnings on, and distributions from, the Enjebi Community Trust Fund created under section 103 of the Compact of Free Association Act of 1985 shall be exempt from all Federal, State, or local taxation.

(b) EFFECTIVE DATE.—The provisions of subsection (a) shall apply to all taxable years whether beginning before, on, or after the date of the enactment of this Act.

SEC. 6137. APPLICATION OF SECTION 912 TO JUDICIAL EMPLOYEES.

(a) IN GENERAL.—Section 912(2) of the 1986 Code is amended by inserting "(or in the case of judicial officers or employees of the United States, in accordance with rules similar to such regulations)" after "President".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to allowances received after October 12, 1987, in taxable years ending after such date.

SEC. 6138. STUDY OF DEFINITION OF UNITED STATES RESIDENT.

(a) IN GENERAL.—The Secretary of the Treasury or his delegate shall conduct a study of section 7701(b) of the Internal Revenue Code of 1986, relating to the determination as to whether a person is a United States resident for purposes of Federal tax laws. Such study shall include an examination of—

(1) the effect such determination has on Federal tax administration and investment flows between the United States and other countries,

(2) the coordination of such determination with any treaty obligations of the United States,

(3) how such determination compares with the way such determination is made by our major trading partners, and

(4) any estimated revenue gain or loss which would result from modifying such determination.

(b) REPORT.—The Secretary of the Treasury or his delegate shall report before May 1, 1989, the results of the study conducted under subsection (a) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 6139. SUNSET OF TREATY PROVISIONS.

(a) IN GENERAL.—No provisions of the Tax Convention with the United Kingdom (on behalf of Bermuda) or the Tax Convention with Barbados, whether entered into on, before, or after the date of enactment of this Act shall prevent application of any provision of the Internal Revenue Code of 1986 *imposing insurance excise taxes. In the case of a treaty entered into after the date of enactment of this Act, the preceding sentence shall not apply if such treaty by specific reference to this section of this Act clearly expresses the intent to override the provisions of this section.*

(b) Special Rule for Certain Treaties.—In the case of any treaty in effect on December 31, 1989, subsection (a) shall not apply to any premium allocable to insurance coverage for periods before January 1, 1990.

SEC. 6140. TREATMENT OF CERTAIN AWARDS BY THE DISTRICT COURT OF GUAM.

For purposes of the internal revenue laws of the United States and Guam, gross income shall not include any amount received pursuant to any claim over which the District Court of Guam has jurisdiction by reason of section 204 of Public Law 95-134 (commonly referred to as the Omnibus Territories Act of 1977). This section shall be effective for taxable years beginning after December 31, 1985.

Subtitle G—Estate Tax Provisions

SEC. 6151. TREATMENT OF CERTAIN RENTS UNDER SECTION 2032A.

(a) General Rule.—Subparagraph (A) of section 2032A(b)(5) of the 1986 Code (relating to special rules for surviving spouse) is amended by adding at the end thereof the following new sentence: "For purposes of subsection (c), such surviving spouse shall not be treated as failing to use such property in a qualified use solely because such spouse rents such property to a member of such spouse's family on a net cash basis."

(b) Effective Date.—

(1) In general.—The amendment made by subsection (a) shall apply with respect to rentals occurring after December 31, 1976.

(2) Waiver of statute of limitations.—If on the date of the enactment of this Act (or at any time within 1 year after such date of enactment) refund or credit of any overpayment of tax resulting from the application of the amendment made by subsection (a) is barred by any law or rule of law, refund or credit of such overpayment shall, nevertheless, be made or allowed if claim therefore is filed before the date 1 year after the date of the enactment of this Act.

SEC. 6152. CLARIFICATION OF TREATMENT OF JOINT AND SURVIVOR ANNUITIES UNDER QTIP RULES.

(a) Estate Tax.—Paragraph (7) of section 2056(b) of the 1986 Code is amended by adding at the end thereof the following new subparagraph:

"(C) Treatment of survivor annuities.—In the case of an annuity where only the surviving spouse has the right to receive payments before the death of such surviving spouse—

"(i) the interest of such surviving spouse shall be treated as a qualifying income interest for life, and

"(ii) the executor shall be treated as having made an election under this subsection with respect to such annuity unless the executor otherwise elects on the return of tax imposed by section 2001.

An election under clause (ii), once made, shall be irrevocable."

(b) Gift Tax.—Subsection (f) of section 2523 of the 1986 Code is amended by adding at the end thereof the following new paragraph:

"(6) Treatment of joint and survivor annuities.—In the case of a joint and survivor annuity where only the donor spouse and donee spouse have the right to receive payments before the death of the last spouse to die—

"(A) the donee spouse's interest shall be treated as a qualifying income interest for life,

"(B) the donor spouse shall be treated as having made an election under this subsection with respect to such annuity unless the donor spouse otherwise elects on or before the date specified in paragraph (4)(A),

"(C) paragraph (5) and section 2519 shall not apply to the donor spouse's interest in the annuity, and

"(D) if the donee spouse dies before the donor spouse, no amount shall be includible in the gross estate of the donee spouse under section 2044 with respect to such annuity.

An election under subparagraph (B), once made, shall be irrevocable."

(c) Effective Dates.—

(1) In general.—Except as otherwise provided in this subsection—

(A) the amendment made by subsection (a) shall apply with respect to decedents dying after December 31, 1981, and

(B) the amendment made by subsection (b) shall apply to transfers after December 31, 1981.

(2) Not to apply to extent inconsistent with prior return.—In the case of any estate or gift tax return filed before the date of the enactment of this Act, the amendments made by this section shall not apply to the extent such amendments would be inconsistent with the treatment of the annuity on such return unless the executor or donor (as the case may be) otherwise elects under this paragraph before the day 2 years after the date of the enactment of this Act.

(3) Extension of time for election out.—The time for making an election under section 2056(b)(7)(C)(ii) or 2523(f)(6)(B) of the 1986 Code (as added by this subsection) shall not expire before the day 2 years after the date of the enactment of this Act (and, if such election is made within the time permitted under this paragraph, the requirement of such section 2056(b)(7)(C)(ii) that it be made on the return shall not apply).

Subtitle H—Part VI—Tax-Exempt Bond Provisions

SEC. 6176. CLARIFICATION OF SMALL ISSUE BOND DEFINITION OF MANUFACTURING FACILITY.

(a) In General.—Subparagraph (C) of section 144(a)(12) of the 1986 Code (defining manufacturing facility) is amended by adding at the end thereof the following new sentence: "For purposes of the 1st sentence of this subparagraph, the term 'manufacturing facility' includes facilities which are directly related and ancillary to a manufacturing facility (determined without regard to this sentence) if—

"(i) such facilities are located on the same site as the manufacturing facility, and

"(ii) not more than 25 percent of the net proceeds of the issue are used to provide such facilities."

(b) Effective Date.—

(1) In general.—The amendment made by subsection (a) shall apply to bonds issued after the date of the enactment of this Act.

(2) Refundings.—The amendment made by subsection (a) shall not apply to any bond issued to refund (or which is part of a series of bonds issued to refund) a bond issued on or before the date of the enactment of this Act if—

(A) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue, and

(B) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond.

For purposes of subparagraph (A), average maturity shall be determined in accordance with section 147(b) of the 1986 Code.

SEC. 6177. RULES APPLICABLE TO TAX AND REVENUE ANTICIPATION BONDS.

(a) Change in Period To Determine Cumulative Cash Flow Deficit.—Subclause (III) of section 148(f)(4)(B)(iii) of the 1986 Code (relating to safe harbor for determining when proceeds of tax and revenue anticipation bonds are expended) is amended by striking out "the earliest of the maturity date of the issue, the date 6 months after such date of issuance," and inserting in lieu thereof "the earlier of the date 6 months after such date of issuance."

(b) Due Date for Last Installment of Arbitrage Rebate.—Paragraph (3) of section 148(f) of the 1986 Code is amended by adding at the end thereof the following new sentence: "In the case of a tax and revenue anticipation bond, the last installment shall not be required to be made before the date 8 months after the date of issuance of the issue of which the bond is a part."

(c) Effective Date.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 6178. AMENDMENT TO MORTGAGE BOND PURCHASE PRICE REGULATIONS.

The Secretary of the Treasury or his delegate shall amend the regulations relating to mortgage bond purchase price requirements, with respect to any lease with a remaining term of at least 35 years and a specified ground rent for at least the first 10 years of such term but not for the entire term, to provide for a capitalized value of such lease equal to the present value of the current ground rent projected over the remaining term of the lease and discounted at 3 percent or such other discount rate as the Secretary establishes. If such amendment is not made before the date of the enactment of this Act, such regulations shall be considered to include such amendment with respect to bonds issued after such date.

SEC. 6179. APPLICATION OF SECURITY INTEREST TEST TO BOND FINANCING OF HAZARDOUS WASTE CLEAN-UP ACTIVITIES.

Before January 1, 1989, the Secretary of the Treasury or his delegate shall issue guidance concerning the application of the private security or payment test under section 141(b)(2) of the Internal Revenue Code of 1986 to tax-exempt bond financing by State and local governments of hazardous waste clean-up activities conducted by such governments where some of the activities occur on privately owned land.

SEC. 6180. TAX-EXEMPT FINANCING FOR CERTAIN RAIL FACILITIES.

(a) In General.—Subsection (a) of section 142 of the 1986 Code (relating to exempt facility bonds) is amended—

(1) by striking out "or" at the end of paragraph (9),

(2) by striking out the period at the end of paragraph (10) and inserting in lieu thereof ", or", and

(3) by adding at the end thereof the following new paragraph:

"(11) high-speed intercity rail facilities."

(b) Definition and Special Rules for High-Speed Intercity Rail Facilities.—

(1) In general.—Section 142 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(i) High-Speed Intercity Rail Facilities.—

"(1) For purposes of subsection (a)(11), the term 'high-speed intercity rail facilities'

means any facility (not including rolling stock) for the fixed guideway rail transportation of passengers and their baggage between metropolitan statistical areas (within the meaning of section 143(k)(2)(B)) using vehicles that are reasonably expected to operate at speeds in excess of 150 miles per hour between scheduled stops, but only if such facility will be made available to members of the general public as passengers.

"(2) Election by Nongovernmental Owners.—A facility shall be treated as described in subsection (a)(11) only if any owner of such facility which is not a governmental unit irrevocably elects not to claim—

"(A) any deduction under section 167 or 168, and

"(B) any credit under this subtitle,

with respect to the property to be financed by the net proceeds of the issue.

"(3) Use of Proceeds.—A bond issued as part of an issue described in subsection (a)(11) shall not be considered an exempt facility bond unless any proceeds not used within a 3-year period of the date of the issuance of such bond are used (not later than 6 months after the close of such period) to redeem bonds which are part of such issue."

(2) Use of Facilities.—Subsection (c) of section 142 of the 1986 Code (relating to special rules for airport, docks and wharves, and mass commuting facilities) is amended—

(A) by striking out "paragraph (1), (2), or (3) of subsection (a)" each place it appears in paragraphs (1) and (2) thereof and inserting in lieu thereof "paragraph (1), (2), (3) or (11) of subsection (a)", and

(B) by striking out "and Mass Commuting Facilities" in the heading thereof and inserting in lieu thereof "Mass Commuting Facilities and High-Speed Intercity Rail Facilities".

(3) Partial Exclusion from Volume Cap.—Subsection (g) of section 146 of the 1986 Code (relating to an exception for certain bonds) is amended—

(A) by striking out "and" at the end of paragraph (2),

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ", and" and

(C) by adding at the end thereof the following new paragraph:

"(3) 75 percent of any exempt facility bond issued as part of an issue described in paragraph (11) of section 142(a) (relating to high-speed intercity rail facilities)."

(4) Limitation Removed on Use of Bond Proceeds for Land Acquisition.—Paragraph (3) of section 147(c) of the 1986 Code (relating to limitation on use for land acquisition) is amended by inserting "high-speed intercity rail facility" after "mass commuting facility" each place it appears.

(5) Special Rule for Public Approval.—Paragraph (3) of section 147(f) of the 1986 Code (relating to public approval required for private activity bonds) is amended—

(A) by inserting "or high-speed intercity rail facilities" after "airport" each place it appears, and

(B) by inserting "or High-Speed Intercity Rail Facilities" after "Airports" in the heading thereof.

(c) Effective Date.—The amendments made by this section shall apply to bonds issued after the date of enactment of this Act.

SEC. 6181. RULES RELATING TO REBATE ON EARNINGS ON BONA FIDE DEBT SERVICE FUND.

(a) No Rebate Where Earnings Do Not Exceed $100,000.—Clause (ii) of section 148(f)(4)(A) of the 1986 Code is amended by striking "unless the issuer otherwise elects,".

(b) $100,000 Limit Not To Apply To Certain Issues.—Subparagraph (A) of section 148(f)(4) of the 1986 Code is amended by adding at the end thereof the following new sentence:

"In the case of an issue no bond of which is a private activity bond, clause (ii) shall be applied without regard to the dollar limitation therein if the average maturity of the issue (determined in accordance with section 147(b)(2)(A)) is at least 5 years and the rates of interest on bonds which are part of the issue do not vary during the term of the issue."

(c) Effective Date; Special Rules.—

(1) In General.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

(2) Election for Outstanding Bonds.—Any issue of bonds other than private activity bonds outstanding as of the date of the enactment of this Act shall be allowed a 1-time election to apply the amendments made by subsection (b) to amounts deposited after such date in bona fide debt service funds of such bonds.

(3) Definition of Private Activity Bond.—For purposes of this section and the last sentence of section 148(f)(4)(A) of the 1986 Code (as added by subsection (b)), the term 'private activity bond' shall include any qualified 501(c)(3) bond (as defined under section 145 of the 1986 Code).

SEC. 6182. BONDS ISSUED BY VOLUNTEER FIRE DEPARTMENTS.

(a) Overlapping Areas.—Paragraph (2) of section 150(e) of the 1986 Code (relating to bonds of certain volunteer fire departments) is amended by adding at the end thereof the following new sentence:

"For purposes of subparagraph (A), other firefighting services provided in an area shall be disregarded in determining whether an organization is a qualified volunteer fire department if such other firefighting services are provided by a qualified volunteer fire department (determined with the application of this sentence) and such organization and the provider of such other services have been continuously providing firefighting services to such area since January 1, 1981."

(b) Acquisition of Land Permitted.—Subparagraph (B) of section 150(e)(1) of the 1986 Code is amended by inserting "(including land which is functionally related and subordinate thereto)" after "a firehouse".

(c) Effective Date.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 6183. DISREGARD OF POOLED FINANCINGS IN DETERMINATION OF QUALIFICATION FOR SMALL ISSUER EXCEPTION.

(a) General.—Clause (ii) of section 148(f)(4)(C) of the 1986 Code (as amended by title I of this Act) is amended by redesignating subclauses (II) and (III) as subclauses (III) and (IV), respectively, and by inserting after subclause (I) the following new subclause:

"(II) all bonds issued by a governmental unit on behalf of other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying such subclause to such unit, be treated as not issued by such unit.".

(b) Effective Date.—The amendment made by subsection (a) shall apply to bonds issued after December 31, 1988.

Subtitle I—Provisions Relating to Exempt Organizations

SEC. 6201. CERTAIN GAMES OF CHANCE NOT TREATED AS UNRELATED TRADE OR BUSINESS.

Section 1834 of the Reform Act is amended by adding at the end thereof the following new sentence: "The amendment made by this section shall apply to games of chance conducted after October 22, 1986, in taxable years ending after such date".

SEC. 6202. PURCHASE OF INSURANCE BY COOPERATIVE HOSPITAL SERVICE ORGANIZATIONS.

(a) In General.—Subparagraph (A) of section 501(e)(1) of the 1986 Code is amended by inserting "(including the purchasing of insurance on a group basis)" after "purchasing".

(b) Effective Date.—The amendment made by subsection (a) shall apply to purchases before, on, or after the date of the enactment of this Act.

SEC. 6203. CANCELLATION OF CERTAIN DEBTS ORIGINATED BY OR GUARANTEED BY THE UNITED STATES NOT TAKEN INTO ACCOUNT IN DETERMINING TAX EXEMPT STATUS OF CERTAIN ORGANIZATIONS.

Subparagraph (A) of section 501(c)(12) of the 1986 Code shall be applied without taking into account any income attributable to the cancellation of any loan originally made or guaranteed by the United States (or any agency or instrumentality thereof) if such cancellation occurs after 1986 and before 1990.

SEC. 6204. DETERMINATION OF OPERATING FOUNDATION STATUS FOR CERTAIN PURPOSES.

For purposes of section 302(c)(3) of the Deficit Reduction Act of 1984, a private foundation which constituted an operating foundation (as defined in section 4942(j)(3) of the Internal Revenue Code of 1986) for its last taxable year ending before January 1, 1983, shall be treated as constituting an operating foundation as of January 1, 1983.

Subtitle J—Taxpayer Rights and Procedures

SEC. 6226. SHORT TITLE.

This subtitle may be cited as the "Omnibus Taxpayer Bill of Rights".

PART I—TAXPAYER RIGHTS

SEC. 6227. DISCLOSURE OF RIGHTS OF TAXPAYERS.

(a) In General.—The Secretary of the Treasury shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, prepare a statement which sets forth in simple and nontechnical terms—

(1) the rights of a taxpayer and the obligations of the Internal Revenue Service (hereinafter in this section referred to as the "Service") during an audit;

(2) the procedures by which a taxpayer may appeal any adverse decision of the Service (including administrative and judicial appeals);

(3) the procedures for prosecuting refund claims and filing of taxpayer complaints; and

(4) the procedures which the Service may use in enforcing the internal revenue laws (including assessment, jeopardy assessment, levy and distraint, and enforcement of liens).

(b) Transmission to Committees of Congress.—The Secretary of the Treasury shall transmit drafts of the statement required under subsection (a) (or proposed revisions of any such statement) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the

Senate, and the Joint Committee on Taxation on the same day.

(c) DISTRIBUTION.—The statement prepared in accordance with subsections (a) and (b) shall be distributed by the Secretary of the Treasury to all taxpayers the Secretary contacts with respect to the determination or collection of any tax (other than by providing tax forms). The Secretary shall take such actions as the Secretary deems necessary to ensure that such distribution does not result in multiple statements being sent to any one taxpayer.

SEC. 6228. PROCEDURES INVOLVING TAXPAYER INTERVIEWS.

(a) IN GENERAL.—Chapter 77 of the 1986 Code (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 7520. PROCEDURES INVOLVING TAXPAYER INTERVIEWS.

"(a) RECORDING OF INTERVIEWS.—

"(1) RECORDING BY TAXPAYER.—Any officer or employee of the Internal Revenue Service in connection with any in-person interview with any taxpayer relating to the determination or collection of any tax shall, upon advance request of such taxpayer, allow the taxpayer to make an audio recording of such interview at the taxpayer's own expense and with the taxpayer's own equipment.

"(2) RECORDING BY IRS OFFICER OR EMPLOYEE.—An officer or employee of the Internal Revenue Service may record any interview described in paragraph (1) if such officer or employee—

"(A) informs the taxpayer of such recording prior to the interview, and

"(B) upon request of the taxpayer, provides the taxpayer with a transcript or copy of such recording but only if the taxpayer provides reimbursement for the cost of the transcription and reproduction of such transcript or copy.

"(b) SAFEGUARDS.—

"(1) EXPLANATIONS OF PROCESSES.—An officer or employee of the Internal Revenue Service shall before or at an initial interview provide to the taxpayer—

"(A) in the case of an in-person interview with the taxpayer relating to the determination of any tax, an explanation of the audit process and the taxpayer's rights under such process, or

"(B) in the case of an in-person interview with the taxpayer relating to the collection of any tax, an explanation of the collection process and the taxpayer's rights under such process.

"(2) RIGHT OF CONSULTATION.—If the taxpayer clearly states to an officer or employee of the Internal Revenue Service at any time during any interview (other than an interview initiated by an administrative summons issued under subchapter A of chapter 78) that the taxpayer wishes to consult with an attorney, certified public accountant, enrolled agent, enrolled actuary, or any other person permitted to represent the taxpayer before the Internal Revenue Service, such officer or employee shall suspend such interview regardless of whether the taxpayer may have answered one or more questions.

"(c) REPRESENTATIVES HOLDING POWER OF ATTORNEY.—Any attorney, certified public accountant, enrolled agent, enrolled actuary, or any other person permitted to represent the taxpayer before the Internal Revenue Service who is not disbarred or suspended from practice before the Internal Revenue Service and who has a written power of attorney executed by the taxpayer may be authorized by such taxpayer to represent the taxpayer in any interview described in subsection (a). An officer or employee of the Internal Revenue Service may not require a taxpayer to accompany the representative in the absence of an administrative summons issued to the taxpayer under subchapter A of chapter 78. Such an officer or employee, with the consent of the immediate supervisor of such officer or employee, may notify the taxpayer directly that such officer or employee believes such representative is responsible for unreasonable delay or hindrance of an Internal Revenue Service examination or investigation of the taxpayer.

"(d) SECTION NOT TO APPLY TO CERTAIN INVESTIGATIONS.—This section shall not apply to criminal investigations or investigations relating to the integrity of any officer or employee of the Internal Revenue Service."

(b) REGULATIONS WITH RESPECT TO TIME AND PLACE OF EXAMINATION.—The Secretary of the Treasury or the Secretary's delegate shall issue regulations to implement subsection (a) of section 7605 of the 1986 Code (relating to time and place of examination) within 1 year after the date of the enactment of this Act.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 77 of the 1986 Code is amended by adding at the end thereof the following new item:

"Sec. 7520. Procedures involving taxpayer interviews."

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (c) shall apply to interviews conducted on or after the date which is 90 days after the date of the enactment of this Act.

SEC. 6229. TAXPAYERS MAY RELY ON WRITTEN ADVICE OF INTERNAL REVENUE SERVICE.

(a) IN GENERAL.—Section 6404 of the 1986 Code (relating to abatements) is amended by adding at the end thereof the following new subsection:

"(f) ABATEMENT OF ANY PENALTY OR ADDITION TO TAX ATTRIBUTABLE TO ERRONEOUS WRITTEN ADVICE BY THE INTERNAL REVENUE SERVICE.—

"(1) IN GENERAL.—The Secretary shall abate any portion of any penalty or addition to tax attributable to erroneous advice furnished to the taxpayer in writing by an officer or employee of the Internal Revenue Service, acting in such officer's or employee's official capacity.

"(2) LIMITATIONS.—Paragraph (1) shall apply only if—

"(A) the written advice was reasonably relied upon by the taxpayer and was in response to a specific written request of the taxpayer, and

"(B) the portion of the penalty or addition to tax did not result from a failure by the taxpayer to provide adequate or accurate information.

"(3) INITIAL REGULATIONS.—Within 180 days after the date of the enactment of this subsection, the Secretary shall prescribe such initial regulations as may be necessary to carry out this subsection."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to advice requested on or after January 1, 1989.

SEC. 6230. TAXPAYER ASSISTANCE ORDERS.

(a) IN GENERAL.—Subchapter A of chapter 80 of the 1986 Code (relating to general rules for application of the internal revenue laws) is amended by adding at the end thereof the following new section:

"SEC. 7811. TAXPAYER ASSISTANCE ORDERS.

"(a) AUTHORITY TO ISSUE.—Upon application filed by a taxpayer with the Office of Ombudsman (in such form, manner, and at such time as the Secretary shall by regulations prescribe), the Ombudsman may issue a Taxpayer Assistance Order if, in the determination of the Ombudsman, the taxpayer is suffering or about to suffer a significant hardship as a result of the manner in which the internal revenue laws are being administered by the Secretary.

"(b) TERMS OF A TAXPAYER ASSISTANCE ORDER.—The terms of a Taxpayer Assistance Order may require the Secretary—

"(1) to release property of the taxpayer levied upon, or

"(2) to cease any action, or refrain from taking any action, with respect to the taxpayer under—

"(A) chapter 64 (relating to collection),

"(B) subchapter B of chapter 70 (relating to bankruptcy and receiverships),

"(C) chapter 78 (relating to discovery of liability and enforcement of title), or

"(D) any other provision of law which is specifically described by the Ombudsman in such order.

"(c) AUTHORITY TO MODIFY OR RESCIND.—Any Taxpayer Assistance Order issued by the Ombudsman under this section may be modified or rescinded only by the Ombudsman, a district director, a service center director, a compliance center director, a regional director of appeals, or any superior of any such person.

"(d) SUSPENSION OF RUNNING OF PERIOD OF LIMITATION.—The running of any period of limitation with respect to any action described in subsection (b) shall be suspended for—

"(1) the period beginning on the date of the taxpayer's application under subsection (a) and ending on the date of the Ombudsman's decision with respect to such application, and

"(2) any period specified by the Ombudsman in a Taxpayer Assistance Order issued pursuant to such application.

"(e) INDEPENDENT ACTION OF OMBUDSMAN.—Nothing in this section shall prevent the Ombudsman from taking any action in the absence of an application under subsection (a).

"(f) OMBUDSMAN.—For purposes of this section, the term 'Ombudsman' includes any designee of the Ombudsman."

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 80 of the 1986 Code is amended by adding at the end thereof the following new item:

"Sec. 7811. Taxpayer Assistance Orders."

(c) ISSUANCE OF REGULATIONS.—The Secretary of the Treasury or the Secretary's delegate shall issue such regulations as the Secretary deems necessary within 90 days of the date of the enactment of this Act in order to carry out the purposes of section 7811 of the 1986 Code (as added by this section) and to ensure taxpayers uniform access to administrative procedures.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1989.

SEC. 6231. BASIS FOR EVALUATION OF INTERNAL REVENUE SERVICE EMPLOYEES.

(a) IN GENERAL.—The Internal Revenue Service shall not use records of tax enforcement results—

(1) to evaluate employees directly involved in collection activities and their immediate supervisors, or

(2) to impose or suggest production quotas or goals with respect to individuals described in clause (i).

(b) Application of IRS Policy Statement.—The Internal Revenue Service shall not be treated as failing to meet the requirements of subsection (a) if the Service follows the policy statement of the Service regarding employee evaluation (as in effect on the date of the enactment of this Act) in a manner which does not violate subsection (a).

(c) Certification.—Each district director shall certify quarterly by letter to the Commissioner of Internal Revenue that tax enforcement results are not used in a manner prohibited by subsection (a).

(d) Effective Date.—The provisions of this section shall apply to evaluations conducted on or after January 1, 1989.

SEC. 6232. PROCEDURES RELATING TO INTERNAL REVENUE SERVICE REGULATIONS.

(a) In General.—Section 7805 of the 1986 Code (relating to rules and regulations) is amended by adding at the end thereof the following new subsections:

"(e) Temporary Regulations.—

"(1) Issuance.—Any temporary regulation issued by the Secretary shall also be issued as a proposed regulation.

"(2) 3-year duration.—Any temporary regulation shall expire within 3 years after the date of issuance of such regulation.

"(f) Impact of Regulations on Small Business Reviewed.—After the publication of any proposed regulation by the Secretary and before the promulgation of any final regulation by the Secretary which does not supersede a proposed regulation, the Secretary shall submit such regulation to the Administrator of the Small Business Administration for comment on the impact of such regulation on small business. The Administrator shall have 4 weeks from the date of submission to respond."

(b) Effective Date.—The amendments made by this section shall apply to any regulation issued after the date which is 10 days after the date of the enactment of this Act.

SEC. 6233. CONTENT OF TAX DUE, DEFICIENCY, AND OTHER NOTICES.

(a) In General.—Chapter 77 of the 1986 Code (relating to miscellaneous provisions) is further amended by adding at the end thereof the following new section:

"SEC. 7521. CONTENT OF TAX DUE, DEFICIENCY, AND OTHER NOTICES.

"(a) General Rule.—Any notice to which this section applies shall describe the basis for, and identify the amounts (if any) of, the tax due, interest, additional amounts, additions to the tax, and assessable penalties included in such notice. An inadequate description under the preceding sentence shall not invalidate such notice.

"(b) Notices to Which Section Applies.—This section shall apply to—

"(1) any tax due notice or deficiency notice described in section 6155, 6212, or 6303,

"(2) any notice generated out of any information return matching program, and

"(3) the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals."

(b) Clerical Amendment.—The table of sections for chapter 77 of the 1986 Code is further amended by adding at the end thereof the following new item:

"Sec. 7521. Content of tax due, deficiency, and other notices."

(c) Effective Date.—The amendments made by this section shall apply to mailings made on or after January 1, 1990.

(d) Report.—Not later than July 1, 1989, the Secretary of the Treasury or his delegate shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the steps taken to carry out the amendments made by this section.

SEC. 6234. INSTALLMENT PAYMENT OF TAX LIABILITY.

(a) In General.—Subchapter A of chapter 62 of the 1986 Code (relating to place and due date for payment of tax) is amended by adding at the end thereof the following new section:

"SEC. 6159. AGREEMENTS FOR PAYMENT OF TAX LIABILITY IN INSTALLMENTS.

"(a) Authorization of Agreements.—The Secretary is authorized to enter into written agreements with any taxpayer under which such taxpayer is allowed to satisfy liability for payment of any tax in installment payments if the Secretary determines that such agreement will facilitate collection of such liability.

"(b) Extent To Which Agreements Remain in Effect.—

"(1) In general.—Except as otherwise provided in this subsection, any agreement entered into by the Secretary under subsection (a) shall remain in effect for the term of the agreement.

"(2) Inadequate information or jeopardy.—The Secretary may terminate any agreement entered into by the Secretary under subsection (a) if—

"(A) information which the taxpayer provided to the Secretary prior to the date such agreement was entered into was inaccurate or incomplete, or

"(B) the Secretary believes that collection of any tax to which an agreement under this section relates is in jeopardy.

"(3) Subsequent change in financial conditions.—

"(A) In general.—If the Secretary makes a determination that the financial condition of a taxpayer with whom the Secretary has entered into an agreement under subsection (a) has significantly changed, the Secretary may alter, modify, or terminate such agreement.

"(B) Notice.—Action may be taken by the Secretary under subparagraph (A) only if—

"(i) notice of such determination is provided to the taxpayer no later than 30 days prior to the date of such action, and

"(ii) such notice includes the reasons why the Secretary believes a significant change in the financial condition of the taxpayer has occurred.

"(4) Failure to pay an installment or any other tax liability when due or to provide requested financial information.—The Secretary may alter, modify, or terminate an agreement entered into by the Secretary under subsection (a) in the case of the failure of the taxpayer—

"(A) to pay any installment at the time such installment payment is due under such agreement,

"(B) to pay any other tax liability at the time such liability is due, or

"(C) to provide a financial condition update as requested by the Secretary."

(b) Conforming Amendments.—

(1) Paragraph (1) of section 6601(b) of the 1986 Code (relating to last day prescribed for payment) is amended by inserting "or any installment agreement entered into under section 6159" after "time for payment".

(2) The table of sections for subchapter A of chapter 62 of the 1986 Code is amended by adding at the end thereof the following new item:

"Sec. 6159. Agreements for payment of tax liability in installments."

(c) Effective Date.—The amendments made by this section shall apply to agreements entered into after the date of the enactment of this Act.

SEC. 6235. ASSISTANT COMMISSIONER FOR TAXPAYER SERVICES.

(a) In General.—Section 7802 of the 1986 Code (relating to Commissioner of Revenue; Assistant Commissioner (Employee Plans and Exempt Organizations) is amended by adding at the end thereof the following new subsection:

"(c) Assistant Commissioner (Taxpayer Services).—There is established within the Internal Revenue Service an office to be known as the 'Office for Taxpayer Services' to be under the supervision and direction of an Assistant Commissioner of the Internal Revenue. The Assistant Commissioner shall be responsible for taxpayer services such as telephone, walk-in, and taxpayer educational services, and the design and production of tax and informational forms."

(b) Annual Reports to Congress.—The Assistant Commissioner (Taxpayer Services) and the Taxpayer Ombudsman for the Internal Revenue Service shall jointly make an annual report regarding the quality of taxpayer services provided. Such report shall be made to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

(c) Effective Date.—The amendment made by subsection (a) shall take effect on the date 180 days after the date of the enactment of this Act.

PART II—LEVY AND LIEN PROVISIONS

SEC. 6236. LEVY AND DISTRAINT.

(a) Notice.—Section 6331(d) of the 1986 Code (relating to levy and distraint) is amended—

(1) by striking out "10 days" in paragraph (2) and inserting in lieu thereof "30 days",

(2) by striking out "10-DAY REQUIREMENT" in the heading of paragraph (2) and inserting in lieu thereof "30-DAY REQUIREMENT", and

(3) by adding at the end thereof the following new paragraph:

"(4) Information included with notice.—The notice required under paragraph (1) shall include a brief statement which sets forth in simple and nontechnical terms—

"(A) the provisions of this title relating to levy and sale of property,

"(B) the procedures applicable to the levy and sale of property under this title,

"(C) the administrative appeals available to the taxpayer with respect to such levy and sale and the procedures relating to such appeals,

"(D) the alternatives available to taxpayers which could prevent levy on the property (including installment agreements under section 6159),

"(E) the provisions of this title relating to redemption of property and release of liens on property, and

"(F) the procedures applicable to the redemption of property and the release of a lien on property under this title."

(b) Effect of Levy on Salary and Wages.—

(1) In general.—Subsection (e) of section 6331 of the 1986 Code (relating to levy and distraint) is amended to read as follows:

"(e) Continuing Levy on Salary and Wages.—The effect of a levy on salary or wages payable to or received by a taxpayer shall be continuous from the date such levy is first made until such levy is released under section 6343."

(2) Cross reference.—Section 6331(f) of the 1986 Code (relating to cross references) is amended by adding at the end thereof the following new paragraph:

"(3) For release and notice of release of levy, see section 6343."

(c) Increase in Amounts of Certain Property Exempt From Levy.—

(1) Fuel, provisions, furniture, personal effects.—Paragraph (2) of section 6334(a) of the 1986 Code (relating to property exempt from levy) is amended by striking out "$1,500" and inserting in lieu thereof "$1,650 ($1,550 in the case of levies issued during 1989)".

(2) Books and tools.—Paragraph (3) of section 6334(a) of the 1986 Code is amended by striking out "$1,000" and inserting in lieu thereof "$1,100 ($1,050 in the case of levies issued during 1989)".

(3) Wages, salary, and other income.—

(A) Increase in amount exempt.—Paragraph (1) of section 6334(d) of the 1986 Code (relating to exempt amount of wages, salary, or other income) is amended to read as follows:

"(1) Individuals on weekly basis.—In the case of an individual who is paid or receives all of his wages, salary, and other income on a weekly basis, the amount of the wages, salary, and other income payable to or received by him during any week which is exempt from levy under subsection (a)(9) shall be the exempt amount."

(B) Exempt amount defined.—Subsection (d) of section 6334 of the 1986 Code (relating to property exempt from levy) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) Exempt amount.—For purposes of paragraph (1), the term 'exempt amount' means an amount equal to—

"(A) the sum of—

"(i) the standard deduction, and

"(ii) the aggregate amount of the deductions for personal exemptions allowed the taxpayer under section 151 in the taxable year in which such levy occurs, divided by

"(B) 52.

Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the proper amount under subparagraph (A), subparagraph (A) shall be applied as if the taxpayer were a married individual filing a separate return with only 1 personal exemption."

(4) Additional property exempt from levy.—

(A) In general.—Subsection (a) of section 6334 of the 1986 Code (relating to property exempt from levy) is amended by adding at the end thereof the following new paragraphs:

"(11) Certain public assistance payments.—Any amount payable to an individual as a recipient of public assistance under—

"(A) title IV (relating to aid to families with dependent children) or title XVI (relating to supplemental security income for the aged, blind, and disabled) of the Social Security Act, or

"(B) State or local government public assistance or public welfare programs for which eligibility is determined by a needs or income test.

"(12) Assistance under Job Training Partnership Act.—Any amount payable to a participant under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) from funds appropriated pursuant to such Act.

"(13) Principal residence exempt in absence of certain approval or jeopardy.—Except to the extent provided in subsection (e), the principal residence of the taxpayer (within the meaning of section 1034)."

(B) Levy permitted on principal residence in case of jeopardy or approval by certain officials.—Section 6334 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(e) Levy Allowed on Principal Residence in Case of Jeopardy or Certain Approval.—Property described in subsection (a)(13) shall not be exempt from levy if—

"(1) a district director or assistant district director of the Internal Revenue Service personally approves (in writing) the levy of such property, or

"(2) the Secretary finds that the collection of tax is in jeopardy."

(d) Uneconomical Levy; Levy on Appearance Date of Summons.—Section 6331 of the 1986 Code (relating to levy and distraint) is amended by redesignating subsection (f) as subsection (h) and by inserting after subsection (e) the following new subsections:

"(f) Uneconomical Levy.—No levy may be made on any property if the amount of the expenses which the Secretary estimates (at the time of levy) would be incurred by the Secretary with respect to the levy and sale of such property exceeds the fair market value of such property at the time of levy.

"(g) Levy on Appearance Date of Summons.—

"(1) In general.—No levy may be made on the property of any person on any day on which such person (or officer or employee of such person) is required to appear in response to a summons issued by the Secretary for the purpose of collecting any underpayment of tax.

"(2) No application in case of jeopardy.—This subsection shall not apply if the Secretary finds that the collection of tax is in jeopardy."

(e) Surrender of Bank Accounts Subject to Levy Only After 21 Days.—

(1) In general.—Section 6332 of the 1986 Code (relating to surrender of property subject to levy), as amended by title I of this Act is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and by inserting after subsection (b) the following new subsection:

"(c) Special Rule for Banks.—Any bank (as defined in section 408(n)) shall surrender (subject to an attachment or execution under judicial process) any deposits (including interest thereon) in such bank only after 21 days after service of levy."

(2) Conforming amendments.—

(A) Subsection (a) of section 6332 of the 1986 Code is amended by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)"

(B) Subsection (e) of section 6332 of the 1986 Code, as redesignated by paragraph (1), is amended by striking out "subsection (c)(1)" and inserting in lieu thereof "subsection (d)(1)"

(f) Release of Levy.—Subsection (a) of section 6343 of the 1986 Code (relating to release of levy) is amended to read as follows:

"(a) Release of Levy and Notice of Release.—

"(1) In general.—Under regulations prescribed by the Secretary, the Secretary shall release the levy upon all, or part of, the property or rights to property levied upon and shall promptly notify the person upon whom such levy was made (if any) that such levy has been released if—

"(A) the liability for which such levy was made is satisfied or becomes unenforceable by reason of lapse of time,

"(B) release of such levy will facilitate the collection of such liability,

"(C) the taxpayer has entered into an agreement under section 6159 to satisfy such liability by means of installment payments, unless such agreement provides otherwise,

"(D) the Secretary has determined that such levy is creating an economic hardship due to the financial condition of the taxpayer, or

"(E) the fair market value of the property exceeds such liability and release of the levy on a part of such property could be made without hindering the collection of such liability.

For purposes of subparagraph (C), the Secretary is not required to release such levy if such release would jeopardize the secured creditor status of the Secretary.

"(2) Expedited determination on certain business property.—In the case of any tangible personal property essential in carrying on the trade or business of the taxpayer, the Secretary shall provide for an expedited determination under paragraph (1) if levy on such tangible personal property would prevent the taxpayer from carrying on such trade or business.

"(3) Subsequent levy.—The release of levy on any property under paragraph (1) shall not prevent any subsequent levy on such property."

(g) Right of Taxpayer To Request That Seized Property be Sold Within 60 Days.—Section 6335 of the 1986 Code (relating to sale of seized property) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) Right To Request Sale of Seized Property Within 60 Days.—The owner of any property seized by levy may request that the Secretary sell such property within 60 days after such request (or within such longer period as may be specified by the owner). The Secretary shall comply with such request unless the Secretary determines (and notifies the owner within such period) that such compliance would not be in the best interests of the United States."

(h) Effective Date.—

(1) In general.—The amendments made by this section (other than subsection (g)) shall apply to levies issued on or after July 1, 1989.

(2) Subsection (g).—The amendment made by subsection (g) shall apply to requests made on or after January 1, 1989.

SEC. 6237. REVIEW OF JEOPARDY LEVY AND ASSESSMENT PROCEDURES.

(a) In General.—Subsection (a)(1) of section 7429 of the 1986 Code (relating to review of jeopardy assessment procedures) is amended—

(1) by inserting "or levy is made under section 6331(a) less than 30 days after notice and demand for payment is made under section 6331(a)," after "6862,", and

(2) by inserting "or levy" after "such assessment".

(b) Administrative Determinations.—Paragraph (3) of section 7429(a) of the 1986 Code (relating to redetermination by the Secretary) is amended to read as follows:

"(3) Redetermination by secretary.—After a request for review is made under paragraph (2), the Secretary shall determine—

"(A) whether or not—

"(i) the making of the assessment under section 6851, 6861, or 6862, as the case may *be, is reasonable under the circumstances, and*

"(ii) the amount so assessed or demanded as a result of the action taken under section 6851, 6861, or 6862 is appropriate under the circumstances, or

"(B) whether or not the levy described in subsection (a)(1) is reasonable under the circumstances."

(c) Tax Court Review Jurisdiction.—Subsection (b) of section 7429 of the 1986 Code is amended to read as follows:

"(b) Judicial Review.—

"(1) Proceedings permitted.—Within 90 days after the earlier of—

"(A) the day the Secretary notifies the taxpayer of the Secretary's determination described in subsection (a)(3), or

"(B) the 16th day after the request described in subsection (a)(2) was made,

the taxpayer may bring a civil action against the United States for a determination under this subsection in the court with jurisdiction determined under paragraph (2).

"(2) Jurisdiction for determination.—

"(A) In general.—Except as provided in subparagraph (B), the district courts of the United States shall have exclusive jurisdiction over any civil action for a determination under this subsection.

"(B) Tax court.—If a petition for a redetermination of a deficiency under section 6213(a) has been timely filed with the Tax Court before the making of an assessment or levy that is subject to the review procedures of this section, and 1 or more of the taxes and taxable periods before the Tax Court because of such petition is also included in the written statement that is provided to the taxpayer under subsection (a), then the Tax Court also shall have jurisdiction over any civil action for a determination under this subsection with respect to all the taxes and taxable periods included in such written statement.

"(3) Determination by court.—Within 20 days after a proceeding is commenced under paragraph (1), the court shall determine—

"(A) whether or not—

"(i) the making of the assessment under section 6851, 6861, or 6862, as the case may be, is reasonable under the circumstances, and

"(ii) the amount so assessed or demanded as a result of the action taken under section 6851, 6861, or 6862 is appropriate under the circumstances, or

"(B) whether or not the levy described in subsection (a)(1) is reasonable under the circumstances.

If the court determines that proper service was not made on the United States or on the Secretary, as may be appropriate, within 5 days after the date of the commencement of the proceeding, then the running of the 20-day period set forth in the preceding sentence shall not begin before the day on which proper service was made on the United States or on the Secretary, as may be appropriate.

"(4) Order of court.—If the court determines that the making of such levy is unreasonable, that the making of such assessment is unreasonable, or that the amount assessed or demanded is inappropriate, then the court may order the Secretary to release such levy, to abate such assessment, to redetermine (in whole or in part) the amount assessed or demanded, or to take such other action as the court finds appropriate."

(d) Venue.—Section 7429(e) of the 1986 Code (relating to venue) is amended to read as follows:

"(e) Venue.—

"(1) District court.—A civil action in a district court under subsection (b) shall be commenced only in the judicial district described in section 1402(a) (1) or (2) of title 28, United States Code.

"(2) Transfer of actions.—If a civil action is filed under subsection (b) with the Tax Court and such court finds that there is want of jurisdiction because of the jurisdiction provisions of subsection (b)(2), then the Tax Court shall, if such court determines it is in the interest of justice, transfer the civil action to the district court in which the action could have been brought at the time such action was filed. Any civil action so transferred shall proceed as if such action had been filed in the district court to which such action is transferred on the date on which such action was actually filed in the Tax Court from which such action is transferred."

(e) Conforming Amendments.—

(1) Section 7429(c) of the 1986 Code (relating to extension of 20-day period where taxpayer so requests) and section 7429(f) (relating to finality of determination) are amended by striking out "district" each place it appears.

(2) Section 7429(g) of the 1986 Code (relating to burden of proof) is amended—

(A) by inserting "the making of a levy described in subsection (a)(1) or" after "whether" in paragraph (1),

(B) by striking out "termination" in the heading of paragraph (1) and inserting in lieu thereof "levy, termination,", and

(C) by striking out "an action" and inserting in lieu thereof "a proceeding" in paragraphs (1) and (2).

(3) The heading of section 7429 of the 1986 Code is amended by inserting "LEVY OR" after "JEOPARDY".

(4) The table of sections for subchapter B of chapter 76 of the 1986 Code is amended by inserting "levy or" after "jeopardy" in the item relating to section 7429.

(f) Effective Date.—The amendments made by this section shall apply to jeopardy levies issued and assessments made on or after July 1, 1989.

SEC. 6238. ADMINISTRATIVE APPEAL OF LIENS.

(a) Establishment of Administrative Appeal for Disputed Liens.—Subchapter C of chapter 64 of the 1986 Code (relating to lien for taxes) is amended by redesignating section 6326 as section 6327 and inserting after section 6325 the following new section:

"SEC. 6326. ADMINISTRATIVE APPEAL OF LIENS.

"(a) In General.—In such form and at such time as the Secretary shall prescribe by regulations, any person shall be allowed to appeal to the Secretary after the filing of a notice of a lien under this subchapter on the property or the rights to property of such person for a release of such lien alleging an error in the filing of the notice of such lien."

"(b) Certificate of Release.—If the Secretary determines that the filing of the notice of any lien was erroneous, the Secretary shall expeditiously (and, to the extent practicable, within 14 days after such determination) issue a certificate of release of such lien and shall include in such certificate a statement that such filing was erroneous."

(b) Regulations.—The Secretary of the Treasury or the Secretary's delegate shall prescribe the regulations necessary to implement the administrative appeal provided for in the amendment made by subsection (a) within 180 days after the date of the enactment of this Act.

(c) Clerical Amendment.—The table of sections for subchapter C of chapter 64 of the 1986 Code is amended by striking out the item relating to section 6326 and inserting in lieu thereof the following:

"Sec. 6326. Administrative appeal of liens.

"Sec. 6327. Cross references."

(d) Effective Date.—The amendments made by this section shall take effect on the date which is 60 days after the date regulations are issued under subsection (b).

PART III—PROCEEDINGS BY TAXPAYERS

SEC. 6239. AWARDING OF COSTS AND CERTAIN FEES IN ADMINISTRATIVE AND COURT PROCEEDINGS.

(a) In General.—Section 7430 of the 1986 Code is amended to read as follows:

"SEC. 7430. AWARDING OF COSTS AND CERTAIN FEES.

"(a) In General.—In any administrative or court proceeding which is brought by or against the United States in connection with the determination, collection, or refund of any tax, interest, or penalty under this title, the prevailing party may be awarded a judgment or a settlement for—

"(1) reasonable administrative costs incurred in connection with such administrative proceeding within the Internal Revenue Service, and

"(2) reasonable litigation costs incurred in connection with such court proceeding.

"(b) Limitations.—

"(1) Requirement that administrative remedies be exhausted.—A judgment for reasonable litigation costs shall not be awarded under subsection (a) in any court proceeding unless the court determines that the prevailing party has exhausted the administrative remedies available to such party within the Internal Revenue Service.

"(2) Only costs allocable to the United States.—An award under subsection (a) shall be made only for reasonable litigation and administrative costs which are allocable to the United States and not to any other party.

"(3) Exclusion of declaratory judgment proceedings.—

"(A) In general.—No award for reasonable litigation costs may be made under subsection (a) with respect to any declaratory judgment proceeding.

"(B) Exception for section 501(c)(3) determination revocation proceedings.—Subparagraph (A) shall not apply to any proceeding which involves the revocation of a determination that the organization is described in section 501(c)(3).

"(4) Costs denied where party prevailing protracts proceedings.—No award for reasonable litigation and administrative costs may be made under subsection (a) with respect to any portion of the administrative or court proceeding during which the prevailing party has unreasonably protracted such proceeding.

"(c) Definitions.—For purposes of this section—

"(1) Reasonable litigation costs.—The term 'reasonable litigation costs' includes—

"(A) reasonable court costs, and

"(B) based upon prevailing market rates for the kind or quality of services furnished—

"(i) the reasonable expenses of expert witnesses in connection with a court proceeding, except that no expert witness shall be compensated at a rate in excess of the highest rate of compensation for expert witnesses paid by the United States,

"(ii) the reasonable cost of any study, analysis, engineering report, test, or project

which is found by the court to be necessary for the preparation of the party's case, and

"(iii) reasonable fees paid or incurred for the services of attorneys in connection with the court proceeding, except that such fees shall not be in excess of $75 per hour unless the court determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for such proceeding, justifies a higher rate.

"(2) REASONABLE ADMINISTRATIVE COSTS.—The term 'reasonable administrative costs' means—

"(A) any administrative fees or similar charges imposed by the Internal Revenue Service, and

"(B) expenses, costs, and fees described in paragraph (1)(B), except that any determination made by the court under clause (ii) or (iii) thereof shall be made by the Internal Revenue Service in cases where the determination under paragraph (4)(B) of the awarding of reasonable administrative costs is made by the Internal Revenue Service.

Such term shall only include costs incurred on or after the earlier of (i) the date of the receipt by the taxpayer of the notice of the decision of the Internal Revenue Service Office of Appeals, or (ii) the date of the notice of deficiency.

"(3) ATTORNEY'S FEES.—For purposes of paragraphs (1) and (2), fees for the services of an individual (whether or not an attorney) who is authorized to practice before the Tax Court or before the Internal Revenue Service shall be treated as fees for the services of an attorney.

"(4) PREVAILING PARTY.—

"(A) IN GENERAL.—The term 'prevailing party' means any party in any proceeding to which subsection (a) applies (other than the United States or any creditor of the taxpayer involved)—

"(i) which establishes that the position of the United States in the proceeding was not substantially justified,

"(ii) which—

"(I) has substantially prevailed with respect to the amount in controversy, or

"(II) has substantially prevailed with respect to the most significant issue or set of issues presented, and

"(iii) which meets the requirements of the 1st sentence of section 2412(d)(1)(B) of title 28, United States Code (as in effect on October 22, 1986) except to the extent differing procedures are established by rule of court and meets the requirements of section 2412(d)(2)(B) of such title 28 (as so in effect).

"(B) DETERMINATION AS TO PREVAILING PARTY.—Any determination under subparagraph (A) as to whether a party is a prevailing party shall be made by agreement of the parties or—

"(i) in the case where the final determination with respect to the tax, interest, or penalty is made at the administrative level, by the Internal Revenue Service, or

"(ii) in the case where such final determination is made by a court, the court.

"(5) ADMINISTRATIVE PROCEEDINGS.—The term 'administrative proceeding' means any procedure or other action before the Internal Revenue Service.

"(6) COURT PROCEEDINGS.—The term 'court proceeding' means any civil action brought in a court of the United States (including the Tax Court and the United States Claims Court).

"(7) POSITION OF UNITED STATES.—The term 'position of the United States' means—

"(A) the position taken by the United States in a judicial proceeding to which subsection (a) applies, and

"(B) the position taken in an administrative proceeding to which subsection (a) applies as of the earlier of—

"(i) the date of the receipt by the taxpayer of the notice of the decision of the Internal Revenue Service Office of Appeals, or

"(ii) the date of the notice of deficiency.

"(d) SPECIAL RULES FOR PAYMENT OF COSTS.—

"(1) REASONABLE ADMINISTRATIVE COSTS.—An award for reasonable administrative costs shall be payable out of funds appropriated under section 1304 of title 31, United States Code.

"(2) REASONABLE LITIGATION COSTS.—An award for reasonable litigation costs shall be payable in the case of the Tax Court in the same manner as such an award by a district court.

"(e) MULTIPLE ACTIONS.—For purposes of this section, in the case of—

"(1) multiple actions which could have been joined or consolidated, or

"(2) a case or cases involving a return or returns of the same taxpayer (including joint returns of married individuals) which could have been joined in a single court proceeding in the same court,

such actions or cases shall be treated as 1 court proceeding regardless of whether such joinder or consolidation actually occurs, unless the court in which such action is brought determines, in its discretion, that it would be inappropriate to treat such actions or cases as joined or consolidated.

"(f) RIGHT OF APPEAL.—

"(1) COURT PROCEEDINGS.—An order granting or denying (in whole or in part) an award for reasonable litigation or administrative costs under subsection (a) in a court proceeding, may be incorporated as a part of the decision or judgment in the court proceeding and shall be subject to appeal in the same manner as the decision or judgment.

"(2) ADMINISTRATIVE PROCEEDINGS.—A decision granting or denying (in whole or in part) an award for reasonable administrative costs under subsection (a) by the Internal Revenue Service shall be subject to appeal to the Tax Court under rules similar to the rules under section 7463 (without regard to the amount in dispute)."

(b) CONFORMING AMENDMENT.—Section 504 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) No award may be made under this section for costs, fees, or other expenses which may be awarded under section 7430 of the Internal Revenue Code of 1986."

(c) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 76 of the 1986 Code is amended by striking out "court" in the item relating to section 7430.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to proceedings commencing after the date of the enactment of this Act.

SEC. 6240. CIVIL CAUSE OF ACTION FOR DAMAGES SUSTAINED DUE TO FAILURE TO RELEASE LIEN.

(a) IN GENERAL.—Subchapter B of chapter 76 of the 1986 Code (relating to proceedings by taxpayers and third parties) is amended by redesignating section 7432 as section 7433 and by inserting after section 7431 the following new section:

"SEC. 7432. CIVIL DAMAGES FOR FAILURE TO RELEASE LIEN.

"(a) IN GENERAL.—If any officer or employee of the Internal Revenue Service knowingly, or by reason of negligence, fails to release a lien under section 6325 on property of the taxpayer, such taxpayer may bring a civil action for damages against the United States in a district court of the United States.

"(b) DAMAGES.—In any action brought under subsection (a), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

"(1) actual, direct economic damages sustained by the plaintiff which, but for the actions of the defendant, would not have been sustained, plus

"(2) the costs of the action.

"(c) PAYMENT AUTHORITY.—Claims pursuant to this section shall be payable out of funds appropriated under section 1304 of title 31, United States Code.

"(d) LIMITATIONS.—

"(1) REQUIREMENT THAT ADMINISTRATIVE REMEDIES BE EXHAUSTED.—A judgment for damages shall not be awarded under subsection (b) unless the court determines that the plaintiff has exhausted the administrative remedies available to such plaintiff within the Internal Revenue Service.

"(2) MITIGATION OF DAMAGES.—The amount of damages awarded under subsection (b)(1) shall be reduced by the amount of such damages which could have reasonably been mitigated by the plaintiff.

"(3) PERIOD FOR BRINGING ACTION.—Notwithstanding any other provision of law, an action to enforce liability created under this section may be brought without regard to the amount in controversy and may be brought only within 2 years after the date the right of action accrues.

"(e) NOTICE OF FAILURE TO RELEASE LIEN.—The Secretary shall by regulation prescribe reasonable procedures for a taxpayer to notify the Secretary of the failure to release a lien under section 6325 on property of the taxpayer."

(b) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 76 of the 1986 Code is amended by striking out the item relating to section 7432 and inserting in lieu thereof the following new items:

"Sec. 7432. Civil damages for failure to release lien.

"Sec. 7433. Cross references."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to notices provided by the taxpayer of the failure to release a lien, and damages arising, after December 31, 1988.

SEC. 6241. CIVIL CAUSE OF ACTION FOR DAMAGES SUSTAINED DUE TO CERTAIN UNAUTHORIZED ACTIONS BY INTERNAL REVENUE SERVICE.

(a) IN GENERAL.—Subchapter B of chapter 76 of the 1986 Code (relating to proceedings by taxpayers and third parties) is further amended by redesignating section 7433 as section 7434 and by inserting after section 7432 the following new section:

"SEC. 7433. CIVIL DAMAGES FOR CERTAIN UNAUTHORIZED COLLECTION ACTIONS.

"(a) IN GENERAL.—If, in connection with any collection of Federal tax with respect to a taxpayer, any officer or employee of the Internal Revenue Service recklessly or intentionally disregards any provision of this title, or any regulation promulgated under this title, such taxpayer may bring a civil action for damages against the United States in a district court of the United States. Except as provided in section 7432, such civil action shall be the exclusive remedy for recovering damages resulting from such actions.

"(b) Damages.—In any action brought under subsection (a), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the lesser of $100,000 or the sum of—

"(1) actual, direct economic damages sustained by the plaintiff as a proximate result of the reckless or intentional actions of the officer or employee, and

"(2) the costs of the action.

"(c) Payment Authority.—Claims pursuant to this section shall be payable out of funds appropriated under section 1304 of title 31, United States Code.

"(d) Limitations.—

"(1) Requirement that administrative remedies be exhausted.—A judgment for damages shall not be awarded under subsection (b) unless the court determines that the plaintiff has exhausted the administrative remedies available to such plaintiff within the Internal Revenue Service.

"(2) Mitigation of damages.—The amount of damages awarded under subsection (b)(1) shall be reduced by the amount of such damages which could have reasonably been mitigated by the plaintiff.

"(3) Period for bringing action.—Notwithstanding any other provision of law, an action to enforce liability created under this section may be brought without regard to the amount in controversy and may be brought only within 2 years after the date the right of action accrues."

(b) Damages for Frivolous or Groundless Claims.—

(1) In general.—Section 6673 of the 1986 Code (relating to damages assessable for instituting proceedings before the Tax Court primarily for delay, etc.) is amended by inserting "(a) In General.—" before "Whenever" and by adding at the end thereof the following new subsection:

"(b) Claims Under Section 7433.—Whenever it appears to the court that the taxpayer's position in proceedings before the court instituted or maintained by such taxpayer under section 7433 is frivolous or groundless, damages in an amount not in excess of $10,000 shall be awarded to the United States by the court in the court's decision. Damages so awarded shall be assessed at the same time as the decision and shall be paid upon notice and demand from the Secretary.

(2) Clerical amendment.—The heading for section 6673 of the 1986 Code is amended by striking out "TAX".

(c) Clerical Amendment.—The table of sections for subchapter B of chapter 76 of the 1986 Code is further amended by striking out the item relating to section 7433 and inserting in lieu thereof the following new items:

"Sec. 7433. Civil damages for certain unauthorized collection actions.

"Sec. 7434. Cross references."

(d) Effective Date.—The amendments made by this section shall apply to actions by officers or employees of the Internal Revenue Service after the date of the enactment of this Act.

SEC. 6242. ASSESSABLE PENALTY FOR IMPROPER DISCLOSURE OR USE OF INFORMATION BY PREPARERS OF RETURNS.

(a) In General.—Part I of subchapter B of chapter 68 of the 1986 Code (relating to assessable penalties) is amended by adding at the end thereof the following new section:

"SEC. 6712. DISCLOSURE OR USE OF INFORMATION BY PREPARERS OF RETURNS.

"(a) Imposition of Penalty.—If any person who is engaged in the business of preparing, or providing services in connection with the preparation of, returns of tax imposed by chapter 1, or any person who for compensation prepares any such return for any other person, and who—

"(1) discloses any information furnished to him for, or in connection with, the preparation of any such return, or

"(2) uses any such information for any purpose other than to prepare, or assist in preparing, any such return,

shall pay a penalty of $250 for each such disclosure or use, but the total amount imposed under this subsection on such a person for any calendar year shall not exceed $10,000.

"(b) Exceptions.—The rules of section 7216(b) shall apply for purposes of this section.

"(c) Deficiency Procedures Not To Apply.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by this section."

(b) Criminal Penalty To Apply Only Where Knowing or Reckless Disclosure or Use.—The material preceding paragraph (1) of section 7216(a) of the 1986 Code is amended by striking out "and who—" and inserting in lieu thereof "and who knowingly or recklessly—".

(c) Clerical Amendment.—The table of sections for part I of subchapter B of chapter 68 of the 1986 Code is amended by adding at the end thereof the following new item:

"Sec. 6712. Disclosure or use of information by preparers of returns."

(d) Effective Date.—The amendments made by this section shall apply to disclosures or uses after December 31, 1988.

PART IV—TAX COURT JURISDICTION

SEC. 6243. JURISDICTION TO RESTRAIN CERTAIN PREMATURE ASSESSMENTS.

(a) In General.—Section 6213(a) of the 1986 Code (relating to time for filing petition and restriction on assessment) is amended by striking out the period at the end of the last sentence and inserting in lieu thereof ", including the Tax Court. The Tax Court shall have no jurisdiction to enjoin any action or proceeding under this subsection unless a timely petition for a redetermination of the deficiency has been filed and then only in respect of the deficiency that is the subject of such petition."

(b) Appeal of Order Restraining Assessment, Etc.—Section 7482(a) of the 1986 Code (relating to jurisdiction on appeal) is amended by adding at the end thereof the following new paragraph:

"(3) Certain orders entered under section 6213(a).—An order of the Tax Court which is entered under authority of section 6213(a) and which resolves a proceeding to restrain assessment or collection shall be treated as a decision of the Tax Court for purposes of this section and shall be subject to the same review by the United States Court of Appeals as a similar order of a district court."

(c) Effective Date.—The amendments made by this section shall apply to orders entered after the date of the enactment of this Act.

SEC. 6244. JURISDICTION TO ENFORCE OVERPAYMENT DETERMINATIONS.

(a) In General.—Section 6512(b) of the 1986 Code (relating to overpayment determined by the Tax Court) is amended by striking out "paragraph (2)" and inserting in lieu thereof "paragraph (3)" in paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting the following new paragraph after paragraph (1):

"(2) Jurisdiction to enforce.—If, after 120 days after a decision of the Tax Court has become final, the Secretary has failed to refund the overpayment determined by the Tax Court, together with the interest thereon as provided in subchapter B of chapter 67, then the Tax Court, upon motion by the taxpayer, shall have jurisdiction to order the refund of such overpayment and interest."

(b) Amendments Adding Cross References.—

(1) Section 6214(e) of the 1986 Code is amended by striking out "Reference.—" and inserting in lieu thereof "References.—" in the heading, by designating the undesignated paragraph as paragraph (1), and by adding at the end thereof the following new paragraph:

"(2) For provision giving Tax Court jurisdiction to order a refund of an overpayment and to award sanctions, see section 6512(b)(2)."

(2) Section 6512(c) of the 1986 Code is amended by striking out "Reference.—" and inserting in lieu thereof "References.—" in the heading, by designating the undesignated paragraph as paragraph (1), and by adding at the end thereof the following new paragraph:

"(2) For provision giving the Tax Court jurisdiction to award reasonable litigation costs in proceedings to enforce an overpayment determined by such court, see section 7430."

(c) Effective Date.—The amendments made by this section shall apply to overpayments determined by the Tax Court which have not yet been refunded by the 90th day after the date of the enactment of this Act.

SEC. 6245. JURISDICTION TO REVIEW CERTAIN SALES OF SEIZED PROPERTY.

(a) Jurisdiction to Review Certain Sales of Property.—Section 6863(b)(3) of the 1986 Code (relating to stay of sale of seized property pending Tax Court decision) is amended by adding at the end thereof the following new subparagraph:

"(C) Review by tax court.—If, but for the application of subparagraph (B), a sale would be prohibited by subparagraph (A)(iii), then the Tax Court shall have jurisdiction to review the Secretary's determination under subparagraph (B) that the property may be sold. Such review may be commenced upon motion by either the Secretary or the taxpayer. An order of the Tax Court disposing of a motion under this paragraph shall be reviewable in the same manner as a decision of the Tax Court."

(b) Effective Date.—The amendments made by this section shall take effect on the 90th day after the date of the enactment of this Act.

SEC. 6246. JURISDICTION TO REDETERMINE INTEREST ON DEFICIENCIES.

(a) In General.—Section 7481 of the 1986 Code (relating to date when Tax Court decision becomes final) is amended by adding at the end thereof the following new subsection:

"(c) Jurisdiction Over Interest Determinations.—Notwithstanding subsection (a), if—

"(1) an assessment has been made by the Secretary under section 6215 which includes interest as imposed by this title,

"(2) the taxpayer has paid the entire amount of the deficiency plus interest claimed by the Secretary, and

"(3) within 1 year after the date the decision of the Tax Court becomes final under subsection (a), the taxpayer files a petition in the Tax Court for a determination that the amount of interest claimed by the Secretary

tary exceeds the amount of interest imposed by this title,

then the Tax Court may reopen the case solely to determine whether the taxpayer has made an overpayment of such interest and the amount of any such overpayment. If the Tax Court determines under this subsection that the taxpayer has made an overpayment of interest, then that determination shall be treated under section 6512(b)(1) as a determination of an overpayment of tax. An order of the Tax Court redetermining the interest due, when entered upon the records of the court, shall be reviewable in the same manner as a decision of the Tax Court."

(b) Conforming Amendments.—

(1) Section 6512(a) of the 1986 Code (relating to effect of petition to Tax Court) is amended by inserting after "section 6213(a)" the following: "(or 7481(c) with respect to a determination of statutory interest)".

(2) Subsection (a) of section 7481 of the 1986 Code is amended by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)".

(c) Effective Date.—The amendments made by this section shall apply to assessments of deficiencies redetermined by the Tax Court made after the date of the enactment of this Act.

SEC. 6247. JURISDICTION TO MODIFY DECISIONS IN CERTAIN ESTATE TAX CASES.

(a) In General.—Section 7481 of the 1986 Code (relating to date when Tax Court decision becomes final), as amended by section 783(a), is further amended by adding at the end thereof the following new subsection:

"(d) Decisions Relating To Estate Tax Extended Under Section 6166.—If with respect to a decedent's estate subject to a decision of the Tax Court—

"(1) the time for payment of an amount of tax imposed by chapter 11 is extended under section 6166, and

"(2) there is treated as an administrative expense under section 2053 either—

"(A) any amount of interest which a decedent's estate pays on any portion of the tax imposed by section 2001 on such estate for which the time of payment is extended under section 6166, or

"(B) interest on any estate, succession, legacy, or inheritance tax imposed by a State on such estate during the period of the extension of time for payment under section 6166,

then, upon a motion by the petitioner in such case in which such time for payment of tax has been extended under section 6166, the Tax Court may reopen the case solely to modify the Court's decision to reflect such estate's entitlement to a deduction for such administration expenses under section 2053 and may hold further trial solely with respect to the claim for such deduction if, within the discretion of the Tax Court, such a hearing is deemed necessary. An order of the Tax Court disposing of a motion under this subsection shall be reviewable in the same manner as a decision of the Tax Court, but only with respect to the matters determined in such order."

(b) Conforming Amendments.—

(1) Section 6512(a) of the 1986 Code (relating to effect of petition to Tax Court), as amended by this part, is further amended by striking out "interest)" and inserting in lieu thereof "interest or section 7481(d) solely with respect to a determination of estate tax by the Tax Court)".

(2) Subsection (a) of section 7481 of the 1986 Code, as amended by this part, is further amended by striking out "subsections (b) and (c)" and inserting in lieu thereof "subsections (b), (c), and (d)".

(c) Effective Date.—The amendments made by this section shall be effective with respect to Tax Court cases for which the decision is not final on the date of the enactment of this Act.

Subtitle K—Other Administrative Provisions

SEC. 6251. EXCHANGE OF INFORMATION.

Clause (i) of section 6103(b)(5)(B) of the 1986 Code (defining State) is amended by striking out "2,000,000" and inserting in lieu thereof $250,000".

SEC. 6252. PROVISIONS RELATING TO PREVIOUSLY REQUIRED STUDIES.

(a) Repeal of Requirement for Certain Studies.—

(1) PIK study.—Section 6 of the Payment-in-Kind Tax Treatment Act of 1983 is hereby repealed.

(2) Accounting methods for inventory.—Section 238 of the Economic Recovery Tax Act of 1981 is hereby repealed.

(b) Changes in Due Dates for Certain Periodic Studies.—

(1) Reports on possessions corporations.—Effective for reports for calendar years after 1982, subsection (a) of section 441 of the Tax Reform Act of 1984 is amended by striking out "shall," and all that follows through "setting forth" and inserting in lieu thereof "shall, during 1988 and each fourth calendar year thereafter, submit a report to the Congress (using the most recent information available) setting forth".

(2) Reports on FSC provisions.—

(A) Subsection (a) of section 804 of the Tax Reform Act of 1984 is amended by striking out "shall," and all that follows through "setting forth" and inserting in lieu thereof "shall, during 1990 and each fourth calendar year thereafter, submit a report to the Congress (using the most recent information available) setting forth".

(B) The amendment made by subparagaph (A) shall take effect as if included in the amendments made by section 804(a) of the Tax Reform Act of 1984.

SEC. 6253. REPEAL OF SECRETARIAL AUTHORITY TO PRESCRIBE CLASS LIVES.

Paragraph (1) of section 168(i) of the 1986 Code is amended to read as follows:

"(1) Class life.—Except as provided in this section, the term 'class life' means the class life (if any) which would be applicable with respect to any property as of January 1, 1986, under subsection (m) of section 167 (determined without regard to paragraph (4) and as if the taxpayer had made an election under such subsection). The Secretary, through an office established in the Treasury, shall monitor and analyze actual experience with respect to all depreciable assets."

SEC. 6254. AMENDMENTS RELATED TO CRUDE OIL WINDFALL PROFIT TAX ACT OF 1980.

The reporting requirements of section 4997 of former chapter 45 of subtitle D of the Internal Revenue Code of 1986, and the related regulations thereunder, are repealed: Provided, That this repeal is effective only for crude oil removed after December 31, 1987, for which no tax is due or withheld under former chapter 45 of subtitle D of the Internal Revenue Code of 1986.

Subtitle L—Provisions Relating to Corporations and Personal Holding Companies

SEC. 6276. AUTHORITY TO PAY REFUNDS TO CERTAIN FIDUCIARIES OF INSOLVENT MEMBERS OF AFFILIATED GROUPS.

Section 6402 of the 1986 Code (relating to authority to make credits or refunds) is amended by adding at the end thereof the following new subsection:

"(i) Refunds to Certain Fiduciaries of Insolvent Members of Affiliated Groups.—Notwithstanding any other provision of law, in the case of an insolvent corporation which is a member of an affiliated group of corporations filing a consolidated return for any taxable year and which is subject to a statutory or court-appointed fiduciary, the Secretary may by regulation provide that any refund for such taxable year may be paid on behalf of such insolvent corporation to such fiduciary to the extent that the Secretary determines that the refund is attributable to losses or credits of such insolvent corporation."

SEC. 6277. APPLICATION OF NET OPERATING LOSS LIMITATIONS TO BANKRUPTCY REORGANIZATIONS.

(a) Time for Determining Whether Ownership Change Occurs.—Section 621(f)(5) of the Tax Reform Act of 1986 is amended by adding at the end thereof the following new sentence: "The determination as to whether an ownership change has occurred during the period beginning January 1, 1987, and ending on the final settlement of any reorganization or proceeding described in the preceding sentence shall be redetermined as of the time of such final settlement."

(b) Election to Have New Rules Apply.—Section 621(f)(5) of the Tax Reform Act of 1986 is amended by striking out "In" and inserting in lieu thereof "Unless the taxpayer elects not to have the provisions of this paragraph apply, in".

(c) Effective Date.—The amendments made by this section shall take effect as if included in section 621(f)(5) of the Tax Reform Act of 1986.

SEC. 6278. APPLICATION OF SECTION 7503 OF 1986 CODE FOR PURPOSES OF SECTION 10222(b) OF REVENUE ACT OF 1987.

Section 7503 of the 1986 Code shall apply for purposes of determining whether any disposition meets the requirements of section 10222(b)(2)(B) of the Revenue Act of 1987. If any disposition meets the requirements of such section by reason of the preceding sentence, for all purposes of the 1986 Code, such disposition shall be deemed to have occurred on December 31, 1988.

SEC. 6279. INTEREST EARNED BY BROKERS OR DEALERS NOT TAKEN INTO ACCOUNT AS PERSONAL HOLDING COMPANY INCOME.

(a) In General.—Paragraph (1) of section 543(a) of the 1986 Code is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and" and by adding at the end thereof the following new subparagraph:

"(D) interest received by a broker or dealer (within the meaning of section 3(a) (4) or (5) of the Securities and Exchange Act of 1934) in connection with—

"(i) any securities or money market instruments held as property described in section 1221(1),

"(ii) margin accounts, or

"(iii) any financing for a customer secured by securities or money market instruments."

(b) Effective Date.—The amendments made by this section shall apply to interest received after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 6280. TREATMENT OF CERTAIN BANK HOLDING COMPANIES.

(a) General Rule.—For purposes of subtitle A of the 1986 Code, the term "personal holding company income" shall not include any dividend received by a qualified bank *holding company from a 25-percent owned bank during any taxable year ending in 1989 or 1990.*

(b) $3,000,000 Limitation.—The aggregate amount excluded from the personal holding company income of any qualified bank holding company under subsection (a) for the taxable year shall not exceed $3,000,000.

(c) Qualified Bank Holding Company.—For purposes of this section, the term "qualified bank holding company" means any bank holding company (as defined in section 2(a) of the Bank Holding Company Act of 1956) if 80 percent or more (by value) of the assets of such company at all times during the taxable year consist of stock in 1 or more 25-percent owned banks.

(d) 25-Percent Owned Bank.—For purposes of this section, the "25-percent owned bank" means any bank (as defined in section 581 of the 1986 Code) if at least 25 percent of the stock of such bank (by vote and value) is owned by the bank holding company.

SEC. 6281. AUTHORITY TO WAIVE APPRAISAL REQUIREMENT FOR CERTAIN CHARITABLE CONTRIBUTIONS OF PROPERTY.

Notwithstanding paragraph (2) of section 155(a) of the Tax Reform Act of 1984, the Secretary of the Treasury or his delegate may in the regulations prescribed pursuant to such section waive the requirement of a qualified appraisal in the case of a qualified contribution (within the meaning of section 170(e)(3)(A) of the 1986 Code) of property described in section 1221(1) with a claimed value in excess of $5,000.

SEC. 6282. DISTRIBUTIONS BY COOPERATIVE HOUSING CORPORATIONS.

(a) In general.—Section 216 of the 1986 Code is amended by adding at the end thereof the following new subsection:

"(e) Distributions by Cooperative Housing Associations.—Except as provided in regulations no gain or loss shall be recognized on the distribution by a cooperative housing association of a dwelling unit to a stockholder in such cooperation if such distribution is in exchange for the stockholder's stock in such corporation and such exchange qualifies for nonrecognition of gain under section 1034(f)."

(b) Effective Date.—The amendment made by this section shall take effect as if included in the amendments made by section 631 of the Tax Reform Act of 1986.

Subtitle M—Miscellaneous Provisions

SEC. 6301. REPEAL OF LIMIT ON LONG-TERM BONDS.

The last sentence of section 3102(a) of title 31, United States Code, is hereby repealed.

SEC. 6302. ONE-YEAR EXTENSION OF CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

Clauses (i) and (ii) of section 29(f)(1)(A) of the 1986 Code (relating to application of section) are each amended by striking out "January 1, 1990" and inserting in lieu thereof "January 1, 1991".

SEC. 6303. CERTAIN DISCHARGE OF DEBT INCOME NOT INCLUDED IN ADJUSTED BOOK INCOME.

(a) General Rule.—Paragraph (2) of section 56(f) of the 1986 Code (defining adjusted net book income) is amended by redesignating subparagraph (I) as subparagraph (J) and by inserting after subparagraph (H) the following new subparagraph:

"(I) Exclusion of certain income from transfer of stock for debt.—In determining adjusted net book income, there shall not be taken into account any income resulting from the transfer of stock by the corporation issuing such stock to a creditor in satisfaction of its indebtedness. The preceding sentence shall apply only in the case of a debtor in a title 11 case (as defined in section 108(d)(2)) or to the extent the debtor is insolvent (as defined in section 108(d)(3))."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1986.

SEC. 6304. NONCONVENTIONAL FUELS CREDIT.

(a) In General.—Section 53(d)(1)(B) of the 1986 Code (relating to credit not allowed for exclusion preferences) is amended by adding at the end thereof the following new clause:

"(iii) Special rule.—The adjusted net minimum tax for the taxable year shall be increased by the amount of the credit not allowed under section 29 (relating to credit for producing fuel from a nonconventional source) solely by reason of the application of section 29(b)(5)(B)."

(b) Effective Date.—The amendment made by this section shall take effect as if included in the amendments made by section 701 of the Tax Reform Act of 1986.

SEC. 6305. TREATMENT OF CERTAIN FAMILY SERVICES PROVIDERS.

(a) In General.—A State may treat a person who renders dependent care or similar services as other than an employee employment tax purposes for the applicable period if all of the following conditions are satisfied with respect to such person for such applicable period:

(i) The person does not provide any dependent care or similar services in any facility owned or operated by the State;

(ii) The person is compensated by the State for such services, directly or indirectly, out of funds provided pursuant to chapter 7 of title 42 of the United States Code, or the provisions and amendments made by the Family Security Act of 1988.

(iii) The State does not treat the person, with respect to the provision of dependent care or similar services, as an employee for employment tax purposes;

(iv) The State files all Federal income tax returns (including information returns) required to be filed with respect to such person on a basis consistent with the State's treatment of such person as other than an employee beginning on the date of the enactment of this section; and

(v) No more than ten percent of the State's employees are provided with insurance under title II of the Social Security Act pursuant to voluntary agreements with the Secretary of Health and Human Services under section 218 of such title.

(b) State.—For purposes of this section, the term "State" shall mean the government of the United States, District of Columbia, any State or political subdivision thereof, and any agency or instrumentality of any of the foregoing.

(c) Employment Tax.—For purposes of this section, the term "employment tax" means any tax imposed by subtitle C of the Internal Revenue Code of 1986.

(d) Applicable Period.—For purposes of this section, the term "applicable period" means the period beginning on January 1, 1984 and ending on December 31, 1990.

(e) Report.—The Secretary of Treasury shall report to the Senate Committee on Finance and the House Committee on Ways and Means on the text status of day care providers compensated pursuant to the program described in the section no later than December 31, 1989.

TITLE VII—RAILROAD UNEMPLOYMENT AND RETIREMENT PROGRAMS

SEC. 7001. SHORT TITLE.

This title may be cited as the "Railroad Unemployment Insurance and Retirement Improvement Act of 1988".

SEC. 7002. REFERENCES TO RAILROAD UNEMPLOYMENT INSURANCE ACT.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or provision, the reference shall be considered to be made to a section or other provision of the Railroad Unemployment Insurance Act.

Subtitle A—Financing Provisions

SEC. 7101. AMENDMENTS RELATING TO DEFINITION OF "COMPENSATION".

(a) In General.—Section 1(i) is amended—

(1) by inserting "(1) In General.—" after "(i)";

(2) by striking out ": Provided, however, That in computing" and all that follows through "1983, shall be recognized." and inserting in lieu thereof ", except that in computing the compensation paid to any employee, no part of any month's compensation in excess of the monthly compensation base (as defined in subdivision (2)) for any month shall be recognized."; and

(3) by adding at the end thereof the following new subdivision:

"(2) Monthly Compensation Base.—

"(A) In general.—For purposes of subdivision (1), the term 'monthly compensation base' means the amount—

"(i) of $400 for calendar months before January 1, 1984;

"(ii) of $600 for calendar months after December 31, 1983 and before January 1, 1989; and

"(iii) computed under subparagraph (B) for months after December 31, 1988.

"(B) Computation.—

"(i) In general.—The amount of the monthly compensation base for each calendar year beginning after December 31, 1988, is the greater of—

"(I) $600; or

"(II) the amount, as rounded under clause (iii) if applicable, computed under the formula:

$$B=600\left(1+\frac{A-37,800}{56,700}\right)$$

"(ii) Meaning of symbols.—For the purposes of the formula in clause (i)—

"(I) 'B' is the dollar amount of the monthly compensation base; and

"(II) 'A' is the amount of the applicable base with respect to tier 1 taxes, for the calendar year for which the monthly compensa-

tion base is being computed, as determined under section 3231(e)(2) of the Internal Revenue Code of 1986.

"(iii) Rounding rule.—If the monthly compensation base computed under this formula is not a multiple of $5, it shall be rounded to the nearest multiple of $5, with such rounding being upward in the event the amount computed is equidistant between two multiples of $5.".

(b) Conforming Amendment With Respect to Subsidiary Remuneration Rule.—Section 1(k) is amended by striking out "$1,500" and inserting in lieu thereof "an amount that is equal to 2.5 times the monthly compensation base for months in such base year as computed under section 1(i) of this Act".

(c) Conforming Amendment With Respect to Limitation on Taking Account of Money Remuneration.—Section 2(c) is amended by striking out "not in excess of $775 in any month shall be taken into account:" and inserting in lieu thereof "shall be taken into account that is not in excess of $775 in any month before 1989 and, in any month in a base year after 1988, is not in excess of an amount that bears the same ratio to $775 as the monthly compensation base for that year as computed under section 1(i) of this Act bears to $600:".

(d) Conforming Amendments With Respect To Required Compensation Amount.—Section 4(a-2)(i)(A) is amended by striking out the semicolon at the end and inserting in lieu thereof "and before 1989 or, if any part of such compensation is paid in a calendar year after 1988, not less than an amount that is equal to 2.5 times the monthly compensation base for months in such calendar year, as computed under section 1(i) of this Act;".

(e) Duty of Board To Make Certain Computations.—Section 12 is amended by adding at the end the following new subsection:

"(r) Duty of Board To Make Certain Computations.—

"(1) Compensation base.—On or before December 1, 1988, and on or before December 1 of each year thereafter, the Board shall compute—

"(A) in accordance with section 1(i), the monthly compensation base which shall be applicable with respect to months in the next succeeding calendar year; and

"(B) the amounts described in section 1(k), section 2(c), section 3, and section 4(a-2)(i)(A) that are related to changes in the monthly compensation base.

"(2) Maximum daily benefit rate.—On or before June 1, 1989, and on or before June 1 of each year thereafter, the Board shall compute in accordance with section 2(a)(3) the maximum daily benefit rate which shall be applicable with respect to days of unemployment and days of sickness in registration periods beginning after June 30 of that year.

"(3) Notice in federal register and to employers.—Not later than 10 days after each computation made under this subsection, the Board shall publish notice in the Federal Register and shall notify each employer and employee representative of the amount so computed.".

(f) Effective Date.—The amendments made by this section shall take effect upon the date of the enactment of this Act.

SEC. 7102. CONTRIBUTION ADJUSTMENTS.

(a) Employer Contributions and Experience Rating.—Section 8 is amended by striking out "(a) Every employer" and all that follows through the end of subsection (a) and inserting in lieu thereof the following:

"(a) Employer Contribution.—

"(1) In general.—

"(A) General rule.—

"(i) Contribution rate generally.—Every employer shall pay a contribution, with respect to having employees in his service, equal to the percentage determined under subparagraph (B), (C), or (D), whichever is applicable, of so much of the compensation paid in any calendar month by such employer to any employee as is not in excess of the monthly compensation base for that month as computed under section 1(i).

"(ii) Multiple employer limitation.—If compensation is paid to an employee by more than one employer in any calendar month—

"(I) the contributions required by this subsection shall not apply to any amount of the aggregate compensation paid to such employee by all such employers in such calendar month which is in excess of such monthly compensation base; and

"(II) each employer (other than a subordinate unit of a national-railway-labor-organization employer) shall be liable for that portion of the contribution with respect to such compensation paid by all such employers which the compensation paid by him to such employee bears to the total compensation paid in such month by all such employers to such employee.

In the event that the compensation paid by such employers to the employee in such month is less than such monthly compensation base, each subordinate unit of a national-railway-labor-organization employer shall be liable for such portion of any additional contribution as the compensation paid by such employer to such employee in such month bears to the total compensation paid by all such employers to such employee in such month.

"(B) Transitional rule.—

"(i) 1st, 2d, and 3d calendar years.—Except as provided in clause (vi), with respect to compensation paid in calendar years 1988, 1989, and 1990, the contribution rate shall be 8 percent.

"(ii) 4th calendar year.—With respect to compensation paid in calendar year 1991, the contribution rate shall be the smaller of—

"(I) the maximum contribution limit computed under paragraph (20); or

"(II) the percentage computed pursuant to the following formula:

$$R= \frac{2A+B.}{3}$$

"(iii) 5th calendar year.—With respect to compensation paid in calendar year 1992, the contribution rate shall be the smaller of—

"(I) the maximum contribution limit computed under paragraph (20); or

"(II) the percentage computed pursuant to the following formula:

$$R= \frac{2A+C.}{3}$$

"(iv) Meaning of symbols.—For purposes of the formulas in clauses (ii) and (iii)—

"(I) 'R' is the applicable contribution rate expressed as a percentage for months in the calendar year;

"(II) 'A' is the contribution rate determined under clause (i);

"(III) 'B' is the percentage rate for the employer, as determined under subparagraph (C), for calendar year 1991; and

"(IV) 'C' is the percentage rate for the employer, as determined under subparagraph (C), for calendar year 1992.

"(v) Special rule for certain computations.—For purposes of computing B and C in such formulas—

"(I) the percentage rate computed under subparagraph (C), if more than the maximum contribution limit computed under paragraph (20) shall not be reduced to that limit; and

"(II) any computations which under subparagraph (C) are to be made on the basis of a 4-quarter or a 12-quarter period ending on a given June 30 shall be made on the basis of a period beginning on January 1, 1990, and ending on that June 30, and the amount so computed shall be increased to an amount that bears the same ratio to the amount so computed as 4 or 12, as appropriate, bears to the number of calendar quarters in the period on which the computation was based.

"(vi) Special transition rule for public commuter railroads.—With respect to each of calendar years 1989 and 1990, the contribution of an employer which on the date of the enactment of the Railroad Unemployment Insurance and Retirement Improvement Act of 1988 is a publicly funded and publicly operated carrier providing rail commuter service shall be equal to the amount of benefits attributable to such carrier, plus an amount equal to 0.65 percent of the total compensation paid by that employer in that year on which that employer's contribution would be based under clause (i) if such employer's contribution were determined under that clause.

"(C) Experience-rated contributions.—With respect to compensation paid in a calendar year that begins after December 31, 1992, the contribution rate for each employer shall be determined as follows:

"(i) Step 1.—Compute the employer's benefit ratio as of the preceding June 30 to 4 decimal points in accordance with paragraph (2).

"(ii) Step 2.—Subtract the employer's reserve ratio as of the preceding June 30 as computed 4 decimal points in accordance with paragraph (4).

"(iii) Step 3.—Subtract the pooled credit ratio for the calendar year, if any, as computed to 4 decimal points in accordance with paragraph (12).

"(iv) Step 4.—Multiply by 100 the total arrived at under the steps set forth in clauses (i) through (iii) so as to obtain a percentage rate, which shall be rounded to the nearest 100th of 1 percent. If the total arrived at under such steps is 0 or less than 0, the percentage rate as so computed shall be 0.

"(v) Step 5.—Add 0.65 to the percentage rate arrived at under clause (iv), representing the portion of the employer's contribution which is to be deposited to the credit of the fund under subsection (i).

"(vi) Step 6.—Add the surcharge rate for the calendar year, if any, as computed under paragraph (14).

"(vii) Step 7.—Add the pooled charge ratio for the calendar year, if any, as computed to 4 decimal points under paragraph (13) and multiplied by 100.

"(viii) Step 8.—Reduce the precentage rate computed in accordance with the preceding steps to the maximum contribution limit computed under paragraph (20), if such rate is higher than such limit. The rate computed in accordance with the preceding steps, after any reduction under this clause, is the contribution rate.

"(D) New-employer contribution rates.—Notwithstanding subparagraphs (B) and

(C), the contribution rate applicable to a new employer who does not become subject to this Act until after December 31, 1989, shall be determined as follows:

"(i) 1ST CALENDAR YEAR.—With respect to compensation paid in calendar months before the end of the first full calendar year in which the employer is subject to this Act, the contribution rate shall be the average contribution rate paid by all employers during the 3 calendar years preceding the calendar year before the calendar year in which the compensation is paid. The average contribution rate shall be determined—

"(I) by dividing the aggregate contributions paid by all employers under this subsection in those 3 calendar years by the aggregate compensation with respect to which such contributions were paid; and

"(II) by multiplying the resulting ratio as computed to 4 decimal points by 100.

"(ii) 2D CALENDAR YEAR.—With respect to compensation paid in calendar months in the next calendar year, the contribution rate shall be the smaller of—

"(I) the maximum contribution limit computed under paragraph (20); or

"(II) the precentage rate computed pursuant to the following formula;

$$R = \left(\frac{2(A2)+B}{3} \right)$$

"(iii) 3D CALENDAR YEAR.—With respect to compensation paid in calendar months in the third full calendar year in which the employer is subject to the coverage of this Act, the contribution rate shall be the smaller of—

"(I) the maximum contribution limit computed under paragraph (20); or

"(II) the percentage rate computed pursuant to the following formula:

$$R = \frac{A3+2C}{3}$$

"(iv) SUBSEQUENT CALENDAR YEARS.—With respect to all calendar months in calendar years subsequent to that calendar year, the contribution rate shall be determined under subparagraph (C).

"(v) MEANING OF SYMBOLS.—For purposes of the formulas in clauses (ii) and (iii)—

"(I) 'R' is the applicable contribution rate expressed as a percentage for months in the calendar year;

"(II) 'A1' is the contribution rate determined under clause (i) for such employer's first full calendar year;

"(III) 'A2' is the contribution rate which would have been determined under clause (i) if the employer's second calendar year had been its first full calendar year;

"(IV) 'A3' is the contribution rate which would have been determined under clause (i) if the employer's third calendar year had been such employer's first full calendar year;

"(V) 'B' is the contribution rate for the employer as determined under subparagraph (C) for the employer's second full calendar year; and

"(VI) 'C' is the contribution rate for the employer as determined under subparagraph (C) for the employer's third full calendar year.

"(vi) SPECIAL RULE FOR CERTAIN COMPUTATIONS.—For purposes of computing B and C in such formulas—

"(I) the percentage rate computed under subparagraph (C), shall not be reduced under clause (viii) of that subparagraph; and

"(II) any computations which under subparagraph (C) are to be made on the basis of a 4-quarter or 12-quarter period ending on a given June 30 shall be made on the basis of a period commencing with the first day of the first calendar quarter that begins after the date on which the employer first commenced paying compensation subject to this Act and ending on that June 30, and the amount so computed shall be increased to an amount that bears the same ratio to the amount so computed as 4 or 12, as appropriate, bears to the number of calendar quarters in the period on which the computation was based.

"(2) BENEFIT RATIO.—An employer's benefit ratio as of any given June 30 shall be determined by dividing all benefits charged to the employer under paragraph (15) during the 12 calendar quarters ending on such June 30 by the employer's 3-year compensation base as of such June 30 as computed under paragraph (3).

"(3) 3-YEAR COMPENSATION BASE.—An employer's 3-year compensation base as of any given June 30 is the aggregate compensation with respect to which contributions were paid by the employer under this subsection in the 12 calendar quarters ending on such June 30.

"(4) RESERVE RATIO.—An employer's reserve ratio as of any given June 30 shall be computed by dividing the employer's reserve balance as of such June 30, as computed under paragraph (6), by that employer's 1-year compensation base as of such June 30, as computed under paragraph (5). The employer's reserve ratio may be either a positive or a negative figure, depending upon whether the employer's reserve balance is a positive or negative figure.

"(5) 1-YEAR COMPENSATION BASE.—An employer's 1-year compensation base as of any given June 30 is the aggregate compensation with respect to which contributions were paid by the employer under this subsection in the 4 calendar quarters ending on such June 30.

"(6) RESERVE BALANCE.—An employer's reserve balance as of any given June 30 shall be determined by subtracting the employer's cumulative benefit balance as of such June 30, computed under paragraph (7), from the employer's net cumulative contribution balance as of such June 30, computed under paragraph (8). An employer's reserve balance may be either positive or negative, depending upon whether or not that employer's net cumulative contribution balance exceeds the employer's cumulative benefit balance.

"(7) CUMULATIVE BENEFIT BALANCE.—An employer's cumulative benefit balance as of any given June 30 shall be determined by adding—

"(A) the net amount of the benefits charged to the employer under paragraph (15) on or after January 1, 1990; and

"(B) the cumulative amount of the employer's unallocated charges for the same period, if any, as computed under paragraph (9).

"(8) NET CUMULATIVE CONTRIBUTION BALANCE.—An employer's net cumulative contribution balance as of any given June 30 shall be determined as follows:

"(A) STEP 1.—Compute the sum of

"(i) all contributions paid by the employer pursuant to this subsection;

"(ii) that portion of the tax imposed under section 3321(a) of the Internal Revenue Code of 1986 that is attributable to the surtax rate under section 516(b) of the Railroad Unemployment Insurance and Retirement Improvement Act of 1988; and

"(iii) any taxes paid by the employer pursuant to section 3321(a) of the Internal Revenue Code of 1986 (after the outstanding balance of loans made under section 10(d) before October 1, 1985, plus interest, have been paid);

on or after January 1, 1990.

"(B) STEP 2.—Subtract an amount equal to the amount of such contributions deposited to the credit of the fund under subsection (i).

"(C) STEP 3.—Add an amount equal to the aggregate amount by which such contributions were reduced in prior calendar years as a result of pooled credits, if any, under paragraph (1)(C)(iii).

"(9) UNALLOCATED CHARGE.—An employer's unallocated charge as of any given June 30 is the amount that as of such June 30 bears the same ratio to the system unallocated charge balance, computed under paragraph (10), as the employer's 1-year compensation base, computed under paragraph (5), bears to the system compensation base computed under paragraph (11).

"(10) SYSTEM UNALLOCATED CHARGE BALANCE.—The system unallocated charge balance as of any given June 30 shall be determined as follows:

"(A) STEP 1.—Compute the aggregate amount of all interest paid by the account on loans from the Railroad Retirement Account after September 30, 1985, pursuant to section 10(d), during the 4 calendar quarters ending on that June 30.

"(B) STEP 2.—Add the aggregate amount of any additions to the system unallocated charge balance specified in paragraphs (15) and (16), during that period.

"(C) STEP 3.—Add the aggregate amount of any other expenditures by the account during that period not chargeable to any individual employer under paragraph (15) or to the fund under section 11.

"(D) STEP 4.—Subtract the aggregate amount of all income to the account, under section 10(a)(iv) or section 10(a)(vii), during that period.

"(E) STEP 5.—Subtract the aggregate amount of all transfers to the account, pursuant to section 11(d), during that period.

"(F) STEP 6.—Subtract the aggregate amount of all other income and receipts of the account, during that period, which are not assigned to individual employer balances.

"(G) STEP 7.—Subtract the net cumulative contribution balance of each employer whose balance has been cancelled pursuant to paragraph (16), during that period, calculated as of the date of such cancellation.

"(11) SYSTEM COMPENSATION BASE.—The system compensation base as of any given June 30 shall be determined by adding together the amounts of the 1-year compensation bases of all employers and employee representatives subject to this Act, computed in accordance with paragraph (5), as of such June 30.

"(12) POOLED CREDIT RATIO.—The pooled credit ratio, if any, for a calendar year shall be determined as follows:

"(A) STEP 1.—Compute the balance to the credit of the account as of the close of business on the preceding June 30, including any amounts in the account attributable to loans made under section 10(d) before October 1, 1985, but disregarding the obligation to repay such loans and interest thereon. In determining such balance as of June 30 of any year, so much of the balance to the credit of the railroad unemployment insurance administration fund as of the close of *business on such date as is in excess of $6,000,000 shall be deemed to be part of the balance to the credit of such account. There will be a pooled credit ratio for the calendar year only if that balance is in excess of the greater of $250,000,000 or of the amount that bears the same ratio to $250,000,000 as the system compensation base as of that June 30 bears to the system compensation base as of June 30, 1991, as computed in accordance with paragraph (11).*

"(B) STEP 2.—If there is such an excess amount, divide that excess amount by the system compensation base as of the June 30 preceding the calendar year. The result is the pooled credit ratio for the calendar year.

"(13) POOLED CHARGE RATIO.—The pooled charge ratio, if any, for a calendar year shall be determined as follows:

"(A) STEP 1.—With respect to each employer whose contribution rate for that calendar year as computed through step 6 under paragraph (1)(C) was greater than the maximum contribution limit computed under paragraph (20), multiply the employer's 1-year compensation base as of the preceding June 30, as computed in accordance with paragraph (5), by the difference between—

"(i) the percentage rate determined under subparagraph (B), (C), or (D) of paragraph (1) before the reduction to the maximum contribution limit; and

"(ii) the maximum contribution limit.

"(B) STEP 2.—Add the amounts arrived at under step 1 so as to obtain an aggregate amount for all such employers.

"(C) STEP 3.—For each employer whose contribution rate as computed through step 3 under paragraph (1)(C) was less than 0, the percentage rate by which such employer's rate was raised in order to bring that rate to 0 shall be multiplied by that employer's 1-year compensation base as of the preceding June 30. Subtract the total of the amounts computed under the preceding sentence for all employers from the amount arrived at in step 2.

"(D) STEP 4.—Divide the aggregate amount arrived at under step 3 by the system compensation base as of the preceding June 30 as computed under paragraph (11) minus the one-year compensation base of those employers whose rates computed through step 6 of paragraph (1)(C) exceeded the maximum contribution rate computed under paragraph (20). The result is the pooled charge ratio for the calendar year.

"(14) SURCHARGE RATE.—The surcharge rate for a calendar year, if any, shall be determined as follows:

"(A) STEP 1.—Compute the balance to the credit of the account as of the close of business on the preceding June 30, including any amounts in the account attributable to loans made under section 10(d) before October 1, 1985, but disregarding the obligation to repay such loans and interest thereon. In determining such balance as of June 30 of any year, so much of the balance to the credit of the railroad unemployment insurance administration fund as of the close of business on such date as is in excess of $6,000,000 shall be deemed to be part of the balance to the credit of such account. There will be a surcharge rate for the calendar year only if that balance is less than the greater of $100,000,000 or of the amount that bears the same ratio to $100,000,000 as the system compensation base as of that June 30 bears to the system compensation base as of June 30, 1991, as computed in accordance with paragraph (11).

"(B) STEP 2.—(i) If the balance to the credit of the account is less than the greater of the amounts referred to in the 2nd sentence of step 1 but is equal to or more than the greater of $50,000,000 or of the amount that bears the same ratio to $50,000,000 as the system compensation base as of that June 30 bears to the system compensation base as of June 30, 1991, then the surcharge rate for the calendar year shall be 1.5 percent.

"(ii) If the balance to the credit of the account is less than the greater of the amounts referred to in the clause (i), but greater than or equal to zero, then the surcharge rate for the calendar year shall be 2.5 percent.

"(iii) If the balance to the credit of the account is less than zero, the surcharge rate for the calendar year shall be 3.5 percent.

"(15) CHARGEABLE BENEFITS.—

"(A) IN GENERAL.—Beginning January 1, 1990, all benefits paid to an employee for days of unemployment or days of sickness shall be charged to that employee's base year employer by adding amounts equal to the amounts of such benefits to the employer's cumulative benefit balance except that benefits paid by reason of strikes or work stoppages growing out of labor disputes shall not be added to the employer's cumulative benefit balance but instead shall be added to the system unallocated charge balance.

"(B) ADJUSTMENTS.—A sum equal to each amount realized in recovery for overpayment, erroneous payment, or reimbursement of benefits and credited to the account pursuant to section 10(a)(v) or 10(a)(viii) shall be subtracted from the cumulative benefit balances of the employers of the employees to whom such an amount was paid as a benefit in the proportion to the amount by which each such employer's cumulative benefit balance was increased as a result of the payment of the benefit.

"(C) MULTIPLE EMPLOYERS.—

"(i) IN GENERAL.—All benefits paid to an employee who had more than 1 base-year employer shall be charged to the cumulative benefit balances of the employee's base year employers—

"(I) in reverse chronological order of the employee's employment with each such employer in the base year if the employer at the time of the claim was the last base year employer, and the amount charged to each employer shall not exceed the compensation paid by that employer to the employee in the base year; and

"(II) in all other cases, in the same ratio as the compensation paid to such employee by the employer bears to the total of such compensation paid to such employee by all such employers in the base year.

"(ii) SPECIAL RULE FOR EMPLOYER WITH CANCELLED BALANCES.—All benefits chargeable under this subparagraph to an employer for which the Board has cancelled balances under paragraph (16) shall be added to the system unallocated charge balance.

"(16) DEFUNCT EMPLOYER.—Whenever the Board determines, pursuant to such regulations as the Board may prescribe, that an employer has permanently ceased to pay compensation with respect to which contributions are payable pursuant to this subsection, the Board shall, effective on the date of the Board's determination, transfer the employer's net cumulative contribution balance as a subtraction from, and cumulative benefit balance as an addition to, the system unallocated charge balance and cancel all other accumulations of the employer.

"(17) INDIVIDUAL EMPLOYER RECORD.—

"(A) IN GENERAL.—As of January 1, 1990, the Board shall commence maintaining an individual employer record with respect to each employer, and the records necessary to determine pooled charges, pooled credits and unallocated charge balances for the system. Whenever a new employer begins paying compensation with respect to which contributions are payable pursuant to this subsection, the Board shall establish and maintain an individual employer record for such employer.

"(B) DEFINITION.—As used in this paragraph, the term 'individual employer record' means a record of an individual employer's benefit ratio, reserve ratio, 1-year compensation base, 3-year compensation base, unallocated charge, reserve balance, net cumulative contribution balance, and cumulative benefit balance.

"(18) JOINT EMPLOYER RECORDS.—Pursuant to regulations prescribed by the Board, the Board may allow 2 or more employers, upon application, to establish and maintain, or to discontinue, a joint individual employer record for such employers as though such joint record constituted a single employer's individual employer record.

"(19) MERGERS, CONSOLIDATIONS, OR OTHER CHANGES IN EMPLOYER IDENTITY.—

"(A) WITH OTHER EMPLOYERS.—In the event of a merger, consolidation, unification, or reorganization in which an employer combines with another employer and the combination entails no partitioning of the property of the employer, the individual employer records of the 2 employers shall be combined into a joint individual employer record if the parties request such joint treatment pursuant to paragraph (18) or if the Board otherwise determines, pursuant to regulations prescribed by the Board, that such joint treatment is desirable.

"(B) WITH NONEMPLOYERS.—In the event of a merger, consolidation, unification, or reorganization in which an employer combines with another entity that is not an employer, the employer's individual employer record shall attach to the combined entity.

"(C) SALE OF ASSETS.—In the event property of an employer is sold or transferred to another employer or other entity, or is partitioned among 2 or more employers or entities, the cumulative benefit balance, net cumulative contribution balance, 1-year compensation base, and 3-year compensation base of the employer shall be prorated among the employers which receive the property, including any entities which become employers by virtue of such transfer or partition, in such equitable manner as the Board by regulation shall prescribe.

"(D) REINCORPORATION.—The cumulative benefit balance, net cumulative contribution balance, 1-year compensation base, and 3-year compensation base of an employer that reincorporates or otherwise alters its corporate identity in a transaction not involving a merger, consolidation, or unification shall attach to the reincorporated or altered entity.

"(E) ABANDONMENT.—If an employer abandons property or discontinues service but continues to operate as an employer, the employer's individual employer record shall continue to be calculated as provided in this subsection without retroactive adjustment.

"(20) MAXIMUM CONTRIBUTION LIMIT.—The maximum contribution limit with respect to a calendar year is 12 percent, unless a 3.5 percent surcharge under paragraph (14) is in effect with respect to that calendar year. If such a surcharge is in effect the maximum contribution limit with respect to that calendar year is 12.5 percent.

"(21) SPECIAL RULES FOR CERTAIN COMPUTATIONS UNDER PARAGRAPH (1)(C).—(A) Any com-

putation that is to be made under paragraph (1)(C) on the basis of a 12-quarter period ending on a given June 30 shall be made on the basis of a period—

"(i) beginning on the later of—

"(I) January 1, 1990;

"(II) the first day of the first calendar quarter that begins after the date on which the employer first began to pay compensation subject to this Act; or

"(III) July 1 of the third calendar year preceding that June 30; and

"(ii) ending on that June 30.

"(B) The amount computed under subparagraph (A) shall be increased to an amount that bears the same ratio to the amount so computed as 12 bears to the number of calendar quarters on which the computation is based.".

(b) EMPLOYEE REPRESENTATIVE CONTRIBUTION.—Subsection (b) of section 8 is amended to read as follows:

"(b) EMPLOYEE REPRESENTATIVE CONTRIBUTION.—Each employee representative shall pay a contribution with respect to so much of the compensation paid to him for services performed as an employee representative as is not in excess of the monthly compensation base computed in accordance with section 1(i), at a rate which shall be determined under subsection (a) in the same manner and with the same effect as if the employee organization by which such employee representative is employed were an employer as defined in this Act.".

(c) EXTENSION OF REMEDIES.—Section 8(h) is amended by adding at the end the following: "The remedies available under the first sentence of this subsection for an employer or employee representative who contests the amount of contributions payable by him shall also apply with respect to a contention that the contribution rate determined by the Board under subsection (a) or (b) to be applicable to such employer or employee representative is inaccurate or otherwise improper.".

(d) BOARD PROCLAMATION OF BALANCE.—Section 8 is amended—

(1) by redesignating subsections (c) through (h) as subsections (f) through (k), respectively; and

(2) by inserting after subsection (b) the following new subsections:

"(c) BOARD PROCLAMATION OF BALANCE.—

"(1) IN GENERAL.—Not later than October 15, 1990, and October 15 of each year thereafter the Board shall proclaim—

"(A) the balance to the credit of the account as of the preceding June 30 for purposes of paragraphs (12) and (14) of subsection (a);

"(B) the balance of any advances to the account under section 10(d) after September 30, 1985, that has not been repaid with interest as provided in such section as of September 30 of that year;

"(C) the system compensation base as of that June 30 as computed in accordance with paragraph (11) of that subsection;

"(D) the system unallocated charge balance as of that June 30, as computed in accordance with paragraph (10) of that subsection; and

"(E) the pooled credit ratio, the pooled charge ratio, and the surcharge rate, if any, as determined under paragraph (12), (13), or (14) of that subsection and applicable in the following calendar year.

"(2) PUBLICATION OF NOTICE.—As soon as is practicable after such proclamation, the Board shall publish notice in the Federal Register of the amounts so determined and proclaimed.

"(d) NOTIFICATIONS BY BOARD.—(1) Not later than the last day of any calendar quarter that begins after March 31, 1990, the Board shall notify each employer and employee representative of its net cumulative contribution balance and cumulative benefit balance as of the end of the preceding calendar quarter, as computed in accordance with paragraphs (7) and (8) of subsection (a) as of the last day of such preceding calendar quarter rather than as of a given June 30 if such last day is not a June 30.

"(2) Not later than October 15, 1990, and October 15 of each year thereafter, the Board shall notify each employer and employee representative of its benefit ratio, reserve ratio, 1-year compensation base, 3-year compensation base, unallocated charge, and reserve balance as of the preceding June 30 as computed in accordance with paragraphs (2), (3), (4), (5), (6), and (9) of subsection (a), and of the contribution rate applicable to the employer or employee representative in the following calendar year as computed under paragraphs (1) (B), (C), or (D) of that subsection.

"(e) INFORMATION TO VERIFY ACCURACY TO BE MADE AVAILABLE.—Notwithstanding any other provision of law, upon request by an employer or employee representative, the Board shall make available to such employer or employee representative any information available to the Board which may be necessary to verify the accuracy of a contribution rate determined by the Board to be applicable to such employer or employee representative, or of any component of that contribution rate including the accuracy of the employer's individual employer record, upon payment by such employer or employee representative to the Board of the cost incurred by the Board in making such information available. The amounts so paid to the Board shall be credited to and deposited in the fund.".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect upon the date of the enactment of this Act.

SEC. 7103. ADMINISTRATIVE EXPENSES.

(a) CHANGE IN PERCENTAGE TO BE DEPOSITED IN FUND.—Section 8(i), as so redesignated by section 512(d), is amended by striking out "0.5" and inserting in lieu thereof "0.65".

(b) CONFORMING AMENDMENTS.—(1) Section 10(a) is amended by striking out "0.5" and inserting in lieu thereof "0.65".

(2) Section 11(a) is amended by striking out "0.5" and inserting in lieu thereof "0.65".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to compensation paid in months beginning after September 30, 1988.

SEC. 7104. NOTIFICATION TO EMPLOYER.

(a) IN CONNECTION WITH CLAIM.—Section 5(b) is amended by adding at the end thereof the following: "When a claim for benefits is filed with the Board, the Board shall provide notice of such claim to the claimant's base-year employer or employers and afford such employer or employers an opportunity to submit information relevant to the claim before making an initial determination on the claim. When the Board initially determines to pay benefits to a claimant under this Act, the Board shall provide notice of such determination to the claimant's base-year employer or employers.".

(b) IN CONNECTION WITH ADMINISTRATIVE REVIEW.—Section 5(c) is amended—

(1) by inserting "(1)" after "(c)";

(2) by inserting at the end of the first paragraph the following: "In any such case the Board or the person or reviewing body so established or assigned shall, by publication or otherwise, notify all parties properly interested of their right to participate in the hearing and of the time and place of the hearing.";

(3) by inserting "(2)" at the beginning of the second paragraph;

(4) by inserting after the second paragraph the following:

"(3) Any base-year employer of a claimant whose claim for benefits has been granted in whole or in part, either in an initial determination with respect thereto or in a determination after a hearing pursuant to paragraph (1), and who contends that the determination is erroneous for a reason or reasons other than a reason that is reviewable under paragraph (4), may appeal to the Board for review of such determination. Despite such an appeal, the benefits awarded shall be paid to such claimant, subject to recovery by the Board if and to the extent found on the appeal to have been erroneously awarded. The Board shall take such action as is appropriate to recover the amount of such benefits including if feasible adjustment in subsequent payments pursuant to the first two paragraphs of section 2(d) of this Act. Upon an appeal, the Board shall review the determination appealed from and for such review may designate one of its officers or employees to receive evidence and report to the Board thereof together with recommendations. In any such case the Board or the person so designated shall, by publication or otherwise, notify all parties properly interested of their right to participate in the proceeding and, if a hearing is to be held, of the time and place of the hearing. At the request of any party properly interested the Board shall provide for a hearing, and may provide for a hearing on its own motion. The Board shall prescribe regulations governing the appeals provided for in this paragraph and for decisions upon such appeal.";

(5) by inserting "(4)" at the beginning of the third paragraph;

(6) by inserting "(5)" at the beginning of the fourth paragraph;

(7) by striking out "two" in the first sentence of the fourth paragraph and inserting in lieu thereof "three";

(8) by inserting before the final paragraph the following:

"(6) For purposes of this subsection and subsections (d) and (f), any base-year employer of the claimant is a properly interested party."; and

(9) by inserting "(7)" at the beginning of the final paragraph.

(c) IN CONNECTION WITH JUDICIAL REVIEW.—Section 5(f) is amended—

(1) by inserting after "member," in the first sentence "or any base-year employer of the claimant,"; and

(2) by inserting after the second sentence the following: "A copy of such petition also shall forthwith be served upon any other properly interested party, and such party shall be a party to the review proceeding.".

(d) CONFORMING AMENDMENTS WITH RESPECT TO LIMITATION ON ADMINISTRATIVE DISCLOSURE.—Section 12(d) is amended—

(1) by striking out "and" where it appears before "(iii)"; and

(2) by striking out the period at the end of the first sentence and inserting in lieu thereof the following: "; and (iv) the Board shall disclose to any base-year employer of a claimant for benefits any information, including information as to the claimant's identity, that is necessary or appropriate to

notify such employer of the claim for benefits or to full and fair participation by such employer in an appeal, hearing, or other proceeding relative to the claim pursuant to section 5 of this Act.".

(e) CONFORMING AMENDMENT WITH RESPECT TO COURT PROCEEDINGS LIMITATION.—Section 12(n) is amended by striking out "court" in the proviso to the second paragraph.

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1990.

SEC. 7105. ANNUAL REPORT.

On or before July 1 of 1989, and of each calendar year thereafter, the Railroad Retirement Board shall submit to the Congress a report on the financial status of the railroad unemployment insurance system under various economic and employment assumptions. Such report shall include any recommendation for financing changes which might be advisable, including any adjustment the Railroad Retirement Board recommends regarding the rates of employer contributions.

SEC. 7106. AMENDMENTS RELATING TO RAILROAD UNEMPLOYMENT REPAYMENT TAX.

(a) IN GENERAL.—Chapter 23A of the 1986 Code (relating to railroad unemployment repayment tax) is amended to read as follows:

"CHAPTER 23A. RAILROAD UNEMPLOYMENT REPAYMENT TAX

"Sec. 3321. Imposition of tax.
"Sec. 3322. Definitions.

"SEC. 3321. IMPOSITION OF TAX.

"(a) GENERAL RULE.—There is hereby imposed on every rail employer for each calendar month an excise tax, with respect to having individuals in his employ, equal to 4 percent of the total rail wages paid by him during such month.

"(b) TAX ON EMPLOYEE REPRESENTATIVES.—

"(1) IN GENERAL.—There is hereby imposed on the income of each employee representative a tax equal to 4 percent of the rail wages paid to him during the calendar month.

"(2) DETERMINATION OF WAGES.—The rail wages of an employee representative for purposes of paragraph (1) shall be determined in the same manner and with the same effect as if the employee organization by which such employee representative is employed were a rail employer.

"(c) TERMINATION IF LOANS TO RAILROAD UNEMPLOYMENT FUND REPAID.—The tax imposed by this section shall not apply to rail wages paid on or after the 1st day of any calendar month if, as of such 1st day, there is—

"(1) no balance of transfers made before October 1, 1985, to the railroad unemployment insurance account under section 10(d) of the Railroad Unemployment Insurance Act, and

"(2) no unpaid interest on such transfers.

"SEC. 3322. DEFINITIONS.

"(a) RAIL EMPLOYER.—For purposes of this chapter, the term 'rail employer' means any person who is an employer as defined in section 1 of the Railroad Unemployment Insurance Act.

"(b) RAIL WAGES.—For purposes of this chapter, the term 'rail wages' means, with respect to any calendar month, so much of the remuneration paid during such month which is subject to contributions under section 8(a) of the Railroad Unemployment Insurance Act.

"(c) EMPLOYEE REPRESENTATIVE.—For purposes of this chapter, the term 'employee representative' has the meaning given such term by section 1 of the Railroad Unemployment Insurance Act.

"(d) CERTAIN RULES MADE APPLICABLE.—For purposes of this chapter, rules similar to the rules of sections 3307 and 3308 shall apply."

(b) CONTINUATION OF SURTAX RATE THROUGH 1990.—

(1) IN GENERAL.—In the case of any calendar month beginning before January 1, 1991—

(A) there shall be substituted for "4 percent" in subsections (a) and (b) of section 3321 of the 1986 Code the percentage equal to the sum of—

(i) 4 percent, plus

(ii) the surtax rate (if any) for such calendar month, and

(B) subsection (c) of such section shall not apply to so much of the tax imposed by such section as is attributable to the surtax rate.

(2) SURTAX RATE.—For purposes of paragraph (1), the surtax rate shall be—

(A) 3.5 percent for each month during a calendar year if, as of September 30, of the preceding calendar year, there was a balance of transfers (or unpaid interest thereon) made after September 30, 1985, to the railroad unemployment insurance account under section 10(d) of the Railroad Unemployment Insurance Act, and

(B) zero for any other calendar month.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 6157 of the 1986 Code (relating to quarterly payment of railroad unemployment repayment tax) is hereby repealed.

(2) Paragraph (2) of section 6201(b) of the 1986 Code (relating to amount not to be assessed) is amended by striking out "or tax imposed by section 3321".

(3) Section 6317 of the 1986 Code (relating to payments of Federal unemployment tax for calendar quarter) is amended—

(A) by striking out "or tax imposed by section 3321", and

(B) by striking out "and 23A, as the case may be,".

(4) Subsection (e) of section 6513 of the 1986 Code (relating to payments of Federal unemployment tax) is amended by striking out the last sentence.

(5) Subsection (i) of section 6601 of the 1986 Code (relating to exception as to Federal unemployment tax) is amended by striking out "or 3321".

(6) Subparagraph (A) of section 232(a)(2) of the Railroad Retirement Revenue Act of 1983 is amended by striking out "is attributable to the basic rate under section 3321(c)(1)(A) of the Internal Revenue Code of 1954" and inserting in lieu thereof "is not attributable to the surtax rate under section 516(b) of the Railroad Unemployment Insurance and Retirement Improvement Act of 1988".

(7) Subparagraph (B) of section 232(a)(2) of such Act is amended by striking out "section 3321(c)(1)(B) of such Code" and inserting in lieu thereof "section 516(b) of such Act".

(d) EFFECTIVE DATE.—The amendments made by this section, and the provisions of subsection (b), shall apply to remuneration paid after December 31, 1988.

SEC. 7107. GAO STUDY OF FRAUD AND PAYMENT ERRORS.

The Comptroller General shall study the frequency of fraud and payment errors in the railroad unemployment compensation program. Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall report to Congress the results of such study. Such report shall include—

(1) estimates of rates and amounts of annual losses due to fraud and overpayment;

(2) comparisons of such rates with the rates of losses in other Federal programs which experience such losses;

(3) recommendations for legislative measures that could be taken to reduce the losses in the railroad unemployment compensation program arising from fraud and payment errors; and

(4) such other matters relating to such fraud and payment errors as the Comptroller General determines are appropriate.

SEC. 7108. ONE-YEAR EXTENSION OF TIME LIMIT FOR FILING REPORT BY COMMISSION ON RAILROAD RETIREMENT REFORM.

Section 9033(f) of the Omnibus Budget Reconciliation Act of 1987, (101 Stat. 1330-298) is amended by striking "October 1, 1989" and inserting "October 1, 1990".

Subtitle B—Benefit and Other Adjustments

SEC. 7201. WAITING PERIOD FOR BENEFITS AND BENEFIT INCREASES.

(a) IN GENERAL.—Section 2(a) is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking out "Benefits" the first place it appears and all that follows through the end of the first paragraph, and inserting in lieu thereof the following:

"(A)(i) Except as otherwise provided in this subparagraph, benefits shall be payable to any qualified employee for each day of unemployment in excess of 4 during any registration period.

"(ii) No benefits shall be payable for days of unemployment during the first registration period within a benefit year in which the employee has more than 4 days of unemployment.

"(iii) In any case in which the Board finds that an employee's unemployment was due to a stoppage of work because of a strike in the establishment, premises, or enterprise at which such employee was last employed, no benefits shall be payable for the first 14 days of unemployment due to such stoppage of work. However, for subsequent days of unemployment due to such stoppage of work, benefits shall be payable to days in excess of 4 during any registration period.

"(B)(i) Except as otherwise provided in this subparagraph, benefits shall be payable to any qualified employee for each day of sickness after the 4th consecutive day of sickness in a period of continuing sickness but excluding 4 days of sickness in any registration period.

"(ii) No benefits shall be payable for days of sickness in the first registration period within a benefit year in which the employee has both 4 consecutive days of sickness and more than 4 days of sickness.

"(iii) For the purposes of this subparagraph, a period of continuing sickness means (I) a period of consecutive days of sickness, whether from one or more causes, or (II) a period of successive days of sickness due to a single cause without interruption of more than 90 consecutive days which are not days of sickness.".

(3) by inserting "(2)" at the beginning of the second paragraph;

(4) by striking out "and" after "shall not exceed $24 per day of such unemployment or sickness" in the second paragraph and inserting in lieu thereof a comma;

(5) by inserting "but before July 1, 1988," after "June 30, 1976," in the second paragraph;

(6) by striking out the period at the end of the first sentence of the second paragraph and inserting in lieu thereof ", that for registration periods beginning after June 30, 1988, but before July 1, 1989, such amount

shall not exceed $30 per day of unemployment or sickness, and that for registration periods beginning after June 30, 1989, such amount shall not exceed the maximum daily benefit rate provided in paragraph (3) of this subsection.";

(7) by inserting after the second paragraph the following new paragraph:

"(3)(A) The maximum daily benefit rate which the Board is required to compute under section 12(r)(2) shall be the amount computed pursuant to the following formula, but shall be not less than $30:

$$BR=25\left(1+\frac{A-600}{900}\right)$$

"(B) For purposes of such formula—

"(i) 'BR' represents the maximum daily benefit rate; and

"(ii) 'A' represents the amount obtained by dividing the amount of the 'applicable base' with respect to tier 1 taxes as determined under section 3231(e)(2) of the Internal Revenue Code of 1986 for the calendar year in which the benefit year begins by 60, with this quotient being rounded down to the nearest multiple of $100.

"(C) If the maximum daily benefit rate computed under such formula is not a multiple of $1, it shall be rounded to the nearest multiple of $1, with such rounding being upward in the event the amount computed is equidistant between two multiples of $1."; and

(8) by inserting "(4)" at the beginning of the last paragraph.

(b) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) The amendments made by paragraph (2) of subsection (a) shall apply with respect to registration periods beginning after June 30, 1988.

SEC. 7202. QUALIFYING CONDITION.

(a) IN GENERAL.—Section 3 is amended—

(1) by inserting "with respect to the base year" after "his compensation"; and

(2) by striking "$1,500 with respect to the base year" and inserting in lieu thereof "2.5 times the monthly compensation base for months in such base year as computed under section 1(i) of this Act".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 7203. INCREASE IN MAXIMUM PERMITTED SUBSIDIARY REMUNERATION.

(a) IN GENERAL.—The second paragraph of section 1(k) is amended by striking out "$10" and inserting "$15" in lieu thereof.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on July 1, 1988.

Subtitle C—Retirement Act Amendments

SEC. 7301. ADDITIONAL LUMP SUM PAYMENT IN CERTAIN CASES.

Section 6 of the Railroad Retirement Act of 1974 is amended by adding at the end thereof the following new subsection:

"(e)(1) Every individual who will have completed ten years of service at the time of his retirement or death, who will have received compensation in the nature of separation or severance pay on or after January 1, 1985, and who would have been credited with additional months of service pursuant to section 3(i)(4) of this Act except for the fact that such individual was not in an employment relation to one or more employers nor an employee representative in such months, shall, at the time his annuity under section 2(a)(1) of this Act begins to accrue, be entitled to a lump sum in the amount provided under subdivision (2) of this subsection. If the full amount of a lump sum under this subsection cannot be determined at the time an individual's annuity under section 2(a)(1) begins to accrue, such lump sum shall be payable at such time thereafter as such amount can be determined. If an individual otherwise eligible for a lump sum under this section dies before he becomes entitled to an annuity under section 2(a)(1), or before he receives payment of such lump sum, such lump sum shall be payable to the person, if any, who is determined by the Board to be such individual's widow or widower and who will not have died before receiving payment of such lump sum. If there be no such widow or widower, such lump sum shall be payable to the children, grandchildren, parents, brothers and sisters, or the estate of the deceased individual in the same manner as if such lump sum were a lump sum payable under subsection (c)(1) of this section.

"(2) The lump sum provided under subdivision (l) of this subsection shall be in an amount equal to the product of (A) the compensation attributable to the additional months of service which would have been credited to the individual due to the receipt of payments in the nature of separation or severance pay pursuant to section 3(i)(4) of this Act if such individual had remained in an employment relation to one or more employers or had continued to be an employee representative and (B) the rate of tax, or rates of tax, imposed on the compensation described in clause (A) of this subdivision by section 3201(b) of the Internal Revenue Code of 1986.".

SEC. 7302. DELETION OF LAST PERSON SERVICE AS A DISQUALIFICATION.

(a) IN GENERAL.—Section 2(e) of the Railroad Retirement Act of 1974 is amended—

(1)(A) in subdivision (1), by striking out "any person, whether or not"; and

(B) by striking out "(but with the" and all that follows through "political subdivision of a State";

(2) in subdivision (2), by striking out "and of the person, or persons, by whom he was last employed"; and

(3) in subdivision (3), by striking out "or to the last person, or persons, by whom he was employed prior to the date on which the annuity under subsection (a)(1) began to accrue".

(b) DEDUCTION FOR WORK.—Section 2(f) of such Act is amended by adding at the end thereof the following new subdivision:

"(6)(A) Except as provided in subparagraph (B)—

"(i) that portion of the annuity for any month of an individual as is computed under section 3(b) and as adjusted under section 3(g), plus any supplemental amount for such month under section 3(e), and that portion of the annuity for any month of a spouse as is computed under section 4(b) and as adjusted under section 4(d), shall each be subject to a deduction of $1 for each $2 of compensation received by such individual from compensated service rendered in such month to the last person, or persons, by whom such individual was employed before the date on which the annuity of such individual under subsection (a)(1) began to accrue; and

"(ii) that portion of the annuity for any month of a spouse as is computed under section 4(b) and as adjusted under section 4(d) shall be subject to a deduction of $1 for each $2 of compensation received by such spouse from compensated service rendered in such month to the last person, or persons, by whom such spouse was employed before the date on which the annuity of such spouse under subsection (c)(1) began to accrue.

"(B) Any deductions imposed by this subdivision for any month shall not exceed 50 percent of the annuity amount for such month to which such deductions apply.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to annuities payable under the Railroad Retirement Act of 1974 for months beginning after the date of enactment of this Act.

SEC. 7303. EARNINGS OF DISABILITY ANNUITANTS.

(a) IN GENERAL.—Section 2(e)(4) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "$200 in earnings" and inserting in lieu thereof "$400 in earnings (after deduction of disability related work expenses)";

(2) by striking out "$2,400" each place it appears and inserting in lieu thereof "$4,800 (after deduction of disability related work expenses)";

(3) by striking out "$200" each place it appears and inserting in lieu thereof "$400"; and

(4) by striking out "$100" and inserting in lieu thereof "$200".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to months in calendar years beginning after December 31, 1988.

SEC. 7304. ALLOWANCE OF CREDIT FOR MILITARY SERVICE.

(a) IN GENERAL.—Section 1(g)(2) of the Railroad Retirement Act of 1974 is amended by adding at the end thereof the following:

"For purposes of section 3(i)(2) of this Act, the period beginning on June 15, 1948, and ending on December 15, 1950, shall be deemed to be a war service period with respect to any individual who without intervening employment not covered by this Act rendered service as an employee to an employer under this Act in the year such individual was released from active military service or in the year immediately following such year.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to annuities accruing in months after the date of enactment of this Act.

TITLE VIII—AMENDMENTS RELATING TO SOCIAL SECURITY ACT PROGRAMS

Subtitle A—Old-Age, Survivors, and Disability Insurance and Related Provisions

SEC. 8001. INTERIM DISABILITY BENEFITS IN CASES OF DELAYED FINAL DECISIONS.

(a) DISABILITY BENEFITS UNDER TITLE II.—Section 223 of the Social Security Act (42 U.S.C. 423) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

"Interim Benefits in Cases of Delayed Final Decisions

"(h)(1) In any case in which an administrative law judge has determined after a hearing as provided under section 205(b) that an individual is entitled to disability insurance benefits or child's, widow's, or widower's insurance benefits based on disability and the Secretary has not issued his final decision in such case within 110 days after the date of the administrative law judge's determination, such benefits shall be currently paid for the months during the period beginning with the month preceding the month in which such 110-day period expires and ending with the month preceding the month in which such final decision is issued.

"(2) For purposes of paragraph (1), in determining whether the 110-day period referred to in paragraph (1) has elapsed, any period of time for which the action or inaction of such individual or such individual's representative without good cause results in the delay in the issuance of the Secretary's final decision shall not be taken into account to the extent that such period of time exceeds 20 calendar days.

"(3) Any benefits currently paid under this title pursuant to this subsection (for the months described in paragraph (1)) shall not be considered overpayments for any purpose of this title (unless payment of such benefits was fraudulently obtained), and such benefits shall not be treated as past-due benefits for purposes of section 206(b)(1).".

(b) BENEFITS UNDER TITLE XVI.—Section 1631(a) of such Act (42 U.S.C. 1383(a)) is amended by adding at the end the following new paragraph:

"(8)(A) In any case in which an administrative law judge has determined after a hearing as provided in subsection (c) that an individual is entitled to benefits based on disability or blindness under this title and the Secretary has not issued his final decision in such case within 110 days after the date of the administrative law judge's determination, such benefits shall be currently paid for the months during the period beginning with the month in which such 110-day period expires and ending with the month in which such final decision is issued.

"(B) For purposes of subparagraph (A), in determining whether the 110-day period referred to in subparagraph (A) has elapsed, any period of time for which the action or inaction of such individual or such individual's representative without good cause results in the delay in the issuance of the Secretary's final decision shall not be taken into account to the extent that such period of time exceeds 20 calendar days.

"(C) Any benefits currently paid under this title pursuant to this paragraph (for the months described in subparagraph (A)) shall not be considered overpayments for any purposes of this title, unless payment of such benefits was fraudulently obtained.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to determinations by administrative law judges of entitlement to benefits made after 180 days after the date of the enactment of this Act.

SEC. 8002. APPLICATION OF EARNINGS TEST IN YEAR OF INDIVIDUAL'S DEATH.

(a) YEAR IN WHICH INDIVIDUAL WOULD HAVE ATTAINED RETIREMENT AGE BUT FOR THE INDIVIDUAL'S DEATH IN SUCH YEAR TREATED AS A YEAR THROUGHOUT WHICH THE EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE IS APPLICABLE.—Paragraph (3) of section 203(f) of the Social Security Act (42 U.S.C. 403(f)(3)) is amended by inserting "(or, but for the individual's death, would have attained)" after "who has attained".

(b) ELIMINATION OF THE SHORT TAXABLE YEAR IN THE YEAR OF DEATH FOR PURPOSES OF THE EARNINGS TEST.—Paragraph (3) of section 203(f) of such Act is further amended—

(1) by inserting after the first sentence the following new sentence: "For purposes of the preceding sentence, notwithstanding section 211(e), the number of months in the taxable year in which an individual dies shall be 12."; and

(2) in the last sentence, by striking "preceding sentence" and inserting "first sentence of this paragraph".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to deaths after the date of the enactment of this Act.

SEC. 8003. PHASEOUT OF REDUCTION IN WINDFALL BENEFITS.

(a) IN GENERAL.—Section 215(a)(7)(D) of the Social Security Act (42 U.S.C. 415(a)(7)(D)) is amended—

(1) by striking "more than 25 years of coverage" in the second sentence and inserting "more than 20 years of coverage"; and

(2) by striking "shall (if such percent is smaller than the percent specified in whichever of the following clauses applies) be deemed to be—" and inserting "shall (if such percent is smaller than the applicable percent specified in the following table) be deemed to be the applicable percent specified in the following table:"; and

(3) by striking clauses (i) through (iv) and inserting the following table:

"If the number of such individual's years of coverage (as so defined) is:	The applicable percent is:
29	85 percent
28	80 percent
27	75 percent
26	70 percent
25	65 percent
24	60 percent
23	55 percent
22	50 percent
21	45 percent.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to benefits payable for months after December 1988.

SEC. 8004. DENIAL OF BENEFITS TO INDIVIDUALS DEPORTED OR ORDERED DEPORTED ON THE BASIS OF ASSOCIATIONS WITH THE NAZI GOVERNMENT OF GERMANY DURING WORLD WAR II.

(a) IN GENERAL.—Section 202(n)(1) of the Social Security Act (42 U.S.C. 402(n)(1)) is amended by striking "or (18)" in the matter preceding subparagraph (A) and inserting "(18), or (19)".

(b) TIME OF DEPORTATION.—Section 202(n) of such Act is further amended by adding at the end the following new paragraph:

"(3) For purposes of paragraphs (1) and (2) of this subsection, an individual against whom a final order of deportation has been issued under paragraph (19) of section 241(a) of the Immigration and Nationality Act (relating to persecution of others on account of race, religion, national origin, or political opinion, under the direction of or in association with the Nazi government of Germany or its allies) shall be considered to have been deported under such paragraph (19) as of the date on which such order became final.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only in the case of deportations occurring, and final orders of deportation issued, on or after the date of enactment of this Act, and only to benefits for months beginning (and deaths occurring) on or after such date.

SEC. 8005. MODIFICATIONS IN THE TERM OF OFFICE OF PUBLIC MEMBERS OF THE BOARD OF TRUSTEES OF THE SOCIAL SECURITY TRUST FUNDS.

(a) IN GENERAL.—Sections 201(c), 1817(b), and 1841(b) of the Social Security Act (42 U.S.C. 401(c), 1395i(b), 1395t(b)(i)) are each amended by inserting after the first sentence the following: "A member of the Board of Trustees serving as a member of the public and nominated and confirmed to fill a vacancy occurring during a term shall be nominated and confirmed only for the remainder of such term. An individual nominated and confirmed as a member of the public may serve in such position after the expiration of such member's term until the earlier of the time at which the member's successor takes office or the time at which a report of the Board is first issued under paragraph (2) after the expiration of the member's term.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to members of the Boards of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, of the Federal Hospital Insurance Trust Fund, and of the Federal Supplementary Medical Insurance Trust Fund serving on such Boards of Trustees as members of the public on or after the date of the enactment of this Act.

SEC. 8006. CONTINUATION OF DISABILITY BENEFITS DURING APPEAL.

Subsection (g) of section 223 of the Social Security Act (42 U.S.C. 423(g)) is amended—

(1) in paragraph (1)(iii), by striking "June 1989" and inserting "June 1990"; and

(2) in paragraph (3)(B), by striking "January 1, 1989" and inserting "January 1, 1990".

SEC. 8007. EXEMPTION FROM SOCIAL SECURITY FOR EMPLOYERS AND EMPLOYEES WHO ARE BOTH MEMBERS OF CERTAIN RELIGIOUS FAITHS.

(a) EXEMPTION FROM COVERAGE UNDER SOCIAL SECURITY.—

(1) IN GENERAL.—Subchapter C of chapter 21 of the Internal Revenue Code of 1986 (general provisions under Federal Insurance Contributions Act) is amended by redesignating section 3127 as section 3128, and by inserting after section 3126 the following new section:

"SEC. 3127. EXEMPTION FOR EMPLOYERS AND THEIR EMPLOYEES WHERE BOTH ARE MEMBERS OF RELIGIOUS FAITHS OPPOSED TO PARTICIPATION IN SOCIAL SECURITY ACT PROGRAMS.

"(a) IN GENERAL.—Notwithstanding any other provision of this chapter (and under regulations prescribed to carry out this section), in any case where—

"(1) an employer is a member of a recognized religious sect or division thereof described in section 1402(g)(1) and an adherent of established tenets or teachings of such sect or division as described in such section, and has filed and had approved under subsection (b) an application (in such form and manner, and with such official, as may be prescribed by such regulations) for an exemption from the taxes imposed by section 3111, and

"(2) an employee of such employer who is also a member of such a religious sect or division and an adherent of its established tenets or teachings has filed and had approved under subsection (b) an identical application for exemption from the taxes imposed by section 3101,

such employer shall be exempt from the taxes imposed by section 3111 with respect to wages paid to each of his employees who meets the requirements of paragraph (2) and each such employee shall be exempt from the taxes imposed by section 3101 with respect to such wages paid to him by such employer.

"(b) APPROVAL OF APPLICATION.—An application for exemption filed by an employer under subsection (a)(1) or by an employee under subsection (a)(2) shall be approved only if—

"(1) such application contains or is accompanied by the evidence described in section 1402(g)(1)(A) and a waiver described in section 1402(g)(1)(B),

"(2) the Secretary of Health and Human Services makes the findings (with respect to such sect or division) described in section 1402(g)(1) (C), (D), and (E), and

"(3) no benefit or other payment referred to in section 1402(g)(1)(B) became payable (or, but for section 203 or 222(b) of the Social Security Act, would have become payable) to the individual filing the application at or before the time of such filing.

"(c) Effective Period of Exemption.—An exemption granted under this section to any employer with respect to wages paid to any of his employees, or granted to any such employee, shall apply with respect to wages paid by such employer during the period—

"(1) commencing with the first day of the first calendar quarter, after the quarter in which such application is filed, throughout which such employer or employee meets the applicable requirements specified in subsections (a) and (b), and

"(2) ending with the last day of the calendar quarter preceding the first calendar quarter thereafter in which (A) such employer or the employee involved ceases to meet the applicable requirements of subsection (a), or (B) the sect or division thereof of which such employer or employee is a member is found by the Secretary of Health and Human Services to have ceased to meet the requirements of subsection (b)(2).".

(2) Clerical amendment.—The table of sections for such subchapter C of such Code is amended by striking the last item and inserting the following:

"Sec. 3127. Exemption for employers and their employees where both are members of religious faiths opposed to participation in Social Security Act programs.
"Sec. 3128. Short title.".

(b) Conforming Exemption From Eligibility for Benefits.—Section 202(v) of the Social Security Act (42 U.S.C. 402(v)) is amended—

(1) by inserting "(1)" after "(v)";

(2) by inserting "and subject to paragraph (3)," after "title,";

(3) by striking "waiver; except that" and all that follows and inserting "waiver."; and

(4) by adding at the end the following new paragraphs:

"(2) Notwithstanding any other provision of this title, and subject to paragraph (3), in the case of any individual who files a waiver pursuant to section 3127 of the Internal Revenue Code of 1986 and is granted a tax exemption thereunder, no benefits or other payments shall be payable under this title to him, no payments shall be made on his behalf under part A of title XVIII, and no benefits or other payments under this title shall be payable on the basis of his wages and self-employment income to any other person, after the filing of such waiver.

"(3) If, after an exemption referred to in paragraph (1) or (2) is granted to an individual, such exemption ceases to be effective, the waiver referred to in such paragraph shall cease to be applicable in the case of benefits and other payments under this title and part A of title XVIII to the extent based on—

"(A) his wages for and after the calendar year following the calendar year in which occurs the failure to meet the requirements of section 1402(g) or 3127 on which the cessation of such exemption is based, and

"(B) his self-employment income for and after the taxable year in which occurs such failure.".

(c) Conforming Amendments Removing Time Limit on SECA Exemption Applications.—Section 1402(g) of the Internal Revenue Code of 1986 is amended—

(1) by striking paragraphs (2) and (4); and

(2) by redesignating paragraphs (3) and (5) as paragraphs (2) and (3), respectively.

(d) Effective Dates.—The amendments made by subsection (a) shall apply to wages paid after December 31, 1988. The amendments made by subsection (b) shall apply to benefits paid for (and items and services furnished in) months after December 1988. The amendments made by subsection (c) shall apply to applications for exemptions filed on or after the date of the enactment of this Act.

SEC. 8008. BLOOD DONOR LOCATOR SERVICE.

(a) Explicit Authorization of Use of Social Security Account Numbers to Assist in Identification of Blood Donors.—Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) by redesignating subparagraph (D) as subparagraph (E); and

(2) by inserting after subparagraph (C) the following new subparagraph:

"(D)(i) It is the policy of the United States that—

"(I) any State (or any political subdivision of a State) and any authorized blood donation facility may utilize the social security account numbers issued by the Secretary for the purpose of identifying blood donors, and

"(II) any State (or political subdivision of a State) may require any individual who donates blood within such State (or political subdivision) to furnish to such State (or political subdivision), to any agency thereof having related administrative responsibility, or to any authorized blood donation facility the social security account number (or numbers, if the donor has more than one such number) issued to the donor by the Secretary.

"(ii) If and to the extent that any provision of Federal law enacted before the date of the enactment of this subparagraph is inconsistent with the policy set forth in clause (i), such provision shall, on and after such date, be null, void, and of no effect.

"(iii) For purposes of this subparagraph—

"(I) the term 'authorized blood donation facility' means an entity described in section 1141(h)(1)(B), and

"(II) the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands.".

(b) Establishment of Blood Donor Locator Service.—

(1) In general.—Part A of title XI of such Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

"BLOOD DONOR LOCATOR SERVICE

"Sec. 1141. (a) In General.—The Secretary shall establish and conduct a Blood Donor Locator Service, under the direction of the Commissioner of Social Security, which shall be used to obtain and transmit to any authorized person (as defined in subsection (h)(1)) the most recent mailing address of any blood donor who, as indicated by the donated blood or products derived therefrom or by the history of the subsequent use of such blood or blood products, has or may have the virus for acquired immune deficiency syndrome, in order to inform such donor of the possible need for medical care and treatment.

"(b) Provision of Address Information.—Whenever the Secretary receives a request, filed by an authorized person (as defined in subsection (h)(1)), for the mailing address of a donor described in subsection (a) and the Secretary is reasonably satisfied that the requirements of this section have been met with respect to such request, the Secretary shall promptly undertake to provide the requested address information from—

"(1) the files and records maintained by the Social Security Administration, and

"(2) such files and records obtained pursuant to section 6103(m)(6) of the Internal Revenue Code of 1986 as the Secretary considers necessary to comply with such request.

"(c) Manner and Form of Requests.—A request for address information under this section shall be filed in such manner and form as the Secretary shall by regulation prescribe, shall include the blood donor's social security account number, and shall be accompanied or supported by such documents as the Secretary may determine to be necessary.

"(d) Procedures and Safeguards.—Any authorized person shall, as a condition for receiving address information from the Blood Donor Locator Service—

"(1) establish and maintain, to the satisfaction of the Secretary, a system for standardizing records with respect to any request, the reason for such request, and the date of such request made by or of it and any disclosure of address information made by or to it,

"(2) establish and maintain, to the satisfaction of the Secretary, a secure area or place in which such address information and all related blood donor records shall be stored,

"(3) restrict, to the satisfaction of the Secretary, access to the address information and related blood donor records only to persons whose duties or responsibilities require access and to whom disclosure may be made under the provisions of this section,

"(4) provide such other safeguards which the Secretary determines (and which the Secretary prescribes in regulations) to be necessary or appropriate to protect the confidentiality of the address information and related blood donor records,

"(5) furnish a report to the Secretary, at such time and containing such information as the Secretary may prescribe, which describes the procedures established and utilized by the authorized person for ensuring the confidentiality of address information and related blood donor records required under this subsection, and

"(6) destroy such address information and related blood donor records, upon completion of their use in providing the notification for which the information was obtained, so as to make such information and records undisclosable.

If the Secretary determines that any authorized person has failed to, or does not, meet the requirements of this subsection, the Secretary may, after any proceedings for review established under subsection (f), take such actions as are necessary to ensure such requirements are met, including refusing to disclose address information to such authorized person until the Secretary determines that such requirements have been or will be met. In the case of any authorized person who discloses any address information received pursuant to this section or any related blood donor records to any agent, this subsection shall apply to such authorized person and each such agent (except that, in the case of an agent, any report to the Secre-

tary or other action with respect to the Secretary shall be made or taken through such authorized person). The Secretary shall destroy all related blood donor records in the possession of the Department of Health and Human Services upon completion of their use in transmitting mailing addresses as required under subsection (a), so as to make such records undisclosable.

"(e) ARRANGEMENTS WITH STATE AGENCIES AND AUTHORIZED PERSONS.—The Secretary, in carrying out the Secretary's duties and functions under this section, shall enter into arrangements—

"(1) with State agencies to accept and to transmit to the Secretary requests for address information under this section and to accept and to transmit such information to authorized persons, and

"(2) with State agencies and authorized persons otherwise to cooperate with the Secretary in carrying out the purposes of this section.

"(f) PROCEDURES FOR ADMINISTRATIVE REVIEW.—The Secretary shall by regulation prescribe procedures which provide for administrative review of any determination that any authorized person has failed to meet the requirements of this section.

"(g) UNAUTHORIZED DISCLOSURE OF INFORMATION.—Paragraphs (1), (2), and (3) of section 7213(a) of the Internal Revenue Code of 1986 shall apply with respect to the unauthorized willful disclosure to any person of address information or related blood donor records acquired or maintained by or under the Secretary, or pursuant to this section by any authorized person, or of information derived from any such address information or related blood donor records, in the same manner and to the same extent as such paragraphs apply with respect to unauthorized disclosures of return and return information described in such paragraphs. Paragraph (4) of section 7213(a) of such Code shall apply with respect to the willful offer of any item of material value in exchange for any such address information or related blood donor record in the same manner and to the same extent as such paragraph applies with respect to offers (in exchange for any return or return information) described in such paragraph.

"(h) DEFINITIONS.—For purposes of this section—

"(1) AUTHORIZED PERSON.—The term 'authorized person' means—

"(A) any agency of a State (or of a political subdivision of a State) which has duties or authority under State law relating to the public health or otherwise has the duty or authority under State law to regulate blood donations, and

"(B) any entity engaged in the acceptance of blood donations which is licensed or registered by the Food and Drug Administration in connection with the acceptance of such blood donations, and which, in accordance with such regulations as may be prescribed by the Secretary, provides for—

"(i) the confidentiality of any address information received pursuant to this section and related blood donor records,

"(ii) blood donor notification procedures for individuals with respect to whom such information is requested and a finding has been made that they have or may have the virus for acquired immune deficiency syndrome, and

"(iii) counseling services for such individuals who have been found to have such virus.

"(2) RELATED BLOOD DONOR RECORD.—The term 'related blood donor record' means any record, list, or compilation which indicates, directly or indirectly, the identity of any individual with respect to whom a request for address information has been made pursuant to this section.

"(3) STATE.—The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands.".

(2) TIME LIMIT FOR ESTABLISHMENT OF BLOOD DONOR LOCATOR SERVICE.—The Secretary of Health and Human Services shall establish the Blood Donor Locator Service pursuant to section 1141 of the Social Security Act not later than 180 days after the date of the enactment of this Act.

(c) DISCLOSURE OF TAXPAYER ADDRESSES TO BLOOD DONOR LOCATOR SERVICE.—

(1) IN GENERAL.—Subsection (m) of section 6103 of the Internal Revenue Code of 1986 (relating to disclosure of taxpayer identity information) is amended by adding at the end the following new paragraph:

"(6) BLOOD DONOR LOCATOR SERVICE.—

"(A) IN GENERAL.—Upon written request pursuant to section 1141 of the Social Security Act, the Secretary shall disclose the mailing address of taxpayers to officers and employees of the Blood Donor Locator Service in the Department of Health and Human Services.

"(B) RESTRICTION ON DISCLOSURE.—The Secretary shall disclose return information under subparagraph (A) only for purposes of, and to the extent necessary in, assisting under the Blood Donor Locator Service authorized persons (as defined in section 1141(h)(1) of the Social Security Act) in locating blood donors who, as indicated by donated blood or products derived therefrom or by the history of the subsequent use of such blood or blood products, have or may have the virus for acquired immune deficiency syndrome, in order to inform such donors of the possible need for medical care and treatment.

"(C) SAFEGUARDS.—The Secretary shall destroy all related blood donor records (as defined in section 1141(h)(2) of the Social Security Act) in the possession of the Department of the Treasury upon completion of their use in making the disclosure required under subparagraph (A), so as to make such records undisclosable.".

(2) SAFEGUARDS.—

(A) IN GENERAL.—Paragraph (4) of section 6103(p) of such Code (relating to safeguards) is amended—

(i) in subparagraph (F)—

(I) by striking "manner; and" at the end of clause (i) and inserting "manner,";

(II) by adding "and" at the end of clause (ii)(III); and

(III) by inserting after clause (ii)(III) the following new clause:

"(iii) in the case of the Department of Health and Human Services for purposes of subsection (m)(6), destroy all such return information upon completion of its use in providing the notification for which the information was obtained, so as to make such information undisclosable;";

(ii) in the last sentence, by striking "subsection (m)(2) or (4)" and inserting "subsection (m)(2), (4), or (6)"; and

(iii) by adding at the end the following new sentence: "For purposes of applying this paragraph in any case to which subsection (m)(6) applies, the term 'return information' includes related blood donor records (as defined insection 1141(h)(2) of the Social Security Act).".

(B) CONFORMING AMENDMENT.—Paragraph (2) of section 7213(a) of such Code (relating to unauthorized disclosure of returns and return information) is amended by striking "(m)(2) or (4)" and inserting "(m)(2), (4), or (6)".

SEC. 8009. REQUIREMENT OF SOCIAL SECURITY ACCOUNT NUMBER AS A CONDITION FOR RECEIPT OF SOCIAL SECURITY BENEFITS.

(a) IN GENERAL.—Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) in subparagraph (B)(i) in the matter preceding subclause (I), by inserting "and subparagraph (E)" after "subparagraph (A)";

(2) by redesignating subparagraph (E) (as redesignated by section 8008(a)(1)) as subparagraph (F); and

(3) by inserting after subparagraph (D) (as added by section 8008(a)(2)) the following new subparagraph:

"(E) The Secretary shall require, as a condition for receipt of benefits under this title, that an individual furnish satisfactory proof of a social security account number assigned to such individual by the Secretary or, in the case of an individual to whom no such number has been assigned, that such individual make proper application for assignment of such a number.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits entitlement to which commences after the sixth month following the month in which this Act is enacted.

SEC. 8010. SUBSTITUTION OF CERTIFICATE OF ELECTION FOR APPLICATION TO ESTABLISH ENTITLEMENT FOR CERTAIN REDUCED WIDOW'S AND WIDOWER'S BENEFITS.

(a) WIDOW'S INSURANCE BENEFITS.—Section 202(e) of the Social Security Act (42 U.S.C. 402(e)) is amended—

(1) by redesignating paragraph (1)(C)(ii) as paragraph (1)(C)(iii);

(2) by striking paragraph (1)(C)(i) and inserting the following:

"(C)(i) has filed application for widow's insurance benefits,

"(ii) was entitled to wife's insurance benefits, on the basis of the wages and self-employment income of such individual, for the month preceding the month in which such individual died, and—

"(I) has attained retirement age (as defined in section 216(l)),

"(II) is not entitled to benefits under subsection (a) or section 223, or

"(III) has in effect a certificate (described in paragraph (8)) filed by her with the Secretary, in accordance with regulations prescribed by the Secretary, in which she elects to receive widow's insurance benefits (subject to reduction as provided in subsection (q)), or"; and

(3) by adding at the end the following new paragraph:

"(8) Any certificate filed pursuant to paragraph (1)(C)(ii)(III) shall be effective for purposes of this subsection—

"(A) for the month in which it is filed and for any month thereafter, and

"(B) for months, in the period designated by the individual filing such certificate, of one or more consecutive months (not exceeding 12) immediately preceding the month in which such certificate is filed;

except that such certificate shall not be effective for any month before the month in which she attains age 62.".

(b) WIDOWER'S INSURANCE BENEFITS.—Section 202(f) of such Act (42 U.S.C. 402(f)) is amended—

(1) by redesignating paragraph (1)(C)(ii) as paragraph (1)(C)(iii);

(2) by striking paragraph (1)(C)(i) and inserting the following:

"(C)(i) has filed application for widower's insurance benefits,

"(ii) was entitled to husband's insurance benefits, on the basis of the wages and self-employment income of such individual, for the month preceding the month in which such individual died, and—

"(I) has attained retirement age (as defined in section 216(l)),

"(II) is not entitled to benefits under subsection (a) or section 223, or

"(III) has in effect a certificate (described in paragraph (8)) filed by him with the Secretary, in accordance with regulations prescribed by the Secretary, in which he elects to receive widower's insurance benefits (subject to reduction as provided in subsection (q)), or"; and

(3) by adding at the end the following new paragraph:

"(8) Any certificate filed pursuant to paragraph (1)(C)(ii)(III) shall be effective for purposes of this subsection—

"(A) for the month in which it is filed and for any month thereafter, and

"(B) for months, in the period designated by the individual filing such certificate, of one or more consecutive months (not exceeding 12) immediately preceding the month in which such certificate is filed;

except that such certificate shall not be effective for any month before the month in which he attains age 62.".

(c) Effective Date.—The amendments made by this section shall apply to benefits payable under section 202(e) or section 202(f) of the Social Security Act on the basis of the wages and self-employment income of an individual who dies after the month in which this Act is enacted.

SEC. 8011. CALCULATION OF THE WINDFALL BENEFIT GUARANTEE AMOUNT BASED ON PENSION AMOUNTS PAYABLE IN THE FIRST MONTH OF CONCURRENT ENTITLEMENT RATHER THAN CONCURRENT ELIGIBILITY.

(a) In General.—Section 215(a)(7) of the Social Security Act (42 U.S.C. 415(a)(7)) is amended—

(1) in subparagraph (A), by striking "with respect to the initial month in which the individual becomes eligible for such benefits";

(2) in the second sentence of subparagraph (B)(i), by striking "eligibility for old-age or disability insurance benefits" and inserting "concurrent entitlement to such monthly periodic payment and old-age or disability insurance benefits"; and

(3) in subparagraph (C), by striking clause (iii) and redesignating clause (iv) as clause (iii).

(b) Conforming Amendment.—Section 215(d)(5)(ii) of such Act (42 U.S.C. 415(d)(5)(ii)) is amended by striking "his or her eligibility for old-age or disability insurance benefits" and inserting "such concurrent entitlement".

(c) Effective Date.—The amendments made by this section shall apply to benefits based on applications filed after the month in which this Act is enacted.

SEC. 8012. CONSOLIDATION OF REPORTS ON CONTINUING DISABILITY REVIEWS.

(a) In General.—Section 221(i)(3) of the Social Security Act (42 U.S.C. 421(i)(3)) is amended by striking "semiannually" and inserting "annually".

(b) Effective Date.—The amendment made by this section shall apply to reports required to be submitted after the date of the enactment of this Act.

SEC. 8013. EXCLUSION OF EMPLOYEES SEPARATED FROM EMPLOYMENT BEFORE JANUARY 1, 1989, FROM RULE INCLUDING AS WAGES TAXABLE UNDER FICA CERTAIN PAYMENTS FOR GROUP-TERM LIFE INSURANCE.

(a) In General.—Subsection (b) of section 9003 of the Omnibus Budget Reconciliation Act of 1987 (101 Stat. 1330-287) is amended by striking "December 31, 1987." and inserting "December 31, 1987, except that such amendments shall not apply with respect to payments by the employer (or a successor of such employer) for group-term life insurance for such employer's former employees who separated from employment with the employer on or before December 31, 1988, to the extent that such payments are not for coverage for any such employee for any period for which such employee is employed by such employer (or a successor of such employer) after the date of such separation.".

(b) Effective Date.—The amendment made by subsection (a) shall apply as if such amendment had been included or reflected in section 9003(b) of the Omnibus Budget Reconciliation Act of 1987 at the time of its enactment.

SEC. 8014. CLARIFICATION OF APPLICABILITY OF GOVERNMENT PENSION OFFSET TO CERTAIN FEDERAL EMPLOYEES.

(a) Clarification of Treatment of Foreign Service Retirees.—Subsections (b)(4)(A)(ii)(II), (c)(2)(A)(ii)(II), (e)(7)(A)(ii)(II), (f)(2)(A)(ii)(II), and (g)(4)(A)(ii)(II) of section 202 of the Social Security Act (42 U.S.C. 402 (b)(4)(A)(ii)(II), (c)(2)(A)(ii)(II), (e)(7)(A)(ii)(II), (f)(2)(A)(ii)(II), (g)(4)(A)(ii)(II)) are each amended by striking "chapter 84 of title 5, United States Code," and inserting "the Federal Employees' Retirement System provided in chapter 84 of title 5, United States Code, or the Foreign Service Pension System provided in subchapter II of chapter 8 of title I of the Foreign Service Act of 1980".

(b) Treatment of Employees Whose Federal Employment Terminated After Making an Election Into Social Security Coverage But Before the Effective Date of the Election.—Subsections (b)(4)(A)(i), (c)(2)(A)(i), (e)(7)(A)(i), (f)(2)(A)(i), and (g)(4)(A)(i) of section 202 of the Social Security Act (42 U.S.C. 402 (b)(4)(A)(i), (c)(2)(A)(i), (e)(7)(A)(i), (f)(2)(A)(i), (g)(4)(A)(i)) shall not apply with respect to monthly periodic benefits of any individual based solely on service which was performed while in the service of the Federal Government if—

(1) such person made, before January 1, 1988, an election pursuant to law to become subject to the Federal Employees' Retirement System provided in chapter 84 of title 5, United States Code, or the Foreign Service Pension System provided in subchapter II of chapter 8 of title I of the Foreign Service Act of 1980 (or such person made such an election on or after January 1, 1988, and before July 1, 1988, pursuant to regulations of the Office of Personnel Management relating to belated elections and correction of administrative errors (5 CFR 846.204) as in effect on the date of the enactment of this Act), and

(2) such service terminated before the date on which such election became effective.

(c) Effective Date.—The preceding provisions of this section (including the amendments made by subsection (a)) shall apply as if they had been included or reflected in the provisions of section 9007 of the Omnibus Budget Reconciliation Act of 1987 (101 Stat. 1330-289) at the time of its enactment.

SEC. 8015. AMENDMENTS TO RULES GOVERNING SOCIAL SECURITY COVERAGE OF FEDERAL EMPLOYMENT.

(a) Clarification of Authority to Make Determinations Concerning the Social Security Coverage of Federal Employees.—

(1) Amendments to the social security act.—Section 205(p)(1) of the Social Security Act (42 U.S.C. 405(p)(1)) is amended—

(A) by striking "whether an individual has performed such service, the periods of such service," in the first sentence;

(B) by striking "which constitute wages under the provisions of section 209" in the first sentence;

(C) by striking "wages were" in the first sentence and inserting "remuneration was"; and

(D) by adding at the end the following new sentence: "Nothing in this paragraph shall be construed to affect the Secretary's authority to determine under sections 209 and 210 whether any such service constitutes employment, the periods of such employment, and whether remuneration paid for any such service constitutes wages.".

(2) Amendments to fica.—Section 3122 of the Internal Revenue Code of 1986 (relating to Federal service) is amended—

(A) by striking "the determination whether an individual has performed service which constitutes employment as defined in section 3121(b)," in the first sentence;

(B) by striking "which constitutes wages as defined in section 3121(a)" in the first sentence; and

(C) by inserting after the first sentence the following new sentence: "Nothing in this paragraph shall be construed to affect the Secretary's authority to determine under subsections (a) and (b) of section 3121 whether any such service constitutes employment, the periods of such employment, and whether remuneration paid for any such service constitutes wages.".

(3) Effective date.—The amendments made by paragraphs (1) and (2) shall apply to determinations relating to service commenced in any position on or after the date of the enactment of this Act.

(b) Clarification of Treatment of Service Covered Under the Foreign Service Pension System.—

(1) Amendment to the social security act.—Subparagraph (H) of section 210(a)(5) of the Social Security Act (42 U.S.C. 410(a)(5)(H)) is amended to read as follows:

"(H) service performed by an individual—

"(i) on or after the effective date of an election by such individual, under section 301 of the Federal Employees' Retirement System Act of 1986 or section 307 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, to become subject to the Federal Employees' Retirement System provided in chapter 84 of title 5, United States Code, or

"(ii) on or after the effective date of an election by such individual, under regulations issued under section 860 of the Foreign Service Act of 1980, to become subject to the Foreign Service Pension System provided in subchapter II of chapter 8 of title I of such Act;".

(2) Amendment to fica.—Subparagraph (H) of section 3121(b)(5) of the Internal Revenue Code of 1986 (relating to employment) is amended to read as follows:

"(H) service performed by an individual—

"(i) on or after the effective date of an election by such individual, under section 301 of the Federal Employees' Retirement System Act of 1986 or section 307 of the Central Intelligence Agency Retirement Act of

1964 for Certain Employees, to become subject to the Federal Employees' Retirement System provided in chapter 84 of title 5, United States Code, or

"(ii) on or after the effective date of an election by such individual, under regulations issued under section 860 of the Foreign Service Act of 1980, to become subject to the Foreign Service Pension System provided in subchapter II of chapter 8 of title I of such Act;".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply as if such amendments had been included or reflected in section 304 of the Federal Employees' Retirement System Act of 1986 (100 Stat. 606) at the time of its enactment.

(c) CONTINUATION OF SOCIAL SECURITY COVERAGE OF FEDERAL SERVICE AFTER ANY INITIAL COVERAGE OF SUCH SERVICE.—

(1) AMENDMENT TO THE SOCIAL SECURITY ACT.—Paragraph (5) of section 210(a) of the Social Security Act (42 U.S.C. 410(a)(5)) is amended, in the matter following subparagraph (B)(ii), by inserting after "with respect to" the following: "any such service performed on or after any date on which such individual performs".

(2) AMENDMENT TO FICA.—Paragraph (5) of section 3121(b) of the Internal Revenue Code of 1986 (relating to employment) is amended, in the matter following subparagraph (B)(ii), by inserting after "with respect to" the following: "any such service performed on or after any date on which such individual performs".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to any individual only upon the performance by such individual of service described in subparagraph (C), (D), (E), (F), (G), or (H) of section 210(a)(5) of the Social Security Act (42 U.S.C. 410(a)(5)) on or after the date of the enactment of this Act.

SEC. 8016. TECHNICAL CORRECTIONS IN OASDI PROVISIONS.

(a) TECHNICAL CORRECTIONS.—(1) Section 205(c)(2)(C)(iii) of the Social Security Act is amended by striking "the Social Security Act" and inserting "this Act".

(2) Section 211(a)(7) of such Act (as amended by section 9023(b)(1) of Public Law 100-203) is amended by inserting "of the Internal Revenue Code of 1986" before the semicolon at the end.

(3)(A) Subsection (d) of section 3121 of the Internal Revenue Code of 1986 (as amended by section 9002(b)(2) of Public Law 99-509) is amended—

(i) by redesignating paragraph (3) as paragraph (4), by striking "; or" at the end of such paragraph and inserting a period, and by moving such paragraph (as so redesignated and amended) to the end of the subsection; and

(ii) by redesignating paragraph (4) as paragraph (3), and by striking the period at the end and inserting "; or".

(B) Section 3306(i) of such Code (as amended by section 9002(b)(2) of Public Law 99-509) is amended by striking "paragraph (3) and subparagraphs (B) and (C) of paragraph (4)" and inserting "paragraph (4) and subparagraphs (B) and (C) of paragraph (3)".

(4) Section 13303(c)(2) of Public Law 99-272 is amended—

(A) by striking "312(b)" and inserting "3121(b)";

(B) by striking "is amended" and inserting ", and paragraph (20) of section 210(a) of the Social Security Act, are each amended"; and

(C) by striking "after 'service' " and inserting "before 'performed' ".

(5) Section 9006(b)(1) of Public Law 100-203 is amended by striking "3111(a)" and inserting "3111".

(b) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall be effective on the date of the enactment of this Act.

(2) Any amendment made by this section to a provision of a particular Public Law which is referred to by its number, or to a provision of the Social Security Act or the Internal Revenue Code of 1986 as added or amended by a provision of a particular Public Law which is so referred to, shall be effective as though it had been included or reflected in the relevant provisions of that Public Law at the time of its enactment.

SEC. 8017. CERTAIN CASH WAGES PAID TO SEASONAL AGRICULTURAL LABORERS EXCLUDED FROM OASDI COVERAGE.

(a) SOCIAL SECURITY ACT AMENDMENT.—Paragraph (2) of section 209(h) of the Social Security Act is amended to read as follows:

"(2) Cash remuneration paid by an employer in any calendar year to an employee for agricultural labor unless—

"(A) the cash remuneration paid in such year by the employer to the employee for such labor is $150 or more, or

"(B) the employer's expenditures for agricultural labor in such year equal or exceed $2,500,

except that subparagraph (B) shall not apply in determining whether remuneration paid to an employee constitutes 'wages' under this section if such employee (i) is employed as a hand harvest laborer and is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (ii) commutes daily from his permanent residence to the farm on which he is so employed, and (iii) has been employed in agriculture less than 13 weeks during the preceding calendar year;".

(b) FICA AMENDMENT.—Subparagraph (B) of section 3121(a)(8) of the 1986 Code (relating to wages) is amended to read as follows:

"(B) cash remuneration paid by an employer in any calendar year to an employee for agricultural labor unless—

"(i) the cash remuneration paid in such year by the employer to the employee for such labor is $150 or more, or

"(ii) the employer's expenditures for agricultural labor in such year equal or exceed $2,500,

except that clause (ii) shall not apply in determining whether remuneration paid to an employee constitutes 'wages' under this section if such employee (I) is employed as a hand harvest laborer and is paid on a piece rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece rate basis in the region of employment, (II) commutes daily from his permanent residence to the farm on which he is so employed, and (III) has been employed in agriculture less than 13 weeks during the preceding calendar year;".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 9002 of the Omnibus Budget Reconciliation Act of 1987.

SEC. 8018. CERTAIN EMPLOYER PENSION CONTRIBUTIONS NOT INCLUDED IN FICA WAGE BASE.

In the case of any State (within the meaning of section 3121(e)(1) of the Internal Revenue Code of 1986) or political subdivision thereof which received a letter ruling of the Internal Revenue Service issued after December 31, 1983, and before the date of the enactment of this Act maintaining that any amount treated as an employer contribution under section 414(h)(2) of the Internal Revenue Code of 1986 is excluded from the definition of "wages" for purposes of tax liability under section 3121(v)(1)(B) of such Code, such State or political subdivision shall be relieved of any liability for taxes under such section 3121(v)(1)(B) which, in good faith reliance on such letter ruling, were not paid and which would otherwise have been required to be paid (but for this section) on or before the earlier of the date of the enactment of this Act or the date of the receipt of a notice of revocation from the Internal Revenue Service of such letter ruling.

SEC. 8019. REPORTS REGARDING CERTAIN DISABILITY-RELATED BENEFITS.

(a) ELIGIBILITY FOR BENEFITS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report providing information on—

(1) the number of individuals with the complex related to acquired immune deficiency syndrome (hereinafter in this section referred to as "AIDS-related complex") who have made application for disability-related benefits under titles II and XVI of the Social Security Act during fiscal years 1988, 1987, and, to the extent feasible, 1986;

(2) the number of such applications approved, denied (by reason of denial), and reversed upon appeal;

(3) the rates of allowance and denial of such applications by State and region, to the extent feasible;

(4) the criteria, guidelines, or other information used to determine eligibility (including copies of the documents setting forth such criteria, guidelines, and information) including information about any changes in criteria that are under consideration;

(5) the total costs of disability-related benefits provided to individuals with AIDS-related complex during fiscal years 1988, 1987, and to the extent feasible, 1986; and

(6) to the extent available, the projected number of such applications that will likely be approved and denied and the estimated costs of such benefits for the next 3 fiscal years.

(b) COORDINATION OF FEDERAL AND STATE DISABILITY PROGRAMS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report describing what arrangements, if any, now exist to provide for coordination between the Social Security Administration and State disability agencies with respect to the provision of disability-related benefits under titles II and XVI of the Social Security Act and State disability insurance programs to individuals with acquired immune deficiency syndrome or AIDS-related complex and to make such individuals applying for any such benefits aware of the full range of Federal and State disability-related benefits for which such individuals may be eligible.

Subtitle B—Public Assistance Provisions

SEC. 8101. EXTENSION OF PROHIBITION AGAINST IMPLEMENTATION OF CERTAIN PROPOSED REGULATIONS.

Section 9118 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 1383c) is amended by striking "October 1, 1988" and inserting "September 30, 1989".

SEC. 8102. REVIEW OF POLICY GOVERNING USE OF AFDC FUNDS TO MEET EMERGENCY NEEDS OF FAMILIES ELIGIBLE FOR AFDC THROUGH EMERGENCY ASSISTANCE OR SPECIAL NEEDS PAYMENTS; REPORT TO CONGRESS.

(a) REVIEW OF POLICY.—The Secretary of Health and Human Services shall review the policies in effect, as of the date of the enactment of this section, with respect to the use by States of amounts paid to such States under the program of aid to families with dependent children under part A of title IV of the Social Security Act, in the form of payments of aid to meet special needs or emergency assistance under section 406(e) of such Act to meet emergency needs of families who are eligible for such aid.

(b) REPORT TO CONGRESS.—Not later than July 1, 1989, the Secretary of Health and Human Services shall submit to the Congress a report containing recommendations for legislative and regulatory changes designed to—

(1) improve the ability of the program of aid to families with dependent children under part A of title IV of the Social Security Act to respond to emergency needs of families who are eligible for such aid; and

(2) eliminate the use of funds provided to States under such program to pay for the provision of shelter in commercial or similar transient facilities.

SEC. 8103. DISREGARD OF CERTAIN HOUSING ASSISTANCE PAYMENTS IN DETERMINING INCOME AND RESOURCES UNDER SSI PROGRAM.

(a) INCOME.—Section 1612(b) of the Social Security Act is amended—

(1) by striking "and" after the semicolon at the end of paragraph (12);

(2) by striking the period at the end of paragraph (13) and inserting "; and"; and

(3) by adding after paragraph (13) the following new paragraph:

"(14) assistance paid, with respect to the dwelling unit occupied by such individual (or such individual and spouse), under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, title V of the Housing Act of 1949, or section 202(h) of the Housing Act of 1959.".

(b) RESOURCES.—Section 1613(a) of such Act is amended—

(1) by striking "and" after the semicolon at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by inserting after paragraph (7) the following new paragraph:

"(8) the value of assistance referred to in section 1612(b)(14), paid with respect to the dwelling unit occupied by such individual (or such individual and spouse).".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective as though they had been included in section 162 of the Housing and Community Development Act of 1987 at the time of its enactment.

SEC. 8104. FOSTER CARE INDEPENDENT LIVING INITIATIVES.

(a) EXTENSION OF INDEPENDENT LIVING PROGRAM.—Section 477 of the Social Security Act (42 U.S.C. 677) is amended—

(1) by striking "1987 and 1988" in subsections (a) and (e)(1) and inserting "1987, 1988, and 1989";

(2) by striking "for fiscal year 1988" and all that follows in subsection (c) and inserting "for the fiscal year 1988 or 1989, such description and assurances must be submitted prior to February 1 of such fiscal year.";

(3) by striking "Not later than March 1, 1988" in subsection (g)(1) and inserting "Not later than the first January 1 following the end of each fiscal year";

(4) by inserting "during such fiscal year" in subsection (g)(1) after "carried out";

(5) by striking "(2) Not later than July 1, 1988," in subsection (g)(2) and inserting the following:

"(2)(A) Not later than July 1, 1988, the Secretary shall submit an interim report on the activities carried out under this section.

"(B) Not later than March 1, 1989,"; and

(6) by striking "fiscal year 1987" in subsection (g)(2) and inserting "fiscal years 1987 and 1988".

(b) PERMISSION TO EXPEND UNOBLIGATED FUNDS APPROPRIATED FOR 1987 IN 1989.—Subsection (f) of section 477 of such Act (42 U.S.C. 677(f)) is amended by inserting after and below paragraph (3) the following:

"Notwithstanding paragraph (3), payments made to a State under this section for the fiscal year 1987 and unobligated may be expended by such State in the fiscal year 1989.".

(c) INCLUSION IN INDEPENDENT LIVING PROGRAM OF NON-AFDC FOSTER CARE CHILDREN.—Subsection (a) of section 477 of such Act (42 U.S.C. 677(a)) is amended—

(1) by inserting "(1)" before "Payments";

(2) by striking "children" and all that follows through "age 16," and inserting "children described in paragraph (2) who have attained age 16"; and

(3) by adding at the end the following new paragraph:

"(2) A program established and carried out under paragraph (1)—

"(A) shall be designed to assist children with respect to whom foster care maintenance payments are being made by the State under this part, and

"(B) may at the option of the State also include any or all other children in foster care under the responsibility of the State.".

(d) INCLUSION IN INDEPENDENT LIVING PROGRAM OF CERTAIN FORMER FOSTER CARE CHILDREN.—Paragraph (2) of section 477(a) of the Social Security Act (42 U.S.C. 677(a)(2)) (as added by subsection (c) of this section) is further amended—

(1) by striking "and" in subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting ", and"; and

(3) by adding at the end the following new subparagraph:

"(C) may at the option of the State also include any child to whom foster care maintenance payments were previously made by a State under this part and whose payments were discontinued on or after the date such child attained age 16, and any child who previously was in foster care described in subparagraph (B) and for whom such care was discontinued on or after the date such child attained age 16, but such child may not be so included after the end of the 6-month period beginning on the date of discontinuance of such payments or care; and a written transitional independent living plan of the type described in subsection (d)(6) shall be developed for such child as a part of such program.".

(e) DETERMINATION OF SERVICES NEEDED FOR TRANSITION TO INDEPENDENT LIVING.—Subparagraph (C) of section 475(5) of such Act (42 U.S.C. 675(5)(C)) is amended by inserting "and, in the case of a child who has attained age 16, the services needed to assist the child to make the transition from foster care to independent living" before the semicolon.

(f) LIMITATION ON USE OF FUNDS.—Paragraph (3) of section 477(e) of such Act (42 U.S.C. 677(e)(3)) is amended by adding at the end the following: "Amounts payable under this section may not be used for the provision of room or board.".

(g) EFFECTIVE DATES.—(1) The amendments made by subsections (a), (b), and (e) shall take effect on October 1, 1988.

(2) The amendments made by subsections (c), (d), and (f) shall take effect on the date of the enactment of this Act.

SEC. 8105. TECHNICAL CORRECTIONS TO FAMILY SUPPORT ACT OF 1988.

Effective on the date of the enactment of the Family Support Act of 1988—

(1) section 401(c)(1) of such Act is amended by inserting "(as amended by paragraph (4)(B) of this subsection)" before "is amended—";

(2) section 401(c)(4)(B) of such Act is amended by striking "(as amended by paragraph (1) of this subsection)";

(3) section 202(b) of such Act is amended by striking paragraph (10);

(4) section 111(e)(1) of such Act is amended by striking "before" and inserting in lieu thereof "after";

(5) section 407(b)(1)(B)(iii)(I) of the Social Security Act (as amended by section 202(b)(8)(A) of the Family Support Act of 1988 and redesignated by section 401(b)(1) of that Act) is amended by striking "409(a)(19)(A)" and inserting in lieu thereof "402(a)(19)(A)";

(6) section 469 of the Social Security Act (as added by section 129 of the Family Support Act of 1988) is amended—

(A) by striking "of title IV of the Social Security Act"; and

(B) by striking "of title IV of such Act"; and

(7) section 418 of the Social Security Act (as added by section 603(a) of the Family Support Act of 1988) is redesignated as section 417.

Subtitle C—National Commission on Children

SEC. 8201. DELAY IN REPORTING DATE FOR NATIONAL COMMISSION ON CHILDREN.

Section 1139 of the Social Security Act (42 U.S.C. 1320b-9) is amended—

(1) by striking "September 30, 1988" in subsection (d) and inserting "March 31, 1990

(2) by striking "March 31, 1989" in subsection (d) and inserting "September 30, 1990";

(3) by striking "March 31, 1989" in subsection (e)(1)(A) and inserting "September 30, 1990";

(4) by striking "March 31, 1989" in subsection (e)(4)(B) and inserting September 30, 1990"; and

(5) by inserting "for each of fiscal years 1989 and 1990" after "section" in subsection (j).

Subtitle D—Unemployment Compensation

SEC. 8301. SELF-EMPLOYMENT DEMONSTRATION PROJECT.

Section 9152(g) of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203) is amended—

(1) in paragraph (1), by striking "two" in the first sentence and inserting "three"; and

(2) in paragraph (2), by striking "four" and inserting "six".

Subtitle E—Medicare and Medicaid

PART I—PROVISIONS RELATING TO PART A OF MEDICARE

SEC. 8401. EXTENSION OF DISPROPORTIONATE SHARE PROVISIONS.

Paragraphs (2)(C)(iv), (3)(C)(ii)(I), (3)(C)(ii)(II), (5)(B)(ii)(I), (5)(B)(ii)(II), and (5)(F)(i) of section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)) are each amended by striking "1990" and inserting "1995".

SEC. 8402. MAINTENANCE OF BAD DEBT COLLECTION POLICY.

Effective as of the date of the enactment of the Omnibus Budget Reconciliation Act of 1987, section 4008(c) of such Act is amended by inserting after "reasonable collection effort" the following: ", including criteria for indigency determination procedures, for record keeping, and for determining whether to refer a claim to an external collection agency".

SEC. 8403. APPLICATION OF WAGE INDICES IN CASE OF AREAS AFFECTED BY SECTION 4005(A)(1) OF OBRA OF 1987.

(a) Computation of Indices for Fiscal Years 1990 and 1991.—Section 1886(d)(8) of the Social Security Act (42 U.S.C. 1395ww(d)(8)) is amended—

(1) in subparagraph (C)—

(A) by striking "subparagraph (B)" each place it appears and inserting "subparagraphs (B) and (C)", and

(B) by redesignating such subparagraph as subparagraph (D); and

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C)(i) If the application of subparagraph (B), by treating hospitals located in a rural county or counties as being located in an urban area, reduces the wage index for that urban area (as applied under this subsection), the Secretary shall calculate and apply such wage index under this subsection separately to hospitals located in such urban area (excluding all the hospitals so treated) and to the hospitals so treated (as if each affected rural county were a separate urban area). If the application of subparagraph (B), by treating the hospitals located in a rural county or counties as not being located in the rural area in a State, reduces the wage index for that rural area (as applied under this subsection), the Secretary shall calculate and apply such wage index under this subsection as if the hospitals so treated had not been excluded from calculation of the wage index for that rural area.

"(ii) Clause (i) shall only apply to discharges occurring on or after October 1, 1989, and before October 1, 1991.".

(b) HHS Report on Adjustment of Hospital Wage Indices for Fiscal Year 1989.—

(1) The Secretary of Health and Human Services shall report to the Congress, not later than 60 days after the date of the enactment of this Act, on alternative methods for reimbursement under section 1886(d) of the Social Security Act to hospitals located in affected areas described in paragraph (2) for hospital discharges occurring in fiscal year 1989 that would result in aggregate payments under title XVIII of such Act to hospitals in such areas in an amount no less than would have been paid without the enactment of the amendments made by section 4005(a)(1) of the Omnibus Budget Reconciliation Act of 1987. In reporting concerning alternative methods, the Secretary shall consider both legislative and administrative actions that would result in an aggregate increase in payments under such title and legislative and administrative actions that would not result in such an aggregate increase.

(2) An affected area described in this paragraph is an area for which the area wage index for fiscal year 1989 (described in section 1886(d)(3)(E) of the Social Security Act) was reduced below the amount otherwise applicable as a result of the amendments made by section 4005(a)(1) of the Omnibus Budget Reconciliation Act of 1987.

(c) ProPAC Study and Report.—The Prospective Payment Assessment Commission shall study and make a report to Congress within 9 months after the date of the enactment of this Act on the appropriate payment for hospitals affected by subparagraphs (B) and (C) of section 1886(d)(8) of the Social Security Act (as amended by subsection (a) of this section) and the appropriate treatment of the wage and wage-related costs of such hospitals in computing area wage indices.

SEC. 8404. DEMONSTRATION PROJECTS WITH RESPECT TO CHRONIC VENTILATOR-DEPENDENT UNITS IN HOSPITALS.

(a) In General.—Section 429(a) of the Medicare Catastrophic Coverage Act of 1988 is amended by striking "up to" each place it appears and inserting "at least".

(b) Effective Date.—The amendment made by subsection (a) shall take effect as if included in the Medicare Catastrophic Coverage Act of 1988.

SEC. 8405. ELECTION OF PERSONNEL POLICY FOR PROPAC EMPLOYEES.

With respect to employees of the Prospective Payment Assessment Commission hired before December 22, 1987, such employees shall have the option to elect within 60 days of the date of enactment of this Act to be covered under either the personnel policy in effect with respect to such employees before December 22, 1987, or under the employees coverage provided under the last sentence of section 1886(e)(6)(D) of the Social Security Act.

PART II—RELATING TO PARTS A AND B OF MEDICARE PROGRAM

SEC. 8411. TREATMENT OF CERTAIN NURSING EDUCATION PROGRAMS.

(a) Demonstration of Joint Nursing Graduate Education Programs.—

(1) The Secretary of Health and Human Services shall provide for demonstration programs under this subsection in each of 5 hospitals for cost reporting periods beginning on or after July 1, 1989, and before July 1, 1994.

(2) Under each demonstration project, subject to paragraph (4), the reasonable costs incurred by a hospital pursuant to a written agreement with an educational institution for the activities described in paragraph (3) conducted as part of an approved educational program that—

(A) involves a substantial clinical component (as determined by the Secretary), and

(B) leads to a master's or doctoral degree in nursing,

shall be allowable as reasonable costs under title XVIII of the Social Security Act and reimbursed under such title on the same basis as if they were allowable direct costs of a hospital-operated approved educational program (other than an approved graduate medical education program).

(3) The activities described in this paragraph are the activities for which the reasonable costs of conducting such activities are allowable under title XVIII of the Social Security Act if conducted under a hospital-operated approved educational program (other than an approved graduate medical education program), but only to the extent such activities are directly related to the operation of the educational program conducted pursuant to the written agreement between the hospital and the educational institution.

(4) The amount paid under a demonstration program under this subsection to a hospital for a cost reporting period may not exceed $200,000.

(5) The Secretary shall report to Congress, by not later than January 1, 1995, on the demonstration programs conducted under this subsection and on the supply and characteristics of nurses trained under such programs.

(b) Joint Undergraduate Education Program.—In the case of a hospital which (1) was paid under a waiver under section 402 of the Social Security Amendments of 1967 and section 222 of the Social Security Amendments of 1972, which waiver expired on September 30, 1985, and (2) during its cost reporting period beginning in fiscal year 1985 and for each subsequent cost reporting period, has been and is associated with, and has incurred and incurs substantial costs with respect to, a nursing college with which it has shared and shares common directors, educational activities of the nursing college shall be considered to be educational activities operated directly by such hospital for purposes of title XVIII of the Social Security Act, and shall be allowable as reasonable costs under such title and reimbursed under such title on the same basis as if they were allowable direct costs of a hospital-operated approved educational program (other than an approved graduate medical education program), for hospital cost reporting periods beginning in fiscal years 1989, 1990, and 1991.

SEC. 8412. ELIMINATION OF WAIVERS OF 50:50 RULE FOR HMO ENROLLMENT.

(a) In General.—

(1) Section 1876(f) of the Social Security Act (42 U.S.C. 1395mm(f)), as amended by section 4018(a) of the Omnibus Budget Reconciliation Act of 1987, is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(2) Subsection (c) of section 4018 of the Omnibus Budget Reconciliation Act of 1987 is repealed.

(b) Effective Date.—The amendments made by subsection (a) shall not apply to contracts in effect on the date of the enactment of this Act or extensions (not exceeding 90 days) thereof.

SEC. 8413. INCREASE IN AUTHORIZATION FOR THE PATIENT OUTCOME ASSESSMENT RESEARCH PROGRAM.

Section 1875(c)(3) of the Social Security Act (42 U.S.C. 1395ll(c)(3)) is amended to read as follows:

"(3)(A) For purposes of carrying out the research program, there are authorized to be appropriated—

"(i) from the Federal Hospital Insurance Trust Fund two-thirds of the amount specified in subparagraph (B), and

(ii) from the Federal Supplementary Medical Insurance Trust Fund one-third of the amount specified in subparagraph (B).

"(B) The amount specified in this subparagraph is—

"(i) $7,500,000 for fiscal year 1988,

"(ii) $10,000,000 for fiscal year 1989,

"(iii) $20,000,000 for fiscal year 1990, and

"(iv) $30,000,000 for fiscal year 1991.".

SEC. 8414. DELAY IN REPORTING DEADLINE FOR THE UNITED STATES BIPARTISAN COMMISSION ON COMPREHENSIVE HEALTH CARE.

Section 406 of the Medicare Catastrophic Coverage Act of 1988 is amended by striking "date of the enactment of this Act" each place it appears and inserting "effective date of the first act providing appropriations for the Commission".

PART III—PROVISIONS RELATING TO PART B OF MEDICARE

SEC. 8421. TRIP FEES FOR CLINICAL LABORATORIES.

(a) In General.—Section 1833(h)(3) of the Social Security Act (42 U.S.C. 1395l(h)(3)) is amended by adding at the end the following new sentence: "In establishing a fee to cover the transportation and personnel expenses for trained personnel to travel to the location of an individual to collect a sample, the Secretary shall provide a method for computing the fee based on the number of miles traveled and the personnel costs associated with the collection of each individual sample, but the Secretary shall only be required to apply such method in the case of tests furnished during the period beginning on April 1, 1989, and ending on December 31, 1990, by a laboratory that establishes to the satisfaction of the Secretary (based on data for the 12-month period ending June 30, 1988) that (i) the laboratory is dependent upon payments under this title for at least 80 percent of its collected revenues for clinical diagnostic laboratory tests, (ii) at least 85 percent of its gross revenues for such tests are attributable to tests performed with respect to individuals who are homebound or who are residents in a nursing facility, and (iii) the laboratory provided such tests for residents in nursing facilities representing at least 20 percent of the number of such facilities in the State in which the laboratory is located.".

(b) Budget Neutrality.—The Secretary of Health and Human Services shall adjust the fees for transportation and personnel established under section 1833(h)(3)(B) of the Social Security Act for tests not covered under the amendment made by subsection (a) in such manner that the total cost of fees under such section is the same as would have been the case without such amendment.

(c) Study.—The Secretary of Health and Human Services shall study reimbursement for specimen collection and transportation and personnel costs under section 1833(h)(3) of the Social Security Act and shall report to the Committees on Ways and Means and Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate by May 1, 1989. The study shall—

(1) survey carrier policies regarding such reimbursement,

(2) report on concerns expressed by clinical diagnostic laboratories concerning such reimbursement, and

(3) make recommendations to assure that such reimbursement is reasonable, covers the costs involved, and assures adequate access to clinical laboratory services for nursing facility residents.

SEC. 8422. BUDGET NEUTRALITY ADJUSTMENT FOR CERTIFIED REGISTERED NURSE ANESTHETISTS.

(a) In General.—Section 1833(l)(3)(B) of the Social Security Act (42 U.S.C. 1395l(l)(3)(B)) is amended by inserting "plus applicable coinsurance" after "would have been paid".

(b) Effective Date.—The amendment made by subsection (a) shall become effective as if included in the amendment made by section 9320(e)(2) of the Omnibus Budget Reconciliation Act of 1986.

SEC. 8423. COVERAGE OF PSYCHOLOGISTS' SERVICES WHEN PROVIDED OFF-SITE AS PART OF A TREATMENT PLAN.

(a) In General.—Section 1861(ii) of the Social Security Act (42 U.S.C. 1395x(ii)) is amended—

(1) by inserting "on-site" before "at a community mental health center", and

(2) by inserting ", and such services that are necessarily furnished off-site (other than at an off-site office of such psychologist) as part of a treatment plan because of the inability of the individual furnished such services to travel to the center by reason of physical or mental impairment, because of institutionalization, or because of similar circumstances of the individual," after "Public Health Service Act)".

(b) Effective Date.—The amendments made by subsection (a) shall be effective with respect to services furnished on or after January 1, 1989.

SEC. 8424. NONAPPLICATION OF CERTAIN REQUIREMENTS TO PHYSICAL THERAPISTS.

(a) In General.—Section 1861(p) of the Social Security Act (42 U.S.C. 1395x(p)) is amended by adding at the end the following new sentence: "Nothing in this subsection shall be construed as requiring, with respect to outpatients who are not entitled to benefits under this title, a physical therapist to provide outpatient physical therapy services only to outpatients who are under the care of a physician or pursuant to a plan of care established by a physician.".

(b) Effective Date.—The amendment made by subsection (a) shall become effective with respect to services provided after December 31, 1988.

SEC. 8425. FUNCTIONS OF PHYSICIAN PAYMENT REVIEW COMMISSION.

(a) Additional Function.—Section 1845(b)(2) of the Social Security Act (42 U.S.C. 1395w-1(b)(2)) is amended—

(1) by striking "and" at the end of subparagraph (G),

(2) by striking the period at the end of subparagraph (H) and inserting "; and", and

(3) by adding at the end the following new subparagraph:

"(I) consider policies for moderating the rate of increase in expenditures under this part and the rate of increase in utilization of services under this part.".

(b) Effective Date.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and shall first apply to recommendations submitted in 1989.

SEC. 8426. MORATORIUM ON LABORATORY PAYMENT DEMONSTRATION EXTENDED.

Section 9204(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended by section 9339(e) of the Omnibus Budget Reconciliation Act of 1986 and section 4085(c) of the Omnibus Budget Reconciliation Act of 1987, is amended by striking "January 1, 1989" and inserting "January 1, 1990".

SEC. 8427. PAYMENT FOR MEDICAL ESCORT OR MEDICAL ATTENDANT ON COMMERCIAL AIRLINER ALLOWED.

(a) In General.—The Secretary of Health and Human Services shall provide that in cases where (as of the date of the enactment of this Act) transportation on a commercial airliner is covered under section 1861(s)(7) of the Social Security Act, the Secretary shall also provide for payment for medically necessary services of a medical escort or medical attendant.

(b) Effective Period.—Subsection (a) shall apply to payment for services furnished during the 5-year period beginning on July 1, 1989.

PART IV—PROVISIONS RELATING TO MEDICAID

SEC. 8431. DELAY IN ISSUANCE OF FINAL REGULATIONS CONCERNING THE USE OF VOLUNTARY CONTRIBUTIONS AND PROVIDER-PAID TAXES BY STATES TO RECEIVE FEDERAL MATCHING FUNDS.

The Secretary of Health and Human Services shall not issue any final regulation prior to May 1, 1989, changing the treatment of voluntary contributions or provider-paid taxes utilized by States to receive Federal matching funds under title XIX of the Social Security Act.

SEC. 8432. MEDICAID LONG-TERM CARE WAIVER PROGRAM.

(a) Modification of Formula.—Section 1915(d)(5)(B) of the Social Security Act (42 U.S.C. 1396n(d)(5)(B)) is amended by adding at the end the following new clause:

"(iv) If there is enacted after December 22, 1987, an Act which amends this title and which results in an increase in the aggregate amount of medical assistance under this title for nursing facility services and home and community-based services for individuals who have attained the age of 65 years, the Secretary, at the request of a State with a waiver under this subsection for a waiver year or years and in close consultation with the State, shall adjust the projected amount computed under this subparagraph for the waiver year or years to take into account such increase.".

(b) Technical Modifications.—Clauses (i) and (ii) of section 1915(d)(5)(B) of such Act (42 U.S.C. 1396n(d)(5)(B)) are amended—

(1) by inserting "(rounded to the nearest quarter of a year)" after "the number of years" each place it appears,

(2) by striking "before the waiver year" each place it appears and inserting "at the end of the waiver year",

(3) by striking "between the base year and the waiver year" each place it appears and inserting "between the beginning of the base year and the beginning of the waiver year", and

(4) by inserting "(rounded to the nearest quarter of a year)" after "for each year" each place it appears.

(c) Effective Date.—The amendments made by this section shall apply to waiver years beginning during or after fiscal year 1989.

SEC. 8433. EXTENSION OF TIME PERIOD FOR SUBMISSION OF CORRECTION AND REDUCTION PLANS FOR CERTAIN INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED.

(a) In General.—Section 1922 of the Social Security Act (42 U.S.C. 1396r-3) is amended—

(1) in subsection (a), by striking "residents" and inserting "residents (including failure to provide active treatment)";

(2) in subsection (c)(5), by inserting ", and to provide active treatment for," after "health and safety of"; and

(3) in subsection (f), by striking "within 3 years after the effective date of final regulations implementing this section" and inserting "by January 1, 1990".

(b) Effective Date.—The amendments made by subsection (a) shall become effective on the date of the enactment of this Act, and shall apply to any proceeding where there has not yet been a final determination by the Secretary (as defined for purposes of *judicial review) as of the date of the enactment of this Act.*

SEC. 8434. CORRECTION RELATING TO MEDICARE BUY-IN.

(a) In General.—Section 1905(p)(1) of the Social Security Act (42 U.S.C. 1396d(p)(1)) is amended by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(b) Conforming Amendments.—

(1) Section 1902(a)(10) of such Act (42 U.S.C. 1396a(a)(10)) is amended, in the subdivision (VIII) following subparagraph (E), by inserting "who is only entitled to medical assistance because the individual is such a beneficiary" after "1905(p)(1)".

(2) Section 1902(m)(4)(A) of such Act (42 U.S.C. 1396a(m)(4)(A)) is amended by striking "1905(p)(1)(C)" and inserting "1905(p)(1)(B)".

(3) Section 1905(a) of such Act (42 U.S.C. 1396d(a)) is amended, in the matter before clause (i), by striking "in the case of a qualified medicare beneficiary" and inserting "in the case of medicare cost-sharing with respect to a qualified medicare beneficiary".

(4) Section 1905(p)(2)(A) of such Act (42 U.S.C. 1396d(p)(2)(A)), as amended by section 608(d)(14) of the Family Support Act of 1988, is amended by striking "(1)(C)" and inserting "(1)(B)".

(c) Effective Date.—The amendment made by this section shall be effective as if included in the enactment of section 301 of the Medicare Catastrophic Coverage Act of 1988.

SEC. 8435. DETERMINATION OF PREMIUM AMOUNTS FOR EXTENDED MEDICAL ASSISTANCE.

(a) Taking Into Account Child Care Costs.—Section 1925(d)(5)(C) of the Social Security Act, as inserted by section 303(a)(1) of the Family Support Act of 1988, is amended by inserting "(less the average monthly costs for such child care as is necessary for the employment of the caretaker relative)" after "gross monthly earnings".

(b) Effective Date.—The amendment made by subsection (a) shall be effective as if included in the enactment of the Family Support Act of 1988.

SEC. 8436. CLARIFICATION OF WAIVER FOR HOME AND COMMUNITY-BASED SERVICES FOR INDIVIDUALS WHO WOULD OTHERWISE REQUIRE HOSPITAL OR FACILITY CARE.

(a) In General.—Section 1915(c)(7)(A) of the Social Security Act (42 U.S.C. 1396n(c)(7)(A)) is amended—

(1) by striking "who are inpatients in hospitals," and inserting "who are inpatients in, or who would require the level of care provided in, hospitals,"; and

(2) by striking "who are inpatients of those respective facilities." and inserting "who are inpatients in, or who would require the level of care provided in, those respective facilities.".

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to waiver applications submitted before, on, or after the date of the enactment of this Act.

SEC. 8437. EFFECTS OF ENACTMENT OF CHILD ABUSE PREVENTION TECHNICAL AMENDMENTS ACT OF 1988.

(a) In General.—(1) If the Child Abuse Prevention Technical Amendments Act of 1988 is enacted before the enactment of this Act, then upon the enactment of this Act, the provisions of this part shall apply as if title II of the Child Abuse Prevention Technical Amendments Act of 1988 had not been enacted, and the amendments made by that title shall cease to be effective.

(2) If the Child Abuse Prevention Technical Amendments Act of 1988 is enacted after the enactment of this Act, title II of that Act shall not take effect.

(b) Definition.—For purposes of this section, the term "Child Abuse Prevention Technical Amendments Act of 1988" means the bill S. 2915 of the One Hundreth Congress, an Act to make certain minor and technical amendments to the Child Abuse Prevention, Adoption, and Family Services Act of 1988.

TITLE IX—TRADE PROVISIONS

SEC. 9001. TRADE TECHNICAL AMENDMENTS.

(a) In General.—

(1) Section 121 of the Trade Act of 1974 (19 U.S.C. 2131) is amended by striking out "(d) There are" and inserting in lieu thereof "There are".

(2)(A) Paragraph (6) of section 203(e) of the Trade Act of 1974 (19 U.S.C. 2253(e)) is amended—

(i) by striking out "(A) the application" in subparagraph (B) and inserting in lieu thereof "(i) the application", and

(ii) by striking out "(B) the designation" in subparagraph (B) and inserting in lieu thereof "(ii) the designation".

(B) Paragraph (2) of section 1214(j) of the Omnibus Trade and Competitiveness Act of 1988 is amended—

(i) by striking out "Section 203(f)" and inserting in lieu thereof "Paragraph (6) of section 203(e)",

(ii) by striking out "in paragraph (1)" and inserting in lieu thereof "in subparagraph (A)(i)", and

(iii) by striking out "in paragraph (3)" and inserting in lieu thereof "in subparagraph (B)(i)".

(3) Section 1215 of the Omnibus Trade and Competitiveness Act of 1988 is amended by striking out "1212(j)(1)" and inserting in lieu thereof "1214(j)(1)".

(4) Section 771B of the Tariff Act of 1930 is amended to read as follows:

"SEC. 771B. CALCULATION OF SUBSIDIES ON CERTAIN PROCESSED AGRICULTURAL PRODUCTS.

"In the case of an agricultural product processed from a raw agricultural product in which—

"(1) the demand for the prior stage product is substantially dependent on the demand for the latter stage product, and

"(2) the processing operation adds only limited value to the raw commodity,

subsidies found to be provided to either producers or processors of the product shall be deemed to be provided with respect to the manufacture, production, or exportation of the processed product.".

(5) Paragraph (19) of section 771 of the Tariff Act of 1930 (19 U.S.C. 1677), as added by section 1335 of the Omnibus Trade and Competitiveness Act of 1988, is redesignated as paragraph (20).

(6) Subsection (e) of section 1337 of the Omnibus Trade and Competitiveness Act of 1988 is amended by striking out "1321(b)" and inserting in lieu thereof "1322".

(7) Paragraph (6) of section 1342(a) of the Omnibus Trade and Competitiveness Act of 1988 is amended by striking out "by paragraph (5)(B)" and inserting in lieu thereof "by paragraph (5)(A)".

(8) Section 204 of the Trade Act of 1974 is amended by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(9) Subsection (d) of section 701 of the Tariff Act of 1930 (19 U.S.C. 1671) is amended by redesignating the subsection (d) relating to a cross reference as subsection (f).

(10) Subsection (a) of section 162 of the Trade Act of 1974 (19 U.S.C. 2212(a)) is amended—

(A) by striking out "chapter 1 or", and

(B) by inserting "or under section 1102 of the Omnibus Trade and Competitiveness Act of 1988" after "or 124".

(11) Item 735.24 of the Tariff Schedules of the United States is amended by striking out "5.52% ad val." and inserting in lieu thereof "4.64% ad val.".

(12) Subparagraph (B) of section 337(n)(2) of the Tariff Act of 1930 (19 U.S.C. 1337(n)(2)(B)) is amended by striking out "under subsection (h)" and inserting in lieu thereof "under subsection (j)".

(13) Subsection (g) of section 1214 of the Omnibus Trade and Competitiveness Act of 1988 is amended to read as follows:

"(g) COBRA of 1985.—Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c) is amended—

"(1) by striking out 'schedule 8 of the Tariff Schedules of the United States except item 806.30 or 807.00' in subsection (a)(9)(A) and inserting in lieu thereof 'chapter 98 of the Harmonized Tariff Schedule of the United States, except subheading 9802.00.60 or 9802.00.80';

"(2) by striking out 'General Headnote 3(e)(vi) or (vii)' in subsection (a)(9)(C) and inserting in lieu thereof 'general note 3(c)(v)';

"(3) by striking out 'Schedules' in subsection (a)(9)(C) and inserting in lieu thereof 'Schedule';

"(4) by striking out 'item 806.30' wherever it appears in subsection (b)(8)(A) and inserting in lieu thereof 'subparagraph 9802.00.60';

"(5) by striking out 'item 807.00' wherever it appears in subsection (b)(8)(A) and inserting in lieu thereof 'subparagraph 9802.00.80'; and

"(6) by striking out 'headnote 2 of the General Headnotes and Rules of Interpretation of the Tariff Schedules of the United States' in subsection (c)(3) and inserting in lieu thereof 'general note 2 of the Harmonized Tariff Schedule of the United States'.".

(14) Subparagraph (D) of section 1214(q)(2) of the Omnibus Trade and Competitiveness Act of 1988 is amended—

(A) by striking out "TSUS" in clause (iv) and inserting in lieu thereof "TSUS;",

(B) by striking out "HTS" in clause (iv) and inserting in lieu thereof "HTS; and", and

(C) by striking out "subparagraph (E)" in clause (vi) and inserting in lieu thereof "subparagraph (D)".

(15) Section 330(c)(3)(A)(i) of the Tariff Act of 1930 (19 U.S.C. 1330(c)(3)(A)(i)) is amended by striking out "most recently appointed to" and inserting in lieu thereof "with the shortest period of service on".

(16) Subsection (g) of section 332 of the Tariff Act of 1930 (19 U.S.C. 1332(g)) is amended by striking out "report to Congress. on the first" and inserting in lieu thereof "report to Congress on the first".

(17) Subsection (i) of section 1121 of the Omnibus Trade and Competitiveness Act of 1988 is amended by striking out "subsection (c) apply" and inserting in lieu thereof "subsection (f) apply".

(18) Subsection (b) of section 1902 of the Omnibus Trade and Competitiveness Act of 1988 (102 Stat. 1313) is amended by striking out "1987" and inserting in lieu thereof "1988".

(19) Item 909.35 of the Appendix to the Tariff Schedules of the United States is amended by striking out "3.6% ad val. (I)".

(20) Subparagraph (B) of section 236(a)(6) of the Trade Act of 1974 (19 U.S.C. 2296(a)(6)(B)) is amended by striking out "in subparagraph (A) or (B) of paragraph (1)" and inserting in lieu thereof "in clause (i) or (ii) of subparagraph (A)".

(21) Subsection (g) of section 1430 of the Omnibus Trade and Competitiveness Act of 1988 (102 Stat. 1257) is amended by striking out "apply to with" and inserting in lieu thereof "apply with".

(b) Effective Date.—The amendments made by this section shall be applied as if such amendments took effect on August 23, 1988.

SEC. 9002. FOREIGN TRADE ZONES.

Section 3 of the Act of June 18, 1934 (48 Stat. 999, chapter 590; 19 U.S.C. 81c) is amended by adding at the end thereof the following new subsection:

"(d) In regard to the calculation of relative values in the operations of petroleum refineries in a foreign trade zone, the time of separation is defined as the entire manufacturing period. The price of products required for computing relative values shall be the average per unit value of each product for the manufacturing period. Definition and attribution of products to feedstocks for petroleum manufacturing may be either in accordance with Industry Standards of Potential Production on a Practical Operating Basis as verified and adopted by the Secretary of the Treasury (known as producibility) or such other inventory control method as approved by the Secretary of the Treasury that protects the revenue.".

SEC. 9003. REPORT ON SMALL BUSINESS INNOVATION RESEARCH PROGRAM.

Section 6 of the Small Business Innovation Development Act of 1982 (15 U.S.C. 638, note) is amended—

(1) by striking out the last sentence of subsection (a), as added by section 8008 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100-418), and

(2) by adding at the end thereof the following new subsection:

"(c) Not later than July 1, 1989, the Comptroller General shall transmit to the appropriate committees of the House of Representatives and the Senate recommendations as to the advisability of amending the Small Business Innovation Research program to—

"(1) increase each agency's share of research and development expenditures devoted to it by 0.25 percent per year, until it is 3 percent of the total extramural research and development funds, and targeting a portion of the increment at products with commercialization or export potential;

"(2) make the Small Business Innovation Research program permanent with a formal congressional review every 10 years, beginning in 1993;

"(3) allocate a modest but appropriate share of each agency's Small Business Innovation Research fund for administrative purposes for effective management, quality maintenance, and the elimination of program delays; and

"(4) include within the Small Business Innovation and Research program all agencies expending between $20,000,000 and $100,000,000 in extramural research and development funds annually.".

SEC. 9004. EXTENSION OF CERTAIN EXISTING SUSPENSIONS OF DUTY AND DUTY REDUCTIONS.

(a) Extensions Until January 1, 1993.—Each of the following items of the Appendix to the Tariff Schedules of the United States are amended by striking out the date in the effective date column and inserting in lieu thereof "12/31/92":

(1) Item 903.29 (relating to fresh, chilled, or frozen brussels sprouts).

(2) Item 906.30 (relating to 3,5,6-trichlorosalicylic acid).

(3) Item 906.32 (m-Aminophenol).

(4) Item 906.38 (p-acetaminobenzenesulfonyl chloride).

(5) Item 906.51 (carboxylic acid disolvate).

(6) Item 906.53 (relating to dicyclomine hydrochloride and mepenzolate bromide).

(7) Item 906.54 (relating to desipramine hydrochloride).

(8) Item 906.99 (relating to rifampin).

(9) Item 907.03 (relating to m-xylenediamine).

(10) Item 907.04 (relating to 1,3-bis(aminomethyl) cyclohexane).

(11) Item 907.06 (relating to 4,4'bis(a,a-dimethylbenzyl) diphenylamine).

(12) Item 907.08 (relating to 4-chloro-3-methylphenol).

(13) Item 907.16 (relating to uncompounded allyl resins).

(14) Item 907.18 (relating to certain forms of amiodarone).

(15) Item 907.25 (relating to terfenadine).

(16) Item 907.42 (relating to clomiphene citrate).

(17) Item 907.51 (relating to certain yttrium materials and compounds).

(18) Item 907.65 (relating to tartaric acid).

(19) Item 907.66 (relating to potassium salts: Antimony tartrate).

(20) Item 907.68 (relating to cream of tartar).

(21) Item 907.69 (relating to sodium tartrate).

(22) Item 907.76 (relating to lactulose).

(23) Item 910.00 (relating to diamond tool and drill blanks).

(24) Item 911.50 (relating to unwrought lead).

(25) Item 912.13 (relating to certain power-driven flat knitting machines and parts thereof).

(b) Other Extensions.—

(1) Item 907.00 (relating to p-hydroxybenzoic acid) is amended by striking out "9/30/85" and inserting in lieu thereof "12/31/88".

(2) Item 907.22 (relating to caffeine) is amended by striking out "On or before 12/31/87" and inserting in lieu thereof "On or before the earlier of 12/31/92 or the date on which the rate of duty imposed by the European Communities on articles described in item 437.02 exceeds the rate of duty imposed by the United States on such articles that was in effect on 6/30/88".

TITLE X—MANASSAS NATIONAL BATTLEFIELD PARK

SEC. 10001. SHORT TITLE.

This title may be cited as the "Manassas National Battlefield Park Amendments of 1988".

SEC. 10002. ADDITION TO MANASSAS NATIONAL BATTLEFIELD PARK.

The first section of the Act entitled "An act to preserve within Manassas National Battlefield Park, Virginia, the most important historic properties relating to the battle of Manassas, and for other purposes", approved April 17, 1954 (16 U.S.C. 429b), is amended—

(1) by inserting "(a)" after "That"; and

(2) by adding at the end thereof the following:

"(b)(1) In addition to subsection (a), the boundaries of the park shall include the area, comprising approximately 600 acres, which is south of U.S. Route 29, north of Interstate Route 66, east of Route 705, and west of Route 622. Such area shall hereafter in this Act be referred to as the 'Addition'.

"(2)(A) Notwithstanding any other provision of law, effective on the date of enactment of the Manassas National Battlefield Park Amendments of 1988, there is hereby vested in the United States all right, title, and interest in and to, and the right to immediate possession of, all the real property within the Addition.

"(B) The United States shall pay just compensation to the owners of any property taken pursuant to this paragraph and the full faith and credit of the United States is hereby pledged to the payment of any judgment entered against the United States with respect to the taking of such property. Payment shall be in the amount of the agreed negotiated value of such property or the valuation of such property awarded by judgment and shall be made from the permanent judgment appropriation established pursuant to 31 U.S.C. 1304. Such payment shall include interest on the value of such property which shall be compounded quarterly and computed at the rate applicable for the period involved, as determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities from the date of enactment of the Manassas National Battlefield Park Amendments of 1988 to the last day of the month preceding the date on which payment is made.

"(C) In the absence of a negotiated settlement, or an action by the owner, within 1 year after the date of enactment of the Manassas National Battlefield Park Amendments of 1988, the Secretary may initiate a proceeding at anytime seeking in a court of competent jurisdiction a determination of just compensation with respect to the taking of such property.

"(3) Not later than 6 months after the date of enactment of the Manassas National Battlefield Park Amendments of 1988, the Secretary shall publish in the Federal Register a detailed description and map depicting the boundaries of the Addition. The map shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

"(c) The Secretary shall not allow any unauthorized use of the Addition after the enactment of the Manassas National Battlefield Park Amendments of 1988, except that the Secretary may permit the orderly termination of all operations on the Addition and the removal of equipment, facilities, and personal property from the Addition.".

SEC. 10003. VISUAL PROTECTION.

Section 2(a) of the Act entitled "An Act to preserve within Manassas National Battlefield Park, Virginia, the most important historic properties relating to the battle of Manassas, and for other purposes", approved April 17, 1954 (16 U.S.C. 429b-1), is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end thereof the following:

"(2) The Secretary shall cooperate with the Commonwealth of Virginia, the political subdivisions thereof, and other parties as designated by the Commonwealth or its political subdivisions in order to promote and achieve scenic preservation of views from within the park through zoning and such other means as the parties determine feasible.".

SEC. 10004. HIGHWAY RELOCATION.

(a) Study.—The Secretary of the Interior (hereafter in this section referred to as the "Secretary"), in consultation and consensus *with the Commonwealth of Virginia, the Federal Highway Administration, and Prince William County, shall conduct a study regarding the relocation of highways (known as routes 29 and 234) in, and in the vicinity of, the Manassas National Battlefield Park (hereinafter in this section referred to as the "park"). The study shall include an assessment of the available alternatives, together with cost estimates and recommendations regarding preferred options. The study shall specifically consider and develop plans for the closing of those public highways (known as routes 29 and 234) that transect the park and shall include analysis of the timing and method of such closures and of means to provide alternative routes for traffic now transecting the park. The Secretary shall provide for extensive public involvement in the preparation of the study.*

(b) DETERMINATION.—Within 1 year after the enactment of this Act, the Secretary shall complete the study under subsection (a). The study shall determine when and how the highways (known as routes 29 and 234) should be closed.

(c) ASSISTANCE.—The Secretary shall provide funds to the appropriate construction agency for the construction and improvement of the highways to be used for the rerouting of traffic now utilizing highways (known as routes 29 and 234) to be closed pursuant to subsection (b) if the construction and improvement of such alternatives are deemed by the Secretary to be in the interest of protecting the integrity of the park. Not more than 75 percent of the costs of such construction and improvement shall be provided by the Secretary and at least 25 percent shall be provided by State or local governments from any source other than Federal funds. Such construction and improvement shall be approved by the Secretary of Transportation.

(d) AUTHORIZATION.—There is authorized to be appropriated to the Secretary not to exceed $30,000,000 to prepare the study required by subsection (a) and to provide the funding described in subsection (c).

And the Senate agree to the same.

DAN ROSTENKOWSKI,
SAM GIBBONS,
J.J. PICKLE,
CHARLES B. RANGEL,
PETE STARK,
BILL ARCHER,
GUY VANDER JAGT,
Managers on the Part of the House.

LLOYD BENTSEN,
SPARK MATSUNAGA,
DANIEL PATRICK MOYNIHAN,
MAX BAUCUS,
DAVID L. BOREN,
BOB DOLE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4333) to make technical corrections relating to the Tax Reform Act of 1986, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TECHNICAL CORRECTION PROVISIONS

I. Technical Corrections to the Tax Reform Act of 1986

House Bill

The House bill contains technical, clerical, and conforming amendments to the Tax Reform Act of 1986.

Senate Amendment

The Senate amendment also contains technical, clerical, and conforming amendments to the Tax Reform Act of 1986. The substantive differences between the House bill and the Senate amendment are as follows:

Individual

The Senate amendment is the same as the House bill.

Capital Cost

The Senate amendment is the same as the House bill, except—

(1) the Senate amendment does not contain two provisions in the House bill (sec. 102(d)(17)(A) and 102(k)(3)(BB)) relating to specific projects;

(2) the Senate amendment clarifies that refunds payable under Act section 212 (relating to cash-out of investment tax credits) generally may not be offset by the IRS against liabilities for the excise tax imposed under section 4971 for failure to meet minimum funding standards for qualified plans;

(3) the Senate amendment provides that no depreciation deduction is allowed with respect to any railroad grading or tunnel bore; the House bill provides 50-year straight line depreciation under ACRS for railroad grading or tunnel bores;

(4) the Senate amendment includes a modification of a transitional exception (sec. 102(k)(6)) for a specific project reflecting circumstances arising due to the delay in enacting technical corrections; and

(5) the Senate amendment provides that for purposes of calculating the 40-percent test for the midquarter convention, the taxpayer may elect to include or not include property placed in service and withdrawn from service in the same taxable year, for taxable years beginning before 1989.

Capital Gains and Losses

The Senate amendment is the same as the House bill, except—

(1) the Senate amendment does not contain the provision in the House bill limiting capital losses of noncorporate taxpayers to taxable income.

Agriculture and Natural Resource

The Senate amendment is the same as the House bill.

Tax Shelters; Interest Expense

The Senate amendment is the same as the House bill.

Corporate

The Senate amendment is the same as the House bill, except—

(1) the Senate amendment clarifies the treatment of warrants under a transitional rule relating to the 1976 Act version of section 382;

(2) the Senate amendment provides that the provision relating to outbound transfers applies to transfers on or after June 21, 1988, other than reorganizations for which a plan of reorganization had been adopted before June 21, 1988; the House bill applies to transfers on or after June 21, 1988;

(3) the House bill limits the net built-in gain subject to tax in the case of an S corporation to the corporation's taxable income with a carryforward of any net built-in gain in excess of taxable income for the year;

(4) the Senate amendment provides that the clarification of Treasury's regulatory authority with respect to RICs and REITs does not apply if by June 10, 1987, the board of directors of one of the parties to the reorganization adopted a resolution to solicit shareholder approval for the transaction or the shareholders or the board of directors of one of the parties to the reorganization approved the transaction;

(5) the legislative history to the Senate amendment indicates that the Internal Revenue Service is expected to use its section 7805(b) authority to provide relief to adversely affected taxpayers in the case of a RIC or REIT disposing of built-in gain assets; and

(6) the Senate amendment provides that, except as the Treasury Secretary provides by regulations, any payment to a real estate investment trust under a bona fide interest rate swap or cap agreement entered into by the real estate investment trust to hedge indebtedness incurred to acquire or carry real estate assets is treated as income qualifying under the 95-percent test, and the agreement is treated as a security under the 30-percent test.

Minimum Tax

The Senate amendment is the same as the House bill, except—

(1) the Senate amendment provides that the effective date of the provision relating to incentive stock options applies to options exercised after December 31, 1987 (rather than October 16, 1987); and

(2) the Senate amendment clarifies the depreciation treatment under the adjusted current earnings preference in the case of leased property where the taxpayer does not claim book depreciation.

Accounting

The Senate amendment is the same as the House bill, except—

(1) the Senate amendment clarifies that an S corporation is not treated as a tax shelter for purposes of the limitation on the use of the cash method of accounting merely by reason of being required to file a notice of exemption from registration with a State agency if all corporations that offer securities for sale in the State are required to register or file a notice of exemption from registration;

(2) the Senate amendment clarifies that the four-year spread of income applies to common trust funds required to change their taxable year;

(3) the committee report to the Senate amendment does not contain the language in the House report providing that no inference is intended concerning the propriety of any method of accounting for utility services under prior law that did not strictly adhere to the meter reading method for all customers of a taxpayer; and

(4) the Senate amendment provides that under the simplified method for allocating storage and handling costs between ending inventory and cost of goods sold, the amount of storage or handling costs includ-

ed in ending inventory is to be determined by dividing the amount of storage or handling costs by the beginning inventory balance and purchases during the year and multiplying the result by the amount of costs in ending inventory that are considered purchases for the year.

Financial Institutions

The Senate amendment is the same as the House bill, except—

(1) the House bill provides that, in the case of a large bank, an election made by a member of a parent-subsidiary controlled group concerning the method of recapturing an existing bad debt reserve is binding on all banks that are members of such parent-subsidiary controlled group for the taxable year of the election; the Senate amendment provides that each member of a parent-subsidiary controlled group may make a separate election concerning the method of recapturing its existing bad debt reserve.

Insurance

The Senate amendment is the same as the House bill, except—

(1) the Senate amendment clarifies that the rule of prior section 825(g), eliminating loss carryovers of corporations that are exempt from tax or that elect to be taxed only on taxable investment income, continues to apply; and

(2) the Senate amendment clarifies that in the case of an interinsurer or reciprocal underwriter that reports on its annual statement reserves for unearned premiums net of premium acquisition expenses, the difference between (1) the amount of the reserves at the end of the most recent taxable year beginning before January 1, 1987, and (2) 80 percent of the sum of the reserves as of such date and such premium acquisition expenses is to be taken into account ratably over a 6-year period as a section 481(a) adjustment.

Pensions; Employee Benefits

The Senate amendment is the same as the House bill, except—

(1) the legislative history to the Senate amendment provides that any organization that maintained a section 401(k) plan before July 2, 1986, and that subsequently becomes a tax-exempt organization satisfies the grandfather rule in the 1986 Act for tax-exempt organization maintaining section 401(k) plans;

(2) the Senate amendment provides that the partial interest exclusion for loans to an employee stock ownership plan (sec. 133) is available with respect to a refinanced loan that would qualify for the exclusion but for the fact that the loan it is refinancing is a loan between corporations that are members of the same controlled group;

(3) the Senate amendment provides that the first diversification election under the ESOP diversification rules (sec. 401(a)(28)) may generally be provided in either 1988 or 1989;

(4) the Senate amendment provides that permissible rollovers from retirement bonds (sec. 409) may be delayed under rules similar to temporary Treasury rules delaying the application of the required distribution rules to individual retirement arrangements (IRAs);

(5) the Senate amendment codifies IRS Notice 88-68 by providing that section 457 does not apply to bona fide vacation leave, sick leave, compensatory time, severance pay, disability pay, and death benefit plans; and

(6) the Senate amendment does not contain the language in the legislative history to the House bill directing the Secretary to minimize the administrative burdens required for an employer to qualify for the relief from the employee leasing recordkeeping requirements.

Foreign Tax

The Senate amendment is the same as the House bill, except—

(1) where the House bill denies look-through treatment in determining the separate foreign tax credit limitation applicable to earnings distributed by a controlled foreign corporation to a shareholder who was not a U.S. shareholder when the earnings were derived, the Senate amendment follows the House bill but provides regulatory authority to permit look-through treatment in a case where the shareholder is a minority U.S. shareholder in the controlled foreign corporation;

(2) the Senate amendment provides that gain derived by a U.S. resident on distributions in liquidation of a possession corporation that derived more than 50 percent of its gross income from an active trade or business in that possession over the prior three years shall be foreign source income subject to a separate foreign tax credit limitation;

(3) the Senate amendment clarifies a House bill provision, which conforms the treatment of gains on sales of stock in foreign corporations that are controlled foreign corporations under the captive insurance rules with the treatment accorded to gains on sales of controlled foreign corporation stock in general, so that the provision is effective for gains on sales of stock in foreign captive insurance companies regardless of whether those companies have elected to treat their related person insurance income as income effectively connected with the conduct of a U.S. trade or business;

(4) the Senate amendment provides that previously unused post-1982, pre-1987 deficits attributable to foreign base company oil related activities can be carried forward to post-1986 years to reduce income inclusions under subpart F; and

(5) the Senate amendment modifies the House bill provision regarding the treatment of unidentified conflicts between the 1986 Act and treaties in the following manner: (a) it provides a permanent rule providing that neither a provision of a treaty nor a law of the United States affecting revenue shall have preferential status by reason of its being a treaty or a law, rather than a rule providing that the 1986 Act and the technical corrections bill shall apply notwithstanding previously ratified treaties, (b) it clarifies that an item is excludable from gross income of a taxpayer pursuant to those treaty provisions that continue to operate unaffected by subsequently enacted statutes, and (c) it provides disclosure requirements, and penalties for failure to disclose, with respect to positions taken that are based on treaty provisions that pre-date tax legislation.

Tax-Exempt Bonds

The Senate amendment is the same as the House bill, except—

(1) the Senate amendment provides an effective date of June 10, 1987, rather than September 25, 1985, for an amendment relating to advance refundings of pre-September 25, 1985, pension arbitrage bonds;

(2) the Senate amendment does not contain a provision (sec. 113(g)(3)(C)) relating to the scope of the tax-exempt financing of a specified stadium project;

(3) the Senate amendment (sec. 113(g)(34)) differs from the House bill by requiring that at least 900 units of student housing be built rather than at least 790 units in order for a specific project to issue tax-exempt bonds outside the $150 million bond limit imposed on 501(c)(3) organizations; and

(4) the Senate amendment does not include a provision specifying the application of the technical corrections to Title XIII of the Reform Act in accordance with section 1302 of that Act.

Trusts and Estates; Minor Children; Generation-Skipping Transfer Tax

The Senate amendment is the same as the House bill, except—

(1) the Senate amendment provides that if no executor or administrator is appointed, qualified and acting within the United States, then any person in actual or constructive possession of any property of the decedent will be treated as the executor for purposes of the generation-skipping tax.

Compliance and Tax Administration

The Senate amendment is the same as the House bill, except—

(1) the Senate amendment provides that State legislation merely conforming to or reenacting Federal law establishing a national filing system for instruments affecting interests in personal property does not constitute a second office designated by the State for filing notices of Federal tax liens;

(2) the Senate amendment extends immunity from liability of a person honoring an IRS levy to apply not only with respect to the delinquent taxpayer but also any other person; and

(3) the Senate amendment conforms the statute of limitations rule for levies to that for liens so that if a timely proceeding in court for the collection of tax is commenced, the period during which the tax may be collected by levy shall not expire as long as the tax is collectible.

Tax-Exempt Organizations

The Senate amendment is the same as the House bill.

Miscellaneous

The Senate amendment is the same as the House bill, except—

(1) the Senate amendment clarifies that the basis of a bond is increased by market discount included in income;

(2) the Senate amendment does not include the provision in the House bill which clarifies the present law exclusion from gross income of certain payments received under environmental and conservation programs;

(3) the Senate amendment does not contain the provision in the House bill deleting the provision of the 1986 Act regarding the compensation of ocean freightforwarders; and

(4) the Senate amendment corrects a cross-reference to the gasoline tax registration and bonding procedure.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with respect to common provisions. Specifically, the conference agreement includes the following provisions:

Individual

The conference agreement follows the House bill and the Senate amendment.

Capital Cost

The conference agreement follows the Senate amendment with several modifications. First, the conference agreement contains the provision in the House bill relating to depreciation of railroad grading and tunnel bores and clarifies that as under prior law the section 1245 depreciation recapture rules apply to such depreciation. Second, the election described in the item listed as number 5 above (relating to the midquarter convention) will apply to taxable years beginning on or before March 31, 1988. Third, the conference agreement revises the language of section 1002(d)(26) of the bill with respect to new section 204(a)(35) of the 1986 Act. Fourth, the conference agreement deletes that portion of section 1002(k)(3) of the bill with respect to new section 251(d)(4)(GG) of the 1986 Act.

Further, the conferees wish to clarify in connection with the included provision relating to the midquarter convention, that transfers of property between members of the same affiliated group filing a consolidated return shall be disregarded. In particular, although depreciable basis is generally to be used in applying the 40-percent test, basis adjustments resulting from such transfers shall be disregarded.

Finally, the conferees wish to clarify that the credit ordering rules included in the bill affect only the order in which credits arising in a single year are used. These rules do not affect the present-law rule that requires that credits arising in the earliest year be used first (the "FIFO rule").

Capital Gains and Losses

The conference agreement follows the House bill. In addition, the conference agreement modifies the provision relating to capital losses. The agreement provides that the amount that the capital loss carryforwards to the subsequent taxable year are reduced by reason of section 1212(b)(2) cannot exceed the taxpayer's taxable income for the year increased by (1) the amount of capital losses allowed for the year under paragraph (1) or (2) of section 1211(b) and (2) the deduction for personal exemptions. Where the deductions exceed gross income for the year, the computation is made starting with a negative number.

Agriculture and Natural Resources

The conference agreement follows the House bill and the Senate amendment.

Tax Shelters; Interest Expense

The conference agreement follows the House bill and the Senate amendment.

Corporate

The conference agreement follows the Senate amendment; except the agreement does not contain the item listed as number 5 above, and does follow the House version of the S corporation tax on net built in gains.

Section 621(f)(5) of the Tax Reform Act of 1986 provides relief from the amendments made by that Act to sections 382 and 383 of the Code in the case of certain transactions involving a title 11 or similar case if a petition in such case was filed with the court before August 14, 1986. The relevant provisions of section 368 that define a title 11 or similar case provide that in certain proceedings involving specified financial institutions where the relevant proceeding is before a Federal or State agency, the agency shall be treated as a court. The conferees clarify that for purposes of the transition rule contained in section 621(f)(5), the petition shall be considered filed with the court in the case of such agency proceedings no later than the time the relevant agency action has occurred. As one example, in the case of an insolvent thrift institution subject to regulation by the Federal Savings and Loan Insurance Corporation ("FSLIC"), a petition will be deemed to have been filed no later than the date such agency assumes control over such institution through the appointment of a receiver. No inference is intended that other action might not also constitute the filing of a petition in appropriate cases, consistent with the relief granted to transactions covered by the relevant provisions of section 368.

The conference agreement clarifies that the tax on transfers of residual interests of REMICs to disqualified organizations and the tax on pass-through entities and nominees are treated as excise taxes for administrative purposes, except that the Tax Court has jurisdiction over deficiencies of these taxes.

The conferees clarify the definition of a "qualified corporation" under the transition rules of section 633(d)(5) of the Tax Reform Act of 1986 in the case of a corporation which adopted a plan of liquidation prior to March 31, 1988, and is completely liquidated prior to January 1, 1989. If, on August 1, 1986, and at all times thereafter before such liquidation, more than 50 percent, by value, of the corporation's stock was owned by 10 or fewer qualified persons, such corporation would come within the definition of "qualified corporation" under section 633(d)(5) of the Tax Reform Act of 1986 regardless of how long any such shareholders have held their stock and regardless of whether or not such shareholders were the same throughout the applicable period.

In addition, the conferees clarify the definition of a "qualified group" under section 633(d) of the Tax Reform Act of 1986, as amended by this Act, in connection with the following case. One hundred percent of the shares of a corporation are owned by two shareholders until mid-1987, each holding 50 percent of the issued and outstanding shares. These shareholders had owned their shares for more than five years. Subsequently, after mid-1987, 100 percent of the issued and outstanding shares of the corporation were owned by one of the two original shareholders. This shareholder had owned his shares for more than five years. These shareholders would come within the definition of "qualified group" under section 633(d) of the Tax Reform Act of 1986. However, it may not be appropriate to extend this treatment to situations where an insubstantial shareholder acquires more than 50 percent of the stock of a corporation.

Finally, the conference agreement clarifies the provision in the Act relating to the treatment of accounts receivable for purposes of the 25-percent built-in gain or loss rule in connection with the limitations on net operating losses. Under the Tax Reform Act of 1986, for purposes of calculating the 25-percent threshold test, assets are to be reduced by cash and cash items, which include accounts receivable. The Act provides the Treasury authority to change this rule by regulation. The conferees expect that such regulations would be prospective in effect and thus would not apply to ownership changes in completed transactions and in transactions as to which there is a binding contract, including a binding purchase offer, before the date of issuance of such regulations.

Minimum Tax

The conference agreement follows the Senate amendment except the agreement follows the House bill by not containing the provision relating to depreciation by certain lessors. The conferees agree with the colloquy appearing on 133 Cong. Rec. S 15456 (Oct. 11, 1988), relating to unrelated business taxable income.

Accounting

The conference agreement follows the Senate amendment, except that the conferees agree with the language of the House committee report with respect to the meter reading method.

In addition, under the conference agreement, a participant in a common trust fund is required to report the income from a short year resulting from a required change in taxable years ratably over four years.

Financial Institutions

The conference agreement follows the Senate amendment.

Insurance

The conference agreement follows the Senate amendment, with the following clarification of the provision relating to tax-exempt organizations engaged in insurance activities.

Under the 1986 Act, the provision relating to organizations engaged in commercial-type insurance activities did not alter the tax-exempt status of health maintenance organizations (HMOs). HMOs provide physician services in a variety of practice settings primarily through physicians who are either employees or partners of the HMO or through contracts with individual physicians or one or more groups of physicians (organized on a group practice or individual practice basis). The conference agreement clarifies that, in addition to the general exemption for health maintenance organizations, organizations that provide supplemental health maintenance organization-type services (such as dental or vision services) are not treated as providing commercial-type insurance if they operate in the same manner as a health maintenance organization.

Pensions; Employee Benefits

The conference agreement follows the Senate amendment with the following modifications.

With respect to the provisions permitting distributions from a section 401(k) plan following termination of the plan, the conference agreement clarifies that, as under proposed Treasury regulations, a distribution may be made notwithstanding the fact that the employer maintains an employee stock ownership plan (ESOP) (as defined in section 4975(e)(7) of the Code) after the termination.

The conference agreement follows the House bill with respect to the provision directing the Secretary to minimize the administrative burdens required for an employer to qualify for the relief from the recordkeeping requirements under the employee leasing rules (sec. 414(n)).

The conference agreement does not adopt the provision in the Senate amendment that bona fide vacation pay plans, severance pay plans, and certain other benefit plans are not subject to section 457. The conference agreement modifies section 457, as discussed under part V of Substantive Revenue Provisions.

As described below under Substantive Revenue Provisions, the conference agreement modifies a provision in technical corrections relating to the partial interest exclusion for loans to an employee stock ownership plan (sec. 133).

Foreign

The conference agreement generally follows the Senate amendment. The conferees also wish to clarify certain provisions contained in the conference agreement.

With respect to the definition of the term "noncontrolled section 902 corporation," the Senate amendment follows the House bill but also provides regulatory authority to not treat dividends from a controlled foreign corporation, out of earnings for periods during which the corporation was a controlled foreign corporation but the dividend recipient was not a U.S. shareholder with respect to the corporation, as dividends from a noncontrolled section 902 corporation. The conferees adopted the Senate amendment's modification to the House bill because they are concerned with the potential administrative difficulties for both taxpayers and the IRS that might arise in applying the House bill, which requires a U.S. shareholder receiving distributions of controlled foreign corporation earnings to determine whether or not those dividends are attributable to earnings that predate the shareholder's status as a U.S. shareholder in the controlled foreign corporation. The conferees anticipate the Secretary will exercise the regulatory authority provided by the agreement to generally allow look-through treatment of dividends from controlled foreign corporations, except in those cases where any administrative burden associated with the rule of the House bill is insignificant or is otherwise warranted by the need to prevent cross-crediting involving sufficiently distinct streams of income and the taxes thereon. As one example, the conferees anticipate that where a first-tier U.S.-controlled foreign corporation sells all or a majority of the stock of its wholly-owned foreign subsidiary to a U.S. corporation, dividends from the acquired foreign corporation to the acquiring U.S. corporation out of pre-acquisition earnings and profits will be subject to the separate noncontrolled section 902 corporation foreign tax credit limitation. In such a case the conferees do not believe it is administratively difficult for the acquirer to trace the dividends paid by the acquired foreign corporation to pre- or post-acquisition earnings, as the case may be.

With respect to the provision of the Reform Act clarifying and codifying the prior regulatory rule causing certain foreign government subsidies to reduce the creditable portion of certain foreign taxes (see sec. 1204 of the Reform Act and Treas. Reg. sec. 1.901-2(e)(3)), the conferees wish to reiterate and to clarify that no inference should be drawn from the enactment of that provision as to the validity or invalidity, or as to the proper interpretation, of the regulation for years prior to the effective date of the Reform Act provision.

With respect to the treatment of gains on sales of stock in foreign corporations that are controlled foreign corporations under the captive insurance rules, the Senate amendment modifies the House bill provision that conforms the treatment of such gains with the treatment accorded to gains on sales of controlled foreign corporation stock in general, in order to clarify that the provision is effective regardless of whether those companies have elected to treat their related person insurance income as income effectively connected with the conduct of a trade or business in the United States.

With respect to passive foreign investment companies, the conferees wish to clarify the intended scope of certain of the agreement's provisions. First, in connection with the agreement's provision that gives regulatory authority to deny the benefits of nonrecognition treatment in the case of a transfer of stock in a passive foreign investment company (PFIC), the conferees intend this regulatory authority to be exercised in cases where the deferred tax and interest inherent in the appreciation of PFIC stock are potentially avoidable. For example, if appreciated stock in a PFIC is given by a U.S. person to a foreign person, the deferred tax and interest inherent in the appreciation of the stock would not be collected on the eventual disposition of the stock unless the gift is treated as a taxable sale at the time of the gift. On the other hand, the conferees do not intend this regulatory authority to be exercised in cases where there is no potential to avoid the deferred tax and interest. For example, the conferees generally do not believe that an otherwise nontaxable reorganization of a PFIC should give rise to a recognition event where a U.S. person exchanges stock in a PFIC for stock in another PFIC and no step-up in basis occurs.

Second, in connection with the agreement's provision that gives regulatory authority to treat U.S. persons as having received a distribution with respect to, or as having disposed of, stock that is indirectly held in a PFIC because of the attribution rules, the conferees intend this regulatory authority to be exercised where necessary to prevent the avoidance of the imposition of interest. For example, if a U.S. person owns stock in a PFIC that in turn wholly owns the stock in a second-tier PFIC, and the second-tier PFIC distributes its earnings to the upper-tier PFIC on an annual basis, the conferees do not believe the U.S. person should be considered to receive his or her share of the distribution unless the distribution is somehow made available to the U.S. person. The conferees believe this treatment should prevail regardless of whether the PFICs are qualified electing funds. On the other hand, if the second-tier PFIC in the example above is not a qualified electing fund and the upper-tier PFIC is, then the conferees believe that a disposition by the U.S. person of stock in the upper-tier PFIC should be treated as a disposition of stock in the second-tier PFIC in cases where, for example, the second-tier PFIC does not annually distribute its earnings to the upper-tier PFIC.

Third, in connection with the agreement's provision that treats direct and indirect loans from a PFIC that is a qualified electing fund to a shareholder in the PFIC as a distribution to that shareholder, the conferees generally do not believe that a loan from the PFIC to a related foreign corporation should be treated as an indirect loan to the PFIC's shareholder. However, if the related foreign corporation is used as a conduit, then the conferees believe it would be appropriate to treat the loan as an indirect loan.

With respect to the branch level interest tax, the conferees do not intend that section 884(f)(1)(B), to the extent that provision causes interest paid by a non-U.S. branch of a foreign corporation to be U.S. source, to apply for section 936 purposes. That is, if a section 936 company receives interest from a non-U.S. branch of a foreign corporation, that interest is intended to be treated as other than U.S. source for purposes of determining whether it is qualified possession source investment income.

With respect to the interaction of treaties and statutes, the House recedes to the Senate amendment with modifications. First, the agreement provides that where a taxpayer takes the position that a U.S. treaty overrules (or otherwise modifies) an internal revenue law of the United States, then disclosure on the tax return, or in a manner prescribed by the Secretary, shall be made regardless of whether the law purported to be overruled or otherwise modified was enacted before or after the treaty was enacted. The conferees intend this provision to apply in any case where the taxpayer takes a position in reliance on a treaty and that position is contrary to the result that the Internal Revenue Code (or any other internal revenue laws of the United States) would dictate in the absence of the treaty.

Second, the agreement provides that the penalty for each failure to comply with the disclosure requirement shall be $10,000 (in the case of taxpayers that are C corporations), or $1,000 in the case of other taxpayers.

Third, the agreement clarifies the scope of the Treasury's authority to waive the disclosure requirement, by providing that such waiver shall be by regulation, and shall be applicable with respect to classes of cases for which the Secretary finds that waiver of the requirement will not impede the assessment or collection of tax. (The agreement does not make any modifications to the Senate amendment provision regarding the Secretary's authority to waive a penalty, with respect to a particular taxpayer, for that taxpayer's failure to disclose those positions for which the disclosure requirements have not been waived.)

Fourth, the agreement modifies the Code provision that serves as a cross reference to treaties (sec. 894(a)), in light of the Senate amendment's codification of the relationship between treaties and statutes. In place of the existing Code provision, which states that a taxpayer can exclude items of income from gross income, and therefore be exempt from income tax on those items, where such treatment is called for by treaty, the agreement provides that the provisions of the Internal Revenue Code are to be applied to any taxpayer with due regard to any treaty obligation of the United States which is applicable to such taxpayer. The agreement further clarifies that in determining what regard is due to a treaty, reference must be made to the principle that neither the treaty nor any relevant law shall have preferential status by reason of its being a treaty or law.

Thus, as is true of current section 894(a), the agreement's provision adds no operative rules to be applied in determining the relationship of the Code (or other tax law) and a treaty, but rather states the constitutional principle that such determinations are relevant in determining tax liabilities. Where the relationship of treaties and statutes must be determined, the agreement simply provides for giving the treaty that regard which it is due under the ordinary rules of interpreting the interactions of statutes and treaties. For example, where a treaty obligation calls for a certain tax result with respect to a particular item of income (whether that result is to exempt that item of tax or reduce the rate of U.S. tax on that item), that result differs from the result called for under a Code provision, and that treaty obligation has not been superseded for internal U.S. law purposes, the agreement acknowledges that taxpayers and the IRS can look beyond the Code to determine the proper tax treatment of the item of income in question. On the other hand, where a treaty obligation has been superseded for internal U.S. law purposes, no effect need be given to the treaty under the agreement's provision.

Finally, with respect to the agreement's provision that restricts the operation of section 338(h)(10) for source and foreign tax credit purposes, the conferees do not believe the Senate amendment's intended effect on the interaction between the agreement's provision and Code section 904(f), relating to recapture of overall foreign losses (OFLs), is appropriate. The conferees intend instead that section 338(h)(10) operate as it would under current law to the extent a deemed asset sale would give rise to foreign source income that would be recharacterized as U.S. source income under section 904(f).

The conferees believe this approach, as opposed to the approach set forth in the committee report accompanying the Senate amendment, is more consistent with the operation of an election under section 338(h)(10) by a target corporation that has an OFL. When such an election has been properly made, the following events have occurred or will be deemed to occur: the stock of a U.S. subsidiary in a U.S. consolidated group has been purchased by an unrelated corporation, the subsidiary is deemed to have sold its assets and is treated as a member of the selling consolidated group with respect to that deemed sale, and the subsidiary is considered to distribute its assets in liquidation to its U.S. parent. As a result, the tax attributes of the subsidiary (including, for example, its OFL) become attributes of the U.S. parent. In contrast with the usual result of a stock sale, the U.S. subsidiary in the hands of the purchaser does not retain these tax attributes, and receives a stepped-up basis in its assets. (The Senate amendment contemplated that the OFL would have transferred with the U.S. subsidiary when its stock was sold and that the OFL would have been recaptured when the assets of the subsidiary were actually sold. As described above, the conferees understand that the OFL (as well as any other attribute) does not transfer with the U.S. subsidiary, and that the assets receive a stepped-up basis, which would prevent the OFL from being recaptured upon the actual sale of those assets.)

The conferees also believe that the above approach preserves the intended effect of the agreement's provision, as well as the intended effect of the OFL rules. The OFL rules require U.S. sourcing of foreign income to ensure that foreign losses do not permanently shelter U.S. income from U.S. tax. The agreement's provision, on the other hand, requires U.S. sourcing of deemed gain income to prevent the sheltering from U.S. tax of untaxed foreign source income because of unrelated, excess foreign tax credits. Regardless of whether section 904(f) operates unaffected by the agreement's provision, any income that might be foreign source because of a section 338(h)(10) election will be recharacterized as U.S. source and therefore will allow the United States to recoup the tax that was previously lost because of foreign losses. Income that is not recharacterized under section 904(f) will continue to be sourced as stock gain income and the U.S. tax on such income will not be sheltered by unrelated, excess foreign tax credits. Since the objectives of both the OFL rules and the agreement's provision are served by the above treatment, the conferees believe it is appropriate to reduce the OFL.

Therefore, under the agreement, the conferees intend the U.S. selling consolidated group to be able to treat the stock sale as an asset sale for purposes of reducing its overall foreign loss. Any gain remaining after the OFL is reduced or recaptured is intended to be sourced as stock gain income consistent with the agreement's provision.

Tax-Exempt Bonds

The conference agreement follows the House bill with two modifications. First, the technical correction in the House bill prohibiting advance refundings of pre-September 25, 1985, pension arbitrage bonds is modified to permit one advance refunding after September 25, 1985, of pension arbitrage bonds issued prior to September 26, 1985.

Second, the conference agreement follows the Senate amendment with respect to bonds issued for a specified student housing project which would qualify for relief from the $150 million bond limit imposed on 501(c)(3) organizations.

The conference agreement also clarifies that a technical amendment included in both the House bill and the Senate amendment permitting certain current refundings of transitioned bonds after issuance deadlines for original issuance of the bonds applies to transitional exceptions subject to special deadlines as well as to those subject to the general issuance deadlines for such bonds.

The conference agreement delays the effective date from June 30, 1987 until October 21, 1988, of a technical amendment clarifying that bonds issued for certain volunteer fire departments are exempt from private activity bond restrictions other than the public approval requirement and the prohibition on advance refundings.

In addition, the conferees wish to state their specific agreement with the colloquy appearing on 134 Cong. Rec. S 15456 (October 11, 1988), relating to bonds of public utility districts.

Trusts and Estates; Minor Children; Generation-Skipping Tax

The conference agreement follows the Senate amendment.

The conference agreement modifies the provision relating to the application of the minimum tax to the unearned income of minor children by providing that the minimum tax exemption of a minor child to whom section 1(i) applies cannot exceed the sum of $1,000 plus the child's earned income. Further, the child's minimum tax liability cannot exceed the amount that the parent's minimum tax liability would be increased if the parent's tentative minimum tax and regular tax were increased by that amount of the child's tentative minimum tax and regular tax. The provision will apply to taxable years beginning after December 31, 1988.

Also, the effective date of the generation-skipping transfer tax is clarified so that grandfathered property does not include transfers of qualified terminable interest property made after October 21, 1988, to mentally incompetent spouses. The rule that a "taxable termination" and a "taxable distribution" shall not include a transfer which would be a direct skip but for the deceased parent rule is deleted as unnecessary.

Compliance and Tax Administration

The conference agreement follows the Senate amendment.

In addition, the conference agreement allows individual taxpayers until April 15, 1989, and corporations until March 15, 1989, to pay their full income tax liabilities without incurring any additions to tax on account of underpayments of estimated tax to the extent the underpayments are attributable to changes in law made by the technical corrections titles of the bill.

Further the conferees note that the Internal Revenue Service policy (P-2-10, approved August 3, 1988) does not require taxpayers to pay interest on repayments of erroneous refunds if the Service was clearly at fault in making the refund and the taxpayer is cooperative in repaying it. The conferees expect the Service to apply this policy to refunds made by the Service where the taxpayer paid taxes in accordance with provisions contained in the technical corrections bills but the taxes were refunded to the taxpayer because the technical corrections provisions had not yet been enacted. Although the refunds were not erroneous at the time they were made, the retroactive effective date of the technical correction provisions means that the refunds should be treated as erroneous for purposes of this policy.

Tax-Exempt Organizations

The conference agreement follows the House bill and the Senate amendment.

Miscellaneous

The conference agreement follows the Senate amendment.

II. Technical Corrections to Other Tax Legislation

House Bill

The House bill contains technical, clerical, and conforming amendments to other tax legislation enacted in 1986 and 1987.

Senate Amendment

The Senate amendment contains technical, clerical, and conforming amendments to other tax legislation enacted in 1986 and 1987. The substantive differences between the House bill and the Senate amendment are as follows:

Superfund Revenue Act of 1986

The Senate amendment is the same as the House bill.

Harbor Maintenance Revenue Act of 1986

The Senate amendment is the same as the House bill.

Omnibus Budget Reconciliation Act of 1986

The Senate amendment is the same as the House bill.

Revenue Act of 1987

The Senate amendment is the same as the House bill, except—

Accounting item

(1) the Senate amendment corrects an error in the House bill relating to the timing of certain refunds of required payments made by partnerships or S corporations that elect a taxable year other than the required taxable year;

Partnership item

(2) the Senate amendment includes as qualifying income of publicly traded partnerships the income from any depletable property (rather than from property eligible for percentage depletion plus oil, gas, and timber);

Corporate items

(3) the Senate amendment provides that the rule in the House bill shortening the 5-

year period for the common control exception under section 384 applies where the loss corporation was not in existence for five years as well as where the gain corporation was not in existence for five years;

(4) the legislative history to the Senate amendment clarifies that, with respect to the limitation on the use of preacquisition losses to offset built-in gains, not only post-affiliation gains or losses, but also pre-affiliation gains or losses which are not subject to limitation under the general rule, are not subject to limitation upon the merger of members of the same affiliated group;

Excise tax items

(5) the Senate amendment restores a provision of prior law, which was inadvertently deleted, exempting certain fuel used as supplies for vessels and aircraft in international commerce from the Leaking Underground Storage Tank Trust Fund excise tax;

(6) the Senate amendment clarifies the application of the wholesale dealer alcoholic beverage occupational tax in cases where a dealer in beer only also becomes a dealer in distilled spirits in a year for which the tax has been paid.

Pension and employee benefit items

(7) the Senate amendment provides that, in the case of certain plan spinoffs and similar transactions involving defined benefit plans (within a controlled group), assets in excess of the benefits that would have been provided immediately before the transaction (calculated as if the plan then terminated) are allocated on a proportional basis with exceptions (a) for plans that are terminated after spinoff, (b) for plans that are spun off from a multiple employer plan if, after the spinoff, no employer (or member of the same controlled group) maintaining the multiple employer plan maintains the spinoff plan, and (c) for multiemployer plans; and

(8) the Senate amendment provides that (a) the amount required to be reported for a year with respect to an employee with respect to dependent care assistance is the amount the employee incurs for dependent care assistance during the year, and (b) an employer may treat an amount electively contributed by an employee under a cafeteria plan for dependent care assistance for a year as an amount incurred for dependent care assistance by the employee for the year.

Pension Protection Act

The Senate amendment is the same as the House bill, except—

(1) the Senate amendment does not contain the provision in the House bill that deletes the special deduction rule in the case of liability payments made by controlled group members (sec. 404(g)).

Excise Tax on Certain Vaccines

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with respect to common provisions. Specifically, the conference agreement includes the following provisions:

Superfund Revenue Act of 1986

The conference agreement follows the House bill and the Senate amendment, with the following clarifications: (1) Treasury determinations with respect to petitions must be made after public notice and comment; and (2) a valid petition is one filed pursuant to procedures set forth by the Secretary not later than 180 days after enactment; petitions filed 180 days after enactment but prior to the publication of procedures shall be deemed to be valid.

In addition, the conference agreement provides that the Superfund environmental tax is deductible in computing adjusted book income for purposes of the minimum tax (but not the environmental tax).

Harbor Maintenance Revenue Act of 1986

The conference agreement follows the House bill and the Senate amendment, except that the due date for the cargo diversion study is changed to December 1, 1988.

Omnibus Reconciliation Act of 1986

The conference agreement follows the House bill and the Senate amendment.

Revenue Act of 1987

Accounting item

The conference agreement follows the Senate amendment.

Partnership item

The conference agreement follows the Senate amendment; except that (1) soil, sod, turf, water, mosses and (2) minerals from sea water, the air, or similar inexhaustible sources, shall not be treated as a mineral or natural resource.

In addition, the conference agreement follows the legislative history of the House bill with respect to income from certain transportation activities, with certain modifications. In the case of transportation activities with respect to oil and gas and products thereof, the conferees intend that, in general, income from transportation of oil and gas and products thereof to a bulk distribution center such as a terminal or a refinery (whether by pipeline, truck, barge or rail) be treated as qualifying income. Income from any transportation of oil or gas or products thereof by pipeline is treated as qualifying income. Except in the case of pipeline transport, however, transportation of oil or gas or products thereof to a place from which it is dispensed or sold to retail customers is generally not intended to be treated as qualifying income. Solely for this purpose, a retail customer does not include a person who acquires the oil or gas for refining or processing, or partially refined or processed products thereof for further refining or processing, nor does a retail customer include a utility providing power to customers. For example, income from transporting refined petroleum products by truck to retail customers is not qualifying income.[1]

The conference agreement also clarifies that, in the case of income from marketing of fertilizer, bulk or truckload sales to farmers in amounts of 1 ton or more are not considered retail sales giving rise to non-qualifying income.

With respect to what constitutes the addition of a substantial new line of business, it is the intention of the conferees that the Treasury Department provide prompt guidance to taxpayers, whether through the private ruling process or through the promulgation of revenue rulings or other announcements or regulations.

Corporate items

The conference agreement follows the Senate amendment.

The conferees clarify that, for purposes of the exception from the effective date provision concerning mirror subsidiary transactions in cases where 80 percent of the stock of the distributing corporation is acquired by the distributee, the ownership of stock of the distributing corporation by distributees which are members of the same affiliated group may be aggregated (to the extent permitted by prior law) in the case of distributions to any distributee with respect to stock owned by that particular distributee (determined without aggregation) on the later of December 15, 1987 or the date on which the grandfathered 80 percent acquisition occurred, either directly or indirectly through its proportionate ownership in a corporation that was also a member of the group on that date and that goes out of existence in the transaction. Indirect ownership through a corporation that goes out of existence in the transaction also includes ownership of stock acquired by the distributee through a merger into the distributee of one or more corporations that owned stock in the distributing corporation and were members of the same affiliated group as the distributee on the designated date.

In connection with the provisions of section 1503(e) of the Code relating to cancellation of indebtedness income, the conferees clarify that an upward basis adjustment through the inclusion of cancellation of indebtedness income in earnings and profits for purposes of section 1503(e) is permitted only to the extent that a tax attribute that was reduced under section 108 had resulted in a downward basis adjustment in the parent's stock of the subsidiary. It is also clarified that the upward adjustment for cancellation of indebtedness income cannot exceed the amount of the tax attribute that was reduced.

The conferees clarify the treatment of certain foreign corporations in determining whether corporations are members of an affiliated group for purposes of section 384(c)(6). Except as provided in regulations, in the case of an acquisition of assets or stock described in section 384(a) between or among corporations that were members of the same controlled group of corporations under section 384 at all times during the period beginning December 15, 1987, and ending on the date of such acquisition, in determining whether such corporations are members of an affiliated group for purposes of section 384(c)(6), section 1504 shall be applied without regard to subsection (b)(3) thereof relating to foreign corporations.

In addition, the conferees clarify that the greenmail tax does not apply in a situation where the stock of the taxpayer and all other shareholders is purchased at the same price, at essentially the same time and in a transaction which is substantially the same; that is, all shares are purchased with the same total present value of consideration per share, whether in the form of debt, debentures, or cash, with no additional consideration provided to any selling shareholder.

Excise tax items

The conference agreement follows the Senate amendment.

Pension and employee benefit items

The conference agreement follows the Senate amendment.

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[1] Income from transportation and marketing of liquefied petroleum gas in trucks and rail cars or by pipeline, however, may be treated as qualifying income. See statement of Mr. Rostenkowski, 133 Cong. Rec. H 11968 (December 21, 1987); see also statement of Senator Bentsen, 133 Cong. Rec. S 18651 (December 22, 1987) (substantially similar language).

Pension Protection Act

The conference agreement follows the Senate amendment.

Excise Tax on Certain Vaccines

The conference agreement follows the House bill and the Senate amendment.

SUBSTANTIVE REVENUE PROVISIONS

I. DIESEL FUEL EXCISE TAX COLLECTION AND EXEMPTION PROCEDURES

Present Law

Exemptions from tax

The excise taxes on diesel and nongasoline aviation fuels are imposed on the sale of the fuels by a producer. Producers include wholesale distributors as well as refiners and certain other intermediate persons (other than retailers) in the distribution chain.

Exemptions are provided from the diesel fuel tax for State and local governments, farms, nonprofit educational organizations, and business use other than as a fuel in a highway vehicle. The tax on nongasoline aviation fuel applies only to fuel used in noncommercial aviation.

The Treasury Department is authorized to permit tax-free sales in the case of diesel fuel and nongasoline aviation fuel sold for use in a diesel-powered train, use as commercial aviation fuel, use other than as a motor fuel, use by a State or local government.

Treasury requirements

Producers of taxable fuels must register with the Treasury Department and satisfy Treasury bonding requirements.

Refunds of tax

(1) Since April 1, 1988, except in the four cases specified above, the exemptions from these fuels taxes are realized through refunds or credits, rather than tax-free sales as under prior law.

(2) A person entitled to a refund of $1,000 or more during any one of the first three calendar quarters of a year may file a claim for refund of tax paid for that quarter. Otherwise, the refund claim can be made only at the end of the year through an income tax credit.

Interest on refunds

As with other claims for refunds of excise tax, no interest is paid on refunds of excise taxes on diesel and nongasoline aviation fuels.

House Bill

Expansion of exempt persons able to purchase fuels tax-free

The House bill makes mandatory and extends the current provisions allowing certain tax-free purchases of diesel and nongasoline aviation fuels to all off-highway business users.

Treasury requirements

Under the House bill, exempt users may purchase such fuels tax-free when they purchase in bulk directly from a producer (including a wholesale distributor) and when Treasury-prescribed registration, financial responsibility, and information reporting requirements are met. Marine retail dealers who exclusively sell diesel fuel to water users are treated as producers. Treasury is authorized to issue regulations imposing expanded information reporting requirements on both seller and exempt purchasers.

Under the House bill, Treasury is required to issue initial rules regarding registration and financial responsibility requirements for exempt users purchasing fuel tax-free within 30 days after the date of enactment.

Refunds of tax

(1) *Special refund.*—The House bill provides a special, one-time refund for off-highway exempt users newly authorized to purchase diesel fuel tax-free from producers or importers. Such users may file a claim for refund of tax paid after March 31, 1988 and before July 1, 1988, regardless of the amount of tax.

(2) *Aggregate refund rule.*—No provision.

Interest on refunds

The special refund is to be made with interest, determined at the regular deficiency rate paid by the Federal Government on overpayments of tax. Purchases by the Federal Government, State and local governments, railroads, commercial airlines, and feedstock users are not eligible for this special, interest-bearing refund.

Effective date

The House bill applies to fuel sold after June 30, 1988.

Senate Amendment

Expansion of exempt persons able to purchase fuels tax-free

The Senate amendment is the same as the House bill, except it also extends the tax-free purchase rule to private buses currently eligible for a full or partial refund of the diesel fuel tax.

Treasury requirements

The Senate amendment is the same as the House bill, except that Treasury is required to issue initial rules regarding registration and financial responsibility requirements for exempt users before October 1, 1988.

Refunds of tax

(1) *Special refund.*—The Senate amendment is the same as the House bill, except that the claim for the special refund may be made for tax paid after March 31, 1988, and before October 1, 1988.

(2) *Aggregate refund rule.*—Under the Senate amendment, the present-law quarterly refund threshold is changed so that an exempt user may file for a refund if at least $750 in tax (in the aggregate) is paid as of the end of any of the first three calendar quarters (without waiting until after the end of the year).

Interest on refunds

The Senate amendment with respect to interest on the special refund is the same as the House bill, except that the interest is to be determined at the interest rate charged by the Federal Government on tax deficiencies.

Also, the Senate amendment provides that where fuel is purchased tax-paid by an exempt user (e.g., from a retail dealer), State and local governments and off-highway exempt users (other than bus operators) will be paid interest on refund claims at the regular deficiency rate.

Effective date

The Senate amendment applies to fuel sold after September 30, 1988.

Conference Agreement

The conference agreement generally follows the House bill,[2] except for the following modifications:

(1) The tax-free purchase rule is extended to private buses currently eligible for a full or partial refund of the diesel fuel tax.

(2) The quarterly refund threshold is changed so that an exempt user may file for a refund if at least $750 in tax (in the aggregate) is paid as of the end of any of the first three calendar quarters (without waiting until after the end of the year). As under present law, no more than one claim may be filed in any calendar quarter. Also, the minimum claim amount is $750.

(3) Off-highway exempt users newly authorized to purchase tax-free fuel from a producer or importer may file a claim for a one-time refund (with interest) of tax paid after March 31, 1988 and before January 1, 1989, regardless of the amount of tax. Interest on this special refund is to be determined at the regular deficiency rate paid by the Federal Government on overpayments of tax. Amounts that have already been claimed on a quarterly claim for refund under section 6427 or that have been (or will be) claimed as a credit against other tax payments are not eligible for this special one-time interest bearing refund.

(4) Claims for the special, interest-bearing refund may be made before July 1, 1989. The Treasury Department will have 30 days after enactment to issue guidance on how to make these claims. Further, refund claims for the excise tax paid on diesel and nongasoline aviation fuels for the period ending September 30, 1988, shall be considered timely filed if filed before July 1, 1989.

(5) The Treasury Department is given regulatory authority to allow retail sellers to sell diesel fuel tax-free to marine users even though such retail operations may sell a *de minimis* amount of diesel fuel to nonmarine users, as long as the Treasury Department determines that no increased noncompliance will result.

(6) The conference agreement applies to fuel sold after December 31, 1988.

II. ADDITIONAL SIMPLIFICATION AND CLARIFICATION PROVISIONS

A. Sanction for Violation of Health Care Continuation Rules

Present Law

Certain group health plans are required to satisfy health care continuation rules (sec. 162(k) of the Code). In general, pursuant to these rules, an employer is required to provide qualified beneficiaries with the opportunity to participate for a specified period in the employer's health plan after the occurrence of a qualifying event that otherwise would have terminated such participation. If a plan subject to the health care continuation rules fails to satisfy the rules, all deductions for expenses paid or incurred for group health plans by the employer maintaining such plan are disallowed for the year in which the failure first occurs and all subsequent years up to and including the year in which the failure is corrected. In addition, the exclusion from income for employer-provided health coverage does not apply to the employer's highly compensated employees for the time of the failure to satisfy the health care continuation rules.

House Bill

In general

The House bill replaces the present-law sanctions for failures to satisfy the health care continuation rules with an excise tax.

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[2] The conferees wish to state specifically their agreement with a colloquy between Senators Boren, Baucus, and Packwood regarding the definition of wholesaler under the diesel fuel tax provisions and certain cooperative cardtrol/keytrol operations. See 134 Cong. Rec. S 15454-15455 (October 11, 1988).

Amount of excise tax

The amount of the excise tax is $100 per day during the noncompliance period with respect to a failure to satisfy the health care continuation rules. The tax applies separately with respect to each qualified beneficiary for whom a failure occurs.

Noncompliance period

The noncompliance period generally begins on the date a failure first occurs and ends on the earlier of (1) the date the failure is corrected, or (2) the date that is one year after the last date on which the employer could have been required to provide continuation coverage to the qualified beneficiary (without regard to payment of premiums). Subject to special rules described below, the noncompliance period does not start on the date the failure first occurred if it can be established that none of the persons who could be liable for the tax knew, or should have known, that the failure existed. In such a case, the noncompliance period does not begin until any of such persons knew or should have known of the failure. (This rule is referred to below as the inadvertent failure rule.)

Grace period

The excise tax generally does not apply to any failure if such failure was due to reasonable cause and not to willful neglect and the failure is corrected within the first 30 days of the noncompliance period.

Audit rule

A special audit rule overrides the inadvertent-failure and grace-period rules. Under the audit rule, if a failure with respect to a qualified beneficiary is not corrected by the date a notice of examination of income tax liability is sent to the employer and the failure occurred or continued during the period under examination, the excise tax is not to be less than the lesser of (1) $2,500, or (2) the excise tax determined without regard to the inadvertent-failure and grace-period rules. If failures for any year are more than de minimis with respect to the employer (or multiemployer plan in the case of coverage under such a plan), $15,000 is substituted for $2,500 for that year with respect to such employer (or multiemployer plan) and any other person liable with respect to the failure.

Correction

A failure to satisfy the continuation coverage rules is considered corrected if (1) the rules are retroactively satisfied to the extent possible, and (2) the qualified beneficiary (or his or her estate) is placed in a financial position that is as good as it would have been had the failure not occurred.

Maximum liability

In the case of failures with respect to plans other than multiemployer plans, the maximum excise tax for failures during an employer's taxable year is the lesser of (1) 10 percent of the total amount paid or incurred by the employer during the preceding taxable year for the employer's group health plans, or (2) $500,000. In the case of failures with respect to a multiemployer plan, the maximum excise tax for failures during the taxable year of the trust that is part of the plan is the lesser of (1) 10 percent of the total amount paid or incurred by the trust to provide medical care, or (2) $500,000. These caps on the amount of the excise tax do not apply if the failure is due to willful neglect.

Liable persons

In the case of a failure with respect to coverage provided by a plan other than a multiemployer plan, the employer is liable for the excise tax. In addition, any other person is liable for the tax if the person (1) is responsible for administering or providing benefits under the plan pursuant to a legally enforceable written agreement, and (2) failed to perform one or more of such responsibilities and thereby caused (in whole or in part) the failure. In addition, another person may be liable for the excise tax if the person fails to comply with a written request of the employer (or qualified beneficiary or plan administrator) to make available to qualified beneficiaries the same benefits that the person provides to similarly situated active employees. In the case of a multiemployer plan, the rules described above apply, except that "multiemployer plan" is substituted for "employer."

Waiver

In the case of a failure to comply with the continuation coverage rules that is due to reasonable cause and not to willful neglect, the Secretary may waive all or a part of the excise tax to the extent that the payment of the tax would be unduly burdensome relative to the failure involved.

Effective date

The House bill provisions are effective for taxable years beginning after December 31, 1988.

Senate Amendment

In general

The Senate amendment is the same as the House bill, with the exceptions noted below.

Amount of excise tax

The Senate amendment is the same as the House bill, except that if a failure occurs with respect to members of the same family, the excise tax applies only once with respect to the failure (i.e., the penalty is not greater than $100 a day).

Noncompliance period

The Senate amendment is the same as the House bill, except that the general noncompliance period begins on the date a failure first occurs and ends on the earlier of (1) the date the failure is corrected, or (2) the date that is the last date on which the employer could have been required to provide continuation coverage (without regard to payment of premiums).

Audit rule

The Senate amendment is the same as the House bill, except that if the excise tax is imposed on a person other than the employer (or multiemployer plan in the case of coverage under such a plan), only violations of the continuation coverage rules by such other person are taken into account in determining whether the violations are de minimis.

Liable persons

The Senate amendment is the same as the House bill, except that the Senate amendment does not contain the provision providing that persons are liable for the excise tax if they are responsible for administering or providing benefits under the plan pursuant to a written agreement.

Waiver

In the case of a failure to comply with the continuation coverage rules that is due to reasonable cause and not to willful neglect, the Secretary may waive all or part of the excise tax to the extent that the payment of the tax would be excessive relative to the failure involved.

Conference Agreement

The conference agreement follows the House bill, with the following exceptions.

Amount of excise tax

The conference agreement provides that the amount of the excise tax is $100 per day during the noncompliance period with respect to each qualified beneficiary. However, under the conference agreement, if a failure occurs with respect to more than one qualified beneficiary who are members of the same family, then the amount of the excise tax is no more than $200 per day for the failure with respect to such qualified beneficiaries in the same family.

Noncompliance period

Under the conference agreement, the noncompliance period ends on the earlier of (1) the date the failure is corrected, or (2) the date that is 6 months after the last date on which the employer could have been required to provide continuation coverage to the qualified beneficiary (without regard to payment of premiums).

Maximum liability

The conference agreement follows the House bill and the Senate amendment, except that the maximum excise tax for failures (not due to willful neglect) during a taxable year by a person other than an employer (or multiemployer plan in case of coverage under such a plan) is limited to $2 million.

Liable persons

The conference agreement follows the House bill with respect to the determination of who is liable for the excise tax, with the following clarifications. First, the conference agreement clarifies that the liability for the excise tax applies to a person if the person fails to "make continuation coverage available to" a qualified beneficiary, rather than if the person fails to "provide continuation coverage to" the qualified beneficiary.

As under the House bill, the conferees intend that a failure to make continuation coverage available does not automatically make a person liable for all other continuation coverage violations (such as a failure to provide written notice) without regard to the written agreement requirement. In other words, such a person is liable for a failure other than the failure to make continuation coverage available only pursuant to the written agreement provision. Also, as under the House bill, a person is not liable for the excise tax to the extent that an employer's act or failure to act made the person unable to comply with its responsibilities under the health care continuation rules.

The conference agreement clarifies the rule under which a person other than the employer is liable for the excise tax if such person fails to comply with a written request of a qualified beneficiary to make continuation coverage available to such qualified beneficiary. The conference agreement conforms the rule to the situations in which, under present law, the qualified beneficiary would provide notice to such person. Thus, under the conference agreement, liability may be triggered by a written request from a qualified beneficiary to a person other than the employer to provide continuation coverage only if such person is the plan administrator and the individual becomes a qualified beneficiary by reason of (1) the divorce or legal separation of the covered employee from the employee's spouse or (2) ceasing to be a dependent child under the generally applicable requirements of the plan. In all other cases, liability of a person other than the employer may be triggered only by a written request made by the employer or plan administrator.

Under the conference agreement, a person other than an employer (or multiemployer plan in the case of coverage under such a plan) is not liable for the excise tax for failure to make continuation coverage available pursuant to a written request until the date that is 45 days following the date that notice was provided to such person. The conferees anticipate that this rule will create an incentive for employers to provide adequate advance notice to a person (such as an insurance company) of the person's obligation to make continuation coverage available to qualified beneficiaries if such person had not previously been providing such coverage. For example, if the coverage was provided by another insurance carrier, or the employer self insured the coverage. The conferees do not intend this rule to relieve insurers, the employer, or other parties of their responsibility to provide continuation coverage during this 45-day period if they are so responsible. The provision is intended only to relieve third parties of liability for the excise tax for failure to make continuation coverage available in cases in which the employer fails to notify the third party of its responsibility to make continuation coverage available, but does not override a written agreement between the employer and the third party that the third party is to provide continuation coverage.

Waiver

The conference agreement follows the Senate amendment. As under the Senate amendment, the conferees intend that the determination of whether imposition of the excise tax would be excessive is to be made based on the seriousness of the failure and not on a particular taxpayer's ability to pay the tax.

B. Nondiscrimination Rules for Statutory Employee Benefit Plans

Overview

In general

Under present law, nondiscrimination rules apply to statutory employee benefit plans (sec. 89). The term "statutory employee benefit plans" includes accident or health plans and group-term life insurance plans. At the election of the employer, the term also includes qualified group legal services plans, educational assistance programs, and dependent care assistance programs.

Under the nondiscrimination rules, a plan generally is required to satisfy 3 eligibility tests (a 50-percent test, a 90-percent/50-percent test, and a nondiscriminatory provision test) and a benefits test. Alternatively, a plan may satisfy an 80-percent coverage test, provided it also satisfies the nondiscriminatory provision test.

Eligibility tests

50-percent test

Under the 50-percent test, nonhighly compensated employees must constitute at least 50 percent of the group of employees eligible to participate in the plan. This requirement is deemed to be satisfied if the percentage of highly compensated employees who are eligible to participate is not greater than the percentage of nonhighly compensated employees who are eligible to participate.

90-percent/50-percent test

A plan does not satisfy the 90-percent/50-percent test unless at least 90 percent of the employer's nonhighly compensated employees are eligible for a benefit that is at least 50 percent as valuable as the benefit available to the highly compensated employee to whom the most valuable benefit is available. For purposes of this test, all plans of the same type (i.e., all plans providing benefits excludable under the same Code section) are aggregated.

For purposes of this 90-percent/50-percent test, available elective contributions under a cafeteria plan are not taken into account.

Nondiscriminatory provision test

The third eligibility test provides that a plan may not contain any provision relating to eligibility to participate that by its terms or otherwise discriminates in favor of highly compensated employees. This third test is intended to disqualify arrangements only on the basis of discrimination that is not quantifiable.

Benefits test

The benefits test requires that the average employer-provided benefit received by nonhighly compensated employees under all plans of the employer of the same type (i.e., plans providing benefits excludable under the same Code section) be at least 75 percent of the average employer-provided benefit received by highly compensated employees under all plans of the employer of the same type.

Alternative 80-percent test

Present law also provides an alternative test that may be applied to accident or health plans and group-term life insurance plans in lieu of the eligibility and benefits tests described above. Under the alternative test, if a plan benefits at least 80 percent of an employer's nonhighly compensated employees, and the plan satisfies the nondiscriminatory provision test, the plan is considered to satisfy the nondiscrimination rules. For purposes of this alternative test, an individual is considered to benefit under a plan only if the individual receives coverage under the plan; eligibility to receive coverage is not considered benefiting under the plan. If the alternative 80-percent test is used, present law requires that this test be used by the employer in testing all plans of the same type (i.e., all plans providing benefits excludable under the same Code section).

Definitions

For purposes of applying the nondiscrimination rules to statutory employee benefit plans, present law provides generally applicable definitions of the following: (1) highly compensated employees (sec. 414(q)); (2) employer (sec. 414(b), (c), (m), (n), (o), and (t)); (3) line of business or operating unit (this definition is relevant if the employer elects to apply the nondiscrimination rules separately to separate lines of business or operating units of the employer) (sec. 414(r)); and (4) employees who are excluded from consideration. These definitions, other than the line of business or operating unit rule, apply generally to all employee benefit plans, not only to statutory employee benefit plans. The definitions of highly compensated employees, employer, and separate lines of business or operating units also generally apply for purposes of the qualified pension plan rules.

Effective date

In general, under the Reform Act, the employee benefit nondiscrimination rules of section 89 are effective for years beginning after the later of (1) December 31, 1987, or (2) the earlier of (a) the date that is 3 months after the date on which the Secretary issues regulations under section 89, or (b) December 31, 1988.

a. Treasury rules and good faith compliance

Present Law

Under present law, the Secretary is not directed to issue guidance with respect to the employee benefit nondiscrimination rules (sec. 89) by any specific date. In general, in the absence of guidance from the Secretary, taxpayers are permitted to make reasonable interpretations of the tax laws.

House Bill

Under the House bill, the Secretary is required to issue rules by October 1, 1988, providing guidance under section 89 on which employers may rely. Such guidance is to address those areas not addressed by the statute or legislative history and with respect to which employers need immediate guidance in order to comply with the nondiscrimination rules.

Until the issuance of rules by the Secretary, an employer's compliance with its reasonable interpretation of section 89 based on the statute and its legislative history, if made in good faith, constitutes compliance with section 89.

Senate Amendment

The Senate amendment modifies the House bill with respect to the issuance of rules by the Secretary by specifying that the rules are to include guidance with respect to the qualification requirements and the line of business or operating unit rules. The guidance with respect to the line of business or operating unit rules is to address the treatment of headquarters employees in a manner that facilitates administration of the rules within the expressed intent of the legislation.

The Senate amendment modifies the House bill by extending the good faith compliance standard to all provisions for which regulations were required by February 1, 1988, under section 1141 of the Tax Reform Act of 1986. Under this provision, if rules implementing a provision for which the good faith compliance standard is available before the effective date of the provision, the separate good faith standard does not apply.

Conference Agreement

The conference agreement follows the Senate amendment with respect to the issuance of guidance by the Secretary, except that the Secretary is directed to issue guidance with respect to section 89 by November 15, 1988.

The conference agreement follows the Senate amendment with respect to the rules for which the good faith standard applies and follows the House bill with respect to the definition of what constitutes good faith compliance. Thus, under the conference agreement, a taxpayer will not be considered to be acting in good faith if such taxpayer consistently resolves unclear issues in his or her own favor.

In addition, the conference agreement clarifies that, pending the issuance of what the Secretary determines to be comprehensive section 89 rules on which taxpayers may rely, the good faith compliance provision will continue to apply to any issue not addressed by rules issued by the Secretary. When guidance is issued on any issue by the Secretary, the conferees do not intend the good faith compliance rule to apply to requirements that can reasonably be inferred from the rules issued by the Secretary.

b. Valuation

Present Law

The Secretary is to prescribe rules for determining the valuation of different benefits. With respect to health coverage, the Secretary is to establish tables prescribing the relative values of different types of health coverage.

House Bill

Under the House bill, any rules issued by the Secretary with respect to the valuation of accident or health coverage are effective as of the latest of (1) the first testing year beginning at least 6 months after issuance of such rules, (2) the first testing year beginning after December 31, 1990, or (3) the effective date specified by the Secretary for such rules. In addition, the House bill provides a temporary special valuation rule that applies prior to the effective date of rules issued by the Secretary.

Under the House bill, during and after the application of the temporary special valuation rule, in determining the benefits provided under a multiemployer plan, an employer generally may treat the contribution it makes to the plan on behalf of an employee as the benefit provided to the employee under such multiemployer plan. If the allocation of plan benefits between highly compensated employees and nonhighly compensated employees under the plan varies materially from the employer's allocation of plan contributions, the employer is to adopt a general method of eliminating such material variation through an appropriate adjustment to plan contributions.

This special rule for multiemployer plans does not apply to a multiemployer plan that covers any professional (e.g., a doctor, lawyer, or investment banker).

Senate Amendment

The Senate amendment generally follows the House bill, but modifies the House bill provision regarding the effective date of rules issued by the Secretary with respect to the valuation of accident or health coverage by requiring that such rules be effective no earlier than the first testing year beginning at least 1 year (rather than 6 months) after the issuance of such rules.

The Senate amendment also modifies the House bill with respect to the valuation of benefits provided under a multiemployer plan based on the employer contribution. The Senate amendment provides that the Secretary is to prescribe rules for the allocation of contributions that relate to benefits of different types. Under such rules, the allocation may be based on the prior year's claims or premiums, if this is reasonable under the circumstances.

Conference Agreement

The conference agreement follows the Senate amendment. The conferees intend that the delay in the effective date of valuation rules issued by the Secretary is not to apply to guidance provided under the temporary special valuation rule.

Under the special rule for multiemployer plans, the employer also is to adjust its contributions if the allocation of contributions within the group of highly compensated employees or nonhighly compensated employees varies materially from the allocation of plan benefits within such group. This could occur, for example, if an employer contributes the same amount with respect to each employee without regard to whether an employee has a family, but the plan benefit varies depending on whether an employee has a family.

Under the conference agreement, an employer contributing to a multiemployer plan is entitled to use the special valuation method only if that employer does not contribute to the plan on behalf of an employee who performs professional services. Thus, the determination of eligibility for the special valuation method is applied on a contributing employer by contributing employer basis. For purposes of this provision, professional services include the following services: legal, medical, engineering, architecture, actuarial science, financial, consulting, accounting, and such other services as the Secretary shall determine.

c. Time for testing

Present Law

Under present law, the nondiscrimination rules generally apply based on benefits available and provided during the entire plan year.

House Bill

Testing year

The House bill provides that an employer may designate a common 12-month period in its plans as the testing year for all or some of its plans even if such plans have different plan years and even if none of the plan years is the same as the common 12-month testing period. In the absence of a designation by the employer, the testing year is the plan year. A designation that is made may only be revoked with the consent of the Secretary.

Testing date

Under the House bill, the nondiscrimination rules are applied based on the benefits available and provided on one day in a year (the testing date). The employer may designate in the plan any day as the testing date. However, the testing date is required to be the same for all plans of the same type (except that two groups of plans may have two different dates if the two groups are in different lines of business or operating units that are tested separately under the nondiscrimination rules). If any plan does not specify a testing date, the testing date for all plans of the same type (subject to the line of business or operating unit exception) is the last day of any applicable testing year. For years beginning after December 31, 1989, a plan's designated testing date may not be changed without the consent of the Secretary.

Changes taken into account

Under the House bill, certain adjustments are required with respect to plans of the same type (i.e., plans providing benefits excludable under the same Code section) if there is a change in plan design or in any election by a highly compensated employee to change his or her benefits in any way during the year with respect to any such plan. Pursuant to these adjustments, such plan design changes and elections are required to be taken into account as of the testing date, but are to be prorated based on the period of time during which they were in effect during the year.

Senate Amendment

Testing year

The Senate amendment is the same as the House bill.

Testing date

The Senate amendment is the same as the House bill.

Changes taken into account

The Senate amendment treats certain changes as indirectly affecting the entire year under the nondiscrimination rules. Under the Senate amendment, for example, if during any part of the year an employer allowed certain employees to be eligible under a core health plan immediately upon being hired, then on the testing date and all determination dates, no employee may be disregarded in testing the employer's core health plans based on an initial service requirement (subject to the line of business or operating unit exception of sec. 89(h)(4)).

Conference Agreement

Testing year

The conference agreement generally follows the House bill and Senate amendment with respect to the rule that an employer may designate in its plans a common 12-month testing period. The conference agreement provides that the testing year is subject to the same consistency requirement that applies to the testing date (described below). That is, the testing year designated by the employer is required to be the same for all plans of the same type (except that plans of the same type may have different testing years if the plans are in different lines of business or operating units and the plans are being tested on a line of business or operating unit basis). If the employer does not designate a testing year in the plan or plans providing benefits of the same type have different designated years, then the testing year is the calendar year. Any designation of a testing period may not result in any period being disregarded for the purposes of section 89.

In addition, under the conference agreement, if a plan is maintained by more than one employer (whether a multiemployer or multiple employer plan), an employer maintaining the plan is not bound by the testing period, if any, designated in the plan. Each such employer may designate in writing, in a form not inconsistent with rules prescribed by the Secretary, the testing year it will use with respect to such plan. In the absence of such a designation by the employer, the general rules apply so that the employer tests the plan based on the testing year designated in the plan or, if no such year is designated, based on the calendar year.

Each employer's designation of a testing year is subject to the rules applicable to designations in a plan, including the requirement that the Secretary consent to changes of the testing year and that the testing year be the same for all plans of the same type.

Although a change in the testing year may be made with the consent of the Secretary, the conferees intend that any changes approved by the Secretary may not result in any period being disregarded for purposes of section 89. Further, as is the case with any designation of a testing year or testing date, such a change is subject to the nondiscriminatory provision test.

Testing date

The conference agreement follows the House bill and the Senate amendment. In addition, the conference agreement provides that, if a plan is maintained by more than one employer (whether a multiemployer or multiple employer plan), an employer maintaining the plan is not bound by the testing date, if any, designated in the plan. Each such employer may designate in writing, in a form not inconsistent with rules prescribed by the Secretary, the testing date it will use with respect to such plan.

In the absence of such a designation by the employer, the general rules apply so that the employer tests the plan based on the testing date designated in the plan (if consistent with the testing date for other plans of the employer of the same type) or, if no date is designated or there are no other plans of the same type of the employer, based on the last day of the applicable testing year.

The rules generally applicable to testing dates apply for purposes of this special rule. Thus, the testing date is to be the same for all plans of the same type (subject to the separate line of business and operating unit exception), and, for years beginning after 1989, the designation may be changed only with the consent of the Treasury.

The conferees intend that the designation of an annual testing date need not be of a certain date, such as January 1 of each testing year. The designation also may be made by use of a fixed method, such as the last day of the first two-week pay period ending in the testing year.

Changes taken into account

The conference agreement follows the Senate amendment, but clarifies that the rule in the Senate amendment relating to the disregard of employees is subject not only to the line of business or operating unit exception, but also to the separate testing rule (sec. 89(h)(5)) and to the special multiemployer plan rule (new sec. 89(h)(6)).

The conferees intend that changes in plan design and highly compensated employee elections that occur prior to the testing date but within the same testing year are to be taken into account, just as such changes and elections are required to be taken into account if they occur after the testing date but within the same testing year.

Determination of discriminatory excess

The conferees clarify the interaction of the annual testing procedure and the determination of the discriminatory excess with the following example.

Assume that an employer uses the calendar year as its testing year and January 1 as its testing date. Assume further that all of the employer's accident and health plans satisfy the 50-percent test, the 90-percent/50-percent test, and the nondiscriminatory provision test. Assume that the employer elects to test employee coverage and coverage of spouses and dependents together for purposes of the 75-percent test.

Example 1.—Assume that for 1990, the following facts exist (see Example 1):

EXAMPLE 1.—DETERMINATION OF DISCRIMINATORY EXCESS

Employee	Employment during 1990	Employer provided benefit	Testing value
A	1/1–6/30	$500	$1,000
B	1/1–12/31	1,000	1,000
C	1/1–12/31	1,500	1,500
D	2/1–12/31	1,375	NA
E (highly compensated)	1/1–6/30	900	1,800
F (highly compensated)	1/1–12/31	1,800	1,800
G (highly compensated)	2/1–12/31	917	NA

Assume further that there are no changes in plan design or changes in highly compensated employees' elections during 1990.

The employer-provided benefit column provides the actual employer-provided benefit received by each employee during 1990. The testing value column provides the annual value of the employer-provided benefit that each employee receives on the testing date. This testing value is determined by taking into account the actual employer-provided benefit for each employee who is employed on the testing date, but adjusting such benefit to the value of the benefit as if it were provided for the entire testing year. It is this value that is used for purposes of applying the 75-percent test. There are no testing values for D and G because they are not employed on the testing date and thus are disregarded for testing purposes.

Based on these facts, for purposes of the 75-percent benefits test, the average employer-provided benefit for the nonhighly compensated employees is $1,167 (($1,000 + $1,000 + $1,500) / 3). The average employer-provided benefit for the highly compensated employees is $1,800 (($1,800 + $1,800)/2). In order to satisfy the 75-percent test, the average employer-provided benefit may not exceed $1,556 ($1,167/.75). Thus, there is a discriminatory excess under the 75-percent test.

Once an employer determines that there is a discriminatory excess under the plan, the employer is required to determine the actual employer-provided benefit for every highly compensated employee, including those not employed on the testing date, and apply the tests based on such data. This calculation may result in an increase or decrease or even an elimination of the discriminatory excess. The average employer-provided benefit for nonhighly compensated employees is not recalculated.

For example, under the above facts, the average employer-provided benefit for the highly compensated employees is $1,497. This is determined under the present-law rules applicable for purposes of the 75-percent test, that is, by including the actual employer-provided benefit in the numerator and counting an employee as less than a full employee in the denominator if such employee is not employed for the entire year. In this example, E is 1/2 of an employee and G is 11/12 of an employee. Thus, the average employer-provided benefit for the highly compensated employees is calculated as follows: ($900 + $1,800 + $917)/ (1 + 1/2 + 11/12) = $1,497. Because $1,497 is less than $1,556, there is no discriminatory excess under the 75-percent test.

Assume, however, that G's actual employer-provided benefit is $1,650, rather than $917. In this case, the average employer-provided benefit (based on actual data) for the highly compensated employees is $1,800. This amount is calculated as follows: ($900 + $1,800 + $ $1,650)/(1+ 1/2 + 11/12) = $1,800. Because $1,800 is above the maximum permitted average for the highly compensated employees of $1,556, there is a discriminatory excess, and it is necessary to allocate the excess among the highly compensated employees.

As under present law, the discriminatory excess is defined as the amount of the otherwise nontaxable employer-provided benefit (including any benefits purchased with elective contributions) that would have to have been purchased with after-tax employee contributions by the highly compensated employees in order to satisfy all the nondiscrimination tests. Any discriminatory excess with respect to the benefits test is to be allocated to highly compensated employees by reducing the otherwise nontaxable employer-provided benefit (including benefits purchased with elective contributions) of highly compensated employees, beginning with the employees with the greatest such benefit, until the plan (or plans) being tested would not be discriminatory under the benefits test.

The amount of the discriminatory excess is determined and allocated as follows. First, the total discriminatory excess for all highly compensated employees is determined by (1) calculating what the total employer-provided benefit for all highly compensated employees would be if the average employer-provided benefit for such employees satisfied the benefits test, and then (2) subtracting the amount in (1) from the total actual employer-provided benefit for all highly compensated employees.

In the example, the calculation of the total permitted employer-provided benefit for highly compensated employees is $1,556 x (1 + 1/2 + 11/12) = $3,760. Then, this amount is subtracted from the actual employer-provided benefit for the highly compensated employees to obtain the total excess of $590 as follows: ($900 + $1,800 + $1,600) - $3,760 = $590.

To allocate the $590 of discriminatory excess among the highly compensated employees, F's benefit is reduced first, because F has the highest employer-provided benefit. Thus, F's otherwise nontaxable employer-provided benefit is reduced by $150, to the level of G's employer-provided benefit. Then, F's and G's benefits are reduced equally until the remaining $440 of excess ($590 −$150) is allocated. That is, F's benefit is reduced by an additional $220, and G's benefit is reduced by $220. Thus, F's total nontaxable benefit is $1,430 ($1,800 −$150 −$220), as is G's ($1,650 −$220). A total of $370 ($150 +$220) is includible in F's income, and a total of $220 is includible in G's income.

d. Sampling

Present Law

Under present law, employers are required to demonstrate compliance with the employee benefit nondiscrimination rules based on data with respect to all of their employees.

House Bill

Under the House bill, employers are entitled to determine whether a plan is discriminatory on the basis of a statistically valid random sample of employees that is not inconsistent with rules prescribed by the Secretary. Such random sampling may be performed only by an independent third party. For this purpose, sampling is treated as valid only if the statistical method and sample size produce a 99 percent level of confidence that the sample results have a margin of error not greater than two percent.

Sampling may be used only for purposes of testing whether a plan is discriminatory. It may not be used for purposes of identifying the highly compensated employees who have a discriminatory excess or the amount of such excess.

Senate Amendment

Under the Senate amendment, the sampling rules of the House bill are modified by providing that sampling is treated as valid if the statistical method and sample size produce a 95-percent level of confidence that the sample results have a margin of error not greater than three percent.

Conference Agreement

The conference agreement follows the Senate amendment. As under the Senate amendment, employers may rely on sampling in determining the benefits available to or provided to nonhighly compensated employees for testing purposes. However, if an employer determines through sampling that its plans are discriminatory, the employer is to collect data with respect to all highly compensated employees and apply the tests based on the more complete data (still using the sampling results for the nonhighly compensated employees).

e. Comparability

Present Law

General comparability range

Under present law, for purposes of applying the 80-percent test to accident and health plans, in general, a group of plans are comparable and may be aggregated as one plan if the least valuable plan has a value of at least 95 percent of the value of the most valuable plan.

Plans outside general comparability range

Under present law, for purposes of the 80-percent benefits test, a plan (or group of comparable plans) with a value greater than the value permitted under the general comparability rule may be aggregated with the group of less valuable plans if the percentage of highly compensated employees actually covered under the plan does not exceed the percentage of nonhighly compensated employees actually covered.

House Bill

General comparability range

Under the House bill, for purposes of the 80-percent test, an employer may elect to reduce the 95-percent comparability standard to an 80-percent standard. However, in any testing year for which the election is made, the 80-percent benefits test is modified to be a 90-percent test. (References below to the 80-percent test generally include this alternative 80-percent comparability, 90-percent benefits test.)

Plans outside general comparability range

Under the House bill, for purposes of the 80-percent benefits test, a plan (or group of comparable plans) with a value greater than the value permitted under the general comparability rule may be aggregated with the group of less valuable plans if the percentage of nonhighly compensated employees actually covered is at least 80 percent (90 percent if the 80-percent comparability standard is elected) of the percentage of highly compensated employees actually covered.

Senate Amendment

General comparability range

The Senate amendment is the same as the House bill, except that the general comparability standard for the 80-percent test is modified by substituting 90 percent for 95 percent.

In addition, an employer may elect to reduce the 90-percent requirement for comparability to 80 percent. However, in any testing year for which such an election is made, the 80-percent benefits test is modified to be a 90-percent test.

Plans outside the general comparability range

The Senate amendment is the same as the House bill.

Comparability safe harbor

Under the Senate amendment, for purposes of the 80-percent test, two or more accident or health plans may be treated as comparable with respect to a group of employees if:

(1) such plans are available to all employees within the group on the same terms; and

(2) the difference in annual cost to the employees between the plan in the group with the smallest employee cost and the plan in the group with the largest employee cost is no more than $100 (indexed beginning in 1990 for increases in the consumer price index).

For purposes of the $100 allowable cost differential, employee contributions may be compared only with other employee contributions made on the same basis (e.g., after-tax as opposed to pre-tax). If the employer elects to test coverage of employees separately from coverage of spouses and dependents, the $100 allowable cost differential may be allocated between coverage of employees and coverage of spouses and dependents in any way elected by the employer (e.g., $40 differential taken into account for employee coverage and $60 differential taken into account for coverage of spouses and dependents).

The Senate amendment also provides that plans that do not meet the safe harbor may be aggregated with plans satisfying the safe harbor in two circumstances.

First, any other plan may be aggregated with the group of plans described above if such other plan is comparable (under the otherwise applicable comparability standard) to the plan within the group with the largest employer-provided benefit.

Second, a plan also may be treated as comparable to the group of plans satisfying the comparability safe harbor with respect to an employee if (1) the employee is eligible under the plan within the group with the largest employer-provided benefit, (2) the contribution under the plan outside the group is within the range permitted with respect to the group of plans, and (3) the employer-provided benefit under the plan outside of the group is less than the employer-provided benefit under the plan within the group with the largest such benefit. The first two requirements only apply to nonhighly compensated employees. This rule permits, for example, a plan that is available to highly compensated employees and that has a lower employer-provided benefit and an employee cost within the range permitted by the safe harbor to be aggregated with the group of plans aggregated under the comparability safe harbor.

Conference Agreement

General comparability range

The conference agreement follows the Senate amendment.

Plans outside general comparability range

The conference agreement follows the House bill and the Senate amendment.

Comparability safe harbor

The conference agreement follows the Senate amendment. This special safe harbor differs from the present-law general comparability standard in that the present-law rule looks at the employer-provided benefit, whereas the safe harbor looks at the cost to the employee (i.e., the employee contributions) of the plan. The theory of the safe harbor is that, if an employee may choose freely among different benefit plans, then an employee will choose a plan based on the benefits provided, rather than based on other factors, such as cost, so that the plans should be considered comparable.

The theory of the safe harbor rule argues for a safe harbor rule that allows aggregation of plans only if there is no difference in employee cost. In other words, an employee has the greatest degree of free choice if the cost to the employee of each plan is the same. The conferees believe, however, that some flexibility in the cost differential is appropriate to ease the administrative burdens of complying with the employee benefit nondiscrimination requirements. The conference agreement does not permit any greater cost differential to be taken into account because such a greater differential could seriously erode the intent of the nondiscrimination rules and would be inconsistent with the concept of free choice.

The conference agreement modifies the safe harbor by providing that a plan may be treated as comparable to the group of plans satisfying the safe harbor with respect to an employee if (1) the plan has a lower employer-provided benefit than the plan in the group with the highest employer-provided benefit, (2) with respect to a nonhighly compensated employee, the employee is eligible for the plan within the group with the highest employer-provided benefit, and (3) with respect to a nonhighly compensated employee, the employee contribution required under the plan is not less than the smallest employee contribution permitted under the safe harbor. This rule permits, for example, a plan with a higher employee contribution but a lower employer-provided benefit to be aggregated with the group of plans as long as the employee is eligible for the best plan in the group. An employee might choose the plan outside the group, for example, if it provides family coverage, and the plans within the group do not.

Summary of comparability rules

The comparability rules of the conference agreement applicable to the 80-percent test in the case of accident or health plans are summarized and illustrated below. Of course, under present law, if the 80-percent test is used by the employer, it is to be used with respect to all plans of the employer of the same type.

(1) *General comparability range.*—For purposes of the 80-percent test, a group of plans are comparable and may be aggregated if the value of the employer-provided coverage provided to each covered employee in the plan with the lowest such value is at least 90 percent of the value of the employer-provided coverage provided to each covered employee in the plan with the highest such value. The comparability standard is reduced to 80 percent if the employer elects to apply the 80-percent test as a 90-percent test.

(2) *Plans outside the general comparability range.*—For purposes of the 80 percent test, a plan with a value greater than that permitted under the general comparability rule may be aggregated with a group of less valuable comparable plans if the percentage of nonhighly compensated employees covered under the plan with the greater value is at least 80 percent (90 percent if the 80-percent test is applied as a 90-percent test) of the percentage of highly compensated employees covered under such plan.

(3) *Comparability safe harbor.*—

(a) Under the general safe harbor rule, as described more fully above, for purposes of the 80-percent test, a group of plans is treated as comparable with respect to a group of employees if (i) such plans are available on the same terms to all employees within the group, and (ii) the difference in annual cost to the employees between the plan in the group with the smallest employee cost and the plan with the highest employee cost is not more than $100 (indexed).

(b) Any other plan may be aggregated with the group of plans in (a) if such other plan is comparable (under the general comparability range described in paragraph (1) above) to the plan within the group with the largest employer-provided benefit.

(c) A plan may also be treated as comparable to the group of plans described in (a) and (b) with respect to an employee if (i) in the case of a nonhighly compensated employee, such employee is eligible under the plan within the group with the largest employer-provided benefit, (ii) in the case of a nonhighly compensated employee, the employee contribution under the plan outside the group is not less than the smallest employee contribution permitted with respect to the group of plans under the general safe harbor, and (iii) the employer-provided benefit under the plan outside of the group is less than the employer-provided benefit under the plan within the group with the largest such benefit (without taking into account any plans aggregated under (b) above).

The comparability rules do not override the rule requiring plans to be aggregated in certain cases. (See discussion below with respect to mandatory aggregation.)

Example 2.—The following example illustrates the application of the comparability rules for plans outside the general comparability range.

Assume, for example, that in testing year 1989, an employer maintains indemnity health plans that vary only with respect to the deductibles and required employee contributions. The total coverage is the same under all the plans. The deductibles and required employee contributions are as follows:

EXAMPLE 2.—PERMISSIBLE AGGREGATION—ACCIDENT OR HEALTH PLANS

Plan (employee coverage)	Plan (family coverage)	Compensation [1]	Employee deductible	Employee and family deductible	Employee contribution (employee only)	Employee contribution (employee and family)
A	A1	0 to $19,999	$100	$250	0	0
B	B1	$20,000 to $39,000	150	375	$50	$125
C	C1	$40,000 to $59,999	200	500	100	250
D	D1	$60,000 to $79,999	250	625	150	375
E	E1	$80,000 to $99,999	300	750	200	500
F	F1	$100,000 and higher	350	857	250	625

[1] The definition of compensation for this purpose is the same as the 1 used under sec. 414(q)(7).

There are 12 plans described in the above chart. Plan A is employee coverage for employees earning between 0 and $19,999; Plan A1 is coverage of spouses and dependents of employees in the same compensation range. Thus, there are two plans in each compensation range and six compensation ranges for a total of 12 plans.

Assume that these 12 plans are the only plans maintained by this employer. Assume further that the employer elects to test employee coverage and coverage of spouses and dependents separately, and, with respect to the latter, elects to disregard employees who do not have a spouse or dependent.

Assume that, with respect to this employer, highly compensated employees are employees with compensation (as defined in sec. 414(q)(7)) in excess of $50,000. Thus, Plans A and B cover only nonhighly compensated employees, Plan C covers both highly and nonhighly compensated employees, and Plans D, E, and F cover only highly compensated employees.

It is assumed for purposes of this example that the employer does not disregard individuals covered under another employer's core health plan. It also is assumed that the nondiscriminatory provision test is satisfied.

Under the aggregation rule for plans outside the general comparability range, all employee coverage is nondiscriminatory under the 80-percent test if 80 percent of the nonhighly compensated employees are covered under one of the plans providing employee coverage. In addition, all coverage of spouses and dependents is nondiscriminatory under the 80-percent test if 80 percent of the nonhighly compensated employees with families are covered under one of the plans providing coverage of spouses and dependents. This result is obtained through successive application of the rule for aggregating plans outside the general comparability range, as described below. For convenience, the following discussion refers only to employee coverage.

Under this example, because the only differences between the plans are the deductibles and required employee contributions, it is clear that the employer-provided benefit is the greatest under Plan A and is less under each succeeding plan with the smallest employer-provided benefit provided under Plan F. With that as an initial conclusion, it is clear that Plans A and B be aggregated because Plan A consists solely of nonhighly compensated employees and, thus, even if Plan A is above the permitted comparability range with respect to Plan B, under the rule for plans above the comparability range, Plan A may be aggregated with a less valuable plan.

Plans A and B can be aggregated with Plan C for the same reason. Thus, Plans A, B, and C, which are the only plans with nonhighly compensated employees, may be aggregated.

Under the rule for plans outside the comparability range, the group consisting of Plans A, B, and C can be aggregated with Plan D even if such plans are outside the comparability range with respect to Plan D if the percentage of nonhighly compensated employees participating in Plans A, B, and C is at least 80 percent of the percentage of highly compensated employees participating in such plans. This requirement will be automatically satisfied if at least 80 percent of all nonhighly compensated employees of the employer participate in Plans A, B, or C (Plan D by definition does not cover nonhighly compensated employees). Assuming that is the case, then Plans A, B, and C can be aggregated with Plan D. Under the same analysis, Plan E may be aggregated with Plans A, B, C, and D, and Plan F may be aggregated with Plans A, B, C, D, and E.

Assume the same facts described above, except that the required employee contributions are paid by all employees with pre-tax dollars through salary reduction under a cafeteria plan. The result would be the same, even though benefits funded through salary reduction are employer-provided benefits for purposes of the 80-percent test. The result occurs because it can be determined without valuation that the higher paid employees have smaller employer-provided benefits. The use of salary reduction to pay the required employee contributions reduces this disparity but does not eliminate it because the deductibles still rise with compensation.

Assume the same facts described above, except that the required employee contributions are paid with after-tax dollars. Assume further that each employee may choose between plans A to F, whichever is applicable, and a health maintenance organization (HMO). If the employee elects the HMO, the employer contributes the same amount to the HMO that it would contribute to the indemnity plan on behalf of the employee (determined without regard to the age or any other characteristic of the employee). In such a situation, the HMOs may be aggregated with the indemnity plans for purposes of satisfying the 80-percent test if: (1) the employer elects to use cost as its valuation method under the temporary special valuation method; and (2) each HMO has a cost equal to at least 90 percent of the employer cost for the corresponding indemnity plan. (It may be that the HMOs may be aggregated with the indemnity plans even if the employer does not use cost as its valuation method (which must be the same for all plans tested together), but this would depend on facts not described above, i.e., the noncost values of the HMOs and indemnity plans.)

Example 3.—This example demonstrates the comparability safe harbor rule. Assume an employer maintains three plans, Plans A, B, and C, with the following required employee contributions and employer-provided coverage. Assume further that all three plans are available to all nonhighly compensated employees of the employer.

EXAMPLE 3.—COMPARABILITY SAFE HARBOR

	Plan					
	A	B	C	D	E	F
Employee contribution	$100	$50	0	$150	$50	$150
Value of employer-provided benefit	1,000	900	$800	900	700	800

Plans A, B, and C, may be aggregated under the safe harbor with respect to all employees to whom the plans are available, because the plans have a difference in employee contributions of no more than $100.

Assume that the employer also maintains Plan D. Plan D can not be aggregated with plans A, B, and C under the general safe harbor rule because the required contribution is outside the permissible range. However, Plan D can be aggregated with plans A, B, and C under the rule that a plan that is comparable to a plan within the safe harbor group with the largest employer-provided benefit (Plan A) may be aggregated with the group.

Assume further that the employer also maintains Plan E. Assume further that Plan E is not available to all the employees who are eligible for Plans A, B, and C, but that all employees eligible for Plan E are eligible for Plan A. Because of this eligibility restriction, Plan E cannot be aggregated with Plans A, B, and C under the general safe harbor. However, Plan E can be aggregated with Plans A, B, and C under the rule (described in paragraph (3)(c) above) that a plan can be aggregated with plans in the safe harbor group if nonhighly compensated employees are eligible under the plan in the group with the largest employer-provided benefit, if the contributions of nonhighly compensated employees are within the range of employee contributions permitted for the safe harbor group, and the employer-provided benefit for the plan outside the safe harbor group is smaller than the largest employer-provided benefit under a plan within the group. (Even if not all the nonhighly compensated employees who are eligible for Plan E are eligible for Plan A, the aggregation rule applies with respect to those nonhighly compensated employees who are eligible for Plan A.)

Assume that the employer also maintains Plan F, and that all employees eligible for Plan F are eligible for Plan A. Plan F can be aggregated with Plans A, B, and C under the same rule (described in paragraph (3)(c) above) under which Plan E may be aggregated. (Even if not all the nonhighly compensated employees who are eligible for Plan F are eligible for Plan A, the aggregation rule applies with respect to those nonhighly compensated employees who are eligible for Plan A.)

f. Permissive plan aggregation

Present Law

Under present law, in applying the 75-percent benefits test to plans other than accident or health plans (but not in applying the test to accident or health plans), the employer may aggregate with such plans all plans of one or more different types (i.e., plans providing benefits excludable under one or more different Code sections). Thus, all accident or health plans may be aggregated with plans of a different type to help the nonaccident or health plans satisfy the 75-percent test, but not to help the accident or health plans satisfy such test.

House Bill

No provision.

Senate Amendment

The Senate amendment liberalizes in two respects an employer's ability to aggregate plans of different types for purposes of the 75-percent benefits test. First, the Senate amendment allows benefits of one or more types to be aggregated with all accident or health benefits in order to help the accident or health benefits satisfy the 75-percent benefits test.

Second, under the Senate amendment, an employer may aggregate accident and health benefits with benefits of a different type for purposes of the 75-percent benefits test even if the employer elects to apply the 75-percent benefits test separately to coverage of employees and coverage of employees' spouses and dependents.

Conference Agreement

The conference agreement follows the Senate amendment with respect to the rule allowing benefits to be aggregated even if the 75-percent test is applied separately to accident and health benefits of employees and accident and health benefits of employees' spouses and dependents, and follows the House bill with respect to the rule that employers may aggregate plans other than accident or health plans with accident or health plans to help the accident or health plans satisfy the 75-percent benefits test. Thus, as under present law, plans other than accident or health plans may not be aggregated with accident or health plans to help the accident or health plans satisfy the test.

g. Mandatory plan aggregation—accident or health plans

Present Law

Under present law, each different option with respect to employee benefits generally is treated as a separate plan for testing purposes. However, for purposes of the 50-percent eligibility test and the 80-percent alternative benefits test, comparable accident or health plans may be aggregated (sec. 89)(g)(1)).

House Bill

The House bill provides that, under rules prescribed by the Secretary, if an employee is eligible for (in the case of the 50-percent test) or receives coverage (in the case of the 80-percent test) under more than one accident or health plan, then, for purposes of the 50-percent test and the 80-percent test, such plans are required to be considered one plan with respect to such employee.

For example, assume that an employer maintains two plans: two benefiting all employees with a value of $950, and a second benefiting only highly compensated employees with a value of $1,000. Thus, highly compensated employees receiving benefits from both plans are to be treated for purposes of the 50-percent test and the 80-percent test as receiving $1,950 of benefits from one plan while the nonhighly compensated employees are to be treated as receiving $950 of benefits from a separate plan.

This rule, requiring certain plans to be treated as 1 plan with respect to certain employees, supersedes the rule of present law allowing employers to structure options in different ways as long as all coverage within a plan is identical.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and Senate amendment.

h. Other coverage and sworn statements

Present Law

For purposes of applying the 75-percent benefits test to accident or health plans, an employer generally may elect to disregard any employee or family member of an employee if such individual is covered by a health plan that provides core benefits and that is maintained by another employer of the employee or of the employee's spouse or dependent. For purposes of the same test, if the employer elects to test separately the coverage of spouses and dependents, the employer may disregard employees who do not have a spouse or dependent.

In general, an employer who elects either of these optional rules is required annually to obtain and maintain adequate sworn statements on an IRS form to demonstrate whether individuals have core health coverage from another employer and whether employees have families. Present law permits employers to secure the sworn statements from a statistically valid sample of all employees.

For purposes of the 80-percent alternative benefits test, employees or family members who have coverage under another plan may not be disregarded.

House Bill

Other coverage

Under the House bill, an individual may be disregarded based on core health coverage received from another employer of any family member, including a parent. However, under the House bill, a highly compensated employee (or his or her family) may not be disregarded nor may coverage provided to such highly compensated employee (or his or her family) be disregarded if the coverage provided to such highly compensated employee (or his or her family) is provided under a plan that is aggregated under the special comparability rule for plans outside the normal comparability range.

In addition, with respect to testing accident or health coverage, the 80-percent benefits test is modified to have two parts: (1) the present-law 80-percent coverage requirement with the "other coverage" rule described above, and (2) a requirement that the plan be available to 80 percent (90 percent if the employer elects to reduce the standard for comparability of plans as otherwise permitted by the bill) of the employer's nonhighly compensated employees.

Sworn statements

Under the House bill, the present-law rule governing the form sworn statements are to take is modified to (1) eliminate the requirement that the statements be on an IRS form; and (2) direct the IRS to supply language for inclusion on appropriate employer documents (such as enrollment forms). Under the House bill, after initial enrollment, the sworn statements are required to be collected no more frequently than once every three years unless an employee makes an election with respect to an employee benefit program (including an election not to participate). For years beginning after 1989, the sworn statements generally are required to relate to the facts in existence on the plan's testing date.

Under the House bill, no nonhighly compensated employee (or family member) may be disregarded based on the receipt of other core health coverage unless the employee has the right, if such other coverage ceases, to elect health coverage from the employer without regard to whether it is otherwise open season. For all purposes, such election is to be on the same terms as if such employee had initially elected health coverage from the employer and at a subsequent open season was changing such coverage. A similar rule applies in the case of the treatment of an employee as not having a family. These modifications apply to years beginning after December 31, 1989.

Under the House bill, an employer ("first employer") may treat an individual as having core health coverage from another employer without securing a sworn statement if (1) the first employer makes core health coverage available to the individual at no cost, and (2) such core coverage is rejected by the employee.

Senate Amendment

Other coverage

The Senate amendment is the same as the House bill.

Sworn statements

The Senate amendment generally is the same as the House bill. However, under the Senate amendment, the right of an employee to elect health coverage from the employer without regard to whether it is open season is to be on the same terms as if the employee initially had opted out of health coverage (individual coverage or coverage of his or her spouse and dependents, as the case may be) and was electing coverage at a subsequent open season. Thus, if the employer generally requires such employees to demonstrate evidence of insurability at open season, the employer may do so under this special rule. Also, the coverages required to be made available to the employee are those, if any, that would be available during open season to a similarly situated employee.

The Senate amendment also authorizes the Secretary to prescribe additional rules to make the collection of sworn statements more administrable and the information collected more reliable.

Conference Agreement

Other coverage

The conference agreement follows the House bill and Senate amendment.

Sworn statements

The conference agreement generally follows the Senate amendment. In addition, under the conference agreement, the triennial collection of sworn statements need not relate to the facts in existence on the annual testing date. The collection may relate to the facts in existence on any date (collection fact date) within 6 months of the actual collection. However, with respect to any testing date, the collection of sworn statements that is to be used in testing the plan for nondiscrimination is the one with the collection fact date that is closest in time to the testing date, provided that such collection fact date precedes the testing date.

The conference agreement also clarifies the "open-season" rule under the Senate amendment. Under the open-season rule, with respect to accident or health plans, generally no nonhighly compensated employee (or family member) may be disregarded for purposes of the 75-percent benefits test or the 80-percent alternative benefits test based on his or her receipt of other core health coverage unless, under the plans, the employee has the right to elect and receive health coverage from the employer as if it were open season if such other coverage ceases. A similar rule applies in the case of an employee who is treated as not having a family and then has a family. The conferees intend that, if an employee is in a class that is ineligible for one or more accident or health plans, such employee may be disregarded based on other coverage or on not having a family despite the fact that if such employee lost the other coverage or acquired a family, he or she would not be eligible for such plan or plans.

The conference agreement provides that the sworn statements are to include the coverage the individual is receiving, as well as information as to family status and other coverage. Such information is necessary, for example, to prevent the inappropriate consideration of individuals who have other coverage and who also elect coverage under the employer's plan, and to avoid the failure to take into account individuals who do not have coverage elsewhere but nevertheless do not elect coverage under a plan of the employer.

i. Family coverage

Present Law

Under present law, a special rule applies in the case of family coverage under an accident or health plan. Pursuant to this special rule, for purposes of the 90-percent/50-percent eligibility test and the 80-percent benefits test, the coverage for employees and the coverage for spouses and dependents may be tested separately, as if they constituted two different types of plans. Further, for purposes of the same test, with respect to coverage of spouses and dependents, the employer may disregard employees who do not have a spouse or dependent. An employer who elects this latter optional rule is required to obtain and maintain adequate sworn statements on an IRS form to demonstrate whether employees have a spouse or dependent.

House Bill

The House bill deletes the rule allowing employers to apply the 90-percent/50-percent eligibility test separately with respect to family coverage and to take into account for such purpose only employees who have a family.

Under the House bill, family coverage (i.e., coverage of an employee's family, which is considered separate from coverage of the employee) may be considered to be available (if otherwise available) or provided (if otherwise provided) to an employee despite the fact that the employee does not have a family.

This rule alone, however, could produce inappropriate results in certain circumstances, and it is intended that the nondiscriminatory provision test will be applied to prevent such results.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and Senate amendment, but clarifies that if an employee is entitled to coverage of his or her spouse or dependents under the terms of an accident or health plan, such employee is considered to receive such coverage despite the fact that such employee may not have a spouse or dependents. Thus, for example, if coverage of an employee's spouse and dependents is noncontributory and the employee does not reject the coverage, such employee is considered to receive coverage of his or her spouse and dependents without regard to whether he or she has a spouse or dependents. If coverage of an employee's spouse and dependents is contributory and the employee makes the required contribution, such employee is considered to receive coverage for his or her spouse and dependents without regard to whether he or she has a spouse or dependents. Of course, in such case, if the employee does not make the required contribution, the employee is not considered to receive coverage for his or her spouse and dependents (if any).

j. Cafeteria plans

Present Law

Definition of a cafeteria plan

Under present law, the definition of a cafeteria plan includes a plan only offering a choice between nontaxable benefits (sec. 125).

Qualified benefits

To qualify as a cafeteria plan, a plan may not offer benefits other than cash and qualified benefits. The term "qualified benefit" generally means any benefit that, with the application of section 125(a), is excludable from an employee's income by reason of a provision of Chapter 1 of the Code (other than secs. 117, 124, 127, or 132). In addition, the term includes (1) any group-term life insurance coverage that is includible in income only because it is in excess of $50,000, and (2) any other benefit permitted under regulations.

Election limitations

Under present law, employers are allowed to limit the elections of highly compensated employees under a cafeteria plan to the extent necessary to comply with the applicable nondiscrimination rules (e.g., sec. 89 or sec. 129(c)(7)). However, these limitations are to be applied in the manner prescribed for allocating discriminatory excess among highly compensated employees.

Excludable employees

Employees who may be disregarded for purposes of the nondiscrimination rules (sec. 89(h)) may also be disregarded for purposes of applying the cafeteria plan nondiscrimination rule (sec. 125(b)(1)) to any cafeteria plan. An employee in a particular category (e.g., an employee who does not meet a minimum age or service requirement) may be disregarded only if all employees in that category are ineligible under all plans of the same type (sec. 89(h)(3)(A)). In the case of a cafeteria plan, all benefits under the cafeteria plan are treated as provided under plans of the same type.

House Bill

Definition of a cafeteria plan

The House bill amends the definition of a cafeteria plan so that a choice only between nontaxable benefits is not a cafeteria plan.

Sanctions

The House bill clarifies that, in the case of a cafeteria plan that fails the cafeteria plan nondiscrimination test (sec. 125(b)(1)), only highly compensated employees are required to include the available taxable benefits in income. In the case of a cafeteria plan that fails the key employee concentration test (sec. 125(b)(2)), the House bill clarifies that only key employees are required to include the available taxable benefits in income.

Qualified benefits

The House bill modifies the definition of qualified benefits to include benefits that would be qualified benefits but for the fact that they are includible in an employee's income because of a failure to satisfy the nondiscrimination requirements (sec. 89(a)). Thus, if, for example, there is a discriminatory excess with respect to a health plan offered under a cafeteria plan, such discriminatory excess will not cause the cafeteria plan to cease to be a cafeteria plan.

Senate Amendment

Definition of a cafeteria plan

The Senate amendment is the same as the House bill.

Sanctions

The Senate amendment is the same as the House bill.

Qualified benefits

The Senate amendment is the same as the House bill.

Election limitations

Under the Senate amendment, the limits on elections of highly compensated employees may be applied in any manner used consistently by the employer that precludes employer discretion during the year in which the limitation applies. For years beginning after December 31, 1989, such nondiscretionary method is required to be established in the plan document prior to the beginning of the year to which the method applies.

Conference Agreement

Definition of a cafeteria plan

The conference agreement follows the House bill and Senate amendment.

Sanctions

The conference agreement follows the House bill and Senate amendment.

Qualified benefits

The conference agreement follows the House bill and Senate amendment.

Election limitations

The conference agreement generally follows the Senate amendment, but prohibits employers from applying the limitations on elective contributions based on utilization of elective amounts or based on any other system that has the effect of avoiding the cafeteria plan rule that elective contributions not used during a year are forfeited.

Excludable employees

The conference agreement clarifies that the rule treating all benefits under a cafeteria plan as provided under plans of the same type (sec. 83(h)(3)(A)) only applies for purposes of determining which employees may be disregarded under section 89(h). Thus, the conference agreement clarifies that, for purposes of applying the cafeteria plan nondiscrimination rules, an employer may exclude a category of employees from consideration only if all employees in such category are excluded with respect to all options offered by the cafeteria plan.

k. Elective contributions under the 90-percent/50-percent test

Present Law

For purposes of the 90-percent/50-percent test, available elective contributions under a cafeteria plan are not taken into account.

House Bill

No provision.

Senate Amendment

The Senate amendment modifies the application of the 90-percent/50-percent test to cafeteria plans. Under the Senate amendment, elective contributions under a cafeteria plan may be wholly or partially taken into account for purposes of the 90-percent/50-percent test if the following requirements are satisfied:

(1) the percentage of nonhighly compensated employees eligible under the plan is equal to or less than the percentage of highly compensated employees eligible under the plan;

(2) all employees eligible under the plan are eligible under the same terms and conditions; and

(3) no highly compensated employee eligible under the plan is eligible inside or outside of the cafeteria plan for any benefit of the same type that is not available on the same terms and conditions to every nonhighly compensated employee eligible under the plan.

Conference Agreement

The conference agreement generally follows the Senate amendment with respect to the treatment of elective contributions. However, partial inclusion of salary reduction amounts with respect to any individual for purposes of the 90-percent/50-percent test is not permitted under any circumstances. In addition, the Secretary is authorized to prescribe rules under which employers are required or permitted to take into account or to disregard elective contributions for purposes of the 90-percent/50-percent test. For example, the conferees recognize that the exclusion of elective contributions may create inappropriate results in the application of the nondiscrimination tests if highly compensated employees are entitled to purchase a significant portion of their available benefits with elective contributions. Similarly, the inclusion of elective contributions may create inappropriate results if a significant portion of the nonhighly compensated employees are required to purchase all or a significant portion of their available health coverage with elective contributions. Accordingly, the conferees expect that the Secretary will prescribe rules that ensure that elective contributions by highly compensated employees, by nonhighly compensated employees, or by both are not treated in a manner that circumvents the intent of the employee benefit nondiscrimination rules.

l. Former employees

Present Law

The Reform Act did not provide any special rules with respect to the application of the employee benefit nondiscrimination rules to former employees of an employer who continue to receive benefits under an employer's plan.

House Bill

Under the House bill, employees who separated from service prior to January 1, 1987, generally may be disregarded in applying the nondiscrimination rules to former employees, except with respect to benefit increases after the effective date of the employee benefit nondiscrimination rules.

Senate Amendment

The Senate amendment makes three modifications to the House bill rule relating to former employees. First, the rule applies to all employees who separate from service prior to January 1, 1989 (rather than January 1, 1987), with respect to the level of benefits provided on December 31, 1988. Second, any Federally mandated increase in benefits with respect to an employee who separated from service prior to January 1, 1989, is not considered a benefit increase and thus is included within the rule. Third, a benefit increase after December 31, 1988, with respect to an employee who separated from service before January 1, 1989, is disregarded if (1) it is provided in the same manner to employees who separated from service after December 31, 1988, as it is to employees who separated from service before January 1, 1989, and (2) the benefit increase is nondiscriminatory with respect to employees who separated from service after December 31, 1988. A benefit increase will be considered provided in the same manner to the two groups of former employees if it is provided to the same reasonable classes of former employees within each group (e.g., all employees who satisfied certain reasonable length of service requirements).

Conference Agreement

The conference agreement follows the Senate amendment with the following modifications. First, the conference agreement clarifies that the rule does not apply to employees who are reemployed by the employer after December 31, 1988. Second, under the conference agreement, benefit reductions after December 31, 1988, with respect to employees who separate from service prior to January 1, 1989 (pre-1989 former employees), generally must be tested under the nondiscrimination rule, as follows. Each pre-1989 former employee is treated as receiving a benefit increase subject to the nondiscrimination rules to the extent that his or her benefit is not reduced as much as the pre-1989 former employee with the greatest benefit reduction. This rule is designed to prevent discrimination in favor of highly compensated former employees through a nonuniform reduction in benefits.

The requirement that benefit reductions with respect to pre-1989 former employees be tested for discrimination under section 89 is subject to the same exceptions in the Senate amendment applicable to benefit increases.

m. Definition of highly compensated employee

Present Law

Under present law, an employee is treated as highly compensated with respect to a year if, at any time during the year or the preceding year, the employee (1) was a 5-percent owner of the employer, (2) received more than $75,000 in annual compensation, (3) received more than $50,000 in annual compensation and was in the top 20 percent of employees by compensation, or (4) was an officer of the employer.

House Bill

Under the House bill, employers are entitled to elect to determine their highly compensated employees under a simplified method. Under the simplified method, an electing employer may treat employees who received more than $50,000 in annual compensation from the employer as highly compensated employees in lieu of applying the $75,000 and $50,000 compensation tests of present law.

An employer is entitled to make this election with respect to a current testing year if (1) the employer did not maintain a top-heavy plan (sec. 416) at any time during such year, and (2) at all times during such year, the employer maintained business activities and employees in at least two geographically separate areas.

Senate Amendment

The Senate amendment follows the House bill, except that the Senate amendment deletes the requirements that an employer operate in at least two geographic areas and not maintain any top-heavy plans in order to use this alternative rule.

Conference Agreement

The conference agreement follows the Senate amendment with respect to the simplified method of determining highly compensated employees, except that the availability of this simplified method is limited to employers that maintain significant business operations in at least two significantly separate geographic areas. For this purpose, the 35-mile safe harbor for operating units under section 89 (discussed below) does not apply.

In addition, the Secretary is given authority to provide for other situations in which the alternative definition cannot be used. It is intended that the Secretary use this authority to prohibit use of the alternative definition where to do so would result in greater discrimination than permitted under the present-law definition. For example, some employees who are nonhighly compensated under the present-law definition will be considered highly compensated under the alternative definition. By excluding such highly compensated employees from the plan, the nonhighly compensated employees may be provided a lower benefit than would otherwise be permitted under the nondiscrimination rules. The conferees intend that any further restrictions would not be effective until the issuance of guidance by the Secretary describing the situations in which the alternative definition is not available.

n. Employers with no nonhighly compensated employees

Present Law

Under present law, the nondiscrimination rules applicable to statutory employee benefit plans are applied by reference to the eligibility of nonhighly compensated employees to participate in a plan or to the amount of benefits provided to nonhighly compensated employees under a plan. It is unclear under present law how these nondiscrimination rules apply in the case of an employer who has no nonhighly compensated employees.

House Bill

The House bill clarifies that the nondiscrimination rules do not apply to an employer in a year in which such employer has no nonhighly compensated employees. This rule applies separately with respect to former employees under rules prescribed by the Secretary.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

o. Special rules for part-time employees

Present Law

Under present law, under certain circumstances, employees who normally work less than 17-1/2 hours per week are disregarded in applying the nondiscrimination rules.

In addition, present law permits the employer-provided benefit to be reduced proportionately under specified rules for employees who normally work less than 30 hours per week. These rules apply only if more than 50 percent of the nonexcludable employees (determined without regard to plan provisions) normally work at least 30 hours per week.

House Bill

Determination of hours worked

The House bill provides a simplified method for determining the number of hours an employee is considered to work normally in a week. Until the end of the applicable testing year in which an employee commences work with the employer, an employee is considered to work normally the average number of hours such employee is scheduled to work during such year (disregarding any time the employee is not employed by the employer). The determination of the average scheduled hours is to be made in good faith and is to take into account periods in which it is expected that hours will be higher due to, for example, seasonal business cycles.

For subsequent testing years, an employee is considered to work normally the average number of hours worked during the preceding testing year (disregarding any time the employee was not employed by the employer). In determining the number of hours an employee has worked or is scheduled to work, rules similar to the qualified plan "hour of service" rules apply.

Proportionate reduction

The House bill modifies the conditions under which the proportionate reduction rules may be applied. Under the House bill, at the employer's election, the number of nonhighly compensated nonexcludable employees generally may be determined without regard to the rule that the shortest waiting period, lowest age, etc., required as a condition of participation under all plans of the same type is to be taken into account in determining excludable employees. This rule applies only for purposes of determining whether the proportionate reduction rule may be applied to an employer's part-time employees.

Senate Amendment

Determination of hours worked

The Senate amendment modifies the House bill method for determining the number of hours an employee is considered to work normally in a week. Under the Senate amendment, for a testing year, an employee is considered to work normally the average number of hours worked during the period in the testing year prior to the testing date. If such period is less than 60 days, an employee is considered to work normally (1) the average number of hours worked during the prior testing year, or (2) if the employee did not work at least 60 days during the prior testing year, the average number of hours such employee is scheduled to work, as of the testing date, during the longer of (i) the next 60 days, or (ii) the period between the testing date and the end of the testing year. For purposes of these rules, periods during which an employee does not work are disregarded. The amendment follows the House bill with respect to how scheduled hours are to be determined and the definition of hours worked.

Proportionate reduction

The Senate amendment allows application of the proportionate reduction rule without regard to the requirement that more than 50 percent of the nonexcludable employees normally work at least 30 hours per week.

Conference Agreement

The conference agreement follows the Senate amendment with respect to the determination of hours worked and the proportionate reduction rule. In addition, the conference agreement clarifies that the same method for determining hours worked applies for purposes of determining whether an employee is a part-time employee under the definition of highly compensated employee (sec. 414(q)(8)(B)).

p. Excludable employees

Present Law

Under present law, the following employees generally are disregarded for purposes of the employee benefit nondiscrimination rules: (1) employees who have not completed one year of service (or, in the case of health care benefits, six months of service), (2) employees who normally work less than 17½ hours per week, (3) employees who normally work less than six months during the year, and (4) employees who have not attained age 21. However, these exclusions are applied by substituting the shortest period of service, smallest number of hours or months, or lowest age requirement applicable to any employee for eligibility in a plan of the same type.

House Bill

Multiemployer plans

Under the House bill, the initial service requirement applicable under a multiemployer plan is not taken into account in determining the extent to which the one-year and six-month figures are reduced with respect to other plans of the employer. This special rule for multiemployer plans does not apply to a multiemployer plan that covers any professional (e.g., a doctor, lawyer, or investment banker).

Entry dates

Under the House bill, an employer may use the first day of a period of less than 31 days specified by a plan as the first day of participation in the plan after satisfaction of the initial service requirement.

Senate Amendment

Multiemployer plans

The Senate amendment extends the rule in the House bill with respect to the initial waiting period for multiemployer plans to employees excluded based on their age, part-time status, or seasonal status. Thus, the exclusion (or lack thereof) under a multiemployer plan (as defined under the House bill) of employees based on age, part-time status, or seasonal status does not affect the employer's ability to disregard employees based on different age, part-time status, or seasonal status rules.

Entry dates

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the Senate amendment. In addition, the conference agreement provides that employees of an employer who are also students attending classes at the employer may be disregarded if (1) the students are performing services as described in section 3121(b)(10) (relating to services performed by students that are disregarded for employment tax purposes) and (2) core health coverage is made available to the students by the employer.

Under the conference agreement, an employer contributing to a multiemployer plan is entitled to use the special method for determining excludable employees only if that employer does not contribute to the plan on behalf of an employee who performs professional services. Thus, the determination of eligibility for the special method is applied on a contributing employer by contributing employer basis. For purposes of this provision, professional services include the following services: legal, medical, engineering, architecture, actuarial science, financial, consulting, accounting, and such other services as the Secretary shall determine.

q. Reporting requirements for multiemployer plans

Present Law

Under present law, employers are required to file information returns with respect to group-term life insurance plans, accident or health plans, group legal services plans, cafeteria plans, educational assistance programs, and dependent care assistance programs (sec. 6039D).

House Bill

No provision.

Senate Amendment

The Senate amendment provides that, in the case of benefits provided under a multiemployer plan, the Secretary is to allocate the reporting responsibility with respect to the plan under section 6039D between the employer and the multiemployer plan based on the agreement between the parties.

Conference Agreement

The conference agreement follows the Senate amendment.

r. Line of business

Present Law

Under present law, if an employer is treated as operating separate lines of business or operating units for a year (sec. 414(r)), the employer generally may apply the section 89 nondiscrimination rules separately to each separate line of business or operating unit for that year.

A bona fide line of business or operating unit is not treated as separate unless (1) it has at least 50 employees; (2) the employer notifies the Secretary with respect to the line or unit; and (3) either certain guidelines are satisfied based on the proportion of highly compensated and nonhighly compensated employees in the line of business or operating unit (sec. 414(r)(3)) or a determination is received from the Secretary.

Present law provides special rules for allocating employees who work for more than one line of business or operating unit to a particular line of business or operating unit.

House Bill

The House bill allows the safe-harbor rule under section 414(r)(3) to be applied based on the proportion of highly compensated and nonhighly compensated employees in a line of business or operating unit in the preceding plan year if (1) no more than a de minimis number of employees shifted to or from the line of business or operating unit since the end of the prior year; or (2) the employees shifted to or from the line of business or operating unit since the end of the prior year contained a substantially proportional number of highly compensated employees.

The House bill provides that employees who perform at least 75 percent of their services for a particular line of business or operating unit are required to be allocated to such line or unit.

The modifications also apply for qualified plan purposes.

Senate Amendment

The Senate amendment is the same as the House bill, with the following modifications.

Under the Senate amendment, activities are considered geographically separate for purposes of the operating unit rules if they are at least 35 miles apart. In addition, for testing years beginning in 1989, the classification test, passage of which is required to use the separate line of business or operating unit rule, is to be the prior-law section 410(b)(1)(B) test without regard to any modification of such test by the Secretary. These two provisions apply only for purposes of section 89 (and thus do not apply for purposes of the qualified plan coverage and nondiscrimination rules).

Conference Agreement

The conference agreement generally follows the Senate amendment, with the following modifications.

The conferees intend that the rule that operating units are considered to be in significantly separate geographic areas if they are at least 35 miles apart is a safe harbor. Under certain circumstances, the Secretary may provide that operating units that are less than 35 miles apart may be considered to be in significantly separate geographic areas. In addition, the conferees do not intend to create any inference with respect to the appropriate line of business or operating unit rules for qualified pension plan purposes, i.e., no inference is intended that the Secretary is required to adopt similar rules or more or less restrictive rules for purposes of the qualified plan coverage and nondiscrimination rules.

s. Acquisitions and dispositions

Present Law

Under present law, a rule applies under section 89(j)(8) and section 410(b)(6)(C) for certain dispositions or acquisitions of a business.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, the Secretary is authorized to prescribe additional rules with respect to the application of section 89 in the case of business transactions such as acquisitions and dispositions.

Conference Agreement

The conference agreement follows the Senate amendment.

t. Qualification requirements

Present Law

Employee benefit plans generally are subject to new qualification and reporting requirements (sec. 89(k) and (l)). The qualification rules require, among other things, that the plan be in writing.

House Bill

Under the House bill, employers may comply with the written plan requirement (sec. 89(k)(1)(A)) for any plan year beginning in 1989 by completing the required, full written documentation by the end of such plan year. For plan years beginning after 1989, rules prescribed by the Secretary are to permit employers a reasonable period to move from a written plan evidenced by a collection of separate written documents to a written plan evidenced by a stand-alone document. Standard short-term sick pay plans are not subject to the qualification rules of section 89(k) under the House bill.

Senate Amendment

The Senate amendment follows the House bill, but deletes the inference in the House bill that, after a transition period, the writing requirement may only be satisfied by a stand-alone document.

Conference Agreement

The conference agreement follows the Senate amendment. The conferees clarify that there is no intent to imply that the written plan requirement must be satisfied by a single stand-alone document, rather than by a collection of separate written documents.

u. Group-term life insurance

Present Law

Under present law, each different option generally is a separate plan for testing purposes. This means, for example, that if two types of insurance coverage vary in any way (including the amount of required employee contributions), they will be considered separate plans.

Present law allows group-term life insurance that varies in proportion to compensation (as defined in sec. 414(s)) to be considered a single plan.

House Bill

The House bill provides an additional exception to the general rule that if two types of insurance coverage vary in any way, they will be considered separate plans. Pursuant to this exception, under rules prescribed by the Secretary, if, with respect to group-term life insurance coverage, the required employee contributions vary according to the age of the employee, this variation will not preclude treatment of the coverage as a single plan.

If an employer uses the special rule described above, and employee-purchased coverage is not treated as employer-provided, then the amount of employer-provided group-term life insurance coverage with respect to any employee is the amount that bears the same relationship to the total coverage for such employee as the employer's contribution (determined on an age-rated basis) bears to the age-rated cost of such employee's total coverage.

If the employer does not use the special rule described above, and employee-purchased coverage is not treated as employer-provided, the amount of employer-provided group-term life insurance coverage with respect to any employee is determined in the same manner, except that the total cost of any employee's coverage and the employer's contributions with respect to such coverage are to be determined without regard to the employee's age.

If an employer uses the special rule described above with respect to any group-term life insurance, then the employer is required to use the special rule with respect to all group-term life insurance coverage of the employer. Thus, with respect to such an employer, coverage available for a required employee contribution that does not vary according to age would not be considered a single plan.

Senate Amendment

Under the Senate amendment, the exception permitting group-term life insurance to vary on the basis of age also applies in the same manner to group-term life insurance coverage under which required employee contributions vary according to the age of the employee, but only up to a specified limit (e.g., the employee's cost may not exceed $*x* per $1,000 of coverage).

The Senate amendment deletes the provision under which an employer that uses the exception for age-related costs or the exception provided above must use the same exception with respect to all group-term life insurance coverage of the employer. Under the Senate amendment, if one of the exceptions is used with respect to a plan, the same exception must be used with respect to all plans aggregated with such plan for purposes of the 50-percent test and the 80-percent test. In addition, for purposes of applying the 90-percent/50-percent test and the 75-percent test, the employer is to elect to apply the tests as if it had used the general rule or one of the two exceptions with respect to all plans being tested.

The Senate amendment also modifies the definition of compensation for purposes of applying section 89 to group-term life insurance. Under the Senate amendment, for testing years beginning in 1989 and 1990, an employer may apply section 89 to group-term life insurance by using, in lieu of compensation as defined under section 414(s), base compensation. Thus, for example, overtime and bonuses could be disregarded. For testing years beginning after December 31, 1990, the employer may use base compensation, or any definition of compensation, provided that such definition of compensation is not discriminatory based on the experience in the prior year. A definition of compensation will be considered nondiscriminatory if the ratio of (1) the average compensation of the nonhighly compensated employees under the alternative definition to (2) the average compensation of the nonhighly compensated employees under section 414(s) is at least 90 percent of the same ratio for highly compensated employees.

Conference Agreement

The conference agreement follows the Senate amendment, but modifies the provision that provides two additional exceptions to the general rule that, if two types of insurance coverage vary in any way, they are considered separate plans.

The conference agreement clarifies that the use of age brackets of up to five years is not inconsistent with the provision under both exceptions that the required employee contributions increase with age. Thus, for example, an employer could establish a series of five-year age brackets and have the required employee contributions only increase when an employee moves from one bracket to another.

The conference agreement clarifies that, for purposes of the 90-percent/50-percent test and the 75-percent test, the employer may use the general definition of a group-term life insurance plan or one of the two exceptions despite the fact that the employer did not use the same definition for purposes of applying the 50-percent test to any particular plan.

The conference agreement modifies the Senate amendment by allowing employers to use any nondiscriminatory definition of compensation, as described above, not only in testing years beginning after December 31, 1990, but also in testing years beginning in 1989 and 1990. The conference agreement also modifies the standard for determining whether a definition of compensation is nondiscriminatory. Under the modified standard, a definition of compensation will be considered nondiscriminatory for purposes of applying section 89 to group-term life insurance only if the ratio of (1) the average compensation of the nonhighly compensated employees under the definition to (2) the average compensation of the nonhighly compensated employees under section 414(s) is at least 100 percent of the same ratio for highly compensated employees (rather than 90 percent as under the Senate amendment).

As under the Senate amendment, in testing years beginning in 1989 and 1990, employers also have the option of using base compensation, which would not be required to satisfy the nondiscrimination standard described above.

v. Dependent care assistance

Present Law

Under present law, a benefits test applies to dependent care assistance programs that are not treated as statutory employee benefit plans under section 89 (sec. 129(d)(8)). For purposes of applying this benefits test to salary reduction amounts, employees with compensation (as defined in sec. 414(q)(7)) below $25,000 are to be disregarded. (The introduced technical corrections bill makes this rule elective for employers.)

House Bill

For purposes of applying the special benefits test to salary reduction amounts under a dependent care assistance program that is not treated as a statutory employee benefit plan under section 89, the House bill provides that an employer may elect to take into account employees with compensation (as defined in sec. 414(q)(7)) below $25,000. Thus, the employer may elect to take into account all employees with compensation below $25,000 or may disregard employees with compensation below any specified amount lower than $25,000.

Senate Amendment

The Senate amendment follows the House bill. In addition, under the Senate amendment, an employer is entitled to elect certain alternative definitions of compensation for purposes of the $25,000 rule under rules prescribed by the Secretary provided that such definition does not overstate the number of employees with less than $25,000 of compensation under section 414(q)(7) by more than five percent based on the experience in the prior year.

Conference Agreement

The conference agreement follows the Senate amendment.

The conference agreement also provides that, for purposes of section 125, a plan will not be treated as failing to be a cafeteria plan solely because a participant elected before January 1, 1989, to receive reimbursements under the plan for dependent care assistance for periods after December 31, 1988, and such assistance is includible in income under the provisions of the Family Support Act of 1988. This rule is intended to provide relief for individuals who have made, or are in the process of making, elections with respect to dependent care assistance and who are affected by the new rules regarding taxation of dependent care assistance under the Family Support Act of 1988. This rule is similar to the rule provided under the technical corrections provisions with respect to overnight camp expenses.

w. Medical diagnostic examinations

Present Law

Under present law, all plans providing medical care (as defined under sec. 213) are health plans and thus subject to the nondiscrimination rules, including, for example, plans providing ancillary benefits such as dental or vision coverage and physical examination plans.

House Bill

The House bill clarifies the valuation of health coverage, including physical examinations.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

As under the House bill and Senate amendment, normal valuation principles are to be applied to determine the value of a medical diagnostic benefit that is included in income because it is provided on a discriminatory basis.

x. Legally required benefits

Present Law

The Reform Act authorized the Secretary, in applying the nondiscrimination rules to accident or health plans, to disregard State-mandated benefits under certain circumstances. Only ancillary benefits may be disregarded, rather than core benefits.

Under rules prescribed by the Secretary, certain benefits provided in connection with "continuation coverage" are to be disregarded in applying the nondiscrimination rules. For example, if an employer requires that a qualified beneficiary who elects continuing health coverage pay, on an after-tax basis, the maximum amount permitted under the rules of section 162(k), any excess of the value of employer-provided coverage over the amount charged is to be disregarded in applying the nondiscrimination rules.

House Bill

No provision.

Senate Amendment

No provision.

Conference Agreement

The conference agreement broadens the Secretary's authority to disregard State-mandated ancillary (i.e., noncore) benefits under certain circumstances by providing that such authority applies to all ancillary accident or health benefits required by Federal, State, or foreign law. Thus, for example, in comparing the benefits of a class of employees to the benefits of another class of employees, the Secretary may permit ancillary benefits that are required by State law for one of the classes but not for the other to be disregarded. This broadened authority does not apply to benefits provided in connection with continuation coverage (old sec. 162(k); new sec. 4980B) for which different special rules apply under present law.

y. Health care continuation rules

Present Law

Under present law, for purposes of most employee benefit provisions, certain aggregation rules are applied (sec. 414(b), (c), (m), (o), and (t)). Thus, related employers generally are treated as a single employer for purposes of these provisions. Further, under certain circumstances, leased employees are treated as employees of the lessee (sec. 414(n)).

House Bill

The technical corrections provisions of the House bill extends the rules aggregating related employers (sec. 414(b), (c), (m), (o), and (t)) and the employee leasing rules (sec. 414(n)) to the health care continuation rules.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

z. Sanctions

Present Law

Year of inclusion

Under present law, if a plan is discriminatory in a plan year, highly compensated employees are taxable on the value of the discriminatory excess in their taxable year in which or with which the plan year ends.

For example, if a plan is discriminatory and the testing year is the calendar year, then the employer has only one month to determine the discriminatory excess with respect to the highly compensated employees in order to file accurate Forms W-2 in a timely manner.

Discriminatory excess

The discriminatory excess is defined as the amount of the otherwise nontaxable employer-provided benefit (including benefits purchased with elective contributions) that would have to be purchased with after-tax employee contributions by the highly compensated employees in order for all of the nondiscrimination tests to be satisfied. In the case of group-term life insurance, the value of discriminatory coverage is the greater of the cost of coverage under section 79(c) or the actual cost of coverage.

Qualification rule sanction

If a plan fails to satisfy the new qualification requirements (sec. 89(k)), employees covered under the plan generally are to include in gross income the employer-provided benefit under the plan. For this purpose, even in the case of an insurance-type plan, an employee's employer-provided benefit is the value of the benefits, rather than the coverage, attributable to employer contributions.

Employer sanction

If the employer does not report the discriminatory excess (or other amounts includible under sec. 89) in a timely manner, the employer is subject to a penalty tax (sec. 6652(k)). The amount of the tax is equal to the product of (1) the highest individual tax rate, multiplied by (2) the employee's employer-provided benefit.

Welfare benefit funds

In general, if a voluntary employees' beneficiary association (VEBA) (sec. 501(c)(9)) or group legal services organization (GLSO) (sec. 501(c)(20)) is part of a discriminatory plan, the VEBA or GLSO is not exempt from tax under section 501(a) (sec. 505). With respect to employee benefits subject to the nondiscrimination rules of section 89, a discriminatory plan for this purpose is a discriminatory employee benefit plan within the meaning of section 89(c).

In addition, if an employer maintains a welfare benefit fund and there is a disqualified benefit provided during any taxable year, a tax is imposed on the employer equal to 100 percent of the disqualified benefit. The term "disqualified benefit" includes any post-retirement medical benefit or life insurance benefit provided with respect to a highly compensated employees under a discriminatory plan (within the meaning of sec. 505).

House Bill

Year of inclusion

The House bill provides a special rule with respect to plans with a testing year ending after September 30, and on or before December 31. Under this special rule, an employer may elect to have the discriminatory excess included in the incomes of highly compensated employees in their taxable years following the taxable year with or within which the testing year ends. If an employer makes such an election, however, the employer's deduction relating to such discriminatory excess is to be allowable only in the employer's taxable year with or within which ends the testing year following the testing year in which the discriminatory excess occurred.

Discriminatory excess

For purposes of determining and allocating the discriminatory excess with respect to a group-term life insurance plan, employer-provided coverage over $50,000 is treated as nontaxable. Thus, to the extent that the discriminatory coverage does not exceed the total coverage over $50,000, the effect of a finding of discrimination is simply the inclusion in income of the excess, if any, of the actual cost of the discriminatory coverage over the cost of such coverage under section 79(c).

Qualification rule sanction

Under the House bill, if a plan to which section 505 applies (generally, a plan part of which is a VEBA or a GLSO) violates the new qualification requirements (sec. 89(k)), the VEBA or GLSO is not to be exempt from tax under section 501(a). A plan failing to satisfy the new qualification requirements is not the type of plan for which the VEBA or GLSO tax exemption was established.

In addition, the House bill provides that, in the case of a group-term life insurance plan that fails the qualification rule, the benefits provided under the plan are to be included in the beneficiary's income rather than the employee's.

The House bill further provides for the coordination of the sanction for failure to satisfy the qualification rules with the sanction for discrimination. Generally, any amount included in the income of a highly compensated employee attributable to discriminatory coverage is to offset the amount includible under section 89(k) with respect to the same highly compensated employee for the same coverage.

If, however, any discriminatory excess would be included in the income of a highly compensated employee for a year subsequent to the year of inclusion under section 89(k) with respect to the same coverage, the coordination described above is to work in reverse, i.e., the section 89(k) inclusion is to offset the inclusion of the discriminatory excess.

Employer sanction

The penalty tax on the employer for a failure to report the discriminatory excess with respect to an employee is the penalty tax determined under present law reduced, prior to multiplication by the highest individual rate, by the amount of the discriminatory excess properly reported by the employer in a timely fashion. The same rule applies in the case of amounts includible in income by reason of a failure to satisfy the qualification rules.

Welfare benefit funds

The House bill modifies the present-law sanctions with respect to discriminatory VEBAs, GLSOs, and other welfare benefit funds because such sanctions are inconsistent with the general approach under section 89 to apply the sanction solely with respect to the discriminatory amount.

Under the House bill, if section 89 applies to a plan, a VEBA or GLSO that is part of the plan does not lose its tax-exempt status under section 501(a) merely because the plan is a discriminatory employee benefit plan (within the meaning of sec. 89(c)). In lieu of this sanction, the bill imposes an excise tax on an employer maintaining a welfare benefit fund if a discriminatory employee benefit plan is part of the fund for the testing year. The tax applies to the taxable year of the employer with or within which the testing year ends.

The amount of this excise tax is determined as follows. The first step is to determine the lesser of (1) the aggregate excess benefits (within the meaning of sec. 89(b)) provided under the plan for the testing years, or (2) the taxable income of the fund for the testing year. For this purpose, the taxable income of the fund is determined without regard to an exemption from tax pursuant to section 501(c)(9) or (c)(20). The lesser of these two amounts is then multiplied by the highest rate applicable to taxable income under section 11. This product then is offset by the amount of income tax imposed on the fund for the testing year determined under rules prescribed by the Secretary. This result is the amount of the excise tax.

The House bill also modifies the 100-percent excise tax applicable to disqualified benefits in the case of a post-retirement medical benefit or life insurance benefit that is subject to section 89. The House bill provides that the amount of the disqualified benefit subject to the tax is not to exceed the aggregate excess benefits (within the meaning of sec. 89(b)) provided under the plan.

Senate Amendment

Year of inclusion

The Senate amendment is the same as the House bill.

Discriminatory excess

The Senate amendment is the same as the House bill.

Qualification rule sanction

The Senate amendment is the same as the House bill.

Employer sanction

Under the Senate amendment, the penalty for failure to report income includible under section 89 only applies to the portion of the employee's benefit that bears the same relationship to the total benefit as the unreported amount bears to the entire amount that should have been reported.

Welfare benefit funds

The Senate amendment is the same as the House bill.

Conference Agreement

Year of inclusion

The conference agreement follows the House bill and the Senate amendment, except that the conference agreement clarifies that the rule permitting a deduction in the employer's taxable year for amounts paid within 2-1/2 months of the taxable year does not apply with respect to amounts includible in income by reason of section 89.

Discriminatory excess

The conference agreement follows the House bill and the Senate amendment.

Qualification rule sanction

The conference agreement follows the House bill and the Senate amendment.

Employer sanction

The conference agreement follows the Senate amendment.

Welfare benefit fund

The conference agreement modifies the calculation of the excise tax with respect to a discriminatory welfare benefit fund in the following respects. Under the conference agreement, with respect to any employer, the first step described above is revised so that the determination is of the lesser of (1) the aggregate excess benefits (within the meaning of sec. 89(b)) provided by the employer for the testing year under all plans of the same type or types as the plan or plans of the welfare benefit fund; or (2) the taxable income of the fund for the testing year (without regard to sec. 501(c)(9) or (c)(20)) allocable to the employer. In addition, the amount counted under clause 1 with respect to benefits of any type is limited to the excess benefits of such type provided by the employer under the welfare benefit fund, assuming that excess benefits were provided to the maximum extent possible under such welfare benefit fund or another welfare benefit fund. Also, if the welfare benefit fund is maintained by more than one employer, the taxable income of the fund is to be allocated among the employers for purposes of clause (2) above in any reasonable manner that is consistently applied and not inconsistent with rules issued by the Secretary. Further, with respect to any employer, the final step in determining the excise tax, the offset by the income tax imposed on the fund, is limited to the portion of such tax allocable to the employer, determined under rules similar to those applicable in allocating the taxable income of the fund.

The conference agreement provides that the amount of the disqualified benefit subject to the 100-percent excise tax is not to exceed the amount described in clause 1 above, as limited in the same paragraph.

aa. Inclusion in wages

Present Law

Under present law, amounts that are includible in an employee's income because the nondiscrimination requirements relating to employee benefit plans are not satisfied are not in all cases treated as wages (or compensation) for employment tax purposes.

House Bill

Under the House bill, amounts that are includible in gross income by reason of section 89 (either directly or indirectly (as in the case of sec. 129(d)(1)(B))) are included in wages (or compensation) as of the time includible in gross income for purposes of the Federal Insurance Contributions Act (sec. 3121), the Railroad Retirement Tax Act (sec. 3231(e)), the Federal Unemployment Tax Act (sec. 3306), income tax withholding (sec. 3401), and the Social Security Act (sec. 209). These provisions of the House bill do not apply to former employees who separate from service prior to January 1, 1989.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and Senate amendment.

bb. Self-employed individuals

Present Law

Under the Act, it is unclear whether self-employed individuals are treated as employees for purposes of the nondiscrimination rules applicable to statutory employee benefit plans.

House Bill

The House bill clarifies that, for purposes of applying the nondiscrimination rules to statutory employee benefit plans, the term "employee" includes any self-employed individual (as defined in sec. 401(c)(1)), and the term "compensation" includes such individual's earned income (as defined in sec. 401(c)(2)).

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and Senate amendment.

cc. Definition of plan

Present Law

Under present law, each different option generally is a separate plan for testing purposes. This means, for example, that if two types of insurance coverage vary in any way (including the amount of required employee contributions), they are considered separate plans.

House Bill

Under the House bill, each different option is valued separately, but is not considered a separate plan. A plan is a group of options with comparable values (under the otherwise applicable comparability rules). With respect to the nondiscrimination rules, the effect of these changes is only one of terminology rather than of substance.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

dd. Effective date

Present Law

In general, under the Reform Act, the new employee benefit nondiscrimination rules are effective for years beginning after the later of (1) December 31, 1987, or (2) the earlier of (a) the date that is 3 months after the date on which the Secretary issues regulations under section 89, or (b) December 31, 1988.

House Bill

Except as otherwise provided, these provisions apply as if included in the Tax Reform Act of 1986.

Under the House bill, an employer may elect to apply the new rules of section 1151 of the Act (including the nondiscrimination rules, qualification rules, reporting rules, and cafeteria plan rules) to certain group-term life insurance plans in plan years beginning after October 22, 1986. The plans for which this election is available are described in section 125(c)(2)(C).

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and Senate amendment. In addition, the conferees have become aware that some employers are considering changing the plan years of their employee benefit plans to delay substantially the effective date of the new nondiscrimination rules. The conferees expect that Treasury rules will disregard such changes for effective date purposes.

Further, the conferees expect that these rules will require the employer to base testing for the first testing year on all plans providing coverage during that period without regard to whether they are effective for purposes of section 89. If a discriminatory excess is calculated based on coverage that is not effective for section 89 purposes, such excess is to be prorated on the basis of the coverage in effect for section 89 purposes as described under rules prescribed by the Secretary.

C. Estate and Gift Tax: Estate Freezes

Present Law

If any person holds a substantial interest in an enterprise and in effect transfers after December 17, 1987, property having a disproportionately large share of the potential appreciation in such person's interest in the enterprise while retaining a disproportionately large share in the income of, or rights in, the enterprise, then the retention of the retained interest is treated as a retention of the enjoyment of the transferred property (sec. 2036(c)). The value of the transferred property, with appropriate adjustments for the value of the retained interest, is includible in a decedent's gross estate if the decedent retains the retained interest for life. That value is also includible if the retained interest is disposed of during the 3-year period ending on the date of the decedent's death.

Under section 2036(c), an individual and a spouse are treated as one person.

An executor has no right under Federal law to recover a portion of the estate tax attributable to property includible under section 2036 from the owner of such property.

House Bill

Scope of section 2036(c)

The House bill eliminates language stating that the retained income or rights must constitute a "disproportionately" large share of such income or rights. In addition, the House bill provides that the substantial interest requirement is met if the transferor holds a substantial interest in the enterprise either before or after the effective transfer.

Exceptions

The House bill also provides that the retention of certain interests does not cause section 2036(c) to apply. One such interest is qualified debt, which, among other things, is required to have a fixed maturity date within 15 years of issue, and not to be subordinated by its terms to the claims of general creditors. In addition, qualified debt must not grant voting rights or place any limitation (other than in a case where the debt is in default) upon the exercise of voting rights by others.

Deemed gift

If either the original transferor transfers his retained interest, or the original transferee transfers the transferred property to a person other than the original transferor or a member of the original transferor's family, then the original transferor is treated as making a gift of property to the original transferee equal to the amount which would have been includible under section 2036(c) in his estate had the transferor died at that time. No amount is later included in the transferor's estate under section 2036(c) to the extent of prior deemed gifts. Terminations, lapses and other changes in any interest in property of the transferor or transferee are treated as transfers for this purpose.

Regulatory authority

The House bill grants the Secretary of the Treasury regulatory authority to prescribe circumstances in which an individual and spouse shall not be treated as one person. In addition, the House bill requires the Secretary of the Treasury to prescribe regulations as are appropriate to carry out the purposes of section 2036(c) and to prevent avoidance of its purposes through distributions or otherwise.

Right of contribution

The House bill provides that, if any part of the gross estate consists of property includible by reason of section 2036, the estate may recover from the person receiving the property an amount which bears the same ratio to the total estate tax paid as the value of the includible property bears to the taxable estate. The House bill creates a similar right with respect to deemed gifts. The right of contribution does not apply if the decedent otherwise directs in a provision of his will.

Senate Amendment

The Senate amendment follows the House bill, with the following modifications:

Scope of section 2036(c)

The Senate amendment does not change the disproportionate income or substantial interest requirements.

Exceptions

The Senate amendment generally contains the same exceptions as in the House bill, except that it treats an interest in an enterprise qualifying under a statutory exception on January 1, 1990, as if it were excepted from section 2036(c) on December 17, 1987.

The definition of qualified debt is identical to that contained in the House bill, except that such debt need not have a fixed maturity date within 15 years of the date of issue and need not by its terms be subordinated to claims of general creditors. In addition, the requirement that qualified debt not grant voting rights permits voting rights when there is a default as to payment of interest or principal.

Deemed gift

The Senate amendment is the same as the House bill, except that terminations, lapses and other changes in interests in the enterprise are not treated as transfers. In addition, a deemed gift occurs upon the transfer of property to the original transferor, but the amount of the deemed gift is adjusted for the excess of the fair market value of such property over the consideration paid by the original transferor. Finally, the deemed gift is reduced by the value of the transferor's right to recover the gift tax attributed to a deemed gift to the original transferee.

Right of contribution

The Senate amendment is the same as the House bill, except that there is no right of contribution against a charitable remainder trust. In addition, there is no right of contribution if the decedent so directs in a revocable trust.

Finally, the right of contribution for gift tax applies only with respect to disproportionate transfers made on or after June 21, 1988, and the right of contribution for amounts includible in the estate under section 2036(a) or section 2036(b) applies only with respect to property includible by reason of transfers made after the date of enactment.

Adjustment for consideration received

The Senate amendment replaces the provision directing that appropriate adjustments be made for the value of the retained interest with one requiring that rules similar to section 2043 be applied in determining the adjustment for the consideration received. In addition, the Secretary of Treasury is directed to perform a study as to the appropriate adjustment for consideration under section 2036(c).

Conference Agreement

The conference agreement generally follows the House bill and Senate amendment with respect to common items. With respect to other items, the conference report follows the Senate amendment with the following modifications and clarifications.

Scope of section 2036(c)

The conference agreement follows the Senate amendment regarding the scope of section 2036(c), except that the agreement follows the House bill provision eliminating language stating that the retained income or rights must constitute a disproportionately large share of such income or rights.

The conference agreement does not include the House bill provision relating to the substantial interest test. The conferees understand, however, that section 2036(c) applies if a parent transfers an existing enterprise or assets from such enterprise to another enterprise in which a child owns a disproportionately large share of potential appreciation and in which the parent retains an income interest or other rights.

The conference agreement clarifies that, for purposes of the effective date of section 2036(c), with respect to property transferred prior to December 18, 1987, the failure to exercise a right of conversion or the failure to pay dividends, or the failure to exercise other rights specified in regulations issued by the Secretary of the Treasury, will not be treated as a transfer under section 2036(c). This rule applies only with respect to rights in existence prior to December 18, 1987.

Exceptions

The conference agreement follows the Senate amendment regarding exceptions to section 2036(c), except that section 2036(c) does not apply if the transferor and spouse do not retain an interest in the enterprise on January 1, 1990, or the date of the transferor's death, if earlier.

The conference agreement follows the Senate amendment with respect to the definition of qualified debt, except that the agreement follows the House bill provision requiring that qualified debt not by its terms be subordinated to the claims of general creditors. Debt which is subordinated to general creditors as a class does not satisfy this requirement. Debt may be subordinated to the claims of a specified general creditor, however, without violating the requirement.

In addition, under the conference agreement, qualified debt must have a fixed maturity date not more than 15 years from the date of issue (30 years in the case of debt secured by real property). The exception for qualified debt generally does not apply if the qualified debt is not paid within the fixed maturity date. The exception will apply, however, if a business purpose exists for the failure to pay the debt. For example, the exception applies if immediate collection of the debt would reduce the holder's ability ultimately to collect the entire debt.

Finally, under the conference agreement, the retention of a qualified trust income interest in a trust is disregarded for purposes of section 2036(c) and the trust property is treated as retained by the transferor during the period of the interest. A qualified trust income interest is any right to receive amounts determined solely by reference to the income from property[1] held in trust if (1) the right is for a period not exceeding 10 years, (2) the person holding the right transferred the property to the trust and (3) such person is not a trustee of such trust. Thus, section 2036(c) does not apply if a person transfers all the stock in a corporation to a trust in which the person retains only an income interest for a term not exceeding ten years and is not a trustee of the trust. Since the trust property is treated as retained by the transferor during the period of the interest, the section applies with respect to a corporation if a person who owns all the common and preferred stock in the corporation gives the common stock to his child while retaining an income interest in a trust which holds the preferred stock.

Deemed gift

The conference agreement follows the Senate amendment regarding the deemed gift rule, except that the agreement follows the House provision treating terminations, lapses, and other changes in interests as transfers.

Under the conference agreement, the amount of the deemed gift is adjusted for the transferor's right of recovery under section 2207B. The amount of the deemed gift is reduced by this right to the extent that the failure to collect (even if collection is impossible) upon such right is treated as a transfer for Federal gift tax purposes of the uncollected amounts. The conferees understand that such a transfer occurs when the right to recovery is no longer enforceable.

In addition, there is a deemed gift when the transferred property is returned to the original transferor. The amount of the deemed gift is reduced by the excess of the fair market value of the returned property over the consideration paid by the original transferor in such return. The conference agreement thereby ensures that no gift is deemed to the extent that the returned property increases the transferor's estate.

Right of contribution

The conference agreement follows the Senate amendment regarding the right of contribution. With respect to amounts includible under section 2036(c), the right of contribution applies only with respect to property transferred after the date of enactment of this Act. When the transferred property is transferred to a discretionary trust, the original transferee is the trustee of the trust for purposes of section 2207B(b).

Regulatory authority

The conference agreement follows the House bill and the Senate amendment regarding regulatory authority. The conferees intend that spouses generally be treated as one if the retained interest in the enterprise is transferred to the spouse in a transaction which qualifies for the marital deduction (or the annual exclusion with respect to the spouse). For example, if a person transfers common stock to a child and preferred stock to a spouse, either during life or at death, section 2036(c) applies with respect to the transferee spouse, since the transfer of the preferred stock qualifies for the marital deduction (or the annual exclusion with respect to the spouse). Thus, the common stock is includible in the spouse's estate. The same result would obtain if the preferred stock is transferred to a trust in which a spouse has an interest if the spouse's interest in the trust qualifies for the marital deduction (or the annual exclusion with respect to the spouse).

Spouses would not generally be treated as one if the retained interest is not transferred in a transaction qualifying for the marital deduction (or the annual exclusion with respect to the spouse). Thus, if a person transfers property to a trust in which a spouse has only an income interest, section 2036(c) would not cause the trust to be included in the spouse's estate if the transfer to the trust does not qualify for the marital deduction (or the annual exclusion with respect to the spouse).

Adjustments for consideration received

Under the conference agreement, if a member of the transferor's family provides consideration in money or money's worth for an interest in the enterprise, and it is established to the satisfaction of the Secretary of the Treasury that such consideration originally belonged to such person and was never received or acquired (directly or indirectly) from the transferor for less than full and adequate consideration, a part of the enterprise is not includible under section 2036(c). That part is the portion of the enterprise which would otherwise have been included in the gross estate (including the value of the retained interest) times a fraction, the numerator of which is the consideration received and the denominator of which is the portion of the enterprise which would have been includible in the gross estate immediately after the disproportionate transfer (including the value of the retained interest).

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[1] Thus, a trust in which the transferor retains an annuity interest is not a qualified trust income interest.

For example, a parent owns all the common and preferred stock in a corporation worth $2 million. After December 17, 1987, the parent sells to his child the common stock for $1 million not directly or indirectly received or acquired from the parent. If the parent continues to hold the preferred stock until his death, one half of the value of the corporation is includible in the parent's estate.

The conferees intend that the Secretary of the Treasury promulgate regulations as are deemed appropriate to demonstrate that the consideration originally belonged to the family member and was not received directly or indirectly from the transferor. The Secretary might, for example, elevate the standard of proof for making such demonstration. Or, the Secretary might create a presumption that consideration was received from gifts made by the transferor to the transferee within a certain period of time.

The conference agreement provides that appropriate adjustments be made for the value of the retained interest. Such adjustments prevent the double inclusion of the retained interest in the transferor's estate. Thus, in the previous example, if the enterprise is worth $3 million when the parent dies and the preferred stock is worth only $1 million at that time, only $1.5 million is includible in the parent's estate, i.e., preferred stock worth $1 million and $500,000 by reason of section 2036(c).

In addition, the conference agreement authorizes the Secretary of the Treasury to promulgate regulations providing for the treatment of consideration received pursuant to extraordinary dividends and other incremental changes in the capital structure. Such changes might occur because of contributions by either the transferor or the transferee to the enterprise, or they might occur because of distributions made to such persons. The Treasury regulations may adopt such rules as are appropriate to eliminate the need to value the entire enterprise in order to make minor adjustments for consideration received by the transferor.

D. Tax Treatment of Indian Fishing Rights

Present Law

Various treaties, Federal statutes, and executive orders reserve to Indian tribes (mostly in the West and Great Lakes regions) rights to fish for subsistence and commercial purposes both on and off reservations. Because the treaties, statutes, and executive orders were adopted before passage of the Federal income tax, they do not expressly provide whether income derived by Indians from protected fishing activities is exempt from taxation.

Indians generally are subject to Federal tax in the same manner as other U.S. citizens, absent a Federal exemption. The Tax Court has ruled in three cases that income derived by Indians from protected fishing activities is taxable, and the Internal Revenue Service has assessed deficiencies in other cases.

House Bill

No provision in H.R. 4333.

A separate House-passed bill, H.R. 2792, provides that income derived by individual members of an Indian tribe, or by a qualified Indian entity, from fishing rights-related activity is exempt from Federal and State tax, including income, social security, and unemployment compensation insurance taxes. The bill defines fishing rights-related activity to mean, with respect to an Indian tribe, any activity directly related to harvesting, processing, or transporting fish harvested in the exercise of a recognized fishing right of such tribe or to selling such fish but only if substantially all of such harvesting was performed by members of such tribe.

A qualified Indian entity is defined as an entity in which: (1) all of the equity interests are owned by tribal members; (2) substantially all of the management functions are performed by tribal members; and (3) if the entity engages in substantial processing or transporting of fish, at least 90 percent of the annual gross receipts are derived from the exercise of protected fishing rights of tribes whose members own at least a 10 percent equity interest in the entity.

If income from fishing rights-related activity is exempt from Federal tax, then such income may not be subject to tax under State or local law. The bill further provides that income derived from protected Indian fishing activities is exempt from Federal taxes only to the extent provided for by the bill. Provisions securing any fishing right for any Indian tribe in any treaty, law, or executive order shall not be construed to provide an exemption from Federal tax.

The bill is effective for all periods beginning before, on, or after the date of enactment.

Senate Amendment

The Senate amendment is the same as H.R. 2792, except with respect to two provisions. First, the Treasury Department is provided authority to issue regulations that exempt certain entities from the requirement that, if the entity engages in substantial processing or transporting of fish, at least 90 percent of the annual gross receipts must be derived from the exercise of protected fishing rights of tribes whose members own at least a 10 percent equity interest in the entity. Second, the Senate amendment does not provide that provisions securing any fishing right for any Indian tribe in any treaty, law, or executive order shall not be construed to provide an exemption from tax. Instead, the Senate amendment provides that nothing in the bill shall create any inference as to the existence or nonexistence, or the scope, of any exemption from tax for income derived from fishing rights secured by any treaty, law, or executive order.

Conference Agreement

The conference agreement follows the Senate amendment.

III. EXTENSIONS AND MODIFICATIONS OF EXPIRING TAX PROVISIONS

A. Extension of exclusion for employer-provided educational assistance

Present Law

Under prior law (taxable years beginning before January 1, 1988), an employee's gross income for income and employment tax purposes did not include amounts paid or incurred by the employer for educational assistance provided to the employee (without regard to whether the education was job-related) if such amounts were paid or incurred pursuant to an educational assistance program that met certain requirements (sec. 127). This exclusion, which expired for taxable years beginning after December 31, 1987, was limited to $5,250 of educational assistance provided with respect to an individual during a calendar year and was not available for education involving sports, games, or hobbies.

House Bill

Extension

The section 127 exclusion for educational assistance is restored retroactively to the date of expiration and is extended so that it expires for taxable years beginning after December 31, 1990. The prior-law limit of $5,250 is reduced to $1,500.

Graduate-level education

The exclusion does not apply to any payment for, or the provision of any benefits with respect to, any graduate-level courses of a kind normally taken by an individual pursuing a program leading to a law, business, medical, or similar advanced academic or professional degree. For this purpose, the phrase "graduate-level course" means a course taken by an individual who (1) has received a bachelor's degree (or the equivalent thereof), or (2) is receiving credit toward a more advanced degree.

The section 127 limitation with respect to graduate-level courses does not affect the eligibility of tuition reduction benefits paid to graduate teaching or research assistants at colleges or universities to be excluded from income under section 117(d) subject, of course, to the limitation of section 117(c).

Sports, games, and hobbies

The House bill clarifies that education with respect to a subject commonly considered a sport, game, or hobby, such as photography or gardening, is ineligible for the exclusion unless such education (1) has a reasonable relationship to an activity maintained by the employee for profit, (2) has a reasonable relationship to the business of the employer, or (3) is required as part of a degree program.

Effective date

The provisions of the House bill are effective on the date of enactment. The amendments with respect to the $1,500 limit and graduate-level education apply to taxable years beginning after December 31, 1988. The amendment with respect to hobbies is considered a retroactive clarification of prior law.

Senate Amendment

Extension

The section 127 exclusion is restored retroactively to the date of expiration and is extended so that it expires for taxable years beginning after December 31, 1988.

Graduate-level education

The Senate amendment is the same as the House bill, except that the present law rules relating to benefits provided to graduate teaching and research assistants are retained. In other words, the Senate amendment permits amounts paid to graduate teaching and research assistants to be excluded from income under either the tuition reduction provision of section 117(d) or the educational assistance program provision of section 127.

Sports, games, and hobbies

The Senate amendment is the same as the House bill.

Single trust

It was unclear under prior law whether the prohibition on providing employees with a choice between nontaxable educational assistance benefits under section 127 and other remuneration includible in gross income prohibited the provision of taxable and nontaxable educational assistance benefits from a single trust. The Senate amendment clarifies the prior-law rules so that it is permissible to pay taxable and nontaxable educational assistance benefits from the same trust.

Effective date

Senate amendment provisions are generally effective as of the date of expiration of the exclusion. The provisions with respect to hobbies and employee choice are considered to be retroactive clarifications of prior law.

Conference Agreement

Extension

The conference agreement follows the Senate amendment.

Graduate-level education

The conference agreement follows the House bill, except that the provision is effective for taxable years beginning after December 31, 1987. In addition, the conference agreement makes permanent the rule permitting tuition reduction benefits paid to graduate teaching and research to be excluded from income under section 117(d) (subject to the compensation limit of section 117(c)).

Sports, games, and hobbies

The conference agreement follows the House bill and Senate amendment.

Single trust

The conference agreement follows the Senate amendment.

B. Extension of Exclusion for Employer-Provided Group Legal Services

Present Law

Under prior law, amounts contributed by an employer to a qualified group legal services plan for an employee or amounts reimbursed to an employee for legal services under such a plan were excluded from the employee's gross income (sec. 120). In addition, under prior law, an organization, the exclusive function of which was to provide legal services or indemnification against the cost of legal services as part of a qualified group legal services plan, was entitled to tax-exempt status (sec. 501(c)(20)). The exclusion for group legal services benefits and the tax exemption expired for taxable years ending after December 31, 1987.

House Bill

No provision.

Senate Amendment

The Senate amendment restores the exclusion for group legal services and the exemption for group legal services organizations retroactively to the date of expiration and extends them so that they expire for taxable years ending after December 31, 1988. The exclusion is limited to an annual premium value of $70. The provision under a tax-exempt trust of group legal services benefits in excess of the $70 annual limit and taxable solely for that reason will not cause the trust to lose its tax-exempt status. Similarly, for taxable years ending before January 1, 1989, the provision under a cafeteria plan of a group legal services benefit that is taxable solely because of the $70 annual limit will not disqualify the cafeteria plan.

The provision is effective as of the date of the expiration of the exclusion and exemption.

Conference Agreement

The conference agreement follows the Senate amendment.

C. Low-Income Rental Housing Tax Credit

1. Extension of the low-income rental housing tax credit

Present Law

A credit is allowed in annual installments over 10 years for qualifying low-income rental housing (Code sec. 42). To qualify as a credit project, at least 40 percent of the housing units in the project must be occupied by tenants having incomes of 60 percent or less of the area median income or at least 20 percent of the housing units must be occupied by tenants having incomes of 50 percent or less of the area median income. If property on which a low-income housing credit is claimed ceases to qualify as low-income rental housing or is disposed of before the end of a 15-year credit compliance period, a portion of the credit may be recaptured.

House Bill

The low-income rental housing credit is extended for one year, through December 31, 1990. The provision is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the Senate amendment.

2. Modifications to the low-income rental housing tax credit

Present Law

A tax credit payable in annual installments over 10 years is available for qualifying low-income rental housing. Credit authority is granted by State agencies subject to an annual credit authority limitation for each State.

To be a qualified low-income project, an allocation of credit authority must be received from the State in the year in which the building is placed in service. States may not carry over unused credit authority from one year to the next. A limited exception to these rules permits carry over of credit authority from the last year of authorized credit authority if a project is either new construction or a substantial rehabilitation, more than 10 percent of anticipated costs were incurred prior to 1989, and the building is placed in service by the end of 1990.

To qualify as a credit project, a low-income rental housing project must meet minimum low-income tenant occupancy requirements. In addition, the gross rent charged to low-income tenants may not exceed thirty percent of the applicable area median income qualifying as low income. Qualifying tenant incomes are adjusted for family size.

If property for which a low-income housing credit is claimed ceases to qualify as low-income rental housing or is disposed of, a portion of the credits may be recaptured. Partnerships having more than thirty-five partners, with no more than fifty percent of the partnership interests being held by corporations, may elect to have the recapture determined at the partnership level rather than at the partner level.

House Bill

The House bill provides that changes in family size resulting from death, divorce, separation, and abandonment are disregarded in determining the maximum gross rent that may be charged an existing low-income tenant.

The House bill removes the restriction on corporate ownership for certain large partnerships qualifying for special recapture treatment. The bill also reverses the election of prior law, making large partnerships subject to recapture at the partnership level rather than the partner level, unless they elect otherwise.

Committee report language is provided to clarify that a housing project is not disqualified from receiving a credit allocation solely because the developer undertook the project as a condition of receiving zoning variances for other, non-low-income rental housing property.

Senate Amendment

The Senate amendment permits a building to be placed in service in the year in which the credit allocation is received or in either of the two succeeding years provided that at least 10 percent of the expected project costs were paid by the end of the year in which the credit allocation was received. Project costs are the total costs budgeted to acquire and develop the project. These costs include costs budgeted by the taxpayer to acquire the land and any existing structure. The amendment applies only to credit allocations for new construction and substantial rehabilitations.

Conference Agreement

The conference agreement generally follows the Senate amendment with three modifications. First, the determination of whether the taxpayer has incurred at least ten percent of the total project costs is measured by calculating the following fraction. The numerator of the fraction is the taxpayer's basis (land and depreciable basis) in the property as of the close of the calendar year in which the credit allocation is made by the State authority. The denominator of the fraction is the taxpayer's reasonably expected basis (land and depreciable basis) in the property at the time the property is placed in service.

Second, the conference agreement adopts the House provision removing the restriction on corporate ownership for certain large partnerships and reversing the election of current law to recapture at the partnership rather than the partner level.

Third, the conferees concur with the House committee report regarding low-income property developed in return for the receipt of zoning variances.[1]

D. Extension and Modification of Qualified Mortgage Bond and Mortgage Credit Certificate Provisions

Present Law

Qualified mortgage bonds (QMBs) are tax-exempt bonds the proceeds of which generally must be used to make mortgage loans to first-time homebuyers. Mortgage credit certificates (MCCs) may be issued to the same persons who qualify for QMB financing. Beneficiaries of these programs are subject to two principal limits. First, the purchase price of the assisted home may not exceed 90 percent (110 percent in certain targeted areas) of the average area purchase price. Second, the income of the assisted buyer may not exceed 115 percent (140 percent for targeted areas) of the greater of area or State median income.

The benefits of the special subsidy provided by MCC- and QMB-financing are not recaptured.

Issuers of QMBs and qualified veterans' mortgage bonds are permitted to retain arbitrage profits earned on nonpurpose investments and use those profits for the benefit of assisted homebuyers. There is no maximum statutory period in which QMB proceeds must be spent for the purpose of the borrowing and no statutory bond redemption requirement if the proceeds are not so spent within a reasonable period.

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[1] *See*, Report 100-795, House of Representatives, p. 590.

House Bill

The House bill extends for two years, through December 31, 1990, authority to issue QMBs and to elect to trade-in bond volume authority to issue MCCs. In addition, the bill makes several modifications to the requirements governing these programs.

The bill adjusts the mortgagor's applicable income limit for geographical economic differences and for family size. Mortgagors' incomes are tested by reference to area median income and adjustments are made to the income limitations in those areas where housing costs are high or low compared to national standards. For families of three or more persons, the income limit in the absence of area cost adjustment is 115 percent (140 percent in targeted areas) of area median. For smaller families, the income limit in the absence of area cost adjustment is 100 percent (120 percent in targeted areas) of area median.

All or part of the subsidy provided by QMB financing or MCCs is recaptured on dispositions of assisted housing which occur within ten years of purchase by mortgagors whose income has increased substantially since the purchase of the home. The maximum amount recaptured is 1.25 percent of the original balance of the loan for each year the loan is outstanding, or 50 percent of the gain realized on the disposition, whichever is less. For sales in years six through ten the 1.25 percent per year is phased-out.

Issuers of QMBs and qualified veterans' mortgage bonds are required to rebate to the Federal Government arbitrage profits earned on nonpurpose investments in the same manner as issuers of other revenue bonds. In addition, the bill requires all proceeds of QMBs to be used to finance loans within three years of the date of issue. Unexpended proceeds must be used to redeem outstanding bonds. Prepayments of loans must also be used to redeem outstanding bonds.

Senate Amendment

The Senate amendment extends for six months, through June 30, 1989, authority to issue QMBs and MCCs.

The amendment provides an adjustment to the mortgagor's qualifying income limitation for those areas which are deemed "high housing cost" areas. The definition of "high housing cost" area and the income adjustment are the same as in the House bill. However, the amendment does not define nor make adjustments for "low housing cost" areas. In addition, the amendment provides that the applicable income limit for the mortgagor will be the highest of 115 percent of area median income, the adjusted income limit determined for "high housing cost" areas, or 115 percent of State median income.

The amendment also directs the Treasury Department to amend its regulations to provide a method of determining the capitalized value of a ground lease for those cases in which the lease has at least thirty-five years remaining and the ground rent is known for at least the first ten years of the remaining lease term, but not for the entire term.

Conference Agreement

The conference agreement follows the House bill, with several modifications.

First, the QMB and MCC programs are extended for one year, through December 31, 1989.

Second, the conference agreement follows the Senate amendment in adjusting applicable income limits for high housing cost areas only.

Third, the conference agreement follows the Senate amendment in directing the Treasury Department to amend its regulations with respect to the treatment of certain ground leases.

Fourth, the House provision extending the arbitrage rebate rules of governmental bonds to the nonpurpose arbitrage earnings of QMBs and qualified veterans' mortgage bonds is modified to apply only to QMBs.

Fifth, the House provision imposing a three-year loan origination period after which unspent proceeds must be used to redeem bonds within the next six months, is modified to permit loans originated during that six-month period to reduce the amount of bonds to be redeemed.

Sixth, the House provision requiring use of loan prepayments to redeem bonds is modified to apply both to regular loan repayments and to prepayments; however, only amounts received ten years or more after the date the bonds are issued are required to be used to redeem bonds. The $25,000 *de minimus* amount of the House provision is increased to $250,000. Repayments received during the ten year period following original issuance may be used to make new loans.

Seventh, the House provision requiring the recapture of the QMB and MCC subsidy from certain high-income recipients, whose income increases after the financing is received and who sell their assisted houses within ten years, is modified to apply only to loans originating after December 31, 1990, with the proceeds of bonds subject to the recapture requirement included in the House bill.

In addition, the conference agreement requires the General Accounting Office to study the recapture mechanism of this legislation and make recommendations on possible improvements to effectiveness and administrability. The conferees believe that in those QMB- and MCC-assisted households where income has risen rapidly since acquisition, the special subsidy provided by the program was not necessary in order to become or remain a homeowner. While the study should address all issues it finds germane, the study should, in particular, attempt to answer the following questions: What is the best way to identify those recipients of the subsidy provided by QMBs and MCCs whose income has grown sufficiently that further subsidy is not warranted? Is it more efficacious to recapture the subsidy upon disposition or to deny the subsidy currently in those years in which the taxpayer's income crosses a specified threshold? Should the recapture of the subsidy from QMBs be effected by a different mechanism than the recapture of the subsidy from MCCs? Is it administratively appropriate and equitable to phase out recapture for those taxpayers who reside in their home for more than five years or some other specified term? What is the effect on the taxpayer's effective marginal tax rates of a recapture mechanism based upon income and what phase-ins of the mechanism might be appropriate? If a recapture mechanism is based upon realized gain upon disposition what, if any, provision should be made for the inflationary component of the gain? The study and recommendations must be delivered to the Committee on Ways and Means and the Committee on Finance by July 1, 1990.

E. Extension of Special Student Loan Bond Arbitrage Rules

Present Law

Generally, any arbitrage profits earned on nonpurpose investments acquired with the gross proceeds of any tax-exempt bond must be rebated to the United States unless the proceeds of the issue are spent within 6 months. In addition, temporary periods when bond proceeds may be invested in higher yielding investments are statutorily limited for pooled financing bonds. The Tax Reform Act of 1986 provided an exception from these requirements for certain qualified student loan bonds issued before January 1, 1989. Under the exception, arbitrage profits on nonpurpose investments earned during 18 may be retained.

Under this exception, the rebate requirement does not apply to gross proceeds earned during the initial 18-month temporary period permitted for such bonds if—

(1) the gross proceeds are used to pay costs of issuance financed with the bonds; or

(2) the gross proceeds are used to pay administrative costs of the student loan program attributable to such issue and the costs of carrying such issue, but only if the proceeds of the issue are used to make or finance qualified student loans before the end of the 18-month temporary period permitted under the Tax Reform Act of 1986. The exception does not apply if the issuer so elects.

House Bill

No provision.

Senate Amendment

The Senate amendment provides a 6-month extension of the special exception, through June 30, 1989. The provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the House bill.

F. Extension of Business Energy Tax Credits for Solar, Geothermal and Ocean Thermal Property

Present Law

Three business energy tax credits are scheduled to expire after December 31, 1988. These credits and the property to which they pertain are:

(1) Business solar—10% credit

(2) Geothermal—10% credit

(3) Ocean thermal—15% credit.

These credits were extended through 1988 in the Tax Reform Act of 1986, with the tax credit rates shown above effective for eligible property placed in service during calendar year 1988.

House Bill

No provision.

Senate Amendment

These three credits are extended through June 30, 1989, at the present (1988) tax credit rates. The extension of the present energy tax credit rates are effective for property placed in service on or after January 1, 1989.

Conference Agreement

The conference agreement follows the Senate amendment with a modification that extends the present law business energy tax credits through December 31, 1989.

The conferees agree with the colloquy appearing on 113 Cong. Rec. S 15455 (Oct. 11, 1988), relating to the energy tax credit.

G. Research and Development Provisions

1. Extension of research tax credit

Present Law

A 20-percent tax credit (sec. 41) is allowed for the amount of qualified research expenses paid or incurred by a taxpayer during a taxable year that exceeds the average amount of the taxpayer's yearly qualified research expenses in the base period (generally, the preceding three taxable years). The credit also applies to certain payments to universities for basic research.

Under present law, the credit is scheduled to expire after December 31, 1988.

House Bill

Extension of credit

The present-law research credit (including the university basic research credit) is extended for two additional years, i.e., for qualified research expenses incurred through December 31, 1990. The provision is effective on the date of enactment.

GAO study

The General Accounting Office is directed to conduct a study of the structure, operation, and effectiveness of the credit, and to submit a report on the study (including any recommendations for targeting the credit more effectively and otherwise improving the credit) to the Committee on Ways and Means by December 31, 1989.

Senate Amendment

Extension of credit

The present-law research credit (including the university basic research credit) is extended for three additional months, i.e., through March 31, 1989. A pro rata rule applies for purposes of computing the extended credit pursuant to which the taxpayer's qualified research expenses (or basic research payments) for January 1, 1989 through March 31, 1989 are deemed equal to one-quarter of the taxpayer's actual qualified research expenses (or basic research payments) for January 1, 1989 through December 31, 1989. The provision is effective on the date of enactment.

GAO study

No provision.

Conference Agreement

Extension of credit

The present-law research credit (including the university basic research credit) is extended for one additional year, i.e., for qualified research expenses incurred through December 31, 1989. The provision is effective on the date of enactment.

GAO study

The conference agreement follows the House bill.

The conferees believe that research is the lifeblood of our economic progress and that effective tax incentives for research and development must be a fundamental element of America's competitiveness strategy.

The conference report extends two important incentives, the research credit and the section 861-8 allocation rules. While these incentives are important, they are not necessarily sufficient to maintain our competitive edge in technology dependent industries.

In light of this, the legislation provides for a study of the current structure of the research credit and for the timely reporting to the Congress of needed improvements in this important area of the tax law. The conferees expect the General Accounting Office to report well in advance of the scheduled expiration of the current credit in order to allow the conferees and the business community adequate time to consider any recommended changes in the present credit.

2. Denial of deduction for amounts allowed as a credit

Present Law

The amount of any deduction allowable to a taxpayer under section 174 or any other provision for research expenses or basic research payments is not reduced by the amount of any section 41 credit also allowed to the taxpayer for the same research expenses or basic research payments.

House Bill

No deduction (under sec. 174, sec. 170, or otherwise) is allowed for that portion of the taxpayer's qualified research expenses or basic research payments otherwise allowable as a deduction for the year that equals the amount of the taxpayer's section 41 credit determined for that year. A similar rule applies where the taxpayer capitalizes, rather than expenses, qualified research expenses pursuant to section 174.

Under the provision, the taxpayer may elect not to claim the full amount of the credit that otherwise would be available, thereby avoiding reduction of the section 174 deduction where the limitation imposed by the alternative minimum tax prevents full use of the credit.

The provision is effective for taxable years beginning after December 31, 1988.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, except the deduction reduction equals 50 percent of the taxpayer's section 41 credit determined for the year.

3. Allocation and apportionment of R&D expenses

Present Law

For certain taxable years beginning before August 14, 1981 and for years beginning after August 1, 1987, R&D expenses were and are allocated between U.S. and foreign source income under detailed 1977 regulations designed to allocate and apportion R&D expenses on the basis of their respective contributions to U.S. source and foreign source net income. For the intervening years, R&D expenses were allocated and apportioned under statutory rules designed with particular emphasis on encouraging R&D activity in the United States.

House Bill

U.S. persons must allocate 64 percent of U.S. R&D expenses (other than any such amount allocated to one geographical source because of legal requirements) to U.S. source income and 64 percent of foreign R&D expenses (other than any such amount allocated to one geographical source because of legal requirements) to foreign source income. The remainder of U.S. and foreign R&D expenses are to be allocated on the basis of gross sales or (subject to a limit) gross income. The amount of R&D expense allocated to foreign source income on the basis of gross income in all cases must be at least 30 percent of the amount allocated to foreign source income on the basis of gross sales. The bill also clarifies the treatment of expenses for R&D conducted in space, the high seas, and Antarctica.

With respect to U.S. R&D expenses, the bill is effective for taxable years beginning after August 1, 1987, and before January 1, 1991. With respect to foreign R&D expenses, the bill is effective for taxable years beginning after June 21, 1988, and before January 1, 1991.

Senate Amendment

The Senate amendment is the same as the House bill, except that the Senate amendment is effective for the first four months of the first taxable year beginning after August 1, 1987. In determining which R&D expenses were incurred in which four-month period of that taxable year, R&D expenses are to be treated as if incurred ratably throughout the taxable year.

Conference Agreement

The conference agreement generally follows the Senate amendment. Under the agreement, the substantive rules of the agreement regarding the allocation and apportionment of foreign R&D expenses (as well as the substantive rules regarding U.S. R&D expenses) are effective for the first four months of the first taxable year beginning after August 1, 1987, with such expenses treated as if incurred ratably throughout the taxable year.

The conferees also wish to clarify that the regulatory authority provided to Treasury under the agreement extends to providing for the source of gross income and for the adjustment of group-allocable research expenses to take account of research expenses allocated and apportioned to combined income from products produced or services performed by the 936 company, in the case of those 936 companies electing the profit split method (sec. 936(h)(5)(C)(ii)) for computing intangible property income. (Under the agreement Treasury has regulatory authority to adjust group-allocable research expenses to reflect the amount of research expenses included in computing the cost-sharing amount determined under section 936(h)(5)(C)(i)(I). The amount allocated and apportioned to combined income in the case of a 936 company electing the profit split method is computed taking into account the cost sharing amount.) Thus, where an affiliated group with qualified research and experimental expenditures has a 936 company that has elected the profit split method, the qualified research and experimental expenditures taken into account in computing combined taxable income will be an adjustment to the group's qualified research and experimental expenditures subject to allocation and apportionment under the agreement.

H. Extension of Targeted Jobs Tax Credit

Present Law

Tax credit provisions

A tax credit is available on an elective basis to employers of individuals from one or more of nine targeted groups. The nine groups consist of individuals who are either recipients of payments under a means-tested transfer program, economically disadvantaged (as measured by family income), or disabled.

The credit generally is equal to 40 percent of the first $6,000 of qualified first year wages. A credit equal to 85 percent of up to $3,000 of wages to any disadvantaged summer youth employee also is allowed. The employer's deduction for wages must be reduced by the amount of the credit.

The credit shall not apply to any amount paid or incurred to an individual who begins work for the employer after December 31, 1988.

Authorization of appropriations

Present law also authorizes appropriations for administrative and publicity expenses relating to the credit through September 30, 1988. These moneys are to be used by the IRS and Department of Labor to inform employers of the credit program.

House Bill

Under the House bill, the credit and the authorization for appropriations are extended for two years. The category of economically disadvantaged youth is restricted to include employees age 18 through 21 (rather than employees age 18 through 24).

The provision applies with respect to targeted-group individuals who begin work for the employer after December 31, 1988 and before January 1, 1991. Under the provision, the credit does not apply with respect to individuals who begin work for the employer after December 31, 1990.

The authorization for appropriations is effective for the period October 1, 1988 through September 30, 1990 (fiscal years 1989-1990).

Senate Amendment

Under the Senate amendment, the credit is extended for six months, and the authorization for appropriation is extended one year. Also, the credit for disadvantaged summer youth employees is reduced from 85 percent to 40 percent.

The provision applies with respect to targeted-group individuals who begin work for the employer after December 31, 1988 and before July 1, 1989. Under the provision, the credit does not apply with respect to individuals who begin work for the employer after June 30, 1989.

The authorization for appropriations is effective for the period October 1, 1988, through September 30, 1989 (fiscal year 1989).

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with modifications. The agreement follows the House bill provision to restrict the category of economically disadvantaged youth, except that this category will include employees age 18 to 22 rather than employees age 18 to 21. The agreement also includes the provision in the Senate amendment to reduce the credit for disadvantaged summer youth employees from 85 percent to 40 percent.

The conference agreement extends the credit to amounts paid or incurred to a targeted-group individual who begins work for the employer after December 31, 1988, and before January 1, 1990. The credit does not apply with respect to individuals who begin work for the employer after December 31, 1989.

The conference agreement provides that the authorization for appropriations is effective for the period October 1, 1988, through September 30, 1989 (fiscal year 1989).

I. Treatment of Mutual Fund Shareholder Expenses for Purposes of the 2-Percent Floor on Miscellaneous Itemized Deductions

Present Law

For taxable years beginning after December 31, 1986, miscellaneous employee and investment expenses generally are deductible by itemizers only to the extent that they exceed 2 percent of the taxpayer's adjusted gross income. As enacted in the Tax Reform Act of 1986, this 2-percent floor applies with respect to indirect deductions through regulated investment companies (mutual funds): i.e., certain investment expenses of such funds do not directly reduce the amount of the fund's income that is taxable to the shareholder, but may be deducted by the shareholder as miscellaneous deductions subject to the 2-percent floor.

The Omnibus Budget Reconciliation Act of 1987 delayed the treatment of expenses of publicly offered mutual funds as miscellaneous itemized deductions until taxable years beginning after December 31, 1987.

House Bill

Under the House bill, expenses of publicly offered mutual funds are not treated as miscellaneous itemized deductions of shareholders subject to the 2-percent floor, effective for taxable years beginning after December 31, 1987.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, except that the treatment of expenses of publicly offered mutual funds as miscellaneous itemized deductions is delayed until taxable years beginning after December 31, 1989.

J. Financially Troubled Financial Institutions: Reorganizations, NOLs, and FSLIC/FDIC Assistance Payments

Present Law

The following three rules applying to financially troubled thrift institutions are scheduled to expire December 31, 1988:

(1) Gross income of a domestic savings and loan association does not include assistance payments from the Federal Savings and Loan Insurance Corporation ("FSLIC") and no basis reduction is required on account of such payments;

(2) Certain FSLIC-assisted acquisitions of financially troubled thrift institutions may qualify as tax-free reorganizations, without regard to the continuity of interest requirement; and

(3) Special rules apply to the carryforward of net operating losses, built-in losses, and excess credits of a thrift institution that has certain ownership changes.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, the three present law rules for financially troubled thrift institutions are extended for six months, through June 30, 1989, with a modification. Under the modification, net operating losses existing at the time of the regulatory assistance, interest expense, and loan portfolio built-in losses are reduced by an amount equal to 50 percent of the tax-free FSLIC assistance payments. In the case of taxable asset acquisitions, there is no reduction in deductions on account of any payments made at the time of the acquisition to the person acquiring such assets to make up the difference between the fair market value of the assets transferred and the liabilities assumed.

The above rules are also applied during the six-month period to financially troubled banks and to payments made to such banks by the Federal Deposit Insurance Corporation ("FDIC").

The provisions are effective as follows:

(1) The extension of the tax-free treatment of assistance payments with the 50-percent cutback, and the application of these rules to banks, apply to assistance payments made pursuant to acquisitions occurring after December 31, 1988 and before July 1, 1989, and to other assistance payments made during such period unless pursuant to an acquisition occurring on or before December 31, 1988.

(2) The extension of tax-free reorganization rules, and the application of these rules to banks, apply to acquisitions after December 31, 1988 and before July 1, 1989.

(3) The extension of the carryforward rules, and the application of these rules to banks, apply to ownership changes occurring after December 31, 1988 and before July 1, 1989.

Conference Agreement

The conference agreement follows the Senate bill with modifications.

Tax attribute reduction: definition of recognized built-in portfolio losses

The conference agreement modifies the definition of the recognized built-in losses that are subject to the 50-percent cutback. Such losses include all recognized built-in portfolio losses, without regard to whether or not the amount of net unrealized built-in portfolio losses exceeds the 25-percent threshhold of section 382(h)(3)(B) of the Code.

Recognized built-in portfolio losses include built-in losses on property described in section 595(a) of the Code, and losses on marketable securities as defined in section 453(f)(2) of the Code, as well as loan portfolio built-in losses.

Certain taxable asset acquisitions: 50-percent cutback and basis recovery provisions

The conference agreement modifies the application of the 50-percent cutback in the case of taxable asset acquisitions. In the case of any acquisition of assets of any applicable financial institution to which section 381 does not apply, the 50-percent cutback does not apply with respect to assistance payments made at the time of the acquisition to the person acquiring such assets that are excludable under section 597(a) of the Code. For purposes of this subsection, payments made at the time of the acquisition shall only include cash payments. Payments made after the acquisition pursuant to notes or other rights to receive future payments (including income maintenance payments with respect to loans, payments under guarantees against loss on certain assets, or any other rights) shall be subject to the 50-percent cutback to the extent they exceed the cumulative recovery (as prescribed by the Treasury Department) of the basis that is properly allocated to such rights.

It is expected that basis shall be properly allocated to such rights under this provision and that such basis allocation shall reflect the full present value, at the time of the acquisition, of the amounts that may be received pursuant to the notes or other rights, and shall include the value of any guarantee against further declines in value with respect to guaranteed assets that may occur after the acquisition of such assets.

It is expected that the Treasury Department shall not permit the basis with respect to such rights to be recovered over a period shorter than the actual period of the note, guarantee, or other right (including extensions, if any). It is also expected that the basis recovery method prescribed by the Treasury Department may take into account yield-to-maturity principles, so that a smaller amount of basis shall generally be recovered in the earlier years than in the later years; and payments made earlier than the time reflected in the present value basis computation would be subject to the 50-percent cutback.

No deduction for tax purposes shall be allowed for any basis recovery with respect to such rights unless and until such rights finally expire. At that time, a deduction shall be allowed for the excess, if any, of the amount of basis properly allocated to such rights over the amount of payments actually received pursuant to such rights.

Repayments of assistance payments for which a prior attribute cutback occurred

The conference agreement provides that if a taxpayer repays an amount and the 50-percent cutback applied to that taxpayer with respect to such amount in a preceding taxable year, there shall be allowed as a deduction for the taxable year of repayment an amount equal to the reduction in tax attributes that was attributable to the amount repaid.

Application of section 265

Under the conference agreement, no provision of section 265 of the Code shall deny a deduction by reason of such deduction being allocable to amounts excluded from gross income under section 597 of the Code.

General effective dates of extensions and related attribute cutback

The conference agreement modifies the effective dates of the basic extension of the three special present law provisions for financially troubled thrift institutions, and for the related attribute cutback rules (including the special taxable asset acquisition provisions), as follows:

(1) The extension of the tax-free treatment of assistance payments, and the cutback of attributes with respect to such tax-free payments, apply to assistance payments made pursuant to acquisitions occurring after December 31, 1988 and before January 1, 1990, and to other assistance payments made during such period unless pursuant to an acquisition occurring on or before December 31, 1988.

(2) The extension of the tax-free reorganization rules applies to acquisitions after December 31, 1988 and before January 1, 1990.

(3) The extension of the carryforward rules applies to ownership changes occurring after December 31, 1988 and before January 1, 1990.

Application to banks

The conference agreement clarifies that the provisions with respect to assistance payments made to financially troubled banks by the Federal Deposit Insurance Corporation ("FDIC") extend to payments made pursuant to 12 U.S.C. sections 1823(c)(1) and (2), as well as to payments made pursuant to 12 U.S.C. section 1821(f).

The conference agreement modifies the effective date of the provisions with respect to financially troubled banks and payments made to such banks by the FDIC. The application of the tax-free treatment of assistance payments and the attribute cutback rules in these cases apply to assistance payments made pursuant to acquisitions occurring after the date of enactment of the provision and before January 1, 1990, and to other assistance payments made during such period unless pursuant to an acquisition occurring on or before the date of enactment.

The extension of the tax-free reorganization rules to banks applies to acquisitions after the date of enactment and before January 1, 1990.

The extension of the carryforward rules to banks applies to ownership changes occurring after the date of enactment and before January 1, 1990.

Application to certain other entities

The conference agreement also extends the provisions that apply to banks and FDIC assistance payments to entities that would be domestic building and loan associations under section 7701(a)(19) but for the fact that they do not satisfy the 60-percent asset test prescribed in section 7701(a)(19)(C), and to FSLIC assistance payments to such entities. The effective dates of the provisions with respect to such entities, including the attribute cutback rule, are the same as the effective dates of the provisions with respect to banks.

IV. REVENUE-INCREASE PROVISIONS

A. Corporate Estimated Tax Payments

Present Law

Under present law, corporations are required to make estimated tax payments four times a year. For small corporations, each installment is required to be based on an amount equal to the lesser of (1) 90 percent of the tax shown on the return or (2) 100 percent of the tax shown on the preceding year's return. For large corporations, each installment is required to be based on an amount equal to 90 percent of the tax shown on the return (except that the first payment may be based on 100 percent of the tax shown on the preceding year's return). For both large and small corporations, the amount of any payment is not required to exceed an amount which would be due if the total payments for the year up to the required payment equal 90 percent of the tax which would be due if the income already received during the current year were placed on an annual basis. Any reduction in a payment resulting from using this annualization rule must be made up in the subsequent payment if the corporation does not use the annualization rule for that subsequent payment. However, if the subsequent payment makes up at least 90 percent of the earlier shortfall, no penalty is imposed.

House Bill

A corporation that uses the annualization method for a prior payment is required to make up the entire shortfall (rather than 90 percent of the shortfall) in the subsequent payment in order to avoid an estimated tax penalty. The provision is effective for estimated tax payments required to be made after December 31, 1988.

Senate Amendment

The Senate amendment is the same as the House bill, effective for estimated tax payments required to be made after September 30, 1988.

Conference Agreement

The conference agreement follows the House bill.

B. Life Insurance Provisions

1. Treatment of single premium and other investment-oriented life insurance contracts

Present Law

Under present law, the undistributed investment income ("inside buildup") earned on premiums credited under a contract that satisfies a statutory definition of life insurance is not subject to current taxation to the owner of the contract. In addition, death benefits paid under a contract that satisfies the statutory definition are excluded from the gross income of the recipient, so that neither the owner of the contract nor the beneficiary of the contract is ever taxed on the inside buildup if the insured dies before the contract is surrendered.

Amounts received under a life insurance contract prior to the death of the insured generally are not includible in gross income to the extent that the amount received does not exceed the taxpayer's investment in the contract. Amounts borrowed under a life insurance contract generally are not treated as received and, consequently, are not includible in gross income.

House Bill

Treatment of modified endowment contracts distribution rules

In order to discourage the purchase of life insurance as a tax-sheltered investment vehicle, the House bill alters the Federal income tax treatment of loans and other amounts received under a class of life insurance contracts that are statutorily defined as "modified endowment contracts." Under the House bill, amounts received under modified endowment contracts are treated first as income and then as recovered basis. In addition, loans under modified endowment contracts and loans secured by modified endowment contracts are treated as amounts received under the contract. Finally, an additional 10-percent income tax is imposed on certain amounts received under modified endowment contracts to the extent that the amounts received are includible in gross income.

Under the House bill, the assignment or pledge of any portion of a modified endowment contract is not treated as an amount received under the contract if the assignment or pledge is solely to cover the payment of burial expenses or prearranged funeral expenses and the contract satisfies special rules relating to the definition of life insurance (sec. 7702(e)(2)(C)).

In determining whether amounts payable or borrowed under a modified endowment contract are received under the contract, the House bill adopts the present-law rules applicable to annuity contracts. Under these rules, any amount in the nature of a dividend or similar distribution that is retained by the insurer as a premium or other consideration paid for the contract is not includible in the gross income of the owner of the contract. Because such amounts are excludable from gross income, these retained policyholder dividends do not increase the taxpayer's investment in the contract.

Definition of modified endowment contract

A modified endowment contract is defined as any contract that satisfies the present-law definition of a life insurance contract but fails to satisfy a 7-pay test. In addition, a modified endowment contract includes any life insurance contract that is received in exchange for a modified endowment contract.

A contract fails to satisfy the 7-pay test if the cumulative amount paid under the contract at any time during the first 7 contract years exceeds the sum of the net level premiums that would have been paid on or before such time had the contract provided for paid-up future benefits after the payment of 7 level annual premiums.

The net level premiums under the 7-pay test ("7-pay premiums") are computed by applying the computational rules used in determining the net single premium under the cash value accumulation test, except that the death benefit that is provided under the contract for the first contract year is deemed to be provided until the deemed maturity date of the contract. Under the House bill, the mortality charges taken into account in computing the 7-pay premiums must be reasonable as determined under Treasury regulations and, except as provided in Treasury regulations, cannot exceed the mortality charges taken into account in determining the Federal income tax reserve for the contract. Expense charges are not taken into account in determining the 7-pay premiums.

For purposes of the 7-pay test, the term "amount paid" means the premiums paid under the contract reduced by amounts received under the contract that are not received as an annuity to the extent that such amounts are not includible in gross income and are not attributable to a reduction in the originally scheduled death benefit.

Material change rules

If there is a material change in the benefits or other terms of a contract that was not reflected in any previous determination under the 7-pay test, the contract is considered a new contract that is subject to the 7-pay test as of the date that the material change takes effect and adjustments are made in the application of the 7-pay test to take into account the greater of the cash surrender value of the contract or the premiums paid under the contract.

For purposes of this rule, a material change includes the exchange of a life insurance contract for another life insurance contract and the conversion of a term life insurance contract into a whole life insurance contract. In addition, an increase in the future benefits provided under a life insurance contract constitutes a material change unless the increase is required to satisfy the statutory definition of life insurance and the increase is attributable to (1) the payment of premiums necessary to fund the lowest death benefit payable in the first 7 contract years, or (2) the crediting of interest or other earnings with respect to such premiums.

The payment of any premium is not necessary to fund the lowest death benefit payable during the first 7 contract years to the extent that the amount of the premium exceeds the excess, if any, of (1) the single premium for the contract immediately before the premium payment, over (2) the deemed cash surrender value of the contract immediately before the premium payment.

For this purpose, the single premium for a contract is determined by applying the computational rules under the cash value accumulation test or the guideline premium requirement, whichever is applicable, except that the lowest death benefit that is provided during the first 7 contract years is deemed to be provided until the deemed maturity date of the contract.

The deemed cash surrender value of any contract equals the cash surrender value (determined without regard to any surrender charge or policy loan) that would result if the premiums paid under the contract had been credited with interest at the policy rate and had been reduced by the applicable mortality and expense charges. For this purpose, in the case of a contract that satisfies the cash value accumulation test, the policy rate equals the greater of 4 percent or the rate or rates guaranteed on the issuance of the contract. In the case of a contract that satisfies the guideline premium requirement, the policy rate equals the greater of 6 percent or the rate or rates guaranteed on the issuance of the contract. The applicable mortality and expense charges for any contract are those charges that were taken into account for prior periods under the cash value accumulation test or the guideline premium requirement, whichever is applicable.

If a life insurance contract is materially changed, in applying the 7-pay test to any new premiums paid under the contract, the 7-pay premium for each of the first 7 contract years is to be reduced by the product of (1) the greater of the premiums previously paid under the contract or the cash surrender value of the contract as of the date that the material change takes effect, and (2) a fraction, the numerator of which equals the 7-pay premium for the future benefits under the contract and the denominator of which equals the net single premium for such benefits computed using the same assumptions used in determining the 7-pay premium.

Studies of life insurance and annuity contracts

The House bill requires the Secretary of the Treasury and the Comptroller General of the United States to each conduct a separate study of (1) the effectiveness of the revised tax treatment of life insurance in preventing the sale of life insurance primarily for investment purposes, and (2) the policy justification for, and the practical implications of, the present-law treatment of earnings on the cash surrender value of life insurance and annuity contracts in light of the reforms made by the Tax Reform Act of 1986. The results of each study, as well as any recommendations that are considered advisable, are required to be submitted to the House Ways and Means Committee and the Senate Finance Committee not later than March 1, 1989.

Effective date

The provision of the House bill relating to modified endowment contracts applies to contracts that are entered into or that are materially changed on or after June 21, 1988. In determining whether a contract has been materially changed, the rules described above are to apply, except that in determining whether an increase in future benefits constitutes a material change, the death benefit payable under the contract as of June 20, 1988, is to be taken into account rather than the lowest death benefit payable during the first 7 contract years. If a contract entered into before June 21, 1988, is materially changed, the 7-pay test is to be applied to the contract with the adjustments described above.

Senate Amendment

The Senate amendment is the same as the House bill with the following clarifications and modifications.

Treatment of modified endowment contracts

Distribution rules

The Senate amendment is the same as the House bill with respect to the treatment of assignments solely to pay burial or prearranged funeral expenses, except that the Senate amendment applies to all life insurance contracts, rather than only those contracts satisfying the special definition of life insurance for burial contracts, and the Senate amendment clarifies that the treatment of assignments to cover the payment of burial or prearranged funeral expenses applies only if the policyholder does not receive cash directly or indirectly in connection with the assignment.

The Senate amendment also provides that any amount payable or borrowed under a modified endowment contract is not included in gross income to the extent that the amount is retained by the insurance company as a premium or other consideration paid for the contract or as interest or principal paid on a loan under the contract. Because amounts retained by the insurer are not included in the gross income of the taxpayer, the taxpayer's investment in the contract is not increased by the amount retained.

Under the Senate amendment, the cash surrender value of a modified endowment contract is reduced by the amount of any loan that is treated as received under the contract under the revised income inclusion rules. In addition, the investment in the contract and the cash surrender value of the contract are each increased by the amount of payments on a loan to the extent attributable to loans treated as received under the contract under the revised income inclusion rules.

The Senate amendment extends the provision of the House bill relating to the treatment of distributions from a contract that is a modified endowment contract on account of a reduction in death benefits to all modified endowment contracts without regard to the reason that the contract fails to satisfy the 7-pay test. Thus, under the Senate amendment, a contract is considered a modified endowment contract for (1) distributions that occur during the contract year that the contract fails (whether due to a death benefit reduction or otherwise) to satisfy the 7-pay test and all subsequent contract years, and (2) distributions that are made in anticipation of the contract failing to satisfy the 7-pay test as determined by the Treasury Department.

Definition of modified endowment contract

Under the Senate amendment, the mortality charges taken into account in computing the 7-pay premiums equal the mortality charges specified in the prevailing commissioners' standard table (as defined in sec. 807(d)(5)) at the time that the contract is issued or materially changed (currently 1980 CSO) except to the extent provided otherwise by the Treasury Department (e.g., with respect to substandard risks).

In the case of a contract that provides an initial death benefit of $10,000 or less and that requires at least 20 nondecreasing annual premium payments, the Senate amendment provides that the amount of the 7-pay premium for each year is increased by an expense charge of $75. All contracts issued by the same insurance company to the same policyholder are treated as a single contract for purposes of applying this rule.

Under the Senate amendment, riders to contracts are considered part of the base insurance contract for purposes of the 7-pay test. In addition, the complete surrender of a life insurance contract during the first 7 years of the contract does not in itself cause the contract to be treated as a modified endowment contract.

The Senate amendment provides that the lapse of a contract resulting in paid-up insurance in a reduced amount due to the nonpayment of premiums is not considered in applying the 7-pay test if the contract is reinstated to the original face amount within 180 days after the lapse. Finally, under the Senate amendment, the amount paid under a contract is reduced by nontaxable distributions to which section 72(e) applies whether or not attributable to a reduction in the originally scheduled death benefit.

Material change rules

The Senate amendment deletes the rule in the House bill that a death benefit increase must be required in order to satisfy the statutory definition of life insurance. Thus, under the Senate amendment, an increase in the future benefits provided under a life insurance contract constitutes a material change unless the increase is attributable to (1) the payment of premiums necessary to fund the lowest death benefit payable in the first 7 contract years or (2) the crediting of interest or other earnings with respect to such premiums.

Under the Senate amendment, the definition of necessary premium for guideline premium contracts is modified to allow aggregate premium payments equal to the greater of (1) the guideline single premium or (2) the sum of the guideline level premiums to date (without regard to the deemed cash value). In determining the necessary premiums under a contract, an increase in the death benefit provided in the contract may be taken into account to the extent necessary to prevent a decrease in the excess of the death benefit over the cash surrender value of the contract.

The Senate amendment provides that a decrease in future benefits under a contract is not considered a material change. In addition, policyholder dividends are considered other earnings that may increase the death benefit without triggering a material change.

Under the Senate amendment, the Treasury Department is granted authority to provide circumstances under which a de minimis death benefit increase is not a material change (e.g., a death benefit increase that is attributable to a reasonable cost of living adjustment determined under an established index specified in the contract).

In the case of a contract that is materially changed, the new 7-pay premium is adjusted to take into account only the cash surrender value of the contract as of the date of the material change. Thus, under the Senate amendment, in applying the 7-pay test to any new premiums paid under a contract that has been materially changed, the 7-pay premium for each of the first 7 contract years after the change is to be reduced by the product of (1) the cash surrender value of the contract as of the date that the material change takes effect, and (2) a fraction the numerator of which equals the 7-pay premium for the future benefits under the contract, and the denominator of which equals the net single premium for such benefits computed using the same assumptions used in determining the 7-pay premium.

Studies of life insurance and annuity contracts

The Senate amendment does not follow the House bill provision requiring studies on the taxation of life insurance and annuity contracts.

Effective date

The provision of the Senate amendment relating to modified endowment contracts applies to contracts entered into on or after June 21, 1988. A contract is considered entered into on or after June 21, 1988, if (1) on or after June 21, 1988, the death benefit under the contract is increased or a qualified additional benefit is increased or added to the contract and, prior to June 21, 1988, the owner of the contract did not have a unilateral right under the contract to obtain such increase or addition without providing additional evidence of insurability, or (2) the contract is converted from a term life insurance contract into a life insurance contract providing coverage other than term insurance coverage after June 20, 1988, without regard to any right of the owner under the contract to obtain such conversion.

In addition, a modified endowment contract that is entered into on or after June 21, 1988, and before the date of enactment and that is exchanged within 3 months after the date of enactment for a life insurance contract that satisfies the 7-pay test is not considered a modified endowment contract if gain (if any) is recognized on the exchange.

Conference Agreement

The conference agreement follows that Senate amendment with the following modifications and clarifications.

Treatment of modified endowment contracts

Distribution rules

The conference agreement provides that the assignment or pledge of any portion of a modified endowment contract is not treated as an amount received under the contract if the assignment or pledge is solely to cover the payment of burial expenses or prearranged funeral expenses and the maximum amount of the death benefit provided under the contract does not exceed $25,000.

In determining whether amounts payable or borrowed under a modified endowment contract are received under the contract, only an amount in the nature of a dividend or similar distribution that is retained by the insurer as a premium or other consideration paid for the contract is not includible in the gross income of the owner of the contract. Thus, for example, any amount borrowed under a modified endowment that is retained by the insurer as a premium under the contract is considered an amount received under the contract. In addition, any dividend under a modified endowment contract that is retained by the insurer as principal or interest on a loan under the contract is considered an amount received under the contract. On the other hand, any dividend under a modified endowment contract that is retained by the insurer to purchase an additional amount of paid-up insurance or a qualified additional benefit is not considered an amount received under the contract.

The conference agreement also provides rules with respect to the determination of a taxpayer's investment in the contract in the case of any loan that is treated as received under a modified endowment contract or an annuity contract. Under these rules, the investment in the contract is increased by the amount of any loan that is treated as received under the contract to the extent that the loan is includible in the gross income of the taxpayer. In addition, unlike the present-law rule for other amounts received that are excludable from gross income, the amount of any loan that is treated as received under the contract but is excludable from gross income does not affect the calculation of the taxpayer's investment in the contract. Under the conference agreement, the cash surrender value of a contract is determined without regard to the amount of any loan and the repayment of a loan (as well as any interest under the loan) does not affect a taxpayer's investment in the contract whether or not the loan was treated as received under the contract.

In order to stop the marketing of serial contracts that are designed to avoid the rules applicable to modified endowment contracts, the conference agreement provides that all modified endowment contracts issued by the same insurer (or affiliates) to the same policyholder during any 12-month period are to be aggregated for purposes of determining the amount of any distribution that is includible in gross income. In addition, all annuity contracts issued by the same insurer (or affiliates) to the same policyholder during any 12-month period are to be aggregated for purposes of determining the amount of any distribution that is includible in gross income. Finally, the Treasury Department is provided regulatory authority to prevent the avoidance of the rules contained in section 72(e) through the serial purchase of contracts or otherwise.

Definition of modified endowment contract

Under the conference agreement, the mortality charges taken into account in computing the 7-pay premiums are the same as those taken into account for purposes of the definition of a life insurance contract (as modified by this conference agreement). Thus, the mortality charges are to be reasonable as determined under Treasury regulations and, except as provided in Treasury regulations, cannot exceed the mortality charges specified in the prevailing commissioners' standard table (as defined in sec. 807(d)(5)) at the time that the contract is issued or materially changed (currently 1980 CSO).[1]

The conference agreement also modifies the provision in the Senate amendment relating to the $75 expense charge for small contracts. Under the conference agreement, in the case of a life insurance contract that provides an initial death benefit of $10,000 or less and requires at least 7 annual level premium payments (rather than 20 nondecreasing annual premium payments as provided in the Senate amendment), the amount of the 7-pay premium for each year is increased by an expense charge of $75. For purposes of determining whether a contract provides an initial death benefit of $10,000 or less, any life insurance contract previously issued by the same insurer (or affiliates) to the same policyholder is to be treated as part of such contract, except that any contract that under the effective date provisions is not treated as entered into on or after June 21, 1988, is not to be taken into account.

The conference agreement also authorizes the Treasury Department to prescribe rules for taking into account expenses solely attributable to the collection of premiums paid more frequently than annually. For example, it may be appropriate to take into account the increased expenses that are often charged under smaller contracts (e.g., those with a death benefit of $25,000 or less) and that are attributable to the required payment of premiums more frequently than annually.

Under the conference agreement, a reduction in benefits associated with the lapse of a contract due to the nonpayment of premiums is not considered in applying the 7-pay test if the benefits are reinstated within 90 days after the lapse (rather than 180 days after the lapse as provided in the Senate amendment).

The conference agreement provides that for purposes of the 7-pay test, the term

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[1] For a more detailed discussion of the mortality charges that are taken into account for this purpose, see the discussion in IV. B. 2., below.

"amount paid" means the premiums paid under the contract reduced by amounts received under the contract that are not received as an annuity to the extent that such amounts are not includible in gross income. The receipt of any amount as a loan or the repayment of a loan (as well as any interest under the loan) is not to be taken into account in determining the amount paid under a contract.

Material change rules

Under the conference agreement, a material change includes any increase in the future benefits provided under a life insurance contract with two exceptions. First, a material change does not include an increase in the future benefits provided under a contract if the increase is attributable to (1) the payment of premiums necessary to fund the lowest death benefit payable in the first 7 contract years (except that certain limited death benefit increases described in sec. 7702(e)(2)(A) and (B) may be taken into account), or (2) the crediting of interest or other earnings (including policyholder dividends) with respect to such premiums.

Second, to the extent provided in Treasury regulations, a material change does not include a death benefit increase attributable to a cost-of-living adjustment that is based on an established broad-based index (such as the Consumer Price Index) specified in the contract if (1) the period over which the cost-of-living increase is determined does not exceed the remaining period over which premiums will be paid under the contract and (2) any additional premiums required to fund the increased death benefit are paid ratably over the remaining life of the contract.

In determining whether the payment of any premium is necessary to fund the lowest death benefit payable in the first 7 contract years (taking into account the limited death benefit increases described in section 7702(e)(2(A) and (B)), the conference agreement provides one standard for contracts that satisfy the cash value accumulation test and a second standard for contracts that satisfy the guideline premium requirement. In the case of a contract that satisfies the cash value accumulation test, a premium is necessary to fund the lowest death benefit payable during the first 7 contract years to the extent that the net amount of the premium (i.e., the amount of the premium reduced by any expense charge) does not exceed the excess, if any, of (1) the attained age net single premium for the contract immediately before the premium payment,[4] over (2) the deemed cash surrender value of the contract immediately before the premium payment.[5]

In the case of a contract that satisfies the guideline premium requirement, a premium is necessary to fund the lowest death benefit payable during the first 7 contract years to the extent that the premium paid does not exceed the excess, if any, of (1) the greater of the guideline single premium or the sum of the guideline level premiums to date,[6] over (2) the sum of the premiums previously paid under the contract.

In the case of a contract that is materially changed due to an increase in future benefits that is attributable to a premium that is not necessary to fund the lowest death benefit payable in the first 7 contract years, the amount of the premium that is not necessary to fund such death benefit is to be subject to the 7-pay test without regard to the timing of the premium payment. In applying the 7-pay test to any premiums paid under a contract that has been materially changed, the 7-pay premium for each of the first 7 contract years after the change is to be reduced by the product of (1) the cash surrender value of the contract as of the date that the material change takes effect (determined without regard to any increase in the cash surrender value that is attributable to the amount of the premium payment that is not necessary), and (2) a fraction the numerator of which equals the 7-pay premium for the future benefits under the contract, and the denominator of which equals the net single premium for such benefits computed using the same assumptions used in determining the 7-pay premium.

Studies of life insurance and annuity contracts

The conference agreement follows the House bill in requiring studies on the taxation of life insurance and annuity contracts. The results of the studies are required to be submitted to the House Ways and Means Committee and the Senate Finance Committee not later than June 1, 1989.

Effective date

The provision of the conference agreement relating to modified endowment contracts applies to contracts entered into on or after June 21, 1988. In determining whether a contract is entered into on or after June 21, 1988, for purposes of this effective date, if the death benefit payable under the contract as of October 20, 1988, increases by more than $150,000, the material change rules generally applicable under the conference agreement are to apply. In determining whether an increase in future benefits constitutes a material change, however, the death benefit payable under the contract as of June 20, 1988, is to be taken into account rather than the lowest death benefit payable during the first 7 contract years.

A contract is not to be considered entered into on or after June 21, 1988, under the effective date provision that applies the material change rules to a contract with a death benefit increase of more than $150,000, if as of June 21, 1988, the terms of the contract required at least 7 annual level premium payments and the policyholder continues to make the level annual premium payments in accordance with the terms of the contract as of June 21, 1988. Consequently, an ordinary whole life insurance contract that is entered into before June 21, 1988, will not be subject to the modified endowment contract provisions of the conference agreement.

In addition, under the conference agreement, a contract is considered entered into on or after June 21, 1988, for purposes of this effective date if (1) on or after June 21, 1988, the death benefit under the contract is increased or a qualified additional benefit is increased or added to the contract and, prior to June 21, 1988, the owner of the contract did not have a unilateral right under the contract to obtain such increase or addition without providing additional evidence of insurability, or (2) the contract is converted after June 20, 1988, from a term life insurance contract into a life insurance contract providing coverage other than term insurance coverage, without regard to any right of the owner under the contract to obtain such conversion.

If a contract entered into before June 21, 1988, is considered entered into on or after such date under these rules, the 7-pay test is to be applied to the contract by taking into account the cash surrender value of the contract under the material change rules of the conference agreement.

The conference agreement also provides that in the case of a modified endowment contract that (1) required at least 7 annual level premium payments on the date that the contract was entered into, (2) is entered into on or after June 21, 1988, and before the date of enactment, and (3) is exchanged within 3 months after the date of enactment for a life insurance contract that satisfies the 7-pay test, the contract that is received in exchange for the modified endowment contract is not to be considered a modified endowment contract if the taxpayer elects to recognize the gain (if any) that is realized on the exchange.

Finally, the conference agreement provides that the provision relating to the determination of a taxpayer's investment in the contract in the case of a loan under an annuity contract and the anti-abuse provision applicable to the serial purchase of annuity contracts are to apply to annuity contracts entered into after October 21, 1988. No inference is intended by this provision concerning the treatment of annuity contracts under present law.

2. Limitation on unreasonable mortality and expense charges for purposes of the definition of life insurance

Present Law

For purposes of the statutory definition of a life insurance contract, the mortality charges taken into account are the charges specified in the contract, or, if none are specified in the contract, the mortality charges used in determining the statutory reserve for the contract. For purposes of one of the alternative provisions of the statutory definition of life insurance (the guideline premium requirement), the expense charges taken into account are the expense charges specified in the contract.

House Bill

For all life insurance contracts, the mortality charges taken into account for purposes of the definition of life insurance are required to be reasonable as determined under Treasury regulations and, except as provided in Treasury regulations, may not exceed the mortality charges required to be used in determining the Federal income tax reserve for the contract. The expense charges taken into account for purposes of the guideline premium requirement must be specified in the contract and must be reasonable charges which, on the basis of the company's experience, are reasonably expected to be actually paid. If a company does not have adequate experience for purposes of determining whether expense charges are reasonably expected to be made, the determination is to be made on the basis of the experience of other insurance companies with respect to similar life insurance contracts.

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[4] The attained age net single premium for a contract is to be determined by applying the computational rules under the cash value accumulation test and by assuming that the lowest death benefit that is provided during the first 7 contract years is provided until the deemed maturity date of the contract, except that the limited death benefit increases described in section 7702(e)(2)(B) may be taken into account.

[5] In the case of a life insurance contract with a deemed cash surrender value in excess of the actual cash surrender value (determined without regard to any surrender charge or policy loan), the actual cash surrender value is to be substituted for the deemed cash surrender value in determining whether a premium is necessary to fund the lowest death benefit payable during the first 7 contract years.

[6] The guideline single premium and the guideline level premiums for a contract are to be determined by applying the computational rules applicable to guideline premium contracts and by assuming that the lowest death benefit that is provided during the first 7 contract years is provided until the deemed maturity date of the contract, except that the limited death benefit increases described in section 7702(e)(2)(A) may be taken into account.

The provision applies to contracts entered into or materially changed on or after July 13, 1988.

Senate Amendment

The Senate amendment does not contain a provision relating to the mortality and expense charges that are taken into account for purposes of the definition of life insurance. The Senate amendment provides that, in determining whether a contract that satisfies the statutory definition of life insurance is a modified endowment contract, the mortality charges taken into account are the mortality charges specified in the prevailing commissioners' standard tables (as determined pursuant to sec. 807(d)(5)) at the time the contract is issued or materially changed (currently 1980 CSO), except to the extent provided otherwise by the Treasury Department (e.g., with respect to substandard risks).

The provision applies to contracts entered into on or after June 21, 1988 (i.e., the effective date of the Senate amendment with respect to the treatment of modified endowment contracts). A contract is considered entered into on or after June 21, 1988, if (1) on or after that date, the death benefit is increased or qualified additional benefits are increased or added and, prior to that date, the owner of the contract did not have a unilateral right under the contract to obtain the increase or addition without providing evidence of insurability; or (2) the contract is converted from term insurance coverage to other than term insurance coverage after June 20, 1988, without regard to any right of the owner under the contract to obtain such conversion.

Conference Agreement

The conference agreement follows the House bill, with modifications.

For all life insurance contracts, the mortality charges taken into account for purposes of the definition of life insurance are required to be reasonable as determined under Treasury regulations and, except as provided in Treasury regulations, may not exceed the mortality charges specified in the prevailing commissioners' standard tables (within the meaning of section 807(d)(5)) as of the time the contract is issued. The Treasury Department is directed to issue regulations by January 1, 1990, setting forth standards for determining the reasonableness of mortality charges, including standards with respect to substandard risks. Standards set forth in such regulations that limit mortality charges to amounts less than those specified in the prevailing commissioners' standard tables are to be prospective in application. Pending the issuance of such regulations, mortality charges are to be considered reasonable if such charges do not differ materially from the charges actually expected to be imposed by the company, taking into account any relevant characteristics of the insured of which the company is aware.

For example, in determining whether it is appropriate to take into account mortality charges for any particular insured person as a substandard risk, a company should take into account relevant facts and circumstances such as the insured person's medical history and current medical condition. Other relevant factors include the applicability, if any, of State or local law prohibiting or limiting the company's inquiry into some or all aspects of the insured person's medical history or condition, increasing the potential unknown insurance risk with respect to insured persons in the jurisdiction.

The expense charges taken into account for purposes of the guideline premium requirement of the definition of life insurance are to be reasonable and are to be charges which, on the basis of the company's experience, if any, with respect to similar contracts, are reasonably expected to be actually paid. If any company does not have adequate experience to determine whether expense charges are reasonably expected to be paid, then to the extent provided in regulations, the determination is to be made on the basis of industry-wide experience. The conferees do not intend by this rule, however, that a company will be required to make an independent determination with respect to industry-wide experience. Rather, the conferees expect that regulations will provide guidance on what constitutes reasonable expense charges for similar contracts.

No inference is intended by this provision that present law does not require mortality and expense charges specified in a life insurance contract to be reasonable.

The provision is effective with respect to contracts entered into on or after October 21, 1988.

3. Valuation of group-term life insurance

Present Law

The cost of employer-provided group-term life insurance generally is included in an employee's income to the extent that such cost exceeds the cost of $50,000 of group-term life insurance. In general, the cost of employer-provided group-term life insurance is determined under a table prescribed by the Secretary of the Treasury. Present law provides that the cost with respect to any employee older than age 63 is to be determined as if such employee were age 63.

House Bill

The cost of group-term life insurance under the table prescribed by the Secretary is to reflect the age of the insured without any special rules for individuals older than age 63. Thus, the prescribed tables are to be revised to include rates for age brackets over age 64.

The provision applies to group-term life insurance provided after December 31, 1988.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

C. Loss Transfer Rules for Alaska Native Corporations

Present Law

For taxable years beginning before 1992, Alaska Native Corporations may file consolidated returns with other corporations under rules more liberal than those generally applicable to other taxpayers and, in addition, no provision or principle of law may be applied to deny the benefit or use of losses or credits of an Alaska Native Corporation by its consolidated group.

House Bill

Under the House bill, the special consolidation rules applicable to Alaska Native Corporations (including the rule prohibiting denial of the use of losses or credits through application of any provision or principle of law) are repealed.

The provision is effective for losses and credits arising after April 26, 1988. In addition, losses and credits of an Alaska Native Corporation arising before that date cannot be used to offset income assigned (or attributable to property contributed) on or after that date, unless such use is allowable without regard to the special consolidation rules.

Senate Amendment

The Senate amendment is generally the same as the House bill, with the following modifications: (1) special rules are provided for IRS audit and judicial proceedings in connection with loss transfer transactions of Alaska Native Corporations and (2) transition relief is provided for certain Alaska Native Corporations.

Rules relating to administrative and judicial proceedings

The Secretary of the Treasury must notify an Alaska Native Corporation of any proposed adjustment to the tax liability of a taxpayer which has contracted with the Alaska Native Corporation (or its wholly owned subsidiary) for the use of its losses, if such proposed adjustment arises by reason of an asserted overstatement of losses by, or misassignment of income (or income attributable to property contributed) to an affiliated group of which the Native Corporation (or its wholly owned subsidiary) is a member.[1] This notification requirement will be satisfied if the IRS promptly provides the Alaska Native Corporation a copy of the relevant portion of the notice of proposed adjustment or preliminary notice of deficiency (30-day letter) and the relevant portion of the statutory notice of deficiency or notice of claim disallowance issued to the taxpayer.

An Alaska Native Corporation receiving notice of such a proposed adjustment has the right to submit to the IRS a written statement regarding the proposed adjustment. In addition, the Alaska Native Corporation and its designated representative has the right to meet with the IRS with respect to such proposed adjustment. Any meetings shall be subject to the reasonable discretion of the IRS as to time, place and manner. Further, the time and place of such meetings will be subject to any general standards which may be enumerated by the IRS for determining whether the selection of a time and place for interviewing a taxpayer is reasonable.

The foregoing administrative rights granted to Alaska Native Corporations will not apply if the IRS determines that an extension of the statute of limitations is necessary to permit the exercise of such rights and the taxpayer and the IRS do not agree to such an extension. Any failure by the IRS to provide the notice or grant the rights discussed above will not affect the validity of the determination by the IRS of any adjustment of tax liability.

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[1] For purposes of this provision, a misassignment of income (or income attributable to property contributed), includes any means by which income is sought to be transferred or diverted to another corporation so as to permit losses or credits to offset such income (or the tax attributable to such income).

In the case of any proceeding in a Federal court or the United States Tax Court involving such proposed adjustment, the Alaska Native Corporation, subject to the rules of such court, may file an amicus brief concerning such a proposed adjustment. There is no intention to limit other participation, if any, that a court would have granted in accordance with its rules and procedures in the absence of this provision.

No further substantive or procedural rights are granted to Alaska Native Corporations by this provision.

Transition relief

An Alaska Native Corporation may obtain transition relief, notwithstanding the effective date of the repeal of the special consolidation rules applicable to Alaska Native Corporations, pursuant to one of the following transition rules:

(1) Certain financially distressed regional Alaska Native Corporations may transfer up to $120 million of losses (or the deduction equivalent of credits) which arose before January 1, 1989, if either (a) in the case of an insolvent corporation, such loss (or credit) is used to offset income (or tax) assigned, or attributable to property contributed, pursuant to a binding contract entered into before July 26, 1988 or (b) the Native Corporation was under the jurisdiction of a Federal district court under title 11 of the United States Code (relating to bankruptcy) on April 26, 1988. To be eligible for relief as an insolvent corporation, the balance sheet of the regional Native Corporation included in its applicable financial statement (as defined in section 56(f)(3) of the 1986 Code) for its most recent 12-month period ending on or before October 6, 1988, must reflect an excess of current liabilities over current assets (as defined in accounting literature, within the meaning of Treasury regulation section 1.56-1T(d)(2)(ii)).

(2) Up to $16.4 million of losses (or the deduction equivalent of credits) of an Alaska Native Corporation may offset income (or tax) assigned, or attributable to property contributed, pursuant to a binding contract entered into before July 26, 1988.

(3) If an Alaska Native Corporation has not engaged in any loss transfer transaction prior to April 26, 1988, up to $5 million of losses (or the deduction equivalent of credits) of such Alaska Native Corporation arising on or before December 31, 1988, may be used to offset income (or tax) assigned, or attributable to property contributed, on or before December 31, 1988.

Conference Agreement

The conference agreement follows the House bill except that it contains the provisions of the Senate amendment with respect to the rules relating to administrative and judicial proceedings and it contains a modification providing additional transition relief in certain circumstances.

Under the conference agreement, notwithstanding the House bill effective date of the repeal of the special consolidation rules applicable to Alaska Native Corporations, up to $40 million of losses (or the deduction equivalent of credits) of an Alaska Native Corporation that was in existence on April 26, 1988 may offset income (or tax) assigned, or attributable to property contributed, pursuant to a binding contract entered into before July 26, 1988.

If an Alaska Native Corporation was under the jurisdiction of a Federal district court under title 11 of the United States Code (relating to bankruptcy) on April 26, 1988, then in lieu of the foregoing relief, up to $99 million of losses (or the deduction equivalent of credits) that arise before the date 1 year after the date of enactment of this Act may offset income (or tax) assigned, or attributable to property contributed, pursuant to a binding contract entered into before the date 1 year after the date of enactment of this Act.

The $40 million loss limit established for Alaska Native Corporations in the foregoing circumstances ($99 million in the case of any described corporation in bankruptcy) does not apply to any losses of such corporations that would not have been limited by the House bill.

A contract will be considered to be binding under the transition rule for binding contracts entered into before a specified date even if it was conditioned in some way upon the continuing availability of the present law special provisions relating to Alaska Native Corporations.

The conferees clarify that any loss or credit of any Alaska Native Corporation which arises on or before April 26, 1988, may be used to offset the income or tax of another entity only if there is a binding contract contemplating such offset between that particular Native corporation and that particular entity on or before April 26, 1988. Likewise, pursuant to the transitional relief described above, losses or credits may offset income (or tax) assigned, or attributable to property contributed, pursuant to a binding contract entered into before July 26, 1988, or before the date 1 year after the date of enactment of this Act, only if there is a binding contract contemplating such an offset between the Native Corporation and the particular party to the transaction before such date.

In addition, the conferees clarify the requirement (contained in the legislative history to the House bill) that any loss or credit is treated as arising on or before April 26, 1988, (or any other required date) only if such loss or credit would have been recognized by the taxpayer using generally applicable tax law principles under the taxpayer's method of accounting if its taxable year had ended on such date. For purposes of these provisions, nothing in Treasury regulation sections 1.611-3(b)(1) and 1.611-2(a)(2) shall prevent an allowance for depletion from being treated as arising on or before such date, if the depletable resource is cut (in the case of timber) or recovered (in the case of mines, oil and gas wells, and other natural deposits) on or before such date.

The conference agreement also provides that no provision of any law shall affect the date on which an original conveyance of property to an Alaska Native Corporation is made, for purposes of determining the basis of that property in the hands of the Native Corporation for Federal tax purposes.

D. Update IRS Valuation Tables

Present Law

The IRS publishes tables that are used to value annuities, life estates, terms of years, remainders and reversions. Last published in 1984, these tables assume a 10 percent interest rate and are based on mortality assumptions published in 1969-71. On a monthly basis, the IRS publishes an applicable Federal interest rate, which is based on the average market yield of obligations of the United States.

House Bill

The House bill requires that the value of any annuity, interest for life or terms of years, remainder or reversionary interest be determined under tables (or formulas) prescribed by the Secretary of the Treasury and by using an interest rate equal to 120 percent of the Federal mid-term rate in effect under section 1274(d)(1) for the month in which the valuation date falls. The bill also requires that the tables be revised at least once every ten years to reflect the most recent mortality experience.

Senate Amendment

The Senate amendment is generally the same as the House bill, except that the interest rate is rounded to the nearest 2/10ths of one percent. In addition, at the taxpayer's election, interests in property are valued by reference to the Federal mid-term rate in effect for either of the two months preceding the valuation date.

Conference Agreement

The conference agreement follows the Senate amendment, except that the provision does not apply to interests valued with respect to qualified plans or in other situations specified in Treasury regulations. The conferees intend that such regulations will not require revision of tables where the valuation depends upon interest rate assumptions which are plan specific. The Treasury regulations and tables with respect to section 2031, however, would require revision.

The election to value an interest by reference to the Federal mid-term rate in effect for either of the two months preceding the valuation date is available only if more than an insignificant part of the property transferred qualifies for a charitable deduction for income, estate or gift tax purposes.

E. Estate Tax Provisions

1. Disallow marital deduction when spouse is not a citizen of the United States

Present Law

For U.S. citizens and residents, a deduction is allowed for Federal estate and gift tax for the value of property passing from the decedent to the surviving spouse, regardless of the spouse's citizenship. For nonresident aliens, no marital deduction is allowed for estate and gift tax purposes.

For U.S. citizens, section 2013 provides a credit for a portion of estate tax paid with respect to property transferred to the decedent by or from a person who died within ten years, before or within two years after, the decedent's death.

House Bill

The House bill denies the marital deduction for Federal estate tax purposes for property passing to an alien spouse. The bill also provides that gifts to an alien spouse exceeding $100,000 per year are taxable under the Federal gift tax.

To the extent that the marital deduction is denied because the surviving spouse is an alien, the estate of that spouse who is entitled to a section 2013 credit for the full amount of estate tax paid with respect to property received from the decedent spouse's estate, determined without regard to when the decedent spouse died.

The bill allows a marital deduction for Federal estate tax purposes for property passing from a nonresident alien to a spouse who is a U.S. citizen.

Senate Amendment

The Senate amendment follows the House bill, except that property passing at death to an alien spouse is excluded from the decedent's gross estate if situated in the U.S. and placed in a trust with a U.S. trustee in which the surviving spouse has a qualifying income interest for life. The value of such property is reduced by the amount of liability transferred with such property.

Transfers of property by the trustee are subject to an estate tax equal to the additional estate tax which would have been imposed had the distributed amount (together with previously distributed amounts) been includible in the decedent's estate. Trust income (as determined under the terms of the governing instrument and applicable local law) which is distributed prior to the surviving spouse's death is not subject to this tax.

Property held in trust is treated as having been transferred if the trustee ceases to be a U.S. citizen, or if the property is removed from the United States. When the estate tax on the decedent's estate has not yet been determined, the estate tax imposed equals the value of the transferred property times the highest estate tax rate (i.e., 55 percent under rates in effect for decedents dying in 1988) in effect at the time of the decedent's death. The section 2013 credit is available with respect to the estate tax, but with the limitations placed upon the credit under present law.

Conference Agreement

The conference agreement follows the Senate amendment and the House bill with respect to common provisions. In addition, the conference agreement contains the following modifications.

Under the conference agreement, the marital deduction is allowed for property passing to an alien spouse in a qualified domestic trust. Property passing outside the probate estate is treated as passing in a qualified domestic trust if transferred to such a trust before the estate tax return is due.

A qualified domestic trust must meet four conditions.

First, the trust instrument must require that all trustees be U.S. citizens or domestic corporations.

Second, the surviving spouse must be entitled to all the income (as determined under the terms of the governing instrument and applicable local law) from the property in the trust, payable annually or at more frequent intervals.

Third, the trust must meet the requirements of Treasury regulations prescribed to ensure collection of the estate tax imposed upon the trust. It is expected that the Treasury regulations will require that sufficient trust assets be subject to U.S. jurisdiction so as to ensure collection of estate tax with respect to the trust. The regulations might, for example, require that a portion of trust property to be situated in the United States or that the trustee be an institution with substantial U.S. assets.

Fourth, the executor must make an election with respect to the trust. This election must be made on the estate tax return and, once made, is irrevocable.

An estate tax is imposed upon corpus distributions from the trust made prior to the date of the surviving spouse's death and upon the value of property remaining in a qualified domestic trust upon the date of the surviving spouse's death. The tax is also imposed upon the trust property if a person other than a U.S. citizen or domestic corporation becomes a trustee of the trust or if the trust ceases to meet the requirements prescribed by the Secretary of the Treasury.

The amount of the estate tax is the additional estate tax which would have been imposed had the property subject to the tax been included in the decedent spouse's estate. If the estate tax for the decedent spouse's estate has not been finally determined,[8] a tentative tax is imposed using the highest estate tax rate in effect as of the date of the decedent's death. When the decedent spouse's estate tax liability is finally determined, the excess of the tentative tax over the additional estate tax which would have been imposed had the property been included in the decedent's estate tax is refundable.

The estate tax is due on the 15th day of the fourth month in the calendar year following the end of the taxable year in which the taxable event occurs. The trustee is personally liable for the estate tax, and may, under rules similar to section 2204, discharge his liability upon written application to the Secretary of the Treasury.

The tax imposed by this provision is treated as an estate tax with respect to the decedent spouse's estate. As such, it qualifies for the previously paid property tax, determined without regard to the date of the decedent spouse's death. In addition, there is a lien against property giving rise to such tax for ten years from the taxable event.

2. Repeal special rates and credits for foreign estates

Present Law

The gift and estate tax rate on U.S. citizens and residents begins at 18 percent on the first $10,000 of taxable transfers and reaches 55 percent on taxable transfers over $3 million. A unified credit of $192,800 is deducted from the gross gift or estate tax in arriving at the net tax payable. A deduction is permitted for certain property passing to a surviving spouse.

The estate tax rate on nonresident aliens begins at 6 percent on transfers of less than $100,000 and reaches 30 percent on transfers over $2 million. The statute allows such persons a credit of $3,600, which effectively exempts the first $60,000 of the estate from estate tax. No deduction is allowed for property passing to a spouse.

House Bill

The gift and estate tax rate presently applicable to U.S. citizens and residents is applied to the estate of a nonresident alien. Such an estate is permitted a credit equal to the unified credit times the proportion of the total gross estate situated in the United States. A marital deduction is allowed for property passing from a nonresident alien to a spouse who is a U.S. citizen.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment, except that the estate of a nonresident alien is allowed a unified credit of $13,000. This credit exempts the first $60,000 of the estate from estate tax. The conference agreement allows a unified credit of a fixed dollar amount in order to eliminate the need to determine the nonresident alien's worldwide estate in order to calculate the unified credit. Where permitted by treaty, the estate of a nonresident alien is allowed the unified credit allowed to a U.S. citizen multiplied by the proportion of the total gross estate situated in the United States. The proportional credit is allowed in these circumstances because where a treaty is involved the worldwide estate is easily determinable.

Residents of possessions are entitled to a unified credit equal to the lesser of (1) $13,000 or (2) $46,800 multiplied by the proportion of the decedent's gross estate situated in the United States.

F. Completed Contract Method of Accounting for Long-Term Contracts

Present Law

Taxpayers engaged in the production of property under a long-term contract must compute income from the contract under either the percentage of completion method or the percentage of completion-capitalized cost method. An exception to these required accounting methods is provided for certain contracts of small businesses.

Under the percentage of completion method, a taxpayer must include in gross income for any taxable year an amount that is equal to the product of (1) the gross contract price and (2) the percentage of the contract completed during the taxable year. The percentage of the contract completed during the taxable year is determined by comparing costs incurred with respect to the contract during the year with the estimated total contract costs (the cost-to-cost method).

At the time that a contract reported under the percentage of completion method is completed, a determination is made whether the taxes paid with respect to the contract for each year of the contract were greater than or less than the amount that would have been due if gross income had been computed by using the actual total contract price and actual total contract costs, rather than the anticipated contract price and costs. Interest must be paid by the taxpayer, if after applying this "look-back" method, there is an underpayment of tax by the taxpayer with respect to the taxable year. Similarly, interest must be paid to the taxpayer by the Internal Revenue Service if there is an overpayment of tax with respect to a taxable year.

Under the percentage of completion-capitalized cost method, the taxpayer must take into account 70 percent of the items under the contract under the percentage of completion method. The remaining 30 percent of the items under the contract must be taken into account under the taxpayer's normal method of accounting (e.g., the completed contract method of accounting). In addition, a taxpayer using the percentage of completion-capitalized cost method with respect to certain qualified ship contracts must take into account 40 percent of the items under the contract under the percentage of completion method and the remaining 60 percent of the items under the taxpayer's normal method of accounting.

All costs that directly benefit or are incurred by reason of the taxpayer's long-term contract activity must be allocated to the long-term contracts of the taxpayer. While costs allocated to a contract (or a portion of a contract) that is reported under the percentage of completion method generally are taken into account as a deduction from gross income for the taxable year in which incurred, the allocation of costs to the contract is nonetheless relevant because it affects the determination of the percentage of the contract that is completed during any taxable year.

In the case of any long-term contract entered into by the taxpayer on or after March 1, 1986, the taxable income from such contract must be determined under the percentage of completion method for purposes of determining the amount of alternative minimum taxable income for any taxable year.

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[8] A tax is not finally determined for these purposes if, for example, the statute of limitations for the decedent spouse's estate tax has not lapsed, or judicial determination of such tax is pending. A tax may be finally determined by a closing agreement.

House Bill

Under the House bill, the percentage of completion-capitalized cost method of accounting is repealed for all long-term contracts other than qualified ship contracts that are provided special treatment under present law. Consequently, taxpayers engaged in the production of property under a long-term contract (other than construction contracts of small businesses that are exempted under present law and certain qualified ship contracts) must use the percentage of completion method in computing taxable income under the contract.

The House bill also requires the Treasury Secretary to prescribe regulations that are necessary or appropriate to carry out the purposes of the long-term contract rules, including regulations that prevent the use of related parties, pass-through entities, intermediaries, options or other similar arrangements to avoid the application of the long-term contract rules.

The provision generally is effective for contracts entered into on or after June 21, 1988. The provision does not apply to any contract entered into pursuant to a written bid or proposal submitted by a taxpayer to the other party to the contract before June 21, 1988, if the bid or proposal could not have been revoked or amended by the taxpayer at any time during the period beginning on June 21, 1988, and ending on the date that the contract was entered into.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill with the following modifications.

Percentage of completion-capitalized cost method

The conference agreement changes the percentage of completion-capitalized cost method of computing income from long-term contracts. Under the conference agreement, ninety percent (versus 70 percent under present law) of the items with respect to a long-term contract are to be taken into account under the percentage of completion method. The remaining 10 percent (versus 30 percent under present law) of the items with respect to the contract are to be taken into account under the taxpayer's normal method of accounting. The look-back method of present law is applied to the 90 percent taken into account under the percentage of completion method.

Home construction contracts

Under the conference agreement, neither the percentage of completion nor the percentage of completion-capitalized cost methods of accounting apply to home construction contracts. For this purpose, a contract is a home construction contract if 80 percent or more of the estimated total costs to be incurred under the contract are reasonably expected to be attributable to the building, construction, reconstruction, or rehabilitation of, or improvements to real property directly related to and located on the site of, dwelling units in a building with four or fewer dwelling units. For this purpose, a townhouse or rowhouse will be considered a separate building irrespective of the number of other townhouses or rowhouses attached.

The conference agreement applies the use of the uniform capitalization rules of section 263A to home construction contracts other than home construction contracts of small contractors as defined by section 460(e) of present law. In addition, under the conference agreement, home construction contracts of small contractors will not be considered long-term contracts for purposes of the adjustments in computing alternative minimum taxable income of section 56.

Residential construction contracts

The percentage of completion-capitalized cost method of present law is available to residential construction contracts which do not qualify as home construction contracts. Thus, under the conference agreement, 70 percent of the items under such contracts will be taken into account under the percentage of completion method; the remaining 30 percent of the items will be taken into account under the taxpayer's normal method of accounting. Residential construction contracts are contracts other than home construction contracts for which 80 percent or more of the total estimated costs under the contract are reasonably expected to be attributed to the building, construction, reconstruction, or rehabilitation of, or improvements to real estate directly related to and located on the site of, dwelling units, as defined by section 167(k).

Simplification of the look-back method for pass-through entities

The conference agreement provides that pass-through entities (partnerships, S corporations and trusts) are required to use a simplified look-back method. Under the simplified look-back method, the amount of taxes deemed overpaid or underpaid under a contract in any year is determined by multiplying (1) the amount of contract income overreported or underreported for the year by (2) the top marginal tax rate applicable for the year. The simplified calculation, when applicable, is made at the entity level and any interest owed to or by the Internal Revenue Service shall be paid by or to the pass-through entity.

The simplified look-back method is not applicable to a contract unless substantially all the income under the contract is from sources in the United States. In addition, the simplified method cannot be used by closely-held pass-through entities. For purposes of this provision, closely-held pass-through entities are those partnerships, S corporations or trusts where 50 percent or more of the value of the beneficial interests in the entity are owned directly or indirectly by five or fewer persons.

The top marginal tax rate to be used in the simplified calculation is the top rate specified by section 11, unless more than 50 percent of the beneficial interests in the pass-through entity are held directly or indirectly by individuals at any time during the taxable year. If the closely-held entity is treated as being owned by individuals for the year, the top marginal tax rate will be the top rate specified in section 1.

The simplified look-back method is applicable as if included in the Tax Reform Act of 1986, except that the method shall not apply for any contract completed in a taxable year for which the due date of the return (including extensions) is before the enactment of this Act.

Treasury study

Under the conference agreement, the Secretary of the Treasury is directed to study and to issue a report with recommendations regarding the method or methods by which the items of income or loss from long-term contracts should be reported for Federal income tax purposes. Such study is intended to include an evaluation of the present methods of accounting for long-term contract activity as well as an analysis of the feasibility of alternative methods of reporting income under a long-term contract. Specifically, the study shall include suggestions for the simplification of the look-back method of present law, an analysis of how costs should be taken into account for purposes of the cost-to-cost method of present law, and an evaluation of methods of accounting (such as the revenue realization method) which measure progress under the contract by reference to revenues received or accrued rather than by reference to costs incurred. The study is due 6-months after the date of enactment.

G. Reduction in Dividends Received Deduction for Portfolio Stock

Present Law

Corporations owning less than 20 percent of the stock of a domestic corporation are entitled to a deduction equal to 70 percent of the dividends received from the corporation. Corporations owning at least 20 percent but less than 80 percent of the stock are entitled to an 80-percent deduction and corporations owning 80 percent or more may be entitled to a 100-percent deduction.

House Bill

The House bill contains the following provisions:

(1) The portfolio dividends received deduction is reduced from 70 percent to 50 percent.

(2) The requirement to qualify for an 80 percent dividends received deduction is changed to require ownership of more than 20 percent of the stock of a corporation.

(3) For purposes of determining whether the more than 20-percent threshold is met, the ownership of related corporations is aggregated to the same extent that it is aggregated under present law for purposes of the 80-percent threshold.

(4) The Treasury Department is directed to conduct a study of the dividends received deduction and provide any recommendations for legislative changes no later than 6 months following the date of enactment.

The provisions are effective as follows:

(a) The change in the portfolio dividends received deduction is phased in with a 55-percent deduction for dividends received in 1989, a 52½ percent deduction for dividends received in 1990, and a 50-percent deduction for dividends received after December 31, 1990.

(b) The change in the threshold for the portfolio dividends received deduction applies to dividends received after December 31, 1988.

(c) The change in the aggregation rule applies to dividends received after December 31, 1987.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the Senate amendment.

H. Tax-Exempt Bonds

1. Restrictions on issuance of pooled financing bonds

Present Law

Interest on State and local government bonds generally is tax-exempt if the bonds are issued to finance governmental activities of these governments (Code sec. 103). Interest on bonds issued by the governmental units to finance activities of other persons, i.e., private activity bonds, are taxable unless a specific exception is included in the Internal Revenue Code.

In certain cases, tax-exempt bonds are issued in pooled financing arrangements, i.e., arrangements where bonds are issued with the proceeds being used to make loans to two or more persons. In the case of bonds other than private activity bonds, no Federal statutory provisions require identification of the ultimate borrowers from (or the specific facilities to be financed by) these pooled financings at the time the bonds are issued. Further, assuming a governmental purpose exists for the borrowing, no specific statutory restrictions are imposed relating to the period during which loans must be originated, or bonds redeemed if loans are not timely originated.

Arbitrage restrictions applicable to State and local government bonds generally provide that the bond proceeds may be invested in higher yielding taxable investments for a three-year temporary period if the issuer reasonably expects to spend the proceeds for a governmental purpose within three years. The Tax Reform Act of 1986 limited the three-year temporary period for pooled financings to six months.

House Bill

General rule

The bill imposes new requirements on pooled financing issues as a condition of tax exemption. Pooled financing issues are defined as issues where an amount exceeding the lesser of five percent or $5 million of the proceeds are reasonably expected to be used (or intentionally are used) to make or finance loans (directly or indirectly) to two or more ultimate borrowers.[1] For purposes of this definition, all agencies of a governmental unit, which agencies are not instrumentalities or political subdivisions themselves, are treated as one person.

Specific requirements

Borrower identification requirement

Interest on a pooled financing issue is tax exempt only if, when the bonds are issued, written loan commitments with ultimate borrowers identifying with specificity the governmental purposes for which the proceeds will be used exist for loans equal to at least 25 percent of the net proceeds of the issue, and if it is reasonably expected at that time that the loans specified in those commitments will be made.

Loan origination and redemption requirement

Interest on a pooled financing issue is tax exempt only if a statutorily prescribed loan origination and/or bond redemption requirement is satisfied at annual intervals during each of the three years following issuance of the bonds.

Loan origination

The loan origination portion of this requirement is as follows:

(1) Within one year after the date the bonds are issued, loans to ultimate borrowers must have been originated in an amount equal to at least 25 percent of the net proceeds of the issue.

(2) Within two years after the date the bonds are issued, loans to ultimate borrowers must have been originated in an amount equal to at least 50 percent of the net proceeds of the issue.

(3) Within three years after the date the bonds are issued, loans to ultimate borrowers must have been originated in an amount equal to 100 percent of the net proceeds of the issue.

Bond redemption

The bond redemption portion of this requirement applies both with respect to proceeds that are unoriginated as of expiration of any of the three loan origination periods and to amounts received at any time as repayments of loan principal. Bond proceeds which are required to be used to make loans within each prescribed loan origination period, described above, and which are not so used must be used to redeem bonds that are a part of the issue no later than six months after expiration of the loan origination period. The bond redemption requirement also applies to amounts received as loan repayments (including repayments received during the three-year loan origination period).[2] All amounts received as repayments must be used to redeem bonds that are a part of the pooled financing issue no later than the close of the first semi-annual period beginning after the date the repayments are received.

Application to refunding issues

Generally the pooled financing requirements apply to refunding (both current and advance) issues as well as to new-money issues. In the case of refunding issues, the three loan origination periods and accompanying bond redemption requirements are determined from the date the refunded bonds (original bonds in the case of a series of refundings) were issued and the borrower identification requirement is determined by reference to the refunded issue.

However, if an ultimate borrower of a pooled financing issue provides for the payment of its portion of the pooled bonds through an advance refunding of its loan, the advance refunding is treated as an advance refunding of the pooled bonds for purposes of applying section 149(d) of the Code with respect to future advance refundings of the pooled bonds.

Effective date

The provision applies to bonds (including refunding bonds) issued after July 15, 1988. A transitional exception is provided for certain refundings of bond issued before July 16, 1988.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, with modifications. First, the conference agreement deletes the borrower identification requirement and the bond redemption requirement.

Second, the conference agreement provides an alternative loan origination requirement. The issuer must reasonably expect that at least 95 percent of the proceeds intended to be lent will be lent by the end of the third year after the date of issue. An increase in interest rates or anticipated changes in Federal income tax laws may not be used as a basis for reasonable expectations. Further, the conferees intend that investment of bond proceeds in guaranteed investment contracts which do not permit significant draw downs to originate loans during the three year period will be prima facie evidence that the reasonable expectations test is not satisfied. An issuer's past experience regarding loan origination is a criterion upon which the reasonableness of the issuers expectations can be based.

As under the House bill, a loan is treated as made when funds are disbursed. The conferees wish to clarify, however, that this includes disbursal into an account maintained by the issuer as paying agent for the borrower, provided that the funds in the account are owned by the borrower for Federal income tax purposes. Also, interest must accrue on amounts in the account from the date the funds are disbursed into the account and an initial drawdown of more than a *de minimis* amount must occur at that date to pay project costs. Project costs may include such costs as engineers and architects fees, but would not include costs associated with issuance of the bonds.

Third, the conference agreement provides that all legal and underwriting costs associated with issuance of the bonds may not be contingent and must be substantially paid within 180 days of the date of issuance.

Finally, the conferees intend that the Treasury Department is to monitor closely blind pool issues to assure conformity with these and other applicable provisions including adequate demand surveys to justify issue size. The conferees further intend that Treasury will report to the Committees on Ways and Means and Finance any abuses that it finds, including the excessive issuance of tax-exempt bonds in pool-bond type arrangements.

Effective date.—The conference agreement applies to bonds issued after October 21, 1988.

In addition, the transitional exception in the House bill for certain refunding bonds is conformed to the October 21, 1988, effective date. Under this modified exception, the three-year loan origination test for refundings of bonds issued before October 22, 1986, will expire on October 21, 1990. For refundings of bonds issued before October 22, 1988, with respect to which the period ends after October 21, 1989, the portion of the refunding issue to be used to make new loan will be treated as a separate issue subject to the requirements of the conference agreement.

2. Student loan bonds

a. Reduction in permitted purpose arbitrage on loans financed with tax-exempt student loan bonds

Present Law

Tax-exempt bonds may be issued to finance student loans in connection with the Federal Guaranteed Student Loan program and the Parents' Loans for Undergraduate Students program. Additionally, tax-exempt financing is permitted for certain other State student loan programs of general application (Code sec. 144).

Tax-exempt student loan bonds are subject to the arbitrage restrictions of the Code like other tax-exempt bonds. Treasury Department regulations permit issuers of pooled financing bonds generally to earn arbitrage profits on their "program" investments of 1.5 percentage points over the rate paid on the underlying bonds plus amounts necessary to pay issuance and administrative costs relating to the bonds.

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[1] In general, the term loan is defined in the same way as for purposes of the private loan restriction of present law; however, where the bond proceeds are used for a specific project (e.g., a sewer facility) and with respect to which a "loan" is present only as a result of the deemed loan, the bond proceeds are not treated as having been used to make loans for purposes of this provision.

[2] Under the House bill, amounts contributed to a reasonably required reserve or replacement fund are not treated as loan repayments. Whether amounts are considered to be a part of such a reasonably required fund is determined under the present law rules, including the rule relating to reserves required by a master legal document adopted before August 16, 1986. Further, the advance refunding of an issue is not, *per se*, treated as a loan repayment.

The Department of Education pays a special interest subsidy on student notes financed with proceeds of student loan bonds issued in connection with the Federal GSL program. Under present law, these special allowance payments ("SAP" payments) are not included in determining the amount of arbitrage earned on student notes.

House Bill

Under the House bill, the permitted arbitrage profits that may be earned on loans financed with tax-exempt student loan bonds are reduced from 1.5 percentage points to no more than 1.0 percentage point.

In addition, for Federally guaranteed student loan bonds, SAP payments will be included in calculating permitted arbitrage (payments will be treated as interest paid by the students with regard to whose loans the Federal Government makes the payments).

This provision applies to bonds (including refunding bonds) issued after July 31, 1988. For refundings after July 31, 1988, of bonds issued before August 1, 1988, however, the bill applies only to loans originated on or after the date of the refunding.

Senate Amendment

No provision.

Conference Agreement

The Conference agreement follows the House bill with an amendment in the nature of a substitute. Under the substitute, if Treasury fails exercise present law regulatory authority by July 1, 1989, it must report to the Congress reasons for not doing so.

b. Loan origination and bond redemption requirements for tax-exempt student loan bonds

Present Law

Tax-exempt bonds may be issued to finance student loans in connection with (a) the Federal Guaranteed Student Loan program and the Parents' Loans for Undergraduate Student's program, and (b) certain other State programs of general application. There is no statutorily imposed period during which student loans must be originated or bonds redeemed.

House Bill

The bill requires that all proceeds of tax-exempt student loan bonds required to be used to finance student loans be so used no later than the date which is three years after the bonds are issued, and provides that no loans may be made after the close of this three-year loan origination period. Any proceeds required to be used for student loans that remain unspent at that time must be used to redeem bonds forming a part of the issue no later than six months after expiration of the three-year loan origination period.

Additionally, the bill requires that amounts received from repayments of student loans be used to redeem bonds no later than the close of the first semi-annual period beginning after the repayments are received.

This provision applies to bonds (including refunding bonds) issued after July 31, 1988. In the case of an issue to refund bonds issued before August 1, 1988, the requirement that loan repayments be used to redeem bonds applies only to repayments received on and after the date of the refunding.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the Senate amendment.

3. Restrictions on bonds used to provide residential rental housing

Present Law

Interest on bonds to finance governmental activities of States and local governments is tax-exempt. Unless a specific exception applies in the Internal Revenue Code, interest on bonds to finance activities of any person other than a State or local government is taxable. No special restrictions apply to rental housing financed with governmental bonds. Tax-exempt bonds may be used by private, for-profit persons to finance residential rental housing only if the housing meets low-income tenant occupancy requirements. Tax-exempt bonds may also be used by section 501(c)(3) organizations to finance residential rental housing provided one of the exempt purposes of the section 501(c)(3) organization is to provide such housing. No low-income tenant occupancy requirements comparable to those for private, for-profit persons apply to rental housing financed with tax-exempt bonds issued on behalf of a qualifying sec. 501(c)(3) organization.

House Bill

The House bill generally extends the for-profit low-income tenant occupancy requirement to residential rental property for family units financed with qualified 501(c)(3) bonds. Residential rental property for family units means only those properties which are used other than on a transient basis and which are available to members of the general public. The property also must be comprised of housing units which contain separate and complete facilities for living, sleeping, eating, cooking, and sanitation. In addition, the bill provides an exception for certain continuing care or life care facility housing.

The House bill provides that any residential rental property for family units that is located outside the boundaries of a governmental unit by or on behalf of whom governmental bonds are issued and that is financed with the bonds is treated as investment-type property subject to the Code arbitrage restrictions.

Senate Amendment

The Senate amendment contains a sense of the Senate resolution in opposition to the House provision.

Conference Agreement

The conference agreement follows the House bill, with modifications. First, for governmental bonds, an exception is provided to the rule treating residential rental property located outside the issuer's jurisdiction as investment property for such property which the issuer is required to provide pursuant to a Federal or State court ordered or approved housing desegregation plan.

Second, for qualified 501(c)(3) bonds, the conference agreement limits the application of the House provision requiring the application of a low-income tenant occupancy requirement to bonds used for the acquisition of existing property. Thus, bonds used to finance construction of residential rental property, the original use of which commences with the beneficiary of the bonds, are not subject to a low-income tenant occupancy requirement. For this purpose, residential rental property that is substantially rehabilitated, within the meaning of the rehabilitation credit, is treated as new property not subject to the low-income tenant occupancy requirement.

Thus, as under the rehabilitation credit rules, rehabilitation expenditures incurred within a 24-month testing period must exceed the greater of (a) the adjusted basis of the property, or (b) $5,000. (The special 60-month phased rehabilitation exception does not apply under this provision (sec. 48(g)(1)(C)(ii).) Additionally, for purposes of this provision, the 24-month testing period must commence within the 12 months preceding or following the date the property is acquired with the bond proceeds by the section 501(c)(3) organization.

The conferees intend that the Secretary of the Treasury have authority to extend the 24-month testing period in the event that rehabilitation is delayed by unforeseen circumstances. For example, a fire resulting from an act of God might present reasonable grounds on which to petition the Secretary for an extension of the 24-month testing period.

The conference agreement also deletes the exception for continuing care facilities. Thus, the above rule also applies to that component of a continuing care facility which constitutes residential rental property.

The conference agreement delays the general effective date of the provision from bonds issued after July 14, 1988, to bonds issued after October 21, 1988.

I. Excise Tax Provisions

1. Excise tax on pipe tobacco

Present Law

Excise taxes are imposed on cigars, cigarettes, cigarette paper and tubes, and on snuff and chewing tobacco. The tax on small cigarettes is 16 cents per pack of 20 cigarettes.

House Bill

The bill imposes an excise tax of $2.67 per pound on pipe tobacco manufactured in or imported into the United States. (This tax rate is equivalent to the minimum rate per pound currently imposed on small cigarettes.) "Pipe tobacco" means any tobacco which, because of its appearance, type, packaging, or labeling, is likely to be offered to, or purchased by, consumers as tobacco to be smoked in a pipe.

The provision is effective for pipe tobacco removed after September 30, 1988. The bill also imposes a floor stocks tax of $2.67 per pound on pipe tobacco removed before October 1, 1988, and held in inventory or in transit on October 1, 1988. The floor stocks tax is due and payable on November 14, 1988.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, except that the tax rate is $0.45 per pound and the effective date for the tax and the floor stocks tax is January 1, 1989. The floor stocks tax is due and payable on February 14, 1989. Additionally, the conferees wish to clarify that the tobacco subject to this tax includes all types of tobacco "suitable" for use in a pipe, regardless of how packaged or labeled.

2. Modification of distilled spirits flavors credit

Present Law

A credit is allowed against the distilled spirits tax for the alcohol content of taxable beverages derived from wine and/or flavor components. The flavors credit is equal to the distilled spirits tax ($12.50 per proof gallon).

House Bill

No provision.

Senate Amendment

The use of the flavors credit is available only where the flavors remain in the distilled spirits beverage after completion of distillation.

The provision applies to distilled spirits removed after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

J. Other Revenue-Increase Provisions

1. Increase in penalty for bad checks

Present Law

A person who tenders to the Internal Revenue Service (IRS) a bad check (or money order not duly paid) in payment of any amount under the Internal Revenue Code is subject to a penalty equal to the greater of: (1) 1 percent of the amount of such check, or (2) $5 (or the amount of such check if less than $5). The penalty does not apply if the person tendered the check in good faith and with reasonable cause to believe that it would be duly paid.

House Bill

A person who tenders to the IRS a bad check (or money order not duly paid) in payment of any amount under the Internal Revenue Code is subject to a penalty equal to the greater of: (1) 2 percent of the amount of such check, or (2) $15 (or the amount of such check if less than $15). As under present law, the penalty would not apply if the person tendered the check in good faith and with reasonable cause to believe that it would be duly paid. The provision is effective for checks or money orders received by the IRS after the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

2. Pension reversions of qualified plan assets: temporary increase in excise tax

Present Law

A 10-percent excise tax is imposed on employer reversions from qualified plans (sec. 4980). Present law contains certain exemptions from the excise tax, for example, for certain transfers of reversions to an ESOP. The excise tax is required to be paid by the last day of the second month following the calendar quarter in which the reversion occurs.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, the excise tax on reversions of assets from qualified plans is temporarily increased from 10 percent to 60 percent. Present-law exceptions to the excise tax continue to apply as under present law, but are not otherwise modified.

Under the Senate amendment, the excise tax is required to be paid by the end of the month following the month in which the reversion occurs.

The increase in the excise tax generally applies to reversions received after July 26, 1988, and before May 1, 1989. The acceleration of time for payment of the tax applies to reversions received on or after May 1, 1989.

The increase in the excise tax does not apply if a final order directing plan termination was entered by a court of competent jurisdiction and notice of such court-ordered termination was provided to participants before July 27, 1988.

Conference Agreement

The conference agreement follows the Senate amendment with respect to the acceleration of the time for payment of the excise tax, except that the provision applies to reversions received after December 31, 1988. The conference agreement modifies the temporary increase in the excise tax in the Senate amendment to provide for a permanent increase in the excise tax from 10 to 15 percent. The increase is effective for reversions received after October 20, 1988, if notice of the intent to terminate the plan was not provided before October 21, 1988. The conferees do not intend any inference with respect to the issue of when a reversion is received for income and excise tax purposes.

The conferees intend that an employer is to be treated as providing notice of intent to terminate to employees if the employer has provided notice to substantially all employees by a specific date (such as through a mass mailing to employees by such date), even if some employees are not notified through an inadvertent failure of the employer. The conferees do not intend any inference with respect to whether notice has been provided for any other purpose.

3. Denial of deduction for certain residential telephone service

Present Law

No deduction is allowed for personal, living, or family expenses (sec. 262), such as expenses for personal use of a telephone in the taxpayer's residence.

Under present law, a taxpayer who uses the telephone in his or her residence for business or income-production purposes may deduct a proportionate part of the cost of local telephone service provided to the residence, subject to any applicable limitations on home office deductions or miscellaneous itemized deductions (secs. 162, 212, 280A, and 67).

House Bill

No deduction is allowed to an individual taxpayer for any charge (including any sales or excise taxes imposed on such charge) required to be paid by the taxpayer in order to obtain local telephone service with respect to the first telephone line in a taxpayer's residence (whether or not the taxpayer's principal residence). The provision does not affect the deductibility of charges for long-distance calls, nor does it affect the deductibility of charges for equipment rental, optional services offered by the telephone company (e.g., call waiting or call forwarding), or charges attributable to additional telephone lines to a taxpayer's residence other than the first telephone line.

The provision is effective for taxable years beginning after December 31, 1988.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

4. Information reporting by partnerships with tax-exempt partners

Present Law

Organizations that are exempt from Federal income tax are subject to tax on any unrelated trade or business income (secs. 511-514). Subject to specified exceptions, modifications, and computational rules, an activity of an otherwise tax-exempt organization generates gross income for purposes of the unrelated business income tax (UBIT) if (1) the income is derived from a trade or business, (2) the trade or business is regularly carried on by the organization, and (3) the conduct of the trade or business is not substantially related (aside from the organization's need for revenues or the use it makes of such revenues) to the organization's performance of its tax-exempt functions. Interest, dividends, and certain gains or losses from the sale of property may be subject to the UBIT if derived from debt-financed unrelated property.

If a partnership in which an exempt organization is a partner regularly carries on a trade or business that would constitute an unrelated trade or business if directly carried on by the exempt organization, the organization generally must include its share of the partnership's income and deductions from such business in computing its UBIT liability; also, special rules apply where the organization is a partner in a publicly traded partnership (sec. 512(c)).

Under present law, a partnership generally must furnish to each partner a statement reflecting such information required to be shown on the partnership's return as may be specified by Treasury regulations (sec. 6031(b)). The statement must set forth the partner's distributive share of partnership income, gain, loss deduction, or credit required to be shown on the partnership return, plus any additional information as provided by IRS forms or instructions that may be required to apply particular provisions of subtitle A of the Code to the partner with respect to items related to the partnership (Temp. Reg. sec. 1.6031(b)-1T). The present statute and regulations do not make an express reference to reporting by partnerships in which exempt organizations are partners of that portion of the organization's distributive share of partnership income that is subject to the UBIT.

The instructions for Schedule K-1 (Form 1065) require the partnership to identify whether the partner is an exempt organization. Also, the partnership must attach a statement furnishing any other information needed by the partner to file its return that is not shown elsewhere on Schedule K-1. For example, the instructions state, "if there is a pension plan that is a partner, special information may be needed by that partner to properly file its tax return."

House Bill

No provision.

Senate Amendment

The Senate amendment modifies section 6031(b) to provide expressly that, in the case of any partnership regularly carrying on a trade or business (within the meaning of sec. 512(c)(1)), the partnership must furnish to the partners such information as necessary to enable each tax-exempt partner to compute its distributive share of partnership income or loss from such trade or business in accordance with section 512(a)(1), but without regard to the modifications described in paragraphs (8) through (15) of section 512(b).

Conference Agreement

The conference agreement follows the Senate amendment, with a modification clarifying that the provision is effective for taxable years beginning after December 31, 1988. The conferees believe that this express statutory provision relating to specific reporting of income subject to the UBIT will emphasize that the IRS should monitor and enforce the present-law reporting requirements and, where appropriate, should provide further guidance to partnerships through regulations or instructions as to how such information must be furnished. The conferees intend that information that must be furnished to tax-exempt partners under this provision is to be reflected by such organizations on Form 990 or Form 990-T in the manner prescribed by Treasury regulations or by the IRS instructions for such forms.

5. Application of wash sale rules to options

Present law

The wash sale provisions generally disallow the deduction of a loss on the sale or other disposition of shares of stock or securities if the taxpayer acquires or enters into a contract or option to acquire substantially identical stock or securities within a period beginning 30 days before the date of such sale or other disposition and ending 30 days after such date. The Tax Court recently held in *Gantner v. Commissioner*, 91 T.C. No. 47 (1988), that the wash sale rules do not apply to disallow losses sustained on the sales of stock options.

House Bill

No provision.

Senate Amendment

The wash sale rules are extended to apply to contracts or options to acquire stock or securities.

The provision would apply to any sale after the date of enactment of the provision, in taxable years ending after that date. No inference regarding the application of prior law is intended.

Conference Agreement

The conference agreement follows the Senate amendment with the following modifications.

The conferees clarify that the wash sale provisions are extended to contracts or options to sell stock or securities as well as contracts or options to acquire stock or securities. As is the case with the other provisions of the Senate amendment, no inference is intended as to prior law.

The Treasury is provided regulatory authority to except certain contracts or options to acquire or sell stock or securities from the wash sale rules. The Treasury may consider whether it is appropriate to provide exceptions from the wash sale rules for contracts subject to section 1256 of the Code or transactions subject to the straddle rules. In addition, the Treasury may issue regulations concerning when contracts or options to sell or acquire stock or securities will be considered substantially identical for purposes of the wash sale rules.

No inference regarding the application of prior law is intended.

6. Treatment of certain installment sales by nondealers

Present Law

The Omnibus Budget Reconciliation Act of 1987 provided special installment sale rules that apply to the sale of non-farm real property that is used in a taxpayer's trade or business or that is held for the production of rental income where the selling price of such real property is greater than $150,000. First, an interest charge is imposed on the tax that is deferred under the installment method to the extent attributable to the amount by which the deferred payments arising from all dispositions of such real property during any year exceeds $5 million. Second, if any indebtedness is secured directly by an installment obligation that arises out of the disposition of such property, the net proceeds of the secured indebtedness is treated as a payment on such installment obligation.

House Bill

No provision.

Senate Amendment

No provision.

Conference Agreement

The conference agreement extends the special installment sale rules contained in the 1987 Act to any property with a sales price in excess of $150,000, other than personal use property of an individual, property used or produced in the trade or business of farming, and timeshares and residential lots with respect to which interest is paid.

Thus, under the conference agreement, an interest charge is imposed on the tax that is deferred under the installment method to the extent attributable to the amount by which the deferred payments arising from all dispositions of such property during any year exceeds $5 million. In addition, if any indebtedness is secured directly by an installment obligation that arises out of the disposition of such property, the net proceeds of the secured indebtedness are treated as a payment on the installment obligation.

As under present law, in determining whether the sales price of property exceeds $150,000, all sales or exchanges that are part of the same transaction or series of transactions are treated as a single sale or exchange.

The provision applies to dispositions that occur after December 31, 1988, except that the provision does not apply to dispositions occurring on or before December 31, 1990, which are pursuant to (1) a binding written contract that was in effect on October 21, 1988, and at all times thereafter until the disposition occurred, or (2) a letter of intent or approval by the board of directors or shareholders of either party to the transaction, in effect on October 21, 1988.

V. OTHER SUBSTANTIVE REVENUE PROVISIONS

A. Individual Provisions

1. Treatment of certain payments to colleges for right to purchase athletic tickets

Present Law

Pursuant to IRS guidelines, if a payment to or for a college (e.g., to the college's athletic scholarship program) entitles the payor to purchase seating at the college's athletic stadium, the payment is not deductible as a charitable contribution if such tickets would not have been readily available to the taxpayer without making the payment (Rev. Rul. 86-63, 1986-1 C.B. 6, superseding Rev. Rul. 84-132, 1984-2 C.B. 55).

House Bill

If a taxpayer makes a payment to or for the benefit of a college or university that would be deductible as a charitable contribution but for the fact that the taxpayer thereby receives (directly or indirectly) the right to purchase seating at an athletic event in the institution's athletic stadium, 80 percent of such payment is treated as a charitable contribution. This rule applies whether or not the tickets would have been readily available to the taxpayer without making the payment.

As under present law, no amount paid for the actual purchase of tickets is deductible as a charitable contribution. The 80-percent deduction rule in the provision does not apply if the taxpayer receives tickets or seating (rather than the right to purchase tickets) in return for the payment.

The provision applies to amounts paid in taxable years beginning after December 31, 1983 (i.e., beginning with the year in which the original IRS ruling on this issue was published).

Senate Amendment

The Senate amendment is the same as the House bill, except with respect to the effective date. The Senate amendment waives the statute of limitations for closed years (beginning after 1983) if the taxpayer files a refund claim within one year after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

2. Nonrecognition of gain on sale of old residence where one spouse dies before occupying new residence

Present Law

In general, a married couple filing jointly may defer recognition of gain on the sale of their principal residence if the sales price of the old residence is reinvested in a new principal residence within a specified period of time (sec. 1034). This provision for nonrecognition of gain does not apply if one spouse dies after the date of sale of the old residence and before the date of purchase of the new residence.

House Bill

The present-law rule on nonrecognition of gain applies where the surviving spouse purchases a new principal residence within the specified period of time. This provision applies with respect to sales and exchanges of old residences after December 31, 1984.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

3. Full deductibility of meals provided to employees on certain vessels or drilling rigs

Present Law

An otherwise allowable business deduction for any expense for food or beverages (including employer-provided meals to employees) is reduced by 20 percent, subject to certain exceptions (sec. 274(n)).

House Bill

Vessels

The percentage reduction rule does not apply to an otherwise allowable deduction for expenses of food or beverages that (1) are required by Federal law (46 U.S.C. sec. 10303) to be provided to crew members of a commercial vessel, or (2) are provided to crew members of a commercial vessel operating on the Great Lakes, the St. Lawrence Seaway, or the U.S. inland waterways that is of a kind that would be required by Federal law to provide food or beverages to crew members if operated at sea. (Thus, for example, the provision for full deductibility would not apply with respect to fishing boats or foreign vessels operating on the inland waterways.) However, the present-law percentage reduction rule continues to apply with respect to expenses of food or beverages provided to crew members of vessels the predominant use of which is for luxury water transportation, such as cruise ships, passenger liners, or yachts.

This provision is effective for taxable years beginning after December 31, 1988.

Drilling rigs

The percentage reduction rule does not apply to an otherwise allowable deduction for expenses of food or beverages that are provided by an employer on an oil or gas platform or drilling rig if such platform or rig is located either offshore or in the United States north of 54 degrees north latitude. This provision is effective for taxable years beginning after December 31, 1987.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, with a modification also exempting from the percentage reduction rule an otherwise allowable deduction for expenses of food or beverages that are provided by an employer at a support camp that is in proximity to, and that is integral to, an oil or gas drilling rig if the platform or rig is located in the United States north of 54 degrees north latitude.

4. Treatment of certain innocent spouses

Present Law

Pursuant to the Tax Reform Act of 1984, a spouse filing a joint return is relieved of liability if (1) there is a substantial understatement of tax attributable to a grossly erroneous item of the other spouse; (2) the spouse establishes that in signing the return he or she did not know that there was a substantial understatement; and (3) taking into account all the facts and circumstances, it is inequitable to hold the spouse liable for the deficiency in tax attributable to the understatement (sec. 6013(e)).

House Bill

If (1) on a joint return filed before January 1, 1985, there was an understatement attributable to disallowed deductions of the other spouse the amount of which exceeded the taxable income shown on the return, (2) the spouse establishes that in signing the return he or she did not know (or have reason to know) that there was such an understatement, (3) the marriage terminated, and (4) the net worth of the spouse immediately following the termination of the marriage was less than $10,000, then the spouse is relieved of liability for tax (including interest, penalties, and other amounts) for the year to the extent the liability is attributable to the understatement. A refund is allowed notwithstanding any law or rule of law if a refund claim is filed within one year of the date of enactment, but no interest is payable for any period prior to the date of enactment.

The provision applies with respect to joint returns filed before January 1, 1985 (the effective date of the 1984 Act provision relating to innocent spouses).

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

5. Interim treatment of certain amounts awarded to Christa McAuliffe Fellows

Present Law

Under the Christa McAuliffe Fellowship Program, the Federal Government awards fellowships annually to outstanding teachers (20 U.S.C. sec. 1113). The award may be used only for an education improvement project approved by the Department of Education. Project purposes may include (1) development of special innovative programs, (2) consultation with or assistance to other school districts, (3) model teacher programs and staff development, or (4) sabbaticals for study, research, or academic improvement. Under the program as currently structured, checks made out to the teacher are issued on the basis of monthly budget submissions showing amounts needed for carrying out the approved project.

The Federal statute establishing the McAuliffe Fellowship Program did not include rules for the Federal income tax treatment of program awards. In general, nonscholarship awards to individuals are includible in the recipient's gross income (sec. 74).

House Bill

The amount of a Christa McAuliffe Fellowship that is expended, in accordance with the terms of the award, on an approved school project for the benefit and use of a school or school system is to be treated as an award to the school, and hence is not to be includible in the teacher's gross income. Any amount retained or used directly or indirectly for the personal benefit of the teacher, such as for a sabbatical trip or as compensation for services in connection with the project, is includible in the teacher's gross income.

This provision applies to award amounts received prior to July 1, 1990.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

6. Election by parent to claim unearned income of certain children on parent's return on parent's return

Present Law

The unearned income of a child under the age of 14 in excess of $1,000 is taxed to the child at the top marginal rate of his or her parents. A dependent child with any unearned income must file a tax return if his or her total income exceeds $500.

House Bill

No provision.

Senate Amendment

A parent may elect to include unearned income of a child on the parent's income tax return if the income of the child is less than $5,000 and consists entirely of interest, dividends, or Alaska Permanent Fund dividends. The election is not available if estimated tax payments for the taxable year are made in the child's name and TIN (social security number).

A parent who makes the election under the provision must include in income an amount equal to the excess of the child's unearned income over the lesser of $500 or the taxable portion of such income. The Treasury Department is authorized to issue such regulations as are necessary to carry out the purposes of the provision, including those governing the placement of the election on the return.

The provision is effective for taxable years beginning after December 31, 1988.

Conference Agreement

The conference agreement follows the Senate amendment with the following modifications.

Under the conference agreement, a child under the age of 14 is treated as having no gross income and is not required to file an income tax return if (1) the child has gross income only from interest and dividends (including Alaska Permanent Fund dividends), (2) such income is between $500 and $5,000, (3) no estimated tax payments for the year are made in the name and TIN of the child, (4) the child is not subject to backup withholding, and (5) the parent makes the election described below.

A parent electing under the provision must include the gross income of the child in excess of $1,000 in his or her income for the taxable year. In addition, the parent must report an additional tax liability with his or her return equal to the lesser of (1) $75 or (2) 15 percent of the excess of the child's income over $500. Finally, certain interest from specified private activity bonds is treated as an item of tax preference of the parent.

7. Above-the-line deduction for jury duty pay that employee must surrender to employer

Present Law

If an employer requires its employee to surrender to the employer amounts received as jury duty pay, in return for continuing the employee's normal salary while on jury service, the amount of surrendered jury pay is deductible only if the employee itemizes deductions and only to the extent exceeding two percent of the employee's adjusted gross income (sec. 67).

House Bill

No provision.

Senate Amendment

An above-the-line deduction is allowed for the amount of jury duty pay surrendered by an employee to his or her employer, in return for the employer's payment of compensation to the employee for the period of jury service. (Thus, where the provision applies, the deduction is available to both itemizers and nonitemizers, and is not subject to the two-percent floor.) This provision is effective for taxable years beginning after December 31, 1986 (the effective date of the 1986 Act provision imposing the two-percent floor).

Conference Agreement

The conference agreement follows the Senate amendment.

8. Medical expense deduction for costs of service animals to assist handicapped individuals

Present Law

IRS rulings specifically provide that amounts paid to acquire, train, and maintain a dog for the purpose of assisting a blind or deaf taxpayer are eligible for the itemized deduction for medical expenses (Rev. Rul. 55-261, 1955-1 C.B. 307; Rev. Rul. 68-295, 1968-1 C.B. 92).

House Bill

No provision.

Senate Amendment

The legislative history of the Senate amendment clarifies that costs incurred with respect to a dog or other service animal in order to assist individuals with any type of physical disabilities are eligible for the medical expense deduction. This provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

9. Medical expense deduction for certain radon mitigation costs

Present Law

Taxpayers who itemize deductions are allowed to deduct medical expenses of the taxpayer, spouse, or a dependent, to the extent that such expenses exceed 7.5 percent of adjusted gross income (sec. 213). The cost of a permanent improvement to a residence may be deductible as a medical expense if the expenditure is directly related to medical care, but only for any portion of the cost that exceeds the increased value of the property attributable to the improvement.

House Bill

No provision.

Senate Amendment

Specified types of home improvement costs incurred to mitigate radon gas exposure are treated as medical care expenses eligible for the section 213 deduction. This provision applies only if the taxpayer shows, through measurements taken by a State or by a person approved by the Environmental Protection Agency (EPA), that radon levels in the taxpayer's home exceeded the level of safety recommended by the EPA. The full amount of such specified types of radon mitigation expenditures is eligible for the medical expense deduction without regard to whether such expenditures increase the value of the home.

The specified types of home improvements for mitigating radon gas exposure are: (1) sub-slab ventilation; (2) drain-tile ventilation; (3) block-wall ventilation; and (4) sump ventilation. In addition, Treasury regulations may provide that installation of air heat exchangers and air filtration systems as well as other techniques may be eligible for the deduction, if the taxpayer shows that one of the four specified techniques listed above failed to reduce the concentration of radon gas in the air of the residence to the level of safety recommended by the EPA.

The provision is effective for taxable years beginning after December 31, 1987.

Conference Agreement

The conference agreement follows the House bill.

10. Education savings bonds and modification of student dependency exemption

a. Education savings bonds

Present Law

An exclusion from gross income, or deferral of taxation, for interest or other income is not allowable because the taxpayer uses the income specifically for educational expenses.

Taxation of interest accruals on U.S. Series EE savings bonds may be deferred by cash-basis taxpayers until transfer of ownership or redemption of the bonds.

House Bill

No provision.

Senate Amendment

Interest income earned on a qualified U.S. Series EE savings bond is excluded from gross income, if, instead of being redeemed, the bond is transferred to an eligible educational institution as payment of qualified educational expenses, i.e., tuition and required fees, for a taxpayer, or taxpayer's spouse or dependents. The amount of exclusion allowed for a taxable year is the lesser of (1) the amount that otherwise is includible in gross income by reason of such transfer, or (2) the amount of such higher education expenses.

The exclusion is phased out for a taxpayer with adjusted gross income (AGI) of $60,000 or more for the taxable year; no amount is excludible by a taxpayer whose AGI is $80,000 or more. For a taxpayer with AGI between $60,000 and $70,000, 67 percent of the eligible amount is excludible; for AGI between $70,000 and $80,000, 34 percent of the eligible amount is excludible. In the case of a married individual filing separately, the phaseout amounts are one-half of those described. The phaseout amounts are indexed in calendar years after 1988.

With respect to a taxpayer who is a dependent of another taxpayer, the phaseout is applied by taking into account the AGI of both taxpayers.

Present law is amended to allow (1) transfer of a U.S. savings bond to an eligible educational institution and (2) redemption of such bond by such institution for the educational purposes of this provision.

An eligible educational institution is defined in the Higher Education Act of 1965 (sec. 1201(a) or 481(a)), or in the Carl D. Perkins Vocational Education Act (subparagraph (C) or (D) of sec. 521(3)).

The provision is effective for transfers of qualified U.S. savings bonds issued after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment with the following changes.

The exclusion from gross income of interest on U.S. Series EE savings bonds is available only for individuals who have purchased, after having attained age 24, and are sole owners of the bonds, or who own such bonds jointly with their spouse. The exclusion is not available to an individual who is the owner of a Series EE bond which was purchased by another individual, other than a spouse. Under this rule, interest on bonds purchased by an individual to be redeemed in (say) 10 years when a dependent of the individual attends a college is eligible for the exclusion. However, the exclusion will not be allowable if bonds are purchased by a parent and put in the name of the child or another dependent of the taxpayer, or if bonds are purchased by any individual who is under age 24 at the time of purchase.

Savings bonds are to be redeemed by the owner, rather than being transferred to the educational institution. If the aggregate redemption amount, i.e., principal plus interest, of all Series EE bonds redeemed by the taxpayer during the taxable year does not exceed the amount of the student's qualified educational expenses, all interest for the year on the bonds is excludible subject to the AGI phaseout; for example, when the redemption amount is $8,000 ($4,000 principal and $4,000 accrued interest) and qualified educational expenses are $9,500, the redemption amount exceeds the qualified educational expenses and all $4,000 interest in the redemption amount is excludible from income. If the redemption amount exceeds the qualified educational expenses, the amount of excludible interest is reduced on a pro rata basis, i.e., the ratio of qualified educational expenses to the sum of principal and interest on all Series EE bonds redeemed during the taxable year. For example, if the redemption amount is $8,000, consisting of $4,000 each principal and interest, and qualified educational expenses are $6,000, the ratio of expenses to redemption amount is 75 percent, and $3,000 of the interest received in the course of redemption is excludible from income.

Qualified educational expenses mean tuition and required fees net of scholarships, fellowships, employer provided educational assistance (sec. 127), and other tuition reduction amounts. The expenses must be incurred by the taxpayer, spouse, or dependent during the year of redemption. Such expenses do not include expenses with respect to any course or other education involving sports, games, or hobbies, other than as part of a degree or certificate granting program.

Eligible educational institutions are defined in sec. 1201(a) and 481(a)(1)(C) and (D) (i.e., nursing schools) of the Higher Education Act of 1965, as in effect on October 21, 1988, and in the Carl D. Perkins Vocational Education Act (subparagraph (C) or (D) of sec. 521(3)), as in effect on October 21, 1988. An eligible educational institution does not include proprietary institutions.

The phaseout ranges are modified. For joint returns, the phaseout range is for modified AGI from $60,000 to $90,000, and from $40,000 to $55,000 for single taxpayers and heads of households. Married taxpayers who file separate returns are not eligible for the exclusion. Modified AGI means the sum of the adjusted gross income of the taxpayer for the taxable year, the partial inclusion of social security and tier 1 railroad retirement benefits (sec. 86), the adjustments for contributions of retirement savings (sec. 219), and adjustments with respect to limitations of passive activity losses and credits (sec. 469), and, without regard to this section, the gross income earned by citizens or residents of the United States living abroad (sec. 911), and income from sources within Guam, American Samoa, the Northern Mariana Islands, and Puerto Rico (secs. 931 and 933).

The phaseout rate for the exclusion is applied gradually over the income phaseout range, as is the case with other income phaseouts under present law.

The amounts of AGI that determine the phaseout range are indexed beginning in 1990. Such adjustments will be rounded to the nearest $50.

The conference agreement authorizes the Secretary of the Treasury to prescribe recordkeeping, information reporting and bond redemption procedures with regard to the responsibilities of both the Bureau of Public Debt and the Internal Revenue Service. Such authority includes modifying the forms that are filled out when bonds are redeemed to provide reporting specifically of both principal and interest components of the redemption amount, an indication that the redemption amount is intended for payment of qualified educational expenses, and the issuance date of the bond. The regulations also may prescribe appropriate requirements for substantiation of the amount of qualified educational expenses incurred during the year. The Secretary is also directed to take such steps as may be necessary to make the general public aware of this program.

The amendments made by provision apply to taxable years beginning after December 31, 1989. The term qualified United States Series EE savings bond means any United States savings bond issued after December 31, 1989, at discount under section 3105 of title 31, United States Code and to interest earned on bonds issued on and after January 1, 1989, to the purchaser-owner of the bonds. The exclusion is not available for any bonds which might be obtained as part of a tax-free rollover of matured Series E savings bonds into Series EE savings bonds.

Under the conference agreement, the Treasury Department, after consultation with the Department of Education, shall conduct a study of the feasibility of utilizing stamp or similar programs to encourage and facilitate savings by parents toward purchase of Series EE bonds eligible for exclusion under the provision. The Treasury Department shall submit the results of the study, together with any recommendations as deemed appropriate, to the tax-writing committees by December 31, 1989.

b. Dependency exemption for certain students

Present Law

A taxpayer generally may not claim a dependency exemption for a dependent whose gross income for the year exceeds the exemption amount ($1,950 in 1988). However, this gross income test does not apply if the dependent is (1) a child of the taxpayer and (2) a full-time student at a qualified educational organization, regardless of the student's age.

House Bill

No provision.

Senate Amendment

A taxpayer may not claim a dependency exemption for a dependent who is a student who has attained 24 years of age before the close of the calendar year, unless the child's gross income for the year is less than the exemption amount. If the parent cannot claim an exemption under this rule, the child may claim an exemption on his or her own return.

The provision is effective for taxable years beginning after December 31, 1989.

Conference Agreement

The conference agreement follows the Senate amendment with a change in the effective date which applies the provision to taxable years beginning after December 31, 1988.

c. Prepaid tuition plans

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Benefits similar to those allowable in the provision for educational savings bonds are made available with regard to the exclusion of income used to pay tuition and required fees to certain prepaid tuition plans which have been established by several States.

Conference Agreement

The conference agreement follows the House bill.

11. Exclusion of gain on sale of principal residence by certain incapacitated taxpayers age 55 or over

Present Law

In general, a taxpayer may exclude from gross income up to $125,000 of gain from the sale of a principal residence if the taxpayer (1) has attained age 55 before the sale, and (2) has used the residence as a principal residence for three or more years of the five years preceding sale of the residence (sec. 121).

House Bill

No provision.

Senate Amendment

The Senate amendment provides that a taxpayer is treated as meeting the required use rule (three out of the five years preceding sale of the residence) if during the five-year period the taxpayer becomes physically or mentally incapable of self care and (1) owns and uses the residence for at least one year and (2) then during any time within such 5-year period the taxpayer owns the property and resides in a facility (including a nursing home) licensed by a State or political subdivision to care for individuals who have become mentally or physically incapable of self-care.

The provision applies to sales of residences occurring after September 30, 1988.

Conference Agreement

The conference agreement follows the Senate amendment.

12. Business use of automobiles by rural mail carriers

Present Law

A deduction is allowable for business use of an automobile equal to the business portion of the taxpayer's actual expenses for operating and maintaining the vehicle, plus depreciation. Alternatively, the amount of the deduction may be computed by multiplying a standard mileage rate, specified by the IRS, by the number of miles actually driven for business purposes. For 1988, the standard rate for the first 15,000 miles of business use of an automobile that is not fully depreciated is 24 cents per mile.

House Bill

An employee of the U.S. Postal Service may compute his or her deduction for business use of an automobile in performing services involving the collection and delivery of mail on a rural route by using, for all such business use mileage, 150 percent of the standard mileage rate that applies to the first 15,000 miles of business use of an automobile that is not fully depreciated. However, this computation method cannot be used if the taxpayer claimed depreciation deductions for the automobile for any taxable year beginning after December 31, 1987.

This provision applies to taxable years beginning after December 31, 1987.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

B. Accounting/Agriculture Provisions

1. Repeal uniform capitalization rules for free-lance authors, photographers, and artists

Present Law

In general, uniform cost capitalization rules apply to the production of all tangible personal property and to the purchase and holding of property for resale. For purposes of the uniform capitalization rules, tangible personal property includes a film, sound recording, video tape, book, or similar property. The Internal Revenue Service has provided an elective simplified method for deducting business expenses of authors, photographers, artists, and other similarly situated persons who incur expenses in producing creative properties. Under this method, eligible taxpayers generally may deduct 50 percent of their business expenses in the year in which incurred and 25 percent in each of the two succeeding years.

House Bill

The House bill exempts from the application of the uniform capitalization rules any otherwise deductible expense that is paid or incurred by an individual engaged in the business of being a writer, photographer, or artist. The exemption applies only to an individual whose personal efforts create or may reasonably be expected to create a literary manuscript, musical composition, dance score, photograph, photographic negative or transparency, picture, painting, sculpture, statue, etching, drawing, cartoon, graphic design, or original print edition.

In determining whether an expense is paid or incurred in the business of being an artist, the originality and uniqueness of the item created (or to be created) and the predominance of aesthetic value over utilitarian value of the item created (or to be created) are to be taken into account. Thus, for example, any expense that is paid or incurred in producing jewelry, silverware, pottery, furniture, and other similar household items generally is not to be considered as being paid or incurred in the business of an individual being an artist.

The exception to the uniform capitalization rules for otherwise deductible expenses paid or incurred by an individual engaged in the business of being a writer, photographer, or artist does not apply to any expense paid or incurred by an individual in the individual's capacity as an employee. In addition, the exception does not apply to any expense that is related to printing, photographic plates, motion picture films, video tapes, or similar items.

Expenses paid or incurred by a personal service corporation that directly relate to the activities of a qualified employee-owner qualify for the exception to the uniform capitalization rules to the extent that the expenses would qualify if paid or incurred directly by the employee-owner.

The provision is effective as if included in the Tax Reform Act of 1986. An eligible taxpayer who elected the simplified method provided by the Internal Revenue Service for any taxable year ending before the date of enactment may either (1) apply the provision of the bill for each year that an election was in effect by filing an amended return for such year, or (2) apply the provision of the bill for the first taxable year ending after the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

2. Repeal uniform capitalization rules for certain producers of animals; depreciation of certain farm property

a. Uniform capitalization rules for certain producers of animals

Present Law

In general, uniform cost capitalization rules apply to the production of property and to the purchase and holding of property for resale. In the case of any animal that is produced by a taxpayer in a farming business, the uniform capitalization rules apply only if (1) the animal has a preproductive period of more than two years or (2) the taxpayer engaged in the farming business is a corporation, partnership or tax shelter that is required to use an accrual method of accounting.

The Internal Revenue Service has provided an elective simplified method for capitalizing the costs of raising female cattle that are to be used principally for purposes of breeding ("beef cattle") or for purposes of producing milk to be sold for consumption ("dairy cattle"). Under this method, taxpayers other than those required to use an accrual method of accounting generally may capitalize a total of $340 for each beef cow, or $540 for each dairy cow, over a period of three years beginning with the year in which the cow is born.

House Bill

The House bill exempts from the application of the uniform capitalization rules otherwise deductible expenses that are incurred by a taxpayer in connection with the production of animals in any farming business other than a farming business of a corporation, partnership or tax shelter that is required to use an accrual method of accounting. The provision applies to costs incurred after December 31, 1988, in taxable years ending after such date.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

b. Treatment of single-purpose agricultural or horticultural structures

Present Law

Single-purpose agricultural or horticultural structures are assigned a 7-year recovery period under modified ACRS. The Treasury Department may not assign a longer recovery period to single-purpose agricultural or horticultural structures that are placed in service before January 1, 1992.

House Bill

Single-purpose agricultural structures that are used for housing, raising, and feeding poultry are assigned a recovery period of 8 years, and all other single-purpose agricultural or horticultural structures are assigned a recovery period of 12 years. As under present law, the Treasury Department is prohibited from assigning a longer recovery period to such structures that are placed in service before January 1, 1992.

The provision generally applies to structures placed in service after December 31, 1988. An exception is provided for property placed in service before January 1, 1990, if such property is under construction or reconstruction by the taxpayer on July 14, 1988, or if such property is acquired pursuant to a binding written contract in existence before July 14, 1988.

Senate Amendment

The Senate amendment is the same as the House bill, except that all single-purpose agricultural or horticultural structures are assigned a ten-and-one-half year recovery period.

Conference Agreement

The conference agreement follows the House bill, except that the agreement assigns all single-purpose agricultural or horticultural structures a ten-year recovery period.

c. Treatment of property used in a farming business

Present Law

Property used in a farming business is assigned various recovery periods in the same manner as other business property. In general, the applicable depreciation method is the same for property used in a farming business as property with the same recovery period used in other businesses. For property with recovery periods of less than 15 years, this method is generally the 200-percent declining balance method switching to the straight-line method to maximize the depreciation allowance. Under a special accounting rule, certain taxpayers engaged in the business of farming who elect to deduct preproductive period expenditures are required to depreciate all farming assets on the alternative depreciation system (*i.e.*, using longer recovery periods and the straight-line method).

House Bill

For property that is used in the trade or business of farming and which under present law is eligible for the 200-percent declining balance method, the bill provides that the applicable depreciation method is the 150-percent declining balance method switching to the straight-line method at a time to maximize the depreciation allowance, except that taxpayers who elect to deduct preproductive period expenses must continue to use the alternative depreciation system.

The provision generally applies to property placed in service after December 31, 1988. An exception is provided for property placed in service before July 1, 1989, if such property is under construction or reconstruction by the taxpayer on July 14, 1988 or if such property is acquired pursuant to a binding written contract in existence before July 14, 1988.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Election of producers of pistachio nuts to deduct preproductive period costs currently

Present Law

In general, uniform cost capitalization rules apply to the production of property and to the purchasing and holding of property for resale. In the case of any plant or animal that is produced by a taxpayer in a farming business, the uniform capitalization rules apply only if (1) the plant or animal has a preproductive period of more than two years or (2) the taxpayer engaged in the farming business is a corporation, partnership or tax shelter that is required to use an accrual method of accounting.

Taxpayers engaged in a farming business may elect to deduct currently the costs relating to the production of farm products. If this election is made, a portion of the gain from the disposition of the farm product is taxed as ordinary income and all farm assets placed in service in any taxable year for which an election is in effect are subject to the alternative depreciation system. The election to deduct currently preproductive period costs may not be made (1) by corporations, partnerships or tax shelters that are required to use an accrual method of accounting or (2) with respect to costs incurred in the planting, cultivation, maintenance, or development of pistachio trees.

House Bill

Under the House bill, taxpayers that are not required to use an accrual method of accounting may elect to deduct currently the costs incurred in the planting, cultivation, maintenance, or development of pistachio trees. If this election is made, gain from the disposition of pistachio nuts is taxed as ordinary income to the extent of prior deductions that would have been capitalized but for the election. In addition, all farm assets placed in service in any taxable year for which an election is in effect are subject to the alternative depreciation system.

The provision is effective as if included in the Tax Reform Act of 1986.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

4. Treatment of certain trees and vines

Present Law

Depreciation recovery periods, for purposes of the modified accelerated cost recovery system, are generally determined by reference to the Asset Depreciation Range ("ADR") class life of the asset. Currently, it is unclear whether trees and vines are classified as land improvements under the ADR system (with a midpoint life of 20 years) or have no class life. Under modified ACRS, the depreciation deductions for property with an ADR midpoint life of 20 years generally are calculated using a 15-year recovery period and the 150% declining balance method with a switch to straight line at a time to maximize the depreciation deduction. Property, which is not residential rental or nonresidential real property and which does not have an ADR class life, generally uses the 200% declining balance method with a seven-year recovery period, under modified ACRS.

House Bill

No provision.

Senate Amendment

For purposes of modified ACRS, the amendment provides that the depreciation deduction for trees or vines bearing fruit or nuts will be calculated using the straight line method over a ten-year recovery period.

The provision is effective for property placed in service after December 31, 1988.

Conference Agreement

The conference agreement follows the Senate amendment. In addition, because trees or vines bearing fruit or nuts will now be specifically assigned to a recovery class for purposes of modified ACRS, such property will be assigned a class life of 20 years for ADR purposes. The conferees intend that no inference should be drawn from this provision concerning the appropriate ADR classification or recovery period for trees and vines placed in service prior to January 1, 1989.

5. Treatment of livestock sold on account of drought

Present Law

A cash method taxpayer whose principal trade or business is farming and who is forced to sell certain livestock due to drought conditions may elect to include any income from the sale of the livestock in the taxable year following the taxable year of the sale. This one-year elective deferral of income is available only if the livestock would not have been sold in the taxable year but for the drought and the drought conditions resulted in the area being designated as eligible for Federal assistance. The election generally does not apply to cattle, horses, and other livestock held for draft, breeding, dairy or sporting purposes.

House Bill

No provision.

Senate Amendment

The one-year elective deferral of income is extended to cattle, horses, and other livestock held for draft, breeding, dairy or sporting purposes. The provision applies to sales and exchanges occurring after December 31, 1987.

Conference Agreement

The conference agreement follows the Senate amendment.

6. Treatment of certain payments received as a result of crop losses due to drought conditions

Present Law

A cash method taxpayer who receives insurance proceeds as a result of the destruction of, or damage to, crops may elect to include the proceeds in income for the taxable year following the year in which the destruction or damage occurs if, under the taxpayer's practice, income from such crops would have been included for a year following the year in which the destruction or damage occurred. For this purpose, payments received under the Agricultural Act of 1949, as amended, as a result of the destruction of, or damage to, crops caused by drought, flood or other natural disaster or the inability to plant crops because of such natural disaster are treated as insurance proceeds received as a result of the destruction of, or damage to, crops.

House Bill

No provision.

Senate Amendment

Payments received under Title II of the Disaster Assistance Act of 1988 (P.L. 100-387) are treated in the same manner as payments received under the Agricultural Act of 1949. The provision applies to payments received before, on, or after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

7. Treatment of certain pledged installment obligations

Present law

The Revenue Act of 1987 provided special rules that apply to any installment obligation that arises out of the sale of non-farm real property that is used in a taxpayer's trade or business or that is held for the production of rental income where the selling price of the real property exceeds $150,000 (a "nondealer real property installment obligation"). Under these rules, if any indebtedness is secured directly by a nondealer real property installment obligation, the net proceeds of the secured indebtedness are treated as a payment on such installment obligation. This special rule generally applies to nondealer real property installment obligations that are pledged as security for a loan after December 17, 1987.

House Bill

Under the House bill, the special rule that treats the net proceeds of an indebtedness as payment on a nondealer real property installment obligation does not apply to a pledge of a nondealer real property installment obligation after December 17, 1987, to secure an indebtedness if the indebtedness is incurred to refinance indebtedness that (1) was outstanding on December 17, 1987, and (2) was secured by the nondealer real property installment obligation on such date and at all times thereafter until the refinancing occurred. This exception does not apply to the extent that the principal amount of the indebtedness resulting from the refinancing exceeds the principal amount of the refinanced indebtedness immediately before the refinancing. For purposes of the exception, a refinancing attributable to the creditor's calling of indebtedness is treated as a continuation of the indebtedness if the refinancing is provided by a person other than the creditor or a person related to the creditor and the refinancing otherwise qualifies for the exception.

The provision is effective as if included in the Revenue Act of 1987.

Senate Amendment

The Senate amendment is generally the same as the House bill, except that the refinancing of an indebtedness that was outstanding on December 17, 1987, and that was secured by a nondealer real property installment obligation on such date is to be treated as a continuation of the indebtedness only if (1) the taxpayer is required by the creditor to refinance the indebtedness, and (2) the refinancing is provided by a person other than the creditor or a person related to the creditor. In addition, if the term of the indebtedness resulting from the refinancing exceeds the term of the refinanced indebtedness, upon the expiration of the term of the refinanced indebtedness as in effect before the refinancing, the outstanding balance of the indebtedness resulting from the refinancing is to be treated as a payment on any installment obligation that secures such indebtedness.

Conference Agreement

The conference agreement follows the House bill.

8. Treatment of stock held in trust in determining whether certain corporations may use the cash method of accounting

Present Law

Qualified personal service corporations are excepted from the general rule denying the use of the cash method of accounting to a C corporation or a partnership with a C corporation as a partner. A qualified personal service corporation is a corporation that satisfies both a function test and an ownership test. The ownership test is satisfied if substantially all (i.e., 95 percent or more) of the value of the outstanding stock is owned, directly or indirectly, by (1) employees performing services for the corporation in connection with the qualified services performed by the corporation, (2) retired employees who performed such services for the corporation, (3) the estate of any employee or retired employee, or (4) any other person who acquired stock by reason of the death of an employee or retired employee (for the two-year period beginning with the death of the employee or retired employee).

In determining whether a corporation satisfies the ownership test, indirect ownership of stock is taken into account only if stock is owned indirectly through one or more partnerships, S corporations, or qualified personal service corporations. Stock that is owned by a partnership, S corporation, or qualified personal service corporation is considered to be owned by its owners in the same proportion as their ownership of the partnership, S corporation, or qualified personal service corporation.

House Bill

The House bill requires the Treasury Department to issue regulations that provide to what extent stock owned by non-grantor trusts is to be treated as indirectly owned by the beneficiaries of the trust in determining whether the ownership test is satisfied. The provision is effective as if included in the Tax Reform Act of 1986.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

C. Pension and Employee Benefit Provisions

1. Employee benefit nondiscrimination rules for church plans and cafeteria plans

Present Law

Church plans.—Under present law, all statutory employee benefit plans maintained by all employers are subject to the nondiscrimination requirements of section 89.

Cafeteria plans.—Under present law, life insurance that is funded prior to retirement under a cafeteria plan but provided after retirement is tested for discrimination when provided.

House Bill

Church plans.—No provision.

Cafeteria plans.—No provision.

Senate Amendment

Church plans.—The Senate amendment provides that the nondiscrimination requirements of section 89 do not apply to statutory employee benefit plans maintained by a church for church employees. For purposes of this provision, the definition of a church is the same definition that applies for purposes of exclusion from FICA taxes (sec. 3121(w)(3)). Thus, the term "church" includes (1) a convention or association of churches, (2) an elementary or secondary school that is controlled, operated, or principally supported by a church or by a convention or association of churches, and (3) any church-controlled tax-exempt organization that does not receive substantial support from governmental sources or sales of goods or services.

The provision is effective as if included in the Tax Reform Act of 1986.

Cafeteria plans.—Under the Senate amendment, post-retirement life insurance funded under a cafeteria plan is tested for discrimination when it is funded based on the amount of life insurance that could at that time be purchased (assuming sec. 79(c) costs) with the cafeteria plan elective contributions.

The provision is effective as if included in the Tax Reform Act of 1986.

Conference Agreement

Church plans.—The conference agreement follows the Senate amendment.

Cafeteria plans.—The conference agreement follows the Senate amendment.

2. Eligible deferred compensation plans: modifications to section 457

Present Law

Under present law, unfunded deferred compensation plans maintained by a State or local government or by a nongovernmental tax-exempt organization is subject to certain special rules (sec. 457). In Notice 88-68, the IRS announced that section 457 does not apply to bona fide vacation leave, sick leave, compensatory time, severance pay, disability pay, and death benefit plans. The Reform Act extended section 457 to nongovernmental tax-exempt organizations.

In Notice 88-98, the IRS announced that section 457 does not apply to compensation deferred under a written, nonqualified, nonelective deferred compensation plan that was in existence on December 31, 1987, and that is maintained pursuant to one or more collective bargaining agreements, until the earlier of (1) the effective date of any material modification to such nonelective plan (other than modifications entered into on or before December 31, 1987, to agreements entered into on or before such date), or (2) January 1, 1991.

House Bill

The House bill repeals the provision in the Reform Act extending section 457 to nongovernmental tax-exempt organizations, and codifies IRS Notice 88-68. In addition, the House bill provides that section 457 does not apply to certain nonelective deferred compensation deferred pursuant to agreements in effect on July 14, 1988, and directs the Treasury Department to perform a study regarding the tax treatment of deferred compensation paid by State and local governments and tax-exempt organizations.

In general, the House bill provision is effective for taxable years beginning after December 31, 1987. The repeal of the extension of section 457 to nongovernmental tax-exempt organizations is effective as if included in the Reform Act.

Senate Amendment

The technical corrections provisions of the Senate amendment includes a provision codifying IRS Notice 88-68.

The Senate amendment provision is effective with respect to taxable years beginning after December 31, 1978.

Conference Agreement

The conference agreement follows the House bill with respect to the codification of IRS Notice 88-68, the Treasury Department study, and the grandfather rule for nonelective deferred compensation under governmental plans for amounts deferred under agreements in effect on July 14, 1988. In addition, the conference agreement provides that this grandfather does not cease to apply merely because of a modification to the agreement prior to January 1, 1989, which does not increase benefits for participants in the plan.

The conference agreement also provides a grandfather for nonelective compensation deferred under a plan in effect on December 31, 1987, and maintained pursuant to one or more collective bargaining agreements. This grandfather is the same as the grandfather provided in IRS Notice 88-98, except that the grandfather does not expire on January 1, 1991. Thus, the same conditions that apply to the grandfather rule in Notice 88-98 apply under the conference agreement.

In addition, the conference agreement provides that section 457 does not apply to nonelective deferred compensation provided to individuals other than in their capacity as employees. For purposes of this rule, a deferred compensation plan is considered nonelective only if all individuals (other than those who have not satisfied any applicable initial service requirement) with the same relationship to the payor are covered under the same plan with no individual variations or options. For example, if a nonemployee doctor receives deferred compensation from a hospital, such deferred compensation is to be considered nonelective only if all nonemployee doctors (who have satisfied any applicable initial service requirements) are covered under the same plan. This provision is effective with respect to taxable years beginning after December 31, 1987.

The conference agreement also provides that section 457 does not apply in the case of a plan maintained by a church (as defined for employment tax purposes in sec. 3121(w)(3)(A)), including a qualified church-controlled organization (as defined in sec. 3121(w)(3)(B)). This provision is effective with respect to taxable years beginning after December 31, 1987.

3. Section 403(b) nondiscrimination rules and certain other pension requirements

Present Law

Under present law (as amended by the 1986 Act), nondiscrimination rules apply to contributions to tax-sheltered annuity programs (sec. 403(b)). With respect to contributions pursuant to a salary reduction agreement, the nondiscrimination rules generally require that the ability to make salary reduction contributions be available to all employees. With respect to other contributions, the nondiscrimination rules are the same nondiscrimination rules applicable to qualified pension plans.

House Bill

The House bill provides that, in the absence of rules on which employers may rely, employers are permitted to make good faith reasonable interpretations of the section 403(b) nondiscrimination requirements. This reasonable interpretation standard remains in effect until the later of the first plan year beginning after December 31, 1990, or at least six months following the issuance of rules on which a taxpayer may rely.

The provision is effective on the date of enactment.

Senate Amendment

The Senate amendment modifies the nondiscrimination rules applicable to contributions to tax-sheltered annuity programs not made pursuant to a salary reduction agreement as follows: (1) student employees who are not taken into account for employment tax purposes may be disregarded, (2) employees who normally work less than 20 hours per week may be disregarded, and (3) for plan years beginning before January 1, 1992, the nondiscrimination rules may be applied by testing a statistically valid sample of employees. The legislative history of the Senate amendment provides that the nondiscrimination tests may be applied by testing at the level of the institution that maintains the plan and that the special rules applicable to multiple employer qualified plans (sec. 413(c)) apply to multiple employer tax-sheltered annuity programs.

The provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment, with the clarification that the provision is effective as if included in section 1120(b) of the Reform Act. The conferees intend that the instituion maintaining the plan is generally to be interpreted as not including any employer (or portion thereof) that may not maintain a section 403(b) annuity program.

4. Required beginning date for public employees

Present Law

Under the Reform Act, benefits under qualified plans, IRAs, sec. 457 plans, and tax-sheltered annuities are required to begin no later than the April 1 of the calendar year following the calendar year in which the participant or owner attains age 70½. This rule is generally effective for years beginning after December 31, 1988. Prior to the Reform Act, distributions from such plans were generally required to begin by the later of (1) the April 1 of the calendar year following the calendar year in which the participant or owner attained age 70½, or (2) the calendar year in which the participant retired.

House Bill

The House bill repeals the Reform Act required beginning date with respect to governmental plans. Thus, under the House bill, the pre-Reform Act required beginning date rule applies to such plans.

The House bill provision is effective as if included in the Reform Act.

Senate Amendment

The Senate amendment delays the general effective date of the Reform Act rule for 1 year for governmental plans and plans maintained by employers described in section 501(c)(3).

The Senate amendment provision is effective as if included in the Reform Act.

Conference Agreement

The conference agreement follows the House bill, except that the provision also applies to church employees. For this purpose, the term "church" has the meaning given such term by section 3121(w)(3)(A), including a qualified church controlled organization (as defined in section 3121(w)(3)(B)).

5. Limitations on contributions and benefits under qualified plans maintained by public employers

Present Law

Present law provides overall limits on contributions and benefits under qualified plans (sec. 415). The limits apply to all such contributions and benefits provided to an individual by any private or public employer. The overall limits have been modified several times beginning with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

House Bill

Under the House bill, in the case of a plan maintained by any State or local government, the limitation on benefits under a defined benefit pension plan with respect to a qualified participant is the greater of (1) the limitation normally applicable to benefits under a defined benefit pension plan, or (2) the accrued benefit of the participant without regard to any benefit increases pursuant to a plan amendment adopted after October 14, 1987. A qualified participant is a participant who first became a participant in the plan before January 1, 1989.

The special rule does not apply unless the employer elects, by the close of the first plan year beginning after December 31, 1988, to have the normal section 415 limits (other than the special limits applicable to qualified police and firefighters) apply to all plan participants other than qualified participants.

In the case of an employer electing to apply the House bill provision, the provision generally applies to years beginning after December 31, 1982, and the normal section 415 limits apply to years beginning on or after January 1, 1989.

Senate Amendment

The Senate amendment is the same as the House bill, except that a qualified participant is a participant who first became a participant before January 1, 1990, rather than January 1, 1989, and the election for general application of the 415 limits is required to be made by the close of the first plan year beginning after December 31, 1989, rather than December 31, 1988.

The effective date is the same as the House bill, except that the normal section 415 limits apply with respect to plans of an electing employer to years beginning on or after January 1, 1990.

Conference Agreement

The conference agreement follows the Senate amendment.

6. Minimum participation rule

Present Law

Under present law, a plan is not a qualified plan unless it benefits no fewer than the lesser of (1) 50 employees of the employer, or (2) 40 percent of all employees of the employer (sec. 401(a)(26)).

House Bill

The House bill provides that the minimum participation rule does not apply to any governmental plan with respect to employees who were participants in the plan on July 14, 1988.

The House bill provision is effective on date of enactment.

Senate Amendment

The Senate amendment provides that the minimum participation rule may be applied separately to qualified public safety employees of a governmental employer for whom a separate plan is maintained and other employees of the employer. Qualified public safety employees are employees of a public employer who provide police, firefighting, or emergency medical services.

The Senate amendment also requires the Treasury Department to conduct a study on application of the minimum participation rule to certain government contractors that are required by Federal law to provide certain employees with specific retirement benefits.

The Senate amendment provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment with respect to the application of the minimum participation rule to qualified safety employees, with a clarification that the provision is effective as if included in section 1112(b) of the Reform Act, and the Treasury study.

The conference agreement follows the House bill with respect to governmental plans, with the modification that the provision only applies to plan years beginning before January 1, 1993. The provision is effective as if included in section 1112(b) of the Reform Act.

7. Permit IRA acquisitions of State-issued coins

Present Law

The acquisition by an individual retirement arrangement (IRA) of any collectible is treated as a distribution from the IRA equal to the cost of the collectible and is includible in the IRA owner's income for the year in which the cost is deemed distributed (sec. 408(m)). Under the Reform Act, certain gold and silver coins issued by the United States Government are not treated as collectibles.

House Bill

No provision.

Senate Amendment

Coins issued under the laws of any State are not treated as collectibles for purposes of the IRA prohibition on investments in collectibles, as long as the coins are held by a person independent of the IRA owner.

The provision is effective with respect to State coins acquired by an IRA after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

8. Application of pension funding rules to multiple employer plans

Present Law

Under present law, the minimum funding requirement with respect to a multiple employer plan and the maximum permissible deductible contribution to a multiple employer plan are calculated at the plan level and not on a contributing employer by contributing employer basis (sec. 413(c)).

House Bill

No provision.

Senate Amendment

Under the Senate amendment, in the case of a plan established after December 31, 1988, each employer participating in a multiple employer pension plan is treated as maintaining a separate plan for purposes of the minimum funding standard unless the plan uses a method for determining required contributions that ensures that any employer contributes an amount at least equal to the amount that would be required if the employer maintained a separate plan.

The provision is effective on the date of enactment with respect to plans established after December 31, 1988. In the case of a multiple employer plan established on or before December 31, 1988, the plan administrator is permitted to elect to have the new rule apply to the plan. The election is required to be made on or before the last day of the first plan year beginning after the date of enactment and applies to the plan year during which the election is made and all subsequent plan years and may be revoked only with the consent of the Secretary.

Conference Agreement

The conference agreement follows the Senate amendment.

As under the Senate amendment, the minimum funding standard is to be determined by treating each employer in a multiple employer plan as maintaining a separate plan, unless the plan's method for determining required contributions assures that each employer will contribute at least the amount that would be required if each employer were maintaining a separate plan. If the plan's method satisfies this requirement, then the multiple employer plan will file only a single Form 5500 and only a single Schedule B for the entire plan will be required to be prepared. Plans are required, however, to be able to demonstrate compliance with the employer-by-employer rule. It may be possible to demonstrate this compliance, for example, by using appropriate plan-wide assumptions for turnover, mortality, future growth in wages, and investment experience such that each employer contributed, at a minimum, the sum of normal cost plus required amortization of any unfunded liabilities, or net experience or other losses reduced by the amortization of any credits for experience or other gains and any contributions the deduction for which would be denied by the full funding limitation. Each employer's normal cost is required to reflect the actual salary and demographics of its employees. In addition, unfunded past service liabilities are to be amortized at least as rapidly as required by the minimum funding rules applicable to qualified plans. Under any acceptable method, no deficiencies arise and no prior year credit balances are permitted with respect to any employer.

Under the conference agreement, the assets and liabilities of each plan treated as a separate plan are the assets and liabilities that would be allocated to a plan maintained by the employer if the employer withdrew from the multiple employer plan, determined under a reasonable and consistent method. It is intended that the Secretary prescribe rules to prevent plan withdrawal mechanisms from being manipulated in order to avoid the deduction limits.

9. Application of section 415 limits to police and firefighters

Present Law

Present law (sec. 415) provides overall limits on contributions and benefits under qualified pension, profit-sharing, and stock bonus plans, qualified annuity plans, tax-sheltered annuities, and simplified employee pensions (SEPs). In addition, present law provides a special floor on the annual limit on benefits with respect to certain police and firefighters. In the case of a qualified participant, the present-law reduction provided for benefits payable before age 62 does not reduce the dollar limit on annual benefits below $50,000 at any age.

A qualified participant is a participant in a defined benefit pension plan maintained by a State or political subdivision of a State if the period of service taken into account in determining the participant's benefit under the plan includes at least 20 years of the participant's service as (1) a full-time employee of any police department or fire department that is organized and operated by the State or political subdivision of a State maintaining the plan to provide police protection, firefighting services, or emergency medical services for any area within the jurisdiction of that State or subdivision, or (2) a member of the Armed Forces of the United States.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, the 20 years of service requirement for eligibility for the special rule for police and firefighters is decreased to 15 years.

The provision is effective as if included in the Tax Reform Act of 1986.

Conference Agreement

The conference agreement follows the Senate amendment.

10. Employee leasing safe harbor

Present Law

Certain employees of a leasing organization are considered employees of the service recipient for purposes of certain pension and employee benefit rules (sec. 414(n)). Under a safe-harbor rule, a service recipient is not required to maintain records with respect to leased employees if, among other things, less than 5 percent of the recipient's workforce are leased employees (determined in a simplified manner).

House Bill

No provision.

Senate Amendment

Under the Senate amendment, certain individuals are not considered leased employees of a service recipient if the service recipient satisfies the 5-percent test if the percentage is raised to 10 percent. The exempted individuals include any individual who (1) is credited with less than 3,000 hours of service for the service recipient over any two consecutive plan years, and (2) did not perform services (as an employee or otherwise) for the service recipient within the same geographic area at any time within the plan year immediately preceding the two-plan-year period.

The provision is effective on the date of enactment with respect to services performed after December 31, 1986.

Conference Agreement

The conference agreement follows the House bill.

11. Air transportation of cargo and passengers treated as same service for purposes of fringe benefit inclusion

Present Law

Under present law, a no-additional-cost service provided to an employee is not included in the employee's gross income (sec. 132). In order to qualify as a no-additional-cost service, a service is required to be offered for sale to customers in the ordinary course of the line of business of the employer in which the employee is performing services.

House Bill

The House bill provides that the transportation of cargo by air and the transportation of passengers by air is treated as the same service for purposes of the exclusion for no-additional-cost services.

The House bill provision applies to transportation furnished after December 31, 1987, in taxable years ending after such date.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

12. Excise tax on dispositions of stock by an ESOP not to apply to certain involuntary dispositions

Present Law

Under present law, if an employee stock ownership plan (ESOP) acquires stock pursuant to a sale that qualifies for a special estate tax deduction for sales of stock to an ESOP (sec. 2057), an excise tax applies if the ESOP disposes of the stock within 3 years of the acquisition. The excise tax applies to all dispositions, whether voluntary or involuntary, except for dispositions specifically excepted from the rule.

House Bill

The House bill provides that the excise tax applicable in the case of certain dispositions of stock acquired in a section 2057 transaction does not apply to forced dispositions occurring by operation of a State law.

The House bill provision is effective as if included in the Revenue Act of 1987.

Senate Amendment

The Senate amendment is the same as the House bill, except that the exception only applies to forced dispositions of employer securities that are readily traded on an established securities market at the time of the disposition of the securities by the ESOP.

Conference Agreement

The conference agreement follows the Senate amendment, with the modification that the exception applies if the securities are readily traded on an established securities market at the time the securities were acquired by the ESOP.

13. Exclusion of interest paid on refinanced ESOP loans

Present Law

Under present law, a bank, an insurance company, a regulated investment company, or a corporation actively engaged in the business of lending money may exclude from gross income 50 percent of the interest received with respect to a securities acquisition loan (sec. 133). A "securities acquisition loan" is generally defined as a loan to a corporation or to an ESOP to the extent that the proceeds are used to acquire employer securities.

House Bill

No provision.

Senate Amendment

The Senate amendment modifies a provision in technical corrections by providing that, in the case of a refinancing of a securities acquisition loan that was made before October 22, 1986, the partial interest exclusion under section 133 is available for the greater of (1) the term of the original securities acquisition loan, or (2) the amortization period used to determine the regular payments under the original securities acquisition loan.

The provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

14. Nondiscrimination rules for cafeteria plans

Present Law

Under present law, a cafeteria plan must be available to a reasonable classification of employees that does not discriminate in favor of highly compensated employees (sec. 125). An employer may test coverage of its employee benefit plans (other than cafeteria plans) separately on a line of business basis under certain circumstances. In order to test a plan on this basis, the plan must cover a reasonable classification of employees that does not discriminate in favor of highly compensated employees.

House Bill

No provision.

Senate Amendment

The Senate amendment provides that the Secretary may (but is not required to) provide that the reasonable classification test applicable to cafeteria plans (sec. 125(b)(1)) is applied in a different manner than the reasonable classification test applicable under the qualified plan coverage (sec. 410(b)) and line of business rules (sec. 414(r)).

The provision is effective as if included in section 1151(d)(1) of the Reform Act.

Conference Agreement

The conference agreement follows the House bill.

15. Cash or deferred arrangements of railroad employees

Present Law

Under present law, a qualified plan is required to satisfy coverage rules designed to ensure that rank-and-file employees, as well as highly compensated employees are covered by the plan. These rules require, in general, that a certain percentage of the nonhighly compensated employees of the employer be covered by the plan (sec. 410(b)). In determining whether a plan satisfies the coverage rules, employees subject to a collective bargaining agreement who are not covered by the plan are disregarded. However, in applying the coverage rules to a plan established pursuant to a collective bargaining agreement, all employees of the employer are taken into account.

A special exception to the general rules for employees subject to a collective bargaining agreement permits the coverage rules to be applied to a plan established pursuant to a collective bargaining agreement covering air pilots as if the employees covered by the bargaining agreement were the only employees of the employer.

A qualified cash or deferred arrangement (sec. 401(k)) is required to benefit a group of employees that satisfies the coverage rules.

House Bill

No provision.

Senate Amendment

The Senate amendment expands the special rule for collectively bargained plans covering air pilots to collectively bargained plans for railroad employees.

The provision is effective for years beginning after December 31, 1988.

Conference Agreement

The conference agreement follows the House -bill.

16. Application of section 415 limits to collectively bargained plans

Present Law

Under present law, the limit on the annual benefit provided by a defined benefit pension plan is generally the lesser of (1) 100 percent of average compensation, or (2) $90,000 (sec. 415). Prior to the Reform Act, if payment of retirement benefits began before age 62, then the dollar limit was generally reduced so that it was the actuarial equivalent of an annual benefit of $90,000 beginning at age 62. In no event, however, was the dollar limit applicable to benefits beginning at or after age 55 less than $75,000.

Under the law prior to the Reform Act, if benefits began before age 55, then the dollar limit was actuarially reduced so that it was the greater of (1) the actuarial equivalent of a $75,000 benefit beginning at age 55, or (2) the actuarial equivalent of the applicable dollar limit at age 62.

The Reform Act eliminated the $75,000 floor so that the $90,000 limit is actuarially reduced for a participant retiring before the social security retirement age (currently 65, scheduled to increase to 67).

In the case of a plan maintained pursuant to one or more collective bargaining agreements ratified before March 1, 1986, the Reform Act provisions do not apply to benefits under such agreements in years beginning before the earlier of (1) the date on which the last of such collective bargaining agreements terminates, or (2) January 1, 1989.

House Bill

No provision.

Senate Amendment

The Senate amendment further extends the effective date of the Reform Act provisions in the case of collectively bargained plans. Under the amendment, in the case of a plan established on or before March 1, 1986, pursuant to one or more collective bargaining agreements, the Reform Act provisions do not apply to benefits pursuant to such agreements until the first plan year beginning on or after October 1, 1991.

Conference Agreement

The conference agreement follows the Senate amendment.

17. Application of section 89 nondiscrimination rules to small employers

Present Law

Under present law, a health and certain other employee benefit plans are required to satisfy certain nondiscrimination rules (sec. 89). Such a plan is considered nondiscriminatory if it satisfies three eligibility tests and a benefits tests. Under an alternative test, a plan is considered nondiscriminatory if it benefits at least 80 percent of the employer's nonhighly compensated employees.

Under present law, employees who normally work less than 17 1/2 hours per week are disregarded for purposes of the nondiscrimination rules.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, in applying the 80-percent test to a plan maintained by an employer with less than 10 employees (1) employees who normally work 35 hours or less per week may be disregarded in applying the test to plan years beginning in 1989, (2) employees who normally work 25 may be disregarded in applying the test to plan years beginning in 1990, and (3) the present-law rule applies to plan years beginning in or after 1991.

The provision is effective as if included in the 1986 Act.

Conference Agreement

The conference agreement follows the Senate amendment.

18. Allocation of assets in case of plan spin offs

Present Law

Under present law, a plan is not a qualified plan unless in the case of any merger or consolidation of the plan with, or in the case of any transfer of assets or liabilities of such plan to, any other plan, each participant receives benefits on a termination basis from the plan immediately after the merger, consolidation, or transfer that is at least equal to the benefit the participant would have received on a termination basis immediately before the merger, consolidation, or transfer (sec. 414(l)). This rule also applies to plan spin offs, that is, the splitting of a plan into two or more plans.

House Bill

No provision.

Senate Amendment

The technical corrections provisions of the Senate amendment (sec. 205(c) of the Senate amendment) provide that, in the case of spin offs and similar transactions involving defined benefit plans (within a controlled group) the excess assets (i.e., assets in excess of the amount required to be allocated to a plan under present law) are to be allocated proportionately among the spun-off plans.

The Senate amendment also provides that the allocation rule applies to a spin off involving a plan maintained by a bank that has been closed by appropriate bank authorities and a plan maintained by a bridge bank (as described in 12 U.S.C. 1821(i)). The amendment also authorizes the bridge bank to cause the plan maintained by the closing bank to spin off assets to a defined benefit plan maintained by the bridge bank in accordance with the allocation rule within 180 days after the closing of the bank.

The provision is effective with respect to transactions occurring after July 26, 1988.

Conference Agreement

The conference agreement follows the Senate amendment with respect to the provision relating to bridge banks, with the modification that the provision only applies with respect to 50 percent of the excess assets. (The conference agreement follows the Senate amendment with respect to the technical corrections provision.)

19. Section 401(k) plans available to employees of rural telephone cooperatives

Present Law

Under present law, State and local governments and other tax-exempt organizations (other than rural electric cooperatives) may not maintain section 401(k) plans. The rule prohibiting tax-exempt organizations from maintaining section 401(k) plans generally does not apply to a plan adopted by an organization before July 2, 1986.

House Bill

Under the House bill, rural telephone cooperatives are permitted to maintain section 401(k) plans on the same basis as rural electric cooperatives.

The provision is effective for years beginning after the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

20. Study of treatment of certain technical services personnel

Present Law

In general, the determination of whether an employer-employee relationship exists for Federal tax purposes is made under a common law test. Under this test, an employer-employee relationship generally exists if the person contracting for services has the right to control not only the result of the services, but also the means by which that result is accomplished.

Section 530 of the Revenue Act of 1978 generally allows a taxpayer to treat a worker as not being an employee, regardless of the individual's actual status under the common law test, unless the taxpayer has no reasonable basis for such treatment. Although section 530 provides relief only with respect to the employment tax liability of the service recipient, it has been widely used to justify claims of independent contractor status for income tax purposes, both by the service recipients and by individuals with respect to whom a service recipient claims relief under section 530.

Section 1706 of the Reform Act provides that section 530 of the Revenue Act of 1978 does not apply in the case of an individual who, pursuant to an arrangement between the taxpayer and another person, provides services for such other person as an engineer, designer, drafter, computer programmer, systems analyst, or other similarly skilled worker engaged in a similar line of work.

House Bill

The House bill directs the Treasury Department to conduct a study of section 1706 and report to the House Ways and Means Committee and the Senate Finance Committee by September 1, 1989. The study is to include evaluation of the following issues: (a) the difficulty of administration of the provisions of section 1706, (b) whether there are any abuses in the reporting of income by independent contractors that justify the adoption of section 1706 (including any evidence of greater noncompliance by independent contractors when compared to employees), (c) the chilling effect that section 1706 has had on the ability of technical services personnel to get work, (d) the administrability of the present-law standards for determining whether an individual is an employee or an independent contractor, and (e) the equity of providing rules that distinguish between independent contractors who work through brokers and those who do not.

The provision is effective on the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

21. Taxation of pension distributions to former spouses

Present Law

Under present law, qualified plan benefits of a participant in a qualified plan may be paid to an alternate payee pursuant to a qualified domestic relations order (QDRO). An alternate payee includes a spouse, former spouse, child or other dependent of a participant.

A lump-sum distribution from a qualified plan may, in certain circumstances, qualify for special income averaging. In determining whether a distribution meets the requirement for lump sum treatment that the distribution consist of the balance to the credit of the employee, amounts payable to an alternate payee are not taken into account.

Under present law, lump sum treatment is not available to alternate payees.

House Bill

No provision.

Senate Amendment

No provision.

Conference Agreement

The conference agreement makes income averaging available with respect to distributions to an alternate payee who is a spouse or former spouse of the employee. In particular, the conference agreement provides that if a distribution of the balance of the credit to the employee would constitute a lump-sum distribution, then a distribution of the balance of the credit to the alternate payee constitutes a lump-sum distribution. In determining whether the distribution consists of the balance to the credit of the alternate payee, only the interest of the alternate payee is taken into account.

The provision is effective for taxable years ending after December 31, 1984.

D. Insurance Provisions

1. Church self-insured death benefit plans treated as life insurance

Present Law

Definition of a life insurance contract

Under present law, a life insurance contract is defined as any contract which is a life insurance contract under the applicable law, but only if the contract meets either of two alternative tests: (1) a cash value accumulation test or (2) a test consisting of a guideline premium requirement and a cash value corridor requirement.

If a contract does not satisfy the definition of a life insurance contract, the income on the contract for any taxable year of the policyholder will be treated as ordinary income received or accrued by the policyholder during that year.

Exclusion for death benefits

Present law generally excludes from a beneficiary's gross income proceeds of death benefits received under a life insurance contract and provides a limited exclusion for other benefits paid by or on behalf of an employer by reason of an employee's death.

Exclusion for group-term life insurance

Under present law, the cost of group-term life insurance purchased by an employer for an employee for a taxable year is included in the employee's gross income to the extent that the cost is greater than the sum of the cost of $50,000 of life insurance plus any contribution made by an employee to the cost of the insurance.

House Bill

Under the House bill, the term "life insurance contract" generally includes certain church self-funded death benefit arrangements, even if the arrangements do not constitute life insurance under applicable State law. Thus, the death benefit exclusion and the exclusion for the cost of employer-provided group-term life insurance apply to a plan or arrangement that provides for the payment of benefits by reason of the death of an individual covered under such a self-funded plan or arrangement, but only if the plan or arrangement (1) is provided directly by a church for the benefit of its employees and their beneficiaries, by a church plan, or by a church-controlled organization; and (2) satisfies the requirements relating to the definition of a life insurance contract other than the requirement that the plan or arrangement be a life insurance contract under the applicable law.

The provision is effective as if included in the Deficit Reduction Act of 1984 (i.e., generally, for contracts issued after December 31, 1984).

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

2. Minimum tax treatment of structured settlement arrangements

Present Law

For regular income tax purposes, the income on an annuity contract held by a corporation or other nonnatural person is included in income (sec. 72(u)(2)). An exception to this rule of inclusion is provided in the case of income on an annuity contract that is a qualified funding asset under a structured settlement arrangement (sec. 72(u)(3)(C)), without regard to whether there is a qualified assignment.

The adjusted current earnings provision of the corporate alternative minimum tax (sec. 56(g)) requires the inclusion of the income on any annuity contract (as determined under sec. 72(u)(2), which defines income on the contract). The adjusted current earnings provision does not incorporate the section 72(u)(3)(C) exception in the case of annuity contracts that are qualified funding assets.

House Bill

The House bill provides an exclusion from the adjusted current earnings of a corporation under the alternative minimum tax, in the case of income on an annuity contract that is a qualified funding asset within the meaning of section 130(d) (without regard to whether there is a qualified assignment). Similarly, the bill provides that income on annuity contracts held under a plan described in section 403(a) is excluded from the calculation of the adjusted current earnings preference.

The provision is effective for taxable years beginning after December 31, 1989 (i.e., the effective date for the adjusted current earnings provision).

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Repeal of general creditor requirement for certain personal injury liability assignments

Present Law

Under present law, an exclusion from gross income is provided for amounts received for agreeing to a qualified assignment to the extent that the amount received does not exceed the aggregate cost of any qualified funding asset.

A qualified assignment means any assignment of a liability to make periodic payments as damages on account of a personal injury or sickness (in a case involving physical injury or physical sickness), provided the terms of the assignment satisfy certain requirements. Generally, these requirements are that (1) the periodic payments are fixed as to amount and time; (2) the payments cannot be accelerated, deferred, increased, or decreased by the recipient; (3) the assignee's obligation is no greater than that of the person assigning the liability; (4) the payments are excludable to the recipient as damages; and (5) the assignee does not provide to the recipient of such payments rights against the assignee that are greater than those of a general creditor.

House Bill

Under the House bill, a liability assignment is treated as a qualified assignment notwithstanding that the recipient is provided creditor's rights against the assignee greater than those of a general creditor. The bill also provides that no amount is currently includible in the recipient's income solely because the recipient is provided creditor's rights that are greater than the rights of a general creditor.

The provision applies to liability assignments made after the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

4. Treatment of certain workers' compensation funds

Present Law

Under applicable State law or regulation, workers' compensation liabilities may be pooled as self-insured workers' compensation funds. Such funds generally are treated as mutual property and casualty insurance companies for Federal income tax purposes. In audits, the Internal Revenue Service has raised the issue whether the requirements for deductibility of policyholder dividends have been met in cases in which the declared dividend is contingent upon subsequent approval of the amount of the dividend by State regulatory authorities (e.g., the State workers' compensation board). The Tax Reform Act of 1986 imposed a moratorium with respect to audits and litigation relating to self-insured workers' compensation funds for the period commencing on October 22, 1986, and ending on August 16, 1987.

House Bill

Under the House bill, for taxable years beginning before January 1, 1987, a deficiency is not to be assessed against (and, if assessed, is not to be collected from) a qualified group self-insurers' fund to the extent that the deficiency is attributable to the timing of the deduction for policyholder dividends. For taxable years beginning on or after January 1, 1987, a fund's deduction for policyholder dividends is allowed no earlier than the date that the State regulatory authority determines the amount of the policyholder dividend that may be paid.

The provision is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, with modifications.

The conference agreement modifies the House bill definition of a "qualified group self-insurers' fund" to provide that it is defined as a group of two or more employers that has been in existence for at least two years, and who enter into agreements to pool their liabilities under State workers' disability compensation laws.

The conference agreement also modifies the statutory requirements that the group is required to meet. The conference agreement deletes the requirement that the group be bound by State law or regulation or by its governing documents to promptly return to its members all monies not needed to pay, or reserve against, claims under the State workers' disability compensation laws and expenses.

The conference agreement also provides that a group is a qualified group self-insurers' fund only if the group is required by State law or regulation to submit an audited financial statement to the State regulatory authority. The conference agreement adds other investments which are approved by the State board or agency that is responsible for administering the State workers' disability compensation laws to the list of specifically permitted investments.

Finally, the conference agreement adds a requirement that the group exclusively covers workers' compensation liability, is not a commercial insurance carrier or company licensed by the State board, agency or commissioner responsible for regulating and licensing insurance carriers and companies, and is not subject to a requirement to file with insurance regulatory authorities statements approved by the National Association of Insurance Commissioners.

5. Prepaid tax certificates

Present Law

Property and casualty insurance companies are required to discount unpaid loss reserves to take account partially of the time value of money. Thus, the deduction for unpaid losses is limited to the net increase in the amount of discounted unpaid losses. Any net decrease in loss reserves results in income inclusion, but the amount to be included is computed on a discounted basis.

House Bill

Any insurance company that is required to discount unpaid losses is allowed an additional deduction that is not to exceed the excess of (1) the amount of the undiscounted unpaid losses over (2) the amount of the related discounted unpaid losses, to the extent the amount was not deducted in a preceding taxable year. This deduction is available only if the company purchases a prepaid tax certificate in an amount equal to the tax benefit attributable to the deduction. The company is required to establish a special loss discount account to which is added each year the amount of the additional deduction under this provision. The prepaid tax certificate is to be redeemed only when the amount of the above deduction is released from the company's special loss discount account and included in income. The amount redeemed may be applied only to pay taxes due because of this inclusion.

The provision is effective for taxable years beginning after December 31, 1987.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill with modifications.

In general

In general, the conference agreement follows the provision of the House bill allowing an additional deduction that is not to exceed the excess of (1) the amount of the undiscounted unpaid losses over (2) the amount of the related discounted unpaid losses, to the extent the amount was not deducted in a preceding taxable year. The conference agreement also generally follows the House bill requirement that a special loss discount account be established and maintained. The provision of the House bill requiring the purchase of prepaid tax certificates is modified to substitute a requirement for "special estimated tax" payments. The House bill is further modified to add a rule treating certain unused amounts of special estimated tax payments as a section 6655 estimated tax payment for the 16th year after the year for which the special estimated tax payment was made. The conference agreement provides additional Treasury regulatory authority.

The total payments by a taxpayer, including section 6655 estimated tax payments and other tax payments, together with special estimated tax payments made under this provision, are generally the same as the total tax payments that the taxpayer would make if the taxpayer did not elect to have this provision apply (except to the extent amounts can be refunded under the provision in the 16th year).

Special estimated tax payments

The requirement of the House bill that the taxpayer purchase prepaid tax certificates is eliminated. The conference agreement imposes a requirement that the taxpayer make special estimated tax payments in an amount equal to the tax benefit attributable to the additional deduction allowed under the provision. If amounts are included in gross income due to a reduction in the taxpayer's special loss discount account or due to the liquidation or termination of the taxpayer's insurance business, and an additional tax is due for any year as a result of the inclusion, then an amount of the special estimated tax payments equal to such additional tax is applied against such additional tax. If there is an adjustment reducing the amount of additional tax against which the special estimated tax payment was applied, then in lieu of any credit or refund for the reduction, a special estimated tax payment is treated as made in an amount equal to the amount that would otherwise be allowable as a credit or refund.

The amount of the tax benefit attributable to the deduction is to be determined, under Treasury regulations, by taking into account tax benefits that would arise from the carryback of any net operating loss for the year as well as current year benefits. In addition, tax benefits for the current and carryback years are to take into account the benefit of filing a consolidated return with another insurance company without regard to the consolidation limitations imposed by section 1503(c).

The taxpayer's estimated tax payments under section 6655 are to be determined without regard to the additional deduction allowed under this provision and the special estimated tax payments. It is intended that the taxpayer may apply the amount of an overpayment of his section 6655 estimated tax payments for the taxable year against the amount of the special estimated tax payment required under this provision. The special estimated tax payments under this provision are not treated as estimated tax payments for purposes of section 6655 (e.g., for purposes of calculating penalties or interest on underpayments of estimated tax) when such special estimated tax payments are made.

Refundable amount

The conference agreement provides that, to the extent that a special estimated tax payment is not used to offset additional tax due for any of the first 15 taxable years beginning after the year for which the payment was made, such special estimated tax payment is treated as an estimated tax payment made under section 6655 for the 16th year after the year for which the special estimated tax payment was made. If the amount of such deemed section 6655 payment, together with the taxpayer's other payments credited against tax liability for such 16th year, exceeds the tax liability for such year, then the excess (up to the amount of the deemed section 6655 payment) may be refunded to the taxpayer to the same extent provided under present law with respect to overpayments of tax.

Regulatory authority

In addition to the regulatory authority provided under the House bill to adjust the amount of special estimated tax payments in the event of a change in the corporate tax rate, the conference agreement provides authority to the Treasury Department to prescribe regulations necessary or appropriate to carry out the purposes of the provision.

Such regulations include those providing for the separate application of the provision with respect to each accident year. Separate application of the provision with respect to each accident year (i.e., applying a vintaging methodology) may be appropriate under regulations to determine the amount of tax liability for any taxable year against which special estimated tax payments are applied, and to determine the amount (if any) of special estimated tax payments remaining after the 15th year which may be available to be refunded to the taxpayer.

Regulatory authority is also provided to make such adjustments in the application of the provision as may be necessary to take into account the corporate alternative minimum tax. Under this regulatory authority, rules similar to those applicable in the case of a change in the corporate tax rate are intended to apply to determine the amount of special estimated tax payments that may be applied against tax calculated at the corporate alternative minimum tax rate. The special estimated tax payments are not treated as payments of regular tax for purposes of determining the taxpayer's alternative minimum tax liability.

6. Phase-in of property and casualty insurance company discounting rules for certain hospital insurers

Present Law

Present law limits the reserve for unpaid losses of property and casualty insurance companies to the amount of discounted unpaid losses. The amount of discounted unpaid losses is determined on a line-of-business basis by applying a historical loss payment pattern for the line of business and a specified rate of interest. The discounting rules are effective for taxable years beginning after December 31, 1986, with a fresh start transition rule.

House Bill

No provision.

Senate Amendment

The Senate amendment provides an elective phase in of the discounting rules for taxable years beginning in 1987 and 1988 for qualified nonprofit hospital insurers. A qualified nonprofit hospital insurer is any domestic insurance company other than a life insurance company if, for the taxable year for which an election is in effect, (1) at least 75 percent of the value and voting power of the company is owned by nonprofit health care facilities or trade associations of such facilities; (2) a majority of the insurance or reinsurance provided by the company covers risks of nonprofit health care facilities; and (3) at least 75 percent of the insurance provided by the company is medical malpractice or general liability insurance. Under the phase in, the amount of the discounted unpaid losses of an electing company is to be increased by 20 percent of the difference between discounted and undiscounted unpaid losses for a taxable year beginning in 1987. For a taxable year beginning in 1988, the amount of the discounted unpaid losses of an electing company is to be increased by 10 percent of such difference. The fresh start and reserve strengthening provisions contained in the Tax Reform Act of 1986 apply for each taxable year of an electing company beginning in 1987, 1988, and 1989.

The provision is effective for taxable years beginning in 1987 and 1988.

Conference Agreement

The conference agreement follows the House bill.

7. Diversification requirements for variable annuity and life insurance contracts

Present Law

Under present law, the owner of a variable annuity or variable life insurance contract that is based on a segregated asset account is subject to current taxation on the earnings of the contract if the underlying investments of the segregated asset account are not, under Treasury regulations, adequately diversified (section 817(h)). Treasury regulations provide that any obligation issued, guaranteed or insured by the United States or an agency or instrumentality of the United States is treated as a single investment for purposes of the diversification requirement.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, each agency or instrumentality of the United States is treated as a separate issuer for purposes of the diversification requirement.

The provision is effective for taxable years beginning after December 31, 1987.

Conference Agreement

The conference agreement follows the Senate amendment.

E. Excise Tax Provisions

1. Certain tolerances permitted in determination of wine excise tax

Present Law

An excise tax ranging from $0.17 cents per wine gallon (14 percent or less alcohol) to $3.40 per wine gallon (champagne) is imposed on wine. The applicable rate depends on the alcohol content.

House Bill

The Secretary of the Treasury is authorized to prescribe *de minimis* tolerances for the amount of wine contained in commercial containers. If the amount of wine in a container is within these tolerances, tax will not be collected for any excess wine actually in the container. (This same rule applies currently to the excise tax on beer.)

The provision is effective on January 1, 1989.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

2. Gasoline wholesalers permitted to claim refunds on behalf of certain exempt users

Present Law

The gasoline excise tax is imposed on removal of gasoline blend stocks from the refinery or a bonded pipeline terminal. Exemptions for tax are provided for fuels that are exported, sold for use as supplies for vessels or aircraft, sold for use by States and local governments, and sold for use by certain educational organizations.

These exemptions generally are realized by means of refunds (or credits against other taxes) to the ultimate purchasers; however, present law permits refiners and terminal operators (as taxpayers) to claim the refunds on behalf of the cited persons when the taxpayers prove they pass the benefit of the tax exemption through to the ultimate exempt purchaser.

House Bill

Wholesale distributers (defined as under the present-law diesel fuel excise tax provisions) are permitted to claim refunds of tax for gasoline sold by them for (1) export, (2) use by States and local governments, (3) use in aircraft or vessels, or (4) use by certain nonprofit educational organizations. This provision is limited to cases where the gasoline is purchased tax-paid by a wholesale distributor who sells the fuel directly to one of these ultimate exempt purchasers. Further, in these cases, the wholesale distributor selling the gasoline to the exempt purchaser is the only person who may claim the refund on behalf of the exempt user.

The provision does not change the point at which the gasoline tax is collected or the party who remits that tax.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Exemption from truck excise tax where benefit accrues to the United States

Present Law

The Treasury Department has authority generally to exempt articles from manufacturers' excise taxes (other than the gas guzzler and coal taxes) where it is demonstrated that the benefit of the exemption will accrue to the Federal Government. No such authority is provided for the retail excise tax on heavy trucks and trailers.

House Bill

The retail excise tax on heavy trucks and trailers is added to the category of excise taxes for which the Treasury Department can provide exemptions if the benefit accrues to the Federal Government.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

4. Certain repairs not treated as manufacturing for the retail excise tax on trucks

Present Law

Extensive repairs on a truck or trailer after it has been in use for several years may trigger liability under the 12 percent retail excise tax because the repairs are considered to have resulted in the manufacture of a new vehicle (Code sec. 4051).

Three categories of operations performed on a vehicle may be considered manufacturing under Treasury Department rulings. The first category involves additions or modifications to a chassis or body that change the transportation function of the vehicle. The second category involves fabrication of a usable truck from a wrecked vehicle. The third category pertains to a used vehicle on which repairs or other modifications are so extensive that they extend its useful life.

House Bill

No provision.

Senate Amendment

The Senate amendment clarifies that the criteria—the three tests described above—employed to determine whether manufacture of a new truck has occurred are consistent with the intent of the statute. However, in the case of the third test, i.e., repair or manufacture that extends the useful life of a vehicle, a ratio of 75 percent of the price of a comparable new truck is adopted as a safe harbor for determining when repairs are treated as manufacture. In the applying this section, the costs of non-emergency repairs, modifications, or upgrades to a vehicle over any 6-month period are to be aggregated in determining whether the 75 percent test is met.

The provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

5. Reduced gasoline excise tax rate for gasohol blenders

Present Law

Registered gasohol blenders pay a 3.43 cents per gallon excise tax on gasoline at the time of removal or sale of any gasoline purchased for producing gasohol. In these situations, the alcohol used in making the gasohol blend is purchased at the same terminal and at the same time. If the same terminal and same time requirement is not met, the purchaser pays 9.1 cents per gallon and applies for a refund of 6 cents per gallon when the mixture qualifies as a gasohol blend.

The refund reflects the 60 cents per gallon credit on alcohol (i.e., not less than 190 proof ethanol or methanol) used to make a gasohol blend; the alcohol credit is 45 cents per gallon for ethanol or methanol at least 150 proof but less than 190 proof. A gasohol blend must contain at least 10 percent alcohol to qualify for this credit. Generally, the term alcohol does not include alcohol produced from petroleum, natural gas, or coal (including peat).

House Bill

No provision.

Senate Amendment

The reduced excise tax rate would apply whether or not the gasoline and alcohol are purchased at an identical location, so long as the purchases are reasonably contemporaneous, i.e., within a 24-hour period, and the blender and seller comply with applicable registration, reporting and recordkeeping requirements imposed by the Secretary of the Treasury.

The provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment with a modification which changes the effective date so that it applies to sales after September 30, 1989.

6. Application of annual distilled spirits occupational tax

a. Exemption for certain educational organizations receiving distilled spirits tax-free for research purposes

Present Law

An annual occupational tax of $250 is imposed on persons dealing in specially denatured distilled spirits, including persons using these distilled spirits for research purposes. (The taxable year for the tax is July 1-June 30.)

House Bill

No provision.

Senate Amendment

Exemption from the occupational tax is provided to government and nonprofit educational organizations that purchase 25 gallons or less of these spirits during a calendar year. The provision is effective on July 1, 1989.

Conference Agreement

The conference agreement follows the Senate amendment.

b. Exemption for certain small plants producing exclusively for fuel uses

Present Law

An annual occupational tax of $1,000 per premise is imposed on each proprietor of a distilled spirits plant. The tax is $500 per year for businesses with gross receipts of less than $500,000 in the preceding taxable year (July 1-June 30).

House Bill

No provision.

Senate Amendment

Exemption from the occupational tax is provided to distilled spirits plants which (1) produce distilled spirits exclusively for fuel use, and (2) produce no more than 10,000 proof gallons per year. The provision is effective on July 1, 1989.

Conference Agreement

The conference agreement follows the Senate amendment.

7. Allow quarterly payment of excise tax on bows and arrows

Present Law

An 11-percent manufacturers' excise tax is imposed on certain bows and arrows. This tax, like most other Federal excise taxes, generally is required to be deposited with regard to semi-monthly periods. Excise tax returns are required to be filed on a quarterly basis. (The manufacturers' excise tax on sport fishing equipment is due and payable on the date for filing the quarterly return.)

House Bill

Under the House bill, persons liable for payment of the excise tax on bows and arrows are to be excused from the semi-monthly excise tax deposit requirements. Thus, the tax would be paid when the regular quarterly excise tax returns are required to be filed.

The provision is effective for taxable events occurring after December 31, 1988.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

8. One-year Extension of Commencement Date of Oil Spill Liability Trust Fund and Excise Tax on Petroleum

Present Law

Omnibus Budget Reconciliation Act of 1986

The 1986 Budget Reconciliation Act established the Oil Spill Liability Trust Fund in the Internal Revenue Code and a tax of 1.3 cents per barrel on crude oil and refined products subject to the Superfund petroleum tax.

The trust fund and tax provisions were to have taken effect on the commencement date. The commencement date was to occur on the first day of the first calendar month beginning more than 30 days after the enactment of a law before September 1, 1987 authorizing an oil spill liability program. Since authorizing legislation was not enacted by September 1, 1987, the Oil Spill Liability Trust Fund and tax provisions of the 1986 Budget Reconciliation Act did not take effect.

Superfund petroleum tax

Superfund taxes of 8.2 cents per barrel for domestic crude oil and 11.7 cents per barrel for imported petroleum products are imposed on the receipt of crude oil at a U.S. refinery, the import of petroleum products and, if the tax has not already been paid, on the use or export of domestically produced oil.

House Bill

The House bill extends the commencement date of the Oil Spill Liability Trust Fund and the 1.3 cents per barrel petroleum tax so that the trust fund and petroleum tax will take effect if qualified legislation authorizing an oil spill liability program is enacted by December 31, 1990.

Senate Bill

No provision.

Conference Agreement

The conference agreement follows the House bill.

9. Harbor maintenance tax

a. Exemption from harbor maintenance tax for cargo donated for humanitarian purposes

Present Law

The Water Resources Development Act of 1986 (P.L. 99-662) established a new harbor maintenance user tax of 0.04 percent of the value of the commercial cargo loaded or unloaded at a United States port (sec. 4461), effective on April 1, 1987. Commercial cargo is defined as any cargo transported on a commercial vessel, including passengers transported for compensation or hire.

Under regulations issued by the U.S. Customs Service, the user tax is assessed on any cargo loaded or unloaded at a U.S. port, unless otherwise exempted. No exception is made in the statute or in the regulations for cargo, usually food, clothing or medical supplies, which is to be donated overseas for humanitarian or developmental reasons.

House Bill

The bill excludes from the harbor maintenance tax cargo that is donated for humanitarian and development assistance overseas, where such cargo is owned or financed by a non-profit organization or cooperative and where the Customs Service certifies that the cargo is, in fact, intended for donation overseas.

The provision is effective on April 1, 1987 (the effective date of the tax).

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The Conference agreement follows the House bill and the Senate amendment. The conferees intend that "overseas" includes foreign contiguous countries, i.e., Canada and Mexico.

b. Harbor maintenance tax to be imposed once on certain Alaska, Hawaii or possessions cargo

Present Law

The Water Resources Development Act of 1986 (P.L. 99-662) established a harbor maintenance user tax of 0.04 percent of the value of the commercial cargo loaded or unloaded at a United States port (sec. 4461), effective on April 1, 1987. Commercial cargo is defined as any cargo transported on a commercial vessel, including passengers transported for compensation of hire.

Under regulations issued by the U.S. Customs Service, the user tax is assessed on any cargo loaded or unloaded at a U.S. port, unless otherwise exempted. Under present law and regulations, multiple taxation may occur on import and export cargo discharged at a U.S. port for waterborne conveyance to another U.S. port on a different vessel.

No tax is imposed on cargo shipped between the U.S. mainland and Alaska, Hawaii, or a U.S. possession for ultimate use therein. Exempt cargo does not include crude oil with respect to Alaska.

House Bill

No provision.

Senate Amendment

The Senate amendment provides that the harbor maintenance tax is to be imposed only once on cargo (other than Alaska crude oil) that is loaded or unloaded in a continuous transportation under a single bill of lading to or from a port in Alaska, Hawaii, or a U.S. possession. The provision is intended to be effective on the date of enactment.[1]

Conference Agreement

The conference agreement follows the Senate amendment, effective on the date of enactment.

10. Study of cigarette excise tax and effects of smoking on health care costs; economic impact of tobacco excise taxes

Present Law

Excise taxes are imposed on cigars, cigarettes, cigarette paper and tubes, and on snuff and chewing tobacco. The tax on small cigarettes is 16 cents per pack of 20 cigarettes. Most taxable cigarettes are small cigarettes.

House Bill

The House bill requires an on-going study by the Secretary of the Treasury, after consulting with the Surgeon General, of:

(1) the public and private health care costs incurred (with respect to smokers, their spouses, and others) as a result of cigarette smoking in the United States;

(2) the incidence of cigarette smoking in the U.S. by adults and by teenage and younger children; and

(3) the impact of the rate of the cigarette excise tax on smoking by adults and by teenage and younger children.

Reports of the results of the study are to be submitted every two years to the House Committee on Ways and Means and the Senate Committee on Finance, with the first report to be submitted by January 1, 1989.

Senate Amendment

The Senate amendment requires a study by the Secretary of the Treasury, in consultation with the Secretary of Health and Human Services, of:

(1) the direct public (and private, to the extent determinable) health care costs incurred (with respect to smokers, their spouses, and others) as a result of cigarette smoking in the United States;

(2) the changes in incidence of cigarette smoking in the U.S. over the past 20 years;

(3) the impact of the rate of the cigarette excise tax on cigarette smoking among all age groups;

(4) the distributional effects of all Federal tobacco excise taxes among income classes;

(5) the impact of changes in the cigarette excise tax rate on State and local cigarette tax revenues and on the farm economy; and

(6) the changes in cigarette excise tax rates imposed by States and localities since 1958.

The report of the study is to be submitted to the House Committees on Ways and Means and Agriculture and the Senate Committees on Finance and Agriculture. The report is due by July 1, 1989.

Conference Agreement

The conference agreement does not include either the House provision or the Senate amendment.

F. Foreign Provisions

1. Dual resident companies

Present Law

Prior to the Tax Reform Act of 1986, certain U.S. corporations subject to income tax in a foreign country on their income without regard to its source or on a residence basis (so-called "dual resident companies") could consolidate with one set of affiliates in the United States and another set in a foreign country simultaneously. In these cases, a dual resident company with a net loss could use that loss to reduce the taxes on two separate streams of income.

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[1] See explanation of the amendment, 134 Cong. Rec. S 15413 (Oct. 11, 1988).

The 1986 Act prevents the double use of losses that prior law allowed. Thus, a loss of a dual resident company may in some cases be used to reduce the taxes on income of other members of its foreign affiliated group, but not of its U.S. affiliated group. Under U.S. and U.K. law, however, there are cases in which the loss of a dual resident company with U.K. residence may not be used to offset the income of any other affiliate, U.S. or foreign. In order to restore the use of its losses in the United Kingdom, such a company must reorganize as a U.K. corporation. However, such a reorganization may be a taxable event if the U.S. parent of the dual resident company has an "excess loss account" with respect to the stock of the dual resident company. An excess loss account is created in the stock of a U.S. corporation when losses derived by, and distributions from, that U.S. corporation are in excess of its parent's basis in its stock.

House Bill

The House bill provides that a U.S. corporation, with respect to whose stock there is an excess loss account which arose prior to January 1, 1988 and while the corporation was a dual resident company, would be allowed to reorganize as a new foreign corporation without triggering the potential tax associated with the excess loss account. Instead, the excess loss account would be suspended until the stock in the new foreign corporation is disposed of outside of the affiliated group. In addition, rules would be provided so that the new foreign corporation's income is subject to full U.S. tax jurisdiction until the excess loss account is reduced to zero or is recaptured.

The House bill is effective for transactions occurring after date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill except for one technical modification. Consistent with the treatment accorded U.S. consolidated corporations, the modification provides that the income derived by the new foreign corporation and which is included in the U.S. parent's income currently increases the foreign corporation's excess loss account when that income is distributed to the U.S. parent.

Conference Agreement

The conference agreement follows the Senate amendment.

2. Election to treat passive foreign investment company (PFIC) stock as stock in a qualified electing fund

Present Law

A taxpayer's gain from the sale of stock in a passive foreign investment company (PFIC) and certain income received from a PFIC generally are treated as if earned over the period the stock was held by the taxpayer. An interest charge is imposed on any deferred taxes: that is, taxes attributable to income that is treated as earned in previous years. Under present law, income and gains with respect to PFIC stock are not subject to deferred tax and interest if the PFIC has elected to be treated as a qualified electing fund and certain other requirements are met.

House Bill

The House bill provides that the election to be subject to the qualified electing fund rules would be made at the U.S. shareholder level, on a shareholder by shareholder basis, rather than at the company level. The shareholder election would be available, however, only where the PFIC complied with appropriate requirements (as prescribed by regulation) to determine the income of the company and other information necessary to carry out the PFIC provisions.

The House bill is effective in taxable years beginning after December 31, 1986.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Debt-equity ratio of Netherlands Antilles finance subsidiaries

Present Law

The Tax Reform Act of 1984, along with the repeal of the U.S. withholding tax on U.S. source interest paid to foreign persons, provided assurance that interest paid on certain debt obligations issued by U.S. corporations to certain controlled foreign corporations, which in turn had issued debt to foreign persons, would not be subject to U.S. withholding tax so long as the controlled foreign corporations met certain requirements. One of those requirements was that the controlled foreign corporation could have a debt-equity ratio of no greater than five-to-one.

House Bill

The House bill provides that a qualified controlled foreign corporation could increase its debt-equity ratio to 25-to-1 and still satisfy the requirements of the 1984 Act.

The House bill is effective in taxable years ending after date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment. The conferees do not intend that any inference be drawn from the agreement's expansion of the debt-equity ratio for applicable CFC's (as defined in the 1984 Act) regarding the proper treatment of this issue in other contexts. The conferees do not intend that this relief provision serve as precedent for the U.S. tax treatment of other similar transactions involving tax treaties or domestic tax law.

4. Treatment of certain insurance branches of controlled foreign corporations

Present Law

Subject to exceptions, income earned by a U.S.-controlled foreign corporation is not taxed by the United States until that income is distributed to the U.S. persons owning the stock of the foreign corporation. Under present law, such deferral of current U.S. tax is not available for insurance income derived by U.S.-controlled foreign corporations, except in the case of underwriting income attributable to risks of property or activities in, or the lives or health of residents of, the country in which the controlled foreign corporation is organized.

House Bill

Under the House bill, a qualified insurance branch of a controlled foreign corporation is treated as a separate corporation for purposes of applying the same-country exception to insurance underwriting income derived by controlled foreign corporations. Rules are provided to treat remittances by the branch to its head office as dividends for purposes of imposing current U.S. tax on the remitted earnings.

The provision is effective for taxable years of foreign corporations beginning after December 31, 1988.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

5. Foreign currency transactions

Present Law

Uniform residence-based sourcing and ordinary income and loss characterization rules apply to certain gains and losses on foreign currency-related forward contracts, futures contracts, options, and similar financial instruments, unless those instruments are marked to market under section 1256 at year-end. At the taxpayer's election, gain or loss on a forward, futures, or option which is a capital asset in the hands of the taxpayer, is not part of a straddle, and is identified by the taxpayer before the close of the day on which it is entered into, is capital, and not ordinary.

House Bill

The House bill sources foreign exchange gains and losses from transactions in forwards, futures, options, and similar financial instruments on the basis of the taxpayer's residence, and, unless the capital gain election is applicable, treats those gains as ordinary income, without regard to whether the instruments are or would be marked to market under section 1256 if held at year end. The bill gives the Secretary regulatory authority to relax the identification and anti-straddle conditions on making the capital gain election in the case of certain traders.

The House bill is effective for transactions acquired or entered into after July 14, 1988.

Senate Amendment

The Senate amendment is the same as the House bill. The Senate amendment is effective for transactions acquired or entered into after September 8, 1988.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with substantial modifications.

General rule

Subject to an election, the agreement generally retains current law treatment (as current law would be amended by title I (technical corrections) of the bill) of regulated futures contracts and nonequity options. That is, foreign currency-related regulated futures contracts and nonequity options are not treated as section 988 transactions if they are or would be marked to market under section 1256 if held at year-end.

Foreign currency-related forwards, other types of futures and options, and similar financial instruments are generally treated under the agreement as section 988 transactions without regard to whether the instruments are or would be marked to market under section 1256 if held at year end. The agreement therefore treats foreign exchange gain or loss on these instruments as foreign currency gain or loss, which is sourced on the basis of the taxpayer's residence, and, unless the capital gain election is applicable, characterized as ordinary income or loss, even if the instruments are or would be marked to market under section 1256 if held at year end. The conference agreement does not alter the identification and anti-straddle conditions of current law on making the capital gain election. The agreement does allow a special class of partnerships, called "qualified funds," to receive capital treatment on foreign exchange gains and losses from certain forwards and futures which would otherwise be section 988 transactions under the general rules.

Election to treat section 1256 futures and options as section 988 transactions

Under the agreement, a taxpayer (other than a partnership that has made a qualified fund election) may elect to treat regulated futures contracts and nonequity options (as those terms are defined in section 1256(g)(1) and (3)) as section 988 transactions without regard to whether the contracts or options are or would be marked to market under section 1256 if held at year end. As a result, exchange gains and losses from such contracts and options are treated as foreign currency gain or loss (similarly to exchange gains and losses on all other futures, forwards, options, and similar instruments), and therefore are treated as ordinary in character, and are sourced on the basis of residence. Thus under the agreement, a taxpayer that makes the election can use any type of forward contract, futures contract, option or similar instrument to hedge currency exposures on transactions giving rise to foreign exchange gain or loss, and be assured that the exchange gain or loss on the hedging instrument is sourced and characterized consistently with the exchange gain or loss on the hedged transaction.

In order to be effective for a taxable year, the election to treat regulated futures contracts and nonequity options as section 988 transactions in all events generally must be made on or before the first day of the taxable year, or, if later, the first day during the taxable year that the taxpayer holds such a contract or option. The agreement provides the Secretary with regulatory authority to permit elections after that day, however. The conferees intend that any regulations so providing will ensure that late elections are not used as a means of choosing the taxpayer's preferred rules for sourcing and characterizing gain or loss on a contract after the value of the contract has moved. For example, such regulations could require taxpayers making late elections to treat the contract as not a section 988 contract with respect to losses inherent in the contract prior to the election.

In the case of futures and options held by a partnership, the election is to be made separately by each partner. A similar rule applies to futures and options held by S corporations. The election cannot be made with respect to any income or loss of a partnership that has elected to be treated as a "qualified fund" eligible for the special treatment described below. However, a partner in a qualified fund may elect to treat gain or loss from regulated futures contracts and nonequity options (other than such income or loss the partner receives by virtue of being a partner in a qualified fund) as gain or loss from section 988 transactions.

Once made, the election applies to the taxpayer (for this purpose, the term "taxpayer" includes all persons with whom the income and loss of the person making the election is combined for purposes of computing federal income tax; for example, an election by one member of a consolidated group covers all other group members), with respect to all gains and losses on all regulated futures contracts and nonequity options recognized in the taxable year for which the election was made and all gains and losses on all regulated futures contracts and nonequity options recognized in subsequent taxable years, unless the election is revoked with the consent of the Secretary. The conferees anticipate that the Secretary will consent to the revocation of such an election by a taxpayer only upon recapture of the benefits that the taxpayer may have received (for example, through the deduction of ordinary losses that would have been nondeductible if capital) during the period for which the election was effective.

Treatment of instruments held by qualified funds

The conference agreement provides special rules for transactions in forward contracts, futures contracts, options, and similar instruments where they are held by certain "qualified funds," generally resulting in capital treatment for marked-to-market instruments falling within an expanded definition of the term "section 1256 contract."

Expansion of section 1256

For purposes of section 1256, the agreement expands the definition of section 1256 contracts to generally include all contracts held by qualified funds that are bank forwards: that is, foreign currency contracts (as that term is defined in section 1256(g)(2) of the Code), and any contract that would be a foreign currency contract but for the fact that it requires delivery of, or the settlement of which depends on the value of, a foreign currency which is a currency in which positions are *not* also traded on a so-called qualified board or exchange through regulated futures contracts (as defined in section 1256(g)(1)). In addition, the agreement generally treats as section 1256 contracts all contracts held by qualified funds that are foreign currency futures contracts: that is, regulated futures contracts which are traded on qualified boards or exchanges, as described in section 1256(g)(1), and other futures contracts to pay or receive nonfunctional currency or amounts determined by reference to one or more nonfunctional currencies, traded on or subject to the rules of a board or exchange *other than* a qualified board or exchange. Finally, the agreement provides the Treasury with regulatory authority to treat other similar instruments (for example, options) held by qualified funds as section 1256 contracts. The conferees do not anticipate that Treasury will use this regulatory authority to treat swaps as 1256 contracts under the qualified fund rules.

The agreement gives the Treasury regulatory authority to except forward and futures contracts from the expanded section 1256 contract category where, for example, the contracts are thinly traded or there are insufficient non-tax-motivated checks on the valuation process. The conferees anticipate that futures contracts will be eligible for treatment under the qualified fund rules as 1256 contracts if the particular board or exchange on which the contract is traded, whether foreign or domestic, has an appropriate daily marking to market system in place (similar to that which would satisfy the requirements of section 1256(g)(1)(A)) or the daily or month-end values of outstanding contracts on that exchange are otherwise readily ascertainable on a consistent and reliable basis.

Under the agreement, each contract held by a qualified fund and treated as a section 1256 contract under the above rules as well as each contract that is a section 1256 contract within the meaning of section 1256(g), will generally be subject to the rules of section 1256. For example, if held by the qualified fund at the close of the taxable year, it will be marked to market. That is, it shall be treated as sold for its fair market value on the last business day of such taxable year, any gain or loss shall be taken into account for the taxable year, and proper adjustment shall be made in the amount of any gain or loss subsequently realized to reflect gain or loss taken into account by reason of year-end marking to market (*see* sec. 1256(a)(1) and (2)). Capital gains and losses on contracts that are treated as section 1256 contracts under the agreement, however, will not receive 60/40 treatment under section 1256(a)(3). Instead, the gains and losses of qualified funds on these contracts will be short term capital gains and losses. Gains and losses of qualified funds on such contracts that are section 1256 contracts without regard to the agreement's rules will continue to be short term capital gain or loss to the extent of 40 percent of the gain or loss, and long term gain or loss to the extent of 60 percent of the gain or loss, to the extent that the 60/40 rule is otherwise applicable.

Definition of a qualified fund

A qualified fund under the agreement is an electing partnership meeting an ownership test, a principal activity test, and an income test designed to ensure that the special rules in the agreement are not used to mismatch offsetting currency-related gains and losses in a single return or a single group of related taxpayers. In order to be a qualified fund for a taxable year, a partnership must have met these tests in that taxable year and all prior taxable years beginning with the first year that the partnership elected to be treated as a qualified fund.

Ownership test.—The ownership test requires that a qualified fund have at least 20 unrelated partners during the entire taxable year. (Generally for purposes of the agreement, interests in a partnership held by persons related to each other (within the meaning of sections 267(b) and 707(b)) are to be treated as if held by one person.) Except as provided in regulations, a fund with less than 20 unrelated partners generally will meet the requirement if there are partners which are themselves partnerships and the number of unrelated persons that ultimately participate (directly or indirectly) as partners in the qualified fund is 20 or more.

No one of the partners in a qualified fund may own more than 20 percent of the capital or profits interest in the partnership. In the case of an existing partnership (i.e., one in existence and principally engaged in trading commodity futures, forwards, and options on October 20, 1988, or with respect to which a registration statement indicating that the partnership was to be principally engaged in such trading was filed with the Securities and Exchange Commission on or before October 18, 1988) a partner may own up to the lesser of 33 and one-third percent of capital or profits interest in the partnership, or the lowest percentage previously owned by that partner after October 20, 1988, and still be deemed to meet the ownership test. Thus, for example, if the partnership share of a partner who owned 33 and one-third percent of capital or profits on October 20, 1988 is later reduced to 25 percent, generally that partner's share cannot subsequently be increased without causing the partnership to cease being a qualified fund.

There are two additional exceptions to the 20 percent limit on partnership interests owned by a single partner. First, that limit does not apply to an interest of a general partner if neither that partner, nor any person whose taxable income is combined with such general partner's taxable income in a consolidated return, has ordinary income or loss that is foreign currency gain or loss (as defined in section 988(b)). Thus, a general partner's share of profits or capital may be any percentage if none of that partner's ordinary income or loss is exchange gain or loss from a section 988 transaction. Any partner of the partnership that is itself a partnership will be subject to look through treatment for purposes of this provision. Thus, if a qualified fund has a general partner owning 50 percent of the qualified fund's profits and capital, and that general partner is itself a partnership, then none of the partners of the latter may have ordinary income or loss from foreign currency gain or loss.

Second, the 20 percent limit on partnership interests does not apply to a partner, general or limited, whose share of the partnership's income, gain, loss, deduction, or credit is not subject to federal income taxation (and thus would not be available to reduce income or gain subject to federal income taxation, or to reduce federal income taxes).

In computing a partner's interest in profits, income allocable to a general partner as incentive compensation and not deductible by the partnership shall be disregarded. For this purpose, the conferees intend to treat as compensation based on profits only those interests that result in the partner earning amounts disproportionate to its stated profits interest (that is, its interest in profits stated as a single, fixed percentage of partnership profits). For example, if a general partner has a stated 1 percent interest in partnership profits plus an overriding 20 percent interest in "new profits," defined in such a way that its profits interest in any one year could be as much as 100 percent, and in fact the percentage of profits actually received by the partner in one year can be expected at times to exceed 20 percent (but not on a regular basis), then such an arrangement generally does not disqualify the fund. On the other hand, if "new profits" are defined in such a way that the partner can be expected to earn, or does earn, over 20 percent of the profits of the fund in most taxable years of the partnership, then the conferees generally intend that the partnership not be treated as a qualified fund.

Activity test.—The activity test requires that a qualified fund's principal activity be the buying and selling of options, futures, or forwards with respect to commodities. The conferees intend that in appropriate circumstances, partnerships may be deemed to satisfy this test even though they may hold a substantial amount of debt instruments, in order, for example, to fund guaranteed payments to limited partners, or to collateralize obligations on margin accounts.

Income test.—At least 90 percent of the gross income of a qualified fund must be from interest, dividends, gain from the sale or disposition of capital assets held for the production of interest or dividends, and income and gains from commodities, futures, forwards, and options with respect to commodities. The agreement provides that a qualified fund shall have no more than a de minimis amount of gross income from the buying and selling of commodities (whether from sales, exchanges, or other dispositions), or from debt instruments that are section 988 transactions. The conferees understand that under regulations a partnership will not generally fail the de minimis test for qualified fund status if it acquires commodities for a short period for reasons beyond its control. For example, if the partnership has written a put option on a commodity, or a contract to take delivery on a commodity, that is subsequently exercised rather than closed out (e.g., exercise of put by the holder or inability to close out a particular futures contract because the change in that contract's value has exceeded the daily limit), leaving the partnership in possession of an actual commodity that it then disposes of at a gain, such gain shall generally meet the de minimis exception. In addition, partnerships in existence prior to the enactment of the agreement are not subject to the de minimis rule with respect to periods before the date of enactment. Therefore, a partnership that meets the 90 percent income test, the ownership test, and the principal activity test for the entire taxable year in which the date of enactment falls, and also meets the de minimis test for the post-enactment portion of that taxable year, will be eligible for qualified fund treatment.

Effect of failure to meet qualified fund definition

In order to be treated as a qualified fund for the taxable year a partnership must make an election, on or before the later of the first day of the taxable year, or the first day in the taxable year that the partnership holds a section 1256 contract (under the expanded definition). Once the election is made, the partnership is treated as a qualified fund for that year and all subsequent taxable years, unless it fails one or more of the qualification tests. The conferees do not intend for a partnership to elect qualified fund status for a taxable year based on an ex post analysis of its performance over the year. Thus, for example, where an existing partnership first wishes to make the election for a year subsequent to its first year of buying and selling commodity futures, forwards, and options, the conferees expect that the Secretary will require the partnership to mark to market all instruments acquired or entered into prior to the first year of the election and still held at the beginning of that first election year, if the treatment of gains and losses on those held-over contracts would be changed by the making of the election.

In addition, the agreement provides generally that if a partnership, which elected to be treated as a qualified fund in the current taxable year or any prior taxable year, fails to meet the qualified fund definition for the current taxable year, the character of its gain or loss on its section 1256 contracts (as that term is expanded under the provision) will be dependent on whether the gains and losses of the partnership for the taxable year from all such contracts result, when combined, in a net gain or a net loss. If the result is a net gain, then that gain is characterized as ordinary; if the result is a net loss, that loss is characterized under the rules that would have applied if the partnership had not ceased to be a qualified fund.

However, the agreement provides that if a partnership that was a qualified fund in a prior taxable year (or that filed a statement declaring its intent to be treated as a qualified fund with respect to the current taxable year or any prior taxable year) fails to meet the qualified fund definition during the current taxable year, the Secretary of the Treasury determines that the failure was inadvertent, the partnership takes steps within a reasonable time to meet the failed requirements, and the partnership agrees to make such adjustments (including adjustments with respect to the partners) as may be required by the Secretary with respect to the period of inadvertent failure, then the above rule will not apply and the partnership will be treated as if it met the definition of a qualified fund for the entire taxable year.

For example, if a partner with a 20 percent profits interest becomes a 22 percent partner by virtue of a redemption by the partnership of some or all of another partner's interest, over which neither the partnership nor the first partner had any control, and the 22 percent partner's share is reduced within a reasonable time (e.g., by sale of a partnership interest equal to at least 2 percent to another partner with less than an 18 percent profits interest, or redemption of the 22 percent partner's interest to the extent of 2 percent (assuming such redemption does not push another existing partner's profits interest over 20 percent)), the partnership will continue to be treated as a qualified fund. In the case of an existing partnership (as that term is defined above), the conferees expect that any existing partnership agreement restricting the right of the partnership to unilaterally take the steps necessary to rectify such an inadvertent failure of the qualified fund test will be taken into account by the Secretary in determining whether the inadvertent failure was cured within a reasonable time.

Mixed straddles

Finally, the conference agreement provides that the regulatory authority of the Secretary under section 1092(b), namely, to prescribe such regulations with respect to gain or loss on positions which are a part of a straddle as may be appropriate to carry out the purposes of sections 1092 and 263(g), shall include the authority relating to the timing and character of gains and losses in case of straddles where at least one position is ordinary and at least one position is capital.

The conferees understand that a taxpayer may hold a straddle containing one or more currency positions that would normally give rise to capital gain or loss and one or more positions that would normally give rise to ordinary income or loss. For example, an investor might hold a long Deutsche mark futures contract traded on a U.S. commodities exchange and an offsetting short Deutsche mark forward contract traded in the interbank market. The forward contract would give rise to ordinary income or loss under the agreement and, in the absence of an election to receive ordinary treatment, the futures contract would give rise to 60 percent long-term, 40 percent short-term capital gain or loss treatment.

The conferees intend that such straddles be subject to the mixed straddle regulations prescribed under section 1092(b), with appropriate modifications to take account of the fact that one or more of the straddle positions would normally give rise to ordinary income or loss rather than capital gain or loss. Under the mixed straddle regulations, a taxpayer who so elects may either (1) offset gains and losses from positions which are part of mixed straddles by separately identifying each mixed straddle to which such treatment applies, or (2) establish a mixed straddle account with respect to a class of activities for which gains or losses will be recognized and offset on a periodic basis. The conferees expect that, as under the current regulations, 60/40 treatment will apply only to net gain or loss from the transactions included in the identified mixed straddle or the account and only to the extent attributable to section 1256 contracts giving rise to capital gain or loss (e.g., regulated futures contracts or nonequity options in foreign currency, traded on U.S. exchanges and subject to mark-to-market taxation). Under the current regulations applicable to a mixed straddle account, not more than 50 percent of any net gain may be treated as long-term capital gain and not more than 40 percent of any net loss may be treated as short-term capital loss. In the case of a mixed straddle account containing currency positions, the conferees anticipate that not more than 40 percent of any net foreign exchange loss from the account may be treated as ordinary loss.

Effective date

The conference agreement is generally effective for contracts acquired or entered into after October 21, 1988. The agreement provides that no election to treat regulated futures contracts and nonequity options as section 988 transactions, and no election to treat a partnership as a qualified fund, need be made prior to 30 days from the enactment of the agreement. As described above, the rule prohibiting qualified funds from having a de minimis amount of income from commodities (rather than forwards, futures, and options with respect to commodities) does not apply to periods before the date of enactment. Also, the 20 percent limit on shareholders in a qualified fund will be considered met by an existing partnership if no partner in such a fund owns a percentage interest in the capital or profits of the partnership greater than 33 and one-third percent (or, if lower, the lowest percentage interest owned by the partner after October 20, 1988).

6. Chain deficit rule for controlled foreign corporations

Present Law

Deficits generated by a controlled foreign corporation cannot reduce the subpart F income of any other controlled foreign corporation. Under title I (technical corrections) of the bill, these deficits could reduce the subpart F income of another controlled foreign corporation in limited circumstances, generally when the deficits are attributable to categories of business activities the income from which is subject to current tax under subpart F, and the income sought to be reduced is attributable to the same type of activity as the activity giving rise to the deficit. Insurance income is a type of income that is subject to subpart F unless it is attributable to the insurance of risks in the same country in which the corporation is organized.

House Bill

No provision.

Senate Amendment

The Senate amendment provides an election to controlled foreign corporations to treat same-country insurance income as subpart F income so long as all related, controlled foreign corporations organized in the same country elect (thus making same-country insurance income eligible for reduction under the deficit rules of subpart F), and, for purposes of determining whether investment income is derived from qualified activities, treats electing corporations as one corporation.

The Senate amendment is effective as if included in the Tax Reform Act of 1986.

Conference Agreement

The conference agreement follows the Senate amendment.

7. Qualified possession source investment income

Present Law

A possession tax credit is available on qualified possession source investment income (QPSII) of certain electing domestic corporations engaged in a trade or business in Puerto Rico or the U.S. Virgins Islands. In order to be QPSII, investment income generally must be, among other things, attributable to investment in a possession where a trade or business is conducted, for use in that possession. Under the 1986 Act, investments in certain financial intermediaries are treated as investments for use in Puerto Rico if the intermediary makes appropriate investments in qualified Caribbean Basin countries, which do not include the U.S. Virgin Islands.

House Bill

No provision.

Senate Amendment

The Senate amendment treats the U.S. Virgin Islands as a qualified Caribbean Basin country for purposes of determining whether investments in financial intermediaries give rise to QPSII.

The Senate amendment is effective for investments made after date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

8. Banks organized in U.S. possessions

Present Law

Certain non-Guamanian possession banks are subject to net-basis U.S. income tax and to branch level taxes with respect to interest on U.S. government obligations, regardless of whether the banks have an actual trade or business in the United States.

House Bill

No provision.

Senate Amendment

The Senate amendment excludes banks organized and doing business in any U.S. possession from net-basis U.S. taxation on interest on U.S. government obligations that is portfolio interest, and from the branch level taxes on earnings that arise from, and interest expense that is allocated against, interest income on U.S. obligations derived by those banks (unless those banks are engaged in a U.S. trade or business and the interest is actually effectively connected therewith).

The Senate amendment is effective in taxable years beginning after December 31, 1988.

Conference Agreement

The conference agreement follows the Senate amendment.

9. Gambling winnings of nonresident aliens

Present Law

A 30-percent withholding tax is imposed on certain U.S. source income not effectively connected with a U.S. trade or business. Subject to exceptions, the IRS collects this tax on gambling winnings of nonresident aliens. Currently, the IRS does not collect this tax on winnings from certain "table games."

House Bill

The House bill excludes winnings from blackjack, roulette, baccarat, craps, and big six wheel from the 30 percent withholding tax, except to the extent provided in regulations.

The House bill is effective for winnings after the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

10. Controlled foreign insurance corporations owned by U.S. persons

Present Law

Controlled foreign corporations engaged in the insurance business in the United States are subject to branch level taxes even if they are owned by U.S. persons. Reorganization of these corporations as U.S. corporations would require that their accumulated earnings and profits be deemed distributed as dividends to their U.S. shareholders in order for those reorganizations to be considered nonrecognition events.

House Bill

No provision.

Senate Amendment

The Senate amendment provides an election to be treated as a U.S. corporation to controlled foreign corporations engaged in the insurance business. The amendment provides rules to treat dividends paid out of earnings and profits of pre-election years as coming from a foreign corporation, and adopts anti-abuse rules to prevent the repatriation of pre-election period earnings and profits without the current payment of U.S. tax and to impose the branch profits tax in the event earnings and profits attributable to 1987 are remitted abroad. The amendment also requires the payment by an electing corporation of a tax equal to three-quarters of one percent of capital and surplus accumulated as of December 31, 1987 (but limited to $1,500,000), in lieu of causing earnings and profits accumulated as of that date to be deemed distributed.

The Senate amendment is effective in taxable years beginning after December 31, 1987.

Conference Agreement

The conference agreement follows the Senate amendment.

11. Tax exemption for Enjebi Community Trust fund

Present Law

The Enjebi Community Trust Fund was established in section 103(k) of the Compact of Free Association Act of 1985 (P.L. 99-239) to provide a means of financing the future rehabilitation of Enjebi Island in the Enewetak Atoll, which was used by the United States as ground zero for numerous nuclear weapons tests conducted in the 1940's and 1950's.

House Bill

The House bill exempts earnings on and distributions from the Enjebi Community Trust Fund from Federal, State, and local taxation.

The House bill is effective in all open taxable years.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

12. Cost-of-living allowances for judicial branch employees outside the United States

Present Law

Civilian officers or employees of the U.S. government stationed outside the contiguous 48 states and the District of Columbia can exclude from gross income cost-of-living allowances received in accordance with regulations approved by the President. Cost-of-living allowances paid to federal court employees of the U.S. government (after October 12, 1987) are not received under regulations approved by the President and are not excludable from gross income.

House Bill

No provision.

Senate Amendment

The Senate amendment excludes from gross income cost-of-living allowances received by judicial branch employees stationed outside the contiguous 48 states and the District of Columbia if they are received under regulations approved by the President or under rules similar to such regulations.

The Senate amendment is effective for amounts received after October 12, 1987.

Conference Agreement

The conference agreement follows the Senate amendment.

13. Dividends paid by U.S. corporations

Present Law

The 1986 Act made dividends paid by U.S. corporations (other than sec. 936 corporations) to U.S. shareholders U.S. source, even if the U.S. corporation is doing most of its business outside the United States (a so-called "80/20 company"). A technical correction contained in H.R. 4333 and S. 2238 clarifies that the 1986 Act was to be effective for dividends paid in taxable years beginning after December 31, 1986.

House Bill

No provision.

Senate Amendment

The Senate amendment provides an election to have the 1986 Act's provision making dividends paid by U.S. corporations to U.S. shareholders U.S. source effective for dividends paid after December 31, 1986.

Conference Agreement

The conference agreement follows the Senate amendment.

14. Study on the definition of a resident alien

Present Law

The Tax Reform Act of 1984 established objective rules for defining a resident alien for U.S. income tax purposes. Generally, an individual is a resident alien if he or she is lawfully accorded the privilege of residing permanently in the United States, or is present in the United States for a prescribed period of time in the current year or a sufficient period of time in the current and previous two years.

House Bill

No provision.

Senate Amendment

The Senate amendment requires the Treasury Department to complete a study before May 1, 1989 of the Code definition of resident alien, in order to examine the administrability of the definition, its effect on investment flows into the United States, the definitions used by U.S. trading partners, the relationship of the definition with U.S. treaties, and the estimated revenue impact of changing the definition.

Conference Agreement

The conference agreement follows the Senate amendment.

15. Bermuda and Barbados income tax treaties

Present Law

The United States taxes U.S. source (and some foreign source) insurance income derived by a foreign person either as income effectively connected with a U.S. business, which is subject to net basis taxation, or as income not so connected, which is subject to a gross basis excise tax. The U.S.-Barbados income tax treaty, among other things, waives the gross basis excise tax when the income is derived by qualifying Barbadian corporations. The pending U.S.-Bermuda income tax treaty, as it would be modified by a proposed reservation, also would waive the gross basis excise tax when the income is derived by qualifying Bermudian corporations, but only for premiums paid after 1985 and before 1990.

House Bill

No provision.

Senate Amendment

The Senate amendment provides that neither the Barbados nor Bermuda income tax treaty with the United States, if either or both are in force on December 31, 1989, shall prevent application of the United States' gross basis excise tax to premiums paid on or after January 1, 1990 (or, if paid prior to that date, to premiums allocable to insurance coverage for taxable years beginning on or after January 1, 1990). The provision is effective even if one of the treaties enters into force after date of enactment, unless such treaty specifically refers to this provision, in which case the treaty would apply.

Conference Agreement

The conference agreement follows the Senate amendment with the clarification that the provision applies with respect to any premium, regardless of when paid, that is allocable to insurance coverage for periods after December 31, 1989.

16. Treatment of certain awards by the District Court of Guam

Present Law

Currently, Guam is required to use the tax laws of the United States as its local income tax system, which is accomplished generally by substituting "Guam" for "the United States" where appropriate in the Internal Revenue Code. This system of taxation is known as the "mirror system." The Reform Act provided that Guam will have the authority to establish its own tax laws, with certain restrictions, if an implementing agreement is in place between Guam and the United States to coordinate the Guam and U.S. tax systems. Because there currently is no implementing agreement in place, however, Guam must impose income tax under the mirror system; the government of Guam generally lacks authority to determine local tax law independent of U.S. tax rules until such time as an implementing agreement is in place. For example, Guam currently lacks the authority to exclude items from gross income where such items are not so excluded under the mirror system.

Section 204 of the Omnibus Territories Act of 1977 (P. L. 95-134) granted the District Court of Guam jurisdiction to award former landowners, and their heirs and legatees, compensation for certain lands on Guam which the United States obtained from those landowners in the 1940s without adequate compensation. The claimants in this controversy will receive compensation under a settlement that has been reached with the United States. The settlement has resulted, to date, in the fixing of an amount ultimately to be distributed (along with interest on that amount accruing after the date the amount was fixed) to the claimants. The income from this settlement is subject to taxation by the United States and Guam to the extent provided by normal application of U.S. tax law and the Guam mirror system. If any of this income is subject to taxation by the United States, taxes collected by the United States would generally be required to be covered over to the treasury of Guam.

Conference Agreement

The conference agreement provides, for purposes of the internal revenue laws of both Guam and the United States, that gross income does not include amounts received pursuant to the claims over which the District Court of Guam has jurisdiction by reason of section 204 of the Omnibus Territories Act of 1977, thus rendering exempt from tax the amounts these claimants receive on their claims against the United States. Exempt income includes the previously fixed settlement amount, plus interest or earnings thereon, except that to the extent an award has been constructively received by a claimant, interest or earnings accruing after constructive receipt are not intended to be exempted. The conferees intend that the normal rules for determining when income is constructively received shall apply. The provision is effective for taxable years beginning after December 31, 1985.

G. Estate Tax Provisions

1. Special use valuation of farm property for estate tax purposes

Present Law

If the executor so elects, the value of real property used as a farm or in another trade or business is its value in such use rather than in its highest and best use. A recapture tax is imposed if the person receiving the property ceases using it in its qualified use within 10 years (15 years for individuals dying before 1982) after the death of the person in whose estate the property was specially valued.

House Bill

The House bill provides that a surviving spouse's cash rental of specially valued real property to a member of the spouse's family is not treated as a cessation of a qualified use. The provision is effective for rentals occurring after date of enactment.

Senate Amendment

The Senate amendment is generally the same as the House bill, except that the amendment is effective for rentals occurring after December 31, 1976. The statute of limitations is waived for claims filed within one year after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

2. Treatment of joint and survivor annuities under QTIP rules

Present Law

The Federal gift tax applies to gifts of property to the extent that the value of the gifts exceeds permitted deductions. A taxable gift generally occurs with respect to an annuity when the donor irrevocably designates a beneficiary.

A marital deduction is allowed for Federal estate and gift tax purposes for an interest in property passing to a spouse if that interest is not terminable (i.e., it does not terminate and pass to a person other than the spouse). A special rule, that is applicable to qualified terminable interest property (QTIP), allows a marital deduction where the donee spouse only has an income interest in the property if an election is made to include the property in his or her estate and any Federal estate tax is paid out of the QTIP.

House Bill

The transfer to a spouse of an interest in a joint and survivor annuity in which only the spouses have the right to receive any payments prior to the death of the last spouse to die qualifies for a marital deduction for Federal estate and gift tax purposes under the QTIP rule. Such transfer does not qualify, however, if either the donor or the executor, as the case may be, irrevocably elects out of QTIP treatment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

H. Tax-Exempt Bonds

1. Clarification of definition of manufacturing for qualified small-issue bonds

Present Law

States and local governments may issue qualified small-issue tax-exempt private activity bonds to finance manufacturing facilities. A manufacturing facility is defined as a facility for the production of tangible personal property. A *de minimus* amount of space in a manufacturing plant which is devoted to offices may be disregarded if the office space is directly related to the manufacturing process.

House Bill

The House bill clarifies that up to 25 percent of the proceeds of a qualified small issue may be used to finance ancillary activities which are carried out at the manufacturing site. All such ancillary activities must be subordinate and integral to the manufacturing process.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

2. Extension of minimum period for calculating TRAN safe-harbor compliance

Present Law

Arbitrage earnings from investment of tax and revenue anticipation note (TRAN) proceeds must be rebated to the Federal Government under the same rules as apply to other tax-exempt bonds (Code sec. 148). A special safe-harbor calculation is provided, however, for determining whether TRAN issues are exempt from rebate under a general exception for tax-exempt bonds the gross proceeds of which are spent for the governmental purpose of the borrowing within six months after the bonds are issued. Under this safe harbor, TRAN net proceeds are treated as so spent if the issuer's cumulative cash flow deficit for the period beginning on the date the notes are issued and ending on the earliest of (a) the maturity date of the TRANs, (b) the date that is six months after the TRANs are issued, or (c) the date of computation of the issuers cash flow deficit, exceeds 90 percent of the TRAN proceeds. Final rebate payments for bond issues are due 60 days after the bonds are redeemed.

House Bill

Under the bill the TRAN arbitrage rebate safe-harbor is amended to provide that, in the case of TRANs having a maturity of less than six months, the period for determining the issuer's cumulative cash flow deficit will be the period beginning on the date the bonds are issued and ending on the earlier of (a) the date that is six months after the TRANs are issued or (b) the date of computation of the issuers cash flow deficit, exceeds 90 percent of the TRAN proceeds.

The bill's provision (like the TRAN safe-harbor generally) does not affect the determination of whether an issuer qualifies for a temporary period during which higher yielding investments may be made. That determination continues to be made under Treasury Regulation sec. 1.103-14(c); therefore, to qualify for a temporary period, issuers will continue to be required to satisfy the cumulative cash flow deficit calculation of that regulation before the maturity date of each TRAN issue.

The bill further provides that the final rebate payment on TRAN issues having a maturity of less than six months will be due no earlier than eight months after the date of issue.

The provision applies to TRANs issued after the date of the bill's enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

3. Application of security interest test to bond financing of hazardous waste clean-up funds

Present Law

State and local governments may issue tax-exempt bonds to finance governmental activities, but may issue tax-exempt private activity bonds only for specified purposes. Several States are considering issuance of tax-exempt bonds to finance hazardous waste clean-up activities. Present law is unclear as to when these bonds are governmental bonds if the proceeds are used to finance activities on private property and where reimbursement may be sought from private parties.

House Bill

No provision.

Senate Amendment

The Senate amendment directs the Treasury Department to issue guidance concerning the application of the private activity bond test to tax-exempt bond financing for State programs that finance hazardous waste cleanup activities. The guidance must be provided before January 1, 1989.

Conference Agreement

The conference agreement follows the Senate amendment.

4. Tax-exempt financing for certain high-speed rail facilities

Present Law

States and local governments are permitted to issue tax-exempt private activity bonds to finance certain exempt facilities, which include airports, docks and wharves, mass commuting facilities, and sewage facilities, among others. With the exception of bonds for airports, docks and wharves, and governmentally owned solid waste facilities, exempt-facility bonds are subject to State private activity volume limitations. To qualify for tax-exempt financing, airport, dock and wharf, and mass commuting facilities must be governmentally owned.

House Bill

No provision.

Senate Amendment

The amendment creates a new category of exempt-facility bond: bonds to finance intercity high-speed rail facilities.[1] The term "high-speed rail facility" includes ground transportation facilities which utilize magnetic levitation technology. To be a qualifying facility, it must be reasonably expected that trains, carrying passengers and their baggage, will operate on the rail facility that is bond financed at average speeds in excess of 150 miles per hour between stations.

The amendment accords high-speed rail facility bonds the same treatment as present law accords airport bonds, with three exceptions. First, the facilities financed with the proceeds of such bonds need not be governmentally owned. However, any private owner must make an irrevocable election not to claim depreciation or any tax credit with respect to any bond-financed property.

Second, twenty-five percent of each issue must receive an allocation from State private activity bond volume limitation. If the facility is located in two or more States, this requirement must be met on a State by State basis for the financing of the facilities located within each State.

Third, any proceeds of an issue not spent within three years of the date of issue must be used to redeem outstanding bonds. Redemption must occur no later than six months after the date that is three years from the date of issue.

Conference Agreement

The conference agreement follows the Senate amendment.

5. Clarification of Treasury Department arbitrage rebate regulatory authority with respect to governmental bonds

Present Law

Issuers of tax-exempt bonds are required to rebate to the Federal Government arbitrage profits on investments unrelated to the governmental purpose of the borrowing (Code sec. 148). The Treasury Department currently is drafting regulations interpreting and providing administrative guidance on this requirement.

House Bill

Committee Report language is provided on two points. First, it states the understanding that the Treasury Department is authorized to create safe harbors in certain instances for calculating rebate payments with respect to governmental bonds that remain subject to the rebate requirements. Any safe harbor rules adopted by Treasury should address factual circumstances unique to governmental financings and accounting rather than relying on, *inter alia*, the fact that in many but not all economic circumstances yield curve differentials have resulted in lower interest rates on short-term investments than on investments having longer maturities. Second, it states the Congressional intent that the Treasury Department is to have as a primary objective in promulgating arbitrage rebate regulations for governmental bonds that remain subject to the rebate requirement the adoption of regulations that are workable and understandable to the governmental units that must comply with them.

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[1] Rolling stock may not be financed with bond proceeds.

The provision applies as if included in the Tax Reform Act of 1986.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

6. Application of arbitrage rebate requirement to *bona fide* debt service funds

Present Law

Issuers of tax-exempt bonds are required to rebate to the Federal Government arbitrage earnings on investments unrelated to the governmental purpose of the borrowing (Code sec. 148). No rebate is required with respect to an issue if all gross proceeds of the issue are spent for the governmental purpose of the borrowing within six months after the bonds are issued. At the election of the issuer, amounts invested in a *bona fide* debt service fund (i.e., a fund to satisfy current debt service on the bonds) are exempt from the rebate requirement if the gross earnings on the fund are less than $100,000.

House Bill

Under the House bill, the present-law election to be exempt from the arbitrage rebate requirement for *bona-fide* debt funds having gross earnings of less than $100,000 is made mandatory.

The bill further provides that the $100,000 gross earnings limit does not apply to issues of governmental bonds having a weighted average maturity of five years or more and bearing interest at rates that do not vary during the term of the bonds.

The provision applies to bonds issued after the date of the bill's enactment.

Senate Amendment

The Senate amendment is the same as the House bill, except for the effective date.

Under the Senate amendment, issuers of outstanding governmental fixed rate bonds would be allowed a one-time election to apply the new rule to amounts deposited after the date of the bill's enactment in *bona fide* debt service funds for bonds issued after August 31, 1986.

Conference Agreement

The conference agreement follows the Senate amendment.

7. Certain volunteer fire departments to qualify for tax-exempt financing

Present Law

Tax-exempt bonds may be issued to finance firehouses and fire fighting equipment for volunteer fire departments if the fire departments are the only organization providing firefighting services to the jurisdiction which they serve and if they are required by written agreement with the governmental unit to provide such services (Code sec. 150).

The Treasury Department ruling position is that land may not be financed with these tax-exempt bonds, even if the land is functionally related and subordinate to a firehouse being financed.

House Bill

The House bill provides an exemption from the requirement that a volunteer fire department be the exclusive provider of firefighting services in its service area. To qualify for tax-exempt financing under this exception the governmental unit served by such volunteer fire departments must have been served continuously and exclusively by more than one such fire department since January 1, 1981.

The bill also clarifies that land which is functionally related and subordinate to a firehouse qualifying for tax-exempt financing may be financed with tax-exempt bonds.

The provision applies to bonds issued after the date of the bill's enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

8. Disregard of pooled financings in determination of qualification for small-issuer exception

Present Law

Interest on State and local government bonds generally is tax-exempt. To qualify for tax-exemption, certain arbitrage restrictions must be satisfied with respect to the earnings on bond proceeds. Among the requirements is that nonpurpose arbitrage earnings must be rebated to the Federal Government. A special exemption from the rebate requirement is provided for bonds (other than private activity bonds) issued by governmental units with general taxing powers where the governmental unit does not issue more than $5 million of bonds (other than private activity bonds) during the calendar year.

If a State or local government issues bonds, the proceeds of which are to be used to make loans to other persons, the bonds are a pooled financing. Regardless of the ultimate user of the funds from a pooled financing, the bonds issued count towards the determination of whether the issuer qualifies as a small-issuer.

House Bill

No provision.

Senate Amendment

The Senate amendment provides that, in the case of pooled financings where the ultimate borrowers are governmental units with general taxing powers, and the issuer of the bonds is not an ultimate borrower, for the purposes of determining whether the issuer qualifies under the small-issuer exception, with respect to its non-pooled financing issues, the bonds comprising the pooled financing shall not be counted towards the $5 million limit.

The provision is effective for bonds issued after December 31, 1988.

Conference Agreement

The conference agreement follows the Senate amendment.

I. Exempt Organizations

1. Effective date for UBIT treatment of income from certain games of chance

Present Law

Section 311 of the Deficit Reduction Act of 1984 provided that the unrelated business income tax (UBIT) does not apply to income of a tax-exempt organization derived from conducting a game of chance in a State having a statute, in effect as of October 5, 1983, providing that only nonprofit organizations could conduct such activities; this provision applied to such income derived after June 30, 1981. However, the technical corrections title of the Tax Reform Act of 1986 (sec. 1834) specified that the only State law to which the 1984 Act provision was intended to apply was a particular North Dakota law. Accordingly, such income derived by tax-exempt organizations in other States was treated as not subject to UBIT pursuant to the 1984 Act provision, but was retroactively treated as taxable by the 1986 Act.

House Bill

No provision.

Senate Amendment

The 1986 Act technical correction described under Present Law is made effective for games of chance conducted after October 22, 1986 (the date of enactment of the 1986 Act technical correction). As a result, the treatment of income derived by tax-exempt organizations from games of chance conducted prior to October 23, 1986 is governed by section 311 of the Deficit Reduction Act of 1984 as originally enacted.

This provision is effective (with respect to games of chance conducted prior to October 23, 1986) on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

2. Purchasing of insurance by tax-exempt hospital service organizations

Present Law

Section 501(e) provides tax-exempt status for hospital service organizations operated solely to perform, on a centralized basis, one or more of the following enumerated services: purchasing, data processing, warehousing, billing and collection, food, clinical, industrial engineering, laboratory, printing, communications, record center, and personnel services.

House Bill

No provision.

Senate Amendment

The provision clarifies that the purchasing activities that may be carried on by a tax-exempt hospital service organization include the acquisition, on a group basis, of insurance (such as malpractice and general liability insurance) for its hospital members. The provision applies to purchases made before, on, or after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

3. Determination of operating foundation status for certain purposes

Present Law

Section 302 of the Deficit Reduction Act of 1984 exempted certain private operating foundations from the section 4940 excise tax on net investment income of private foundations. The exempted organizations include any private foundation that constituted an operating foundation (as defined in sec. 4942(j)(3)) as of January 1, 1983 and that met certain other requirements.

House Bill

For purposes of section 302(c)(3) of the Deficit Reduction Act of 1984, a private foundation that constituted an operating foundation (as defined in sec. 4942(j)(3)) for its last taxable year ending before January 1, 1983 is treated as constituting an operating foundation as of January 1, 1983 and therefore as meeting the requirements of section 4940(d)(2)(B). This provision is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

4. Treatment of exempt organization expenditures to influence the nomination or appointment of individuals to nonelective public office

Present Law

A charity or other tax-exempt organization described in section 501(c) is treated as having income subject to tax (under sec. 527(b)) in an amount equal to the lesser of (1) its expenditures for "exempt function" activities or (2) its net investment income (sec. 527(f)). For this purpose, "exempt function" includes influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office, whether such individual is selected, nominated, elected, or appointed (sec. 527(e)(2)).

The IRS recently interpreted this statutory definition as including activities seeking to influence the confirmation by the U.S. Senate of an individual nominated to serve as a Federal judge. The IRS also concluded that under present law, such activities constitute attempting to influence legislation within the meanings of sections 501(c)(3), 501(h), and 4911.

House Bill

No provision.

Senate Amendment

The term "exempt function" does not include, for purposes of section 527(f), the function of influencing or attempting to influence the selection, nomination, or appointment of an individual to any Federal, State, or local nonelective public office. As a result, tax-exempt organization described in section 501(c) could make expenditures for such purpose without triggering tax under section 527.

The provision does not modify existing limitations on political campaign activities applicable to various types of section 501(c) organizations, such as the prohibition on political campaign activities by section 501(c)(3) charitable organizations, or existing limitations on attempting to influence legislation (lobbying) by such organizations. Also, the provision does not affect the definition of lobbying for purposes of such limitations (e.g., in sec. 501(c)(3)).

The provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the House bill (i.e., no provision).

5. Discharge of indebtedness income of rural mutual or cooperative utility companies

Present Law

Under present law, a mutual or cooperative telephone, electric or water company qualifies for exemption from Federal income tax if at least 85 percent of its gross income consists of amounts collected from members for the sole purpose of meeting losses and expenses of providing service to its members. Gross income of a taxpayer generally includes income from discharge of indebtedness.

House Bill

The 85-percent test would be determined without regard to any discharge of indebtedness income arising in 1987, 1988, or 1989 on debt that either originated with, or is guaranteed by, the Federal Government.

The provision applies to discharge of indebtedness income realized after December 31, 1986, and before January 1, 1990.

Senate Amendment

The 85-percent test would be determined without regard to any discharge of handedness income arising pursuant to sales of indebtedness under section 1001 of the Budget Reconciliation Act of 1986.

The provision applies to sales before, on, or after the date of enactment.

Conference Agreement

The conference agreement follows the House bill.

J. Taxpayer Bill of Rights

1. Disclosure of rights of taxpayers

Present Law

The Internal Revenue Service (IRS) provides information to taxpayers in various notices and publications. There is no statutory requirement that the IRS provide a written statement of the rights of the taxpayer and the obligations of the IRS during the tax dispute resolution process.

House Bill

No provision.

Senate Amendment

When the IRS contacts a taxpayer concerning the determination or collection of any tax, the IRS is required to provide a written statement of the rights of the taxpayer and the obligations of the IRS during the audit, appeals, refund, and collection processes. In addition, the IRS is required to take such actions as the IRS considers necessary to ensure that taxpayers are not sent multiple statements as a result of a single audit, proposed deficiency, or collection action. The statement need not be provided with tax forms.

The IRS must prepare the written statement of rights of the taxpayer and obligations of the IRS not later than 180 days after the date of enactment. The written statement may not be distributed to taxpayers until 90 days after the date it is transmitted to Congress.

Conference Agreement

The conference agreement generally follows the Senate amendment, except that the provision prohibiting distribution of the written statement to the public until 90 days after it is transmitted to Congress is deleted. This provision was deleted so that the IRS may continue to distribute Publication 1, Your Rights as a Taxpayer, while it is being revised to conform to the provisions of this Taxpayer Bill of Rights. All revisions to that publication must be submitted to Congress.

2. Procedures involving taxpayer interviews

Present Law

Reasonable time and place.—The Code provides that the IRS shall select a reasonable time and place for an examination of a taxpayer. No regulations have been promulgated elaborating on this provision.

Recordings.—No statutory provision governs audio recordings of IRS interviews, although the IRS generally permits a taxpayer to make an audio recording of an interview if prior notice to the IRS is given.

IRS explanation.—The IRS has a general practice of providing written explanatory materials to taxpayers in advance of the initial audit interview.

Taxpayer representatives.—If a power of attorney has been executed properly in favor of a person eligible to practice before the IRS, the IRS permits the person to represent the taxpayer during all stages of the administrative process.

House Bill

No provision.

Senate Amendment

Reasonable time and place.—The IRS is required to publish within one year of the date of enactment regulations enumerating standards for determining whether the selection of a time and place for interviewing a taxpayer is reasonable. These regulations are to provide that it is generally not reasonable for the IRS to require a taxpayer to attend an examination at an IRS office within the assigned district other than the office located closest to the taxpayer's home. Similarly, it is generally not reasonable for the IRS to audit a taxpayer at his or her place of business if the business is so small that doing so essentially requires the taxpayer to close the business. This does not preclude the IRS from going to the taxpayer's place of business to establish facts that can only be established by a direct visit, such as inventory and asset verifications. In determining the reasonableness of the time and place of an interview, the regulations are to take into account the possibility of physical danger to an IRS agent.

Recordings.—A taxpayer is permitted, upon advance notice to the IRS, to make an audio recording of an in-person interview at the taxpayer's own expense. IRS employees also are authorized to record taxpayer interviews, provided the taxpayer receives prior notice of such recording and is supplied a copy or a transcript of the recording upon request and payment of the costs of the copy or transcript.

IRS explanation.—Prior to initial in-person audit interviews, the IRS must explain to taxpayers the audit process and taxpayers' rights under that process. In addition, prior to initial in-person collection interviews, the IRS must explain the collection process and taxpayers' rights under that process. For this purpose, routine telephone conversations initiated by either the taxpayer or the IRS are not considered initial interviews. A written statement handed to the taxpayer at an audit or collection interview or within a short time before the interview is sufficient. The explanation (whether written or oral) must provide that the taxpayer has the right to suspend the interview to consult with a qualified representative. If the taxpayer's case has been referred to the IRS Criminal Investigation Division, the IRS must notify the taxpayer of such referral at the interview.

Taxpayer representatives.—The bill provides that a taxpayer may be represented during a taxpayer interview by any attorney, certified public accountant, enrolled agent, enrolled actuary, or any other person permitted to represent a taxpayer before the IRS, who is not disbarred or suspended from practice before the IRS and who has a properly executed power of attorney from the taxpayer. Thus, the taxpayer may be represented by anyone currently authorized to do so under Circular 230.

If a taxpayer clearly states during an interview with the IRS (other than an interview pursuant to an administrative summons) that the taxpayer wishes to consult with that representative, the interview must be suspended to afford the taxpayer a reasonable opportunity to consult with the representative. Absent an administrative summons, a taxpayer cannot be required to accompany the representative to an interview. The IRS may continue to request that taxpayers voluntarily attend interviews.

The suspension procedure provided by the provision is to be available to facilitate taxpayers' access to their representatives and not to delay needlessly the interview process. It is intended that in instances of abuse of this process (such as repeated suspensions of interviews to contact different representatives) the IRS may issue an administrative summons.

The IRS may directly notify a taxpayer that the taxpayer's representative is responsible for unreasonable delay or hindrance, request that the taxpayer appear for an interview, and inform the taxpayer that an administrative summons requiring the taxpayer's attendance at an interview may be issued.

The provisions relating to taxpayer interviews do not apply to criminal investigations or investigations relating to the integrity of any officer or employee of the IRS.

The provisions relating to taxpayer interviews apply to interviews conducted on or after the date that is 30 days after the date of enactment.

Conference Agreement

Reasonable time and place.—The conference agreement follows the Senate amendment, effective for interviews conducted on or after the 90th day after the date of enactment. The IRS must publish regulations within one year enumerating standards for selecting a reasonable time and place for interviewing a taxpayer.

Recordings.—The conference agreement follows the Senate amendment, effective for interviews conducted on or after 90 days after the date of enactment.

IRS explanation.—The conference agreement follows the Senate amendment, with technical clarification of the definition of interviews at which an explanation must be provided. In addition, the requirement of notification of referral to the Criminal Investigation Division is deleted. This provision is effective for interviews conducted on or after the 90th day after the date of enactment.

Taxpayer representatives.—The conference agreement follows the Senate amendment. It is the intent of the conferees that, in cases where the IRS notifies a taxpayer that the taxpayer's representative is responsible for unreasonable delay or hindrance, the IRS may continue to utilize current IRS Manual procedures relating to bypassing a taxpayer's representative. The provision is effective for interviews conducted on or after the 90th day after the date of enactment.

3. Taxpayers may rely on written advice of the Internal Revenue Service

Present Law

The IRS administratively may abate some penalties in a variety of circumstances.

House Bill

No provision.

Senate Amendment

The IRS is required to abate any portion of any penalty or addition to tax that is attributable to erroneous written advice furnished by the IRS to a taxpayer, where such advice was specifically requested in writing by the taxpayer and reasonably relied upon, unless the taxpayer failed to provide adequate or accurate information when requesting the advice. It is intended that this provision not be construed to require the IRS to provide written advice to taxpayers.

The provision is effective for advice requested on or after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment, with the modification that the IRS must issue regulations within 180 days to implement this provision.

The conference agreement applies with respect to advice requested on or after January 1, 1989.

4. Taxpayer assistance orders

Present Law

The Taxpayer Ombudsman administers the IRS Problem Resolution Program, which is designed to resolve a wide range of tax administration problems that are not remedied through normal operating procedures or administrative channels. The Ombudsman may issue orders to affect immediate review of an IRS action. The authority of the Ombudsman, however, does not permit the Ombudsman to change a technical decision.

House Bill

No provision.

Senate Amendment

The Taxpayer Ombudsman (or any designee of the Ombudsman) is provided statutory authority to issue a taxpayer assistance order, if, in the determination of the Ombudsman, the taxpayer is suffering or about to suffer a significant hardship as a result of the manner in which the IRS is administering the internal revenue laws. The Ombudsman may take action whether or not a taxpayer has filed an application requesting relief. A taxpayer assistance order may require remedial actions, such as release from levy of property of the taxpayer. A taxpayer assistance order is binding on the IRS unless modified or rescinded by the Ombudsman, a district director, or any superior of a district director.

Any applicable statute of limitations (e.g., the statute of limitation under sec. 6501 relating to the assessment or collection of tax) is suspended starting on the date that the taxpayer files an application for a taxpayer assistance order with the Ombudsman and ending on the date that the Ombudsman makes a decision on the taxpayer's application (or a later date if the Ombudsman's order resulting from a taxpayer's application provides for continued suspension of the statute of limitations). The statute of limitations is not suspended in cases where the Ombudsman issues an order in the absence of an application for relief by the taxpayer.

The IRS must issue regulations within 90 days of the date of enactment to implement this provision.

This provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment, with the modification that a taxpayer assistance order also may be modified or rescinded by a service center director, compliance center director, regional director of appeals, or a superior of such directors. The conferees also intend that a duly authorized taxpayer's representative may file an application on behalf of a taxpayer with the Ombudsman for a taxpayer assistance order.

The provision is effective on January 1, 1989.

5. Office of Inspector General

Present Law

The Treasury Department has a nonstatutory Inspector General with internal audit and investigative responsibilities for the Department, except for its four law enforcement agencies: IRS, Secret Service, Customs Service, and the Bureau of Alcohol, Tobacco, and Firearms. These functions are performed at the IRS by the Inspection Division, which reports directly to the IRS Commissioner.

On October 18, 1988, the President signed the Inspector General Act of 1988, P.L. 100-504, 102 Stat. 2515, which establishes a statutory Inspector General within the Treasury Department with oversight authority over all agencies within that Department. Under that Act, the Inspector General is given authority to oversee IRS' existing internal audit and investigative personnel and also to initiate independent internal audits of the IRS. That Act does not establish a separate statutory Inspector General for the IRS.

House Bill

No provision.

Senate Amendment

A statutory Inspector General is established within the IRS. In addition, a separate statutory Inspector General is established within the Treasury Department to provide general oversight over all other agencies within the Treasury Department. The IRS Inspector General is to be appointed by the President from a small pool of senior career personnel at the IRS with demonstrated ability in investigative techniques or internal audit functions. The Inspector General office for the IRS is to incorporate the existing IRS Inspection Division. The IRS Inspector General is not empowered to change determinations relating to a taxpayer's liability, and is to be under the direction and control of the IRS Commissioner with respect to matters requiring access to certain sensitive information, such as ongoing criminal investigations and deliberations on policy matters. If the Commissioner exercises the authority to prohibit an audit or investigation in order to prevent disclosure of sensitive information, the Commissioner must so notify the IRS Inspector General in writing and the IRS Inspector General must transmit a copy of the notice to appropriate committees of Congress.

The provision is effective on the date of enactment.

Conference Agreement

The conference agreement does not include this provision from the Senate amendment, in light of the enactment of the Inspector General Act of 1988. Disclosure of tax returns or return information to the Treasury Inspector General provided under the Inspector General Act of 1988 is under the same conditions and with the same restrictions and safeguard requirements as other disclosures under section 6103 of the Code.

6. Basis for evaluation of IRS employees

Present Law

The IRS Manual prohibits the use of production quotas or goals based upon sums collected to evaluate IRS enforcement officers, appeals officers, and reviewers.

House Bill

No provision.

Senate Amendment

The IRS is prohibited from using records of tax enforcement results to evaluate enforcement officers, appeals officers, and reviewers or to impose or suggest production quotas or goals. The IRS will not be treated as failing to meet the requirements of this provision if it uses these records in accordance with IRS Policy Statement P-1-20, as in effect upon enactment of this provision, provided that it does so in a manner that does not violate the general prohibition provided for by this provision. Each district director must certify quarterly that enforcement results are not being used in a prohibited manner.

This provision is effective for evaluations conducted on or after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment, except that the provision applies only to the evaluation of IRS employees directly involved in collection activities and their immediate supervisors.

The conference agreement applies to evaluations conducted on or after January 1, 1989.

7. Procedures relating to IRS regulations

Present Law

The IRS publishes all regulations in the Federal Register. Before final regulations are promulgated, proposed regulations are issued. Proposed regulations invite comments from the public and Government agencies. The IRS also issues some regulations as temporary regulations. Generally, temporary regulations are effective immediately upon publication and remain in effect until replaced by final regulations. When the IRS issues temporary regulations, it generally also issues those same regulations in proposed form by cross-reference.

House Bill

No provision.

Senate Amendment

The IRS is required to solicit comments from the Small Business Administration (SBA) after the publication of proposed regulations or before the promulgation of final regulations. The SBA is allowed four weeks after the receipt of the regulations to provide its comments on the impact of the regulations on small businesses.

In addition, each time the IRS issues temporary regulations, the IRS must simultaneously issue those regulations in proposed form. The IRS may continue its present practice of issuing proposed regulations by cross-reference at the time temporary regulations are issued. Temporary regulations are permitted to remain in effect for no more than two years after the date of their issuance. The expiration of temporary regulations at the end of this two-year period is not to affect the validity of those regulations during the two-year period.

This provision is effective for regulations issued after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment, with the modification that temporary regulations are permitted to remain in effect for no more than three years after the date of their issuance.

In most (but not all) instances, the IRS issues proposed regulations before it issues final regulations. The Senate amendment is clarified so that whenever the IRS follows its normal procedure of issuing proposed regulations before final regulations, it must solicit comments from the SBA after the publication of proposed regulations (rather than prior to the publication of final regulations). Only if the IRS issues final regulations directly (without the issuance of proposed regulations) is the IRS to solicit comments from the SBA prior to the promulgation of final regulations. The intent of this clarification is to provide the SBA its opportunity to comment at the same time the public is invited to comment in the notice of proposed regulations.

The conference agreement applies to regulations issued after the 10th day after the date of enactment.

8. Content of tax due and deficiency notices

Present Law

Although the IRS generally explains the basis of a tax deficiency in a statutory notice, the Code does not require the IRS to explain the basis for assessing penalties.

House Bill

No provision.

Senate Amendment

All tax due notices or deficiency notices must contain both a description of the basis for, and an identification of the amounts (if any) of, tax due, interest, additions to tax, and penalties. An inadequate description in a notice of deficiency or tax due shall not invalidate the notice. In addition, in the case of interest accruing with respect to amounts described in a notice of deficiency, it is sufficient if the notice states that interest at the legal rate is owing on the amount due.

The provision applies to mailings made after the date that is 180 days after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment, with the modification that the provision is limited to tax due or deficiency notices described in sections 6155, 6212, and 6303, notices generated out of information reporting matching programs, or the first letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the IRS Office of Appeals. It is the intent of the conferees that this information be included in the original notice sent by IRS; later copies of a particular notice sent to the same taxpayer need not contain this information if the IRS determines that including it would be confusing to taxpayers.

Although the provision is limited to the specified notices, the conferees expect the IRS to make every effort to improve the clarity of all notices and explanations that are sent to taxpayers. The conferees believe that all correspondence should be sufficiently clear to enable a taxpayer to understand an IRS question about a tax return as well as any adjustments or penalties applied to a tax return.

The conference agreement applies to mailings made on or after January 1, 1990. The IRS must report to Congress no later than July 1, 1989, on its progress in implementing this provision.

9. Installment payment of tax liability

Present Law

The IRS is not required to enter into installment payment agreements with taxpayers, but generally does so if a taxpayer who is unable to pay the delinquency in full is able to make payments on the delinquent taxes and pay current taxes as they become due. A change in the taxpayer's financial condition may result in modification of the installment payment agreement.

House Bill

No provision.

Senate Amendment

The IRS is granted statutory authority to enter into a written installment payment agreement if the IRS determines that an agreement will facilitate collection of the tax owed. The agreement is to remain in effect for the term of the agreement unless (1) the taxpayer provided inaccurate or incomplete information, (2) the taxpayer fails to pay an installment when due, (3) the taxpayer fails to pay any other tax liability when due, (4) the taxpayer fails to respond to any reasonable request by the IRS to supply updated financial information, or (5) the IRS determines that the collection of any tax to which an agreement relates is in jeopardy.

In addition, the IRS may alter, modify or terminate an installment payment agreement if the IRS determines that the financial condition of the taxpayer has significantly changed. This action may be taken only if the IRS notifies the taxpayer of the determination at least 30 days prior to the date of the action and provides the reason for such determination in the notification.

This provision is effective for installment agreements entered into after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

10. Assistant Commissioner for Taxpayer Services

Present Law

There is currently within the IRS an Assistant Commissioner (Taxpayer Services and Returns Processing). This position is not provided by statute.

House Bill

No provision.

Senate Amendment

The provision establishes statutorily an Assistant Commissioner for Taxpayer Services who shall be responsible for taxpayer services as designated by the Commissioner, such as telephone, walk-in, and taxpayer educational services, and the design and production of tax and informational forms. The Assistant Commissioner for Taxpayer Services, jointly with the Taxpayer Ombudsman, must annually report to the Congress concerning the quality of taxpayer services provided by the IRS.

This provision is effective on the 180th day after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

11. Levy and distraint

Present Law

Notice.—At least 10 days before collecting a tax by levy (i.e., seizure of the taxpayer's property) the IRS must provide the taxpayer written notice of its intent to levy. If the IRS finds that collection of tax is in jeopardy, it may collect the tax by levy without providing this notice or waiting 10 days.

Property subject to levy.—Property subject to levy includes any property (or rights to property being held by others) belonging to the taxpayer, except property specifically excluded from levy by law, which includes (1) fuel, provisions, furniture, and personal household effects, not exceeding $1,500 in aggregate value; and (2) books and tools necessary for the trade, business, or profession of the taxpayer, not exceeding $1,000 in aggregate value.

Levy on wages.—The IRS may instruct the taxpayer's employer to pay directly to the IRS amounts otherwise payable to the taxpayer as wages, except (1) so much of the wages of the taxpayer as is necessary to comply with a prior judgment of a court for support of any minor children of the taxpayer, and (2) a minimum amount of wages or other income (in general, $75 per week plus $25 per week for each dependent).

Release of levy.—The IRS has authority to release a levy if it determines that this will facilitate the collection of tax.

House Bill

No provision.

Senate Amendment

Notice.—The period from the date the IRS provides written notice to a taxpayer to the first permissible date of the collection of tax by levy is extended to 30 days. As under present law, the notice and waiting period requirements do not apply if the IRS finds that collection of the tax is in jeopardy. The notice preceding levy is required to contain a description of Code provisions and administrative procedures and appeals applicable to specific aspects of collection, as well as a description of the alternatives available to taxpayers that may prevent levy on taxpayers' property.

Property subject to levy.—The type of property exempt from levy is expanded in several respects. First, the $1,500 exemption from levy for fuel, provisions, furniture, and personal household effects is to be indexed for inflation in 1989 and 1990. Second, the $1,000 exemption from levy for books, tools, machinery, or equipment that are necessary for the trade, business, or profession of the taxpayer is also to be indexed for inflation in 1989 and 1990. Third, the provision exempts from levy a taxpayer's principal residence and tangible personal property essential to the taxpayer's trade or business, unless an IRS district director or assistant director personally approves the levy in writing or the collection of the tax is found to be in jeopardy. For this purpose, property is essential business property only if the business of the taxpayer cannot continue without it. Fourth, no levy may be made on property if the estimated expenses of levy and sale exceed the fair market value of the property.

The IRS is prohibited from levying on property of any person on any day on which the person is required to appear in response to a summons issued by the IRS, unless the IRS determines that the collection of tax is in jeopardy. In addition, banks and other financial institutions are required to hold accounts garnished by the IRS for 21 days after receiving the IRS notice of levy, in order to provide taxpayers an opportunity to notify the IRS of errors with respect to garnished accounts. Any interest accruing on the accounts during the 21-day period is to be surrendered to the IRS at the end of the 21-day period. The levy on any account may be released before the expiration of the 21-day period with the permission of the IRS.

Levy on wages.—The amount of wages exempt from levy for each week is increased to an amount equal to the taxpayer's standard deduction and personal exemptions allowable for the taxable year in which the levy occurs, divided by 52.

Release of levy.—The IRS must release a levy on property if (1) the liability for which the levy was made is satisfied, (2) the IRS determines that release will facilitate the collection of the liability, (3) an installment payment agreement has been executed with respect to such liability, (4) the IRS has determined that the levy is creating an economic hardship due to the taxpayer's financial condition, or (5) the fair market value of the property exceeds the liability and partial release would not hinder collection of the tax and related costs owed to the IRS. The release of a levy under this provision is not to prevent a subsequent levy on the same property.

The provision is effective for levies issued after the date that is 90 days after the date of enactment.

Conference Agreement

Notice.—The conference agreement follows the Senate amendment, except that the notice preceding the levy must be a brief statement in simple and nontechnical terms; the requirement that Code citations be included is deleted.

Property subject to levy.—The conference agreement generally follows the Senate amendment, with several modifications. First, the $1,500 exemption from levy for fuel, provisions, furniture, and personal household effects is increased to $1,550 for 1989 and to $1,650 for 1990 and years thereafter. Second, the $1,000 exemption from levy for books, tools, machinery, or equipment that are necessary for the trade, business, or profession of the taxpayer is increased to $1,050 for 1989 and to $1,100 for 1990 and years thereafter. Third, the conference agreement deletes the provision that exempts from levy (unless certain conditions are met) tangible personal property essential to the taxpayer's trade or business. Instead, the conference agreement provides that, in cases where tangible personal property essential to a taxpayer's trade or business is levied upon by the IRS, an accelerated appeals process must be provided by the IRS in order to determine whether the levy should be released due to any of the statutory grounds that govern release of levy (e.g., the IRS determines that release of such levy will facilitate the collection of tax, the IRS determines that such levy is creating an economic hardship due to the financial condition of the taxpayer, or the fair market value of the property exceeds such liability and release of the levy on a part of such property could be made without hindering the collection of such liability). Fourth, the conference agreement exempts from levy certain AFDC, SSI, State and local welfare, and JTPA benefits.

Levy on wages.—The conference agreement follows the Senate amendment, modified so that if the taxpayer does not supply the IRS with sufficient information to enable the IRS to determine the proper standard deduction or number of exemptions of the taxpayer, the amount of wages exempt from levy is the standard deduction for a married individual filing separately plus one personal exemption, divided by 52.

Release of levy.—The conference agreement follows the Senate amendment, with the addition of a provision permitting the taxpayer to request that the IRS sell levied property.

The conference agreement applies to levies issued on or after July 1, 1989. The provision permitting a taxpayer to request that the IRS sell levied property applies to requests made on or after January 1, 1989.

12. Review of jeopardy levy and assessment procedures

Present Law

Assessment of a tax (i.e., recording of the tax liability in the office of the District Director) is the final act by the IRS that establishes the liability of a taxpayer for a tax. After assessment, the IRS will attempt to collect the tax. The Code authorizes the IRS to make a jeopardy assessment (i.e., to immediately assess and demand payment of a tax and any penalties and interest) where collection would be endangered if regular procedures are followed. Furthermore, if the IRS determines that collection of tax would be jeopardized by waiting the regular 10-day period after notice and demand for payment have been provided to the taxpayer, the IRS can collect the tax by jeopardy levy (i.e., immediately seize certain of the taxpayer's property). The Code provides special rules relating to administrative review and judicial review (by Federal district courts) of jeopardy assessments. These rules do not apply to jeopardy levies.

House Bill

No provision.

Senate Amendment

The existing rules relating to the review of jeopardy assessments are extended to the review of jeopardy levies. The Tax Court is provided jurisdiction concurrent with Federal district courts with respect to challenges to a jeopardy assessment or jeopardy levy if the taxpayer has filed a petition with the Tax Court prior to the making of the assessment or levy with respect to any deficiency covered by the jeopardy assessment or jeopardy levy notice. In all other cases, the appropriate district court continues to have exclusive jurisdiction over such an action.

The provision applies to jeopardy levies issued and jeopardy assessments made after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment, effective for jeopardy levies issued and jeopardy assessments made on or after July 1, 1989.

13. Administrative appeal of liens

Present Law

A taxpayer can obtain a review within the IRS of an initial determination of tax deficiency before the matter proceeds to collection. There is no statutory procedure for the administrative appeal of IRS decisions concerning the collection of a tax liability.

House Bill

No provision.

Senate Amendment

The IRS is required to promulgate regulations within 180 days after enactment that provide taxpayers with an administrative procedure to obtain review of the filing of a notice of lien in the public record and an opportunity to petition for the release of such lien. This administrative procedure is intended to be used to correct erroneous filings and not to challenge the underlying deficiency leading to the imposition of a lien.

If the IRS determines that filing of a notice of lien was erroneous (i.e., the tax liability that gave rise to the lien had been satisfied or the liability had been assessed in violation of the restrictions on assessment in section 6213 pertaining to deficiency assessments or in Title 11), the IRS is required to issue immediately a certificate of release of the lien and include in the certificate a statement that the filing of the lien was erroneous. This ensures that the public record contains a statement that the filing of the notice of the lien was not attributable to the taxpayer's fault, which will facilitate repair of the taxpayer's credit and other financial records. This certificate of release of an erroneous lien must be issued whether or not the lien was challenged in an administrative review procedure.

The provision is effective on the date of enactment.

Conference Agreement

The conference agreement generally follows the Senate amendment. The IRS must issue a certificate of release of lien expeditiously (and, to the extent practicable, within 14 days) after determining that the filing of the notice of lien was erroneous. The provision is effective 60 days after the issuance of the mandated regulations.

14. Awarding of costs and certain fees in administrative and civil actions

Present Law

Reasonable costs.—A taxpayer who is a "prevailing party" in a tax case in any Federal court may be awarded reasonable litigation costs if the position of the United States was not substantially justified. Reasonable litigation costs include attorneys fees (generally limited to $75 per hour), expenses of expert witnesses, and court costs. Costs incurred during the IRS administrative process generally are not recoverable.

Burden of proof.—To be awarded reasonable litigation costs, the taxpayer must establish that the position of the United States in the case was not substantially justified. In addition, the person must substantially prevail with respect to the amount in controversy or the most significant issue(s) in the case.

Position of the United States.—In determining whether the position of the United States was substantially justified, the position of the United States is determined beginning with the position in the civil proceeding, or, if applicable, the position taken by the IRS district counsel administratively. This generally does not include positions taken in the audit or appeals processes.

Administrative settlement of claims for litigation costs.—The Code does not provide explicit authority to the IRS to settle administratively claims for litigation costs prior to the commencement of the civil action.

House Bill

No provision.

Senate Amendment

Recoverable costs.—Any person who substantially prevails in any action brought by or against the United States in connection with the determination, collection, or refund of any tax, interest, or penalty may be awarded reasonable administrative costs incurred before the IRS and reasonable litigation costs incurred in connection with any court proceeding.

For this purpose, reasonable litigation costs are defined as under current law, while reasonable administrative costs include (1) any administrative fees or similar charges imposed by the IRS, (2) reasonable expenses of expert witnesses, (3) the reasonable cost of any study, analysis, engineering report, test or project that is necessary for the preparation of the person's case, and (4) reasonable fees (generally not to exceed $75 per hour) paid or incurred for the services of a qualified representative of the taxpayer in connection with the administrative action, but only if such administrative costs are incurred after the earlier of (1) the date of the first notice of proposed deficiency (generally the 30-day letter) that allows the person an opportunity for administrative review in the IRS Office of Appeals, or (2) the date of the notice of deficiency described in section 6212 of the Code.

As under present law, a judgment for reasonable litigation costs shall not be awarded by a court unless the taxpayer has exhausted administrative remedies.

Burden of proof.—The burden of proof with respect to whether the position of the United States was substantially justified is shifted to the Government, so that if a taxpayer substantially prevails with respect to the amount in controversy or the most significant issue(s) in the case, the Government then must establish that its position was substantially justified in order to prevent the taxpayer from recovering costs.

Position of the United States.—In determining whether the position of the United States was substantially justified, the position of the United States is determined as of the later of (1) the date of the first letter of proposed deficiency (generally the 30-day letter) that allows the taxpayer an opportunity for administrative review in the IRS Appeals Office (or, if no letter of proposed deficiency is sent, the date of the notice of deficiency described in section 6212 of the Code), or (2) the date by which the relevant evidence under the control of the taxpayer, as well as relevant legal arguments, with respect to such action have been presented by the taxpayer to IRS examination or Service Center personnel.

Thus, in the case of a computer-generated underreporter notice (i.e., a Form CP-2000), the position of the United States generally is determined only after the taxpayer has provided the IRS with sufficient information to enable a reasonable person to determine whether the notice should have been issued. For example, if the computer-generated notice proposes a deficiency due to the failure to report interest income shown on a Form 1099-INT filed by a third party, the position of the United States is not to be determined until after the taxpayer provides sufficient information to establish whether the interest should have been reported on the tax return of the taxpayer who received the deficiency notice.

Administrative settlement of claims for administrative costs and litigation costs.—The IRS is provided with the authority to settle claims for administrative costs and litigation costs. A decision by the IRS granting or denying an award of costs is appealable to the Tax Court under the small case procedures.

The provision applies to actions commenced after the date of enactment.

Conference Agreement

Recoverable costs.—The conference agreement follows the Senate amendment, with the modification that recoverable costs include only reasonable litigation costs plus reasonable administrative costs incurred after the earlier of (1) the date of the receipt by the taxpayer of the notice of the decision of the IRS Office of Appeals, or (2) the date of the notice of deficiency. Thus, with respect to a collection action, only reasonable litigation costs are recoverable under this provision.

Burden of proof.—The conference agreement retains present law.

Position of the United States.—The conference agreement follows the Senate amendment, with the modification that the position of the United States is determined as of the earlier of (1) the date of the receipt by the taxpayer of the notice of the decision of the IRS Office of Appeals, or (2) the date of the notice of deficiency. If neither is applicable, the position of the United States is that taken in the litigation.

Administrative settlement of claims for administrative costs and litigation costs.—The conference agreement follows the Senate amendment.

The conference agreement applies to proceedings commencing after the date of enactment.

15. Civil cause of action for damages sustained due to failure to release lien

Present Law

The Code does not grant taxpayers a right to bring an action for damages resulting from the wrongful failure to remove a lien on a taxpayer's property.

House Bill

No provision.

Senate Amendment

Taxpayers are provided with the right to sue the Federal Government in Federal district court or Tax Court if any IRS employee knowingly or negligently fails to release a lien on the taxpayer's property as required under the Code. Taxpayers may recover the costs of the action and damages equal to the greater of (1) the actual direct economic damages sustained by the taxpayer which, but for the actions of the IRS, would not have been sustained, or (2) $100 per day (up to $1000) for each day the failure continues during the period that begins ten days after the taxpayer provides written notice to the IRS of the failure to release the lien. This written notice must be provided by the taxpayer after the conclusion of the 30-day period during which the IRS is required to release the lien. The IRS is authorized to establish reasonable requirements concerning the form and manner of the written notice. The committee anticipates that the requirements imposed by the IRS with respect to the written notice will require only information concerning the name and taxpayer identification number of the taxpayer, information concerning the type and location of the property subject to the lien, and any information that is necessary to establish that the lien should be released.

The IRS has authority to settle administratively claims under this provision. A judgment for damages under this provision may not be awarded by a court unless the taxpayer has exhausted administrative remedies. In addition, the actual economic damages recoverable by a taxpayer are to be reduced to the extent that the damages could reasonably have been mitigated by the taxpayer. Taxpayers have two years after discovery of an erroneous failure by the IRS to release a lien in which to bring an action under this provision.

This provision applies to taxpayer notices provided and damages arising after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment, with several modifications. First, an action under this provision may be brought only in Federal district court and not in the Tax Court. Second, recovery under the provision is limited to actual, direct economic damages sustained by the taxpayer which, but for the actions of the IRS, would not have been sustained, plus the costs of the action. Third, the Treasury Department must issue regulations that prescribe reasonable procedures for a taxpayer to notify the IRS of the failure to release a lien. Fourth, a taxpayer's claim under this provision is barred unless the action is commenced within two years after the date the right of action accrues.[1]

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[1] The conferees intend that the general accrual rule applied under the Federal Tort Claims Act (28 U.S.C. sec. 2401(b)) be applied to actions under this provision; that is, the right of action does not accrue until a claimant has had a reasonable opportunity to discover all the essential elements of a possible cause of action. *See, e.g., Rosales v. United*

Fifth, the conference agreement deletes the specific authority granted the IRS to settle administratively claims under this provision. However, it is the intent of the conferees that the general settlement authority of the IRS provided under Code section 7122 be utilized, where appropriate, to settle actions brought under this provision.

The conference agreement applies to taxpayer notices provided and damages arising after December 31, 1988.

16. Civil cause of action for damages sustained due to certain unauthorized actions by IRS

Present Law

Taxpayers do not have a specific right to bring an action against the Government for damages sustained due to unreasonable actions taken by an IRS employee.

House Bill

No provision.

Senate Amendment

Taxpayers are granted the right to sue the Federal Government in Federal district court or Tax Court for damages if in connection with the determination or collection of any Federal tax, an IRS employee carelessly, recklessly, or intentionally disregards any provision of Federal law or any regulation promulgated under the Internal Revenue Code. The taxpayer may recover the costs of the action plus actual direct economic damages sustained by the taxpayer as a proximate result of the unlawful actions or inaction of the IRS employee.

A taxpayer may not recover under this provision if the taxpayer was contributorily negligent. In addition, the damages recoverable under this provision are to be reduced to the extent that the damages could reasonably have been mitigated by the taxpayer.

The IRS has authority to settle administratively claims under this provision. A judgment for damages under this provision may not be awarded by a court unless the taxpayer has exhausted administrative remedies. A taxpayer's claim under this provision is barred unless the action is commenced within two years after the discovery by the taxpayer of the improper IRS action. If the Tax Court or district court determines that the taxpayer's lawsuit is frivolous or groundless, the court may impose a penalty on the taxpayer of up to $10,000.

The provision applies to actions of IRS officers or employees that occur after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment, with several modifications. First, the right to sue authorized by the provision is limited to allegations of reckless or intentional disregard by an IRS employee. An action may not be brought under this provision alleging mere negligence or carelessness on the part of an IRS employee. Second, the provision is limited to reckless or intentional disregard in connection with the collection of tax. An action under this provision may not be based on alleged reckless or intentional disregard in connection with the determination of tax. Third, the provision is limited to reckless or intentional disregard of the Internal Revenue Code and the regulations thereunder. An action may not be brought under this provision based on an alleged violation of a Federal law other than the Internal Revenue Code or a regulation promulgated thereunder. Fourth, the conference agreement deletes the provision barring a taxpayer from any recovery if the taxpayer was contributorily negligent.[2] Fifth, the total of actual damages plus the costs of the action recoverable under this provision may not exceed $100,000. Sixth, an action under this provision may be brought only in Federal district court and not in the Tax Court. Seventh, except as provided by new Code section 7432, an action brought under this provision shall be the exclusive remedy for recovering damages resulting from reckless or intentional disregard of a provision of the Internal Revenue Code, or a regulation promulgated thereunder, by an IRS employee engaged in the collection of any Federal tax. Eighth, a taxpayer's claim under this provision is barred unless the action is commenced within two years after the date the right of action accrues.[3] Ninth, the conference agreement deletes the specific authority granted the IRS to settle administratively claims under this provision. However, it is the intent of the conferees that the general settlement authority of the IRS provided under Code section 7122 be utilized, where appropriate, to settle actions brought under this provision.

The conference agreement applies to actions taken by IRS employees after the date of enactment.

17. Assessable penalty for improper disclosure or use of information by preparers of returns

Present Law

The Code provides that a tax return preparer is subject to a criminal penalty of a $1,000 fine, or one year in prison, or both, if the preparer discloses any information furnished to him or her in connection with the preparation of an income tax return, or uses any such information for any purpose other than to prepare the return (Code section 7216). The Code does not provide for a civil penalty in cases where a return preparer improperly discloses or uses such information.

House Bill

No provision.

Senate Amendment

No provision.

Conference Agreement

The conference agreement provides that if a tax return preparer discloses any information furnished to him or her in connection with the preparation of an income tax return, or uses such information for any purpose other than to prepare the return, then the preparer shall be subject to a civil penalty of $250 for each such disclosure or use, up to a maximum of $10,000 per calendar year. The penalty shall not be imposed if disclosure or use of return information was made pursuant to a court order or one of the present-law provisions of the Internal Revenue Code that permit disclosure under specified circumstances. In addition, the conference agreement modifies the present-law criminal penalty imposed upon return preparers who improperly disclose or use information furnished to them in connection with the preparation of an income tax return so that the criminal penalty applies only where the return preparer knowingly or recklessly disclosed or used such information.

The conference agreement applies to disclosures or uses after December 31, 1988.

18. Jurisdiction to restrain certain premature assessments

Present Law

Jurisdiction to restrain IRS assessment and collection of tax rests solely with the Federal district courts. Consequently, even though as a general rule no assessment or collection of tax may be made until the decision of the Tax Court has become final, a taxpayer with a case before the Tax Court who is faced with a premature IRS assessment is forced to challenge that assessment in Federal district court.

House Bill

No provision.

Senate Amendment

The Tax Court is granted jurisdiction (concurrent with Federal district courts) to restrain the assessment and collection of any tax by the IRS if the tax is the subject of a timely filed petition pending before the Tax Court.

The provision applies to orders entered after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

19. Jurisdiction to enforce overpayment determinations

Present Law

The Tax Court has jurisdiction to determine that a taxpayer is due a refund of a tax for which the IRS has asserted a deficiency. However, if the IRS fails to refund or credit an overpayment determined by the Tax Court, the taxpayer must seek relief in another court.

House Bill

No provision.

Senate Amendment

The Tax Court is granted jurisdiction to order the refund of an overpayment plus interest if, within 120 days after a Tax Court decision has become final, the IRS fails to refund to a taxpayer an overpayment determined by the Tax Court. If the IRS does not establish that its failure to refund an overpayment was substantially justified, then the taxpayer is entitled to interest on the overpayment at 120 percent of the overpayment interest rate.

The provision applies to overpayments determined by the Tax Court which have not been refunded by the 90th day after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment, except that the provision entitling the taxpayer to a higher rate of interest in certain circumstances is deleted.

20. Jurisdiction to review certain sales of seized property

Present Law

If a taxpayer fails to pay a tax on notice and demand after the IRS makes a jeopardy assessment, a lien arises in favor of the United States upon property belonging to the taxpayer and the IRS can immediately seize the taxpayer's property. Pending issu-

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States, 824 F.2d 799 (9th Cir. 1987); *Zeidler v. United States*, 601 F.2d 527 (10th Cir. 1979).

[2] However, the amount of damages awarded under the provision shall be reduced by the amount of such damages which could have reasonably been mitigated by the taxpayer.

[3] The conferees intend that the general accrual rule applied under the Federal Tort Claims Act (28 U.S.C. sec. 2401(b)) be applied to actions under this provision; that is, the right of action does not accrue until a claimant has had a reasonable opportunity to discover all the essential elements of a possible cause of action. *See, e.g., Rosales v. United States*, 824 F.2d 799 (9th Cir. 1987); *Zeidler v. United States*, 601 F.2d 527 (10th Cir. 1979).

ance of a notice of deficiency, and, if the taxpayer challenges the assessment in either the Tax Court or Federal district court, pending the decision of such court, the IRS cannot sell property seized pursuant to a jeopardy assessment, unless (1) the taxpayer consents to the sale, (2) the IRS determines that the expenses of conservation and maintenance will greatly reduce the net proceeds, or (3) the property is liable to perish or become greatly reduced in value by keeping, or cannot be kept without great expense. If the taxpayer wishes to contest an IRS determination to sell seized property, the only recourse is to bring suit in Federal district court.

House Bill

No provision.

Senate Amendment

The Tax Court is granted jurisdiction during the pendency of proceedings before it to review the IRS' determination to sell seized property under one of the present-law exceptions to the stay of sale.

The provision is effective on the 90th day after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

21. Jurisdiction to redetermine interest on deficiencies

Present Law

Following a decision by the Tax Court, the IRS assesses the entire amount redetermined as the deficiency by the Tax Court and adds to the deficiency interest computed at the statutory rate. If the taxpayer disagrees with the IRS' interest computation, however, the Tax Court does not have jurisdiction to resolve that dispute.

House Bill

No provision.

Senate Amendment

If a dispute arises over the IRS' computation of the interest due on a deficiency, then within one year from the date the Tax Court decision becomes final the taxpayer may move to reopen the Tax Court proceeding for a determination of interest due. The taxpayer is required to pay the entire deficiency redetermined by the Tax Court and the interest determined by the IRS before challenging the IRS' computation of interest in the Tax Court.

The provision applies to assessments of deficiencies made after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

22. Jurisdiction to modify decisions in certain estate tax cases

Present Law

The Code allows a deduction against either the estate tax or the income tax for interest paid by an estate on a Federal or State estate tax liability during the period the estate is being administered. In addition, the Code allows certain estates which consist largely of an interest in a closely held business to elect to pay Federal estate tax over an extended-payment period. The IRS has taken the position that, because an estate may accelerate the payment of Federal or State estate taxes during an extended-payment period, an estate is not entitled to a deduction for interest anticipated to be paid during the extended-payment period but is entitled to a deduction only when such interest is actually paid by the estate. Consequently, because the amount of the estate tax deduction for interest to which an estate is entitled cannot be determined until the interest is paid, the Tax Court may not enter a final judgment in an estate tax case until the extended-payment period has expired.

House Bill

No provision.

Senate Amendment

The Tax Court is granted authority to modify a final decision in an estate tax case solely to reflect the estate's entitlement to a deduction for interest paid during an extended-payment period on the Federal or State estate tax liability. Thus, the Tax Court may enter a final decision in an estate tax case in which an extended-payment period is elected and subsequently, if necessary, modify the decision at the end of the extended-payment period to reflect interest actually paid by the estate. The Tax Court has discretion to hold a hearing on this matter at the end of the extended-payment period.

The provision applies to Tax Court cases for which the decision is not final on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

23. Refund jurisdiction for the Tax Court

Present Law

When a taxpayer receives notice from the IRS that it has determined a deficiency of tax, the taxpayer may, before paying the determined liability, petition the Tax Court for a redetermination of the deficiency within 90 days after the notice of deficiency was mailed. Alternatively, the taxpayer may pay the deficiency and file a claim for refund of the disputed amount with the IRS. If the IRS rejects the refund claim, or does not act within six months, then the taxpayer may bring an action for refund in Federal district court or the United States Claims Court, but not the Tax Court.

A taxpayer may also file with the IRS a claim for refund of an overpayment not attributable to a deficiency, and if the refund claim is rejected by the IRS, then the taxpayer may bring an action in Federal district court or the United States Claims Court seeking a refund of the asserted overpayment. The Tax Court has no jurisdiction to determine whether a taxpayer has made an overpayment except in the context of a deficiency proceeding.

House Bill

No provision.

Senate Amendment

The Tax Court is granted jurisdiction over tax refund actions against the IRS where there is already pending and awaiting submission for disposition by a judge a deficiency action in the Tax Court, and where the issue in the refund action is related by subject matter to the deficiency action or the result in either of the two actions will affect the amount in controversy in the related action. All proceedings in the Tax Court would be stayed for 180 days if a refund action is filed in the Tax Court and there is a showing by the IRS that there has been no audit of the taxpayer's return for the period or type of tax involved in the refund action. The general prerequisites governing the commencement of tax refund actions would apply to refund actions filed in the Tax Court. A taxpayer would continue to have the option of filing a claim for refund in the appropriate Federal district court or the United States Claims Court.

The provision would apply to proceedings commenced in the Tax Court six months after enactment.

Conference Agreement

The conference agreement follows the House bill (i.e., does not include the Senate amendment).

K. Other Administrative Provisions

1. Tip reporting

Present Law

Under present law, employers are required, under certain circumstances, to provide an information report of an allocation of tips in large food or beverage establishments (defined generally to include those establishments that normally employ more than 10 employees). Under this provision, if tipped employees of large food or beverage establishments report tips aggregating 8 percent or more of the gross receipts of the establishment, then no reporting of a tip allocation is required. However, if this 8-percent reporting threshold is not met, the employer must allocate (as tips for information reporting purposes) an amount equal to the difference between 8 percent of gross receipts and the aggregate amount reported by employees. This allocation may be made pursuant to an agreement between the employer and employees or, in the absence of such an agreement, according to Treasury regulations.

These Treasury regulations provide that this allocation may be made by the employer in either of two ways. One is to allocate based on the portion of the gross receipts of the establishment attributable to the employee during a payroll period. The second is to allocate based on the portion of the total number of hours worked in the establishment attributable to the employee during a payroll period.

The method of tip allocation based on the number of hours worked may be utilized only by an establishment that employs less than the equivalent of 25 full-time employees during a payroll period. Establishments employing the equivalent of 25 or more full-time employees consequently have to use the portion of gross receipts method to allocate tips during the payroll period (absent an agreement between the employer and employees).

House Bill

The committee expressed its concern that a number of sizable establishments may not be observing this law and encouraged them to do so.

Senate Amendment

No provision.

Conference Report

The conference agreement follows the House bill.

2. Disclosure of return information to certain cities

Present Law

Section 6103 provides for the confidentiality of returns and return information of taxpayers. The conditions under which returns and return information can be disclosed are specifically enumerated in that section. Disclosure of returns and return information to local income tax administrators generally is not permitted. However, a specific exception to this rule provides that any city with a population in excess of 2 million that imposes an income (or wage) tax may, if the Secretary in his sole discretion enters into an agreement with that city, receive returns and return information for the purposes for which States may obtain information, subject to the same safeguards as apply to States.

Cities that receive information must reimburse the Internal Revenue Service for its costs in the same manner as a State must under present law. Population is determined on the basis of the most recent decennial United States census data available.

House Bill

The House bill modifies section 6103(b)(5) so that the Secretary, in his sole discretion, may enter into an agreement to disclose returns and return information to local tax administrators in cities with populations in excess of 250,000 (rather than the present-law requirement of a population in excess of 2 million) that impose a tax on income or wages. The various safeguards and conditions governing disclosure of returns and return information to local tax administrators would remain unchanged. Moreover, unauthorized disclosure of returns or return information by an employee of a local agency receiving this information would continue to subject the employee to fine and imprisonment as provided by section 7213 and to the civil action provided by section 7431.

The provision is effective on the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Provisions relating to previously required studies

Present Law

Present law requires the Treasury to prepare and submit to Congress many one-time and periodic studies on specific tax issues. Treasury is required to prepare reports on possessions corporations and on foreign sales corporations concerning every second tax year.

House Bill

The House bill deletes the requirement that Treasury prepare studies of the payment-in-kind program, the foreign oil and gas tax credit provisions, and the accounting methods of inventory. The bill also modifies the timing for reports on possessions corporations and foreign sales corporations so that studies would be prepared concerning tax returns of every fourth tax year.

This provision is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, with the modification that studies of possessions corporations and foreign sales corporations would be prepared and reported to the Congress every fourth year using the most recently available information.

4. Treasury authority to prescribe class lives

Present Law

Depreciation recovery periods, for purposes of the modified accelerated cost recovery system, are generally determined by reference to the ADR class life of the asset. Certain assets are assigned recovery periods directly by statute.

An office in the Treasury Department monitors and analyzes the actual experience of depreciable assets and reports the findings to the Secretary. The Treasury Department generally has the authority to establish or change the class lives of depreciable assets. The depreciable life of certain assets may not be lengthened for property placed in service before January 1, 1992.

House Bill

No provision.

Senate Amendment

The Secretary's authority to lengthen the depreciable life of an asset, including assigned property, is revoked. The Treasury is expected to continue to study the actual experience of depreciable assets and report to the Congress on its findings.

The provision is effective on date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment with a modification expanding the prohibition on Treasury authority to include actions that shorten class lives of assets (including assigned property). The conferees wish to clarify that the prohibition on Treasury authority to shorten or lengthen depreciable lives extends to assets which do not have class lives. The conferees expect Treasury to continue to study the experience of assets and report its findings to Congress.

5. Repeal of reporting requirements for windfall profit tax

Present Law

The crude oil windfall profit tax was repealed for oil removed on or after August 23, 1988 (P.L. 100-418). On October 11, 1988, the Internal Revenue Service issued Notice 88-115 providing that the annual information return of windfall profit tax is waived with respect to crude oil removed (or deemed removed) on or after January 1, 1988, if certain conditions are met.

House Bill

No provision.

Senate Amendment

The Senate amendment repeals the reporting requirements for crude oil removed after December 31, 1987, for which no windfall profit tax is due or withheld.

Conference Agreement

The conference agreement follows the Senate amendment.

The conferees clarify that the reporting requirements are repealed with respect to crude oil removed (or deemed removed) from the premises on or after January 1, 1988, which meets the following conditions: (1) the person otherwise required to furnish or file an information return for calendar year 1988 must reasonably believe that no windfall profit tax accrued during 1988 with respect to such crude oil (disregarding the net income limitation under section 4988(b) of the Code); and (2) there must have been no windfall profit tax withholding with respect to such crude oil.

L. Corporate/Personal Holding Company Provisions

1. Authority to pay refunds to fiduciary of insolvent member of affiliated groups

Present Law

Treasury regulations generally require a refund attributable to losses of any member of an affiliated group filing a consolidated return to be paid by the Internal Revenue Service to the parent corporation.

House Bill

Under the House bill, the Secretary of the Treasury is authorized to provide access to tax refunds to a statutory or court appointed fiduciary of an insolvent member of a group of corporations filing a consolidated tax return, to the extent the Secretary determines that the refund is properly attributable to the losses of such insolvent member and that such access is consistent with the purposes of the consolidated return provisions.

The provision is effective for pending or future statutory or court appointed fiduciary situations, in accordance with Treasury regulations.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

The conferees clarify that payment of any refund to a fiduciary under any regulations issued by the Secretary shall be deemed to be payment to all other members of the affiliated group for all purposes (including any administrative or court proceedings relating to the allowability of the refund) and shall satisfy any responsibility of the Secretary to make such payments to any member.

In addition, the conferees clarify that the Secretary is authorized to accept as valid a return filed by the statutory or court appointed fiduciary to the extent, if any, the Secretary determines is appropriate, and not inconsistent with the purposes of the consolidated return provisions.

2. Certain ownership changes not counted during bankruptcy

Present Law

Net operating loss limitations of the Tax Reform Act of 1986 do not apply to an ownership change resulting from certain bankruptcy reorganizations or proceedings if a petition in the case was filed with a court before August 14, 1986. When stock of a corporation is acquired during the pendency of a bankruptcy, an ownership change may occur and losses may be limited.

House Bill

No provision.

Senate Amendment

Under regulations to be prescribed by the Treasury, if any stock that was acquired by shareholders during a bankruptcy proceeding in a transaction that triggered an ownership change does not represent more than 50 percent of the value of the corporation (based on the value of the stock immediately after the completion of the bankruptcy proceeding), an amended return can generally be filed with respect to prior years for which losses were limited (without regard to otherwise applicable statute of limitations). This provision will apply only in the case of petitions in bankruptcy filed before August 14, 1986.

The provision is effective as if included in the 1986 Act.

Conference Agreement

The conference agreement follows the Senate amendment.

3. Application of Code sec. 7503 for purposes of Woods Investment Co. effective date

Present Law

Where the last day required by the tax laws to perform an act is a Saturday, Sunday or legal holiday, the act will be considered timely if it is performed on the next day that is not a Saturday, Sunday or legal holiday. It is not clear whether or to what extent this provision applies to the requirement that the disposition required for transition relief from the provision in the Revenue Act of 1987 which reverses the result in *Woods Investment Co.* must occur prior to January 1, 1989.

House Bill

Under the House bill, for purposes of transition relief from the provision which reverses the result in *Woods Investment Co.*, a disposition is treated as if it occurred on December 31, 1988, if it occurs on the next day following December 31, 1988, that is not a Saturday, Sunday or legal holiday.

The provision is effective as if included in the 1987 Act.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

4. Application of rules on personal holding company income to broker-dealers

Present Law

Personal holding company income of a broker-dealer includes interest income.

House Bill

No provision.

Senate Amendment

The definition of personal holding company income is modified to exclude interest received by broker-dealers with respect to: (1) any securities or money market instruments held as inventory; (2) margin accounts; or (3) any financing for a customer secured by securities or money market instruments.

The provision is effective with respect to interest received after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

5. Elimination of dividends received from banks from personal holding company income of bank holding companies

Present Law

Personal holding company income of a bank holding company includes dividends paid by subsidiary banks, unless the bank holding company owns 80 percent or more of the stock of the subsidiary bank.

House Bill

The definition of personal holding company income of a personal holding company which is a bank holding company is modified to exclude up to $3 million per year of dividends received from a bank if (1) the bank holding company owns at least 25 percent of the bank's stock and (2) the value of the stock in such banks has a value equal to 80 percent or more of the total value of the assets of the holding company.

The provision is effective with respect to dividends received by a bank holding company in its taxable years ending in 1989 and 1990.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

6. Substantiation of certain charitable contributions of inventory property by corporations

Present Law

Under section 155 of the Tax Reform Act of 1984, individuals, closely held corporations, and personal service corporations generally must obtain qualified appraisals meeting specified requirements in order to claim a charitable deduction exceeding $5,000 for certain contributions of property. (In the case of S corporations, the qualified appraisal requirements apply where the corporation claims such a charitable deduction.) The IRS recently announced that less stringent appraisal requirements would apply to charitable donations by certain corporations of inventory property to be used for care of the ill, the needy, or infants, such as contributions of food by a food retailer (if a C corporation) to tax-exempt organizations aiding the homeless (IR-88-137).

House Bill

No provision.

Senate Amendment

The Treasury Department is authorized to prescribe regulations allowing corporations (other than S corporations) to provide, in the case of charitable contributions described in Code section 170(e)(3)(A) of inventory property (sec. 1221(1)), less detailed substantiation than that required under the present-law qualified appraisal rule. For example, the regulations could require the donor corporation to furnish summary information about the donated inventory with its tax return, such as a description of the contributed items and the valuation method used. This provision authorizes waiver only of the 1984 Act qualified appraisal requirement, and does not modify the general statutory rule (sec. 170(a)(1)) that a charitable contribution is deductible only if verified in the manner required by Treasury regulations.

A contribution is described in section 170(e)(3)(A) if (1) it is made by a corporation (other than an S corporation) to a tax-exempt organization described in section 501(c)(3), other than to a private nonoperating foundation; (2) the property is to be used by the donee solely for the care of the ill, the needy, or infants, and such use is related to the donee's exempt function; (3) the property is not transferred by the donee in exchange for money, other property, or services; (4) the donor receives from the donee a written statement representing that the use and disposition of the property will be in accordance with conditions (2) and (3); and (5) if the donated property is subject to regulation under the Federal Food, Drug, and Cosmetic Act, the property fully satisfies the requirements of that Act.

This provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

7. Relief from recognition of corporate level gain involving transfer of residential cooperative units

Present Law

Gain is recognized by the distributing corporation if appreciated property is distributed to shareholders in a liquidating or nonliquidating distribution. Shareholders who receive appreciated property in such a distribution in exchange for their stock generally recognize gain to the extent that the value of the property distributed exceeds their bases in the corporation's stock.

Section 1034 of the Code permits the deferral of gain if the taxpayer recognizes gain on the sale of his principal residence and acquires another principal residence within a 2-year period. For purposes of that section, stock held by a tenant-stockholder in a cooperative housing corporation is included in the definition of a principal residence if the shareholder used the house or apartment that he was entitled to occupy as such shareholder as his principal residence.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, except as provided in regulations, no gain or loss is recognized to a residential housing cooperative when property that qualifies as a principal residence is distributed to a tenant-stockholder in exchange for the tenant-stockholder's stock, to the extent the exchange qualifies for nonrecognition at the shareholder level under section 1034 of the Code.

It is expected that the Treasury Department will prescribe regulations providing reporting or other procedures to assure that the intended relief is provided only in cases where the house or apartment is in fact used by the taxpayer as his principal residence both before and after the distribution. Also, the Treasury Department may prescribe rules to assure that there is a full recapture of tax benefits (if any) that may have been claimed at the corporate level, to the extent the same benefits could not have been claimed by the shareholder if he had owned the house or apartment directly and used it as his principal residence.

The provision is effective as if included in the Tax Reform Act of 1986.

Conference Agreement

The conference agreement follows the Senate amendment.

8. Definition of ESOP eligible for relief from net operating loss limitations

Present law

Generally, if there is a more than 50% change in the ownership of a corporation that has net operating losses (old loss corporation), the use of the corporation's prechange losses and credits is limited following that ownership change. Employer stock acquired by certain employee stock ownership plans (ESOPs) does not count in determining whether an ownership change has occured. An ESOP need only cover employees of a company that is a member of the same controlled group as the loss company in order for the acquisition of the stock of the loss company not to count in determining whether an ownership change has occurred.

House Bill

No provision.

Senate Bill

No provision.

Conference Agreement

The ESOP exception for purposes of the net operating loss and credit limitations applies only if the ESOP that acquires the stock of the loss company has as participants no less than 50 percent of the average number of employees employed by the old loss corporation during the 3-year period prior to the date of the ESOP acquisition for which the ESOP exception is sought. For purposes of this provision, except as provided by the Secretary of the Treasury, all employees of members of an affiliated group which includes the loss company and which files a consolidated return shall be treated as employees of the loss company.

Effective date

The provision applies to acquisitions occuring after December 31, 1988 unless pursuant to a binding written contract in effect on October 21, 1988.

M. Miscellaneous Provisions

1. Repeal of limitation on Treasury long-term bond authority

Present Law

The Secretary of the Treasury is allowed to issue up to $270 billion in bonds (obligations that mature more than 10 years after issue date) with interest rates above the 4 1/4 percent statutory limit. Bonds held by the public are subject to the limitation; bonds held in Federal Government agency and Federal Reserve System accounts are not included in the limit.

The last prior increase in the exception, from $250 billion to $270 billion, was enacted in the Omnibus Budget Reconciliation Act of 1987. An exception to the statutory limit was enacted initally in 1971 and was applied only to bonds held by the general public in 1973.

House Bill

The statutory limitation on the Treasury's authority to issue long-term bonds is repealed, effective on the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

2. Bad debt reserve exception for small banks

Present Law

A large bank is not allowed a deduction for an addition to a reserve for bad debts. A bank is a large bank if, for the taxable year, or any preceding taxable year beginning after December 31, 1986, the bank (or the parent-subsidiary controlled group of which it was a member) exceeds a certain size.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, if a bank which is a member of an affiliated group is sold to persons who did not, directly or indirectly, own any interest in any member of the affiliated group, the determination of whether a bank is a large bank for this purpose would be made without regard to the size of the bank before such sale.

The provision is effective as if included in the 1986 Act.

Conference Agreement

The conference agreement follows the House bill.

3. One-year extension of placed in service rule for nonconventional fuels production tax credit

Present Law

Section 29 provides a production credit up to $3 per barrel of oil equivalent for qualified nonconventional fuels. Such fuels include oil or natural gas produced from unusual geologic formations and synthetic fuels derived from coal (including lignite). Among other things, the amount of the production credit phases out as the unregulated annual average U.S. wellhead price per barrel of domestic crude oil rises above $23.50 (as adjusted for inflation since 1979).

The production credit is available generally to qualified fuels which are produced in a facility placed in service after December 31, 1979, and before January 1, 1990, or from a well drilled after December 31, 1979, and before January 1, 1990, and which are sold after December 31, 1979, and before January 1, 2001.

House Bill

Certain qualified fuels will be eligible for the production credit, if produced from a facility placed in service or a well drilled one year later than the expiration date in present law, namely, a well drilled or a facility placed in service before January 1, 1991.

The change is effective on the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

The conference agreement adds a clarification of section 29(d)(4)(A) to provide that the limitation therein would only operate to disqualify from the production credit for nonconventional fuel a nonconventional fuel produced from a property after December 31, 1979, if a nonconventional fuel of the same type was produced from the same property before January 1, 1980. The limitation would not apply where a nonconventional fuel of a different type from a different geological formation was produced after December 31, 1979. For example, if a coal seam gas well was drilled and completed after December 31, 1979, but before January 1, 1991, and produced coal seam gas from the same property from which another well produced marketable quantities of tight formation gas before January 1, 1980, the gas produced from the coal seam gas well will constitute a qualified fuel for purposes of section 29(a).

4. Carryover of nonconventional fuels credit under minimum tax

Present Law

The nonconventional fuels credit cannot reduce the taxpayer's tax liability to less than the amount of the minimum tax. Carryovers of unused credits are not allowed.

House Bill

No provision.

Senate Amendment

The credit for prior year minimum tax liability (sec. 53) will be increased by the amount of the nonconventional fuels credit not allowed for the taxable year solely by reason of the limitation based on the taxpayer's tentative minimum tax. The provision is effective for taxable years beginning after December 31, 1986.

Conference Agreement

The conference agreement follows the Senate amendment.

5. Certain discharge of debt income not included in adjusted book income

Present Law

The alternative minimum taxable income of a corporation is increased by one-half of the excess of pre-tax book income over other alternative minimum taxable income for taxable years beginning in 1987, 1988, and 1989.

House Bill

The House bill provides that the transfer of a corporation's own stock in exchange for the corporation's debt in a Title 11 case (or to the extent the corporation is insolvent) does not give rise to adjusted net book income. The provision is effective for taxable years beginning after December 31, 1986.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

6. Treatment of certain corporations that are engaged in the sale of residential lots or timeshares for purposes of the alternative minimum tax

Present Law

For taxable years beginning in 1987, 1988, and 1989, the alternative minimum taxable income of a corporation is increased by 50 percent of the excess of the adjusted net book income of the corporation over the alternative minimum taxable income of the corporation (determined before application of the book income adjustment). The adjusted net book income of a corporation is based on the net income or loss set forth on the applicable financial statement of the corporation, and, consequently, in determining adjusted net book income, the installment method may be used in reporting gain from the sale of property.

For taxable years beginning after 1989, the alternative minimum taxable income of a corporation is increased by 75 percent of the excess of the adjusted current earnings of the corporation over the alternative minimum taxable income of the corporation (determined before application of the adjusted current earnings provision). In determining adjusted current earnings, the installment method may not be used.

For regular tax purposes and for purposes of determining alternative minimum taxable income (before application of the book income adjustment or the adjusted current earnings provision), the installment method may be used to report gain from certain sales of residential lots or timeshares if the taxpayer elects to pay interest on the amount of deferred tax that is attributable to the use of the installment method.

House Bill

No provision.

Senate Amendment

For taxable years beginning after 1989, the book income adjustment (rather than the adjusted current earnings provision) under the corporate alternative minimum tax applies to any corporation that elected before October 11, 1988, to use the installment method to report gain from certain sales of residential lots or timeshares and to pay interest on the tax that is deferred under the installment method. The provision applies to taxable years beginning after 1989 (the effective date of the adjusted current earnings provision).

Conference Agreement

The conference agreement follows the House bill.

7. Deductibility of adoption expenses

Present Law

Present law does not allow a tax deduction for adoption fees, court costs, attorney fees, or similar expenditures incurred in the adoption of a child. The Tax Reform Act of 1986 repealed a provision that had allowed an itemized deduction for up to $1,500 in such expenses incurred by an individual in the legal adoption of a child with special needs.

House Bill

No provision.

Senate Amendment

The Senate amendment includes a Sense of the Senate Resolution stating that consideration should be given to providing a tax deduction for qualified adoption expenses in order to encourage and facilitate adoptions.

Conference Agreement

The conference agreement follows the Senate amendment with a modifying amendment stating the sense of the Congress that consideration should be given to providing a tax deduction for qualified adoption expenses in order to encourage and facilitate adoptions.

8. Status of certain dependent care providers

Present Law

In general, the determination of whether an employer-employee relationship exists for Federal tax purposes is made under a common law test. Under this test, an employer-employee relationship generally exists if the person contracting for services has the right to control not only the result of the services, but also the means by which that result is accomplished.

House Bill

No provision.

Senate Amendment

The Federal Government, any State or political subdivision, the District of Columbia, or any agency or instrumentality of the foregoing may treat a person who renders dependent care or similar services as other than an employee for employment tax purposes if the following conditions are satisfied:

(1) The person does not provide any dependent care or similar services in any facility owned or operated by the governmental entity;

(2) The person is compensated by the governmental entity for such services, directly or indirectly, out of funds provided pursuant to Chapter 7 of Title 42 of the United States Code, or the provisions and amendments made by the Family Security Act of 1988;

(3) The governmental entity does not treat the person as an employee for employment tax purposes;

(4) The governmental entity files all Federal income tax returns (including information returns) required to be filed with respect to such person on the basis consistent with the treatment of such person as other than an employee; and

(5) No more than 10 percent of the employees of the governmental entity are provided with insurance under Title II of the Social Security Act pursuant to voluntary agreements with the Secretary of Health and Human Services under section 218 of such Title.

The Secretary of Treasury is to report to the Senate Committee on Finance and the House Committee on Ways and Means on the tax status of any day care providers compensated pursuant to the programs described above no later than December 31, 1989.

The provision is effective on the date of enactment and applies to the period beginning on January 1, 1984, and ending on December 31, 1990.

Conference Agreement

The conference agreement follows the Senate amendment.

E. Estate Tax Provisions

1. Disallow marital deduction when spouse is not a citizen of the United States.

Present Law

For U.S. citizens and residents, a deduction is allowed for Federal estate and gift tax for the value of property passing from the decedent to the surviving spouse, regardless of the spouse's citizenship. For nonresident aliens, no marital deduction is allowed for estate and gift tax purposes.

For U.S. citizens, section 2013 provides a credit for a portion of estate tax paid with respect to property transferred to the decedent by or from a person who died within ten years, before or within two years after, the decedent's death.

House Bill

The House bill denies the marital deduction for Federal estate tax purposes for property passing to an alien spouse. The bill also provides that gifts to an alien spouse exceeding $100,000 per year are taxable under the Federal gift tax.

To the extent that the marital deduction is denied because the surviving spouse is an alien, the estate of that spouse who is entitled to a section 2013 credit for the full amount of estate tax paid with respect to property received from the decedent spouse's estate, determined without regard to when the decedent spouse died.

The bill allows a marital deduction for Federal estate tax purposes for property passing from a nonresident alien to a spouse who is a U.S. Citizens.

Senate Amendment

The Senate amendment follows the House bill, except that property passing at death to an alien spouse is excluded from the decedent's gross estate if situated in the United States and placed in a trust with a U.S. trustee in which the surviving spouse has a qualifying income interest for life. The value of such property is reduced by the amount of liability transferred with such property.

Transfers of property by the trustee are subject to an estate tax equal to the additional estate tax which would have been imposed had the distributed amount (together with previously distributed amounts) been includible in the decedent's estate. Trust income (as determined under the terms of the governing instrument and applicable local law) which is distributed prior to the surviving spouse's death is not subject to this tax.

Property held in trust is treated as having been transferred if the trustee ceases to be a U.S. citizen, or if the property is removed from the United States. When the estate tax on the decedent's estate has not yet been determined, the estate tax imposed equals the value of the transferred property times the highest estate tax rate (i.e., 55 percent under rates in effect for decedents dying in 1988) in effect at the time of the decedent's death. The section 2013 credit is available with respect to the estate tax, but with the limitations placed upon the credit under present law.

Conference Agreement

The conference agreement follows the Senate amendment and the House bill with respect to common provisions. In addition, the conference agreement contains the following modifications.

Under the conference agreement, the marital deduction is allowed for property passing to an alien spouse in a qualified domestic trust. Property passing outside the probate estate is treated as passing in a qualified domestic trust if transferred to such a trust before the estate tax return is due.

A qualified domestic trust must meet four conditions.

First, the trust instrument must require that all trustees be U.S. citizens or domestic corporations.

Second, the surviving spouse must be entitled to all the income (as determined under the terms of the governing instrument and applicable local law) from the property in the trust, payable annually or at more frequent intervals.

Third, the trust must meet the requirements of Treasury regulations prescribed to ensure collection of the estate tax imposed upon the trust. It is expected that the Treasury regulations will require that sufficient trust assets be subject to U.S. jurisdiction so as to ensure collection of estate tax with respect to the trust. The regulations might, for example, require that a portion of trust property to be situated in the United States or that the trustee be an institution with substantial U.S. assets.

Fourth, the executor must make an election with respect to the trust. This election must be made on the estate tax return and, once made, is irrevocable.

An estate tax is imposed upon corpus distributions from the trust made prior to the date of the surviving spouse's death and upon the value of property remaining in a qualified domestic trust upon the date of the surviving spouse's death. The tax is also imposed up on the trust property if a person other than a U.S. citizen or domestic corporation becomes a trustee of the trust or if the trust ceases to meet the requirements prescribed by the Secretary of the Treasury.

The amount of the estate tax is the additional estate tax which would have been imposed had the property subject to the tax been included in the decedent spouse's estate. If the estate tax for the decedent spouse's estate has not been finally determined,[1] a tentative tax is imposed using the highest estate tax rate in effect as of the date of the decedent's death. When the decedent spouse's estate tax liability is finally determined, the excess of the tentative tax over the additional estate tax which would have been imposed had the property been included in the decedent's estate tax is refundable.

The estate tax is due on the 15th day of the fourth month in the calendar year following the end of the taxable year in which the taxable event occurs. The trustee is personally liable for the estate tax, and may, under rules similar to section 2204, discharge his liability upon written application to the Secretary of the Treasury.

The tax imposed by this provision is treated as an estate tax with respect to the decedent spouse's estate. As such, it qualifies for the previously paid property tax, determined without regard to the date of the decedent spouse's death. In addition, there is a lien against property giving rise to such tax for ten years from the taxable event.

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[1] A tax is not finally determined for these purposes if, for example, the statute of limitations for the decedent spouse's estate tax has not lapsed, or judicial determination of such tax is pending. A tax may be finally determined by a closing agreement.

VI. RAILROAD UNEMPLOYMENT AND RETIREMENT PROVISIONS

A. Railroad Unemployment Amendments

Present Law

The Railroad Unemployment Insurance Act of 1938 established a separate unemployment compensation program for the rail industry. It imposes payroll taxes on railroads to finance benefits for unemployed railroad workers. The following tax and benefit provisions of present law would be amended by the Conference agreement:

(1) *Compensation base.*—$600 is the maximum monthly amount of earnings of each employee for purposes of computing the tax which supports the railroad unemployment program and for purposes of determining whether the employee has sufficient base year wages to qualify for benefits.

(2) *Tax rates.*—Railroad employers pay a uniform tax of 8 percent of the compensation base to support the railroad unemployment program. (The uniform rate can vary from year to year in a range of 0.5 to 8 percent, but has been at 8 percent since January 1, 1981.)

(3) Commuter railroads pay unemployment taxes on the same basis as other railroads.

(4) The administrative costs of the program are financed by a tax of 0.5 percent.

(5) In addition to other taxes, railroads now pay a special tax designed to repay the borrowings of the unemployment program from the railroad retirement program. This tax is 6 percent in 1988, 2.9 percent in 1989, and 3.2 percent in January-September of 1990. The tax is scheduled to expire after September 30, 1990.

(6) If there is any further borrowing by the unemployment program from the retirement program, a surtax of 3.5 percent would automatically go into effect. The surtax is not currently in effect.

(7) Present law has no waiting period for railroad unemployment benefits.

(8) Unemployment benefits are payable at a rate of $25 per day.

(9) To qualify for unemployment benefits, an individual must have earned at least $1,500 in creditable wages in the base year. (This the equivalent of 2.5 months under the present law compensation base of $600, and thus requires employment in at least 3 months of the base year.)

House Bill

No provision in H.R. 4333. (A separate House-passed bill—H.R. 2167—contains largely identical provisions to the Senate amendment except that the House bill's effective dates are generally one year earlier and certain differences noted below with respect to the numbered items.)

(1-6) No differences.

(7) H.R. 2167 provides for a 9-day waiting period for railroad unemployment benefits.

(8) No difference.

(9) H.R. 2167 requires approximately 6 months of qualifying employment in the base year.

Senate Amendment

(1) *Compensation base.*—Starting with 1989, the compensation base will be automatically increased each year by 2/3 of the rise in wage levels in the economy using the same index as applies to the social security tax base. Conforming changes are made to the definition of subsidiary remuneration, to the maximum annual benefit amount, and to the amount of earnings required to terminate a disqualification.

(2) *Tax rates.*—The tax rate will remain at 8 percent through 1990. Starting with 1991, the tax rate will begin to be based on an experience rating formula under which tax rates vary among employers according to the amount of benefits that have been paid to their employees. The experience rating system becomes fully effective starting in 1993. The computation of each employer's tax liability will be adjusted to cover benefit costs which cannot be allocated to individual employers or which are not fully covered because of an overall 12 to 12.5 percent cap on individual employer rates. Employers will be afforded an opportunity to appeal the award of benefits to their employees.

(3) For 1989 and 1990, public commuter railroads will be exempt from paying the 8 percent tax and will instead reimburse the unemployment system for the amount of benefits paid during the year to their employees. Starting in 1991, those railroads will again pay taxes on the same basis as other railroads.

(4) The tax to cover administrative costs is increased from 0.5 percent to 0.65 percent.

(5) The rate of the repayment tax is changed to 4 percent effective with 1989, and it stays in effect until all borrowing by the railroad unemployment system from the railroad retirement system prior to October 1, 1985 has been repaid with interest.

(6) The present law contingent surtax of 3.5 percent is eliminated starting in 1991. Instead, there will be a surcharge added to employers' unemployment taxes whenever the balance in the unemployment account as of the previous June 30 is less than $100 million. The surcharge rate will range from 1.5 to 3.5 percent depending on how low the balance has fallen.

(7) No benefits will be payable during the first 2-week registration period each year in which the individual has more than four days of unemployment. A similar rule will apply to sickness benefits. In effect, this provision represents a 2-week waiting period for unemployment and sickness benefits.

(8) Effective July 1, 1988, the daily unemployment benefit rate is increased to $30. Starting in July of 1989, this amount will be indexed by 2/3 of the growth of wages in the general economy using the same index that is used to increase the social security taxable wage base.

(9) The $1,500 base year earnings requirement is changed to a requirement of 2.5 times the indexed compensation amount. This has the effect of continuing to require employment in at least 3 months of the base year.

Conference Agreement

The conference agreement generally follows the Senate amendment with respect to the above items, except that the reporting date for the Railroad Retirement Reform Commission authorized under P.L. 100-203 would be extended one year from October 1, 1989 to October 1, 1990.

B. Railroad Retirement Provisions

Present Law

(1) Certain individuals retiring from railroad employment receive a severance payment which is subject to the tier II railroad retirement tax even though the individual gets no additional service-month credit because of that payment.

(2) Railroad retirement benefits (including spouses benefits) are not payable for months in which the retiree works for his or her last non-railroad employer.

(3) Disability annuitants lose benefits for any month in which they have earnings of more than $200 for the month and more than $2,400 for the year.

(4) Military service credit is given under the railroad retirement system to certain individuals previously in rail employment if their military service occurred in a war period. The period of June 15, 1948 to December 15, 1950 is not considered a war period.

House Bill

No provision in H.R. 4333. (A separate House-passed bill—H.R. 2167—contains largely identical provisions to the Senate amendment, except that the House bill's effective dates are generally one year earlier.)

Senate Amendment

(1) A lump-sum refund to employees will be made equal to the tier II taxes paid on severance payments which do not result in additional service-month credit. This applies to such payments made on or after January 1, 1985.

(2) The "last person service" rule is eliminated. Instead, tier II benefits are reduced by 50 percent of any earnings from the individual's last non-railroad employer. The total reduction in tier II plus supplemental benefits cannot be more than 50 percent.

(3) The earnings limit on disability annuities is increased to $400 for the month and $4,800 for the year. In determining these amounts, disability related work expenses are excluded.

(4) The June 15, 1948 to December 15, 1950 period is added to what is considered to be a war period in the case of individuals who returned to railroad employment in the year in which their military service ended or in the following year.

Conference Agreement

The conference agreement generally follows the Senate amendment.

C. Reports and Study

Present Law

No provision.

House Bill

No provision in H.R. 4333. (A separate House-passed bill—H.R. 2167—contains largely identical provisions to the Senate amendment.)

Senate Amendment

(1) The Railroad Retirement Board is directed to make annual reports to Congress on the status of the railroad unemployment insurance system. The annual reports are due by July 1 of each year, beginning in 1989.

(2) The Comptroller General is directed to conduct a study to determine the extent and impact of fraud and payment error in the railroad unemployment program. The report is due not later than one year after date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

VII. SOCIAL SECURITY AMENDMENTS; MEDICARE AND MEDICAID AMENDMENTS

A. Social Security Act Amendments

1. Interim benefits in cases of delayed final decisions

Present Law

If, upon appeal, an individual receives an unfavorable determination regarding disability benefits from an Administrative Law Judge (ALJ), he or she may appeal the ALJ's decision to the Social Security Administration's Appeals Council. If, on the other hand, the individual receives a favorable determination from the ALJ, the Appeals Council may review the determination on its "own motion". No disability benefits are paid while a case is under review by the Appeals Council.

House Bill

In any disability case under Title II or Title XVI of the Social Security Act in which an ALJ has made a decision favorable to the individual and the Appeals Council has not rendered a final decision within 110 days, interim benefits would be provided to the individual. (Delays in excess of 20 days caused by or on behalf of the claimant would not count in determining the 110 day period.) These benefits would begin with the month before the month in which the 110-day period expired, and would not be considered overpayments if the final decision were adverse, unless the benefits were fraudulently obtained.

The provision would be effective with respect to favorable ALJ decisions made 180 days or more after enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

2. Application of earnings test in year of individual's death

Present Law

A social security beneficiary under age 70 with earnings in excess of certain thresholds is subject to a $1 reduction in benefits for every $2 earned over the exempt amount. The annual exempt amount under the earnings test is lower for beneficiaries under age 65 than for those 65-69. In 1988, the exempt amount for those under age 65 is $6,120, and the age 65-69 exempt amount is $8,400. The higher exempt amount is applicable in the year a beneficiary reaches age 65.

If a beneficiary dies, the annual exempt amount applicable at the time of death is prorated based on the number of months that he or she lived during the year. In addition, the lower exempt amount applies if a beneficiary dies before his or her birthdate in the year the beneficiary would have turned 65. Thus, overpayments can occur when beneficiaries die unexpectedly and the thresholds on earnings are lower than anticipated.

House Bill

The annual exempt amount would not be prorated in the year of death. In addition, the higher annual exempt amount for beneficiaries age 65-69 would apply to people who die before their birthdate in the year that they otherwise would have attained age 65.

The provision would be effective with respect to deaths after the date of enactment.

Senate Amendment

No provision.

Conference Report

The conference agreement follows the House bill.

3. Phase-out of reduction in "windfall" benefit

Present Law

Under the "windfall" benefit provision of the Social Security Amendments of 1983, social security benefits are generally reduced for workers who also have pensions from work that was not covered under social security (e.g., work under the Federal Civil Service Retirement System). Under the regular, weighted benefit formula, benefits are determined by applying a set of declining percentages to average indexed monthly earnings. For workers who reach age 62 in 1988, a worker's basic benefit is equal to 90 percent of the first $319 of average indexed monthly earnings, 32 percent of earnings from $319 through $1,922, and 15 percent of earnings above $1,922. The formula applicable to those with pensions from noncovered employment substitutes a rate of 40 percent for the 90-percent rate in the first bracket. (The second and third factors of the formula remain the same.) The resulting reduction in the worker's social security benefit is limited to one-half the amount of the noncovered pension. The new law is being phased in over a 5-year period, beginning with those persons first eligible for social security benefits in 1986.

Workers who have 30 years or more of substantial social security coverage are fully exempt from this treatment. For workers who have 26-29 years of coverage, the percentage in the first bracket in the formula increases by 10 percentage points for each year over 25, as illustrated below:

Years of social security coverage	*First factor in formula (percent)*
25 or fewer	40
26	50
27	60
28	70
29	80
30 or more	90

House Bill

The years of social security coverage required in order for an individual to be exempt from the windfall benefit formula would be lowered from 30 to 25 years. Similarly, the years of coverage at which the formula gradually takes effect would be scaled back, as illustrated below:

Years of social security coverage	*First factor in formula (percent)*
20 or fewer	40
21	50
22	60
23	70
24	80
25 or more	90

The provision would be effective for benefits payable for months after December 1988.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, except that the reduction would be phased out in five percent increments between 20 and 30 years of coverage, as follows:

Years of social security coverage	*First factor in formula (percent)*
20 or fewer	40
21	45
22	50
23	55
24	60
25	65
26	70
27	75
28	80
29	85
30 or more	90

4. Denial of benefits to individuals deported or ordered deported on the basis of association with the Nazi government of Germany during World War II

Present Law

People who are deported for violating specified provisions of the Immigration and Nationality Act lose their social security benefits. The list of provisions for which people are denied benefits does not, however, include paragraph 19 of that Act. Paragraph 19, which was added to the Immigration and Nationality Act of 1978, pertains to people deported for certain activities in association with the Nazi government of Germany during World War II.

House Bill

Benefits to individuals deported as Nazi war criminals under paragraph 19 of the Immigration and Nationality Act would be terminated.

The provision would apply only in the case of deportations occurring and final orders of deportation issued, on or after the date of enactment, and only with respect to benefits beginning on or after such date.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Amendment

The conference agreement follows the House bill and the Senate amendment.

5. Modification in the term of office of public members of the Social Security Boards of Trustees

Present Law

The Boards of Trustees of the Social Security Trust Funds are composed of the Secretaries of the Treasury, Labor, Health and Human Services, and two members of the public. The members of the public are nominated by the President and confirmed by the Senate. The law specifies that their term of service is for four years, but is otherwise silent on the length of term for a public member appointed to fill a vacancy before the end of his or her term. The law is likewise silent on whether a public member is permitted to serve after the expiration of his or her term until a successor has taken office.

House Bill

A public member appointed to fill a vacancy occurring before the end of a term would be appointed only for the remainder of such term. A public member, whether appointed for a full term or appointed to fill an unexpired term, would be permitted to serve after the expiration of that term until a successor had taken office.

The provision would be effective upon enactment.

Senate Amendment

The Senate amendment is similar to the House bill, except that a trustee could serve beyond the expiration of his or her term only until the earlier of the issuance of the next report of the Boards of Trustees or the date on which a successor takes office.

Conference Agreement

The conference agreement follows the Senate amendment.

6. Continuation of disability benefits during appeal

Present Law

A disability insurance beneficiary who is determined to be no longer disabled may appeal the determination sequentially through three appellate levels within the

Social Security Administration (SSA): a reconsideration, usually conducted by the State Disability Determination Service that rendered the initial unfavorable determination; a hearing before an SSA Administrative Law Judge (ALJ); and a review by a member of SSA's Appeals Council.

The beneficiary has the option of having his or her benefits continued through the hearing stage of appeal. If the earlier unfavorable determinations are upheld by the ALJ, the benefits are subject to recovery by the agency. (If an appeal is determined to be in good faith, benefit repayment may be considered for waiver.) Medicare eligibility is also continued, but medicare benefits are not subject to recovery.

The Omnibus Budget Reconciliation Act of 1987 extended this provision for one year. The Act authorized the payment of interim benefits to persons in the process of appealing termination decisions made before January 1, 1989. Such payments may continue through June 30, 1989 (i.e., through the July 1989 check).

House Bill

The period in which disability benefits may be paid, and medicare eligibility continued, while an appeal is in progress would be extended for one additional year. Upon application by the beneficiary, benefits would be paid while an appeal is in progress with respect to unfavorable determinations made on or before December 31, 1989, and would be continued through June 1990 (i.e., through the July 1990 check).

The provision would be effective with respect to unfavorable decisions made on or before December 31, 1989.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

7. Extend social security exemption for members of certain religious faiths

Present Law

Self-employed workers may claim an exemption from social security coverage if they are members of a religious sect or division that is conscientiously opposed to the acceptance of public or private insurance benefits, if they have waived all benefits under Titles II and XVIII, and if the sect or division has been in existence since December 31, 1950, and provides for the care of its dependent members (e.g., the Amish). Employees who belong to such religious sects, however, are required to participate in social security.

House Bill

The provision would extend the current-law treatment of the self-employed to their employees in cases where both the employee and the employer are members of a qualifying religious sect or division. The optional exemption would apply to both the employer and employee portion of the tax.

The provision would apply to taxable years beginning on or after January 1, 1989.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

8. Blood donor locator service

Present Law

Government agencies may require individuals to furnish social security numbers (SSNs) only for certain specified purposes. States are authorized to require SSNs to administer tax, public assistance, drivers' license and motor vehicle registration laws.

House Bill

States or authorized blood donation facilities (those licensed or registered with the Food and Drug Administration, such as the Red Cross) would be permitted to require donors to furnish SSNs. The Secretary of Health and Human Services (HHS) would be required to establish and operate a Blood Donor Locator Service, under the direction of the Commissioner of Social Security, to be used to obtain and transmit the most recent mailing address of any blood donor whose blood shows that he or she may be carrying the virus for acquired immune deficiency syndrome (AIDS), for the sole purpose of informing the blood donor of the possible need for medical care and treatment.

The provision would permit access to the address information only to State agencies and blood donation facilities meeting requirements for confidentiality and security.

The Secretary of HHS would be required to establish the Blood Donor Locator Service no later than 180 days after the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

9. Payment of lump-sum death benefits to legal representatives of widows and widowers who die before receiving payment

Present Law

A lump-sum death payment of $255 is payable on the death of an insured worker to a surviving spouse who is living with the worker at the time of the worker's death. If there is no such spouse, then the benefit is payable to a surviving spouse who is eligible for benefits as a widow(er), mother, or father at the time of the worker's death. If there is no eligible spouse, the lump-sum death payment is payable to a child of the deceased worker who was eligible to receive benefits on the deceased's earnings record at the time of the worker's death. If the widow(er) dies before making application for the lump-sum payment or before negotiating the benefit check, no lump-sum death benefit is payable.

House Bill

The provision would permit the legal representative of the estate of a deceased widow(er) to claim the lump-sum payment in cases in which the otherwise eligible widow(er) dies before having both received and negotiated such payment. Where the legal representative of the estate is a State or political subdivision of a State, the lump-sum benefit would not be payable.

The provision would be effective with respect to deaths of widow(er)s occurring on or after January 1, 1989.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House provision.

10. Requirement of social security number as a condition for receipt of social security benefits

Applicants for social security benefits are not required to have social security numbers (SSNs) in order to receive benefits. The absence of an SSN for auxiliary and survivor beneficiaries hampers monitoring which might detect duplicate benefit payments, unreported earnings, or entitlement to other benefits.

The SSA currently requests that applicants voluntarily provide their SSNs. Under Federal law, recipients of Aid to Families with Dependent Children, Supplemental Security Income, and Veterans' Assistance benefits are currently required to provide their SSNs in order to receive benefits under those programs.

House Bill

Individuals would be required to have an SSN in order to receive social security benefits. Those lacking an SSN would be required to apply for one. Beneficiaries currently on the rolls would not be subject to this requirement.

The provision would be effective with respect to benefit entitlements commencing after the sixth month following the month of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

11. Substitution of certificate of election for application to establish entitlement for certain reduced widow's and widower's benefits

Present Law

An individual who (1) is receiving a combination of a reduced spouse's benefit and either retirement or disability benefits on his or her own record and (2) is between the ages of 62 and 65 when his or her spouse dies, must file an application to receive reduced widow(er)'s benefits.

Those who are over age 65 when the worker dies and who are receiving spouses' benefits or those age 62-65 when the worker dies who are not entitled to their own retirement or disability benefits may receive reduced widow(er)s' benefits by filing a certificate of election rather than an application.

An application for a reduced widow(er)'s benefit is generally not effective for months before the month of filing. Thus, a break in entitlement could occur if the application were not filed in a timely fashion.

House Bill

An individual who is receiving both a reduced spouse's benefit and a retirement or disability benefit and who is between the ages of 62 and 65 when his or her spouse dies, could receive a reduced widow(er)'s benefit by filing a certificate of election. A certificate of election would be effective for up to 12 months before it is filed.

The provision would be effective with respect to benefits payable based on the record of individuals who die after the month of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

12. Calculation of windfall benefit guarantee amount based on pension amounts payable in the first month of concurrent entitlement rather than concurrent eligibility

Present Law

Under the windfall benefit provision, a special formula is used to compute the social security benefits of workers who are also eligible for pensions based on noncovered employment. The "windfall guarantee" assures that the resulting reduction in the social security benefit will not exceed one-half of the amount of the noncovered pension. The amount of the noncovered pension used in this calculation is the amount payable in the first month the individual is *eligible* for both the pension and social security (i.e., the first month he or she could receive both of these benefits if he or she applied for them—the month of "concurrent eligibility"). This amount is used regardless of whether the individual actually receives (i.e., is *entitled* to) the benefits at that time.

To compute an individual's benefits, the Social Security Administration must ask the individual's pension administrator to determine the pension amount that would have been payable at the date of first concurrent eligibility for both the pension and social security (usually age 62) regardless of the pension amount which the person will actually receive upon entitlement. Processing delays and errors can occur when pension administrators make this fictitious computation of the pension amount.

House Bill

The amount of the pension considered when determining the windfall guarantee would be the amount payable in the first month of concurrent *entitlement* to both social security and the pension from noncovered employment.

The provision would be effective for benefits based on applications filed after the month in which this Act is enacted.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

13. Consolidation of reports on continuing disability reviews

Present Law

The Secretary of Health and Human Services is required to make two types of reports on continuing disability reviews to the Senate Committee on Finance and House Committee on Ways and Means. The first is a semiannual report on the results of continuing disability reviews. The second is an annual report on the appropriate number of disability cases to be reviewed in each State.

House Bill

The frequency of the report on the results of continuing disability reviews would be changed from semiannual to annual.

The provision would be effective with respect to reports required to be submitted after the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment. The conferees intend this change to allow the two reports on continuing disability reviews to be consolidated into one annual report to the Senate Committee on Finance and the House Committee on Ways and Means. The conferees also intend that this report remain separate from the Social Security Administration's Annual Report to the Congress.

14. Exclusion of employees separated from employment before January 1, 1989, from rule including as wages taxable under FICA certain payments for group-term life insurance

Present Law

The Omnibus Budget Reconciliation Act of 1987 required the cost of employer-provided group-term life insurance to be included in wages for FICA tax purposes if it is includible for income tax purposes. Under current law, it is includible for income tax purposes to the extent that coverage exceeds $50,000.

House Bill

Group-term life insurance provided to individuals who separated from service before January 1, 1989 would be excluded from FICA tax.

The provision would be effective with respect to separations from service before January 1, 1989.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

15. Treatment of earnings of corporate directors

Present Law

The Omnibus Budget Reconciliation Act (OBRA) of 1987 provides that corporate directors' earnings shall be treated as received when earned, regardless of when actually paid, for purposes of both the social security tax and the social security retirement test. Prior to OBRA, because corporate directors' earnings were treated as self-employment income, directors were able to defer the impact of FICA taxation and avoid benefit reductions from the retirement test by deferring receipt of earnings until reaching age 70.

House Bill

The portion of the 1987 OBRA provision that treats directors' earnings as received when earned, and thus taxable for social security purposes, would be repealed. Directors' earnings would be treated as received when earned only for purposes of the social security retirement test.

The provision would be effective as if it had been included in OBRA of 1987 at the time of its enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House provision.

16. Clarification of applicability of government pension offset to certain Federal employees

Present Law

Social security benefits payable to spouses of retired, disabled, or deceased workers are reduced to take account of any public pension the spouse receives as a result of work in a government job not covered by social security. The amount of the reduction is equal to two-thirds of the government pension.

Generally, Federal workers hired before 1984 are part of the Civil Service Retirement System (CSRS) and are not covered by social security. Most Federal workers hired after 1983 are covered by the Federal Employees' Retirement System Act of 1986 (FERS), which includes coverage by social security. The FERS law provided that workers covered by the CSRS could, from July 1, 1987 through December 31, 1987, make a one-time election to join FERS. Because the law generally provides that the offset does not apply to workers whose government job is covered by social security on the last day of the person's employment, a CSRS employee who switched to FERS during this period immediately became exempt from the government pension offset. This exemption, however, was only available if the election to change to FERS actually took effect prior to the date of the individual's retirement. The Omnibus Budget Reconciliation Act (OBRA) of 1987 provided that employees who elect to join FERS during any election period which may occur after 1987 would be exempt only if they have five or more years of Federal service covered by social security after June 30, 1987.

House Bill

The House bill would provide that any employee who elected FERS on or before December 31, 1987 would be exempt from the government pension offset even if that person retired from government service before their FERS coverage became effective.

In addition, the provision would make it clear that the 1987 OBRA provision applies not only to Federal employees who join FERS by electing to become subject to chapter 84 of title 5, United States Code, but also to foreign service employees who join FERS by electing to become subject to chapter 22 of title 1, United States Code.

The provision would be effective as if it had been included in OBRA of 1987 at the time of its enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

17. Clarification regarding social security coverage for certain civil servants

Present Law

(1) The Social Security Amendments of 1983 provided mandatory social security coverage for presidential appointees as well as the President, Members of Congress, Federal judges, and certain executive level civil servants. However, section 205(p) of the Social Security Act provides that the Secretary of Health and Human Services (HHS) shall accept the determination of the head of a Federal agency as to whether a Federal employee has performed service, as to the periods of such service, and as to the amount of remuneration which constitutes wages. The Office of Personnel Management (OPM) has interpreted this section to mean that a Federal agency may determine whether or not an employee's service constitutes social security covered employment. Because the civil service statute permits career Senior Executive Service (SES) employees to retain their pay, rank, and retirement plan when they move to a presidential appointment, OPM has interpreted section 205(p) to mean that such individuals may avoid social security coverage despite the coverage provisions of the 1983 Social Security Amendments (while retaining coverage under the old Civil Service Retirement System).

(2) When an individual accepts a mandatorily covered Federal job and subsequently returns to his or her previous job or another noncovered Federal job, he or she loses social security coverage.

House Bill

(1) The House bill would clarify that the Secretaries of HHS and Treasury, not the

head of any other Federal agency, have the authority to make the final determination as to whether an individual's services constitute social security covered employment, including those of presidential appointees.

(2) In addition, the House bill would clarify that any civil servant who becomes covered by social security as a result of taking a mandatorily covered Federal job would retain social security coverage in any subsequent Federal job.

The first provision would be effective with respect to determinations relating to service commenced in any position on or after the date of enactment; the second provision would be effective with respect to service performed on or after the date of enactment in a position mandatorily covered by social security.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

18. Technical corrections in OASDI provisions

Present Law

There are miscellaneous minor and technical errors in the current OASDI provisions.

House Bill

The House bill makes minor and technical revisions in OASDI provisions.

The provisions generally would be effective upon enactment, except for certain provisions that would be effective as if included in the relevant public law at the time of its enactment.

Senate Amendment

The Senate amendment includes similar minor and technical revisions.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with technical changes.

19. National Academy of Social Insurance

Present Law

No provision.

House Bill

No provision.

Senate Amendment

The Senate amendment provides a Federal charter for the National Academy of Social Insurance (a tax-exempt corporation, organized and incorporated under the laws of the District of Columbia), with the objects and purposes of: (1) promoting an informed and nonpartisan study of, and education with respect to, social insurance; (2) bringing together experts with diverse backgrounds to consider social insurance in a interdisciplinary way; (3) assisting in the development of social insurance scholars and administrators; (4) encouraging research and studies on topics of relevance to social insurance; and (5) sponsoring seminars and other public meetings.

The National Academy of Social Insurance is to report on its activities to Congress annually.

The provision would be effective upon enactment.

Conference Agreement

The conference agreement does not include the Senate provision.

20. Exemption from FICA tax for certain agricultural workers

Present Law

Cash wages paid by an employer to an employee for agricultural labor in any calendar year are subject to FICA tax if (1) the employee received cash remuneration of at least $150, or (2) the employer pays more than $2,500 to all employees for such agricultural labor during the taxable year.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, wages paid to an employee who receives less than $150 in annual cash remuneration by an agricultural employer would not be subject to FICA tax even if the employer pays more than $2,500 in the year to all employees, provided the employee: (1) is employed in agriculture; (2) is a hand harvest laborer; (3) is paid on a piece-rate basis; (4) is paid piece-rates in an operation which has been, and is customarily and generally recognized as having been paid on a piece-rate basis in the region of employment; (5) commutes daily from his or her permanent residence to the farm on which he or she is so employed; and (6) has been employed in agriculture less than 13 weeks during the preceding calendar year. These criteria are the same as those specified in section 13(a)(6)(C) of the Fair Labor Standards Act. The remuneration paid to employees exempt under this provision would nevertheless count toward the $2,500 test for purposes of determining the coverage of employees who do not meet the conditions for exemption under this provision.

The provision would be effective as if included in the amendments made by section 9002 of the Omnibus Budget Reconciliation Act of 1987 (i.e., for remuneration for agricultural labor paid after December 31, 1987.)

Conference Agreement

The conference agreement follows the Senate amendment with technical modifications.

21. Certain employer pension contributions not included in FICA wage base

Present Law

The 1983 Social Security Amendments provided that the payment by a State or local employer of employee contributions under a State or local retirement plan would be treated as wages subject to employment taxes (FICA and FUTA). The Deficit Reduction Act of 1984 modified this provision to allow the exclusion from wages for employment tax purposes of any amounts paid by a State or local employer of employee contributions pursuant to a State "pick-up" plan unless the pickups were made pursuant to a salary reduction agreement. On the basis of the 1984 Act, some States established pick-up plans after obtaining letter rulings from the Internal Revenue Service to the effect that the pickups would not be considered wages for employment purposes. A subsequent review of the issue, in the light of statement of managers language in the conference report on the 1984 Act, led the Internal Revenue Service to reverse its position and to revoke the earlier letter rulings. In revoking the earlier letter rulings, the IRS indicated that the States affected could apply for relief from liability for employment taxes on the pickups with respect to the retroactive period prior to the revocation of the letter ruling.

House Bill

No provision.

Senate Amendment

The Senate amendment would relieve State or local governments from FICA tax liability for employer "pickups" subsequent to the effective date of the 1984 Act to the extent that the State did not pay the FICA taxes in good faith reliance on a letter ruling of the Internal Revenue Service.

The relief would apply only to pickups for which FICA taxes were not paid and only for the period ending with the earlier of the date of enactment of this provision or the receipt by the State or local government from the IRS of a notice of revocation of the letter ruling.

Conference Agreement

The conference agreement follows the Senate amendment, with technical modifications.

22. Required use of consumer price index for urban consumers by Federal officers or agencies in determining certain cost-of-living increases

Present Law

In determining cost-of-living adjustments (COLAs) in amounts of benefits or allowances in several Federal programs (including Social Security, supplemental security income (SSI), and railroad retirement), the administering agency uses the Consumer Price Index for Urban Wage Earners and Clerical Workers, i.e., CPI-W. With respect to Social Security, SSI, and railroad retirement, COLAs are based on the percentage change in the CPI-W, measured from the average of the third quarter of one year to the average of the third quarter of the succeeding year.

House Bill

No provision.

Senate Amendment

Any Federal officer or agency that administers a Federal program that provides benefits or allowances which are adjusted periodically in consonance with the consumer price index would be required to use the Consumer Price Index for Urban Consumers, i.e., CPI-U.

The provision would not apply to a COLA formula which has been negotiated between any private or public (i.e., State or local government) employer and any labor union or employee association, nor to present or future actions relating to rights, benefits, or obligations between individuals, businesses, and State and local governments.

The provision would apply to any Federal cost-of-living adjustment payable in any month beginning on or after December 1, 1989.

Conference Agreement

The conference agreement does not include the Senate provision.

23. Report regarding disability applications involving AIDS related complex (ARC)

Present Law

No provision.

House Bill

No provision.

Senate Amendment

The Department of Health and Human Services would be required to report to the Committee on Ways and Means and the Committee on Finance concerning applications for social security disability benefits by persons with AIDS related complex (ARC).

The report would indicate the number of applications approved, denied (by reason for denial), and reversed on appeal for fiscal years 1988, 1987, and, to the extent feasible, 1986. Denial and allowance rates would be provided on a State and regional basis to the extent feasible. The report would also describe the criteria, guidelines and other information used to determine the eligibility of applicants suffering from ARC (including copies of relevant SSA documents), as well as information on any modifications in these criteria and guidelines which are under consideration. The cost of benefits for such persons during the years in question and projected costs for the coming three years would also be reported. Finally, a report would be required on what arrangement, if any, exists for coordination between the Social Security Administration and State disability insurance programs to make individuals with ARC aware of the benefits which may be available to them under Federal and State programs.

The provision would be effective upon enactment and the required report due no later than six months thereafter.

Conference Agreement

The conference agreement follows the Senate amendment.

B. Public Assistance Provisions

1. Moratorium on emergency assistance and AFDC special needs regulations

Present Law

States may operate an emergency assistance program for needy families with children (whether or not eligible for AFDC), if the aid is needed to avoid the child's destitution or to provide living arrangements in a home for the child. The law authorizes 50-percent Federal matching funds for emergency assistance "furnished for a period not in excess of 30 days in any 12-month period." Current regulations state that Federal matching funds are available for emergency assistance "which the State authorizes during one period of 30 consecutive days in any 12 consecutive months, including payments which are to meet needs which arose before such 30-day period or are for such needs as rent which extend beyond the 30-day period."

Current AFDC regulations also allow States to include in their standards of need provision for meeting "special needs" of applicants and recipients. The State plan must specify the circumstances under which such payments will be made.

On December 14, 1987, the Department of Health and Human Services published in the *Federal Register* a proposed regulation that would have restricted use to AFDC emergency assistance funds for homeless families and limited States' authority to make payments for special needs to AFDC recipients. The proposed rules would have prohibited emergency assistance to cover needs over a period in excess of 30 days per year (permitting aid only "to meet the actual expense of needs in existence" during the 30-day period). The proposed rules also would have forbidden the States to include in their standard of need, as a special or basic need, an amount for shelter varied according to the type of housing (for example, house vs. hotel).

The Omnibus Budget Reconciliation Act of 1987 (P.L. 100-203) established a moratorium under which the Secretary of Health and Human Services was directed not to implement the proposed regulations or otherwise modify current policy regarding the subject of those regulations before October 1, 1988.

House Bill

No provision in H.R. 4333. (A separate House-passed bill—H.R. 4352—has a provision identical to the Senate amendment.)

Senate Amendment

The Senate amendment extends the moratorium on changing current policy regarding emergency assistance and special needs for homeless families to October 1, 1989.

Conference Agreement

The conference agreement follows the Senate amendment.

2. Disregard of certain housing assistance for SSI recipients

Present Law

Under the SSI program, assistance is provided to needy, aged, blind, and disabled persons to bring their income up to certain amounts set in Federal and State law. In determining eligibility and benefit amount, all income of an individual is taken into account unless it is specifically excluded by law.

For SSI purposes, housing aid provided under the United States Housing Act of 1937 is excluded from consideration as income or resources. The Housing and Community Development Act of 1987 (P.L. 100-242) transferred the authorization of housing assistance for the nonelderly disabled from the United States Housing Act of 1937 to the Housing Act of 1959, effective for projects developed and contracts made with funds appropriated after enactment. P.L. 100-242 did not, however, specifically exclude the consideration of this assistance as income or resources to SSI applicants or recipients under the newly-amended Housing Act of 1959.

House Bill

The House bill amends section 1612(b) of the Social Security Act to exclude from consideration as income or resources of SSI applicants or recipients assistance provided for housing under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, Title V of the Housing Act of 1949, and section 202(h) of the Housing Act of 1959.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Moratorium on AFDC quality control sanctions

Present Law

Current law prescribes fiscal sanctions (withholding of some program matching funds) for State AFDC payment error rates that exceed tolerances. The law sets the tolerance level at 3 percent for the 50 States and the District of Columbia; regulations set the level at 4 percent for Guam, the Virgin Islands, and Puerto Rico. Fiscal sanctions have been assessed for past erroneous excess payments, but not collected. The Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272) prohibits the Department of Health and Human Services, until July 1, 1988, from reducing AFDC payments to States for excess errors identified by the AFDC quality control system. COBRA also required that two studies be undertaken (by the National Academy of Sciences and the Secretary of Health and Human Services) to examine how best to operate the quality control system so as to improve program administration and provide reasonable data on which to base sanctions. Both studies were completed in early 1988.

House Bill

The House bill extends the moratorium on collection of quality control disallowances for 1 year, until July 1, 1989, and requires the Secretary of Health and Human Services to submit recommendations for improving the quality control system by February 15, 1989.

The House bill provides that during the moratorium:

(1) The Secretary of Health and Human Services and the States shall continue to operate the AFDC quality control systems and to calculate error rates (maintaining the waiver request and review processes).

(2) The Departmental Grant Appeals Board shall continue to review disallowances (for fiscal year 1981 and thereafter) and to hear appeals, but collection of disallowances owed as a result of Board decisions "shall not occur."

The provision is effective on July 1, 1988.

Senate Amendment

No provision in H.R. 4333. (However, a similar extension of the moratorium to July 1, 1989, is included in H.R. 1720, the Family Support Act of 1988, P.L. 100-485.)

Conference Agreement

The conference agreement follows the Senate amendment (i.e., does not include the provision, as it is included in P.L. 100-485).

4. AFDC foster care independent living initiatives

Present Law

The Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272) authorized funds on an entitlement basis for State independent living programs, for fiscal years 1987 and 1988, to help AFDC foster care children aged at least 16 make the transition to independence.

Eligible are children receiving assistance under the Title IV-E foster care program, which provides Federal aid for foster care maintenance payments. Title IV-E assistance is limited to those foster care children who would have been eligible for AFDC before they were removed from their home and placed in foster care.

The Secretary of Health and Human Services is required to submit a report on the program to Congress by July 1, 1988. States are required to submit reports on their programs to the Secretary not later than March 1988. The law provided $45 million in entitlement funds for the program in each of the two fiscal years (1987 and 1988), but States did not begin receiving funds until July 1987.

House Bill

The House bill extends authority for State independent living initiatives for foster care children for 1 year, through fiscal year 1989, with funding of $45 million.

The House bill also makes the following changes:

(1) Permits States to spend fiscal year 1987 carry-over funds in fiscal year 1989.

(2) Permits States to use program funds for services for two additional groups of children: any or all children in foster care who are at least age 16 (including those not receiving maintenance payments under Title IV-E) and, for up to 6 months after foster care payments or foster care ends, for children previously in foster care and whose care or payments ended on or after they attained age 16.

(3) Prohibits use of program funds for provision of room and board.

(4) Modifies the definition of case review under Title IV-E to clarify that the 18-month dispositional hearing must include a determination of the services needed to assist a child who has reached 16 make the transition from foster care to independent living.

(5) Requires each State to submit a report on the program by January 1, 1989 to the Secretary of HHS. Requires the Secretary to report to Congress on the program by March 1, 1989.

The authority for States to include non-AFDC foster care children in the independent living program and the prohibition on use of funds for room and board are effective on enactment. The remaining provisions are effective on October 1, 1988.

Senate Amendment

The Senate amendment is the same as the House bill, with the proviso that the funds have been appropriated. (Appropriations have been enacted for fiscal year 1989.)

Conference Agreement

The conference agreement follows the House bill, modified to require States to submit a report to the Secretary by February 1, 1989 rather than January 1, 1989.

C. Provision Regarding Report of National Commission on Children: Delay in Commission's Reporting Date

Present Law

The National Commission on Children, authorized under the Omnibus Budget Reconciliation Act of 1987 (P.L. 100-203), is required to study and issue a final report by March 30, 1989 (and an interim report on September 30, 1988) with recommendations regarding health of children, social and support services for children and their parents, education, income security, and tax policy. The Commission is composed of 36 members, with 12 members each appointed by the President, the President pro tempore of the Senate, and the Speaker of the House. No fiscal year 1988 funds were appropriated for the Commission.

House Bill

No provision.

Senate Amendment

Because of the delay in funding for the Commission, the Senate amendment postpones the reporting dates for 1 year. Thus, the interim report would be due September 30, 1989, and the final report would be due March 31, 1990.

Conference Agreement

The conference agreement follows the Senate amendment, modified to require an interim report by March 31, 1990, and a final report by September 30, 1990.

D. Unemployment Compensation Provisions

1. Due dates for self-employment demonstration projects for unemployment compensation beneficiaries

Present Law

The Omnibus Budget Reconciliation Act of 1987 (P.L. 100-203) authorized demonstration projects in three States to make available "self-employment allowances" that unemployment compensation claimants could use to set up a business. The allowances are equal in amount and duration to the participant's regular or extended unemployment compensation benefits; but participants are not subject to the usual requirement that they be available to work for another employer.

Current law requires two reports to Congress on these projects. An interim report is due no later than 2 years after the date of enactment (December 21, 1987), and a final report is due no later than 4 years after enactment.

House Bill

The House bill extends the due dates for reports on the projects. It requires the interim report to be submitted no later than 3 years after the date of enactment of P.L. 100-203 (i.e., by December 21, 1990); the final report, no later than 6 years after enactment of P.L. 100-203 (i.e., by December 21, 1993).

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

2. Exemption of certain religious schools from Federal unemployment tax

Present Law

Section 3304(a)(6)(A) of the Federal Unemployment Tax Act (FUTA) requires States to cover under their unemployment compensation law certain nonprofit organizations. There are two exceptions from this required coverage, for services performed in the employ of: (1) a church, or convention, or association of churches; or (2) an organization which is operated primarily for religious purposes and which is operated, supervised, controlled or principally supported by a church or convention or association of churches.

House Bill

No provision.

Senate Amendment

The provision amends the Internal Revnue Code to provide another exception from mandatory participation for service performed in the employ of an elementary or secondary school which meets certain requirements. To qualify for such exemption, the elementary or secondary school must be: (1) operated primarily for religious purposes, (2) described in section 501(c)(3), and (3) exempt from tax under section 501(a). The provision applies to services performed after December 31, 1988.

Conference Agreement

The conference agreement follows the House bill (i.e., no provision).

E. Medicare and Medicaid Amendments

1. Medicare provisions

Present Law

Title XVIII of the Social Security Act is the basic statutory authority for the Medicare program.

Title XVIII has recently been amended by provision of the Omnibus Budget Reconciliation Act of 1986 (OBRA 86), the Omnibus Budget Reconciliation Act of 1987 (OBRA 87), and the Medicare Catastrophic Coverage Act of 1988.

House Bill

No provision.

Senate Amendment

The Senate amendment contains several minor and technical amendments to the authority for the Medicare program.

Provisions Relating to Part A of Medicare

(a) The provision of the Medicare Catastrophic Coverage Act of 1988 regarding payment for hospitals exempt from the prospective payment system would be clarified.

(b) The provision of OBRA 87 regarding revision of standards for including a rural county in an urban area would be amended.

(c) The provision of the Medicare Catastrophic Coverage Act of 1988 regarding demonstration projects with respect to chronic ventilator-dependent units in hospitals would be amended to clarify that the Secretary is required to conduct at least five demonstration projects for at least three years each.

(d) The provision of OBRA 87 regarding personnel policy for Prospective Payment Assessment Commission employees would be amended to clarify that the provision of OBRA 87 is effective only for employees hired on or after December 22, 1987. Employees hired before that date could make a one-time election to be covered by the OBRA 87 policy or by policies previously in effect.

Provisions Relating to Parts A and B of Medicare

(a) Any HOM with increased costs due to the recent clarification of the benefit eligibility criteria for extended care would be allowed to submit a revised adjusted community rate for 1988.

(b) The provision of OBRA 86 regarding a program of research on patient outcomes would be amended to increase the authorization for fiscal year 1989 to $10 million and to provide an authorization of $20 million for fiscal year 1990 and of $30 million for fiscal year 1991.

(c) The provision of OBRA 87 regarding rural health policy would be amended to require a grant program on rural health, to authorize $3 million per year for each of fiscal years 1989, 1990, and 1991, and to create a national committee on rural health.

Provisions Relating to Part B of Medicare

(a) Clinical labs would be offered an option of being paid on a per mile or a flat fee basis for specimen collection costs.

(b) The provision of OBRA 86 providing budget neutrality for the fee schedule for certified registered nurse anesthetists would be clarified by specifying that the comparison between payment levels under the fee schedule and the 1986 reimbursement rules for payment of medical direction and CRNA services should take coinsurance into account on both sides of the equation.

(c) The provision of OBRA 87 providing coverage for certified nurse midwife services would be clarified to indicate that coverage is not limited to services provided during the maternity cycle.

(d) The provision of OBRA 87 providing coverage for services provided by psychologists in community mental health centers would be extended to services necessarily provided off-site as part of a treatment plan.

(e) The amendment would authorize payment for registered nurses providing services as surgical assistants subject to several conditions.

(f) Medicare policies regarding certification of physical therapy and occupational therapy providers would be amended.

(g) The moratorium on competitive bidding demonstrations for clinical lab services extended in OBRA 87 would be extended for an additional year.

(h) The Secretary would be authorized to pay for a medical escort or attendant on commercial air flights where such flights are covered as ambulance services.

Conference Agreement

The conference agreement follows the Senate amendment with an amendment as follows:

Provisions Relating to Part A of Medicare

(a) The authority for disproportionate share payments is extended to September 30, 1995.

(b) The provision of OBRA 87 regarding continuation of bad debt recognition is clarified.

With respect to criteria for what constitutes a reasonable bad debt collection effort, the conferees are concerned about recommendations made by the Inspector General of HHS subsequent to August 1, 1987, and actions which may be taken by the Secretary in response to those recommendations, regarding the bad debt collection policies followed by certain hospitals.

The Inspector General's recommendations, for example, recommendations concerning the extent of documentation required to demonstrate indigency and the provider's responsibility regarding a decision to use a collection agency for Medicare bad debt, appear to create requirements in addition to those in the Secretary's regulations, the decisions of the Provider Reimbursement Review Board, and relevant program manual and issuances.

The actions taken in response to the Inspector General's recommendations may have the effect of violating the prohibition on changes in policy if the Secretary's response results in the retroactive disallowance of bad debt payments claimed by the hospitals.

The conferees wish to clarify that the Congress intended that the actions of fiscal intermediaries occurring prior to August 1, 1987 to approve explicitly hospital's bad debt collection practices, to the extent such action by the fiscal intermediary was consistent with the regulations, PRRB decisions, or program manuals and issuances, are to be considered an integral part of the policy in effect on that date, and thus not subject to change.

However, the conferees do not intend to preclude the Secretary from disallowing bad debt payments based on regulations, PRRB decisions, manuals, and issuance is in effect prior to August 1, 1987.

(c) The provision of OBRA 87 regarding revision of standards for including a rural county in an urban area is amended to require that if the application of the new standards results in a reduction in the wage index for an urban area, the Secretary shall compute wage indices separately for the original urban counties and for the rural counties added as a result of the provision. If the application of the OBRA 87 provision causes a reduction in the wage index for rural areas, the Secretary shall compute the wage index for the affected rural areas as if the OBRA 87 provision had not been enacted. The amendment applies to discharges occurrring on or after October 1, 1989 and before October 1, 1991.

The conferees recognize that certain area hospital wage indices for fiscal year 1989 will be reduced as a result of the OBRA 87 provision. The conferees also recognize, however, the administrative difficulty of requiring that the Secretary implement the amendment described above in fiscal year 1989. For this reason, the amendment requires that the Secretary report to Congress within 60 days on administrative and legislative alternatives that insure that payments in fiscal year 1989 to hospitals in urban and rural areas where wage indices were adversely affected by OBRA 87 are not less than they would have been without the OBRA 87 provision.

The conferees intend that the Secretary will develop and report on approaches for fiscal year 1989 that use existing administrative authority (such as the authority under section 1886 (d)(5)(c)(iii) or legislative approaches. The conferees expect that the Secretary will focus on approaches that can be implemented as early as possible in fiscal year 1989 and are consistent with the intent of the conference agreement for fiscal years 1990 and 1991.

The conferees expect that the Secretary's report will include information on the impact of the alternatives on providers and on aggregate Medicare costs as well as data on the number of discharges and changes in payment to hospitals affected (positively and negatively) by the enactment of the OBRA 87 provision.

The conferees direct that the Secretary, in developing alternatives, consider particularly the special circumstances of hospitals located in redesignated counties for which a separate wage area is created as a result of the enactment of this provision and for which the resulting wage index is well below the statewide rural wage index. Hospital wages in some redesignated counties are as little as eighty percent of statewide rural wages. The conferees expect that the Secretary will develop alternatives that will minimize the effect of this provision on payment to these hospitals.

ProPAC is directed to study and report to the Congress within nine months of enactment on methodologies to adjust payments to hospitals affected by the OBRA 87 provision in fiscal year 1989.

(d) The provision of the Medicare Catastrophic Coverage Act of 1988 regarding demonstration projects with respect to chronic ventilator-dependent units in hospitals is amended to clarity that the Secretary is required to conduct at least five demonstration projects for at least three years each.

(e) The provisions of OBRA 87 regarding personnel policy for commission employees is amended to clarify that with respect to the Prospective Payment Assessment Commission, the provision of OBRA 87 is effective only for employees hired on or after December 22, 1987. Personnel hired before this date would have the option to elect to continue under previous personnel policies under a one-time election made within 60 days after enactment.

Provisions Relating to Parts A and B of Medicare

(a) The Secretary is required to establish graduate nursing education demonstration programs in five hospitals, under which the reasonable costs of education under the program will be allowable costs under Medicare. The Secretary is also required to establish one joint undergraduate nursing education program and to include reasonable costs of education under the program as allowable costs under Medicare. These costs would include salaries, supervision, and classroom costs. The conferees note that the provision should not be construed as affecting generally the proper treatment of these expenses under current law.

(b) The provision of OBRA 87 regarding assignment of members of HIP Health Maintenance Organization and treatment of Michigan Blue Care HMO Network under 50 percent rule are repealed.

(c) The authorization of appropriations for a program of research on patient outcomes of selected medical treatments and surgical procedures is increased to $10 million for fiscal year 1989, and authorizations are provided in the amount of $20 million for fiscal year 1990 and $30 million for fiscal year 1991.

(d) The reporting deadline for the United States Bipartisan Commission on Comprehensive Health Care is extended until six months after funds are appropriated for the Commission.

Provisions Relating to Part B of Medicare

(a) The conference agreement includes the Senate provision regarding payment for specimen collection fees with an amendment.

The Secretary would be required to provide for payment of specimen collection charges for certain labs on a per mile basis. The Secretary would also be required to submit a report to Congress by May 1, 1989 concerning reimbursement of specimen collection fees.

(b) The conference agreement includes the Senate amendment regarding the fee schedule for services provided by certified registered nurse anesthetists.

The amendment clarifies the budget neutrality provision by specifying that the comparison between payment levels under the fee schedule and the 1986 reimbursement rules for payment of medical direction and CRNA services should take coinsurance into account on both sides of the equation.

(c) The conference agreement includes the Senate amendment with modifications. Rules regarding coverage of pyschologists services provided in a community mental health center would be clarified to specify that such services would also be covered if necessarily provided off-site due to physical or mental impairment or similar reason.

(d) The conference agreement includes the Senate amendment regarding Medicare certification of physical therapy and occupational therapy providers.

(e) An addition would be made to the list of statutory responsibilities for the Physician Payment Review Commission. The Commission would be required to make recommendations for moderating the rate of increase in total Part B payment per capita and in the use of services under Medicare B in its annual report to Congress.

(f) The conference agreement includes the Senate amendment which extends the current moratorium on competitive bidding demonstrations for clinical lab services for an additional year.

(g) The conference agreement includes the Senate provision regarding payment for medical escort or attendant services with modifications.

The Secretary would be authorized to pay for such services on commercial air flights where such flights are covered as ambulance services under regulations currently in effect. This authorization would be in effect for a five-year period.

2. Medicaid provisions

a. Delay in issuance of final regulations concerning the use of voluntary contributions and provider-paid taxes by States to receive Federal matching funds

Present Law

The Medicaid program is a Federal-State program under which Federal funds are available to match State expenditures to purchase specified medical services on behalf of eligible individuals. Current regulations allow States to use as State expenditures for purposes of receiving Federal matching payments funds donated from private sources that are transferred to the State Medicaid agency, are under the agency's administrative control, and do not revert to the donor's facility or use unless the donor is a non-profit organization and the Medicaid agency, of its own volition decides to use the donor's facility. Some States also use funds that are generated from taxes on health care providers to draw Federal matching funds.

In the President's proposed budget for FY 1989, the Administration indicated that it would issue regulations to limit the use of donated funds to draw down Federal matching payments. The regulations have not yet been published.

House Bill

No provision.

Senate Amendment

Prohibits the Secretary of HHS from issuing final regulations that change the policy governing the use of donated funds or the use of revenues generated from provider taxes until after February 15, 1989. Proposed regulations could be published before that date.

Conference Agreement

The conference agreement follows the Senate amendment with a modification. The moratorium would extend until May 1, 1989.

Effective Date

Date of enactment.

b. Medicaid long-term care waiver program

Present Law

Section 1915(d) of the Social Security Act provides States an option to receive Federal Medicaid funding for nursing facility and home and community-based services for eligible elderly, subject to an aggregate limit. The limit is currently tied to the State's expenditures for such services during a base year, adjusted to take into account growth in the elderly population and increases in the cost of services, subject to a limit of 7 percent. However, the base year amount is not adjusted to take into account new mandated services or program expansions, such as the spousal impoverishment protections enacted in the Medicare Catastrophic Coverage Act of 1988.

House Bill

No provision.

Senate Amendment

Provides that the base year amounts would be adjusted to take into account new services and program expansions mandated by Federal law, effective with respect to State expenditures beginning in waiver year 1989.

Conference Agreement

The conference agreement follows the Senate amendment with technical modifications. Federal laws enacted after December 22, 1987, which increase aggregate Medicaid spending for either nursing facility services or home and community-based services would, at the request of the State and in close consultation with the State, be factored into the Secretary's determination of the aggregate limit for a particular waiver year or years.

The conference agreement also clarifies that, in calculating the aggregate limit for a particular waiver year, the Secretary is to apply the 7 percent adjustment to the number of years rounded to the nearest quarter of a year beginning after the base year and ending at the end of the waiver year. The following is an example of such a calculation where Year 1 is the base year, Year 3 is the first year the waiver is implemented and 7 percent is the lesser growth rate:

Year	*Expenditures*
1	$10,000,000
2	10,000,000
3	11,449,000
4	12,250,000
5	13,107,000

Effective Date

Waiver years beginning during or after FY 1989.

c. Extension of time period for submission of correction and reduction plans for certain intermediate care facilities for the mentally retarded

Present Law

Section 9516 of the Consolidated Omnibus Budget Reconciliation Act of 1985 allows an intermediate care facility for the mentally retarded (ICF/MR) that is found by the Secretary of Health and Human Services to have substantial deficiencies that do not pose an immediate threat to the health or safety of residents under the Medicaid program to submit a 6-month plan of correction or a 36-month plan of reduction as an alternative to decertification. The Department of Health and Human Services did not issue regulations implementing the section until January 25, 1988. The provision is scheduled to sunset on April 6, 1989. The final regulations do not allow the use of the plan of reduction in the case of a facility that was subject to decertification because of failure to provide active treatment.

House Bill

No provision.

Senate Amendment

Provides that the option to submit a plan of correction or reduction would be available in any case where there was no immediate threat to the health or safety of the residents, including failure to provide active treatment. However, active treatment would have to be provided for residents who remain in the facility during the period covered by the plan of reduction. The sunset date would be extended to January 25, 1991.

The provision is effective on the date of enactment. It applies to any proceeding where there has not yet been a final determination by the Secretary of HHS as of the enactment of this Act.

Conference Agreement

The conference agreement follows the Senate amendment with a modification that the sunset date would be extended to January 1, 1990.

Effective Date

Date of enactment. Applies to any proceeding where there has not yet been a final determination by the Secretary of HHS as of the date of enactment of this Act.

d. Nursing facility decertification hearing procedures

Present Law

Section 1910 of the Social Security Act provides that a nursing facility that is a party to a decertification proceeding based on a Federal look-behind review may continue to participate in the Medicaid program while a hearing on the issue is pending. The Department of Health and Human Services has taken the position that evidence of compliance based on a later Federal or State survey may not be admitted at such hearing. Thus, a facility maybe terminated on the basis of noncompliance that has subsequently been corrected.

House Bill

No provision.

Senate Amendment

Provides that in a decertification proceeding, nursing facilities would be allowed to submit evidence of correction of deficiencies based on Federal or State surveys conducted after the initial finding of noncompliance. This provision would not apply in the case of intermediate sanctions. While the amendment allows the results of a subsequent survey to be admitted as evidence, such evidence does not prelcude a decertification finding. The Administrative Law Judge would also take into account the facility's record of noncompliance and the extent and likely duration of the compliance exhibited in such subsequent survey.

Conference Agreement

The conference agreement does not include the Senate amendment.

e. Sense of the Senate urging Congress to act on Medicaid reform for people with disabilities

Present Law

No provision.

House Bill

No provision.

Senate Amendment

The Senate amendment includes a provision expressing the sense of the Senate with regard to Medicaid reform for people with disabilities:

(a) *Findings.*—The Senate finds that—

(1) the needs of people with disabilities are not adequately met in the Nation's existing health care system;

(2) there is no well-designed system of services for individuals needing long-term support with the except of limited services available through Medicaid;

(3) such services are still rooted in the medical model;

(4) the Nation's understanding of the needs and capabilities of people with disabilities has progressed and it has become clear that traditional medically oriented services provided through Medicaid are frequently inadequate and inappropriate.

(5) all people, regardless of disability, should have the opportunity to live, work, and pursue recreational activities in their communities;

(6) the Medicaid program should be changed from one that demands dependency to one that seeks to encourage personal growth and is tailored to the needs of each individual;

(7) the Congress should ensure the availability of a wide range of services and support for people with disabilities and the families of such people in a variety of residential settings;

(8) such services should be designed to meet the unique needs of each person rather than requiring an individual to "fit into" a service system or residential placement;

(9) it is time for Congress to consider seriously true reform of Medicaid services for people with disabilities;

(10) this issue has been the subject of serious debate in the Congress for the last 5 years and has been the subject of 4 hearings in the Committee on Finance of the Senate; and

(11) the Medicaid Home and Community Quality Services Act, S. 1673, has been introduced in the Senate to address the need

for reform and has been cosponsored by 48 members of the Senate.

(b) *Sense of the Senate.*—It is the Sense of the Senate that—

(1) early in the 101st Congress Medicaid reform should be undertaken;

(2) such reform should ensure that services will be provided in a wide range of residential setting from in-home support to institution based care; and that independence, productivity and community integration should be our national goal for people with disabilities.

Conference Agreement

The Senate amendment expressed the sense of the Senate and was duly passed by the Senate, and it is not included in the conference agreement.

The conference agreement clarifies that individuals who, as of January 1, 1989, will be mandatorily eligible for coverage of their Medicare cost-sharing (qualified Medicare beneficiaries) are individuals who are entitled to Medicare, whose income meets specified standards, and whose resources do not exceed twice the amount allowed under the SSI program, whether or not they are otherwise eligible for Medicaid.

The conference agreement provides that, in calculating an optional premium for the second six months of transitional Medicaid benefits for the families who leave cash assistance due to earnings, a State must deduct the average monthly costs for necessary child care from gross monthly earnings.

The conference agreement clarifies that, in the case of a 1915(c) home and community-based services waiver that applies to individuals with a particular illness or condition, such as physically disabled individuals (who are at risk of institutional care), the Secretary must allow the State to determine the average per capita expenditure that would have been made in a fiscal year for those individuals separately from the expenditures for other individuals, whether or not those individuals are institutionalized prior to entering the waiver.

TRADE PROVISIONS

A. Iraqi Trade Sanctions

Present Law

No provision.

House Bill

The House bill contains no provision. However, the House passed H.R. 5337, a bill to impose sanctions against Iraq. The title of the bill is the "Sanctions Against Iraq Chemical Weapons Use Act". It states Congressional findings concerning the use of chemical weapons by the Government of Iraq against the Kurdish people and states that Iraq's use of such weapons is a gross violation of international law. The bill imposes certain immediate sanctions against Iraq, effective upon the date of enactment—a ban on exports and licenses for exports of certain munitions, items on the control list established pursuant to the Export Administration Act, and any chemical which the President determines may be used primarily in the production of chemical weapons.

H.R. 5337 also requires the President to impose "appropriate additional sanctions against Iraq" unless he certifies that the Government of Iraq is not using chemical weapons and has obtained reliable assurances that it will not do so in the future. The President is provided discretionary authority to impose the following additional sanctions: (1) prohibit or restrict imports of oil, oil products, or any other article grown, produced, or manufactured in Iraq; (2) prohibit or restrict the export of agricultural commodities and products and other goods and technology; (3) deny credits, credit guarantees, and other assistance; (4) oppose any loan or financial or technical assistance to Iraq by international financial institutions; (5) downgrade or suspend diplomatic relations between the United States and Iraq. The President must report to Congress periodically on the actions taken.

Contract sanctity for export controls imposed by H.R. 5337 is provided for contracts signed before September 15, 1988. For additional sanctions imposed by the President, contracts or agreements entered into before the President indicates his intention to impose sanctions (through notification of Congress or publication of a Federal Register notice) may not be prohibited or curtailed.

H.R. 5337 authorizes the President to waive the additional sanctions subject to the same certification requirement relating to Iraqi use of chemical weapons described above. It also contains provisions calling for certain multilateral actions; commending the Government of Turkey for accepting Kurdish refugees; and urging Presidential review of certain exports valued at over $50 million. The authorities of H.R. 5337, and any sanctions imposed under it, cease to have effect after June 30, 1991.

Senate Amendment

The Senate amendment is similar to H.R. 5337, but with certain modifications and additions. It imposes immediate sanctions, but adds an additional up-front sanction—a requirement that the United States oppose any loan or financial or technical assistance to Iraq by international financial institutions. (This sanction is a discretionary sanction in H.R. 5337.) It adds that the purpose of the amendment is to mandate U.S. sanctions against Iraq due to its use of chemical weapons in violation of international law.

Like H.R. 5337, the Senate amendment requires that the President impose appropriate additional sanctions (subject to the same waiver authority) but requires that he do so by December 31, 1988. In addition, the Senate amendment requires that the President, in imposing such additional sanctions, select one or more of the sanctions authorized in the amendment. The authorized sanctions, which are similar to the sanctions in H.R. 5337, are: (1) deny credits or credit guarantees through the Export-Import Bank; (2) prohibit or restrict the importation of one or more kinds of articles (which may include petroleum or any petroleum product) that are the growth, product, or manufacture of Iraq; (3) prohibit or substantially restrict exports to Iraq of goods and technology (excluding agricultural commodities and products); (4) use the President's constitutional authorities to downgrade or suspend diplomatic relations between the United States and Iraq.

The Senate amendment adds a requirement that by December 31, 1988, the President submit to Congress an assessment of whether the Government of Iraq, is respecting internationally recognized human rights, in particular the rights of the Kurdish minority in Iraq. The assessment is to be accompanied by a report containing detailed information about various aspects of Iraq's treatment of the Kurdish minority and steps which the United States has taken to promote Iraq's respect of internationally recognized human rights and to discourage practices which violate such rights. Other provisions of the Senate amendment are identical to H.R. 5337.

Conference Agreement

The conference agreement contains no provision.

B. Other Trade Provisions

1. Trade technicals; certain tariff schedules

Present Law

The Omnibus Trade and Competitiveness Act of 1988 (P.L. 100-418), enacted on August 23, 1988, created new trade law authorities and amended many of the trade, tariff, and customs laws.

House Bill

No provision.

Senate Amendment

Section 800V of the Senate amendment contains 17 amendments of a strictly technical drafting nature to Title I of the Omnibus Trade and Competitiveness Act of 1988 or to various trade laws amended by Title I of that Act. These amendments correct errors concerning subsection, paragraph, and other designations, cross-references, punctuation, and rates of duty. The amendments would be applied on date of enactment as if they took effect on August 23, 1988 (date of enactment of P.L. 100-418).

Conference Agreement

The conference agreement follows the Senate amendment with amendments (1) to make four additional technical amendments to the trade laws of a similar nature to the Senate amendment; and (2) to extend the following expiring and expired duty suspensions as found in the Appendix to the Tariff Schedules of the United States, Part 1-B: TSUS items 903.29, 906.30, 906.32, 906.38, 906.51, 906.53, 906.54, 906.99, 907.00, 907.03, 907.04, 907.06, 907.08, 907.16, 907.18, 907.22, 907.25, 907.42, 907.51, 907.65, 907.66, 907.68, 907.69, 907.76, 910.00, 911.50, and 912.13.

2. Limitation on CBI ethanol imports

Present Law

The Omnibus Trade and Competitiveness Act of 1988 permits five companies to import 20 million gallons each of ethanol that does not meet the rules of origin of the Caribbean Basin Economic Recovery Act, as amended, in that the ethanol dehydrated in those plants is not fermented from vegetable matter grown in the region at plants located in the region.

House Bill

No provision.

Senate Amendment

This Trade Act provision would be barred after enactment of this bill until the Secretaries of Agriculture, Energy, and the Treasury, acting jointly, certify that the domestic ethanol industry is not fully meeting domestic demand for ethyl alcohol and that imported ethanol is necessary to maintain adequate supplies for consumers.

The provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the House bill (i.e., no provision).

3. Foreign trade zones

Present Law

Section 3 of the Foreign Trade Zones Act, 19 U.S.C. 81(c), provides that when two or more products result from the manipulation or manufacture of merchandise in a foreign trade zone, the liquidated duties or taxes levied on those products are to be distributed according to each product's relative value at the time of separation.

House Bill

No provision.

Senate Amendment

Amends the Foreign Trade Zones Act to define the time of separation to be the entire manufacturing period; to define the price of the products, for purposes of computing relative values, as the average per unit value of each product for the manufacturing period; and, with regard to feedstocks for petroleum manufacturing, definition and attribution to products may be either in accordance with Industry Standards of Potential Production on a Practical Operating Basis or any other inventory control method approved by the Secretary of the Treasury.

The provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

4. Study of U.S.-Japan trade and technology

Present Law

No provision.

House Bill

No provision.

Senate Amendment

The Senate amendment requires the Secretaries of Treasury and State and the U.S. Trade Representative jointly to conduct a study on possible frameworks for enhanced cooperation between the United States and Japan in the form of economic and security arrangements between the two countries. The final report on the study is to be submitted to the President and various Congressional committees by July 1, 1989, with an interim report by March 1, 1989. The amendment specifies numerous issues for consideration—e.g., tariffs, quotas, and other traditional subjects of a free trade area agreement; monetary and fiscal policies; anticompetitive practices and enforcement of antitrust laws. It establishes certain conditions for any frameworks negotiated—e.g., that they address mutual defense and sharing of the burden of defense; that they be consistent with the General Agreement on Tariffs and Trade. It also sets forth consultation requirements with public and private sector representatives of the United States and Japan.

Conference Agreement

The conference agreement follows the House bill (i.e., no provision).

5. GAO study on the Small Business Innovation Research Program

Present Law

Subsection (a) of section 6 of the Small Business Innovation Development Act of 1982 (15 U.S.C. 638, note) requires the Comptroller General, no later than December 31, 1988, to transmit to the appropriate committees of the House and Senate a report evaluating the effectiveness of certain phases of the Small Business Innovation Research (SBIR) Program. Section 8008 of the Omnibus Trade and Competitiveness Act of 1988 adds a requirement that the report by the Comptroller General also include recommendations concerning four specific potential changes to the SBIR Program.

House Bill

No provision.

Senate Amendment

Section 734 of the Senate amendment extends the due date for completion of the GAO report until July 1, 1989. The provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment with a technical correction so that the extension applies only to the four additional issues mandated by the Omnibus Trade and Competitiveness Act of 1988.

MANASSAS NATIONAL BATTLEFIELD PARK AMENDMENTS

Present Law

Manassas National Battlefield Park (the Park), designated in 1940 in Prince William County, Virginia, incorporates the battlefield where two significant Civil War battles were fought—First Manassas and Second Manassas. However, much of the battlefield of Second Manassas, including Stuart's Hill (location of Confederate General Robert E. Lee's headquarters and part of the William Center Tract immediately adjacent to the Park), has not been acquired as part of the Park. No major development occurred on the area, until a recent proposal was approved by the Prince William County Board of Supervisors to construct a mixed residential/nonresidential development on the William Center Tract. The proposed development would include a 1.2 million square foot shopping mall, major office space, and residential area.

House Bill

No provision in H.R. 4333. However, on August 20, 1988, the House passed a separate bill (H.R. 4526) requiring the acquisition of the approximately 600 acres adjacent to the Park and adding the area to the Manassas National Battlefield Park by legislative taking. H.R. 4526 also directs the Secretary of the Interior to conduct a study on the relocation of the roads in, and in the vicinity of, the Park; $30,000,000 is authorized for the study and the relocation of such roads.

Senate Amendment

The Senate amendment requires immediate acquisition of the area adjacent to the Manassas National Battlefield Park (south of U.S. Route 29, north of Interstate Route 66, east of Route 705, and west of Route 622), to be added to the Park by legislative taking. The United States is to pay just compensation to the owners of such property, and such payment is to be in the amount of the agreed negotiated value of the property or the valuation of the property awarded by judgment. The payment is to be made from the permanent judgment appropriation ("Claims and Judgments Fund") established under 31 U.S.C. 1304. (Other than this clarifying provision concerning the permanent judgment appropriation, the Senate amendment is the same as H.R. 4526 as passed by the House.)

The Secretary of the Interior is to work with the State and local governments to achieve scenic preservation of views from within the Park through zoning and other means the parties determine feasible.

The Secretary, in consultation with the Federal Highway Administration and State and local governments, is to conduct a study regarding the relocation of highways (known as Routes 29 and 234) in, and in the vicinity of, the Manassas National Battlefield Park. The study is to be completed within one year after the enactment of this Act. Appropriations of up to $30,000,000 are authorized for the study and the Federal share of the costs of relocating such highways. State and local governments are to provide 25 percent of the cost of the highway relocation from non-Federal sources.

The provision is effective on the date of enactment.

(The Senate amendment is the same as H.R. 4526 as reported on September 20, 1988, by the Senate Committee on Energy and Natural Resources, S. Rept. 100-520.)

Conference Agreement

The conference agreement follows the Senate amendment.

Dan Rostenkowski,
Sam Gibbons,
J.J. Pickle,
Charles B. Rangel,
Pete Stark,
Bill Archer,
Guy Vander Jagt,
Managers on the Part of the House.

Lloyd Bentsen,
Spark Matsunaga,
Daniel Patrick Moynihan,
Max Baucus,
David L. Boren,
Bob Dole,
Managers on the Part of the Senate.

PRIVILEGES OF THE HOUSE—RETURNING TO THE SENATE S. 2097, THE URANIUM MILL TAILINGS REMEDIAL ACTION AMENDMENTS ACT OF 1987

Mr. ROSTENKOWSKI. Mr. Speaker, I rise to a question of the privileges of the House, and I offer a privileged resolution (H. Res. 603) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 603

Resolved, That the bill of the Senate S. 2097, The Uranium Mill Tailings Remedial Action Amendments Act of 1987, in the opinion of this House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privileges of this House and that such bill be respectfully returned to the Senate with a message communicating this resolution.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. Rostenkowski] is recognized for 1 hour.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, earlier this year, the Senate sent to the House S. 2907, the Uranium Revitalization, Tailings Reclamation and Enrichment Act of 1988. This legislation has been held at the desk pending action in the House. S. 2097 is identical to H.R. 4489 which was jointly referred to the Committee on Ways and Means. This bill would establish a Federal fund to assist in the financing of reclamation and other remedial action at currently active uranium and thorium processing sites and would increase the demand for domestic uranium. The fund would be financed in part by what are called mandatory fees which are equal to $22 per kilogram for uranium contained in fuel assemblies initially loaded into civilian nuclear power reactors during calendar years 1989-93. These mandatory fees which are imposed on licensees of civilian nuclear power reactors are the equivalent of excise taxes on the loading of uranium in a reactor. As such, this legislation is a revenue measure within the meaning of article I of the Constitution and should have originated in the House.

In addition, S. 2097 would impose charges on domestic utilities that use foreign-source uranium in new fuel assemblies loaded in their nuclear reactors. These charges represent a tariff on the use of foreign uranium, which is also a measure which should have originated in the House which is constitutionally given the right to originate tariff measures.

For these reasons, passage of this legislation by the Senate has infringed on the prerogative of the House to originate revenue measures and tariff measures, and should, therefore be returned to the Senate.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, the situation is as described by the distinguished chairman. This is a normal and necessary routine for the House to return this bill because it was sent to us contrary to the provisions of the Constitution.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRIVILEGES OF THE HOUSE—RETURNING TO THE SENATE H.R. 1315, THE NUCLEAR REGULATORY COMMISSION AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989

Mr. ROSTENKOWSKI. Mr. Speaker, I rise to a question of the privileges of the House, and I offer a privileged resolution (H. Res. 604) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 604

Resolved, That the amendment of the Senate to H.R. 1315, The Nuclear Regulatory Commission Authorization Act for Fiscal Years 1988 and 1989, in the opinion of this House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privileges of this House and that such bill be respectfully returned to the Senate with a message communicating this resolution.

□ 2230

The SPEAKER. The gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 1 hour.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in August of this year, the Senate sent to the House H.R. 1315, which is a bill authorizing funds for the Nuclear Regulatory Commission for fiscal years 1988 and 1989 and which contains an amendment which adds a new title IV called the Uranium Revitalization, Tailings Reclamation and Enrichment Act of 1988. This legislation has been held at the desk pending action in the House. Title IV of H.R. 1315 is virtually identical to H.R. 4975 and H.R. 4934 which were jointly referred to the Committee on Ways and Means. Title IV, among other things, would establish a Federal fund to assist in the financing of reclamation and other remedial action at currently active uranium and thorium processing sites and would assist the domestic uranium industry by increasing the demand for domestic uranium. The fund would be financed in part by what are called "mandatory fees" equal to $72 per kilogram of uranium contained in fuel assemblies initially loaded into civilian nuclear power reactors on or after January 1, 1988. These fees are paid by licensees of civilian nuclear power reactors and are in place until $1 billion has been raised. These "mandatory fees" are the equivalent of excise taxes on the loading of uranium in a reactor. As such, this legislation is a revenue measure within the meaning of article I of the Constitution and should have originated in the House.

For these reasons, passage of this legislation by the Senate has infringed on the prerogative of the House to originate revenue measures and should therefore, be returned to the Senate.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, the situation is exactly the same as with the previous bill. We should pass the blue-slip resolution.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 4333, TECHNICAL AND MISCELLANEOUS REVENUE ACT OF 1988

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H.R. 4333) to make technical corrections relating to the Tax Reform Act of 1986, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is a second demanded?

Mr. ARCHER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

(For conference report and statement, see prior proceedings of the House today.)

The SPEAKER. The gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 20 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks on the conference report on H.R. 4333, now under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to pass the conference report on H.R. 4333, the Technical and Miscellaneous Revenue Act of 1988. This bill includes many provisions of major importance to all Members of Congress.

The conference report allows farmers and other off-highway business users of diesel fuel to purchase the fuel without paying Federal excise taxes and applying for a refund. The conference report exempts for 2 years mutual fund shareholder expenses—so-called phantom income—from the 2-percent floor for miscellaneous itemized deductions.

It extends, with modifications, many expiring tax provisions, including the research and development tax credit, mortgage revenue bonds, the targeted jobs tax credit, the exclusion for employer-provided eduational assistance, the FSLIC provision for troubled thrift institutions and others. In addition, the conference report makes important technical corrections to the Tax Reform Act of 1986 and other recent legislation.

The conference report includes many other important provisions, such as allowing farmers to deduct currently their preproductive expenses of farm animals. This provision repeals the so-called heifer tax. Second, individual artists, writers, and photographers also could deduct currently the business expenses they incur in the production of their work.

As my colleagues know, the House passed H.R. 4333 on August 4, 1988, by a strong bipartisan vote of 380 to 25. The House-passed bill would have raised $7.5 billion over 3 years to finance the extensions. The diesel fuel exemption, and the many other provisions strongly supported by House Members. The Senate's bill would have raised only $3 billion over the same period. Consequently, the Senate's bill would have provided a short crazy quilt of extensions, some for 3 months, others for 4 or 6, and a few longer. The conference agreement generally extends the expiring provisions through 1989, consistent with the uniform extension policy of the House. The extension through 1989, rather than 1990, helped to reduce the overall size of the bill to approximately $4.2 billion.

The conference report also includes offsetting revenue increases, in order to keep the overall bill revenue neutral. The House-passed bill would have repealed the completed contract method of accounting which allows large defense contractors to delay paying tax on their long-term contracts for many years. This total repeal has passed the House on three separate occasions. The conference report increases the cutback from 70 percent to 90 percent and exempts single-family homebuilders from the provision.

The conference report also repeals the special rules that allow Alaska Native corporations to sell tax losses, thereby reducing the taxes of profitable corporations. It also restricts tax benefits from certain single premium life insurance policies. Both of these provisions include more generous transition relief than under the original House bill. The conference report also speeds up certain corporate estimated tax payments. Finally, the tax-exempt bond provisions of the House bill have been moderated to respond to concerns of many Members.

I would like to note that the conferees on H.R. 4333 were encouraged by Senator JACK DANFORTH of Missouri to include as broad as possible a research and development credit extension. The language included in the statement of managers expressing the conferees' concern about U.S. competitiveness in world commerce and awareness of the appropriateness of tax incentives in maintaining a competitive edge was included at the specific request of Senator DANFORTH. All conferees appreciate Senator DANFORTH's forceful and effective advocacy on behalf of these important incentives.

The bill also includes a number of other miscellaneous generic provisions that many House Members have requested. For example:

The bill broadens the innocent spouse relief available in certain situations. While the provision is intended to apply generically, the committee has been aware of the hardships caused by cases such as Ash versus Commissioner, and intends to overturn that decision, and provide relief in that and other similar situations.

I would also like to note a problem confronting the MacArthur Foundation. The Ways and Means Committee has not had an opportunity to address this situation since it was only recently brought to our attention. The problem involves the rules which require private foundations to liquidate excess business holdings.

I am hopeful that the IRS will be able to resolve this situation without the need for legislation. If not, the Committee on Ways and Means may look into this problem early next year with a view toward finding a resolution which carries out the original purpose of the private foundation rules on disposing of business assets in a manner flexible enough to accommodate situations such as that facing the MacArthur Foundation.

Mr. Speaker, this legislation is long overdue. The House has passed similar bills on two separate occasions. The House passed many of these same provisions as part of the Omnibus Budget Reconciliation Act of 1987 and again this year as H.R. 4333. Regrettably, the economic budget summit agreement following the stock market crash forced deletion of most of these provisions last year. The technical corrections will be of great help to individual taxpayers, business planners, and tax practitioners. The extension of expiring provisions will preserve and more carefully target important tax incentives.

This conference report is a bipartisan, responsible package. The $4.2 billion in revenues are approximately $3 billion below the revenues contained in President Reagan's fiscal year 1989 budget proposals. Several of the President's substantive recommendations are also included.

Mr. Speaker, I want to thank all of the members of the committee, particularly the ranking Republican, BILL ARCHER, for their hard work and cooperation in developing this legislation.

I urge all Members of the House to vote in strong bipartisan support for this essential legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report to accompany H.R. 4333, the Miscellaneous Revenue Act of 1988.

At the outset, I'd like to commend the distinguished chairman of the Ways and Means Committee for his leadership in assuring the bipartisan consideration of this bill at every step in the legislative process.

Without a doubt, that strong bipartisan spirit was a significant force in bringing about what I consider to be a very reasonable compromise of the issues as they emerged from the House and Senate earlier this year. From my personal vantage point, that compromise in some instances meant significant improvement. In others, to repeat a comment heard often around the conference table, it meant that I had to swallow hard.

Overall, however, I clearly believe that the compromises resulted in a stronger package than had existed in either the House or the Senate's versions of the bill.

The deletion of the provision to reduce the dividends receive deduction, for example, eliminated a major objection.

I was particularly pleased that we changed the "completed contract method of accounting" provisions under current law to exempt single family residential construction—thereby reducing the cost of homes.

While it's difficult to single out just a few provisons for special comment, there are several which are important to many members of this body.

Perhaps most importantly, the conference agreement makes needed technical corrections to the 1986 Tax Reform Act which will bring greater certainty to the ability of taxpayers to comply with the new law.

But it is more than just a bill to correct clerical errors in the 1986 bill. For example, the agreement establishes a long overdue Taxpayer Bill of Rights for Americans. While it is by no means the complete answer to the problems we are attempting to address in protecting the rights of taxpayers, it is a solid first step on which we can build in the future.

Another very important provision to thousands of Americans is the measure's repeal of the excise tax reporting and collection requirements for exempt off-road users of diesel fuel. In addition, it provides a much-needed exemption from the 20-percent cutback for the deductibility of employer provided meals on ships and offshore drilling rigs.

The Nation's agricultural areas will benefit from the repeal of the so-called "heifer tax" provisions which currently do not allow for the deduction of certain pre-productive expenses.

The bill provides artists and authors with relief from the complexity of the 1986 Tax Reform Act's new uniform capitalization rules—and extends for 2 years the exclusion of mutual fund expenses from the 2-percent floor on miscellaneous itemized deductions.

The agreement also provides a helping hand to the Nation's troubled thrift institutions through the extension of provisions which will help assure their return to solvency with the aid of FSLIC and the FDIC.

Mr. Speaker, this bill is revenue-neutral. It raises some revenues, but it gives them right back within the Tax Code to other needed beneficiaries.

We cannot here explore a laundry list of all the items of good that are in this bill, but I think it is a good package. I commend the chairman, I commend the staff, and I commend the members of the conference committee.

Mr. Speaker, I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. Dingell], the chairman of the Committee on Energy and Commerce.

Mr. DINGELL. Mr. Speaker, I commend my dear friend, the gentleman from Illinois [Mr. Rostenkowski] for the good work he has done on this matter.

Mr. Speaker, my comments will not deal with the legislation in general but only with one small part which relates to the Railroad Unemployment Insurance Act and to the Railroad Retirement Act. The bill contains the text of legislation reported last year by the Committee on Energy and Commerce and by the Committee on Ways and Means and passed by the House in H.R. 2167. Together with improvements made by the Senate, these amendments in railroad unemployment insurance and railroad retirement will impove the solvency of the system while bringing greater fairness to workers and management alike.

I believe that the gentleman from Illinois has exercised his usual outstanding leadership on this matter, and I commend him and thank him. Special credit does go to two of my colleagues on the Committee on Energy and Commerce. The gentleman from Indiana [Mr. Coats] has long been interested in this issue and has worked very hard to see that it received proper attention. The House owes him a vote of thanks for that. In like fashion, our colleague, the gentleman from Kansas [Mr. Slattery] made equally important and valuable contributions to this legislation.

These provisions of the bill to which I refer are supported by both rail labor and management, and it has taken us 4 years to get this point. The provisions, I would note for my colleagues, will also reduce the deficit.

Again, I want to thank my colleague, the gentleman from Illinois, for yielding. I appreciate his cooperation in ensuring that this important measure for th rail industry has been included in the bill, and express to him my commendations and thanks.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. Coats].

Mr. COATS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to thank the chairman of the committee for his long and hard work and his assistance with the gentleman from Kansas [Mr. Slattery] and myself in pursing this over a 4-year period of time. I believe it is an acceptable compromise, a workable compromise, and at the bottom line it is an improvement for those rail labor workers that has long been needed, and without the gentleman's assistance, it would not have been possible. I thank him for that.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from North Dakota [Mr. Dorgan], who has helped immeasurably on the diesel tax provision.

Mr. DORGAN of North Dakota. Mr. Speaker, I shall not prolong the debate. The hour is late.

Let me make two observations. One, this is awfully good news for America's farmers. This repeals the diesel and heifer tax. It is important to have done this.

Mr. Speaker, I appreciate the efforts of the staff and the able chairman of the Committee on Ways and Means and the gentleman from Texas [Mr. Archer] on the Republican side.

Let me finally say that the gentleman from Nebraska [Mr. Daub], who will no longer be with us in the next session, played a very valuable role in repealing these two taxes. I think all of us should acknowledge that. I appreciate his efforts as well.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. Frenzel], a highly regarded member of the Committee on Ways and Means.

Mr. FRENZEL. Mr. Speaker, it is often said in these Halls that a tax bill coming before us at the end of the session in large and complex form is always a safe no vote. It is impossible to know everything that is in it, and it is always better to be on the safe side.

However, in the case of this particular technical corrections act that that advice ought not be heeded. This bill deserves your strong support.

I would like to associate myself with the remarks of the distinguished chairman, the gentleman from Illinois [Mr. Rostenkowski], and the distinguished vice chairman, the gentleman from Texas [Mr. Archer].

There are too many necessary and useful items in this bill to let it pass with other than an affirmative vote by every Member in this House. To be sure, many of the problems have simply been deferred. We have only extended expiring provisions of the law for 1 year, and we will have to face the cost of extending them in the future. Some of the extra taxes which we have laid aside for the moment to finance those expirations may have to be considered in the future.

For myself, I believe the elimination of the dividends received deduction change in the House bill really removes the last major encumbrance to this bill.

There are many things in this bill that will not be perfect for every Member, but I think it is a safe and important and positive vote for each member of this House.

□ 2245

I hope the bill will be broadly supported.

Mr. Speaker, I thank the gentleman for yielding.

Mr. ARCHER. Mr. Speaker, I yield for three sentences to the gentleman from Illinois [Mr. Michel], the distinguished Republican leader.

Mr. MICHEL. Mr. Speaker, at the outset I want to pay a compliment to the gentleman from Illinois [Mr. Rostenkowski], the distinguished chairman for in these hectic closing days to bring us a bill that I would certainly hope would give us unanimous support in the House.

In addition to some of the provisions that the distinguished chairman, ranking member made up, one other provision I happen to think is very importnat with respect to allowing nonprofit cooperatives which have refinanced their REA loans to continue to be tax exempt. Present law threatens the future of some cooperative by subjecting them to Federal taxation if the refinancing benefits push them over a certain income level. This will make absolutely sure this does not happen.

I am deeply grateful to the members of the committee for including that in the technical amendments of the bill.

I urge support for the tax package we have before us here, because it addresses several problem areas of previous tax laws that have caused undue problems for many people.

First and foremost is the repeal of the diesel fuel tax collection requirement. This requirement, which required farmers and others to pay a diesel fuel tax and then file for a refund, is an example of the type of bureaucratic excess which causes Congress to be held in such low esteem. The repeal included in this package is good news for all off-highway users of diesel fuel who are exempt from payments of the tax, including farmers, barge operators, contractors, and others.

Another positive in the legislation is a provision which allows nonprofit cooperatives which have refinanced their REA loans to continue to be tax exempt. Present law threatens the future of such cooperatives by subjecting them to Federal taxation if the refinancing benefits push them over a certain income level.

Finally, I am disappointed that a provision pertaining to ethanol added in the Senate was not included in the final version. As you know, the trade bill allowed ethanol produced with cheap European wine to enter this country duty free if it is shipped through the Carribbean. This influx of cheap ethanol represents a threat to our domestic ethanol industry.

Language was added in the Senate to correct this abuse, but is not included in the final package. Those who chose not to include it must bear the responsibility for any deterioration in our domestic ethanol industry.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Speaker, the Ways and Means Committee has worked hard over the past 2 years to produce the best possible technical corrections bill. I believe we have reached a good compromise.

First of all, I wish to express my personal appreciation to Chairman ROSTENKOWSKI, who has been the dominant force behind this legislation. He has bent over backwards to cooperate and coordinate with the other body, and to protect the position of the House.

I also want to commend my colleague from Texas, the Honorable BILL ARCHER, our ranking minority member, who has been a strong factor in bringing the parties together to produce a bill.

Above all, I want to commend the excellent staff of the Ways and Means Committee and the Joint Committee on Taxation for another outstanding performance under pressure.

This agreement not only contains important technical corrections to tax legislation passed over the last 2 years, but it also includes a number of provisions that simplify the law or correct inequities in our present system. For example:

The agreement allows off-highway business users of diesel fuel to purchase diesel fuel from "producers" without payment of the excise tax. This means oil drillers, farmers, contractors, stone crushers, waterway operators and other off-highway users will not have to go through the burden of applying for a refund for taxes paid but which were not owed.

It repeals the requirement that governmental pension plans begin distribution of pension benefits at age 70½. This provision will resolve the funding dilemma State and local plans would have experienced had they been forced to allow workers to draw retirement benefits while also drawing a current salary and accruing new benefits.

The agreement exempts artists, photographers and other producers of creative works from the uniform capitalization rules, resolving the administrative nightmare and inequity caused by the Tax Reform Act of 1986. Under this same section, we also corrected the so-called "heifer tax" problem.

It allows gasoline marketers to take over the refund process for State and local governments and school districts for purposes of the gasoline excise tax. This provision will help keep gasoline marketers competitive with their suppliers and it also will relieve many governmental users from the burden of applying for a refund for gasoline excise taxes paid but not owed.

The agreement also provides an interim solution for recipients of the Christa McAuliffe Fellowship so that they will not have to pay taxes on the portion of their fellowship which they use directly for their school projects.

The agreement also calls for the extension of a number of provisions that have already expired or will expire at the end of the year. These important provisions include extensions of the Research and Development tax credit and the university basic research tax credit, as well as the so-called Section 861 compromise relating to allocation of research and development expenses. The agreement also continues the mortgage credit certificate program, and renews expiring provisions related to financial assistance transactions and reorganizations of troubled thrifts.

In order to accommodate the revenue restraints of the agreement, all of the expiring provisions were modified to some degree. Nonetheless, they have been extended, keeping them alive and giving the next Congress the chance to thoroughly review them.

Finally, the agreement includes a strong—but workable—Taxpayers Bill of Rights that will protect taxpayers in their dealings with the Internal Revenue Service.

The agreement is not perfect, in my view. For instance, I am told that the other body refused to recede on its provision pertaining to the truck excise tax and remanufactured vehicles. In light of that, this is a provision I would encourage the Ways and Means Committee to watch closely because of its potential for abuse and excise tax evasion.

But overall, Mr. Speaker, this is a reasonable and equitable compromise which addresses many issues of importance to our constituents. I urge my colleagues to accept the compromise and adopt this agreement.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Speaker, my remarks will go less to the content of this particular bill than to the procedure. I have often been critical of leadership in this House, and I believe that when credit is due it ought to be given; first of all, to the staff of the Committee on Ways and Means, both the majority and minority staff. They not only work the usual long, hard hours, they are also extremely bright and diligent in making sure that when an idea is conceived it is carried in the law.

Let me also commend our newest ranking member, and fortunately for some time I guess we will have to continue to call our most senior members our ranking members. I would prefer another term, but until we can change the numbers in the House it is a ranking member. He has been, in my opinion, the role model for ranking members on our side in terms of not just participation but leadership.

Finally, let me address myself to the chairman of the Committee on Ways and Means. I have said I am often critical of leadership in this House, but I have to stand here and tell my colleagues, as a model for leadership, although the Democrats are in the majority, the gentleman from Illinois, the chairman of the Committee on Ways and Means, in terms of his ability to allow people to believe that they are participating in the process, not whether you win or lose, but whether you feel as though you made a difference, that you can participate and feel that you had your shot, that is what some other leaders in this House ought to learn from the distinguished gentleman from Illinois, and I salute his ability to lead the best committee in the House of Representatives.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. DAUB], who has played such a significant role in the committee during his time on the committee and who will be leaving us at the end of this Congress.

Mr. DAUB. Mr. Speaker, I rise in support of this Technical Corrections Act. It is comprehensive legislation and it is quality work by the Committee on Ways and Means in this House.

We have all heard the contents of the bill, the research and development and the educational assistance, the targeted jobs tax credit, mortgage revenue bond extenders, and compromises on a number of other items. Good work has been done on insolvent institutions for depositors and on Social Security and Railroad Retirement provisions, on pensions and COBRA, but more importantly, the key part of this bill for my colleagues is to recall that 2 years ago when we engaged in historic tax reform, the concurrent resolution, then called H.R. 4333, contained a number of provisions that were designed to smooth the transition from old law to new law, and we failed. We failed to pass that particular piece of legislation, to deliver the true promise of tax reform. Now is our chance to do that, and I urge my colleagues for that reason among others to support this legislation.

Finally, let me say my sincere congratulations to our ranking member, the gentleman from Texas [Mr. ARCHER], for his new leadership. He is off to a fine start. And to our chairman of this committee, the gentleman from Illinois [Mr. ROSTENKOWSKI], who has consistently demonstrated uncommon courage in his legislative skills, and common courtesy to all with whom he deals, I extend my sincere appreciation.

To my colleagues on the Committee on Ways and Means, my thanks to their dedication and for their friendship; to the staff, not only of our majority-minority my thanks for their hard work, and to the staff of the Joint Committee on Taxation, I want to say a special thanks for their hard work and technical competence.

Lastly, to all of my colleagues in this House for their friendship, I salute all and look forward to your continuing friendship.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. HENRY].

Mr. HENRY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, let me just point out one other aspect of this bill which I think will be of interest to many who have cosponsored numerous proposals along this line.

This conference report includes the college savings bond proposal. President Reagan, 4 years ago, threw this down to us on tax reform; 2 years ago he proposed to us in a State of the Union Address, a college savings bond program which would enable middle income Americans to easily save and invest for their young children and their grandchildren and their relatives, to pursue higher education.

Mr. Speaker, I praise and commend the committee for putting this proposal into the bill, a proposal that is endorsed in the Republican platform, is a key plank of Vice President BUSH's Presidential candidacy, and I commend the committee for its wisdom.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 30 seconds to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I am pleased to rise in support of this technical correction tax measure and am especially pleased that the 100th Congress will be able to include the protection of the Manassas National Battlefield Park as part of its accomplishments. The preservation and interpretation of the Battle of Second Manassas should have been accomplished years ago. We should be able to avoid such last minute crises in preservation as this one has been. I rise in support of S. 2238, the Technical Corrections Act. The Senate amended that legislation to include a slightly modified H.R. 4526, a bill to provide for the addition of approximately 600 acres to the Manassas National Battlefield Park. As you know, the land in question is part of the Second Battle of Manassas.

The Senate amended the bill language to make clear that the funding for the legislative taking of the William Center tract will come from the claims and judgments fund and not the land and water conservation fund. I support this change, as it reassures everybody that their particular park land acquisition efforts will not be affected by the protection of the Battlefield of Second Manassas. By passing this, and its becoming law, construction on the William Center tract—which is proceeding as we speak—will cease immediately and no further damage will be done to this historic land.

Just as the original battle was hard fought, so has today's battle to protect it been hard fought. You may recall that H.R. 4526 passed the House last August 10 by a vote of 307-98. I want to acknowledge the hard work of the bill's sponsors, our colleagues MIKE ANDREWS and BOB MZAREK, as well as the efforts of FRANK WOLF. I know that the individuals and organizations in the historic preservation community fought and worked hard to win this victory. There was a major coalition of people all working to save the battlefield, especially Annie Snyder and Betty Rankin of the save the battlefield coalition, Tersh Boasberg and Charlie Lord of Boasberg & Norton, Nellie Longsworth and the membership of Preservation Action, Jack Walter, Ian Spatz and Helen Hooper of the National Trust for Historic Preservation, Harold Himmelman, Paul Pritchard, and Bruce Craig of the National Parks and Conservation Association, James McPherson, author of the Battlecry of Freedom and Jody Powell. I also want to thank the many, many others who contributed their time and efforts.

I think we have all seen how much adequate planning and funding is needed for protecting all our park resources. We need to know what must be protected and have the means to do it. I would prefer that we plan ahead and not have such battles as we have had on Manassas. In the 101st Congress, I will be considering the issues of general park protection further. In the meantime, I look forward to enactment of protection for Manassas National Battlefield Park. I urge passage of this legislation.

Mr. ROTH. Mr. Speaker, I rise to urge my colleagues to vote for this tax bill. There are many provisions in this final compromise, and no doubt each of us can find items which we favor as well as oppose. Such is the nature of omnibus tax bills.

Our task in these situations it to make a judgment as to whether the good parts outweigh the provisions which we oppose. In this situation, I feel this bill overall is worthy of our support.

I say this because of two provisions in particular. One is the repeal of the so-called heifer tax, which has imposed an unfair burden on millions of farmers in Wisconsin and across the country. I am a sponsor of a bill to repeal this tax, and this bill includes a provision which accomplishes the purpose of my original proposal. Enactment of this bill will save farmers not only from having to pay added taxes solely as a result of a federally imposed accounting system that does not reflect the true costs incurred in raising livestock to production. Moreover, it ends a paperwork nightmare for farmers, many of whom have appealed to me for relief.

This repeal strikes a blow for the family farmer.

Similarly, the final bill includes a repeal of a totally inappropriate requirement that farmers and other off-road users of diesel fuel pay a tax they do not owe, and then file for a refund. This is simply wrong, and I proposed months ago that this be repealed. The bill follows my recommendation.

As we wind up the 100th Congress, it is fitting that we enact this tax corrections bill. It fixes many of the problems caused in 1986, and overall, it is a step forward. Next year, we must come back and make further refinements and corrections, but let us enact this bill now.

Mr. LELAND. Mr. Speaker, in recent days there was quite a bit of uncertainty as to whether we would adjourn before completing action on H.R. 4333, the Technical Corrections Act. Today I applaud the House Committee on Ways and Means and the Senate Finance Committee for their determination resolving the differences in the House and Senate versions of the bill and bringing it before us for a final vote. It was no small task for the conferees to conclude consideration of this bill. The Technical Correction Act is not a simple piece of legislation, it addresses a variety of complicated tax policy issues.

In expressing my support for the conference agreement, I would like to particularly acknowledge the inclusion of language which provides the Internal Revenue Service [IRS] with needed flexibility in regulating charitable contributions by closely held corporations.

Each year, tons of food are distributed to million of low-income individuals and households through the more than 200 Second Harvest food banks. This national organization is primarily dependent upon the support of C corporation food contributions because existing appraisal and reporting requirements mandated by the Deficit Reduction Act of 1984 virtually precluded donations from closely held corporations. I have been informed by the American Meat Institute, many of whose members are closely held corporations, that current regulations stand in the way of efforts to encourage its membership's support of Second Harvest through contributions of urgently needed food. in simple terms, poor people are losing access to tons of food that they critically need because of inflexible tax policy.

The conference agreement before us today remedies this situation by allowing the IRS to apply to closely held corporations, making donations to food banks eligible for the same limited disclosure requirements governing donations for C corporations. I believe this provision reflects responsiveness to the needs of the poor and not only supports, but encourages, private sector participation in strategies to alleviate hunger.

Mr. BRUCE. Mr. Speaker, I rise in support of H.R. 4333, the Technical Corrections Act of 1988. Two provisions of this bill are especially important to my constituents: the repeal of the off-road diesel tax and the exemption from the "heifer tax".

Under current legislation, the diesel excise tax requires that a farmer pay 15.1 cents-per-gallon of diesel fuel to the highway trust fund tax only to have that same money later refunded by the Government. Cash raised by this tax serves as an interest-free loan to the Federal Government at an additional cost of $400 million to the farming industry. Another priority is the repeal of the heifer tax. The revenue increase would offset the cost of the repeal by lengthening farm structure depreciation schedules.

Many farmers and other users of road equipment have expressed their displeasure with this cumbersome Government refund. The Technical Corrections Act would abolish these unwarranted, unfair taxes and sensitively address the needs of the farmer. This bill does not alleviate present economic strain that this past summer's drought has on the agricultural community of Illinois, however, it does provide the U.S. Congress an opportunity to act constructively for the good of the farmer. By exempting the livestock producer while discouraging potential tax shelters, this legislation perfects the practical implementation of the orginal intent.

Mr. ARCHER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Speaker, I rise in strong support of this work product and commend the chairman of the committee.

Mr. ROSTENKOWSKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] that the House suspend the rules and agree to the conference report on the bill, H.R. 4333.

The question was taken.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 358, nays 1, not voting 72, as follows:

[Roll No. 463]

YEAS—358

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
Baker
Ballenger
Bartlett
Barton
Bateman
Bates
Bennett
Bentley
Bereuter
Berman
Bilbray
Bliley
Boehlert
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Brennan
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clement
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Costello
Coughlin
Courter
Coyne
Darden
Daub
Davis (IL)
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Frenzel
Frost
Gallegly
Gallo
Garcia
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Goodling
Gordon
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
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Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
LaFalce
Lagomarsino
Lancaster
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lungren
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Payne
Pease
Penny
Perkins
Petri
Pickett
Pickle
Porter
Price
Pursell
Rahall
Rangel
Ravenel
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stangeland
Stenholm
Stokes
Studds
Stump
Sundquist
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—1

Gonzalez

NOT VOTING—72

Aspin
AuCoin
Badham
Barnard
Beilenson
Bevill
Bilirakis
Boggs
Boulter
Boxer
Brooks
Campbell
Clarke
Clay
Cooper
Craig
Crane
Crockett
Dannemeyer
Davis (MI)
Dickinson
Dowdy
Edwards (CA)
Ford (TN)
Frank
Gaydos
Gradison
Gregg
Jones (NC)
Jones (TN)
Kastenmeier
Kemp
Kyl
Lantos
Leath (TX)
Leland
Lewis (FL)
Lipinski
Livingston
Lott
Lukens, Donald
Mack
MacKay
Madigan
Marlenee
McCandless
Mica
Miller (OH)
Mineta
Pelosi
Pepper
Quillen
Ray
Richardson
Rodino
Roe
Roth
Roybal
Schroeder
Sisisky
Skelton
Smith, Denny (OR)
Stallings
Stark
Stratton
Sweeney
Swift
Swindall
Taylor
Towns
Walgren
Waxman

□ 2311

So (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TECHNICAL CORRECTIONS AND AMENDMENTS TO HEALTH OMNIBUS PROGRAMS EXTENSIONS OF 1988 AND PUBLIC HEALTH SERVICE ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 5560.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon [Mr. WYDEN] that the House suspend the rules and pass the bill, H.R. 5560, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 361, nays 0, not voting 70, as follows:

[Roll No. 464]

YEAS—361

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
Baker
Ballenger
Bartlett
Barton
Bateman
Bates
Bennett
Bentley
Bereuter
Berman
Bilbray
Bliley
Boehlert
Boland
Bonior
Borski
Bosco
Boucher
Brennan
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clement
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Costello
Coughlin
Courter
Coyne
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Frenzel
Frost
Gallegly
Gallo
Garcia
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
LaFalce
Lagomarsino
Lancaster
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lungren
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Payne
Pease
Penny
Perkins
Petri
Pickett
Pickle
Porter
Price
Pursell
Rahall
Rangel
Ravenel
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stangeland
Stenholm
Stokes
Studds
Stump
Sundquist
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—0

NOT VOTING—70

Aspin
AuCoin
Badham
Barnard
Beilenson
Bevill
Bilirakis
Boggs
Bonker
Boulter
Boxer
Brooks
Campbell
Clarke
Clay
Cooper
Craig
Crane
Crockett
Dannemeyer
Dickinson
Dowdy
Edwards (CA)
Ford (TN)
Frank
Gaydos
Gradison
Gregg
Jones (NC)
Jones (TN)
Kemp
Kyl
Lantos
Leath (TX)
Leland
Lewis (FL)
Lipinski
Livingston
Lott
Lukens, Donald
Mack
MacKay
Madigan
Marlenee
McCandless
Mica
Miller (OH)
Mineta
Pelosi
Pepper
Quillen
Ray
Richardson
Rodino
Roe
Roth
Schroeder
Sisisky
Skelton
Smith, Denny (OR)
Stallings
Stark
Stratton
Sweeney
Swift
Swindall
Taylor
Towns
Walgren
Waxman

☐ 2328

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 2330

NATIONAL ASPARAGUS MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H.J. Res. 137) designating the month of May as "National Asparagus Month," with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Senate amendments:

Page 2, line 3, after "May" insert ", 1989,".

Amend the title so as to read: "Joint resolution designating the month of May, 1989, as 'National Asparagus Month'.".

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. WALKER. Reserving the right to object, Mr. Speaker, can the gentleman explain to me what this is?

This is the National Asparagus Month resolution that came over from the Senate?

Mr. DYMALLY. Mr. Speaker, if the gentleman will yield, the gentleman is correct.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

NATIONAL COMMISSIONED CORPS OF THE PUBLIC HEALTH SERVICE CENTENNIAL DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 395) to designate January 4, 1989, as "National Commissioned Corps of the Public Health Service Centennial Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Reserving the right to object, Mr. Speaker, the minority has no objection to this legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 395

Whereas the commissioned corps of the Public Health Service of the United States has compiled an exceptional record of service to the health of people of the United States and the world through concerted efforts at disease prevention, health promotion, environmental intervention, disease control, biomedical research, health care delivery, health program management, policy development, and implementation;

Whereas the commissioned corps of the Public Health Service has been instrumental in the achievement of many innovations and breakthroughs throughout the field of health care;

Whereas, because of diverse and varied training and background, the commissioned corps of the Public Health Service have maintained a highly effective, mobile, and adaptive cadre of health and medical experts that have performed efficiently during emergencies, epidemics, and other adverse situations with courage, proficiency, and valor;

Whereas the officers of the commissioned corps of the Public Health Service have worked to eradicate diseases such as pellagra and smallpox and improved the health of mothers, children, and handicapped individuals through significant accomplishments such as the control of tuberculosis and the development of protective vaccines;

Whereas the officers of the commissioned corps of the Public Health Service have worked to increase the protection of consumer through the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) and the Mental Health Sysems Act (42 U.S.C. 9401 et seq.) and provided health care services for the Merchant Marine, the Coast Guard, the Bureau of Prisons, American Indians, and Native Alaskans;

Whereas on January 4, 1989, the commissioned corps of the Public Health Service celebrates the completion of its first century of existence and begins its second century with the goal of further enhancing the health of the people of the United States through measures such as achieving a drug-free society and eradicating the disease of acquired immune deficiency syndrome: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 4, 1989, is designated as "National Commissioned Corps of the Public Health Service Centennial Day". The President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEPARTMENT OF ENERGY LABORATORY COMPETITIVENESS ACT OF 1988

Mrs. LLOYD. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the bill (H.R. 5132) to amend the Federal Nonnuclear Energy Research and Development Act of 1974 to improve the transfer of technology or devices developed by the Department of Energy National Laboratories, and to improve interagency cooperation between the Department of Energy and other agencies with respect to technology transfer.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Tennessee?

Mr. LUJAN. Reserving the right to object, Mr. Speaker, I do so just to take this time to ask the gentlewoman to give us some information on this particular bill, and I yield to the gentlewoman from Tennessee.

Mrs. LLOYD. Mr. Speaker, this bill contains a DOE technology transfer study so that we can improve the process of transferring technology from the national labs to the marketplace.

The second element of the bill is a superconductivity initiative for the DOE. High temperature superconductors offer great promise, but if we do not harvest the fruits of this research, certainly we will not reap the benefits.

Mr. Speaker, I thank Congressman LUJAN for all his hard work and cooperation in this bill H.R. 5132. Without his leadership as the ranking minority member on the committee, this could not have come to fruition. Congressman LUJAN has been a tireless ally in our efforts to forge a national energy policy, and his support will be sorely missed in the next Congress. I wish him well in all future endeavors. His presence in this body will leave a void that will take years to fill.

Mr. LUJAN. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Washington [Mr. MORRISON].

Mr. MORRISON of Washington. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, we are delighted with the progress that we have made in the area of technology transfer. I support the positive action of the House on this measure.

Mr. LUJAN. Further reserving the right to object, Mr. Speaker, let me take just one moment to congratulate the gentlewoman from Tennessee, because she has worked very, very hard, probably as hard as any Member—well, I know harder than any Member of this House to bring about this technology transfer legislation.

Technology transfer, I might tell this House, is so important, it is one of the things that in the last few minutes of this Congress is one of the bills that we should be taking up.

Mr. Speaker, this is my last day as an active voting Member of this Congress, and probably nothing is more important than the bill that the gentlewoman has brought before this House today.

I also want to congratulate the gentleman from New Jersey [Mr. ROE], the chairman of the full committee.

Mr. Speaker, if I may, I would like to commend my colleague, Senator DOMENICI, who has worked very hard with the gentlewoman from Tennessee. Together they have worked this whole thing out.

Mr. Speaker, in this House the gentlewoman from Tennessee deserves full credit for what she has done.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I want simply to associate myself with the gentleman's remarks about the bill and with the gentleman's remarks about the gentlewoman from Tennessee as being one of the true leaders in the area of technology transfer.

We are very, very pround of that progress in bringing research into private industry, as witnessed by the Oak Ridge National Laboratory. I think what is good for Oak Ridge is certainly good for the country.

We are delighted with this bill.

Mr. Speaker, I want to compliment in particular the distinguished gentlewoman from Tennessee for her wonderful work. She is one of the real leaders in technology transfer.

Mr. LUJAN. Further reserving the right to object, Mr. Speaker, I will not take very much time, but technology transfer is probably as important as any issue that we can discuss, because technology transfer from the laboratory to the private sector is what makes America great.

Again let me just congratulate the gentlewoman from Tennessee for diligence. If it had not been for her, six times this bill has died, and if it were not for the gentlewoman from Tennessee, it would never have come up.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I would like to direct my remarks to the gentleman from New Mexico.

My understanding is that bills of a substantial nature tonight were going to be taken up under suspension.

The gentleman has come here under a unanimous-consent request, and as long as the gentleman has done so, can the gentleman tell us a little more about the bill than that it is important and that people have worked hard on it?

Mr. LUJAN. I certainly can, and I will be very happy to, if I may continue to reserve the right to object, Mr. Speaker.

This bill as it started out had a lot of moneys involved in it, but as it has evolved over the years there is no money involved in it. It is a bill that forms a council. The council really exists already in terms of the people who are working on technonogy transfer within the laboratory. It adds no additional moneys, or very little additional moneys, I might say, because there is always expense in printing things and so on, but it is very, very little that is added to this bill.

It just kind of gives us an opportunity to take from the research in the laboratory some of the research and use it for the benefit of mankind.

Mr. FRENZEL. Mr. Speaker, if the gentleman will yield further, because of the gentleman's imminent departure, I will also depart from the normal routine and not press an objection, but the hour is getting late and we need a little discipline around here.

I thank the gentleman for yielding.

Mr. LUJAN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentlewoman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of Energy Laboratory Competitiveness Act of 1988".

SEC. 2. FINDINGS.

The Congress finds that—

(1) domestic competitiveness can be greatly improved through scientific collaboration between United States industry and the Department of Energy laboratories;

(2) the Department of Energy laboratories must be perceived, within the constraints of national security relative to defense laboratories, as easily accessible in order for industry to seriously consider the laboratories as partners for collaborative research and development ventures;

(3) the Secretary of Energy should delegate increased management authority for technology transfer to the Managers of Operations Officies in order to ensure timely consideration of proposed cooperative research and development agreements;

(4) the Secretary of Energy retains full responsibility, oversight and control over Managers of Operations Offices who may be delegated increased management authority under this Act;

(5) the Department of Energy policy of disseminating computer software generated in its research programs has at times benefited foreign companies more than domestic companies;

(6) there should be simple, timely review procedure concerning proposed agreements to utilize or further develop computer software and other technology generated under Department of Energy research and development contracts, or developed with Department of Energy funding;

(7) the existing policy with respect to ownership of inventions at Department of Energy laboratories operated by universities and nonprofit contractors should apply to all products of research and development and should be extended to all Department of Energy laboratories contractors, consistent with existing legislative and executive branch directives.

(8) the Department of Energy laboratories have demonstrated successes in technology transfer, but the effort can be significantly enhanced if—

(A) industry becomes more aware of the laboratories' research and development projects and capabilities;

(B) technology transfer is considered a part of the laboratories' missions;

(C) the laboratories develop a better understanding of the potential needs of industry;

(D) industry collaborates with the laboratories early enough in the research and development process to detect any commercial potential in the products of research and development; and

(E) laboratories involved in national security work take special care to propose technology transfer activities that will not compromise classified data or involve, without express government approval, private entities in nuclear weapons and naval reactor research; and

(9) the Department of Energy laboratories should examine and implement new and innovative methods of communicating with private industry regarding the availability of laboratory user facilities and engaging in cooperative research and development opportunities.

SEC. 3. DEFINITIONS.

Section 9(m) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908(m)) is amended—

(1) by striking "and" at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

(3) by inserting at the end of thereof the following:

"(6) the term 'collaborative party' means a person who has entered into a cooperative research and development agreement with a Director of a laboratory pursuant to this section;

"(7) the term 'computer software' means recorded information, regardless of the form or media in which it may be recorded, including computer programs or documentation thereof;

"(8) the term 'cooperative research and development agreement' means any contract between a laboratory manager or operator and any Federal or non-Federal parties under which the laboratory manager or operator provides personnel services, facilities, equipment, or other resources toward the conduct of research and development efforts which would further the purposes for which the funds, used by the laboratory, were appropriated;

"(9) the term 'Director of a laboratory' means the Department of Energy employee, or the Department of Energy contractor's employee, located at the laboratory and heading the employees managing and operating any laboratory;

"(10) the term 'laboratory manager or operator' means (A) the contractor who has signed a laboratory management and operating contract with the Department of Energy (but only with respect to activities relating to such management or operation) or, (B) the Department of Energy, if the laboratory is Government owned and operated.

"(11) the term 'laboratory' means a facility or group of facilities owned or leased by the Department of Energy for energy research, development, or demonstration;

"(12) the term 'Manager of an Operations Office' means the employee responsible for heading a Department of Energy field office, which has responsibility for overseeing, or interacting with, one or more laboratories;

"(13) the term 'developmental property' means any invention, improvement, computer software, technical data, innovation, or prototype made as a result of the research and development activities conducted by a laboratory manager or operator, but does not include real property or such personal property that is not of an innovative nature and is used for the conduct of activities under the laboratory management and operating contract; and

"(14) the term 'technical data' means recorded information of an engineering or scientific nature regardless of the form or the media in which it may be recorded.".

SEC. 4. TECHNOLOGY TRANSFER AT THE LABORATORIES.

Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908) is further amended by adding at the end the following new subsections:

"(o) GENERAL AUTHORITY.—(1) The Secretary of Energy shall promulgate through regulation, order, or directive—

"(A) model cooperative research and development agreements which are not subject to further approval under paragraph (2);

"(B) generic terms and conditions, which when included in negotiated (nonmodel) cooperative research and development agreements are not subject to further approval under paragraph (2); and

"(C) authority for any Director of a laboratory to enter into a cooperative research and development agreement which requires less than a specified level of Department of Energy funding, such level to be established by the Secretary.

"(2) The Secretary of Energy shall delegate, subject to the guidance and direction of the Secretary, to each Manager of an Operations Office authority to approve cooperative research and development agreements, or parts thereof, recommended by a Director of a laboratory under such Manager's oversight.

"(3)(A) Subject to paragraph (B), each Director of a laboratory may enter into model agreements promulgated by the Secretary under paragraph (1)(A), or other agreements under paragraph (1)(C), after programmatic approval of the activities under the agreement by the Manager of an Operations Office, or may negotiate cooperative research and development agreements subject to approval pursuant to paragraph (2).

"(B) Every cooperative research and development agreement concerning, in whole or in part, nuclear weapons or naval nuclear propulsion shall be subject to the approval of the Manager of an Operations Office, consistent with paragraphs (1)(A) and (1)(B), having oversight over the laboratory involved.

"(C) Any agreement described in subparagraphs (A) or (B) may provide for the disposition or use of property assigned or licensed to the laboratory manager or operator by third parties, or any property voluntarily assigned by such laboratory manager or operator's employees.

"(D) The Department of Energy shall have no rights in developmental property made by collaborative parties, at private or non-Department of Energy expense and independent of such agreement, during the term of any cooperative research and development agreement, unless such rights are specifically granted to the Department of Energy in such agreement, or are authorized for national security purposes under the Atomic Energy Act of 1954 (42 U.S.C. 2011, et seq.).

"(4) Each Director of a laboratory shall, in negotiating cooperative research and development agreements, and in granting licenses or assignments to third parties (or in granting authority for such third parties to grant licenses or assignments with respect to developmental property subject to this Act) give preference to persons located in the United States who agree that any products embodying such developmental property produced through the use of such developmental property will be manufactured substantially in the United States. Exclusive rights to use any such developmental property shall be subject to the requirements of section 204 of title 35, United States Code.

"(5) The authorities and responsibilities delegated to a Manager of an Operations Office under this section shall, when the lab-

oratory is managed or operated by Department of Energy employees, be delegated to the Director of the laboratory.

"(p) SPECIFIC AUTHORITY.—Each Director of a laboratory may negotiate and include provisions in any cooperative research and development agreement entered into pursuant to this section permitting the laboratory manager or operator—

"(1) to accept, retain, and use funds, personnel, services, and property from collaborative parties, and provide personnel, services, and property to collaborative parties;

"(2) to grant, or agree in advance to grant, to a collaborative party licenses or assignments, or options to developmental property made, in whole or in part, by an employee of a laboratory manager or operator under the cooperative research and development agreement; and

"(3) to the extent consistent with Department of Energy regulations, orders, and directives pertaining to conflict of interest, and to the extent consistent with laboratory programs and agreements in technology transfer, to permit employees or former employees of a laboratory manager or operator to participate in efforts to transfer to the private sector any developmental property such employees or former employees made while in the service of such laboratory manager or operator.

"(q) APPROVAL OF AGREEMENTS.—The Manager of an Operations Office may disapprove or require the modification of a cooperative research and development agreement pursuant to this section within 30 days after receipt of such agreement and recommendation from the Director of a laboratory. Such Manager shall set forth in writing the reasons for any such requirement of modification or disapproval, and shall make available to the appropriate Director of a laboratory a copy of such reasons. Such agreement shall be deemed binding on all parties upon—

"(1) approval of such Manager,

"(2) concurrence of such Manager, that such agreement has been appropriately modified;

"(3) the expiration of 30 days after receipt by such Manager of a modified agreement if the Manager does not disapprove such modification; or

"(4) if no modification is required or such Manager does not disapprove such agreement, upon the expiration of 30 days after the receipt by such Manager of such agreement and recommendation.

"(r) LIMIT ON AGGREGATE AMOUNT OF AGREEMENTS.—A laboratory manager or operator may not spend more than 20 percent of funds received from the Department of Energy in any fiscal year on cooperative research and development agreements entered into by the Director of a laboratory under this section, unless such expenditure is approved by the responsible Manager of an Operations Office.

"(s) RECORDS OF AGREEMENTS.—The Secretary of Energy shall, during the term of a cooperative research and development agreement, withhold from disclosure to the public any part of such agreement which contains proprietary information required under the agreement to be protected against public disclosure.

"(t) AGREEMENT CONSIDERATIONS.—A Director of a laboratory, in deciding what cooperative research and development agreements to recommend, and the Manager of an Operations Office, in deciding whether to approve such agreements, shall comply with section 11(c)(4) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(c)(4)).

"(u) DISPOSITION OF TITLE.—(1) Title to any invention or discovery made or conceived under any contract of the Department of Energy shall vest in the Department of Energy, except that developmental property shall vest as follows:

"(A) For developmental property made under a cooperative research and development agreement, or under a contract providing for full reimbursement of Department of Energy expenses, title shall vest in accordance with the terms of such agreement or contract.

"(B) For developmental property, other than developmental property described in subparagraph (A), made by a laboratory managed or operated by the Department of Energy, title shall vest in the Department of Energy, except that title shall vest in the individual maker of the developmental property in the same manner as inventions vest in an inventor under section 14 of the Stevenson-Wyder Technology Innovation Act of 1980 (15 U.S.C. 3710d).

"(C) For developmental property, other than developmental property described in subparagraph (A) or (B), made by a laboratory manager or operator, title shall vest in the laboratory manager or operator in the same manner and subject to the same conditions as title to inventions are vested in small business and nonprofit contractors under section 202 of title 35, United States Code, except that the Secretary may, until such time as the funding agreement is modified, utilize the authority under section 202 to restrict or retain title to developmental property.

"(2) No laboratory manager or operator who has received title to developmental property under this section shall utilize any royalties, or other direct profits, from the transfer of such developmental property out of the laboratory, for the benefit of such laboratory manager or operator, except as is authorized under section 202 of title 35, United States Code, or under sections 12 and 13 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710b and 3710c), or as may be approved by the appropriate Manager of an Operations Office. All rights and obligations with respect to developmental property owned by a laboratory manager or operator pursuant to this Act shall transfer to the laboratory manager or operator who replaces such owner upon consummation of a replacement laboratory management and operating contract and initiation by the new laboratory manager or operator of activities under such contract.

"(3) Whenever a laboratory manager or operator makes developmental property to which the Department of Energy has determined to restrict or retain title pursuant to paragraph (1)(C), a request by a laboratory manager or operator for any or all of the Government's rights in such developmental property shall be considered in the same manner as title to inventions is considered under section 3131 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1987, as amended (title I of division C of Public Law 99-661; 100 Stat. 4061), subject to the following:

"(A) The Director of a laboratory shall, in the request, report on the matters to be considered under section 3131(b).

"(B) The Secretary of Energy shall delegate the authorities and duties under section 3131, subject to the guidance and direction of the Secretary, to the Manager of an Operations Office having oversight over the requesting laboratory manager or operator. Such Manager shall set forth in writing the reasons for denial of any such request, which shall be available to the requesting laboratory manager or operator.

"(C) The Manager of an Operations Office may not use export control statutes or regulations as a basis for refusing a laboratory manager or operator's request for title.

"(D) Any report to Congress submitted under section 3131 shall also be forwarded to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Energy and natural Resources of the Senate.

"(4)(A) When a laboratory manager or operator receives ownership rights under this section such ownership rights shall be subject to a royalty free license under which the United States, and its contractors, may use and reproduce such developmental property for United States governmental purposes other than for public dissemination of such developmental property.

"(B) When a collaborative party is to receive ownership rights to developmental property made under a cooperative research and development agreement, the Director of a laboratory and the collaborative party may negotiate, on the basis of fairness and equity, whether or not the United States and its contractors are to receive a royalty free license as described in subparagraph (A) for such developmental property.

"(v) PROTECTION OF PROPERTY.—(1) Any computer software technical data, or documentation thereof which is obtained or generated by a laboratory manager or operator shall be held in confidence and shall not be subject to public disclosure for a period of up to two years as determined by the Secretary if the Director of a laboratory (with the concurrence of the appropriate Manager of an Operations Office) determines that there is a reasonable expectation that disclosure of the technical data, computer software or documentation thereof could substantially inhibit its commercial application.

"(2) Technical data, computer software, or documentation thereof described in paragraph (1) may be held in confidence and not subject to public disclosure for a period specified in such agreement, not to exceed 7 years, if such data or software is obtained or generated under a cooperative research and development agreement.

"(3) Nothing in this section shall restrict or limit the ability of the United States, including any laboratory, to utilize developmental property owned, pursuant to this Act, by any laboratory manager or operator, whether such developmental property was made under a cooperative research and development agreement or otherwise.

"(w) LABORATORY MISSION AND PERFORMANCE.—(1)(A) All contracts to operate a laboratory shall contain terms and conditions consistent with this section. Such contracts shall include a provision making technology transfer a mission of the laboratories.

"(B) The Secretary of Energy shall include technology transfer as a factor in evaluating the performance of laboratory managers or operators.

"(2) The Secretary of Energy shall issue within 180 days after the date of enactment of this subsection a standard contract clause to implement this section in the contract for the management or operation of any laboratory.

"(x) MARCH-IN RIGHTS.—The Secretary of Energy may require the licensing to third parties of all developmental property owned

by the laboratory manager or operator that is subject to the provisions of this Act in the same manner as provided under section 203 of title 35, United States Code.".

SEC. 5. INTERAGENCY COOPERATION.

The Secretary of Energy, in implementing the amendments made by sections 3 and 4, shall explore innovative ways to cooperate with other Government agencies, including the National Institute of Standards and Technology. The Department of Energy, in cooperating with any other Federal agency, shall minimize unnecessary duplication of programs, projects, and research facilities.

SEC. 6. INFORMATION TO CONGRESS.

Nothing in this Act shall diminish the responsibility of the Secretary of Energy to keep the Congress fully and currently informed, or the right of Congress to review and receive information with respect to any agreement, license, or developmental property subject to this Act.

SEC. 7. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 9(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908(a)) is amended by striking "shall vest in the United States" and all that follows through the period at the end of that sentence, and inserting in lieu thereof "shall vest in accordance with subsection (u).".

(b) Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) is amended by striking "shall be vested in" and all that follows through the period at the end of that sentence, and inserting in lieu thereof "shall vest in accordance with section 9(u) of the Federal Nonnuclear Energy Research and Development Act of 1974.".

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MRS. LLOYD

Mrs. LLOYD. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mrs. LLOYD:

Strike all after the enacting clause, and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of Energy Technology Incentive Act of 1988".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Domestic competitiveness can be greatly improved through scientific collaboration between United States industry and the Department of Energy laboratories.

(2) The Department of Energy laboratories must be perceived, within the constraints of national security relative to defense laboratories, as easily accessible in order for industry to seriously consider the laboratories as partners for collaborative research and development ventures.

(3) The Secretary of Energy should delegate increased management authority for the transfer of technology developed in civilian programs to the Managers of Operations Offices in order to ensure timely consideration of proposed cooperative research and development agreements.

(4) The Secretary of Energy should delegate management authority for the transfer of technology developed in military programs only to the extent it is consistent with national security considerations.

(5) The Secretary of Energy retains full responsibility, oversight, and control over Managers of Operations Offices who may be delegated increased management authority under this Act.

(6) The Department of Energy policy of disseminating computer software generated in its research programs has at times benefited foreign companies more than domestic companies.

(7) There should be a procedure for timely review of proposed agreements to utilize or further develop computer software and other technology generated under Department of Energy research and development contracts, or developed with Department of Energy funding. Any review of agreements relating to military research should take into account relevant national security considerations.

(8) The Department of Energy laboratories have had successes in technology transfer, but the transfer, but the effort can be significantly enhanced if, with respect to civilian programs conducted in laboratories—

(A) industry becomes more aware of the laboratories' research and development projects and capabilities;

(B) technology transfer is considered a part of the laboratories' missions;

(C) the laboratories develop a better understanding of the potential needs of industry; and

(D) industry collaborates with the laboratories early enough in the research and development process to detect any commercial potential in the products of research and development.

(9) The Department of Energy laboratories should examine and implement new and innovative methods of communicating with private industry regarding the availability of laboratory user facilities and engaging in cooperative research and development opportunities.

(10) National security consideration require a case-by-case review of technologies developed as a result of military research before the Government relinquishes title.

SEC. 3. TECHNOLOGY TRANSFER STUDY.

The Department of Energy shall, consistent with the findings set forth in section 2, conduct a technology transfer study which:

(a) Describes the existing policies and procedures for technology transfer;

(b) Describes the achievements to date under existing policies and procedures; and

(c) Recommends changes or improvements that could be made in technology transfer and any legislative changes that may be necessary to achieve changes or improvement.

Documents prepared by Department of Energy National Laboratories pursuant to such study shall be made available to the appropriate Committees of the Congress upon request. The study shall be submitted to the Speaker of the House and the President pro tem of the Senate within six months after enactment of this Act.

SEC. 4. ESTABLISHMENT OF THE HIGH-TEMPERATURE SUPERCONDUCTOR RESEARCH INITIATIVE.

The Secretary of Energy shall initiate and carry out a cooperative program of research on enabling high-temperature superconductor technology and on the practical applications of such technology (hereafter in this subsection referred to as the 'Initiative').

SEC. 5. PARTICIPATION OF NATIONAL LABORATORIES.

(a) MISSION OF NATIONAL LABORATORIES.—The Secretary shall ensure that the National Laboratories participate in the Initiative, to the extent that such participation does not detract from the primary mission of any participating National Laboratory.

(b) AGREEMENTS.—The Secretary shall enter into such agreements with other Federal agencies, with U.S. private industrial or research organizations, or consortia, or with any college or university, as may be necessary to provide for the active participation of the National Laboratories in the Initiative.

(c) REQUIRED PROVISIONS.—The Initiative shall include provisions for one or more National Laboratories to conduct research and development activities relating to research on high-temperature superconductivity. Such activities may include research and development in associated technologies including thin film and bulk ceramic synthesis and processing and the characterization of physical, chemical, and structural properties in materials.

SEC. 6. FORMATION OF COUNCIL AND CENTERS FOR RESEARCH ON ENABLING TECHNOLOGIES.

(a) COUNCIL.—The Secretary of Energy shall form the Council for Research on Enabling Technologies (hereafter in this subtitle referred to as the Council) that shall be composed or representatives of appropriate government agencies, universities, and industry to provide advise to the Secretary insetting goals and strategies for the Initiative. The Council shall be assembled from existing Department of Energy advisory panels or committees, augmented where appropriate, and shall coordinate the advice with Office of Science and Technology Policy to insure that the Council's advice is consistent with the roles, missions, and activity of other Government agenices.

(b) COOPERATION RESEARCH CENTERS.—(1) The Secretary shall establish cooperative research centers in enabling technologies for high-temperature superconducting materials and applications (hereafter in this subtitle referred to as Centers) at one or more National Laboratories with appropriate university and private industry participants.

(2) The Centers shall be located at National Laboratories that demonstrate expertise in—

(A) high-temperature superconductivity research; and

(B) research in associated technologies including—

(i) thin film and bulk ceramic synthesis and processing; and

(ii) characterization of physical, chemical, and structural properties in materials.

(c) AVOIDANCE OF DUPLICATION.—The Council shall keep appraised of activities taking place at the existing Research Centers on Superconductivity and Superconductivity Pilot Centers. In carrying out the responsibilities of subsection (a), the Council shall recommend to the Secretary and such Centers measures to ensure that unnecessarily duplicative research or activities are not being carried out at these Centers.

SEC. 7. PERSONNEL EXCHANGES.

The Initiative may include provisions for temporary exchanges of personnel between any domestic firm or university referred to in this subtitle and the National Laboratories that are participating in the Initiative. The exchange of personnel may be subject to such restrictions, limitations, terms and conditions as the Secretary considers necessary in the interest of national security.

SEC. 8. OTHER DEPARTMENT OF ENERGY RESOURCES.

(a) AVAILABILITY OF RESOURCES.—The Secretary may make available to other departments or agencies of the Federal Government, and to any participant in research and development projects under the Initiative, any facilities, personnel, equipment, services, and other resources of the Department of Energy for the purpose of conducting research and development projects under the Initiative.

(b) Reimbursement.—The Secretary may make facilities available under this section only to the extent that the cost of the use of such facilities is reimbursed by the user except where normally such facilities are available to users without charge.

SEC. 9. BUDGETING FOR HIGH-TEMPERATURE SUPERCONDUCTIVITY RESEARCH.

(a) To the extent the Secretary considers appropriate and necessary, the Secretary, in preparing the research and development budget of the Department of Energy to be included in the annual budget submitted to the Congress by the President for fiscal years 1990, 1991, 1992, 1993, 1994, and 1995, under section 1105(a) of title 31, United States Code, shall provide for programs, projects, and activities that encourage the development of new technology in the field of high-temperature superconductivity.

(b) Budget Categories.—The programs, projects, and activities described in subjection (a) shall be included in the budget for general science and research activities of the Department of Energy, except, that any programs, projects, and activities that directly support and directly benefit the defense activities of the Department shall be included in the budget for atomic energy defense activities of the Department of Energy.

SEC. 10. COST-SHARING AGREEMENTS.

(a) Permitted Provisions.—The Secretary shall ensure that contracts for the operation of National Laboratories provide the director of each National Laboratory that is participating in the Initiative or the contractor operating any such National Laboratory the authority to receive funds under any cooperative research and development agreement entered into with a domestic firm or university under the Initiative.

(b) Considerations.—The director of each National Laboratory that is participating in the Initiative, in determining the type and extent of its laboratory participation in carrying out work for others, shall undertake such work only when facilities are available and when it would not interfere with Department of Energy programs, and such work shall be conducted in such a way as to not create a future detrimental burden on the National Laboratory.

(c) Limitations.—(1) An amount equal to not more than 10 percent of any National Laboratory's annual budget may be received from and under the Initiative in any fiscal year, except to the extent approved in advance by the Secretary.

(2) Under subsection (a) no National Laboratory may receive from any person more than $10,00,000 of non-appropriated funds, or the equivalent of such amount, under any cooperative research and development agreement entered into under the Initiative, except to the extent approved in advance by the Secretary.

SEC. 11. OVERSIGHT OF COOPERATIVE AGREEMENTS RELATING TO THE INITIATIVE.

(a) Provisions Relating to Disapproval and Modification of Agreements.—The Secretary may review a cooperative research and development agreement for the purpose of disapproving or requiring the modification of the cooperative research and development agreement. Each such agreement shall provide a 90-day period within which the agreement may be disapproved or modified by the Secretary beginning on the date the agreement is submitted to the Secretary.

(2) Any determination made by the Secretary shall be made in writing.

(b) Record of Agreements.—Each National Laboratory shall maintain a record of all agreements entered into under this subtitle section and submit such record to the Secretary on an annual basis.

SEC. 12. AVOIDANCE OF DUPLICATION.

In carrying out the Initiative, the Secretary shall ensure that unnecessarily duplicative research is not performed at the research facilities of the Department of Energy (including the National Laboratories) that are participating in the Initiative.

Mrs. LLOYD (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentlewoman from Tennessee?

There was no objection.

Mrs. LLOYD. Mr. Speaker, this is a very important bill for the competitiveness of this country. It does contain a DOE technology transfer study so that we can improve the process of transferring the technology that we spend about $3 billion or $4 billion a year on to the marketplace.

Mr. Speaker, we produce many Nobel laureates, but we are producing few patents. We hope by this study that we can pave the way to the treasure trove of our federally funded technology on the shelf and see that we can develop the patents so that our competitors do not.

The SPEAKER. The question is on the amendment in the nature of a substitute offered by the gentlewoman from Tennessee [Mrs. Lloyd].

The amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MRS. LLOYD

Mrs. LLOYD. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mrs. Lloyd: Amend the title so as to read: "A bill to improve the transfer of technology developed by the Department of Energy National Laboratories."

The title amendment was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 5132, DEPARTMENT OF ENERGY LABORATORY COMPETITIVENESS ACT OF 1988

Mrs. LLOYD. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 5132, the Clerk be authorized to make technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, H.R. 5132, Department of Energy Laboratory Competitiveness Act of 1988.

The SPEAKER. Is there objection to the request of the gentlewoman from Tennessee?

There was no objection.

TRIBUTE TO THE HONORABLE HAL DAUB

(Mr. KASICH asked and was permitted to address the House for 1 minute and to revise and extend his remarks.)

Mr. KASICH. Mr. Speaker, I just would like to take this 1 minute to salute two retiring Members. One is the gentleman from Nebraska, Mr. Hal Daub, a member of the Ways and Means Committee, who I think has done just a fantastic job in the committee.

Mr. Speaker, it is not so important that I am speaking. I do, however, want to salute two of these retiring Members.

I want to say that the gentleman from Nebraska [Mr. Hal Daub] has been an outstanding member of the Ways and Means Committee. He has worked very well with people on both sides of the aisle. He is very articulate. He is very knowledgeable and he has done, I think, a fantastic job in the Congress. We are absolutely going to miss Hal and we wish him the best of luck as he goes into public retirement just for a short time, I am sure.

Also, Mr. Speaker, I would like to pay tribute to the gentleman from California, Mr. Dan Lungren, who I think is one of the sharpest parliamentarians in the House. He figures out ways to slip more of his ideas, constructive ideas and bills in, than I think anybody on the Republican side.

I am going to miss both of them, because as far as I am concerned, they are great examples for the younger Members of the House. I wish them both the best of luck.

THE SEVEN BLUNDERS OF THE THRIFT REGULATORY WORLD

(Mr. LEACH of Iowa asked and was permitted to address the House for one minute and to revise and extend his remarks.)

Mr. LEACH of Iowa. Mr. Speaker, the time has come for Congress to cease mincing words about thrift problems. The dilemma we are confronted with is of our own making. Too loose laws have led to too loose regulation which in turn has led to too loose banking practices. The overleveraging of other people's money by high-flying thrifts has put taxpayers on the line for billions of dollars of liabilities developed outside the normal budgetary process. Multibillion dollar obligations have been made by politicians refusing to stand up to special interest concerns and made larger by regulators preferring to buy time rather than spread ill winds through an industry strewn with ill will.

The statistics speak for themselves. A $1.3 trillion industry has a negligible capital base, negligible insurance fund, and negligible disincentive to take risks with taxpayer dollars. If the first quarter of 1988 is a guide, the industry is losing money at a $15 billion annual clip. The weak are getting weaker, with Congress facing the prospect of the largest private sector bail out in the history of the Republic.

Commentators like to suggest that regional problems—that is, a weak economy in the oil patch and on the farm—precipitated the savings and loan problem. Actually, there are more human culprits than abstract rationales. The root cause of the thrift problem is greed, the regulator-sanctioned capacity of highflyers to attract and overleverage other people's money because of receipt of Federal or State charters to take deposits backed by Federal insurance.

The quid pro quo—prudential investment and lending practices—has been ignored by a significant element of the industry because regulators followed the pandering exhortations of legislators at both the State and Federal level who have given too much power to too few to exercise too wantonly.

A classic example of egregious thrift power is the regulatory rule that allows savings and loans, but not banks, to put 300 percent of their capital in direct investments. Alleged representatives of the little guy have encouraged thrift investors to use Government insured deposits to speculate in real estate or the stock market rather than home loans.

If executive branch scandals—some have gone so far as to suggest the presence of a sleaze factor—may partisanly be ascribed to Republicans, thrift conflicts of interest can just as fairly be considered disproportionately Democratic. Such is the case because over the years in a battle for powers between savings and loan interests and commercial banks, thrift executives chose up sides with the Democrats, presumably on the assumption that bankers historically identified with the Republican Party. Just as large banks have come over time to be regulated less firmly than small ones, thrifts used their legislative power base within the dominant political party at both the State and Federal level to see to it that they would not become as forcefully regulated as commercial banks.

Compounding the problem of weak regulation and a weak capital base in the thrift industry is the epidemic of greed that seems to exist within a number of overextended institution in growth states. Thrift managers who are in a negative net worth situation understand that they have nothing to lose as they pay premiums to attract deposits insured by others. Hence, there is every incentive—through dividends, salaries, and perks—to live high on the hog today and make risk investments in the hope of striking gold tomorrow. Without stern regulatory oversight, imprudent circumstances are likely to breed more imprudent decisions.

The quandary regulators confront is the problem of how to rein in overextended institutions when their primary resource is an overextended insurance fund. Ingeniously, the short-term answer appears to be a government-backed Ponzi scheme: the issuance of Federal guarantees and long-term capital notes on a fund backed, in theory, by the Treasury. The undeniable effect of such guarantees and note issuances is taxpayer accountability for the printing press of a runaway Federal regulatory agency. But incredulously few in this conservative administration are crying foul; and few in this liberal Congress are prepared to act. No one desires to bite the bullet just now. Apparently the administration and Congress simply want to get out of town on election eve before the horses are out of the barn and a stampede commences.

The only way it can do this is to give license to the licentious. Even though well capitalized and well managed thrift institutions have had record profits in recent years, the "Dr. Jeckyll" third of the industry is so poorly managed that losses not only exceed the deposit insurance fund for thrifts but for banks as well. These losses are almost certainly likely to multiply unless regulators learn just to say "no." Otherwise, a $75 billion headache today could become a $150 billion migraine tomorrow.

The best antidote to public bailouts of individual institutions is the simple requirement that they be adequately capitalized and responsibly regulated.

Unless enormous real capital infusions are made by private sector investors, the only prudent regulatory guidance to the industry should be to shrink. As a representative of individual taxpayers and of an institution with primary responsibility for Federal spending decisons, my strongest admonition to regulators is to shut down the presses. Under today's circumstances where an industry is under water as extensively as this one, schemes that provide paper certificates to induce barely solvent thrifts to take over insolvent institutions stretch the constitutional and legal prerogatives of regulators.

What is needed is a new macroeconomic approach to pruning back, rather than the current micromanagement largess implied in certificated gift-giving. Failure of institutions to comply with growth restraints should lead to immediate removal of key officers and directors.

If thrift industry extravagances continue to be countenanced, the country and the financial community have to be prepared for the greatest jolt in public confidence since the depression. A run up of interest rates sparked either by Congress' inability to constrain the deficit or inflationary policies at the Federal Reserve Board could all too easily spark a run down in thrift industry spreads and assets. A cascade of thrift failure could have an avalanche effect on the economy leading to recession or, quite possibly, depression.

Of all the policy scandals of this Congress, failure to come to grips with the pressure group syndrome that precipitated the thrift overleveraging problem ranks second only to failure to discipline the Federal deficit monster. Despite the implications of interference with a free market, there is no substitute for prudent laws and regulation of financial institutions when the economy as a whole can be so dramatically affected by the decisions of a few.

In this context it is approriate that the seven blunders of the thrift regulatory world be examined and, hopefully, corrected.

1. ALLOWING DIRECT INVESTMENTS FOR THRIFTS

Presently, the Federal Home Loan Bank Board allows thrifts to take equity positions in real estate deals, play the commodity markets, invest in junk bonds and make other kinds of direct investments. Meanwhile, Federal regulators for banks prohibit their institutions from making any direct investment, with incidental exceptions. This discrepancy between the powers of the two principal financial industries is ironic in that the weaker is given a speculative green light while the stronger is more responsibly curbed. This discrepancy in regulation is no doubt one of the major reasons why the thrift industry is in such comparably desperate shape.

Studies done by the Bank Board itself conclude that most of the nontraditional investment powers, including the authority to make direct investments, have proven to be neither superior in return to traditional mortgage lending, nor do they appear to offer significant diversification benefits. One Bank Board study completed in the fall of 1986 found that a grossly disproportionate percentage of thrifts with high levels of direct investment have become FSLIC problems cases, and that those institutions making disproportionate direct investments have created disproportionate liabilities for the FSLIC. Still other studies have shown that it costs FSLIC more, whenever it must liquidate direct investments compared to traditional investments. The insurance corporation, for instance, pays 60 to 85 cents on the dollar on liquidated direct investments, in contrast with about 20 cents on the dollar for more traditional investments.

Aside from the cost to FSLIC of allowing direct investments, there are other fundamental philosophic concerns:

First, should deposit insurance be authorized to advance speculative investments?

Second, should thrift owners be given a competitive investment advantage over real estate developers and other entrepreneurs?

Third, should thrifts be given a competitive "powers" advantage over commercial banks?

The common sense answers to these questions would appear to be: "no," "no," "no."

2. ALLOWING THE GROWTH OF INSOLVENT THRIFTS

Insolvent thrifts are bleeding the industry dry with their predatory pricing for deposits and their investments in risky ventures. Given their broke status, they have every incentive to take risks with insured funds on the assumption that it's—heads they win if a risky investment pays off, and tails the taxpayer loses, if it doesn't.

In California, for instance, the thrift deposit base now exceeds that of the banking industry even though the capital base of many California savings and loans is negligible. Loose regulations stimulated excessive competitive leverage. If an individual or group, for instance, can put together $10 million today, it is possible to obtain a bank charter, in California with regulators allowing $150 million in deposits. With the same $10 million, a savings and loan can be chartered and allowed $2 billion in deposits—with the taxpayer potentially on the line if imprudent loans or spending practices develop.

Accordingly, I have been pressing to require through legislation that the Federal Home

Loan Bank Board prescribe regulations to constrain the growth and reduce the size of undercapitalized thrifts.

While Congress has opted for a legislative status quo, the Bank Board, to its credit, finally got the message and agreed last month to promulgate growth guidelines on the assets of troubled thrifts. While the Board's plan is not as comprehensive as I believe is warranted, it represents a departure from the growth in excess of inflation mandate Chairman Wall has hitherto been pushing. An industry which is losing $1 million an hour simply cannot be expected to grow its way to prosperity, unless its shape becomes so warped as to necessitate compensating Federal bailouts.

3. REGULATORY SPINELESSNESS—THE LINCOLN AND FCA CASES

Not only has the Bank Board been tardy, if not lax, in issuing appropriate regulatory guidelines, it has also capitulated to political pressures in removing thrift problem cases from the jurisdiction of regulators who attempt to crack down on speculative practices. In the case of Lincoln, the Board in an unprecedented step removed an institution from the regulatory jurisdiction of the San Francisco District, because that district objected to Lincoln's untraditional lending schemes. Just as Members of Congress should not be able to use the Federal Home Loan Bank Board as a Santa Claus for friends, thrift owners should not be allowed to use their institutions as private piggy banks.

In the case of FCA, the Board reportedly intends to grant a Federal charter, not out of a desire to apply standards stricter than California's historically loose ones, but because California's State regulator objected to granting extraordinary powers to FCA, including investment banking tie-ins which amount to illegal affiliate transactions under both Federal and State law. Not only is the banking industry not allowed such tie-ins, but the various committees of Congress in their futile efforts to craft expanded powers for the banking industry this year went to explicit lengths to preclude the very kinds of conflicts the Bank Board is endorsing in the FCA deal.

4. SINGLE SOURCE BIDDING

The FCA bidding process is anathema to good government. The Bank Board has given carte blanche to one bidder to negotiate a mulitbillion dollar deal. Perhaps because other bidders have been shut out, the powerful Bass family interests appear to have cast a minnow and landed a whale of a deal.

In separating out a good bank from a bad one, Bass interests have all the upside profit potential contained in the obtaining for free of quality assets while managing for a fee—that is, guaranteed profit—weaker assets. Such an arrangement leaves the Bank Board liable for all the weak assets and puts Bass in an insider position at a later time to purchase these discounted assets at favorable prices. The arrangement also provides for the establishment of a merchant bank, which is neither a subsidiary of the good or bad bank. This merchant bank is authorized a $1.5 billion line of credit at a highly preferential rate—equivalent to a home mortgage rate for what could in essence be a low quality junk bond. The merchant bank would be exempted from normal supervisory controls except in certain cosmetic contingencies.

Extraordinarily, a previous bidder was eliminated despite having committed more capital and having demanded no merchant bank risk. Whatever the merits of the contrasting bid that once was on the table and the allegations of FSLIC numbers gaming in favor of Bass, two facts stand out: the granting of negotiating exclusivity to Bass family interests prevented competition that could have reduced FSLIC costs; the good bank—bad bank arrangement leaves FSLIC totally vulnerable to bearing the costs of resolution of weak assets and leaves Federal insurers with a much more difficult job of selling off these assets in the future because no quid pro quo advantages will accrue to a purchaser and outsiders will not find as attractive the assets of the bad bank that the Bass interests will run as insiders.

5. PUTTING OFF PROBLEMS THAT SHOULD BE RESOLVED TODAY

With unexamined confidence the Bank Board asserts that deal making is cheaper than institution closing. A close look at the Southwest plan leads one to doubt this premise.

Under the Southwest Plan incentives are actually built in for acquirors of failed thrifts to manage assets poorly. Because there is full loss coverage on bad assets for 10 years, acquirors have no incentive to incur asset management and work-out expenses. In addition, the yield maintenance assistance is generous, if not rich. It typically begins at Texas cost of funds plus 275 basis points, declining over 10 years to 175 basis points. Given that well run thrifts hold their overhead expenses to approximately 100 basis points, a handsome profit is guaranteed, particularly on non-earning assets for which the yield subsidy is paid on the original book value.

These deals are not real resolutions of the problems. They are risk-free for the acquirors, but risk-incurring for FSLIC.

Acquirors candidly acknowledge that they do these deals because:

First, they make a risk-free profit by simply holding assets;

Second, even the risk of FSLIC defaulting on its obligation to them can be transferred to the Dallas Federal Home Loan Bank by using bad assets as collateral for loans;

Third, they have a very cheap "call" option on Texas real estate; and

Fourth, they can typically earn back their entire (minimal) capital contribution within the next few years of the 10-year contract.

It is increasingly clear that FSLIC has seriously underestimated the size of the problem in Texas and elsewhere and overestimated the amount of funds it will have to work with over the next 10 years. The chances of a near-term default by FSLIC on its obligations cannot be dismissed.

The future supervisory risk is also significant. The FSLIC forbearance from normal rules for acquirors—that is, reduced capital requirements and special accounting and regulatory forbearances—effectively bind the hands of future Bank Boards. Incentives have become built in for acquirors to take undue risks and pay high salaries and perks since minimal real capital has been invested.

The problems in Texas spin off to the entire Federal Home Loan Bank system because each of the 12 Federal Home Loan Banks has "joint and several" liability on their consolidated obligations. The liabilities caused by the provision of loans against artificially inflated collateral may expose the country to the excess of one over-banked, under-regulated State where the oil-based economy shows few signs of emerging from the doldrums. It also causes the FSLIC-assisted part of the industry to grow exactly where shrinkage would appear most in order. Liquidation may imply greater short-term infusions of real capital, but far smaller long-term liabilities for the taxpayer.

6. ACCOUNTING GIMMICKRY

In virtually all recent FSLIC-assisted deals, FSLIC has agreed (because of its capital loss and yield maintenance coverage on bad assets) to allow the acquiror to restore bad assets to their original book value. These write-ups capriciously increase the reported capital of the whole industry. For example, a Federal Home Loan Bank Board press release stated that the industry's regulatory capital "rose sharply" by $5.8 billion in August. In fact, the capital of the industry continued to fall. The $8 billion in assistance given by FSLIC in August (almost none of which was in cash) implies a $2.2 billion loss rather than gain of capital.

Stated simply, as FSLIC promises to provide cash it doesn't have, it writes up the reported capital of the thrift industry by the same amount. Americans are increasingly seeking corporal punishments for a variety of crimes and mischief. While stocks and pillories are outdated, a public spanking of Bank Board strategists would appear in order.

7. A ROSE MAY BE A ROSE, BUT FSLIC IS NOT CONGRESS

As of this date, FSLIC has issued nearly $13 billion in promissory notes to shore up the balance sheets of failed institutions and almost $8 billion in "assistance guarantees," which are open-ended commitments to protect acquirors of failed thrifts from certain losses entailed in their operation. Whether the full faith and credit of the Congress stands behinds these commitments is statutorily unclear. What is clear is that Bank Board responsibility for note and guarantee issuances cannot responsibly exceed non-Congressionally derived resources available to it. To the extent they do, the Bank Board presumes to take on constitutional authority reserved for Congress. The American people can accept the principle of protecting depositors, but not institutions. If there is no confidence government is working to restrain excesses, the chances that representatives of the public will be forthcoming to the FSLIC plight lessen significantly.

Under the circumstances the case for folding or merging Federal Home Loan Bank regulation with that applicable to the banking industry is compelling. The sterner standards applied to banking should be transferred to thrifts, with regulatory responsibility shifted to the FDIC, Comptroller or a new financial community regulatory body. The put-off-problems-til-tomorrow panacea has failed. The problem of over-leveraged capital in the thrift industry can no longer be dealt with by stringing out the due date. Tomorrow has arrived; the wolf is at the door. The time to face up to reality is here, not by choice, but by necessity.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1792. An act to authorize appropriations for the Office of Environmental Quality for fiscal years 1987, 1988, and 1989; and

S. 2869. An act to authorize appropriations for the completion of certain walls of the Internal Revenue Service Building located in Washington, D.C.

□ 2345

NEW SERVICE OFFERED BY HIS ON NOVEMBER 8 AND 9

(Without objection, Mr. Frenzel was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, I would like to inform the House that the House Information System will have a new service available on Election Day, November 8 and November 9, beginning at 9 p.m. on November 8. They will, on channels 27, 29, and 36 of the House television channels, be showing Federal election data.

Channel 27 will have Alabama through Iowa; 29 will have Kansas through New York; 36 will have North Carolina through Wyoming. We will have updated election reports and percentages for those States as complete as we can get them.

In addition, we are going to give access to the AP news wire through HIS on a 24-hour basis. We hope the Members will find this service interesting, and we guarantee that HIS will be conducting no exit polls.

TRIBUTE TO THE HONORABLE PETER W. RODINO, JR.

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. Hughes] is recognized for 60 minutes.

Mr. HUGHES. Mr. Speaker, I rise to lead the chorus of praise for the distinguished and beloved dean of the New Jersey delegation and chairman of the Judiciary Committee, Peter Rodino.

It has been my personal privilege to serve on the Judiciary Committee with Peter Rodino for the past 14 years, and during that time I have come to know him as a man of wisdom, compassion and courage. His exemplary leadership as chairman of that committee is well known to Members of this House, and the Nation.

For two-score years, Peter Rodino has made his presence known in this body; the major legislation that bears his imprint is too extensive to detail here. But undoubtedly his greatest contributions have been in protecting our constitutional liberties and advancing the civil rights of all Americans. Peter Rodino's role in the passage of major civil rights legislation—including the 1964 Civil Rights Act and the open housing law of 1966, to name just two—was instrumental in making ours a more just society.

All of America had the opportunity to observe Peter Rodino's praiseworthy character during the televised hearings of the Judiciary Committee on the impeachment of President Nixon. His fairness and deliberation were manifest during that time of high emotion and partisan tension. He presided over those historic proceedings in a manner that brought legitimacy to the impeachment process, and credit to this body. By resolutely insisting on the supremacy of the Constitution in our system of government, Peter Rodino has rightfully secured for himself a place of honor in the history of this great country.

Surely, a void will be felt next January when Congress convenes, for the first time in four decades, without the wisdom and leadership of Peter Rodino. The Judiciary Committee will be deprived of a most able helmsman, while the Constitution and Bill of Rights will lose one of their most steadfast guardians in this institution.

Peter Rodino's record of service over the past 40 years, however, is a legacy that will continue to inspire and guide this body in its deliberations. His courtesy and kindness will certainly never be forgotten by anyone who has had the pleasure of knowing him. We will miss him, not only as one of the truly outstanding Members in the long history of the House of Representatives, but, just as importantly, as a good and trusted friend.

As Peter Rodino leaves this great American institution, I want to wish him and his beautiful family God's richest blessings in the years ahead.

[From the Washington Post, Oct. 20, 1988]

PETER RODINO: HE KEPT HIS COMPACT

(By Leonard Steinhorn)

In the flurry of Congress' departure this week, we should not let it pass unnoticed that the end of the 100th Congress also marks the end of the legislative career of Peter W. Rodino Jr. I don't think it's an overstatement to say that he has been a great legislator. In this age of blow-dried candidates and media-driven politics, Peter Rodino has been an exception. During 40 years in Congress and 16 as chairman of the House Judiciary Committee, he has followed principles rather than polls, conviction rather than expediency. The nation will surely miss his voice in Congress.

It is common enough to praise politicians by saying they came to Washington but never forgot where they came from. In Rodino's case this is not fulsome praise but the simple truth. In all his years as "Mr. Chairman," he really never did forget that he was the son of an Italian immigrant.

His identification with the common people was natural to him, and it underlay all his work in Congress. He came to Washington as a champion of the post-World War II Fair Deal agenda for working Americans and never wavered. And long before the civil rights movement became a popular cause, he spoke out for racial justice, despite initially representing a white ethnic district not predisposed to civil rights.

His legislative accomplishments are many. He was instrumental in gaining passage of every major civil rights bill of the last 30 years. Less well known but almost as significant was his leadership in 1965 in repealing the odious national immigration quotas that kept out immigrants from southern and Eastern Europe. His distaste for monopolistic business practices led him to promote stronger antitrust laws. His concern for inner-city youths led him to the forefront of the congressional battle against drug abuse.

But for all these accomplishments, even Peter Rodino knows that history will remember him for his role during Watergate. He was an unlikely hero in that difficult time. Throughout the crises, he had but one goal: to restore the integrity of our system and the trust of the people. That is why he resisted the calls of less temperate politicians to hang Richard Nixon and instead conducted the impeachment proceedings with the balance and dignity the Constitution deserved.

His guiding star, during Watergate and throughout his career, was that our system cannot long survive unless we adhere to the principle of equal justice. To him, no one, including the most powerful, is above the law. Anything but pure devotion to that ideal will lead us down a slippery slope to a system of government that protects the rights of some but not others.

Peter Rodino often spoke of our Constitution as a compact with the American people. It pains him that equal justice and civil rights have not been fully realized by all Americans.

Perhaps the greatest irony—and tribute—of his career is that he decided to retire this year to make way for a black congressman who would represent the changing demographics of his district. Peter Rodino's last act in Congress shows that he was willing to keep his compact with the people.

Mr. Speaker, I yield to the gentlewoman from New Jersey [Mrs. Roukema].

Mrs. ROUKEMA. Mr. Speaker, I thank my colleague, the gentleman from New Jersey [Mr. Hughes], for the wonderful words he has said and the kind and poignant words that he has repeated here tonight on behalf of our colleague, Peter Rodino. I want to add my own words to this tribute.

Mr. Speaker, as the 100th Congress comes to an end, the career of one of the most distinguished Members of the House in modern U.S. history is also coming to an end.

After 40 years in the House as the representative of the citizens of the 10th Congressional District, our colleague, Peter Rodino, is bowing out. I know the decision to retire was not an easy one for him to make. He has dedicated his life to hard and often frustrating work of the Congress. Nevertheless, his legislative accomplishments are numerous and his career distinguished.

Over these past 40 years, our colleague has seen and been part of many profound changes and the drama of a historic period which has changed the face of America.

Elected in 1948, PETER has experienced legislative combat with 8 different Presidents. He has seen the country survive the cold and calculated extremes of the cold war and the Cuban missile crisis. He has witnessed close up and personal one of the most devisive periods of American history, the war in Southeast Asia. He has been part of the civil rights movement and has been cited for his role in the adoption of the Civil Rights Act and for fighting for the rights of minorities in this country. And, he has witnessed the tragic assassinations of three great American leaders.

But perhaps the most important achievement in PETER's long and distinguished career has been his 15 years as chairman of the Judiciary Committee. Appointed chairman in 1973, PETER has been quietly effective in the formation of national immigration policy and defining and protecting the Constitution and constitutional law. In this capacity, PETER has also been instrumental in having the words, one Nation Under God," included in the Pledge of Allegience. He was also instrumental in making Columbus Day a Federal holiday. A day of pride for all Americans and a tribute for all of Italian American heritage.

And of course, as we all know, PETER established his place in history during the early 1970's when he led the committee, and the Nation, steadily, methodically and professionally through one of the most profound constitutional crises in our history, Watergate and the impeachment proceedings against President Richard Nixon.

There are certainly hundreds of humorous stories and anecdotes that could be told about this individual and his long career but PETER does not really need us to elaborate on them. He will, I am sure, continue his contributions to public policy in his new professorship at Seton Hall University teaching a new generation of leaders committed to upholding the finest American traditions, the basic tenets of the law, and the noblest ideals of American democracy for the benefit of all peoples of any race, color, or creed. But PETER, please know we will miss you and your expertise and wish you the very best in your next career.

□ 2400

Mr. HUGHES. Mr. Speaker, I thank the gentlewoman from New Jersey for a fine statement.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I thank the gentleman for yielding.

I rise to express my appreciation to one of this country's most distinguished public servants, my good friend PETER RODINO. In the rich history of the House of Representatives, few have served with as much dignity, diligence and integrity as the Chairman of the Judiciary Committee. After 40 years of service to his constituents of Newark, NJ, and to his country, I think we can all agree that PETE has earned our respect and admiration.

Mr. Speaker, as one who has had the honor of serving in this Chamber for 34 of PETER RODINO's 40 years, allow me to reflect. In 1948, the good people of Newark made a decision all Americans should appreciate; they sent a young man named PETER RODINO to Washington as their Congressman. The United States and Washington were very different when PETE was elected, postwar America had not yet seen Brown vs. Topeka, the civil rights movement had not yet taken shape and segregation was an accepted practice. PETER worked to move America through its postwar era and fought against racial intolerance and bigotry. PETE was working to eliminate the institutionalized prejudices of our society long before he saw riots break out in the streets of Newark. Without my good friend's quiet, but strong leadership, I am certain that many of the landmark civil rights acts of the 1960's would not have flowed out of the Congress and been signed into law. We are all appreciative of Chairman RODINO's ability to craft an effective solution out of a controversial issue.

While those of us who have been fortunate to serve with Chairman RODINO know of his character, the rest of the country learned what kind of person PETER RODINO was when he chaired the impeachment proceedings of President Nixon. He listened to the rhetoric and innuendo, separated the fact from the fiction, and gave President Nixon the fair and equitable treatment that the situation called for. Through his chairing of the impeachment hearings, when all was said and done, it was recognized that he gave to each American the realization that the Congress had brought honesty and dignity to Government at a time when that was sorely needed. For his good work during the Watergate scandal and the subsequent impeachment hearings, Democrats and Republicans owe a debt to PETER RODINO that can never be repaid. He is truly one of the great Americans of our times.

I have been honored to serve on the Select Committee to Investigate Covert Arms Transactions with Iran, and Select Committee on Narcotics Abuse and Control with PETE. Mr. Speaker, a leader of the caliber of PETER RODINO comes along rarely. PETE has never been one to leap to conclusions without carefully contemplating the entire issue and hearing all the arguments. For that alone he will be missed. We shall miss also his leadership; his dedication to constitutional principles; to the achievement of equality; elimination of discrimination and his pursuit of truth and justice.

Jeanne-Marie and I extend our best wishes for a happy and rewarding retirement to our good friend, PETER RODINO.

Mr. HUGHES. Mr. Speaker, I thank the gentleman from Florida for those remarks.

I yield such time as he may consume to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I thank my friend from new Jersey, Mr. HUGHES, and very much appreciate his taking this time to say a few words about one of the great legends of this body, PETER RODINO. I had the honor, the pleasure, the experience, great experience, of experiencing for 14 years with PETER RODINO on the Committee on the Judiciary, and I never met a finer gentleman, a better lawyer nor a more exemplary Congressman in the fullest sense of those terms than PETER RODINO.

I have listened to my colleagues talk about what he did for racial equality, how he fought it, how he fought for fair housing laws, how he fought for the Voting Rights Act, how he fought for human rights and human dignity, and to remove color barriers, and I watched him do that and I even participated, along this very important struggle, but I must say no Member carries water more for the civil rights community and all of its dimensions than PETER RODINO.

I am sure PETER RODINO would like to serve in this body another term and another term. He is vigorous. He is healthy. His mind is as acute and alert and as productive as it ever was, but somehow or another that civil rights community decided that his work for racial equality was over, that his fighting for the Voting Rights Act so that people, no matter where they work, no matter what their culture or their heritage, they would have a right to vote and their vote counted, and this enormous unequaled record of fighting for civil rights is now to be put on the shelf because the civil rights community has decided to put a fresh one in where we had 40 years of incredibly fertile, useful, productive service, and that is a bitter lesson to me as someone who observes this happen before my eyes.

I see where loyalty and gratitude somehow or another gets taken out of the occasion, and Peter Rodino must step aside for reasons that baffle me, especially for someone who has fought for the civil rights community as he has.

He will be missed, but he has friends that will far outlast the sorrow and the pain of Peter Rodino having to retire before his time.

Mr. HUGHES. Mr. Speaker, I thank the gentleman from Illinois, and I yield as much time as he may consume to the gentleman from New York [Mr. Rangel].

Mr. RANGEL. Mr. Speaker, let me thank my friend from New Jersey for taking time out to allow us to share our love and respect for Peter Rodino.

It is strange to hear people say that Peter Rodino is stepping aside because of civil rights activists, when Peter Rodino made his independent judgment as to what he thought was good for himself, the Congress and the Nation. I think it is ridiculous for people to read into this what the people in a given congressional district have decided what is in their best interests, and the fact remains that every time Peter Rodino said that he wanted to run for reelection, I have felt proud to not only support Peter Rodino but to do what little I could do to make certain that he is elected.

It seems to me that when a community has its own interests, its own culture, its own racial background, it has a great opportunity to participate in this American dream, become a part of this august body and a decision of an incumbent decides this is what he would want done, instead of people becoming baffled and confused who are already Members, they should join in and say that this is the epitome of civil rights by a man who does not just talk about it but a man who has truly lived it.

Peter Rodino, really, I served with as a member of the Committee on the Judiciary, and really think that all Americans have a sense of obligation as the way he kept that committee together, how he kept Congress together, how he made certain it was not a question of liberals and conservatives or Republicans and Democrats during the impeachment hearings, but to make certain we weighed the facts and did what was great for America.

Let us not look behind his reasons as to why he made a decision, but let us laud him and make certain we wish the best for him, the best for his family and made this history before him, may his life before him be just as rich as the strong history and the legacy that he leaves behind. He raises the standard for all of us who are privileged to serve.

Mr. Speaker, it is a very high honor for me to rise today and pay tribute to the able and distinguished chairman of the House Committee on the Judiciary, Representative Peter W. Rodino, Jr. In December, Chairman Rodino will conclude 40 years of public service to the citizens of the 10th Congressional District of New Jersey and the Nation as a Member of the U.S. Congress.

Few men who have served in this body have achieved the level of respect and admiration that Peter currently holds with the Members of this body. He is respected and admired for his sense of honesty, compassion, and fairness. These rare and unique qualities were especially evident during the summer of 1974, when the House Committee on the Judiciary was charged with beginning impeachment proceedings against the 37th President of the United States, Richard M. Nixon. Perhaps it was there, as these proceedings were being watched by millions around the world, that Peter helped steer this Nation through one of the most painful and difficult periods in our history.

In particular, on the issue of civil rights for minorities in this country, Peter has been exemplary. Passage of every major piece of civil rights legislation for the last 20 years has had Peter's input and stamp of approval. For example, he drafted the fair employment practices provision of the 1964 Civil Rights Act. Whether the issue was a Federal holiday to honor Dr. Martin Luther King, Jr., or one of fair housing, minorities and indeed, all people of good will, knew that they had a staunch and unwavering ally in Chairman Rodino.

Peter, I commend and salute you as you near retirement from the U.S. Congress for a job well done. It has been a privilege and an honor to have had the opportunity to serve with you in this great body. I wish you well, knowing that although you will no longer be an active Member of the U.S. Congress, you will continue to be an active voice on those issues that are near and dear to your heart.

Mr. HUGHES. Mr. Speaker, I thank the gentleman for that nice statement and I want to yield as much time as he may consume to the gentleman from New York [Mr. Fish], the ranking Republican on the Committee on the Judiciary.

Mr. FISH. Mr. Speaker, it is very fitting that Members of this body reflect on the extraordinary public career of our colleague and friend, the gentleman from New Jersey, Peter W. Rodino, Jr. His many years of congressional service—spanning almost one-fifth of our history as a nation—have been characterized by fidelity to the Constitution, vigilance in championing civil liberties, and sustained interest in our immigration and refugee policies.

Millions of Americans know the story of how a new chairman of the Judiciary Committee led a fair and methodical inquiry into the conduct of a sitting President. Peter Rodino's dispassionate leadership of our committee in that troubled time won him the admiration of his colleagues and the gratitude of his country. The name Peter Rodino became synonymous in the public consciousness with respect for the rule of law.

If Peter Rodino had done nothing else in public life besides leading the impeachment inquiry, he would have earned an important place in our Nation's history. In fact, he has done so much more! Advances in the administration of justice bear his mark. He has championed every civil rights statute of his time. He has left a major imprint on our immigration and refugee laws as a result of decades of effort to promote generous, humane, and nondiscriminatory policies.

Peter Rodino, beginning with his earliest years in the Congress, championed the abolition of the discriminatory national origin quota system of immigration law—an effort that reached fruition in 1965. In eloquent floor remarks that year, the gentleman from New Jersey extolled the diversity of our population and concluded in words that ring true to this day:

> The question of immigration is so basic to our welfare, so basic to our international relations, and so basic to the growth and development of this country that we must make every effort to place present and future national needs above the garbled echos of past prejudices.

Peter Rodino, a forceful advocate of fair legal immigration policies, focused in the 1970's and 1980's on the problem of illegal immigration. The Immigration Reform and Control Act of 1986 reflected his tireless efforts to deter future unlawful entry and treat undocumented persons with compassion.

The gentleman from New Jersey has displayed a deep concern for the welfare of persecuted people. He was an architect of the Refugee Act of 1980, which he accurately described in floor debate as "one of the most important pieces of humanitarian legislation ever enacted by a U.S. Congress." He has been a great supporter of international relief efforts on behalf of refugees and has taken a keen interest in the welfare of international refugee organizations.

Peter Rodino is a quiet man whose actions stand for compassion and principle. He demonstrates steadfast devotion to civil liberties—refusing to yield to popular tides. He lives the Constitution every day and continually reaffirms his commitment to humanitarian values.

I have been proud to sit at his side in the Committee on the Judiciary.

Mr. HUGHES. Mr. Speaker, I thank the gentleman from New York and yield as much time as he may consume to the gentleman from Arizona [Mr. Udall].

Mr. UDALL. Mr. Speaker, what I have to say about Peter Rodino is consistent with what every Member here has said. He is a great American and it has been with great pride to have served with him.

□ 0015

Mr. HUGHES. Mr. Speaker, I yield briefly to the distinguished gentleman from New York.

Mr. GREEN. I thank the gentleman for yielding.

Mr. Speaker, most of those who have spoken this evening on the special order of the gentleman from New Jersey have addressed themselves to PETE RODINO's national significance and that is enormous.

I would just like to relate a little local incident of which I am familiar because I was there.

From 1970 to 1977 I served as Regional Administrator of HUD covering New Jersey, New York, Puerto Rico and the Virgin Islands. Because of some problems in Columbus Houses, a project in PETE RODINO's district, he asked Bill Barrett, the late representative from Philadelphia, the late chairman of the Subcommittee on Housing, to come up to Columbus Houses one Saturday and look at the problems there. Of course I came over as regional administrator.

It was obvious from the occasional bottle descending from the upper stories of that housing project as we walked from building to building to inspect it that all was not well. But it was also very clear when we gathered in a parish hall after our walkthough that PETE RODINO, back in this district, was exercising the same kind of leadership that he exercised here in the House of Representatives. This was the case of a black housing project in the middle of what was otherwise a largely Italian-origin neighborhood in Newark and plainly there were some problems between the two communities. And yet, though it could not have been politically advantageous for him to do so, nonetheless there was PETE RODINO on this Saturday afternoon busily engaged in trying to bridge the gap between these two communities, trying to see what could be done to help improve conditions in the housing project and at the same time make the housing project a better neighborhood for the community at large.

Let me say in conclusion that once I came here some years later the gentleman from New Jersey [Mr. RODINO], has always been as helpful as he could to me as I have come to him with problems of the courts in the Southern District of New York. I just want to express my appreciation to the gentleman from New Jersey [Mr. HUGHES], for his taking out this time when we can all express our appreciation to PETE RODINO for the marvelous work he has done both here in the Congress and back home in Newark.

Mr. HUGHES. I thank the gentleman.

Mr. Speaker, I know there are a lot of other Members who want to address themselves on behalf of PETE RODINO. I believe we are ready to move ahead with the legislative business of the House but I am going to yield to the gentleman from Florida [Mr. SMITH] for a brief statement.

Mr. SMITH of Florida. I thank the gentleman for yielding.

Mr. Speaker, so much has been said about what the gentleman has done over the years.

Mr. Speaker, in the 6 years I have been here, it has been an absolute privilege for me to be part of the committee which the gentleman from New Jersey chaired and to see the way, in fact, he has devoted his whole career to the preservation of the rights of the American citizen under the Constitution and has been a guardian of those rights for every American. I am proud that PETER RODINO has become an important part of the history of this House.

Mr. HUGHES. Mr. Speaker, I am going to ask Members to provide their remarks for the RECORD and submit statements for the RECORD.

Mr. Speaker, I have a series of statements of Members who want to be heard.

Mr. CONYERS. Mr. Speaker, as we draw to the close of the 100th Congress I am honored to rise in tribute to our very distinguished colleague and chairman of the Judiciary Committee PETER RODINO, a man whose 40 years in Congress and 16 years as Judiciary Committee chair have demonstrated a selfless, strong, and committed leadership to this country. His mark on American politics is legendary.

I am proud to have served under this leadership during my tenure in Congress. But well before I was elected, PETER RODINO was fighting for civil liberties and equal justice for all Americans. The Voting Rights Act, Fair Housing Act, and the Civil Rights Restoration Act are just a few of the examples of the major civil rights legislation that PETER RODINO played a vital role in achieving, to bring forth a new era of opportunity for Americans regardless of race. He fought at every turn for diversity in business through strong antitrust legislation. He never faltered in his commitment to working Americans.

Mr. RODINO is perhaps best known for his even-tempered handling of the Watergate hearings. PETER RODINO's conduct during these historic meetings had a profound and lasting impact on my own approach to this office, and held forth a standard by which we all strive to abide. Indeed, PETER RODINO guided us through a tumultuous time in our history, with a steady hand, and with utmost regard for truth without ever appealing to our less politic demeanor.

Mr. Speaker, PETER RODINO's dedication to his office and his country has led to a better nation and a better Congress. Let us all come forth to assue him that his dream of true equality and justice will continue through us all. "Mr. Chairman," your presence will be painfully missed, but your great vision shall forever live on.

Mr. BROOKS. Mr. Speaker, my good friend and colleague, PETER RODINO, will be leaving Congress at the end of this session and we will miss him deeply. For the past 36 years PETER and I have served together on the Judiciary Committee and I have grown to admire him for his skill and dedication as a committee chairman.

Our Nation owes a tremendous debt of gratitude to Chairman RODINO for his outstanding service in the House of Representatives and as chairman of the Judiciary Committee for the past 15 years.

He has led the Judiciary Committee with skill, dignity, and integrity through some of our Nation's most trying days. He is deeply committed to the rule of law and to a judicial system that carries out the principles of our Constitution.

All of us on the Judiciary Committee will miss PETER RODINO's leadership and dedication, the Congress will miss his contribution to the legislative process, the people of New Jersey's 10th District will miss his skillful representation of their interests for the past 40 years, and I will miss him as a friend and a valued colleague.

His work here in Congress has set a high standard of excellence for others to follow who believe in progressive government. I will miss his wise counsel and warm friendship and I wish him the very best that life has to offer.

Mr. ANNUNZIO. Mr. Speaker; I am delighted to join with my good friend from New Jersey, Congressman BOB TORRICELLI, who has reserved this special order, in paying tribute to an outstanding American—the Honorable PETER W. RODINO, JR.—who is retiring from the Congress after 40 years of distinguished service to our country.

PETER RODINO has been my close and trusted personal friend for over 25 years, and I am proud to have had the privilege of serving in the House of Representatives with this great American. He is a tower of strength in the Congress, and is a champion of civil rights and civil liberties for all of our citizens. He continues to receive the praise, respect, and admiration of all of his colleagues for the role that he has played, as the chairman of the House Judiciary Committee, in preserving and protecting constitutional rights.

As floor manager of the 1965 Immigration and Nationality Act, PETER RODINO played a key role in repealing the discriminatory immigration quotas of the Walter-McCarran Act. He also played an important role as the floor manager of the 1966 civil rights bill and the Voting Rights Act extension of 1982. Of equal importance to these civil rights laws, he also has been instrumental in stopping legislation which infringes on individual rights and liberties, or seeks to destroy the delicate constitutional balance and separation of powers.

PETER RODINO will always be remembered as the gravel-voiced chairman of the Watergate impeachment hearings in 1974, where he exercised great patience and the utmost in statesmanship. His demeanor insured that our Constitution was protected and that no political considerations would ever enter into these hearings. His fairness insured a smooth transition of power during one of the most turbulent and troubling times in our Nation's history.

At the forefront of protecting rights and liberties, PETER RODINO has also worked tirelessly to protect the rights of minorities, the poor, and the disadvantaged, and his efforts have left behind the promise of hope and have made our land a stronger and better country.

PETER RODINO has dedicated his life to public service. He is a decorated veteran, serving in the U.S. Army during World War II. During the 20 terms he has served in the Congress, he has provided exemplary service to his constituents from the 10th Congressional District of New Jersey, and his service to our country has been monumental. His dedication to the principles of our Constitution is an inspiration to his friends and fellow citizens, and his work and his accomplishments will long be remembered by those of us who had the honor of serving with him in the Congress of the United States.

Mr. Speaker, I would like to take this opportunity to share with my colleagues an article which appeared today in the October 20 edition of the Washington Post, commending PETER RODINO for his many achievements in the House of Representatives, and a copy of that article follows:

[From the Washington Post, Oct. 20, 1988]

PETER RODINO: HE KEPT HIS COMPACT

(By Leonard Steinhorn)

In the flurry of Congress' departure this week, we should not let it pass unnoticed that the end of the 100th Congress also marks the end of the legislative career of Peter W. Rodino Jr. I don't think it's an overstatement to say that he has been a great legislator. In this age of blow-dried candidates and medria-driven politics, Peter Rodino has been an exception. During 40 years in Congress and 16 as chairman of the House Judiciary Committee, he has followed principles rather than polls, conviction rather than expediency. The Nation will surely miss his voice in Congress.

It is common enough to praise politicians by saying they come to Washington but never forgot where they come from. In Rodino's case this is not fulsome praise but the simple truth. In all his years as "Mr. Chairman," he really never did forget that he was the son of an Italian immigrant.

His identification with the common people was natural to him, and it underlay all his work in Congress. He came to Washington as a champion of the post-World War II Fair Deal agenda for working Americans and never wavered. And long before the civil rights movement became a popular cause, he spoke out of racial justice, despite initially representing a white ethnic district not predisposed to civil rights.

His legislative accomplishments are many. He was instrumental in gaining passage of every major civil rights bill of the last 30 years. Less well known but almost as significant was his leadership in 1965 in repealing the odious national immigration quotas that kept out immigrants from southern and Eastern Europe. His distaste for nomopolistic business practices led him to promote stronger antitrust laws. His concern for inner-city youths led him to the forefront of the congressional battle against drug abuse.

But for all these accomplishments, even Peter Rodino knows that history will remember him for his role during Watergate. He was an unlikely hero in that difficult time. Throughout the crisis, he had but one goal: to restore the integrity of our system and the trust of the people. That is why he resisted the calls of less temperate politicians to hang Richard Nixon and instead conducted the impeachment proceedings with the balance and dignity the Constitution deserved.

His guiding star, during Watergate and throughout his career, was that our system cannot long survive unless we adhere to the principle of equal justice. To him, no one, including the most powerful, is above the law. Anything but pure devotion to that ideal will lead us down a slippery slope to a system of government that protects the rights of some but not others.

Peter Rodino often spoke of our Constitution as a compact with the American people. It pains him that equal justice and civil rights have not been fully realized by all Americans.

Perhaps the greatest irony—and tribute—of his career is that he decided to retire this year to make way for a black congressman who would represent the changing demographics of his district. Peter Rodino's last act in Congress shows that he was willing to keep his compact with the people.

Congressman PETER RODINO can retire with the assurance that through his efforts our Nation has greatly benefited, and there is no tribute higher than this. I extend to my dear friend, PETER RODINO, my best wishes for a healthy and happy retirement.

Mr. PEPPER. Mr. Speaker, I join my colleagues in deep lament that with the end of this Congress PETER RODINO will no longer be a Member of this House. One of the truly illustrious careers of any Member of this body has been that of PETE RODINO. Throughout the decades he has served in this House, he has made an outstanding record. Always keen of mind, exceptionally dedicated to this House, to our Constitution, and to our country, PETER RODINO has stood out as a symbol and a disciple of all that was good and great in America. I know of no Member in my experience in the Congress who has more deeply revered our Constitution and to whom the Constitution has had a more poignant meaning than to PETE RODINO. Time after time as he and I walked from the Capitol to the Rayburn Building we have stopped to let him pour out his deep dedication to the meaning of our Constitution and the deep feeling that he had for that great document.

The most illustrious part of PETER RODINO's House career has been his chairmanship of the House Committee on the Judiciary. As chairman of that great committee he had an opportunity to reflect what the U.S. Constitution meant to him, and as he viewed it, to the American people. In the consideration of legislation and finally in the consideration of a resolution to impeach the President of the United States, he rose to his greatest heights of dedication to the Constitution and to patriotism and to the love of our country. His example as he presided over the Judiciary Committee and finally the adoption of an impeachment resolution against a President, PETER RODINO set an example of heroic citizenship comparable to the heroic action of a brave soldier upon the battlefield. And in other impeachment proceedings he, too, has discharged his duty with the faithfulness of a great patriot.

PETER RODINO is beloved by all the Members of this House because of his kind and charming manner, the genuineness of his friendship, and his always friendly smile.

I have been very close to PETE RODINO and his friendship has been one of the warming experiences of my heart. While I am in this House, I shall immeasurably miss the warm smile, the many friendly conversations, the stirring discussions about our Constitution and our country which I have enjoyed with PETE RODINO.

PETE, my heart and my affectionate good wishes to you and your family will always be with you, and crowning many of my happy moments in this House will be my association and my friendship with you.

Mr. BOLAND. Mr. Speaker, it is my pleasure to take part in this special order honoring our colleague, Representative PETER W. RODINO of New Jersey. We here in Congress are aware of the many accomplishments of PETER RODINO and he's known across America for his fine work on the Judiciary Committee at several key moments in recent history. It is fitting that we honor PETER RODINO today for his 40 years in Congress. He is one of the greats here in Washington and he will be greatly missed.

I have served in Congress with PETER RODINO for almost 36 years. He has always impressed me with his day-to-day work, but 2 moments particularly stand out. The first is his leadership role in the 1960's on the sensitive issue of civil rights.

It took many years of effort by leaders around the country and here in Congress to get effective civil rights laws on the books. As a key member of the Judiciary Committee, PETER RODINO was in a position to make a difference.

In 1957, 1960, 1964, and 1968 he wrote the majority reports on civil rights bills and helped steer them through the legislative process. In 1965, PETER RODINO authored the Voting Rights Act and worked tirelessly to see it enacted. The Voting Rights Act stands today as a symbol of true equality for all Americans. It is a source of pride for all of us who supported it and we can all be thankful for the brilliant work of PETER RODINO in the battle for civil rights.

The second moment that stands out in all of our memories of PETER RODINO is his steady leadership during the difficult days of the Watergate scandal. In 1973, PETER RODINO became chairman of the Judiciary Committee. Within a year he was heading the first Presidential impeachment investigation in over a century. The Nation held its breath as the investigation unfolded. The integrity of the Presidency and of Congress was at stake. After that episode passed, it was clear that the leadership of PETER RODINO had carried us through some of the darkest days in American history. He became a hero to millions of Americans and to many of us here in Congress.

Mr. Speaker, PETER RODINO has taken a leadership role on many issues since the Watergate investigation and more recently the Iran-Contra investigation. He has worked hard on law-enforcement legislation, immigration legislation, and refugee measures. A full list of his accomplishments in Congress would fill a book. He has served this country in the Army and in the Congress. He has been honored in this country and around the world. I wish

PETER the best of everything in his retirement years. We can say of PETER RODINO that others will come after him, but no one will take his place.

Mr. MAZZOLI. Mr. Speaker, as the days of this historic 100th Congress near their end, it is with both joy and sadness that I rise today to pay tribute to House Judiciary Committee Chairman PETER RODINO, who is retiring after 40 distinguished years of service in the House of Representatives.

It is difficult in this time and space to enumerate the countless achievements Chairman RODINO has bestowed upon the Congress and the American people. Many of my colleagues, the press, and historians have already noted the achievements which will mark the chairman's lofty place in our history.

What is important to note, however, is that his guidance in passing legislation like the Civil Rights Act of 1964 or the Voting Rights Act of 1982, PETER RODINO vigorously championed the civil and constitutional rights of the individual. Were it not for his efforts in these areas, the strides which we can point to today that have narrowed the inequalities among our people would be lessened.

Many Americans remember Chairman RODINO most for his leadership in presiding over the 1974 Watergate hearings. His meticulous and deliberate style in this role was indeed a reassuring influence on an American public whose faith in our system had waned due to the events surrounding this loathesome affair.

For me, I will carry for all time fond recall of Mr. RODINO's counsel and influence in helping me secure the passage of the landmark Immigration Reform and Control Act of 1986—the bill I initiated to revamp our Nation's immigration laws. The 1986 act is a momentous measure which culminated a 6-year effort of Congress to gain control of our Nation's borders and to do justice to undocumented aliens. His guidance was invaluable to me and to the successful passage of the measure.

Upon retirement, Chairman RODINO has indicated his intention to pursue a vocation in writing and teaching. That would be most appropriate, as he has taught the Congress and the Nation during his service in the House of Representatives.

It has been an honor and a pleasure to serve with him both on the Judiciary Committee and in the House. He will be missed here as a legislator and as a person.

I wish to insert, at this point, editorials which appeared in the New York Times and the Washington Post noting Mr. RODINO's retirement.

[From the New York Times, Mar. 16, 1988]

CHAIRMAN RODINO RETIRES, WITH GRACE

For one who has enjoyed the power and privileges that Congressional seniority brings, leaving Capitol Hill for good isn't easy. So it was understandable that Representative Peter Rodino of New Jersey, who has spent more than half his 78 years in the House, might have had second thoughts about retiring after his current term.

But Mr. Rodino has now confirmed his plans to leave, and ended a distinguished career with grace. "I believe that my part of the journey in this great American experiment is at its end," he said. "I feel I have served my time and purpose."

Some time. Some purpose.

When Peter Rodino was first elected to the House in 1948, America was a radically different nation. For one thing, it had a home-grown variety of apartheid. It was part of Mr. Rodino's purpose to eradicate that evil. He did so as a legislative champion of civil rights—floor managing the 1966 Civil Rights Bill and, as a Judiciary Committee chairman, writing the Voting Rights Act extension in 1982.

Reluctantly at first, then vigorously, he put his influence behind the landmark Immigration Act of 1986. But what he may best be remembered for was the fairness with which he presided over the Judiciary Committee's 1974 Nixon impeachment hearings. More than a decade later, a colleague recalled yesterday, Mr. Rodino would proudly display mementos from those hearings, which he justifiably regarded as among his finest hours.

It was the Voting Rights Act that led some in his district to push for Mr. Rodino's retirement. Largely white, ethnic and middle-class in 1948, his district acquired a black majority by court order in 1972. The intent had been to open a path for the election of a black representative, but the voters kept returning Mr. Rodino to Congress by wide margins. In 1986, against an opponent backed by the Rev. Jesse Jackson, he won by a margin of almost 2 to 1.

He implied in that election that his 20th term would be his last. Now it is official.

There are two ways to retire from Congress, a colleague said. Some stay on until they are over the hill and have begun to embarrass themselves; some leave while they are on top and still appreciated. Typically, Peter Rodino took the noble way.

[From the Washington Post, Mar. 16, 1988]

MR. RODINO STEPS ASIDE

When it became clear in 1973 that the House of Representatives might have to consider the impeachment of Richard Nixon, people ran down the list of committee chairmen to see who would be conducting the hearings and came upon the name of Peter Rodino. It was not a familiar one to many outside the House: Mr. Rodino had been elected from the 10th district of New Jersey in 1948, but he did not became chairman of the Judiciary Committee until more than two decades later. But as has happened before in American history, the responsibility devolved upon a person capable of fulfilling it. Chairman Rodino superintended the staff that built the factual record, he gave all sides opportunity to present their arguments, and he made the case for the result that he, with some reluctance, believed was right. It was a judgment that was quickly and entirely vindicated.

Conducting those impeachment hearings was not Mr. Rodino's only large contribution in the House, from which he announced Monday he will retire this year. As a member and chairman of the Judiciary Committee, he had an important part in the framing of civil rights and immigration legislation, in handling technical matters like bankruptcy and the broad economic issue of antitrust. In the 1980's, he played a key role in the renewal of the Voting Rights Act, the passage after arduous debate of immigration reform and the passage just this year of the Grove City bill. He has not only passed good laws; he has also worked to thwart bad ones.

Mr. Rodino brought to his long career an unusual ability to adapt as the political world changed around him. He was first elected to the House as a young Italian-American New Dealer in a historically Republican and white Protestant district; by 1972 most of his constituents were black. He was elected altogether 20 times by solid majorities—even in recent Democratic primaries against serious black opponents, when his longtime support of civil rights and work helping black constituents when they were only a small minority in the district were remembered. Mr. Rodino will also be well remembered in the House for his 40 years of remarkably vigorous and productive service.

Mr. ROE. Mr. Speaker, these hallowed halls in which we serve have been firsthand witness to the careers of some truly remarkable people who have dedicated their lives to guiding our Nation to greatness. During my service in the House, I have indeed been privileged to have the opportunity to work first hand with one of those truly remarkable people.

I am speaking, of course, of my most distinguished colleague from New Jersey, the Honorable PETER W. RODINO, JR., who, with our adjournment, will be concluding a 40-year career that stands as one of the most illustrious in the history of this great body. It has been one of the highlights of my 19 years in the U.S. House of Representatives to have been able to serve with and work alongside PETE RODINO.

Mr. Speaker, our words in praise of PETER RODINO never do justice to all that he has accomplished and to all that his work has meant to our Nation. Perhaps the greatest barometer of his achievement is the fact that while he attacked the problems of our Nation with unparalleled vigor, he represented his constituents with equal dedication and, in return, they elected him to the House for 20 consecutive terms. I can think of no greater endorsement of achievement.

PETER RODINO will be remembered for many contributions. To his great credit and foresight, they are contributions that I know will stand the test of time and affect our country for decades to come. I do not believe there has been a greater champion of civil rights in the U.S. House of Representatives than PETER RODINO. In 1966, he was the floor manager of our Nation's landmark civil rights legislation and in 1982, as chairman of the House Judiciary Committee, he wrote the Voting Rights Act extension that has been critical in assuring all Americans the right to vote. As chairman of the Judiciary Committee, he put his stamp on numerous other important pieces of legislation dealing with immigration, bankruptcy, and antitrust.

About this litany of accomplishments, it is quite possible PETER W. RODINO, JR., will be best remembered for the fair and evenhanded manner in which he presided over the Judiciary Committee's 1974 Watergate hearings. As we all know, Mr. Speaker, this was a time of great turmoil for our Nation and for our Constitution, and Mr. RODINO served both in exemplary fashion in the way he chaired those hearings.

I know that both the Nation and the people of New Jersey will miss PETER RODINO's leadership, his vigor, his dedication, and his patriotism. Personally, I will miss him both as a colleague here in the House and as a member of our New Jersey delegation. But it also gives me great comfort to know that our Nation has been forever enriched by all that PETER RODINO has accomplished during his four decades in Congress, and for that, we as a nation, and those of us from the State of New Jersey, are eternally in his debt.

Mr. SAXTON. Mr. Speaker, I rise today to join with my colleagues in honoring a fellow Member of the House from my home State of New Jersey who, after dedicating over 40 years of his life to public service, has announced his decision to not seek another term of office. I know my colleagues share with me the sentiment that Mr. RODINO will be missed in this Chamber.

PETER RODINO, as we all know, has had a most distinguished career. After graduating in 1937 from what is today Rutgers University with a degree in law, he was decorated for his tour of duty in the Army during World War II. Two years after his discharge from the service he was elected to represent the 10th District of New Jersey in 1948 and has served his constituency honorably ever since.

As we all know, Mr. Speaker, the early 1970's were difficult years in the history of our Nation. Historians will long write of the steady hand and sense of fairness that Mr. RODINO displayed as chairman of the House Judiciary Committee during those years. He faced the challenges of the times with grace and respect toward all.

Mr. Speaker, it is unfortunate that Mr. RODINO and I find ourselves on different sides of the aisle that so often divides this House. I have, however, had the pleasure of working closely with him on several occasions, inasmuch as he is the dean of the New Jersey congressional delegation and I am the secretary.

During his many years of service, Chairman RODINO has been a driving force as this body has addressed the issues of civil rights, crime, drug abuse, and immigration. He will be greatly missed by this body, as his service will be missed by the residents of the 10th District of New Jersey. I know my colleagues join with me today in wishing him all the best in his years to come.

Mr. DWYER of New Jersey. Mr. Speaker, we are gathered in this Chamber tonight to pay tribute to one of the pillars of the House of Representatives, PETER RODINO.

PETE RODINO has been a Member of this House for 40 years and, to our loss, has decided to retire at the end of the 100th Congress.

When PETER RODINO first came to Washington, after serving in the Army during World War II, the world was rebuilding. At that time, no one could have every imagined the course which the world would take any more than that freshman Congressman could have seen where his chosen course would lead him.

PETER RODINO has served under eight Presidents during his tenure in the House. And, 15 years ago he took over as chairman of one of the House's most important committees, the Judiciary Committee.

It was during his chairmanship of the Judiciary Committee that PETER RODINO came onto the national scene when it was his duty to preside over the impeachment hearings of Richard Nixon. His statesmanship during those weeks when the eyes of the Nation and the world were focused on the Judiciary Committee brought him the respect of the country. This, of course, was something he already had earned from his colleagues.

In 1976, PETER RODINO was responsible for the enactment of landmark antitrust legislation. The Hart-Scott-Rodino Anti-Trust Improvement Act of that year set important, expanded guidelines with which businesses must comply in the area of premerger notifications. This, in turn, has facilitated the ability of the FTC and the Justice Department to conduct full investigations of certain mergers and acquisitions, which had been difficult to accomplish prior to the legislation.

PETER RODINO has left his mark on the country, on the State of New Jersey and on his congressional district. As the dean of our State's delegation, he has fought hard and successfully for the best interests of New Jersey and he has served his constituents unselfishly during these past 40 years. I'm sure that they will miss his leadership and dedication—as will we in this Congress.

I wish him many more productive and happy years with his children and grandchildren.

Mr. GALLO. Mr. Speaker, I join with my colleagues today to honor a man who has become known among his colleagues simply as "Mr. Chairman," the Honorable PETER W. RODINO, JR., of New Jersey.

PETER RODINO's record as a champion of civil rights and as a scholar of constitutional law has been clearly described in some detail by previous speakers. I am equally proud that this native of the Garden State has brought honor to New Jersey and dignity to our Nation as the chairman of the House Judiciary Committee since 1973.

I would like to relate one personal reflection as my contribution to today's special order in his honor.

Since 1984, when I was elected to serve the people of the 11th District of New Jersey, the chairman has offered his advice and counsel in the spirit of bipartisanship and he has been supportive on a number of occasions.

I am reminded of one occasion in particular—in early 1986—when Representative FRANK GUARINI and I were very concerned because it looked as though the July 3 ceremonies honoring the 100th anniversary of the Statue of Liberty would be limited to the swearing in of new citizens from Lower Manhattan, due to a technicality in immigration and naturalization law limiting jurisdiction of the Federal judiciary with regard to Ellis Island, where the ceremonies were scheduled.

Representative GUARINI and I felt strongly that this was a national day of celebration and that representatives from all of the 50 States should be included in this symbolic reaffirmation of our common heritage as immigrants.

We took this concern to Chairman RODINO and he embraced it as his own, sheparding the legislation through Congress and on to the President's desk in less than 60 days.

Anyone familiar with the workings of Congress knows what a major achievement it is to move legislation from start to finish in less than 2 months.

The State of New Jersey and the United States of America will miss his strong leadership and his acute sense of perspective developed over 40 years of service to the people.

I understand that the Honorable Mr. RODINO will soon become Prof. PETER RODINO. I applaud his dedication to good government and his willingness to share that commitment with the next generation of leaders.

I thank him for his friendship and for his counsel. I join my colleagues in recognizing his many accomplishments and I wish for him a long and prosperous academic career.

Mr. TORRICELLI. Mr. Speaker, as the youngest member of the Democratic delegation from New Jersey, I am especially proud to have enjoyed and benefited from the skillful leadership of PETER RODINO. Although his service in the House of Representatives began before I was born, PETER RODINO readily welcomed me upon my own election to the House and has always been there to guide me.

PETER RODINO has played a unique role in bringing our delegation together. Ours, like many, could have been a delegation of a few powerful people. Instead, it was a combination of effective leaders, and a real fighting team: a team which has been led through all these years by PETER RODINO.

When PETER RODINO announced in March of this year that this session of Congress would be his last, I could not help but to think of how different America is today, how much better America has become through PETER RODINO'S leadership.

In his announcement, he said that he had served his time and a purpose. In his time, his district, his State, his America have been reshaped through his leadership in bringing civil and human rights to all of our citizens.

Through 40 years in the House of Representatives and 15 years as chairman of the House Judiciary Committee, PETER RODINO led us ably through passage of the 1966 civil rights bill, the Voting Rights Act extension in 1982, and the Immigration Act of 1986.

PETER RODINO also served a purpose. Often the only thing that stood between the radical politics of the moment and the defense of common sense and our constitution has been PETER RODINO. That has made him important for our country. It means that PETER RODINO has been more than just another Member of this institution.

Although PETER RODINO'S journey at the helm of an important committee of this institution is coming to an end, I hope that America and the communities that he represented will continue to receive the benefit of this wisdom and leadership.

For me and many young people around the country, PETER RODINO was and always will be a model of public service. He made this institution a place where people want to serve. He made this a place, even a profession, that people want to be a part of. He has made it a noble, dignified, and a special place.

Mr. BERMAN. Mr. Speaker, it is with great pleasure that I rise today to join in this tribute to my chairman, the Honorable PETER RODINO.

Long before I became a Member of this body, I was aware of PETER RODINO's awesome reputation as a committed proponent of civil and constitutional rights, equal opportunity for all Americans, and the values of fairness and integrity in the conduct of governmental affairs. My personal experience since then has only confirmed the reputation he has earned during the course of a long and honored career.

I don't think it is an overstatement to say that no Member has ever made a greater contribution to insuring the humaneness and equity of our immigration laws. In 1965, PETER RODINO achieved a long-sought goal of fair-minded Americans as the prime sponsor of the 1965 Immigration Act, which eliminated from our laws the shame of the old national origin quota system. In 1980, he accomplished the elimination of ideological considerations in the admission of refugees to this country, establishing in the Refugee Act a comprehensive, equitable policy for refugee admission and resettlement. Most recently, PETER RODINO doggedly worked for the enactment of the Immigration Reform and Control Act of 1986, and has consistently called for generous and humane implementation of its landmark provisions.

On a personal note, our efforts to prevent the creation of a massive new bracero program as part of IRCA would simply never have succeeded without the stalwart leadership of PETER RODINO. He insisted that under no circumstances would he allow immigration reform legislation to go forward at the price of a giant step backward in the struggle for dignity and fairness for American farmworkers.

I have long assumed that PETER RODINO's commitment to a just and fair system for admitting natives of other countries to share in the blessings of the United States is part and parcel of his abiding belief that our Constitution and our laws afford a system of individual liberties that is the envy of the world.

But PETER RODINO believes that steadfast vigilance is required to protect those timeless rights from the shifting winds of popular sentiment. In his 16 years at the helm of the Judiciary Committee, PETER RODINO has from time to time been accused of presiding over the "killer committee," the graveyard for constitutional amendments and other bills that have enjoyed a great measure of popular support.

But what does that mean? It means that PETER RODINO has done no less than to walk in the footprints of our Founding Fathers, who believed that minority rights must be protected against the encroachments of majority sentiment. Not for PETER RODINO is the view that Congress can proceed blithely to pass unconstitutional laws and let the courts take care of the consequences. And not for PETER RODINO are amendments to constrict cherished constitutional rights or to strip the Federal courts of the ability to adjudicate and provide redress to our citizens in critical disputes.

Under his leadership, the House Judiciary Committee has strengthened the Voting Rights Act and the Nation's fair housing laws. The landmark Hart-Scott-Rodino Act stands as the most important antitrust legislation of the past four decades. The integrity of our bankruptcy laws has been maintained on his watch. Members of the Judiciary Committee and of this body have been confident that legislation with PETER RODINO's mark on it has passed his test of fairness and integrity.

Not least of all, in one of the darkest hours of our Republic, PETER RODINO presided over impeachment proceedings against Richard Nixon which remain a model of evenhandedness, propriety, and faithfulness to constitutional principles, no less than we have come to expect from PETER RODINO, but a marvel in his first year as chairman of the Judiciary Committee.

For these gifts to the Nation and to this body, I stand in tribute to PETER RODINO, and wish him well in the years to come. I am delighted that college students will enjoy the benefit of his wisdom and experience, and hope only that he will continue to share his good counsel with us in the years to come.

Mr. FLORIO. Mr. Speaker, among the members of the class of 1948 in the House of Representatives was a proud, quiet man from Newark, NJ, who would one day take his place among the giants of our day.

PETER RODINO, JR., was not one to go for the big splash. He is by character a very patient man. Years passed by before he became chairman of the House Judiciary Committee, but once the gavel was in his hands, Congressman RODINO played a key role in some of the greatest pieces of legislation ever to insure and expand the civil rights of Americans. In recent years, against what sometimes seemed a tidal wave of ideological zeal, Congressman RODINO'S role changed somewhat. Instead of helping to pass good legislation, he became the gatekeeper whose efforts helped to prevent the passage of bad legislation whose spirit, and often whose letter, would have taken the Founding Fathers aback.

In either role, he served the cause of all Americans. Never was Chairman RODINO mentioned more honorably than during the 1974 impeachment hearings in the wake of Watergate. Again, patience was a Rodino hallmark. While others might counsel speed, with all its potential for errors and political partisanship, Chairman RODINO acted carefully and thoughtfully with a watchful eye, not on the political winds of the moment, but on the lasting impact Congress' actions might have on the Constitution. He marshaled his case. He sought out facts. He gave minority opinions a chance to be heard. In the end, his work added luster to that great document, the Constitution of the United States.

His colleagues from New Jersey probably knew him best. When he retires at the end of the 100th Congress, our State delegation loses its dean. There are other facts about PETER RODINO that make him, and us, proud. He was the first Italian-American from New Jersey to be elected to Congress. He has been a staunch defender of the rights of working men and women.

To me, and to others in the New Jersey delegation, PETER RODINO has been all that and more. He has been a friend. He has been an adviser. He has stood as a shining example of the best in what a Member of this esteemed body can become.

We will miss PETER RODINO, and we wish him all the best in his well-earned retirement. However, in a way, we will not miss him. That is because he will always be around. Such was his contribution that the things he stood for, the causes he championed, the battles he won will forever be a part of this body and this Nation.

Mr. DONNELLY. Mr. Speaker, I rise today to join my colleagues in honoring one of the most distinguished Members of the House, Chairman PETER RODINO, who is retiring after 40 years in Congress.

During his tenure in the House PETER has earned the respect of his colleagues on both sides of the aisle for his political skill and his commitment to civil rights. As chairman of the Judiciary Committee, PETER first achieved national recognition during the Watergate era while presiding over committee debate on the resolution to impeach President Nixon. His calm leadership helped this country through one of the most trying periods in its history, and one of the greatest tests of our constitutional form of government. For his role in these hearings alone, PETER's place in history is assured.

PETER has gained additional recognition on a number of other national issues. As Judiciary chairman and member of the Select Committee on Narcotics Abuse and Control, PETER has been a leader in the drafting of the omnibus drug bill currently before Congress. He has worked hard to ensure the integrity of the U.S. judicial system, by providing an adequate supply of Federal judges appointed on the basis of the needs of the judicial system and not on the basis of political patronage. PETER was also selected to serve on the committee investigating the Iran-Contra scandal, a further acknowledgment of his experience and his reputation for fairness.

I personally have had the pleasure of working closely with PETER on a number of immigration bills. Last year I introduced legislation to extend the NP-5 Program, and to provide new immigration catagories not based on the traditional family reunification criteria. This legislation would have eliminated the unintended effects of the 1965 immigration reforms, which had reduced immigration from European countries, a traditional source of immigrants to this country, to a trickle. However, with the end of session approaching, and November elections causing a rush toward adjournment, further reform of immigration law during the 100th Congress appeared dead.

Chairman RODINO helped to revive efforts to increase legal immigration into this country. His legislation, H.R. 5115, which was introduced during the waning days of the session, contains many of the basic provisions of my legislation, including the extension of the NP-5 Program. With his leadership, it now appears likely that Congress will reach agreement on this important legislation prior to adjournment. Those of my colleagues who, like me, do not serve on the Judiciary Committee, but who are concerned about the immigration issue, are extremely grateful for PETER's leadership on this issue.

Clearly, those of us who are here to honor our colleague are not the only ones who admire PETER RODINO. The people of New Jersey's 10th Congressional District have selected PETER to represent them in the last 20 elections, and as we all know, a Congressman needs no higher praise than that.

Finally, I want to express my appreciation to Congressman TORRICELLI for providing us with this opportunity to pay special tribute to one of our most distinguished colleagues. It has been my great pleasure to work with PETER RODINO over the last 10 years. PETER can look back with pride on what has been a long and successful career. This institution will miss his advice and leadership dearly.

Mr. CARDIN. Mr. Speaker, when I was first elected to the House of Representatives only 2 years ago, I had the opportunity to become a member of two major committees. Whether or not I was to be given permission to accept the two spots was primarily left to the discretion of PETER RODINO. I made an appointment with the distinguished chairman of the Judiciary Committee to discuss the matter.

The chairman made it very clear to me: he only wanted people on the committee who were willing to spend the time and energy to learn the issues. Naturally he was suspect of anyone who wanted to be on two major committees. He was very committed to the issues under the jurisdiction of the Judiciary Committee and demanded the same thoughtful consideration of these issues by members of the committee.

Two years later I can look back with 20/20 hindsight, with the experience of having served on his Judiciary Committee, and know first hand what it means to have been a member of PETER RODINO's Judiciary Committee.

It means having been a part of a committee that, in this historic Congress, produced historic legislation. The committee waded through the mire of ethics violations of this administration to reauthorize an independent counsel statute—and ultimately to see its constitutionality upheld by the Supreme Court. It put teeth in the Fair Housing Act, continuing the march toward civil rights for all Americans that has been stalled during this administration.

It means, during consideration of the omnibus drug bill this year, that the Judiciary Committee, under the leadership of the chairman, had the political guts to fend off many attacks on the Constitution and the civil liberties of the American people. I'm sorry to say that the House did not follow the lead of the Judiciary Committee on many of these matters.

And it means having had the opportunity to serve with PETER RODINO. For years now, Chairman RODINO has stood between the Constitution and those who want to turn it into a Christmas tree, hanging on it every decoration the far right can think of, from abortion to busing to school prayer.

At the same time, he produced the tough legislation the Nation needed, leading the fights for reform of the immigration and bankruptcy laws.

Of course, from the very beginning, we had reason to expect great things from PETER RODINO's chairmanship. He had wielded the gavel less than 1 year when he presided over the greatest constitutional crisis of this century. His distinguished, evenhanded, and painstakingly careful handling of the Watergate impeachment hearings was critical to guiding our country through that traumatic time.

The highest praise any public servant can hope for is that he has left things better than he found them. Chairman RODINO has left his committee, this Congress, and his country better than he found them. We are grateful for his service, and will miss his leadership.

Mr. VENTO. Mr. Speaker, I rise today to pay tribute to my friend and colleague, Chairman PETER RODINO. Congressman RODINO has admirably served in the House of Representatives for 40 years. His district of Newark, NJ, has experienced many changes since the postwar years, yet the people have wisely continued to elect PETER RODINO as their representative to the U.S. Congress.

PETER RODINO will no doubt be noted in history as the fair and strong chairman of the Judiciary Committee which voted in 1974 to impeach Richard Nixon. As chairman of that committee, he proved to be a most capable leader and above all, a fair and evenhanded leader. By proceeding with caution and restraint, PETER RODINO was able to avert a strictly partisan war against Richard Nixon. It was Chairman PETER RODINO who galvanized the necessary bipartisan support in favor of impeaching President Nixon. This was a most difficult time in the history of our country. PETER RODINO rose to this immense and unfortunate challenge to our system of government by providing the leadership necessary to prove that our democratic system was able to work in the face of a great crisis.

Congressman PETER RODINO has consistently been involved in major civil rights legislation. He directed the fair employment practices provision of the 1964 Civil Rights Act and became the main sponsor of the new Immigration Reform and Control Act in 1983 which he saw through to its passage in 1986. This paralleled his early, effective work in Congress, when, as a subcommittee chairman, he mastered the legislative process and successfully rewrote immigration and naturalization policy.

PETER RODINO is surely one of the most powerful and respected Members of Congress. Chairman RODINO has the ability and determination to craft legislation and, as importantly, to block legislation that he feels infringes on basic constitutional liberties. Many legislative measures bear PETER RODINO'S name including antitrust legislation that has proven so important to the competitive free enterprise system that supports our people and our Nation.

Congressman RODINO has been a friend to many Members of this House. For the past 12 years, I have had the great pleasure of working with him and I have benefited from his good counsel and strong friendship. Congressman RODINO and I share a common Italian American heritage and I was fortunate to have been able to accompany him on several trips abroad to participate in important meetings with Pope John Paul and other political leaders. We have shared some special responsibilities, some special times, and a common joy in our work.

Chairman PETER RODINO is a model of leadership in the U.S. House of Representatives and in the Congress, proving by example just how much one person can accomplish. He is a man with conviction and values. He knows well the advantage of being in the right place at the right time, especially when he is needed. But, let us all understand that his actions and accomplishments are not an accident of history; rather, these accomplishments stem from a well-considered commitment to serve as best he could. When faced with challenges he was ready and did his homework thoroughly. No quick rush to judgment for partisan or other advantage has characterized PETER RODINO'S actions and success.

PETER RODINO shall be dearly missed as a friend, a legislator, and a leader in the House by both those whom he has served and those who have served with him.

PETER RODINO has devoted his life to public service. As he leaves us, PETER can know that he goes with the thanks of a grateful legislative body for his years of friendship, diligence, and unblemished service. We wish PETER RODINO well in his working retirement and want him to know that his continued counsel will always be welcome.

Mr. GARCIA. Mr. Speaker, we are here to honor one of the giants of our time, PETER RODINO. PETE RODINO first came to Congress when Harry Truman was President. He came as a fighter, a reformer, a man of the people.

And for 40 years, PETE RODINO has served his district, Congress, and the United States with dignity and diligence. He has always been a champion of the underdog. He has always been a disciple of the truth and fair play.

PETE first came to national attention when he had the difficult task of presiding over the impeachment hearings of President Nixon. He won national acclaim for his evenhanded, nonpartisan attitude toward that most trying process.

Yet, for those of us who have come to know PETER RODINO, that is not at all surprising. He is a man of character, of integrity. He further proved those fine qualities by throwing himself into the debate on civil rights. He worked hard on behalf of minorities in this Nation. He worked hard on behalf of the poor and underprivileged.

PETE RODINO was also an advocate of immigration reform. While I did not always agree with him on this issue, I, nonetheless, felt that his efforts were always well intentioned. His heart was always in the right place.

I will miss PETE. We will all miss him. He has been an example of what is best about this body. He has been a testimony to public service. And while he is leaving us after this Congress, his legacy will remain for generations to come.

Mr. GUARINI. Mr. Speaker, it is an honor to celebrate the Rodino years.

When I think of PETER RODINO, I am reminded of a story from "A Man For All Seasons." Thomas More was talking to his son-in-law, Roper. Young Roper said that he would cut down every law in England to go after the devil. More replied, "when you have cut down all the laws, and the devil comes after you, what will be left to protect you?"

Thomas More, a man of wisdom and a man of faith, understood one of the great rules of history—the rule of law.

When the weak are victimized by the strong, they look to the law.

When communities seek protection from crime, they look to the law.

When people seek to halt the abuse of power, they look to the law.

When the poor seek simple justice, they look to the law.

And when people seek to uphold the rule of law, they often look to Peter Rodino.

For 40 years, this man has left his fingerprints on the Constitution, and his footprints on American history.

And every time, the country has been better for it.

He has helped to turn "Equal Justice" from a worthy dream to a way of life: Fair housing, voting rights, immigration, education, equal employment, equal opportunity, equal rights. Each has been touched by the guiding hand of Peter Rodino.

And every time, the cause of justice has moved ahead.

From the Supreme Court to the district court, from the Court of International Trade to the court of public opinion.

Each has been moved by this man's courage, conviction, and compassion.

And every time, the rule of law became stronger, and the administration of justice became wiser.

Peter Rodino knows that being an American is a statement of principle.

When we think about the immigrants who have come to our shores, we should think about what they came for, what they searched for, what they stood for.

All they wanted was a chance.

A chance to be free, a chance to find a decent job, a chance to raise a family, to worship in peace, and to build a nation.

Their pockets were empty, but their hearts were full of hope.

And in return, they offered everything.

They passed the truest test of patriotism; they believed in the power of the American idea.

When people come to Washington, they can walk past the White House, go through the Halls of Congress, and visit the building that houses the Supreme Court.

As they walk up the stairs to the Supreme Court, they can see four simple words that stand at the center of the American idea: Equal justice under law.

For four decades, Peter Rodino has fought for equal justice, under law.

He has treated public service as a noble calling.

He has made America better.

He has made America stronger.

He has helped our country remain a beacon of justice, providing hope to people everywhere.

And here at home, for so many, he has helped the American dream come true.

So Peter Rodino, on behalf of all who believe in simple justice and the American idea, I say thank you.

Mr. MOORHEAD. Mr. Speaker, I am most pleased to have this opportunity to participate in a special order honoring our long time colleague and friend, Peter W. Rodino, Jr. It is well known to the Members of this House, as well as throughout the Nation, that Peter Rodino has served as the distinguished chairman of the Committee on the Judiciary for nearly two decades. In fact, his overall service in Congress dates back to the 81st Congress—some 40 years ago.

Since I came to Congress in 1973, it has been my privilege to serve on the Republican side of the aisle in that same Judiciary Committee. While Peter Rodino and I have occasionally differed on the merits of specific legislation, these differences have never clouded our friendship. Peter Rodino may be a partisan Democrat in a policy sense, but he has never been a partisan man in a personal sense. He has steered the House Judiciary Committee through many difficult legislative situations. By nature a prudent and cautious man, Chairman Rodino's decisions are always tempered by a genuine sense of personal integrity. He has consistently presided over the Judiciary Committee with parliamentary impartiality; he is a Congressman who cares about the quality of the legislative work product as much as the intended policy result.

Early in his career, Peter Rodino made a mark as a Congressman sensitive to the need for civil rights changes in our society. In addition, as a subcommittee chairman, he became a nationally recognized expert on the complex subject of immigration policy. He was the floor manager of the landmark Immigration Reform Act of 1965, which eliminated national origin quotas from the statute books.

My first term in Congress was a time of great stress for all of us serving on the Judiciary Committee—it was the era of Watergate. As a freshman Republican Congressman, I sat through weeks and months of evidence gathering and testimony on the difficult and tempestuous impeachment question. In my view, the careful way in which that difficult proceeding was conducted was in large part a reflection of Chairman Rodino's restraint and good judgment. That tone allowed each member of the Judiciary Committee to arrive at their own conclusion based upon the evidence available at that time. His temperance minimized the partisan divisions that were present and provided the American people with a view of the congressional committee process at its best.

Since that difficult period, Chairman Rodino and I have worked together on numerous bipartisan initiatives. These subjects have included dealing with needs of our Federal court system and Federal judges, needed antitrust and bankruptcy law amendments, and trade and competitiveness issues. Much of the work of a legally oriented and technical committee like judiciary does not result in front page headlines. But as chairman, Peter Rodino has always made sure that our committee does its necessary, as well as its high-visibility, work.

This is one conservative Republican who has served with Peter Rodino for many years and who genuinely respects him. It is my sincere hope that Peter Rodino will enjoy his well-earned retirement and that he will often come back to Capitol Hill to share his experience and insights with all of us. I wish Peter Rodino all the best and thank him for his many courtesies to me over the past 16 years.

Mr. DINGELL. Mr. Speaker, Representaive Peter W. Rodino, Jr., a great legislator and a good friend, will be retiring at the close of this 100th Congress. After 40 years of service in the House of Representatives, Peter Rodino will always be remembered for his democratic pursuits as a champion of civil rights and as a leader in social justice.

Peter Rodino has earned a number of leadership positions and outstanding awards throughout his glorious and distinguished career, but his active fight for civil rights is the one most memorable and dear to me. Peter plunged into the battle for civil rights well before he became chairman of the House Committee on the Judiciary. During the sixties, he managed and wrote major civil rights bills, including the fair employment practices provision of the 1964 Civil Rights Act. Since becoming chairman of the Judiciary Committee in 1973, he has continued to uphold the historic civil rights measures, which he and many others fought so hard for. In addition, Peter boldly fended off weakening amendments to our U.S. Constitution in the Judiciary Committee and on the House floor.

Peter Rodino was instrumental in leading major drives for social justice legislation. He authored the Voting Rights Act Extension of 1982, the Immigration Control and Legalization Act of 1986, and the National Antidrug Reorganization and Coordination Act of 1986. He also led the fight to eliminate aid to foreign nations that do not cooperate with the United States in halting illegal drug trafficking into this country.

The people of this country came to know and respect Peter Rodino during the Watergate crisis, but those of us in Congress had long known his unyielding commitment and dedication to achieve equality and justice throughout this great Nation.

Long after Peter Rodino leaves Congress, he will be remembered not only for his legislative accomplishments, but also for his studied yet compassionate appreciation for his fellow man. Peter Rodino will be truly missed by all who know and respect him.

Mr. PANETTA. Mr. Speaker, I rise today to pay tribute to retiring Congressman Peter Rodino who has served in the U.S. House of Representatives for 40 distinguished years. Peter has been instrumental in many historic events in Congress and the Nation. As an Italian-American I have always looked to Peter as the best of what we can accomplish. He has taken his heritage and patriotism to a level that we all strive to reach. Through his dedication to the ideals of our country he has managed to pioneer vital legislation.

Along with the rest of the country, I learned who Peter Rodino was during the Watergate hearings. As the new chairman of the House Judiciary Committee many doubted that he would be ready for the challenge that these historic hearings promised to bring. However, as he did throughout his career, he proved the skeptics wrong. Through his careful preparation and presentation, Peter succeed in bringing a nonpartisan approach to these most difficult proceedings. He brought his integrity, his respect for our Nation's laws and his respect for the office of President. In this bleak moment in our Nation's history, Peter provided hope for a bright future.

This hope was manifested in the work he did on our Nation's civil rights and immigration laws. During the 99th Congress I had the pleasure of working with Peter during the consideration of the immigration reform bill. This was a difficult piece of legislation to manage. However, through his experience and skill Peter was able to finally make immigration reform a reality.

This year the 100th Congress passed an important piece of civil rights legislation. The Civil Rights Restoration Act made clear the intent of Congress when the original civil rights laws were passed. Who is better qualified than PETER RODINO to state the intent of Congress on legislation that he helped to formulate? Through much organized opposition, PETER persisted in getting this legislation to the floor. It was a great victory for the civil rights movement to have the 100th Congress confirm its commitment to enforcing our Nation's civil rights laws.

I mentioned before that PETER has successfully combined his heritage and his patriotism in a distinguished career. Nowhere is this more apparent than in his efforts to make Columbus Day a national holiday. As an Italian-American myself, I feel that Columbus Day encompasses the essence of being American. It gives our children a sense of the values and ideas that our forefathers brought with them to America and makes them recognize the uniqueness of being an American. We are a country of immigrants and that is our blessing. It is this unique status that has made the United States a pioneer in such issues as civil rights.

The retirement of PETER RODINO brings to a close a special part of American history. He has lived through and been a part of many significant historic events over his 40 years in public service. He has provided a role model for many of us in Congress. I don't know which event or accomplishment he will be most remembered for in the history books, but I know that his legacy and tradition will go on long after he has left the House of Representatives.

Mr. SMITH of Iowa. Mr. Speaker, our good friend, PETER RODINO has long since become a national figure standing for justice, compassion, and the rule of law in our Government. It will be difficult to adjust to him not being here, but after 40 years as one of the strongest pillars of Congress, he is retiring from the House this year. I am deeply appreciative that his and our good friend, BOB TORRICELLI, has called this special order to give the House a chance to express its affection and esteem for this great American. Since I became chairman of the Appropriations subcommittee that handles funding for the Justice Department and the Federal judiciary, it has been my privilege to work closely with Chairman RODINO on appropriations bills which fund the Justice Department and the judiciary. This opportunity has been a most valuable and memorable experience.

It has amazed many people that an individual could attain such a high level of power and prestige in our public affairs and yet remain so humble and unassuming in his daily life. PETER has been elected to serve so many years because his constituents believe in him; he achieved leadership in the House because his colleagues believe in him; he will be remembered in history because a grateful nation believes in him. PETER is a fine lawyer, a superb legislator, and above all, a sensitive, caring human being who is deeply committed to our justice system.

In 1941, PETER volunteered to serve in World War II, was commissioned overseas, and discharged as a captain in 1946. He received several decorations including prestigious awards from the Italian Government. PETE has had a lifelong commitment to civil rights and he was a legislative leader of the historic reforms of the 20th century; he floor managed the 1966 civil rights bill and, as Judiciary Committee chairman, was the author of the Voting Rights Act extension in 1982. More recently he had a key role in the passage of the Grove City bill. His imprint has been on many other important bills to eliminate discrimination for reasons of race, creed, sex, or economic status.

The majority of voters in the 10th District of New Jersey he represents are minorities and he has won reelection by ever-increasing margins partly because they remember that they were fairly treated when they were a minority in that district and they knew he had the seniority and clout in Congress to represent the district effectively. As a lawyer and throughout his career in Government, PETER RODINO's knowledge of constitutional law and devotion to the U.S. Constitution shine through. In various areas, he has worked to further competition and to reduce incentives for price-fixing. As everyone knows, Chairman RODINO presided over the 1974 Nixon impeachment hearings where his performance was a model of fairness and justice for all time.

Unforseen circumstances have, at times, placed PETE in highly difficult and crucial situations. He has always met the challenge. He has always lived up to expectations and often exceeded them. Recently he played a key role as a member of the select commttee on the Iran/Contra investigation. PETE was appointed a congressional observer to the disarmament conference in Geneva in 1958 and was named by our Government to other important international posts.

The list of his awards, both national and international, and honorary degrees from leading universities, is further evidence of a distinguished and versatile career. One of my most pleasant memories of Chairman PETER RODINO is the last time he came out to Des Moines to speak in my behalf. The program chairman worried about a proper introduction, but, everybody knew him and loved him and no formal introduction was needed. The tumultuous reception he was accorded told the story.

PETE will be keenly missed in this body, but the influence of his achievements here will live on and so will the memory of this dedicated and humble man who served the Nation so well.

Mr. MILLER of Ohio. Mr. Speaker, I want to join with my House colleagues in paying fitting tribute to our good friend, and able chairman of the House Judiciary Committee, Mr. RODINO of New Jersey.

After 40 years of consistent, dedicated service in the House—15 of which have been as chairman of the Judiciary Committee—PETER RODINO will be retiring from the place in which he has presided over some of the most historic events of the past half century. History books will record the drama of the Watergate hearings and the impact of that particular period on our society. Thoughout the period—faced with demanding circumstances and difficult conditions—Chairman RODINO chaired the Judiciary Committee in a manner that encouraged debate, fostered fairness, and sought justice. He deserves to be recognized for fulfilling his role and for keeping the committee's attention on the issues and not the politics of the period. Regardless of one's views at the time on Watergate, I think history will reflect that the leadership of PETER RODINO in committee was as worthy and effective as possible.

Beyond that movement in history, PETER RODINO has effectively represented the good people of his district exceptionally well. He has served America while representing his district and State. And he has done all three tasks very, very well.

Mr. Chairman, your leadership in the House will be missed. We wish you well as you leave, and we trust you will return soon to enjoy the fellowship of those whose respect you have earned.

Mr. RINALDO. Mr. Speaker, I am proud to join my colleagues in paying tribute to my good friend from New Jersey, PETER RODINO, for his illustrious career in the House of Representatives.

For 40 years PETE has served the people of New Jersey and the Nation with distinction and dedication. As the chairman of the House Judiciary Committee he was influential in securing passage of some of the most far-reaching civil rights legislation enacted in this century. He is a recognized expert in constitutional law and has been a staunch defender of the Constitution and the freedoms it guarantees.

As the dean of the New Jersey Congressional Delegation PETE has been a leader on issues involving our State.

PETE has an outstanding record of service of which he and his constituents can be proud. He has earned the respect and admiration of all those privileged to serve with him during the past 40 years. I am honored to be a friend and to have served with him for the 16 years we were in Congress together. PETE is a kind, compassionate human being, and I will certainly miss him.

PETE, as you leave the House you take with you my warmest wishes for the best of everything in the years ahead.

Mr. KASTENMEIER. Mr. Speaker, it is hard for me to face the reality of PETER RODINO'S retirement. We have spent the past 30 years together, the major part of our professional lives.

When I consider our years spent together, I of course think of sitting with him on the dais of the House Committee on the Judiciary. I think of battles fought and won—and sometimes lost, but not too often—during some of the greatest and most turbulent days in this Nation's history: the civil rights struggle, the war in Vietnam, Watergate and the impeachment of President Nixon, the appointment of a sitting President—Ford—and a sitting Vice President—Rockefeller—the impeachment, and removal from office of Judge Harry Claiborne, the growing struggle between the executive and legislative branches.

The Judiciary Committee is a committee of lawyers. In many regards, the committee takes on the characteristics of its members. Given its composition, the committee is somewhat like an appellate court. Collegiality is important; respect for seniority prevails; due process and fundamental fairness are guiding principles. Chairman RODINO has led us as would a good judge, through respect, integrity and impartiality rather than through brute force.

I wish that Members of Congress had lifetime tenure, similar to that possessed by Federal judges—particularly now during my campaign. But, the Founding Fathers determined that Members must be politically accountable to the people. Representatives stand for reelection every 2 years, and there is no exception for Chairman RODINO.

PETER RODINO has been an example to us all through his steadfast support of the civil rights of all Americans. Not only has he fought long and hard during the past few years to maintain the gains we had made during the sixties and seventies, but with his leadership, we also have been able to pass through our committee and enact into law, affirmative legislation in the civil rights area. The fair housing bill, recently signed into law, is only one example of this. Another is Chairman RODINO's unwaivering support of the Legal Services Program and his willingness to be on the firing line when the program has most needed his support. We have succeeded in improving the third branch of Government, the Federal judiciary, and equipping it to meet he enormous burdens assigned it under our Constitution and laws.

In the waning days of the 100th Congress, as we reflect on the career of our distinguished colleague, it is difficult to avoid judging his career without using some of the terminology of the current Presidential campagin. Perhaps more than any other Member of Congress, PETER RODINO has sought to make the United States a kinder and gentler Nation. His work on immigration reform, civil rights and civil liberties, and separation of powers bespeak a fundamental and heartfelt commitment to individual human rights. His understanding of the constitutional balance between individual rights and Government power distinguish him from most lawmakers. For PETER RODINO, short-term political fixes to the transient political crises of the moment have been no substitute to the longer, harder road to meaningful laws that enhance the rights of the least among us.

We are a nation of laws, where respect for the rule of law prevails. As a lawyer, I can think of few more important roles than chairman of the House Committee on the Judiciary.

Mr. Chairman, you have done a good job and I and the people of this country will miss you.

Mr. HORTON. Mr. Speaker, I rise today to speak for a moment about my friend and colleague PETER RODINO who is retiring after 40 years in the House. Chairman RODINO has served this body with both distinction and honor.

Throughout his career in the House, PETER RODINO has always acted in the best interests of the country. As a senior member of the Judiciary Committee, he played a major role in drafting much of the civil rights legislation of the 1960's. Americans of all races and creeds owe a great deal of gratitude to PETER RODINO. Supporters of the equal rights amendment are also losing a strong and influential voice with his retirement. Nevertheless, PETER can leave this body with a feeling of tremendous satisfaction for having achieved all of these accomplishments.

In my view, PETER RODINO is best remembered for his cautious but fair leadership of the Watergate hearings. His unswerving desire to lead an objective inquiry resulted in a bipartisan resolution on the matter. PETER'S fairness have made him a good friend upon whose advice I know I can always rely.

In closing, I would like to commend PETER for his many years of service to this Nation and wish him well on behalf of my wife Nancy and myself. Mr. Speaker, we will miss PETER next year.

Mr. BENNETT. Mr. Speaker, Congressman PETER RODINO, the able chairman of the House Judiciary Committee, came to Congress at the same time I did in 1949, and we have had a great friendship and a mutual admiration society in the years that have followed. He is a highly decorated veteran of World War II who has had many honors conferred upon him as an able legislator here in our Congress. He has received numerous awards and honors from various governments and organizations and numerous honorary degrees. He served as a delegate to the North Atlantic Assembly and as chairman of its scientific and technical committee and on its working group on the control of narcotics. He is dean of the New Jersey Congressional Delegation. He has served in the House leadership as assistant to the majority whip and as a member of the House Steering Committee. Not only has he held many important positions, but he has held them with distinction and merit. We will greatly miss him for his very substantial contributions to the Government of the United States and to the welfare of people everywhere. We will also miss him greatly as a dear and trusted friend, who we hope will often come back and visit with us. We wish him well in everything that lies ahead in the future for him.

Mr. APPLEGATE. Mr. Speaker, if we were to look back over the past generation and seek the one person who has contributed more than anyone else in upholding and securing the legal rights of all Americans and in preserving and protecting the very foundations of our judicial system and constitutional safeguards of checks and balances, our distinguished colleague from New Jersey, Representative PETER RODINO, is the person who comes to mind.

PETER RODINO has represented his constituents in Newark for 40 years. He has achieved this remarkable feat while adhering to the principles of grace and distinction. Forty years ago, another great American, Hubert H. Humphrey, spoke out on the need for the Democratic Party to pursue the cause of civil rights, a position that, at that time, was not fully understood and often unpopular. But in that same year, PETER RODINO began his service in the U.S. House of Representatives and ever since his entry into the Congress, our Nation has witnessed some of the most important achievements in the cause of equal rights for all Americans and a newfound interest and involvment in expanding and enhancing the rights and opportunities of our fellow citizens who were denied the promises of the American dream.

PETER RODINO was there when America discovered the need to resolutely and completely tear asunder the vestiges of slavery and racial separation held over from the Civil War, resulting in the passage of the Civil Rights Act of 1966; PETER RODINO was there in 1973 and 1974 when the very foundation of our Government was teetering at the shameful pinnacle of Watergate, and he provided the leadership and guidance to bring the American people through the dark days of that time through the proper and forceful deliberations of the House Judiciary Committee; and PETER RODINO was there when Congress saw the need to reinforce the rights of Americans to elect a government of their choice, resulting in the passage of Voting Rights Act of 1982.

There are numerous times when Americans look back in history and speculate on the potential differences that might have been realized had someone or somebody not been on the public scene or in key positions of leadership during important times in our past. Abraham Lincoln and the Civil War come to mind as one example, as does the Great Depression and the Second World War and the role that Franklin Delano Roosevelt played in bringing the United States through those difficult times. As we look back over the past 40 years and select those individuals who helped to shape the system of laws and the concepts of justice that thread through our Government and strengthen our Nation, PETER RODINO stands out as the person constantly on the leading edge in defending the freedoms and liberties of all Americans.

I wish PETER RODINO the very best upon his departure from the Congress and I extend to him and his children my hopes for many years of happiness together.

Mr. EDWARDS of California. Mr. Speaker, one of America's greatest heroes, the legendary chairman of the House Judiciary Committee, is retiring from Congress after 40 years of serving his country.

In the following excellent article, Leonard Steinhorn pays tribute to my chairman, who "kept his compact" with the Nation's people.

[From the Washington Post, Oct. 20, 1988]

PETER RODINO: HE KEPT HIS COMPACT. . .

(By Leonard Steinhorn)

In the flurry of Congress' departure this week, we should not let it pass unnoticed that the end of the 100th Congress also marks the end of the legislative career of Peter W. Rodino, Jr. I don't think it's an overstatement to say that he has been a great legislator. In this age of blow-dried candidates and media-driven politics, Peter Rodino has been an exception. During 40 years in Congress and 16 as chairman of the House Judiciary Committee, he has followed principles rather than polls, conviction rather than expediency. The Nation will surely miss his voice in Congress.

It is common enough to praise politicians by saying they came to Washington but never forgot where they came from. In Rodino's case this is not fulsome praise but the simple truth. In all his years as "Mr. Chairman," he really never did forget that he was the son of an Italian immigrant.

His identification with the common people was natural to him, and it underlay all his work in Congress. He came to Washington as a champion of the post-World War II Fair Deal agenda for working American and never wavered. And long before the civil rights movement became a popular cause, he spoke out for racial justice, despite initially representing a white ethnic district not predisposed to civil rights.

His legislative accomplishments are many. He was instrumental in gaining passage of every major civil rights bill of the last 30 years. Less well known but almost as significant was his leadership in 1965 in repealing the odious national immigration quotas that kept out immigrants from southern and Eastern Europe. His distaste for monopolistic business practices led him to promote stronger antitrust laws. His concern for inner-city youths led him to the forefront of the congressional battle against drug abuse.

But for all these accomplishments, even Peter Rodino knows that history will remember him for his role during Watergate. He was an unlikely hero in that difficult time. Throughout the crisis, he had but one goal; to restore the integrity of our system and the trust of the people. That is why he resisted the calls of less temperate politicians to hang Richard Nixon and instead conducted the impeachment proceedings with the balance and dignity the Constitution deserved.

His guiding star, during Watergate and throughout his career, was that our system cannot long survive unless we adhere to the principle of equal justice. To him, no one, including the most powerful, is above the law. Anything but pure devotion to that ideal will lead us down a slippery slope to a system of government that protects the rights of some but not others.

Peter Rodino often spoke of our Constitution as a compact with the American people. It pains him that equal justice and civil rights have not been fully realized by all Americans.

Perhaps the greatest irony—and tribute—of his career is that he decided to retire this year to make way for a black congressman who would represent the changing demographics of his district. Peter Rodino's last act in Congress shows that he was willing to keep his compact with the people.

Mr. FORD of Michigan. Mr. Speaker, it is with great pleasure that I rise to join in this tribute to PETER RODINO.

For 15 years our valued friend and colleague has been chairman of the Judiciary Committee. And in that role he has distinguished himself and his institution as well. It is not hyperbole to say that he is a paradigm of virtue and integrity, two of the most essential qualities in a democratic form of government.

The Nation owes this man a debt of gratitude for his extraordinary performance during the impeachment proceedings relating to former President Richard Nixon.

During this trying time, he protected the Constitution against reckless assaults and reaffirmed for all Americans that this is a nation of laws, not men.

More than anyone else, PETER was responsible for directing the proceedings against the former President. It was perhaps his finest hour. And it reflected the greatness of our system and our institutions.

The issues in that complex and tortuous affair dealt with the very heart and soul of our democracy. The eyes of the world were upon us.

And it was PETER RODINO that showed the world that our system worked as it was intended. And in so doing he restored faith in our Government for millions of Americans. What's more, he demonstrated that we can keep faith with honesty, integrity, and compassion.

PETER RODINO'S career has been dedicated to justice—and equal justice for all. His commitment to civil rights has been unwavering. He has been in the forefront of every major piece of civil rights legislation since the banner of equal justice was hoisted during the Kennedy administration.

For 40 years this body has been fortunate, indeed, to have the services of such a dedicated American. And for the past 15 years, during some of the Nation's most difficult times, we were especially lucky to have him as chairman of the Judiciary Committee.

Both this body and the country as a whole will miss him.

Mr. RUSSO. Mr. Speaker, PETER RODINO has been one of the finest and most dedicated men ever to serve in the U.S. Congress in its 200-year history. It is this simple—he is a great man and that greatness has been reflected in his work here for the people of the United States. This Nation is about justice and truth. And this too has been the work of Chairman RODINO.

When I first came to the Congress—as new and young as any Member ever elected to this body—it was PETER RODINO, my chairman at the Judiciary Committee, who guided me. I look back on the patience of such a wise man with such a novice and I feel both gratitude and admiration. This is the man who guided our country through the difficult days of the impeachment hearings; the man who has treated justice and civil rights not as mere concepts but as the touchstones for legislative action and commitment.

He's been a gentle guide and teacher for us all, but his quiet approach does not belie the lasting impact of his leadership. He's protected our Constitution and the Nation is in his debt for his years of dedicated and effective service.

I recall a quote I once heard, and it fits Chairman RODINO: "A really great man is known by three signs—generosity in the design, humanity in the execution, moderation in success."

Thank you, Mr. Chairman, for a job well-done. Thank you for your honor and your strength of character and courage. Thank you for bringing special pride to the hearts of Italian-Americans. I join with my colleagues in saluting you and wishing you every happiness in your retirement.

Mr. DE LUGO. Mr. Speaker, with the retirement of PETER RODINO, we will all be losing a great leader in Congress. The gentleman from New Jersey has been a leading light in this House for 40 years, and he will be greatly missed in these halls.

Chairman RODINO, of course, left his most memorable mark in history in his role as chairman of the Judiciary Committee during the Watergate hearings. His steady hand and strong sense of fairness were invaluable in steering us through that stormy period.

But, like many great Members of Congress, Chairman RODINO looked beyond his immediate district or committee jurisdiction to consider the well-being of the entire country. He has always shown concern for all the people of our Nation, both on the mainland and in the insular areas, and I want to offer special thanks to him for that.

Despite his extensive responsibilities and the countless demands on his time, Chairman RODINO has been willing to listen to the concerns of the U.S. Virgin Islands. I have been able to turn to him when my people in the Virgin Islands needed his help and, whenever possible, he has responded. His genuine interest in the Virgin Islands and our other insular areas has always been evident, and we are deeply grateful for his efforts on our behalf.

We will miss him here, but we can all join in wishing him the very best in his retirement.

Mr. MINETA. Mr. Speaker, during the 200 years in which the House has existed, many outstanding individuals have answered the call of public service and served in this Chamber.

During the course of our 11 Congresses, our colleagues have consistently included the best and brightest of our Nation. Our number have included farmers, doctors, industrialists, entrepreneurs, journalists, members of the clergy—and lawyers. Each has brought to this Chamber unique insights. Each has brought to this Chamber the invaluable expertise born of the diversity of the American people.

Mr. Speaker, our charge is a sacred one, for our oath is to the Constitution of the United States and to the people of the United States.

For two centuries, the very best of our number have held this responsibility above parochial interests or partisanship. And yes, Mr. Speaker, this Chamber has indeed been blessed with an abundance of such individuals, men and women who have truly honored the privilege of being a lawmaker.

Mr. Speaker, for 40 years PETER RODINO has been such a lawmaker, and such a lawyer.

Since 1948, PETER has served his constitutents in and about Newark, NJ with distinction, with compassion, with foresight and with a determination to remain accessible and accountable to their changing needs. Such has been the service he has provided to the citizens of the Garden State.

For his Nation at large, PETER has served with even more emphatic dedication—if such a thing is possible.

During the Second World War, PETER was a young lawyer who rose to the rank of colonel in the U.S. Army. He knew what we were fighting for during that great conflict—and knew he would never forget the lessons learned in the battle against dictatorship and tyranny.

One lesson was that there is never any substitute for the rule of law and that no one is above the law. Our law is the U.S. Constitution, and no one is above it. No one.

Another lesson was that there is no substitute for the guarantee of civil rights to each and every citizen without precondition or qualification.

And, Mr. Speaker, there was a third lesson; and the third lesson was that we must always remain vigilant in guarding both the rule of law and the civil rights guaranteed by our law.

Throughout his entire term of service in the House, PETER has guarded our Nation from those who would be expedient with justice or cavalier with the rule of law. In his 15 years as chair of the House Judiciary Committee, there has been no question of his dedication—or his success.

PETER became chair of the Judiciary at one of the most critical times in our Nation's history. As presiding officer during the President Nixon's impeachment debate, PETER mastered the factual and legal case. But as importantly, he conducted the hearings with calm assurance, even-handedness, and with great care to inform rather than alarm the American people.

The historical impact of PETER's leadership has only begun to be appreciated fully. Today, a new generation of American leaders have begun to seek out public service careers and win public office. Many of these individuals were teenagers during the impeachment proceedings.

They watched the hearings from the vantage point of the classroom; and they learned the lesson well. They came away with awe, respect and a determination to take an active, positive role in our Nation's public life. But PETER's legacy as a lawmaker did not start and end with the impeachment proceedings.

Any tribute to his lasting work would be incomplete without citing the 1964 Civil Rights Act, for which PETER drafted the fair employment practices provision. It would be incomplete without citing his leadership as floor manager of the 1966 opening housing bill. It would be incomplete without citing his leadership of the 1965 immigration reform law, which eliminated the national origin quotas that had formed the foundation of our immigration policy for 40 years.

It would also be incomplete without citing his leadership on a truly historic measure enacted just this year.

Mr. Speaker, the story of this act, the Civil Liberties Act of 1988, begins 46 years ago. During the Second World War, 120,000 Americans of Japanese ancestry were summarily stripped of their civil rights, rounded up and taken to desolate internment camps scatterred throughout the Western United States.

On September 17, 1987—on the very day the founders of our Nation had signed the Constitution 200 years before—this body said to the American people that the rule of law, that the Constitution itself was indeed alive and well. On that day, the House passed the Civil Liberties Act, which both apologizes and offers reparations to victims of the grievous injustices endured by the internees during the Second World War.

Mr. Speaker, the Civil Liberties Act would not have passed the House, passed the Senate and then have been signed into law on August 10, 1988, had it not been for the leadership of Chairman PETER RODINO.

The passage of the Civil Liberties Act is another lasting accomplishment for PETER RODINO, and a very fitting tribute to his able dedication to our laws and the American people.

Mr. Speaker, PETER RODINO will be sorely missed when he retires at the close of this historic 100th Congress, but he will never be forgotten by his constitutents, by his colleagues, or by the American people.

Ms. PELOSI. Mr. Speaker, it is with great pleasure that I rise to honor Congressman PETER RODINO, a distinguished colleague and fellow Italian-American. For 40 years in this House, he has dedicated himself to the pursuit of judicial excellence.

One of Congressman RODINO's greatest challenges, and a role that earned him a place in American history, was his chairmanship of the Judiciary Committee during the Nixon impeachment proceedings in 1974. With the eyes of the world on his gavel, Chairman RODINO handled that difficult but necessary task with grace, fairness, and diligence. In so doing, he restored a Nation's faith in the integrity of its governmental institutions at a time when the integrity of its President was seriously in question.

During his 40 years in the House of Representatives, PETER RODINO has been a chamption of civil rights. He has been unyielding in his support for the rights of the minority, even when it was not politically expedient to do so. As early as 1949, PETER RODINO voted to allow minorities into the Coast Guard Women's Auxiliary. He voted against the separate-but-equal doctrine before the controversial 1954 Supreme Court decision mandated integrated schools. As a member of the Judiciary Committee, PETER RODINO crafted the Civil Rights Acts of 1957, 1960, 1964, 1968 and the Voting Rights Act of 1965. He presided over legislation to extend the Voting Rights Act in 1970 and added amendments in 1975 to extend the act to include "language minorities" such as Hispanics.

Mr. Speaker, PETER RODINO has said that "the real security of this Nation lies in the integrity of its institutions and the informed confidence of its people." He has worked tirelessly toward this goal and it is an honor to serve with him in this distinguished body. Thank you.

Mr. CLAY. Mr. Speaker, it is a privilege to join my colleagues in paying tribute to one of the marvels of the legislative branch of Government, the very distinguished gentleman from New Jersey, the most honorable, Mr. PETER RODINO.

Congressman RODINO'S dedication to the functions of this body and the great principles on which our Nation was founded cannot be overstated. In his unrelenting quest to ensure equal opportunity for all Americans, Representative PETER RODINO has demonstrated the highest devotion to the human cause. As chairman of the House Judiciary Committee, PETER RODINO has been an ardent advocate of the genuine interests of ordinary American citizens. His dedication to attaining what is right for all Americans has been the hallmark of PETER RODINO'S accomplishments in U.S. House of Representatives.

Congressman RODINO leaves us with a legacy of achievements. He was a key author of the civil rights bills of the 1960's and he played an instrumental role in the struggle to enact the Civil Rights Act of 1964. Later, Congressman RODINO gained national attention as the highly respected chairman of the Watergate impeachment panel. Most recently, Chairman RODINO has labored untiringly to improve bankruptcy and copyright laws, revise antitrust statutes, and rewrite U.S. immigration policies.

PETER RODINO's indefatigable efforts to promote justice and help realize genuine equality for all Americans have forever improved the quality of life in these United States. His leadership embodies a solid, unpretentious style, one that is not guided by public opinion, but guided by a deep love of all people and a deep love of rule by the people. PETER RODINO'S contributions to our society are immeasurable and his career is a testament to American democracy.

The United States is a stronger, greater Nation for the love and labor of the most honorable PETER RODINO. It has been a tremendous privilege to serve with you in the U.S. House of Representatives. I salute you as you, PETER, retire from this body. We will miss you, but we are grateful to you and you will forever be an inspiration to the Members of the U.S. Congress.

Mr. GILMAN. Mr. Speaker, I want to associate my remarks with those of the gentleman from New Jersey [Mr. TORRICELLI] and thank him for reserving the time for this tribute to one of our most outstanding colleagues; a true patriot and sterling lawmaker who will be sorely missed in this Chamber and by our Nation.

PETER RODINO first came to the Congress in 1948. His career in the House represents almost the entire postwar era. He has represented the same area in northern New Jersey all that time. PETER RODINO is a living link with the past, for he has witnessed all of the major changes that affected our Nation during the past four decades.

PETER RODINO was initially elected to replace Fred Harley, the coauthor of the famous—some say infamous—Taft-Hartley Act. PETER RODINO brought to that 1948 campaign a record as an ardent New Deal and Fair Deal supporter, an exemplary record in World War II, during which he rose to the rank of colonel, and a deep pride in his Italian-American roots.

For 40 years, PETER RODINO has represented the people of the Newark, NJ area in an exemplary manner because he truly cares about people. His ear was always attuned to their hopes and desires; his mind was always alert to their arguments; and his heart was always open to their desires. PETER RODINO's record of responsive representation was a model for the rest of us to emulate thoughout the years.

Although as a Member of Congress we all respected and held him up as a role model for two and a half decades, and although he was revered by the residents of his own district throughout that period, it was not until 1974 that PETER RODINO became a household word and a respected name to men, women, and children throughout our Nation and throughout the world. That was the year that PETER RODINO, as chairman of the House Judiciary Committee, chaired the televised hearings into the second impeachment of a President in our history. In that historic role, PETER could have been a great force for evil, but he didn't even think about that. To the everlasting credit of our system and to the everlasting credit of PETER RODINO, he chaired the hearings with fairness, with decency, and, uppermost, with regard to our Constitution being afforded the paramount priority. The Watergate hearings could have become a bitterly partisan event which could have divided the American people for generations. PETER RODINO singlehandedly saw to it that this did not happen. PETER RODINO steered the impeachment hearings in such a way that they were an educational lesson for all Americans; a living demonstration, that we cannot forget, that the system does work—and that our laws pertain to all of us.

PETER RODINO's fame and respect was such that he was a major contender for the Vice Presidential nomination of his party in 1976. PETER, however, removed himself from contention because he believed his prime responsibility was to this House. Although this decision was a deep loss for the Nation that most Americans do not appreciate, it was a benefit to the House of Representatives.

I personally can attest that PETER RODINO's guidance and wise counsel has been of great benefit to us. If I were to enumerate all of the occasions that PETER RODINO has helped my district with judiciary matters, we would be here many hours. Suffice it to say that PETER's assistance and advice on such matters as our campaign against narcotics traffickers, the reimbursement of local governments for the Brink's trial, for equal rights for all Americans, and for due compensation for our police officers, are just a few of the issues which come to mind when recounting PETER RODINO's decades of service.

The Almanac of American Politics paid an exceptional glowing tribute to PETER RODINO which is quite an exception in that cynical publication:

> One strength of the American political system is that it has produced people of extraordinary talent who have happened to find their way into crucial positions at critical times and who have performed far better than their records gave anyone the right to expect. Such leaders have come from the most unlikely places: a Lincoln from the midwestern hick town of Springfield, Illinois; a Franklin Roosevelt from the aristocratic patroon families of the Hudson Valley. PETER RODINO, from Newark, New Jersey, proved himself in 1974 to be very much in that tradition.

Now that PETER RODINO departs on his certainly well earned retirement, we can assure him that he will go down in history as one of the giants of this institution. We can assure PETER that those of us who had the distinct honor and privilege of serving with him will never forget his kindnesses and counsel.

We can only hope that PETER will look back with fondness on his 40 years of memories in the House. We hope that PETER's retirement will be filled with years of good health and happiness.

Mr. STAGGERS. Mr. Speaker, there have been few persons who have served our Nation and our Congress more honorably than PETER RODINO. He has been a role model—a living example of how to stand firm like a rock on matters of principle.

Some outside this city may fail to recognize our valued friend's accomplishments in protecting our constitutional form of Government. He is retiring at the conclusion of this historic 100th session of Congress. The Founding Fathers are well known in history and history will recognize that PETER RODINO is a philosophical direct descendent of those great men who nutured a new republic. PETER RODINO has kept that trust and served our Nation well.

As chairman of the House Judiciary Committee, he led our Nation through a constitutional crisis that would have toppled lesser nations. He led this Congress through a constitutional confrontation with actions in the best interest of the Nation and this Congress. He dismissed pressure and acted with judicious dispatch much to his and our Nation's credit.

He has also been a champion for the American consumer. His leadership as chairman of the Subcommittee on Monopolies and Commercial Law has been outstanding. He has been a strong supporter of competition—true competition—that which allows the American economy to benefit within a system of business competition that benefits both industry and consumer. In recent years Congress has been bombarded with requests to grant exemptions to the antitrust laws. Chairman RODINO has led our committee, having surgically allowed exemptions when needed, without compromising the free market system that has made our Nation great.

The gentleman from New Jersey has been a leader—he has been a key to keeping our Nation free and competitive.

Millions of Americans are grateful for his service and I am pleased to join with them in applauding his distinguished career. He is one of the greatest persons to have served in Congress and I am pleased to have had the privilege to serve in this Congress with him.

Mr. YATRON. Mr. Speaker, I rise to pay tribute to my good friend and colleague, PETER RODINO. As you know, Chairman RODINO will be retiring from the House of Representatives at the end of the 100th Congress.

Over the last 40 years, Chairman RODINO has had a very distinguished and successful career in Congress. He has led this body through some of the most troubling times in our Nation's history. In the 1960's, PETE RODINO was at the forefront of efforts to enact comprehensive civil rights legislation and in the 1970's, headed the Watergate inquiry. As chairman of the Judiciary Committee he has demonstrated an uncanny ability to understand issues and based on that understanding, to formulate sound public policy.

While Chairman RODINO has established himself as a national leader, he has also served the 10th District of New Jersey with dignity, dedication, and honor. I know that he will be missed by his constituents.

For my own part, I am honored to have served with Chairman RODINO in the Congress. His compassion and devotion have led to many achievements for his district and for the country. I salute the 40 years of service of this great statesman and wish him all the best in the future.

Mr. COURTER. Mr. Speaker, I rise to pay my respects to the dean of the New Jersey delegation, PETER RODINO. PETE was one of 75 freshmen of his party who took their seats in the 81st Congress and owed their good fortune to Harry Truman's stunning election in 1948.

In time PETE became a vocal spokesman for the expansive view of the powers of Congress, and for strong limitations on the powers of the President. He was chairing the Judiciary Committee years before I was elected to the House. He achieved a career peak, as we know, during the Watergate hearings and carried his constitutional opinions over to last year's Iran-Contra committee hearings, which I had the privilege of sharing with him.

PETE has served New Jersey long and ably over four decades. I don't doubt he has many constituents who believe he yet has more public service to give, but PETE decided to retire this year. New Jersey loses a powerful representative with his retirement. I, for one, wish him a retirement that will be long, prosperous, and fruitful.

Mr. OWENS of Utah. Mr. Speaker, I rise this evening to express my appreciation that, over the 4 years of my service in the House, I've had the opportunity of working closely with the distinguished gentleman from New Jersey, whose retirement from the House I deeply regret.

I was initially elected to the House in 1972, and was honored to be assigned to the Judiciary Committee and to service under its new chairman, Mr. RODINO. The 93d Congress generally, and the Judiciary Committee specifically, was to be preoccupied by issues relating to whether President Richard Nixon should continue in office. Impeachment resolutions introduced by many Members, including myself, were referred to the Judiciary Committee and investigated over a 9-month period.

To say that Chairman RODINO kept faith with his responsibilities is a serious understatement. Whether in public or private session, or in confidential conversations, Chairman RODINO always displayed total nonpartisanship and sensitivity during the long, historic, and difficult days of the impeachment process. He gave truly extraordinary direction to the complex issues of constitutional balance of power and abuses of the Presidential office which dominated the committee's agenda. He rose to great pinnacles in stature, and made us all proud of him as he directed that historic inquiry, resulting in articles of impeachment being voted.

So it is with genuine fondness and admiration that I join with so many of our colleagues in expressing appreciation to Chairman RODINO for his truly outstanding service to this body and to the country—not only during that historic 93d Congress but during his 40 years of service in this House.

Thank you, PETER, for your friendship and warmth over the many years and thank you for unparalleled service here.

Mr. WAXMAN. Mr. Speaker, as chairman of the Subcommittee on Health and the Environment, I want to express my particular support for title VIII of H.R. 5210, which requires the placement of warning labels on containers of alcoholic beverages. This is a matter that is within the jurisdiction of our subcommittee and we were party to negotiations which led to the provision's inclusion in H.R. 5210.

The principal concern and jurisdiction of the Subcommittee on Health and the Environment is public health. We are therefore critically aware that from a public health perspective, alcoholism and alcohol abuse are a major factor in our Nation's fight against drug abuse. The abuse of alcohol is responsible for over one half of fatal automobile accidents. It is one of the three leading causes of birth defects. It is a leading cause of suicide, injuries, and can be a cause of cancer and other serious health problems. Recognition of these facts is evidenced by the requirement for a national health warning label on alcoholic beverage containers. It is a long overdue step in the right direction.

The new warning label will state:

> Government Warning: (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.

Regulations specifying the location of this new warning on beverage containers will be issued by the Secretary of the Treasury. The statute requires that the warning be located in a "conspicuous and prominent place on the container." In carrying out this authority, we expect the Secretary to require that the label be of sufficient size and be printed in contrasting colors to assure that it is clearly visible to consumers.

I am particulary pleased that the new warning will highlight the serious risks that alcohol consumption poses to the fetus during pregnancy. Fetal alcohol syndrome is a major cause of birth defects and is the only cause that we know is preventable. The U.S. Surgeon General recommends that pregnant women or women contemplating pregnancy abstain from drinking. It's good advice. Warnings on alcoholic beverage containers will complement efforts to educate the general public about the public health consequences of alcohol abuse. Furthermore, warnings will serve as a reminder to pregnant women and equally important, to their friends, family and others who love them.

I want to emphasize that the placement of a Federal warning statement on alcoholic beverage containers represents only a small part of our efforts to discourage the abuse of alcohol and reduce the impact of abuse on public health. When we teach our young people about the dangers of illicit drugs, we must talk about alcohol, and we must talk about tobacco. It is a simple fact that drinking and tobacco use by minors is a serious risk factor for future illicit drug use. We must continue educational efforts in the schools. As parents we must teach by example. As citizens concerned about public health, we must promote community-based prevention efforts aimed at discouraging the abuse of alcohol, particularly on our college campuses. It is critical that States, which have primary authority for the regulation of alcohol sales, adopt additional policies and programs which will reduce the toll of alcoholism and alcohol abuse on our communities.

With the passage of this legislation, the authority of States is preempted to prescribe additional warning labels on beverage containers. It is a reasonable policy for two reasons. First, providing for uniformity in such health warnings will minimize burdens on interstate commerce. Second, the requirement of a Federal warning is but one means by which States and the alcohol beverage industry may discharge their responsibility to promote public health. Although the legislation precludes State legislatures from enacting laws that would prescribe alcohol container health warnings, States are free to regulate the conditions under which alcoholic beverages are sold and to regulate the advertising of such products. In this regard, the authority of States is unaffected by the legislation. In fact, the Senate committee report (Rept. No. 100-596), upon which these provisions were based, states this interpretation clearly.

> The provision should not be read to indicate that the states do not have the authority in other areas to impose standards to protect the health and safety of their citizens from hazards associated with the products they consume.

During deliberations on these provisions, questions were raised as to whether Federal preemption affected a manufacturer's product liability responsibility. I want to state clearly that the legislation does not affect the duty that manufacturers, bottlers, and sellers of alcoholic beverages have to inform and warn the public through all appropriate means of any known hazards associated with their product. Similarly, the legislation does not preclude manufacturers from voluntarily providing consumers of alcoholic beverages information about the adverse health effects of alcoholic beverages including the placement of additional warning statements or disclaimers on container labels. Nor can there be any question about the authority of courts to enter judgments with respect to warnings other than those directly on the labels of containers.

Certainly States and courts could find that public information campaigns were warranted in some circumstances or that certain types of advertising violated the duties of the manufacturers of alcoholic beverages. For example, certain advertising practices might be found to undermine the public perception of the Federal health warning label.

This bill deals only with warning labels, not liability. There is absolutely no mention of liability or immunity in the legislation or in the Senate committee report. The omission was deliberate and reflects the Congress' unwillingness to interfere in product liability actions. In the passage of this legislation it was not Congress' intent to affect the liability of manufacturers either positively or negatively. The Congress intended that any implications to be drawn from a manufacturer's compliance with this legislation are left to the discretion and interpretation of the courts.

In this regard, courts may well decide that it would be unjustified to penalize manufacturers for failing to have additional warnings on the label concerning birth defects and driving and operating machinery, since the bill blocks State legislatures from requiring additional label warnings in order to provide uniformity across the country. But even if some courts were to make such a finding, there can be no implication that any immunity is conferred for failure to use methods other than warning labels to warn about birth defects and driving or operating machinery.

The legislation also requires the Secretary of the Treasury to report to the Congress within 24 months if scientific information justifies changing the warning labels. While the Secretary of Treasury's report is to be prepared in consultation with the U.S. Surgeon General, nothing in this legislation diminishes the existing authority of the Department of Health and Human Services in general or the U.S. Surgeon General in particular to assess independently the adverse health effects of alcoholic beverages or to disseminate the results of such assessments to the Congress and the public.

It is our subcommittee's intent to follow the implementation of these provisions carefully in order to determine the need for additional legislation.

Mr. Speaker, I urge support for the legislation.

Mr. MADIGAN. Mr. Speaker, I urge the adoption of the Omnibus Drug Initiative Act of 1988.

We all realize that the solution to the problem of both alcoholism and drug addiction is complex. It requires a multifaceted approach to reach the many different aspects of the problem. This bill represents such an aproach.

One of the provisions of the bill which I believe holds out great promise is the provision to encourage the establishment of recovery housing for individuals recovering from addiction to drugs and alcohol. Chairman WAXMAN and I included, as part of the block grant treatment provisions of this bill a mandatory set-aside of $100,000 in each State to establish a revolving fund to provide loans to start self-run and self-supported recovery housing throughout the country. We did so because we believe that we have discovered a cost-effective program that has had great success in reducing relapse—a phenomena that makes recovery from alcoholism or drug addiction so frustrating I want to take a few minutes to share with my colleagues what we have learned.

Thirteen years ago a group of recovering individuals in the Washington, DC, area responded to the closing of a Government run halfway house by assuming the lease on that halfway house and running it on their own. They called the operation Oxford House. Today over 200 recovering individuals live in 18 such houses in the Washington, DC, area and 1 in Bethlehem, PA. Fifteen are for men and four are for women.

Each is an alcohol and drug free group house rented by recovering individuals and democratically run on a self-supporting basis. Each house was started by borrowing enough money for the first month's rent and a security deposit. Within 2 years each house has repaid the money it had borrowed. The repayment of startup loans has permitted loans for new houses to get started.

Self-run and self-supported addiction recovery houses—such as Oxford House—hold out great promise as a cost-effective way to help addicted individuals who want to recover. Such houses provide the kind of support necessary for most addicted individuals during the first year or so of their recovery.

In the Washington, DC, area each of the 18 Oxford Houses has to turn away between 15 and 20 new applications for membership each week because they are fully occupied. Oxford House is constantly opening new houses but because it generates all of its funds internally it takes time to accumulate the first month's rent and security deposit needed to rent another house. In the Washington housing market the rent for 1 month and the security deposit total between $4,000 and $5,000.

Once a house is started that money is paid back but it takes about 2 years. The State revolving funds established by this bill will enable the establishment of such houses throughout the country by providing an outside loan source to start new recovery houses.

I ask unanimous consent, Mr. Chairman, that a brief explanation of Oxford House, a more detailed description of three of the existing Oxford Houses and the results of a survey concerning all Oxford House residents be printed in the RECORD immediately following my remarks.

The principle of self-help has already made a great contribution in dealing with the problems of both alcoholism and drug addiction. Alcoholics Anonymous in its half-century of existence has saved millions of lives and has groups in nearly every community in the country. Nan Robertson, a New York Times reporter reports in her recent book "Getting Better; Inside Alcoholics Anonymous" that AA now has 2 million members in 63,000 groups in 114 countries around the world and its numbers are now doubling every 10 years.[1] On Labor Day weekend an organization for drug addicts similar to AA—Narcotics Anonymous—held its annual convention in Anaheim, CA, and 11,000 members from all over the United States were there. Together AA and NA have demonstrated that for those who want to recover from addiction to alcohol or drugs the self-help path to recovery is available.

Unfortunately not every addicted individual is able to recover by using AA or NA alone. Even after detoxification and inpatient rehabilitation many need to live in an alcohol- and drug-free environment for some time in order to avoid relapse—the return to addiction.

For the past 13 years Oxford House has demonstrated that an alcohol- and drug-free living environment can be provided in a cost-effective manner. That living environment enables many recovering individuals, who might otherwise return to using drugs or alcohol, to stay clean, and become successful members of AA or NA. The loan concept, in this bill provides the catalyst to replicate recovery housing throughout the country without taking anything away from the self-help concept that makes Oxford House work.

Under this bill, each State revolving fund can provide startup loans of up to $4,000—to be repaid within 2 years—to individuals who want to start a recovery house. The number of individuals in an Oxford House ranges from 6 to 15 depending upon the size of the rented house. It is anticipated that under the new law small groups of recovering individuals will be able to rent a house in the existing housing market. To receive a loan recovering individuals must agree that first, the recovery house must be democratically run; second, it must be self-supporting; and third, individuals living in the house must be thrown out if they relapse into drinking alcohol or using drugs. It is a simple concept. It works and it is cost effective.

I urge the Secretary of Health and Human Services to work with Oxford House to implement this new program. The successful 13-year experience of Oxford House should be shared with officials and interested individuals in every State so that the concept of self-run, self-supported recovery housing can be quickly replicated throughout the country.

This new program represents a real opportunity to alleviate both the tragedy of addiction and the demand that fuels illicit drug trafficking. Recovery housing can provide the missing link in recovery from addiction. Passage of this bill begins an important new chapter in the fight against alcoholism and drug addiction by helping addicted individuals to help themselves to get better by living together in a supportive alcohol and drug free environment.

OXFORD HOUSE

In the Washington, DC area there are seventeen group houses which are home to nearly 200 individuals recovering from alcoholism and drug addiction. The Houses began 13 years ago, when a county-run halfway house closed, and have expanded solely from internally generated funds. It is truly a self-supported operation and democratically run like a college fraternity or sorority except members who relapse and use alcohol or drugs are thrown out. Each individual house is autonomous (like an AA group) and elects officers from its own members, who can only serve in office for six month periods of time. Each individual house is self-supporting. Each individual house has a charter from Oxford House, Inc., a non-profit 501(c)(3) corporation, which is the umbrella organization that enables the membership of each house to share its experience, strength and hope with the membership of every other house.

The corporation has two distinct entities: (1) the Oxford House Service Board, which helps new houses get started and existing houses to keep in close contact with the whole group of Oxford Houses; and (2) the Oxford House Revolving Fund which loans start-up money to new houses.

Experience has shown that Oxford House fills a void in the field of treatment of alcoholism or drug addiction by providing transitional housing in a supportive environment free of alcohol or drug use. Simply stated the concept recognizes that relapse is one of the great deterrents to recovery from alcohol or drug addiction. Many individuals in the recovery process do better when given time and a safe place to live to re-enforce the principle of abstinence fostered by AA and NA.

Oxford House is a supplement to—not a replacement of—other treatment facilities including traditional half-way houses. In October 1987 Oxford House branched out from the Washington area by starting a house in Bethlehem, Pennsylvania. It has worked as well as the houses in Washington and demonstrated that the concept can be replicated throughout the country. Oxford House owns no property. All of its houses are rented. It is classified as family-residential for zoning purposes since no formal treatment is undertaken in the individual houses.

Oxford House is not affiliated with AA or NA and has neither of those meetings within its houses. However, individual members of Oxford House attend an average of six AA or NA meetings a week. Moreover the organization is patterned after AA and governance of the organization is through the development of consensus or group conscience.

If you would like more information about how to start an Oxford House in your area write or call the following contact people:

J. Paul Molloy, General Counsel, Oxford House, Inc., 9314 Colesville Rd., Silver Spring, Md. 20901 (301) 587-2916.

John V O'Neill, Director, Oxford House Service Board, 4911 Aurora Ave., Kensington, Md. 20895 (301) 933-6251.

THREE OXFORD HOUSES IN OPERATION

Three Oxford Houses were chosen for closer examination to give a better idea of the economics of running Oxford Houses and to examine the social interactions that make them work. The first is the Northampton house which has been in operation since November 1977 and is the second oldest Oxford House at the same location. It is in an upper middle class neighborhood of northwest Washington. The second is the Nineteenth Street house which has been in the same urban setting since March 1984. The third is the only house outside the Washington area, begun in Bethlehem, Pennsylvania in 1987. It will serve to illustrate how a house begins away from the near proximity of the Washington houses.

The stories of the three houses give insight into the process of Oxford House residents helping one another. There is no formal treatment in Oxford Houses, yet it is a healing environment. Residents are both providers and receivers of peer assistance in learning to work, attend and understand AA and NA and to live sober. By participating in the management and assuming leadership roles in the houses, members gain self-respect and learn to interact and get along with others. Paying their own way is important for those who have cut corners for years.

Older residents make newer residents feel at home and often know where they can get a temporary job quickly or get needed medical or dental attention. The most important function of older residents may be serving as role models, proving that it's possible to stay sober, work and lead satisfying lives. Alcoholics and drug adicts, notorious for defiance of authority, are influenced by their peers just like everybody else. They don't want to be evicted from a house by their peers for failure to pay their way or for using alcohol or drugs. Removed from their old drinking and drug-using associates, they fall under the influence of a house full of people who are sober and improving their lives. Hundreds of Oxford House residents and former residents attributed their sobriety to that powerful influence.

Names in this report have been changed to protect privacy.

OXFORD HOUSE NORTHAMPTON

The Property

Oxford House Northhampton must surely be one of the finest recovery homes in the country and is probably the most comfortable residence leased by Oxford House.

It is located in an upper middle class neighborhood, one block from Chevy Chase Circle in upper northwest Washington, D.C., about a mile from the exclusive Chevy Chase Country Club. It is the last house on the end of a quiet residential street near Connecticut Avenue, a major thoroughfare.

On the west side is a branch bank and the bank's parking lot. On the east side is a residence. Across Northampton Street is the Chevy Chase city library. Along Connecticut Avenue is a short business district, the only commercial strip in the area. Within a few blocks of the house are two grocery stores, a drug store, another bank, a gasoline station, movies, and a number of restaurants and other shops. Everything a resident needs is within easy walking distance. It is on a city bus line and within walking distance of a subway stop. It is about five miles from the center of Washington and an easy commute.

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[1] Nan Robertson, "Getting Better; Inside Alcoholics Anonymous," William Morrow & Co., New York, 1988. P. 88.

The house at 3765 Northampton Street is an imposing structure with a circular driveway in front and four white pillars on the concrete front porch. Inside is a chandelier at the front of a wide hallway that runs the length of the downstairs. The hallway was painted grey-blue with white trim by a house member.

The downstairs has five large common rooms plus a kitchen and half-bath. To the right of the entrance is a paneled library which is now often used as a television room. To the left of the entrance is the living room with a television, videorecorder and working fireplace, for which the residents buy firewood. Above the fireplace are a number of large trophies won by a resident on the golf course. Behind the living room is another large room used as a dining area. Behind the library is a large kitchen with applicances found in most Oxford Houses, a drip coffeemaker and microwave oven. Each resident has his own shelf space and spot in the two large refrigerators. Behind the kitchen, in what was once probably the dining room, is a room used as sort of a combination house office and den. It has two pay telephones, which house members got as a solution to unclaimed long-distance charges. It also has a bulletin board and desk.

The second floor has seven bedrooms, three double and four single, and two full baths. Each room is carpeted, each has a television set and each television is wired for cable reception. Eight of the 13 house members have private telephones, some with answsering machines.

In the basement are three single rooms and two full baths. Also in the basement are a washer and dryer and a weight room with an exercise bicycle and punching bag.

Origin

Oxford House Northampton was begun in November, 1977, the second house the organization began in the District of Columbia and the second oldest now in operation at the same location.

Like most other Oxford House, the Northampton house was begun because those in existing houses began to feel guilty that they had a safe place to achieve sobriety, yet there were telephone calls every day from prospective applicants for whom there was no room.

The first house in the District of Columbia was started in May, 1976, in a fine upper-northwest neighborhood. In their eagerness to lease a house, the first residents took a house that was scarcely adequate for 10 people. One year later when the lease expired, the residents of that house moved about ½ mile away to a stately house on Huntington Street that was much more suitable for an Oxford House operation and is still an Oxford House today.

While there were several houses in Maryland, the Huntington Street house was the only one in the District and was swamped with applicants. One member of the house asked a friend in the real estate business to be alert for another potential Oxford House. The real estate salesman soon found the Northampton house. It had been vacant for several months, apparently because there was little demand for huge houses at the time. Some youngsters had broken in and used it as a place to congregate. There were empty beer cans and chicken bones in some of the bedrooms on moving day. A one-year lease was signed, with rent of $800 monthly with an option for a second year at the same rental.

Prior to that time, all Oxford Houses were begun with some members of existing houses moving into the new house. At the Northampton house all the members were new recruits. The first resident was Tom, a Naval Academy graduate who treated the other new residents like members of his private Navy. It was several months before they realized that the house was really run democratically and began to rebel.

One positive carryover from Tom's days in the house was that a tradition of cleanliness was established that continues to the present day. It was the first house where chores were rigidly set out and fines levied if they weren't performed.

In the early days Oxford House houses were often rented and furniture collected before a large group of potential residents was lined up to move into a house. Two residents of existing houses might become the first occupants of a house for 14 people. Once moved in they would begin taking applications. In recent years the demand is such that once word leaks out that a new house will open there is a rush of potential candidates and the house is usually full or near full before moving day. Some people at alcohol rehabilitation centers have paid rent for weeks to reserve a space in a house.

Oxford House Northampton in Operation

Discussions with several Oxford House Northampton residents reveals a firm belief that the mandatory weekly meeting is at the heart of what makes a successful house.

Members of the house feel so strongly about the required attendance at the meeting that, unlike other houses, they won't accept any new residents who can't attend the 6:30 p.m. Monday meetings. Any resident who moves into the house and can't attend on a regular basis is asked to move.

Residents feel that the meeting is the key to harmonious living. It is at the meetings that prospective members are interviewed, that house business and purchases are discussed, and where members report on subjects like cleanliness, rent due, jobs and job prospects.

Without the meetings residents say tensions can build and fester over personality conflicts or neglected responsibilities to the house. At the meetings the items that cause discord can be debated, sometimes hotly, and taken care of. A member who has been in the house five years said there has been no physical confrontations during his residency. There is a house rule that anybody who starts a fight is expelled. During June, July and August house meetings are held only every second week to allow residents to go on vacation. Members claim the house doesn't work as well during those months because house business isn't taken care of promptly.

The house meetings, while not lengthy, are to the point. Each house member is called on to name the chore he is assigned and to tell other house members whether it has been done. Back rents are discussed. In April this year, no member was over one week behind in rent.

Emphasis at the meetings often reflects the interests of the house presidents, which change every six months. Some stress cleanliness, others paying rent on time and others making sure everybody is employed, according to one resident.

The house is as well taken care of as if the members were actually the owners. Through the years the members of the house have gradually and steadily improved the property. They spend about $500 yearly on the lawn for mulch, fertilizer, garden tools and on flowers. The lawn is thick and well cared for, the hedges are trimmed and there are two birdbaths.

The care of the house has paid dividends. The owners are so pleased to have Oxford House as their tenant that they haven't raised the rent in five years. One occupant said one of the owners remarked that they have a perpetual lease with no rent increase as far as she is concerned.

The house has little turnover. In April, none of the 13 residents had moved out in seven months. The house is overwhelmed with requests for residency. One member estimated there are 15 calls weekly in times of peak demand and about eight weekly in times of slow demand. Several alcohol rehabilitation programs like the Veterans' Administration, the Psychiatric Institute and the U.S. Post Office employee assistance program refer all those needing housing to the house. There is seldom room for any of them.

Getting Accepted

When a vacancy occurs the house president calls prospective house members from a file of applicants kept at the house. Former residents get first consideration if they left the house in good standing.

The prospective residents are brought before a house meeting one at a time and asked to give a five-minute talk on why they want to move into the house. The house residents look at the application and each in turn asks the applicant questions. Then the next applicant is brought in. The process takes about 30-minutes per applicant. After two are interviewed, a vote is taken by secret ballot. If both are rejected, more are called. Members try to accept those who need the house the most and those who return time and again hoping to gain acceptance. They try to avoid those who want to move into Oxford House to mitigate a legal problem and those who aren't serious about staying sober.

Those who survive this elaborate process feel it is a privilege to get to live in the house. This feeling is reinforced when the new resident moves in and those in the house go out of their way to make him feel welcome. Old residents take him to Alcoholics Anonymous or Narcotics Anonymous meetings. They encourage him to get a job and help him find one if they can. It is explained to him that he is living in a good neighborhood and is expected to respect his neighbors. They also tell him in a supportive way that he is on his own, but they will be keeping an eye on him.

He is lucky in several respects. Because the owners of the property haven't raised the $1,800 monthly rent in five years, it is a very reasonable place to live in the Washington, D.C. area. Weekly rental of $55 covers everything but food.

The house has features others don't have like cable television in every room not because residents have higher income than other houses, but because members take great pride in the house and its improvements.

Oxford House Northampton has eight white and five black residents ranging in age from 21 to 62, with an average age of 37.

Although all misused alcohol, several of the residents primarily had problems with drugs other than alcohol. Their occupations include a marble worker, housepainter, liquor store worker, post office worker, drywall installer, telephone company worker, dispatcher, a building inspector and a man in the insurance business.

The house is sound financially and during those months when there are five weeks' rental payments collected, extra items are purchased for the house. These include a weed eater, a gas grill for the back yard, a new VCR, the microwave oven, gym equipment and a cat. The monthly gas bill averages about $300 and the electric about $150. The house spends $225 monthly on staples and $40 for the pay telephones.

While Oxford House, Inc. doesn't require any rules of houses except the prohibition on drinking and using drugs and that each member pay his share of expenses, the Northampton house is more rigid than some. For instance, guests aren't allowed in rooms between midnight and 8 a.m. The hours that the washer and dryer can be used are limited. Lying down on the couch in the library is prohibited. Rules are handed down verbally rather than new residents being handed a list of rules.

While nobody has been ejected from the house for well over a year, residents say the no drinking, no drug use rule is essential.

"I had run out of people who would help me," said Robert, a 62-year-old World War II veteran and former college basketball player. "I knew if I drank I wouldn't have any place to live. That's why you got to have a rule that if you drink or drug you're on the street immediately."

Bill, a 51-year-old post office worker who competes in golf tournaments, attributes the success of the house to peer pressure.

"Most of us had never lived with people getting clean," he said. "We had peer pressure to get alcohol and drugs, but never to stay clean.

"This place took me away from the friends I had and forced me to adapt—to stay clean. I always preach get involved—do more."

On Christmas house members buy a tree, select names to share gifts and have a big meal. On Thanksgiving they have a large meal to give thanks.

OXFORD HOUSE NINETEENTH STREET

The Property

Oxford House Nineteenth Street is part of a three story duplex with a basement located on a reasonably quiet street near the center of Washington, D.C. The immediate area is mostly residential, with single family houses and an occasional apartment building or large house converted into apartments. It is near the Connecticut Avenue corridor of upscale homes and apartment buildings and also near the Adams-Morgan section, an ethnically mixed neighborhood of whites, blacks and recent immigrants, mostly Hispanic. Adams-Morgan has recently become a fashionable nightspot that some claim will rival the trendy Georgetown section of Washington for restaurants and nightlife.

The Oxford House has residential neighbors on both sides and is across the street from the John Quincy Adams Elementary School. Just around the corner are the Hilton Hotel where President Reagan was shot in 1981 and part of the Soviet Embassy. It is about 12 blocks from the White House.

The house is convenient to everything a resident could possibly need. There are banks within several blocks, and grocery stores, dry cleaners, drug stores and other convenience stores are nearby. It is a five minute walk to a subway stop at DuPont Circle, allowing quick access to any section of the city. This is important because only four residents have automobiles and parking is in short supply in the area. No parking places are included with the house. It is on a bus line and taxis are easy to hail in the area.

The house, at 2017 Nineteenth Street N.W., is within walking distance of the main business district of Washington where most of the residents work. It would be difficult to find a more convenient location for an Oxford House.

The house doesn't have a great deal of common space considering that 15 people live there. The first floor has a living room in the front with relatively new furniture and a large television with remote control and a VCR with a selection of movies. There is but a small area separating the living room from a large kitchen with spacious storage space and three refrigerators. There is a drip coffeemaker, stove, microwave oven and a large dining table that seats six.

Each of the two upper floors has three double bedrooms and one bath. The basement has a separate entrance that is seldom used. It has two bedrooms, one a double and one a single, and one bath. It also has two washers and two dryers separated by a partition from the rest of the basement, and one refrigerator.

Origin

The Nineteenth Street Oxford House, although in that location only since March 1984, is a direct descendent of one of the earliest Oxford Houses.

In 1976 some Oxford House members left the second Oxford House ever established, at 41st and Fessenden Streets in the District of Columbia, to begin a third house in Silver Spring, Maryland. After several years in the Silver Spring location, the owners of the house returned from duty oveseas with the State Department and reclaimed their house. The members of the house then leased a house on Ingomar Street in Washington. After about four years at the Ingomar Street address the same thing happened, the owners returned to Washington from Michigan and moved back into their house. This time the group moved to Nineteenth Street and leased a house from an owner who intended to keep the house as a rental investment property, presumably preempting another episode of returning owners forcing an Oxford House to relocate. Members of the Nineteenth Street house were directly responsible for founding another Oxford House, which now has 15 residents, in the same area. In 1985 a small Oxford House in Takoma Park, Maryland was closing because the owner had another use for his property. Several members of the Nineteenth Street house, being friendly with a long-time resident of the Takoma Park house, began looking for a house to rent so he could start another Oxford House in the District. The same landlord who owned the Nineteenth Street house offered for lease a house on Kalorama Street in the District. For personal reasons the member from Takoma Park didn't move into the Kalorama house, but three members of the Nineteenth Street house did move. Within about one week the Kalorama house was full, again indicating the need for alcohol-free housing for recovery.

Oxford House Nineteenth Street in Operation

Several residents likened living at the Nineteenth Street Oxford House to being part of family. The glue that holds the house together is the weekly meeting, they said. Held at 7 p.m. each Tuesday, it allows members to ask new residents how they are adjusting to the house and how older residents can help them adjust. Like other houses, the meetings also deal with house finances, and during summer months when gas bills are low, how any surplus money should be spent to improve the house or yard. Perhaps the greatest function of house meetings is to allow those with any gripes or resentments against other members to air them so conflicts can be resolved rather than allowed to fester. Though usually most residents are current, past due rents are reviewed. The house is inspected before each house meeting to see if assigned chores have been performed. If they haven't they are brought up. Chores are generally done promptly because a house member can be fined a week's rent, $50, for failure to perform his chore. Minutes of past meetings are reviewed.

Getting Accepted

The house has an average of five applications for each opening, many of them coming from the Veterans Administration alcohol and drug treatment facility in Washington, other alcohol treatment units, from halfway houses or from people who are living in bad situations where others are using alcohol or drugs. Applicants appear before the house meeting where they are asked to tell about themselves; how they got into treatment; how Oxford House can be useful to them; if they have the money to live in the house; if they have 30-days of sobriety or nearly 30-days[1]; if they have problems with sharing a room. Applicants are also familiarized with Oxford House.

All applicants are discussed before a vote is taken. House members tend to accept the applicant who needs the house the most because he is newly sober, rather than the one who has been sober for a while. However, if a person who has been out of treatment for a while keeps applying for membership in the house, he probably will eventually be accepted. The house president was rejected at the Nineteenth Street house twice and at the Kalorama house once before being accepted last July.

Although like all Oxford Houses there is no mandatory atttendance at AA or NA meetings, members of the house are strongly encouraged to participate when they gain admittance, and 14 of 15 house members regularly attend. It would be unusual to find two residents at the house at the 8 and 10 p.m. meeting time. New residents are invited to attend meetings with old residents.

Every new resident has a roommate and isn't allowed to become isolated. One house member wasn't seen but briefly for a long period of time, so several residents visited him at his job site to see if he was having problems. They found that he was merely having to work long hours.

The house is about evenly divided between those whose drug of choice was alcohol and those whose drugs of choice were other than alcohol. Although odorless, it isn't difficult to tell if somebody is using drugs, residents assert. Behavior changes are a sure giveaway. People on drugs act differently, they say. "I know I couldn't come here and be using . . . somebody would know," said a resident. "I would want to be in my room alone and people would know something was wrong."

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[1] Although there is no requisite period of sobriety for admittance to Oxford House, some houses have established time periods they consider important before admitting new members.

In the past year only one resident was voted out of the house for using alcohol or drugs and two others left on their own under suspicious circumstances. The Nineteenth Street house has instituted a rule on knowledge of drinking that resembles the honor codes at the military academies. If a person knows that another is drinking or using drugs and fails to report him, he too is banished from the house.

The 15 residents are in their 20s, 30s and 40s, with an average age of 37, the youngest being 24 and the oldest 49. Twelve are black and three are white. At least six are veterans and another is on active military duty. Their occupations include a government worker, mortician, two construction workers, two hospital workers, two restaurant workers, a counselor for the handicapped, a painter, a railroad conductor, a carpenter, a luggage store worker, a correctional center worker and a maintenance worker at a school. Two have been in Oxford House over six years and five more between one and five years. Seven have been in the house less than a year, with an average of six months each.

Monthly rental is $1,800 with an average gas bill of $500 monthly and electric bill of $290. The house spends $200 monthly on staples like sugar, coffee and paper products.

The house is like a family, said a resident who is a railroad conductor. "Everybody is concerned with what's going on. Lots of times there will be five or six of us in the kitchen at 1 a.m. talking about our lives and the house. it's a good house. I'm glad I'm here."

"If I had to go back to my old environment I doubt I would make it," said the house president, a maintenance worker at a day care center who moved in last July. "I go back to my old neighborhood because I have kids, and get the old feelings. Oxford House is a safe, pleasant place to go after work.

"This is how I would want it to be at my house if I had one," he said. "Everybody has a chore. We sit down and go over the bills. If somebody has a problem we sit down and talk about and try to help."

OXFORD HOUSE BETHLEHEM, PENNSYLVANIA

The Property

The Oxford House in Bethlehem, Pennsylvania is a large, solid, three-story, white brick house. It is located in a neglected older section of Bethlehem that is now a mix of businesses and residents. Although a single house, it is situated just a few feet from the neighboring house on one side and is separated only by an alleyway and a small yard from the neighbor on the other side. Across the street is a huge German-Catholic church. It is an easy walk from the house to the grocery store, bank and other convenience stores. Several blocks away is Lehigh University and some of the housing in the area is rented to students. Several row houses in the neighborhood have been turned into low-price hamburger and hotdog restaurants.

The house was once divided into two apartments for rental. There are three large common rooms and one bedroom on the first floor. The front room is the living room where the television is playing most of the time. The center room, which was once the dining room, has a telephone, desk and a couch and serves as the house office. Off the hall leading from the office toward the kitchen is a bedroom for two with a full-bath across the hall. In the back is a large kitchen with two dining tables, two large refrigerators, and a drip coffeemaker. Bacause so many house members prepared prepackaged frozen foods, one of the first purchases once the house was on its feet was a microwave oven.

On the second floor are four bedrooms and one bath. Three of the bedrooms are occupied by two residents each and a fourth tiny bedroom has one resident. The third floor has a large front bedroom with two occupants and a large unfinished, unheated area used for storage. The basement, which appeared like a dungeon when the house was first leased, has been painted and the front room converted into a weight room. Also in the front room is a washer and dryer. The back part is for storage.

The house is large enough so that it doesn't seem crowded, even with 10 residents. It is "big enough so that you find a place to be alone, sort of, but you're not really alone," said one resident.

The house is reasonably well furnished throughout. In addition to a small truckload of furniture sent up by the Washington houses, house members scrounged the remainder and have spent less than $200 on furniture, and that included $75 for a large color television.

Origin

The Oxford House in Bethlehem is one of the newest Oxford Houses and the only one not in the Washington, D.C. area.

The idea for the house began in the summer of 1987 when one of the founders of Oxford House, a former staff member for the Congress, ran into former congressman Fred Rooney, with whom he had once worked. Rooney, who knew about Oxford House, mentioned that it was too bad that Oxford House didn't have houses in Pennsylvania because his home place in Bethlehem was for sale. The former Oxford House member told him Oxford House didn't purchase property, but perhaps a lease would be possible. Rooney, along with his partner Bill Werpehowski, arranged for him and another Oxford House founder to see the house in August and to meet with Sally Gillispie who directs alcohol programs for the county. Gillispie, whose responsibilities included a large halfway house in neighboring Allentown, said there was a need for transitional housing and agreed that the halfway house would be a good source of residents for Oxford House.

Rooney and Werpehowski, who owns a real estate business in Bethlehem, agreed to lease the house to Oxford House for several years for $1,000 monthly. In late September the first referral, Frank, moved into the house at 426 Carlton Avenue.

To prevent any possibility of a zoning dispute, Rooney and Werpehowski sent the Oxford House literature to city officals who ruled that the house fell within the definition of a "family" and the city issued a certificate of occupancy.

Oxford House Bethlehem in Operation

Oxford House Bethlehem was the first house in many years begun away from the day-to-day influence of the Washington house and the deck seemed stacked against it from the beginning. The main problem, because of a misunderstanding, was a lack of residents and inability to meet expenses.

The first resident, and the people at the halfway house who were to recommend residents for Oxford House, somehow got the notion that three or four months sobriety were required for Oxford House residency. By limiting occupancy to those with several months sobriety, the pool of potential residents shrunk to almost nothing before the house ever opened. Those who had managed to stay sober several months had already made other living arrangements.

The first resident lived alone in the house for about six weeks. During that time he made a number of physical improvements, including trimming some overgrown hedges and painting much of the downstairs, but the house was no nearer self-sufficiency than when he moved in.

Since the Oxford Houses in Washington didn't have any seed money set aside for the Bethlehem house, it was in a precarious position. A private loan from an Oxford House resident in Washington picked up the first month's rent. In the second month the Washington houses sent $600 and a truckload of furniture.

In early November two additional residents of the halfway house moved in and the members began to pull together to make it work.

A neighbor gave them a television set. A resident bought some dressers from a neighbor. They did little things to establish a precedent of keeping the house straight and clean.

The Lehigh Valley is a depressed area with Bethlehem Steel having cut back from about 20,000 to about 6,000 employees in the last decade. Two residents were out of work and the first Thanksgiving they had to get some food from a food bank.

The Bethlehem House was operating according to the Oxford House manual, but the manual never dealt with where to get new residents. The Houses in Washington were unaware of the belief in Bethlehem that 3-4 months of sobriety were required. In retrospect, it was largely the fault of the Washington houses for not making sure Bethlehem knew that residents could come from a variety of places and that there were no absolute sobriety requirements.

One of the Oxford House founders, who had a son at Lehigh University, would make brief visits periodically. When he found out the house requirement, he suggested that they fill the house the best way they could and pay the bills, If a person drank or used drugs he could be evicted immediately.

House members set a weekly rental of $50, plus a $5 surcharge for staples like toilet paper and coffee. By the end of November there were five residents. By January 1, there were six, still hardly enough to make a go of it, especially with the high heating bills of winter.

Once they knew that no period of sobriety was required for residency, they became more aggressive in their recruiting. Two men stayed for a month and left. At times they felt like it might not work, but they never quit.

Slowly membership in the house climbed, reaching 10 by early April. At that time all bills were paid and over $1,000 was in the bank, more than was needed to pay May's rent. Further, the house asked about repaying the $1,600 loaned by the people in Washington.

The average electric bill for the house has been $100, with oil averaging $90 and gas $30. Residents spend about $200 monthly on staples. They bought a microwave oven and were talking of other accessories for the house.

There are nine white residents and one black, with an average age of 43. Nine of the house members used alcohol as their drug of choice.

Strong bonds were formed while staying sober and solving problems together. By April the house members knew the house was there to stay and confidently spoke of being able to handle other problems that came their way.

Some of the examples of personal friendships in the house are moving. For instance, in January when the bills were behind, one resident went to the local detoxification unit and found a 58-year-old black man who had lost a leg while drinking and who had been hospitalized 12 times for alcoholism the prior year.

Some residents didn't think it would be a good idea to accept him because he had so much physical damage he couldn't be fitted with an artificial leg and would never be able to walk or hold a job, had relapsed often, and shook so badly he couldn't even feed himself. Some argued that he would be better off in a nursing home-type facility.

Nonetheless, the need to pay the bills was great and he was voted in.

As the man recovered he began to carry his own weight. He refused to allow other residents to take his clothing downstairs to the washing machine, instead washing it by hand himself. He took on the chore of keeping the downstairs floors clean and would get out of his wheelchair and crawl around the floor to get the job done. "I won't ask them to do anything I can do myself," he said.

He also began to talk a lot about the wreckage of his drinking years and how to avoid the same mistakes again, a never-ending topic of conversation in Oxford Houses. By April he was not only an accepted member of the house, but a popular member. He is proud of the four months without a drink and grateful to have an Oxford House to live in. "If they hadn't taken me in I don't know what would have happened to me," he said.

"This proves that just because somebody has handicaps and disabilities it doesn't mean they can't be a positive force," said Steve, the first house president.

Gratitude for Oxford House and the chance it offers for sobriety is a common theme.

Carl, for instance, a middle-aged test engineer for a large company, tried to get into two halfway houses before leaving a 28-day rehabilitation program, but the houses were full. Fearful of getting drunk if on his own and aware that he was once called legally dead after a series of alcoholic seizures, he found Oxford House and likes the philosophy of self-help. "I've been here a month and I don't think I would have lasted that long out there (without drinking)"

Steve, the twice-divorced father of two who was the first resident, had experienced successes in the past as a restaurant manager, restaurant supply salesman, service station operator, real estate salesman and maintenance worker. But for six years prior to getting sober he lived in a cabin in the woods without electricity where he said he worked when he had to and partied all the time.

After getting sober in the Veterans Administration hospital and a stay at the halfway house in Allentown, Pennsylvania he moved into Oxford House. He began the first house president and began to accept responsibility again. He began working for a contractor on a job for Bethlehem Steel for $6.00 hourly. That was quickly raised to $6.50 and then $9.00 hourly and his status seemed secure. One evening in April Steve and his supervisor were sharing a cup of coffee in the Oxford House Kitchen.

"It really helps me a lot knowing that if I drink or use drugs I'm out," he said. "I don't have to make the decision, it's made for me. It makes it easier to stay sober."

The house president in April was Don, a six-year Navy veteran who later worked 20 years for the state of New Jersey and raised five children before getting into serious trouble with alcohol. He had once unsuccessfully tried to stay sober in a small private room above a bar.

Don liked the freedom from the regimentation that exists in halfway houses. "We are not under the pressure of being under somebody's thumb," he commented.

The members of the Bethlehem house are older on average than most Oxford Houses and are "mature enough that there aren't any serious personality problems to solve," he said. "The house just seems to have clicked * * * to have taken off."

Six of the 10 residents were veterans and Don attributed time in the armed services to stability in the house. People with military training have lived together "and when they see tension coming, they can work around it," he said.

Several of the veterans had been through the alcohol program at the Lyons, N.J. VA hospital and some had met there before eventually ending up in Oxford House.

At some houses parking is a problem. At the Bethlehem house, because of drunk driving arrests or because they are just getting on their feet, only two residents had cars. The Bethlehem house was probably more lenient on past due rent than any other house with the majority of residents behind at least a week in rent.

The neighbors know who they are and their purpose and they have been welcomed. One neighbor gave them a television set that lasted several months. Another sent over a platter of food on New Year's Eve. The neighbors are appreciative that a rundown property has been improved and comment on improvements like flowers and the fresh paint. "We have 10 guys who can fix things up. We can't go outside on a nice day and not have people say 'hello'," said Steve.

Gillispie, the county director of alcohol programs, said the men in Oxford House had made a believer out of her and she would be willing to participate in any future houses. She spoke of the need for a house for women in the area.

Werpehowski, who had been a cooperative and understanding landlord, said he was impressed with what was going on at the house and would be willing to find another house for lease to Oxford House, perhaps in Allentown. That matter was to be put before the Oxford House board.

OXFORD HOUSE RESIDENT SURVEY, SPRING 1988

Introduction

During the Spring 1988, the residents of all 13 (there are now 18) Oxford Houses in the Washington, D.C., Maryland and Pennsylvania areas were asked to participate in a short, self-administered, confidential survey. Of 125 persons in the houses, 96 (77 percent) answered the voluntary survey. Respondents were not asked to identify themselves on the survey.

The marginal data were computer generated using the SPSSX statistical package. The data was analyzed by William H. Spillane PH.D.

The purpose of the survey is to describe characteristics of house residents and document the value of the Oxford House concept as a key component in recovery of alcoholics and/or drug addicts.

Some of the more striking findings are that virtually all respondents found Oxford House crucial to their recovery, and they attend an average of six Alcoholics Anonymous or Narcotics Anonymous meetings weekly, a remarkable number since no AA or NA meetings are compulsory and none are held in the houses.

Descriptive Findings

Survey participants are male (87 percent) [2] and employed full or part-time (84 percent).

Average gross monthly income is $1,040.

29 percent are between the ages of 18-29; 41 percent are between the ages of 29-39; and 30 percent are older than 39.

55 percent had no military service and 13 respondents didn't answer this item.

56 are caucasian; 40 percent are black.

73 percent are single; 8 percent are separated.

80 percent have finished high school; 36 percent have some college.

One-fourth used Oxford House in a first attempt to get sober or straight; 26 percent had tried to get sober five or more times.

50 percent had been sober one year or longer; of that 50 percent, 18 percent had been sober two years or more, and 14 percent had been sober three years or more.

29 percent had not been admitted to a detoxification unit; 28 percent had been detoxed at least once; and 43 percent had been detoxed two or more times.

79 percent had been to at least one in-patient or out-patient substance abuse treatment program; 29 percent reported being admitted to a substance abuse treatment program three or more times.

39 percent reported being homeless at some time in their lives; 20 percent were homeless for six months or more; and 12 percent were homeless for one-year or more.

97 percent reported that Oxford House was important to their continued sobriety; 80 percent called it "very important."

99 percent percent said they would recommend Oxford House to other alcoholics or drug abusers in early recovery.

80 percent attend Alcoholics Anonymous weekly; 43 percent attend four or more AA meetings per week.

58 percent attend Narcotics Anonymous weekly; with 25 percent attending five or more meetings per week.

45 percent attend both AA and NA meetings each week. When AA and NA are combined, respondents attend an average of six meetings per week.

41 percent receive additonal counseling.

95 percent report their health as "very good" or "pretty good".

51 percent had resided in Oxford House for nine months or longer; 24 percent had four or fewer months of residence; and 10 percent had lived in Oxford House for three or more years.

Mr. BROWN of California. Mr. Speaker, I rise to support the conference report on the Omnibus Drug Initiative Act. During the past few years, the problems associated with illegal drug use have greatly increased across the Nation. Drugs are prevalent in our schools, they are corrupting our youth, and they are leading to an increase in crime that is terrorizing many of our neighborhoods. The legislation we will pass today is not a cure-all to the drug problem, but it will assist the effort on many fronts.

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[2] Since the survey a house for eight women has opened in the District of Columbia and a house for twelve women.

The bill before us now is the result of a year-long effort by the House and Senate to develop a more effective Federal role in combating illegal drug use in America. The package that has been developed has provisions that will deal with both the supply and demand sides of the problem. The bill authorizes funds for drug law enforcement, drug abuse prevention and treatment, and international narcotics control programs. It also makes important changes in existing laws to discourage drug use and improve law enforcement efforts.

Drug and gang activity is posing a major threat to the quality of life for the people living in the Inland Empire of Southern California, which I represent. Much of the drug problem there involves the use of highly purified cocaine, known as "crack." Members of two main Los Angeles-based drug gangs, the Crisps and the Bloods, are the major dealers of this potent drug, which can be purchased by students in playgrounds and schoolyards throughout my congressional district.

Crack has been shown to be highly addictive, more so than most other drugs. Crack is so addictive, according to experts, that it does not have "casual users." Even one-time users can feel a powerful and desperate need to use the drug again and again. Of additional concern, studies have shown crack users to be more prone to violence than users of other drugs.

A major part of the war on drugs does not take place in the United States. Most of the cocaine that is confiscated in the United States is manufactured in Colombia and smuggled across our border. It is vital for drug-producing countries to develop other forms of income, and in some cases, we may need to help the countries diversify their economies. In Bolivia, the cocaine trade provides a livelihood for over 400,000 peasants who have little other means of support. Bringing those responsible for smuggling to trial is also a problem. In the past 10 years, 31 Colombian judges have been murdered for their role in trying drug cases.

We can do a better job of stopping drugs at our borders, but interdiction alone is insufficient. Our national border is simply too permeable to boats and planes aimed at delivering drugs to U.S. customers. Federal law enforcement agencies estimate that they are intercepting only 5 to 15 percent of the flow of drugs crossing our borders. Illegal shipments of cocaine, for example, have tripled in the past 6 years, leading to a fivefold reduction in the street price of cocaine.

We must supplement interdiction efforts with education. I am particularly pleased with the emphasis on drug education in the Omnibus Drug Initiative Act. Knowledge remains our best weapon against drug abuse. Classrooms and living rooms across the Nation must be used to instruct our youth about the cancerous, fatal nature of the drug problem. People throughout the country must realize that their use of illegal drugs makes them accomplices to the crime, gang wars, murder, and corruption that are all components of the drug market in America.

What we need—and what I believe we have in the drug bill before us today—is an aggressive national strategy to address the drug problem on all fronts, aimed at combating international drug production and traffic, protecting our borders against drug smugglers, enhancing drug law enforcement, and reducing drug use through effective drug treatment, prevention, and education programs.

This will be no small task, but what higher priority do we have when children are being pulled into drug gangs, reaping incredible profits from illegal narcotics, engaging in criminal activities—including homicide—to finance their habits, and, in thousands of cases each year, dying of overdoses?

DRUG PROGRAMS THAT WORK

Two programs that have shown good results and have my enthusiastic support are asset forfeiture and the DARE Program:

Asset forfeiture: Major assets from drug traffickers, such as cars and boats, are being seized in raids by law enforcement officers, and then resold. The profits are used for needed drug and crime-fighting equipment and for overtime pay for officers. This program benefits police officers by using assets from drug traffickers to help pay for the war on drugs.

DARE Program: This education program is funded by State and Federal moneys to send specially trained officers into fourth- and fifth-grade classrooms. Officers teach a 17-week class on drug education, using visual aids and role playing to help young students "Just Say No" to drugs. Educators in my district tell me this program is well received by both students and teachers, because it presents real life situations and teaches students how to make critical decisions.

THE 1988 OMNIBUS DRUG INITIATIVE ACT

Today in the House we will be voting on the Omnibus Drug Initiative Act of 1988. This bill will help improve the national effort, at a time when, having already spent more than $14 billion on the war against drugs, we appear to be losing that war. The bill which comes to us from the Senate today is our best chance to regroup our forces and fight the war on drugs on a variety of fronts. It is not a perfect bill. It has provisions in it which I opposed in the House. But, generally speaking, the Senate has ameliorated some of the worst of these provisions.

The Omnibus Drug Initiative Act establishes increased penalties for possession of crack and says that those who traffic in drugs should pay the highest possible price. The measure will also establish a drug abuse eradication and prevention program targeted at the youth gangs that sell crack. A gram of cocaine may cost someone only $90, but even so-called casual or recreational users—if indeed casual use is possible—must realize that even the simple act of buying drugs subsidizes gang violence, smugglers, pushers, and other crime activities.

Under this bill, drug dealers and anyone found using drugs a second time can lose such Federal benefits as student loans, Federal mortgage loans, and Government contracts and licenses. Courts can also direct offenders to complete an approved drug-treatment program which must include drug testing, or require offenders to perform community service.

Additional amendments would require overseas financial institutions with ties to the United States to cooperate with U.S. law-enforcement agencies seeking banking records of suspected drug traffickers, and to maintain records of large cash transactions.

The bill will also come to the House floor with compromise amendments to be voted on, including the establishment of a "drug czar," and the authorization of several million dollars to expand the role of the Coast Guard, Customs Service, and other law enforcement agencies in domestic and international enforcement activities. We will vote on a long and detailed list of tougher penalties for using, buying, and selling drugs. Drug testing provisions will be debated, and drug education and treatment programs are expected to be substantially increased.

The Omnibus Drug Initiative Act is an expensive, multifaceted attack on drug abuse and crime. But sadly, it is only the second chapter of a long, up-hill battle against the war on drugs. We cannot pass this bill and consider our work done. We can only pass this legislation and see the start of a whole new round of drug interdiction, education, treatment, and penalty programs that will continue to test our resources and our vigilance. It is a war that demands our strength and ingenuity. It is a war that we must fight—and win.

Mr. McCOLLUM. Mr. Speaker, I would like to offer an additional comment regarding the application of some provisions in the child pornography and obscenity amendment in this drug bill to the telephone companies.

The amendments in section 7511 prohibit the distribution "by any means including by computer" of video depictions, or notices or advertisements concerning video depictions, of pornography involving minors. The amendments are in response to the growth of an industry which distributes child pornography through computers, and advertises the availability of such materials through a computer on electronic bulletin boards. Most of us are aware of the fact that telephone companies have begun to transmit information services over their facilities. By creating the conduit for transmission of information services, telephone companies may provide the opportunity for vendors to distribute pornographic materials over the network.

It is my intention that the prohibition in these amendments, and the applicable sanctions, will apply to those persons who are knowingly involved in the distribution of video depictions, or advertisements of video depictions, of child pornography. However, it is not intended that the prohibition and sanctions should apply to telephone companies which merely provide facilities over which the prohibited depictions or materials are transmitted. This is true even if such companies have been notified or are otherwise aware of the nature of these depictions or materials.

Similarly, section 7521 amends the current law relating to the prohibition on the transportation of obscene matters for sale or distribution. It extends the prohibition to a person who "knowingly uses a facility or means of commerce for the purpose of transporting obscene material in interstate or foreign commerce." This amendment contemplates, among other things, the distribution of obscene materials through a computer. Again, it is not my intention that this prohibition, and the applicable sanctions, should apply against a telephone company whose facilities are used to transmit the prohibited materials or to engage in other prohibited conduct. Furthermore, this section and section 7511 do not create any new statutory responsibilities for telephone companies concerning the screening of information transmitted by way of telecommunications systems.

We should also note that when the other body considered this issue on October 14, 1988, it may have given the impression that if telephone companies merely have knowledge of the content of the transmissions, then they may be subject to the bill's sanctions. As you know, some telephone companies are prohibited by State law from terminating service to a person on the basis of the content of the person's communications. Therefore, let me make it clear that whether or not a telephone company knows about these transmissions by other persons does not by itself render the company criminally liable. Telephone companies are not the targets of this legislation—the purveyors of pornography are. This will clarify the other body's interpretation of October 14, 1988.

Mr. Speaker, I would also like to comment on an entirely different matter. In order to maximize the intelligence resources of the United States Government in national security matters—specifically in the areas of drug trafficking, narco-terrorism and terrorism—proper cooperation among all law enforcement and intelligence agencies is imperative.

However, traditional means of "encouraging" increased intelligence sharing, such as memorandums of understanding, are not sufficient to change bureaucratic behavior and reluctance toward intelligence sharing in the areas of drug trafficking, narco-terrorism and terrorism.

And, when it comes to these critical areas it should be a priority of the chief executive to insure that that such sharing be increased, with due protection for sources and methods, between law enforcement and intelligence agencies to enhance law enforcement and further national security objectives.

Although this debate most often focuses on the types of information which can be furnished to law enforcement agencies by the intelligence community, it is also true that the law enforcement community has valuable information which should be provided to the intelligence community respecting national security matters.

Particularly in areas of narco-terrorism—where both domestic and international boundaries are crossed—it is difficult to assign jurisdiction, but that is no reason for valuable intelligence to be ignored.

For instance, local law enforcement, U.S. Border Patrol, Customs and other traditional "law enforcement"—as opposed to "intelligence" or national security—personnel, may in the course of their duties come upon valuable information which could help our efforts to stop terrorism and narco-terrorist efforts. This information, although gathered by a law enforcement official, should not be neglected by national security personnel and vice versa.

I encourage the President to establish a national intelligence sharing system which will promote effective exchange of information and assist the chief drug enforcement official as well as the Director of Central Intelligence in the difficult national security areas of drugs, narco-terrorism and terrorisim.

The Congress understands the jurisdiction of the Department of Justice for domestic matters and does not wish to insert national security personnel into domestic matters. In turn, Congress does not wish to insert domestic law enforcement in intelligence concerns. Nevertheless, particularly in matters which cross jurisdictional bounds, the Congress is extremely concerned that every effort is made among U.S. Government agencies to cooperate and share the critical tool of information.

GENERAL LEAVE

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order this evening.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CONVEYING FOREST SERVICE LAND TO FLAGSTAFF, AZ

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 253) to convey Forest Service land to Flagstaff, AZ, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b)(1) of section 1 of Public Law 96-581, relating to land conveyances in the State of Arizona, is amended by striking out "Any conveyances" and inserting in lieu thereof "Except as provided in subsection (c), any conveyances".

(b) Subsection (c) of section 1 is amended to read as follows:

"(c)(1) Of the tract of land described in subsection (a) of this section, the Secretary shall offer to sell at the fair market value as determined on December 23, 1980, to the Flagstaff Medical Regional Center, Flagstaff, Arizona, not to exceed 18.25 acres immediately adjacent to said Flagstaff Medical Regional Center and shall convey, without consideration, except for administrative costs associated with the preparation of title and legal description, to the city of Flagstaff, Arizona, 134.57 acres, under special use permit in effect on the date of enactment of this Act to the city of Flagstaff.

"(2) Title to any real property acquired by the city of Flagstaff pursuant to this section shall revert to the United States if the city attempts to convey or otherwise transfer ownership of any portion of such property to any other party or attempts to encumber such title, or if the town permits the use of any portion of such property for any purpose incompatible with the purposes specified in paragraph (3) of this section.

"(3) Real property conveyed to the city of Flagstaff pursuant to this section shall be used for public open space, park and recreational purposes.

"(4) Except for any land to be conveyed to the Flagstaff Medical Regional Center and the city of Flagstaff, the Secretary shall solicit public offers for the remaining lands and improvements authorized under subsection (a) of this section. All offers shall be publicly opened at the time and place stated in the soliciation in accordance with the administrative requirements of the Secretary. The Secretary shall consider price and land values before entering into agreements or land exchanges with any party whose offer conforming to the soliciation notice is determined by the Secretary to be the most advantageous to the Government. Notwithstanding any other provision of this Act, the Secretary may reject any offer if the Secretary determines that such rejection is in the public interests.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsidered was laid on the table.

MOTION TO AGREE TO SENATE AMENDMENT TO H.R. 5210, OMNIBUS DRUG INITIATIVE ACT OF 1988, WITH AN AMENDMENT

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 595 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 595

Resolved, That upon adoption of this resolution it shall be in order to consider in the House, without intervening motion, a motion, if offered by Representative Foley of Washington, or his designee, to take from the Speaker's table the bill (H.R. 5210) to prevent the manufacturing, distribution, and use of illegal drugs, and for other purposes, together with the Senate amendment thereto, and to concur in the Senate amendment with an amendment. The motion shall be considered as having been read. All points of order against the motion are hereby waived. Debate on the motion shall continue not to exceed one hour, to be equally divided and controlled by the majority and minority leaders, and the previous question shall be considered as ordered on the motion to final adoption without intervening motion.

The SPEAKER. The gentleman from Texas [Mr. FROST] is recognized for one hour.

Mr. FROST. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. LATTA] pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 595 makes it in order for the majority leader to move to take H.R. 5210 from the Speaker's table with the Senate amendment, and to concur in the Senate amendment with an amendment. The rule waives all points of order against the motion and provides that the motion is to be considered as having been read when it is called up for consideration. The motion is to be debatable for up to 1 hour and the debate time is to be equally divided and controlled by the majority and minority leaders. No amendment to the majority leader's motion will be in order.

Mr. Speaker, H.R. 5210 is the Omnibus Drug Initiative Act of 1988. The rule before the House will afford us the opportunity to vote on the package which has been agreed to in informal conference between Members of the House and Members of the other body. I urge adoption of the rule and of the majority leader's motion.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am delighted we will not have to oppose the previous question on this rule in order to give the House a chance to vote on stronger antichild pornography and obscenity provisions than were originally proposed.

I understand that language has been agreed to which will give us the antichild pornography and obscenity provisions which had been sought.

Therefore, Mr. Speaker, I will support this rule so that the House may proceed to consider the Omnibus Drug Initiative Act of 1988.

Mr. Speaker, drugs are perceived by many to be the greatest domestic problem facing this Nation today. Clearly, drug abuse is taking a heavy toll.

The legislative package made in order by this rule is the response of the Congress to this problem. It includes provisions designed to cut the demand for drugs as well as to cut the supply.

Mr. Speaker, no bill of this magnitude can please everybody. But this appears to be a fair compromise. We should support the rule and support the bill.

Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Speaker, I support the rule and the legislation that it makes possible which we will approve tonight as one of the most important pieces of legislation that would be considered by the 100th Congress. Every day we read about the drug problem. Almost every night another homocide results from drugs right here in the Nation's Capital and many occur every day throughout this country.

Mr. Speaker, it has been estimated that Americans spend $80 to $150 billion a year on drugs. Organized crime, deeply involved in the drug trade, reaps anywhere from $40 to $60 billion a year. As we all know, this is a problem of massive proportions, and that is why legislation designed to curb drug use and punish drug dealers is critically important. The drug bill before us tonight is a step in the right direction when it comes to fighting drugs—getting tough. This bill will provide the death penalty for drug kingpins. It will provide "user accountability"—that means those who use drugs won't do so with impunity. And this bill will create a Federal drug czar with broad authority to oversee Federal drug efforts—a concept I have supported for some time.

As the ranking member on the Banking Committee, I know that one method of combating drugs is to limit the ability of drug dealers to launder money through our Nation's financial institutions. This is a sizable problem. An estimated $5 to $15 billion a year is laundered through financial institutions every year. In fact, just recently, the Justice Department indicted 70 individuals accused of conspiring to launder $32 million in cocaine profits from the United States, Panama, and Colombia through a Luxembourg based bank. This is the first case of its kind against a major international bank.

It was made possible by the 1986 law when Congress really began the fight against this problem by strengthening the Bank Secrecy Act. Under those changes, Congress made it a crime to structure transactions to avoid that act's reporting requirements. In this bill a provision that allowed financial institutions to give limited information about accounts to Federal investigators where criminal activity is suspected was clarified.

It has been 2 years since the passage of the Anti-Drug Abuse Act of 1986, and having had a chance to review the implementation of that law, the Treasury and Justice Departments have recommended some changes to build on the effectiveness of that law.

The Banking Committee of this bill will require that some limited information be recorded by the financial institution when issuing travelers checks, cashiers checks, and other similar instruments over $3,000. Additionally, the Treasury Secretary will have the authority to require more extensive transaction information for any transaction of less than $10,000 in targeted areas. For example, if the Secretary determines that money laundering is worse in the Los Angeles area, then he can require stiffer reporting requirements. I think this is a sensible provision.

This legislation will also make an important change in the Right to Financial Privacy Act. For the first time, law enforcement authorities will have the power, in good cause, shown to review financial records of bank "insiders" without having to notify them that their records are being reviewed for possible criminal activity. As the Justice Department testified before our committee, they have a file cabinet full of cases where the suspect headed for the airport immediately after being notified that his records had been subpoenaed. "Insiders" are defined as officers, directors, employees, controlling shareholders, and in some cases, major borrowers.

Along with the money laundering initiatives that fall within the Banking Committee's jurisdiction, the final agreement on the Anti-Drug Abuse Act, before us tonight, contains several measures which address the problems of drugs in public housing. Drug abuse has become a major problem for many of our Nation's public housing projects. Unfortunately, the users and dealers of drugs in public housing deny many thousands of decent American citizens the national goal set forth in the Housing Act of 1949 of "a decent home and suitable living environment for every American family."

This past spring, a constituent and public housing resident wrote me on this issue. In part, the letter reads as follows:

> The drug problem is stronger than ever here. People live here who are not on leases. I have told my friends that live here that there is hope we can clean this place up like it once was a nice place to live. With God's help and yours, I have told them you are going to help us.

Well, today I am pleased to report back to my constituent and to our 3,000 local public housing authorities that the Congress has resolved itself to provide additional tools to enhance HUD's and the Nation's public housing managers' ability to deal with the problem of drugs in public housing.

Mr. Speaker, under title V, User Accountability of the Anti-Drug Abuse Act, an important subtitle on "Preventing Drug Abuse in Public Housing" is included. This subtitle contains three significant measures. First, regulatory and enforcement provisions are included which confirm that Public Housing Authorities have the legal authority to evict a public housing tenant if the tenant, a member of the tenant's household, or a guest or other person under the tenant's control is engaged in or is convicted of drug-related criminal activity on or near public housing premises. Also, the Bureau of Justice Assistance Block Grant program is amended to include a new eligible activity to provide funding for local police to fight drug activities in public housing.

Second, as $8.2 million public housing drug elimination pilot program is established under which local public housing authorities may apply to HUD for funds to employ individuals to investigate drug-related crime on or about public housing projects and to provide evidence relating to any such crime in any administrative or judicial proceeding. This pilot program also creates other innovative programs designed to reduce the use of drugs in and around public housing. Finally, a provision on Drug-Free Public Housing is included which reaffirms the principle that a decent affordable shelter is a basic necessity. To maintain this principle, measures are included which require better coordination and training in drug prevention programs among the public officials and agencies responsible for administering the public housing programs of the Nation. I will insert a short section-by-section summary of the housing provisions.

Mr. Speaker, this is a good bill, and I am pleased that we are passing this legislation before the 100th Congress is adjourned.

The section-by-section summary follows:

H.R. 5210—ANTI-DRUG ABUSE ACT OF 1988 HOUSE-SENATE AGREEMENT ON PUBLIC HOUSING PROVISIONS AND DENIAL OF FEDERAL BENEFIT PROVISION PERTAINING TO HOUSING PROGRAMS

Subtitle C—Preventing Drug Abuse in Public Housing

PART 1—REGULATORY AND ENFORCEMENT PROVISIONS

Section 5101—Termination of Tenancy in Public Housing:

Senate Provision: House recedes to Senate.

This provision amends existing law concerning lease provisions and confirms that Public Housing Authorities have the legal authority to evict a public housing tenant if the tenant, a member of the tenant's household, or a guest or other person under the tenant's control is engaged in or is convicted of drug-related criminal activity on or near public housing premises while the tenant is a tenant in public housing.

Section 5102—Study of Public Housing Security Activities:

Senate Provision: House recedes to the Senate with an amendment deleting the provision authorizing the use of funds from the Performance Funding System for the purpose of investigating the illegal use of and trafficking in controlled substances in public housing.

The provision as amended requires the Secretary to conduct a study of the extent to whch security activities in public housing projects are funded under the Performance Funding System. The report shall be submitted to Congress not later than 6 months after enactment.

Section 5103—Report on Impact of Public Housing Lease and Grievance Regulation on the Ability of Public Housing Agencies to Take Action Against Tenants Engaging in Drug Crimes:

Senate Provision: House recedes to Senate.

Provision requires HUD to report to Congress within 12 months on the impact of the Public Housing Lease and Grievance regulations on the PHA's ability to take action against tenants engaging in drug crimes.

Section 5104—Eligible Activities Under Bureau of Justice Assistance Block Grant Program:

Senate Provision: House recedes to Senate.

Amends the Bureau of Justice Assistance Block Grant program to include as an eligible activity funds for local police to fight drug activities in public housing.

Section 5105—Inclusion of Leasehold Interests in Property Subject to Forfeiture Under Controlled Substances Act:

Senate Provision: House recedes to Senate.

Clarifies that a leasehold interest is considered property with respect to the Federal Civil Forfeiture law and consequently that the lease is subject to forfeiture by the Federal Government. (21 U.S.C. 881(a)(7).)

PART 2—PUBLIC HOUSING DRUG ELIMINATION PILOT PROGRAM

Sections 5121-5129:

Senate-House had similar provision:

House recedes to Senate with an amendment and adding two eligible activities from the House provision: (1) the employment of 1 or more individuals to investigate drug-related crime on or about public housing projects and to provide evidence relating to any such crime in any administrative or judicial proceeding and (2) permits the provision of training, communications equipment, and other related equipment for use by voluntary public housing tenant patrols acting in cooperation with local law enforcement officials.

This pilot program authorizes the Secretary to make grants to public housing authorities (including Indian housing authorities) for use in eliminating drug-related crime in public housing projects.

The Public Housing Drug Elimination Pilot program is provided an authorization of appropriation of $8.2 million for FY '89 (Senate provision) and such sums as may be appropriated for FY '90 (House provision).

PART 3—DRUG-FREE PUBLIC HOUSING

Sections 5141-5146:

House Provision: Senate recedes to the House with a conforming amendment providing for defined terms.

The Drug-Free Public Housing Act of 1988 reaffirms the principle that decent affordable shelter is a basic necessity, and the general welfare of the Nation and the health and living standards of its people require better coordination and training in drug prevention programs among the public officials and agencies responsible for administering the public housing programs of the Nation.

Two specific initiatives are included in this part: (1) Clearinghouse on Drug Abuse in Public Housing and (2) Regional Training Program on Drug Abuse in Public Housing are established in HUD.

Title V—User Accountability

Section 5301—Denial of Federal Benefits to Drug Traffickers and Possessors:

House and Senate had similar provisions: The Agreement contains the thrust of the Senate provision (i.e., discretion of the courts) with the House provision pertaining to the definition of "federal benefits" with significant changes as to which benefits are excluded.

Explanation—

(a) Drug Traffickers. Subsection (a) would require any individual convicted of any Federal or State offense consisting of the distribution of controlled substances to be ineligible for Federal benefits (1) at the court's discretion for up to 5 years for a first conviction; (2) at the court's discretion for up to 10 years for a second conviction; and (3) permanently upon a third or subsequent conviction. This subsection does not cut off benefits relating to long-term drug treatment programs for addiction in certain cases.

(b) Drug Possessors. Subsection (b) would require any individual convicted of possession of a controlled substance for the first time, at the discretion of the court, to (a) be ineligible for Federal benefits for up to one year; (b) successfully complete a drug treatment program, including periodic drug testing; (c) perform appropriate community service; or (d) any combination of items (a), (b), or (c). For a second or subsequent conviction, the court would have the discretion to make the person ineligible for Federal benefits for up to 5 years after the conviction. The court would be permitted to require the individual to complete the conditions noted in items (b) and (c) above as a requirement for the reinstatement of Federal benefits. Penalties would be waived in the case of a person who agrees to a long-term treatment program or who is considered rehabilitated.

(c) Suspension of Period of Ineligibility. Periods of ineligibility for Federal benefits would be suspended if the individual (1) completes a drug rehabilitation program after becoming ineligible; (2) has otherwise been rehabilitated; or (3) has made a good faith effort to gain admission to a rehabilitation program.

(d) Definitions. Under subsection (d), the term "Federal Benefit" would mean the issuance of any grant, contract, loan, professional license, or commerical license provided by an agency or appropriated funds of the United States. The term would not incude any retirement, welfare, social security, health, disability, veterans benefits, public housing, or other similar benefits, or any other benefit for which payments or services are required for eligibility. The term "veterans benefits" would mean all benefits provided to veterans, their families, or survivors by virtue of the service of a veteran.

(e) Inapplicability of this Section to Government Witnesses. The ineligibility provisions would not apply to individuals who cooperates or testify for the Government in criminal cases or who are in a Government witness protection program.

(f) Indian Provisions. Subsection (f) would require that this section not be construed to affect any obligation of the United States to any Indian or Indian tribe under any treaty, statute, Executive order, or trust responsibility. The sanctions of this section would otherwise apply to individual Indians.

(g) Presidential Report. This subsection would require, on or before May 1, 1989, a report from the President (1) delineating the role of State courts in implementing this section; (2) describing how Federal agencies will implement and enforce this section; (3) detailing how Federal and State agencies, courts, and law enforcement agencies will exchange and share data necessary to implement and enforce the withholding of Federal benefits; and (4) recommending modifications to improve this section. By September 1, 1989, Congress must consider the report and enact appropriate legislative changes.

(h) Effective Date. Subsection (h) would require that this section take effect for convictions occurring after September 1, 1989.

From the Banking committee's perspective the agreement includes the following—

(1) Public housing is excluded from the term "federal benefits." Existing HUD procedures, permit public housing authorities discretion to screen potential tenants to determine any past history of drug use or drug distribution and denying admission on that basis.

(2) For the purpose of various housing programs the denial of benefit is determined at the time of application. Therefore, this provision is prospective in nature and not retroactive.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GREEN].

Mr. GREEN. I thank the gentleman from Ohio for yielding to me.

Mr. Speaker, I would simply point out to my colleagues that this bill contains a new title, an appropriations title which the House has not previously considered. And in the midst of all the hoopla about all the criminal law parts of this bill, I think it is important that the appropriations part equally addresses the demand side of the drug problem. I have a situation in my district where if someone is a heroin addict and walks into a clinic and asks for treatment, that person is told that he will be put on a waiting list and to come back in 3 months or come back in 6 months. That is a scandal.

If we really want to deal with the drug problem we have got to deal with that.

I am proud to say that in the appropriations committee the distinguished chairman of the Committee on Appropriations, the gentleman from Mississippi. [Mr. WHITTEN], and the distinguished ranking minority member of the Committee on Appropriations, the gentleman from Massachusetts [Mr. CONTE], saw to it that our bill would allocate 50 percent of its funds to the demand side so that we can have more funds for treatment and education.

I want to express my appreciation to them for that and urge all of my colleagues to vote for the rule and for the bill.

Mr. LATTA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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Mr. FROST. Mr. Speaker, this is the last rule that will be handled as a Member of Congress by the gentleman from Ohio [Mr. LATTA]. He has been a distinguished member of the Committee on Rules, a constructive Member, and we all owe him a debt of gratitude and well wishes in his retirement.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FOLEY. Mr. Speaker, I move to take from the Speaker's table the bill (H.R. 5210) to prevent the manufacturing, distribution, and use of illegal drugs, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The SPEAKER. Pursuant to the rule, the motion is considered as having been read.

The text of the House amendment to the Senate amendment to H.R. 5210 is as follows:

Strike all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Anti-Drug Abuse Act of 1988".

SEC. 2. TABLE OF TITLES.

Title I—Coordination of national drug policy
Title II—Treatment and prevention programs
Title III—Drug education programs
Title IV—International narcotics control
Title V—User accountability
Title VI—Anti-drug abuse amendments act of 1988
Title VII—Death penalty and other criminal and law enforcement matters
Title VIII—Federal alcohol administration
Title IX—Miscellaneous
Title X—Supplemental appropriations

TITLE I—COORDINATION OF NATIONAL DRUG POLICY

Subtitle A—National Drug Control Program

SEC. 1001. SHORT TITLE.

This subtitle may be cited as the "National Narcotics Leadership Act of 1988".

SEC. 1002. ESTABLISHMENT OF OFFICE.

(a) ESTABLISHMENT OF OFFICE.—There is established in the Executive Office of the President the "Office of National Drug Control Policy".

(b) DIRECTOR AND DEPUTY DIRECTORS.—(1) There shall be at the head of the Office of National Drug Control Policy a Director of National Drug Control Policy.

(2) There shall be in the Office of National Drug Control Policy a Deputy Director for Demand Reduction and a Deputy Director for Supply Reduction.

(3) The Deputy Director for Demand Reduction and the Deputy Director for Supply Reduction shall assist the Director in carrying out the responsibilities of the Director under this Act.

(c) BUREAU OF STATE AND LOCAL AFFAIRS.—(1) There is established in the Office of National Drug Control Policy a Bureau of State and Local Affairs.

(2) There shall be at the head of such bureau an Associate Director for National Drug Control Policy.

(d) ACCESS BY CONGRESS.—The location of the Office of National Drug Control Policy in the Executive Office of the President shall not be construed as affecting access by the Congress or committees of either House to—

(1) information, documents, and studies in the possession of, or conducted by or at the direction of the Director; or

(2) personnel of the Office of National Drug Control Policy.

SEC. 1003. APPOINTMENT AND DUTIES OF DIRECTOR, DEPUTY DIRECTORS, AND ASSOCIATE DIRECTOR.

(a) APPOINTMENT.—(1) The Director, the Deputy Director for Demand Reduction, the Deputy Director for Supply Reduction, and the Associate Director for National Drug Control Policy shall each be appointed by the President, by and with the advice and consent of the Senate.

(2) The Director, the Deputy Director for Demand Reduction, the Deputy Director for Supply Reduction, and the Associate Director for National Drug Control Policy shall each serve at the pleasure of the President. No person shall serve as Director, a Deputy Director, or Associate Director while serving in any other position in the Federal Government.

(3) Section 101 of the National Security Act of 1947 is amended by redesignating subsection (f) as subsection (g) and inserting after subsection (e) the following:

"(f) The Director of National Drug Control Policy may, in his role as principal adviser to the National Security Council on national drug control policy, and subject to the direction of the President, attend and participate in meetings of the National Security Council.".

(4)(A) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following:

"Director of National Drug Control Policy.".

(B) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"Deputy Director for Demand Reduction, Office of National Drug Control Policy.

"Deputy Director for Supply Reduction, Office of National Drug Control Policy.".

(C) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Associate Director for National Drug Control Policy, Office of National Drug Control Policy.".

(b) RESPONSIBILITIES.—The Director shall—

(1) establish policies, objectives, and priorities for the National Drug Control Program;

(2) annually promulgate the National Drug Control Strategy in accordance with section 1005;

(3) coordinate and oversee the implementation by National Drug Control Program agencies of the policies, objectives, and priorities established under paragraph (1) and the fulfillment of the responsibilities of such agencies under the National Drug Control Strategy;

(4) make such recommendations to the President as the Director determines are appropriate regarding—

(A) changes in the organization, management, and budgets of Federal departments and agencies engaged in drug enforcement; and

(B) the allocation of personnel to and within such departments and agencies;

to implement the policies, priorities, and objectives established under paragraph (1) and the National Drug Control Strategy;

(5) consult with and assist State and local governments with respect to their relations with the National Drug Control Program agencies;

(6) appear before duly constituted committees and subcommittees of the House of Representatives and of the Senate to represent the drug policies of the executive branch; and

(7) notify any National Drug Control Program agency if its policies are not in compliance with the responsibilities of such agency under the National Drug Control Strategy and transmit a copy of each such notification to the President.

(c) National Drug Control Program Budget.—(1) The Director shall develop for each fiscal year, with the advice of the program managers of departments and agencies with responsibilities under the National Drug Control Program, a consolidated National Drug Control Program budget proposal to implement the National Drug Control Strategy, and shall transmit such budget proposal to the President and to the Congress.

(2) Each Federal Government program manager, agency head, and department head with responsibilities under the National Drug Control Strategy shall transmit the drug control budget request of the program, agency, or department to the Director at the same time as such request is submitted to their superiors (and before submission to the Office of Management and Budget) in the preparation of the budget of the President submitted to the Congress under section 1105(a) of title 31, United States Code.

(3) The Director shall—

(A) review each drug control budget request transmitted to the Director under paragraph (2);

(B) certify in writing as to the adequacy of such request to implement the objectives of the National Drug Control Strategy for the year for which the request is submitted; and

(C) notify the program manager, agency head, or department head, as applicable, regarding the Director's certification under subparagraph (B).

(4) The Director shall maintain records regarding certifications under paragraph (3)(B).

(5)(A) No National Drug Control Program agency shall submit to the Congress a reprogramming or transfer request with respect to any amount of appropriated funds greater than $5,000,000 which is included in the National Drug Control Program budget unless such request has been approved by the Director.

(B) The head of any National Drug Control Program agency may appeal to the President any disapproval by the Director of a reprogramming or transfer request.

(6) The Director shall report to the Congress on a quarterly basis regarding the need for any reprogramming or transfer of appropriated funds for National Drug Control Program activities.

(7) The head of each National Drug Control Program agency shall ensure timely development and submission to the Director of drug control budget requests transmitted pursuant to subsection (c)(2), in such format as may be designated by the Director with the concurrence of the Director of the Office of Management and Budget.

(d) Powers of Director.—In carrying out the responsibilities established under subsection (b), the Director may—

(1) select, appoint, employ, and fix compensation of such officers and employees as may be necessary to carry out the functions of the Office of National Drug Control Policy under this title;

(2) direct, with the concurrence of the Secretary of a department or head of an agency, the temporary reassignment within the Federal Government of personnel employed by such department or agency, in order to implement United States drug control policy;

(3) use for administrative purposes, on a reimbursable basis, the available services, equipment, personnel, and facilities of Federal, State, and local agencies;

(4) procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, relating to appointments in the Federal Service, at rates of compensation for individuals not to exceed the daily equivalent of the rate of pay payable for GS-18 of the General Schedule under section 5332 of title 5, United States Code;

(5) accept and use donations of property from Federal, State, and local government agencies;

(6) use the mails in the same manner as any other department or agency of the executive branch; and

(7) monitor implementation of the National Drug Control Program, including—

(A) conducting program and performance audits and evaluations; and

(B) requesting assistance from the Inspector General of the relevant agency in such audits and evaluations.

(e) Personnel Detailed to the Office.—(1) Notwithstanding any provision of chapter 43 of title 5, United States Code, the Director shall perform the evaluation of the performance of any employee detailed to the Office of National Drug Control Policy for purposes of the applicable performance appraisal system established under such chapter for any rating period, or part thereof, that such employee is detailed to such office.

(2)(A) Notwithstanding any other provision of law, the Director may provide periodic bonus payments to any employee detailed to the Office of National Drug Control Policy.

(B) An amount paid under this paragraph to an employee for any period shall not be greater than 20 percent of the basic pay paid or payable to such employee for such period.

(C) Any payment under this paragraph to an employee shall be in addition to the basic pay of such employee.

(D) The aggregate amount paid during any fiscal year to an employee detailed to the Office of National Drug Control Policy as basic pay, awards, bonuses, and other compensation shall not exceed the annual rate payable at the end of such fiscal year for positions at level III of the Executive Schedule.

SEC. 1004. COORDINATION WITH EXECUTIVE BRANCH DEPARTMENTS AND AGENCIES.

(a) Access to Information.—(1) Upon request of the Director, and subject to laws governing disclosure of information, the head of each National Drug Control Program agency shall provide to the Director such information as may be required for drug control.

(2)(A) The authorities conferred on the Office of National Drug Control Policy and its Director by this Act shall be exercised in a manner consistent with provisions of the National Security Act of 1947. The Director of Central Intelligence shall prescribe such regulations as may be necessary to protect information provided pursuant to this Act regarding intelligence sources and methods.

(B) The Director of Central Intelligence shall, to the fullest extent possible in accordance with subparagraph (A), render full assistance and support to the Office of National Drug Control Policy and its Director.

(b) Certification of Policy Changes by Director.—(1) The head of a National Drug Control Program agency shall, unless exigent circumstances require otherwise, notify the Director in writing regarding any proposed change in policies relating to the activities of such department or agency under the National Drug Control Program prior to implementation of such change. The Director shall promptly review such proposed change and certify to the department or agency head in writing whether such change is consistent with the National Drug Control Strategy.

(2) If prior notice of a proposed change under paragraph (1) is not possible, the department or agency head shall notify the Director as soon as practicable. The Director shall review such change and certify to the department or agency head in writing whether such change is consistent with the National Drug Control Program.

(c) General Services Administration.—The Administrator of General Services shall provide to the Director on a reimbursable basis such administrative support services as the Director may request.

SEC. 1005. DEVELOPMENT AND SUBMISSION OF NATIONAL DRUG CONTROL STRATEGY.

(a) Development and Submission of the National Drug Control Strategy.—(1) Not later than 180 days after the first Director is confirmed by the Senate, and not later than February 1 of each year thereafter, the President shall submit to the Congress a National Drug Control Strategy. Any part of such strategy that involves information properly classified under criteria established by an Executive order shall be presented to the Congress separately.

(2) The National Drug Control Strategy submitted under paragraph (1) shall—

(A) include comprehensive, research-based, long-range goals for reducing drug abuse in the United States;

(B) include short-term measurable objectives which the Director determines may be realistically achieved in the 2-year period beginning on the date of the submission of the strategy;

(C) describe the balance between resources devoted to supply reduction and demand reduction; and

(D) review State and local drug control activities to ensure that the United States pursues well-coordinated and effective drug control at all levels of government.

(3)(A) In developing the National Drug Control Strategy, the Director shall consult with—

(i) the heads of the National Drug Control Program agencies;

(ii) the Congress;

(iii) State and local officials;

(iv) private citizens with experience and expertise in demand reduction; and

(v) private citizens with experience and expertise in supply reduction.

(B) At the time the President submits the National Drug Control Strategy to the Congress, the Director shall transmit a report to the Congress indicating the persons consulted under this paragraph.

(4) Beginning with the second submission of a National Drug Control Strategy, the Director shall include with each such strategy a complete evaluation of the effectiveness of drug control during the preceding year.

(b) Goals, Objectives, and Priorities.—Each National Drug Control Strategy shall include—

(1) a complete list of goals, objectives, and priorities for supply reduction and for demand reduction;

(2) private sector initiatives and cooperative efforts between the Federal Government and State and local governments for drug control;

(3) 3-year projections for program and budget priorities and achievable projections for reductions of drug availability and usage;

(4) a complete assessment of how the budget proposal transmitted under section 1003(c) is intended to implement the strategy and whether the funding levels contained in such proposal are sufficient to implement such strategy;

(5) designation of areas of the United States as high intensity drug trafficking areas in accordance with subsection (c); and

(6) a plan for improving the compatibility of automated information and communication systems to provide Federal agencies with timely and accurate information for purposes of this subtitle.

(c) High Intensity Drug Trafficking Areas.—(1) The Director, upon consultation with the Attorney General, heads of National Drug Control Program agencies, and the Governors of the several States, may designate any specified area of the United States as a high intensity drug trafficking area. After making such a designation and in order to provide Federal assistance to the area so designated, the Director may—

(A) direct the temporary reassignment of Federal personnel to such area, subject to the approval of the Secretary of the department or head of the agency which employs such personnel;

(B) take any other action authorized under section 1003 to provide increased Federal assistance to such areas; and

(C) coordinate actions under this paragraph with State and local officials.

(2) When considering the designation of an area under this subsection as a high intensity drug trafficking area, the Director shall consider, along with other criteria the Director may deem appropriate—

(A) the extent to which the area is a center of illegal drug production, manufacturing, importation, or distribution;

(B) the extent to which State and local law enforcement agencies have committed resources to respond to the drug trafficking problem in the area, thereby indicating a determination to respond aggressively to the problem;

(C) the extent to which drug-related activities in the area are having a harmful impact in other areas of the country; and

(D) the extent to which a significant increase in allocation of Federal resources is necessary to respond adequately to drug-related activities in the area.

(3) Before March 1, 1991, the Director shall submit a report to the House of Representatives and to the Senate concerning the effectiveness of and need for the designation of areas under this subsection as high intensity drug trafficking areas, along with any comments or recommendations for legislation.

(d) Lead Agencies.—(1) The President shall designate lead agencies with areas of principal responsibility for carrying out the National Drug Control Strategy.

(2) The Director shall require that any National Drug Control Program agency that conducts a major supply reduction activity which is in the area of principal responsibility of a lead agency designated under paragraph (1) shall—

(A) notify such lead agency in writing of the activity; and

(B) provide such notification prior to conducting such activity, unless exigent circumstances require otherwise.

(3) If a lead agency objects to the conduct of an activity described under paragraph (2), the lead agency and the agency planning to conduct such activity shall notify the Director in writing regarding such objection.

SEC. 1006. SUBMISSION OF NATIONAL DRUG CONTROL PROGRAM BUDGET WITH ANNUAL BUDGET REQUEST OF PRESIDENT.

Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof the following:

"(26) a separate statement of the amount of appropriations requested for the Office of National Drug Control Policy and each program of the National Drug Control Program.".

SEC. 1007. TERMINATION OF NATIONAL DRUG ENFORCEMENT POLICY BOARD, NATIONAL NARCOTICS BORDER INTERDICTION SYSTEM, AND WHITE HOUSE DRUG ABUSE POLICY OFFICE.

(a) National Drug Enforcement Policy Board.—(1) The National Drug Enforcement Policy Board is terminated effective on the 30th day after the first Director is confirmed by the Senate. Upon such termination, all records and property of the National Drug Enforcement Policy Board shall be transferred to the Director. The Director of the Office of Management and Budget shall take such actions as are necessary to facilitate such transfer.

(2) All strategies, implementation plans, memoranda of understanding, and directives that have been issued or made by the National Drug Policy Board before the effective date of this subtitle shall continue in effect until modified, terminated, superseded, set aside, or revoked by the President or the Director.

(3) The National Narcotics Act of 1984 (21 U.S.C. 1201 et seq.) is repealed effective on the 30th day after the first Director is confirmed by the Senate.

(b) National Narcotics Border Interdiction System.—Notwithstanding any other provision of law, no funds may be expended after 30 days after the date on which the first Director is confirmed by the Senate for any activities or operations of the entity otherwise known as the National Narcotics Border Interdiction System.

(c) White House Office of Drug Abuse Policy.—(1) Sections 103, 201, 202, 203, 204, and 206 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act (21 U.S.C. 1103, 1111, 1112, 1113, 1114, and 1116) are repealed. Section 205 of such Act is redesignated as section 201.

(2) The White House Office of Drug Abuse Policy shall terminate on the 30th day after the date on which the first Director is confirmed by the Senate.

(3) Section 5314 of title 5, United States Code, is amended by striking "Director of the Office of Drug Abuse Policy.".

(4) Section 5315 of title 5, United States Code, is amended by striking "Deputy Director of the Office of Drug Abuse Policy.".

SEC. 1008. EXECUTIVE REORGANIZATION STUDY.

(a) Report to the Congress and the President.—Not later than January 15, 1990, the Director shall submit a report to the President and to the Congress regarding the necessity to group, coordinate, and consolidate agencies and functions of the Federal Government involved in supply reduction and demand reduction in order to—

(1) promote better execution of the laws;

(2) provide more effective management of the executive branch;

(3) reduce expenditures and promote economy to the fullest extent consistent with the efficient operation of the executive branch; and

(4) reduce the number of agencies by consolidating under a single head agencies having similar functions, and by abolishing agencies and functions which are unnecessary for the efficient conduct of the executive branch.

(b) Recommendations.—The report submitted under subsection (a) shall include any appropriate recommendations for legislation.

SEC. 1009. TERMINATION OF OFFICE OF NATIONAL DRUG CONTROL POLICY.

This subtitle and the amendments made by this subtitle, other than section 1007, are repealed on the date which is 5 years after the date of the enactment of this subtitle.

SEC. 1010. DEFINITIONS.

As used in this subtitle—

(1) the term "drug" has the same meaning as the term "controlled substance" has in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6));

(2) the term "drug control" means any activity conducted by a National Drug Control Program agency involving supply reduction or demand reduction ;

(3) the term "supply reduction" means any enforcement activity of a program conducted by a National Drug Control Program agency that is intended to reduce the supply or use of drugs in the United States and abroad, including—

(A) international drug control;

(B) foreign and domestic drug enforcement intelligence;

(C) interdiction; and

(D) domestic drug law enforcement, including law enforcement directed at drug users;

(4) the term "demand reduction" means any activity conducted by a National Drug Control Program agency, other than an enforcement activity, that is intended to reduce the demand for drugs, including—

(A) drug abuse education;

(B) prevention;

(C) treatment;

(D) research; and

(E) rehabilitation;

(5) the term "National Drug Control Program" means programs, policies, and activities undertaken by National Drug Control Program agencies pursuant to the responsibilities of such agencies under the National Drug Control Strategy;

(6) the term "National Drug Control Program agency" means any department or agency and all dedicated units thereof, with responsibilities under the National Drug Control Strategy, as designated—

(A) jointly by the Director and the head of the department or agency; or

(B) by the President;

(7) the term "Director" means the Director of National Drug Control Policy; and

(8) the term "National Drug Control Strategy" means a strategy developed and submitted to the Congress under section 1005.

SEC. 1011. AUTHORIZATION OF APPROPRIATIONS.

For the purposes of carrying out this subtitle, there are authorized to be appropriated $3,500,000 for fiscal year 1989 and such sums as may be necessary for each of the 4 succeeding fiscal years, to remain available until expended.

SEC. 1012. EFFECTIVE DATE.

This subtitle shall be effective January 21, 1989.

Subtitle B—Department of Justice Civil Enforcement Enhancement

SEC. 1051. SHORT TITLE.

This subtitle may be cited as the "Justice Department Organized Crime and Drug Enforcement Enhancement Act of 1988".

SEC. 1052. FINDINGS.

The Congress finds that—

(1) organized criminal activity contributes significantly to the importation, distribution, and sale of illegal and dangerous drugs;

(2) trends in drug trafficking patterns necessitate a response that gives appropriate weight to—

(A) the prosecution of drug-related crimes; and

(B) the forfeiture and seizure of assets and other civil remedies used to strike at the inherent strength of the drug networks and organized crime groups;

(3) law enforcement components of the Department of Justice should give high priority to the enforcement of civil sanctions against drug networks and organized crime groups; and

(4) the structure of the Department of Justice Criminal Division needs to be reviewed in order to determine the most effective structure to address such drug-related problems.

SEC. 1053. CIVIL ENFORCEMENT REPORT.

(a) Report.—Not later than 1 year after the date of the enactment of this title, the Director of National Drug Control Policy (the Director) in consultation with the Attorney General, shall report to the Congress on the necessity to establish a new division or make other organizational changes within the Department of Justice in order to promote better civil and criminal law enforcement. In preparing such report, the Director shall consider restructuring and consolidating one or more of the following divisions and programs—

(1) the Organized Crime and Racketeering Section of the Criminal Division and all subordinate strike forces therein;

(2) the Narcotic and Dangerous Drug Section of the Criminal Division;

(3) the Asset Forfeiture Office of the Criminal Division; and

(4) the Organized Crime Drug Enforcement Task Force Program;

(b) Legislative Recommendations.—The report submitted under subsection (a) shall include appropriate legislative recommendations for the Congress.

SEC. 1054. CIVIL ENFORCEMENT ENHANCEMENT.

(a) Duty of Attorney General.—The Attorney General shall insure that each component of the Department of Justice having criminal law enforcement responsibilities with respect to the prosecution of organized crime and controlled substances violations, including each United States Attorney's Office, attaches a high priority to the enforcement of civil statutes creating ancillary sanctions and remedies for such violations, such as civil penalties and actions, forfeitures, injunctions and restraining orders, and collection of fines.

(b) Duty of Associate Attorney General.—The Associate Attorney General shall be responsible for implementing the policy set forth in this subsection.

(c) Authorization of Appropriations.—(1) There are authorized to be appropriated $3,000,000 for salaries and expenses to the Department of Justice General Legal Activities Account and $3,000,000 for salaries and expenses for United States Attorneys for fiscal year 1989.

(2) Any appropriation of funds authorized under paragraph (1) shall be—

(A) in addition to any appropriations requested by the President in the 1989 fiscal year budget submitted by the President to the Congress on February 18, 1988, or provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989; and

(B) used to increase the number of field attorneys and related support staff over such personnel levels employed at the Department of Justice on September 30, 1988.

(3) Any increase in full-time equivalent positions described under paragraph (2)(B) shall be exclusively used for asset forfeiture and civil enforcement and be assigned to appropriate field offices of the Organized Crime and Racketeering Section and the Organized Crime Drug Enforcement Task Forces.

(d) Reporting Requirement.—The Attorney General, at the end of each such fiscal year, shall file a report with the Congress setting forth the extent of such enforcement efforts, as well as the need for any enhancements in resources necessary to carry out this policy.

SEC. 1055. EXPENSES OF TASK FORCES.

(a) Appropriations and Reimbursements Procedure.—Beginning in fiscal year 1990, the Attorney General in his budget shall submit a separate appropriations request for expenses relating to all Federal agencies participating in the Organized Crime Drug Enforcement Task Forces. Such appropriations shall be made to the Department of Justice's Interagency Law Enforcement Appropriation Account for the Attorney General to make reimbursements to the involved agencies as necessary.

(b) Enhancement of Field Activities.—The appropriations and reimbursements procedure described under subsection (a) shall—

(1) provide for the flexibility of the Task Forces which is vital to success;

(2) permit Federal law enforcement resources to be shifted in response to changing patterns of organized criminal drug activities;

(3) permit the Attorney General to reallocate resources among the organizational components of the Task Forces and between regions without undue delay; and

(4) ensure that the Task Forces function as a unit, without the competition for resources among the participating agencies that would undermine the overall effort.

TITLE II—TREATMENT AND PREVENTION PROGRAMS

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CHAPTER 1—TECHNICAL AND CONFORMING AMENDMENTS TO HEALTH OMNIBUS PROGRAMS EXTENSION OF 1988

Sec. 2601. Certain references.
Sec. 2602. Amendments to title II.
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CHAPTER 2—TECHNICAL AND CONFORMING AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

Sec. 2611. Certain references.
Sec. 2612. Amendments to title III.
Sec. 2613. Amendments to title IV.
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Sec. 2631. Amendment to section 903.

CHAPTER 4—MISCELLANEOUS

Sec. 2641. Miscellaneous.

Subtitle A—Provisions Relating to Public Health Service Act

SEC. 2011. SHORT TITLE.

This subtitle may be cited as the "Comprehensive Alcohol Abuse, Drug Abuse, and Mental Health Amendments Act of 1988".

SEC. 2012. PURPOSES.

The purposes of this subtitle with respect to substance abuse are—

(1) to prevent the transmission of the etiologic agent for acquired immune deficiency syndrome by ensuring that treatment services for intravenous drug abuse are available to intravenous drug abusers;

(2) to continue the Federal Government's partnership with the States in the development, maintenance, and improvement of community-based alcohol and drug abuse programs;

(3) to provide financial and technical assistance to the States and communities in their efforts to develop and maintain a core of prevention services for the purpose of reducing the incidence of substance abuse and the demand for alcohol and drug abuse treatment;

(4) to assist and encourage States in the initiation and expansion of prevention and treatment services to underserved populations;

(5) to increase, to the greatest extent possible, the availability and quality of treatment services so that treatment on request may be provided to all individuals desiring to rid themselves of their substance abuse problem; and

(6) to increase understanding about the extent of alcohol abuse and other forms of drug abuse by expanding data collection activities and supporting research on the comparative cost and efficacy of substance abuse prevention and treatment services.

CHAPTER 1—REVISION AND EXTENSION OF ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICES BLOCK GRANT

SEC. 2021. AUTHORIZATION OF APPROPRIATIONS.

Section 1911 of the Public Health Service Act (42 U.S.C 300x) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1911. (a)(1) For the purpose of carrying out this subpart and section 509D, there are authorized to be appropriated $1,500,000,000 for fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990 and 1991.

"(2) For the purpose of carrying out section 509D and sections 1921 through 1923, the Secretary shall obligate not less than 5 percent, and not more than 15 percent, of the amounts appropriated for a fiscal year pursuant to subsection (a).".

SEC. 2022. FORMULA FOR ALLOTMENTS.

(a) ESTABLISHMENT OF FORMULA.—Subpart I of part B of title XIX of the Public Health Service Act is amended by inserting after section 1912 the following new section:

"ALLOTMENTS

"SEC. 1912A. (a)(1) Subject to subsections (b) and (e), the Secretary shall determine the amount of the allotment under this subpart for a State for a fiscal year in accordance with the following formula:

$$A\left(\frac{X}{U}\right)$$

"(2) For purposes of the formula specified in paragraph (1), the term 'A' means the difference between—

"(A) an amount equal to the amount appropriated pursuant to section 1911 for allotments under this subpart for the fiscal year involved; and

"(B) an amount equal to 1.5 percent of the amount referred to in subparagraph (A).

"(3) For purposes of the formula specified in paragraph (1), the term 'U' means the sum of the respective terms 'X' determined for each State under paragraph (4).

"(4)(A) For purposes of the formula specified in paragraph (1), the term 'X' means the product of—

"(i) an amount equal to the term 'P' as determined under subparagraph (B); and

"(ii) the greater of—

"(I) 0.4; and

"(II) an amount equal to an amount determined in accordance with the following formula:

$$-.35\left(\frac{S}{N}\right)$$

"(B) For purposes of subparagraph (A)(i), the term 'P' means the sum of—

"(i) an amount equal to the product of—

"(I) O.4; and

"(II) an amount equal to the population living in urbanized areas of the State involved, as indicated by the most recent data collected by the Bureau of the Census;

"(ii) an amount equal to the product of—

"(I) 0.2; and

"(II) an amount equal to the number of individuals in the State who are between 18 and 24 years of age, as indicated by the most recent data collected by the Bureau of the Census;

"(iii) an amount equal to the product of—

"(I) 0.2; and

"(II) an amount equal to the number of individuals in the State who are between 25 and 44 years of age, as indicated by the most recent data collected by the Bureau of the Census; and

"(iv) an amount equal to the product of—

"(I) 0.2; and

"(II) an amount equal to the number of individuals in the State who are between 25 and 64 years of age, as indicated by the most recent data collected by the Bureau of the Census.

"(C) For purposes of the formula specified in subparagraph (A)(ii)(II), the term 'S' means the quotient of—

"(i) an amount equal to the most recent 3-year average of the total taxable resources of the State, as determined by the Secretary of the Treasury; divided by

"(ii) an amount equal to the term 'P' as determined under subparagraph (B).

"(D) For purposes of the formula specified in subparagraph (A)(ii)(II), the term 'N' means the quotient of—

"(i) an amount equal to the sum of the respective amounts determined for each State under subparagraph (C)(i); divided by

"(ii) an amount equal to the sum of the respective terms 'P' determined for each State under subparagraph (B).

"(b) Each State shall receive a minimum allotment under this subpart of the lesser of—

"(1) $7,000,000; and

"(2) an amount equal to 105 percent of the sum of—

"(A) the amount the State received under section 1913 for fiscal year 1988 (as such section was in effect for such fiscal year); and

"(B) the amount the State received under part C for fiscal year 1988.".

(b) TERRITORIES AND CERTAIN SET-ASIDE.—Section 1912A of the Public Health Service Act, as added by subsection (b) of this section, is amended by adding at the end the following new subsection:

"(c)(1) The allotment for a territory of the United States under this subpart for a fiscal year shall be the greater of—

"(A) $100,000; and

"(B) an amount determined in accordance with paragraph (2).

"(2) The amount referred to in paragraph (1)(B) is the product of—

"(A) an amount equal to the amounts reserved under paragraph (3); and

"(B) a percentage equal to the quotient of—

"(i) the population of the territory involved, as indicated by the most recently available data; divided by

"(ii) the aggregate population of the territories of the United States, as indicated by such data.

"(3) The Secretary shall reserve for the territories of the United States 1.5 percent of the amounts appropriated pursuant to section 1911 for allotments under under this subpart for the fiscal year involved.

"(d)(1) Of the amount allotted to the State of Hawaii under this section, an amount equal to the proportion of Native Hawaiians residing in the State of Hawaii to the total population of the State of Hawaii shall be available under this section only for Native Hawaiians.

"(2) The amount made available under paragraph (1) may be expended only through contracts entered into by the State of Hawaii with public and private nonprofit organizations to enable such organizations to plan, conduct, and administer comprehensive substance abuse and treatment programs for the benefit of Native Hawaiians. In entering into contracts under this subsection, the State of Hawaii shall give preference to Native Hawaiian organizations and Native Hawaiian health centers.

"(3) For the purposes of this subsection, the terms 'Native Hawaiian', "Native Hawaiian organization', and 'Native Hawaiian health center' have the meaning given such terms in section 2308 of subtitle D of title II of the Anti-Drug Abuse Act of 1988.".

(c) TRANSITION RULES FOR STATES.—Section 1912A of the Public Health Service Act, as added by subsection (a) of this section and amended by subsection (b) of such section, is amended by adding at the end the following new subsections:

"(e)(1) For fiscal years 1989 through 1992, if the amount available for allotment from appropriations under section 1911 does not exceed the amount applicable under subsection (f) for the fiscal year involved, the amount of the allotment under this subpart for the State for such fiscal year shall be the product of—

"(A) the amount appropriated under section 1911 for such fiscal year; and

"(B) a percentage equal to the quotient of—

"(i) an amount equal to the amount of the allotment under this part for the State for fiscal year 1984; divided by

"(ii) an amount equal to the amount appropriated for allotments under this part for fiscal year 1984.

"(2) For the fiscal years referred to in paragraph (1), if the amount available for allotment from appropriations under section 1911 exceeds the amount applicable under subsection (f) for the fiscal year involved—

"(A) the amount of such excess shall be allotted in accordance with subsection (a), except that the amount referred to in subsection (a)(2)(A) shall be deemed to be an amount equal to the amount of such excess for the fiscal year involved; and

"(B) the amount equal to or less than such applicable amount shall be alloted in accordance with paragraph (1).

"(f) For purposes of subsection (e)—

"(1) the applicable amount for fiscal year 1989 is $330,000,000;

"(2) the applicable amount for fiscal year 1990 is $250,000,000;

"(3) the applicable amount for fiscal year 1991 is $200,000,000; and

"(4) the applicable amount for fiscal year 1992 is $100,000,000.

"(g)(1)(A) For purposes of this subpart, the term 'State' means, except as provided in subparagraph (B), each of the several States, the District of Columbia, and each of the territories of the United States.

"(B) For purposes of subsections (a), (b), (e), and (f), the term 'State' means each of the several States and the District of Columbia.

"(2) The term 'territories of the United States means each of the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

"(h) Effective October 1, 1992, this subsection and subsections (e) and (f) are repealed.".

(d) TECHNICAL AND CONFORMING AMENDMENTS.—Section 1913 of the Public Health Service Act is amended—

(1) by striking paragraphs (1) through (3) of subsection (a);

(2) in subsection (a), as amended by paragraph (1) of this subsection, by striking the paragraph designation; and

(3) in the section heading, by inserting before "ALLOTMENTS" the following: "CERTAIN PROVISIONS WITH RESPECT TO".

(e) PAYMENTS.—Section 1914(a)(2) of the Public Health Service Act (42 U.S.C 300x-2(a)) is amended to read as follows:

"(2) Any amounts paid to a State under this section, obligated by the State, and remaining unexpended at the end of the fiscal year for which the amounts were paid shall remain available during the succeeding fiscal year to the State for carrying out this subpart.".

SEC. 2023. SET-ASIDE FOR FISCAL YEAR 1989 FOR TREATMENT FOR SUBSTANCE ABUSE.

Section 1912A of the Public Health Service Act, as added by section 2022, is amended by adding at the end the following new subsection:

"(i)(1) For fiscal year 1989, the Secretary may not make payments to a State from amounts appropriated in the Anti-Drug Abuse Act of 1988 for allotments under this subpart unless the State agrees that—

"(A) such payments will be expended only for the purpose of carrying out programs for substance abuse; and

"(B) in carrying out such programs, the State will expend not less than 50 percent of such payments to carry out the programs of treatment for intravenous drug abuse described in section 1915(c).

"(2) The Secretary may, upon the request of a State, waive all or part of the requirement established in paragraph (1)(B) for the State if the Secretary determines that the incidence of intravenous drug abuse in the State does not require the level of funding required in such paragraph. The Secretary shall act upon a request for such a waiver not later than 120 days after the date on which the request is made. The Secretary may approve such request only after providing interested persons in the State an opportunity to comment upon the request.".

SEC. 2024. CONSTRUCTION OF SUBSTANCE ABUSE FACILITIES.

Section 1915(b) of the Public Health Service Act (42 U.S.C 300x-1a(b)) is amended by amending the matter after and below paragraph (5) to read as follows:

"The Secretary may, with respect to funds available under this subpart for programs relating to substance abuse, grant a waiver to a State to use such amounts for the construction of a new facility or rehabilitation of an existing facility, but not for land acquisition. The Secretary may approve a waiver only if the State demonstrates to the Secretary that adequate treatment cannot be provided through the use of existing facilities and that alternative facilities in existing suitable buildings are not available. In granting such a waiver, the Secretary shall allow the use of a specified amount of funds to construct or rehabilitate a specified number of beds for residential treatment and a specified number of slots for outpatient treatment, based on reasonable estimates by the State of the costs of construction or rehabilitation. In considering waiver applications, the Secretary shall ensure that the State has carefully designed a program that will minimize the costs of additional beds. The Secretary may grant a waiver only if the State agrees, with respect to the costs to be incurred by the State in carrying out the purpose of the waiver, to make available non-Federal contributions in cash toward such costs in an amount equal to not less than $1 for each $1 of Federal funds provided under section 1914. The Secretary shall act upon a request for such a waiver not later than 120 days after the date on which the request is made.".

SEC. 2025. PREVENTION AND TREATMENT WITH RESPECT TO INTRAVENOUS DRUG ABUSE.

Section 1915(c) of the Public Health Service Act (42 U.S.C 300x-3(c)) is amended to read as follows:

"(c)(1) Amounts paid to a State under section 1914 may be used by the State—

"(A) to develop, implement, and operate programs of treatment for intravenous drug abuse, with priority given to programs to treat individuals infected with the etiologic agent for acquired immune deficiency syndrome;

"(B) to train drug abuse counselors, and other health care providers, to provide such treatment; and

"(C) with respect to individuals in need of treatment for drug abuse, to carry out outreach activities for the purpose of encouraging such individuals to undergo such treatment.

"(2) A State may not use amounts under this subpart pursuant to this subsection unless the State involved agrees that such payments will not be expended—

"(A) to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug or distributing bleach for the purpose of cleansing needles for such hypodermic injection; and

"(B) to carry out any testing for the etiologic agent for acquired immune deficiency syndrome unless such testing is accompanied by appropriate pre-test counseling and appropriate post-test counseling.".

SEC. 2026. LIMITATION ON ADMINISTRATIVE EXPENSES.

Section 1915(d) of the Public Health Service Act (42 U.S.C 300x-3(d)) is amended by striking "10 percent" and inserting "5 percent".

SEC. 2027. NEW MENTAL HEALTH SERVICES AND PROGRAMS.

Section 1916(c)(2) of the Public Health Service Act (42 U.S.C 300x-4(c)(2)) is amended to read as follows:

"(2)(A) Of the amounts allotted to a State for mental health activities under this part for fiscal year 1991, the State agrees to use not less than 55 percent to develop and provide community mental health services and programs not available on October 1, 1988, and shall, with respect to each such service provided pursuant to this paragraph, provide funds for each service only for a limited period of time (as determined by the State), except that funds expended under this part for new services developed between October 1, 1984, and October 1, 1988, may be treated as a new service under this paragraph.

"(B) A State may request a waiver from the Secretary reducing the new service requirement established in subparagraph (A) to not less than 35 percent by 1991, increased to 55 percent by 1994, according to a schedule approved by the Secretary, if—

"(i)(I) a public hearing is held in the State on the advisability of proceeding with a waiver prior to the submission of a waiver; and

"(II) the mental health planning council in the State approves such waiver request; and

"(ii)(I) the State is judged by the Secretary to be in a financial crisis, based on objective standards established in regulations promulgated by the Secretary (such standards may include a large drop a State revenues as a result of changes in economic conditions);

"(II) more than 15 percent of the State's total community mental health budget is derived from Federal grants under this part and the Secretary determines that it is not feasible for the State to meet the 55 percent standard without substantial and damaging reductions in existing, high priority services; or

"(III) the Secretary determines that a State has demonstrated substantial ongoing development of new, innovative services for priority populations and that any shift in funding percentages will only disrupt this process and will substantially disrupt services in place.".

SEC. 2028. INDEPENDENT PEER REVIEW AND MANNER OF COMPLIANCE.

Section 1916 of the Public Health Service Act (42 U.S.C 300x-4) is amended:

(1) in paragraph (5), by amending such paragraph to read as follows:

"(5) the State will provide for periodic independent peer review to assess the quality and appropriateness of treatment services provided by entities that receive funds from the State pursuant to this subpart."; and

(2) by striking the matter after and below paragraph (15).

SEC. 2029. INTRASTATE ALLOCATIONS.

Section 1916(c)(6) of the Public Health Service Act (42 U.S.C 300x-4(c)(6)) is amended—

(1) in subparagraph (A)(ii)—

(A) by striking "Act and" after "Health Systems" and inserting "Act,"; and

(B) by inserting before the period the following: ", in fiscal year 1988 under part C of this title (as in effect on September 30, 1988) and in fiscal year 1989 under appropriations made in the Anti-Drug Abuse Act to carry out this part."; and

(2) in subparagraph (B), by striking "75 percent" and inserting "90 percent".

SEC. 2030. SET-ASIDE FOR SERVICES FOR INTRAVENOUS DRUG ABUSE.

Section 1916(c)(7)(B) of the Public Health Service Act (42 U.S.C 300x-4(c)(7)(B)) is amended by inserting after and below subparagraph (B) the following:

"For fiscal year 1990 and subsequent fiscal years, the State agrees that, of the amounts reserved by the State to carry out subparagraph (B), the State will use not less than 50 percent to provide services described in section 1915(c).".

SEC. 2031. MAINTENANCE OF EFFORT.

Section 1916(c)(11) of the Public Health Service Act (42 U.S.C 300x-4(c)(11)) is amended to read as follows:

"(11)(A) The State agrees that the State will maintain State expenditures for services provided pursuant to this subpart at a level equal to not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying to receive payments under section 1914.

"(B) The Secretary may, upon the request of a State, waive the requirement established in subparagraph (A) if the Secretary determines that extraordinary economic conditions in the State justify the waiver.".

SEC. 2032. SET-ASIDE FOR WOMEN AND CHILDREN.

Section 1916(c)(14) of the Public Health Service Act (42 U.S.C 300x-4(c)(14)) is amended to read as follows:

"(14) Of the amount allotted to a State under this part in any fiscal year, the State agrees to use not less than 10 percent for programs and services designed for women (especially pregnant women and women with dependent children) and demonstration projects for the provision of residential treatment services to pregnant women.".

SEC. 2033. SET-ASIDE FOR MENTAL HEALTH SERVICES FOR CHILDREN.

Section 1916(c)(15) of the Public Health Service Act (42 U.S.C 300x-4(c)(15)) is amended to read as follows:

"(15) Of the amounts allotted in any fiscal year for mental health services under this subpart, the State agrees—

"(A) to use not less than 10 percent to provide services and programs for seriously emotionally disturbed children and adolescents; and

"(B) to use, by the end of fiscal year 1990, not less than 50 percent of the amount reserved by the State pursuant to subparagraph (A) to provide new or expanded services and programs that were not available prior to October 1, 1988".

SEC. 2034. CERTAIN REQUIRED AGREEMENTS.

Section 1916(c) of the Public Health Service Act (42 U.S.C 300x-4(c)) is amended by adding after paragraph (15) the following new paragraphs:

"(16) The State agrees that the State will, with respect to programs of treatment for intravenous drug abuse, require that any such program receiving funds pursuant to this part, upon reaching 90 percent of its capacity to admit individuals to the program, provide to the State a notification of such fact.

"(17) The State agrees that the State will, with respect to notifications under paragraph (16), ensure that, to the maximum extent practicable, each individual who requests and is in need of treatment for intravenous drug abuse is admitted to a program described in such paragraph within 7 days after making the request.

"(18) The State agrees that the State will require any program receiving funds pursuant to this part to carry out outreach activities described in 1915(c)(1)(C).

"(19) The State agrees that, in carrying out this subpart with respect to substance abuse, payments under section 1914 will be targeted to communities with the highest prevalence of substance abuse or the greatest need for treatment services with respect to such abuse, as determined by the State after consideration of—

"(A) the demand for such services or a need for such services that exceeds the capacity to provide such services;

"(B) a high prevalence of drug-related criminal activities; and

"(C) a high incidence of communicable diseases transmitted through intravenous drug abuse.

"(20) The State agrees that the State will provide to the Secretary any data required by the Secretary pursuant to section 509D and will cooperate with the Secretary in the development of uniform criteria for the collection of data pursuant to such section.

"(21) The State agrees to devise and make available at such times as the Secretary may request, a plan that describes how the State can provide services to all individuals seeking treatment services if sufficient resources are available and an estimate of the financial and personnel resources necessary to provide such treatment.".

SEC. 2035. REQUIREMENT OF ESTABLISHMENT OF MENTAL HEALTH SERVICES PLANNING COUNCIL.

(a) IN GENERAL.—Section 1916(f) of the Public Health Service Act (42 U.S.C 300x-4(f)) is amended to read as follows:

"(f)(1) The State agrees to establish and maintain a State mental health planning council in accordance with this subsection.

"(2) The duties of the Council will be—

"(A) to serve as an advocate for chronically mentally ill individuals, severely emotionally disturbed children and youth, and other individuals with mental illnesses or emotional problems; and

"(B) to monitor, review, and evaluate, not less than once each year, the allocation and adequacy of mental health services within the State.

"(3) The Council will be composed of residents of the State, including representatives of—

"(i) the principal State agencies with respect to—

"(I) mental health, education, vocational rehabilitation, criminal justice, housing, and social services; and

"(II) the development of the plan submitted pursuant to title XIX of the Social Security Act;

"(ii) public and private entities concerned with the need, planning, operation, funding, and use of mental health services and related support services;

"(iii) chronically mentally ill individuals who are receiving (or have received) mental health services; and

"(iv) the families of such individuals.

"(4) Not less than 50 percent of the members of the Council will be individuals who are not State employees or providers of mental health services.

"(5) The Council may assist the State in the preparation of the description of intended expenditures required in section 1925.".

(b) CONFORMING AMENDMENT.—Section 1916 of the Public Health Service Act (42 U.S.C 300x-4) is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) through (h) as subsections (e) through (g), respectively.

SEC. 2036. GROUP HOMES FOR RECOVERING SUBSTANCE ABUSERS.

Subpart I of part B of title XIX of the Public Health Service Act (42 U.S.C 300x) is amended by inserting after section 1916 the following new section:

"GROUP HOMES FOR RECOVERING SUBSTANCE ABUSERS

"SEC. 1916A. (a) For fiscal year 1989, the Secretary may not make payments under section 1914 unless the State involved agrees—

"(1) to establish, directly or through the provision of a grant or contract to a nonprofit private entity, a revolving fund to make loans for the costs of establishing programs for the provision of housing in which individuals recovering from alcohol or drug abuse may reside in groups of not less than 4 individuals;

"(2) to ensure that the programs are carried out in accordance with guidelines issued under subsection (c);

"(3) to ensure that not less than $100,000 will be available for the revolving fund;

"(4) to ensure that each loan made from the revolving fund does not exceed $4000 and that each such loan is repaid to the revolving fund not later than 2 years after the date on which the loan is made;

"(5) to ensure that each such loan is repaid through monthly installments and that a reasonable penalty is assessed for each failure to pay such periodic installments by the date specified in the loan agreement involved; and

"(6) to ensure that such loans are made only to nonprofit private entities agreeing that, in the operation of the program established pursuant to the loan—

"(A) the use of alcohol or any illegal drug in the housing provided by the program will be prohibited;

"(B) any resident of the housing who violates such prohibition will be expelled from the housing;

"(C) the costs of the housing, including fees for rent and utilities, will be paid by the residents of the housing; and

"(D) the residents of the housing will, through a majority vote of the residents, otherwise establish policies governing residence in the housing, including the manner in which applications for residence in the housing are approved.

"(b) For fiscal year 1990 and subsequent fiscal years, the Secretary may not make payments under section 1914 unless the State involved provides assurances satisfactory to the Secretary that the State has provided for the establishment and ongoing operation of a revolving fund in accordance with subsection (a).

"(c) Not later than 90 days after the date of the enactment of the Comprehensive Alcohol Abuse, Drug Abuse, and Mental Health Amendments Act of 1988, the Secretary, acting through the Administrator, shall issue guidelines for the operation of programs described in subsection (a).".

SEC. 2037. REPORT AND AUDITS.

(a) REPORTING BY STATES.—

(1) Section 1917(a) of the Public Health Service Act (42 U.S.C 300x-5(a)) is amended—

(A) by striking "(1)" after "(a);

(B) by striking paragraph (2); and

(C) by striking "(14) and (15)" and inserting "(2), (14), and (15)".

(2) Section 1916(g) of the Public Health Service Act (42 U.S.C 300x-4(g)) is amended by striking "(14) and (15)" and inserting "(2), (14), and (15)".

(b) REPORT BY SECRETARY.—Section 1917(b)(6) of the Public Health Service Act (42 U.S.C 300x-5(b)(6)) is amended by striking "1986" and insert "1990".

SEC. 2038. TECHNICAL ASSISTANCE.

Title XIX of the Public Health Service Act (42 U.S.C 300x et seq.) is amended—

(1) by striking part C;

(2) by redesignating sections 1920A as section 1921;

(3) by redesignating sections 1920B through 1920E as sections 1924 through 1927, respectively;

(4) in section 1924 (as so redesignated), by striking "section 1920C" each place it appears and inserting "section 1925";

(5) in section 1926 (as so redesignated), by striking "section 1920C" each place it appears and inserting "section 1925"; and

(6) by amending section 1921 (as so redesignated) to read as follows:

"TECHNICAL ASSISTANCE

SEC. 1921. The Secretary shall, without charge to a State receiving payments under this subpart, provide to the State (or to any public or nonprofit private entity designated by the State) technical assistance with respect to the planning, development, and operation of any program or service carried out pursuant to this subpart. The Secretary may provide such technical assistance directly, through contract, or through grants.".

SEC. 2039. SERVICE RESEARCH ON COMMUNITY-BASED ALCOHOL AND DRUG ABUSE TREATMENT PROGRAMS.

(a) IN GENERAL.—Part B of title XIX of the Public Health Service Act (42 U.S.C. 300x et seq.), as amended by section 2038 of this Act, is further amended by adding after section 1921 the following new section:

"SERVICE RESEARCH ON COMMUNITY-BASED ALCOHOL AND DRUG ABUSE TREATMENT PROGRAMS

"SEC. 1922. The Secretary, acting through the Director of the National Institute on Alcohol Abuse and Alcoholism and the Director of the National Institute on Drug Abuse, shall evaluate alcohol and drug abuse treatment programs to determine the quality and appropriateness of various forms of treatment, including the effect of living in housing provided by programs established pursuant to section 1916A. Such programs shall be carried out through grants, contracts, or cooperative agreements provided to public and nonprofit private entities. In carrying out this section, the Secretary shall assess the quality, appropriateness, and costs of various treatment forms for specific patient groups.".

(b) REQUIREMENT OF PLAN.—Not later than 6 months after the date of the enactment of the Comprehensive Alcohol Abuse, Drug Abuse, and Mental Health Amendments Act of 1988, the Secretary of Health and Human Services shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a plan for the program to be established under section 1922 of the Public Health Service Act, as added by subsection (a) of this section.

SEC. 2040. SERVICE RESEARCH OF COMMUNITY-BASED MENTAL HEALTH TREATMENT PROGRAMS.

Part B of title XIX of the Public Health Service Act (42 U.S.C. 300x et seq.), as amended by section 2038 of this Act, is further amended by adding after section 1921 the following new section:

"SERVICE RESEARCH ON COMMUNITY-BASED MENTAL HEALTH TREATMENT PROGRAMS

"SEC. 1923. (a)(1) The Secretary, acting through the Director of the National Institute of Mental Health, shall develop and maintain an ongoing program of research on community mental health programs and services. Such program shall include an evaluation of—

"(A) the most effective methods of providing community-based prevention, treatment, and rehabilitation services for the mentally ill; and

"(B) the quality, appropriateness, and costs of different methods of treatment utilized in such programs with respect to diagnoses of mental illness for which such programs provided treatment.

"(2) Research and evaluations required in paragraph (1) may be carried out through grants, contracts, or cooperative agreements.

"(b) The Director of the National Institute of Mental Health may, to the extent practicable, establish research centers to carry out the evaluations required in subsection (a)(1). Such research centers shall establish and maintain liaisons with community mental health systems that provide services to the mentally ill.

"(c)(1) The Administrator shall develop and make available, from time to time, a model plan for a community-based system of care for chronically mentally ill individuals. Such plan shall be developed in consultation with State mental health directors, providers of mental health services, chronically mentally ill individuals, advocates for such individuals, and other interested parties.

"(2) The Administrator, in cooperation with members of the insurance industry, other members of the business community, and the Director of the Office of Personnel Management, shall develop a model insurance plan for consideration for adoption by such Director and the Congress. In developing such a plan, the Secretary shall consider the costs and benefits of alternative designs.".

SEC. 2041. STATE COMPREHENSIVE MENTAL HEALTH SERVICE PLAN.

(a) ADMINISTRATIVE EXPENSES.—Section 1925(d) of the Public Health Service Act, as redesignated by section 2038, is amended to read as follows:

"(d) The amount referred to in subsections (a), (b), and (c) with respect to a State is the total amount that the State is permitted to expend for administrative expenses under section 1915(d) for fiscal year 1986 from amounts paid to the State under subpart 1 for such fiscal year. If in the judgment of the Secretary the State is making a good faith effort to comply with this subpart, the Secretary may assess the State a penalty that is less than the maximum penalty, but in no event shall the penalty be less than 2 percent of the amount the State is permitted to expend for administrative expenses.".

(b) REPORT.—Not later than September 30, 1990, the Comptroller General of the General Accounting Office shall prepare and submit to the Committee on Energy and

Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report that—

(1) evaluates the status of the implementation of section 1920C of the Public Health Service Act (42 U.S.C. 300x-11) requiring State Mental Health Services Plans; and

(2) includes an assessment of—

(A) the number of States that have submitted such plans;

(B) the number of States that have implemented the plans submitted by such States;

(C) the efficacy of the plans that have been implemented in achieving effective, organized community-based systems of care for seriously mentally ill individuals; and

(D) recommendations on additional legislation that is necessary to facilitate the achievement of the goals of this title.

CHAPTER II—REVISION AND EXTENSION OF CERTAIN PROGRAMS OF ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

SEC. 2051. OFFICE FOR SUBSTANCE ABUSE PREVENTION.

(a) Funding.—Section 508(d) of the Public Health Service Act (42 U.S.C. 290aa-6(d)) is amended to read as follows:

"(d)(1) For the purpose of carrying out this section and sections 509, 509A, and 509F there are authorized to be appropriated $95,000,000 for fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990 and 1991.

"(2) Of the amounts appropriated pursuant to paragraph (1) for a fiscal year, the Secretary shall make available not less than $5,000,000 to carry out paragraphs (5) and (11) of subsection (b).".

(b) Revision of Certain Authorities.—Section 508(b) of the Public Health Service Act (42 U.S.C. 290aa-6(b)) is amended—

(1) by amending paragraph (5) to read as follows:

"(5) support clinical training programs for substance abuse counselors and other health professionals involved in drug abuse education, prevention, and intervention;"; and

(2)(A) by striking "and" at the end of paragraph (8);

(B) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new paragraph:

"(10)(A) provide assistance to communities to develop comprehensive long-term strategies for the prevention of substance abuse; and

"(B) evaluate the success of different community approaches towards the prevention of substance abuse; and".

(c) Training of Personnel to Treat Substance Abuse.—Section 508(b) of the Public Health Service Act (42 U.S.C. 290aa-6(b)), as amended by subsection (b) of this section, is further amended by adding at the end the following new paragraph:

"(11) through schools of health professions, schools of allied health professions, schools of nursing, and schools of social work, carry out programs—

"(A) to train individuals in the diagnosis and treatment of alcohol and drug abuse; and

"(B) to develop appropriate curricula and materials for the training described in paragraph (1).".

(d) High Risk Youth.—Section 509(A) of the Public Health Service Act (42 U.S.C. 290aa-8(b)) is amended—

(1) in subsection (b), by adding at the end the following new paragraph:

"(5) In making grants under this section, the Secretary shall give priority to applications that employ research designs adequate for evaluating the effectiveness of the program."; and

(2) in subsection (f)—

(A) in paragraph (8), by striking "or";

(B) by amending paragraph (9) to read as follows:

"(9) has experienced long-term physical pain due to injury; or"; and

(C) by adding at the end the following new paragraph:

"(10) has experienced chronic failure in school.".

SEC. 2052. REQUIREMENT OF ANNUAL COLLECTION BY SECRETARY OF CERTAIN DATA WITH RESPECT TO MENTAL ILLNESS AND SUBSTANCE ABUSE.

(a) In General.—Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by adding at the end the following new section:

"DATA COLLECTION

"Sec. 509D. (a) The Secretary, acting through the Administrator, shall collect data each year on—

"(1) the national incidence and prevalence of the various forms of mental illness and substance abuse; and

"(2) the incidence and prevalence of such various forms in major metropolitan areas selected by the Administrator.

"(b) With respect to the activities of the Administrator under subsection (a) relating to mental health, the Administrator shall ensure that such activities include, at a minimum, the collection of data on—

"(1) the number and variety of public and nonprofit private treatment programs;

"(2) the number and demographic characteristics of individuals receiving treatment through such programs;

"(3) the type of care received by such individuals; and

"(4) such other data as may be appropriate.

"(c)(1) With respect to the activities of the Administrator under subsection (a) relating to substance abuse, the Administrator shall ensure that such activities include, at a minimum, the collection of data on—

"(A) the number of individuals admitted to the emergency rooms of hospitals as a result of the abuse of alcohol and other drugs;

"(B) the number of deaths occurring as a result of substance abuse, as indicated in reports by coroners;

"(C) the number and variety of public and private nonprofit treatment programs, including the number and type of patient slots available;

"(D) the number of individuals seeking treatment through such programs, the number and demographic characteristics of individuals receiving such treatment, the percentage of individuals who complete such programs, and, with respect to individuals receiving such treatment, the length of time between an individual's request for treatment and the commencement of treatment;

"(E) the number of such individuals who return for treatment after the completion of a prior treatment in such programs and the method of treatment utilized during the prior treatment;

"(F) the number of individuals receiving public assistance for such treatment programs;

"(G) the costs of the different types of treatment modalities for drug and alcohol abuse and the aggregate relative costs of each such treatment modality provided within a State in each fiscal year;

"(H) to the extent of available information, the number of individuals receiving treatment for alcohol or drug abuse who have private insurance coverage for the costs of such treatment;

"(I) the extent of alcohol and drug abuse among high school students and among the general population; and

"(J) the number of alcohol and drug abuse counselors and other substance abuse treatment personnel employed in public and private treatment facilities.

"(2) Annual surveys shall be carried out in the collection of data under this section. Summaries and analyses of the data collected shall be made available to the public.

"(d) After consultation with the States and with appropriate national organizations, the Administrator shall develop uniform criteria for the collection of data, using the best available technology, pursuant to this section.".

(b) Conforming Amendment.—Section 1917 of the Public Health Service Act (42 U.S.C. 300x-5) is amended by striking subsection (d).

SEC. 2053. REDUCTION OF WAITING PERIOD FOR DRUG ABUSE TREATMENT.

Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.), as amended by section 2052 of this part, is further amended by adding at the end the following new section:

"REDUCTION OF WAITING PERIOD FOR DRUG ABUSE TREATMENT

"Sec. 509E. (a) The Secretary, acting through the Administrator, may make grants to public and nonprofit private entities for the purpose of reducing the waiting list of public and nonprofit private programs providing treatment services for drug abuse.

"(b) The Secretary may not make a grant under subsection (a) unless the applicant for the grant—

"(1) is experienced in the delivery of treatment services for drug abuse;

"(2) is, on the date the application is submitted, successfully carrying out a program for the delivery of such services approved by the State;

"(3) as a result of the number of requests for admission into the program, is unable to admit any individual into the program any earlier than one month after the date on which the individual makes a request for such admission; and

"(4) provides assurances satisfactory to the Secretary that, after funding is no longer available under this section, the applicant will have access to financial resources sufficient to continue the program.

"(c) The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees that the payments will not be expended—

"(1) to provide inpatient hospital services;

"(2) to make cash payments to intended recipients of services under the program involved;

"(3) to purchase or improve real property (other than minor remodeling of existing improvements to real property) or to purchase major medical equipment;

"(4) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

"(5) to provide financial assistance to any entity other than a public or nonprofit private entity.

"(d) The Secretary may not make more than one grant under subsection (a) for any program of treatment services for drug abuse.

"(e) The Secretary may not make a grant under subsection (a) unless—

"(1) an application for the grant is submitted to the Secretary;

"(2) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Secretary; and

"(3) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(f)(1) For the purpose of carrying out this section, there is authorized to be appropriated $100,000,000.

"(2) Amounts made available pursuant to paragraph (1) shall remain available until expended.

"(3) No grant may be made under this section after the aggregate amounts obligated by the Secretary pursuant to this section are equal to $100,000,000.".

SEC. 2054. MODEL PROJECTS FOR PREGNANT WOMEN.

Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.), as amended by section 2053 of this part, is further amended by adding at the end the following new section:

"MODEL PROJECTS FOR PREGNANT AND POST PARTUM WOMEN AND THEIR INFANTS

"SEC. 509F. (a) The Secretary, acting through the Director of the Office, shall make grants to establish projects for prevention, education, and treatment regarding drug and alcohol abuse relating to pregnant and post partum women and their infants.

"(b) In making grants under subsection (a), the Director of the Office shall give priority to projects—

"(1) for low-income women and their infants; and

"(2) designed to develop innovative approaches to prevention, education, and treatment regarding the use of the drugs with respect to which there exists insufficient information (including cocaine and the cocaine derivative known as crack).

"(c) In making grants under subsection (a) for projects that provide treatment, the Director of the Office shall ensure that grants are reasonably distributed among projects that provide inpatient, outpatient, and residential treatment.

"(d) The Director of the Office may not make a grant under subsection (a) unless—

"(1) an application for the grant is submitted to the Secretary;

"(2) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Secretary; and

"(3) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director of the Office determines to be necessary to carry out this section.

"(e) The Director of the Office shall evaluate projects conducted with grants under this section.".

SEC. 2055. DRUG ABUSE DEMONSTRATION PROJECTS OF NATIONAL SIGNIFICANCE.

Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.), as amended by section 2054 of this part, is further amended by adding at the end the following new section:

"DRUG ABUSE DEMONSTRATION PROJECTS OF NATIONAL SIGNIFICANCE

"SEC. 509G. (a)(1) The Secretary, acting through the Administrator, may make grants to public and private entities for demonstration projects—

"(A) to determine the feasibility and long-term efficacy of programs providing drug abuse treatment and vocational training in exchange for public service;

"(B) to conduct outreach activities to intravenous drug abusers with respect to the prevention of exposure to, and the transmission of, the etiologic agent for acquired immune deficiency syndrome and to encourage intravenous drug abusers to seek treatment for such abuse; and

"(C) to provide drug abuse treatment services to pregnant women, post partum women, and their infants.

"(2) The Secretary shall, directly or through contracts with public and private entities, provide for evaluations of projects carried out pursuant to subsection (a) and for the dissemination of information developed as result of such models.

"(b)(1) The Secretary shall establish demonstration projects that provide grants to States for the purpose of enabling such States to provide effective treatment, and referrals for treatment, to individuals who abuse drugs.

"(2) The Secretary shall award grants under subsection (a) to projects that operate in areas—

"(A) in which a demand for drug treatment services exists, or a need for such services exists which exceeds the capacity of organizations operating in that area to provide such services;

"(B) that have a high prevalence of drug abuse;

"(C) that have a high incidence of drug related criminal activities; and

"(D) that meet any other requirements that the Secretary determines are appropriate.

"(3) In awarding grants under subsection (a), the Secretary shall—

"(A) select projects that focus on at least one of the following areas of treatment:

"(i) treatment of adolescents;

"(ii) treatment of minorities;

"(iii) treatment of pregnant women;

"(iv) treatment of female addicts and their children;

"(v) treatment of the residents of public housing projects; and

"(B) select at least one project that includes a centralized local referral unit that shall provide—

"(i) an initial analysis of the nature of the individual's problem and refer such individual to appropriate existing drug treatment programs; and

"(ii) assistance to school teachers and other individuals who come into contact with drug abusers when attempting to refer such abusers to appropriate drug treatment programs.

"(4) A State that desires to participate in a project established under subsection (a) shall submit a written application to the Secretary in such form and containing such information as the Secretary may by regulation request.

"(5) In awarding grants under subsection (a), the Secretary shall give preference to projects that demonstrate a comprehensive approach to the problems associated with drug abuse and provide evidence of broad community involvement and support, including the support of private businesses, law enforcement authorities, health care providers, local school systems, and local governments in the proposed demonstration project.

"(6) Projects funded under this section shall be for a period of at least three years but in no event to exceed five years.

"(7) The Secretary shall require, as a condition of awarding grants under this section, a systematic evaluation of the projects funded under this section on a long term basis to record the impact of such projects on treated individuals, and on the community as a whole. The methodology used in the evaluation shall be published in the Federal Register for comment before becoming effective.

"(c)(1) There are authorized to be appropriated to carry out this section $34,000,000 for fiscal year 1989, and such sums as may be necessary for each of the fiscal years 1990 through 1991.

"(2) Of the amounts appropriated pursuant to paragraph (1) for a fiscal year, $10,000,000 shall be made available for carrying out subsection (a).

SEC. 2056. CERTAIN AUTHORIZATIONS OF APPROPRIATIONS.

(a) RESEARCH WITH RESPECT TO ALCOHOL ABUSE AND ALCOHOLISM.—Section 513(a) of the Public Health Service Act (42 U.S.C. 290bb-2(a)) is amended by inserting before the period the following: ", and such sums as may be necessary for each of the fiscal years 1989 through 1991".

(b) RESEARCH WITH RESPECT TO DRUG ABUSE.—Section 517 of the Public Health Service Act (42 U.S.C. 290cc-2) is amended—

(1) striking "this subpart" and inserting "section 515"; and

(2) by inserting before the period the following: ", $135,000,000 for fiscal year 1989, and such sums as may be necessary for each of the fiscal years 1990 and 1991".

SEC. 2057. ESTABLISHMENT OF GRANT PROGRAMS FOR RESEARCH WITH RESPECT TO MENTAL HEALTH SERVICES.

Title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended—

(1) by amending section 504(f) to read as follows:

"(f)(1) The Secretary, acting through the Director, shall—

"(A) develop and publish information with respect to the causes of suicide and the means of preventing suicide; and

"(B) make such information generally available to the public and to health professionals.

"(2) Information described in paragraph (1) shall especially relate to suicide among individuals under 24 years of age.";

(2) by striking subsections (g) through (i) of section 504; and

(3) by adding at the end of part B the following new subpart:

"Subpart 3—Mental Health Research

"ESTABLISHMENT OF PROGRAM FOR MENTAL HEALTH RESEARCH

"SEC. 519. The Secretary, acting through the Administrator, may make grants to, and enter into cooperative agreements and contracts with, public and nonprofit private entities for the conduct of, promotions of, coordination of, research, investigation, experiments, demonstrations, and studies relative to the cause, diagnosis, treatment, control, and prevention of mental illness.

"NATIONAL MENTAL HEALTH EDUCATION PROGRAM

"SEC. 520. The Secretary, acting through the Administrator, shall establish a National Mental Health Education Program for the purpose of—

"(1) developing improved methods of treating individuals with mental health problems and improved methods of assisting the families of such individuals;

"(2) supporting programs of biomedical and behavioral research, training, and education with respect to the causes, diagnosis, and treatment of mental health problems;

"(3) collecting and making available, through publication and other appropriate methods, information on, and the practical application of, such research and other activities;

"(4) providing technical assistance to public and private entities that are providers of mental health services;

"(5) disseminating to such providers and to the public information with respect to mental health, including information on programs that provide financial assistance in obtaining mental health services; and

"(6) establishing a clearinghouse in order to collect information developed in mental health research and treatment programs and to make such information available to providers of mental health services, to individuals with mental health problems, and to the general public.

"ESTABLISHMENT OF GRANT PROGRAM FOR DEMONSTRATION PROJECTS

"SEC. 520A. (a) CHRONICALLY MENTALLY ILL INDIVIDUALS AND SERIOUSLY MENTALLY DISTURBED CHILDREN.—The Secretary, acting through the Director, may make grants to States, political subdivisions of States, and nonprofit private agencies—

"(1) for mental health services demonstration projects for the planning, coordination, and improvement of community services (including outreach and self-help services) for chronically mentally ill individuals, seriously emotionally disturbed children and youth, elderly individuals, and homeless chronically mentally ill individuals, and for the conduct of research concerning such services;

"(2) demonstration projects for the prevention of youth suicide;

"(3) demonstration projects for the improvement of the recognition, assessment, treatment, and clinical management of depressive disorders; and

"(5) demonstration projects for treatment and prevention relating to sex offenses.

"(b) INDIVIDUALS AT RISK OF MENTAL ILLNESS.—

"(1) The Secretary, acting through the Director, may make grants to States, political subdivisions of States, and private nonprofit agencies for prevention services demonstration projects for the provision of prevention services for individuals who, in the determination of the Secretary, are at risk of developing mental illness.

"(2) Demonstration projects under paragraph (1) may include—

"(A) prevention services for populations at risk of developing mental illness, particularly displaced workers, young children, and adolescents;

"(B) the development and dissemination of education materials;

"(C) the sponsoring of local, regional, or national workshops or conferences;

"(D) the conducting of training programs with respect to the provision of mental health services to individuals described in paragraph (1); and

"(E) the provision of technical assistance to providers of such services.

"(c) LIMITATION ON DURATION OF GRANT.—The Secretary may make a grant under subsection (a) or (b) for not more than three consecutive one-year periods.

"(d) LIMITATION ON ADMINISTRATIVE EXPENSES.—The Secretary may not make a grant under subsection (a) or (b) to an applicant unless the applicant agrees that not more than 10 percent of such a grant will be expended for administrative expenses.

"(e) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) For the purposes of carrying out this section, there are authorized to be appropriated $60,000,000 for each of the fiscal years 1989 and 1990.

"(2) Of the amounts appropriated pursuant to paragraph (1), the Secretary shall make available 15 percent for demonstration projects to carry out the purpose of this section in rural areas.".

SEC. 2058. MISCELLANEOUS AMENDMENTS.

(a) TITLE V OF PUBLIC HEALTH SERVICE ACT.—

(1) The title of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended so as to read: "TITLE V—ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH PROGRAMS".

(2) Section 501 of the Public Health Service Act (42 U.S.C. 290aa) is amended—

(A) by adding at the end of subsection (b) the following new paragraph:

"(4) The Office of Substance Abuse Prevention.";

(B) in the first sentence of subsection (e)(2)—

(i) by striking "The" and inserting the following: "Not less than once each three years, the"; and

(ii) by striking "annually";

(C) by striking "fraud" each place it appears in subsection (f) and inserting "misconduct";

(D) by striking subsection (k); and

(E) by adding at the end the following new subsections:

"(k) The Administrator may accept voluntary and uncompensated services.

"(l) The Administrator may conduct and support research training—

"(1) for which fellowship support is not provided under section 487; and

"(2) that is not residency training of physicians or other health professionals.

"(m)(1) The Secretary, acting through the Administrator, may make grants to public and nonprofit private entities for the acquisition of small instrumentation necessary for carrying out the purpose of this title with respect to research.

"(2) The Secretary may not make a grant under paragraph (1) unless the small instrumentation acquired pursuant to the grant will be available for use in more than one grant under this title with respect to research.

"(3) Grants under paragraph (1) shall be subject to technical and scientific peer review under section 507.

"(4) A grant under paragraph (1) for a fiscal year may not exceed $100,000.

"(5) For the purpose of carrying out this subsection, there is authorized to be appropriated $5,000,000 for each of the fiscal years 1989 through 1991.".

(3) Section 515(a) of the Public Health Service Act (42 U.S.C. 290cc) is amended in the matter after and below paragraph (6) by inserting before the period the following: "(particularly with respect to pregnant women and their children)".

(4) Section 516 of the Public Health Service Act (42 U.S.C. 290cc-1) is amended—

(A) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(B) by inserting after subsection (a) the following new subsection:

"(b) In making grants under subsection (a), the Secretary shall give special consideration to projects for determining the effects of drug abuse among pregnant women and the resulting effects on the infants of such women, including the relationship between drug abuse during pregnancy and the birth-weight of infants.".

(b) SECTION 303.—Section 303(d)(1) of the Public Health Service Act (42 U.S.C. 242a(d)(1)) is amended by inserting "marital and family therapy," after "nursing,".

(c) ANTI-DRUG ABUSE ACT OF 1986.—Section 6005(b) of the Anti-Drug Abuse Act of 1986 (Public Law 99-570) is amended by striking "one year" and all that follows through "Act" and inserting "18 months after the execution of the contract referred to in subsection (a),".

CHAPTER 3—REPORTS AND STUDIES

SEC. 2071. RELATIONSHIP BETWEEN MENTAL ILLNESS AND SUBSTANCE ABUSE.

(a) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study for the purpose of—

(1) determining the relationship between mental illness and substance abuse; and

(2) developing recommendations on the most effective methods of treatment for individuals with both mental illness and substance abuse problems.

(b) REPORT.—Not later than 12 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall complete the study required in subsection (a) and submit to the Congress the findings made as a result of the study.

SEC. 2072. USE OF INVOLUNTARY COMMITMENT.

(a) IN GENERAL.—The Secretary of Health and Human Services shall enter into a contract with an independent body of demonstrated expertise in the field of health and mental health to conduct a study of the current use of involuntary commitment for inpatient or outpatient treatment of mental illness and make recommendations for changes, if any, that may be warranted in current rules and practices.

(b) REPORT.—Not later than 18 months after the date on which a contract is entered into pursuant to subsection (a), the Secretary of Health and Human Services shall complete the study required in subsection (a) and submit to the Congress the findings made as a result of the study.

(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out subsection (a), there are authorized to be appropriated $1,000,000 for fiscal year 1989.

SEC. 2073. REPORT WITH RESPECT TO ADMINISTRATION OF CERTAIN RESEARCH PROGRAMS.

(a) STUDY.—The Secretary of Health and Human Services shall request the National Academy of Sciences to conduct a review of the research activities of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration. Such review shall include—

(1) an evaluation of the appropriateness of administering health service programs in conjunction with the administration of biomedical and behavioral research; and

(2) a determination of any areas of duplication in the research programs of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration.

(b) REPORT.—Not later than 12 months after the date on which any contract requested in subsection (a) is entered into, the

Secretary of Health and Human Services shall, to the extent practicable, provide for the completion of the review requested in such subsection and submit to the Congress a report describing the findings made as a result of the review.

(c) CONTRACT AUTHORITY.—The Secretary of Health and Human Services may enter into a contract with the National Academy of Sciences to carry out the review requested in subsection (a).

CHAPTER 4—MISCELLANEOUS

SEC. 2074. ACTION BY NATIONAL INSTITUTE ON DRUG ABUSE AND STATES CONCERNING MILITARY FACILITIES.

(a) IN GENERAL.—Title V of the Public Health Service Act (42 U.S.C 290aa et seq.) is amended by adding at the end the following new part:

"PART E—ALTERNATIVE UTILIZATION OF MILITARY FACILITIES

"ACTION BY NATIONAL INSTITUTE ON DRUG ABUSE AND STATES CONCERNING MILITARY FACILITIES

"SEC. 561. (a) NATIONAL INSTITUTE ON DRUG ABUSE.—The Director of the National Institute on Drug Abuse shall—

"(1) coordinate with the agencies represented on the Commission on Alternative Utilization of Military Facilities the utilization of military facilities or parts thereof, as identified by such Commission, established under the National Defense Authorization Act of 1989, that could be utilized or renovated to house nonviolent persons for drug treatment purposes;

"(2) notify State agencies responsible for the oversight of drug abuse treatment entities and programs of the availability of space at the installations identified in paragraph (1); and

"(3) assist State agencies responsible for the oversight of drug abuse treatment entities and programs in developing methods for adapting the installations described in paragraph (1) into residential treatment centers.

"(b) STATES.—With regard to military facilities or parts thereof, as identified by the Commission on Alternative Utilization of Military Facilities established under section 3042 of the Comprehensive Alcohol Abuse, Drug Abuse, and Mental Health Amendments Act of 1988, that could be utilized or renovated to house nonviolent persons for drug treatment purposes, State agencies responsible for the oversight of drug abuse treatment entities and programs shall—

"(1) establish eligibility criteria for the treatment of individuals at such facilities;

"(2) select treatment providers to provide drug abuse treatment at such facilities;

"(3) provide assistance to treatment providers selected under paragraph (2) to assist such providers in securing financing to fund the cost of the programs at such facilities; and

"(4) establish, regulate, and coordinate with the military official in charge of the facility, work programs for individuals receiving treatment at such facilities.

"(c) RESERVATION OF SPACE.—Prior to notifying States of the availability of space at military facilities under subsection (a)(2), the Director may reserve space at such facilities to conduct research or demonstration projects.".

(b) FEDERAL PROPERTIES AND ADMINISTRATIVE PROCEDURES ACT.—

Section 203(j)(3)(B) of the Federal Property and Administrative Procedures Act of 1979 (40 U.S.C. 484(j)(3)(B)) is amended by inserting ", drug abuse treatment centers" after "health centers".

Subtitle B—Employee Assistance Programs

SEC. 2101. EMPLOYEE ASSISTANCE PROGRAMS.

(a) ESTABLISHMENT.—The Secretary of Labor shall establish a program through which the Secretary shall provide grants to, or enter into contracts with, employers to enable such employers to develop employee drug and alcohol abuse assistance programs.

(b) APPLICATIONS.—Employers desiring to receive a grant or contract under this section shall submit to the Secretary of Labor, an application, in such form and containing such information as the Secretary may require.

(c) REGULATIONS.—The Secretary of Labor shall promulgate regulations necessary to carry out this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $4,000,000 for fiscal year 1989, and $5,000,000 for each of the fiscal years 1990 and 1991.

Subtitle C—Indian Alcohol and Substance Abuse Prevention and Treatment

SEC. 2201. AMENDMENTS TO INDIAN ALCOHOL AND SUBSTANCE ABUSE PREVENTION AND TREATMENT ACT OF 1986.

Whenever in this subtitle a section or other provision is amended or repealed, such amendment or repeal shall be considered to be made to that section or other provision of the Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986 (25 U.S.C. 2401 et seq.).

SEC. 2202. DEFINITIONS.

Section 4204 (25 U.S.C. 2403) is amended by inserting at the end thereof the following new paragraph:

"(6) The terms 'Urban Indian', 'Urban Center', and 'Urban Indian Organization' shall have the same meaning as provided in section 4 of the Indian Health Care Improvement Act.".

SEC. 2203. AMENDMENT AND REVISION OF TRIBAL DEVELOPMENT PLAN.

Paragraph (2) of section 4206(c) (25 U.S.C. 2412(c)) is amended—

(1) by striking out "and" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new subparagraph (E):

"(E) the establishment of procedures for amendment and revision of the plan as may be determined necessary by the Tribal Coordinating Committee.".

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS FOR GRANTS.

Paragraph (2) of section 4206(d) (25 U.S.C. 2412(d)(2)) is amended to read as follows:

"(2) There is authorized to be appropriated not to exceed $1,000,000 for each of the fiscal years 1989, 1990, 1991, and 1992 for grants under this subsection.".

SEC. 2205. LEASING OF TRIBAL PROPERTY.

Section 4209 is amended—

(1) by amending the heading to read as follows:

"SEC. 4209. FEDERAL FACILITIES, PROPERTY, AND EQUIPMENT; LEASING OF TRIBAL PROPERTY."; and

(2) by adding at the end thereof the following new subsection (c):

"(c) LEASES.—(1) The Secretary of the Interior and the Secretary of Health and Human Services are authorized to enter into long-term leases of tribally owned or leased facilities to house programs established by this subtitle where they determine that there is no Federal facility reasonably available for such purpose and the cost of constructing a new Federal facility would exceed the cost of such Federal lease unless they determine that mitigating factors favor such a lease.

"(2) A tribally owned or leased facility may be leased pursuant to this authority to house a regional treatment center to be established pursuant to section 4227(b) only if all the tribes within the Indian Health Service area to be served by such regional treatment center initially consent to such Federal lease.".

SEC. 2206. INDIAN EDUCATION PROGRAMS.

Section 4212(a) is amended by striking out "1987, 1988, and 1989" and inserting in lieu thereof "1989, 1990, 1991, and 1992".

SEC. 2207. EMERGENCY SHELTERS AND HALFWAY HOUSES.

(a) HALF-WAY HOUSES.—Subsection (a) of section 4213 (25 U.S.C. 2433) is amended by adding at the end thereof "Half-way houses may be used as either intake facilities or aftercare facilities for youth admitted, or to be admitted, for long-term treatment of substance abuse. The Indian Health Service, the Bureau of Indian Affairs, and the tribes are authorized to use their respective resources to adequately staff and operate any such facility.".

(b) AUTHORIZATION.—Subsection (e) of section 4213 (25 U.S.C. 2433) is amended to read as follows:

"(e) AUTHORIZATION.—(1) For the planning and design, construction, and renovation of emergency shelters or half-way houses to provide emergency care for Indian youth, there is authorized to be appropriated $5,000,000 for the fiscal year 1989 and $3,000,000 for each of the fiscal years 1990, 1991, and 1992.

"(2) For the staffing and operation of emergency shelters and half-way houses, there is authorized to be appropriated $3,000,000 for the fiscal year 1989 and $3,000,000 for fiscal year 1990. An amount equal to the amount of funds appropriated pursuant to this paragraph for fiscal year 1990 shall be included in the base budget of the Bureau of Indian Affairs and funding thereafter shall be pursuant to the Act of November 2, 1921 (25 U.S.C. 13).".

"(3) The Secretary of the Interior shall allocate funds appropriated pursuant to this subsection on the basis of priority of need of the various Indian tribes and such funds, when allocated, shall be subject to contracting pursuant to the Indian Self-Determination Act.".

SEC. 2208. CERTAIN ILLEGAL NARCOTICS TRAFFICKING.

(a) ASSISTANCE.—The section heading and subsection (a) of section 4216 (25 U.S.C. 2442) are amended to read as follows:

"SEC. 4216. ILLEGAL NARCOTICS TRAFFIC ON THE TOHONO O'ODHAM AND ST. REGIS RESERVATIONS; SOURCE ERADICATION.

"(a)(1) INVESTIGATION AND CONTROL.—The Secretary of the Interior shall provide assistance to—

"(A) the Tohono O'odham Tribe of Arizona for the investigation and control of illegal narcotics traffic on the Tohono O'odham Reservation along the border with Mexico, and

"(B) the St. Regis Band of Mohawk Indians of New York for the development of tribal law enforcement and judicial systems to aid in the investigation and control of illegal narcotics traffic on the St. Regis Reservation along the border with Canada.

"(2) The Secretary shall ensure that tribal efforts under this subsection are coordinated with appropriate Federal law enforcement agencies, including the United States Custom Service.

"(3) For the purpose of providing the assistance required by this subsection, there are authorized to be appropriated—

"(A) $500,000 under paragraph (1)(A) for each of the fiscal years 1989, 1990, 1991, and 1992, and

"(B) $450,000 under paragraph (1)(B) for each of the fiscal years 1989 and 1990.".

(b) Authorization.—Subsection (b)(2) of section 4216 is amended to read as follows:

"(2) Authorization.—For the purpose of establishing the program required by paragraph (1), there are authorized to be appropriated $500,000 for each of the fiscal years 1989, 1990, 1991, and 1992.".

SEC. 2209. LAW ENFORCEMENT AND JUDICIAL TRAINING.

Subsection (b) of section 4218 (25 U.S.C. 2451) is amended to read as follows:

"(b) Authorization.—For the purpose of providing the training required by subsection (a), there are authorized to be appropriated $1,500,000 for each of the fiscal years 1989, 1990, 1991, and 1992.".

SEC. 2210. TREATMENT OF JUVENILE OFFENDERS.

Section 4219 (25 U.S.C. 2452) is amended—

(1) by inserting "(a)" before "The Memorandum"; and

(2) by adding at the end thereof the following new subsection (b):

"(b) Treatment of Certain Committed Youth.—The Indian Health Service shall not refuse to provide necessary interim treatment for any Indian youth referred pursuant to subsection (a) who has been charged or is being prosecuted for any crime unless such referral is prohibited by a court of competent jurisdiction or the youth is determined by a court of competent jurisdiction to be a danger to others.".

SEC. 2211. JUVENILE DETENTION CENTERS.

Subsection (b) of section 4220 (25 U.S.C. 2453) is amended to read as follows:

"(b) Authorization.—(1) For the purpose of constructing or renovating juvenile detention centers as provided in subsection (a), there is authorized to be appropriated $10,000,000 for the fiscal year 1989 and $5,000,000 for each of the fiscal years 1990 and 1991.

"(2) For the purpose of staffing and operating juvenile detention centers, there is authorized to be appropriated $5,000,000 for each of the fiscal years 1989 and 1990. An amount equal to the amount of funds appropriated pursuant to this paragraph for fiscal year 1990 shall be included in the base budget of the Bureau of Indian Affairs and funding thereafter shall be pursuant to the Act of November 2, 1921 (25 U.S.C. 13).".

SEC. 2212. INDIAN HEALTH SERVICE YOUTH PROGRAM.

(a) Detoxification and Rehabilitation.—Subsection (a) of section 4227 (25 U.S.C. 2474) is amended by inserting "of Health and Human Services" after the "Secretary".

(b) Treatment Centers.—Subsection (b) of section 4227 is amended to read as follows:

"(b) Treatment Centers or Facilities.—(1) The Secretary shall construct or renovate, and appropriately staff and operate, a youth regional treatment center in each area under the jurisdiction of an Indian Health Service area office. For the purposes of this subsection, the area offices of the Indian Health Service in Tucson and Phoenix, Arizona, shall be considered one area office.

"(2)(A) For the purpose of constructing or renovating centers or facilities required by paragraph (1), there are authorized to be appropriated $6,000,000 for the fiscal year 1989 and $3,000,000 for each of the fiscal years 1990 and 1991.

"(B) For the purpose of staffing and operating such centers or facilities, there are authorized to be appropriated $11,000,000 for fiscal year 1990. An amount equal to the amount of funds appropriated pursuant to this subparagraph for fiscal year 1990 shall be included in the base budget of the Indian Health Service and funding thereafter shall be pursuant to the Act of November 2, 1921 (25 U.S.C. 13).".

(c) Rehabilitation and Follow-Up Services.—Paragraph (3) of section 4227(d) is amended by striking out "there are authorized to be appropriated $9,000,000 for each of the fiscal years 1987, 1988, and 1989." and inserting in lieu thereof "there are authorized to be appropriated—

"(1) $9,000,000 for the fiscal year 1989,

"(2) $10,000,000 for the fiscal year 1990,

"(3) $12,000,000 for the fiscal year 1991, and

"(4) $13,000,000 for the fiscal year 1992.".

(d) Inclusion of Family in Youth Treatment Program.—Section 4227 (25 U.S.C. 2474) is amended by adding at the end thereof the following:

"(e) Inclusion of Family in Youth Treatment Program.—In providing the treatment and other services to Indian youth authorized by this section, the Secretary shall provide for the inclusion of family members of such youth in the treatment programs or other services as may be appropriate.".

SEC. 2213. TRAINING AND COMMUNITY EDUCATION.

(a) Repeal of Demonstration Program; Results of Demonstration Project.—Subsection (c) of section 4228 (25 U.S.C. 2475) is amended to read as follows:

"(c) Results of Demonstration Project.—In carrying out the education and training programs required by this section, the Secretary of Health and Human Services shall take into consideration, and make available, the results of the demonstration project for children of alcoholics that was funded by the Office of Minority Health of the Department of Health and Human Services.".

(b) Authorization.—Subsection (d) of section 4228 (25 U.S.C. 2475) is amended to read as follows:

"(d) Authorization.—There are authorized to be appropriated for each of the fiscal years 1989, 1990, 1991, and 1992—

"(1) $3,000,000 to carry out the provisions of subsection (a), and

"(2) $1,000,000 to carry out the provisions of subsection (b).".

SEC. 2214. NAVAJO ALCOHOL REHABILITATION PROGRAM.

Subsection (c) of section 4229 (25 U.S.C. 2476) is amended to read as follows:

"(c) Authorization.—There are authorized to be appropriated for the purposes of grants under subsection (a) $300,000 for the fiscal year 1989 and $200,000 for each of the fiscal years 1990, 1991, and 1992.".

SEC. 2215. URBAN INDIAN PROGRAM.

The subtitle is amended by adding at the end thereof the following new section 4231:

"SEC. 4231. URBAN INDIAN PROGRAM.

"(a) Grants.—The Secretary of Health and Human Services is authorized to make grants for the provision of health-related services in prevention of, treatment of, rehabilitation of, or school and community-based education in alcohol and substance abuse in urban centers to those urban Indian organizations with whom the Secretary has entered into a contract under title V of the Indian Health Care Improvement Act (25 U.S.C. 1651 et seq.).

"(b) Goals of Grant.—Each grant made pursuant to subsection (a) shall set forth the goals to be accomplished pursuant to the grant. The goals shall be specific to each grant as agreed to between the Secretary and the grantee.

"(c) Criteria.—The Secretary shall establish criteria for the grants made under subsection (a), including criteria relating to the—

"(1) size of the urban Indian population;

"(2) accessibility to, and utilization of, other health resources available to such population;

"(3) duplication of existing Indian Health Service or other Federal grants or contracts;

"(4) capability of the organization to adequately perform the activities required under the grant;

"(5) satisfactory performance standards for the organization in meeting the goals set forth in such grant, which standards shall be negotiated and agreed to between the Secretary and the grantee on a grant-by-grant basis; and

"(6) identification of need for services.

The Secretary shall develop a methodology for allocating grants made pursuant to this section based on such criteria.

"(d) Treatment of Moneys Received by Urban Indian Organizations.—Any moneys received by an urban Indian organization under this or any other Act for substance abuse prevention, treatment, and rehabilitation shall be subject to the criteria set forth in subsection (c).

"(e) Authorization for Grant Program.—There is authorized to be appropriated $5,000,000 for each of the fiscal years 1990, 1991, and 1992 to carry out the purposes of this section.".

SEC. 2216. OFFICE OF ALCOHOL AND SUBSTANCE ABUSE.

Section 4207 (25 U.S.C. 2413) is amended—

(1) by striking out "Assistant Secretary of" in subsection (b)(1) and inserting in lieu thereof "Assistant Secretary of the Interior for";

(2) by striking out "Assistant Secretary on" in subsection (b)(1) and inserting in lieu thereof "Assistant Secretary of the Interior for Indian Affairs on";

(3) by adding at the end of subsection (b) the following new paragraph:

"(3) The Assistant Secretary of the Interior for Indian Affairs shall appoint such employees to work in the Office of Alcohol and Substance Abuse, and shall provide such services and equipment, as may be necessary to enable the Office of Alcohol and Substance Abuse to carry out its responsibilities."; and

(4) by adding at the end of paragraph (1) of subsection (c) the following new sentence: "The Assistant Secretary of the Interior for Indian Affairs shall appoint the Indian Youth Programs Officer.".

SEC. 2217. CONTRACT HEALTH SERVICES.

Section 4226 (25 U.S.C. 2473), as amended by section 2212 of this Act, is amended by adding at the end thereof the following new subsection:

"(c) Contract Health Services.—

"(1) The Secretary of Health and Human Services, acting through the Indian Health Service, may enter into contracts with public or private providers of alcohol and substance abuse treatment services for the purpose of assisting the Indian Health Service in carrying out the program required under subsection (a).

"(2) In addition to amounts otherwise authorized to be appropriated for contract health services, there are authorized to be appropriated for each of the fiscal years 1989, 1990, 1991, and 1992, $10,000,000 for the purpose of carrying out the provisions of this subsection.".

SEC. 2218. NEWSLETTER.

Section 4210 (25 U.S.C. 2416) is amended—

(1) by striking out ", not later than 120 days after the date of enactment of this subtitle,",

(2) by striking out "The Secretary" and inserting in lieu thereof "(a) IN GENERAL.—The Secretary", and

(3) by adding at the end thereof the following new subsection:

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of the fiscal years 1989, 1990, 1991, and 1992, $300,000 to carry out the provisions of this section.".

SEC. 2219. RULE OF CONSTRUCTION.

Except as otherwise provided in this Act or the amendments made by this Act, nothing in this Act or the amendments made by this Act shall be construed to affect the obligation of the United States to any Indian or Indian tribe arising out of any treaty, statute, Executive order, or the trust responsibility of the United States owing to such Indian or Indian tribe. Nothing in this section shall exempt any individual Indian from the sanctions of "user accountability" provided for elsewhere in this Act: *Provided*, That no individual Indian shall be denied any benefit under Federal Indian programs comparable to those "means tested" safety net programs otherwise excluded under this Act.

Subtitle D—Native Hawaiian Health Care

SEC. 2301. SHORT TITLE.

This subtitle may be cited as the "Native Hawaiian Health Care Act of 1988".

SEC. 2302. FINDINGS.

The Congress finds that—

(1) the United States retains the legal responsibility to enforce the administration of the public trust responsibility of the State of Hawaii for the betterment of the conditions of Native Hawaiians under section 5(f) of Public Law 86-3 (73 Stat. 6; commonly referred to as the "Hawaii Statehood Admissions Act");

(2) in furtherance of the State of Hawaii's public trust responsibility for the betterment of the conditions of Native Hawaiians, contributions by the United States to the provision of comprehensive health promotion and disease prevention services to maintain and improve the health status of Native Hawaiians are consistent with the historical and unique legal relationship of the United States with the government that represented the indigenous native people of Hawaii; and

(3) it is the policy of the United States to raise the health status of Native Hawaiians to the highest possible level and to encourage the maximum participation of Native Hawaiians in order to achieve this objective.

SEC. 2303. COMPREHENSIVE HEALTH CARE MASTER PLAN FOR NATIVE HAWAIIANS.

(a) DEVELOPMENT.—The Secretary may make a grant to, or enter into contract with, Papa Ola Lokahi for the purpose of developing a Native Hawaiian comprehensive health care master plan designed to promote comprehensive health promotion and disease prevention services and to maintain and improve the health status of Native Hawaiians. The master plan shall be based upon an assessment of the health care status and health care needs of Native Hawaiians. To the extent practicable, assessments made as of the date of such grant or contract shall be used by Papa Ola Lokahi, except that any such assessment shall be updated as appropriate.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $700,000 for fiscal year 1990 to carry out subsection (a).

SEC. 2304. NATIVE HAWAIIAN HEALTH CENTERS.

(a) COMPREHENSIVE HEALTH PROMOTION, DISEASE PREVENTION, AND PRIMARY HEALTH SERVICES.—(1)(A) The Secretary, in consultation with Papa Ola Lokahi, may make grants to, or enter into contracts with, any qualified entity for the purpose of providing comprehensive health promotion and disease prevention services as well as primary health services to Native Hawaiians.

(B) In making grants and entering into contracts under this paragraph, the Secretary shall give preference to Native Hawaiian health centers and Native Hawaiian organizations, and, to the extent feasible, health promotion and disease prevention services shall be performed through Native Hawaiian health centers.

(2) In addition to paragraph (1), the Secretary may make grants to, or enter into a contract with, Papa Ola Lokahi for the purpose of planning Native Hawaiian health centers to serve the health needs of Native Hawaiian communities on each of the islands of O'ahu, Moloka'i, Maui, Hawai'i, Lana'i, Kaua'i, and Ni'ihau in the State of Hawaii.

(b) QUALIFIED ENTITY.—An entity is a qualified entity for purposes of subsection (a)(1) if the entity is—

(1) a Native Hawaiian health center;

(2) a Native Hawaiian organization; or

(3) a public or nonprofit private health provider.

(c) SERVICES TO BE PROVIDED.—(1) Each recipient of funds under subsection (a)(1) shall provide the following services:

(A) Outreach services to inform Native Hawaiians of the availability of health services.

(B) Education in health promotion and disease prevention of the Native Hawaiian population by (wherever possible) Native Hawaiian health care practitioners, community outreach workers, counselors, and cultural educators.

(C) Services of physicians, physicians' assistants, or nurse practitioners.

(D) Immunizations.

(E) Prevention and control of diabetes, high blood pressure, and otitis media.

(F) Pregnancy and infant care.

(G) Improvement of nutrition.

(2) In addition to the mandatory services under paragraph (1), the following services may be provided pursuant to subsection (a)(1):

(A) Identification, treatment, control, and reduction of the incidence of preventable illnesses and conditions endemic to Native Hawaiians.

(B) Collection of data related to the prevention of diseases and illnesses among Native Hawaiians.

(C) Services within the meaning of the terms "health promotion", "disease prevention", and "primary health services", as such terms are defined in section 2308, which are not specifically referred to paragraph (1) of this subsection.

(3) The health care services referred to in paragraphs (1) and (2) which are provided under grants or contracts under subsection (a)(1) may be provided by traditional Native Hawaiian healers.

(d) LIMITATION ON NUMBER OF ENTITIES.—During a fiscal year, the Secretary under this subtitle may make a grant to, or hold a contract with, not more than nine qualified entities in the State of Hawaii, as follows:

(1) Two entities serving individuals on Kaua'i, from which individuals on Ni'ihau shall also be served.

(2) Two entities serving individuals on O'ahu.

(3) One entity serving individuals on Moloka'i, from which individuals on Lana'i shall also be served.

(4) Two entities serving individuals on Maui.

(5) Two entities serving individuals on Hawai'i.

(e) MATCHING FUNDS.—(1) The Secretary may not make a grant or provide funds pursuant to a contract under subsection (a)(1) to an entity—

(A) in an amount exceeding 75 percent of the costs of providing health services under the grant or contract; and

(B) unless the entity agrees that the entity will make available, directly or through donations to the entity, non-Federal contributions toward such costs in an amount equal to not less than $1 (in cash or in kind under paragraph (2)) for each $3 of Federal funds provided in such grant or contract.

(2) Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government or services assisted or subsidized to any significant extent by the Federal Government may not be included in determining the amount of such non-Federal contributions.

(3) The Secretary may waive the requirement established in paragraph (1) if—

(A) the entity involved is a nonprofit private entity described in subsection (b); and

(B) the Secretary, in consultation with Papa Ola Lokahi, determines that it is not feasible for the entity to comply with such requirement.

(f) RESTRICTION ON USE OF GRANT AND CONTRACT FUNDS.—The Secretary may not make a grant to, or enter into a contract with, an entity under subsection (a)(1) unless the entity agrees that amounts received pursuant to such subsection will not, directly or through contract, be expended—

(1) for any purpose other than the purposes described in subsection (c);

(2) to provide inpatient services;

(3) to make cash payments to intended recipients of health services; or

(4) to purchase or improve real property (other than minor remodeling of existing improvements to real property) or to purchase major medical equipment.

(g) LIMITATION ON CHARGES FOR SERVICES.—The Secretary may not make a grant, or enter into a contract with, an entity under subsection (a)(1) unless the entity agrees that, whether health services are provided directly or through contract—

(1) health services under the grant or contract will be provided without regard to ability to pay for the health services; and

(2) the entity will impose a charge for the delivery of health services, and such charge—

(A) will be made according to a schedule of charges that is made available to the public, and

(B) will be adjusted to reflect the income of the individual involved.

(h) Authorization of Appropriations.—(1) There is authorized to be appropriated $5,000,000 for fiscal year 1991 and $10,000,000 for fiscal year 1992 to carry out subsection (a)(1).

(2) There is authorized to be appropriated for fiscal year 1990 $900,000 to carry out subsection (a)(2).

SEC. 2305. ADMINISTRATIVE GRANT FOR PAPA OLA LOKAHI.

(a) In General.—In addition to any other grant or contract under this subtitle, the Secretary may make grants to, or enter into contracts with, Papa Ola Lokahi for—

(1) coordination, implementation, and updating (as appropriate) of the comprehensive health care master plan developed pursuant to section 2303;

(2) training for the persons described in section 2304(c)(1)(B); or

(3) identification of and research into the diseases that are most prevalent among Native Hawaiians, including behavioral, biomedical, epidemiological, and health services.

(b) Authorization of Appropriations.—There is authorized to be appropriated $1,000,000 for each of the fiscal years 1990, 1991, and 1992 to carry out subsection (a).

SEC. 2306. ADMINISTRATION OF GRANTS AND CONTRACTS.

(a) Terms and Conditions.—The Secretary shall include in any grant made or contract entered into under this subtitle such terms and conditions as the Secretary considers necessary or appropriate to ensure that the objectives of such grant or contract are achieved.

(b) Periodic Review.—The Secretary shall periodically evaluate the performance of, and compliance with, grants and contracts under this subtitle.

(c) Administrative Requirements.—The Secretary may not make a grant or enter into a contract under this subtitle with an entity unless the entity—

(1) agrees to establish such procedures for fiscal control and fund accounting as may be necessary to ensure proper disbursement and accounting with respect to the grant or contract;

(2) agrees to ensure the confidentiality of records maintained on individuals receiving health services under the grant or contract;

(3) with respect to providing health services to any population of Native Hawaiians a substantial portion of which has a limited ability to speak the English language—

(A) has developed and has the ability to carry out a reasonable plan to provide health services under the grant or contract through individuals who are able to communicate with the population involved in the language and cultural context that is most appropriate; and

(B) has designated at least one individual, fluent in both English and the appropriate language, to assist in carrying out the plan;

(4) with respect to health services that are covered in the plan of the State of Hawaii approved under title XIX of the Social Security Act—

(A) if the entity will provide under the grant or contract any such health services directly—

(i) the entity has entered into a participation agreement under such plan; and

(ii) the entity is qualified to receive payments under such plan; and

(B) if the entity will provide under the grant or contract any such health services through a contract with an organization—

(i) the organization has entered into a participation agreement under such plan; and

(ii) the organization is qualified to receive payments under such plan; and

(5) agrees to submit to the Secretary and to Papa Ola Lokahi an annual report that describes the utilization and costs of health services provided under the grant or contract (including the average cost of health services per user) and that provides such other information as the Secretary determines to be appropriate.

(d) Contract Evaluation.—(1) If, as a result of evaluations conducted by the Secretary, the Secretary determines that an entity has not complied with or satisfactorily performed a contract entered into under section 2304, the Secretary shall, prior to renewing such contract, attempt to resolve the areas of noncompliance or unsatisfactory performance and modify such contract to prevent future occurrences of such noncompliance or unsatisfactory performance. If the Secretary determines that such noncompliance or unsatisfactory performance cannot be resolved and prevented in the future, the Secretary shall not renew such contract with such entity and is authorized to enter into a contract under section 2304 with another entity referred to in section 2304(b) that provides services to the same population of Native Hawaiians which is served by the entity whose contract is not renewed by reason of this subsection.

(2) In determining whether to renew a contract entered into with an entity under this subtitle, the Secretary shall consider the results of evaluation under this section.

(3) All contracts entered into by the Secretary under this subtitle shall be in accordance with all Federal contracting laws and regulations except that, in the discretion of the Secretary, such contracts may be negotiated without advertising and may be exempted from the provisions of the Act of August 24, 1935 (40 U.S.C. 270a et seq.).

(4) Payments made under any contract entered into under this subtitle may be made in advance, by means of reimbursement, or in installments and shall be made on such conditions as the Secretary deems necessary to carry out the purposes of this section.

(e) Limitation on Use of Funds For Administrative Expenses.—Except for grants and contracts under section 2305, the Secretary may not make a grant to, or enter into a contract with, an entity under this subtitle unless the entity agrees that the entity will not expend more than 10 percent of amounts received pursuant to this subtitle for the purpose of administering the grant or contract.

(f) Report.—(1) For each fiscal year during which an entity receives or expends funds pursuant to a grant or contract under this subtitle, such entity shall submit to the Secretary and to Papa Ola Lokahi a quarterly report on—

(A) activities conducted by the entity under the grant or contract;

(B) the amounts and purposes for which Federal funds were expended; and

(C) such other information as the Secretary may request.

(2) The reports and records of any entity which concern any grant or contract under this subtitle shall be subject to audit by the Secretary, the Inspector General of Health and Human Services, and the Comptroller General of the United States.

(g) Annual Private Audit.—The Secretary shall allow as a cost of any grant made or contract entered into under this subtitle the cost of an annual private audit conducted by a certified public accountant.

SEC. 2307. ASSIGNMENT OF PERSONNEL.

(a) In General.—The Secretary is authorized to enter into an agreement with any entity under which the Secretary is authorized to assign personnel of the Department of Health and Human Services with expertise identified by such entity to such entity on detail for the purposes of providing comprehensive health promotion and disease prevention services to Native Hawaiians.

(b) Applicable Federal Personnel Provisions.—Any assignment of personnel made by the Secretary under any agreement entered into under the authority of paragraph (1) shall be treated as an assignment of Federal personnel to a local government that is made in accordance with subchapter VI of chapter 33 of title 5, United States Code.

SEC. 2308. DEFINITIONS.

For purposes of this subtitle:

(1) Disease prevention.—The term "disease prevention" includes—

(A) immunizations,

(B) control of high blood pressure,

(C) control of sexually transmittable diseases,

(D) prevention and control of diabetes,

(E) control of toxic agents,

(F) occupational safety and health,

(G) accident prevention,

(H) fluoridation of water,

(I) control of infectious agents, and

(J) provision of mental health care.

(2) Health promotion.—The term "health promotion" includes—

(A) pregnancy and infant care, including prevention of fetal alcohol syndrome,

(B) cessation of tobacco smoking,

(C) reduction in the misuse of alcohol and drugs,

(D) improvement of nutrition,

(E) improvement in physical fitness,

(F) family planning, and

(G) control of stress.

(3) Native Hawaiian.—The term "Native Hawaiian" means any individual who has any ancestors that were natives, prior to 1778, of the area that is now the State of Hawaii as evidenced by—

(A) genealogical records,

(B) Kupuna (elders) or Kama'aina (long-term community residents) verification, or

(C) birth records of the State of Hawaii.

(4) Native Hawaiian health center.—The term "Native Hawaiian health center" means an entity—

(A) which is organized under the laws of the State of Hawaii,

(B) which provides or arranges for health care services through practitioners licensed by the State of Hawaii, where licensure requirements are applicable,

(C) which is a public or nonprofit private entity, and

(D) in which Native Hawaiian health practitioners significantly participate in the planning, management, monitoring, and evaluation of health services.

(5) Native Hawaiian organization.—The term "Native Hawaiian organization" means any organization—

(A) which serves the interests of Native Hawaiians,

(B) which is—

(i) recognized by Papa Ola Lokahi for the purpose of planning, conducting, or administering programs (or portions of programs) authorized under this subtitle for the benefit of Native Hawaiians, and

(ii) certified by Papa Ola Lokahi as having the qualifications and capacity to provide the services, and meet the requirements, under the contract the organization enters into with, or grant the organization receives from, the Secretary under this subtitle,

(C) in which Native Hawaiian health practitioners significantly participate in the planning, management, monitoring, and evaluation of health services, and

(D) which is a public or nonprofit private entity.

(6) Papa Ola Lokahi.—The term "Papa Ola Lokahi" means an organization composed of—

(A) E Ola Mau;

(B) the Office of Hawaiian Affairs of the State of Hawaii;

(C) Alu Like Inc.;

(D) the University of Hawaii; and

(E) the Office of Hawaiian Health of the Hawaii State Department of Health.

(7) Primary health services.—The term "primary health services" means—

(A) services of physicians, physicians' assistants and nurse practitioners;

(B) diagnostic laboratory and radiologic services;

(C) preventive health services (including children's eye and ear examinations to determine the need for vision and hearing correction, perinatal services, well child services, and family planning services);

(D) emergency medical services;

(E) transportation services as required for adequate patient care;

(F) preventive dental services; and

(G) pharmaceutical services, as may be appropriate for particular health centers.

(8) Secretary.—The term "Secretary" means the Secretary of Health and Human Services.

(9) Traditional native hawaiian healer.—The term "traditional Native Hawaiian healer" means a practitioner—

(A) who—

(i) is of Hawaiian ancestry, and

(ii) has the knowledge, skills, and experience in direct personal health care of individuals, and

(B) whose knowledge, skills, and experience are based on a demonstrated learning of Native Hawaiian healing practices acquired by—

(i) direct practical association with Native Hawaiian elders, and

(ii) oral traditions transmitted from generation to generation.

SEC. 2309. RULE OF CONSTRUCTION.

Nothing in this subtitle shall be construed to restrict the authority of the State of Hawaii to license health practitioners.

SEC. 2310. REPEAL OF DEMONSTRATION PROJECT.

Section 205 of the Indian Health Care Improvement Act, as added by section 203(c) of the Indian Health Care Amendments of 1988, is repealed.

SEC. 2311. COMPLIANCE WITH BUDGET ACT.

Any new spending authority (described in subsection (c)(2) (A) or (B) of section 401 of the Congressional Budget Act of 1974) which is provided under this subtitle shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

SEC. 2312. SEVERABILITY.

If any provision of this subtitle, or the application of any such provision to any person or circumstances is held to be invalid, the remainder of this subtitle, and the application of such provision or amendment to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

Subtitle E—Provisions Relating to Certain Drugs

SEC. 2401. FORFEITURE AND ILLEGAL TRAFFICKING IN STEROIDS.

Any conviction for a violation of section 303(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333(e)), or any other provision of that Act, involving an anabolic steroid or a human growth hormone shall be considered, for purposes of section 413 of the Controlled Substances Act (21 U.S.C. 853), a conviction for a violation of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, if such violation of the Federal Food, Drug, and Cosmetic Act is punishable by imprisonment for more than one year.

SEC. 2402. COMPTROLLER GENERAL REPORT ON USE OF ANABOLIC STEROIDS AND HUMAN GROWTH HORMONES.

The Comptroller General shall conduct a study on the extent of anabolic steroid and human growth hormone use among high school students, college students and other adults. Such study shall include—

(1) the best available estimates for licit and illicit use of anabolic steroids and human growth hormones;

(2) the amount and type of legal production of anabolic steroids and human growth hormones, both domestically and internationally; and

(3) a full and complete summary of the best available medical analyses that explore the health consequences resulting from anabolic steroid and human growth hormone use.

The Food and Drug Administration shall cooperate with the Comptroller General in conducting such study. The Comptroller General shall report to the Congress the results of the study not later than June 1, 1989.

SEC. 2403. PROHIBITED DISTRIBUTION OF ANABOLIC STEROIDS.

Section 303 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333) is amended by adding at the end the following new subsection.

"(e)(1) Except as provided in paragraph (2), any person who distributes or possesses with the intent to distribute any anabolic steroid for any use in humans other than the treatment of disease pursuant to the order of a physician shall be imprisoned for not more than three years or fined under title 18, United States Code, or both.

"(2) Any person who distributes or possesses with the intent to distribute to an individual under 18 years of age, any anabolic steroid for any use in humans other than the treatment of disease pursuant to the order of a physician shall be imprisoned for not more than six years or fined under title 18, United States Code, or both.".

SEC. 2404. BANNING OF BUTYL NITRITE.

(a) In General.—Except as provided in subsection (b), butyl nitrite shall be considered a banned hazardous product under section 8 of the Consumer Product Safety Act (15 U.S.C. 2057).

(b) Lawful Purposes.—For the purposes of section 8 of the Consumer Product Safety Act, it shall not be unlawful for any person to manufacture for sale, offer for sale, distribute in commerce, or import into the United States butyl nitrite for any commercial purpose or any other purpose approved under the Federal Food, Drug, and Cosmetic Act.

(c) Definitions.—For purposes of this section:

(1) The term "butyl nitrite" includes n-butyl nitrite, isobutyl nitrite, secondary butyl nitrite, tertiary butyl nitrite, and mixtures containing these chemicals.

(2) The term "commercial purpose" means any commercial purpose other than for the production of consumer products containing butyl nitrite that may be used for inhaling or otherwise introducing butyl nitrite into the human body for euphoric or physical effects.

(d) Effective Date.—This section shall take effect 90 days after the date of the enactment of this subtitle.

SEC. 2405. ESTABLISHMENT OF TASK FORCE AND PROTECTION OF PUBLIC HEALTH WITH RESPECT TO ILLEGAL DRUG LABORATORIES.

(a) Establishment of Task Force.—There is established the Joint Federal Task Force on Illegal Drug Laboratories (hereafter in this section referred to as the "Task Force").

(b) Appointment and Membership of Task Force.—The members of the Task Force shall be appointed by the Administrators of the Environmental Protection Agency and the Drug Enforcement Administration (hereafter in this section referred to as the "Administrators"). The Task Force shall consist of at least 6 and not more than 20 members. Each Administrator shall appoint one-half of the members as follows: (1) the Adminstrator of the Environmental Protection Agency shall appoint members from among Emergency Response Technicians and other appropriate employees of the Agency; and (2) the Administrator of the Drug Enforcement Administration shall appoint members from among Special Agents assigned to field divisions and other appropriate employees of the Administration.

(c) Duties of Task Force.—The Task Force shall formulate, establish, and implement a program for the cleanup and disposal of hazardous waste produced by illegal drug laboratories. In formulating such program, the Task Force shall consider the following factors:

(1) The volume of hazardous waste produced by illegal drug laboratories.

(2) The cost of cleaning up and disposing of hazardous waste produced by illegal drug laboratories.

(3) The effectiveness of the various methods of cleaning up and disposing of hazardous waste produced by illegal drug laboratories.

(4) The coordination of the efforts of the Environmental Protection Agency and the Drug Enforcement Administration in cleaning up and disposing of hazardous waste produced by illegal drug laboratories.

(5) The dissemination of information to law enforcement agencies that have responsibility for enforcement of drug laws.

(d) Guidelines.—The Task Force shall recommend to the Administrators guidelines for cleanup of illegal drug laboratories to protect the public health and environment. Not later than 180 days after the date of the enactment of this subtitle, the Administrators shall formulate and publish such guidelines.

(e) Demonstration Projects.—

(1) The Attorney General shall make grants to, and enter into contracts with, State and local governments for demonstration projects to clean up and safely dispose of substances associated with illegal drug laboratories which may present a danger to public health or the environment.

(2) The Attorney General may not under this subsection make a grant or enter into a contract unless the applicant for such as-

sistance agrees to comply with the guidelines issued pursuant to subsection (d).

(3) The Attorney General shall, through grant or contract, provide for independent evaluations of the activities carried out pursuant to this subsection and shall recommend appropriate legislation to the Congress.

(f) FUNDING.—Of the amounts made available to carry out the Controlled Substances Act for fiscal year 1989, not less than $5,000,000 shall be made available to carry out subsections (d) and (e).

(g) REPORTS.—After consultation with the Task Force, the Administrators shall—

(1) transmit to the President and to each House of Congress not later than 270 days after the date of the enactment of this subtitle a report describing the program established by the Task Force under subsection (c) (including an analysis of the factors specified in paragraphs (1) through (5) of that subsection);

(2) periodically transmit to the President and to each House of Congress reports describing the implementation of the program established by the Task Force under subsection (c) (including an analysis of the factors specified in paragraphs (1) through (5) of that subsection) and the progress made in the cleanup and disposal of hazardous waste produced by illegal drug laboratories; and

(3) transmit to each House of Congress a report describing the findings made as a result of the evaluations referred to in subsection (e)(3).

Subtitle F—Certain Provisions With Respect to Veterans

SEC. 2501. EVALUATION OF THE VETERANS' ADMINISTRATION INPATIENT AND OUTPATIENT DRUG AND ALCOHOL TREATMENT PROGRAMS.

The Administrator of Veterans' Affairs shall conduct an evaluation of inpatient and outpatient drug and alcohol treatment programs operated by the Veterans' Administration. The evaluation shall include a determination of the medical advantages and cost-effectiveness of such programs, taking into consideration rates of readmission and the rate of successful rehabilitation. There are authorized to be appropriated for the purpose of the conduct of such evaluation $1,000,000 for fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990 and 1991.

SEC. 2502. VETERANS' ADMINISTRATION DRUG AND ALCOHOL TREATMENT PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Veterans' Administration, in addition to any other amounts that may be authorized to be appropriated to the Veterans' Administration for the purpose described in subsection (b), $15,000,000 for each of the fiscal years 1989 through 1991.

(b) USE OF FUNDS.—Any amounts appropriated pursuant to subsection (a) may be expended only for the purpose of providing care and services under chapter 17 of title 38, United States Code, to eligible veterans with alcohol or drug dependence or abuse disabilities.

Subtitle G—Miscellaneous Health Amendments

SEC. 2600. EFFECTIVE DATE.

Except as provided in section 2613(b)(1), the amendments made by this subtitle shall take effect immediately after the enactment of the Health Omnibus Programs Extension of 1988.

CHAPTER 1—TECHNICAL AND CONFORMING AMENDMENTS TO HEALTH OMNIBUS PROGRAMS EXTENSION OF 1988

SEC. 2601. CERTAIN REFERENCES.

Except as otherwise expressly provided, any reference made in this chapter to an amendment or repeal of a section or other provision shall be considered to be made to a section or other provision of the Health Omnibus Programs Extension of 1988.

SEC. 2602. AMENDMENTS TO TITLE II.

(a) SECTION 243.—Section 243 is amended—

(1) in subsection (a)—

(A) by striking "(hereinafter in this subtitle referred to as AIDS)"; and

(B) by striking "concerning AIDS" and inserting "concerning such syndrome"; and

(2) in subsection (c)—

(A) in paragraph (2), by striking "AIDS" and inserting "acquired immune deficiency syndrome";

(B) in paragraph (3), by striking "AIDS" and inserting "acquired immune deficiency syndrome";

(C) in paragraph (4)—

(i) by striking "AIDS" the first place it appears and inserting "acquired immune deficiency syndrome"; and

(ii) by striking "AIDS" the second place it appears and inserting "such syndrome";

(D) in paragraph (5), by striking "AIDS" and inserting "acquired immune deficiency syndrome";

(E) in paragraph (6), in the matter preceding subparagraph (A), by striking "AIDS" and inserting "acquired immune deficiency syndrome"; and

(F) in paragraph (7), by striking "AIDS" and inserting "acquired immune deficiency syndrome".

(b) SECTION 251.—Section 251(b) is amended by striking "of enactment of this Act" and inserting "of the enactment of this title".

(c) SECTION 253.—Section 253 is amended by striking "health workers," and inserting "health workers and".

(d) SECTION 256.—Section 256 is amended—

(1) in subsection (b), by striking "Surgeon General of the United States" and inserting "Surgeon General of the Public Health Service"; and

(2) in subsection (d)(2), by striking "subsection (a)" and inserting "paragraph (1)".

SEC. 2603. AMENDMENTS TO TITLE VI.

(a) SECTION 601.—Section 601 is amended—

(1) by striking "This Act" in subsection (a) and inserting "This title"; and

(2) by striking "this Act" in subsection (b) and inserting "this title".

(b) SECTION 638.—Section 638(b) is amended—

(1) by striking "title VII" each place it occurs and inserting "titles VII and VIII"; and

(2) by striking ", after the date of the enactment of this Act," in paragraphs (1) and (2).

(c) SECTION 639.—Section 639(b) is amended by striking "shall compile and analyze" and inserting "shall develop a uniform methodology for collection of, and shall compile and analyze,".

SEC. 2604. AMENDMENT TO TITLE VII.

(a) SECTION 704.—Section 704(b) is amended by striking out ", after the date of the enactment of this Act," in paragraphs (1) and (2).

(b) SECTION 705.—Section 705(b) is amended by striking out ", after the date of the enactment of this Act," in paragraphs (1) and (2).

(c) SECTION 732.—Section 732 is amended by striking "this title" each place it appears and inserting "this subtitle".

SEC. 2605. AMENDMENTS TO TITLE IX.

(a) SECTION 902.—Section 902 is amended—

(1) in subsection (c), by striking "the human immunodeficiency virus" and inserting "the etiologic agent for acquired immune deficiency syndrome"; and

(2) in subsection (d)(3)(B)(i), by striking "the human immunodeficiency virus" and inserting "the etiologic agent for acquired immune deficiency syndrome".

(b) SECTION 903.—Section 903 is amended by striking "the human immunodeficiency virus" and inserting "the etiologic agent for acquired immune deficiency syndrome".

CHAPTER 2—TECHNICAL AND CONFORMING AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

SEC. 2611. CERTAIN REFERENCES.

Except as otherwise expressly provided, any reference made in this chapter to an amendment or repeal of a section or other provision shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 201 et seq.).

SEC. 2612. AMENDMENTS TO TITLE III.

Section 308(b)(2)(A) (42 U.S.C. 242m(b)(2)(A)) is amended—

(1) by inserting after the first sentence the following: "Each application for a grant, contract, or cooperative agreement in an amount exceeding $50,000 of direct costs for the dissemination of research findings or the development of research agendas (including conferences, workshops, and meetings) shall be submitted to a standing peer review group with persons with appropriate expertise and shall not be submitted to any peer review group established to review applications for research, evaluation, or demonstration projects."; and

(2) by striking in the last sentence "of each such application" and inserting "of an application described in the first two sentences of this subparagraph".

SEC. 2613. AMENDMENTS TO TITLE IV.

(a) NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS.—

(1) Subpart 13 of part C of title IV, as added by section 101(4) of the Health Omnibus Programs Extension of 1988, is amended by adding at the end the following new sections:

"NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS ADVISORY BOARD

"SEC. 464D. (a) The Secretary shall establish in the Institute the National Deafness and Other Communications Disorders Advisory Board (hereafter in this section referred to as the 'Advisory Board').

"(b) The Advisory Board shall be composed of eighteen appointed members and nonvoting ex officio members as follows:

"(1) The Secretary shall appoint—

"(A) twelve members from individuals who are scientists, physicians, and other health and rehabilitation professionals, who are not officers or employees of the United States, and who represent the specialties and disciplines relevant to deafness and other communication disorders, including not less than two persons with a communication disorder; and

"(B) six members from the general public who are knowledgeable with respect to such disorders, including not less than one person with a communication disorder and not less than one person who is a parent of an individual with such a disorder.

Of the appointed members, not less than five shall by virtue of training or experience be knowledgeable in diagnoses and rehabilitation of communication disorders, education of the hearing, speech, or language impaired, public health, public information, community program development, occupational hazards to communications senses, or the aging process.

"(2) The following shall be ex officio members of each Advisory Board:

"(A) The Assistant Secretary for Health, the Director of NIH, the Director of the National Institute on Deafness and Other Communication Disorders, the Director of the Centers for Disease Control, the Chief Medical Director of the Veterans' Administration, and the Assistant Secretary of Defense for Health Affairs (or the designees of such officers).

"(B) Such other officers and employees of the United States as the Secretary determines necessary for the Advisory Board to carry out its functions.

"(c) Members of an Advisory Board who are officers or employees of the Federal Government shall serve as members of the Advisory Board without compensation in addition to that received in their regular public employment. Other members of the Board shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Board.

"(d) The term of office of an appointed member of the Advisory Board is four years, except that no term of office may extend beyond the expiration of the Advisory Board. Any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve after the expiration of the member's term until a successor has taken office. If a vacancy occurs in the Advisory Board, the Secretary shall make an appointment to fill the vacancy not later than 90 days from the date the vacancy occurred.

"(e) The members of the Advisory Board shall select a chairman from among the appointed members.

"(f) The Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with an executive director and one other professional staff member. In addition, the Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with such additional professional staff members, such clerical staff members, such services of consultants, such information, and (through contracts or other arrangements) such administrative support services and facilities, as the Secretary determines are necessary for the Advisory Board to carry out its functions.

"(g) The Advisory Board shall meet at the call of the chairman or upon request of the Director of the Institute, but not less often than four times a year.

"(h) The Advisory Board shall—

"(1) review and evaluate the implementation of the plan prepared under section 464A(a) and periodically update the plan to ensure its continuing relevance;

"(2) for the purpose of assuring the most effective use and organization of resources respecting deafness and other communication disorders, advise and make recommendations to the Congress, the Secretary, the Director of NIH, the Director of the Institute, and the heads of other appropriate Federal agencies for the implementation and revision of such plan; and

"(3) maintain liaison with other advisory bodies related to Federal agencies involved in the implementation of such plan and with key non-Federal entities involved in activities affecting the control of such disorders.

"(i) In carrying out its functions, the Advisory Board may establish subcommittees, convene workshops and conferences, and collect data. Such subcommittees may be composed of Advisory Board members and nonmember consultants with expertise in the particular area addressed by such subcommittees. The subcommittees may hold such meetings as are necessary to enable them to carry out their activities.

"(j) The Advisory Board shall prepare an annual report for the Secretary which—

"(1) describes the Advisory Board's activities in the fiscal year for which the report is made;

"(2) describes and evaluates the progress made in such fiscal year in research, treatment, education, and training with respect to deafness and other communication disorders;

"(3) summarizes and analyzes expenditures made by the Federal Government for activities respecting such disorders in such fiscal year; and

"(4) contains the Advisory Board's recommendations (if any) for changes in the plan prepared under section 464A(a).

"(k) The National Deafness and Other Communication Disorders Advisory Board shall be established not later than 90 days after the date of the enactment of the National Institute on Deafness and Other Communication Disorders and Health Research Extension Act of 1988.

"INTERAGENCY COORDINATING COMMITTEE

"SEC. 464E. (a) The Secretary may establish a committee to be known as the Deafness and Other Communication Disorders Interagency Coordinating Committee (hereafter in this section referred to as the 'Coordinating Committee').

"(b) The Coordinating Committee shall, with respect to deafness and other communication disorders—

"(1) provide for the coordination of the activities of the national research institutes; and

"(2) coordinate the aspects of all Federal health programs and activities relating to deafness and other communication disorders in order to assure the adequacy and technical soundness of such programs and activities and in order to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities.

"(c) The Coordinating Committee shall be composed of the directors of each of the national research institutes and divisions involved in research with respect to deafness and other communication disorders and representatives of all other Federal departments and agencies whose programs involve health functions or responsibilities relevant to deafness and other communication disorders.

"(d) The Committee shall be chaired by the Director of NIH (or the designee of the Director). The Committee shall meet at the call of the chair, but not less often than four times a year.

"(e) Not later than 120 days after the end of each fiscal year, the Committee shall prepare and transmit to the Secretary, the Director of NIH, the Director of the Institute, and the advisory council for the Institute a report detailing the activities of the Committee in such fiscal year in carrying out subsection (b).

"LIMITATION ON ADMINISTRATIVE EXPENSES

"SEC. 464F. With respect to amounts appropriated for a fiscal year for the National Institutes of Health, the limitation established in section 408(b)(1) on the expenditure of such amounts for administrative expenses shall apply to administrative expenses of the National Institute on Deafness and Other Communication Disorders.".

(2)(A) Personnel employed by the National Institutes of Health in connection with the functions vested under paragraph 1, and under section 101(4) of the Health Omnibus Programs Extension of 1988, in the Director of the National Institute on Deafness and Other Communication Disorders, and assets, property, contracts, liabilities, records, unexpended balances of appropriations, authorizations, allocations, and other funds of the National Institutes of Health, arising from or employed, held, used, available to, or to be made available, in connection with such functions shall be transferred to the Director for appropriate allocation. Unexpended funds transferred under this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(B) With respect to functions vested under paragraph 1, and under section 101(4) of the Health Omnibus Programs Extension of 1988, in the Director of the National Institute on Deafness and Other Communication Disorders, all orders, rules, regulations, grants, contracts, certificates, licenses, privileges, and other determinations, actions, or official documents, that have been issued, made, granted, or allowed to become effective, and that are effective on the date of the enactment of this Act, shall continue in effect according to their terms unless changed pursuant to law.

(b) EFFECT OF ENACTMENT OF SIMILAR PROVISIONS ESTABLISHING NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS.—

(1) Paragraphs (2) and (3) shall take effect immediately after the enactment of both the bill, S. 1727, of the One Hundredth Congress, and the Health Omnibus Programs Extension of 1988.

(2)(A) The provisions of the Public Health Service Act referred to in subparagraph (B), as similarly amended by the enactment of the bill, S. 1727, of the One Hundredth Congress, by subtitle A of title I of the Health Omnibus Programs Extension of 1988, and by subsection (a)(1) of this section, are amended to read as if the amendments made by such subtitle A and such subsection (a)(1) had not been enacted.

(B) The provisions of the Public Health Service Act referred to in subparagraph (A) are—

(A) sections 401(b)(1) and 457;

(B) part C of title IV; and

(C) the heading for subpart 10 of such part C.

(3) Subsection (a)(2) of this section is repealed.

(c) SECTION 405.—Section 405(c)(3) (42 U.S.C. 284(c)(3)), as amended by section 116(2)(A) of the Health Omnibus Programs Extension of 1988, is amended—

(1) by inserting "and appoint" after "establish"; and

(2) by inserting "and appointed" after "established".

(d) Section 408.—Section 408(a)(2)(B) (42 U.S.C. 284(c)), as amended by section 118(a) of the Health Omnibus Programs Extension of 1988, is amended by inserting a comma after "419'.

SEC. 2614. AMENDMENTS TO TITLE V.

(a) Section 528.—Section 528(a)(1) (42 U.S.C. 290cc-28), as amended by section 812(b) of the Health Omnibus Programs Extension of 1988, is amended by striking "the Northern" and inserting "the Commonwealth of the Northern".

(b) Section 536.—Section 536(3) (42 U.S.C. 290cc-36), as amended by section 812(a) of the Health Omnibus Programs Extension of 1988, is amended by striking "the Northern" and inserting "the Commonwealth of the Northern".

SEC. 2615. AMENDMENTS TO TITLE VII.

(a) Section 708.—Section 708(h)(2) (42 U.S.C. 292h(h)(2)), as amended by section 626 of the Health Omnibus Programs Extension of 1988, is amended by inserting "shall" before "include".

(b) Section 728.—Section 728(a) (42 U.S.C. 294a(a)), as amended by section 602(b)(1) and section 707 of the Health Omnibus Programs Extension of 1988, is amended in the second sentence—

(1) by inserting "(including loans to new borrowers)" after "new loans"; and

(2) by striking "for such fiscal year." and inserting "for such fiscal year".

(c) Section 784.—Section 784(b) (42 U.S.C. 295g-4(b)), as amended by section 609(a) of the Health Omnibus Programs Extension of 1988, is amended to read as if the amendments made by such section 609(a) had not been enacted.

(d) Section 787.—Section 787(a)(2)(G) (42 U.S.C. 295g—7(a)(2)(G)), as added by section 611(a)(3) of the Health Omnibus Programs Extension of 1988, is amended by striking ", except schools of medicine, osteopathy, or dentistry".

(e) Section 787.—Section 787(b)(3) (42 U.S.C. 295g—7(b)(3)), as added by section 611(b) of the Health Omnibus Programs Extension of 1988, is amended—

(1) by striking "total enrollment" the first place it appears and inserting "proportionate enrollment"; and

(2) by striking "total enrollment" the second place it appears and inserting "percentage".

(d) Section 791.—Section 791(d) (42 U.S.C. 295h(d)), as amended by section 618(b) of the Health Omnibus Programs Extension of 1988, is amended by striking "$1,420,000 for fiscal year 1990" and thereof "$1,600,000 for fiscal year 1990".

(e) Section 788B.—Section 788B(f), as added by section 622 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in paragraph (1), by striking "AIDS patients" and inserting "patients with acquired immune deficiency syndrome";

(2) In paragraph (2), by striking "AIDS patients" and inserting "patients with acquired immune deficiency syndrome";

(3) in paragraph (3), by striking "AIDS patients" and inserting "patients with acquired immune deficiency syndrome"; and

(4) in paragraph (4)—

(A) by inserting "Maintenance of State Effort.—" after "(4)"; and

(B) by striking "allocation" and inserting in lieu thereof "allotted".

(f) Section 796.—Section 796(a) (42 U.S.C. 295h—5(a)), as amended by section 624 of the Health Omnibus Programs Extension of 1988, is amended by striking "shall make grants" and inserting "may make grants".

(g) Section 799A.—Section 799A, as amended by section 637(a) of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (f)(4)—

(A) by striking "this paragraph" and inserting "this section"; and

(B) by striking "acting through the Director of the Indian Health Service"; and

(2) in subsection (h)(2), by striking "each of the fiscal years 1989, 1990, and 1991" and inserting "fiscal year 1989".

SEC. 2616. AMENDMENTS TO TITLE VIII.

(a) Section 843.—Section 843(b), as added by section 715 of the Health Omnibus Programs Extension of 1988, is amended in section 843(b), by striking "844(a)" and inserting "827(a)".

(b) Section 847.—Section 847(j), as added by section 716 of the Health Omnibus Programs Extension of 1988, is amended by striking "subsection (l)" and inserting "subsection (k)".

SEC. 2617. AMENDMENTS TO TITLE XXIII.

(a) Section 2304.—Section 2304(c)(2)(B), as added by section 201(4) of the Health Omnibus Programs Extension of 1988, is amended by striking the period and inserting a semicolon.

(b) Section 2313.—Section 2313, as added by section 201(4) of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (a), by striking "through the National Institutes of Allergy" and inserting "through the Director of the National Institute of Allergy"; and

(2) in subsection (b)(2)(B)(iii), by striking "Institutes" and inserting "Institute".

(c) Section 2317.—Section 2317(e), as added by section 201(4) of the Health Omnibus Programs Extension of 1988, is amended in the subsection heading by inserting "on Clinical Trials and Treatments" after "Bank".

(d) Section 2320.—Section 2320(a)(5), as added by section 201(4) of the Health Omnibus Programs Extension of 1988, is amended in the first sentence, by striking "section" and inserting "subsection".

(e) Section 2341.—Section 2341(c), as added by section 201(4) of the Health Omnibus Programs Extension of 1988, is amended by striking "Federal Policy Act" and inserting "Amendments".

SEC. 2618. AMENDMENTS TO TITLE XXIV.

(a) Section 2402.—Section 2402(b), as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended in the last sentence, by inserting "infected" after "health services to individuals".

(b) Section 2404.—Section 2404(c)(1), as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended by striking "September 1 of 1989" and inserting "September 1, 1989,".

(c) Section 2409.—Section 2409, as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (b), in the subsection heading, by inserting "of Payments" after "Withholding"; and

(2) in subsection (e)(1), by striking "the several States" and inserting "several States".

(d) Section 2411.—Section 2411(a), as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended in the first sentence, by inserting before "this part." the following: "any program or service carried out pursuant to".

(e) Section 2413.—Section 2413(4)(B), as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended by striking "section 2408(d)" and inserting "subsections (b) and (d) of section 2408".

(f) Section 2414.—Section 2414, as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (a), by striking "grants under section 2401" and inserting "allotments under section 2401(a)"; and

(2) in subsection (b), by striking "or territory" each place it appears.

(g) Section 2415.—Section 2415, as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended by striking "part A" and all that follows and inserting "this part is repealed.".

(h) Section 2421.—Section 2421, as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in paragraph (1) of subsection (a)—

(A) by striking "'patients infected" and all that follows through "persons who" and inserting the following: "'individuals infected with the etiologic agent for acquired immune deficiency syndrome' means individuals who"; and

(B) by striking "such person with the human immunodeficiency virus," and inserting "such individuals with such etiologic agent,'";

(2) in paragraph (2) of subsection (a), by striking "persons" and inserting "individuals";

(3) in subsection (b)—

(A) by striking "patients infected with the human immunodeficiency virus," and inserting the following: "individuals infected with the etiologic agent for acquired immune deficiency syndrome,"; and

(B) by striking "such patients" and inserting "such individuals";

(4) in paragraph (1) of subsection (c)—

(A) in the matter preceding subparagraph (A), by striking "patients infected with the human immunodeficiency virus" and inserting the following: "individuals infected with the etiologic agent for acquired immune deficiency syndrome";

(B) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking "such patients" and inserting "such individuals";

(ii) in clause (ii), by striking "AIDS patients" and inserting "individuals with acquired immune deficiency syndrome"; and

(iii) in clause (iii), by striking "patients" and inserting "such individuals"; and

(C) in subparagraph (B), by striking "patients infected with the human immunodeficiency virus" and inserting the following: "individuals infected with the etiologic agent for acquired immune deficiency syndrome";

(5) in paragraph (2)(C) of subsection (c), by striking "patients infected with the human immunodeficiency virus" and inserting the following: "individuals infected with the etiologic agent for acquired immune deficiency syndrome";

(6) in subsection (d)(2)(B), by striking "AIDS cases" and inserting "cases of acquired immune deficiency syndrome";

(7) in subsection (e)(2)(A), by striking "patients infected with the human immunodeficiency virus" and inserting the following: "individuals infected with the etiologic agent for acquired immune deficiency syndrome";

(8) in paragraph (1) of subsection (f)—

(A) by striking "the acquired immunodeficiency syndrome" and inserting "acquired immune deficiency syndrome"; and

(B) by striking "human immunodeficiency virus" and inserting "etiologic agent for such syndrome";

(9) in paragraph (2) of subsection (f), by striking "the acquired immunodeficiency syndrome" and inserting "such syndrome"; and

(10) in subsection (g)—

(A) by striking "1988" and inserting "1989"; and

(B) by striking "1989 through 1991" and inserting "1990 through 1992".

(i) Section 2432.—Section 2432, as added by section 211 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "indicate that the individual" and inserting "indicate that an individual"; and

(B) in paragraph (6), by striking "(4)" and inserting "(5)"; and

(2) in subsection (e)—

(A) in paragraph (1), by striking "part" and inserting "subpart";

(B) in paragraph (2), by striking "part" and inserting "subpart"; and

(C) in paragraph (3), by striking "part" and inserting "subpart".

SEC. 2619. AMENDMENTS TO FIRST TITLE XXV.

(a) Section 2500.—Section 2500(a), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended by striking "In General,—" and inserting "In General.—" and by striking "this part" and inserting "this title".

(b) Section 2502.—Section 2502(9), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended by striking "section 2525" and inserting "section 253 of the AIDS Amendments of 1988".

(c) Section 2503.—Section 2503(a)(3), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended by striking "and" after the semicolon.

(d) Section 2505.—Section 2505(b), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in paragraph (1), by inserting "make" before "payments"; and

(2) in paragraph (2), by inserting "make" before "payments".

(d) Section 2506.—Section , as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in the matter preceding paragraph (1), by striking ""The" and inserting ""(a) In General.—The";

(2) in paragraph (5), by striking the matter after and below subparagraph (B);

(3) in paragraph (8)—

(A) by striking "funds from to payments" and inserting "funds from payments"; and

(B) by striking "and" after the semicolon;

(4) in paragraph (9), by striking "2509(e);" and inserting "2508(e); and"; and

(5) add at the end the following new subsection:

"(b) Definition.—For purposes of subsection (a)(5), the term 'significant percentage' means at least a percentage of 1 percent of the number of reported cases of acquired immune deficiency syndrome in the United States.".

(e) Section 2507.—Section 2507, as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (a)(1), by striking "amount described" and inserting "applicable amount specified";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "2516(a)" and inserting "2514(a)"; and

(ii) by striking "subsection (a)(1) is" and inserting "subsection (a)(1) shall be";

(B) in paragraph (2), by striking "subsection (a)(1) is" and inserting "subsection (a)(1) shall be"; and

(C) in paragraph (3), by striking "subsection (a)(1) is" and inserting "subsection (a)(1) shall be"; and

(3) in subsection (d)—

(A) in paragraph (1), in the last sentence, by inserting "under section 2501(a)" after "allotment"; and

(B) in paragraph (2)(A), by striking "2507" and inserting "2503".

(f) Section 2508.—Section 2508, as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended—

(1) in subsection (a)(1), by striking "2507" and inserting "2503";

(2) in subsection (b)—

(A) in the subsection heading, by inserting "of Payments" before the period; and

(B) in paragraph (1), by striking "2507" and inserting "2503";

(3) in subsection (d), by striking "2507" and inserting "2503"; and

(4) in subsection (e)(1), by striking "2507" and insert "2503".

(g) Section 2510.—Section 2510(b)(2), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended in the first sentence, by striking "the program involved" and inserting "section 2501(a)".

(h) Section 2512.—Section , as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended in the last sentence, by striking "2301" and inserting "2301(a)".

(i) Section 2524.—Section 2524(b)(2), as added by section 221 of the Health Omnibus Programs Extension of 1988, is amended by striking "this section" and inserting "the AIDS Amendments of 1988".

SEC. 2620. AMENDMENT TO SECOND TITLE XXV AND TO CERTAIN OTHER PROVISIONS.

(a) Title XXV.—The second title XXV, relating to miscellaneous and as redesignated by section 201(2) of the Health Omnibus Programs Extension of 1988 and made the second such title pursuant to section 221 of the Health Omnibus Programs Extension of 1988, is amended by redesignating sections 2501 through 2514 as sections 2604 through 2614.

(b) Certain Other Provisions.—The Public Health Service Act (42 U.S.C. 201 et seq.) is amended—

(1) in section 465(f), by striking "2501" and inserting "2601";

(2) in section 497, by striking "2501" and inserting "2601"; and

(3) in section 305(i), by striking "2513" each place it appears and inserting "2613".

CHAPTER 3—TECHNICAL AND CONFORMING AMENDMENT TO FEDERAL FOOD, DRUG, AND COSMETIC ACT

SEC. 2631. AMENDMENT TO SECTION 903.

Section 903(b)(2) of the Federal Food, Drug, and Cosmetic Act (as added by section 503 of the Health Omnibus Programs Extension of 1988) is amended by inserting "for executing this Act and" after "shall be responsible".

CHAPTER 4—MISCELLANEOUS

SEC. 2641. MISCELLANEOUS.

If the bill, H.R. 4833, of the One Hundredth Congress, is enacted, and the Health Omnibus Programs Extension of 1988 has not been enacted, then title VIII of the Public Health Service Act is amended to read as if such H.R. 4833 had not been enacted. If the Health Omnibus Programs Extension of 1988 is enacted, and the bill, H.R. 4833, of the One Hundredth Congress, is subsequently enacted, then title VIII of the Public Health Service Act is amended to read as if such H.R. 4833 had not been enacted.

TITLE III—DRUG ABUSE EDUCATION AND PREVENTION

SEC. 3001. TABLE OF CONTENTS.

The table of contents for this title is as follows:

TITLE III—DRUG ABUSE EDUCATION AND PREVENTION

Sec. 3001. Table of contents.

Subtitle A—Drug and Alcohol Abuse Education Programs

Chapter 1—Alcohol Abuse Education Programs

Sec. 3101. Innovative alcohol abuse education programs.

Chapter 2—Drug Abuse Education for Participants in the Special Supplemental Food Program for Women, Infants, and Children

Sec. 3201. Drug abuse education for participants in the special supplemental food program for women, infants, and children.

Chapter 3—Amendments to the Drug-Free Schools and Communities Act of 1986

Sec. 3301. Authorization of appropriations.
Sec. 3302. Limitation on administrative costs.
Sec. 3303. State programs.
Sec. 3304. State applications.
Sec. 3305. Responsibilities of State agencies.
Sec. 3306. Local drug abuse education and prevention programs.
Sec. 3307. Reports.
Sec. 3308. Teacher training.
Sec. 3309. Federal activities.
Sec. 3310. Drug-free schools model criteria and forms.
Sec. 3311. Development of early childhood education drug abuse prevention curriculum materials.

Chapter 4—Community-Based Volunteer Demonstration Projects for Drug Abuse Education and Prevention Services and Activities

Sec. 3401. Community-based volunteer demonstration projects for drug abuse education and prevention services and activities.
Sec. 3402. Extension of drug abuse prevention programs under the Domestic Volunteer Service Act.

Subtitle B—Drug Abuse Education and Prevention

Chapter 1—Drug Education and Prevention Relating to Youth Gangs

Sec. 3501. Establishment of drug abuse education and prevention program relating to youth gangs.
Sec. 3502. Application for grants and contracts.
Sec. 3503. Approval of applications.
Sec. 3504. Coordination with juvenile justice programs.
Sec. 3505. Authorization of appropriations.

Chapter 2—Program for Runaway and Homeless Youth

Sec. 3511. Establishment of program.
Sec. 3512. Annual report.
Sec. 3513. Authorization of appropriations.
Sec. 3514. Applications.
Sec. 3515. Review of applications.

CHAPTER 3—COMMUNITY PROGRAM

Sec. 3521. The Community Youth Activity Program.

Sec. 3522. Evaluation of drug abuse education and prevention efforts.

Subtitle C—Miscellaneous

Sec. 3601. Definitions.

Subtitle A—Drug and Alcohol Abuse Education Programs

CHAPTER 1—ALCOHOL ABUSE EDUCATION PROGRAMS

SEC. 3101. INNOVATIVE ALCOHOL ABUSE EDUCATION PROGRAMS.

Part F of title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3151 et seq.) is amended—

(1) by redesignating section 4607 as section 4608, and

(2) by inserting after section 4606 the following new section:

"SEC. 4607. INNOVATIVE ALCOHOL ABUSE EDUCATION PROGRAMS.

"(a) PROGRAMS FOR CHILDREN OF ALCOHOLICS.—The Secretary is authorized to develop materials for innovative programs of alcohol abuse education, especially programs that focus on the effect of the disease of alcoholism on families of alcoholics, particularly with respect to children of alcoholics. Programs for which materials are developed under the preceding sentence should be programs designed to benefit young children, particularly children in grades 5 through 8.

"(b) TRAINING PROGRAMS FOR EDUCATORS.—The Secretary may make grants to programs for educators that are designed to—

"(1) increase awareness of children's problems that may be caused by an alcoholic parent;

"(2) enhance the ability of such educators to identify children at risk for alcohol abuse;

"(3) inform such educators concerning referral of children of alcoholics for appropriate professional treatment; and

"(4) train such educators to inform the public about the special problems of children who have an alcoholic parent.".

CHAPTER 2—DRUG ABUSE EDUCATION FOR PARTICIPANTS IN THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

SEC. 3201. DRUG ABUSE EDUCATION FOR PARTICIPANTS IN THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended as follows:

(1) PURPOSE.—Subsection (a) is amended by striking "health problems" in the last sentence and inserting "health problems, including drug abuse,".

(2) DEFINITION.—Subsection (b) is amended by adding at the end the following new paragraph:

"(16) 'Drug abuse education' means—

"(A) the provision of information concerning the dangers of drug abuse;

"(B) the referral of participants who are suspected drug abusers to drug abuse clinics, treatment programs, counselors, or other drug abuse professionals; and

"(C) the provision of materials developed by the Secretary under subsection (n)".

(3) EDUCATION.—Subsection (e)(1) is amended by inserting "and drug abuse education" after "nutrition education" each place it appears in the first and second sentences.

(4) STATE PLAN.—Subsection (f) is amended—

(A) in paragraph (1)(C)(iii), by inserting "drug abuse education," after "family planning,", and

(B) in paragraph (14)(A), by inserting "and drug abuse education" after "education".

(5) NATIONAL ADVISORY COUNCIL ON MATERNAL, INFANT, AND FETAL NUTRITION.—Subsection (k)(1) is amended—

(A) in the first sentence, by striking "twenty-one" and inserting "twenty-three", and

(B) in the last sentence—

(i) by striking "and" the last place it appears, and

(ii) by striking the period at the end and inserting the following: "; one member shall be an expert in drug abuse education and prevention; and one member shall be an expert in alcohol abuse education and prevention.".

(6) STUDY; AUTHORIZATION OF APPROPRIATIONS.—Such section is amended by adding at the end the following new subsection:

"(n)(1) The Secretary, before the end of the 6-month period beginning on the date of the enactment of this Act, shall, directly or through grant or contract, conduct a study with respect to appropriate methods of drug abuse education instruction.

"(2) The Secretary shall—

"(A) directly, or through grant or contract, prepare materials for purposes of drug abuse education provided under this section; and

"(B) distribute the materials prepared under subparagraph (A) to each State agency for distribution to local agencies participating in the program under this section.

"(3) There is authorized to be appropriated—

"(A) $500,000 for the fiscal year 1989 for purposes of carrying out the study required by paragraph (1);

"(B) $2,750,000 for the fiscal year 1989 and such sums as may be necessary for each succeeding fiscal year for purposes of preparing drug abuse education materials as required by paragraph (2)(A); and

"(C) $6,750,000 for the fiscal year 1989 and such sums as may be necessary for each succeeding fiscal year for purposes of—

"(i) distributing drug abuse education materials as required by paragraph (2)(B); and

"(ii) making referrals under drug abuse education programs.

"(4) The State agency, in each fiscal year, shall provide drug abuse education to participants in the program under this section commensurate with amounts appropriated for such fiscal year pursuant to the authorizations contained in paragraph (3).".

CHAPTER 3—AMENDMENTS TO THE DRUG-FREE SCHOOLS AND COMMUNITIES ACT OF 1986

SEC. 3301. AUTHORIZATION OF APPROPRIATIONS.

Section 5111(a) of the Drug-Free Schools and Communities Act of 1986 (hereafter in this chapter referred to as the "Act") (20 U.S.C. 3181 et seq.) is amended by striking "$250,000,000 for the fiscal year 1989" and inserting "$350,000,000 for the fiscal year 1989".

SEC. 3302. LIMITATION ON ADMINISTRATIVE COSTS.

Section 5121(a) of the Act (20 U.S.C. 3191(a)) is amended—

(1) by inserting "(1)" after "PROGRAM.—"; and

(2) by adding at the end the following new paragraph:

"(2) Not more than 2.5 percent of the amount reserved under paragraph (1) may be used for administrative costs of the chief executive officer of the State incurred in carrying out the duties of the chief executive officer under this part.".

SEC. 3303. STATE PROGRAMS.

(a) INTRASTATE CENTERS AUTHORIZED.—Section 5122 of the Act (20 U.S.C. 3192) is amended as follows:

(1) IN GENERAL.—Subsection (a) is amended—

(A) by striking "and" at the end of paragraph (5);

(B) by striking the period at the end of paragraph (6) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(7) intrastate drug and alcohol abuse education and prevention centers for providing outreach, consultation, training, and referral services to schools, organizations, and members of the community, except that—

"(A) any administrative expenses of such centers, including overhead expenses, shall be considered, for the purposes of section 5121(a)(2), to be administrative costs of the chief administrative officer of the State incurred in carrying out the duties of the chief executive officer under this part;

"(B) amounts made available for purposes of this paragraph may not be used for building or construction; and

"(C) the activities of any such center that receives assistance under this paragraph shall be coordinated with the activities of other relevant centers in the State.".

(2) INNOVATIVE PROGRAMS.—Subsection (b) is amended—

(A) in paragraph (1), by inserting "that are designed" after "coordinated services";

(B) in paragraph (2)—

(i) by redesignating subparagraphs (B) through (I) as subparagraphs (C) through (J), respectively; and

(ii) by adding after subparagraph (A) the following new subparagraph:

"(B) has experienced repeated failure in school;"; and

(C) by adding at the end the following new paragraph:

"(3) Not more than 10 percent of participants in programs under paragraph (1) may be individuals who are not high-risk youth if the Secretary determines that the participation of such individuals will not significantly diminish the amount or quality of services provided to high-risk youth.".

(3) LIMITATION ON USE OF FUNDS.—Such section is further amended by adding at the end the following new subsection:

"(c) Amounts made available to the chief executive officer of a State for use under this section shall be expended only for activities that—

"(1) are authorized under subsection (a) or (b); and

"(2) have demonstrable benefits for individuals who are eligible to participate in such activities.

SEC. 3304. STATE APPLICATIONS.

Section 5123(b) of the Act (20 U.S.C. 3193(b)) is amended—

(1) by redesignating paragraphs (6) through (9) as paragraphs (7) through (10), respectively;

(2) by adding after paragraph (5) the following new paragraph:

"(6) include a comprehensive plan describing how money allocated to the chief executive officer is to be used;";

(3) by striking "and" at the end of paragraph (9) (as redesignated by paragraph (1));

(4) by striking the period at the end of paragraph (10) (as redesignated by paragraph (1)) and inserting "; and"; and

(5) by adding at the end the following new paragraph:

"(11) provide a description of State teacher certification requirements, if applicable, regarding training in drug and alcohol abuse education and prevention.".

SEC. 3305. RESPONSIBILITIES OF STATE AGENCIES.

Section 5124(b)(2) of the Act (20 U.S.C. 3194(b)(2)) is amended to read as follows:

"(2) the development, identification, and dissemination of the most readily available, accurate, and up-to-date model curriculum materials for consideration by local educational agencies and for evaluation of the materials;".

SEC. 3306. LOCAL DRUG ABUSE EDUCATION AND PREVENTION PROGRAMS.

Section 5125(a) of the Act (20 U.S.C. 3195(a)) is amended—

(1) in paragraph (1), by striking "curricula" and all that follows through the semicolon and inserting the following: "curricula and textbooks and materials, including audio-visual materials—

"(A) developed from the most readily available, accurate, and up-to-date information; and

"(B) which clearly and consistently teach that illicit drug use is wrong and harmful;";

(2) in paragraph (4), by striking "and parents," and inserting the following: ", parents, and immediate families,";

(3) by redesignating paragraphs (5) through (12) as paragraphs (7) through (14), respectively; and

(4) by adding after paragraph (4) the following new paragraphs:

"(5) outreach activities, drug and alcohol abuse education and prevention programs, and referral services, for school dropouts;

"(6) guidance counseling programs and referral services for parents and immediate families of drug and alcohol abusers;".

SEC. 3307. REPORTS.

Section 5127 of the Act (20 U.S.C. 3197) is amended to read as follows:

"SEC. 5127. REPORTS.

"(a) STATE REPORTS.—Each State shall submit to the Secretary a biennial report that contains information on the State and local programs conducted with assistance furnished under this title. Each such report shall—

"(1) be in a standard format;

"(2) request standard information as prescribed by the Secretary; and

"(3) include—

"(A) a description of the drug and alcohol problem in the elementary and secondary schools in the State as of the date of the report;

"(B) a description of the range of drug and alcohol policies in the schools in the State;

"(C) the number of individuals served by this title;

"(D) the demographic characteristics of populations served;

"(E) types of service provided and duration of the services;

"(F) information on how the State has targeted the populations listed under section 5122(b)(2); and

"(G) a description of the model drug and alcohol abuse education and prevention programs in the State that have been demonstrated to be effective.

"(b) LOCAL REPORTS.—Each State educational agency shall request the information required to prepare the biennial reports required by subsection (a) as part of the local educational agency application and progress reports required by section 5126. Information requested under the preceding sentence shall be limited to information described in section 5126 and subsection (a).".

SEC. 3308. TEACHER TRAINING.

(a) IN GENERAL.—The Act is further amended—

(1) by redesignating parts C through E as parts D through F, respectively; and

(2) by inserting after part B the following new part:

"PART C—TEACHER TRAINING

"SEC. 5128. PROGRAM AND ALLOCATIONS.

"(a) IN GENERAL.—From amounts appropriated pursuant to the authorization contained in section 5111(a)(2), the Secretary shall make grants to State educational agencies, local educational agencies, and institutions of higher education for teacher training programs in accordance with this part.

"(b) USE OF FUNDS.—Amounts made available under this part shall be used to establish, expand, or enhance programs and activities for the training of teachers, administrators, guidance counselors, and other educational personnel concerning drug and alcohol abuse education and prevention. Such programs shall be coordinated through the State agency for higher education or State educational agency, as appropriate, and, shall be coordinated, as appropriate, with the activities of the regional centers established under section 5135.

"(c) APPLICATIONS.—(1) In order to be eligible to receive a grant under this section for any fiscal year, a State educational agency, a local or intermediate educational agency, an institution of higher education, or consortium thereof, shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe.

"(2) Each such application shall—

"(A) set forth the activities and programs to be carried out with funds paid under this part;

"(B) contain an estimate of the cost for the establishment and operation of such programs;

"(C) provide assurances that the Federal funds made available under this section shall be used to supplement and, to the extent practical, to increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purpose described in this part, and in no case to supplant such funds;

"(D) provide assurances of compliance with the provisions of this part; and

"(E) include such other information and assurances as the Secretary reasonably determines to be necessary.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 5111(a) of the Act (20 U.S.C. 3181(a)) (as amended by section 3301) is further amended—

(1) by inserting "(1)" after the subsection designation;

(2) by inserting after "title" the following: "(other than part C)"; and

(3) by adding at the end the following new paragraph:

"(2)(A) Except as provided in subparagraph (B), there are authorized to be appropriated for purposes of carrying out part C $16,000,000 for fiscal year 1989, and $20,000,000 for each succeeding fiscal year ending prior to October 1, 1993.

"(B) No funds may be appropriated for any fiscal year pursuant to the authorization contained in subparagraph (A) unless the amount appropriated for such fiscal year pursuant to the authorization contained in paragraph (1) is not less than $230,000,000.".

SEC. 3309. FEDERAL ACTIVITIES.

Section 5132 of the Act (20 U.S.C. 3212) is amended as follows:

(1) DISSEMINATION OF MATERIALS AND COORDINATION OF ACTIVITIES.—Subsection (b)(3) is amended—

(A) by inserting after "disseminate" the following: "the most readily available, accurate, and up-to-date"; and

(B) by inserting before the semicolon the following: ", and coordinate activities that complement media efforts of groups such as the Partnership for a Drug-Free America, professional and amateur sports organizations, and other public service organizations".

(2) STUDIES.—Subsection (c) is amended—

(A) by inserting "(1)" before "The";

(B) by striking the last sentence; and

(C) by adding at the end the following new paragraphs:

"(2) The Secretary shall summarize and consolidate the biennial reports submitted under section 5127(a) and shall transmit such summary and consolidation, together with recommendations for future education and prevention efforts, to the Associate Director of the Office of National Drug Control Policy, and to the Congress.

"(3)(A) The Secretary, in consultation with the Secretary of Health and Human Services, shall conduct an independent evaluation, directly or by contract, of a representative sample of programs assisted under this title and shall identify successful projects which may be replicated by other local educational agencies throughout the country. The Secretary shall submit to the Congress—

"(i) an interim report containing the results of such evaluation and a description of such projects not later than October 1, 1991, and

"(ii) a final report containing such information not later than January 1, 1994.

"(B) The Secretary shall ensure that the information contained in the reports required by subparagraph (A) is submitted for dissemination to the National Diffusion Network and through the regional centers established under section 5135.".

SEC. 3310. DRUG-FREE SCHOOLS MODEL CRITERIA AND FORMS.

Section 5142 of the Act (20 U.S.C. 3222) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting the following new subsection after subsection (a):

"(b) MODEL CRITERIA AND FORMS.—The Secretary, in consultation with a representative sample of national educational organizations, shall develop model criteria and forms for the collection of data and information with respect to programs assisted under this title. In order to enable schools and community-based organizations to share uniform data and information with respect to programs assisted under this title, the model criteria and forms shall be disseminated to the regional centers established under section 5135 as a resource for State and local educational programs.".

SEC. 3311. DEVELOPMENT OF EARLY CHILDHOOD EDUCATION DRUG ABUSE PREVENTION CURRICULUM MATERIALS.

The Act is further amended—

(1) by redesignating part F (as redesignated by section 3158) as part G; and

(2) by inserting after part E the following new part:

"PART F—DEVELOPMENT OF EARLY CHILDHOOD EDUCATION DRUG ABUSE PREVENTION CURRICULUM MATERIALS

"SEC. 5151. PROGRAM AUTHORIZED.

"(a) GENERAL AUTHORITY.—The Secretary shall, in consultation with the Secretary of Health and Human Services, provide for the development of age-appropriate drug abuse education and prevention curricula, programs, and training materials for use in early child development programs, and provide for the dissemination of such materials to early child development programs, including Head Start programs, preschool programs funded under chapter 1 of title I of the Elementary and Secondary Education Act of 1965, programs funded under the Education of the Handicapped Act, and such other preschool programs as the Secretary deems appropriate.

"(b) RESERVATION.—The Secretary shall, from amounts reserved under section 5112(a)(5), reserve not less than $1,000,000 to carry out the development and dissemination of the materials required by this part.".

CHAPTER 4—COMMUNITY-BASED VOLUNTEER DEMONSTRATION PROJECTS FOR DRUG ABUSE EDUCATION AND PREVENTION SERVICES AND ACTIVITIES

SEC. 3401. COMMUNITY-BASED VOLUNTEER DEMONSTRATION PROJECTS FOR DRUG ABUSE EDUCATION AND PREVENTION SERVICES AND ACTIVITIES.

(a) PROGRAM AUTHORIZED.—

(1) GENERAL AUTHORITY.—Section 124 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) is amended—

(A) by inserting "(a)" after the section designation; and

(B) by adding at the end the following new subsection:

"(b)(1) The Director is authorized to make grants to public and nonprofit organizations for innovative, community-based volunteer demonstration projects which provide comprehensive drug abuse education and prevention services and activities to youths during the summer months. Such projects may include—

"(A) extending effective school-based programs, or other programs operated during the school year, to the summer months;

"(B) developing or expanding summer recreational, volunteer service, and youth development activities to provide for youths positive alternatives to illicit drug use; and

"(C) incorporating drug abuse education and prevention activities in public and private programs which serve youths during the summer months.

"(2) In awarding grants under this subsection, the Director shall give priority to projects that—

"(A) serve high-risk youths; and

"(B) provide opportunities for parent involvement.

"(3) The Director may not limit the number of years for which eligible entities may apply for and receive grants.

"(4) For the purposes of this subsection, the term 'high-risk youth' has the meaning given such term in section 5122(b)(2) of the Elementary and Secondary Education Act of 1965.".

(2) TECHNICAL AMENDMENT.—The table of contents contained in the first section of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 note) is amended by inserting after the item relating to section 123 the following new item:

"Sec. 124. Special initiatives.".

SEC. 3402. EXTENSION OF DRUG ABUSE PREVENTION PROGRAMS UNDER THE DOMESTIC VOLUNTEER SERVICE ACT.

Section 501 of the Domestic Volunteer Service Act (42 U.S.C. 5081) is amended—

(1) in subsection (c)—

(A) by inserting "(other than section 124(b))" in the first sentence after "of this Act"; and

(B) by adding at the end the following: "In addition to the amounts authorized to be appropriated by the preceding sentences, there are authorized to be appropriated for support of drug abuse prevention $4,000,000 in the fiscal year 1989, and $5,000,000 for each of the fiscal years 1990 and 1991. With respect to amounts appropriated for any fiscal year pursuant to the authorization contained in the preceding sentence, the Director—

"(1) shall use not less than 15 percent and not more than 25 percent of such amounts for purposes of carrying out section 124(b); and

"(2) shall ensure that not more than $500,000 is used for program support."; and

(2) in subsection (d)(1), by inserting "(other than section 124(b))" after "title I" the first place it appears.

Subtitle B—Drug Abuse Education and Prevention

CHAPTER 1—DRUG EDUCATION AND PREVENTION RELATING TO YOUTH GANGS

SEC. 3501. ESTABLISHMENT OF DRUG ABUSE EDUCATION AND PREVENTION PROGRAM RELATING TO YOUTH GANGS.

The Secretary of Health and Human Services, through the Administration on Children, Youth, and Families, shall make grants to, and enter into contracts with, public and nonprofit private agencies, organizations (including community based organizations with demonstrated experience in this field), institutions, and individuals, to carry out projects and activities—

(1) to prevent and to reduce the participation of youth in the activities of gangs that engage in illicit drug-related activities,

(2) to promote the involvement of youth in lawful activities in communities in which such gangs commit drug-related crimes,

(3) to prevent the abuse of drugs by youth, to educate youth about such abuse, and to refer for treatment and rehabilitation members of such gangs who abuse drugs,

(4) to support activities of local police departments and other local law enforcement agencies to conduct educational outreach activities in communities in which gangs commit drug-related crimes,

(5) to inform gang members and their families of the availability of treatment and rehabilitation services for drug abuse,

(6) to facilitate Federal and State cooperation with local school officials to assist youth who are likely to participate in gangs that commit drug-related crimes,

(7) to facilitate coordination and cooperation among—

(A) local education, juvenile justice, employment and social service agencies, and

(B) drug abuse referral, treatment, and rehabilitation programs,

for the purpose of preventing or reducing the participation of youth in activities of gangs that commit drug-related crimes, and

(8) to provide technical assistance to eligible organizations in planning and implementing drug abuse education, prevention, rehabilitation, and referral programs for youth who are members of gangs that commit drug-related crimes.

SEC. 3502. APPLICATION FOR GRANTS AND CONTRACTS.

(a) SUBMISSION OF APPLICATIONS.—Any agency, organization, institution, or individual desiring to receive a grant, or to enter into a contract, under section 3501 shall submit to the Secretary an application at such time, in such manner, and containing or accompanied by such information as the Secretary may require by rule.

(b) CONTENTS OF APPLICATION.—Each application for assistance under this chapter shall—

(1) set forth a project or activity for carrying out one or more of the purposes specified in section 3501 and specifically identify each such purpose such project or activity is designed to carry out,

(2) provide that such project or activity shall be administered by or under the supervision of the applicant,

(3) provide for the proper and efficient administration of such project or activity,

(4) provide for regular evaluation of the operation of such project or activity,

(5) provide that regular reports on such project or activity shall be submitted to the Secretary, and

(6) provide such fiscal control and fund accounting procedures as may be necessary to ensure prudent use, proper disbursement, and accurate accounting of funds received under this chapter.

SEC. 3503. APPROVAL OF APPLICATIONS.

In selecting among applications submitted under section 3502(a), the Secretary shall give priority to applicants who propose to carry out projects and activities—

(1) for the purposes specified in section 3501 in geographical areas in which frequent and severe drug-related crimes are committed by gangs whose membership is composed primarily of youth, and

(2) that the applicant demonstrates that it has the broad support of community based organizations in such geographical areas.

SEC. 3504. COORDINATION WITH JUVENILE JUSTICE PROGRAMS.

The Secretary shall coordinate the program established by section 3501 with the programs and activities carried out under the Juvenile Justice and Delinquency Prevention Act of 1974 and with the programs and activities of the Attorney General, to ensure that all such programs and activities are complementary and not duplicative.

SEC. 3505. AUTHORIZATION OF APPROPRIATIONS.

To carry out this chapter, there are authorized to be appropriated $15,000,000 for the fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990 and 1991.

CHAPTER 2—PROGRAM FOR RUNAWAY AND HOMELESS YOUTH

SEC. 3511. ESTABLISHMENT OF PROGRAM.

(a) The Secretary shall make grants to public and private nonprofit agencies, organizations, and institutions to carry out research, demonstration, and services projects designed—

(1) to provide individual, family, and group counseling to runaway youth and their families and to homeless youth for the purpose of preventing or reducing the illicit use of drugs by such youth,

(2) to develop and support peer counseling programs for runaway and homeless youth related to the illicit use of drugs,

(3) to develop and support community education activities related to illicit use of drugs by runaway and homeless youth, including outreach to youth individually,

(4) to provide to runaway and homeless youth in rural areas assistance (including the development of community support groups) related to the illicit use of drugs,

(5) to provide to individuals involved in providing services to runaway and homeless youth, information and training regarding issues related to the illicit use of drugs by runaway and homeless youth,

(6) to support research on the illicit drug use by runaway and homeless youth, and the effects on such youth of drug abuse by family members, and any correlation between such use and attempts at suicide, and

(7) to improve the availability and coordination of local services related to drug abuse, for runaway and homeless youth.

(b) Priority.—In selecting among applicants for grants under subsection (a), the Secretary shall give priority to agencies and organizations that have experience in providing services to runaway and homeless youth.

(c) Limitation.—Grants under this section may be made for a period not to exceed 3 years.

SEC. 3512. ANNUAL REPORT.

Not later than 180 days after the end of a fiscal year for which funds are appropriated to carry out this chapter, the Secretary shall submit to the President, the Speaker of the House of Representatives, and the President pro tempore of the Senate a report that contains—

(1) a description of the types of projects and activities for which grants were made under this chapter for such fiscal year,

(2) a description of the number and characteristics of the youth and families served by such projects and activities, and

(3) a description of exemplary projects and activities for which grants were made under this chapter for such fiscal year.

SEC. 3513. AUTHORIZATION OF APPROPRIATIONS.

(a) Authorization.—Subject to subsection (b), to carry out this chapter, there are authorized to be appropriated $15,000,000 for fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990 and 1991.

(b) Limitation.—No funds are authorized to be appropriated for a fiscal year to carry out this chapter unless the aggregate amount appropriated to carry out title III of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5701-5751) for such fiscal year is not less than the aggregate amount appropriated to carry out such title for the preceding fiscal year.

SEC. 3514. APPLICATIONS.

(a) Submission of Application.—Any State, unit of local government (or combination of units of local government), agency, organization, institution, or individual desiring to receive a grant, or enter into a contract, under this chapter shall submit an application at such time, in such manner, and containing or accompanied by such information as may be prescribed by the Federal officer who is authorized to make such grant or enter into such contract (hereinafter in this chapter referred to as the "appropriate Federal officer").

(b) Contents of Application.—In accordance with guidelines established by the appropriate Federal officer, each application for assistance under this chapter shall—

(1) set forth a project or activity for carrying out one or more of the purposes for which such grant or contract is authorized to be made and expressly identify each such purpose such project or activity is designed to carry out,

(2) provide that such project or activity shall be administered by or under the supervision of the applicant,

(3) provide for the proper and efficient administration of such project or activity,

(4) provide for regular evaluation of such project or activity,

(5) provide that regular reports on such project or activity shall be sent to the appropriate Federal officer, and

(6) provide for such fiscal control and fund accounting procedures as may be necessary to ensure prudent use, proper disbursement, and accurate accounting of funds received under this chapter.

SEC. 3515. REVIEW OF APPLICATIONS.

(a) Consideration of Factors.—In reviewing applications submitted under this chapter, the appropriate Federal officer shall consider—

(1) the relative cost and effectiveness of the proposed project or activity in carrying out purposes for which the requested grant or contract is authorized to be made,

(2) the extent to which such project or activity will incorporate new or innovative techniques,

(3) the increase in capacity of the State or the public or nonprofit private agency, organization, institution, or individual involved to provide services to address the illicit use of drugs by runaway and homeless youth,

(4) the extent to which such project or activity serves communities which have high rates of illicit drug use by juveniles (including runaway and homeless youth),

(5) the extent to which such project or activity will provide services in geographical areas where similar services are unavailable or in short supply, and

(6) the extent to which such project or activity will increase the level of services, or coordinate other services, in the community available to eligible youth.

(b) Competitive Process.—(1) Applications submitted under this chapter shall be selected for approval through a competitive process to be established by rule by the appropriate Federal officer. As part of such a process, such officer shall publish a notice in the Federal Register—

(A) announcing the availability of funds to carry out this part,

(B) the general criteria applicable to the selection of applicants to receive such funds, and

(C) a description of the procedures applicable to submitting and reviewing applications for such funds.

(2) As part of such process, each application referred to in subsection (a) shall be subject to peer review by individuals (excluding officers and employees of the Department of Justice and the Department of Health and Human Services) who have expertise in the subject matter related to the project or activity proposed in such application.

(c) Expedited Review.—The appropriate Federal officer shall expedite the consideration of an application referred to in subsection (a) if the applicant demonstrates, to the satisfaction of the Administrator, that the failure to expedite such consideration would prevent the effective implementation of the project or activity set forth in such application.

CHAPTER 3—COMMUNITY PROGRAM

SEC. 3521. THE COMMUNITY YOUTH ACTIVITY PROGRAM.

(a) Block Grant Program.—The Secretary of Health and Human Services shall make grants to eligible States to enable such States to carry out the activities described in subsection (e).

(b) Application.—

(1) In general.—To be eligible to receive a grant under this section, a State, acting on its own behalf or on behalf of a person, shall submit to the Secretary an application that contains such information and is in such form as may be required by the Secretary.

(2) Demonstration of need.—In the application submitted under paragraph (1), the State shall demonstrate a need for the activities described in subsections (c)(3)(B) and (e) and provide a description of those activities and projects that will receive financial assistance from a grant made under this section to the State.

(c) Amount of Grant.—

(1) Minimum amount.—Each State that submits for a fiscal year an application under subsection (b) that meets the requirements of the Secretary shall, subject to the availability of appropriations, receive a grant in an amount determined in accordance with paragraph (3).

(2) Programs of national significance.—Of amounts appropriated or otherwise available to carry out this section for any fiscal year, the Secretary shall reserve 5 percent to be provided for activities and projects of national significance, such as activities authorized by section 681(a)(2)(F) of the Community Services Block Grant Act (42 U.S.C. Sec. 9910(a)(2)(F)), or projects expected to have a significant impact in preventing the abuse of drugs by youth.

(3) Specified appropriations.—

(A) In general.—Of the aggregate amount appropriated under subsection (h) for any fiscal year and after reserving the amount required by paragraph (2), the Secretary shall—

(i) allot—

(I) 25 percent equally among the eligible States if such amount is less than $40,000,000; or

(II) $250,000 to each eligible State if such amount equals or exceeds $40,000,000;

(ii) allot one-half of 1 percent of such amount on the basis of need among Guam, American Samoa, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands; and

(iii) set aside the remainder to be disbursed as described in subparagraph (B).

For purposes of this subparagraph, the term "State" does not include Guam, American Samoa, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(B) Remainder.—Amounts referred to in subparagraph (A)(iii) shall be used by the Secretary to make grants, on a competitive basis and taking into consideration with respect to the States—

(i) the highest proportions of school-aged youth are at risk of drug abuse;

(ii) if a tangible need has been identified by the State involved; and

(iii) if the State involved has proposed the funding of additional projects targeted at the areas of highest need;

to carry out the activities and projects that are consistent with the activities described in subsection (e)(1). The activities and projects for which such grants are made shall be selected by the Secretary from among proposed activities and projects submitted to the Secretary by the States. Such grants shall be made to the States for redistribution to the persons on whose behalf the State submitted an application under subsection (b).

(d) PRIORITY.—In making grants under this section, the Secretary shall give priority to—

(1) projects aimed at youth who are not in school or who are at risk of dropping out of school;

(2) projects that seek to reinvolve dropouts in educational programs, involve youth community-based activities, develop training or employment opportunities for dropouts, or provide youth with alternatives to drug abuse;

(3) projects to provide after-school, vacation, and weekend activities designed to give youth opportunities to actively participate in a variety of activities, including youth sports programs;

(4) activities and projects that are consistent with activities and projects described in subsection (e)(1) and that include participation by the business community;

(5) projects that provide outreach to individuals of all ages who are at high risk of involvement with drug abuse;

(6) projects targeted to communities with the most serious drug abuse problems to enable such communities to develop programs that coordinate Federal, State, and local efforts to develop comprehensive, long-term, community-wide prevention and education strategies;

(7) projects that seek to involve youth who are members of gangs or who may join a gang, in—

(A) educational programs;

(B) community-based activities;

(C) training or employment opportunities; or

(D) other alternatives to gang involvement; and

(8) projects that seek to inform youth regarding the existence and operation of the projects referred to in paragraph (7).

(e) ACTIVITIES AND PROJECTS.—Financial assistance may be provided with a grant received under subsection (a) under this section by a State as follows:

(1) COMMUNITY SERVICES AND PARTNERSHIPS.—Such assistance may be provided for community services and partnerships designed to develop community activities targeted at drug abuse prevention through education, training, and recreation projects. Such services may be provided by, and such partnerships may be entered into with—

(A) local educational agencies;

(B) law enforcement agencies;

(C) community-based organizations;

(D) community action agencies;

(E) local or State recreational departments; or

(F) business organizations; and

in consultation with local and State health departments and with community health or mental health centers when appropriate. Such assistance may be provided to any entity described in subparagraphs (A) through (F), either individually or in partnerships. Applications for such assistance shall include a description of the method to be used to evaluate the impact the particular service or partnership is designed to have on the drug abuse problem within the community.

(2) OTHER ACTIVITIES AND PROJECTS.—Such assistance may be provided to carry out projects or activities that are consistent with the activities and projects described in paragraph (1).

(f) PROJECT EVALUATIONS.—The Secretary shall provide for the evaluation of activities and projects conducted with financial assistance received under this section. Applications for grants under this section shall include a description of the method to be used in evaluating the impact such activities and programs have on the drug abuse problem within the communities in which such activities and projects are carried out.

(g) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $40,000,000 for fiscal year 1989, $55,000,000 for fiscal year 1990, $60,000,000 for fiscal year 1991, $66,550,000 for fiscal year 1992, and $73,205,000 for fiscal year 1993.

SEC. 3522. EVALUATION OF DRUG ABUSE EDUCATION AND PREVENTION EFFORTS.

(a) METHOD.—The Secretary of Health and Human Services, acting through the Administrator, shall develop and conduct a structured evaluation of the different approaches utilized across the Nation to reduce drug abuse (as defined in section 3601(6)).

(b) GRANTS.—The Administrator may make grants to or enter into contracts with appropriate entities for the purpose of conducting the evaluations required by subsection (a).

(c) TIME OF REPORTS.—The Secretary shall submit a report based on the evaluations prepared under subsection (a) not later than 1 year after the effective date of this section, and another report based on such evaluations not later than 3 years after such date. A third report based on such evaluations shall be submitted by the Secretary not later than January 1, 1994.

(d) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $12,000,000 in fiscal year 1989, and $15,000,000 for each of the fiscal years 1990 through 1993.

Subtitle C—Miscellaneous

SEC. 3601. DEFINITIONS.

Unless otherwise defined by an Act amended by this title, for purposes of this title and the amendments made by this title—

(1) the term "Administrator" means the Administrator of the Office of Juvenile Justice and Delinquency Prevention,

(2) the term "community based" has the meaning given it in section 103(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603(1)),

(3) the term "controlled substance" has the meaning given it in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)),

(4) the term "controlled substance analogue" has the meaning given it in section 102(32) of the Controlled Substances Act (21 U.S.C. 802(32)),

(5) the term "drug" means—

(A) a beverage containing alcohol,

(B) a controlled substance, or

(C) a controlled substance analogue,

(6) the term "Director" means the Director of the ACTION Agency,

(7) the term "illicit" means unlawful or injurious,

(8) the term "institution of higher education" has the meaning given it in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)),

(9) the term "public agency" has the meaning given it in section 103(11) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603(11)),

(10) the term "Secretary" means—

(A) the Secretary of Education for purposes of subtitle A (other than section 3201),

(B) the Secretary of Agriculture for purposes of the amendments made by section 3201, and

(C) the Secretary of Health and Human Services for purposes of subtitle B,

(11) the term "State" has the meaning given it in section 103(7) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603(7)),

(12) the term "treatment" has the meaning given it in section 103(15) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603(15)), and

(13) the term "unit of general local government" has the meaning given it in section 103(8) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603(8)).

TITLE IV—INTERNATIONAL NARCOTICS CONTROL

Subtitle A—General Provisions

SEC. 4001. SHORT TITLE.

This title may be cited as the "International Narcotics Control Act of 1988".

SEC. 4002. TABLE OF CONTENTS.

The table of contents for this title is as follows:

TITLE IV—INTERNATIONAL NARCOTICS CONTROL

Subtitle A—General Provisions

Sec. 4001. Short title.
Sec. 4002. Table of contents.
Sec. 4003. Definitions.

Subtitle B—Multilateral Narcotics Control Efforts

Sec. 4101. Regional anti-narcotic forces.
Sec. 4102. United Nations efforts to stop illegal drug trafficking.
Sec. 4103. International drug force.
Sec. 4104. International drug conference.
Sec. 4105. Integrated regional plan to fight the international narcotics trade.
Sec. 4106. Regional anti-narcotics training center in the Caribbean.
Sec. 4107. Authorization of appropriations for multilateral and regional drug abuse programs.
Sec. 4108. International criminal court.

Subtitle C—Authorizations and Earmarkings of Foreign Assistance

Sec. 4201. Authorization for international narcotics control assistance.
Sec. 4202. Herbicides for aerial coca eradication.
Sec. 4203. Procurement of weapons to defend aircraft involved in narcotics control efforts.
Sec. 4204. Training for narcotics control activities.
Sec. 4205. Military assistance for anti-narcotics efforts.
Sec. 4206. Reallocation of funds withheld from countries which fail to take adequate steps to halt illicit drug production or trafficking.

Subtitle D—Provisions Relating to Specific Countries

Sec. 4301. Cooperative nonmajor drug-transit countries.
Sec. 4302. Assistance for Bolivia.
Sec. 4303. Assistance for Peru.
Sec. 4304. Assistance for Mexico.
Sec. 4305. Assistance for Colombia.
Sec. 4306. Illicit drug production and trafficking in Pakistan.
Sec. 4307. United States reliance on licit opium gum from foreign sources.

Sec. 4308. Afghanistan as a source of heroin.
Sec. 4309. Involvement of the Government of Laos in illicit drug production and trafficking.

Subtitle E—Annual Reporting and Certification Process

Sec. 4401. Expression in numerical terms of maximum achievable reductions in illicit drug production.
Sec. 4402. Reports on assistance denied.
Sec. 4403. Exclusion of certain drug education activities from definition of United States assistance.
Sec. 4404. Reports and restrictions on certain countries.
Sec. 4405. Determining major drug-transit countries.
Sec. 4406. Waiver of restrictions on United States assistance for certain major drug-transit countries.
Sec. 4407. Annual certification procedures for bilateral and multilateral assistance.
Sec. 4408. Annual certification procedures for trade and aviation sanctions.

Subtitle F—Miscellaneous Provisions Relating to Assistance Programs

Sec. 4501. Reporting on transfer of United States assets.
Sec. 4502. Importance of suppressing international narcotics trafficking.
Sec. 4503. Prohibition on assistance to drug traffickers.
Sec. 4504. Procurement for international narcotics control assistance.
Sec. 4505. Prohibition on use of narcotics control assistance to acquire real property.
Sec. 4506. Reimbursement for DOD services used in providing international narcotics control assistance.
Sec. 4507. Permissible uses of aircraft and other equipment.

Subtitle G—Department of State Activities

Sec. 4601. Coordination of all United States anti-narcotics assistance to foreign countries.
Sec. 4602. Rewards for certain information.
Sec. 4603. Denial of passports to certain convicted drug traffickers.
Sec. 4604. Machine-readable document border security program.
Sec. 4605. Extradition and mutual legal assistance treaties and model comprehensive antidrug laws.
Sec. 4606. Overseas investigative program.
Sec. 4607. Assignment of more Drug Enforcement Administration Agents to United States embassies.

Subtitle H—International Banking Matters

Sec. 4701. International currency transaction reporting.
Sec. 4702. Restrictions on laundering of United States currency.
Sec. 4703. Export-Import Bank financing for sales of defense articles and services for anti-narcotics purposes.

Subtitle I—Miscellaneous Provisions

Sec. 4801. Intelligence community actions directed at illicit international drug trafficking.
Sec. 4802. Correction of technical errors in prior Acts.
Sec. 4803. Resources for certain drug control activities.
Sec. 4804. Consistency with international obligations of the United States.

SEC. 4003. DEFINITIONS.

As used in this title, the terms "drug" and "narcotic" mean narcotic and psychotropic drugs and other controlled substances as defined in section 481(i)(3) of the Foreign Assistance Act of 1961.

Subtitle B—MULTILATERAL NARCOTICS CONTROL EFFORTS

SEC. 4101. REGIONAL ANTI-NARCOTICS FORCES.

(a) NEED FOR ANTI-NARCOTICS FORCE IN THE WESTERN HEMISPHERE.—It is the sense of Congress that—

(1) the operations of international illegal drug smuggling organizations pose a direct threat to the national security of the member nations of the Organization of American States;

(2) illegal international drug smuggling organizations have grown so large and powerful that they threaten to overwhelm small nations standing alone against them;

(3) to preserve the national sovereignty, protect the public health, and maintain domestic law and order within their borders, member nations of the Organization of American States should coordinate their efforts to fight the illegal drug trade;

(4) recent events in drug source and transit countries in the Western Hemisphere make clear the requirement for international agreement on the formation of a multinational force to conduct operations against these illegal drug smuggling organizations;

(5) the United States should make every effort to initiate diplomatic discussions through the Organization of American States aimed at achieving agreement to establish and operate a Western Hemisphere anti-narcotics force; and

(6) sensitive to the legitimate concerns of other member nations of the Organization of American States, the United States stands ready to provide equipment, training, and financial resources to support the establishment and operation of such an anti-narcotics force, but believes that the personnel for such a force should be provided by those nations facing the most serious threat from drug trafficking organizations.

(b) DIPLOMATIC DISCUSSIONS REGARDING WESTERN HEMISPHERE REGIONAL FORCE.—The President shall direct the United States Ambassador to the Organization of American States, under the direction of the Secretary of State, to initiate diplomatic discussions with member nations of the Organization of American States aimed at securing agreement to the formation of a multinational force to conduct operations against international illegal drug smuggling organizations wherever they may be found in the Western Hemisphere.

(c) REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary of State shall report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives on the progress United States diplomatic efforts have made toward achieving agreement on the establishment of such a multinational anti-narcotics force for the Western Hemisphere.

(d) BUDGET REQUEST.—If diplomatic efforts toward achieving a multinational anti-narcotics force for the Western Hemisphere demonstrate progress or agreement has been reached on formation of such a force, the President shall submit to the Congress, within 30 days after submission of the report required by subsection (c), supplemental budget requests for fiscal years 1989 and 1990 covering the United States' share of the cost of operation and maintenance of such a force.

(e) OTHER REGIONAL ANTI-NARCOTIC FORCES.—The Congress urges the President to seek the establishment, in each of the relevant regions of the world, of a multilateral anti-narcotics force similar to the Western Hemisphere anti-narcotics force contemplated by this section.

SEC. 4102. UNITED NATIONS EFFORTS TO STOP ILLEGAL DRUG TRAFFICKING.

(a) FINDINGS.—The Congress finds that—

(1) the Department of State estimates that in 1987 the worldwide production of opium was between 1,902 and 3,107 metric tons, production of cocaine hydrochloride was between 324 and 422 metric tons, and production of marijuana was between 10,930 and 17,625 metric tons;

(2) it is estimated that the value of the illegal drug trade worldwide is as high as $500,000,000,000 a year;

(3) drug traffickers appear to be intensifying their efforts to distribute drugs to Western industrialized nations, as a source of stable currencies;

(4) drug traffickers also appear to be intensifying their efforts to distribute drugs to developing nations, as a means to increase their market;

(5) it is estimated that there are between 25,000,000 and 30,000,000 drug addicts worldwide;

(6) the American illegal drug market alone, comprised primarily of marijuana, cocaine, and heroin, annually produces between $50,000,000,000 and $100,000,000,000 at the retail level;

(7) approximately 35 percent of the inmates of State prisons were under the influence of illegal drugs at the time they committed the crime for which they were incarcerated;

(8) it is estimated that there are 26,000,000 regular users of illegal drugs in the Nation, slightly more than 10 percent of the Nation's population; and

(9) over 50 percent of the high school seniors in the Nation have used marijuana or hashish.

(b) ENCOURAGEMENT FOR ESTABLISHMENT OF INTERNATIONAL FORCE.—The Congress encourages the United Nations to explore ways and means to establish an international force or mechanism aimed at stopping the trafficking of illegal drugs.

SEC. 4103. INTERNATIONAL DRUG FORCE.

It is the sense of the Congress that the President should call for international negotiations for the purpose of agreeing on the establishment of an international drug force to pursue and apprehend major international drug traffickers.

SEC. 4104. INTERNATIONAL DRUG CONFERENCE.

It is the sense of the Congress that—

(1) the President should convene as soon as possible an international conference to be known as the International Conference on Combatting Illegal Drug Production, Trafficking, and Use in the Western Hemisphere;

(2) this conference should involve the heads of state, the highest-ranking law enforcement officers, and other appropriate officials from every government in the Western Hemisphere that is willing to combat the drug trade, and whose cooperation the President determines is essential to that goal; and

(3) this conference should focus exclusively on combatting the drug trade and, in particular, should emphasize enhancing cooperative efforts among the governments of the Western Hemisphere to—

(A) substantially reduce the production, cultivation, and processing of illicit drugs;

(B) eliminate the transshipment of such drugs through countries in the Western Hemisphere;

(C) curb the demand for and use of such drugs in every country in the Western Hemisphere;

(D) combat the problems of drug-related corruption and drug money laundering; and

(E) share intelligence information, extradite drug traffickers, and take other steps necessary to improve law enforcement efforts against the drug trade.

SEC. 4105. INTEGRATED REGIONAL PLAN TO FIGHT THE INTERNATIONAL COCAINE TRADE.

(a) Consultations Concerning Creation of an Integrated Plan.—The Secretary of State shall consult with—

(1) the heads of appropriate agencies and departments of the United States Government,

(2) the governments of those countries in the Western Hemisphere that cultivate, process, or traffic in cocaine, and

(3) the governments of other cocaine consuming countries,

about the feasibility of creating a comprehensive, integrated, multinational plan whose objective would be the substantial reduction or elimination of the international cocaine trade.

(b) Report on the Integrated Plan.—Not later than 6 months after the date of enactment of this Act, the Secretary of State shall report to the Congress on—

(1) the feasibility of creating a comprehensive, integrated, multinational plan whose objective would be the substantial reduction or elimination of the international cocaine trade;

(2) the measures in such areas as eradication, interdiction, crop substitution, economic development, extradition, money-laundering, precursor chemical control, and related fields, that would be required to achieve such an objective;

(3) the material resources, funding, and technological assistance each producer and transit country would require in order to achieve such an objective; and

(4) the resources, funding, and other assistance each producer, transit, and consuming country would be prepared to make available for such an effort.

SEC. 4106. REGIONAL ANTI-NARCOTICS TRAINING CENTER IN THE CARIBBEAN.

It is the sense of the Congress that the Assistant Secretary of State for International Narcotics Matters—

(1) should seek the establishment of a regional anti-narcotics training center in the Caribbean;

(2) should contribute funds or other resources to such a center; and

(3) should seek such contributions from other countries for such a center.

SEC. 4107. AUTHORIZATION OF APPROPRIATIONS FOR MULTILATERAL AND REGIONAL DRUG ABUSE CONTROL PROGRAMS.

Section 302 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(j) In addition to amounts otherwise available under this section for such purposes, there are authorized to be appropriated to the President $3,000,000 for fiscal year 1989 to be available only for United States contributions to multilateral and regional drug abuse control programs. Of the amount authorized to be appropriated by this subsection—

"(1) $2,000,000 shall be for a United States contribution to the United Nations Fund for Drug Abuse Control;

"(2) $600,000 shall be for the Organization of American States (OAS) Inter-American Drug Abuse Control Commission (CICAD) Legal Development Project, except that the proportion which such amount bears to the total amount of contributions to this specific project may not exceed the proportion which the United States contribution to the budget of the Organization of American States for that fiscal year bears to the total contributions to the budget of the Organization of American States for that fiscal year; and

"(3) $400,000 shall be for the Organization of American States (OAS) Inter-American Drug Abuse Control Commission (CICAD) Law Enforcement Training Project, except that the proportion which such amount bears to the total amount of contributions to this specific project may not exceed the proportion which the United States contribution to the budget of the Organization of American States for that fiscal year bears to the total contributions to the budget of the Organization of American States for that fiscal year.".

SEC. 4108. INTERNATIONAL CRIMINAL COURT.

(a) In General.—It is the sense of the Senate that the President should begin discussions with foreign governments to investigate the feasibility and advisability of establishing an international criminal court to expedite cases regarding the prosecution of persons accused of having engaged in international drug trafficking or having committed international crimes.

(b) United States Citizens.—Such discussions shall not include any commitment that such court shall have jurisdiction over the extradition of United States citizens and shall assure that any international agreement shall recognize the rights and privileges guaranteed to United States citizens under the United States Constitution.

Subtitle C—Authorizations and Earmarkings of Foreign Assistance

SEC. 4201. AUTHORIZATION FOR INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

Section 482(a) of the Foreign Assistance Act of 1961 is amended by striking out paragraphs (1) and (3) and by inserting the following new paragraph (1) after "(a)":

"(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $101,000,000 for fiscal year 1989.".

SEC. 4202. HERBICIDES FOR AERIAL COCA ERADICATION.

(a) Earmarking of Funds.—The Secretary of State shall use not less than $500,000 of the funds made available for fiscal year 1989 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control) to finance the testing and use of safe and effective herbicides for use in the aerial eradication of coca.

(b) Impact on the Environment and Health.—Section 481(d) of that Act is amended by adding at the end the following:

"(5)(A) The President, with the assistance of appropriate federal agencies, shall monitor any use under this chapter of a herbicide in the aerial eradication of coca in order to determine the impact of such use on the environment and on the health of individuals.

"(B) The President shall report on such impact in the annual report required by subsection (e).

"(C) If the President determines that any such use is harmful to the environment or the health of individuals, the President shall immediately report that determination to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, together with such recommendations as the President deems appropriate.".

SEC. 4203. PROCUREMENT OF WEAPONS TO DEFEND AIRCRAFT INVOLVED IN NARCOTICS CONTROL EFFORTS.

(a) Earmarking of MAP Funds.—Of the funds available to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to the grant military assistance program), $1,000,000 for fiscal year 1989 shall be made available to arm, for defensive purposes, aircraft used in narcotics control eradication or interdiction efforts. These funds may only be used to arm aircraft already in the inventory of the recipient country, and may not be used for the purchase of new aircraft.

(b) Notification to Congress.—The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate shall be notified of the use of any such funds for that purpose at least 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of the Foreign Assistance Act of 1961.

SEC. 4204. TRAINING FOR NARCOTICS CONTROL ACTIVITIES.

(a) Earmarking of Funds.—Not less than $2,000,000 of the funds made available for fiscal year 1989 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (relating to international military education and training) shall be available only for—

(1) education and training in the operation and maintenance of equipment used in narcotics control interdiction and eradication efforts of countries in Latin America and the Caribbean which are described in subsection (c); and

(2) the expenses of deploying, upon the request of the government of a foreign country described in subsection (c), Department of Defense mobile training teams in that foreign country to conduct training in military-related individual and collective skills that will enhance that country's ability to conduct tactical operations in narcotics interdiction.

(b) Units Eligible for Training.—Education and training may be provided under subsection (a)(1) and training may be provided under subsection (a)(2) only for foreign law enforcement agencies, or other units, that are organized for the specific purpose of narcotics enforcement.

(c) Eligible Countries.—Assistance may be provided under this section only for countries—

(1) which are major illicit drug producing or major drug-transit countries (as defined in section 481(i) of the Foreign Assistance Act of 1961);

(2) which have democratic governments; and

(3) whose law enforcement agencies do not engage in a consistent pattern of gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961).

(d) Coordination With International Narcotics Control Assistance Program.—Assistance under this section shall be coordinated with assistance provided under chapter 8 of part I of the Foreign Assistance

Act of 1961 (relating to international narcotics control).

(e) Waiver of Section 660.—Assistance may be provided pursuant to this section notwithstanding the prohibition contained in section 660 of the Foreign Assistance Act of 1961 (relating to police training).

SEC. 4205. MILITARY ASSISTANCE FOR ANTI-NARCOTICS EFFORTS.

(a) Purposes of Assistance.—Assistance provided under this section shall be designed to—

(1) enhance the ability of friendly governments to control illicit narcotics production and trafficking;

(2) strengthen the bilateral ties of the United States with friendly governments by offering concrete assistance in this area of great mutual concern; and

(3) strengthen respect for internationally recognized human rights and the rule of law in efforts to control illicit narcotics production and trafficking.

(b) Waiver of Certain Provisions.—During fiscal years 1989 and 1990, section 660(a) of the Foreign Assistance Act of 1961 shall not apply with respect to assistance provided under chapter 2 of part II of that Act (relating to the grant military assistance program) to countries described in subsection (c) for the procurement, for use in narcotics control, eradication, and interdiction efforts, of weapons or ammunition for foreign law enforcement agencies, or other units, that are organized for the specific purpose of narcotics enforcement.

(c) Eligible Countries.—Assistance may be provided under this section only for countries—

(1) which are major illicit drug producing or major drug-transit countries (as defined in section 481(i) of the Foreign Assistance Act of 1961);

(2) which have democratic governments; and

(3) whose law enforcement agencies do not engage in a consistent pattern of gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961).

(d) Reports to Congress.—Not less than 15 days before funds are obligated to provide assistance authorized by this section, the President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, in accordance with the procedures applicable under section 634A of the Foreign Assistance Act of 1961, a written notification which specifies—

(1) the country to which the assistance is to be provided;

(2) the type and value of the assistance to be provided;

(3) the law enforcement agencies or other units that will receive the assistance; and

(4) an explanation of how the proposed assistance will achieve the purposes specified in subsection (a) of this section.

(e) Reports on Human Rights Situation.—Section 502B(c) of the Foreign Assistance Act of 1961 (relating to country-specific human rights reports upon the request of the foreign affairs committees) applies with respect to countries for which assistance authorized by this section is proposed or is being provided.

(f) Coordination With International Narcotics Control Assistance Program.—Assistance under this section shall be coordinated with assistance provided under chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control).

(g) Earmarking for Latin America and the Caribbean.—Of the amounts made available for fiscal year 1989 to carry out chapter 2 of part II of the Foreign Assistance Act of 1961, $3,500,000 shall be available only to provide assistance authorized by this section for countries in Latin America or the Caribbean.

(h) Conforming Amendments.—(1) Section 578(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461), is amended—

(A) by striking out paragraph (3);

(B) in paragraph (4), by striking out "except as provided in paragraph (3) of this subsection"; and

(C) by redesignating paragraph (4) as paragraph (3).

(2) The amendments made by paragraph (1) shall be effective as of October 1, 1988.

SEC. 4206. REALLOCATION OF FUNDS WITHHELD FROM COUNTRIES WHICH FAIL TO TAKE ADEQUATE STEPS TO HALT ILLICIT DRUG PRODUCTION OR TRAFFICKING.

(a) Requirement To Reallocate.—Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"SEC. 486. REALLOCATION OF FUNDS WITHHELD FROM COUNTRIES WHICH FAIL TO TAKE ADEQUATE STEPS TO HALT ILLICIT DRUG PRODUCTION OR TRAFFICKING.

"(a) Additional Assistance for Countries Taking Significant Steps.—If any funds authorized to be appropriated for any fiscal year for security assistance are not used for assistance for the country for which those funds were allocated because of the requirements of section 481(h) or any other provision of law requiring the withholding of assistance for countries that have not taken adequate steps to halt illicit drug production or trafficking, the President shall use those funds for additional assistance for those countries which have met their illicit drug eradication targets or have otherwise taken significant steps to halt illicit drug production or trafficking, as follows:

"(1) International narcotics control assistance.—Those funds may be transferred to and consolidated with the funds appropriated to carry out this chapter in order to provide additional narcotics control assistance for those countries. Funds transferred under this paragraph may only be used to provide increased funding for activities previously justified to the Congress. Transfers may be made under this paragraph without regard to the 20-percent increase limitation contained in section 610(a). This paragraph does not apply with respect to funds made available for assistance under the Arms Export Control Act.

"(2) Security assistance.—Any such funds not used under paragraph (1) shall be reprogrammed within the account for which they were appropriated (subject to the regular reprogramming procedures under section 634A) in order to provide additional security assistance for those countries.

"(b) Definition of Security Assistance.—As used in this section, the term 'security assistance' means assistance under chapter 2 of part II of this Act (relating to the grant military assistance program), chapter 4 of part II of this Act (relating to the Economic Support Fund), chapter 5 of part II of this Act (relating to international military education and training), or the Arms Export Control Act (relating to foreign military sales financing).".

(b) Conforming Amendments.—(1) The amendment made by subsection (a) of this section supersedes section 578(d) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461).

(2) Funds may be transferred pursuant to paragraph (1) of section 486(a) of the Foreign Assistance Act of 1961 (as enacted by this section) notwithstanding section 514 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (as amended by section 589 of that Act), relating to transfers between accounts.

Subtitle D—Provisions Relating to Specific Countries

SEC. 4301. COOPERATIVE NONMAJOR DRUG-TRANSIT COUNTRIES.

(a) Greater Attention.—The Congress urges the Assistant Secretary of State for International Narcotics Matters to give greater attention, and provide more narcotics control assistance, to those countries which are drug-transit countries but are not major drug-transit countries (as defined in section 481(i)(5) of the Foreign Assistance Act of 1961) and which are cooperating with the United States in its international narcotics control efforts.

(b) Earmarking of Assistance.—Of the amounts made available for fiscal year 1989 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control), not less than $1,000,000 shall be available only for assistance to countries described in subsection (a).

SEC. 4302. ASSISTANCE FOR BOLIVIA.

(a) Security Assistance.—For fiscal year 1989, assistance may be provided for Bolivia under chapter 2 (relating to the grant military assistance program), chapter 4 (relating to the Economic Support Fund), and chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961 and under chapter 2 of the Arms Export Control Act (relating to foreign military sales financing) only if the President certifies to the Congress that the Government of Bolivia is implementing legislation that—

(1) establishes its legal coca requirements,

(2) provides for the licensing of the number of hectares necessary to produce the legal requirement,

(3) makes unlicensed coca production illegal, and

(4) makes possession and distribution of coca leaf illegal (other than possession and distribution for licit purposes).

(b) Section 481 Certification.—

(1) Conditions on certification.—For fiscal year 1989, the President may make a certification with respect to Bolivia under clause (i) or (ii) of section 481(h)(2)(A) of the Foreign Assistance Act of 1961 only if the Government of Bolivia—

(A) has entered into the narcotics cooperation agreement with the United States specified in section 611(2)(B) of the International Security and Development Cooperation Act of 1985;

(B) has fully achieved the eradication targets contained in that agreement; and

(C) has begun a program of forced eradication of illicit coca cultivation if the targets for voluntary eradication are not being met or are not continued.

(2) Nonwaivability.—The authorities contained in section 614 of the Foreign Assistance Act of 1961 may not be used to waive the requirements of this subsection, and may not be used to waive the require-

ments of section 481(h) of that Act for fiscal year 1989 with respect to Bolivia.

(c) Development Assistance.—For fiscal year 1989, the project agreement document for a project carried out pursuant to chapter I of part I of the Foreign Assistance Act of 1961 (relating to development assistance) shall contain—

(1) in the case of the Chapare Regional Development Project, a clause requiring that project activities be suspended if the Government of Bolivia fails to achieve the coca eradication targets contained in the applicable agreement concerning that project; and

(2) in the case of a project to be carried out in an area in Bolivia in which there is no known illicit coca cultivation as of the date of enactment of this Act, a clause requiring that project activities be suspended if the Government of Bolivia fails to keep the project area free of illicit coca cultivation.

(d) Fiscal Year 1989 Earmarking.—Title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461), is amended in the paragraph under the heading "INTERNATIONAL NARCOTICS CONTROL" by striking out "$15,000,000" in the first proviso and all that follows through "not less than" in the second proviso.

SEC. 4303. ASSISTANCE FOR PERU.

(a) Determinations Regarding Narcotics Control Cooperation.—In making determinations with respect to Peru pursuant to section 481(h)(2)(A)(i) of the Foreign Assistance Act of 1961 for fiscal year 1989, the President shall give foremost consideration to whether the Government of Peru made substantial progress in meeting its coca eradication targets during the previous year.

(b) Upper Huallaga Valley Project.—Funds authorized to be appropriated for fiscal year 1989 to carry out chapter 1 of part I of that Act (relating to development assistance) may be made available for the project of the Agency for International Development in the Upper Huallaga Valley of Peru only if the Secretary of State determines, and reports to the Congress, that such project continues to be effective in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley.

SEC. 4304. ASSISTANCE FOR MEXICO.

(a) Limitation on Assistance.—(1) Except as provided in paragraph (2), not more than $15,000,000 of the amounts made available for fiscal year 1989 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control) may be made available for Mexico.

(2) Assistance in excess of the amount specified in paragraph (1) may be made available for Mexico only if the congressional committees specified in section 634A(a) of the Foreign Assistance Act of 1961 are notified at least 15 days in advance in accordance with the regular reprogramming procedures applicable under that section.

(b) Cooperation on Drug Law Enforcement Matters.—The Congress urges the Government of Mexico to cooperate fully with the United States on matters of concern to the United States regarding drug law enforcement. In particular, the Congress anticipates that the new Government which will take office on December 1 will move expeditiously to bring to trial and effectively prosecute those responsible for the 1985 murders of Drug Enforcement Administration agent Enrique Camarena Salazar and his pilot Alfredo Zavala Avelar and those responsible for the 1986 detention and torture of Drug Enforcement Administration agent Victor Cortez, Junior.

(c) Joint Air Operations and Joint Crewing.—In making determinations with respect to Mexico pursuant to section 481(h)(2)(A)(i) of the Foreign Assistance Act of 1961 for fiscal year 1989, the President shall consider whether the Government of Mexico has responded favorably to the United States proposals to establish, and is making measurable progress toward implementing—

(1) a joint United States-Mexico airborne apprehension capability (commonly referred to as "joint air operations"); and

(2) joint air surveillance operations (commonly referred to as "joint crewing").

(d) Banking Information Concerning Money Laundering.—The Congress encourages the Government of Mexico, upon ratification of the Mutual Legal Assistance Treaty between the United States and Mexico, to furnish banking information pursuant to that treaty which would permit the successful investigation and prosecution in the United States of major narco-terrorists who use Mexican financial institutions to "launder" their profits.

SEC. 4305. ASSISTANCE FOR COLOMBIA.

(a) Size of Military Assistance Group.—The third sentence of section 515(c)(1) of the Foreign Assistance Act of 1961 (relating to countries authorized to have more than 6 members of the Armed Forces assigned to carry out international security assistance programs) is amended by inserting "Colombia," after "Honduras,".

(b) Increased Military Assistance.—There are authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to the grant military assistance program) $15,000,000 as supplemental appropriations for fiscal year 1989, which are authorized to remain available until expended. These funds shall be available only to provide defense articles to the armed forces of Colombia to support their efforts to combat illicit narcotics production and trafficking.

(c) Protection from Narco-Terrorist Attacks.—

(1) Earmark of funds.—Of the funds made available for fiscal year 1989 to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the Economic Support Fund), not less than $5,000,000 shall be used to provide to the Government of Colombia such assistance as it may request to provide protection against narco-terrorist attacks on judges, other government officials, and members of the press.

(2) Waiver of prohibition on assistance to police forces.—The assistance provided for in paragraph (1) may be provided without regard to section 660 of the Foreign Assistance Act of 1961.

(3) Notification to congress.—Funds made available pursuant to paragraph (1) may not be obligated until at least 15 days after the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified of the proposed obligation in accordance with the reprogramming procedures applicable under section 634A of the Foreign Assistance Act of 1961.

(4) Extension of period for obligation of funds.—Funds allocated to carry out this subsection shall remain available until expended, notwithstanding any other provision of law.

SEC. 4306. ILLICIT DRUG PRODUCTION AND TRAFFICKING IN PAKISTAN.

In making determinations with respect to Pakistan pursuant to section 481(h)(2)(A)(i) of the Foreign Assistance Act of 1961, the President shall take into account the extent to which the Government of Pakistan—

(1) is increasing the number of illicit laboratories destroyed and is vigorously prosecuting and punishing the owners and operators of such laboratories;

(2) is increasing the number of arrests and successful prosecutions of violators, with particular emphasis on putting major traffickers out of business; and

(3) has made changes in Pakistani legal codes in order to enable Pakistani law enforcement officials to move more effectively against narcotics traffickers, such as new conspiracy laws and new asset seizure laws.

SEC. 4307. UNITED STATES RELIANCE ON LICIT OPIUM GUM FROM FOREIGN SOURCES.

(a) Review Required.—The President shall conduct a review of United States narcotics raw material policy to determine—

(1) the current and reserve international needs for opium-derived pharmaceutical and chemical products, and the relative capabilities for meeting those needs through the opium gum process and the concentrated poppy straw method of production;

(2) whether the United States should continue to rely on a single foreign country for all its licit opium gum;

(3) whether it should be United States policy to encourage all countries which produce licit opium to use the concentrated poppy straw method of production; and

(4) what options are available, consistent with treaties to which the United States is a party, to reduce United States reliance on licit opium gum from foreign sources.

(b) Report to Congress.—The results of this review shall be reported to the Congress not later than 6 months after the date of enactment of this Act.

SEC. 4308. AFGHANISTAN AS A HEROIN SOURCE.

(a) Finding.—The Congress finds that Afghanistan remains the source of most of the heroin exported from southwest Asia.

(b) Statement of Policy.—It is the sense of the Congress that—

(1) the United States Government should pursue efforts to press the Government of Afghanistan, and should work with the Mujahadeen—

(A) to reduce production and trafficking in areas under their respective control, and

(B) to encourage drug eradication, interdiction, and crop substitution in Afghanistan; and

(2) an initiative should be developed which could be put in place as the Mujahadeen and successors to the present Kabul regime begin to exert more civil authority.

SEC. 4309. INVOLVEMENT OF THE GOVERNMENT OF LAOS IN ILLICIT DRUG PRODUCTION AND TRAFFICKING.

(a) Periodic Reports.—The President shall prepare and transmit to the Congress, in accordance with subsection (b), periodic reports containing the following determinations:

(1) Does the Government of Laos, as a matter of government policy, encourage or facilitate the production or distribution of illegal drugs?

(2) Does any senior official of the Government of Laos engage in, encourage, or facilitate the production or distribution of illegal drugs?

(3) Do other governments in the region assist the distribution of illegal drugs from Laos?

(b) Time for Submission of Reports.—The report described in subsection (a) shall be submitted as part of each report required by section 481(e) of the Foreign Assistance Act of 1961 and as part of each report required by section 2013 of the Anti-Drug Abuse Act of 1986.

(c) Information To Be Included.—(1) If an affirmative determination is made under paragraph (1) or (2) of subsection (a), the report shall describe the activities and identities of officials whose activities caused that determination to be made.

(2) If an affirmative determination is made under paragraph (3) of subsection (a), the report shall describe the activities of other governments in the region which caused that determination to be made.

Subtitle E—Annual Report and Certification Process

SEC. 4401. EXPRESSION IN NUMERICAL TERMS OF MAXIMUM ACHIEVABLE REDUCTIONS IN ILLICIT DRUG PRODUCTION.

Section 481(e)(4) of the Foreign Assistance Act of 1961 is amended by inserting after the first sentence the following: "Each determination of the President under the preceding sentence shall be expressed in numerical terms, such as the number of acres of illicitly cultivated controlled substances which can be eradicated.".

SEC. 4402. REPORTS ON ASSISTANCE DENIED.

Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(8) Each report pursuant to this subsection shall describe the United States assistance for the preceding fiscal year which was denied, pursuant to subsection (h), to each major illicit drug producing country and each major drug-transit country.".

SEC. 4403. EXCLUSION OF CERTAIN NARCOTICS EDUCATION ACTIVITIES FROM DEFINITION OF UNITED STATES ASSISTANCE.

Section 481(i)(4)(vii) of the Foreign Assistance Act of 1961 is amended by striking out "126 of this Act;" and inserting in lieu thereof "126(b)(2) of this Act (but any such assistance shall be subject to the prior notification procedures applicable to reprogrammings pursuant to section 634A of this Act),".

SEC. 4404. REPORTS AND RESTRICTIONS CONCERNING CERTAIN COUNTRIES.

Section 2013(a) of the Anti-Drug Abuse Act of 1986 is amended—

(1) by striking out "Not later than 6 months after the date of enactment of this Act and every 6 months thereafter, the" and inserting in lieu thereof "The"; and

(2) by inserting ", at the same time as each report is submitted pursuant to section 481(b)(2) of the Foreign Assistance Act of 1961," after "transmit to the Congress".

SEC. 4405. DETERMINING MAJOR DRUG-TRANSIT COUNTRIES.

(a) Procedures for Determining.—Section 481 of Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(k)(1) For each calendar year, the Secretary of State, after consultation with the appropriate committees of the Congress, shall establish numerical standards and other guidelines for determining which countries will be considered to be major drug-transit countries under subsection (i)(5)(A) and (B) of this section.

"(2) Not later than September 1 of each year, the Secretary of State shall make a preliminary determination of the numerical standards and other guidelines to be used pursuant to paragraph (1) with respect to that year and shall notify the appropriate committees of the Congress of those standards and guidelines.

"(3) Not later than October 1 of each year, the Secretary of State shall notify the appropriate committees of the Congress of—

"(A) which countries appear likely, as of that date, to be determined to be major drug-transit countries for that year under the numerical standards and other guidelines developed pursuant to this subsection; and

"(B) which countries appear likely, as of that date, to be determined to be major illicit drug producing countries for that year.

"(4) Each report submitted pursuant to subsection (e) shall discuss—

"(A) any changes made, since the notification provided pursuant to paragraph (2), in the numerical standards and other guidelines used in determining which countries were major drug-transit countries under subsection (i)(5)(A) and (B) during the preceding year; and

"(B) any changes made, since the notification provided pursuant to paragraph (3)—

"(i) in the countries determined to be major drug-transit countries under subsection (i)(5)(A) and (B) during the preceding year; or

"(ii) in the countries determined to be major illicit drug producing countries for that year.".

(b) Transition Provision.—With respect to fiscal year 1989, the Secretary of State—

(1) shall take the actions specified in subsection (k)(2) of section 481 of the Foreign Assistance Act of 1961 (as added by subsection (a) of this section) not later than 30 days after the date of enactment of this Act; and

(2) shall take the actions specified in subsection (k)(3) of that section (as added by subsection (a) of this section) not later than 60 days after the date of enactment of this Act.

SEC. 4406. WAIVER OF RESTRICTIONS ON UNITED STATES ASSISTANCE FOR CERTAIN MAJOR DRUG-TRANSIT COUNTRIES.

Section 481(h) of the Foreign Assistance Act of 1961 shall not apply with respect to a major drug-transit country for fiscal year 1989 if the President certifies to the Congress, during that fiscal year, that—

(1) section 481(i)(5)(C) of that Act (relating to money laundering) does not apply to that country;

(2) the country previously was a major illicit drug producing country but, during each of the preceding two years, has effectively eliminated illicit drug production; and

(3) the country is cooperating fully with the United States or has taken adequate steps on its own—

(A) in satisfying the goals agreed to in an applicable bilateral narcotics agreement with the United States (as described in section 481(h)(2) of that Act) or a multilateral agreement which achieves the objectives of that section;

(B) in preventing narcotic and psychotropic drugs and other controlled substances transported through such country from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States; and

(C) in preventing and punishing bribery and other forms of public corruption which facilitate the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts.

SEC. 4407. ANNUAL CERTIFICATION PROCEDURES FOR BILATERAL AND MULTILATERAL ASSISTANCE.

(a) Revision of Procedures.—Section 481(h) of the Foreign Assistance Act of 1961 is amended by striking out all that precedes subparagraph (B) of paragraph (4) and inserting in lieu thereof the following:

"(h) Annual Certification Procedures.—

"(1) Withholding of bilateral assistance and opposition to multilateral development assistance.—(A) Fifty percent of the United States assistance allocated each fiscal year in the report required by section 653(a) for each major illicit drug producing country or major drug-transit country shall be withheld from obligation and expenditure, except as provided in paragraph (2).

"(B) The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development, the United States Executive Director of the International Development Association, the United States Executive Director of the Inter-American Development Bank, and the United States Executive Director of the Asian Development Bank to vote, on and after March 1 of each year, against any loan or other utilization of the funds of their respective institution to or for any major illicit drug producing country or major drug-transit country, except as provided in paragraph (2).

"(2) Certification procedure.—(A) Subject to paragraph (4), the assistance withheld from a country pursuant to paragraph (1)(A) may be obligated and expended, and the requirement of paragraph (1)(B) to vote against multilateral development bank assistance to a country shall not apply, if the President determines and certifies to the Congress, at the time of the submission of the report required by subsection (e), that—

"(i) during the previous year the country has cooperated fully with the United States, or has taken adequate steps on its own—

"(I) in satisfying the goals agreed to in an applicable bilateral narcotics agreement with the United States (as described in subparagraph (B)) or a multilateral agreement which achieves the objectives of subparagraph (B),

"(II) in preventing narcotic and psychotropic drugs and other controlled substances produced or processed, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States,

"(III) in preventing and punishing the laundering in that country of drug-related profits or drug-related moneys, and

"(IV) in preventing and punishing bribery and other forms of public corruption which facilitate the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts; or

"(ii) for a country that would not otherwise qualify for certification under clause (i), the vital national interests of the United States require that the assistance withheld pursuant to paragraph (1)(A) be provided and that the United States not vote against multilateral development bank assistance for that country pursuant to paragraph (1)(B).

"(B) A bilateral narcotics agreement referred to in subparagraph (A)(i)(I) is an agreement between the United States and a foreign country in which the foreign country agrees to take specific activities, including, where applicable, efforts to—

"(i) reduce drug production, drug consumption, and drug trafficking within its territory, including activities to address illicit crop eradication and crop substitution;

"(ii) increase drug interdiction and enforcement;

"(iii) increase drug treatment;

"(iv) increase the identification of and elimination of illicit drug laboratories;

"(v) increase the identification and elimination of the trafficking of precursor chemicals for the use in production of illegal drugs;

"(vi) increase cooperation with United States drug enforcement officials; and

"(vii) where applicable, increase participation in extradition treaties, mutual legal assistance provisions directed at money laundering, sharing of evidence, and other initiatives for cooperative drug enforcement.

"(C) A country which in the previous year was designated as a major illicit drug producing country or a major drug-transit country may not be determined to be cooperating fully under subparagraph (A)(i) unless it has in place a bilateral narcotics agreement with the United States or a multilateral agreement which achieves the objectives of subparagraph (B).

"(D) If the President makes a certification with respect to a country pursuant to subparagraph (A)(ii), he shall include in such certification—

"(i) a full and complete description of the vital national interests placed at risk if United States bilateral assistance to that country is terminated pursuant to this subsection and multilateral development bank assistance is not provided to such country; and

"(ii) a statement weighing the risk described in clause (i) against the risks posed to the vital national interests of the United States by the failure of such country to cooperate fully with the United States in combating narcotics or to take adequate steps to combat narcotics on its own.

"(E) The President may make a certification under subparagraph (A)(i) with respect to a major illicit drug producing country or major drug-transit country which is also a producer of licit opium only if the President determines that such country has taken steps to prevent significant diversion of its licit cultivation and production into the illicit market, maintains production and stockpiles at levels no higher than those consistent with licit market demand, and prevents illicit cultivation and production.

"(3) Matters to be considered.—In determining whether to make the certification required by paragraph (2) with respect to a country, the President shall consider the following:

"(A) Have the actions of the government of that country resulted in the maximum reductions in illicit drug production which were determined to be achievable pursuant to subsection (e)(4)? In the case of a major illicit drug producing country, the President shall give foremost consideration, in determining whether to make the determination required by paragraph (2), to whether the government of that country has taken actions which have resulted in such reductions.

"(B) Has that government taken the legal and law enforcement measures to enforce in its territory, to the maximum extent possible, the elimination of illicit cultivation and the suppression of illicit manufacturing of and trafficking in narcotic and psychotropic drugs and other controlled substances, as evidenced by seizures of such drugs and substances and of illicit laboratories and the arrest and prosecution of violators involved in the traffic in such drugs and substances significantly affecting the United States?

"(C) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, the laundering in that country of drug-related profits or drug-related moneys, as evidenced by—

"(i) the enactment and enforcement by that government of laws prohibiting such conduct,

"(ii) that government entering into, and cooperating under the terms of, mutual legal assistance agreements with the United States governing (but not limited to) money laundering, and

"(iii) the degree to which that government otherwise cooperates with United States law enforcement authorities on anti-money laundering efforts?

"(D) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, bribery and other forms of public corruption which facilitate the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts, as evidenced by the enactment and enforcement of laws prohibiting such conduct?

"(E) Has that government, as a matter of government policy, encouraged or facilitated the production or distribution of illicit narcotic and psychotropic drugs and other controlled substances?

"(F) Does any senior official of that government engage in, encourage, or facilitate the production or distribution of illicit narcotic and psychotropic drugs and other controlled substances?

"(G) Has that government investigated aggressively all cases in which any member of an agency of the United States Government engaged in drug enforcement activities since January 1, 1985, has been the victim of acts or threats of violence, inflicted by or with the complicity of any law enforcement or other officer of such country or any political subdivision thereof, and energetically sought to bring the perpetrators of such offense or offenses to justice?

"(H) Having been requested to do so by the United States Government, does that government fail to provide reasonable cooperation to lawful activities of United States drug enforcement agents, including the refusal of permission to such agents engaged in interdiction of aerial smuggling into the United States to pursue suspected aerial smugglers a reasonable distance into the airspace of the requested country?

"(I) Has that government made necessary changes in legal codes in order to enable law enforcement officials to move more effectively against narcotics traffickers, such as new conspiracy laws and new asset seizure laws?

"(J) Has that government expeditiously processed United States extradition requests relating to narcotics trafficking?

"(K) Has that government refused to protect or give haven to any known drug traffickers, and has it expeditiously processed extradition requests relating to narcotics trafficking made by other countries?

"(4) Congressional review.—Paragraph (1) shall apply without regard to paragraph (2) if, within 45 days of continuous session (within the meaning of section 601(b)(1) of the International Security Assistance and Arms Export Control Act of 1976) after receipt of a certification under paragraph (2), the Congress enacts a joint resolution disapproving the determination of the President contained in such certification.

"(5) Denial of assistance for countries decertified.—If the President does not make a certification under paragraph (2) with respect to a country or the Congress enacts a joint resolution disapproving such certification, then until such time as the conditions specified in paragraph (6)(A) are satisfied—

"(A) funds may not be obligated for United States assistance for that country, and funds previously obligated for United States assistance for that country may not be expended for the purpose of providing assistance for that country; and

"(B) the requirement to vote against multilateral development bank assistance pursuant to paragraph (1)(B) shall apply with respect to that country, without regard to the date specified in that paragraph.

"(6) Recertification.—(A) Paragraph (5) shall apply to a country until—

"(i) the President makes a certification under paragraph (2) with respect to that country, and the Congress does not enact a joint resolution under paragraph (4) disapproving the determination of the President contained in that certification; or

"(ii) the President submits at any other time a certification of the matters described in paragraph (2) with respect to such country, and the Congress enacts a joint resolution approving the determination of the President contained in that certification.".

(b) Conforming Amendments.—(1) Such section 481(h) is further amended—

(A) by striking out existing paragraph (5); and

(B) in subparagraph (B) of paragraph (6), as so redesignated by the amendment made by subsection (a) of this section—

(i) by striking out "such" in clause (i), and

(ii) by inserting "under this subsection" before "shall be" in clause (i); and

(iii) by striking out "resolution" in clause (ii) and inserting in lieu thereof "resolutions".

(2) Section 585 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (as contained in section 101(e) of Public Law 100-202), is amended by striking out subsection (c).

SEC. 4408. ANNUAL CERTIFICATION PROCEDURES FOR TRADE AND AVIATION SANCTIONS.

(a) Revision of Procedures.—Paragraphs (1) and (2) of section 802(b) the Trade Act of 1974 (19 U.S.C. 2492(b) (1) and (2)) are amended to read as follows:

"(b)(1)(A) Subject to paragraph (3), subsection (a) shall not apply with respect to a country if the President determines and certifies to the Congress, at the time of the submission of the report required by section 481(e) of the Foreign Assistance Act of 1961, that—

"(i) during the previous year the country has cooperated fully with the United States, or has taken adequate steps on its own—

"(I) in satisfying the goals agreed to in an applicable bilateral narcotics agreement with the United States (as described in paragraph (B)) or a multilateral agreement which achieves the objectives of paragraph (B),

"(II) in preventing narcotic and psychotropic drugs and other controlled substances produced or processed, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States,

"(III) in preventing and punishing the laundering in that country of drug-related profits or drug-related moneys, and

"(IV) in preventing and punishing bribery and other forms of public corruption which facilitate the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts; or

"(ii) for a country that would not otherwise qualify for certification under clause (i), the vital national interests of the United States require that subsection (a) not be applied with respect to that country.

"(B) A bilateral narcotics agreement referred to in subparagraph (A)(i)(I) is an agreement between the United States and a foreign country in which the foreign country agrees to take specific activities, including, where applicable, efforts to—

"(i) reduce drug production, drug consumption, and drug trafficking within its territory, including activities to address illicit crop eradication and crop substitution;

"(ii) increase drug interdiction and enforcement;

"(iii) increase drug treatment;

"(iv) increase the identification of and elimination of illicit drug laboratories;

"(v) increase the identification and elimination of the trafficking of precursor chemicals for the use in production of illegal drugs;

"(vi) increase cooperation with United States drug enforcement officials; and

"(vii) where applicable, increase participation in extradition treaties, mutual legal assistance provisions directed at money laundering, sharing of evidence, and other initiatives for cooperative drug enforcement.

"(C) A country which in the previous year was designated as a major drug producing country or a major drug-transit country may not be determined to be cooperating fully under subparagraph (A)(i) unless it has in place a bilateral narcotics agreement with the United States or a multilateral agreement which achieves the objectives of subparagraph (B).

"(D) If the President makes a certification with respect to a country pursuant to subparagraph (A)(ii), he shall include in such certification—

"(i) a full and complete description of the vital national interests placed at risk if action is taken pursuant to subsection (a) with respect to that country; and

"(ii) a statement weighing the risk described in clause (i) against the risks posed to the vital national interests of the United States by the failure of such country to cooperate fully with the United States in combating narcotics or to take adequate steps to combat narcotics on its own.

"(E) The President may make a certification under subparagraph (A)(i) with respect to a major drug producing country or drug-transit country which is also a producer of licit opium only if the President determines that such country has taken steps to prevent significant diversion of its licit cultivation and production into the illicit market, maintains production and stockpiles at levels no higher than those consistent with licit market demand, and prevents illicit cultivation and production.

"(2) In determining whether to make the certification required by paragraph (1) with respect to a country, the President shall consider the following:

"(A) Have the actions of the government of that country resulted in the maximum reductions in illicit drug production which were determined to be achievable pursuant to section 481(e)(4) of the Foreign Assistance Act of 1961? In the case of a major drug producing country, the President shall give foremost consideration, in determining whether to make the certification required by paragraph (1), to whether the government of that country has taken actions which have resulted in such reductions.

"(B) Has that government taken the legal and law enforcement measures to enforce in its territory, to the maximum extent possible, the elimination of illicit cultivation and the suppression of illicit manufacturing of and trafficking in narcotic and psychotropic drugs and other controlled substances, as evidenced by seizures of such drugs and substances and of illicit laboratories and the arrest and prosecution of violators involved in the traffic in such drugs and substances significantly affecting the United States?

"(C) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, the laundering in that country of drug-related profits or drug-related moneys, as evidenced by—

"(i) the enactment and enforcement by that government of laws prohibiting such conduct,

"(ii) that government entering into, and cooperating under the terms of, mutual legal assistance agreements with the United States governing (but not limited to) money laundering, and

"(iii) the degree to which that government otherwise cooperates with United States law enforcement authorities on anti-money laundering efforts?

"(D) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, bribery and other forms of public corruption which facilitate the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or which discourage the investigation and prosecution of such acts, as evidenced by the enactment and enforcement of laws prohibiting such conduct?

"(E) Has that government, as a matter of government policy, encouraged or facilitated the production or distribution of illicit narcotic and psychotropic drugs and other controlled substances?

"(F) Does any senior official of that government engage in, encourage, or facilitate the production or distribution of illicit narcotic and psychotropic drugs and other controlled substances?

"(G) Has that government investigated aggressively all cases in which any member of an agency of the United States Government engaged in drug enforcement activities since January 1, 1985, has been the victim of acts or threats of violence, inflicted by or with the complicity of any law enforcement or other officer of such country or any political subdivision thereof, and has energetically sought to bring the perpetrators of such offense or offenses to justice?

"(H) Having been requested to do so by the United States Government, does that government fail to provide reasonable cooperation to lawful activities of United States drug enforcement agents, including the refusal of permission to such agents engaged in interdiction of aerial smuggling into the United States to pursue suspected aerial smugglers a reasonable distance into the airspace of the requested country?

"(I) Has that government made necessary changes in legal codes in order to enable law enforcement officials to move more effectively against narcotics traffickers, such as new conspiracy laws and new asset seizure laws?

"(J) Has that government expeditiously processed United States extradition requests relating to narcotics trafficking?

"(K) Has that government refused to protect or give haven to any known drug traffickers, and has it expeditiously processed extradition requests relating to narcotics trafficking made by other countries?".

(b) CONGRESSIONAL REVIEW PERIOD.—Section 802(b) of that Act is amended—

(1) in paragraph (3) by striking out "30 days" and inserting in lieu thereof "45 days";

(2) in paragraph (4)(A) by striking out "30 days" and inserting in lieu thereof "45 days"; and

(3) in paragraph (4)(B) by striking out "30 days" and inserting in lieu thereof "45 days".

(c) DETERMINING MAJOR DRUG-TRANSIT COUNTRIES.—Section 802 of that Act is amended by adding at the end the following:

"(e) For each calendar year, the Secretary of State, after consultation with the appropriate committees of the Congress, shall establish numerical standards and other guidelines for determining which countries will be considered to be major drug-transit countries under section 805(3) (A) and (B).".

Subtitle F—Miscellaneous Provisions Relating to Assistance Programs

SEC. 4501. REPORTING ON TRANSFER OF UNITED STATES ASSETS.

(a) 15-DAY ADVANCE NOTIFICATION.—Any transfer by the United States Government to a foreign country for narcotics control purposes of any property seized by or otherwise forfeited to the United States Government in connection with narcotics-related activity shall be subject to the regular reprogramming procedures applicable under section 634A of the Foreign Assistance Act of 1961.

(b) ANNUAL REPORTS.—Section 4601 of this title requires that all such transfers be reported annually to the Congress.

SEC. 4502. IMPORTANCE OF SUPPRESSING INTERNATIONAL NARCOTICS TRAFFICKING.

Section 481(a)(1) of the Foreign Assistance Act of 1961 is amended—

(1) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively; and

(2) by inserting after subparagraph (A) the following:

"(B) suppression of international narcotics trafficking is among the most important foreign policy objectives of the United States;".

SEC. 4503. PROHIBITION ON ASSISTANCE TO DRUG TRAFFICKERS.

Chapter 8 of part I of the Foreign Assistance Act of 1961, as amended by section 4206 of this title, is further amended by adding at the end the following:

"SEC. 487. PROHIBITION ON ASSISTANCE TO DRUG TRAFFICKERS.

"(a) Prohibition.—The President shall take all reasonable steps to ensure that assistance under this Act and the Arms Export Control Act is not provided to or through any individual or entity that the President knows or has reason to believe—

"(1) has been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States, a State or the District of Columbia, or a foreign country relating narcotic or psychotropic drugs or other controlled substances (as defined in section 481(i)(3) of this Act); or

"(2) is or has been an illicit trafficker in any such controlled substance or is or has been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such substance.

"(b) Regulations.—The President shall issue regulations specifying the steps to be taken in carrying out this section.

"(c) Congressional Review of Regulations.—Regulations issued pursuant to subsection (b) shall be submitted to the Congress before they take effect.".

SEC. 4504. PROCUREMENT FOR INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

The Congress urges the Secretary of State to take appropriate corrective action to improve the Department of State's procurement operations in order to assure that the procurement of property or services for use in providing assistance under chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control assistance) is timely, efficient, and in accordance with applicable procurement statutes and regulations.

SEC. 4505. PROHIBITION ON USE OF NARCOTICS CONTROL ASSISTANCE TO ACQUIRE REAL PROPERTY.

Chapter 8 of part I of the Foreign Assistance Act of 1961, as amended by sections 4206 and 4503 of this title, is further amended by adding at the end the following:

"SEC. 488. PROHIBITION ON USE OF NARCOTICS CONTROL ASSISTANCE TO ACQUIRE REAL PROPERTY.

"Funds made available to carry out this chapter may not be used to acquire (by purchase, lease, or other means) any real property for use by foreign military, paramilitary, or law enforcement forces.".

SEC. 4506. REIMBURSEMENT FOR DOD SERVICES USED IN PROVIDING INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

Section 632(c) of the Foreign Assistance Act of 1961 is amended by inserting after "actual cost," the following: "or, in the case of services procured from the Department of Defense to carry out chapter 8 of part I, the amount of the additional costs incurred by the Department of Defense in providing such services,".

SEC. 4507. PERMISSIBLE USES OF AIRCRAFT AND OTHER EQUIPMENT.

Chapter 8 of part I of the Foreign Assistance Act of 1961, as amended by sections 4206, 4503, and 4505 of this title, is further amended by adding at the end the following:

"SEC. 489. PERMISSIBLE USES OF AIRCRAFT AND OTHER EQUIPMENT.

"(a) In General.—The President shall take all reasonable steps to ensure that aircraft and other equipment made available to foreign countries under this chapter are used only in ways that are consistent with the purposes for which such equipment was made available.

"(b) Reports.—In the reports submitted pursuant to subsection (e), the President shall discuss—

"(1) any evidence indicating misuse by a foreign country of aircraft or other equipment made available under this chapter, and

"(2) the actions taken by the United States Government to prevent future misuse of such equipment by that foreign country.

"(c) Regulations.—The President shall issue regulations specifying the steps to be taken in carrying out this section.

"(d) Congressional Review of Regulations.—Regulations issued pursuant to subsection (c) shall be submitted to the Congress before they take effect.".

Subtitle G—Department of State Activities

SEC. 4601. COORDINATION OF ALL UNITED STATES ANTI-NARCOTICS ASSISTANCE TO FOREIGN COUNTRIES.

(a) Coordination.—Consistent with subtitle A of title I of this Act, the Secretary of State shall be responsible for coordinating all assistance provided by the United States Government to support international efforts to combat illicit narcotics production or trafficking.

(b) Annual Reports.—

(1) Requirement for reports.—At the time that the report required by section 481(e) of the Foreign Assistance Act of 1961 is submitted each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the assistance provided by the United States Government during the preceding fiscal year to support international efforts to combat illicit narcotics production or trafficking.

(2) Specific items to be included.—(A) Each report pursuant to this subsection shall specify the amount and nature of the assistance provided.

(B) Each report pursuant to this subsection shall include, for each country which is a significant direct or indirect source of illicit narcotic and psychotropic drugs and other controlled substances significantly affecting the United States, a section prepared by the Drug Enforcement Administration, a section prepared by the Customs Service, and a section prepared by the Coast Guard, which describes in detail—

(i) the assistance provided or to be provided (as the case may be) to such country by that agency, and

(ii) the assistance provided or to be provided (as the case may be) to that agency by such country,

with respect to narcotic control efforts during the preceding fiscal year, the current fiscal year, and the next fiscal year.

(C) Each report required by this subsection shall also list all transfers, which were made by the United States Government during the preceding fiscal year, to a foreign country for narcotics control purposes of any property seized by or otherwise forfeited to the United States Government in connection with narcotics-related activity, including an estimate of the fair market value and physical condition of each item of property transferred.

(3) Reports may be classified.—The reports required by this subsection may be provided on a classified basis to the extent necessary.

(c) Rule of Construction.—Nothing contained in this section shall be construed to limit or impair the authority or responsibility of any other Federal agency with respect to law enforcement, domestic security operations, or intelligence activities as defined in Executive Order 12333.

SEC. 4602. REWARDS FOR INFORMATION CONCERNING NARCOTICS-RELATED OFFENSES COMMITTED OUTSIDE THE UNITED STATES.

Section 36(g) of the State Department Basic Authorities Act of 1956 is amended by amending the second sentence to read as follows: "In addition to the amount authorized to be appropriated by the preceding sentence, there are authorized to be appropriated, without fiscal year limitation, $5,000,000 for 'Administration of Foreign Affairs' for use in paying rewards for information described in subsection (b)(1).".

SEC. 4603. DENIAL OF PASSPORTS TO CERTAIN CONVICTED DRUG TRAFFICKERS.

Title I of the State Department Basic Authorities Act of 1956 is amended—

(1) by redesignating section 42 as section 43; and

(2) by inserting after section 41 the following:

"SEC. 42. DENIAL OF PASSPORTS TO CERTAIN CONVICTED DRUG TRAFFICKERS.

"(a) Ineligibility for Passport.—

"(1) In general.—A passport may not be issued to an individual who is convicted of an offense described in subsection (b) during the period described in subsection (c) if the individual used a passport or otherwise crossed an international border in committing the offense.

"(2) Passport revocation.—The Secretary of State shall revoke a passport previously issued to an individual who is ineligible to receive a passport under paragraph (1).

"(b) Drug Law Offenses.—

"(1) Felonies.—Subsection (a) applies with respect to any individual convicted of a Federal drug offense, or a State drug offense, if the offense is a felony.

"(2) Certain misdemeanors.—Subsection (a) also applies with respect to an individual convicted of a Federal drug offense, or a State drug offense, if the offense is misdemeanor, but only if the Secretary of State determines that subsection (a) should apply with respect to that individual on account of that offense. This paragraph does not apply to an individual's first conviction for a misdemeanor which involves only possession of a controlled substance.

"(c) Period of Ineligibility.—Subsection (a) applies during the period that the individual—

"(1) is imprisoned, or is legally required to be imprisoned, as the result of the conviction for the offense described in subsection (b); or

"(2) is on parole or other supervised release after having been imprisoned as the result of that conviction.

"(d) Emergency and Humanitarian Exceptions.—Notwithstanding subsection (a), the Secretary of State may issue a passport, in emergency circumstances or for humanitarian reasons, to an individual with respect to whom that subsection applies.

"(e) Definitions.—As used in this section—

"(1) the term 'controlled substance' has the same meaning as is provided in section 102 of the Controlled Substances Act (21 U.S.C. 802);

"(2) the term 'Federal drug offense' means a violation of—

"(A) the Controlled Substances Act (21 U.S.C. 801 et seq.) or the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.);

"(B) any other Federal law involving controlled substances; or

"(C) subchapter II of chapter 53 of title 31, United States Code (commonly referred to as the 'Bank Secrecy Act'), or section 1956 or section 1957 of title 18, United States Code (commonly referred to as the 'Money Laundering Act'), if the Secretary of State determines that the violation is related to illicit production of or trafficking in a controlled substance;

"(3) the term 'felony' means a criminal offense punishable by death or imprisonment for more than one year;

"(4) the term 'imprisoned' means an individual is confined in or otherwise restricted to a jail-type institution, a half-way house, a treatment facility, or another institution, on a full or part-time basis, pursuant to the sentence imposed as the result of a conviction;

"(5) the term 'misdemeanor' means a criminal offense other than a felony;

"(6) the term 'State drug offense' means a violation of State law involving the manufacture, distribution, or possession of a controlled substance; and

"(7) the term 'State law' means the law of a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or a territory or possession of the United States.".

SEC. 4604. MACHINE-READABLE DOCUMENT BORDER SECURITY PROGRAM.

(a) Requirement To Develop Program.—(1) The Department of State, the United States Customs Service, and the Immigration and Naturalization Service shall develop a comprehensive machine-readable travel and identity document border security program that will improve border entry and departure control through automated data capture of machine-readable travel and identity documents.

(2) Within 60 days after the date of enactment of this Act, the Department of State, the Customs Service, and the Immigration and Naturalization Service shall jointly submit a detailed implementation plan to the Congress and the President regarding how they intend to carry out the program required by this section.

(3) The border security program required by this section shall include an integrated cooperative data exchange system that will incorporate law enforcement data on narcotics traffickers, terrorists, convicted criminals, fugitives, and others currently documented in the Lookout Systems of all three agencies and departments.

(4) In developing the border security program mandated in this section, the agencies and departments shall ensure that at least the following documents shall be integrated into the program and be machine-readable: border crossing cards; alien registration; pilots licenses; passports; and visas.

(b) Agencies That Will Contribute Law Enforcement Data for the System.—The following agencies and organizations shall contribute appropriate law enforcement data to the integrated cooperative data exchange system mandated in this section and shall update such information into the system on no less than a monthly basis:

(1) The Drug Enforcement Administration.

(2) The Federal Bureau of Investigation.

(3) The Bureau of Alcohol, Tobacco, and Firearms.

(4) The Internal Revenue Service.

(5) The Federal Aviation Administration.

(6) The United States Marshals Service.

(7) The United States Coast Guard.

(c) Authorization of Appropriations.—(1) There are authorized to be appropriated $23,000,000 for fiscal year 1989 for the development, procurement, and implementation of a machine-readable travel and identity document border security program. Of this amount $7,000,000 shall be available only for the United States Customs Service, $7,000,000 shall be available only for the Immigration and Naturalization Service, and $9,000,000 shall be available only for the Department of State to carry out the provisions of this section.

(2) The amounts authorized by paragraph (1) are in addition to other amounts authorized to be appropriated for fiscal year 1989.

(d) Continuing Full Implementation Required.—All agencies participating in the development and implementation of the border security program and systems mandated in this section shall maintain their participation and contributions to the program and systems authorized under this section at full implementation levels in fiscal years 1990, 1991, and 1992, subject to the availability of appropriations.

SEC. 4605. EXTRADITION AND MUTUAL LEGAL ASSISTANCE TREATIES AND MODEL COMPREHENSIVE ANTIDRUG LAWS.

(a) Findings.—The Congress finds that—

(1) section 133 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (enacted August 16, 1985), directed the Secretary of State to increase United States efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug-producing country;

(2) section 803 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (enacted December 22, 1987) directed the Secretary of State to ensure that an objective of the United States diplomatic mission in each major illicit drug producing or major drug-transit country be to ensure that drug traffickers can be extradited to the United States; and

(3) although some progress has been made pursuant to these directives in increasing international law enforcement cooperation with respect to illicit drug production and trafficking, much greater international law enforcement cooperation is required in combating the illicit drug problem.

(b) Greater Emphasis Required.—Therefore, the Congress directs the Secretary of State to place greater emphasis on updating extradition treaties, and on negotiating mutual legal assistance treaties, with major illicit drug producing countries and major drug-transit countries.

(c) Model Treaties and Antidrug Laws.—The Secretary of State and the Attorney General shall jointly develop a model extradition treaty with respect to narcotics-related violations (including extradition of host country nationals), a model mutual legal assistance treaty, and model comprehensive anti-narcotics legislation. The Secretary of State shall distribute such treaties and legislation to each United States mission abroad.

(d) Report to Congress.—The Secretary of State shall report to the Congress, not later than six months after the date of enactment of this Act, on actions taken to carry out this section.

SEC. 4606. OVERSEAS INVESTIGATIVE PROGRAM.

It is the sense of the Congress that Regional Security Officers and other security personnel at United States embassies and other civilian posts abroad should be directed to expand their investigative activities with respect to illicit drug use and trafficking by United States Government personnel and their dependents.

SEC. 4607. ASSIGNMENT OF MORE DRUG ENFORCEMENT ADMINISTRATION AGENTS TO UNITED STATES EMBASSIES.

The Congress urges the Secretary of State to permit the assignment of additional Drug Enforcement Administration agents to United States diplomatic missions in those foreign countries where illicit narcotics production or trafficking is, or is likely to become, a significant problem.

Subtitle H—International Banking Matters

SEC. 4701. INTERNATIONAL CURRENCY TRANSACTION REPORTING.

(a) Findings.—The Congress finds that—

(1) the success of cash transaction and money laundering control statutes in the United States has been significant; and

(2) the United States should play a leadership role in the development of an international system of a similar kind.

(b) Purpose.—It is the purpose of this section to urge the United States Government, to the maximum extent practicable, to seek the active cooperation of other countries in the enforcement of these statutes, since only a truly multilateral approach can be effective in eliminating bank haven loopholes through which money launderers can escape.

(c) Establishment of International Agency.—The Congress urges the Secretary of the Treasury to negotiate with finance ministers of foreign countries to establish an international currency control agency to—

(1) serve as a central source of information and database for international drug enforcement agencies;

(2) collect and analyze currency transaction reports filed by member countries; and

(3) encourage the adoption, by member countries, of uniform cash transaction and money laundering statutes.

(d) Maintenance of Domestic Effort.—While establishing a multilateral agency will be the most effective method of combatting money laundering, the United States must itself continue to do everything it can to curb international money laundering.

SEC. 4702. RESTRICTIONS ON LAUNDERING OF UNITED STATES CURRENCY.

(a) Findings.—The Congress finds that international currency transactions, especially in United States currency, that involve the proceeds of narcotics trafficking fuels trade in narcotics in the United States and worldwide and consequently is a threat to the national security of the United States.

(b) Purpose.—The purpose of this section is to provide for international negotiations that would expand access to information on transactions involving large amounts of United States currency wherever those transactions occur worldwide.

(c) Negotiations.—(1) The Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") shall enter into negotiations with the appropriate financial supervisory agencies and other officials of any foreign country the financial institutions of which do business in United States currency. Highest priority shall be attached to countries whose financial institutions the Secretary determines, in consultation with the Attorney General and the Director of National Drug Control Policy, may be engaging in currency transactions involving the proceeds of international narcotics trafficking, particularly United States currency derived from drug sales in the United States.

(2) The purposes of negotiations under this subsection are—

(A) to reach one or more international agreements to ensure that foreign banks and other financial institutions maintain adequate records of large United States currency transactions, and

(B) to establish a mechanism whereby such records may be made available to United States law enforcement officials.

In carrying out such negotiations, the Secretary should seek to enter into and further cooperative efforts, voluntary information exchanges, the use of letters rogatory, and mutual legal assistance treaties.

(d) Reports.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit an interim report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on progress in the negotiations under subsection (c). Not later than 2 years after such enactment, the Secretary shall submit a final report to such Committees and the President on the outcome of those negotiations and shall identify, in consultation with the Attorney General and the Director of National Drug Control Policy, countries—

(1) with respect to which the Secretary determines there is evidence that the financial institutions in such countries are engaging in currency transactions involving the proceeds of international narcotics trafficking; and

(2) which have not reached agreement with United States authorities on a mechanism for exchanging adequate records on international currency transactions in connection with narcotics investigations and proceedings.

(e) Authority.—If after receiving the advice of the Secretary and in any case at the time of receipt of the Secretary's report, the Secretary determines that a foreign country—

(1) has jurisdiction over financial institutions that are substantially engaging in currency transactions that effect the United States involving the proceeds of international narcotics trafficking;

(2) such country has not reached agreement on a mechanism for exchanging adequate records on international currency transactions in connection with narcotics investigations and proceedings; and

(3) such country is not negotiating in good faith to reach such an agreement,

the President shall impose appropriate penalties and sanctions, including temporarily or permanently—

(1) prohibiting such persons, institutions or other entities in such countries from participating in any United States dollar clearing or wire transfer system; and

(2) prohibiting such persons, institutions or entities in such countries from maintaining an account with any bank or other financial institution chartered under the laws of the United States or any State.

Any penalties or sanctions so imposed may be delayed or waived upon certification of the President to the Congress that it is in the national interest to do so. Financial institutions in such countries that maintain adequate records shall be exempt from such penalties and sanctions.

(f) Definitions.—For the purposes of this section—

(1) The term "United States currency" means Federal Reserve Notes and United States coins.

(2) The term "adequate records" means records of United States' currency transactions in excess of $10,000 including the identification of the person initiating the transaction, the person's business or occupation, and the account or accounts affected by the transaction, or other records of comparable effect.

(g) Sunset.—The authority given the President in subsection (e) shall expire on June 30, 1994.

SEC. 4703. EXPORT-IMPORT BANK FINANCING FOR SALES OF DEFENSE ARTICLES AND SERVICES FOR ANTI-NARCOTICS PURPOSES.

Section 2(b)(6) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(6)) is amended—

(1) by inserting "(A)" before "The Bank";

(2) by striking "paragraph" and inserting in lieu thereof "subparagraph"; and

(3) by adding at the end the following new subparagraphs:

"(B) Subparagraph (A), and section 32 of the Arms Export Control Act, shall not apply to any sale of defense articles or services if—

"(i) the Bank is requested to provide a guarantee or insurance for the sale;

"(ii) the President determines that the defense articles or services are being sold primarily for anti-narcotics purposes;

"(iii) section 481(h)(5) of the Foreign Assistance Act of 1961 does not apply with respect to the purchasing country;

"(iv) the President determines, in accordance with subparagraph (C), that the sale is in the national interest of the United States;

"(v) the Bank determines that, notwithstanding the provision of a guarantee or insurance for the sale, not more than 5 percent of the guarantee and insurance authority available to the Bank in any fiscal year will be used by the Bank to support the sale of defense articles and services; and

"(vi) the sale is made on or before September 30, 1990.

"(C) In determining whether a sale of defense articles or services would be in the national interest of the United States, the President shall take into account whether the sale would—

"(i) be consistent with the anti-narcotics policy of the United States;

"(ii) involve the end use of a defense article or service in a major illicit drug producing or major drug-transit country (as defined in section 481(i) of the Foreign Assistance Act of 1961); and

"(iii) be made to a country with a democratic form of government.

"(D)(i) The Board shall not give approval to guarantee or insure a sale of defense articles or services unless—

"(I) the President determines, in accordance with subparagraph (C), that it is in the national interest of the United States for the Bank to provide such guarantee or insurance; and

"(II) such determination has been reported to the Speaker and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate, not less than 25 days of continuous session of the Congress before the date of such approval.

"(ii) For purposes of clause (i), continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of the 25-day period referred to in such sentence.

"(E) The provision of a guarantee or insurance under subparagraph (B) shall be deemed to be the provision of security assistance for purposes of section 502B of the Foreign Assistance Act of 1961 (relating to governments which engage in a consistent pattern of gross violations of international recognized human rights).

"(F) To the extent that defense articles or services for which a guarantee or insurance is provided under subparagraph (B) are used for a purpose other than anti-narcotics purposes, they may be used only for those purposes for which defense articles and defense services sold under the Arms Export Control Act (relating to the foreign military sales program) may be used under section 4 of such Act.

"(G) As used in this paragraph, the term 'defense articles and services' means articles, services, and related technical data that are designated as defense articles and defense services pursuant to sections 38 and 47(7) of the Arms Export Control Act and listed on the United States Munitions List (part 121 of title 22 of the Code of Federal Regulations).".

Subtitle I—Miscellaneous Provisions

SEC. 4801. INTELLIGENCE COMMUNITY ACTIONS DIRECTED AT ILLICIT INTERNATIONAL DRUG TRAFFICKING.

It is the sense of the Congress that, given the magnitude of the illicit drug problem and the threat it poses to the national security of the United States, agencies of the intelligence community should be more actively involved in the effort to combat illicit international drug trafficking.

SEC. 4802. CORRECTION OF TECHNICAL ERRORS IN PRIOR ACTS.

(a) Anti-Drug Abuse Act of 1986.—(1) Section 2015(b)(1) of the Anti-Drug Abuse Act of 1986 is amended by striking out "effects" and inserting in lieu thereof "efforts".

(2) Section 2030(b) of that Act is amended by striking out "subsection (A)(4)" and inserting in lieu thereof "subsection (a)(4)".

(b) 1986 Drug Act Amendments to Foreign Assistance Act.—Section 481(i)(4)(vi) of the Foreign Assistance Act of 1961 (as amended by section 2005 of the Anti-Drug Abuse Act of 1986) is amended by striking out "section 1049(c)(2)" and inserting in lieu thereof "section 104(c)(2)".

SEC. 4803. RESOURCES FOR CERTAIN DRUG CONTROL ACTIVITIES.

(a) Findings.—The Congress finds that—

(1) there has been a severe, cancer-like growth of youth gangs who abuse, transport, and traffic in illegal drugs;

(2) such youth gangs engage in acts of violence, often on a random basis, resulting in death or serious bodily injury to thousands of people, as well as terrorizing tens of thousands of others;

(3) such youth gangs have spread their activities from southern California to more than 50 cities throughout the United States, thereby clearly indicating that the threat posed by these gangs is national in nature, requiring a strong Federal response;

(4) stopping drugs at the source is one of the critical elements of our Government's war on drugs; and

(5) the Airwing Operations of the Bureau of International Narcotics Matters in the Department of State is an important tool of our Government's policy against narcotics trafficking.

(b) REVIEW.—It is, therefore, the sense of the Congress that the Director of National Drug Control Policy should review the entire drug control problem to determine priorities for new resources or shifting of existing resources, giving particular attention to—

(1) planning for and assistance to the Airwing Operations of the Bureau of International Narcotics Matters in the Department of State; and

(2) assistance to control the present and growing threat posed to the Nation by youth gangs which traffic in illegal drugs.

(c) ADDITIONAL RESOURCES.—Based upon his findings, the Director of National Drug Control Policy should consider, as necessary, recommending significant resources in addition to those specifically allocated in this Act.

SEC. 4804. CONSISTENCY WITH INTERNATIONAL OBLIGATIONS OF THE UNITED STATES.

(a) In prescribing regulations under subtitle D of title V of this Act, the head of the appropriate agency—

(1) shall only establish requirements that are consistent with the international obligations of the United States, and

(2) shall take into consideration any applicable laws and regulations of foreign countries.

(b) Section 5152 shall not be construed as conferring extraterritorial application of the provisions of such section.

TITLE V—USER ACCOUNTABILITY

SEC. 5001. TABLE OF CONTENTS.

The table of contents for this title is as follows:

TITLE V—USER ACCOUNTABILITY

Sec. 5001. Table of contents.

Subtitle A—Opposition to Legalization and Public Awareness

Sec. 5011. Sense of the Congress opposing legalization of drugs.
Sec. 5012. Public awareness campaign.

Subtitle B—National Commission on Drug-Free Schools

Sec. 5051. National commission on drug-free schools.

Subtitle C—Preventing Drug Abuse in Public Housing

CHAPTER 1—REGULATORY AND ENFORCEMENT PROVISIONS

Sec. 5101. Termination of tenancy in public housing.
Sec. 5102. Study of public housing security activities.
Sec. 5103. Report on impact of public housing lease and grievance regulation on ability of public housing agencies to take action against tenants engaging in drug crimes.
Sec. 5104. Eligible activities under Bureau of Justice Assistance block grant program.
Sec. 5105. Inclusion of leasehold interests in property subject to forfeiture under Controlled Substances Act.

CHAPTER 2—PUBLIC HOUSING DRUG ELIMINATION PILOT PROGRAM

Sec. 5121. Short title.
Sec. 5122. Congressional findings.
Sec. 5123. Authority to make grants.
Sec. 5124. Eligible activities.
Sec. 5125. Applications.
Sec. 5126. Definitions.
Sec. 5127. Implementation.
Sec. 5128. Report to Congress.
Sec. 5129. Authorization of appropriations.

CHAPTER 3—DRUG-FREE PUBLIC HOUSING

Sec. 5141. Short title.
Sec. 5142. Statement of purpose.
Sec. 5143. Clearinghouse on drug abuse in public housing.
Sec. 5144. Regional training program on drug abuse in public housing.
Sec. 5145. Definitions.
Sec. 5146. Regulations.

Subtitle D—Drug-Free Workplace Act of 1988

Sec. 5151. Short title.
Sec. 5152. Drug-free workplace requirements for Federal contractors.
Sec. 5153. Drug-free workplace requirements for Federal grant recipients.
Sec. 5154. Employee sanctions and remedies.
Sec. 5155. Waiver.
Sec. 5156. Regulations.
Sec. 5157. Definitions.
Sec. 5158. Construction of subtitle.
Sec. 5159. Repeal of limitation on use of funds.
Sec. 5160. Effective date.

Subtitle E—President's Media Commission on Alcohol and Drug Abuse Prevention

Sec. 5201. Authorization of appropriations for President's Media Commission on Alcohol and Drug Abuse Prevention.

Subtitle F—Drug-Free America Policy

Sec. 5251. United States policy for a drug-free America by 1995.

Subtitle G—Denial of Federal Benefits to Drug Traffickers and Possessors

Sec. 5301. Denial of Federal benefits to drug traffickers and possessors.

Subtitle A—Opposition to Legalization and Public Awareness

SEC. 5011. SENSE OF THE CONGRESS OPPOSING LEGALIZATION OF DRUGS.

The Congress finds that legalization of illegal drugs, on the Federal or State level, is an unconscionable surrender in a war in which, for the future of our country and the lives of our children, there can be no substitute for total victory.

SEC. 5012. PUBLIC AWARENESS CAMPAIGN.

The Director of National Drug Control Policy shall within 90 days after confirmation by the Senate develop a program to inform the American public of the provisions of this Act pertaining to penalties for the use or possession of illegal drugs.

Subtitle B—National Commission on Drug-Free Schools

SEC. 5051. NATIONAL COMMISSION ON DRUG-FREE SCHOOLS.

(a) ESTABLISHMENT OF COMMISSION.—There is established a National Commission on Drug-Free Schools (hereinafter referred to as the "Commission").

(b) MEMBERSHIP OF THE COMMISSION.—(1) The Commission shall consist of the following 26 members:

(A) The Secretary of Education (hereinafter referred to as the "Secretary").

(B) The Director of National Drug Control Policy (hereinafter referred to as the "Director").

(C) Sixteen individuals appointed by the Secretary and the Director.

(D) Four members of the House of Representatives, of which 2 members shall be appointed by the Speaker of the House of Representatives and 2 members shall be appointed by the Minority Leader of the House of Representatives.

(E) Four members of the Senate, of which 2 members shall be appointed by the Majority Leader of the Senate and 2 members shall be appointed by the Minority Leader of the Senate.

(2) The Secretary and the Director shall cochair the Commission.

(3) The members of the Commission appointed under paragraph (1)(C) shall consist of—

(A) experts in the fields of drug abuse prevention and education;

(B) representatives of State and local school authorities;

(C) representatives of parent-teacher associations;

(D) representatives of national education organizations;

(E) representatives of community groups with demonstrated records in drug abuse and prevention education;

(F) representatives of law enforcement officials; and

(G) other appropriate individuals as determined by the Secretary and the Director.

(c) APPOINTMENTS.—Members shall be appointed to the Commission not later than 30 days after the date of the enactment of this Act.

(d) VACANCIES.—A vacancy in the Commission shall be filled in the same manner as the original appointment was made. A vacancy in the Commission shall not affect the powers of the Commission.

(e) QUORUM.—Fourteen members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) DUTIES OF THE COMMISSION.—The Commission shall—

(1) develop recommendations of criteria for identifying drug-free schools and campuses;

(2) develop recommendations for identifying model programs to meet such criteria;

(3) make such other findings, recommendations, and proposals as the Commission deems necessary to carry out the provisions of this section; and

(4) prepare and submit a final report pursuant to subsection (i).

(g) COMPENSATION.—(1) Each member of the Commission who is not an officer or employee of the United States shall be compensated at a rate established by the Commission not to exceed the daily equivalent of the annual rate of basic pay prescribed for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the actual performance of duties as a member of the Commission. Each member of the Commission who is an officer or employee of the United States shall receive no additional compensation for service on the Commission.

(2) While away from their homes or regular places of business in the performance of duties for the Commission, all members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at a rate established by the Commission not to exceed the rates authorized for employees of agencies under sections 5702 and 5703 of title 5, United States Code.

(h) ADMINISTRATIVE PROVISIONS.—(1) The Commission shall appoint an Executive Director who shall be compensated at a rate established by the Commission not to exceed the rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) With the approval of the Commission, the Executive Director may appoint and fix the compensation of such additional personnel as the Executive Director considers nec-

essary to carry out the duties of the Commission.

(3) Subject to such rules as may be issued by the Commission, the cochairmen may procure temporary and intermittent services of experts and consultants.

(4) Upon request of the cochairmen of the Commission, the head of any Federal department, agency, or instrumentality shall make any of the facilities and services of such department, agency, or instrumentality available to the Commission and detail any of the personnel of such department, agency, or instrumentality to the Commission, on a nonreimbursable basis, to assist the Commission in carrying out its duties under this section.

(5) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(6) Service of an individual as a member of the Commission, or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of any Federal law relating to conflicts of interest or otherwise imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with claims, proceedings, or matters involving the United States. Service as a member of the Commission, or as an employee of the Commission, shall not be considered service in an appointive or elective position in the Government for purposes of section 8344 of title 5, United States Code, or comparable provisions of Federal law.

(i) REPORT OF COMMISSION.—The Commission shall report the findings and recommendations determined under subsection (f)(3) as well as proposals for any legislative action necessary to implement the recommendations of the Commission to the President and the Congress not later than 1 year after the date of the enactment of this Act. The final report of the Commission shall include—

(1) recommended criteria for schools to meet to be considered drug-free, which may include, but shall not be limited to—

(A) guidelines for the establishment of a drug education program for all students in grades kindergarten through 12;

(B) a code of student conduct;

(C) referral to treatment for students found to be using drugs; and

(D) coordinated programs for drug use prevention involving parents, teachers, counselors, local law enforcement personnel, businesses, and community organizations;

(2) a discussion of such issues as—

(A) the proper relationship among schools, parents or guardians, and law enforcement officials;

(B) what corrective measures should be imposed on students found to be using drugs;

(C) whether the suspension of eligibility for student assistance under title IV of the Higher Education Act upon conviction of a drug-related offense is a deterrent to drug use;

(D) any other measured response the Commission deems appropriate; and

(E) the potential effects of measured responses described in this paragraph on civil liberties, educational programs, nondrug-using students, and family relationships;

(3) a description of the assistance required by local school districts to establish drug-free schools and the manner in which local, State and Federal Government may provide such assistance; and

(4) a description of the feasibility of certain programs designed to enhance and raise self-esteem, self-confidence, independence, and responsibility among students.

(j) POWERS OF COMMISSION.—(1) For the purpose of carrying out this section, the Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(2) Any member or employee of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this subsection.

(3) The Commission may secure directly from any Federal agency such information as may be necessary to enable the Commission to carry out this Act. Upon request of the cochairmen of the Commission, the head of such agency shall furnish such information to the Commission.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Such sums shall remain available until expended. Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this section shall be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation Acts.

Subtitle C—Preventing Drug Abuse in Public Housing

CHAPTER 1—REGULATORY AND ENFORCEMENT PROVISIONS

SEC. 5101. TERMINATION OF TENANCY IN PUBLIC HOUSING.

Section 6(l) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

(3) by adding at the end the following:

"(5) provide that a public housing tenant, any member of the tenant's household, or a guest or other person under the tenant's control shall not engage in criminal activity, including drug-related criminal activity, on or near public housing premises, while the tenant is a tenant in public housing, and such criminal activity shall be cause for termination of tenancy.

For purposes of paragraph (5), the term 'drug-related criminal activity' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).".

SEC. 5102. STUDY OF PUBLIC HOUSING SECURITY ACTIVITIES.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall conduct a study of the extent to which security activities in public housing projects are funded under the performance funding system established under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g).

(b) SPECIFIC REQUIREMENTS.—The study shall include an analysis of—

(1) the extent to which the performance funding system currently takes into account, and should take into account, costs associated with maintaining security, including the hiring of security personnel, investigators, and security liaisons with local law enforcement agencies;

(2) the extent to which public housing agencies have been compelled to shift funds from tenant services, building maintenance, or other eligible activities to security activities; and

(3) an estimate of the per unit additional cost necessary to enable all public housing agencies to provide adequate security.

(c) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Congress a report setting forth the findings and recommendations of the Secretary as a result of the study conducted under this section.

SEC. 5103. REPORT ON IMPACT OF PUBLIC HOUSING LEASE AND GRIEVANCE REGULATION ON ABILITY OF PUBLIC HOUSING AGENCIES TO TAKE ACTION AGAINST TENANTS ENGAGING IN DRUG CRIMES.

The Secretary of Housing and Urban Development shall submit to the Congress a report on the impact of the implementation of the public housing tenancy and administrative grievance procedure regulations issued under section 6(k) of the United States Housing Act of 1937 (42 U.S.C. 1437d(k)) on the ability of public housing agencies to evict or take other appropriate action against tenants engaging in criminal activity, especially with respect to the manufacture, sale, distribution, use, or possession of controlled substances (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)). The report shall be submitted not later than 12 months after the date of the enactment of this Act.

SEC. 5104. ELIGIBLE ACTIVITIES UNDER BUREAU OF JUSTICE ASSISTANCE BLOCK GRANT PROGRAM.

Section 501(b) of the Omnibus Crime Control and Safe Streets Act of 1968 (as added by title VI of this Act) is amended—

(1) by inserting after paragraph (16) the following new paragraph:

"(17) addressing the problems of drug trafficking and the illegal manufacture of controlled substances in public housing;"; and

(2) by redesignating the succeeding paragraphs accordingly.

SEC. 5105. INCLUSION OF LEASEHOLD INTERESTS IN PROPERTY SUBJECT TO FORFEITURE UNDER CONTROLLED SUBSTANCES ACT.

Section 511(a)(7) of the Controlled Substances Act (21 U.S.C. 881(a)(7)) is amended by inserting "(including any leasehold interest)" after "right, title, and interest".

CHAPTER 2—PUBLIC HOUSING DRUG ELIMINATION PILOT PROGRAM

SEC. 5121. SHORT TITLE.

This chapter may be cited as the "Public Housing Drug Elimination Act of 1988".

SEC. 5122. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) the Federal Government has a duty to provide public housing that is decent, safe, and free from illegal drugs;

(2) public housing projects in many areas suffer from rampant drug-related crime;

(3) drug dealers are increasingly imposing a reign of terror on public housing tenants;

(4) the increase in drug-related crime not only leads to murders, muggings, and other forms of violence against tenants, but also to a deterioration of the physical environ-

ment that requires substantial government expenditures; and

(5) local law enforcement authorities often lack the resources to deal with the drug problem in public housing, particularly in light of the recent reductions in Federal aid to cities.

SEC. 5123. AUTHORITY TO MAKE GRANTS.

The Secretary of Housing and Urban Development, in accordance with the provisions of this chapter, may make grants to public housing agencies (including Indian housing authorities) for use in eliminating drug-related crime in public housing projects.

SEC. 5124. ELIGIBLE ACTIVITIES.

A public housing agency may use a grant under this chapter for—

(1) the employment of security personnel in public housing projects;

(2) reimbursement of local law enforcement agencies for additional security and protective services for public housing projects;

(3) physical improvements in public housing projects which are specifically designed to enhance security;

(4) the employment of 1 or more individuals—

(A) to investigate drug-related crime on or about the real property comprising any public housing project; and

(B) to provide evidence relating to any such crime in any administrative or judicial proceeding;

(5) the provision of training, communications equipment, and other related equipment for use by voluntary public housing tenant patrols acting in cooperation with local law enforcement officials;

(6) innovative programs designed to reduce use of drugs in and around public housing projects; and

(7) providing funding to nonprofit public housing resident management corporation and tenant councils to develop security and drug abuse prevention programs involving site residents.

SEC. 5125. APPLICATIONS.

(a) In General.—To receive a grant under this chapter, a public housing agency shall submit an application to the Secretary, at such time, in such manner, and accompanied by such additional information as the Secretary may reasonably require. Such application shall include a plan for addressing the problem of drug-related crime on the premises of public housing projects administered by the public housing agency.

(b) Criteria.—The Secretary shall approve applications under this chapter based upon—

(1) the extent of the crime problem in the facilities of the public housing project;

(2) the quality of the plan of the public housing agency to address crime in public housing projects;

(3) the capability of the public housing agency to carry out the plan; and

(4) the extent to which the local government and local community support the anticrime activities of the public housing agency.

SEC. 5126. DEFINITIONS.

For purposes of this chapter:

(1) Controlled substance.—The term "controlled substance" has the meaning given such term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(2) Drug-related crime.—The term "drug-related crime" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance.

(3) Secretary.—The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 5127. IMPLEMENTATION.

The Secretary shall issue regulations to implement this chapter within 180 days after the date of the enactment of this Act.

SEC. 5128. REPORT TO CONGRESS.

Not later than June 30, 1990, the Secretary, in consultation with the Director of National Drug Control Policy, shall submit to the Congress a report setting forth the activities carried out under the program established in this chapter. The report shall include any recommendations of the Secretary for revisions necessary to make the program more effective.

SEC. 5129. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this chapter $8,200,000 for fiscal year 1989 and such sums as may be necessary for fiscal year 1990. Any amount appropriated under this section shall remain available until expended.

CHAPTER 3—DRUG-FREE PUBLIC HOUSING

SEC. 5141. SHORT TITLE.

This chapter may be cited as the "Drug-Free Public Housing Act of 1988".

SEC. 5142. STATEMENT OF PURPOSE.

The purpose of this chapter is to reaffirm the principle that decent affordable shelter is a basic necessity, and the general welfare of the Nation and the health and living standards of its people require better coordination and training in drug prevention programs among the public officials and agencies responsible for administering the public housing programs of the Nation.

SEC. 5143. CLEARINGHOUSE ON DRUG ABUSE IN PUBLIC HOUSING.

(a) Establishment.—The Secretary of Housing and Urban Development shall establish, in the Office of Public Housing in the Department of Housing and Urban Development, a clearinghouse to receive, collect, process, and assemble information regarding the abuse of controlled substances in public housing projects.

(b) Functions.—The clearinghouse established under subsection (a) shall—

(1) respond to inquiries by members of the public requesting assistance in investigating, studying, and working on the problem of the abuse of controlled substances; and

(2) receive, collect, process, assemble, and provide information on programs, authorities, institutions, and agencies, that may further assist members of the public requesting information from the clearinghouse.

SEC. 5144. REGIONAL TRAINING PROGRAM ON DRUG ABUSE IN PUBLIC HOUSING.

(a) Establishment.—The Secretary shall establish a regional training program for the training of public housing officials, to better prepare and educate the officials to confront the widespread abuse of controlled substances in the communities in which the officials work.

(b) Operation.—The regional training program established under subsection (a) shall be conducted within 12 months after the date of the enactment of this Act by a national training unit established by the Secretary.

SEC. 5145. DEFINITIONS.

For purposes of this chapter:

(1) Controlled substance.—The term "controlled substance" has the meaning given such term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(2) Secretary.—The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 5146. REGULATIONS.

Not later than 6 months after the date of the enactment of this Act, the Secretary shall issue any regulations necessary to carry out this chapter.

Subtitle D—Drug-Free Workplace Act of 1988

SEC. 5151. SHORT TITLE.

This subtitle may be cited as the "Drug-Free Workplace Act of 1988".

SEC. 5152. DRUG-FREE WORKPLACE REQUIREMENTS FOR FEDERAL CONTRACTORS.

(a) Drug-Free Workplace Requirement.—

(1) Requirement for persons other than individuals.—No person, other than an individual, shall be considered a responsible source, under the meaning of such term as defined in section 4(8) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(8)), for the purposes of being awarded a contract for the procurement of any property or services of a value of $25,000 or more from any Federal agency unless such person has certified to the contracting agency that it will provide a drug-free workplace by—

(A) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

(B) establishing a drug-free awareness program to inform employees about—

(i) the dangers of drug abuse in the workplace;

(ii) the person's policy of maintaining a drug-free workplace;

(iii) any available drug counseling, rehabilitation, and employee assistance programs; and

(iv) the penalties that may be imposed upon employees for drug abuse violations;

(C) making it a requirement that each employee to be engaged in the performance of such contract be given a copy of the statement required by subparagraph (A);

(D) notifying the employee in the statement required by subparagraph (A), that as a condition of employment on such contract, the employee will—

(i) abide by the terms of the statement; and

(ii) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than 5 days after such conviction;

(E) notifying the contracting agency within 10 days after receiving notice under subparagraph (D)(ii) from an employee or otherwise receiving actual notice of such conviction;

(F) imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by section 5154; and

(G) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (A), (B), (C), (D), (E), and (F).

(2) Requirement for individuals.—No Federal agency shall enter into a contract with an individual unless such contract includes a certification by the individual that the individual will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in the performance of the contract.

(b) Suspension, Termination, or Debarment of the Contractor.—

(1) GROUNDS FOR SUSPENSION, TERMINATION, OR DEBARMENT.—Each contract awarded by a Federal agency shall be subject to suspension of payments under the contract or termination of the contract, or both, and the contractor thereunder or the individual who entered the contract with the Federal agency, as applicable, shall be subject to suspension or debarment in accordance with the requirements of this section if the head of the agency determines that—

(A) the contractor or individual has made a false certification under subsection (a);

(B) the contractor violates such certification by failing to carry out the requirements of subparagraph (A), (B), (C), (D), (E), or (F) of subsection (a)(1); or

(C) such a number of employees of such contractor have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor has failed to make a good faith effort to provide a drug-free workplace as required by subsection (a).

(2) CONDUCT OF SUSPENSION, TERMINATION, AND DEBARMENT PROCEEDINGS.—(A) If a contracting officer determines, in writing, that cause for suspension of payments, termination, or suspension or debarment exists, an appropriate action shall be initiated by a contracting officer of the agency, to be conducted by the agency concerned in accordance with the Federal Acquisition Regulation and applicable agency procedures.

(B) The Federal Acquisition Regulation shall be revised to include rules for conducting suspension and debarment proceedings under this subsection, including rules providing notice, opportunity to respond in writing or in person, and such other procedures as may be necessary to provide a full and fair proceeding to a contractor or individual in such proceeding.

(3) EFFECT OF DEBARMENT.—Upon issuance of any final decision under this subsection requiring debarment of a contractor or individual, such contractor or individual shall be ineligible for award of any contract by any Federal agency, and for participation in any future procurement by any Federal agency, for a period specified in the decision, not to exceed 5 years.

SEC. 5153. DRUG-FREE WORKPLACE REQUIREMENTS FOR FEDERAL GRANT RECIPIENTS.

(a) DRUG-FREE WORKPLACE REQUIREMENT.—

(1) PERSONS OTHER THAN INDIVIDUALS.—No person, other than an individual, shall receive a grant from any Federal agency unless such person has certified to the granting agency that it will provide a drug-free workplace by—

(A) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

(B) establishing a drug-free awareness program to inform employees about—

(i) the dangers of drug abuse in the workplace;

(ii) the grantee's policy of maintaining a drug-free workplace;

(iii) any available drug counseling, rehabilitation, and employee assistance programs; and

(iv) the penalties that may be imposed upon employees for drug abuse violations;

(C) making it a requirement that each employee to be engaged in the performance of such grant be given a copy of the statement required by subparagraph (A);

(D) notifying the employee in the statement required by subparagraph (A), that as a condition of employment in such grant, the employee will—

(i) abide by the terms of the statement; and

(ii) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than 5 days after such conviction;

(E) notifying the granting agency within 10 days after receiving notice of a conviction under subparagraph (D)(ii) from an employee or otherwise receiving actual notice of such conviction;

(F) imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by section 5154; and

(G) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (A), (B), (C), (D), (E), and (F).

(2) INDIVIDUALS.—No Federal agency shall make a grant to any individual unless such individual certifies to the agency as a condition of such grant that the individual will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in conducting any activity with such grant.

(b) SUSPENSION, TERMINATION, OR DEBARMENT OF THE GRANTEE.—

(1) GROUNDS FOR SUSPENSION, TERMINATION, OR DEBARMENT.—Each grant awarded by a Federal agency shall be subject to suspension of payments under the grant or termination of the grant, or both, and the grantee thereunder shall be subject to suspension or debarment, in accordance with the requirements of this section if the agency head of the granting agency or his official designee determines, in writing, that—

(A) the grantee has made a false certification under subsection (a);

(B) the grantee violates such certification by failing to carry out the requirements of subparagraph (A), (B), (C), (D), (E), (F), or (G) of subsection (a)(1); or

(C) such a number of employees of such grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the grantee has failed to make a good faith effort to provide a drug-free workplace as required by subsection (a)(1).

(2) CONDUCT OF SUSPENSION, TERMINATION, AND DEBARMENT PROCEEDINGS.—A suspension of payments, termination, or suspension or debarment proceeding subject to this subsection shall be conducted in accordance with applicable law, including Executive Order 12549 or any superseding Executive order and any regulations promulgated to implement such law or Executive order.

(3) EFFECT OF DEBARMENT.—Upon issuance of any final decision under this subsection requiring debarment of a grantee, such grantee shall be ineligible for award of any grant from any Federal agency and for participation in any future grant from any Federal agency for a period specified in the decision, not to exceed 5 years.

SEC. 5154. EMPLOYEE SANCTIONS AND REMEDIES.

A grantee or contractor shall, within 30 days after receiving notice from an employee of a conviction pursuant to section 5152(a)(1)(D)(ii) or 5153(a)(1)(D)(ii)—

(1) take appropriate personnel action against such employee up to and including termination; or

(2) require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

SEC. 5155. WAIVER.

(a) IN GENERAL.—A termination, suspension of payments, or suspension or debarment under this subtitle may be waived by the head of an agency with respect to a particular contract or grant if—

(1) in the case of a waiver with respect to a contract, the head of the agency determines under section 5152(b)(1), after the issuance of a final determination under such section, that suspension of payments, or termination of the contract, or suspension or debarment of the contractor, or refusal to permit a person to be treated as a responsible source for a contract, as the case may be, would severely disrupt the operation of such agency to the detriment of the Federal Government or the general public; or

(2) in the case of a waiver with respect to a grant, the head of the agency determines that suspension of payments, termination of the grant, or suspension or debarment of the grantee would not be in the public interest.

(b) EXCLUSIVE AUTHORITY.—The authority of the head of an agency under this section to waive a termination, suspension, or debarment shall not be delegated.

SEC. 5156. REGULATIONS.

Not later than 90 days after the date of enactment of this subtitle, the government-wide regulations governing actions under this subtitle shall be issued pursuant to the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.).

SEC. 5157. DEFINITIONS.

For purposes of this subtitle—

(1) the term "drug-free workplace" means a site for the performance of work done in connection with a specific grant or contract described in section 5152 or 5153 of an entity at which employees of such entity are prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in accordance with the requirements of this Act;

(2) the term "employee" means the employee of a grantee or contractor directly engaged in the performance of work pursuant to the provisions of the grant or contract described in section 5152 or 5153;

(3) the term "controlled substance" means a controlled substance in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812);

(4) the term "conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

(5) the term "criminal drug statute" means a criminal statute involving manufacture, distribution, dispensation, use, or possession of any controlled substance;

(6) the term "grantee" means the department, division, or other unit of a person responsible for the performance under the grant;

(7) the term "contractor" means the department, division, or other unit of a person responsible for the performance under the contract; and

(8) the term "Federal agency" means an agency as that term is defined in section 552(f) of title 5, United States Code.

SEC. 5158. CONSTRUCTION OF SUBTITLE.

Nothing in this subtitle shall be construed to require law enforcement agencies, if the head of the agency determines it would be inappropriate in connection with the agency's undercover operations, to comply with the provisions of this subtitle.

SEC. 5159. REPEAL OF LIMITATION ON USE OF FUNDS.

Section 628 of Public Law 100-440 (relating to restrictions on the use of certain appropriated amounts) is amended—

(1) by striking "(a)" after "SEC. 628."; and

(2) by striking subsection (b).

SEC. 5160. EFFECTIVE DATE.

Sections 5152 and 5153 shall be effective 120 days after the date of the enactment of this subtitle.

Subtitle E—President's Media Commission on Alcohol and Drug Abuse Prevention

SEC. 5201. AUTHORIZATION OF APPROPRIATIONS FOR PRESIDENT'S MEDIA COMMISSION ON ALCOHOL AND DRUG ABUSE PREVENTION.

There are authorized to be appropriated for the President's Media Commission on Alcohol and Drug Abuse Prevention—

(1) $1,000,000 for the fiscal year ending September 30, 1989;

(2) $1,000,000 for the fiscal year ending September 30, 1990; and

(3) $1,000,000 for the fiscal year ending September 30, 1991.

Subtitle F—Drug-Free America Policy

SEC. 5251. UNITED STATES POLICY FOR A DRUG-FREE AMERICA BY 1995.

(a) FINDINGS.—The Congress finds that—

(1) approximately 37 million Americans used an illegal drug in the past year and more than 23 million Americans use illicit drugs at least monthly, including more than 6 million who use cocaine;

(2) half of all high school seniors have used illegal drugs at least once, and over 25 percent use drugs at least monthly;

(3) illicit drug use adds enormously to the national cost of health care and rehabilitation services;

(4) illegal drug use can result in a wide spectrum of extremely serious health problems, including disruption of normal heart rhythm, small lesions of the heart, high blood pressure, leaks of blood vessels in the brain, bleeding and destruction of brain cells, permanent memory loss, infertility, impotency, immune system impairment, kidney failure, and pulmonary damage, and in the most serious instances, heart attack, stroke, and sudden death;

(5) approximately 25 percent of all victims of AIDS acquired the disease through intravenous drug use;

(6) over 30,000 people were admitted to emergency rooms in 1986 with drug-related health problems, including nearly 10,000 for cocaine alone;

(7) there is a strong link between teenage suicide and use of illegal drugs;

(8) 10 to 15 percent of all highway fatalities involve drug use;

(9) illegal drug use is prevalent in the workplace and endangers fellow workers, national security, public safety, company morale, and production;

(10) it is estimated that 1 of every 10 American workers have their productivity impaired by substance abuse;

(11) it is estimated that drug users are 3 times as likely to be involved in on-the-job accidents, are absent from work twice as often, and incur 3 times the average level of sickness costs as non-users;

(12) the total cost to the economy of drug use is estimated to be over $100,000,000,000 annually;

(13) the connection between drugs and crime is also well-proven;

(14) the use of illicit drugs affects moods and emotions, chemically alters the brain, and causes loss of control, paranoia, reduction of inhibition, and unprovoked anger;

(15) drug-related homicides are increasing dramatically across the Nation;

(16) 8 of 10 men arrested for serious crimes in New York City test positive for cocaine use;

(17) illicit drug use is responsible for a substantially higher tax rate to pay for local law enforcement protection, interdiction, border control, and the cost of investigation, prosecution, confinement, and treatment;

(18) substantial increases in funding and resources have been made available in recent years to combat the drug problem, with spending for interdiction, law enforcement, and prevention programs up by 100 to 400 percent and these programs are producing results—

(A) seizures of cocaine are up from 1.7 tons in 1981 to 70 tons in 1987;

(B) seizures of heroin are up from 460 pounds in 1981 to 1,400 pounds in 1987;

(C) Drug Enforcement Administration drug convictions doubled between 1982 and 1986; and

(D) the average sentence for Federal cocaine convictions rose by 35 percent during this same period;

(19) despite the impressive rise in law enforcement efforts, the supply of illegal drugs has increased in recent years;

(20) the demand for drugs creates and sustains the illegal drug trade; and

(21) winning the drug war not only requires that we do more to limit supply, but that we focus our efforts to reduce demand.

(b) DECLARATION.—It is the declared policy of the United States Government to create a Drug-Free America by 1995.

Subtitle G—Denial of Federal Benefits to Drug Traffickers and Possessors.

SEC. 5301. DENIAL OF FEDERAL BENEFITS TO DRUG TRAFFICKERS AND POSSESSORS.

(a) DRUG TRAFFICKERS.—(1) Any individual who is convicted of any Federal or State offense consisting of the distribution of controlled substances (as such terms are defined for purposes of the Controlled Substances Act) shall—

(A) at the discretion of the court, upon the first conviction for such an offense be ineligible for any or all Federal benefits for up to 5 years after such conviction;

(B) at the discretion of the court, upon a second conviction for such an offense be ineligible for any or all Federal benefits for up to 10 years after such conviction; and

(C) upon a third or subsequent conviction for such an offense be permanently ineligible for all Federal benefits.

(2) The benefits which are denied under this subsection shall not include benefits relating to long-term drug treatment programs for addiction for any person who, if there is a reasonable body of evidence to substantiate such declaration, declares himself to be an addict and submits himself to a long-term treatment program for addiction, or is deemed to be rehabilitated pursuant to rules established by the Secretary of Health and Human Services.

(b) DRUG POSSESSORS.—(1) Any individual who is convicted of any Federal or State offense involving the possession of a controlled substance (as such term is defined for purposes of the Controlled Substances Act) shall—

(A) upon the first conviction for such an offense and at the discretion of the court—

(i) be ineligible for any or all Federal benefits for up to one year;

(ii) be required to successfully complete an approved drug treatment program which includes periodic testing to insure that the individual remains drug free;

(iii) be required to perform appropriate community service; or

(iv) any combination of clauses (i), (ii), or (iii); and

(B) upon a second or subsequent conviction for such an offense be ineligible for all Federal benefits for up to 5 years after such conviction as determined by the court. The court shall continue to have the discretion in subparagraph (A) above. In imposing penalties and conditions under subparagraph (A), the court may require that the completion of the conditions imposed by clauses (ii) or (iii) be a requirement for the reinstatement of benefits under clause (i).

(2) The penalties and conditions which may be imposed under this subsection shall be waived in the case of a person who, if there is a reasonable body of evidence to substantiate such declaration, declares himself to be an addict and submits himself to a long-term treatment program for addiction, or is deemed to be rehabilitated pursuant to rules established by the Secretary of Health and Human Services.

(c) SUSPENSION OF PERIOD OF INELIGIBILITY.—The period of ineligibility referred to in subsections (a) and (b) shall be suspended if the individual—

(A) completes a supervised drug rehabilitation program after becoming ineligible under this section;

(B) has otherwise been rehabilitated; or

(C) has made a good faith effort to gain admission to a supervised drug rehabilitation program, but is unable to do so because of inaccessibility or unavailability of such a program, or the inability of the individual to pay for such a program.

(d) DEFINITIONS.—As used in this section—

(1) the term "Federal benefit"—

(A) means the issuance of any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) does not include any retirement, welfare, Social Security, health, disability, veterans benefit, public housing, or other similar benefit, or any other benefit for which payments or services are required for eligibility; and

(2) the term "veterans benefit" means all benefits provided to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States.

(e) INAPPLICABILITY OF THIS SECTION TO GOVERNMENT WITNESSES.—The penalties provided by this section shall not apply to any individual who cooperates or testifies with the Government in the prosecution of a Federal or State offense or who is in a Government witness protection program.

(f) INDIAN PROVISION.—Nothing in this section shall be construed to affect the obligation of the United States to any Indian or Indian tribe arising out of any treaty, statute, Executive order, or the trust responsibility of the United States owing to such Indian or Indian tribe. Nothing in this subsection shall exempt any individual Indian from the sanctions provided for in this section, provided that no individual Indian shall be denied any benefit under Federal Indian programs comparable to those described in subsections (d)(1)(B) or (d)(2) above.

(g) PRESIDENTIAL REPORT.—(1) On or before May 1, 1989, the President shall transmit to the Congress a report—

(A) delineating the role of State courts in implementing this section;

(B) describing the manner in which Federal agencies will implement and enforce the requirements of this section;

(C) detailing the means by which Federal and State agencies, courts, and law enforcement agencies will exchange and share the data and information necessary to implement and enforce the withholding of Federal benefits; and

(D) recommending any modifications to improve the administration of this section or otherwise achieve the goal of discouraging the trafficking and possession of controlled substances.

(2) No later than September 1, 1989, the Congress shall consider the report of the President and enact such changes as it deems appropriate to further the goals of this section.

(h) EFFECTIVE DATE.—The denial of Federal benefits set forth in this section shall take effect for convictions occurring after September 1, 1989.

TITLE VI—ANTI-DRUG ABUSE AMENDMENTS ACT OF 1988

SEC. 6001. SHORT TITLE.

This title may be cited as the "Anti-Drug Abuse Amendments Act of 1988".

Subtitle A—Chemical Diversion and Trafficking

SEC. 6051. SHORT TITLE.

This subtitle may be cited as the "Chemical Diversion and Trafficking Act of 1988".

SEC. 6052. REGULATION OF LISTED CHEMICALS AND CERTAIN MACHINES.

(a) IN GENERAL.—Section 310 of the Controlled Substances Act (21 U.S.C. 830) is amended to read as follows:

"REGULATION OF LISTED CHEMICALS AND CERTAIN MACHINES

"SEC. 310. (a)(1) Each regulated person who engages in a regulated transaction involving a listed chemical, a tableting machine, or an encapsulating machine shall keep a record of the transaction—

"(A) for 4 years after the date of the transaction, if the listed chemical is a precursor chemical or if the transaction involves a tableting machine or an encapsulating machine; and

"(B) for 2 years after the date of the transaction, if the listed chemical is an essential chemical.

"(2) A record under this subsection shall be retrievable and shall include the date of the regulated transaction, the identity of each party to the regulated transaction, a statement of the quantity and form of the listed chemical, a description of the tableting machine or encapsulating machine, and a description of the method of transfer. Such record shall be available for inspection and copying by the Attorney General.

"(3) It is the duty of each regulated person who engages in a regulated transaction to identify each other party to the transaction. It is the duty of such other party to present proof of identity to the regulated person. The Attorney General shall specify by regulation the types of documents and other evidence that constitute proof of identity for purposes of this paragraph.

"(b) Each regulated person shall report to the Attorney General, in such form and manner as the Attorney General shall prescribe by regulation—

"(1) any regulated transaction involving an extraordinary quantity of a listed chemical, an uncommon method of payment or delivery, or any other circumstance that the regulated person believes may indicate that the listed chemical will be used in violation of this title;

"(2) any proposed regulated transaction with a person whose description or other identifying characteristic the Attorney General furnishes in advance to the regulated person;

"(3) any unusual or excessive loss or disappearance of a listed chemical under the control of the regulated person; and

"(4) any regulated transaction in a tableting machine or an encapsulating machine.

Each report under paragraph (1) shall be made at the earliest practicable opportunity after the regulated person becomes aware of the circumstance involved. A regulated person may not complete a transaction with a person whose description or identifying characteristic is furnished to the regulated person under paragraph (2) unless the transaction is approved by the Attorney General. The Attorney General shall make available to regulated persons guidance documents describing transactions and circumstances for which reports are required under paragraph (1) and paragraph (3).

"(c)(1) Except as provided in paragraph (2), any information obtained by the Attorney General under this section which is exempt from disclosure under section 552(a) of title 5, United States Code, by reason of section 552(b)(4) of such title, is confidential and may not be disclosed to any person.

"(2) Information referred to in paragraph (1) may be disclosed only—

"(A) to an officer or employee of the United States engaged in carrying out this title, title III, or the customs laws;

"(B) when relevant in any investigation or proceeding for the enforcement of this title, title III, or the customs laws;

"(C) when necessary to comply with an obligation of the United States under a treaty or other international agreement; or

"(D) to a State or local official or employee in conjunction with the enforcement of controlled substances laws or precursor chemical laws.

"(3) The Attorney General shall—

"(A) take such action as may be necessary to prevent unauthorized disclosure of information by any person to whom such information is disclosed under paragraph (2); and

"(B) issue guidelines that limit, to the maximum extent feasible, the disclosure of proprietary business information, including the names or identities of United States exporters of listed chemicals, to any person to whom such information is disclosed under paragraph (2).

"(4) Any person who is aggrieved by a disclosure of information in violation of this section may bring a civil action against the violator for appropriate relief.

"(5) Notwithstanding paragraph (4), a civil action may not be brought under such paragraph against investigative or law enforcement personnel of the Drug Enforcement Administration.".

(b) CLERICAL AMENDMENT.—The table of contents of the Comprehensive Drug Abuse Prevention and Control Act of 1970 is amended by striking out the item relating to section 310 and inserting in lieu thereof the following:

"310. Regulation of listed chemicals and certain machines.".

SEC. 6053. NOTIFICATION, SUSPENSION OF SHIPMENT, AND PENALTIES WITH RESPECT TO IMPORTATION AND EXPORTATION OF LISTED CHEMICALS.

(a) IN GENERAL.—Part A of the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.) is amended by adding at the end the following new section:

"NOTIFICATION, SUSPENSION OF SHIPMENT, AND PENALTIES WITH RESPECT TO IMPORTATION AND EXPORTATION OF LISTED CHEMICALS

"SEC. 1018. (a) Each regulated person who imports or exports a listed chemical shall notify the Attorney General of the importation or exportation not later than 15 days before the transaction is to take place.

"(b)(1) The Attorney General shall provide by regulation for circumstances in which the requirement of subsection (a) does not apply to a transaction between a regulated person and a regular customer or regular supplier of the regulated person. At the time of any importation or exportation constituting a transaction referred to in the preceding sentence, the regulated person shall notify the Attorney General of the transaction.

"(2) The regulations under this subsection shall provide that the initial notification under subsection (a) with respect to a customer or supplier of a regulated person shall, upon the expiration of the 15-day period, qualify the customer as a regular customer or regular supplier, unless the Attorney General otherwise notifies the regulated person in writing.

"(c)(1) The Attorney General may order the suspension of any importation or exportation of a listed chemical (other than a regulated transaction to which the requirement of subsection (a) does not apply by reason of subsection (b)) or may disqualify any regular customer or regular supplier on the ground that the chemical may be diverted to the clandestine manufacture of a controlled substance. From and after the time when the Attorney General provides written notice of the order (including a statement of the legal and factual basis for the order) to the regulated person, the regulated person may not carry out the transaction.

"(2) Upon written request to the Attorney General, a regulated person to whom an order applies under paragraph (1) is entitled to an agency hearing on the record in accordance with subchapter II of chapter 5 of title 5, United States Code. The hearing shall be held on an expedited basis and not later than 45 days after the request is made, except that the hearing may be held at a later time, if so requested by the regulated person.".

(b) EFFECTIVE DATES AND SPECIAL RULES.—(1) Not later than 45 days after the date of the enactment of this Act, the Attorney General shall forward to the Director of the Office of Management and Budget proposed regulations required by the amendment made by subsection (a).

(2) Not later than 55 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall—

(A) review such proposed regulations of the Attorney General; and

(B) forward any comments and recommendations for modifications to the Attorney General.

(3) Not later than 60 days after the date of the enactment of this Act, the Attorney General shall publish the proposed final

regulations required by the amendment made by subsection (a).

(4) Not later than 120 days after the date of the enactment of this Act, the Attorney General shall promulgate final regulations required by the amendment made by subsection (a).

(5) Subsection (a) of section 1018 of the Controlled Substances Import and Export Act, as added by subsection (a) of this section, shall take effect 90 days after the promulgation of the final regulations under paragraph (4).

(6) Each regulated person shall provide to the Attorney General the identity of any regular customer or regular supplier of the regulated person not later than 30 days after the promulgation of the final regulations under paragraph (4). Not later than 60 days after the end of such 30-day period, each regular customer and regular supplier so identified shall be a regular customer or regular supplier for purposes of any applicable exception from the requirement of subsection (a) of such section 1018, unless the Attorney General otherwise notifies the regulated person in writing.

(c) PENALTY FOR IMPORTATION OR EXPORTATION.—Section 1010 of the Controlled Substances Import and Export Act (21 U.S.C. 960) is amended by adding at the end the following new subsection:

"(d) Any person who knowingly or intentionally—

"(1) imports or exports a listed chemical with intent to manufacture a controlled substance in violation of this title or, in the case of an exportation, in violation of the law of the country to which the chemical is exported; or

"(2) imports or exports a listed chemical knowing, or having reasonable cause to believe, that the listed chemical will be used to manufacture a controlled substance in violation of this title or, in the case of an exportation, in violation of the law of the country to which the chemical is exported;

shall be fined in accordance with title 18, United States Code, or imprisoned not more than 10 years, or both.".

(d) PENALTY FOR FAILURE TO NOTIFY.—Section 1011 of the Controlled Substances Import and Export Act (21 U.S.C. 961) is amended in the matter before paragraph (1) by inserting after "section 1004" the following: "or fails to notify the Attorney General of an importation or exportation under section 1018".

(e) CLERICAL AMENDMENT.—The table of contents of the Comprehensive Drug Abuse Prevention and Control Act of 1970 is amended by adding at the end of the items relating to part A of title III the following new item:

"Sec. 1018. Notification, suspension of shipment, and penalties with respect to importation and exportation of listed chemicals.".

SEC. 6054. DEFINITIONS.

Section 102 of the Controlled Substances Act (21 U.S.C. 802) is amended—

(1) in paragraph (8), by inserting "or a listed chemical" after "a controlled substance";

(2) in paragraph (11), by inserting "or a listed chemical" after "a controlled substance" both places it appears; and

(3) by adding at the end the following new paragraphs:

"(33) The term 'listed chemical' means any listed precursor chemical or listed essential chemical.

"(34) The term 'listed precursor chemical' means a chemical specified by regulation of the Attorney General as a chemical that is used in manufacturing a controlled substance in violation of this title and is critical to the creation of the controlled substances, and such term includes (until otherwise specified by regulation of the Attorney General, as considered appropriate by the Attorney General or upon petition to the Attorney General by any person) the following:

"(A) Anthranilic acid and its salts.

"(B) Benzyl cyanide.

"(C) Ephedrine, its salts, optical isomers, and salts of optical isomers.

"(D) Ergonovine and its salts.

"(E) Ergotamine and its salts.

"(F) N-Acetylanthranilic acid and its salts.

"(G) Norpseudoephedrine, its salts, optical isomers, and salts of optical isomers.

"(H) Phenylacetic acid and its salts.

"(I) Phenylpropanolamine, its salts, optical isomers, and salts of optical isomers.

"(J) Piperidine and its salts.

"(K) Pseudoephedrine, its salts, optical isomers, and salts of optical isomers.

"(L) 3,4-Methylenedioxyphenyl-2-propanone.

"(35) The term 'listed essential chemical' means a chemical specified by regulation of the Attorney General as a chemical that is used as a solvent, reagent, or catalyst in manufacturing a controlled substance in violation of this title, and such term includes (until otherwise specified by regulation of the Attorney General, as considered appropriate by the Attorney General or upon petition to the Attorney General by any person) the following chemicals:

"(A) Acetic anhydride.

"(B) Acetone.

"(C) Benzyl chloride.

"(D) Ethyl ether.

"(E) Hydriodic acid.

"(F) Potassium permanganate.

"(G) 2-Butanone.

"(H) Toluene.

"(36) The term 'regular customer' means, with respect to a regulated person, a customer with whom the regulated person has an established business relationship that is reported to the Attorney General.

"(37) The term 'regular supplier' means, with respect to a regulated person, a supplier with whom the regulated person has an established business relationship that is reported to the Attorney General.

"(38) The term 'regulated person' means a person who manufactures, distributes, imports, or exports a listed chemical, a tableting machine, or an encapsulating machine.

"(39) The term 'regulated transaction' means—

"(A) a distribution, receipt, sale, importation or exportation of a threshold amount, including a cumulative threshold amount for multiple transactions (as determined by the Attorney General, in consultation with the chemical industry and taking into consideration the quantities normally used for lawful purposes), of a listed chemical, except that such term does not include—

"(i) a domestic lawful distribution in the usual course of business between agents or employees of a single regulated person;

"(ii) a delivery of a listed chemical to or by a common or contract carrier for carriage in the lawful and usual course of the business of the common or contract carrier, or to or by a warehouseman for storage in the lawful and usual course of the business of the warehouseman, except that if the carriage or storage is in connection with the distribution, importation, or exportation of a listed chemical to a third person, this clause does not relieve a distributor, importer, or exporter from compliance with section 310;

"(iii) any category of transaction specified by regulation of the Attorney General as excluded from this definition as unnecessary for enforcement of this title or title III;

"(iv) any transaction in a listed chemical that is contained in a drug that may be marketed or distributed lawfully in the United States under the Federal Food, Drug, and Cosmetic Act; or

"(v) any transaction in a chemical mixture; and

"(B) a distribution, importation, or exportation of a tableting machine or encapsulating machine.

"(40) The term 'chemical mixture' means a combination of two or more chemical substances, at least one of which is not a listed precursor chemical or a listed essential chemical, except that such term does not include any combination of a listed precursor chemical or a listed essential chemical with another chemical that is present solely as an impurity.".

SEC. 6055. AMENDMENTS TO SECTION 401 OF THE CONTROLLED SUBSTANCES ACT.

(a) ADDITIONAL OFFENSES.—Section 401(d) of the Controlled Substances Act (21 U.S.C. 841(d)) is amended to read as follows:

"(d) Any person who knowingly or intentionally—

"(1) possesses a listed chemical with intent to manufacture a controlled substance except as authorized by this title;

"(2) possesses or distributes a listed chemical knowing, or having reasonable cause to believe, that the listed chemical will be used to manufacture a controlled substance except as authorized by this title; or

"(3) with the intent of causing the evasion of the recordkeeping or reporting requirements of section 310, or the regulations issued under that section, receives or distributes a reportable amount of any listed chemical in units small enough so that the making of records or filing of reports under that section is not required;

shall be fined in accordance with title 18, United States Code, or imprisoned not more than 10 years, or both.".

(b) ADDITIONAL PENALTY AND OFFENSES.—Section 401 of the Controlled Substances Act (21 U.S.C. 841) is amended by adding at the end the following new subsections:

"(f) In addition to any other applicable penalty, any person convicted of a felony violation of this section relating to the receipt, distribution, or importation of a listed chemical may be enjoined from engaging in any regulated transaction involving a listed chemical for not more than ten years.

"(g)(1) Whoever knowingly distributes a listed chemical in violation of this title (other than in violation of a recordkeeping or reporting requirement of section 310) shall be fined under title 18, United States Code, or imprisoned not more than 5 years, or both.

"(2) Whoever possesses any listed chemical, with knowledge that the recordkeeping or reporting requirements of section 310 have not been adhered to, if, after such knowledge is acquired, such person does not take immediate steps to remedy the violation shall be fined under title 18, United States Code, or imprisoned not more than one year, or both.".

SEC. 6056. AMENDMENTS TO SECTION 402 OF THE CONTROLLED SUBSTANCES ACT.

(a) CONFIDENTIAL INFORMATION AMENDMENT.—Section 402(a)(8) of the Controlled Substances Act (21 U.S.C. 842(a)(8)) is amended by inserting after "protection" the following: ", or to use to his own advantage or reveal (other than as authorized by section 310) any information that is confidential under such section".

(b) Identification Amendment.—Section 402(a)(9) of the Controlled Substances Act (21 U.S.C. 842(a)(9)) is amended to read as follows:

"(9) who is a regulated person to engage in a regulated transaction without obtaining the identification required by 310(a)(3).".

(c) Technical Amendment.—Section 402(c)(2) of the Controlled Substances Act (21 U.S.C. 842(c)(2)) is amended by striking out subparagraph (C).

(d) Records Violations.—Section 402(a) of the Controlled Substances Act (21 U.S.C. 842(a)) is amended—

(1) in paragraph (8), as amended by subsection (a) of this section, by striking out "or" at the end of the paragraph;

(2) in paragraph (9), as amended by subsection (b) of this section, by striking out the period at the end of the paragraph and inserting in lieu thereof "; or"; and

(3) by adding at the end the following new paragraph:

"(10) to fail to keep a record or make a report under section 310.".

SEC. 6057. AMENDMENTS TO SECTION 403 OF THE CONTROLLED SUBSTANCES ACT.

(a) Additional Offenses.—Section 403(a) of the Controlled Substances Act (21 U.S.C. 843(a)) is amended—

(1) in paragraph (4)(B), by striking out "piperidine" and inserting in lieu thereof "a listed chemical";

(2) in paragraph (4)(B), by striking out "or" after the semicolon;

(3) in paragraph (5), by striking out the period at the end and inserting in lieu thereof a semicolon; and

(4) by adding after paragraph (5) the following new paragraphs:

"(6) to possess any three-neck round-bottom flask, tableting machine, encapsulating machine, gelatin capsule, or equipment specially designed or modified to manufacture a controlled substance, with intent to manufacture a controlled substance except as authorized by this title;

"(7) to manufacture, distribute, or import any three-neck round-bottom flask, tableting machine, encapsulating machine, gelatin capsule, or equipment specially designed or modified to manufacture a controlled substance, knowing that it will be used to manufacture a controlled substance except as authorized by this title; or

"(8) to create a chemical mixture for the purpose of evading a requirement of section 310 or to receive a chemical mixture created for that purpose.".

(b) Additional Penalty.—Section 403 of the Controlled Substances Act (21 U.S.C. 843), is amended by adding at the end the following new subsection:

"(d) In addition to any other applicable penalty, any person convicted of a felony violation of this section relating to the receipt, distribution, or importation of a listed chemical may be enjoined from engaging in any regulated transaction involving a listed chemical for not more than ten years.".

SEC. 6058. SUBPOENA POWER.

The first sentence of section 506(a) of the Controlled Substances Act (21 U.S.C. 876(a)) is amended by inserting "listed chemicals, tableting machines, or encapsulating machines," after "with respect to controlled substances,".

SEC. 6059. FORFEITURE.

(a) In General.—Section 511(a) of the Controlled Substances Act (21 U.S.C. 881) is amended by adding at the end the following new paragraph:

"(9) All listed chemicals, all drug manufacturing equipment, all tableting machines, all encapsulating machines, and all gelatin capsules, which have been imported, exported, manufactured, possessed, distributed, or intended to be distributed, imported, or exported, in violation of a felony provision of this title or title III.".

(b) Technical Amendment.—Paragraph (3) and paragraph (4) of section 511(a) of the Controlled Substances Act (21 U.S.C. 881(a) and (4)) are each amended by striking out "paragraph (1) or (2)" and inserting in lieu thereof "paragraph (1), (2), or (9)".

SEC. 6060. CHEMICAL DIVERSION CONTROL PROGRAM.

Section 502 of the Controlled Substances Act (21 U.S.C. 872) is amended by adding at the end the following new subsection:

"(f) The Attorney General shall maintain an active program, both domestic and international, to curtail the diversion of precursor chemicals and essential chemicals used in the illicit manufacture of controlled substances.".

SEC. 6061. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, this subtitle shall take effect 120 days after the enactment of this Act.

Subtitle B—Asset Forfeiture Amendments

SEC. 6071. SHORT TITLE.

This subtitle may be cited as the "Asset Forfeiture Amendments Act of 1988".

SEC. 6072. DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.

Section 524(c) of title 28, United States Code, is amended to read as follows:

"(c)(1) There is established in the United States Treasury a special fund to be known as the Department of Justice Assets Forfeiture Fund (hereafter in this subsection referred to as the 'Fund') which shall be available to the Attorney General without fiscal year limitation for the following purposes of the Department of Justice—

"(A) the payment, at the discretion of the Attorney General, of any expenses necessary to seize, detain, inventory, safeguard, maintain, advertise, or sell property under seizure, detention, or forfeited pursuant to any law enforced or administered by the Department of Justice, or of any other necessary expenses incident to the seizure, detention, or forfeiture of such property; such payments may include—

"(i) payments for contract services, the employment of outside contractors to operate and manage properties or provide other specialized services as necessary to dispose of such properties in an effort to maximize the return from such properties, and payments to reimburse any Federal, State, or local agency for any expenditures made to perform the foregoing functions; and

"(ii) payments made pursuant to regulations promulgated by the Attorney General, that are necessary and direct program-related expenses for the purchase or lease of automatic data processing equipment (not less than a majority of which use will be program related), training, printing, contracting for services directly related to the identification of forfeitable assets processing of and accounting for forfeitures, and the storage, protection, and destruction of controlled substances;

"(B) the payment of awards for information or assistance directly relating to violations of the criminal drug laws of the United States;

"(C) the payment of awards for information or assistance leading to a civil or criminal forfeiture under the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 800 et seq.) or a criminal forfeiture under the Racketeer Influenced and Corrupt Organizations statute (18 U.S.C. 1961 et seq.), at the discretion of the Attorney General;

"(D) the compromise and payment of valid liens and mortgages against property that has been forfeited pursuant to any law enforced or administered by the Department of Justice, subject to the discretion of the Attorney General to determine the validity of any such lien or mortgage and the amount of payment to be made, and the employment of attorneys and other personnel skilled in State real estate law as necessary;

"(E) disbursements authorized in connection with remission or mitigation procedures relating to property forfeited under any law enforced or administered by the Department of Justice;

"(F) for equipping for drug law enforcement functions any government-owned or leased vessels, vehicles, and aircraft available for official use by the Drug Enforcement Administration, the Federal Bureau of Investigation, the Immigration and Naturalization Service, or the United States Marshals Service;

"(G) for purchase of evidence of any violation of the Controlled Substances Act, the Controlled Substances Import and Export Act, chapter 96 of title 18, or sections 1956 and 1957 of title 18; and

"(H) after all reimbursements and program-related expenses have been met at the end of fiscal year 1989, the Attorney General may transfer deposits from the Fund to the building and facilities account of the Federal prison system for the construction of correctional institutions.

Amounts for paying the expenses authorized by subparagraphs (A)(ii), (B), (C), (F), and (G) shall be specified in appropriations acts. Amounts for other authorized expenditures and payments from the Fund, including equitable sharing payments, are not required to be specified in appropriations acts. The Attorney General may exempt the procurement of contract services under subparagraph (A) under the fund from section 3709 of the Revised Statutes of the United States (41 U.S.C. 5), title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 and following), and other provisions of law as may be necessary to maintain the security and confidentiality of related criminal investigations.

"(2) Any award paid from the Fund for information, as provided in paragraphs (1)(B) or (C), shall be paid at the discretion of the Attorney General or his delegate, under existing departmental delegation policies for the payment of awards, except that the authority to pay an award of $250,000 or more shall not be delegated to any person other than the Deputy Attorney General, the Associate Attorney General, the Director of the Federal Bureau of Investigation, or the Administrator of the Drug Enforcement Administration. Any award for information pursuant to paragraph (1)(B) shall not exceed $250,000. Any award for information pursuant to paragraph (1)(C) shall not exceed the lesser of $250,000 or one-fourth of the amount realized by the United States from the property forfeited.

"(3) Any amount under subparagraph (F) of paragraph (1) shall be paid at the discretion of the Attorney General or his delegate, except that the authority to pay $100,000 or more may be delegated only to the respective head of the agency involved.

"(4) There shall be deposited in the Fund all amounts from the forfeiture of property under any law enforced or administered by the Department of Justice, except all proceeds of forfeitures available for use by the Secretary of the Treasury or the Secretary of the Interior pursuant to section 11(d) of the Endangered Species Act (16 U.S.C. 1540(d)) or section 6(d) of the Lacey Act Amendments of 1981 (16 U.S.C. 3375(d)) or the Postmaster General of the United States pursuant to section 2003(b)(7) of title 39.

"(5) Amounts in the Fund which are not currently needed for the purpose of this section shall be kept on deposit or invested in obligations of, or guaranteed by, the United States and all earnings on such investments shall be deposited in the Fund.

"(6) The Attorney General shall transmit to the Congress, not later than 4 months after the end of each fiscal year, two detailed reports as follows:

"(A) a report on—

"(i) the estimated total value of property forfeited under any law enforced or administered by the Department of Justice with respect to which funds were not deposited in the Fund; and

"(ii) the estimated total value of all such property transferred to any State or local law enforcement agency; and

"(B) a report on—

"(i) the Fund's beginning balance;

"(ii) sources of receipts (seized cash, conveyances, and others);

"(iii) liens and mortgages paid and amount of money shared with State and local law enforcement agencies;

"(iv) the net amount realized from the year's operations, amount of seized cash being held as evidence, and the amount of money legally allowed to be carried over to next year;

"(v) any defendant's equity in property valued at $1,000,000 or more; and

"(vi) year-end Fund balance.

"(7) The Fund shall be subject to annual audit by the Comptroller General.

"(8) The provisions of this subsection relating to deposits in the Fund shall apply to all property in the custody of the Department of Justice on or after the effective date of the Comprehensive Forfeiture Act of 1983.

"(9) There are authorized to be appropriated such sums as necessary for the purposes described in subparagraphs (A)(ii), (B), (C), (F), and (G) of paragraph (1). At the end of each of fiscal years 1990, 1991, and 1992, unobligated amounts not to exceed $150,000,000 remaining in the Fund shall be deposited in the Special Forfeiture Fund, except that an amount not to exceed $15,000,000 or, if determined necessary by the Attorney General to meet asset specific expenses, an amount equal to one-twelfth of the previous year's expenditures may be carried forward and remain available for appropriation in the next fiscal year.

"(10) For the purposes of this subsection, property is forfeited pursuant to a law enforced or administered by the Department of Justice if it is forfeited pursuant to—

"(A) any criminal forfeiture proceeding;

"(B) any civil judicial forfeiture proceeding; or

"(C) any civil administrative forfeiture proceeding conducted by the Department of Justice,

except to the extent that the seizure was effected by a Customs officer or that custody was maintained by the United States Customs Service in which case the provisions of section 613A of the Tariff Act of 1930 (19 U.S.C. 1613a) shall apply.".

SEC. 6073. ESTABLISHMENT OF SPECIAL FORFEITURE FUND.

(a) In General.—There is established in the Treasury of the United States the Special Forfeiture Fund (hereafter referred to in this section as the "Fund") which shall be available to the Director of the National Drug Control Policy without fiscal year limitation in such amounts as may be specified in appropriations acts.

(b) Deposits.—Beginning in fiscal year 1990, there shall be deposited in the Fund not to exceed $150,000,000 in unobligated amounts remaining at the end of each fiscal year from the Department of Justice Assets Forfeiture Fund (28 U.S.C. 524(c)) except that amounts specified in section 524(c)(9) of title 28, United States Code, may be carried forward and remain available for appropriation in the next fiscal year.

(c) Investment of Fund.—Amounts in the Fund which are not currently needed for the purposes of this section shall be kept on deposit or invested in obligations of, or guaranteed by, the United States and all earnings on such investments shall be deposited in the Fund.

(d) President's Budget.—The President shall, in consultation with the Director for National Drug Control Policy, include, as part of the budget submitted to the Congress under section 1105(a) of title 31, United States Code, a separate and detailed request for the use of the amounts in the Fund. This request shall reflect the priorities of the National Drug Control strategy.

(e) Funds Provided Supplemental.—Funds disbursed under this subsection shall not be used to supplant existing funds, but shall be used to supplement the amount of funds that would be otherwise available.

(f) Annual Report.—No later than 4 months after the end of each fiscal year, the President shall submit to both Houses of Congress a detailed report on the amounts deposited in the Fund and a description of expenditures made under this subsection.

SEC. 6074. TRANSFER BY THE ATTORNEY GENERAL OF FOREIGN PROPERTY.

Section 511(e)(1) of the Controlled Substance Act (21 U.S.C. 881(e)) is amended by—

(1) striking "or" after the semicolon in subparagraph (C);

(2) striking the period at the end of subparagraph (D) and inserting "; or"; and

(3) adding at the end thereof the following:

"(E) transfer the forfeited personal property or the proceeds of the sale of any forfeited personal or real property to any foreign country which participated directly or indirectly in the seizure or forfeiture of the property, if such a transfer—

"(i) has been agreed to by the Secretary of State;

"(ii) is authorized in an international agreement between the United States and the foreign country; and

"(iii) is made to a country which, if applicable, has been certified under section 481(h) of the Foreign Assistance Act of 1961.".

SEC. 6075. ADDITIONAL EXCEPTION TO PROVISION RELATING TO FORFEITURE OF CONVEYANCES.

Paragraph (4) of section 511(a) of the Controlled Substances Act (21 U.S.C. 881(a)(4)) is amended—

(1) in subparagraph (A), by striking out "and" after the semicolon;

(2) in subparagraph (B), by striking out the period at the end and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) no conveyance shall be forfeited under this paragraph to the extent of an interest of an owner, by reason of any act or omission established by that owner to have been committed or omitted without the knowledge, consent, or willful blindness of the owner.".

SEC. 6076. FORFEITURES OF CONVEYANCES.

(a) Amendment to Act of August 9, 1939.—Section 2 of the Act of August 9, 1939 (chapter 618, 53 Stat. 1291; 49 U.S.C. App. 782), is amended by adding at the end the following: "No vessel, vehicle, or aircraft shall be forfeited under this section to the extent of an interest of an owner for a drug-related offense established by that owner to have been committed or omitted without the knowledge, consent, or willful blindness of the owner.".

(b) Amendments to Tariff Act of 1930.—Section 594(b) of the Tariff Act of 1930 (19 U.S.C. 1594(b)) is amended—

(1) by inserting "(1)" after "(b)";

(2) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(3) by adding at the end the following:

"(2) Except as provided in paragraph (1) or subsection (c), no vessel, vehicle, or aircraft is subject to forfeiture to the extent of an interest of an owner for a drug-related offense established by that owner to have been committed or omitted without the knowledge, consent, or willful blindness of the owner.".

SEC. 6077. RESTORATION OF EQUITABLE SHARING PRINCIPLE RELATING TO TRANSFER OF FORFEITED ASSETS TO STATE AND LOCAL AGENCIES UNDER THE CONTROLLED SUBSTANCES ACT.

(a) In General.—Section 511(e) of the Controlled Substances Act (21 U.S.C. 881(e)) is amended by adding at the end the following new paragraph:

"(3) The Attorney General shall assure that any property transferred to a State or local law enforcement agency under paragraph (1)(A)—

"(A) has a value that bears a reasonable relationship to the degree of direct participation of the State or local agency in the law enforcement effort resulting in the forfeiture, taking into account the total value of all property forfeited and the total law enforcement effort with respect to the violation of law on which the forfeiture is based; and

"(B) is not so transferred to circumvent any requirement of State law that prohibits forfeiture or limits use or disposition of property forfeited to State or local agencies.".

(b) Technical Amendment.—Section 511(e)(1)(A) of the Controlled Substances Act (21 U.S.C. 881(e)(1)(A)) is amended to read as follows:

"(A) retain the property for official use or, in the manner provided with respect to transfers under section 616 of the Tariff Act of 1930, transfer the property to any Federal agency or to any State or local law enforcement agency which participated directly in the seizure or forfeiture of the property;".

(c) EFFECTIVE DATE.—Section 551(e)(3)(B) of the Controlled Substances Act, as enacted by subsection (a), shall apply with respect to fiscal years beginning after September 30, 1989.

SEC. 6078. COORDINATION OF POST-SEIZURE PROCEDURES.

(a) IN GENERAL.—Part E of the Controlled Substances Act (21 U.S.C. 871 et seq.) is amended by adding at the end the following new section:

"COORDINATION AND CONSOLIDATION OF POST-SEIZURE ADMINISTRATION

"SEC. 517. The Attorney General and the Secretary of the Treasury shall take such action as may be necessary to develop and maintain a joint plan to coordinate and consolidate post-seizure administration of property seized under this title, title III, or provisions of the customs laws relating to controlled substances.".

(b) CLERICAL AMENDMENT.—The table of contents of the Comprehensive Drug Abuse Prevention and Control Act of 1970 is amended by inserting after the item relating to section 516 the following new item:

"517. Coordination and consolidation of post-seizure administration.".

SEC. 6079. REGULATIONS TO PROVIDE FORFEITURE PROCEDURES.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Attorney General and the Secretary of the Treasury shall consult, and after providing a 30-day public comment period, shall prescribe regulations for expedited administrative procedures for seizures under section 511(a) (4), (6), and (7) of the Controlled Substances Act (21 U.S.C. 881(a) (4), (6), and (7)); section 596 of the Tariff Act of 1930 (19 U.S.C. 1595a(a)); and section 2 of the Act of August 9, 1939 (53 Stat. 1291; 49 U.S.C. app. 782) for violations involving the possession of personal use quantities of a controlled substance.

(b) SPECIFICATIONS.—The regulations prescribed pursuant to subsection (a) shall

(1) minimize the adverse impact caused by prolonged detention, and

(2) provide for a final administrative determination of the case within 21 days of seizure, or provide a procedure by which the defendant can obtain release of the property pending a final determination of the case. Such regulations shall provide that the appropriate agency official rendering a final determination shall immediately return the property if the following conditions are established:

(A) the owner or interested party did not know of or consent to the violation;

(B) the owner establishes a valid, good faith interest in the seized property as owner or otherwise; and

(C)(1) the owner establishes that the owner at no time had any knowledge or reason to believe that the property in which the owner claims an interest was being or would be used in a violation of the law; and

(2) if the owner at any time had, or should have had, knowledge or reason to believe that the property in which the owner claims an interest was being or would be used in a violation of the law, that the owner did what reasonably could be expected to prevent the violation.

An owner shall not have the seized property returned under this subsection if the owner had not acted in a normal and customary manner to ascertain how the property would be used.

(c) NOTICE.—At the time of seizure or upon issuance of a summons to appear under subsection (d), the officer making the seizure shall furnish to any person in possession of the conveyance a written notice specifying the procedures under this section. At the earliest practicable opportunity after determining ownership of the seized conveyance, the head of the department or agency that seizes the conveyance shall furnish a written notice to the owner and other interested parties (including lienholders) of the legal and factual basis of the seizure.

(d) SUMMONS IN LIEU OF SEIZURE OF COMMERCIAL FISHING INDUSTRY VESSELS.—Not later than 90 days after the enactment of this Act, the Attorney General, the Secretary of the Treasury, and the Secretary of Transportation shall prescribe joint regulations, after a public comment period of at least 30 days, providing for issuance of a summons to appear in lieu of seizure of a commercial fishing industry vessel as defined in section 2101 (11a), (11b), and (11c) of title 46, United States Code, for violations involving the possession of personal use quantities of a controlled substance. These regulations shall apply when the violation is committed on a commercial fishing industry vessel that is proceeding to or from a fishing area or intermediate port of call, or is actively engaged in fishing operations. The authority provided under this section shall not affect existing authority to arrest an individual for drug-related offenses or to release that individual into the custody of the vessel's master. Upon answering a summons to appear, the procedures set forth in subsections (a), (b), and (c) of this section shall apply. The jurisdiction of the district court for any forfeiture incurred shall not be affected by the use of a summons under this section.

(e) PERSONAL USE QUANTITIES OF A CONTROLLED SUBSTANCE.—For the purposes of this section, personal use quantities of a controlled substance shall not include sweepings or other evidence of non-personal use amounts.

SEC. 6080. EXPEDITED PROCEDURES FOR SEIZED CONVEYANCES.

(a) IN GENERAL.—The Controlled Substances Act (21 U.S.C. 801 et seq.) is amended by inserting after section 511 the following new section:

"EXPEDITED PROCEDURES FOR SEIZED CONVEYANCES

"SEC. 511A. (a)(1) The owner of a conveyance may petition the Attorney General for an expedited decision with respect to the conveyance, if the conveyance is seized for a drug-related offense and the owner has filed the requisite claim and cost bond in the manner provided in section 608 of the Tariff Act of 1930. The Attorney General shall make a determination on a petition under this section expeditiously, including a determination of any rights or defenses available to the petitioner. If the Attorney General does not grant or deny a petition under this section within 20 days after the date on which the petition is filed, the conveyance shall be returned to the owner pending further forfeiture proceedings.

"(2) With respect to a petition under this section, the Attorney General may—

"(A) deny the petition and retain possession of the conveyance;

"(B) grant the petition, move to dismiss the forfeiture action, if filed, and promptly release the conveyance to the owner; or

"(C) advise the petitioner that there is not adequate information available to determine the petition and promptly release the conveyance to the owner.

"(3) Release of a conveyance under subsection (a)(1) or (a)(2)(C) does not affect any forfeiture action with respect to the conveyance.

"(4) The Attorney General shall prescribe regulations to carry out this section.

"(b) At the time of seizure, the officer making the seizure shall furnish to any person in possession of the conveyance a written notice specifying the procedures under this section. At the earliest practicable opportunity after determining ownership of the seized conveyance, the head of the department or agency that seizes the conveyance shall furnish a written notice to the owner and other interested parties (including lienholders) of the legal and factual basis of the seizure.

"(c) Not later than 60 days after a claim and cost bond have been filed under section 608 of the Tariff Act of 1930 regarding a conveyance seized for a drug-related offense, the Attorney General shall file a complaint for forfeiture in the appropriate district court, except that the court may extend the period for filing for good cause shown or on agreement of the parties. If the Attorney General does not file a complaint as specified in the preceding sentence, the court shall order the return of the conveyance to the owner and the forfeiture may not take place.

"(d) Any owner of a conveyance seized for a drug-related offense may obtain release of the conveyance by providing security in the form of a bond to the Attorney General in an amount equal to the value of the conveyance unless the Attorney General determines the conveyance should be retained (1) as contraband, (2) as evidence of a violation of law, or (3) because, by reason of design or other characteristic, the conveyance is particularly suited for use in illegal activities.

(b) CLERICAL AMENDMENT.—The table of contents of the Comprehensive Drug Abuse Prevention and Control Act of 1970 is amended by inserting after the item relating to section 511 the following new item:

"511A. Expedited procedures for seized conveyances.".

Subtitle C—State and Local Narcotics Control and Justice Assistance Improvements

PART 1—STATE AND LOCAL NARCOTICS CONTROL AND JUSTICE ASSISTANCE IMPROVEMENTS

SEC. 6091. BUREAU OF JUSTICE ASSISTANCE AND UNIFIED GRANT PROGRAMS.

(a) IN GENERAL.—Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by striking parts D and E (42 U.S.C. 3741-3766) and inserting the following:

"PART D—ESTABLISHMENT OF BUREAU OF JUSTICE ASSISTANCE

"ESTABLISHMENT OF BUREAU OF JUSTICE ASSISTANCE

"SEC. 401. (a) There is established within the Department of Justice, under the general authority of the Attorney General, a Bureau of Justice Assistance (hereafter in this part referred to as the 'Bureau').

"(b) The Bureau shall be headed by a Director (hereafter in this part referred to as the 'Director') who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall report to the Attorney General through the

Assistant Attorney General. The Director shall have final authority for all grants, cooperative agreements, and contracts awarded by the Bureau. The Director shall not engage in any employment other than that of serving as the Director, nor shall the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Bureau makes any contract or other arrangement under this title.

"DUTIES AND FUNCTIONS OF THE DIRECTOR

"SEC. 402. The Director shall have the following duties:

"(1) Providing funds to eligible States, units of local government, and nonprofit organizations pursuant to part E.

"(2) Establishing programs in accordance with subpart 2 of part E and, following public announcement of such programs, awarding and allocating funds and technical assistance in accordance with the criteria of subpart 2, and on terms and conditions determined by the Director to be consistent with subpart 2.

"(3) Cooperating with and providing technical assistance to States, units of local government, and other public and private organizations or international agencies involved in criminal justice activities.

"(4) Providing for the development of technical assistance and training programs for State and local criminal justice agencies and fostering local participation in such activities.

"(5) Encouraging the targeting of State and local resources on efforts to reduce the incidence of drug abuse and crime and on programs relating to the apprehension and prosecution of drug offenders.

"(6) Establishing and carrying on a specific and continuing program of cooperation with the States and units of local government designed to encourage and promote consultation and coordination concerning decisions made by the Bureau affecting State and local drug control and criminal justice priorities.

"(7) Preparing recommendations on the State and local drug enforcement component of the National Drug Control Strategy which shall be submitted to the Associate Director of the Office on National Drug Control Policy. In making such recommendations, the Director shall review the statewide strategies submitted by such States under part E, and shall obtain input from State and local drug enforcement officials. The recommendations made under this paragraph shall be provided at such time and in such form as the Director of National Drug Control Policy shall require.

"(8) Exercising such other powers and functions as may be vested in the Director pursuant to this title or by delegation of the Attorney General or Assistant Attorney General.

"PART E—BUREAU OF JUSTICE ASSISTANCE GRANT PROGRAMS

"NAME OF PROGRAMS

"SEC. 500. The grant programs established under this part shall be known as the 'Edward Byrne Memorial State and Local Law Enforcement Assistance Programs'."

"Subpart 1—Drug Control and System Improvement Grant Program

"DESCRIPTION OF THE DRUG CONTROL AND SYSTEM IMPROVEMENT GRANT PROGRAM

"SEC. 501. (a) It is the purpose of this subpart to assist States and units of local government in carrying out specific programs which offer a high probability of improving the functioning of the criminal justice system, with special emphasis on a nationwide and multilevel drug control strategy by developing programs and projects to assist multijurisdictional and multi-State organizations in the drug control problem and to support national drug control priorities.

"(b) The Director of the Bureau of Justice Assistance (hereafter in this part referred to as the 'Director') is authorized to make grants to States, for the use by States and units of local government in the States, for the purpose of enforcing State and local laws that establish offenses similar to offenses established in the Controlled Substances Act (21 U.S.C. 801 et seq.) and to improve the functioning of the criminal justice system with emphasis on violent crime and serious offenders. Such grants shall provide additional personnel, equipment, training, technical assistance, and information systems for the more widespread apprehension, prosecution, adjudication, and detention and rehabilitation of persons who violate these laws, and to assist the victims of such crimes (other than compensation), including—

"(1) demand reduction education programs in which law enforcement officers participate;

"(2) multijurisdictional task force programs that integrate Federal, State, and local drug law enforcement agencies and prosecutors for the purpose of enhancing interagency coordination, intelligence, and facilitating multijurisdictional investigations;

"(3) programs designed to target the domestic sources of controlled and illegal substances, such as precursor chemicals, diverted pharmaceuticals, clandestine laboratories, and cannabis cultivations;

"(4) providing community and neighborhood programs that assist citizens in preventing and controlling crime, including special programs that address the problems of crimes committed against the elderly and special programs for rural jurisdictions;

"(5) disrupting illicit commerce in stolen goods and property;

"(6) improving the investigation and prosecution of white-collar crime, organized crime, public corruption crimes, and fraud against the government with priority attention to cases involving drug-related official corruption;

"(7)(A) improving the operational effectiveness of law enforcement through the use of crime analysis techniques, street sales enforcement, schoolyard violator programs, gang-related and low-income housing drug control programs;

"(B) developing and implementing antiterrorism plans for deep draft ports, international airports, and other important facilities;

"(8) career criminal prosecution programs including the development of proposed model drug control legislation;

"(9) financial investigative programs that target the identification of money laundering operations and assets obtained through illegal drug trafficking, including the development of proposed model legislation, financial investigative training, and financial information sharing systems;

"(10) improving the operational effectiveness of the court process through programs such as court delay reduction programs and enhancement programs;

"(11) programs designed to provide additional public correctional resources and improve the corrections system, including treatment in prisons and jails, intensive supervision programs, and long-range corrections and sentencing strategies;

"(12) providing prison industry projects designed to place inmates in a realistic working and training environment which will enable them to acquire marketable skills and to make financial payments for restitution to their victims, for support of their own families, and for support of themselves in the institution;

"(13) providing programs which identify and meet the treatment needs of adult and juvenile drug-dependent and alcohol-dependent offenders;

"(14) developing and implementing programs which provide assistance to jurors and witnesses, and assistance (other than compensation) to victims of crimes;

"(15)(A) developing programs to improve drug control technology, such as pretrial drug testing programs, programs which provide for the identification, assessment, referral to treatment, case management and monitoring of drug dependent offenders, enhancement of State and local forensic laboratories, and

"(B) criminal and justice information systems to assist law enforcement, prosecution, courts, and corrections organization (including automated fingerprint identification systems);

"(16) innovative programs that demonstrate new and different approaches to enforcement, prosecution, and adjudication of drug offenses and other serious crimes;

"(17) improving the criminal and juvenile justice system's response to domestic and family violence, including spouse abuse, child abuse, and abuse of the elderly;

"(18) drug control evaluation programs which the State and local units of government may utilize to evaluate programs and projects directed at State drug control activities;

"(19) providing alternatives to prevent detention, jail, and prison for persons who pose no danger to the community; and

"(20) programs of which the primary goal is to strengthen urban enforcement and prosecution efforts targeted at street drug sales.

"(c) Each program funded under this section shall contain an evaluation component, developed pursuant to guidelines established by the National Institute of Justice, in consultation with the Bureau of Justice Assistance. The Director of the Bureau of Justice Assistance may waive this requirement when in the opinion of the Director—

"(1) the program is not of sufficient size to justify a full evaluation report; or

"(2) the program is designed primarily to provide material resources and supplies, such as laboratory equipment, that would not justify a full evaluation report.

"ELIGIBILITY

"SEC. 502. The Bureau is authorized to make financial assistance under this subpart available to a State to enable it to carry out all or a substantial part of a program or project submitted and approved in accordance with the provisions of this subpart.

"STATE APPLICATIONS

"SEC. 503. (a) To request a grant under this subpart, the chief executive officer of a State shall submit an application within 60 days after the Bureau has promulgated regulations under this section, and for each subsequent year, within 60 days after the date that appropriations for this part are enacted, in such form as the Director may require. Such application shall include the following:

"(1) A statewide strategy for drug and violent crime control programs which improve the functioning of the criminal justice system, with an emphasis on drug trafficking, violent crime, and serious offenders. The strategy shall be prepared after consultation with State and local officials with emphasis on those whose duty it is to enforce drug and criminal laws and direct the administration of justice and shall contain—

"(A) a definition and analysis of the drug and violent crime problem in the State, and an analysis of the problems in each of the counties and municipalities with major drug and violent crime problems;

"(B) an assessment of the criminal justice resources being devoted to crime and drug control programs at the time of the application;

"(C) coordination requirements;

"(D) resource needs;

"(E) the establishment of statewide priorities for crime and drug control activities and programs;

"(F) an analysis of the relationship of the proposed State efforts to the national drug control strategy; and

"(G) a plan for coordinating the programs to be funded under this part with other federally funded programs, including State and local drug abuse education, treatment, and prevention programs.

"(2) A certification that Federal funds made available under the formula grant of this subpart will not be used to supplant State or local funds, but will be used to increase the amounts of such funds that would, in the absence of Federal funds, be made available for law enforcement activities.

"(3) A certification that funds required to pay the non-Federal portion of the cost of each program and project for which such grant is made shall be in addition to funds that would otherwise be made available for law enforcement by the recipients of grant funds.

"(4) An assurance that the State application described in this section, and any amendment to such application, has been submitted for review to the State legislature or its designated body (for purposes of this section, such application or amendment shall be deemed to be reviewed if the State legislature or such body does not review such application or amendment within the 30-day period beginning on the date such application or amendment is so submitted).

"(5) An assurance that the State application and any amendment thereto was made public before submission to the Bureau and, to the extent provided under State law or established procedure, an opportunity to comment thereon was provided to citizens and to neighborhood and community groups.

"(6) An assurance that following the first fiscal year covered by an application and for each fiscal year thereafter, a performance evaluation and assessment report concerning the activities carried out pursuant to this section will be submitted to the Bureau.

"(7) A provision for fund accounting, auditing, monitoring, and such evaluation procedures as may be necessary to keep such records that the Bureau shall prescribe to assure fiscal control, proper management, and efficient disbursement of funds reviewed under this section.

"(8) An assurance that the applicant shall maintain such data and information and submit such reports in such form, at such times, and containing such data and information as the Bureau may reasonably require to administer other provisions of this subpart.

"(9) A certification that its programs meet all the requirements of this section, that all the information contained in the application is correct, that there has been appropriate coordination with affected agencies, and that the applicant will comply with all provisions of this subpart and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Bureau and shall be executed by the chief executive or such other officer of the applicant qualified under regulations promulgated by the Office.

"(10) A certification that the State is undertaking initiatives to reduce, through the enactment of innovative penalties or increasing law enforcement efforts, the demand for controlled substances by holding accountable those who unlawfully possess or use such substances.

"(b) Within 30 days after the date of enactment of this part, the Director shall promulgate regulations to implement this section (including the information that must be included and the requirements that the States must meet) in submitting the applications required under this section.

"GRANT LIMITATIONS

"SEC. 504. (a) A grant made under this subpart may not—

"(1) for fiscal year 1989 appropriations be expended for more than 75 per centum; and

"(2) for any subsequent fiscal year appropriations be expended for more than 50 per centum;

of the cost of the identified uses for which such grant is received to carry out any purpose specified in section 502, except that in the case of funds distributed to an Indian tribe which performs law enforcement functions (as determined by the Secretary of the Interior) for any such program or project, the amount of such grant shall be equal to 100 percent of such cost. The non-Federal portion of the expenditures for such uses shall be paid in cash.

"(b) Not more than 10 percent of a grant made to an eligible State under section 506 may be used for costs incurred to administer such grant.

"(c) States and units of local government or combinations thereof are authorized to use a grant made under section 506 for the expenses associated with participation in the State and Local Task Force Program established by the Drug Enforcement Administration.

"(d) States and local units of government are authorized to use a grant made under section 506 for the expenses associated with conducting the evaluations required under section 501(c) of this part.

"(e) The non-Federal portion of the cost of such program or project shall be in cash. State and local units of government may use cash received under the equitable sharing program to cover the non-Federal portion of the costs of programs funded under section 506.

"(f) No funds may be awarded under this subpart to a grant recipient for a program or project for which funds have been awarded under this title for 4 years (in the aggregate), including any period occurring before the effective date of this subsection.

"REVIEW OF STATE APPLICATIONS

"SEC. 505. (a) The Bureau shall provide financial assistance to each State applicant under this subpart to carry out the programs or projects submitted by such applicant upon determining that—

"(1) the application or amendment thereto is consistent with the requirements of this subpart; and

"(2) before the approval of the application and any amendment thereto the Bureau has made an affirmative finding in writing that the program or project has been reviewed in accordance with this subpart.

"(b) Each application or amendment made and submitted for approval to the Bureau pursuant to section 503 shall be deemed approved, in whole or in part, by the Bureau not later than 45 days after first received unless the Bureau informs the applicant of specific reasons for disapproval.

"(c) Grant funds awarded under this subpart shall not be used for land acquisition or construction projects, other than penal and correctional institutions.

"(d) The Bureau shall not finally disapprove any application, or any amendment thereto, submitted to the Director under this section without first affording the applicant reasonable notice and opportunity for reconsideration.

"ALLOCATION AND DISTRIBUTION OF FUNDS UNDER FORMULA GRANTS

"SEC. 506. (a) Of the total amount appropriated for this part in any fiscal year, the amount remaining after setting aside the amount required to be reserved to carry out section 511 of this title shall be set aside for section 502 and allocated to States as follows:

"(1) $500,000 shall be allocated to each of the participating States; and

"(2) of the total funds remaining after the allocation under paragraph (1), there shall be allocated to each State an amount which bears the same ratio to the amount of remaining funds described in this paragraph as the population of such State bears to the population of all the States.

"(b)(1) Each State which receives funds under subsection (a) of this section in a fiscal year shall distribute among units of local government, or combinations of units of local government, in such State for the purposes specified in section 501(b) that portion of such funds which bears the same ratio to the aggregate amount of such funds as the amount of funds expended by all units of local government for criminal justice in the preceding fiscal year bears to the aggregate amount of funds expended by the State and all units of local government in such State for criminal justice in such preceding fiscal year.

"(2) In distributing funds received under this part among urban, rural, and suburban units of local government and combinations thereof, the State shall give priority to those jurisdictions with the greatest need.

"(3) Any funds not distributed to units of local government under paragraph (2) shall be available for expenditure by the State involved.

"(4) For purposes of determining the distribution of funds under paragraphs (1) and (2), the most accurate and complete data available for the fiscal year involved shall be used. If data for such fiscal year are not available, then the most accurate and complete data available for the most recent fiscal year preceding such fiscal year shall be used.

"(d) No funds allocated to a State under subsection (a) or received by a State for distribution under subsections (b) and (c) may be distributed by the Director or by the State involved for any program other than a program contained in an approved application.

"(e) If the Director determines, on the basis of information available during any fiscal year, that a portion of the funds allocated to a State for that fiscal year will not be required or that a State will be unable to qualify or receive funds under section 502, or that a State chooses not to participate in the program established under such section, then such portion shall be awarded by the Director to urban, rural, and suburban units of local government or combinations thereof within such State giving priority to those jurisdictions with greatest need.

"(f) Any funds allocated under subsection (a) or (e) that are not distributed under this section shall be available for obligation under subpart 2.

"STATE OFFICE

"SEC. 507. (a) The chief executive of each participating State shall designate a State office for purposes of—

"(1) preparing an application to obtain funds under section 503;

"(2) administering funds received under such section from the Director, including receipt, review, processing, monitoring, progress and financial report review, technical assistance, grant adjustments, accounting, auditing and fund disbursements; and

"(3) coordinating the distribution of funds provided under this part with State agencies receiving Federal funds for drug abuse education, prevention, treatment, and research activities and programs.

"(b) An office or agency performing other functions within the executive branch of a State may be designated to carry out the functions specified in subsection (a).

"DISTRIBUTION OF GRANTS TO LOCAL GOVERNMENT

"SEC. 508. (a) Each application made by a local unit of government, or a combination of units of local government, to a State for funds under this subchapter shall be deemed approved, in whole or in part, by the State not later than 45 days after first received unless the State informs the applicant in writing of specific reasons for disapproval. The State shall not finally disapprove any application submitted to the State without first affording the applicant reasonable notice and opportunity for reconsideration.

"(b) Each State which receives funds under section 506 in a fiscal year shall make such funds available to local units of government, or combinations thereof, whose application has been submitted to, approved and awarded by the State, within 45 days after the Bureau has approved the State application and has made funds available to such State. The Director shall have the authority to waive the 45-day requirement in this section upon a finding that the State cannot satisfy that requirement consistent with State statutes.

"Subpart 2—Discretionary Grants

"PURPOSES

"SEC. 510. (a) The purpose of this subpart is to provide additional Federal financial assistance to public or private agencies and private nonprofit organizations for purposes of—

"(1) undertaking educational and training programs for criminal justice personnel;

"(2) providing technical assistance to States and local units of governments;

"(3) undertaking projects which are national or multijurisdictional in scope and which address the purposes specified in section 502; and

"(4) providing financial assistance to public agencies and private nonprofit organizations for demonstration programs which, in view of previous research or experience, are likely to be a success in more than one jurisdiction.

"(b) In carrying out this subpart, the Director is authorized to make grants to, or enter into contracts with public or private agencies, institutions, or organizations or individuals to carry out any purpose specified in section 501(b). The Director shall have final authority over all funds awarded under this subpart.

"ALLOCATION OF FUNDS FOR DISCRETIONARY GRANTS

"SEC. 511. Of the total amount appropriated for this part in any fiscal year, 20 percent or $50,000,000, whichever is less, shall be reserved and set aside for this section in a special discretionary fund for use by the Director in carrying out the purposes specified in section 503. Grants under this section may be made for amounts up to 100 percent of the costs of the programs or projects contained in the approved application.

"LIMITATION ON USE OF DISCRETIONARY GRANT FUNDS

"SEC. 512. Grant funds awarded under section 511 shall not be used for land acquisition or construction projects.

"APPLICATION REQUIREMENTS

"SEC. 513. (a) No grant may be made under this subpart unless an application has been submitted to the Director in which the applicant—

"(1) sets forth a program or project which is eligible for funding pursuant to section 511;

"(2) describes the services to be provided, performance goals, and the manner in which the program is to be carried out;

"(3) describes the method to be used to evaluate the program or project in order to determine its impact and effectiveness in achieving the stated goals; and

"(4) agrees to conduct such evaluation according to the procedures and terms established by the Bureau.

"(b) Each applicant for funds under this subpart shall certify that its program or project meets all the requirements of this section, that all the information contained in the application is correct, and that the applicant will comply with all the provisions of this subpart and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Director.

"PERIOD OF AWARD

"SEC. 514. The Bureau may provide financial aid and assistance to programs or projects under this subpart for a period of not to exceed 4 years. Grants made pursuant to this subpart may be extended or renewed by the Bureau for an additional period of up to 2 years if—

"(1) an evaluation of the program or project indicates that it has been effective in achieving the stated goals or offers the potential for improving the functioning of the criminal justice system; and

"(2) the public agency or private nonprofit organization within which the program or project has been conducted agrees to provide at least one-half of the total cost of such program or project from any source of funds, including Federal grants, available to the eligible jurisdiction.

"Subpart 3—Administrative Provisions

"EVALUATION

"SEC. 520. (a) To increase the efficiency and effectiveness of programs funded under this part, the National Institute of Justice shall—

"(1) develop guidelines, in cooperation with the Bureau of Justice Assistance, to assist State and local units of government to conduct the program evaluations as required by section 501(c) of this part; and

"(2) conduct a reasonable number of comprehensive evaluations of programs funded under section 506 (formula grants) and section 511 (discretionary grants) of this part.

"(b) In selecting programs for review, the Director of the National Institute of Justice should consider—

"(1) whether the program establishes or demonstrates a new and innovative approach to drug or crime control;

"(2) the cost of the program to be evaluated and the number of similar programs funded under section 506 (formula grants) and section 511 (discretionary grants);

"(3) whether the program has a high potential to be replicated in other jurisdictions; and

"(4) whether there is substantial public awareness and community involvement in the program. Routine auditing, monitoring, and internal assessment of a State and local drug control program's progress shall be the sole responsibility of the Bureau of Justice Assistance.

"(c) The Director of the National Institute of Justice shall annually report to the President, the Attorney General, and the Congress on the nature and findings of the evaluation and research and development activities funded under this section.

"GENERAL PROVISIONS

"SEC. 521. (a) The Bureau shall prepare both a 'Program Brief' and 'Implementation Guide' document for proven programs and projects to be funded under this part.

"(b) The functions, powers, and duties specified in this part to be carried out by the Bureau shall not be transferred elsewhere in the Department of Justice unless specifically hereafter authorized by the Congress by law.

"REPORTS

"SEC. 522. (a) Each State which receives a grant under section 506 shall submit to the Director, for each year in which any part of such grant is expended by a State or unit of local government, a report which contains—

"(1) a summary of the activities carried out with such grant and an assessment of the impact of such activities on meeting the needs identified in the State strategy submitted under section 503;

"(2) a summary of the activities carried out in such year with any grant received under subpart 2 by such State;

"(3) the evaluation result of programs and projects;

"(4) an explanation of how the Federal funds provided under this part were coordinated with State agencies receiving Federal funds for drug abuse education, prevention, treatment, and research activities; and

"(5) such other information as the Director may require by rule.

Such report shall be submitted in such form and by such time as the Director may require by rule.

"(b) Not later than 180 days after the end of each fiscal year for which grants are made under this part, the Director shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate a report that includes with respect to each State—

"(1) the aggregate amount of grants made under subpart 1 and subpart 2 to such State for such fiscal year;

"(2) the amount of such grants awarded for each of the purposes specified in subpart 1;

"(3) a summary of the information provided in compliance with paragraphs (1) and (2) of subsection (a);

"(4) an explanation of how Federal funds provided under this part have been coordinated with Federal funds provided to States for drug abuse education, prevention, treatment, and research activities; and

"(5) evaluation results of programs and projects and State strategy implementation.".

(b) AMENDMENT TO TABLE OF CONTENTS.—The table of contents of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by striking the items relating to parts D and E and inserting the following:

"PART D—ESTABLISHMENT OF BUREAU OF JUSTICE ASSISTANCE

"Sec. 401. Establishment of Bureau of Justice Assistance.

"Sec. 402. Duties and functions of the Director.

"PART E—BUREAU OF JUSTICE ASSISTANCE GRANT PROGRAMS

"Sec. 500. Name of programs.

"SUBPART 1—DRUG CONTROL AND SYSTEM IMPROVEMENT GRANT PROGRAM

"Sec. 501. Description of the Drug Control and System Improvement Grant program.

"Sec. 502. Eligibility.

"Sec. 503. State applications.

"Sec. 504. Grant limitations.

"Sec. 505. Review of State applications.

"Sec. 506. Allocation and distribution of funds under formula grants.

"Sec. 507. State office.

"Sec. 508. Distribution of grants to local government.

"SUBPART 2—DISCRETIONARY GRANTS

"Sec. 510. Purpose.

"Sec. 511. Allocation of funds for discretionary grants.

"Sec. 512. Limitation on use of discretionary grant funds.

"Sec. 513. Application requirements.

"Sec. 514. Period of award.

"SUBPART 3—ADMINISTRATIVE PROVISIONS

"Sec. 520. Evaluation.

"Sec. 521. General provisions.

"Sec. 522. Reports.".

SEC. 6092. DUTIES AND FUNCTIONS OF THE DIRECTOR OF THE BUREAU OF JUSTICE STATISTICS.

(a) IN GENERAL.—Section 302 of part C of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. section 3732) is amended in subsection (c) by redesignating paragraphs (16), (17), (18) and (19) as paragraphs (20), (21), (22) and (23), respectively, and inserting the following new paragraphs:

"(16) provide for the collection, compilation, analysis, publication and dissemination of information and statistics about the prevalence, incidence, rates, extent, distribution and attributes of drug offenses, drug related offenses and drug dependent offenders and further provide for the establishment of a national clearinghouse to maintain and update a comprehensive and timely data base on all criminal justice aspects of the drug crisis and to disseminate such information;

"(17) provide for the collection, analysis, dissemination and publication of statistics on the condition and progress of drug control activities at the Federal, State and local levels with particular attention to programs and intervention efforts demonstrated to be of value in the overall national anti-drug strategy and to provide for the establishment of a national clearinghouse for the gathering of data generated by Federal, State, and local criminal justice agencies on their drug enforcement activities;

"(18) provide for the development and enhancement of State and local criminal justice information systems, and the standardization of data reporting relating to the collection, analysis or dissemination of data and statistics about drug offenses, drug related offenses, or drug dependent offenders;

"(19) provide for research and improvements in the accuracy, completeness, and inclusiveness of criminal history record information, information systems, arrest warrant, and stolen vehicle record information and information systems and support research concerning the accuracy, completeness, and inclusiveness of other criminal justice record information.".

(b) TECHNICAL AMENDMENT.—Section 901(a)(2) of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by striking "407(a)" and inserting "506(a)".

SEC. 6093. JUSTICE ASSISTANCE ACT REAUTHORIZATION.

Section 1001 of part J of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1001. (a)(1) There is authorized to be appropriated $30,000,000 for each of the fiscal years 1989, 1990, 1991, and 1992 to carry out the functions of the Bureau of Justice Statistics.

"(2) There is authorized to be appropriated $30,000,000 for each of the fiscal years 1989, 1990, 1991, and 1992 to carry out the functions of the National Institute of Justice.

"(3) There are authorized to be appropriated $25,500,000 for fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990, 1991, and 1992 to carry out the remaining functions of the Office of Justice Programs and the Bureau of Justice Assistance, other than functions under parts D, E, F, G, L, and M.

"(4) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out part L of this title.

"(5) There are authorized to be appropriated $275,000,000 for fiscal year 1989; $350,000,000 for fiscal year 1990; $400,000,000 for fiscal year 1991; and such sums as may be necessary for fiscal year 1992 to carry out the programs under parts D and E of this title.

"(6) There are authorized to be appropriated $15,000,000 for fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990, 1991, and 1992 to carry out the programs under part M of this title.

"(b) Funds appropriated for any fiscal year may remain available for obligation until expended.

"(c) Notwithstanding any other provision of law, no funds appropriated under this section for part E of this title may be transferred or reprogrammed for carrying out any activity which is not authorized under such parts.".

PART 2—REGIONAL INFORMATION SHARING SYSTEMS GRANTS

SEC. 6101. REGIONAL INFORMATION SHARING SYSTEMS GRANTS.

(a) GRANT AUTHORIZED.—Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by striking part M and inserting the following:

"PART M—REGIONAL INFORMATION SHARING SYSTEMS GRANTS

"SEC. 1301. REGIONAL INFORMATION SHARING SYSTEMS GRANTS.

"(a) The Director of the Bureau of Justice Assistance is authorized to make grants and enter into contracts with State and local criminal justice agencies and nonprofit organizations for the purposes of identifying, targeting, and removing criminal conspiracies and activities spanning jurisdictional boundaries.

"(b) Grants and contracts awarded under this part shall be made for—

"(1) maintaining and operating information sharing systems that are responsive to the needs of participating enforcement agencies in addressing multijurisdictional offenses and conspiracies, and that are capable of providing controlling input, dissemination, rapid retrieval, and systematized updating of information to authorized agencies;

"(2) establishing and operating an analytical component to assist participating agencies and projects in the compilation, interpretation, and presentation of information provided to a project;

"(3) establishing and maintaining a telecommunication of the information sharing and analytical programs in clauses (1) and (2); and

"(4) other programs designated by the Director that are designed to further the purposes of this part.

"(c) The Director is authorized to promulgate such rules and regulations as are necessary to carry out the purposes of this section, including rules and regulations for submitting and reviewing applications."

(b) TECHNICAL AMENDMENTS.—The table of contents of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by striking out the items relating to part N and section 1401, and inserting in lieu thereof the following new items:

"PART M—REGIONAL INFORMATION SHARING SYSTEMS GRANTS

"Sec. 1301. Regional information sharing systems grants.

"PART N—TRANSITION; EFFECTIVE DATE; REPEALER

"Sec. 1401. Continuation of rules, authorities, and proceedings."

PART 3—PUBLIC SAFETY OFFICERS' DEATH BENEFITS IMPROVEMENT

SEC. 6105. PUBLIC SAFETY OFFICERS' DEATH BENEFITS IMPROVEMENT.

(a) BASIC LEVEL OF DEATH BENEFIT PAYABLE.—Section 1201(a) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796) is amended by striking out "$50,000" and inserting in lieu thereof "$100,000, adjusted in accordance with subsection (g)".

(b) ANNUAL ADJUSTMENT OF BENEFIT LEVEL.—Section 1201 of title I of the Omnibus Crime Control Act of 1968 (42 U.S.C. 3796) is amended by adding at the end thereof the following new subsections:

"(g) On October 1 of each fiscal year beginning after the effective date of this subsection, the Bureau shall adjust the level of the benefit payable immediately before such October 1 under subsection (a), to reflect the annual percentage change in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics, occurring in the 1-year period ending on June 1 immediately preceding such October 1.

"(h) The amount payable under subsection (a) with respect to the death of a public safety officer shall be the amount payable under subsection (a) as of the date of death of such officer.".

(c) PARENTS AS BENEFICIARIES.—Section 1201(a)(4) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796(a)(4)) is amended by striking out "dependent".

(d) TECHNICAL AMENDMENT.—Section 1203 of title I of the Omnibus Crime Control Act of 1968 (42 U.S.C. 3796b) is amended by striking out paragraph (2) and redesignating paragraphs (3), (4), (5), (6), and (7), as paragraphs (2), (3), (4), (5), and (6), respectively.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on June 1, 1988.

SEC. 6106. NATIONAL PROGRAMS FOR FAMILIES OF PUBLIC SAFETY OFFICERS WHO HAVE DIED IN THE LINE OF DUTY.

PROGRAM AUTHORIZATION.—Part L of title I of the Omnibus Crime Control and Safe Streets Act (42 U.S.C. 3796a) is amended by—

(1) redesignating sections 1203 and 1204 as sections 1204 and 1205, respectively; and

(2) adding after section 1202 the following new section:

"NATIONAL PROGRAMS FOR FAMILIES OF PUBLIC SAFETY OFFICERS WHO HAVE DIED IN THE LINE OF DUTY

"SEC. 1203. The Director is authorized and directed to use up to $150,000 of the funds appropriated for this part to establish national programs to assist the families of public safety officers who have died in the line of duty.".

(b) TECHNICAL AMENDMENT.—The table of contents for title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by—

(1) redesignating the items for section 1203 and 1204 as sections 1204 and 1205, respectively; and

(2) inserting after section 1203 the following:

"Sec. 1203. National program for families of public safety officers who have died in the line of duty.".

Subtitle D—Authorizations of Appropriations for the Department of Justice, Prisons, and Related Law Enforcement Purposes

SEC. 6151. IMMIGRATION AND NATURALIZATION SERVICE PERSONNEL ENHANCEMENT.

(a) SALARIES AND EXPENSES.—There is authorized to be appropriated for salaries and expenses for the Immigration and Naturalization Service for fiscal year 1989, $12,300,000: Provided, That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989: Provided further, That of such additional appropriations authorized in this section, $4,100,000 shall be used to increase the number of inspectors of the Immigration and Naturalization Service by no fewer than 70 over such personnel levels on board at the Service as of September 30, 1988, and for related equipment.

(b) ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE PILOT PROJECT AND REPORT.—(1) That of such additional appropriation authorized in this section, $8,200,000 shall be used to increase the commitment of Immigration and Naturalization Service personnel to the Organized Crime Drug Enforcement Task Forces (OCDETF) for additional special agent and support positions; and for associated training and equipment; and for costs incurred during INS agent participation in OCDETF operations with other Federal, State, and local law enforcement agencies.

(2) The positions described in paragraph (1) shall, under the supervision of a director for the pilot project, be used exclusively to assist Federal and local law enforcement agencies in combating illegal alien involvement in drug trafficking and crimes of violence.

(3) The Director of the pilot project shall report to the Assistant Commissioner—Investigations and will have the authority to—

(A) hire a limited number of non-Federal law enforcement officers with substantive experience in narcotics investigations should insufficient senior Federal agents be available. Non-Federal law enforcement officers hired under this provision may be over the age of 35, but in that event would only be eligible for nonlaw enforcement retirement benefits; and

(B) grant extensions of stay and other discretionary immigration benefits and waivers to witnesses, informants, and others whose presence in the United States is essential to the investigation and prosecution of criminal aliens involved in drug trafficking and crimes of violence.

(4) After the first year of the establishment of this pilot project the Attorney General will provide for an evaluation of its effectiveness, including an assessment by Federal, State, and local prosecutors and enforcement agencies.

(c) LOCAL OFFICE CAPABILITIES IMPROVEMENT PILOT PROJECT.—From the sums appropriated to carry out this section, the Attorney General, through the Investigative Division of the Immigration and Naturalization Service, shall provide a pilot program in 4 cities to establish or improve the capabilities of the local offices of the Service and of local law enforcement agencies to respond to inquiries concerning aliens who have been arrested or convicted for, or are the subject criminal investigation relating to, a violation of any law relating to controlled substances. The Attorney General shall select cities in a manner that provides special consideration for cities located near the land borders of the United States and for large cities which have major concentrations of aliens. Some of the sums made available under the pilot program shall be used to increase the personnel level of the Investigative Division.

SEC. 6152. BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS ARMED CAREER CRIMINAL APPREHENSION PROGRAM PERSONNEL ENHANCEMENT.

There is authorized to be appropriated for salaries and expenses of the Bureau of Alcohol, Tobacco, and Firearms for fiscal year 1989, $10,660,000: *Provided,* That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989: *Provided further,* That such additional appropriations shall be used to increase the number of Armed Career Criminal Apprehension enforcement personnel and other personnel responsible for criminal enforcement of section 924 of title 18, United States Code, by no fewer than 244 full-time equivalent positions over such personnel levels on-board at the Bureau as of September 30, 1988, and for related equipment: *Provided further,* That of the amount authorized to be appropriated by this section, $615,000 shall be available for—

(1) the equipping of any vessel, vehicle, equipment, or aircraft available for official use by a State or local law enforcement agency if the conveyance will be used in drug-related joint law enforcement operations with the Bureau of Alcohol, Tobacco, and Firearms; and

(2) the payment of overtime salaries, travel, fuel, training, equipment, and other similar costs of State and local law enforcement officers that are incurred in joint operations with the Bureau of Alcohol, Tobacco, and Firearms.

SEC. 6153. DRUG ENFORCEMENT ADMINISTRATION PERSONNEL ENHANCEMENT.

(a) IN GENERAL.—There is authorized to be appropriated for salaries and expenses of the Drug Enforcement Administration for fiscal year 1989, $60,000,000: *Provided,* That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989: *Provided further,* That $4,920,000 of such additional appropriation authorized in this section shall be used to increase Drug Enforcement Administration operations against criminals involved in youth gang-related organized crime: *Provided further,* That $10,000,000 of such additional amount authorized to be appropriated in this section shall be used to implement the Chemical Diversion and Trafficking Act of 1988: *Provided further,* That $15,000,000 of such additional amount authorized to be appropriated in this section shall be used for the Foreign Cooperative Investigations program: *Provided further,* That $5,000,000 of such additional amount authorized to be appropriated in this section shall be used for the Diversion Control program: *Provided further,* That $3,280,000 of such additional amount authorized to be appropriated in this section shall be used for additional analysts and equipment for the enhancement of the El Paso Intelligence Center (EPIC).

(b) DEA DRUG EDUCATION PROGRAM.—There is authorized to be appropriated, out of any funds made available by this or any other Act for the Drug Enforcement Administration, for the fiscal year ending September 30, 1989, such sums as may be necessary to establish and maintain a Drug Enforcement Administration Drug Education Program.

(c) COMPENSATION OF DEPUTY DIRECTOR.—The Deputy Administrator of the Drug Enforcement Administration shall receive compensation at the rate now or hereafter prescribed by law for positions of Level IV of the Executive Schedule Pay Rate (5 U.S.C. 5315).

SEC. 6154. FEDERAL BUREAU OF INVESTIGATION DRUG ENFORCEMENT PERSONNEL ENHANCEMENT.

There is authorized to be appropriated for salaries and expenses of the Federal Bureau of Investigation for fiscal year 1989, $30,000,000: *Provided,* That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989.

SEC. 6155. UNITED STATES MARSHALS SERVICE DRUG ENFORCEMENT PERSONNEL ENHANCEMENT.

There is authorized to be appropriated for salaries and expenses of the U.S. Marshals Service for the fiscal year 1989, $21,500,000: *Provided,* That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989: *Provided further,* That such additional appropriation shall be used as follows:

(1) for asset seizure and forfeiture activities;

(2) for criminal justice support activities, including prisoner production and transportation;

(3) for protection of the Federal judiciary and court facilities resulting from increased drug-related trials;

(4) for increased workloads of the Marshals Service Witness Security Program; and

(5) for payment of rewards for assistance in the capture or information leading to the capture of a Federal fugitive.

SEC. 6156. SUPPORT OF UNITED STATES PRISONERS.

There is authorized to be appropriated for fiscal year 1989, for support of United States prisoners in non-Federal institutions, $21,500,000 to remain available until expended, of which not to exceed $4,100,000 shall be available under the Cooperative Agreement Program for the purpose of renovating, constructing, and equipping State and local correctional facilities: *Provided,* That the appropriation authorized under this section shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989: *Provided further,* That amounts made available for constructing any local correctional facility shall not exceed the cost of constructing space for the average Federal prisoner population to be housed in the facility, or in other facilities in the same correctional system, as projected by the Attorney General; *Provided further,* That following agreement on or completion of any federally assisted correctional facility construction, the availability of the space required for Federal prisoners with authorized Federal funds shall be assured and the per diem rate charged for housing Federal prisoners in the assured space shall not exceed operating costs for the period of time specified in the cooperative agreement.

SEC. 6157. FEDERAL PRISON SYSTEM.

There is authorized to be appropriated in fiscal year 1989 to the buildings and facilities account, Federal Prison System, Department of Justice, $200,000,000 for planning; acquisition of sites, construction of new facilities; purchase and acquisition of existing facilities and remodeling and equipping of such facilities for penal and correctional use, to alleviate overcrowding in existing prisons and to meet the increased demand for prison space resulting from drug-related offenses: *Provided,* That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989. There is authorized to be appropriated in fiscal year 1989 for the salaries and expenses account, Federal Prison System, Department of Justice, $13,000,000: *Provided,* That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989.

SEC. 6158. UNITED STATES ATTORNEYS DRUG ENFORCEMENT PERSONNEL ENHANCEMENT.

There is authorized to be appropriated for salaries and expenses of the United States Attorneys, Department of Justice for fiscal year 1989, $36,080,000: *Provided,* That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989.

SEC. 6159. FEDERAL JUDICIARY.

(a) IN GENERAL.—There is authorized to be appropriated to the Federal courts for salaries and expenses of the Courts of Appeals, District Courts, and other Judicial Services, $43,132,000 to remain available until expended: *Provided,* That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989; *Provided further,* That the additional funds authorized to be appropriated under this section, shall be made available for the following:

(1) $30,340,000 for probation and pretrial services, including pretrial social services;

(2) $1,640,000 for additional deputy clerks;

(3) $656,000 for additional law clerks and clerical support staff;

(4) $4,100,000 for additional renovation of court facilities; and

(5) $4,756,000 for additional United States magistrates.

(b) JUDICIAL CONFERENCE.—(1) The Judicial Conference of the United States shall prepare a report evaluating the impact of drug-related criminal activity on the Federal Judiciary. The Judicial Conference shall make its recommendations on the basis of the drug-related resource needs of the district courts. The report shall further contain a complete explanation of the specific criteria used in making its recommendations, including the officials and sources consulted on the impact of drug-related cases in specific judicial district courts. The report shall further contain a complete explanation of the specific criteria used in making its recommendations, including the officials and sources consulted on the impact of drug-related cases in specific judicial districts.

(2) The report required by paragraph (1) shall be transmitted to the United States House of Representatives and the Committee on the Judiciary of the United States Senate not later than 120 days after the date of enactment of this section.

(c) FEDERAL PUBLIC DEFENDER AND COMMUNITY DEFENDER.—There is authorized to be appropriated for the operation of Federal Public Defender and Community Defender organizations, the compensation and reimbursement of expenses of attorneys appointed to represent persons under the Criminal Justice Act of 1964, as amended, the compensation and reimbursement of expenses of persons furnishing investigative, expert and other services under the Criminal Justice Act, the compensation (in accordance with Criminal Justice Act maximums) and reimbursement of expenses of attorneys appointed to assist the court in criminal cases where the defendant has waived representation by counsel, $28,700,000 to remain available until expended: *Provided,* That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989.

(d) JURORS FEES AND EXPENSES.—There is authorized to be appropriated to the Federal courts for fees and expenses of jurors and compensation of jury commissioners, $2,378,000 to remain available until expended: *Provided,* That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989.

(e) SECURITY EQUIPMENT.—There is authorized to be appropriated to the Federal courts for necessary expenses, not otherwise provided for, incident to the procurement, installation, and maintenance of security equipment and protective services for the United States courts in courtrooms and adjacent areas, including building ingress-egress control, inspection of packages, directed security patrols, and other similar activities, $4,920,000 to remain available until expended: *Provided,* That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989.

SEC. 6160. THE NATIONAL ADVISORY COMMISSION ON LAW ENFORCEMENT.

(a) DEFINITIONS.—As used in this section—

(1) the term "Commission" means the National Advisory Commission on Law Enforcement;

(2) the term "Commissioner" means a member of the National Advisory Commission on Law Enforcement; and

(3) the term "law enforcement officer" has the same meaning as provided in section 8401(17) of title 5, United States Code.

(b) ESTABLISHMENT.—There is established a National Advisory Commission on Law Enforcement, which shall consist of the following members:

(1) four members of the United States Senate, 2 of whom shall be selected by the Majority Leader and 2 of whom shall be selected by the Minority Leader;

(2) four members of the United States House of Representatives, 2 of whom shall be selected by the Speaker and 2 of whom shall be selected by the Minority Leader;

(3) the Comptroller General of the United States, who shall also serve as Chairman of the Commission;

(4) the Director of the Office of Personnel Management;

(5) the Attorney General of the United States and three other officials of the Department of Justice who shall be designated by the Attorney General;

(6) the Secretary of the Treasury and 2 other officials of the Department of the Treasury who shall be designated by the Secretary of the Treasury;

(7) the Inspector Generals of 3 departments or agencies of the executive branch of the United States who shall be designated by the President of the United States; and

(8) three representatives from Federal employee groups to be selected by the Office of Personnel Management after consultation with the Speaker of the House and the Majority Leader of the Senate.

(c) STUDY.—The Commission shall study the methods and rates of compensation, including salary, overtime pay, retirement policies, and other benefits of law enforcement officers in all Federal agencies, as well as the methods and rates of compensation of State and local law enforcement officers in a representative number of areas where Federal law enforcement officers are assigned, in order to determine—

(1) the differences which exist among Federal agencies with regard to the methods and rates of compensation for law enforcement officers;

(2) the rational basis, if any, for such differences, considering the nature of the responsibilities of the law enforcement officers in each agency; the qualifications and training required to perform such responsibilities; the degree of personal risk to which

the law enforcement officers in each agency are normally exposed in the performance of their duties; and such other factors as the Commission deems relevant in evaluating the differences in compensation among the various agencies;

(3) the extent to which inequities appear to exist among Federal agencies with regard to the methods and rates of compensation of law enforcement officers, based on consideration of the factors mentioned in paragraph (2) of this subsection;

(4) the feasibility of devising a uniform system of overtime compensation for law enforcement officers in all or most Federal agencies, with due regard for both the special needs of law enforcement officers and the relative cost effectiveness to the Government of such a system compared to those currently in use;

(5) how the salaries paid to Federal law enforcement officers compare to those of State and local officers in the same geographical area, especially those in "high cost-of-living" areas;

(6) the impact of the rates of compensation paid by various Federal agencies on the lifestyle, morale, and general well-being of law enforcement officers, including their ability to subsist;

(7) the recruiting and retention problems experienced by Federal agencies due to: inequities in compensation among such agencies; the differences between rates of compensation paid to Federal law enforcement officers and State and local officers in the same geographical areas; and other factors related to compensation;

(8) the extent to which Federal legislation and administrative regulations may be necessary or appropriate to rectify inequities among Federal agencies in the methods and rates of compensation for law enforcement officers; to address the lack of uniformity among agencies with regard to overtime pay; to provide premiums or special rates of pay for Federal law enforcement officers in high cost-of-living areas; to ensure that the levels of compensation paid to Federal law enforcement officers will be competitive with those paid to State and local officers in the same geographical areas; and to address such other matters related to the determinations made under this subsection as the Commission deems appropriate in the interests of enhancing the ability of Federal agencies to recruit and retain the most qualified and capable law enforcement officers; and

(9) the average retirement age of the Federal agencies and the retirement and benefits policies of Federal agencies.

(d) Powers of the Commission.—The Commission shall have the power to—

(1) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, local, and private agencies and instrumentalities with or without reimbursement therefor;

(2) enter into and perform, without regard to section 3324 of title 31, United States Code, such contracts, leases, cooperative agreements, and other transactions as may be necessary in the conduct of the functions of the Commission, with any public agency, or with any person, firm, association, corporation, educational institution, or nonprofit organization;

(3) request such information, data, and reports from any Federal agency or instrumentality as the Commission may from time to time require and as may be produced consistent with other law; and

(4) hold hearings and call witnesses that might assist the Commission in the exercise of its powers or duties.

The Commission shall have such other powers as may be necessary to carry out its functions under this Act and may delegate to any member or designated person such powers as may be appropriate in the conduct of its functions.

(e) Resources.—(1) Upon the request of the Commission, each Federal agency is authorized and directed to make its resources, services, equipment, personnel, facilities, and information available to the greatest practicable extent to the Commission in the execution of its functions.

(2) Each Commissioner may utilize the resources, services, equipment, personnel, information, and facilities of his or her Federal agency or, in the case of the Commissioners who are Members of Congress, his or her congressional office, as may be necessary in the conduct of the Commissioner's respective functions as a member of the Commission.

(f) Quorum.—A simple majority of the Commissioners then serving shall constitute a quorum for the conduct of business by the Commission, and the Commission may exercise its powers and fulfill its duties by the vote of a simple majority of the Commissioners present.

(g) Meeting.—The Chairman of the Commission shall call and preside at meetings of the Commission, but the Chairman may delegate to any other Commissioner the authority to preside at meetings of the Commission.

(h) Report and Dissolution of Commission.—(1) Within 6 months following the date of enactment of this Act, the Commission shall prepare and deliver to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives, a written report setting forth—

(A) the findings and determinations made by the Commission pursuant to section 176(b); and

(B) specific proposals for such legislation and administrative regulations as the Commission has determined to be necessary or appropriate pursuant to section 176(b)(8).

(2) The Commission shall be terminated 60 days following submission of the report mandated by this section.

SEC. 6161. BORDER PATROL DRUG INTERDICTION ASSET ENHANCEMENT.

There is authorized to be appropriated for salaries and expenses of the Border Patrol within the Department of Justice for fiscal year 1989, $16,400,000: *Provided*, That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989: *Provided further*, That such additional appropriation shall be used only for the procurement of drug interdiction-related equipment for Border Patrol drug enforcement personnel, including spare parts for helicopters; 4-wheel drive law enforcement vehicles; and initial procurement of mobile sensor response system and electronic intrusion detection, and for related operation and maintenance expenses.

SEC. 6162. IMMIGRATION AND NATURALIZATION SERVICE/BORDER PATROL DRUG INTERDICTION PERSONNEL ENHANCEMENT.

(a) Salaries and Expenses.—There is authorized to be appropriated for salaries and expenses of the Border Patrol within the Department of Justice for fiscal year 1989, $16,400,000: *Provided*, That such appropriation shall be in addition to any appropriations appropriated in any regular appropriations Acts or continuing resolutions for the fiscal year ending on September 30, 1989: *Provided further*, That such additional appropriation shall be used to increase officers of the Border Patrol by no fewer than 435 full-time equivalent positions over the level of such personnel onboard at the Border Patrol as of September 30, 1988, and for related equipment.

(b) San Clemente Border Patrol Station.—There is authorized to be appropriated, out of any funds made available by section 6161, for the fiscal year ending September 30, 1989, $2,706,000 for the design of improvements for the Immigration and Naturalization Service border patrol station at San Clemente, California.

(c) Drug Education Officers Program.—There is authorized to be appropriated, out of any funds made available by this Act, for the fiscal year ending September 30, 1989, such sums as may be necessary to establish and maintain an Immigration and Naturalization Service Drug Education Officers program, featuring the demonstration of drug detection canine unit capabilities along the southwest border region of the United States.

(d) Salaries and Expenses.—There is authorized to be appropriated for salaries and expenses of the Border Patrol for fiscal year 1989, $16,400,000. Any amounts appropriated pursuant to this subsection shall be in addition to any amounts appropriated in regular appropriations Acts for such fiscal year. Such additional appropriations shall be used to increase the number of officers of the Border Patrol by not fewer than 435 full-time equivalent officer positions beyond the number of such positions at the Border Patrol on September 30, 1988.

SEC. 6163. USE OF EXISTING FEDERAL RESEARCH AND DEVELOPMENT FACILITIES FOR CIVILIAN LAW ENFORCEMENT.

(a) Comprehensive Plan.—The President of the United States shall direct the Office of National Drug Control Policy, established in title I of this Act, to develop a comprehensive plan for utilizing no fewer than eight existing facilities of the Department of Defense, the Department of Justice, the Department of Energy, National Security Agency, and the Central Intelligence Agency, to develop technologies for application to Federal law enforcement agency missions, and to provide research, development, technology, and evaluation support to the law enforcement agencies of the Federal Government. Such plan shall be prepared and submitted to the Congress by no later than 90 days from the date of enactment of this Act.

(b) Existing Facilities To Be Examined.—The following existing United States Government facilities shall be examined in developing the comprehensive plan mandated in subsection (a):

(1) for night vision research and development—Department of Defense, Army Materiel Command, Night Vision Laboratory at Fort Belvoir, Virginia;

(2) for ground sensor research and development—Department of Defense, Army Materiel Command, Communications Electronic Command, Fort Monmouth, New Jersey;

(3) for physical/electronic security research and development—Department of Defense, Air Force Systems Command, Electronic Systems Division, Hanscom Field, Massachusetts;

(4) for imaging/electronic surveillance research and development—Central Intelligence Agency and National Security Agency, Washington, DC;

(5) for chemical/biosensor research and development—Department of Defense, Army Materiel Command, Chemical Research Development and Engineering Center, Aberdeen, Maryland;

(6) for chemical/molecular detector research and development—Department of Energy, Sandia National Laboratories, Albuquerque, New Mexico;

(7) for physical/electronic surveillance and tracking, research and development—Department of Justice, Federal Bureau of Investigation and Drug Enforcement Administration, Washington, DC; and

(8) for explosives ordnance detection research and development—Department of Defense, Naval Ordnance Station, Indian Head, Maryland.

(c) PARTICIPATION.—In developing the plan mandated in subsection (a), the Director of National Drug Control Policy shall ensure that representatives of the Federal law enforcement agencies are provided an opportunity to participate in the formulation of the comprehensive plan and that their views and recommendations are integrated into the planning process.

(d) COMPTROLLER GENERAL OVERSIGHT.—The Comptroller General of the United States shall monitor the development of the plan mandated in subsection (a) and report periodically to the appropriate Committees of the Congress on the progress of the development of this research and development program.

SEC. 6164. FEDERAL LAW ENFORCEMENT TRAINING CENTER IMPROVEMENT.

(a) AUTHORIZATION OF APPROPRIATIONS FOR THE FEDERAL LAW ENFORCEMENT TRAINING CENTER.—(1) There is authorized to be appropriated for salaries and expenses of the Federal Law Enforcement Training Center for fiscal year 1989, $5,740,000: *Provided*, That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989: *Provided further*, That $4,100,000 of such additional appropriation shall be used by the Federal Law Enforcement Training Center only to accommodate the advanced in-service training requirements of the Drug Enforcement Administration that cannot otherwise be met at the Department of Justice training facilities: *Provided further*, That $1,640,000 of such additional appropriation shall be used by the Center to increase the level of drug enforcement training, including basic and advanced training, for Federal, State, and local law enforcement officers: *Provided further*, That the Center shall hire 44 additional direct full-time equivalent positions and maintain an average of not less than 469 direct full-time equivalent positions by the end of fiscal year 1990: *Provided further*, That, on a space available, cost reimbursable basis, the Center shall, to the extent practical, increase the level of training for drug enforcement officers from foreign countries that are cooperating with the law enforcement agencies of the United States Government.

(2) There are authorized to be appropriated for salaries and expenses of the Federal Law Enforcement Training Center, $45,000,000 for the fiscal year ending September 30, 1990, and $50,000,000 for the fiscal year ending September 30, 1991: *Provided*, That in each fiscal year addressed in this paragraph, support for the State and local law enforcement training program and the training programs for drug enforcement officers from foreign countries shall be maintained at no less than the level of support in the fiscal year ending September 30, 1989.

(b) EXPANDED TRAINING.—The Secretary of the Treasury is directed to expand the advanced training programs for Federal law enforcement agencies at the Marana, Arizona, satellite facility of the Federal Law Enforcement Training Center, within the total amount of appropriations authorized for fiscal years 1989, 1990, and 1991.

(c) REPORT.—The Secretary of the Treasury is directed to report in writing to the appropriate committees of the Congress by no later than 90 days from the date of enactment of this Act with his preliminary plans for the increased training activities at the Federal Law Enforcement Training Center facilities to be funded with the additional appropriations authorized in subsection (a)(1) of this section, and the authorized level of appropriations contained in subsection (a)(2).

SEC. 6165. FEDERAL LAW ENFORCEMENT LANGUAGE TRAINING IMPROVEMENT.

(a) DEPARTMENT OF DEFENSE.—The Department of Defense is authorized to provide, on a cost reimbursable basis, foreign language training at the Defense Language Institute to special agents of Federal civilian agencies involved in drug law enforcement.

(b) DEPARTMENT OF STATE.—The Department of State is authorized to provide, on a cost reimbursable basis, foreign language training at the Foreign Service Institute to special agents of Federal civilian agencies involved in drug law enforcement.

(c) DRUG ENFORCEMENT ADMINISTRATION.—The Drug Enforcement Administration is authorized to—

(1) detail special agent personnel for foreign language training to the Defense Language Institute or the Foreign Service Institute; and

(2) reimburse, from appropriated funds, the Departments of Defense and State for the cost of training provided.

(d) CUSTOMS SERVICE.—The Customs Service is authorized to—

(1) detail special agent personnel for foreign language training to the Defense Language Institute or the Foreign Service Institute, or both; and

(2) reimburse, from appropriated funds, the Departments of Defense and State for the cost of training provided.

(e) INS.—The Immigration and Naturalization Service is authorized to—

(1) detail investigative personnel for foreign language training to the Defense Language Institute or the Foreign Service Institute; and

(2) reimburse, from appropriated funds, the Departments of Defense and State for the cost of training provided.

(f) AUTHORIZATION OF APPROPRIATIONS.—The following amounts are authorized to be appropriated to implement the provisions of this section:

(1) to the Commissioner of Customs, only for obligation for special agent foreign language training, $273,000;

(2) to the Administrator of the Drug Enforcement Administration, only for obligation for special agent foreign language training, $273,000; and

(3) to the Commissioner of the Immigration and Naturalization Service, only for obligation for special agent foreign language training, $273,000.

(g) RULES APPLICABLE TO APPROPRIATIONS.—Moneys appropriated pursuant to this section shall—

(1) remain available until expended; and

(2) shall be made available by the United States Customs Service, the Immigration and Naturalization Service, and the Drug Enforcement Administration out of the total amount of additional funds authorized to be appropriated in this Act.

SEC. 6166. INTERDICTION TASK FORCE PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for salaries and expenses of the Drug Enforcement Administration for fiscal year 1989, $4,920,000: *Provided*, That such appropriation shall be in addition to any appropriations provided in regular appropriations Acts or continuing resolutions for the fiscal year ending September 30, 1989: *Provided further*, That such appropriations shall be made available for the United States-Bahamas Drug Interdiction Task Force established by section 3301 of subtitle E of title III of the Antidrug Abuse Act of 1986 (21 U.S.C. 801 note) and related activities: *Provided further*, That of these amounts made available for the United States-Bahamas Drug Interdiction Task Force under this section, the Drug Enforcement Administration is authorized to provide grants or other financial assistance to the Commonwealth of the Bahamas in the establishment of a Bahamian Enforcement Strike Team that will conduct unilateral Bahamian Government drug interdiction operations in the southern Bahamian Islands: *Provided further*, That the appropriations authorized under this section shall only be made available for United States-Bahamian drug interdiction operations upon receipt of a $410,000 contribution toward such joint operations by the Commonwealth of the Bahamas in fiscal year 1989.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Commonwealth of the Bahamas should aggressively pursue the extradition of Nigel Bowe and the consummation of the pending extradition treaty with the United States by the end of 1988;

(2) the Government of the United States should cooperate fully with the Commonwealth of the Bahamas in providing information to the Bahamas regarding allegations of corruption and cooperate in responding to requests from the Commonwealth of the Bahamas for the extradition of United States citizens who have been indicted for drug-related offenses in the Bahamas; and

(3) agents of the Drug Enforcement Agency should be physically present when confiscated or seized illegal drug contraband is destroyed by personnel of the Commonwealth of the Bahamas.

SEC. 6167. INTERPOL—UNITED STATES NATIONAL CENTRAL BUREAU.

There is authorized to be appropriated for the United States National Central Bureau for fiscal year 1989 $820,000: *Provided*, That such appropriation shall be in addition to any appropriations requested by the President in his fiscal year 1989 budget as presented to Congress on February 18, 1988, or provided in regular appropriations acts or continuing resolutions for the fiscal year ending September 30, 1989: *Provided further*, That such appropriation shall be used to increase personnel by no fewer than 23 full-time equivalent positions over personnel levels as of September 30, 1988 for the purpose of maintaining no fewer than 24-hour operations and for upgrading telecommunications equipment.

SEC. 6168. DRUG ENFORCEMENT ADMINISTRATION AIR WING FACILITY.

The Administrator of the Drug Enforcement Administration shall take such action (including site acquisition, purchase of equipment and fixtures, and relocation from any former facility) as may be necessary to establish, maintain, and operate a special purpose facility for the use of the Drug Enforcement Administration Air Wing, to be located at a site having direct aircraft access to public aviation facilities. To carry out this section, there is authorized to be appropriated for the Department of Justice for the Drug Enforcement Administration, $10,800,000.

Subtitle E—Money Laundering

SEC. 6181. SHORT TITLE.

This subtitle may be cited as the "Money Laundering Prosecution Improvements Act of 1988".

SEC. 6182. APPLICATION OF SECTION 1957 TO ATTORNEYS FEES.

Section 1957(f)(1) of title 18, United States Code, is amended by inserting after "title 31)" the second place it appears the following: ", but such term does not include any transaction necessary to preserve a person's right to representation as guaranteed by the sixth amendment to the Constitution".

SEC. 6183. CROSS-REFERENCE TECHNICAL CORRECTIONS.

Section 1956(c)(7)(D) of title 18, United States Code, is amended by striking out "section 38 of the Arms Export Control Act" and all that follows through "(50 U.S.C. App. 3)" and inserting in lieu thereof "section 38(c) (relating to criminal violations) of the Arms Export Control Act, section 11 (relating to violations) of the Export Administration Act of 1979, section 206 (relating to penalties) of the International Emergency Economic Powers Act, or section 16 (relating to offenses and punishment) of the Trading with the Enemy Act.".

SEC. 6184. DEFINITION OF MONETARY INSTRUMENT FOR MONEY LAUNDERING OFFENSES.

Section 1957 of title 18, United States Code, is amended by striking out "for the purposes of subchapter II of chapter 53 of title 31" and inserting "in section 1956(c)(5) of this title" in lieu thereof.

SEC. 6185. BANK SECRECY ACT AMENDMENTS.

(a) BUSINESS SIMILAR TO FINANCIAL INSTITUTIONS.—Section 5312(a)(2) of title 31, United States Code, is amended by striking subparagraphs (T) and (U) and inserting the following:

"(T) a business engaged in vehicle sales, including automobile, airplane, and boat sales;

"(U) persons involved in real estate closings and settlements;

"(V) the United States Postal Service;

"(W) an agency of the United States Government or of a State or local government carrying out a duty or power of a business described in this paragraph;

"(X) any business or agency which engages in any activity which the Secretary of the Treasury determines, by regulation, to be an activity which is similar to, related to, or a substitute for any activity in which any business described in this paragraph is authorized to engage; or

"(Y) any other business designated by the Secretary whose cash transactions have a high degree of usefulness in criminal, tax, or regulatory matters.".

(b) IDENTIFICATION REQUIRED TO PURCHASE CERTAIN MONETARY INSTRUMENTS OF $3,000 OR MORE.—Subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§ 5325. Identification required to purchase certain monetary instruments

"(a) IN GENERAL.—No financial institution may issue or sell a bank check, cashier's check, traveler's check, or money order to any individual in connection with a transaction or group of such contemporaneous transactions which involves United States coins or currency (or such other monetary instruments as the Secretary may prescribe) in amounts or denominations of $3,000 or more unless—

"(1) the individual has a transaction account with such financial institution and the financial institution—

"(A) verifies that fact through a signature card or other information maintained by such institution in connection with the account of such individual; and

"(B) records the method of verification in accordance with regulations which the Secretary of the Treasury shall prescribe; or

"(2) the individual furnishes the financial institution with such forms of identification as the Secretary of the Treasury may require in regulations which the Secretary shall prescribe and the financial institution verifies and records such information in accordance with regulations which such Secretary shall prescribe.

"(b) REPORT TO SECRETARY UPON REQUEST.—Any information required to be recorded by any financial institution under paragraph (1) or (2) of subsection (a) shall be reported by such institution to the Secretary of the Treasury at the request of such Secretary.

"(c) TRANSACTION ACCOUNT DEFINED.—For purposes of this section, the term 'transaction account' has the meaning given to such term in section 19(b)(1)(C) of the Federal Reserve Act.".

(c) SECRETARY AUTHORIZED TO REQUIRE RECORDKEEPING FOR DOMESTIC COIN AND CURRENCY TRANSACTIONS.—Subchapter II of chapter 53 of title 31, United States Code, is amended by inserting after section 5325 (as added by subsection (b) of this section) the following new section:

"§ 5326. Records of certain domestic coin and currency transactions

"(a) IN GENERAL.—If the Secretary of the Treasury finds, upon the Secretary's own initiative or at the request of an appropriate Federal or State law enforcement official, that reasonable grounds exist for concluding that additional recordkeeping and reporting requirements are necessary to carry out the purposes of this subtitle and prevent evasions thereof, the Secretary may issue an order requiring any domestic financial institution or group of domestic financial institutions in a geographic area—

"(1) to obtain such information as the Secretary may describe in such order concerning—

"(A) any transaction in which such financial institution is involved for the payment, receipt, or transfer of United States coins or currency (or such other monetary instruments as the Secretary may describe in such order) the total amounts or denominations of which are equal to or greater than an amount which the Secretary may prescribe; and

"(B) any other person participating in such transaction;

"(2) to maintain a record of such information for such period of time as the Secretary may require; and

"(3) to file a report with respect to any transaction described in paragraph (1)(A) in the manner and to the extent specified in the order.

"(b) MAXIMUM EFFECTIVE PERIOD FOR ORDER.—No order issued under subsection (a) shall be effective for more than 60 days unless renewed pursuant to the requirements of subsection (a).".

(d) REGULATIONS AND PENALTIES.—

(1) INSURED BANKS.—Section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b) is amended by adding at the end thereof the following new subsection:

"(j) CIVIL PENALTIES.—

"(1) PENALTY IMPOSED.—Any insured bank and any director, officer, or employee of an insured bank who willfully or through gross negligence violates any regulation prescribed under subsection (b) shall be liable to the United States for a civil penalty of not more than $10,000.

"(2) TREATMENT OF CONTINUING VIOLATION.—A separate violation of any regulation prescribed under subsection (b) of this section occurs for each day the violation continues and at each office, branch, or place of business at which such violation occurs.

"(3) ASSESSMENT.—Any penalty imposed under paragraph (1) shall be assessed, mitigated, and collected in the manner provided in subsections (b) and (c) of section 5321 of title 31, United States Code.".

(2) INSURED INSTITUTIONS.—Section 411 of the National Housing Act (12 U.S.C. 1730d) is amended—

(A) by striking out "The Secretary" and inserting in lieu thereof "(a) REGULATIONS.—The Secretary"; and

(B) by adding at the end thereof the following new subsection:

"(b) CIVIL PENALTIES.—

"(1) PENALTY IMPOSED.—Any insured institution and any director, officer, or employee of an insured institution who willfully or through gross negligence violates any regulation prescribed under subsection (a) of this section shall be liable to the United States for a civil penalty of not more than $10,000.

"(2) TREATMENT OF CONTINUING VIOLATION.—A separate violation of any regulation prescribed under subsection (a) of this section occurs for each day the violation continues and at each office, branch, or place of business at which such violation occurs.

"(3) ASSESSMENT.—Any penalty imposed under paragraph (1) shall be assessed, mitigated, and collected in the manner provided in subsections (b) and (c) of section 5321 of title 31, United States Code.".

(3) OTHER FINANCIAL INSTITUTIONS.—

(A) INSTITUTIONS SUBJECT TO RECORDKEEPING REQUIREMENT.—Section 123(b) of Public Law 91-508 (12 U.S.C. 1953(b)) is amended to read as follows:

"(b) INSTITUTIONS SUBJECT TO RECORDKEEPING REQUIREMENTS.—The authority of the Secretary of the Treasury under subsection (a) extends to any financial institution (as defined in section 5312(a)(2) of title 31, United States Code), other than any insured bank (as defined in section 3(h) of the Federal Deposit Insurance Act) and any insured institution (as defined in section 401(a) of the National Housing Act), and any partner, officer, director, or employee of any such financial institution.".

(B) CIVIL PENALTIES.—Section 125(a) of Public Law 91-508 (12 U.S.C. 1955(a)) is amended—

(i) by striking out "$1,000" and inserting in lieu thereof "$10,000";

(ii) by inserting "or grossly negligent" after "willful"; and

"(iii) by inserting "or through gross negligence" after "willfully".

(e) DELEGATION OF ENFORCEMENT POWER TO POSTAL SERVICE.—Section 5318(a)(1) of title 31, United States Code, is amended by inserting "and the Postal Service" after "appropriate supervising agency".

(f) CLERICAL AMENDMENT.—The table of sections for chapter 53 of title 31, United States Code, is amended by adding at the end thereof the following new items:

"5325. Identification required to purchase certain monetary instruments.
"5326. Records of certain domestic coin and currency transactions.".

(g) TECHNICAL CORRECTIONS.—

(1) Section 5312(a)(5) of title 31, United States Code, is amended—

(A) by inserting a comma after "Puerto Rico"; and

(B) by striking the second comma after "Pacific Islands".

(2) The first sentence of section 5321(a)(1) of title 31, United States Code, is amended by inserting "(if any)" after "transaction".

SEC. 6186. RIGHT TO FINANCIAL PRIVACY ACT AMENDMENTS.

(a) CLARIFICATION OF RIGHT OF FINANCIAL INSTITUTIONS TO REPORT SUSPECTED VIOLATIONS.—Section 1103(c) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3403(c)) is amended by inserting ", corporation," after "individual".

(b) TRANSFER BY GOVERNMENT AGENCY OF RECORDS TO ATTORNEY GENERAL FOR CRIMINAL INVESTIGATION.—Section 1112 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3412) is amended by adding at the end thereof the following new subsection:

"(f) TRANSFER TO ATTORNEY GENERAL.—

"(1) IN GENERAL.—Nothing in this title shall apply when financial records obtained by an agency or department of the United States are disclosed or transferred to the Attorney General upon the certification by a supervisory level official of the transferring agency or department that—

"(A) there is reason to believe that the records may be relevant to a violation of Federal criminal law; and

"(B) the records were obtained in the exercise of the agency's or department's supervisory or regulatory functions.

"(2) LIMITATION ON USE.—Records so transferred shall be used only for criminal investigative or prosecutive purposes by the Department of Justice and shall, upon completion of the investigation or prosecution (including any appeal), be returned only to the transferring agency or department.".

(c) FINANCIAL RECORDS OF INSIDERS.—Section 1113 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413) is amended by adding at the end thereof the following new subsection:

"(l) CRIMES AGAINST FINANCIAL INSTITUTIONS BY INSIDERS.—Nothing in this title shall apply when any financial institution or supervisory agency provides any financial record of any officer, director, employee, or controlling shareholder (within the meaning of subparagraph (A) or (B) of section 2(a)(2) of the Bank Holding Company Act of 1956 or subparagraph (A) or (B) of section 408(a)(2) of the National Housing Act) of such institution, or of any major borrower from such institution who there is reason to believe may be acting in concert with any such officer, director, employee, or controlling shareholder, to the Attorney General of the United States, to a State law enforcement agency, or, in the case of a possible violation of subchapter II of chapter 53 of title 31, United States Code, to the Secretary of the Treasury if there is reason to believe that such record is relevant to a possible violation by such person of—

"(1) any law relating to crimes against financial institutions or supervisory agencies by directors, officers, employees, or controlling shareholders of, or by borrowers from, financial institutions; or

"(2) any provision of subchapter II of chapter 53 of title 31, United States Code.".

(d) GOOD FAITH AS A DEFENSE FROM LIABILITY FOR DISCLOSURE OF FINANCIAL RECORDS OF INSIDERS.—Section 1117(c) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3417(c)) is amended—

(1) by inserting "or pursuant to the provisions of section 1113(l)" after "certificate by any Government authority"; and

(2) by inserting before the period at the end thereof the following: "under this title, the constitution of any State, or any law or regulation of any State or any political subdivision of any State".

(e) EXCEPTION TO REQUIREMENT OF ACTUAL PRESENTATION OF FINANCIAL RECORDS TO GRAND JURY.—Section 1120(1) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 1120(1)) is amended by inserting before the semicolon "unless the volume of such records makes such return and actual presentation impractical in which case the grand jury shall be provided with a description of the contents of the records.".

SEC. 6187. STUDY OF WITHDRAWAL OF LEGAL TENDER STATUS OF $100 FEDERAL RESERVE NOTES.

(a) STUDY REQUIRED.—The Secretary of the Treasury, in consultation with appropriate law enforcement agencies, shall conduct a study of the feasibility of withdrawing the legal tender status of $100 Federal Reserve notes.

(b) FACTORS TO BE CONSIDERED.—The study conducted pursuant to subsection (a) by the Secretary of the Treasury shall include an analysis of the following factors:

(1) Whether $100 Federal Reserve notes are being used predominately for illegal activities, especially drug-related transactions.

(2) Whether withdrawing the legal tender status of $100 Federal Reserve notes would help deter such illegal activities.

(3) Whether withdrawing the legal tender status of $100 Federal Reserve notes would impair legitimate business transactions.

(4) Whether withdrawing the legal tender status of $50 Federal Reserve notes (in addition to the $100 notes) would result in even greater deterrence of illegal activities.

(c) REPORT REQUIRED.—Before the end of the 180-day period beginning on the date of the enactment of this Act, the Secretary of the Treasury shall submit a report to the Congress on the study conducted pursuant to subsection (a).

Subtitle F—Sense of Congress That Proposals To Legalize Illicit Drugs Should Be Rejected

SEC. 6201. SENSE OF CONGRESS THAT PROPOSALS TO LEGALIZE ILLICIT DRUGS SHOULD BE REJECTED.

It is the sense of Congress that—

(1) proposals to combat sale and use of illicit drugs by legalization should be rejected; and

(2) consideration should be given only to proposals to attack directly the supply of, and demand for, illicit drugs, such as proposals to strengthen and expand penalties for sale and use, proposals to encourage greater multinational cooperation in eradication and interdiction, and proposals to promote educational awareness programs for young people.

Subtitle G—Firearms Provisions

SEC. 6211. INTERDICTION OF SUPPLY OF FIREARMS TO DRUG TRAFFICKERS.

Section 924 of title 18, United States Code, is amended by adding at the end the following:

"(f) Whoever, with the intent to engage in conduct which—

"(1) constitutes an offense listed in section 1961(1),

"(2) is punishable under the Controlled Substances Act (21 U.S.C. 802 et seq.), the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), or the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.),

"(3) violates any State law relating to any controlled substance (as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6))), or

"(4) constitutes a crime of violence (as defined in subsection (c)(3)),

travels from any State or foreign country into any other State and acquires, transfers, or attempts to acquire or transfer, a firearm in such other State in furtherance of such purpose, shall be imprisoned not more than 10 years, fined in accordance with this title, or both.

"(g) Whoever knowingly transfers a firearm, knowing that such firearm will be used to commit a crime of violence (as defined in subsection (c)(3)) or drug trafficking crime (as defined in subsection (c)(2)) shall be imprisoned not more than 10 years, fined in accordance with this title, or both.".

SEC. 6212. CLARIFICATION OF DEFINITION OF DRUG TRAFFICKING CRIMES IN WHICH USE OR CARRYING OF FIREARMS AND ARMOR PIERCING AMMUNITION IS PROHIBITED.

Paragraph (2) of section 924(c) of title 18, United States Code, and paragraph (2) of section 929(a) of title 18, United States Code, are each amended to read as follows:

"(2) For purposes of this subsection, the term 'drug trafficking crime' means any felony punishable under the Controlled Substances Act (21 U.S.C. 801 et seq.), the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), or the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1901 et seq.).".

SEC. 6213. IDENTIFICATION OF FELONS AND OTHER PERSONS INELIGIBLE TO PURCHASE HANDGUNS.

(a) IDENTIFICATION OF FELONS INELIGIBLE TO PURCHASE HANDGUNS.—The Attorney General shall develop a system for immediate and accurate identification of felons who attempt to purchase 1 or more firearms but are ineligible to purchase firearms by reason of section 922(g)(1) of title 18, United States Code. The system shall be accessible to dealers but only for the purpose of determining whether a potential purchaser is a convicted felon. The Attorney General shall establish a plan (including a cost analysis of the proposed system) for implementation of the system. In developing the system, the Attorney General shall consult with the Secretary of the Treasury, other Federal, State, and local law enforcement officials with expertise in the area, and other experts. The Attorney General shall begin implementation of the system 30 days after the report to the Congress as provided in subsection (b).

(b) Report to Congress.—Not later than 1 year after the date of the enactment of this Act, the Attorney General shall report to the Congress a description of the system referred to in subsection (a) and a plan (including a cost analysis of the proposed system) for implementation of the system. Such report may include, if appropriate, recommendations for modifications of the system and legislation necessary in order to fully implement such system.

(c) Additional Study of Other Persons Ineligible To Purchase Firearms.—The Attorney General in consultation with the Secretary of the Treasury shall conduct a study to determine if an effective method for immediate and accurate identification of other persons who attempt to purchase 1 or more firearms but are ineligible to purchase firearms by reason of section 922(g) of title 18, United States Code. In conducting the study, the Attorney General shall consult with the Secretary of the Treasury, other Federal, State, and local law enforcement officials with expertise in the area, and other experts. Such study shall be completed within 18 months after the date of the enactment of this Act and shall be submitted to the Congress and made available to the public. Such study may include, if appropriate, recommendations for legislation.

(d) Definitions.—As used in this section, the terms "firearm" and "dealer" shall have the meanings given such terms in section 921(a) of title 18, United States Code.

SEC. 6214. REVOCATION OF PROBATION.

Section 3565 of title 18, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

"(b) Mandatory Revocation for Possession of a Firearm.—If the defendant is in actual possession of a firearm, as that term is defined in section 921 of this title, at any time prior to the expiration or termination of the term of probation, the court shall, after a hearing pursuant to Rule 32.1 of the Federal Rules of Criminal Procedure, revoke the sentence of probation and impose any other sentence that was available under subchapter A at the time of the initial sentencing.".

SEC. 6215. PROHIBITION AGAINST FIREARMS AND DANGEROUS WEAPONS IN FEDERAL FACILITIES.

(a) In General.—Chapter 44 of title 18, United States Code, is amended by adding at the end the following new section:

"§930. Possession of firearms and dangerous weapons in Federal facilities

"(a) Except as provided in subsection (c), whoever knowingly possesses or causes to be present a firearm or other dangerous weapon in a Federal facility, or attempts to do so, shall be fined under this title or imprisoned not more than 1 year, or both.

"(b) Whoever, with intent that a firearm or other dangerous weapon be used in the commission of a crime, knowingly possesses or causes to be present such firearm or dangerous weapon in a Federal facility, or attempts to do so, shall be fined under this title or imprisoned not more than 5 years, or both.

"(c) Subsection (a) shall not apply to—

"(1) the lawful performance of official duties by an officer, agent, or employee of the United States, a State, or a political subdivision thereof, who is authorized by law to engage in or supervise the prevention, detection, investigation, or prosecution of any violation of law;

"(2) the possession of a firearm or other dangerous weapon by a Federal official or a member of the Armed Forces if such possession is authorized by law; or

"(3) the lawful carrying of firearms or other dangerous weapons in a Federal facility incident to hunting or other lawful purposes.

"(d) Nothing in this section limits the power of a court of the United States to punish for contempt or to promulgate rules or orders regulating, restricting, or prohibiting the possession of weapons within any building housing such court or any of its proceedings, or upon any grounds appurtenant to such building.

"(e) As used in this section:

"(1) The term 'Federal facility' means a building or part thereof owned or leased by the Federal Government, where Federal employees are regularly present for the purpose of performing their official duties.

"(2) The term 'dangerous weapon' means a weapon, device, instrument, material, or substance, animate or inanimate, that is used for, or is readily capable of, causing death or serious bodily injury, except that such term does not include a pocket knife with a blade of less than 2½ inches in length.

"(f) Notice of the provisions of subsections (a) and (b) shall be posted conspicuously at each public entrance to each Federal facility, and no person shall be convicted of an offense under subsection (a) with respect to a Federal facility if such notice is not so posted at such facility, unless such person had actual notice of subsection (a).".

(b) Clerical Amendment.—The table of sections for chapter 44 of title 18, United States Code, is amended by adding at the end the following new item:

"930. Possession of firearms and dangerous weapons in Federal facilities.".

Subtitle H—Investigative Powers of Postal Service Personnel and National Forest System Drug Control

SEC. 6251. INVESTIGATIVE POWERS OF POSTAL SERVICE PERSONNEL.

(a) In General.—Section 3061 of title 18, United States Code, is amended to read as follows:

"§3061. Investigative powers of Postal Service personnel

"(a) Subject to subsection (b) of this section, Postal Inspectors and other agents of the United States Postal Service designated by the Board of Governors to investigate criminal matters related to the Postal Service and the mails may—

"(1) serve warrants and subpoenas issued under the authority of the United States;

"(2) make arrests without warrant for offenses against the United States committed in their presence;

"(3) make arrests without warrant for felonies cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such a felony;

"(4) carry firearms; and

"(5) make seizures of property as provided by law.

"(b) The powers granted by subsection (a) of this section shall be exercised only—

"(1) in the enforcement of laws regarding property in the custody of the Postal Service, property of the Postal Service, the use of the mails, and other postal offenses; and

"(2) to the extent authorized by the Attorney General pursuant to agreement between the Attorney General and the Postal Service, in the enforcement of other laws of the United States, if the Attorney General determines that violations of such laws have a detrimental effect upon the operations of the Postal Service.".

(b) Clerical Amendment.—The item relating to section 3061 in the table of sections of chapter 203 of title 18, United States Code, is amended to read as follows:

"3061. Investigative powers of Postal Service personnel.

SEC. 6252. POSTAL SERVICE FUND AMENDMENTS.

Section 2003(b)(7) of title 39, United States Code, is amended—

(1) by striking out "administrative"; and

(2) by striking out "under title 18".

SEC. 6253. CIVIL FORFEITURE AUTHORITY OF THE POSTAL SERVICE UNDER THE CONTROLLED SUBSTANCES ACT.

(a) In General.—Section 511 of the Controlled Substances Act (21 U.S.C. 881), as amended by section 6159, is further amended by adding at the end the following new subsection:

"(l) The functions of the Attorney General under this section shall be carried out by the Postal Service pursuant to such agreement as may be entered into between the Attorney General and the Postal Service.".

(b) Deposits of Proceeds in Postal Service Fund.—Section 511(e)(2)(B) of the Controlled Substances Act (21 U.S.C. 881(e)(2)(B)) is amended by striking out the period at the end and inserting in lieu thereof the following: ", except that, with respect to forfeitures conducted by the Postal Service, the Postal Service shall deposit in the Postal Service Fund, under section 2003(b)(7) of title 39, United States Code, such moneys and proceeds.".

SEC. 6254. NATIONAL FOREST SYSTEM, NATIONAL PARK SYSTEM, AND BUREAU OF LAND MANAGEMENT PUBLIC LANDS SAFETY.

(a) Findings.—Congress finds that—

(1) National Forest System lands continue to be a haven for the unlawful production of marijuana and other controlled substances, which—

(A) endangers the public in its use of National Forest System lands;

(B) interferes with the ability of the Forest Service to effectively manage the natural resources and activities within the National Forest System; and

(C) causes damage and destruction of the natural resources and facilities managed by the Forest Service;

(2) the unlawful production of marijuana and other controlled substances often—

(A) is generally harmful to the environment and public health and safety;

(B) pollutes the air, soil, and water; and

(C) is harmful to wildlife;

(3) the Forest Service needs additional authority to adequately deal with the problem of controlled substance production that affects the administration of the National Forest System;

(4) the Forest Service needs to be able to exercise its investigative authorities outside the boundaries of the National Forest System for drug-related crimes arising from within the National Forest System in order to be effective in deterring such crime;

(5) the authority and powers of the Forest Service are not intended to be in conflict or interfere with the statutory authority, powers, or responsibilities of any State or political subdivision thereof; and

(6) the Forest Service, in the exercise of its law enforcement powers, should cooperate to every extent possible with any other Federal, State, or local law enforcement authority having jurisdiction in areas where national forests are located, particularly where coordinated investigative and enforcement actions can be effective to control crime which affects multiple agencies.

(b) Powers.—Section 15003 of the National Forest System Drug Control Act of 1986 (16 U.S.C. 559c) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking out "500 officers and employees" and inserting in lieu thereof "1,000 special agents and law enforcement officers"; and

(B) by striking out "within the boundaries of the National Forest System";

(2) in paragraph (2)—

(A) by inserting after "conduct" the following: ", within the exterior boundaries of the National Forest System,"; and

(B) by inserting before the semicolon at the end thereof the following: "and to conduct such investigations and enforcement of such laws outside the exterior boundaries of the National Forest System for offenses committed within the National Forest System or which affect the administration of the National Forest System (including the pursuit of persons suspected of such offenses who flee the National Forest System to avoid arrest)"; and

(3) in paragraph (3), by inserting before the semicolon at the end thereof the following: ", for offenses committed within the National Forest System or which affect the administration of the National Forest System;".

(c) Cooperation.—Section 15004 of the National Forest System Drug Control Act of 1986 (16 U.S.C. 559d) is amended—

(1) in paragraph (1), by striking out "and" at the end thereof;

(2) in paragraph (2), by striking out ", within the boundaries of the National Forest System." and inserting in lieu thereof "for offenses committed within the National Forest System or which affect the administration of the National Forest System."; and

(3) by adding at the end thereof the following new paragraphs:

"(3) the Forest Service shall cooperate with the Attorney General in carrying out the seizure and forfeiture provisions of section 511 of the Controlled Substances Act (21 U.S.C. 881) for violations of the Controlled Substances Act relating to offenses committed within the National Forest System, or which affect the administration of the National Forest System;

"(4) the Secretary is authorized to designate law enforcement officers of any other Federal agency, when the Secretary determines such designation to be economical and in the public interest, and with the concurrence of that agency, to exercise the powers and authorities of the Forest Service while assisting the Forest Service in the National Forest System, or for activities administered by the Forest Service; and

"(5) the Forest Service is authorized to accept law enforcement designation from any other Federal agency or agency of a State or political subdivision thereof for the purpose of cooperating in a multi-agency law enforcement task force investigation of violations of the Controlled Substances Act and other offenses committed in the course of or in connection with such violations.".

(d) Authorization of Appropriations.—

(1) National forest system.—Section 15006 of title XV of the Anti-Drug Abuse Act of 1986 (16 U.S.C. 559e) is amended to read as follows:

"SEC. 15006. FOREST SERVICE AUTHORIZATION.

"In order to improve Federal law enforcement activities relating to the use and production of narcotics and controlled substances on lands administered by the Forest Service, from amounts appropriated there shall be made available to the Secretary, in addition to sums made available under other authority of law, $10,000,000 for fiscal year 1989, and for each fiscal year thereafter, to be used for employment and training of additional and existing Forest Service law enforcement personnel, for expenses related to such employment, training, equipment, and facilities, and for cooperative programs with State and local law enforcement agencies.".

(2) National park service police.—Section 5052 of title V of the Anti-Drug Abuse Act of 1986 (16 U.S.C. 1 note) is amended to read as follows:

"SEC. 5052. NATIONAL PARK AUTHORIZATION.

"In order to improve Federal law enforcement activities relating to the use and production of narcotics and controlled substances in National Park System units, from amounts appropriated there shall be made available to the Secretary of the Interior, in addition to sums made available under other authority of law, $3,000,000 for fiscal year 1989, and for each fiscal year thereafter, to be used for the employment and training of officers or employees of the Department of the Interior designated pursuant to section 10(b) of the Act of August 18, 1970 (16 U.S.C. 1a-6), for equipment and facilities to be used by such personnel, and for expenses related to such employment, training, equipment, and facilities.".

(3) Bureau of land management.—Title V of the Anti-Drug Abuse Act of 1986 is amended by adding at the end thereof the following new subtitle:

"Subtitle C—Bureau of Land Management Program

"SEC. 5061. SHORT TITLE.

"This subtitle may be cited as the 'Bureau of Land Management Drug Enforcement Supplemental Authority Act'.

"SEC. 5062. BUREAU OF LAND MANAGEMENT AUTHORIZATION.

"In order to improve Federal law enforcement activities relating to the use and production of narcotics and controlled substances on Bureau of Land Management public lands, from amounts appropriated there are made available to the Secretary of the Interior, in addition to sums made available under other authority of law, $1,500,000 for fiscal year 1989, and for each fiscal year thereafter, to be used for the employment and training of additional and existing personnel, for equipment and facilities to be used by such personnel, and for expenses related to such employment, training, equipment, and facilities.".

(e) Designation of Authority.—The National Forest System Drug Control Act of 1986 is amended by inserting after section 15007 (16 U.S.C. 559f) the following new section:

"SEC. 15008. DESIGNATION AUTHORITY OF SECRETARY OF AGRICULTURE.

"(a) Purpose.—It is the purpose of this section to authorize the Secretary of Agriculture to make law enforcement operations more efficient in connection with the administration and use of the National Forest System.

"(b) Officers of Other Agencies.—The Secretary is authorized to designate law enforcement officers of any other Federal agency, when the Secretary determines such designation to be economical and in the public interest, and with the concurrence of that agency, to exercise the powers and authorities of the Forest Service while assisting the Forest Service in the National Forest System, or for activities administered by the Forest Service.

"(c) Acceptance by Forest Service.—The Forest Service is authorized to accept law enforcement designation from any other Federal agency or agency of a State or political subdivision thereof for the purpose of cooperating in the investigation and enforcement of any Federal or State law or ordinance and regulation of any such agency, when such investigation or enforcement is mutually beneficial to the National Forest System and the cooperating agency or jurisdiction, upon entering into a memorandum of understanding or cooperative agreement with such agency or jurisdiction.".

(f) Criminal Penalty for Placing Hazardous or Injurious Devices on Federal Lands.—Chapter 91 of title 18, United States Code, is amended by adding at the end the following new section:

"§1864. Hazardous or injurious devices on Federal lands

"(a) Whoever—

"(1) with the intent to violate the Controlled Substances Act,

"(2) with the intent to obstruct or harass the harvesting of timber, or

"(3) with reckless disregard to the risk that another person will be placed in danger of death or bodily injury and under circumstances manifesting extreme indifference to such risk,

uses a hazardous or injurious device on Federal land, on an Indian reservation, or on an Indian allotment while the title to such allotment is held in trust by the United States or while such allotment remains inalienable by the allottee without the consent of the United States shall be punished under subsection (b).

"(b) An individual who violates subsection (a) shall—

"(1) if death of an individual results, be fined under this title or imprisoned for any term of years or for life, or both;

"(2) if serious bodily injury to any individual results, be fined under this title or imprisoned for not more than twenty years, or both;

"(3) if bodily injury to any individual results, be fined under this title or imprisoned for not more than ten years, or both;

"(4) if damage exceeding $10,000 to the property of any individual results, be fined under this title or imprisoned for not more than 10 years, or both; and

"(5) in any other case, be fined under this title or imprisoned for not more than one year.

"(c) Any individual who is punished under subsections (b)(3), (4), or (5) after one or more prior convictions under any such subsection shall be fined under this title or imprisoned for not more than ten years, or both.

"(d) As used in this section—

"(1) the term 'serious bodily injury' means bodily injury which involves—

"(A) a substantial risk of death;

"(B) extreme physical pain;

"(C) protracted and obvious disfigurement; and

"(D) protracted loss or impairment of the function of bodily member, organ, or mental faculty; and

"(2) the term 'bodily injury' means—

"(A) a cut, abrasion, bruise, burn, or disfigurement;

"(B) physical pain;

"(C) illness;

"(D) impairment of the function of a bodily member, organ, or mental faculty; or

"(E) any other injury to the body, no matter how temporary.

"(3) the term 'hazardous or injurious device' means a device, which when assembled or placed, is capable of causing bodily injury, or damage to property, by the action of any person making contact with such device subsequent to the assembly or placement. Such term includes guns attached to trip wires or other triggering mechanisms, ammunition attached to trip wires or other triggering mechanisms, or explosive devices attached to trip wires or other triggering mechanisms, sharpened stakes, lines or wires, lines or wires with hooks attached, nails placed so that the sharpened ends are positioned in an upright manner, or tree spiking devices including spikes, nails, or other objects hammered, driven, fastened, or otherwise placed into or on any timber, whether or not severed from the stump.".

(g) CLERICAL AMENDMENT.—The table of sections for chapter 91 of title 18, United States Code, is amended by adding at the end the following new item:

"1864. Hazardous or injurious devices on Federal lands.".

(h) CRIMINAL PENALTY FOR POLLUTING FEDERAL LANDS.—Section 401(b) of the Controlled Substances Act (21 U.S.C. 841(b)) is amended by adding at the end the following new paragraph:

"(6) Any person who violates subsection (a), or attempts to do so, and knowingly or intentionally uses a poison, chemical, or other hazardous substance on Federal land, and, by such use—

"(A) creates a serious hazard to humans, wildlife, or domestic animals,

"(B) degrades or harms the environment or natural resources, or

"(C) pollutes an aquifer, spring, stream, river, or body of water,

shall be fined in accordance with title 18, United States Code, or imprisoned not more than five years, or both.".

(i) DRUG POLLUTION FUND.—Section 516 of the Controlled Substances Act (21 U.S.C. 886) is amended by adding at the end the following new subsection:

"(d)(1) There is established in the Treasury a trust fund to be known as the 'Drug Pollution Fund' (hereinafter referred to in this subsection as the 'Fund'), consisting of amounts appropriated or credited to such Fund under section 401(b)(6).

"(2) There are hereby appropriated to the Fund amounts equivalent to the fines imposed under section 401(b)(6).

"(3) Amounts in the Fund shall be available, as provided in appropriations Acts, for the purpose of making payments in accordance with paragraph (4) for the clean up of certain pollution resulting from the actions referred to in section 401(b)(6).

"(4)(A) The Secretary of the Treasury, after consultation with the Attorney General, shall make payments under paragraph (3), in such amounts as the Secretary determines appropriate, to the heads of executive agencies or departments that meet the requirements of subparagraph (B).

"(B) In order to receive a payment under paragraph (3), the head of an executive agency or department shall submit an application in such form and containing such information as the Secretary of the Treasury shall by regulation require. Such application shall contain a description of the fine imposed under section 401(b)(6), the circumstances surrounding the imposition of such fine, and the type and severity of pollution that resulted from the actions to which such fine applies.

"(5) For purposes of subchapter B of chapter 98 of the Internal Revenue Code of 1986, the Fund established under this paragraph shall be treated in the same manner as a trust fund established under subchapter A of such chapter.".

(j) ARSON INVOLVING TIMBER.—The first undesignated paragraph of section 1855 of title 18, United States Code, is amended by striking out "not more than $5,000" and inserting in lieu thereof "under this title".

(k) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Attorney General and the Secretary of Agriculture shall each prepare and submit, to the Committee on Agriculture, the Committee on Interior and Insular Affairs, and the Committee on the Judiciary of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry, the Committee on Energy and Natural Resources, and the Committee on the Judiciary of the Senate, a report concerning the activities of the Attorney General and the Secretary of Agriculture in expediting investigations referred to in section 15003(2) of the National Forest Systems Drug Control Act of 1986 (16 U.S.C. 559c(2)).

Subtitle I—Travel Expenses and Health Care of Department of Justice Personnel Serving Abroad

SEC. 6281. AUTHORIZATION OF APPROPRIATIONS FOR TRAVEL AND RELATED EXPENSES AND FOR HEALTH CARE OF DEPARTMENT OF JUSTICE PERSONNEL SERVING ABROAD.

(a) IN GENERAL.—Chapter 31 of title 28, United States Code, is amended by adding at the end the following new section:

"§530A. Authorization of appropriations for travel and related expenses and for health care of personnel serving abroad

"There are authorized to be appropriated, for any fiscal year, for the Department of Justice, such sums as may be necessary—

"(1) for travel and related expenses of employees of the Department of Justice serving abroad and their families, to be payable in the same manner as applicable with respect to the Foreign Service under paragraphs (3), (5), (6), (8), (9), (11), and (15) of section 901 of the Foreign Service Act of 1980, and under the regulations issued by the Secretary of State; and

"(2) for health care for such employees and families, to be provided under section 904 of that Act.".

(b) CLERICAL AMENDMENT.—The table of section for chapter 31 of title 28, United States Code, is amended by adding at the end the following new item:

"530A. Authorization of appropriations for travel and related expenses and for health care of personnel serving abroad.".

Subtitle J—Program-Related and Study Provisions

SEC. 6291. ENHANCEMENT OF THE DRUG AFTERCARE PROGRAM OF THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS.

Section 4(a) of the Contract Services for Drug Dependent Federal Offenders Act of 1978 (18 U.S.C. 4255 note) is amended by—

(1) striking out "$14,000,000" and inserting "$24,000,000" in lieu thereof, and

(2) striking out "$16,000,000" and inserting "$26,000,000" in lieu thereof.

SEC. 6292. NATIONAL TRAINING CENTER FOR PRISON DRUG REHABILITATION PROGRAM PERSONNEL.

(a) IN GENERAL.—The Director of the National Institute of Corrections, in consultation with persons with expertise in the field of community-based drug rehabilitation, shall establish and operate, at any suitable location, a national training center (hereinafter in this section referred to as the "center") for training Federal, State, and local prison or jail officials to conduct drug rehabilitation programs for criminals convicted of drug-related crimes and for drug-dependent criminals. Programs conducted at the center shall include training for correctional officers, administrative staff, and correctional mental health professionals (including subcontracting agency personnel).

(b) DESIGN AND CONSTRUCTION OF FACILITIES.—The Director of the National Institute of Corrections shall design and construct facilities for the center.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise authorized to be appropriated with respect to the National Institute of Corrections, there are authorized to be appropriated to the Director of the National Institute of Corrections—

(1) for establishment and operation of the center, for curriculum development for the center, and for salaries and expenses of personnel at the center, not more than $4,000,000 for each of fiscal years 1989, 1990, and 1991; and

(2) for design and construction of facilities for the center, not more than $10,000,000 for fiscal years 1989, 1990, and 1991.

SEC. 6293. STUDY OF ALTERNATIVE JUDICIAL SYSTEM.

The Attorney General shall study the feasibility of prosecuting Federal drug-related offenses in a manner alternative or supplemental to the current criminal justice system. The Attorney General shall report the results of such study to Congress not later than 180 days after the date of the enactment of this Act.

Subtitle K—Manufacturing Offenses

SEC. 6301. CRIMINAL PENALTY FOR ENDANGERING HUMAN LIFE WHILE ILLEGALLY MANUFACTURING A CONTROLLED SUBSTANCE.

(a) IN GENERAL.—Part D of the Controlled Substances Act is amended by adding at the end the following new section:

"ENDANGERING HUMAN LIFE WHILE ILLEGALLY MANUFACTURING A CONTROLLED SUBSTANCE

"SEC. 417. Whoever, while manufacturing a controlled substance in violation of this title, or attempting to do so, or transporting or causing to be transported materials, including chemicals to do so, creates a substantial risk of harm to human life shall be fined in accordance with title 18, United States Code, or imprisoned not more than 10 years, or both.".

(b) CLERICAL AMENDMENT.—The table of contents of the Comprehensive Drug Abuse Prevention and Control Act of 1970 is amended by adding at the end of the items relating to part D of title II the following new items:

"416. Establishment of manufacturing operations.
"417. Endangering human life while illegally manufacturing a controlled substance.".

Subtitle L—Serious Crack Possession Offenses

SEC. 6371. INCREASED PENALTIES FOR CERTAIN SERIOUS CRACK POSSESSION OFFENSES.

Section 404(a) of the Controlled Substances Act (21 U.S.C. 844(a)) is amended by inserting after the second sentence the following new sentence: "Notwithstanding the preceding sentence, a person convicted under this subsection for the possession of a mixture or substance which contains cocaine base shall be fined under title 18, United States Code, or imprisoned not less than 5 years and not more than 20 years, or both, if the conviction is a first conviction under this subsection and the amount of the mixture or substance exceeds 5 grams, if the conviction is after a prior conviction for the possession of such a mixture or substance under this subsection becomes final and the amount of the mixture or substance exceeds 3 grams, or if the conviction is after 2 or more prior convictions for the possession of such a mixture or substance under this subsection become final and the amount of the mixture or substance exceeds 1 gram.".

Subtitle M—Miscellaneous Drug Enforcement

SEC. 6401. PAYMENT OF BONUSES FOR FOREIGN LANGUAGE CAPABILITIES.

Notwithstanding any other provision of law, the Drug Enforcement Administration and the Federal Bureau of Investigation are authorized on and after October 1, 1988, to pay bonuses up to 25 percent of base pay to employees of the Drug Enforcement Administration and the Federal Bureau of Investigation who possess and make substantial use of one or more languages, other than English, in the performance of their official duties. The Administrator of the Drug Enforcement Administration and the Director of the Federal Bureau of Investigation shall develop such policies as necessary to implement the payment of these bonuses.

Subtitle N—Sundry Criminal Provisions

SEC. 6451. VIOLENT FELONIES BY JUVENILES.

Section 924(e) of title 18, United States Code, is amended—

(1) in paragraph (e)(2)(B), by inserting ", or any act of juvenile delinquency involving the use or carrying of a firearm, knife, or destructive device that would be punishable by imprisonment for such term if committed by an adult," after "one year"; and

(2) by adding at the end thereof the following:

"(C) the term 'conviction' includes a finding that a person has committed an act of juvenile delinquency involving a violent felony.".

SEC. 6452. LIFE IN PRISON FOR THREE-TIME DRUG OFFENDER.

(a) Penalty for Third Offense.—Section 401(b)(1)(A) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)) is amended—

(1) in the sentence beginning "If any person commits" by striking "one or more prior convictions" through "have become final" and inserting "a prior conviction for a felony drug offense has become final"; and

(2) adding after such sentence the following: "If any person commits a violation of this subparagraph or of section 405, 405A, or 405B after two or more prior convictions for a felony drug offense have become final, such person shall be sentenced to a mandatory term of life imprisonment without release and fined in accordance with the preceding sentence. For purposes of this subparagraph, the term 'felony drug offense' means an offense that is a felony under any provision of this title or any other Federal law that prohibits or restricts conduct relating to narcotic drugs, marihuana, or depressant or stimulant substances or a felony under any law of a State or a foreign country that prohibits or restricts conduct relating to narcotic drugs, marihuana, or depressant or stimulant substances.".

(b) Conforming Amendments.—(1) Sections 405(b), 405A(b) and 405B(c) of the Controlled Substances Act (21 U.S.C. 845(b), 845a(b), and 845b(c)) are amended—

(A) by striking "a prior conviction or convictions" and inserting "a prior conviction", and

(B) by inserting at the end thereof the following: "Penalties for third and subsequent convictions shall be governed by section 401(b)(1)(A).".

(2) Section 405(b) of the Controlled Substances Act (21 U.S.C. 845(b)) is amended by striking "or subsequent" from the caption.

SEC. 6453. PENALTIES FOR IMPORTATION BY AIRCRAFT AND OTHER VESSELS.

(a) In General.—Pursuant to its authority under section 994(p) of title 28, United States Code, and section 21 of the Sentencing Act of 1987, the United States Sentencing Commission shall promulgate guidelines, or shall amend existing guidelines, to provide that a defendant convicted of violating section 1010(a) of the Controlled Substances Import and Export Act (21 U.S.C. 960(a)) under circumstances in which—

(1) an aircraft other than a regularly scheduled commercial air carrier was used to import the controlled substance; or

(2) the defendant acted as a pilot, copilot, captain, navigator, flight officer, or any other operation officer aboard any craft or vessel carrying a controlled substance,

shall be assigned an offense level under chapter 2 of the sentencing guidelines that is—

(A) two levels greater than the level that would have been assigned had the offense not been committed under circumstances set forth in (A) or (B) above; and

(B) in no event less than level 26.

(b) Effect of Amendment.—If the sentencing guidelines are amended after the effective date of this section, the Sentencing Commission shall implement the instruction set forth in subsection (a) so as to achieve a comparable result.

SEC. 6454. ENHANCED PENALTIES FOR OFFENSES INVOLVING CHILDREN.

(a) In General.—Pursuant to its authority under section 994(p) of title 28, United States Code, and section 21 of the Sentencing Act of 1987, the United States Sentencing Commission shall promulgate guidelines, or shall amend existing guidelines, to provide that a defendant convicted of violating sections 405, 405A, or 405B of the Controlled Substances Act (21 U.S.C. 845, 845a or 845b) involving a person under 18 years of age shall be assigned an offense level under chapter 2 of the sentencing guidelines that is—

(1) two levels greater than the level that would have been assigned for the underlying controlled substance offense; and

(2) in no event less than level 26.

(b) Effects of Amendment.—If the sentencing guidelines are amended after the effective date of this section, the Sentencing Commission shall implement the instruction set forth in subsection (a) so as to achieve a comparable result.

(c) Multiple Enhancements.—The guidelines referred to in subsection (a), as promulgated or amended under such subsection, shall provide that an offense that could be subject to multiple enhancements pursuant to such subsection is subject to not more than one such enhancement.

SEC. 6455. EXCEPTION TO MANDATORY MINIMUM PENALTY FOR FIRST OFFENSE.

Section 405(a) of the Controlled Substances Act (21 U.S.C. 845(a)) is amended by inserting at the end the following: "The mandatory minimum sentencing provisions of this subsection shall not apply to offenses involving 5 grams or less of marihuana.".

SEC. 6456. ELIMINATION OF EXCEPTION TO MANDATORY MINIMUM FOR SECOND OFFENSES.

Section 405(b) of the Controlled Substances Act (21 U.S.C. 845(b)) is amended by striking "The mandatory minimum sentencing provisions of this paragraph shall not apply to offenses involving 5 grams or less of marihuana.".

SEC. 6457. POSSESSION WITH INTENT TO DISTRIBUTE WITHIN 1,000 FEET OF A SCHOOLYARD.

Sections 405A (a) and (b) of the Controlled Substances Act (21 U.S.C. 845a (a) and (b)) are amended by inserting ", possessing with intent to distribute," after "distributing".

SEC. 6458. PLAYGROUNDS, YOUTH CENTERS, SWIMMING POOLS AND VIDEO ARCADES.

(a) Sections 405A (a) and (b) of the Controlled Substances Act (21 U.S.C. 845a (a) and (b)) are amended by inserting ", or within 100 feet of a playground, public or private youth center, public swimming pool, or video arcade facility," after "university".

(b) Section 405A of the Controlled Substances Act (21 U.S.C. 845a) is amended by adding at the end thereof the following subsection:

"(d) For the purposes of this section—

"(1) The term 'playground' means any outdoor facility (including any parking lot appurtenant thereto) intended for recreation, open to the public, and with any portion thereof containing three or more separate apparatus intended for the recreation of children including, but not limited to, sliding boards, swingsets, and teeterboards.

"(2) The term 'youth center' means any recreational facility and/or gymnasium (including any parking lot appurtenant thereto), intended primarily for use by persons under 18 years of age, which regularly provides athletic, civic, or cultural activities.

"(3) The term 'video arcade facility' means any facility, legally accessible to persons under 18 years of age, intended primarily for the use of pinball and video machines for amusement containing a minimum of ten pinball and/or video machines.

"(4) The term 'swimming pool' includes any parking lot appurtenant thereto.".

SEC. 6459. APPLICATION OF MANDATORY MINIMUM PENALTIES TO PURCHASE OF CONTROLLED SUBSTANCES FROM MINORS.

Section 405b(a) of the Controlled Substances Act (21 U.S.C. 845b(a)) is amended by—

(1) striking "or" after the semicolon in paragraph (1);

(2) striking the period at the end of paragraph (2) and inserting "; or"; and

(3) adding at the end thereof the following:

"(3) receive a controlled substance from a person under 18 years of age, other than an immediate family member, in violation of this title or title III.".

SEC. 6460. ENHANCED PENALTIES FOR USE OF CERTAIN WEAPONS IN CONNECTION WITH A CRIME OF VIOLENCE OR DRUG TRAFFICKING CRIME.

Subsection (c)(1) of section 924 of title 18, United States Code, is amended—

(1) in the first sentence, by striking "ten years" and inserting "thirty years"; and

(2) in the second sentence—

(A) by striking "ten years" and inserting "twenty years"; and

(B) by striking "20 years" and inserting "life imprisonment without release".

SEC. 6461. INCLUSION OF FEDERAL FIREARMS VIOLATIONS AS PREDICATE WIRETAP OFFENSES.

Section 2516(1) of title 18, United States Code, is amended by adding at the end thereof the following:

"(m) any felony violation of sections 922 and 924 of title 18, United States Code (relating to firearms); and

"(n) any violation of section 5861 of the Internal Revenue Code of 1986 (relating to firearms).".

SEC. 6462. INCREASED PENALTIES FOR CERTAIN FIREARMS OFFENSES.

Section 924(a) of title 18, United States Code, is amended by—

(1) inserting "or 3" after "paragraph 2" in paragraph (1);

(2) striking out "(g), (i), (j)," in subparagraph (a)(1)(B);

(3) redesignating subsection (a)(2) as subsection (a)(3); and

(4) inserting a new subsection (a)(2) to read as follows:

"(2) Whoever knowingly violates subsections (d), (g), (h), (i), (j), or (o) of section 922 shall be fined as provided in this title, imprisoned not more than 10 years or both.".

SEC. 6463. MONEY LAUNDERING FORFEITURES.

(a) Civil Forfeiture.—Section 981(a)(1) of title 18, United States Code, is amended—

(1) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) Any property, real or personal, involved in a transaction or attempted transaction in violation of section 5313(a) or 5324 of title 31, or of section 1956 or 1957 of this title, or any property traceable to such property. However, no property shall be seized or forfeited in the case of a violation of section 5313(a) of title 31 by a domestic financial institution examined by a Federal bank supervisory agency or a financial institution regulated by the Securities and Exchange Commission or a partner, director, or employee thereof."; and

(2) by striking out subparagraph (C).

(b) Conforming Amendment.—Section 981(b) of title 18, United States Code, is amended by striking out "involved in a violation of section 1956 or 1957 of this title investigated by the Secretary of the Treasury, and any property subject to forfeiture under subsection (a)(1)(C) of this section" and inserting in lieu thereof "involved in a violation of section 5313(a) or 5324 of title 31 or of section 1956 or 1957 of this title investigated by the Secretary of the Treasury".

(c) Criminal Forfeiture.—Section 982(a) of title 18, United States Code, is amended to read as follows:

"(a) The court, in imposing sentence on a person convicted of an offense in violation of section 5313(a) or 5324 of title 31, or of section 1956 or 1957 of this title, shall order that the person forfeit to the United States any property, real or personal, involved in such offense, or any property traceable to such property. However, no property shall be seized or forfeited in the case of a violation of section 5313(a) of title 31 by a domestic financial institution examined by a Federal bank supervisory agency or a financial institution regulated by the Securities and Exchange Commission or a partner, director, or employee thereof.".

SEC. 6464. FORFEITURE OF SUBSTITUTE ASSETS FOR MONEY LAUNDERING OFFENSE.

Section 982(b) of title 18, United States Code, is amended—

(1) by striking "(o)" both places it appears, and inserting "(p)" in lieu thereof; and

(2) by adding at the end the following: "However, the substitution of assets provisions of subsection 413(p) shall not be used to order a defendant to forfeit assets in place of the actual property laundered where such defendant acted merely as an intermediary who handled but did not retain the property in the course of the money laundering offense.".

SEC. 6465. UNDERCOVER "STING" OPERATIONS IN MONEY LAUNDERING CASES.

Section 1956(a) of title 18, United States Code, is amended by inserting after paragraph (a)(2) the following new paragraph:

"(3) Whoever, with the intent—

"(A) to promote the carrying on of specified unlawful activity;

"(B) to conceal or disguise the nature, location, source, ownership, or control of property believed to be the proceeds of specified unlawful activity; or

"(C) to avoid a transaction reporting requirement under State or Federal law,

conducts or attempts to conduct a financial transaction involving property represented by a law enforcement officer to be the proceeds of specified unlawful activity, or property used to conduct or facilitate specified unlawful activity, shall be fined under this title or imprisoned for not more than 20 years, or both. For purposes of this paragraph, the term 'represented' means any representation made by a law enforcement officer or by another person at the direction of, or with the approval of, a Federal official authorized to investigate or prosecute violations of this section.".

SEC. 6466. SPECIFIED UNLAWFUL ACTIVITY.

Section 1956(c)(7)(D) of title 18, United States Code, is amended by—

(1) inserting "section 542 (relating to entry of goods by means of false statements)," after "securities of States and private entities),";

(2) inserting "section 549 (relating to removing goods from Customs custody)," after "smuggling goods into the United States),"; and

(3) inserting "section 2319 (relating to copyright infringement), section 310 of the Controlled Substances Act (21 U.S.C. 830) (relating to precursor and essential chemicals), section 590 of the Tariff Act of 1930 (19 U.S.C. 1590) (relating to aviation smuggling), section 1822 of the Mail Order Drug Paraphernalia Control Act (100 Stat. 3207-51; 21 U.S.C. 857) (relating to transportation of drug paraphernalia)," after "postal robbery and theft) of this title,".

SEC. 6467. MINORS CONVICTED OF DRUG TRAFFICKING.

(a) Delinquency Proceedings.—Section 5032 of title 18, United States Code, is amended—

(1) in the first undesignated paragraph, by striking out "section 841, 952(a), 955, or 959 of title 21," and inserting in lieu thereof "section 401 of the Controlled Substances Act (21 U.S.C. 841), or section 1002(a), 1003, 1005, 1009, or 1010(b) (1), (2), or (3) of the Controlled Substances Import and Export Act (21 U.S.C. 952(a), 953, 955, 959, 960(b) (1), (2), (3)), or section 922(p) of this title,"; and

(2) in the fourth undesignated paragraph—

(A) by striking out "section 841, 952(a), 955, or 959 of title 21," and inserting in lieu thereof "section 401 of the Controlled Substances Act (21 U.S.C. 841), or section 1002(a), 1005, or 1009 of the Controlled Substances Import and Export Act (21 U.S.C. 952(a), 955, 959),"; and

(B) by inserting after "2275 of this title," the following: "subsection (b)(1) (A), (B), or (C), (d), or (e) of section 401 of the Controlled Substances Act, or section 1002(a), 1003, 1009, or 1010(b) (1), (2), or (3) of the Controlled Substances Import and Export Act (21 U.S.C. 952(a), 953, 959, 960(b) (1), (2), (3)),".

(b) Surrender to State Authorities.—The first undesignated paragraph of section 5001 of title 18, United States Code, is amended by inserting before the period at the end thereof the following: ", unless such surrender is precluded under section 5032 of this title".

SEC. 6468. DRUG OFFENSES WITHIN FEDERAL PRISONS.

(a) Twenty Year Maximum Penalty.—Section 1791(b) of title 18, United States Code, is amended—

(1) by redesignating paragraphs (1) through (4) as (2) through (5), respectively;

(2) by inserting before paragraph (2), as so redesignated, the following new paragraph (1):

"(1) imprisonment for not more than 20 years, or both, if the object is specified in subsection (d)(1)(C) of this section;"; and

(3) in paragraph (3), as so redesignated, by striking "or (c)(1)(C)".

(b) Consecutive Sentences.—Section 1791 of title 18, United States Code, is further amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection (c):

"(c) Any punishment imposed under subsection (b) for a violation of this section by an inmate of a prison shall be consecutive to the sentence being served by such inmate at the time the inmate commits such violation.".

(c) Pursuant to its authority under section 994(p) of title 28, United States Code, and section 21 of the Sentencing Act of 1987, the United States Sentencing Commission shall promulgate guidelines, or shall amend existing guidelines, to provide that a defendant convicted of violating section 1791(a)(1) of title 18, United States Code, and punishable under section 1791(b)(1) of that title as so redesignated, shall be assigned an offense level under chapter 2 of the sentencing guidelines that is—

(1) two levels greater than the level that would have been assigned had the offense not been committed in prison; and

(2) in no event less than level 26.

(d) If the sentencing guidelines are amended after the effective date of this section, the Sentencing Commission shall implement the instruction set forth in subsection (c) so as to achieve a comparable result.

SEC. 6469. AUTHORIZATION OF POSTAL SERVICE TO INVESTIGATE MONEY LAUNDERING.

(a) JURISDICTION.—(1) Section 1956 of title 18, United States Code, is amended by striking all that follows "appropriate" in subsection (e) and inserting the following: "and, with respect to offenses over which the United States Postal Service has jurisdiction, by the Postal Service. Such authority of the Secretary of the Treasury and the Postal Service shall be exercised in accordance with an agreement which shall be entered into by the Secretary of the Treasury, the Postal Service, and the Attorney General."

(2) Section 1957 of title 18, United States Code, is amended by striking all that follows "appropriate" in subsection (e) and inserting the following: "and, with respect to offenses over which the United States Postal Service has jurisdiction, by the Postal Service. Such authority of the Secretary of the Treasury and the Postal Service shall be exercised in accordance with an agreement which shall be entered into by the Secretary of the Treasury, the Postal Service, and the Attorney General.".

(b) CONFORMING AMENDMENTS.—Section 981 of title 18, United States Code, is amended by—

(1) inserting "or the Postal Service" in subsection (b) following "Secretary of the Treasury" the first two times it appears;

(2) striking "the Attorney General or the Secretary of the Treasury" in subsections (b)(2) and (c) through (e) and inserting "the Attorney General, the Secretary of the Treasury, or the Postal Service";

(3) adding at the end of subsection (d) the following: "The Attorney General shall have sole responsibility for disposing of petitions for remission or mitigation with respect to property involved in a judicial forfeiture proceeding"; and

(4) adding at the end of subsection (e) the following: "The authority granted to the Secretary of the Treasury and the Postal Service pursuant to this subsection shall apply only to property that has been administratively forfeited.".

(c) POWERS OF THE SECRETARY.—Section 5318(a)(1) of title 31, United States Code, is amended by inserting "or the Postal Inspection Service" after "supervising agency".

SEC. 6470. CONTROLLED SUBSTANCES AND RELATED AMENDMENTS.

(a) ATTEMPT AND CONSPIRACY AMENDMENTS.—Section 406 of the Controlled Substance Act (21 U.S.C. 846) and section 1013 of the Controlled Substances Import and Export Act (21 U.S.C. 963) are amended by striking "is punishable" and all that follows through "punishment" and inserting "shall be subject to the same penalties as those".

(b) CLARIFYING AMENDMENTS RELATING TO FORFEITURE OF PROCEEDS OF A FOREIGN DRUG OFFENSE.—Subparagraph (B) of section 981(a)(1) of title 18, United States Code, is amended by—

(1) inserting ", real or personal," after "property";

(2) striking "which represents the proceeds of" and inserting "constituting, derived from, or traceable to, any proceeds obtained directly or indirectly from";

(3) striking "or activity" the first place it appears;

(4) inserting "under the laws of the United States" after "punishable" the second place it appears; and

(5) inserting "constituting the offense against the foreign nation" after "such act or activity".

(c) CLARIFICATION OF CONTROLLED SUBSTANCE ANALOGUE PROVISION.—Section 203 of the Controlled Substances Act (21 U.S.C. 813) is amended by striking "this title and title III" and inserting "any Federal law".

(d) CORRECTION OF REFERENCE RELATING TO MANDATORY PRISON TERMS FOR JUVENILE DRUG TRAFFICKING.—Section 405B(e) of the Controlled Substances Act (21 U.S.C. 845b(e)) is amended by striking "required by section 401(b)".

(e) CORRECTION OF TYPOGRAPHICAL ERROR.—Section 981(a)(2) of title 18, United States Code, is amended by striking "emission" and inserting "omission".

(f) CORRECTION OF REFERENCE TO SUBSECTION.—Section 981(i)(1) of title 18, United States Code, is amended by striking "subchapter" and inserting "subsection".

(g) MANDATORY MINIMUM PENALTY FOR TRAFFICKING IN SUBSTANTIAL QUANTITY OF METHAMPHETAMINE.—Subparagraph (A) of section 401(b)(1) of the Controlled Substances Act (21 U.S.C. 841(b)(1)) is amended—

(1) by striking "or" at the end of clause (vi);

(2) by inserting "or" at the end of clause (vii); and

(3) by adding a new clause (viii), as follows:

"(viii) 100 grams or more of methamphetamine, its salts, isomers, and salts of its isomers or 1 kilogram or more of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers;".

(h) CONFORMING AMENDMENT.—Subparagraph (B) of section 401(b)(1) of the Controlled Substances Act (21 U.S.C. 841(b)(1)) is amended—

(1) by striking "or" at the end of clause (vi);

(2) by inserting "or" at the end of clause (vii); and

(3) by adding a new clause (viii), as follows:

"(viii) 10 grams or more of methamphetamine, its salts, isomers, and salts of its isomers or 100 grams or more of a mixture or substance containing a detectable amount of methamphetamine, its salts, isomers, or salts of its isomers;".

SEC. 6471. MONEY LAUNDERING AMENDMENTS.

(a) INSERTION OF INCOME TAX PREDICATE FOR MONEY LAUNDERING OFFENSE.—Section 1956(a)(1)(A) of title 18, United States Code, is amended to read as follows:

"(A)(i) with the intent to promote the carrying on of specified unlawful activity; or

"(ii) with intent to engage in conduct constituting a violation of section 7201 or 7206 of the Internal Revenue Code of 1986; or".

(b) TRANSMISSION OR TRANSFER.—Section 1956(a)(2) of title 18, United States Code, is amended by striking "transports or attempts to transport" and inserting "transports, transmits, or transfers, or attempts to transport, transmit, or transfer".

(c) CLARIFICATION OF SCOPE OF STAY OF CIVIL FORFEITURE.—Section 981(g) of title 18, United States Code, is amended by inserting ", Federal, State or local," after "law".

SEC. 6472. BALLISTIC KNIFE ACT JURISDICTIONAL CLARIFICATIONS.

The Ballistic Knife Prohibition Act of 1986 (15 U.S.C. 1245) is amended—

(1) by striking "knowingly possesses, manufactures, sells, or imports" and inserting "in or affecting interstate commerce, within any Territory or possession of the United States, within Indian country (as defined in section 1151 of title 18), or within the special maritime and territorial jurisdiction of the United States (as defined in section 7 of title 18), knowingly possesses, manufactures, sells, or imports"; and

(2) by striking "or State" before "crime of violence".

SEC. 6473. COMMON CARRIER OPERATION AMENDMENTS.

(a) DEFINITIONAL REFINEMENT.—Section 342 of title 18, United States Code, is amended by striking "drugs" and inserting "any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802))".

(b) CONFORMANCE OF FINE LEVEL.—Section 342 of title 18, United States Code, is amended by striking "fined not more than $10,000," and inserting "fined under this title,".

(c) LIMITATION AND CLARIFICATION OF PRESUMPTIONS.—Section 343 of title 18, United States Code, is amended—

(1) in paragraph (1) by striking ".10" and inserting ".10 percent" and by striking "conclusively"; and

(2) in paragraph (2) by striking "conclusively".

SEC. 6474. EXPLOSIVES OFFENSES AMENDMENTS.

(a) EXPANSION OF OFFENSE TO CERTAIN AIRPORTS AND STRENGTHENING OF PENALTY.—Section 844(g) of title 18, United States Code, is amended—

(1) by striking "Whoever" and inserting "(1) Except as provided in paragraph (2), whoever";

(2) by inserting "in an airport that is subject to the regulatory authority of the Federal Aviation Administration, or" after "possesses an explosive";

(3) by inserting "or airport" after "such building";

(4) by striking "not more than one year, or fined not more than $1,000, or both" and inserting "not more than five years, or fined under this title, or both"; and

(5) by adding at the end thereof the following:

"(2) The provisions of this subsection shall not be applicable to—

"(A) the possession of ammunition (as that term is defined in regulations issued pursuant to this chapter) in an airport that is subject to the regulatory authority of the Federal Aviation Administration if such ammunition is either in checked baggage or in a closed container; or

"(B) the possession of an explosive in an airport if the packaging and transportation of such explosive is exempt from, or subject to and in accordance with, regulations of the Research and Special Projects Administration for the handling of hazardous materials pursuant to the Hazardous Materials Transportation Act (49 App. U.S.C. 1801, et seq.).".

(b) STRENGTHENING OFFENSE OF USING OR CARRYING AN EXPLOSIVE IN COMMISSION OF A FEDERAL FELONY.—Section 844(h) of title 18, United States Code, is amended—

(1) by striking "unlawfully" in paragraph (2); and

(2) by striking "shall be sentenced" through the remainder of the subsection and inserting the following:

"including a felony which provides for an enhanced punishment if committed by the use of a deadly or dangerous weapon or device shall, in addition to the punishment provided for such felony, be sentenced to imprisonment for five years. In the case of a second or subsequent conviction under this subsection, such person shall be sentenced to imprisonment for ten years. Notwithstanding any other provision of law, the court shall not place on probation or suspend the sentence of any person convicted of a violation of this subsection, nor shall the term of imprisonment imposed under this subsection run concurrently with any other term of imprisonment including that imposed for the felony in which the explosive was used or carried.".

(c) Conforming Definitional Change.—Section 842(d)(5) of title 18, United States Code, is amended to read as follows:

"(5) is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).".

(d) Conforming Definitional Change.—Section 842(i)(3) of title 18, United States Code, is amended to read as follows:

"(3) who is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).".

SEC. 6475. CLARIFICATION OF PROHIBITION OF POSSESSION WITH INTENT TO DISTRIBUTE CONTROLLED SUBSTANCES ON AIRCRAFT.

Section 1010(a)(3) of the Controlled Substances Import and Export Act (21 U.S.C. 960(a)(3)) is amended by striking "manufactures or distributes a controlled substance" and inserting "manufactures, possesses with intent to distribute, or distributes a controlled substance".

SEC. 6476. RESTARTING OF SPEEDY TRIAL ACT TIME PERIOD FOR DEFENDANTS WHO ABSCOND ON EVE OF TRIAL.

Section 3161 of title 18, United States Code, is amended by adding at the end the following:

"(k)(1) If the defendant is absent (as defined by subsection (h)(3)) on the day set for trial, and the defendant's subsequent appearance before the court on a bench warrant or other process or surrender to the court occurs more than 21 days after the day set for trial, the defendant shall be deemed to have first appeared before a judicial officer of the court in which the information or indictment is pending within the meaning of subsection (c) on the date of the defendant's subsequent appearance before the court.

"(2) If the defendant is absent (as defined by subsection (h)(3)) on the day set for trial, and the defendant's subsequent appearance before the court on a bench warrant or other process or surrender to the court occurs not more than 21 days after the day set for trial, the time limit required by subsection (c), as extended by subsection (h), shall be further extended by 21 days.".

SEC. 6477. ASSIMILATIVE CRIMES ACT AMENDMENTS.

(a) Penalties for Operating a Motor Vehicle While Under the Influence of Drugs or Alcohol.—Section 13 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "Whoever"; and

(2) by adding at the end the following:

"(b) For purposes of subsection (a) of this section, that which may or shall be imposed through judicial or administrative action under the law of a State, territory, possession, or district, for a conviction for operating a motor vehicle under the influence of a drug or alcohol, shall be considered to be a punishment provided by that law. Any limitation on the right or privilege to operate a motor vehicle imposed under this subsection shall apply only to the special maritime and territorial jurisdiction of the United States.".

(b) Implied Consent for Certain Tests.—(1) Chapter 205 of title 18, United States Code, is amended by adding at the end the following:

"§ 3117. Implied consent for certain tests

"(a) Consent.—Whoever operates a motor vehicle in the special maritime and territorial jurisdiction of the United States consents thereby to a chemical test or tests of such person's blood, breath, or urine, if arrested for any offense arising from such person's driving while under the influence of a drug or alcohol in such jurisdiction. The test or tests shall be administered upon the request of a police officer having reasonable grounds to believe the person arrested to have been driving a motor vehicle upon the special maritime and territorial jurisdiction of the United States while under the influence of drugs or alcohol in violation of the laws of a State, territory, possession, or district.

"(b) Effect of Refusal.—Whoever, having consented to a test or tests by reason of subsection (a), refuses to submit to such a test or tests, after having first been advised of the consequences of such a refusal, shall be denied the privilege of operating a motor vehicle upon the special maritime and territorial jurisdiction of the United States during the period of a year commencing on the date of arrest upon which such test or tests was refused, and such refusal may be admitted into evidence in any case arising from such person's driving while under the influence of a drug or alcohol in such jurisdiction. Any person who operates a motor vehicle in the special maritime and territorial jurisdiction of the United States after having been denied such privilege under this subsection shall be treated for the purposes of any civil or criminal proceedings arising out of such operation as operating such vehicle without a license to do so.".

(2) The table of sections at the beginning of chapter 205 of title 18, United States Code, is amended by adding at the end the following:

"3117. Implied consent for certain tests.".

SEC. 6478. PROTECTION OF FOREIGN OFFICIALS.

Section 112(b)(3) of title 18, United States Code, is amended by striking "but outside the District of Columbia".

SEC. 6479. MARIHUANA PLANTS.

Section 401(b)(1) of the Controlled Substances Act (21 U.S.C. 841(b)(1)) is amended—

(1) in paragraph (A)(vii), by inserting ", or 1,000 or more marihuana plants regardless of weight" after "containing a detectable amount of marihuana";

(2) in paragraph (B)(vii), by inserting ", or 100 or more marihuana plants regardless of weight" after "containing a detectable amount of marihuana"; and

(3) in paragraph (D) by striking out "100 or more marihuana plants" and inserting in lieu thereof "50 or more marihuana plants".

SEC. 6480. FINES FOR SIMPLE POSSESSION.

Section 404(a) of the Controlled Substances Act (21 U.S.C. 844(a)) is amended—

(1) in the second sentence—

(A) by striking out "but not more than $5,000";

(B) by striking out "but not more than $10,000"; and

(C) by striking out "but not more than $25,000".

SEC. 6481. CONTINUING CRIMINAL ENTERPRISE.

(a) Increased Penalties.—Section 408(a) of the Controlled Substances Act is amended by—

(1) striking "10 years" and inserting "20 years"; and

(2) striking "20 years" and inserting "30 years".

(b) Redesignation.—Subsections (d) and (e) of section 408 of the Controlled Substances Act are redesignated as (c) and (d).

SEC. 6482. COMMON CARRIER OPERATION UNDER THE INFLUENCE OF ALCOHOL OR DRUGS.

(a) Locomotives.—Section 341 of title 18, United States Code, is amended by adding after "means a" the following: "locomotive, a".

(b) Maximum Penalty.—Section 342 of title 18, United States Code, is amended by striking "five" and inserting "fifteen".

(c) Sentencing Guidelines.—(1) Pursuant to its authority under section 994(p) of title 28, United States Code, and section 21 of the Sentencing Act of 1987, the United States Sentencing Commission shall promulgate guidelines, or shall amend existing guidelines, to provide that—

(A) a defendant convicted of violating section 342 of title 18, United States Code, under circumstances in which death results, shall be assigned an offense level under chapter 2 of the sentencing guidelines that is not less than level 26; and

(B) a defendant convicted of violating section 342 of title 18, United States Code, under circumstances in which serious bodily injury results, shall be assigned an offense level under chapter 2 of the sentencing guidelines that is not less than level 21.

(2) If the sentencing guidelines are amended after the effective date of this section, the Sentencing Commission shall implement the instruction set forth in paragraph (1) so as to achieve a comparable result.

SEC. 6483. AMENDMENT TO THE FEDERAL RULES OF CRIMINAL PROCEDURE.

The Federal Rules of Criminal Procedure are amended by adding after Rule 12.2 the following:

"Rule 12.3. Notice of Defense Based Upon Public Authority

"(a) Notice by Defendant; Government Response; Disclosure of Witnesses.—

"(1) Defendant's notice and government's response.—A defendant intending to claim a defense of actual or believed exercise of public authority on behalf of a law enforcement or Federal intelligence agency at the time of the alleged offense shall, within the time provided for the filing of pretrial motions or at such later time as the court may direct, serve upon the attorney for the Government a written notice of such intention and file a copy of such notice with the clerk. Such notice shall identify the law enforcement or Federal intelligence agency and any member of such agency on behalf of which and the period of time in which the defendant claims the actual or believed exercise of public authority occurred. If the notice identifies a Federal intelligence agency, the copy filed with the clerk shall be under seal. Within ten days after receiving the defendant's notice, but in no event less than twenty days before the trial, the attorney for the Government shall serve upon the defendant or the defendant's attorney a written response which shall admit or deny that the defendant exercised the public authority identified in the defendant's notice.

"(2) Disclosure of witnesses.—At the time that the Government serves its response to the notice or thereafter, but in no event less than twenty days before the trial, the attorney for the Government may serve upon the defendant or the defendant's attorney a written demand for the names and addresses of the witnesses, if any, upon whom the defendant intends to rely in establishing the defense identified in the notice. Within seven days after receiving the Government's demand, the defendant shall serve upon the attorney for the Government a written statement of the names and addresses of any such witnesses. Within seven days after receiving the defendant's written statement, the attorney for the Government shall serve upon the defendant or the defendant's attorney a written statement of the names and addresses of the witnesses, if any, upon whom the Government intends to rely in opposing the defense identified in the notice.

"(3) Additional time.—If good cause is shown, the court may allow a party additional time to comply with any obligation imposed by this rule.

"(b) Continuing Duty to Disclose.—If, prior to or during trial, a party learns of any additional witness whose identity, if known, should have been included in the written statement furnished under subdivision (a)(2) of this rule, that party shall promptly notify in writing the other party or the other party's attorney of the name and address of any such witness.

"(c) Failure to Comply.—If a party fails to comply with the requirements of this rule, the court may exclude the testimony of any undisclosed witness offered in support of or in opposition to the defense, or enter such other order as it deems just under the circumstances. This rule shall not limit the right of the defendant to testify.

"(d) Protective Procedures Unaffected.—This rule shall be in addition to and shall not supersede the authority of the court to issue appropriate protective orders, or the authority of the court to order that any pleading be filed under seal.

"(e) Inadmissibility of Withdrawn Defense Based Upon Public Authority.—Evidence of an intention as to which notice was given under subdivision (a), later withdrawn, is not, in any civil or criminal proceeding, admissible against the person who gave notice of the intention.".

SEC. 6484. WITNESS SERVING SENTENCE ABROAD.

(a) In General.—Chapter 223 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3508. Custody and return of foreign witnesses

"(a) When the testimony of a person who is serving a sentence, is in pretrial detention, or is otherwise being held in custody, in a foreign country, is needed in a State or Federal criminal proceeding, the Attorney General shall, when he deems it appropriate in the exercise of his discretion, have the authority to request the temporary transfer of that person to the United States for the purposes of giving such testimony, to transport such person to the United States in custody, to maintain the custody of such person while he is in the United States, and to return such person to the foreign country.

"(b) Where the transfer to the United States of a person in custody for the purposes of giving testimony is provided for by treaty or convention, by this section, or both, that person shall be returned to the foreign country from which he is transferred. In no event shall the return of such person require any request for extradition or extradition proceedings, or proceedings under the immigration laws.

"(c) Where there is a treaty or convention between the United States and the foreign country in which the witness is being held in custody which provides for the transfer, custody and return of such witnesses, the terms and conditions of that treaty shall apply. Where there is no such treaty or convention, the Attorney General may exercise the authority described in paragraph (a) if both the foreign country and the witness give their consent.".

(b) Table of Contents.—The table of contents for chapter 223 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"3508. Custody and return of foreign witnesses.".

SEC. 6485. CLARIFICATIONS REGARDING DRUG PARAPHERNALIA.

Section 1822 of the Anti-Drug Abuse Act of 1986 (Public Law 99-570; 21 U.S.C. 857) is amended—

(1) in subsection (d), by striking out "in violation of the Controlled Substances Act" and inserting ", possession of which is unlawful under the Controlled Substances Act"; and

(2) in subsection (f)(2) by striking out "primarily intended for use with" and inserting "traditionally intended for use with".

SEC. 6486. CIVIL PENALTY FOR POSSESSION OF SMALL AMOUNTS OF CERTAIN CONTROLLED SUBSTANCES.

(a) In General.—Any individual who knowingly possesses a controlled substance that is listed in section 401(b)(1)(A) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)) in violation of section 404 of that Act (21 U.S.C. 841(b)(1)(A)) in an amount that, as specified by regulation of the Attorney General, is a personal use amount shall be liable to the United States for a civil penalty in an amount not to exceed $10,000 for each such violation.

(b) Income and Net Assets.—The income and net assets of an individual shall not be relevant to the determination whether to assess a civil penalty under this section or to prosecute the individual criminally. However, in determining the amount of a penalty under this section, the income and net assets of an individual shall be considered.

(c) Prior Conviction.—A civil penalty may not be assessed under this section if the individual previously was convicted of a Federal or State offense relating to a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(d) Limitation on Number of Assessments.—A civil penalty may not be assessed on an individual under this section on more than two separate occasions.

(e) Assessment.—A civil penalty under this section may be assessed by the Attorney General only by an order made on the record after opportunity for a hearing in accordance with section 554 of title 5, United States Code. The Attorney General shall provide written notice to the individual who is the subject of the proposed order informing the individual of the opportunity to receive such a hearing with respect to the proposed order. The hearing may be held only if the individual makes a request for the hearing before the expiration of the 30-day period beginning on the date such notice is issued.

(f) Compromise.—The Attorney General may compromise, modify, or remit, with or without conditions, any civil penalty imposed under this section.

(g) Judicial Review.—If the Attorney General issues an order pursuant to subsection (e) after a hearing described in such subsection, the individual who is subject of the order may, before the expiration of the 30-day period beginning on the date the order is issued, bring a civil action in the appropriate district court of the United States. In such action, the law and the facts of the violation and the assessment of the civil penalty shall be determined de novo, and shall include the right of a trial by jury, the right to counsel, and the right to confront witnesses. The facts of the violation shall be proved beyond a reasonable doubt.

(h) Civil Action.—If an individual does not request a hearing pursuant to subsection (e) and the Attorney General issues an order pursuant to such subsection, or if an individual does not under subsection (g) seek judicial review of such an order, the Attorney General may commence a civil action in any appropriate district court of the United States for the purpose of recovering the amount assessed and an amount representing interest at a rate computed in accordance with section 1961 of title 28, United States Code. Such interest shall accrue from the expiration of the 30-day period described in subsection (g). In such an action, the decision of the Attorney General to issue the order, and the amount of the penalty assessed by the Attorney General, shall not be subject to review.

(i) Limitation.—The Attorney General may not under this subsection commence proceeding against an individual after the expiration of the 5-year period beginning on the date on which the individual allegedly violated subsection (a).

(j) Expungement Procedures.—The Attorney General shall dismiss the proceedings under this section against an individual upon application of such individual at any time after the expiration of 3 years if—

(1) the individual has not previously been assessed a civil penalty under this section;

(2) the individual has paid the assessment;

(3) the individual has complied with any conditions imposed by the Attorney General;

(4) the individual has not been convicted of a Federal or State offense relating to a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802); and

(5) the individual agrees to submit to a drug test, and such test shows the individual to be drug free.

A nonpublic record of a disposition under this subsection shall be retained by the Department of Justice solely for the purpose of determining in any subsequent proceeding whether the person qualified for a civil penalty or expungement under this section. If a record is expunged under this subsection, an individual concerning whom such an expungement has been made shall not be held thereafter under any provision of law to be guilty of perjury, false swearing, or making a false statement by reason of his failure to recite or acknowledge a proceeding under this section or the results thereof in response to an inquiry made of him for any purpose.

SEC. 6487. PROTECTION OF FORMER FEDERAL OFFICIALS AND MEMBERS OF THE FAMILY OF FORMER FEDERAL OFFICIALS.

(a) Former Federal Officials.—Section 111 of title 18, United States Code, is amended to read as follows:

"§ 111. Assaulting, resisting, or impeding certain officers or employees

"(a) In General.—Whoever—

"(1) forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person designated in section 1114 of this title while engaged in or on account of the performance of official duties; or

"(2) forcibly assaults or intimidates any person who formerly served as a person designated in section 1114 on account of the performance of official duties during such person's term of service,

shall be fined under this title or imprisoned not more than three years, or both.

"(b) ENHANCED PENALTY.—Whoever, in the commission of any acts described in subsection (a), uses a deadly or dangerous weapon, shall be fined under this title or imprisoned not more than ten years, or both.".

(f) FAMILY MEMBERS OF FORMER FEDERAL OFFICIALS.—Section 115(a) of title 18, United States Code, is amended to read as follows:

"(a)(1) Whoever—

"(A) assaults, kidnaps, or murders, or attempts to kidnap or murder, or threatens to assault kidnap or murder a member of the immediate family of a United States official, a United States judge, a Federal law enforcement officer, or an official whose killing would be a crime under section 1114 of this title; or

"(B) threatens to assault, kidnap, or murder, a United States official, a United States judge, a Federal law enforcement officer, or an official whose killing would be a crime under such section,

with intent to impede, intimidate, or interfere with such official, judge, or law enforcement officer while engaged in the performance of official duties, or with intent to retaliate against such official, judge, or law enforcement officer on account of the performance of official duties, shall be punished as provided in subsection (b).

"(2) Whoever assaults, kidnaps, or murders, or attempts to kidnap or murder a member of the immediate family of any person who formerly served as a person designated in paragraph (1), with intent to retaliate against such person on account of the performance of official duties during the term of service of such person, shall be punished as provided in subsection (b).".

TITLE VII—DEATH PENALTY AND OTHER CRIMINAL AND LAW ENFORCEMENT MATTERS

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Subtitle A—Death Penalty

SEC. 7001. DEATH PENALTY FOR DRUG-RELATED KILLINGS.

(a) ELEMENTS OF OFFENSE.—Section 408 of the Controlled Substances Act (21 U.S.C. 848) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

"Death Penalty

"(e)(1) In addition to the other penalties set forth in this section—

"(A) any person engaging in or working in furtherance of a continuing criminal enterprise, or any person engaging in an offense punishable under section 841(b)(1)(A) or section 960(b)(1) who intentionally kills or counsels, commands, induces, procures, or causes the intentional killing of an individual and such killing results, shall be sentenced to any term of imprisonment, which shall not be less than 20 years, and which may be up to life imprisonment, or may be sentenced to death; and

"(B) any person, during the commission of, in furtherance of, or while attempting to avoid apprehension, prosecution or service of a prison sentence for, a felony violation of this title or title III who intentionally kills or counsels, commands, induces, procures, or causes the intentional killing of any Federal, State, or local law enforcement officer engaged in, or on account of, the performance of such officer's official duties and such killing results, shall be sentenced to any term of imprisonment, which shall not be less than 20 years, and which may be up to life imprisonment, or may be sentenced to death.

"(2) As used in paragraph (1)(b), the term 'law enforcement officer' means a public servant authorized by law or by a Government agency or Congress to conduct or engage in the prevention, investigation, prosecution or adjudication of an offense, and includes those engaged in corrections, probation, or parole functions.".

(b) PROCEDURE APPLICABLE WITH RESPECT TO THE DEATH PENALTY.—Section 408 of the Controlled Substances Act (21 U.S.C. 848) is amended by adding at the end the following:

"Hearing Required with Respect to the Death Penalty

"(g) A person shall be subjected to the penalty of death for any offense under this section only if a hearing is held in accordance with this section.

"Notice by the Government in Death Penalty Cases

"(h)(1) Whenever the Government intends to seek the death penalty for an offense under this section for which one of the sentences provided is death, the attorney for the Government, a reasonable time before trial or acceptance by the court of a plea of guilty, shall sign and file with the court, and serve upon the defendant, a notice—

"(A) that the Government in the event of conviction will seek the sentence of death; and

"(B) setting forth the aggravating factors enumerated in subsection (n) and any other aggravating factors which the Government will seek to prove as the basis for the death penalty.

"(2) The court may permit the attorney for the Government to amend this notice for good cause shown.

"Hearing Before Court or Jury

"(i)(1) When the attorney for the Government has filed a notice as required under subsection (h) and the defendant is found guilty of or pleads guilty to an offense under subsection (e), the judge who presided at the trial or before whom the guilty plea was entered, or any other judge if the judge who presided at the trial or before whom the guilty plea was entered is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. The hearing shall be conducted—

"(A) before the jury which determined the defendant's guilt;

"(B) before a jury impaneled for the purpose of the hearing if—

"(i) the defendant was convicted upon a plea of guilty;

"(ii) the defendant was convicted after a trial before the court sitting without a jury;

"(iii) the jury which determined the defendant's guilt has been discharged for good cause; or

"(iv) after initial imposition of a sentence under this section, redetermination of the sentence under this section is necessary; or

"(C) before the court alone, upon the motion of the defendant and with the approval of the Government.

"(2) A jury impaneled under paragraph (1)(B) shall consist of 12 members, unless, at any time before the conclusion of the hearing, the parties stipulate with the approval of the court that it shall consist of any number less than 12.

"Proof of Aggravating and Mitigating Factors

"(j) Notwithstanding rule 32(c) of the Federal Rules of Criminal Procedure, when a defendant is found guilty of or pleads guilty to an offense under subsection (e), no presentence report shall be prepared. In the sentencing hearing, information may be presented as to matters relating to any of the aggravating or mitigating factors set forth in subsections (m) and (n), or any other mitigating factor or any other aggravating factor for which notice has been provided under subsection (h)(1)(B). Where information is presented relating to any of the aggravating factors set forth in subsection (n), information may be presented relating to any other aggravating factor for which notice has been provided under subsection (h)(1)(B). Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial, or at the trial judge's discretion. Any other information relevant to such mitigating or aggravating factors may be presented by either the Government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials, except that information may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading the jury. The Government and the defendant shall be permitted to rebut any information received at the hearing and shall be given fair opportunity to present argument as to the adequacy of the information to establish the existence of any of the aggravating or mitigating factors and as to appropriateness in that case of imposing a sentence of death. The Government shall open the argument. The defendant shall be permitted to reply. The Government shall then be permitted to reply in rebuttal. The burden of establishing the existence of any aggravating factor is on the Government, and is not satisfied unless established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless established by a preponderance of the evidence.

"Return of Findings

"(k) The jury, or if there is no jury, the court, shall consider all the information received during the hearing. It shall return special findings identifying any aggravating factors set forth in subsection (n), found to exist. If one of the aggravating factors set forth in subsection (n)(1) and another of the aggravating factors set forth in paragraphs (2) through (12) of subsection (n) is found to exist, a special finding identifying any other aggravating factor for which notice has been provided under subsection (h)(1)(B), may be returned. A finding with respect to a mitigating factor may be made by one or more of the members of the jury, and any member of the jury who finds the existence of a mitigating factor may consider such a factor established for purposes of this subsection, regardless of the number of jurors who concur that the factor has been established. A finding with respect to any aggravating factor must be unanimous. If an aggravating factor set forth in subsection (n)(1) is not found to exist or an aggravating factor set forth in subsection (n)(1) is found to exist but no other aggravating factor set forth in subsection (n) is found to exist, the court shall impose a sentence, other than death, authorized by law. If an aggravating factor set forth in subsection (n)(1) and one or more of the other aggravating factors set forth in subsection (n) are found to exist, the jury, or if there is no jury, the court, shall then consider whether the aggravating factors found to exist sufficiently outweigh any mitigating factor or factors found to exist, or in the absence of mitigating factors, whether the aggravating factors are themselves sufficient to justify a sentence of death. Based upon this consideration, the jury by unanimous vote, or if there is no jury, the court, shall recommend that a sentence of death shall be imposed rather than a sentence of life imprisonment without possibility of release or some other lesser sentence. The jury or the court, regardless of its findings with respect to aggravating and mitigating factors, is never required to impose a death sentence and the jury shall be so instructed.

"Imposition of Sentence

"(l) Upon the recommendation that the sentence of death be imposed, the court shall sentence the defendant to death. Otherwise the court shall impose a sentence, other than death, authorized by law. A sentence of death shall not be carried out upon a person who is under 18 years of age at the time the crime was committed. A sentence of death shall not be carried out upon a person who is mentally retarded. A sentence of death shall not be carried out upon a person who, as a result of mental disability—

"(1) cannot understand the nature of the pending proceedings, what such person was tried for, the reason for the punishment, or the nature of the punishment; or

"(2) lacks the capacity to recognize or understand facts which would make the punishment unjust or unlawful, or lacks the ability to convey such information to counsel or to the court.

"Mitigating Factors

"(m) In determining whether a sentence of death is to be imposed on a defendant, the finder of fact shall consider mitigating factors, including the following:

"(1) The defendant's capacity to appreciate the wrongfulness of the defendant's conduct or to conform conduct to the requirements of law was significantly impaired, regardless of whether the capacity was so impaired as to constitute a defense to the charge.

"(2) The defendant was under unusual and substantial duress, regardless of whether the duress was of such a degree as to constitute a defense to the charge.

"(3) The defendant is punishable as a principal (as defined in section 2 of title 18 of the United States Code) in the offense, which was committed by another, but the defendant's participation was relatively minor, regardless of whether the participation was so minor as to constitute a defense to the charge.

"(4) The defendant could not reasonably have foreseen that the defendant's conduct in the course of the commission of murder, or other offense resulting in death for which the defendant was convicted, would cause, or would create a grave risk of causing, death to any person.

"(5) The defendant was youthful, although not under the age of 18.

"(6) The defendant did not have a significant prior criminal record.

"(7) The defendant committed the offense under severe mental or emotional disturbance.

"(8) Another defendant or defendants, equally culpable in the crime, will not be punished by death.

"(9) The victim consented to the criminal conduct that resulted in the victim's death.

"(10) That other factors in the defendant's background or character mitigate against imposition of the death sentence.

"Aggravating Factors for Homicide

"(n) If the defendant is found guilty of or pleads guilty to an offense under subsection (e), the following aggravating factors are the only aggravating factors that shall be considered, unless notice of additional aggravating factors is provided under subsection (h)(1)(B):

"(1) The defendant—

"(A) intentionally killed the victim;

"(B) intentionally inflicted serious bodily injury which resulted in the death of the victim;

"(C) intentionally engaged in conduct intending that the victim be killed or that lethal force be employed against the victim, which resulted in the death of the victim;

"(D) intentionally engaged in conduct which—

"(i) the defendant knew would create a grave risk of death to a person, other than one of the participants in the offense; and

"(ii) resulted in the death of the victim.

"(2) The defendant has been convicted of another Federal offense, or a State offense resulting in the death of a person, for which a sentence of life imprisonment or a sentence of death was authorized by statute.

"(3) The defendant has previously been convicted of two or more State or Federal offenses punishable by a term of imprisonment of more than one year, committed on different occasions, involving the infliction of, or attempted infliction of, serious bodily injury upon another person.

"(4) The defendant has previously been convicted of two or more State or Federal offenses punishable by a term of imprisonment of more than one year, committed on different occasions, involving the distribution of a controlled substance.

"(5) In the commission of the offense or in escaping apprehension for a violation of subsection (e), the defendant knowingly created a grave risk of death to one or more persons in addition to the victims of the offense.

"(6) The defendant procured the commission of the offense by payment, or promise of payment, of anything of pecuniary value.

"(7) The defendant committed the offense as consideration for the receipt, or in the expectation of the receipt, of anything of pecuniary value.

"(8) The defendant committed the offense after substantial planning and premeditation.

"(9) The victim was particularly vulnerable due to old age, youth, or infirmity.

"(10) The defendant had previously been convicted of violating this title or title III for which a sentence of five or more years may be imposed or had previously been convicted of engaging in a continuing criminal enterprise.

"(11) The violation of this title in relation to which the conduct described in subsection (e) occurred was a violation of section 405.

"(12) The defendant committed the offense in an especially heinous, cruel, or depraved manner in that it involved torture or serious physical abuse to the victim.

"Right of the Defendant to Justice Without Discrimination

"(o)(1) In any hearing held before a jury under this section, the court shall instruct the jury that in its consideration of whether the sentence of death is justified it shall not consider the race, color, religious beliefs, national origin, or sex of the defendant or the victim, and that the jury is not to recommend a sentence of death unless it has concluded that it would recommend a sentence of death for the crime in question no matter what the race, color, religious beliefs, national origin, or sex of the defendant, or the victim, may be. The jury shall return to the court a certificate signed by each juror that consideration of the race, color, religious beliefs, national origin, or sex of the defendant or the victim was not involved in reaching his or her individual decision, and that the individual juror would have made the same recommendation regarding a sentence for the crime in question no matter what the race, color, religious beliefs, national origin, or sex of the defendant, or the victim, may be.

"(2) Not later than one year from the date of enactment of the Anti-Drug Abuse Amendments Act of 1988, the Comptroller General shall conduct a study of the various procedures used by the several States for determining whether or not to impose the death penalty in particular cases, and shall report to the Congress on whether or not any or all of the various procedures create a significant risk that the race of a defendant, or the race of a victim against whom a crime was committed, influence the likelihood that defendants in those States will be sentenced to death. In conducting the study required by this paragraph, the General Accounting Office shall—

"(A) use ordinary methods of statistical analysis, including methods comparable to those ruled admissible by the courts in race discrimination cases under title VII of the Civil Rights Act of 1964;

"(B) study only crimes occurring after January 1, 1976; and

"(C) determine what, if any, other factors, including any relation between any aggravating or mitigating factors and the race of the victim or the defendant, may account for any evidence that the race of the defendant, or the race of the victim, influences the likelihood that defendants will be sentenced to death. In addition, the General Accounting Office shall examine separately and include in the report, death penalty cases involving crimes similar to those covered under this section.

"Sentencing in Capital Cases in Which Death Penalty is not Sought or Imposed

"(p) If a person is convicted for an offense under subsection (e) and the court does not impose the penalty of death, the court may impose a sentence of life imprisonment without the possibility of parole.

"Appeal in Capital Cases; Counsel for Financially Unable Defendants

"(q)(1) In any case in which the sentence of death is imposed under this section, the sentence of death shall be subject to review by the court of appeals upon appeal by the defendant. Notice of appeal must be filed within the time prescribed for appeal of judgment in section 2107 of title 28, United States Code. An appeal under this section may be consolidated with an appeal of the judgment of conviction. Such review shall have priority over all other cases.

"(2) On review of the sentence, the court of appeals shall consider the record, the evidence submitted during the trial, the information submitted during the sentencing hearing, the procedures employed in the sentencing hearing, and the special findings returned under this section.

"(3) The court shall affirm the sentence if it determines that—

"(A) the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; and

"(B) the information supports the special finding of the existence of every aggravating factor upon which the sentence was based, together with, or the failure to find, any mitigating factors as set forth or allowed in this section.

In all other cases the court shall remand the case for reconsideration under this section. The court of appeals shall state in writing the reasons for its disposition of the review of the sentence.

"(4)(A) Notwithstanding any other provision of law to the contrary, in every criminal action in which a defendant is charged with a crime which may be punishable by death, a defendant who is or becomes financially unable to obtain adequate representation or investigative, expert, or other reasonably necessary services at any time either—

"(i) before judgment; or

"(ii) after the entry of a judgment imposing a sentence of death but before the execution of that judgment;

shall be entitled to the appointment of one or more attorneys and the furnishing of such other services in accordance with paragraphs (5), (6), (7), (8), and (9).

"(B) In any post conviction proceeding under section 2254 or 2255 of title 28, United States Code, seeking to vacate or set aside a death sentence, any defendant who is or becomes financially unable to obtain adequate representation or investigative, expert, or other reasonably necessary services shall be entitled to the appointment of one or more attorneys and the furnishing of such other services in accordance with paragraphs (5), (6), (7), (8), and (9).

"(5) If the appointment is made before judgment, at least one attorney so appointed must have been admitted to practice in the court in which the prosecution is to be tried for not less than five years, and must have had not less than three years experience in the actual trial of felony prosecutions in that court.

"(6) If the appointment is made after judgment, at least one attorney so appointed must have been admitted to practice in the court of appeals for not less than five years, and must have had not less than three years experience in the handling of appeals in that court in felony cases.

"(7) With respect to paragraphs (5) and (6), the court, for good cause, may appoint another attorney whose background, knowledge, or experience would otherwise enable him or her to properly represent the defendant, with due consideration to the seriousness of the possible penalty and to the unique and complex nature of the litigation.

"(8) Unless replaced by similarly qualified counsel upon the attorney's own motion or upon motion of the defendant, each attorney so appointed shall represent the defendant throughout every subsequent stage of available judicial proceedings, including pretrial proceedings, trial, sentencing, motions for new trial, appeals, applications, for writ of certiorari to the Supreme Court of the United States, and all available post-conviction process, together with applications for stays of execution and other appropriate motions and procedures, and shall also represent the defendant in such competency proceedings and proceedings for executive or other clemency as may be available to the defendant.

"(9) Upon a finding in ex parte proceedings that investigative, expert or other services are reasonably necessary for the representation of the defendant, whether in connection with issues relating to guilt or sentence, the court shall authorize the defendant's attorneys to obtain such services on behalf of the defendant and shall order the payment of fees and expenses therefore, under paragraph (10). Upon a finding that timely procurement of such services could not practicably await prior authorization, the court may authorize the provision of and payment for such services nunc pro tunc.

"(10) Notwithstanding the rates and maximum limits generally applicable to criminal cases and any other provision of law to the contrary, the court shall fix the compensation to be paid to attorneys appointed under this subsection and the fees and expenses to be paid for investigative, expert, and other reasonably necessary services authorized under paragraph (9), at such rates or amounts as the court determines to be reasonably necessary to carry out the requirements of paragraphs (4) through (9).

"Refusal to Participate by State and Federal Correctional Employees

"(r) No employee of any State department of corrections or the Federal Bureau of Prisons and no employee providing services to that department or bureau under contract shall be required, as a condition of that employment, or contractual obligation to be in attendance at or to participate in any execution carried out under this section if such participation is contrary to the moral or religious convictions of the employee. For purposes of this subsection, the term 'participation in executions' includes personal preparation of the condemned individual and the apparatus used for execution and supervision of the activities of other personnel in carrying out such activities.".

SEC. 7002. GAO STUDY OF THE COST OF EXECUTIONS.

(a) STUDY.—No later than three years after the date of the enactment of this Act, the Comptroller General shall carry out a study to review the cost of implementing the procedures for imposing and carrying out a death sentence prescribed by this title.

(b) SPECIFIC REQUIREMENT.—Such study shall consider, but not be limited to, information concerning impact on workload of the Federal prosecutors and judiciary and law enforcement necessary to obtain capital sentences and executions under this Act.

(c) SUBMISSION OF REPORT.—Not later than four years after date of the enactment of this Act, the Comptroller General shall submit to Congress a report describing the results of the study.

Subtitle B—Minor and Technical Criminal Law Amendments

SEC. 7011. SHORT TITLE.

This subtitle may be cited as the "Minor and Technical Criminal Law Amendments Act of 1988".

SEC. 7012. CORRECTION OF CROSS REFERENCE.

Section 38 of the Criminal Law and Procedure Technical Amendments Act of 1986 is amended by striking "section 23" and inserting "section 34".

SEC. 7013. CORRECTION OF ERRONEOUS REFERENCE.

Section 50(a) of the Criminal Law and Procedure Technical Amendments Act of 1986 is amended by striking "1961(a)" and inserting "1961(1)".

SEC. 7014. CORRECTION OF MISPRINT.

Section 58(g) of the Criminal Law and Procedure Technical Amendments Act of 1986 is amended by striking "SECTION 3147 AMENDMENTS.—Section 3147 of title" and inserting "REPEAL.—(1) Title".

SEC. 7015. CORRECTION OF TYPOGRAPHICAL ERROR IN SECTION 31.

Section 31 of title 18, United States Code, is amended by striking "door in opened" and inserting "door is opened".

SEC. 7016. CORRECTION OF TYPOGRAPHICAL ERROR IN SECTION 32.

Section 32(a)(3) of title 18, United States Code, is amended by striking "intefering" and inserting "interfering".

SEC. 7017. CORRECTION OF TYPOGRAPHICAL ERROR IN SECTION 152.

The third paragraph of section 152 of title 18, United States Code, is amended by striking "penalty or perjury" and inserting "penalty of perjury".

SEC. 7018. CONSPIRACY AGAINST CIVIL RIGHTS.

(a) IN GENERAL.—Section 241 of title 18, United States Code, is amended by striking "citizen" and inserting "inhabitant of any State, Territory, or District".

(b) CONFORMING AMENDMENTS.—(1) The heading for section 241 of title 18, United States Code, is amended by striking "of citizens".

(2) The item relating to section 241 in the table of sections at the beginning of chapter 13 of title 18, United States Code, is amended by striking "of citizens".

SEC. 7019. DEPRIVATION OF CIVIL RIGHTS.

Section 242 of title 18, United States Code, is amended by inserting "and if bodily injury results shall be fined under this title or imprisoned not more than ten years, or both;" after "both;".

SEC. 7020. DESIGNATION OF ADDITIONAL HIGH LEVEL OFFICIALS OF THE DEPARTMENT OF JUSTICE TO PERFORM CERTAIN FUNCTIONS RELATING TO CRIMINAL AND ANCILLARY PROCEEDINGS.

(a) Approval of Certain Civil Rights Prosecutions.—Section 245(a)(1) of title 18, United States Code, is amended—

(1) by striking "or the Deputy" and inserting ", the Deputy";

(2) by inserting ", the Associate Attorney General, or any Assistant Attorney General specially designated by the Attorney General" after "Deputy Attorney General".

(b) Approval of Prosecutions for Flight To Avoid Service of Process and Related Proceedings.—Section 1073 of title 18, United States Code, is amended by inserting ", the Deputy Attorney General, the Associate Attorney General," after "the Attorney General".

(c) Definition of "Attorney General" for Purposes of Certain Racketeering Proceedings.—Section 1961(10) of title 18, United States Code, is amended by inserting "the Associate Attorney General of the United States," after "Deputy Attorney General of the United States,".

(d) Summoning of Special Grand Juries.—Section 3331(a) of title 18, United States Code, is amended by inserting ", the Associate Attorney General" after "Deputy Attorney General".

(e) Requesting Judicial Grant of Immunity in General.—Section 6003(b) of title 18, United States Code, is amended—

(1) by inserting ", the Associate Attorney General" after "Deputy Attorney General"; and

(2) by inserting "or Deputy Assistant Attorney General" after "Assistant Attorney General".

(f) Requesting Judicial Grant of Immunity in Certain Drug Cases.—Section 514(c) of the Controlled Substances Act (21 U.S.C. 884(c)) is amended by inserting ", the Associate Attorney General" after "Deputy Attorney General".

(g) Objecting To Disclosure of Classified Information Under the Classified Information Procedures Act.—Section 14 of the Classified Information Procedures Act (18 U.S.C. App. 14) is amended by inserting ", the Associate Attorney General," after "Deputy Attorney General".

SEC. 7021. OFF-HIGHWAY VEHICLE IDENTIFICATION OFFENSE.

Section 553(b)(2) of title 18, United States Code, is amended to read as follows:

"(2)(A) in the case of a motor vehicle, is not a violation of section 511 of this title (relating to altering or removing motor vehicle identification numbers); or

"(B) in the case of off-highway mobile equipment, would not be a violation of section 511 of this title if such equipment were a motor vehicle.".

SEC. 7022. REDESIGNATION OF PARAGRAPHS IN SECTION 831.

Paragraphs (3) through (6) of section 831(e) of title 18, United States Code, are redesignated as paragraphs (2) through (5), respectively.

SEC. 7023. IDENTIFICATION FRAUD.

Section 1028(a)(6) of title 18, United States Code, is amended—

(1) by inserting "knowingly" before "possesses";

(2) by inserting "lawful" before "authority" the first place it appears; and

(3) by inserting "such" before "authority" the second place it appears.

SEC. 7024. TRANSMISSION OF WAGERING INFORMATION.

(a) Transmission of Information to Foreign Countries.—Section 1084(b) of title 18, United States Code, is amended by inserting "or foreign country" after "State" each place it appears.

(b) Definition of "State".—(1) Section 1084 of title 18, United States Code, is amended by adding at the end the following:

"(e) As used in this section, the term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.".

(2) Section 1084(c) of title 18, United States Code, is amended by striking ", Commonwealth of Puerto Rico, territory, possession, or the District of Columbia".

SEC. 7025. PUNCTUATION CORRECTION IN SECTION 1111.

Section 1111(a) of title 18, United States Code, is amended by inserting a comma after "arson".

SEC. 7026. PUNCTUATION CORRECTION IN SECTION 1114.

Section 1114 of title 18, United States Code, is amended by striking the second comma after "terms of this section".

SEC. 7027. CLARIFICATION OF RELATION BETWEEN TWO AMENDMENTS MADE BY PUBLIC LAWS ENACTED IN THE 99TH CONGRESS.

Section 1153 of title 18, United States Code, is amended by striking "maiming" and all that follows through "incest" and inserting "maiming, a felony under chapter 109A, incest".

SEC. 7028. CORRECTION OF SUBSECTION DESIGNATION.

Section 1203 of title 18, United States Code, is amended by striking "(C)" the last place it appears and inserting "(c)".

SEC. 7029. OBSTRUCTION OF JUSTICE AMENDMENTS.

(a) Expansion of Venue for Sections 1512 and 1503 Cases.—Section 1512 of title 18, United States Code, is amended by adding at the end the following:

"(h) A prosecution under this section or section 1503 may be brought in the district in which the official proceeding (whether or not pending or about to be instituted) was intended to be affected or in the district in which the conduct constituting the alleged offense occurred.".

(b) Definition Changes.—Section 1515(a)(1)(A) of title 18, United States Code, is amended by inserting "a judge of the United States Tax Court, a special trial judge of the Tax Court, a judge of the United States Claims Court," after "bankruptcy judge,".

(c) Corrupt Persuasion.—Section 1512(b) of title 18, United States Code, is amended by striking "or threatens" and inserting "threatens, or corruptly persuades".

(d) Definition.—Section 1515(a) of title 18, United States Code, is amended—

(1) by striking "and" at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting "; and"; and

(3) by adding at the end the following:

"(6) the term 'corruptly persuades' does not include conduct which would be misleading conduct but for a lack of a state of mind.".

SEC. 7030. CONFORMING AMENDMENT TO TABLE OF SECTIONS.

The item relating to section 1515 in the table of sections at the beginning of chapter 73 of title 18, United States Code, is amended by inserting "; general provision" after "provisions".

SEC. 7031. CROSS REFERENCE CORRECTIONS AND ADDITIONS.

Section 1956(c)(7)(D) of title 18, United States Code, is amended by—

(1) striking "section 511" and inserting "section 513";

(2) striking "section 543" and inserting "section 545"; and

(3) inserting "section 657 (relating to lending, credit, and insurance institutions), section 658 (relating to property mortgaged or pledged to farm credit agencies)," after "section 656 (relating to theft, embezzlement, or misapplication by bank officer or employee),".

SEC. 7032. CROSS REFERENCE CORRECTION AND ADDITIONS.

Section 1961(1) of title 18, United States Code, is amended by striking "section 2320" and inserting "section 2321".

SEC. 7033. SYNTAX CORRECTION IN SECTION 1962.

Section 1962(d) of title 18, United States Code, is amended by striking "subsections" and inserting "subsection".

SEC. 7034. SECTION 1963 AMENDMENTS.

(a) Correction of Typographical Error in Subsection (n).—Section 1963(n) of title 18, United States Code, is amended by striking "act of omission" and inserting "act or omission".

(b) Redesignation.—Subsection (n) of section 1963 of title 18, United States Code, is redesignated as subsection (m).

SEC. 7035. CLERICAL CORRECTION TO TABLE OF CONTENTS FOR CHAPTER 119.

The table of sections at the beginning of chapter 119 of title 18, United States Code, is amended by striking "wire or oral" in the items relating to sections 2511, 2512, 2513, 2516, 2517, 2518, and 2519 and inserting "wire, oral, or electronic".

SEC. 7036. SECTION 2516 AMENDMENTS.

(a) Syntax Correction.—Section 2516(1) of title 18, United States Code, is amended—

(1) by inserting "or" after "Associate Attorney General,", and

(2) by striking the comma that follows a comma.

(b) Correction of Cross-References.—Section 2516(1)(c) of title 18, United States Code, is amended—

(1) by striking "the second section 2320" and inserting "section 2321"; and

(2) by striking "section 2252 or 2253 (sexual exploitation of children),".

(c) Punctuation Corrections.—

(1) section 2516(1)(a) is amended by striking "(relating to riots);" and inserting "(relating to riots),";

(2) section 2516(1)(j) is amended by striking "or;"; and

(3) section 2516(1)(k) is amended by inserting "or" at the end thereof.

SEC. 7037. CORRECTION OF CROSS REFERENCE.

Section 2702(b)(2) of title 18, United States Code, is amended by striking "2516" and inserting "2517".

SEC. 7038. GOVERNMENTAL ACCESS TO CONTENTS OF ELECTRONIC COMMUNICATIONS IN AND RECORDS OF A REMOTE COMPUTING SERVICE.

Sections 2703(b)(1)(B)(i) and 2703(c)(1)(B)(i) of title 18, United States Code, are amended by inserting "or trial" after "grand jury".

SEC. 7039. DEFINITION OF COURT FOR CERTAIN APPLICATIONS.

Section 2703(d) of title 18, United States Code, is amended by inserting "may be issued by any court that is a court of competent jurisdiction set forth in section 3126(2)(A) of this title and" before "shall issue".

SEC. 7040. SECTION 3124 AMENDMENT.

Section 3124(b) of title 18, United States Code, is amended by inserting "order" after "court" the last place it appears.

SEC. 7041. SENTENCING CLASSIFICATION OF OFFENSES.

(a) Redesignation.—Section 3559(a) of title 18, United States Code, is amended—

(1) by striking "classified—" and all that follows through "is—" and inserting "classified if the maximum term of imprisonment authorized is—"; and

(2) by redesignating subparagraphs (A) through (I) as paragraphs (1) through (9).

(b) Class B Classification.—Section 3559(a) of title 18, United States Code, is amended in each of paragraphs (2) and (3) (as so redesignated by subsection (a)), by striking "twenty" and inserting "twenty-five".

SEC. 7042. CORRECTION OF CROSS REFERENCES.

Subsection (h) of section 3663 of title 18, United States Code, is amended to read as follows:

"(h) An order of restitution may be enforced—

"(1) by the United States—

"(A) in the manner provided for the collection and payment of fines in subchapter B of chapter 229 of this title; or

"(B) in the same manner as a judgment in a civil action; and

"(2) by a victim named in the order to receive the restitution, in the same manner as a judgment in a civil action.".

SEC. 7043. FURLOUGH OF CERTAIN INDIVIDUALS ORDERED TO BE COMMITTED FOR INSANITY.

Section 4243 of title 18, United States Code, is amended by adding at the end thereof the following:

"(h) Limitations on Furloughs.—An individual who is hospitalized under subsection (e) of this section after being found not guilty only by reason of insanity of an offense for which subsection (d) of this section creates a burden of proof of clear and convincing evidence, may leave temporarily the premises of the facility in which that individual is hospitalized only—

"(1) with the approval of the committing court, upon notice to the attorney for the Government and such individual, and after opportunity for a hearing;

"(2) in an emergency; or

"(3) when accompanied by a Federal law enforcement officer (as defined in section 115 of this title).".

SEC. 7044. PERIODIC REPORTS RELATING TO CERTAIN HOSPITALIZED PERSONS.

Section 4247(e)(1)(B) of title 18, United States Code, is amended by adding at the end thereof the following: "A copy of each such report concerning a person hospitalized after the beginning of a prosecution of that person for violation of section 871, 879, or 1751 of this title shall be submitted to the Director of the United States Secret Service. Except with the prior approval of the court, the Secret Service shall not use or disclose the information in these copies for any purpose other than carrying out protective duties under section 3056(a) of this title.".

SEC. 7045. INSERTION OF MISSING CLOSE PARENTHESIS.

The last paragraph of section 5034 of title 18, United States Code, is amended by striking "facility upon" and inserting "facility) upon".

SEC. 7046. AMENDMENT TO RULES OF EVIDENCE CONFORMING TERMINOLOGY RELATING TO SEX OFFENSES.

(a) In General.—Rule 412 of the Federal Rules of Evidence is amended—

(1) in the heading of such rule, by striking "**Rape**" and inserting "**Sex Offense**";

(2) in subdivisions (a) and (b), by striking "rape or of assault with intent to commit rape" each place it appears and inserting "an offense under chapter 109A of title 18, United States Code";

(3) in subdivision (a), by striking "rape or assault" and inserting "offense";

(4) by striking "rape or assault with intent to commit rape" each place it appears and inserting "an offense under chapter 109A of title 18, United States Code"; and

(5) in subdivision (b)(2)(B), by striking "rape or assault" and inserting "such offense".

(b) Clerical Amendment.—The item relating to rule 412 in the table of contents at the beginning of the Federal Rules of Evidence is amended by striking "Rape" and inserting "Sex Offense".

SEC. 7047. EXTENSION OF POWER TO MAKE CERTAIN EXAMINATIONS TO PSYCHOLOGISTS.

(a) Section 4247(b).—Section 4247(b) of title 18, United States Code, is amended by striking "clinical psychologist" and inserting "psychologist".

(b) Conforming Amendment to Rule 35.—Rule 35 of the Federal Rules of Civil Procedure is amended—

(1) in subdivision (a), by striking "physical or mental examination by a physician" and inserting "physical examination by a physician, or mental examination by a physician or psychologist";

(2) in subdivision (b), by inserting "or psychologist" after "physician" each time it appears, and by adding "or psychologist" to the heading of the subdivision; and

(3) by adding at the end the following new subdivision:

"(c) Definitions.—For the purpose of this rule, a psychologist is a psychologist licensed or certified by a State or the District of Columbia.".

SEC. 7048. SYNTACTICAL CORRECTION RELATING TO CERTAIN COUNTERFEIT OR FORGED ITEMS.

The second paragraph of section 2315 of title 18, United States Code, is amended by striking "which have crossed a State or United States boundary after being stolen, unlawfully converted, or taken" and inserting "moving as, or which are a part of, or which constitute interstate or foreign commerce".

SEC. 7049. FORM CORRECTION IN FEDERAL RULES OF CIVIL PROCEDURE.

Rule 17(a) of the Federal Rules of Civil Procedure is amended by striking "with him".

SEC. 7050. PUNCTUATION CORRECTION IN FEDERAL RULES OF CIVIL PROCEDURE.

Rule 71A(e) is amended by striking "taking of the defendants property" and inserting "taking of the defendant's property".

SEC. 7051. DEFINITION OF 'UNITED STATES' IN REFERENCE TO TERRORIST ACTS.

Section 3077(4) of title 18, United States Code, is amended to read as follows:

"(4) 'United States,' when used in a geographical sense, includes Puerto Rico and all territories and possessions of the United States;".

SEC. 7052. CROSS REFERENCES PERTAINING TO ARREST AUTHORITY FOR VIOLATION OF RELEASE CONDITIONS.

Section 3062 of title 18, United States Code, is amended by striking "a condition imposed on the person pursuant to section 3142 (c)(2)(D), (c)(2)(E), (c)(2)(H), (c)(2)(I), or (c)(2)(M), or, if the violation involves a failure to remain in a specified institution as required, a condition imposed pursuant to section 3142(c)(2)(J)" and inserting "a condition imposed on the person pursuant to section 3142(c)(1)(B) (iv), (v), (viii), (ix), or (xiii), or, if the violation involves a failure to remain in a specified institution as required, a condition imposed pursuant to section 3142(c)(1)(B)(x)".

SEC. 7053. RENUMBERING OF SECTIONS IN CHAPTER 95.

(a) Section 1958.—Section 1952A of title 18, United States Code, is redesignated as section 1958.

(b) Section 1959.—Section 1952B of title 18, United States Code, is redesignated as section 1959.

(c) Table of Sections.—The table of sections at the beginning of chapter 95 of title 18, United States Code, is amended—

(1) by striking "1952A" and inserting "1958";

(2) by striking "1952B" and inserting "1959"; and

(3) by inserting the items for redesignated sections 1958 and 1959 at the end of the table.

(d) Section 2516(c).—Section 2516(c) of title 18, United States Code, is amended—

(1) by striking "1952A" and inserting "1958"; and

(2) by striking "1952B" and inserting "1959".

SEC. 7054. ADDITION OF RICO PREDICATE.

Section 1961(1)(B) of title 18, United States Code, is amended—

(1) by inserting after "section 1957 (relating to engaging in monetary transactions in property derived from specified unlawful activity)" the following: ", section 1958 (relating to use of interstate commerce facilities in the commission of murder-for-hire), sections 2251-2252 (relating to sexual exploitation of children)"; and

(2) by inserting after "sections 891-894 (relating to extortionate credit transactions)" the following: ", section 1029 (relative to fraud and related activity in connection with access devices)".

SEC. 7055. PROVISION OF MISDEMEANOR PENALTY FOR CERTAIN ESCAPES.

Sections 751(a) and 752(a) of title 18, United States Code, are amended by inserting ", or for exclusion or expulsion proceedings under the immigration laws," after "extradition".

SEC. 7056. CLARIFICATION OF PREDICATE OFFENSE REQUIREMENTS FOR ARMED CAREER CRIMINAL ACT.

Section 924(e)(1) of title 18, United States Code, is amended by inserting "committed on occasions different from one another," after "for a violent felony or a serious drug offense, or both,".

SEC. 7057. TRANSPORTATION AND RECEIPT OF STOLEN SECURITIES.

(a) Transmission or Transfer.—The first paragraph of section 2314 of title 18, United States Code, is amended by striking "transports" and inserting "transports, transmits, or transfers".

(b) Inapplicability of Section.—The final paragraphs of sections 2314 and 2315 of title 18, United States Code, are amended—

(1) by striking "or by a bank or corporation of any foreign country"; and

(2) by adding at the end thereof: "This section also shall not apply to any falsely made, forged, altered, counterfeited, or spurious representation of any bank note or bill issued by a bank or corporation of any foreign country which is intended by the laws or usage of such country to circulate as money.".

SEC. 7058. MAXIMUM PENALTY ADJUSTMENTS.

(a) Abusive Sexual Contact.—Section 2244(a) of title 18, United States Code, is amended—

(1) in paragraph (1) by striking "five years" and inserting "ten years"; and

(2) in paragraph (3) by striking "one year" and inserting "two years".

(b) Murder for Hire.—Section 1958 of title 18, United States Code, is amended by striking "five years" and inserting "ten years".

(c) Attempted Murder.—Section 1113 of title 18, United States Code, is amended by striking "shall be fined not more than $1,000 or imprisoned not more than three years, or both" and inserting "shall, for an attempt to commit murder be imprisoned not more than twenty years or fined under this title, or both, and for an attempt to commit manslaughter be imprisoned not more than three years or fined under this title, or both."

(d) Racketeering Influenced and Corrupt Organizations.—Section 1963(a) of title 18, United States Code, is amended by striking "shall be fined not more than $25,000 or imprisoned not more than twenty years, or both" and inserting "shall be fined under this title or imprisoned not more than 20 years (or for life if the violation is based on a racketeering activity for which the maximum penalty includes life imprisonment), or both.".

SEC. 7059. INTERSTATE AGREEMENT ON DETAINERS ACT AMENDMENTS.

The Interstate Agreement on Detainers Act (84 Stat. 1397) is amended by adding at the end thereof the following new section:

"§ 9. Special Provisions when United States is a Receiving State

"Notwithstanding any provision of the agreement on detainers to the contrary, in a case in which the United States is a receiving State—

"(1) any order of a court dismissing any indictment, information, or complaint may be with or without prejudice. In determining whether to dismiss the case with or without prejudice, the court shall consider, among others, each of the following factors: The seriousness of the offense; the facts and circumstances of the case which led to the dismissal; and the impact of a reprosecution on the administration of the agreement on detainers and on the administration of justice; and

"(2) it shall not be a violation of the agreement on detainers if prior to trial the prisoner is returned to the custody of the sending State pursuant to an order of the appropriate court issued after reasonable notice to the prisoner and the United States and an opportunity for a hearing.".

SEC. 7060. CLERICAL CORRECTIONS RELATING TO CHAPTER 44.

(a) Section 924(c) Amendments.—Paragraph (1) of section 924(c) of title 18, United States Code, is amended—

(1) by striking "crime,," the first place it appears and inserting "crime";

(2) by striking "crime,," each other place it appears and inserting "crime,";

(3) by striking "including a crime" and inserting "(including a crime";

(4) by striking "crime, which" and inserting "crime which";

(5) by striking "device, for" and inserting "device) for"; and

(6) by striking ", or drug trafficking crime".

(b) Section 929 Amendment.—Paragraph (1) of section 929(a) of title 18, United States Code, is amended by striking "crime," each place it appears and inserting "crime".

(c) Section 922(g) Amendment.—Section 922(g)(3) of title 18, United States Code, is amended by inserting "who" before "is an unlawful user".

(d) Section 923 Amendments.—Section 923 of title 18, United States Code, is amended—

(1) in subsection (a), by striking the period that follows "licensing"; and

(2) in subsection (f)(3), by striking the period that follows a period.

SEC. 7061. INSERTION OF MISSING SUBSECTION HEADING.

Section 2706(c) of title 18, United States Code, is amended by inserting "Exception.—" after "(c)".

SEC. 7062. INSERTION OF MISSING TABLE.

Chapter 113A of title 18, United States Code, is amended by inserting after the heading of such chapter the following table:

"Sec. 2331. Terrorist acts abroad against United States nationals.".

SEC. 7063. CORRECTION OF ITEMS IN TABLES OF CHAPTERS.

(a) Chapter 113A.—The item relating to chapter 113A in the table of sections at the beginning of part I of title 18, United States Code, is amended by striking the final period and inserting "................2331".

(b) Chapter 121.—The item relating to chapter 121 in the table of sections at the beginning of part I of title 18, United States Code, is amended by striking "Wire and Electronic Communications and Transactional Records Access" and inserting "wire and electronic communications and transactional records access".

(c) Chapter 17A.—The item relating to chapter 17A in the table of sections at the beginning of part I of title 18, United States Code, is amended by striking "Carrier Operation Under the Influence of Alcohol or Drugs" and inserting "carrier operation under the influence of alcohol or drugs........341".

(d) Chapter 109A.—The item relating to chapter 109A in the table of sections at the beginning of part I of title 18, United States Code, is amended by striking "Abuse" and inserting "abuse".

(e) Chapter 11.—The item relating to chapter 11 in the table of sections at the beginning of part I of title 18, United States Code, is amended by striking "Bribery and graft" and inserting "Bribery, graft, and conflicts of interest".

SEC. 7064. INSERTION OF MISSING LETTER.

Section 794(d)(4) of title 18, United States Code, is amended by striking "amount" and inserting "amounts".

SEC. 7065. PUNCTUATION CORRECTION.

Section 1030(a)(2) of title 18, United States Code, is amended—

(1) by striking the comma that follows a comma; and

(2) by inserting a comma after "financial institution".

SEC. 7066. REFERENCE CORRECTION.

Section 2232(c) of title 18, United States Code, is amended by inserting "of 1978" after "Surveillance Act".

SEC. 7067. CONFORMING AMENDMENT TO TABLE OF SECTIONS.

The item relating to section 2710 in the table of sections at the beginning of chapter 121 of title 18, United States Code, is amended by inserting "for chapter" after "Definitions".

SEC. 7068. CORRECTION OF ITEM IN TABLE OF SECTIONS FOR CHAPTER 206.

The item relating to section 3123 in the table of sections at the beginning of chapter 206 of title 18, United States Code, is amended by striking "trap or trace" and inserting "trap and trace".

SEC. 7069. CORRECTION OF ITEMS IN TABLE OF SECTIONS FOR CHAPTER 46.

The items in the table of sections at the beginning of chapter 46 of title 18, United States Code, are each amended by striking "Forfeiture" and inserting "forfeiture".

SEC. 7070. CORRECTION OF TYPOGRAPHICAL ERROR.

Section 2422 of title 18, United States Code, is amended by striking "of foreign commerce" and inserting "or foreign commerce".

SEC. 7071. CONFORMING AMENDMENT TO TABLE OF SECTIONS FOR CHAPTER 117.

The item relating to section 2424 in the table of sections at the beginning of chapter 117 of title 18, United States Code, is amended by striking "female" and inserting "individual".

SEC. 7072. ELIMINATION OF CROSS REFERENCES TO REPEALED SECTION.

(a) Section 3401.—Section 3401(g) of title 18, United States Code, is amended by striking "and section 4216".

(b) Section 3522.—Section 3522(c) of title 18, United States Code, is amended by striking "4216" and inserting "4215".

(c) Section 4106.—Section 4106(b) of title 18, United States Code, is amended by striking "4216" and inserting "4215".

SEC. 7073. INSERTION OF MISSING WORD.

Section 3142(c)(3) of title 18, United States Code, is amended by inserting "the" before "order".

SEC. 7074. INSERTION OF MISSING COMMA.

Section 351(a) of title 18, United States Code, is amended by inserting a comma after "(as defined in section 3056 of this title)".

SEC. 7075. CORRECTIONS OF ERRORS IN FEDERAL RULES OF EVIDENCE.

(a) Insertion of Missing Word.—Rule 615 of the Federal Rules of Evidence is amended by inserting "a" before "party which is not a natural person.".

(b) Syntax Correction.—Rule 804(a)(5) of the Federal Rules of Evidence is amended by striking "subdivisions" and inserting "subdivision".

(c) Correction of Capitalization.—Rule 1101(a) of the Federal Rules of Evidence is amended—

(1) by striking "Rules" and inserting "rules"; and

(2) by striking "Courts of Appeals" and inserting "courts of appeals".

SEC. 7076. SUPERVISED RELEASE.

Rule 11(c)(1) of the Federal Rules of Criminal Procedure is amended by adding "or term of supervised release" after "special parole term".

SEC. 7077. INJUNCTIONS AGAINST FRAUD.

Section 1345 of title 18, United States Code, is amended by adding "or of section 287, 371 (insofar as such violation involves a conspiracy to defraud the United States or any agency thereof), or 1001 of this title" after "violation of this chapter,".

SEC. 7078. OBSTRUCTION OF FEDERAL AUDIT.

(a) OFFENSE.—Chapter 73 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1516. Obstruction of Federal audit

"(a) Whoever, with intent to deceive or defraud the United States, endeavors to influence, obstruct, or impede a Federal auditor in the performance of official duties relating to a person receiving in excess of $100,000, directly or indirectly, from the United States in any 1 year period under a contract or subcontract, shall be fined under this title, or imprisoned not more than 5 years, or both.

"(b) For purposes of this section the term 'Federal auditor' means any person employed on a full- or part-time or contractual basis to perform an audit or a quality assurance inspection for or on behalf of the United States.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 73 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"1516. Obstruction of Federal audit.".

SEC. 7079. UNAUTHORIZED USE OF THE TERM "SECRET SERVICE".

(a) UNAUTHORIZED USE.—Section 709 of title 18, United States Code, is amended by inserting after the undesignated paragraph relating to the Federal Bureau of Investigations the following new paragraph:

"Whoever, except with written permission of the Director of the United States Secret Service, knowingly uses the words 'Secret Service', 'Secret Service Uniformed Division', the initials 'U.S.S.S.', 'U.D.', or any colorable imitation of such words or initials, in connection with, or as a part of any advertisement, circular, book, pamphlet or other publication, play, motion picture, broadcast, telecast, other production, product, or item, in a manner reasonably calculated to convey the impression that such advertisement, circular, book, pamphlet or other publication, product, or item, is approved, endorsed, or authorized by or associated in any manner with, the United States Secret Service, or the United States Secret Service Uniformed Division; or".

(b) EFFECTIVE DATE.—This section shall take effect 90 days after the date of enactment of this Act.

SEC. 7080. AGGREGATION TO PERMIT PROSECUTION OF CERTAIN SCHEMES TO DEFRAUD MULTIPLE VICTIMS.

The second paragraph of section 2314 of title 18, United States Code, is amended by inserting "or persons" after "person" the first place it appears, and by inserting "or those persons" after "person" the second place it appears.

SEC. 7081. TIME FOR REFILING INDICTMENT OR INFORMATION FOLLOWING DISMISSAL.

(a) INDICTMENT WHERE DEFECT FOUND AFTER PERIOD OF LIMITATIONS.—Section 3288 of title 18, United States Code, is amended—

(1) by inserting after "within six calendar months of the date of the dismissal of the indictment or information" the following: ", or, in the event of an appeal, within 60 days of the date the dismissal of the indictment or information becomes final";

(2) by striking all beginning with "Whenever" through "for any cause," and inserting "Whenever an indictment or information charging a felony is dismissed for any reason";

(3) by adding at the end thereof the following: "This section does not permit the filing of a new indictment or information where the reason for the dismissal was the failure to file the indictment or information within the period prescribed by the applicable statute of limitations, or some other reason that would bar a new prosecution."; and

(4) so that the section heading reads as follows:

"§ 3288. Indictments and informations dismissed after period of limitations"

(b) INDICTMENT WHERE DEFECT FOUND BEFORE PERIOD OF LIMITATIONS.—Section 3289 of title 18, United States Code, is amended—

(1) by inserting after "within six calendar months of the date of the dismissal of the indictment or information" the following: "or, in the event of an appeal, within 60 days of the date the dismissal of the indictment or information becomes final";

(2) by striking all beginning with "Whenever" through "for any cause," and inserting "Whenever an indictment or information charging a felony is dismissed for any reason";

(3) by adding at the end thereof the following: "This section does not permit the filing of a new indictment or information where the reason for the dismissal was the failure to file the indictment or information within the period prescribed by the applicable statute of limitations, or some other reason that would bar a new prosecution."; and

(4) so that the section heading reads as follows:

"§ 3289. Indictments and informations dismissed before period of limitations".

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 213 of title 18, United States Code, is amended by striking the items for sections 3288 and 3289 and inserting the following:

"3288. Indictments and information dismissed after period of limitations.

"3289. Indictments and information dismissed before period of limitations.".

SEC. 7082. CRIMINAL FINES AMENDMENTS.

(a) APPLICATION OF GOVERNMENT PETITION FOR MODIFICATION OR REMISSION OF FINES TO OLD FINES.—Section 3573 of title 18, United States Code, is amended by adding at the end thereof the following: "This section shall apply to all fines and assessments irrespective of the date of imposition.".

(b) APPLICATION OF STATUTE OF LIMITATIONS FOR SPECIAL ASSESSMENTS TO OLD ASSESSMENTS.—Section 3013(c) of title 18, United States Code, is amended by adding at the end thereof the following: "This subsection shall apply to all assessments irrespective of the date of imposition.".

(c) APPLICATION OF WAIVER BY ATTORNEY GENERAL OF INTEREST OR PENALTY RELATING TO FINES TO OLD FINES.—Section 3612(h) of title 18, United States Code, is amended by inserting "or any interest or penalty relating to a fine imposed under any prior law" after "under this section".

(d) NOTICE REQUIREMENTS.—Sections 3612(d) and (e) of title 18, United States Code, are amended by striking ", by certified mail,".

SEC. 7083. SYNTAX CORRECTION TO MINIMUM SENTENCE PROVISION.

Section 994(n) of title 28, United States Code, is amended by striking "as minimum sentence" and inserting "as a minimum sentence".

SEC. 7084. REFUND OF FORFEITED BAIL.

(a) OFFENSE.—Chapter 207 of title 18, United States Code, is amended by adding the following new section after section 3150:

"§3151. Refund of forfeited bail

"Appropriations available to refund money erroneously received and deposited in the Treasury are available to refund any part of forfeited bail deposited into the Treasury and ordered remitted under the Federal Rules of Criminal Procedure.".

(b) SECTION ANALYSIS.—The section analysis for chapter 207 of title 18, United States Code, is amended by inserting at the appropriate place the following new item:

"§3151. Refund of forfeited bail.".

SEC. 7085. SPECIAL ASSESSMENTS ON PERSONS CONVICTED OF OFFENSES.

Paragraph (1) of section 3013(a) of title 18, United States Code, is amended to read as follows:

"(1) in the case of an infraction or a misdemeanor—

"(A) if the defendant is an individual—

"(i) the amount of $5 in the case of an infraction or a class C misdemeanor;

"(ii) the amount of $10 in the case of a class B misdemeanor; and

"(iii) the amount of $25 in the case of a class A misdemeanor; and

"(B) if the defendant is a person other than an individual—

"(i) the amount of $25 in the case of a infraction or a class C misdemeanor;

"(ii) the amount of $50 in the case of a class B misdemeanor; and

"(iii) the amount of $125 in the case of a class A misdemeanor.".

SEC. 7086. CONDITIONS OF PROBATION.

Section 3563(a)(2) of title 18, United States Code, is amended by inserting before the period ", unless the court finds on the record that extraordinary circumstances exist that would make such a condition plainly unreasonable, in which event the court shall impose one or more of the other conditions set forth under subsection (b)".

SEC. 7087. AUTHORITY TO OBTAIN ARREST WARRANT FOR FOREIGN FUGITIVE WHOSE SPECIFIC WHEREABOUTS ARE NOT KNOWN.

Section 3184 of title 18, United States Code, is amended by inserting after the first sentence the following: "Such complaint may be filed before and such warrant may be issued by a judge or magistrate of the United States District Court for the District of Columbia if the whereabouts within the United States of the person charged are not known.".

SEC. 7088. MISUSE OF SOCIAL SECURITY NUMBER.

Section 208 of the Social Security Act (42 U.S.C. 408) is amended—

(1) in the first undesignated paragraph, by striking "not more than $5,000" after "shall be fined" and inserting "under title 18, United States Code,";

(2) in the second undesignated paragraph, by striking "not more than $25,000" after "shall be fined" and inserting "under title 18, United States Code,"; and

(3) adding at the end the following: "For the purpose of subsection (g), the terms 'social security number' and 'social security account number' mean such numbers as are assigned by the Secretary under section 405(c)(2) of this title whether or not, in actual use, such numbers are called social security numbers.".

SEC. 7089. PETTY OFFENSE AMENDMENTS.

(a) TITLE 18.—Section 19 of title 18, United States Code, is amended by inserting

", for which the maximum fine is no greater than the amount set forth for such an offense in section 3571(b) (6) or (7) in the case of an individual or section 3571(c) (6) or (7) in the case of an organization" after "infraction".

(b) Rules of Procedure.—Rule 9 of the Rules of Procedure for the Trial of Misdemeanors before United States Magistrates is amended to read as follows:

"Rule 9. Definition

"As used in these rules, 'petty offense' has the meaning set forth in 18 U.S.C. §19.".

(c) Federal Rules of Criminal Procedure.—Rule 54 of the Federal Rules of Criminal Procedure is amended in the definition of "petty offense" to read as follows:

"'Petty offense' has the meaning set forth in 18 U.S.C. §19.".

SEC. 7090. NONMAILABILITY OF LOCKSMITHING DEVICES.

(a) In General.—Title 39, United States Code, is amended by inserting after section 3002 the following:

"§ 3002a. Nonmailability of locksmithing devices.

"(a) Any locksmithing device is nonmailable mail, shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs, unless such device is mailed to—

"(1) a lock manufacturer or distributor;

"(2) a bona fide locksmith;

"(3) a bona fide repossessor; or

"(4) a motor vehicle manufacturer or dealer.

"(b) For the purpose of this section, 'locksmithing device' means—

"(1) a device or tool (other than a key) designed to manipulate the tumblers in a lock into the unlocked position through the keyway of such lock;

"(2) a device or tool (other than a key or a device or tool under paragraph (1)) designed for the unauthorized opening or bypassing of a lock or similar security device; and

"(3) a device or tool designed for making an impression of a key or similar security device to duplicate such key or device.".

(b) Clerical Amendment.—The table of sections at the beginning of chapter 30 of title 39, United States Code, is amended by inserting after the item relating to section 3002 the following:

"3002a. Nonmailability of locksmithing devices.".

(c) Penalties.—Section 1716A of title 18, United States Code, is amended—

(1) by inserting "**locksmithing devices and**" before "**motor vehicle**" in the section heading;

(2) by inserting "(a)" before "Whoever"; and

(3) by striking out "fined not more than $1,000, or" and inserting "under this title"; and

(4) by adding at the end the following:

"(b) Whoever knowingly deposits for mailing or delivery, causes to be delivered by mail, or causes to be delivered by any interstate mailing or delivery other than by the United States Postal Service, any matter declared to be nonmailable by section 3002a of title 39, shall be fined under this title, imprisoned not more than one year, or both.".

(d) Clerical Amendment.—The table of sections for chapter 83 of title 18, United States Code, is amended by striking out the item relating to section 1716A and inserting the following:

"1716A. Nonmailable locksmithing devices and motor vehicle master keys.".

SEC. 7091. BAIL PENDING APPEAL.

Section 3143(b) of title 18, United States Code, is amended by—

(1) striking subparagraph (2) and inserting the following:

"(2) that the appeal is not for the purpose of delay and raises a substantial question of law or fact likely to result in—

"(A) reversal,

"(B) an order for a new trial,

"(C) a sentence that does not include a term of imprisonment, or

"(D) a reduced sentence to a term of imprisonment less than the total of the time already served plus the expected duration of the appeal process."; and

(2) inserting before the final period the following: ", except that in the circumstance described in paragraph (b)(2)(D), the judicial officer shall order the detention terminated at the expiration of the likely reduced sentence".

SEC. 7092. EMERGENCY PEN REGISTER AND TRAP AND TRACE DEVICE INSTALLATION.

(a) Chapter 206 of title 18, United States Code is amended—

(1) by renumbering sections 3125 and 3126 as sections 3126 and 3127 respectively; and

(2) by adding after section 3124 the following new section:

"§ 3125. Emergency pen register and trap and trace device installation

"(a) Notwithstanding any other provision of this chapter, any investigative or law enforcement officer, specially designated by the Attorney General, the Deputy Attorney General, the Associate Attorney General, any Assistant Attorney General, any acting Assistant Attorney General, or any Deputy Assistant Attorney General, or by the principal prosecuting attorney of any State or subdivision thereof acting pursuant to a statute of that State, who reasonably determines that—

"(1) an emergency situation exists that involves—

"(A) immediate danger of death or serious bodily injury to any person; or

"(B) conspiratorial activities characteristic of organized crime,

that requires the installation and use of a pen register or a trap and trace device before an order authorizing such installation and use can, with due diligence, be obtained, and

"(2) there are grounds upon which an order could be entered under this chapter to authorize such installation and use 'may have installed and use a pen register or trap and trace device if, within forty-eight hours after the installation has occurred, or begins to occur, an order approving the installation or use is issued in accordance with section 3123 of this title.'

"(b) In the absence of an authorizing order, such use shall immediately terminate when the information sought is obtained, when the application for the order is denied or when forty-eight hours have lapsed since the installation of the pen register or trap and trace device, whichever is earlier.

"(c) The knowing installation or use by any investigative or law enforcement officer of a pen register or trap and trace device pursuant to subsection (a) without application for the authorizing order within forty-eight hours of the installation shall constitute a violation of this chapter.

"(d) A provider for a wire or electronic service, landlord, custodian, or other person who furnished facilities or technical assistance pursuant to this section shall be reasonably compensated for such reasonable expenses incurred in providing such facilities and assistance.".

(b)(1) Section 3124(d) of title 18, United States Code, is amended by adding after the words "court order under this chapter" the words "or request pursuant to section 3125 of this title".

(2) Section 3124(e) of title 18, United States Code, is amended by adding after the words "court order" the words "under this chapter, a request pursuant to section 3125 of this title".

(c) The table of sections for chapter 206 of title 18, United States Code, is amended—

(1) by renumbering the items for sections 3125 and 3126 as sections 3126 and 3127, respectively; and

(2) by inserting the following new item: "3125. Emergency pen register and trap and trace device installation".

(d) Section 3124(b) of title 18, United States Code, is amended by adding after the words "shall be furnished" the words ", pursuant to subsection 3123(b) or section 3125 of this title,".

SEC. 7093. AUTHORITY OF FEDERAL PRISON INDUSTRIES TO BORROW AND INVEST FUNDS.

(a) Grant of Authority.—Chapter 307 of title 18, United States Code, is amended by inserting after section 4128 the following new section:

"§ 4129. Authority to borrow and invest

"(a)(1) As approved by the board of directors, Federal Prison Industries, to such extent and in such amounts as are provided in appropriations Acts, is authorized to issue its obligations to the Secretary of the Treasury, and the Secretary of the Treasury, in the Secretary's discretion, may purchase or agree to purchase any such obligations, except that the aggregate amount of obligations issued by Federal Prison Industries under this paragraph that are outstanding at any time may not exceed 25 percent of the net worth of the corporation. For purchases of such obligations by the Secretary of the Treasury, the Secretary is authorized to use as a public debt transaction the proceeds of the sale of any securities issued under chapter 31 of title 31 after the date of the enactment of this section, and the purposes for which securities may be issued under that chapter are extended to include such purchases. Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. For purposes of the first sentence of this paragraph, the net worth of Federal Prison Industries is the amount by which its assets (including capital) exceed its liabilities.

"(2) The Secretary of the Treasury may sell, upon such terms and conditions and at such price or prices as the Secretary shall determine, any of the obligations acquired by the Secretary under this subsection. All purchases and sales by the Secretary of the Treasury of such obligations under this subsection shall be treated as public debt transactions of the United States.

"(b) Federal Prison Industries may request the Secretary of the Treasury to invest excess moneys from the Prison Industries Fund. Such investments shall be in public debt securities with maturities suitable to the needs of the corporation as determined by the board directors, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 307 of title 18, United States Code, is amended by adding at the end the following new item:

"4129. Authority to borrow and invest.".

SEC. 7094. USE OF FUNDS.

Section 4126 of title 18, United States Code, is amended—

(1) by designating the first through fifth paragraphs as subsections (a) through (e), respectively;

(2) by amending subsection (c), as designated by paragraph (1) of this section, to read as follows:

"(c) The corporation, in accordance with the laws generally applicable to the expenditures of the several departments, agencies, and establishments of the Government, is authorized to employ the fund, and any earnings that may accrue to the corporation—

"(1) as operating capital in performing the duties imposed by this chapter;

"(2) in the lease, purchase, other acquisition, repair, alteration, erection, and maintenance of industrial buildings and equipment;

"(3) in the vocational training of inmates without regard to their industrial or other assignments;

"(4) in paying, under rules and regulations promulgated by the Attorney General, compensation to inmates employed in any industry, or performing outstanding services in institutional operations, and compensation to inmates or their dependents for injuries suffered in any industry or in any work activity in connection with the maintenance or operation of the institution in which the inmates are confined.

In no event may compensation for such injuries be paid in an amount greater than that provided in chapter 81 of title 5."; and

(3) by adding at the end the following:

"(f) Funds available to the corporation may be used for the lease, purchase, other acquisition, repair, alteration, erection, or maintenance of facilities only to the extent such facilities are necessary for the industrial operations of the corporation under this chapter. Such funds may not be used for the construction or acquisition of penal or correctional institutions, including camps described in section 4125.".

SEC. 7095. REPORTS TO CONGRESS.

Section 4127 of title 18, United States Code, is amended to read as follows:

"The board of directors of Federal Prison Industries shall submit an annual report to the Congress on the conduct of the business of the corporation during each fiscal year, and on the condition of its funds during such fiscal year. Such report shall include a statement of the amount of obligations issued under section 4129(a)(1) during such fiscal year, and an estimate of the amount of obligations that will be so issued in the following fiscal year.".

SEC. 7096. GUIDELINES AND PUBLIC COMMENT ON NEW OR EXPANDED PRODUCTION BY FEDERAL PRISON INDUSTRIES.

Section 4122(b) of title 18, United States Code, is amended—

(1) by inserting "(1)" after "(b)";

(2) by striking out "all physically fit inmates in the United States penal and correctional institutions" and inserting in lieu thereof "the greatest number of those inmates in the United States penal and correctional institutions who are eligible to work as is reasonably possible"; and

(3) by adding at the end thereof the following:

"(2) Federal Prison Industries shall conduct its operations so as to produce products on an economic basis, but shall avoid capturing more than a reasonable share of the market among Federal departments, agencies, and institutions for any specific product. Federal Prison Industries shall concentrate on providing to the Federal Government only those products which permit employment of the greatest number of those inmates who are eligible to work as is reasonably possible.

"(3) Federal Prison Industries shall diversify its products so that its sales are distributed among its industries as broadly as possible.

"(4) Any decision by Federal Prison Industries to produce a new product or to significantly expand the production of an existing product shall be made by the board of directors of the corporation. Before the board of directors makes a final decision, the corporation shall do the following:

"(A) The corporation shall prepare a detailed written analysis of the probable impact on industry and free labor of the plans for new production or expanded production. In such written analysis the corporation shall, at a minimum, identify and consider—

"(i) the number of vendors currently meeting the requirements of the Federal Government for the product;

"(ii) the proportion of the Federal Government market for the product currently served by small businesses, small disadvantaged businesses, or businesses operating in labor surplus areas;

"(iii) the size of the Federal Government and non-Federal Government markets for the product;

"(iv) the projected growth in the Federal Government demand for the product; and

"(v) the projected ability of the Federal Government market to sustain both Federal Prison Industries and private vendors.

"(B) The corporation shall announce in a publication designed to most effectively provide notice to potentially affected private vendors the plans to produce any new product or to significantly expand production of an existing product. The announcement shall also indicate that the analysis prepared under subparagraph (A) is available through the corporation and shall invite comments from private industry regarding the new production or expanded production.

"(C) The corporation shall directly advise those affected trade associations that the corporation can reasonably identify the plans for new production or expanded production, and the corporation shall invite such trade associations to submit comments on those plans.

"(D) The corporation shall provide to the board of directors—

"(i) the analysis prepared under subparagraph (A) on the proposal to produce a new product or to significantly expand the production of an existing product,

"(ii) comments submitted to the corporation on the proposal, and

"(iii) the corporation's recommendations for action on the proposal in light of such comments.

In addition, the board of directors, before making a final decision under this paragraph on a proposal, shall, upon the request of an established trade association or other interested representatives of private industry, provide a reasonable opportunity to such trade association or other representatives to present comments directly to the board of directors on the proposal.

"(5) Federal Prison Industries shall publish in the manner specified in paragraph (4)(B) the final decision of the board with respect to the production of a new product or the significant expansion of the production of an existing product.

"(6) Federal Prison Industries shall publish, after the end of each 6-month period, a list of sales by the corporation for that 6-month period. Such list shall be made available to all interested parties.".

Subtitle C—Sentencing Amendments

SEC. 7101. PRISONERS TRANSFERRED TO THE UNITED STATES.

(a) PRISONERS TRANSFERRED TO THE UNITED STATES.—Chapter 306 of title 18, United States Code, is amended by inserting after section 4106 the following:

"§ 4106A. Transfer of offenders on parole; parole offenders transferred

"(a) Upon the receipt of an offender who is on parole from the authorities of a foreign country, the Attorney General shall assign the offender to the United States Parole Commission for supervision.

"(b)(1)(A) The United States Parole Commission shall, without unnecessary delay, determine a release date and a period and conditions of supervised release for an offender transferred to the United States to serve a sentence of imprisonment, as though the offender were convicted in a United States district court of a similar offense.

"(B) In making such determination, the United States Parole Commission shall consider—

"(i) any recommendation of the United States Probation Service, including any recommendation as to the applicable guideline range; and

"(ii) any documents provided by the transferring country;

relating to that offender.

"(C) The combined periods of imprisonment and supervised release that result from such determination shall not exceed the term of imprisonment imposed by the foreign court on that offender.

"(D) The duties conferred on a United States probation officer with respect to a defendant by section 3552 of this title shall, with respect to an offender so transferred, be carried out by the United States Probation Service.

"(2)(A) A determination by the United States Parole Commission under this subsection may be appealed to the United States court of appeals for the circuit in which the offender is imprisoned at the time of the determination of such Commission. Notice of appeal must be filed not later than 45 days after receipt of notice of such determination.

"(B) The court of appeals shall decide and dispose of the appeal in accordance with section 3742 of this title as though the determination appealed had been a sentence imposed by a United States district court.

"(3) During the supervised release of an offender under this subsection, the United States district court for the district in which the offender resides shall supervise the offender.

"(c) This section shall apply only to offenses committed on or after November 1, 1987.".

(b) Technical Amendment.—Section 4108(a) of title 18, United States Code, is amended by striking out "including any term of imprisonment" and all that follows through "28 U.S.C. 994(a)(1),".

(c) Clerical Amendment.—The table of sections at the beginning of chapter 306 of title 18, United States Code, is amended by inserting after the item relating to section 4106 the following:

"4106A. Transfer of offenders on parole; parole of offenders transferred.".

(d) Appointment of Guardians ad Litem and Provision of Counsel.—Section 4109 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "In proceedings"; and

(2) by adding at the end the following:

"(b) Guardians ad litem appointed by the verifying officer under section 4100 of this title to represent offenders who are financially unable to provide for compensation and travel expenses of the guardian ad litem shall be compensated and reimbursed under subsection (a)(1) of this section.

"(c) The offender shall have the right to advice of counsel in proceedings before the United States Parole Commission under section 4106A of this title and in an appeal from a determination of such Commission under such section. If the offender is financially unable to obtain counsel, counsel for such proceedings and appeal shall be appointed under section 3006A of this title.".

(e) Consent to Transfer by Guardians for Incompetents; Appointment of Guardian Independent of Appointment of Counsel.—Section 4100(b) of title 18, United States Code, is amended—

(1) in the last sentence, by—

(A) inserting ", or is deemed by the verifying officer to be mentally incompetent or otherwise incapable of knowingly and voluntarily consenting to the transfer," after "under eighteen years of age"; and

(B) inserting ", guardian ad litem," after "guardian"; and

(2) by adding at the end the following: "The appointment of a guardian ad litem shall be independent of the appointment of counsel under section 4109 of this title.".

(f) Conforming Amendments and Compensation Maxima Relating to Provision of Counsel.—(1) Section 3006A(a)(1) of title 18, United States Code, is amended—

(A) by striking "or" at the end of subparagraph (H);

(B) by striking the period at the end of subparagraph (I) and inserting "; or"; and

(C) by adding at the end the following:

"(J) is entitled to the appointment of counsel under section 4109 of this title.".

(2) Section 3006A(d)(2) of title 18, United States Code, is amended by inserting after the second sentence the following: "For representation of an offender before the United States Parole Commission in a proceeding under section 4106A of this title, the compensation shall not exceed $750 for each attorney in each proceeding; for representation of an offender in an appeal from a determination of such Commission under such section, the compensation shall not exceed $2,500 for each attorney in each court."

SEC. 7102. RECORDS OTHER THAN TRANSCRIPTS.

Section 3553(c) of title 18, United States Code, is amended by—

(1) inserting after "transcription" the following: "or other appropriate public record"; and

(2) striking "clerk of the" in the last sentence.

SEC. 7103. STANDARD OF REVIEW.

(a) Title 18 Amendment.—Section 3742 of title 18, United States Code, is amended—

(1) in subsections (a)(2) and (b)(2), by striking "issued by the Sentencing Commission pursuant to 28 U.S.C. 994(a)";

(2) by striking paragraph (3) of subsection (a) and inserting the following:

"(3) is greater than the sentence specified in the applicable guideline range to the extent that the sentence includes a greater fine or term of imprisonment, probation, or supervised release than the maximum established in the guideline range, or includes a more limiting condition of probation or supervised release under section 3563(b)(6) or (b)(11) than the maximum established in the guideline range; or";

(3) by striking paragraph (3) of subsection (b) and inserting the following:

"(3) is less than the sentence specified in the applicable guideline range to the extent that the sentence includes a lesser fine or term of imprisonment, probation, or supervised release than the minimum established in the guideline range, or includes a less limiting condition of probation or supervised release under section 3563(b)(6) or (b)(11) than the minimum established in the guideline range; or";

(4) by striking paragraph (4) of subsection (a) and inserting the following:

"(4) was imposed for an offense for which there is no sentencing guideline and is plainly unreasonable.";

(5) in subsection (b)—

(A) by striking paragraph (4) through the end and inserting the following:

"(4) was imposed for an offense for which there is no sentencing guideline and is plainly unreasonable."; and

(B) by inserting after "The Government" the following: ", with the personal approval of the Attorney General or the Solicitor General,";

(6) in subsections (d)(3) and (e)(2), by striking "range of the applicable sentencing guideline" and inserting "applicable guideline range";

(7) in the second sentence of subsection (d), by inserting "and shall give due deference to the district court's application of the guidelines to the facts" after "clearly erroneous";

(8) by inserting a new subsection (c), as follows, and by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively:

"(c) Plea Agreements.—In the case of a plea agreement that includes a specific sentence under rule 11(e)(1)(C) of the Federal Rules of Criminal Procedure—

"(1) a defendant may not file a notice of appeal under paragraph (3) or (4) of subsection (a) unless the sentence imposed is greater than the sentence set forth in such agreement; and

"(2) the Government may not file a notice of appeal under paragraph (3) or (4) of subsection (b) unless the sentence imposed is less than the sentence set forth in such agreement."; and

(9) by adding at the end of the section the following new subsection:

"(h) Guideline Not Expressed as a Range.—For the purpose of this section, the term 'guideline range' includes a guideline range having the same upper and lower limits.".

(b) Title 28 Amendment.—Section 994(a)(1) of title 28, United States Code, is amended—

(1) in subparagraph (C), by striking out "term; and" and inserting "term;";

(2) in subparagraph (D), by inserting "and" after "consecutively;"; and

(3) by adding at the end thereof the following:

"(E) a determination under paragraphs (6) and (11) of section 3563(b) of title 18;".

SEC. 7104. HIRING OUTSIDE COUNSEL.

Section 995(a) of title 28, United States Code, is amended by—

(1) striking "and" at the end of paragraph (21);

(2) striking the period at the end of paragraph (22) and inserting "; and"; and

(3) adding at the end thereof the following:

"(23) retain private attorneys to provide legal advice to the Commission in the conduct of its work, or to appear for or represent the Commission in any case in which the Commission is authorized by law to represent itself, or in which the Commission is representing itself with the consent of the Department of Justice; and the Commission may in its discretion pay reasonable attorney's fees to private attorneys employed by it out of its appropriated funds. When serving as officers or employees of the United States, such private attorneys shall be considered special government employees as defined in section 202(a) of title 18; and".

SEC. 7105. POWERS OF THE COMMISSION.

Section 995(a)(2) of title 28, United States Code, is amended by striking "grade 18 of the General Schedule pay rates (5 U.S.C. §5332)" and inserting "Level 6 of the Senior Executive Service Schedule (5 U.S.C. §5382)".

SEC. 7106. GRANTING INCENTIVE AWARDS.

(a) Defined as Agency.—Section 4501(1) of title 5, United States Code, is amended by—

(1) striking "and" at the end of subparagraph (F);

(2) adding "and" at the end of subparagraph (G); and

(3) adding at the end thereof the following:

"(H) the United States Sentencing Commission;".

(b) Powers of Commission.—Section 995(a) of title 28, United States Code, is amended by adding at the end thereof the following:

"(24) grant incentive awards to its employees pursuant to chapter 45 of title 5, United States Code.".

(c) Incentive Awards.—Section 996(b) of title 28, United States Code, is amended by inserting before "81", the following: "45 (Incentive Awards),".

SEC. 7107. TECHNICAL CORRECTION.

Section 3582(c) of title 18, United States Code, is amended by striking "28 U.S.C. 994(n)" and inserting "28 U.S.C. 994(o)".

SEC. 7108. PROTECTION OF PUBLIC.

(a) Conditions.—Section 3583(d) of title 18, United States Code, is amended—

(1) in paragraph (1) by inserting "(a)(2)(C)," after "(a)(2)(B),"; and

(2) in paragraph (2) by inserting "(a)(2)(C)," after "(a)(2)(B),".

(b) Modification or Revocation.—Section 3583(e) of title 18, United States Code, is amended—

(1) by inserting "(a)(2)(C)," after "(a)(2)(B),";

(2) in paragraph (2), by inserting "or" after "supervision;";

(3) by striking out paragraph (3); and

(4) by redesignating paragraph (4) as paragraph (3).

SEC. 7109. AUTHORITY TO AMEND GUIDELINES.

Subsection (p) of section 994 of title 28, United States Code, is amended to read as follows:

"(p) The Commission, at or after the beginning of a regular session of Congress, but not later than the first day of May, may promulgate under subsection (a) of this section and submit to Congress amendments to the guidelines and modifications to previously submitted amendments that have not taken effect, including modifications to the effective dates of such amendments. Such an amendment or modification shall be accompanied by a statement of the reasons therefor and shall take effect on a date specified by the Commission, which shall be no earlier than 180 days after being so submitted and no later than the first day of November of the calendar year in which the amendment or modification is submitted, except to the extent that the effective date is revised or the amendment is otherwise modified or disapproved by Act of Congress.".

SEC. 7110. CLARIFICATION OF RESTITUTION PROVISION.

Sec. 3563(b)(3) of title 18, United States Code, is amended by striking "3556" and inserting "3663 and 3664 (but not subject to the limitations of 3663(a))".

SEC. 7111. AMENDMENT TO RULE 4, RULES OF APPELLATE PROCEDURE.

Rule 4(b) of the Rules of Appellate Procedure is amended—

(1) in the first sentence, by inserting "(i)" after "entry of", and inserting "or (ii) a notice of appeal by the Government" at the end; and

(2) in the sentence beginning "When an appeal by the government is authorized", by inserting "(i) after "entry of", and inserting "or (ii) a notice of appeal by any defendant" at the end.

Subtitle D—Victim Compensation and Assistance

SEC. 7121. VICTIMS OF CRIME ACT OF 1984 REAUTHORIZATION.

(a) In General.—Subsection (c) of section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601(c)) is amended to read as follows:

"(c)(1)(A) If the total deposited in the Fund during a particular fiscal year reaches the ceiling sum described in subparagraph (B), the excess over the ceiling sum shall not be part of the Fund. The first $2,200,000 of such excess shall be available to the judicial branch for administrative costs to carry out the functions of the judicial branch under sections 3611 and 3612 of title 18, United States Code, and the remaining excess shall be deposited in the general fund of the Treasury.

"(B) The ceiling sum referred to in subparagraph (A) is—

"(i) $125,000,000 through fiscal year 1991; and

"(ii) $150,000,000 thereafter through fiscal year 1994.

"(2) No deposits shall be made in the Fund after September 30, 1994.".

(b) Use of Sums in Excess of Prior Cap.—(1) Section 1402(d)(2) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(d)(2)) is amended by adding at the end the following:

"(D) Any deposits in the Fund in a particular fiscal year in excess of $110,000,000 shall be available as follows:

"(i) 47.5 percent shall be available for grants under section 1403;

"(ii) 47.5 percent shall be available for grants under section 1404(a); and

"(ii) 5 percent shall be available for grants under section 1404(c)(1)(B).".

(2) Section 1402(d)(2)(C) of the Victims of Crime Act of 1984 (42 U.S.C. 10601(d)(2)(C)) is amended by inserting ", but not in excess of $110,000,000," after "$105,500,000".

SEC. 7122. VICTIMS ASSISTANCE AMENDMENT.

Section 1404(a)(2) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(a)(2)) is amended—

(1) by inserting after subparagraph (A) the following:

"(B) certify that funds shall be made available for grants to programs which serve previously underserved populations of victims of violent crime. The Director, after consultation with State and local officials and representatives from private organizations, shall issue guidelines to implement this section that provide flexibility to the States in determining the populations of victims of violent crimes that may be underserved in their respective States;"; and

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D) accordingly.

SEC. 7123. ESTABLISHMENT OF OFFICE FOR VICTIMS OF CRIME.

(a) In General.—The Victims of Crime Act of 1984 (42 U.S.C. 10601 et seq.) is amended by adding at the end the following:

"ESTABLISHMENT OF OFFICE FOR VICTIMS OF CRIME

"Sec. 1411. (a) There is established within the Department of Justice an Office for Victims of Crime (hereinafter in this chapter referred to as the 'Office').

"(b) The Office shall be headed by a Director (referred to in this chapter as the 'Director'), who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall report to the Attorney General through the Assistant Attorney General for the Office of Justice Programs and shall have final authority for all grants, cooperative agreements, and contracts awarded by the Office. The Director shall not engage in any employment other than that of serving as the Director, nor shall the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Office makes any contract or other agreement under this part.

"(c) The Director shall have the following duties:

"(1) Administering funds made available by section 1402.

"(2) Providing funds to eligible States pursuant to sections 1403 and 1404.

"(3) Establishing programs in accordance with section 1404(c) on terms and conditions determined by the Director to be consistent with that subsection.

"(4) Cooperating with and providing technical assistance to States, units of local government, and other public and private organizations or international agencies involved in activities related to crime victims.

"(5) Such other functions as the Attorney General may delegate.".

(b) Conforming Amendments.—

(1) Section 1403(a)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10602) is amended by striking "Attorney General" and inserting "Director".

(2) Section 1403(a)(2) of the Victims of Crime Act of 1984 (42 U.S.C. 10602) is amended by striking "Attorney General" and inserting "Director".

(3) Section 1403(b)(6) of the Victims of Crime Act of 1984 (42 U.S.C. 10602) is amended by striking "Attorney General" and inserting "Director".

(4) Section 1404(a)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10603) is amended by striking "Attorney General" and inserting "Director".

(5) Section 1404(a)(2)(C) of the Victims of Crime Act of 1984 (42 U.S.C. 10603) is amended by striking "Attorney General" and inserting "Director".

(6) Section 1404(c)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10603) is amended by striking "Attorney General, acting through the Assistant Attorney General for the Office of Justice Programs" and inserting "Director".

(7) Section 1404(c)(3) of the Victims of Crime Act of 1984 (42 U.S.C. 10603) is amended by striking "Assistant Attorney General for the Office of Justice Programs" and inserting "Director".

(8) Section 1404(c)(3)(D) of the Victims of Crime Act of 1984 (42 U.S.C. 10603) is amended by striking "Attorney General may assign" and inserting "Director deems appropriate".

(9) Section 1404(c)(4) of the Victims of Crime Act of 1984 (42 U.S.C. 10603) is amended by striking "Attorney General" and inserting "Director".

(10) Section 1407(a) of the Victims of Crime Act of 1984 (42 U.S.C. 10604) is amended by—

(A) striking "Attorney General" each place it appears and inserting "Director"; and

(B) striking "and may delegate to any officer or employee of the Department of Justice any such function as the Attorney General deems appropriate".

(11) Section 1407(b) of the Victims of Crime Act of 1984 (42 U.S.C. 10604) is amended by striking "Attorney General" and inserting "Director".

(12) Section 1407(c) of the Victims of Crime Act of 1984 (42 U.S.C. 10604) is amended by striking "Attorney General or any duly authorized representative of the Attorney General" and inserting "Director".

(13) Section 1407(f) of the Victims of Crime Act of 1984 (42 U.S.C. 10604) is amended by striking "Attorney General" each place it appears and inserting "Director".

(14) Section 1407(g) of the Victims of Crime Act of 1984 (42 U.S.C. 10604) is amended by—

(A) striking "Attorney General" each place it appears and inserting "Director"; and

(B) striking "no later than December 31, 1987" and inserting "on December 31, 1990, and on December 31 every 2 years thereafter".

SEC. 7124. GRANTS FOR INDIAN COUNTRY.

Section 1402 of the Victims of Crime Act of 1984 is amended by adding at the end the following:

"(g)(1) The Attorney General, acting through the Director, shall use 15 percent of the funds available under subsection (d)(2)(A)(iv) to make grants for the purpose of assisting Native American Indian tribes in developing, establishing, and operating programs designed to improve—

"(A) the handling of child abuse cases, particularly cases of child sexual abuse, in a manner which limits additional trauma to the child victim; and

"(B) the investigation and prosecution of cases of child abuse, particularly child sexual abuse.".

"(2) As used in this subsection, the term "tribe" has the meaning given that term in section 4(b) of the Indian Self-Determination and Education Assistance Act.".

SEC. 7125. OTHER AMENDMENTS TO VICTIMS OF CRIME ACT OF 1984.

(a) New Criteria.—Section 1403(b) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(b)) is amended—

(1) by inserting after paragraph (5) the following:

"(6) such program provides compensation to residents of the State who are victims of crimes occurring outside the State if—

"(A) the crimes would be compensable crimes had they occurred inside that State; and

"(B) the places the crimes occurred in are States not having eligible crime victim compensation programs;

"(7) such program does not, except pursuant to rules issued by the program to prevent unjust enrichment of the offender, deny compensation to any victim because of that victim's familial relationship to the offender, or because of the sharing of a residence by the victim and the offender; and"; and

(2) by redesignating paragraph (6) as paragraph (8).

(b) Increase of State Annual Grant Amount.—Section 1403(a) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(a)) is amended by striking out "35 percent" each place it appears and inserting "40 percent" in lieu thereof.

(c) Adding Victims of Drunk Driving and Domestic Violence.—(1) Paragraph (1) of section 1403(b) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(b)(1)) is amended to read as follows:

"(1) such program is operated by a State and offers compensation to victims and survivors of victims of criminal violence, including drunk driving and domestic violence;".

(2) Section 1403(d)(3) of the Victims of Crime Act (42 U.S.C. 10602(d)(3)) is amended by inserting ", and includes driving while intoxicated and domestic violence" after "program".

(d) Change in Victim Compensation Criteria.—Section 1403(b)(5) (42 U.S.C. 10602(b)(5)) of the Victims of Crime Act of 1984 is amended to read as follows:

"(5) such program provides compensation to victims of Federal crimes occurring within the State on the same basis that such program provides compensation to victims of State crimes;".

(e) Removal of Obsolete Provision.—Section 1403 of the Victims of Crime Act of 1984 (42 U.S.C. 10602) is amended by striking subsection (c).

SEC. 7126. TREATMENT OF EYEGLASSES.

(a) Not To Be Considered Property.—Section 1403(d)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(d)(1)) is amended by inserting ", eyeglasses or other corrective lenses," after "prosthetic devices".

(b) To Be Included in Medical Expenses.—Section 1403(d)(2) of the Victims of Crime Act of 1984 (42 U.S.C. 10602(d)(2)) is amended—

(1) by inserting "eyeglasses and other corrective lenses, for" after "crime victim compensation program, expenses for"; and

(2) by inserting a comma after "prosthetic devices".

SEC. 7127. INCLUSION OF VIRGIN ISLANDS AS STATE FOR ALL PURPOSES OF ACT.

Section 1404(d)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(d)(1)) is amended by inserting "the United States Virgin Islands," after "the Commonwealth of Puerto Rico,".

SEC. 7128. ALLOCATION TO STATES.

(a) In General.—(1) Section 1404(a)(3) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(a)(3)) is amended by striking out "$100,000" and inserting "the base amount" in lieu thereof.

(b) Conforming Amendment.—Section 1404(a)(4) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(a)(4)) is amended by striking out "$100,000" and inserting "the base amount" in lieu thereof.

(c) Definition.—Section 1404(a) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(a)) is amended by adding at the end the following:

"(5) As used in this subsection, the term "base amount" means—

"(A) $150,000 for fiscal years 1989 through 1991; and

"(B) $200,000 thereafter through fiscal year 1994.".

SEC. 7129. TRANSITION RULE.

The amendments made by this chapter shall not apply with respect to a State compensation program that was an eligible State crime victim compensation program on the date of the enactment of this Act until October 1, 1990.

SEC. 7130. RETROACTIVE TRANSFER TO FUND.

An amount equivalent to those sums which would have been placed in the Fund under section 1402(b) of the Victims of Crime Act, but for the effect of section 1402(c)(2) of such Act, is hereby transferred to the Fund from any sums not appropriated from the general treasury.

Subtitle E—Federal Aviation Administration Drug Enforcement Assistance

SEC. 7201. SHORT TITLE.

This subtitle may be cited as the "Federal Aviation Administration Drug Enforcement Assistance Act of 1988".

SEC. 7202. FINDINGS AND POLICY.

(a) Findings.—Congress makes the following findings:

(1) Illegal drug consumption and the trafficking in illegal drugs is a major problem in the United States.

(2) The smuggling of drugs into the United States through the use of general aviation aircraft is a major contributing factor in the illegal drug crisis facing our Nation.

(3) The Federal Government has a significant role in combatting such drug crisis.

(4) The Federal Aviation Administration has played an important role in assisting law enforcement agencies in certain aspects of drug interdiction and enforcement activities.

(5) The current systems of registering aircraft, certificating pilots, and processing major aircraft repair and alteration forms and enforcement of the requirements associated with such systems need to be improved in order to more effectively contribute to drug interdiction and enforcement efforts.

(6) Improving such systems and enforcement of such requirements will require providing the Federal Aviation Administration with additional funding and other resources.

(7) Improved systems of registering aircraft, certificating pilots, and processing major aircraft repair and alteration forms and increased enforcement of requirements associated with such systems will benefit all users of such systems (including law enforcement officials) and the general public.

(b) Policy.—Section 103 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1303) is amended by redesignating paragraphs (a), (b), (c), (d), and (e) (and any references thereto) as paragraphs (1), (2), (3), (4), and (5), respectively, by striking out the semicolons at the end of each of paragraphs (1), (2), (3), and (4) (as so redesignated) and inserting in lieu thereof a period, and by adding at the end thereof the following new paragraph:

"(6) The provision of assistance to law enforcement agencies in the enforcement of laws relating to the regulation of controlled substances, to the extent consistent with aviation safety.".

SEC. 7203. AIRCRAFT REGISTRATION SYSTEM.

(a) Modification Authority.—Section 501 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1401) is amended by adding at the end thereof the following new subsection:

"(h) Modification of System.—The Administrator is authorized and directed to make such modifications in the system established under this title for registration and recordation of aircraft as may be necessary to make such system more effective in serving the needs of buyers and sellers of aircraft, officials responsible for enforcement of laws relating to the regulation of controlled substances (as defined in section 102 of the Controlled Substances Act), and other users of such system. Such modifications may include a system of titling aircraft or of registering all aircraft whether or not operated, shall assure positive, verifiable, and timely identification of the true owner, and shall address, at a minimum, each of the following deficiencies in and abuses of the existing system:

"(1) The registration of aircraft to fictitious persons.

"(2) The use of false or nonexistent addresses by persons registering aircraft.

"(3) The use by a person registering an aircraft of a post office box or 'mail drop' as a return address for the purpose of evading identification of such person's address.

"(4) The registration of aircraft to corporations and other entities established to facilitate unlawful activities.

"(5) The submission of names of individuals on applications for registration of aircraft which are not identifiable.

"(6) The ability to make frequent legal changes in the registration markings which are assigned to aircraft.

"(7) The use of false registration markings on aircraft.

"(8) The illegal use of 'reserved' registration markings on aircraft.

"(9) The large number of aircraft which are classified as being in 'self-reported status'.

"(10) The lack of a system to assure timely and adequate notice of the transfer of ownership of aircraft.

"(11) The practice of allowing temporary operation and navigation of aircraft without issuance of a certificate of registration under this section.".

(b) Conforming Amendment to Table of Contents.—That portion of the table of contents contained in section 1 of such Act relating to section 501 of such Act is amended by adding at the end thereof the following:

"(h) Modification of system.".

SEC. 7204. REVOCATION OF AIRMAN CERTIFICATES.

(a) Limitation on Reissuance of Revoked Certificates.—Section 602(b) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1422(b)) is amended by striking out subparagraphs (A) and (B) of paragraph (2) and inserting in lieu thereof the following:

"(2) LIMITATION ON REISSUANCE OF REVOKED CERTIFICATES.—

"(A) GENERAL RULE.—Except as provided in subparagraphs (B) and (C), the Administrator shall not issue an airman certificate to any person whose airman certificate has been revoked under section 609(c).

"(B) SPECIAL RULE FOR LAW ENFORCEMENT PURPOSES.—The Administrator may issue an airman certificate to any person whose airman certificate has been revoked under section 609(c) if the Administrator determines that issuance of such certificate will facilitate law enforcement efforts.".

(b) WAIVER OF REVOCATION REQUIREMENT.—Section 609(c) of such Act (49 U.S.C. 1429(c)) is amended by adding at the end thereof the following new paragraph:

"(5) WAIVER OF REVOCATION REQUIREMENT.—Upon request of a Federal or State law enforcement official, the Administrator may waive the requirements of paragraphs (1) and (2) that an airman certificate of any person be revoked if the Administrator determines that such waiver will facilitate law enforcement efforts.".

SEC. 7205. MODIFICATION OF SYSTEM FOR ISSUING AIRMAN'S CERTIFICATES TO PILOTS.

(a) MODIFICATION AUTHORITY.—Section 602 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1422) is amended by adding at the end thereof the following new subsection:

"(d) MODIFICATION OF SYSTEM.—The Administrator is authorized and directed to make such modifications in the system established under this title for issuance of airman's certificates to pilots as may be necessary to make such system more effective in serving the needs of pilots and officials responsible for enforcement of laws relating to the regulation of controlled substances (as defined in section 102 of the Controlled Substances Act). Such modifications shall assure positive and verifiable identification of each person applying for or holding such a certificate and shall address, at a minimum, each of the following deficiencies in and abuses of the existing system:

"(1) The use of fictitious names and addresses by applicants for such certificates.

"(2) The use of stolen or fraudulent identification in applying for such certificates.

"(3) The use by a person applying for such a certificate of a post office box or 'mail drop' as a return address for the purpose of evading identification of such person's address.

"(4) The use of counterfeit and stolen airman's certificates by pilots.

"(5) The absence of information concerning physical characteristics of holders of such certificates.".

(b) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—That portion of the table of contents contained in section 1 of such Act relating to section 602 of such Act is amended by adding at the end thereof the following:

"(d) Modification of system.".

SEC. 7206. MODIFICATION OF SYSTEM FOR PROCESSING FORMS FOR ALTERATIONS OF FUEL SYSTEMS.

(a) MODIFICATION AUTHORITY.—Section 605 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1425) is amended by adding at the end thereof the following new subsection:

"(c) MODIFICATION OF SYSTEM.—The Administrator is authorized and directed to make such modifications in the system established under this title for processing forms for major repairs or alterations of fuel tanks and fuel systems of aircraft as may be necessary to make such system more effective in serving the needs of users of such system, including officials responsible for enforcement of laws relating to the regulation of controlled substances (as defined in section 102 of the Controlled Substances Act). Such modifications shall address, at a minimum, each of the following deficiencies in and abuses of the existing system:

"(1) The lack of a special identification feature to permit such forms to be easily distinguished from other major repair and alteration forms.

"(2) The excessive amount of time required for receiving such forms at the Airmen and Aircraft Registry of the Federal Aviation Administration.

"(3) The backlog of such forms which are awaiting processing at the Airmen and Aircraft Registry.

"(4) The lack of ready access by law enforcement officials to information contained on such forms.".

(b) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—That portion of the table of contents contained in section 1 of such Act relating to section 605 of such Act is amended by adding at the end thereof the following:

"(c) Modification of system.".

SEC. 7207. REGISTRATION, CERTIFICATION, AND FUEL SYSTEM ALTERATION REGULATIONS.

(a) RULEMAKING.—Not later than 10 months after the date of the enactment of this subtitle, the Administrator shall issue final regulations for carrying out the objectives of sections 501(h), 602(d), and 605(c) of the Federal Aviation Act of 1958 and provide a written explanation of how such regulations address each of the deficiencies and abuses required to be addressed by such sections. Such regulations shall include, but not limited to, a requirement that each individual listed in an application for registration of an aircraft provide, together with such application, his or her driver's license number and each person (other than an individual) listed in such an application provide, together with such application, its Federal tax identification number.

(b) CONSULTATION REQUIREMENT.—In issuing regulations in accordance with this section, the Administrator shall consult the Drug Enforcement Administration of the Department of Justice, the United States Customs Service, other Federal law enforcement officials, representatives of State and local law enforcement officials, representatives of the general aviation aircraft industry, representatives of users of general aviation aircraft, and other interested persons.

(c) FEES.—

(1) GENERAL RULES.—Section 313 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1354) is amended by adding at the end thereof the following new subsection:

"(f) PROCESSING FEES.—

"(1) ESTABLISHMENT AND COLLECTION.—The Administrator may establish and collect such fees as may be necessary to cover the costs associated with issuance of certificates of registration of aircraft, issuance of airman certificates to pilots, and processing of forms for major repairs and alterations of fuel tanks and fuel systems of aircraft.

"(2) MAXIMUM FEE SCHEDULE.—The amount of any fee which may be collected under this subsection—

"(A) with respect to issuance of an airman's certificate to a pilot may not exceed $12;

"(B) with respect to registration of an aircraft after transfer of ownership may not exceed $25;

"(C) with respect to renewal of an aircraft registration may not exceed $15; and

"(D) with respect to processing of a form for a major repair or alteration of a fuel tank or fuel system of an aircraft may not exceed $7.50.

The amounts established by this paragraph shall be adjusted by the Administrator for changes in the Consumer Price Index of All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

"(3) LIMITATION.—No fee may be collected under this subsection before the date on which the final regulations referred to in section 7207(a) of the Federal Aviation Administration Drug Enforcement Assistance Act of 1988 take effect.

"(4) CREDIT TO ACCOUNT; AVAILABILITY.—The amount of fees collected under this subsection shall be credited to the account in the United States Treasury from which expenses were incurred by the Administrator for carrying out titles V and VI of this Act and shall be available to the Administrator for paying expenses for which such fees are collected.".

(2) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—That portion of the table of contents contained in section 1 of such Act relating to section 313 is amended by adding at the end thereof the following:

"(f) Processing fees.".

(3) CONFORMING AMENDMENT TO SECTION 334 OF TITLE 49.—The first sentence of section 334 of title 49, United States Code, is amended by striking out "only when" and all that follows through the period and inserting in lieu thereof the following:

"only when—

"(1) the charge—

"(A) was in effect on January 1, 1973, and

"(B) is not more than the charge that was in effect on such date, adjusted in proportion to changes in the Consumer Price Index of All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor between January 1, 1973, and the date the charge is imposed; or

"(2) the charge is a fee established and collected in accordance with section 313(f) of the Federal Aviation Act of 1958.".

(4) GAO AUDIT.—During the 5-year period beginning after the date on which fees are first collected under section 313(f) of the Federal Aviation Act of 1958, the Comptroller General shall conduct an annual audit of the collection and use of such fees for the purpose of ensuring that such fees do not exceed the costs for which they are collected and submit to Congress a report on the results of such audit.

(d) REPORT.—Not later than 180 days after the date of the enactment of this subtitle and annually thereafter during the 5-year period beginning on such 180th day, the Administrator shall prepare and transmit to Congress a report on the following:

(1) The status of the rulemaking process, issuance of regulations, and implementation of regulations in accordance with this section.

(2) The progress being made in reducing the number of aircraft classified by the Federal Aviation Administration as being in "sale-reported status".

(3) The progress being made in expediting the filing and processing of forms for major

repairs and alterations of fuel tanks and fuel systems of aircraft.

(4) The status of establishing and collecting fees under section 313(f) of the Federal Aviation Act.

(e) Definitions.—For purposes of this subtitle—

(1) Administrator.—The term "Administrator" means the Administrator of the Federal Aviation Administration.

(2) Aircraft.—The term "aircraft" has the meaning such term has under section 101 of the Federal Aviation Act of 1958.

SEC. 7208. CIVIL PENALTIES.

(a) Relating to Ownership and Registration.—Section 901(a)(1) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1471(a)(1)) is amended by inserting before the period at the end of the first sentence the following: "and for each such violation which relates to registration or recordation of an aircraft under title V".

(b) Administrative Assessment.—Section 901(a) of such Act (49 U.S.C. App. 1471(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Administrative assessment of certain registration and recordation violations.—

"(A) General authority.—The Administrator, or his delegate, may assess a civil penalty for a violation of title V, or a rule, regulation, or order issued thereunder, which relates to registration or recordation of an aircraft upon written notice and finding of violation by the Administrator.

"(B) No reexamination of liability or amount.—In the case of a civil penalty assessed by the Administrator under this paragraph, the issue of liability or amount of civil penalty shall not be reexamined in any subsequent suit for collection of such civil penalty.

"(C) Continuing jurisdiction of district courts.—Notwithstanding subparagraph (A), the United States district courts shall have exclusive jurisdiction of any civil penalty action initiated by the Administrator—

"(i) which involves an amount in controversy in excess of $50,000;

"(ii) which is an in rem action or in which an in rem action based on the same violation has been brought;

"(iii) regarding which an aircraft subject to lien has been seized by the United States; and

"(iv) in which a suit for injunctive relief based on the violation giving rise to the civil penalty has also been brought.

"(D) Limitations.—

"(i) Hearing.—A civil penalty may be assessed by the Administrator under this paragraph only after notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code.

"(ii) Violations.—This paragraph only applies to civil penalties initiated by the Administrator after the date of the enactment of this paragraph.

"(iii) Maximum amount.—The maximum amount of a civil penalty which may be assessed by the Administrator under this paragraph in any case may not exceed $50,000.".

SEC. 7209. CRIMINAL PENALTIES.

(a) In General.—Subsection (b) of section 902 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1472) is amended by redesignating paragraph (3) as paragraph (5) and by striking out the subsection heading and paragraphs (1) and (2) and inserting in lieu thereof the following:

"(b) Forgery of Certificates, False Marking of Aircraft, and Other Aircraft Registration Violations.—

"(1) Description of violations.—It shall be unlawful for any person—

"(A) to knowingly and willfully forge, counterfeit, alter, or falsely make any certificate authorized to be issued under this Act, or to knowingly sell, use, attempt to use, or possess with the intent to use any such fraudulent certificate;

"(B) to obtain any certificate authorized to be issued under this Act by knowingly and willfully falsifying, concealing, or covering up a material fact, or making a false, fictitious, or fraudulent statement or representation, or making or using any false writing or document knowing the writing or document to contain any false, fictitious, or fraudulent statement or entry;

"(C) who is the owner of an aircraft eligible for registration under section 501, to knowingly and willfully operate, attempt to operate, or permit any other person to operate such aircraft if such aircraft is not registered under section 501 or the certificate of registration of such aircraft is suspended or revoked, or if such owner knows or has reason to know that such person does not have proper authorization to operate or navigate the aircraft without registration for a period of time after transfer of ownership;

"(D) to knowingly and willfully operate or attempt to operate an aircraft eligible for registration under section 501 knowing that such aircraft is not registered under section 501, that the certificate of registration of such aircraft is suspended or revoked, or that such person does not have proper authorization to operate or navigate such aircraft without registration for a period of time after transfer of ownership;

"(E) to knowingly and willfully serve, or attempt to serve, in any capacity as an airman without a valid airman certificate authorizing such person to serve in such capacity;

"(F) to knowingly and willfully employ for service or utilize any airman who does not possess a valid airman certificate authorizing such person to serve in such capacity;

"(G) to operate an aircraft with a fuel tank or fuel system which has been installed or modified on the aircraft knowing that such tank or system or the installation or modification of such tank or system is not in accordance with all applicable rules, regulations, and requirements of the Administrator; or

"(H) to knowingly and willfully display or cause to be displayed on any aircraft any marks which are false or misleading as to the nationality or registration of the aircraft.

"(2) Penalties.—Any person who commits a violation of paragraph (1) shall be, upon conviction, subject to—

"(A) a fine of not more than $15,000 or imprisonment for a term of not more than 3 years, or both; or

"(B) a fine of not more than $25,000 or imprisonment for a term of not more than 5 years, or both, if such violation was in connection with the act of transportation by aircraft of a controlled substance or of the aiding or facilitating of a controlled substance offense where such act is punishable by death or imprisonment for a term exceeding 1 year under a State or Federal law or is provided in connection with any act which is punishable by death or imprisonment for a term exceeding 1 year under a State or Federal law relating to a controlled substance (other than a law relating to simple possession of a controlled substance).

Any term of imprisonment imposed under subparagraph (B) shall be in addition to, and shall not be served concurrently with, any other term of imprisonment imposed on such person.

"(3) Seizure of aircraft.—

"(A) By DEA or customs.—An aircraft used in connection with, or in aiding or facilitating, a violation of paragraph (1) whether or not a person is charged in connection with such violation, may be seized and forfeited by the Drug Enforcement Administration of the Department of Justice or the United States Customs Service in accordance with the customs laws.

"(B) Presumptions.—For purposes of subparagraph (A), an aircraft shall be presumed to have been used in connection with, or to aid or facilitate a violation of—

"(i) paragraph (1)(B) if the aircraft is registered to a fictitious or false person;

"(ii) paragraph (1)(B) if the application form used to obtain the aircraft registration certificate contains a material false statement;

"(iii) paragraph (1)(A) if the registration for the aircraft has been forged, counterfeited, altered, or falsely made;

"(iv) paragraph (1)(C) if the aircraft has been operated while it is not registered under section 501;

"(v) paragraph (1)(H) if there is an external display of false or misleading registration numbers or false or misleading country of registration;

"(vi) paragraph (1)(G) if there is on the aircraft a fuel tank or fuel system which has not been installed or modified in accordance with all applicable rules, regulations, and requirements of the Administrator; and

"(vii) paragraph (1)(G) if, in the case of an aircraft on which a fuel tank or fuel system has been installed or modified, a certificate required to be issued by the Administrator for such installation or modification is not carried aboard the aircraft.

"(C) Memorandum of understanding.—The Federal Aviation Administration, the Drug Enforcement Administration, and the United States Customs Service shall enter into a memorandum of understanding for the purpose of establishing procedures for carrying out the objectives of this paragraph.

"(4) Controlled substance defined.—For purposes of this section, the term 'controlled substance' has the meaning that such term has under section 102 of the Controlled Substances Act (21 U.S.C. 802).".

(b) Conforming Amendments.—

(1) Section 902(b)(5).—Paragraph (5) of section 902(b) of such Act, as redesignated by subsection (a) of this section, is amended by inserting "Effect on state law.—" before "Nothing" and by aligning such paragraph with paragraph (2) of such subsection, as inserted by subsection (a) of this section.

(2) Table of contents.—That portion of the table of contents contained in section 1 of such Act relating to section 902 is amended by striking out

"(b) Forgery of certificates and false marking of aircraft."

and by inserting in lieu thereof

"(b) Forgery of certificates, false marking of aircraft, and other aircraft registration violations.".

(c) Lighting Violations.—

(1) In general.—Subsection (q) of section 902 of such Act (49 U.S.C. App. 1472) is amended—

(A) by striking out the section heading and paragraph (1) and inserting in lieu thereof the following:

"(q) Lighting Violations in Connection With Transportation of Controlled Substances.—

"(1) Description of violation.—It shall be unlawful, in connection with an act described in paragraph (2) and with knowledge of such act, for any person to knowingly and willfully operate an aircraft in violation of any rule, regulation, or requirement issued by the Administrator with respect to the display of navigation or anticollision lights."; and

(B) by striking out paragraphs (4), (5), and (6).

(2) Conforming amendments.—

(A) Section 902(q).—Section 902(q) of such Act is amended—

(i) in paragraph (2) by inserting "Relationship to controlled substance offenses.—" before "The act";

(ii) in paragraph (3) by inserting "Penalty.—" before "A person"; and

(iii) by aligning such paragraphs with paragraph (1) of such section, as amended by paragraph (1) of this subsection.

(B) Table of contents.—That portion of the table of contents contained in section 1 of such Act relating to section 902 is amended by striking out

"(q) Violations in connection with transportation of controlled substances."

and by inserting in lieu thereof

"(q) Lighting violations in connection with transportation of controlled substances.".

SEC. 7210. INFORMATION COORDINATION.

Not later than 180 days after the date of the enactment of this subtitle and annually thereafter during the 3-year period beginning on such 180th day, the Administrator shall prepare and transmit to Congress a report on the following:

(1) The progress made in establishing a process for provision of informational assistance by such Administration to officials of Federal, State, and local law enforcement agencies.

(2) The progress made in establishing a process for effectively pursuing suspensions and revocations of certificates of registration and airman certificates in accordance with the amendments made to the Federal Aviation Act of 1958 by the Aviation Drug-Trafficking Control Act, section 3401 of the Anti-Drug Abuse Act of 1986, and this subtitle.

(3) The efforts of such Administration in assessing and defining the appropriate relationship of such Administration's informational assistance resources (including the El Paso Intelligence Center and the Law Enforcement Assistance Unit of the Aeronautical Center of such Administration).

(4) The progress made in issuing guidelines on (A) the reporting of aviation sensitive drug-related information, and (B) the development, in coordination with the Drug Enforcement Administration of the Department of Justice and the United States Customs Service, of training and educational policies to assist employees of such Administration to better understand (i) the trafficking of controlled substances (as defined in section 102 of the Controlled Substances Act), and (ii) the role of such Administration with respect to such trafficking.

(5) The progress made in improving and expanding such Administration's role in the El Paso Intelligence Center.

SEC. 7211. FUNDING AND OTHER RESOURCES.

(a) 5-Year Cost Report.—No later than 30 days after the date on which the final regulations referred to in section 7207(a) of this subtitle are issued, the Administrator shall prepare and transmit to Congress a report on the resources (including funding and positions) which will be necessary on an annual basis during the 5-year period beginning after such 30th day to implement the objectives of this subtitle (including the amendments made by this subtitle).

(b) Applicability of Paperwork Reduction Act.—No information collection requests necessary to carry out the objectives of this subtitle (including the amendments made by this subtitle) shall be subject to or affect, directly or indirectly, the annual information collection budget goals established for the Federal Aviation Administration and the Department of Transportation under chapter 35 of title 44, United States Code.

(c) Review of Certain Grade-Level Classifications.—

(1) Applicability.—This subsection applies with respect to—

(A) positions within the Airmen and Aircraft Registry of the Federal Aviation Administration; and

(B) positions within the Law Enforcement Assistance Unit of the Aeronautical Center of the Federal Aviation Administration.

(2) Review; remedy; report.—Not later than 120 days after the date of the enactment of this subtitle, the Office of Personnel Management shall—

(A) in accordance with section 5110(a) of title 5, United States Code, review a sufficient number of positions under paragraphs (1)(A) and (1)(B), respectively, to determine whether positions under those respective paragraphs are being placed in appropriate classes and grades;

(B) if the Office finds that positions have not been placed in appropriate classes and grades, and after consulting with appropriate officials of the Federal Aviation Administration, exercise any authority under section 5110(b) of title 5, United States Code, which may be necessary to ensure that those positions are placed in their appropriate classes and grades; and

(C) transmit to Congress a report on the results of such review and any actions taken in accordance with subparagraph (B).

SEC. 7212. USE OF TRANSPONDERS ON AIRCRAFT ENTERING THE UNITED STATES.

(a) Study.—The Secretary of Transportation shall study the feasibility, costs, and benefits with respect to drug interdiction of requiring each aircraft entering the continental United States—

(1) to have installed an operating transponder;

(2) to have a flight plan filed with the Federal Aviation Administration before such entry;

(3) to have the signal from such transponder identify, in the most efficient manner, such aircraft; and

(4) to have the signal from such transponder which identifies such aircraft provide information which ensures that such aircraft is following its filed flight plan.

(b) Report.—Not later than 180 days after the date of the enactment of this subtitle, the Secretary of Transportation shall transmit to Congress a report on the results of the study conducted under this section.

SEC. 7213. ESTABLISHMENT OF FLIGHT CORRIDORS.

(a) Study.—The Secretary of Transportation, in consultation with the Attorney General and the Secretary of the Treasury, shall study—

(1) the feasibility of establishing flight corridors across the borders of the continental United States and intercepting any aircraft which deviate from such corridors; and

(2) the impact of the establishment of such corridors on the safe and efficient movement of aircraft and on drug interdiction.

(b) Report.—Not later than 180 days after the date of the enactment of this subtitle, the Secretary of Transportation shall transmit to Congress a report on the results of the study conducted under this section.

SEC. 7214. LIMITATION ON APPLICABILITY.

This subtitle (including any amendments made by this subtitle) shall only apply to aircraft which are not used to provide air transportation (as defined in section 101 of the Federal Aviation Act of 1958).

Subtitle F—Juvenile Justice and Delinquency Prevention

SEC. 7250. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This subtitle may be cited as the "Juvenile Justice and Delinquency Prevention Amendments of 1988".

(b) Table of Contents.—

Sec. 7250. Short title; table of contents.

CHAPTER 1—AMENDMENTS TO THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

Sec. 7251. Definitions.
Sec. 7252. Establishment of Office of Juvenile Justice and Delinquency Prevention.
Sec. 7253. Concentration of Federal efforts.
Sec. 7254. Coordinating Council on Juvenile Justice and Delinquency Prevention.
Sec. 7255. Annual reports.
Sec. 7256. Authority to make grants.
Sec. 7257. Allocation.
Sec. 7258. State plans.
Sec. 7259. National Institute for Juvenile Justice and Delinquency Prevention.
Sec. 1726. Information function.
Sec. 7261. Research, demonstration, and evaluation functions.
Sec. 7262. Technical assistance and training functions.
Sec. 7263. Technical and conforming amendments to parts B and C of title II.
Sec. 7264. Special studies and reports.
Sec. 7265. Authorization of appropriations.
Sec. 7266. Technical amendments to part D of title II.
Sec. 7267. Prevention and treatment programs relating to juvenile gangs.

CHAPTER 2—AMENDMENTS TO THE RUNAWAY AND HOMELESS YOUTH ACT

Sec. 7271. Grants for runaway and homeless youth centers.
Sec. 7272. Additional technical amendments.
Sec. 7273. Authorization of transitional living projects.
Sec. 7274. Reports.
Sec. 7275. National communication system.
Sec. 7276. Grants for technical assistance and training.
Sec. 7277. Grants for research, demonstration, and service projects.
Sec. 7278. Annual program priorities.

Sec. 7279. Coordination with activities of certain Federal health agencies.
Sec. 7280. Authorization of appropriations.

Chapter 3—Amendments to the Missing Children's Assistance Act

Sec. 7285. Duties and functions of Administrator.
Sec. 7286. Advisory board.
Sec. 7287. Grants.
Sec. 7288. Competition amendment.
Sec. 7289. Authorization of appropriations.
Sec. 7290. Additional technical and conforming amendments.
Sec. 7291. Special study and report.

Chapter 4—Miscellaneous

Sec. 7295. Investigation and report by the Comptroller General.
Sec. 7296. Effective date; application of amendments.

Chapter 1—Amendments to the Juvenile Justice and Delinquency Prevention Act of 1974

SEC. 7251. DEFINITIONS.

(a) Definition.—Section 103 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603) is amended—

(1) in paragraph (15) by striking "and" at the end,

(2) in paragraph (16) by striking the period at the end and inserting a semicolon, and

(3) by adding at the end the following:

"(17) the term 'Council' means the Coordinating Council on Juvenile Justice and Delinquency Prevention established in section 206(a)(1); and

"(18) the term 'Indian tribe' means—

"(A) a federally recognized Indian tribe; or

"(B) an Alaskan Native organization.".

(b) Conforming Amendment.—Section 206(a)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1)) is amended by striking "(hereinafter referred to as the 'Council')".

SEC. 7252. ESTABLISHMENT OF OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION.

(a) Deputy Administrator.—Section 201(c) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611(c)) is amended—

(1) in the first sentence by striking "and whose" and all that follows through "Act", and

(2) in the last sentence by striking "also".

(b) Technical and Conforming Amendments.—(1) Section 103(5) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603(5)) is amended by striking "section 201(c)" and inserting "section 201(b)".

(2) Section 206(a)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1)) is amended by striking "the Deputy Administrator of the Institute for Juvenile Justice and Delinquency Prevention,".

(3) Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Administrator, Office of Juvenile Justice and Delinquency Prevention.".

(4) Section 5316 of title 5, United States Code, is amended by striking the item relating to the Associate Administrator, Office of Juvenile Justice and Delinquency Prevention of the Law Enforcement Assistance Administration.

SEC. 7253. CONCENTRATION OF FEDERAL EFFORTS.

(a) Technical Amendment.—Section 204(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614(a)) is amended by striking "and the National Advisory Committee for Juvenile Justice and Delinquency Prevention".

(b) Publication of Annual Program Plan.—Section 204(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 3614(b)) is amended—

(1) by amending paragraph (5) to read as follows:

"(5)(A) develop for each fiscal year, and publish annually in the Federal Register for public comment, a proposed comprehensive plan describing the particular activities which the Administrator intends to carry out under parts C and D in such fiscal year, specifying in detail those activities designed to satisfy the requirements of parts C and D; and

"(B) taking into consideration comments received during the 45-day period beginning on the date the proposed plan is published, develop and publish a final plan, before December 31 of such fiscal year, describing the particular activities which the Administrator intends to carry out under parts C and D in such fiscal year, specifying in detail those activities designed to satisfy the requirements of parts C and D; and",

(2) by striking paragraph (6), and

(3) by redesignating paragraph (7) as paragraph (6).

(c) Reports.—Section 204 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614) is amended—

(1) by striking subsections (c), (d), and (e),

(2) in subsection (l)—

(A) in paragraph (1)—

(i) by striking "which meets any criterion developed by the Administrator under subsection (d)(1)", and

(ii) by striking "subsection (f)" and inserting "subsection (c)", and

(B) in paragraph (2)—

(i) by striking "shall be submitted" and all that follows through "subsection (e) and", and

(ii) by striking "under subsection (e)",

(3) by redesignating subsections (f) through (l) as subsections (c) through (i), respectively, and

(4) by striking subsection (m).

SEC. 7254. COORDINATING COUNCIL ON JUVENILE JUSTICE AND DELINQUENCY PREVENTION.

(a) Functions.—Section 206(c) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(c)) is amended—

(1) in the first sentence by striking ", in consultation with the Advisory Board on Missing Children,", and

(2) in the third sentence—

(A) by striking "is authorized to" and inserting "shall", and

(B) by striking "section 223(a)(12)(A) and (13)" and inserting "paragraphs (12)(A), (13), and (14) of section 223(a)", and

(3) by adding at the end the following: "The Council shall review the reasons why Federal agencies take juveniles into custody and shall make recommendations regarding how to improve Federal practices and facilities for holding juveniles in custody.".

(b) Conforming Amendment.—Section 206(d) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(d)) is amended by striking "and" and all that follows through "title".

(c) Allocation.—Section 206(g) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(g)) is amended to read as follows:

"(g) Of sums available to carry out this part, not more than $200,000 shall be available to carry out this section.".

SEC. 7255. ANNUAL REPORTS.

Part A of title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611-5616) is amended by adding at the end the following:

"ANNUAL REPORT

"Sec. 207. Not later than 180 days after the end of a fiscal year, the Administrator shall submit to the President, the Speaker of the House of Representatives, and the President pro tempore of the Senate a report that contains the following with respect to such fiscal year:

"(1) A detailed summary and analysis of the most recent data available regarding the number of juveniles taken into custody, the rate at which juveniles are taken into custody, and the trends demonstrated by the data required by subparagraphs (A), (B), and (C). Such summary and analysis shall set out the information required by subparagraphs (A), (B), (C), and (D) separately for juvenile nonoffenders, juvenile status offenders, and other juvenile offenders. Such summary and analysis shall separately address with respect to each category of juveniles specified in the preceding sentence—

"(A) the types of offenses with which the juveniles are charged;

"(B) the race and gender of the juveniles;

"(C) the ages of the juveniles;

"(D) the types of facilities used to hold the juveniles in custody, including secure detention facilities, secure correctional facilities, jails, and lockups; and

"(E) the number of juveniles who died while in custody and the circumstances under which they died.

"(2) A description of the activities for which funds are expended under this part, including the objectives, priorities, accomplishments, and recommendations of the Council.

"(3) A description, based on the most recent data available, of the extent to which each State complies with section 223 and with the plan submitted under such section by the State for such fiscal year.

"(4) a summary of each program or activity for which assistance is provided under part C or D, an evaluation of the results of such program or activity, and a determination of the feasibility and advisability of replicating such program or activity in other locations.

"(5) A description of selected exemplary delinquency prevention programs for which assistance is provided under this title, with particular attention to community-based juvenile delinquency prevention programs that involve and assist families of juveniles.".

SEC. 7256. AUTHORITY TO MAKE GRANTS.

Section 221 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5631) is amended—

(1) by amending the heading to read as follows:

"AUTHORITY TO MAKE GRANTS AND CONTRACTS",

(2) by inserting "(a)" after "Sec. 221.", and

(3) by adding at the end the following:

"(b)(1) With not to exceed 2 percent of the funds available in a fiscal year to carry out this part, the Administrator shall make grants to and enter into contracts with public and private agencies, organizations, and individuals to provide technical assistance to States, units of general local governments (and combinations thereof), and local private agencies to facilitate compliance with section 223 and implementation of the State plan approved under section 223(c).

"(2) Grants and contracts may be made under paragraph (1) only to public and private agencies, organizations, and individuals that have experience in providing such technical assistance. In providing such technical assistance, the recipient of a grant or contract under this subsection shall coordinate its activities with the State agency described in section 291(c)(1).".

SEC. 7257. ALLOCATION.

(a) Minimum Allocation.—Section 222(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5632(a)) is amended—

(1) by striking "In" and inserting "(1) Subject to paragraph (2) and in",

(2) by striking the last sentence, and

(3) by adding at the end the following:

"(2)(A) Subject to paragraph (3), if the aggregate amount appropriated for a fiscal year to carry out this title (other than part D) is less than $75,000,000, then the amount allotted to each State for such fiscal year shall be not less than $325,000, except that the amount allotted to the Virgin Islands of the United States, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands shall be not less than $75,000 each.

"(B) Subject to paragraph (3), if the aggregate amount appropriated for a fiscal year to carry out this title (other than part D) equals or exceeds $75,000,000, then the amount allotted to each State for such fiscal year shall be not less than $400,000, except that the amount allotted to the Virgin Islands of the United States, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands shall be not less than $100,000 each.

"(3) If, as a result of paragraph (2), the amount allotted to a State for a fiscal year would be less than the amount allotted to such State for fiscal year 1988, then the amounts allotted to satisfy the requirements of such paragraph shall be reduced pro rata to the extent necessary to allot to such State for the fiscal year the amount allotted to such State for fiscal year 1988.".

(b) Technical Amendments.—Section 222(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5632(b)) is amended—

(1) in the first sentence by striking "Except for funds appropriated for fiscal year 1975, if" and inserting "If", and

(2) by striking the second sentence.

SEC. 7258. STATE PLANS.

(a) Indian Tribes.—Section 223(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(a)) is amended—

(1) in paragraph (5)—

(A) in the matter preceding subparagraph (A) by striking "through",

(B) in subparagraph (A)—

(i) by inserting "through" after "(A)", and

(ii) by striking "and" at the end,

(C) in subparagraph (B)—

(i) by inserting "through" after "(B)", and

(ii) by inserting "and" after the semicolon,

(D) and by adding at the end the following:

"(C) to provide funds for programs of Indian tribes that perform law enforcement functions (as determined by the Secretary of the Interior) and that agree to attempt to comply with the requirements specified in paragraphs (12)(A), (13), and (14), applicable to the detention and confinement of juveniles, an amount that bears the same ratio to the aggregate amount to be expended through programs referred to in subparagraphs (A) and (B) as the population under 18 years of age in the geographical areas in which such tribes perform such functions bears to the State population under 18 years of age,", and

(2) in paragraph (8)(A)—

(A) by inserting "(including any geographical area in which an Indian tribe performs law enforcement functions)" after "relevant jurisdiction", and

(B) by inserting "(including the joining of gangs that commit crimes)" after "juvenile crime problems" each place it appears.

(b) Detention in Jails and Lockups for Adults.—Section 223(a)(14) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(a)(14)) is amended—

(1) by striking "1989" and inserting "1993",

(2) in subparagraph (iii) by striking the period and inserting a semicolon, and

(3) by redesignating subparagraphs (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively.

(c) Overrepresentation of Juveniles of Minority Groups.—Section 223(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(a) is amended—

(1) in paragraph (22) by striking "and" at the end,

(2) by redesignating paragraph (23) as paragraph (24), and

(3) by inserting after paragraph (22) the following:

"(23) address efforts to reduce the proportion of juveniles detained or confined in secure detention facilities, secure correctional facilities, jails, and lockups who are members of minority groups if such proportion exceeds the proportion such groups represent in the general population; and".

(d) Compliance Requirement for Eligibility.—Section 223(c) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(c)) is amended—

(1) by striking "subpart" and inserting "part",

(2) by inserting "(1)" after "(c)",

(3) by striking the last sentence, and

(4) by adding at the end the following:

"(2) Failure to achieve compliance with the requirements of subsection (a)(14) within the 5-year time limitation shall terminate any State's eligibility for funding under this part unless the Administrator—

"(A) determines, in the discretion of the Administrator, that such State has—

"(i)(I) removed not less than 75 percent of juveniles from jails and lockups for adults; or

"(II) achieved substantial compliance with such subsection; and

"(ii) made, through appropriate executive or legislative action, an unequivocal commitment to achieving full compliance within a reasonable time, not to exceed 3 additional years; or

"(B) waives the termination of the State's eligibility on the condition that the State agrees to expend all of the funds to be received under this part by the State (excluding funds required to be expended to comply with subsections (c) and (d) of section 222 and with section 223(a)(5)(C)), only to achieve compliance with subsection (a)(14).

"(3) Except as provided in paragraph (2), failure to achieve compliance with the requirements of subsection (a)(14) after December 8, 1985, shall terminate any State's eligibility for funding under this part unless the Administrator waives the termination of the State's eligibility on the condition that the State agrees to expend all of the funds to be received under this part by the State (excluding funds required to be expended to comply with subsections (c) and (d) of section 222 and with section 223(a)(5)(C)), only to achieve compliance with subsection (a)(14).

"(4) For purposes of paragraph (2)(A)(i)(II), a State may demonstrate that it is in substantial compliance with such paragraph by showing that it has—

"(A) removed all juvenile status offenders and nonoffenders from jails and lockups for adults;

"(B) made meaningful progress in removing other juveniles from jails and lockups for adults;

"(C) diligently carried out the State's plan to comply with subsection (a)(14); and

"(D) historically expended, and continues to expend, to comply with subsection (a)(14) an appropriate and significant share of the funds received by the State under this part.".

SEC. 7259. NATIONAL INSTITUTE FOR JUVENILE JUSTICE AND DELINQUENCY PREVENTION.

(a) Supervision.—Section 241(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5651(b)) is amended by striking ", and shall" and all that follows through "section 201(c)".

(b) State Advisory Groups.—Section 241(f) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5651(f)) is amended—

(1) in paragraph (1) by striking "section 224" and inserting "section 261",

(2) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (B), (C), (D), and (E), respectively,

(3) by inserting "(1)" after "(f)", and

(4) by striking "provide," and all that follows through "purpose of—", and inserting the following:

"provide technical and financial assistance to an eligible organization composed of member representatives of the State advisory groups appointed under section 223(a)(3) to assist such organization to carry out the functions specified in paragraph (2).

"(2) To be eligible to receive such assistance, such organization shall agree to carry out activities that include—

"(A) conducting an annual conference of such member representatives for purposes relating to the activities of such State advisory groups;".

(c) Technical Amendment.—Section 241 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5651) is amended by striking subsection (h).

SEC. 7260. INFORMATION FUNCTION.

Section 242 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5652) is amended—

(1) by inserting "Administrator, acting through the" after "The",

(2) by striking "Prevention is authorized to" and inserting "Prevention, shall",

(3) in paragraph (1) by inserting "and" after the semicolon,

(4) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and

(5) by inserting before paragraph (2), as so redesignated, the following:

"(1) on a continuing basis, review reports, data, and standards relating to the juvenile justice system in the United States;".

SEC. 7261. RESEARCH, DEMONSTRATION, AND EVALUATION FUNCTIONS.

Section 243 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5653) is amended—

(1) by striking "National Institute for Juvenile Justice and Delinquency Prevention" and inserting "Administrator, acting through the National Institute for Juvenile Justice and Delinquency Prevention,",

(2) in paragraph (4) by striking ", upon the request of the Deputy Administrator",

(3) in paragraph (5)—

(A) in the matter preceding subparagraph (A) by striking "and related matters" and inserting "and the improvement of the juvenile justice system",

(B) in subparagraph (A) by striking "and" at the end,

(C) in subparagraph (B) by striking "possible ameliorating roles of familial relationships" and inserting "effectiveness of family-centered treatment programs", and

(D) in subparagraph (D) by striking the period at the end and inserting a semicolon,

(4) in paragraph (6) by striking "and" at the end,

(5) in paragraph (7) by striking the period and inserting a semicolon, and

(6) by adding at the end the following:

"(8) develop and support model State legislation consistent with the mandates of this title and the standards developed by the National Advisory Committee for Juvenile Justice and Delinquency Prevention before the date of the enactment of the Juvenile Justice, Runaway Youth, and Missing Children's Act Amendments of 1984; and

"(9) support research relating to reducing the excessive proportion of juveniles detained or confined in secure detention facilities, secure correctional facilities, jails, and lockups who are members of minority groups.".

SEC. 7262. TECHNICAL ASSISTANCE AND TRAINING FUNCTIONS.

Section 244 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5654) is amended—

(1) by amending the heading to read as follows:

"TECHNICAL ASSISTANCE AND TRAINING FUNCTIONS",

(2) by striking "National Institute for Juvenile Justice and Delinquency Prevention" and inserting "Administrator, acting through the National Institute for Juvenile Justice and Delinquency Prevention",

(3) by striking paragraph (3),

(4) in paragraph (2) by adding "and" at the end,

(5) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and

(6) by inserting before paragraph (2), as so redesignated, the following:

"(1) provide technical assistance and training assistance to Federal, State, and local governments and to courts, public and private agencies, institutions, and individuals in the planning, establishment, funding, operation, and evaluation of juvenile delinquency programs;".

SEC. 7263. TECHNICAL AND CONFORMING AMENDMENTS TO PARTS B AND C OF TITLE II.

(a) TECHNICAL AMENDMENTS.—Title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611 et seq.) is amended—

(1) in part B—

(A) by striking the heading for subpart I, and

(B) by striking subpart II, and

(2) in part C—

(A) by striking the heading for such part and inserting the following:

"PART C—NATIONAL PROGRAMS",

(B) by inserting after the heading for part C the following:

"Subpart I—National Institute for Juvenile Justice and Delinquency Prevention",

(C) by striking sections 245 and 246,

(D) in section 249—

(i) in subsection (a) by striking "section 248" and inserting "section 245",

(ii) in subsection (b) by striking "section 248(b)" and inserting "section 245(b)", and

(iii) in subsection (c) by striking "section 246" and inserting "section 245",

(E) by redesignating sections 247, 248, and 249 as sections 245, 246, and 247, respectively, and

(F) by adding at the end the following:

"Subpart II—Special Emphasis Prevention and Treatment Programs

"AUTHORITY TO MAKE GRANTS AND CONTRACTS

"SEC. 261. (a) The Administrator shall, by making grants to and entering into contracts with public and private nonprofit agencies, organizations, institutions, and individuals provide for each of the following during each fiscal year:

"(1) Establishing or maintaining community-based alternatives to traditional forms of institutionalization of juvenile offenders.

"(2) Establishing or implementing effective means of diverting juveniles from the traditional juvenile justice and correctional system, including restitution and reconciliation projects which test and validate selected arbitration models, such as neighborhood courts or panels, and increase victim satisfaction while providing alternatives to incarceration for detained or adjudicated delinquents.

"(3) Establishing or supporting programs stressing advocacy activities aimed at improving services to juveniles impacted by the juvenile justice system, including services which encourage the improvement of due process available to juveniles in the juvenile justice system, which improve the quality of legal representation of such juveniles, and which provide for the appointment of special advocates by courts for such juveniles.

"(4) Developing or supporting model programs to strengthen and maintain the family unit in order to prevent or treat juvenile delinquency.

"(5) Establishing or implementing special emphasis prevention and treatment programs relating to juveniles who commit serious crimes (including such crimes committed in schools), including programs designed to deter involvement in illegal activities or to promote involvement in lawful activities on the part of gangs whose membership is substantially composed of juveniles.

"(6) Developing or implementing further a coordinated, national law-related education program of—

"(A) delinquency prevention in elementary and secondary schools, and other local sites;

"(B) training for persons responsible for the implementation of law-related education programs; and

"(C) disseminating information regarding model, innovative, law-related education programs to juvenile delinquency programs, including those that are community based, and to law enforcement and criminal justice agencies for activities related to juveniles.

"(7) Addressing efforts to reduce the proportion of juveniles detained or confined in secure detention facilities, secure correctional facilities, jails, and lockups who are members of minority groups if such proportion exceeds the proportion such groups represent in the general population.

"(b) The Administrator is authorized, by making grants to and entering into contracts with public and private nonprofit agencies, organizations, institutions, and individuals, to develop and implement new approaches, techniques, and methods designed to—

"(1) improve the capability of public and private agencies and organizations to provide services for delinquents and other juveniles to help prevent juvenile delinquency;

"(2) develop and implement, in coordination with the Secretary of Education, model programs and methods to keep students in elementary and secondary schools, to prevent unwarranted and arbitrary suspensions and expulsions, and to encourage new approaches and techniques with respect to the prevention of school violence and vandalism;

"(3) develop, implement, and support, in conjunction with the Secretary of Labor, other public and private agencies, organizations, business, and industry, programs for the employment of juveniles;

"(4) develop and support programs designed to encourage and assist State legislatures to consider and establish policies consistent with this title, both by amending State laws, if necessary, and devoting greater resources to effectuate such policies;

"(5) develop and implement programs relating to juvenile delinquency and learning disabilities, including on-the-job training programs to assist law enforcement personnel and juvenile justice personnel to more effectively recognize and provide for learning-disabled and other handicapped juveniles;

"(6) develop statewide programs through the use of subsidies or other financial incentives designed to—

"(A) remove juveniles from jails and lockups for adults;

"(B) replicate juvenile programs designated as exemplary by the National Institute of Justice; or

"(C) establish and adopt, based upon the recommendations of the National Advisory Committee for Juvenile Justice and Delinquency Prevention made before the date of the enactment of the Juvenile Justice, Runaway Youth, and Missing Children's Act Amendments of 1984, standards for the improvement of juvenile justice within each State involved; and

"(7) develop and implement model programs, relating to the special education needs of delinquent and other juveniles, which develop locally coordinated policies and programs among education, juvenile justice, and social service agencies.

"(c) Not less than 30 percent of the funds available for grants and contracts under this section shall be available for grants to and contracts with private nonprofit agencies, organizations, and institutions which have experience in dealing with juveniles.

"(d) Assistance provided under this section shall be available on an equitable basis to deal with female, minority, and disadvantaged juveniles, including juveniles who are mentally, emotionally, or physically handicapped.

"(e) Not less than 5 percent of the funds available for grants and contracts under this section shall be available for grants and contracts designed to address the special needs and problems of juvenile delinquency in the Virgin Islands of the United States, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

"CONSIDERATIONS FOR APPROVAL OF APPLICATIONS

"SEC. 262. (a) Any agency, institution, or individual desiring to receive a grant, or enter into a contract, under this part shall submit an application at such time, in such manner, and containing or accompanied by such information as the Administrator may prescribe.

"(b) In accordance with guidelines established by the Administrator, each application for assistance under this part shall—

"(1) set forth a program for carrying out one or more of the purposes set forth in this part and specifically identify each such purpose such program is designed to carry out;

"(2) provide that such program shall be administered by or under the supervision of the applicant;

"(3) provide for the proper and efficient administration of such program;

"(4) provide for regular evaluation of such program;

"(5) certify that the applicant has requested the State planning agency and local agency designated in section 223, if any, to review and comment on such application and indicate the responses of such State planning agency and local agency to such request;

"(6) attach a copy of the responses of such State planning agency and local agency to such request;

"(7) provide that regular reports on such program shall be sent to the Administrator and to such State planning agency and local agency; and

"(8) provide for such fiscal control and fund accounting procedures as may be necessary to ensure prudent use, proper disbursement, and accurate accounting of funds received under this title.

"(c) In determining whether or not to approve applications for grants and for contracts under this part, the Administrator shall consider—

"(1) the relative cost and effectiveness of the proposed program in carrying out this part;

"(2) the extent to which such program will incorporate new or innovative techniques;

"(3) if a State plan has been approved by the Administrator under section 223(c), the extent to which such program meets the objectives and priorities of the State plan, taking into consideration the location and scope of such program;

"(4) the increase in capacity of the public and private agency, institution, or individual involved to provide services to address juvenile delinquency and juvenile delinquency prevention;

"(5) the extent to which such program serves communities which have high rates of juvenile unemployment, school dropout, and delinquency; and

"(6) the adverse impact that may result from the restriction of eligibility, based upon population, for cities with a population greater than 40,000 located within States which have no city with a population over 250,000.

"(d)(1)(A) Programs selected for assistance through grants or contracts under this part (other than section 241(f)) shall be selected through a competitive process to be established by rule by the Administrator. As part of such a process, the Administrator shall announce in the Federal Register—

"(i) the availability of funds for such assistance;

"(ii) the general criteria applicable to the selection of applicants to receive such assistance; and

"(iii) a description of the procedures applicable to submitting and reviewing applications for such assistance.

"(B) The competitive process described in subparagraph (A) shall not be required if the Administrator makes a written determination that—

"(i)(I) the proposed program is not within the scope of any announcement issued, or expected to be issued, by the Administrator regarding the availability of funds to carry out programs under this part, but can be supported by a grant or contract in accordance with this part; and

"(II) such program is of such outstanding merit, as determined through peer review conducted under paragraph (2), that the award of a grant or contract without competition is justified; or

"(ii) the applicant is uniquely qualified to provide proposed training services as provided in section 244 and other qualified sources are not capable of providing such services, and includes in such determination the factual and other bases thereof.

"(C) If a program is selected for assistance without competition pursuant to the exception provided in subparagraph (B), the Administrator shall promptly so notify the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on the Judiciary of the Senate. Such notification shall include copies of the Administrator's determination made under such subparagraph and the peer review determination required by paragraph (2).

"(2)(A) Programs selected for assistance through grants or contracts under this part (other than section 241(f)) shall be reviewed before selection, and thereafter as appropriate, through a formal peer review process utilizing experts (other than officers and employees of the Department of Justice) in fields related to the subject matter of the proposed program.

"(B) Such process shall be established by the Administrator in consultation with the Directors and other appropriate officials of the National Science Foundation and the National Institute of Mental Health. Before implementation of such process, the Administrator shall submit such process to such Directors, each of whom shall prepare and furnish to the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on the Judiciary of the Senate a final report containing their comments on such process as proposed to be established.

"(3) The Administrator, in establishing the processes required under paragraphs (1) and (2), shall provide for emergency expedited consideration of the proposed programs if necessary to avoid any delay which would preclude carrying out such programs.

"(e) A city shall not be denied assistance under this part solely on the basis of its population.

"(f) Notification of grants and contracts made under this part (and the applications submitted for such grants and contracts) shall, upon being made, be transmitted by the Administrator, to the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on the Judiciary of the Senate.".

(b) CONFORMING AMENDMENTS.—(1) Section 223(a)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633(a)(1)) is amended by striking "section 261(c)(1)" and inserting "section 291(c)(1)".

(2) Section 246 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5660), as so redesignated by section (a)(2)(E), is amended by striking "section 248" and inserting "section 245".

SEC. 7264. SPECIAL STUDIES AND REPORTS.

The Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601) is amended by inserting after section 247, as so redesignated by section 7263(a)(2)(E), the following:

"SPECIAL STUDIES AND REPORTS

"SEC. 248. (a) Not later than 1 year after the date of the enactment of the Juvenile Justice and Delinquency Prevention Amendments of 1988, the Administrator shall begin to conduct a study with respect to the juvenile justice system—

"(1) to review—

"(A) conditions in detention and correctional facilities for juveniles; and

"(B) the extent to which such facilities meet recognized national professional standards; and

"(2) to make recommendations to improve conditions in such facilities.

"(b)(1) Not later than 1 year after the date of the enactment of the Juvenile Justice and Delinquency Prevention Amendments of 1988, the Administrator shall begin to conduct a study to determine—

"(A) how juveniles who are American Indians and Alaskan Natives and who are accused of committing offenses on and near Indian reservations and Alaskan Native villages, respectively, are treated under the systems of justice administered by Indian tribes and Alaskan Native organizations, respectively, that perform law enforcement functions;

"(B) the amount of financial resources (including financial assistance provided by governmental entities) available to Indian tribes and Alaskan Native organizations that perform law enforcement functions, to support community-based alternatives to incarcerating juveniles; and

"(C) the extent to which such tribes and organizations comply with the requirements specified in paragraphs (12)(A), (13), and (14) of section 223(a), applicable to the detention and confinement of juveniles.

"(2)(A) For purposes of section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b)), any contract, subcontract, grant, or subgrant made under paragraph (1) shall be deemed to be a contract, subcontract, grant, or subgrant made for the benefit of Indians.

"(B) For purposes of section 7(b) of such Act and subparagraph (A) of this paragraph, references to Indians and Indian organizations shall be deemed to include Alaskan Natives and Alaskan Native organizations, respectively.

"(c) Not later than 3 years after the date of the enactment of the Juvenile Justice and Delinquency Prevention Amendments of 1988, the Administrator shall submit a report to the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on the Judiciary of the Senate containing a description, and a summary of the results, of the study conducted under subsection (a) or (b), as the case may be.".

SEC. 7265. AUTHORIZATION OF APPROPRIATIONS.

(a) FUNDS AUTHORIZED FOR FISCAL YEARS.—Section 261(a) of part D of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671(a)) is amended—

(1) by inserting "(1)" after "(a)",

(2) by inserting "(other than part D)" after "this title",

(3) by striking "1985, 1986, 1987, and 1988",

(4) by inserting "1989, 1990, 1991, and 1992", and

(5) by adding at the end the following:

"(2)(A) Subject to subparagraph (B), to carry out part D, there are authorized to be appropriated $15,000,000 for fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990, 1991, and 1992.

"(B) No funds may be appropriated to carry out part D of this title for a fiscal year unless the aggregate amount appropriated to carry out this title (other than part D) for such fiscal year is not less than the aggregate amount appropriated to carry out this title (other than part D) for the preceding fiscal year.".

(b) ALLOCATIONS.—Section 261(b) of part D of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671(b)) is amended—

(1) by inserting "(other than part D)" after "this title",

(2) in paragraph (1) by striking "7.5 percent" and inserting "5 percent",

(3) in paragraph (2) by striking "81.5 percent" and inserting "70 percent", and

(4) in paragraph (3) by striking "11 percent" and inserting "25 percent".

SEC. 7266. TECHNICAL AMENDMENTS TO PART D OF TITLE II.

Part D of title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671-5672 note) is amended—

(1) by amending the heading of such part to read as follows:

"PART E—GENERAL AND ADMINISTRATIVE PROVISIONS",

(2) by striking section 263,

(3) by redesignating sections 261 and 262 as sections 291 and 292, respectively, and

(4) by adding at the end the following:

"WITHHOLDING

"SEC. 293. Whenever the Administrator, after giving reasonable notice and opportunity for hearing to a recipient of financial assistance under this title, finds that—

"(1) the program or activity for which the grant or contract involved was made has been so changed that it no longer complies with this title; or

"(2) in the operation of such program or activity there is failure to comply substantially with any provision of this title;

the Administrator shall initiate such proceedings as are appropriate.

"USE OF FUNDS

"SEC. 294. (a) Funds paid pursuant to this title to any public or private agency, organization, or institution, or to any individual (either directly or through a State planning agency) may be used for—

"(1) planning, developing, or operating the program designed to carry out this title; and

"(2) not more than 50 per centum of the cost of the construction of any innovative community-based facility for fewer than 20 persons which, in the judgment of the Administrator, is necessary to carry out this title.

"(b) Except as provided in subsection (a), no funds paid to any public or private agency, or institution or to any individual under this title (either directly or through a State agency or local agency) may be used for construction.

"(c)(1) Funds paid pursuant to section 223(a)(10)(D) and section 261(a)(3) to any public or private agency, organization, or institution or to any individual shall not be used to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or other device intended or designed to influence a Member of Congress or any other Federal, State, or local elected official to favor or oppose any Acts, bills, resolutions, or similar legislation, or any referendum, initiative, constitutional amendment, or any similar procedure of the Congress, any State legislature, any local council, or any similar governing body, except that this paragraph shall not preclude such funds from being used in connection with communications to Federal, State, or local elected officials, upon the request of such officials through proper official channels, pertaining to authorization, appropriation, or oversight measures directly affecting the operation of the program involved.

"(2) The Administrator shall take such action as may be necessary to ensure that no funds paid under section 223(a)(10)(D) or section 261(a)(3) are used either directly or indirectly in any manner prohibited in this paragraph.

"PAYMENTS

"SEC. 295. (a) Payments under this title, pursuant to a grant or contract, may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement, in such installments and on such conditions as the Administrator may determine.

"(b) Except as provided in the second sentence of section 222(c), financial assistance extended under this title shall be 100 per centum of the approved costs of the program or activity involved.

"(c)(1) In the case of a grant under this title to an Indian tribe, if the Administrator determines that the tribe does not have sufficient funds available to meet the local share of the cost of any program or activity to be funded under the grant, the Administrator may increase the Federal share of the cost thereof to the extent the Administrator deems necessary.

"(2) If a State does not have an adequate forum to enforce grant provisions imposing any liability on Indian tribes, the Administrator may waive State liability attributable to the liability of such tribes and may pursue such legal remedies as are necessary.

"(d) If the Administrator determines, on the basis of information available to the Administrator during any fiscal year, that a portion of the funds granted to an applicant under part C for such fiscal year will not be required by the applicant or will become available by virtue of the application of the provisions of section 802 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended from time to time, that portion shall be available for reallocation in an equitable manner to States which comply with the requirements in paragraphs (12)(A) and (13) of section 223(a), under section 261(b)(6).

"CONFIDENTIALITY OF PROGRAM RECORDS

"SEC. 296. Except as authorized by law, program records containing the identity of individual juveniles gathered for purposes pursuant to this title may not be disclosed without the consent of the service recipient or legally authorized representative, or as may be necessary to carry out this title. Under no circumstances may program reports or findings available for public dissemination contain the actual names of individual service recipients.".

SEC. 7267. PREVENTION AND TREATMENT PROGRAMS RELATING TO JUVENILE GANGS.

Title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671-5672 note) is amended by inserting after part C, as amended by this subtitle, the following:

"PART D—PREVENTION AND TREATMENT PROGRAMS RELATING TO JUVENILE GANGS AND DRUG ABUSE AND DRUG TRAFFICKING

"AUTHORITY TO MAKE GRANTS AND CONTRACTS

"SEC. 281. The Administrator shall, by making grants to and entering into contracts with public and private non-profit agencies, organizations, institutions, and individuals, establish and support programs and activities that involve families and communities and that are designed to carry out any of the following purposes:

"(1) To reduce the participation of juveniles in drug-related crimes (including drug trafficking and drug use), particularly in elementary and secondary schools.

"(2) To develop within the juvenile adjudicatory and correctional systems new and innovative means to address the problems of juveniles convicted of serious drug-related and gang-related offenses.

"(3) To reduce juvenile involvement in gang-related activity, particularly activities that involve the distribution of drugs by or to juveniles.

"(4) To promote the involvement of juveniles in lawful activities in geographical areas in which gangs commit crimes.

"(5) To provide treatment to juveniles who are members of such gangs, including members who are accused of committing a serious crime and members who have been adjudicated as being delinquent.

"(6) To support activities to inform juveniles of the availability of treatment and services for which financial assistance is provided under this part.

"(7) To facilitate Federal and State cooperation with local school officials to assist juveniles who are likely to participate in the activities of gangs that commit crimes and to establish and support programs that facilitate coordination and cooperation among local education, juvenile justice, employment, and social service agencies, for the purpose of preventing or reducing the participation of juveniles in activities of gangs that commit crimes.

"(8) To provide personnel, personnel training, equipment, and supplies in conjunction with programs and activities designed to prevent or reduce the participation of juveniles in unlawful gang activities or unlawful drug activities, to assist in improving the adjudicative and correctional components of the juvenile justice system.

"(9) To provide pre- and post-trial drug abuse treatment to juveniles in the juvenile justice system.

"(10) To provide drug abuse education, prevention and treatment involving police and juvenile justice officials in demand reduction programs.

"APPROVAL OF APPLICATIONS

"SEC. 282. (a) Any agency, institution, or individual desiring to receive a grant, or to enter into a contract, under this part shall submit an application at such time, in such manner, and containing or accompanied by such information as the Administrator may prescribe.

"(b) In accordance with guidelines established by the Administrator, each application for assistance under this part shall—

"(1) set forth a program or activity for carrying out one or more of the purposes specified in section 281 and specifically identify each such purpose, such program or activity is designed to carry out;

"(2) provide that such program or activity shall be administered by or under the supervision of the applicant;

"(3) provide for the proper and efficient administration of such program or activity;

"(4) provide for regular evaluation of such program or activity;

"(5) certify that the applicant has requested the State planning agency and local agency designated in section 223, if any, to review and comment on such application and indicate the responses of such State planning agency and local agency to such request;

"(6) attach a copy of the responses of such State planning agency and local agency to such request;

"(7) provide that regular reports on such program or activity shall be sent to the Administrator and to such State planning agency and local agency; and

"(8) provide for such fiscal control and fund accounting procedures as may be necessary to ensure prudent use, proper disbursement, and accurate accounting of funds received under this title.

"(c) In reviewing applications for grants and contracts under this part, the Administrator shall give priority to applications—

"(1) based on the incidence and severity of crimes committed by gangs whose membership is composed primarily of juveniles or the incidence of juvenile drug abuse and drug trafficking, in the geographical area in which the applicants propose to carry out the programs and activities for which such grants and contracts are requested; and

"(2) for assistance for programs and activities that have the broad support of organizations operating in such geographical areas, as demonstrated by the applicants.".

CHAPTER 2—AMENDMENTS TO THE RUNAWAY AND HOMELESS YOUTH ACT

SEC. 7271. GRANTS FOR RUNAWAY AND HOMELESS YOUTH CENTERS.

(a) TECHNICAL AMENDMENT.—The heading for section 311 of the Runaway and Homeless Youth Act (42 U.S.C. 5711) is amended to read as follows:

"AUTHORITY TO MAKE GRANTS".

(b) GRANT PROGRAM.—Subsections (a) and (b) of section 311 of the Runaway and Homeless Youth Act (42 U.S.C. 5711) are amended to read as follows:

"(a) The Secretary shall make grants to public and private entities (and combinations of such entities) to establish and operate (including renovation) local runaway and homeless youth centers to provide services to deal primarily with the immediate needs of runaway or otherwise homeless youth, and their families, in a manner which is outside the law enforcement structure and the juvenile justice system.

"(b)(1) Subject to paragraph (2) and in accordance with regulations promulgated under this title, funds for grants under subsection (a) shall be allotted annually with respect to the States on the basis of their relative population of individuals who are less than 18 years of age.

"(2) Subject to paragraph (3), the amount allotted under paragraph (1) with respect to each State for a fiscal year shall be not less than $75,000, except that the amount allotted to the Virgin Islands of the United States, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands shall be not less than $30,000 each.

"(3) If, as a result of paragraph (2), the amount allotted under paragraph (1) with respect to a State for a fiscal year would be less than the aggregate amount of grants made under this part to recipients in such State for fiscal year 1988, then the amounts allotted to satisfy the requirements of such paragraph shall be reduced pro rata to the extent necessary to allot under paragraph (1) with respect to such State for the fiscal year an amount equal to the aggregate amount of grants made under this part to recipients in such State for fiscal year 1988.

"(4) In selecting among applicants for grants under subsection (a), the Secretary shall give priority to private entities that have experience in providing the services described in such subsection.".

(c) CONFORMING AMENDMENTS.—(1) Sections 312 and 313 of the Runaway and Homeless Youth Act (42 U.S.C. 5712, 5713) are each amended by striking "this part" each place it appears and inserting "section 311(a)".

(2) Section 312(a) of the Runaway and Homeless Youth Act (42 U.S.C. 5712(a)) is amended by inserting "and homeless youth" after "proposed runaway".

(3) Section 312(b) of the Runaway and Homeless Youth Act (42 U.S.C. 5712(b)) is amended—

(A) in the matter preceding paragraph (1) by striking "meeting" and all that follows through "center—", and inserting "including assurances that the applicant—",

(B) in paragraph (1)—

(i) by striking "shall be" and inserting "shall operate a runaway and homeless youth center", and

(ii) by inserting "and homeless" after "by runaway", and

(C) in paragraphs (3) and (5) by striking "runaway center" each place it appears and inserting "runaway and homeless youth center",

(D) in paragraphs (4) and (6) by striking "runaway youths" each place it appears and inserting "runaway and homeless youth", and

(E) in paragraphs (5) and (6) by striking "runaway youth" each place it appears and inserting "runaway and homeless youth".

(4) Section 314 of the Runaway and Homeless Youth Act (42 U.S.C. 5714) is amended by striking "runaway center" and inserting "runaway and homeless youth center".

(5) Section 317 of the Runaway and Homeless Youth Act (42 U.S.C. 5715) is amended—

(A) by striking "runaway centers" and inserting "runaway and homeless youth centers", and

(B) by striking "runaway youth" and inserting "runaway and homeless youth".

(6) Section 318(a) of the Runaway and Homeless Youth Act (42 U.S.C. 5716(a)) is amended by striking "acquisition and".

SEC. 7272. ADDITIONAL TECHNICAL AMENDMENTS.

The Runaway and Homeless Youth Act (42 U.S.C. 5701-5751) is amended—

(1) by amending the heading for part A to read as follows:

"PART A—RUNAWAY AND HOMELESS YOUTH GRANT PROGRAM",

(2) by striking the headings for parts B and C, and

(3) by inserting before the heading for section 317 the following:

"PART D—ADMINISTRATIVE PROVISIONS".

SEC. 7273. AUTHORIZATION OF TRANSITIONAL LIVING PROJECTS.

(a) ASSISTANCE TO POTENTIAL GRANTEES.—Section 315 of the Runaway and Homeless Youth Act (42 U.S.C. 5714a) is amended—

(1) by inserting "and transitional living youth projects" after "homeless youth centers",

(2) in paragraph (1) by inserting "or transitional living youth project" after "homeless youth center",

(3) by inserting "or such project" after "such center" each place it appears, and

(4) in paragraph (3) by inserting "and homeless" after "runaway".

(b) LEASE OF SURPLUS FEDERAL FACILITIES.—Section 316 of the Runaway and Homeless Youth Act (42 U.S.C. 5714b) is amended—

(1) in the heading of such section by inserting "OR AS TRANSITIONAL LIVING YOUTH SHELTER FACILITIES" after "HOMELESS YOUTH CENTERS", and

(2) in subsection (a)—

(A) by inserting "or as transitional living youth shelter facilities" after "homeless youth centers", and

(B) in paragraph (1) by inserting "or transitional living youth project, as the case may be, under this title" after "homeless youth center".

(c) REPORTS.—Section 317 of the Runaway and Homeless Youth Act (42 U.S.C. 5715) is amended—

(1) by inserting "(a)" after "SEC. 317.",

(2) by striking "this part" and inserting "part A", and

(3) by adding at the end thereof the following:

"(b) The Secretary shall annually report to the Congress on the status and accomplishments of the transitional living youth projects which are funded under part B, with particular attention to—

"(1) the number and characteristics of homeless youth served by such projects;

"(2) describing the types of activities carried out under such projects;

"(3) the effectiveness of such projects in alleviating the immediate problems of homeless youth;

"(4) the effectiveness of such projects in preparing homeless youth for self sufficiency;

"(5) the effectiveness of such projects in helping youth decide upon future education, employment, and independent living; and

"(6) the ability of such projects to strengthen family relationships, and encourage the resolution of intra-family problems through counseling and the development of self-sufficient living skills.".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 331 of the Runaway and Homeless Youth Act (42 U.S.C. 5751) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and

(2) by inserting after subsection (a) the following:

"(b)(1) Subject to paragraph (2), to carry out the purposes of part B of this title, there are authorized to be appropriated $5,000,000 for fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990, 1991, and 1992.

"(2) No funds may be appropriated to carry out part B of this title for a fiscal year unless the aggregate amount appropriated for such fiscal year to carry out part A of this title exceeds $26,900,000.".

(e) TECHNICAL AMENDMENTS.—The Runaway and Homeless Youth Act (42 U.S.C. 5701-5751) is amended—

(1) by inserting before the heading for section 315 the following:

"PART C—GENERAL PROVISIONS", and

(2) by redesignating sections 315, 316, 317, 318, 321, and 331 as sections 341, 342, 361, 362, 363, and 366, respectively.

(f) GRANTS FOR TRANSITIONAL LIVING YOUTH PROJECTS.—The Runaway and Homeless Youth Act (42 U.S.C. 5701-5751) is amended by inserting after section 314 the following:

"PART B—TRANSITIONAL LIVING GRANT PROGRAM

"PURPOSE AND AUTHORITY FOR PROGRAM

"SEC. 321. (a) The Secretary is authorized to make grants and to provide technical assistance to public and nonprofit private entities to establish and operate transitional living youth projects for homeless youth.

"(b) For purposes of this part—

"(1) the term 'homeless youth' means any individual—

"(A) who is not less than 16 years of age and not more than 21 years of age;

"(B) for whom it is not possible to live in a safe environment with a relative; and

"(C) who has no other safe alternative living arrangement; and

"(2) the term 'transitional living youth project' means a project that provides shelter and services designed to promote a transition to self-sufficient living and to prevent long-term dependency on social services.

"ELIGIBILITY

"SEC. 322. (a) To be eligible for assistance under this part, an applicant shall propose to establish, strengthen, or fund a transitional living youth project for homeless youth and shall submit to the Secretary a plan in which such applicant agrees, as part of such project—

"(1) to provide, directly or indirectly, shelter (such as group homes, host family homes, and supervised apartments) and services (including information and counseling services in basic life skills, interpersonal skill building, educational advancement, job attainment skills, and mental and physical health care) to homeless youth;

"(2) to provide such shelter and such services to individual homeless youth throughout a continuous period not to exceed 540 days;

"(3) to provide, directly or indirectly, onsite supervision at each shelter facility that is not a family home;

"(4) that such shelter facility used to carry out such project shall have the capacity to accommodate not more than 20 individuals (excluding staff);

"(5) to provide a number of staff sufficient to ensure that all homeless youth participating in such project receive adequate supervision and services;

"(6) to provide a written transitional living plan to each youth based on an assessment of such youth's needs, designed to help the transition from supervised participation in such project to independent living or another appropriate living arrangement;

"(7) to develop an adequate plan to ensure proper referral of homeless youth to social service, law enforcement, educational, vocational, training, welfare, legal service, and health care programs and to help integrate and coordinate such services for youths;

"(8) to provide for the establishment of outreach programs designed to attract individuals who are eligible to participate in the project;

"(9) to submit to the Secretary an annual report that includes information regarding the activities carried out with funds under this part, the achievements of the project under this part carried out by the applicant and statistical summaries describing the number and the characteristics of the homeless youth who participate in such project in the year for which the report is submitted;

"(10) to implement such accounting procedures and fiscal control devices as the Secretary may require;

"(11) to submit to the Secretary an annual budget that estimates the itemized costs to be incurred in the year for which the applicant requests a grant under this part;

"(12) to keep adequate statistical records profiling homeless youth which it serves and not to disclose the identity of individual homeless youth in reports or other documents based on such statistical records;

"(13) not to disclose records maintained on individual homeless youth without the consent of the individual youth and parent or legal guardian to anyone other than an agency compiling statistical records or a government agency involved in the disposition of criminal charges against youth; and

"(14) to provide to the Secretary such other information as the Secretary may reasonably require.

"(b) In selecting eligible applicants to receive grants under this part, the Secretary shall give priority to entities that have experience in providing to homeless youth shelter and services of the types described in subsection (a)(1).".

SEC. 7274. REPORTS.

Section 361 of the Runaway and Homeless Youth Act (42 U.S.C. 5715), as so redesignated by section 7273(e)(2), is amended by striking "The Secretary shall annually" and inserting "Not later than 180 days after the end of each fiscal year, the Secretary shall".

SEC. 7275. NATIONAL COMMUNICATION SYSTEM.

(a) TECHNICAL AMENDMENTS.—Sections 313 and 314 of the Runaway and Homeless Youth Act (42 U.S.C. 5713-5714) are redesignated as sections 316 and 317, respectively.

(b) AUTHORITY TO MAKE GRANTS.—The Runaway and Homeless Youth Act (42 U.S.C. 5701-5751) is amended by inserting after section 312 the following:

"GRANTS FOR A NATIONAL COMMUNICATION SYSTEM

"SEC. 313. (a) With funds reserved under subsection (b), the Secretary shall make grants for a national communication system to assist runaway and homeless youth in communicating with their families and with service providers.

"(b) From funds appropriated to carry out this part and after making the allocation required by section 366(a)(2), the Secretary shall reserve—

"(1) for fiscal year 1989 not less than $500,000;

"(2) for fiscal year 1990 not less than $600,000; and

"(3) for each of the fiscal years 1991 and 1992 not less than $750,000;

to carry out subsection (a).".

SEC. 7276. GRANTS FOR TECHNICAL ASSISTANCE AND TRAINING.

The Runaway and Homeless Youth Act (42 U.S.C. 5701-5751) is amended by inserting after section 313, as added by section 7275, the following:

"GRANTS FOR TECHNICAL ASSISTANCE AND TRAINING

"SEC. 314. The Secretary may make grants to statewide and regional nonprofit organizations (and combinations of such organizations) to provide technical assistance and training to public and private entities (and combinations of such entities) that are eligible to receive grants under section 311(a), for the purpose of assisting such entities to establish and operate runaway and homeless youth centers.".

SEC. 7277. GRANTS FOR RESEARCH, DEMONSTRATION, AND SERVICE PROJECTS.

The Runaway and Homeless Youth Act (42 U.S.C. 5701-5751) is amended by inserting after section 314, as added by section 7276, the following:

"AUTHORITY TO MAKE GRANTS FOR RESEARCH, DEMONSTRATION, AND SERVICE PROJECTS

"SEC. 315. (a) The Secretary may make grants to States, localities, and private entities (and combinations of such entities) to carry out research, demonstration, and service projects designed to increase knowledge concerning, and to improve services for, runaway and homeless youth.

"(b) In selecting among applications for grants under subsection (a), the Secretary shall give special consideration to proposed projects relating to—

"(1) juveniles who repeatedly leave and remain away from their homes;

"(2) outreach to runaway and homeless youth;

"(3) transportation of runaway and homeless youth in connection with services authorized to be provided under this part;

"(4) the special needs of runaway and homeless youth programs in rural areas;

"(5) the special needs of foster care home programs for runaway and homeless youth;

"(6) transitional living programs for runaway and homeless youth; and

"(7) innovative methods of developing resources that enhance the establishment or operation of runaway and homeless youth centers.

"(c) In selecting among applicants for grants under subsection (a), the Secretary shall give priority to applicants who provide services directly to runaway and homeless youth.".

SEC. 7278. ANNUAL PROGRAM PRIORITIES.

The Runaway and Homeless Youth Act (42 U.S.C. 5701-5751) is amended by inserting after section 363, as so redesignated by section 7273(e)(2), the following:

"ANNUAL PROGRAM PRIORITIES

"SEC. 364. (a) The Secretary shall develop for each fiscal year, and publish annually in the Federal Register for public comment a proposed plan specifying the subject priorities the Secretary will follow in making grants under this title for such fiscal year.

"(b) Taking into consideration comments received in the 45-day period beginning on the date the proposed plan is published, the Secretary shall develop and publish, before December 31 of such fiscal year, a final plan specifying the priorities referred to in subsection (a).".

SEC. 7279. COORDINATION WITH ACTIVITIES OF CERTAIN FEDERAL HEALTH AGENCIES.

The Runaway and Homeless Youth Act (42 U.S.C. 5701-5751) is amended by inserting after section 364, as added by section 7278, the following:

"COORDINATION WITH ACTIVITIES

"SEC. 365. With respect to matters relating to communicable diseases, the Secretary shall coordinate the activities of health agencies in the Department of Health and Human Services with the activities of the entities that are eligible to receive grants under this title.”.

SEC. 7280. AUTHORIZATION OF APPROPRIATIONS.

Section 366(a) of the Runaway and Homeless Youth Act of 1974 (42 U.S.C. 5751(a)), as so redesignated by section 7273(d)(2), is amended—

(1) by striking “1985, 1986, 1987, and 1988”,

(2) by inserting “1989, 1990, 1991, and 1992”,

(3) by inserting “(1)” after “(a)”, and

(4) by adding at the end the following:

“(2) Not less than 90 percent of the funds appropriated under paragraph (1) for a fiscal year shall be available to carry out section 311(a) in such fiscal year.”.

CHAPTER 3—AMENDMENTS TO THE MISSING CHILDREN'S ASSISTANCE ACT

SEC. 7285. DUTIES AND FUNCTIONS OF ADMINISTRATOR.

(a) ANNUAL REPORT.—Section 404(a) of the Missing Children's Assistance Act (42 U.S.C. 5773(a)) is amended—

(1) in paragraph (3) by striking “law enforcement”,

(2) in paragraph (4) by inserting “and” at the end,

(3) by amending paragraph (5) to read as follows:

“(5) not later than 180 days after the end of each fiscal year, submit a report to the President, Speaker of the House of Representatives, and the President pro tempore of the Senate—

“(A) containing a comprehensive plan for facilitating cooperation and coordination in the succeeding fiscal year among all agencies and organizations with responsibilities related to missing children;

“(B) identifying and summarizing effective models of Federal, State, and local coordination and cooperation in locating and recovering missing children;

“(C) identifying and summarizing effective program models that provide treatment, counseling, or other aid to parents of missing children or to children who have been the victims of abduction,

“(D) describing how the Administrator satisfied the requirements of paragraph (4) in the preceding fiscal year;

“(E) describing in detail the number and types of telephone calls received in the preceding fiscal year over the national toll-free telephone line established under subsection (b)(1)(A) and the number and types of communications referred to the national communications system established under section 313;

“(F) describing in detail the activities in the preceding fiscal year of the national resource center and clearinghouse established under subsection (b)(2);

“(G) describing all the programs for which assistance was provided under section 405 in the preceding fiscal year;

“(H) summarizing the results of all research completed in the preceding year for which assistance was provided at any time under this title; and

“(I)(i) identifying each clearinghouse with respect to which assistance is provided under section 405(a)(9) in the preceding fiscal year;

“(ii) describing the activities carried out by such clearinghouse in such fiscal year;

“(iii) specifying the types and amounts of assistance (other than assistance under section 405(a)(9)) received by such clearinghouse in such fiscal year; and

“(iv) specifying the number and types of missing children cases handled (and the number of such cases resolved) by such clearinghouse in such fiscal year and summarizing the circumstances of each such cases.”, and

(4) by striking paragraph (6).

(b) Section 404(b) of the Missing Children's Assistance Act (42 U.S.C. 5773(b)) is amended—

(1) in paragraph (1)—

(A) by inserting “(A)” after “(1)”,

(B) by inserting “24-hour” after “national”,

(C) by adding “and” after the semicolon, and

(D) by adding at the end the following:

“(B) coordinating the operation of such telephone line with the operation of the national communications system established under section 313;”,

(2) in paragraph (2)—

(A) by amending subparagraph (A) to read as follows:

“(A) provide to State and local governments, public and private nonprofit agencies, and individuals information regarding—

“(i) free or low-cost legal, restaurant, lodging, and transportation services that are available for the benefit of missing children and their families; and

“(ii) the existence and nature of programs being carried out by Federal agencies to assist missing children and their families;”, and

(B) in subparagraph (D)—

(i) by inserting “and training” after “assistance”, and

(ii) by striking the semicolon and inserting the following: “and in locating and recovering missing children;”,

(3) in paragraph (3) by striking the period at the end and inserting “; and”, and

(4) by adding at the end the following:

“(4) provide to State and local governments, public and private nonprofit agencies, and individuals information to facilitate the lawful use of school records and birth certificates to identify and locate missing children.”.

SEC. 7286. ADVISORY BOARD.

Section 405 of the Missing Children's Assistance Act (42 U.S.C. 5774) is repealed.

SEC. 7287. GRANTS.

Section 406(a) of the Missing Children's Assistance Act (42 U.S.C. 5774(a)) is repealed.

(1) in paragraph (5) by striking “and” at the end,

(2) in paragraph (6) by striking the period and inserting a semicolon, and

(3) by adding at the end the following:

“(7) to address the needs of missing children (as defined in section 4034(1)(A)) and their families following the recovery of such children;

“(8) to reduce the likelihood that individuals under 18 years of age will be removed from the control of such individuals' legal custodians without such custodians' consent; and

“(9) to establish or operate statewide clearinghouse to assist in locating and recovering missing children.”.

SEC. 7286. ADVISORY BOARD.

Section 405 of the Missing Children's Assistance Act (42 U.S.C. 5774) is repealed.

SEC. 7287. GRANTS.

Section 406(a) of the Missing Children's Assistance Act (42 U.S.C. 5775(a)) is amended—

(1) in paragraph (5) by striking “and” at the end,

(2) in paragraph (6) by striking the period and inserting a semicolon, and

(3) by adding at the end the following:

“(7) to address the needs of missing children (as defined in section 403(1)(A)) and their families following the recovery of such children;

“(8) to reduce the likelihood that individuals under 18 years of age will be removed from the control of such individuals' legal custodians without such custodians' consent; and

“(9) to establish or operate statewide clearinghouse to assist in locating and recovering missing children.”.

SEC. 7288. COMPETITION AMENDMENT.

Section 407 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5776) is amended to read as follows:

“CRITERIA FOR GRANTS

“SEC. 407. (a) In carrying out the programs authorized by this title, the Administrator shall establish—

“(1) annual research, demonstration, and service program priorities for making grants and contracts pursuant to section 405; and

“(2) criteria based on merit for making such grants and contracts.

Not less than 60 days before establishing such priorities and criteria, the Administrator shall publish in the Federal Register for public comment a statement of such proposed priorities and criteria.

“(b) No grant or contract exceeding $50,000 shall be made under this title unless the grantee or contractor has been selected by a competitive process which includes public announcement of the availability of funds for such grant or contract, general criteria for the selection of recipients or contractors, and a description of the application process and application review process.

“(c) Multiple grants or contracts to the same grantee or contractor within any 1 year to support activities having the same general purpose shall be deemed to be a single grant for the purpose of this subsection, but multiple grants or contracts to the same grantee or contractor to support clearly distinct activities shall be considered separate grants or contractors.”.

SEC. 7289. AUTHORIZATION OF APPROPRIATIONS.

Section 408 of the Missing Children's Assistance Act (42 U.S.C. 5777) is amended—

(1) by striking “$10,000,000 for fiscal year 1985, and”

(2) by striking “1986, 1987, and 1988”, and

(3) by inserting “1989, 1990, 1991, and 1992”.

SEC. 7290. ADDITIONAL TECHNICAL AND CONFORMING AMENDMENTS.

(a) TECHNICAL AMENDMENT.—Sections 406, 407, and 408 are redesignated as sections 405, 406, and 407, respectively.

(b) CONFORMING AMENDMENT.—Section 406 of the Missing Children's Assistance Act, as so redesignated by subsection (a), is amended by striking “section 406” and inserting “section 405”.

SEC. 7291. SPECIAL STUDY AND REPORT.

The Missing Children's Assistance Act (42 U.S.C. 5771-5777) is amended by adding at the end the following:

“SPECIAL STUDY AND REPORT

“SEC. 408. (a) Not later than 1 year after the date of the enactment of the Juvenile Justice and Delinquency Prevention Amendments of 1988, the Administrator shall begin to conduct a study to determine the obstacles that prevent or impede individuals who have legal custody of children from recovering such children from parents who have removed such children from such individuals in violation of law.

"(b) Not later than 3 years after the date of the enactment of the Juvenile Justice and Delinquency Prevention Amendments of 1988, the Secretary shall submit a report to the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on the Judiciary of the Senate containing a description, and a summary of the results, of the study conducted under subsection (a).".

CHAPTER 4—MISCELLANEOUS

SEC. 7295. INVESTIGATION AND REPORT BY THE COMPTROLLER GENERAL.

(a) INVESTIGATION.—Not later than 180 days after the date of the enactment of the Juvenile Justice and Delinquency Prevention Amendments of 1988, the Comptroller General of the United States shall begin to conduct an investigation of the extent to which—

(1) valid court orders, and

(2) court orders other than valid court orders,

are used in the 5-year period ending on December 31, 1988, to place juveniles in secure detention facilities, in secure correctional facilities, and in jails and lockups for adults.

(b) REPORT.—(1) Not later than 3 years after the date of the enactment of the Juvenile Justice and Delinquency Prevention Amendments of 1988, the Comptroller General shall submit a report to the chairman of the Committee on Education and Labor of the House of Representatives and the chairman of the Committee on the Judiciary of the Senate containing a description, and a summary of the results, of the investigation conducted under subsection (a).

(2) In such report, the Comptroller shall specify separately with respect to secure detention facilities, secure correctional facilities, and jails and lockups for adults—

(A) the frequency with which juveniles were confined,

(B) the length of confinement of juveniles, and

(C) the types of conduct of juveniles for which confinement was imposed,

as a result of the enforcement of court orders of the 2 types described in paragraphs (1) and (2) of subsection (a).

(c) DEFINITIONS.—For purposes of this section—

(1) the term "juvenile" means an individual who is less than 18 years of age,

(2) the term "secure correctional facility" has the meaning given it in section 103(13) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603(13)),

(3) the term "secure detention facility" has the meaning given it in section 103(12) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603(12)), and

(4) the term "valid court order" has the meaning given it in section 103(16) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5603(16)).

SEC. 7296. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this subtitle and the amendments made by this Act shall take effect on October 1, 1988.

(b) APPLICATION OF AMENDMENTS.—(1) The amendments made by section 7258(a) shall not apply to a State with respect to a fiscal year beginning before the date of the enactment of this Act if the State plan is approved before such date by the Administrator for such fiscal year.

(2) The amendments made by section 7274(b)(1) and section 7278 shall not apply with respect to fiscal year 1989.

(3) Notwithstanding the 180-day period provided in section 7277 of the Juvenile Justice and Delinquency Prevention Act of 1974, as added by section 7255, the report required by such section to be submitted with respect to fiscal year 1988 shall be submitted not later than August 1, 1989.

Subtitle G—Provisions Relating to Prisons, Probation, Parole, and Supervised Release

SEC. 7301. PAYMENT OF COSTS OF INCARCERATION BY FEDERAL PRISONERS.

Not later than 1 year after the date of enactment of this section, the United States Sentencing Commission shall study the feasibility of requiring prisoners incarcerated in Federal correctional institutions to pay some or all of the costs incident to the prisoner's confinement, including, but not limited to, the costs of food, housing, and shelter. The study shall review measures which would allow prisoners unable to pay such costs to work at paid employment within the community, during incarceration or after release, in order to pay the costs incident to the prisoner's confinement.

SEC. 7302. ADMINISTRATION OF CONFINEMENT FACILITIES LOCATED ON MILITARY INSTALLATIONS BY THE BUREAU OF PRISONS.

In conjunction with the Department of Defense and the Commission on Alternative Utilization of Military Facilities as established in the National Defense Authorization Act of Fiscal Year 1989, the Bureau of Prisons shall be responsible for—

(1) administering Bureau of Prisons confinement facilities for civilian nonviolent prisoners located on military installations in cooperation with the Secretary of Defense, with an emphasis on placing women inmates in such facilities, or in similar minimum security confinement facilities not located on military installations, so that the percentage of eligible women equals the percentage of eligible men housed in such or similar minimum security confinement facilities (i.e., prison camps);

(2) establishing and regulating drug treatment programs for inmates held in such facilities in coordination and cooperation with the National Institute on Drug Abuse; and

(3) establishing and managing work programs in accordance with guidelines under the Bureau of Prisons for persons held in such facilities and in cooperation with the installation commander.

SEC. 7303. REVOCATION OF PROBATION, PAROLE, AND SUPERVISED RELEASE FOR POSSESSION OF A CONTROLLED SUBSTANCE.

(a) PROBATION.—(1) Section 3563(a) of title 18, United States Code, is amended by—

(A) striking "and" after the semicolon in paragraph (1);

(B) striking the period at the end of paragraph (2) and inserting "; and"; and

(C) inserting after paragraph (2) the following:

"(3) for a felony, a misdemeanor, or an infraction, that the defendant not possess illegal controlled substances.".

(2) Section 3565(a) of title 18, United States Code, is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, if a defendant is found by the court to be in possession of a controlled substance, thereby violating the condition imposed by section 3563(a)(3), the court shall revoke the sentence of probation and sentence the defendant to not less than one-third of the original sentence.".

(b) SUPERVISED RELEASE.—(1) Section 3583(d) of title 18, United States Code, is amended in the first sentence by striking the period and inserting "and that the defendant not possess illegal controlled substances.".

(2) Section 3583 of title 18, United States Code, is amended by adding at the end thereof the following:

"(g) POSSESSION OF CONTROLLED SUBSTANCES.—If the defendant is found by the court to be in the possession of a controlled substance, the court shall terminate the term of supervised release and require the defendant to serve in prison not less than one-third of the term of supervised release.".

(c) PAROLE.—(1) Section 4209(a) of title 18, United States Code, is amended in the first sentence by inserting after "local crime" the following: ", that the parolee not possess illegal controlled substances.".

(2) Subsection (c) of section 4209 of title 18, United States Code, is amended by—

(A) striking the dash and "(1)";

(B) striking the semicolon at the end of paragraph (1) and all of paragraph (2) and inserting a period; and

(C) striking "subparagraph (1) or (2) of".

(3) Section 4214 of title 18, United States Code, is amended by adding at the end thereof the following:

"(f) Notwithstanding any other provision of this section, a parolee who is found by the Commission to be in possession of a controlled substance shall have his parole revoked.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to persons whose probation, supervised release, or parole begins after December 31, 1988.

SEC. 7304. DEMONSTRATION PROGRAM FOR DRUG TESTING OF ARRESTED PERSONS AND DEFENDANTS ON PROBATION OR SUPERVISED RELEASE.

(a) ESTABLISHMENT.—The Director of the Administrative Office of the United States Courts shall establish a demonstration program of mandatory testing of criminal defendants.

(b) LENGTH OF PROGRAM.—The demonstration program shall begin not later than January 1, 1989, and shall last two years.

(c) SELECTION OF DISTRICTS.—The Judicial Conference of the United States shall select 8 Federal judicial districts in which to carry out the demonstration program, so that the group selected represents a mix of districts on the basis of criminal caseload and the types of cases in that caseload.

(d) INCLUSION IN PRETRIAL SERVICES.—In each of the districts in which the demonstration program takes place, pretrial services under chapter 207 of title 18, United States Code, shall arrange for the drug testing of defendants in criminal cases. To the extent feasible, such testing shall be completed before the defendant makes the defendant's initial appearance in the case before a judicial officer. The results of such testing shall be included in the report to the judicial officer under section 3154 of title 18, United States Code.

(e) MANDATORY CONDITION OF PROBATION AND SUPERVISED RELEASE.—In each of the judicial districts in which the demonstration program is in effect, it shall be an additional, mandatory condition of probation, and an additional mandatory condition of supervised release for offenses occurring or completed on or after January 1, 1989, for any defendant convicted of a felony, that such defendant refrain from any illegal use of any controlled substance (as defined in section 102 of the Controlled Substances Act) and submit to periodic drug tests for use of controlled substances at least once every 60 days. The requirement that drug tests be administered at least once every 60 days may be suspended upon motion of the Director of the Administrative Office, or the Director's designee, if, after at least one year of probation or supervised release, the defendant has passed all drug tests administered pursuant to this section. No action may be taken against a defendant pursuant to a drug test administered in accordance with this subsection unless the drug test confirmation is a urine drug test confirmed using gas chromatography techniques or such test as the Secretary of Health and Human Services may determine to be of equivalent accuracy.

(f) REPORT TO CONGRESS.—Not later than 90 days after the first year of the demonstration program and not later than 90 days after the end of the demonstration program, the Director of the Administrative Office of the United States Courts shall report to Congress on the effectiveness of the demonstration program and include in such report recommendations as to whether mandatory drug testing of defendants should be made more general and permanent.

SEC. 7305. HOUSE PROBATION AS A CONDITION FOR PROBATION, PAROLE, OR SUPERVISED RELEASE.

(a) PROBATION.—Section 3563(b) of title 18, United States Code, is amended by—

(1) striking "or" after the semicolon in paragraph (19);

(2) redesignating paragraph (20) as paragraph (21); and

(3) inserting after paragraph (19) the following new paragraph:

"(20) remain at his place of residence during nonworking hours and, if the court finds it appropriate, that compliance with this condition be monitored by telephonic or electronic signaling devices, except that a condition under this paragraph may be imposed only as an alternative to incarceration; or".

(b) SUPERVISED RELEASE.—(1) Section 3583(d) of title 18, United States Code, is amended in the matter following paragraph (3) by striking "(b)(19)" and inserting "(b)(20)".

(2) Section 3583(e) is amended by—

(A) striking "or" at the end of paragraph (3);

(B) striking the period at the end of paragraph (4) and inserting "; or"; and

(C) inserting at the end the following new paragraph:

"(5) order the person to remain at his place of residence during nonworking hours and, if the court so directs, to have compliance monitored by telephone or electronic signaling devices, except that an order under this paragraph may be imposed only as an alternative to incarceration.".

(c) PAROLE.—Section 4209(c) of title 18, United States Code, is amended to read as follows:

"(c) Release on parole or release as if on parole (or probation, or supervised release where applicable) may as a condition of such release require—

"(1) a parolee to reside in or participate in the program of a residential community treatment center, or both, for all or part of the period of such parole; or

"(2) a parolee to remain at his place of residence during nonworking hours and, if the Commission so directs, to have compliance with this condition monitored by telephone or electronic signaling devices, except that a condition under this paragraph may be imposed only as an alternative to incarceration.

A parolee residing in a residential community treatment center pursuant to paragraph (1) of this subsection may be required to pay such costs incident to such residence as the Commission deems appropriate.".

Subtitle H—Provisions Relating to Courts

SEC. 7321. STATE JUSTICE INSTITUTE REAUTHORIZATION.

(a) AUTHORIZATION.—Section 215 of the State Justice Institute Act of 1984 (Public Law 98-620; 42 U.S.C. 10713) is amended to read as follows:

"SEC. 215. There are authorized to be appropriated to carry out the purposes of this title $15,000,000 for fiscal year 1989, $15,000,000 for fiscal year 1990, $15,000,000 for fiscal year 1991, and $15,000,000 for fiscal year 1992.".

(b) TECHNICAL AMENDMENTS.—(1) Section 203(f) of the State Justice Institute Act of 1984 is amended—

(A) by striking out ", at least thirty days prior to their effective date,"; and

(B) by adding to the end thereof the following: "The publication of a substantive rule shall not be made less than thirty days before the effective date of such rule, except as otherwise provided by the Institute for good cause found and published with the rule.".

(2) Section 205(d)(2) of the State Justice Institute Act of 1984 is amended by striking out "chapter 83" and inserting in lieu thereof "chapters 83 and 84".

(3) Section 206(c) of the State Justice Institute Act of 1984 is amended by—

(A) inserting "judicial and" before "nonjudicial" in paragraph (3);

(B) striking out paragraph (4); and

(C) redesignating paragraphs (5) through (15) as paragraphs (4) through (14), respectively.

(4) Section 206(d) of the State Justice Institute Act of 1984 is amended by striking out "judicial system" and inserting in lieu thereof "court (or other unit of State or local government)".

SEC. 7322. SENTENCING JURISDICTION.

Section 636(a) of title 28, United States Code, is amended by—

(1) striking out "and" at the end of paragraph (2);

(2) striking out the period at the end of paragraph (3) and inserting in lieu thereof ", and"; and

(3) adding at the end thereof the following paragraph:

"(4) the power to enter a sentence for a misdemeanor or infraction with the consent of the parties.".

SEC. 7323. CONSIDERATION OF HABEAS CORPUS REFORM LEGISLATION.

(a) INTRODUCTION OF LEGISLATION BY THE CHAIRMAN OF THE COMMITTEE ON THE JUDICIARY OF THE SENATE.—Beginning on the date the Chief Justice of the United States forwards to the Committees on the Judiciary of the Senate and the House of Representatives the report and recommendation of the Special Committee on Habeas Corpus Review of Capital Sentences, appointed by the Chief Justice of the United States and chaired by Justice Lewis Powell (hereafter in this section referred to as the "Special Committee"), the chairman of the Committee on the Judiciary of the Senate shall have 15 days of session thereafter to introduce a bill to modify Federal habeas corpus procedure after having faithfully considered the report and recommendations of the Special Committee. If no such bill is introduced by the chairman within the 15-day period, such bill may be introduced by the ranking minority Member of the committee within an additional 10 days of session.

(b) REPORTING OF LEGISLATION BY THE COMMITTEE ON THE JUDICIARY OF THE SENATE.—(1) The bill introduced pursuant to subsection (a) shall be reported with or without recommendation by the Committee on the Judiciary of the Senate by the end of the 60th day of session after the submission of the report by the Chief Justice or the bill shall be discharged automatically from such committee and such bill shall be placed on the appropriate calendar of the Senate.

(2) It is in order at any time after the 30th day of session after the bill has been placed on the calendar pursuant to paragraph (1), notwithstanding any rule or precedent of the Senate, including Rule 22, for any Member of the Senate to move to proceed to the consideration of the bill. The motion is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. Only one motion in the Senate shall be in order pursuant to this paragraph and such motion shall be decided by a roll call vote.

(3) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and as such it is deemed a part of the rules of the Senate, but applicable only with respect to the procedure to be followed in the Senate in the case of a bill described in paragraph (1), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of the Senate to change the rules (so far as relating to the procedure of the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

(c) REPORT OF THE SPECIAL COMMITTEE.—The Special Committee is urged to expedite the filing of its report and to include options for legislative action among its findings. The House of Representatives shall give fair, appropriate, and expeditious consideration to the report of the Special Committee.

Subtitle I—Provisions Relating to the Federal Bureau of Investigation

SEC. 7331. AUTHORITY FOR THE FEDERAL BUREAU OF INVESTIGATION TO INVESTIGATE, UPON REQUEST, FELONIOUS KILLINGS OF STATE OR LOCAL LAW ENFORCEMENT OFFICERS.

(a) AUTHORITY.—Chapter 33 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 540. Investigation of felonious killings of State or local law enforcement officers

"The Attorney General and the Federal Bureau of Investigation may investigate felonious killings of officials and employees of a State or political subdivision thereof while engaged in or on account of the performance of official duties relating to the prevention, detection, investigation, or prosecution of an offense against the criminal laws of a State or political subdivision, when such investigation is requested by the head of the agency employing the official or employee killed, and under such guidelines as the Attorney General or his designee may establish.".

(b) CONFORMING AMENDMENTS.—The table of sections of such chapter is amended by adding at the end thereof the following item:

"540. Investigation of felonious killings of State or local law enforcement officers.".

SEC. 7332. UNIFORM FEDERAL CRIME REPORTING ACT OF 1988.

(a) SHORT TITLE.—This section may be cited as the "Uniform Federal Crime Reporting Act of 1988".

(b) DEFINITIONS.—For purposes of this section, the term "Uniform Crime Reports" means the reports authorized under section 534 of title 28, United States Code, and administered by the Federal Bureau of Investigation which compiles nationwide criminal statistics for use in law enforcement administration, operation, and management and to assess the nature and type of crime in the United States.

(c) ESTABLISHMENT OF SYSTEM.—

(1) IN GENERAL.—The Attorney General shall acquire, collect, classify, and preserve national data on Federal criminal offenses as part of the Uniform Crime Reports.

(2) REPORTING BY FEDERAL AGENCIES.—All departments and agencies within the Federal government (including the Department of Defense) which routinely investigate complaints of criminal activity, shall report details about crime within their respective jurisdiction to the Attorney General in a uniform manner and on a form prescribed by the Attorney General. The reporting required by this subsection shall be limited to the reporting of those crimes comprising the Uniform Crime Reports.

(3) DISTRIBUTION OF DATA.—The Attorney General shall distribute data received pursuant to paragraph (2), in the form of annual Uniform Crime Reports for the United States, to the President, Members of the Congress, State governments, and officials of localities and penal and other institutions participating in the Uniform Crime Reports program.

(d) ROLE OF FEDERAL BUREAU OF INVESTIGATION.—The Attorney General may designate the Federal Bureau of Investigation as the lead agency for purposes of performing the functions authorized by this section and may appoint or establish such advisory and oversight boards as may be necessary to assist the Bureau in ensuring uniformity, quality, and maximum use of the data collected.

(e) INCLUSION OF OFFENSES INVOLVING ILLEGAL DRUGS.—The Director of the Federal Bureau of Investigation is authorized to classify offenses involving illegal drugs and drug trafficking as a part I crime in the Uniform Crime Reports.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $350,000 for fiscal year 1989 and such sums as may be necessary to carry out the provisions of this section after fiscal year 1989.

(g) EFFECTIVE DATE.—The provisions of this section shall be effective on January 1, 1989.

SEC. 7333. COLLEGE AND RAILROAD POLICE INFORMATION.

Section 534 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) For purposes of this section, the term 'other institutions' includes—

"(1) railroad police departments which perform the administration of criminal justice and have arrest powers pursuant to a State statute, which allocate a substantial part of their annual budget to the administration of criminal justice, and which meet training requirements established by law or ordinance for law enforcement officers; and

"(2) police departments of private colleges or universities which perform the administration of criminal justice and have arrest powers pursuant to a State statute, which allocate a substantial part of their annual budget to the administration of criminal justice, and which meet training requirements established by law or ordinance for law enforcement officers.".

Subtitle J—Provisions Relating to the Deportation of Aliens Who Commit Aggravated Felonies

SEC. 7341. AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT.

Except as otherwise specifically provided in this subtitle, whenever in this subtitle an amendment or repeal is expressed as an amendment to, or repeal of, a provision, the reference shall be deemed to be made to the Immigration and Nationality Act.

SEC. 7342. DEFINITION.

Section 101(a) (8 U.S.C. 1101(a)) is amended by adding at the end thereof the following new paragraph:

"(43) The term 'aggravated felony' means murder, any drug trafficking crime as defined in section 924(c)(2) of title 18, United States Code, or any illicit trafficking in any firearms or destructive devices as defined in section 921 of such title, or any attempt or conspiracy to commit any such act, committed within the United States.".

SEC. 7343. DEPORTATION OF ALIENS COMMITTING AGGRAVATED FELONIES.

(a) RETENTION IN CUSTODY BY THE ATTORNEY GENERAL.—Section 242(a) (8 U.S.C. 1252(a)) is amended—

(1) in the second sentence, by striking out "Any" and inserting in lieu thereof "Except as provided in paragraph (2), any";

(2) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively;

(3) by inserting "(1)" immediately after "(a)"; and

(4) by adding at the end thereof the following new paragraphs:

"(2) The Attorney General shall take into custody any alien convicted of an aggravated felony upon completion of the alien's sentence for such conviction. Notwithstanding subsection (a), the Attorney General shall not release such felon from custody.

"(3)(A) The Attorney General shall devise and implement a system—

"(i) to make available, daily (on a 24-hour basis), to Federal, State, and local authorities the investigative resources of the Service to determine whether individuals arrested by such authorities for aggravated felonies are aliens;

"(ii) to designate and train officers and employees of the Service within each district to serve as a liaison to Federal, State, and local law enforcement and correctional agencies and courts with respect to the arrest, conviction, and release of any alien charged with an aggravated felony; and

"(iii) which uses computer resources to maintain a current record of aliens who have been convicted of an aggravated felony and who have been deported; such record shall be made available to inspectors at ports of entry and to border patrol agents at sector headquarters for purposes of immediate identification of any such previously deported alien seeking to reenter the United States.

"(B) The Attorney General shall submit reports to the Committees on the Judiciary of the House of Representatives and of the Senate at the end of the 6-month period and at the end of the 18-month period beginning on the effective date of this paragraph which describe in detail specific efforts made by the Attorney General to implement this paragraph.".

(b) INAPPLICABILITY OF VOLUNTARY DEPARTURE.—Section 244(e) (8 U.S.C. 1254(e)) is amended—

(1) by striking out "(e) The" and inserting in lieu thereof "(e)(1) Except as provided in paragraph (2), the"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The authority contained in paragraph (1) shall not apply to any alien who is deportable because of a conviction for an aggravated felony.".

(c) APPLICABILITY.—The amendments made by subsections (a) and (b) shall apply to any alien who has been convicted, on or after the date of the enactment of this Act, of an aggravated felony.

SEC. 7344. GROUNDS OF DEPORTATION.

(a) IN GENERAL.—Section 241(a)(4) (U.S.C. 1251((a)(4)) is amended—

(1) by inserting "(A)" before "crime"; and

(2) by inserting after the semicolon the following: " or (B) is convicted of an aggravated felony at any time after entry;".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to any alien who has been convicted, on or after the date of the enactment of this Act, of an aggravated felony.

SEC. 7345. CRIMINAL PENALTIES FOR REENTRY OF CERTAIN DEPORTED ALIENS.

(a) IN GENERAL.—Section 276 (8 U.S.C. 1326) is amended—

(1) by striking out "Any alien" and inserting in lieu thereof "(a) Subject to subsection (b), any alien"; and

(2) by adding at the end thereof the following new subsection:

"(b) Notwithstanding subsection (a), in the case of any alien described in such subsection—

"(1) whose deportation was subsequent to a conviction for commission of a felony (other than an aggravated felony), such alien shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both; or

"(2) whose deportation was subsequent to a conviction for commission of an aggravated felony, such alien shall be fined under such title, imprisoned not more than 15 years, or both.".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to any alien who enters, attempts to enter, or is found in, the United States on or after the date of the enactment of this Act.

SEC. 7346. CRIMINAL PENALTIES FOR AIDING OR ASSISTING CERTAIN ALIENS TO ENTER THE UNITED STATES.

(a) IN GENERAL.—Section 277 (8 U.S.C. 1327) is amended by inserting "(9), (10), (23) (insofar as an alien excludable under any such paragraph has in addition been convicted of an aggravated felony)," immediately after "212(a)".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to any aid or assistance which occurs on or after the date of the enactment of this Act.

(c) CONFORMING AMENDMENTS.—(1) The section heading for such section is amended by striking out "SUBVERSIVE ALIEN" and inserting in lieu thereof "CERTAIN ALIENS".

(2) The table of contents of such Act is amended by amending the item relating to section 277 to read as follows:

"Sec. 277. Aiding or assisting certain aliens to enter the United States.".

SEC. 7347. EXPEDITED DEPORTATION PROCEEDINGS FOR ALIENS CONVICTED OF AGGRAVATED FELONIES.

(a) EXPEDITED PROCEEDINGS.—The Act is further amended by inserting after section 242 the following new section:

"EXPEDITED PROCEDURES FOR DEPORTATION OF ALIENS CONVICTED OF COMMITTING AGGRAVATED FELONIES

"SEC. 242A. (a) IN GENERAL.—The Attorney General shall provide for the availability of special deportation proceedings at certain Federal, State, and local correctional facilities for aliens convicted of aggravated felonies (as defined in section 101(a)(43). Such proceedings shall be conducted in conformity with section 242 (except as otherwise provided in this section), and in a manner which eliminates the need for additional detention at any processing center of the Service and in a manner which assures expeditious deportation, where warranted, following the end of the alien's incarceration for the underlying sentence.

"(b) IMPLEMENTATION.—With respect to an alien convicted of an aggravated felony who is taken into custody by the Attorney General pursuant to section 242(a)(2), the Attorney General shall, to the maximum extent practicable, detain any such felon at a facility at which other such aliens are detained. In the selection of such facility, the Attorney General shall make reasonable efforts to ensure that the alien's access to counsel and right to counsel under section 292 are not impaired.

"(c) PRESUMPTION OF DEPORTABILITY.—An alien convicted of an aggravated felony shall be conclusively presumed to be deportable from the United States.

"(d) EXPEDITED PROCEEDINGS.—(1) Notwithstanding any other provision of law, the Attorney General shall provide for the initiation and, to the extent possible, the completion of deportation proceedings, and any administrative appeals thereof, in the case of any alien convicted of an aggravated felony before the alien's release from incarceration for the underlying aggravated felony."

"(2) Nothing in this section shall be construed as requiring the Attorney General to effect the deportation of any alien sentenced to actual incarceration, before release from the penitentiary or correctional institution where such alien is confined, unless the chief prosecutor or the judge in whose jurisdiction conviction occurred submits a written request to the Attorney General that such alien be so deported.

"(e) REVIEW.—(1) The Attorney General shall review and evaluate deportation proceedings conducted under this section. Within 12 months after the effective date of this section, the Attorney General shall submit a report to the Committees on the Judiciary of the House of Representatives and of the Senate concerning the effectiveness of such deportation proceedings in facilitating the deportation of aliens convicted of aggravated felonies.

"(2) The Comptroller General shall monitor, review, and evaluate deportation proceedings conducted under this section. Within 18 months after the effective date of this section, the Comptroller General shall submit a report to such Committees concerning the extent to which deportation proceedings conducted under this section may adversely affect the ability of such aliens to contest deportation effectively.".

(b) APPEALS.—Paragraph (1) of section 106(a) (8 U.S.C. 1105a(a)(1)) is amended to read as follows:

"(1) a petition for review may be filed not later than 6 months after the date of the issuance of the final deportation order, or, in the case of an alien convicted of an aggravated felony, not later than 60 days after the issuance of such order;".

(c) APPLICABILITY.—The amendments made by subsections (a) and (b) shall apply in the case of any alien convicted of an aggravated felony on or after the date of the enactment of this Act.

(d) TABLE OF CONTENTS.—The table of contents of such Act is further amended by inserting after the item relating to section 242 the following new item:

"Sec. 242A. Expedited Procedures for deportation of aliens convicted of committing aggravated felonies.".

SEC. 7348. DEPORTATION FOR WEAPONS VIOLATION.

(a) IN GENERAL.—Section 241(a)(14) (8 U.S.C. 1251(a)(14)) is amended by inserting after "law" the following: "any firearm or destructive device (as defined in paragraphs (3) and (4)), respectively, of section 921(a) of title 18, United States Code, or any revolver or".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to any alien convicted, on or after the date of the enactment of this Act, of possessing any firearm or destructive device referred to in such subsection.

SEC. 7349. BAR ON REENTRY OF ALIENS CONVICTED OF AGGRAVATED FELONIES.

(a) IN GENERAL.—Section 212(a)(17) (8 U.S.C. 1182(a)(17)) is amended by inserting "(or within ten years in the case of an alien convicted of an aggravated felony)" after "within five years".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to any alien convicted of an aggravated felony who seeks admission to the United States on or after the date of the enactment of this Act.

SEC. 7350. IMMIGRATION AND NATURALIZATION SERVICE PERSONNEL ENHANCEMENT.

(a) PILOT PROGRAM REGARDING THE IDENTIFICATION OF CERTAIN ALIENS.—

(1) Within 6 months after the effective date of this subtitle, the Attorney General shall establish, out of funds appropriated pursuant to subsection (c)(2), a pilot program in 4 cities to improve the capabilities of the Immigration and Naturalization Service (hereinafter in this section referred to as the "Service") to respond to inquiries from Federal, State, and local law enforcement authorities concerning aliens who have been arrested for or convicted of, or who are the subject of any criminal investigation relating to, a violation of any law relating to controlled substances (other than an aggravated felony as defined in section 101(a)(43) of the Immigration and Nationality Act, as added by section 7342 of this subtitle).

(2) At the end of the 12-month period after the establishment of such pilot program, the Attorney General shall provide for an evaluation of its effectiveness, including an assessment by Federal, State, and local prosecutors and law enforcement agencies. The Attorney General shall submit a report containing the conclusions of such evaluation to the Committees on the Judiciary of the House of Representatives and of the Senate within 60 days after the completion of such evaluation.

(b) HIRING OF INVESTIGATIVE AGENTS.—

(1) Any investigative agent hired by the Attorney General for purposes of this section shall be employed exclusively to assist Federal, State, and local law enforcement agencies in combating drug trafficking and crimes of violence by aliens.

(2) Any investigative agent hired under this section who is older than 35 years of age shall not be eligible for Federal retirement benefits made available to individuals who perform hazardous law enforcement activities.

Subtitle K—United States Customs Service

SEC. 7361. AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES CUSTOMS SERVICE.

(a) IN GENERAL.—

(1) Paragraph (1) of section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)) is amended to read as follows:

"(1) FOR NONCOMMERCIAL OPERATIONS.—There are authorized to be appropriated for fiscal year 1989 not to exceed $440,504,000 for the salaries and expenses of the United States Customs Service that are incurred in noncommercial operations, of which at least $26,240,000 shall be used to increase the number of customs inspectors for contraband enforcement teams and other drug interdiction personnel of the United States Customs Service to a number which exceeds the total number of such inspectors and personnel employed by the United States Customs Service on September 30, 1988, by the equivalent of at least 435 full-time employees, and for related equipment.".

(2) Subsection (b) of section 301 of the Customs Procedural Reform and Simplification Act of 1978 is amended—

(A) by striking out "1988" in paragraphs (2) and (3) and inserting in lieu thereof "1989",

(B) by striking out "$615,000,000" in paragraph (2) and inserting in lieu thereof "$615,247,000",

(C) by striking out "$118,309,000" in paragraph (3) and inserting in lieu thereof "$142,262,000", and

(D) by adding at the end thereof the following new paragraph:

"(4) CUSTOMS COOPERATION COUNCIL.—There are authorized to be appropriated to the Secretary of the Treasury for fiscal year 1989, $1,600,000 for payment to the Customs Cooperation Council.".

(b) INCREASE IN NUMBER OF EMPLOYEES.—Subsection (g) of section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(g)) is amended by adding at the end thereof the following new paragraph:

"(3) The total number of employees of the United States Customs Service shall be equivalent to at least 17,174 full-time employees.".

(c) INCONSISTENT DECISIONS OF CUSTOMS OFFICERS.—

(1) The Secretary of the Treasury shall prescribe regulations that—

(A) effect uniformity in—

(i) decisions described in section 514(a) of the Tariff Act of 1930 (19 U.S.C. 1514(a)) that are made by customs officers with respect to the same, or substantially similar, merchandise, and

(ii) decisions to conduct intensified inspections or examinations of merchandise at ports of entry, and

(B) establish procedures that allow individuals described in section 514(c)(1) of the Tariff Act of 1930 (19 U.S.C. 1514(c)(1)), any port authority, and any other interested party (within the meaning of section 516(a)(2) of the Tariff Act of 1930 (19 U.S.C. 1516(a)(2))) to petition the Secretary to obtain such uniformity in an expedited and timely fashion.

(2) The Secretary of the Treasury shall publish in the Federal Register and submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the proposed and final form of the regulations prescribed under paragraph (1) and shall receive and consider comments from the public regarding the proposed form of such regulations during the 60-day period beginning on the date the proposed form of such regulations are published in the Federal Register.

(3) The regulations prescribed under paragraph (1) shall take effect by no later than April 1, 1989.

(4) By no later than September 1, 1989, the Secretary of the Treasury shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the effectiveness of the regulations prescribed under paragraph (1) and recommendations for permanent legislation addressing uniformity.

SEC. 7362. UNITED STATES CUSTOMS SERVICE DRUG INTERDICTION ASSET ENHANCEMENT.

In addition to any other amounts authorized to be appropriated for fiscal year 1989, there are authorized to be appropriated for Operation and Maintenance, Air Interdiction Program for fiscal year 1989, $57,400,000: *Provided,* That such additional appropriation shall be available for the procurement of helicopters; tracking, and interceptor aircraft; and operation and maintenance expenses for these and other assets of the United States Customs Service's air interdiction program.

SEC. 7363. TRANSFER OF AIRCRAFT.

The Secretary of the Treasury shall transfer to the office of the sheriff of Marion County, Indiana, for use by that office for drug enforcement and prisoner transportation purposes, a light twin engine or high-performance single engine aircraft having a capacity of not less than 4 passengers that—

(1) was forfeited to the United States under the customs laws;

(2) is not transferred to any Federal agency or State or local law enforcement agency under section 616 of the Tariff Act of 1930; and

(3) would, but for this section, be sold at public auction under section 609 of the Tariff Act of 1930.

Section 616(d) of the Tariff Act of 1930 applies to the aircraft transferred under this section.

SEC. 7364. CUSTOMS FORFEITURE FUND.

Section 613A of the Tariff Act of 1930 (19 U.S.C. 1613b) is amended to read as follows:

"SEC. 613A. CUSTOMS FORFEITURE FUND.

"(a) In General.—

"(1) There is established in the Treasury of the United States a fund to be known as the 'Customs Forfeiture Fund' (hereafter in this section referred to as the 'Fund'), which shall be available to the United States Customs Service, subject to appropriation, with respect to seizures and forfeitures by the United States Customs Service and the United States Coast Guard under any law enforced or administered by those agencies for payment, or for reimbursement to the appropriation from which payment was made, for—

"(A) all proper expenses of the seizure (including investigative costs incurred by the United States Customs Service leading to seizures) or the proceedings of forfeiture and sale, including, but not limited to, the expenses of inventory, security, and maintenance of custody of the property, advertisement and sale of the property, and if condemned by the court and a bond for such costs was not given, the costs as taxed by the court;

"(B) awards of compensation to informers under section 619;

"(C) satisfaction of—

"(i) liens for freight, charges, and contributions in general average, notice of which has been filed with the appropriate customs officer according to law, and

"(ii) other liens against forfeited property;

"(D) amounts authorized by law with respect to remission and mitigation; and

"(E) claims of parties in interest to property disposed of under section 612(b), in the amounts applicable to such claims at the time of seizure.

"(2) Any payment made under subparagraph (C) or (D) of paragraph (1) with respect to a seizure or a forfeiture of property shall not exceed the value of the property at the time of the seizure.

"(3) In addition to the purposes described in paragraph (1), the Fund shall be available for—

"(A) purchases by the United States Customs Service of evidence of—

"(i) smuggling of controlled substances, and

"(ii) violations of the currency and foreign transaction reporting requirements of chapter 51 of title 31, United States Code, if there is a substantial probability that the violations of these requirements are related to the smuggling of controlled substances;

"(B) equipment for any vessel, vehicle, or aircraft available for official use by the United States Customs Service to enable the vessel, vehicle, or aircraft to assist in law enforcement functions;

"(C) the reimbursement, at the discretion of the Secretary, of private persons for expenses incurred by such persons in cooperating with the United States Customs Service in investigations and undercover law enforcement operations;

"(D) publication of the availability of awards under section 619;

"(E) equipment for any vessel, vehicle, or aircraft available for official use by a State or local law enforcement agency to enable the vessel, vehicle, or aircraft to assist in law enforcement functions if the conveyance will be used in joint law enforcement operations with the United States Customs Service; and

"(F) payment of overtime salaries, travel, fuel, training, equipment, and other similar costs of State and local law enforcement officers that are incurred in joint law enforcement operations with the United States Customs Service.

"(b) United States Coast Guard.—The Commissioner of Customs shall make available to the United States Coast Guard, from funds appropriated under subsection (f)(2) in excess of $10,000,000 for a fiscal year, proceeds in the Fund derived from seizures by the Coast Guard. Funds made available under this subsection may be used for—

"(1) equipment for any vessel, vehicle, or aircraft available for official use by the United States Coast Guard to enable the vessel, vehicle, or aircraft to assist in law enforcement functions;

"(2) equipment for any vessel, vehicle, equipment, or aircraft available for official use by a State or local law enforcement agency to enable the vessel, vehicle, or aircraft to assist in law enforcement functions if the conveyance will be used in joint law enforcement operations with the United States Coast Guard;

"(3) payment of overtime salaries, travel, fuel, training, equipment, and other similar costs of State and local law enforcement officers that are incurred in joint law enforcement operations with the United States Coast Guard; and

"(4) expenses incurred in bringing vessels into compliance with applicable environmental laws prior to disposal by sinking.

"(c) Deposits.—There shall be deposited into the Fund all proceeds from forfeiture under any law enforced or administered by the United States Customs Service or the United States Coast Guard and all income from investments made under subsection (d).

"(d) Investment.—Amounts in the Fund which are not currently needed for the purposes of this section shall be invested in obligations of, or guaranteed by, the United States.

"(e) Annual Reports; Audits.—

"(1) The Commissioner of Customs shall transmit to the Congress, by no later than February 1 of each fiscal year the following detailed reports:

"(A) a report on—

"(i) the estimated total value of property forfeited under any law enforced or administered by the United States Customs Service or the United States Coast Guard with respect to which funds were not deposited in the Fund during the previous fiscal year, and

"(ii) the estimated total value of all such property transferred to any State or local law enforcement agency; and

"(B) a report on—

"(i) the balance of the Fund at the beginning of the preceding fiscal year;

"(ii) sources of receipts (seized cash, conveyances, and others) of the Fund during the previous fiscal year;

"(iii) liens and mortgages paid and amount of money shared with State and local law enforcement agencies during the previous fiscal year;

"(iv) the net amount realized from the operations of the Fund during the previous fiscal year, the amount of seized cash being held as evidence, and the amount of money that has been carried over to the current fiscal year;

"(v) any defendant's equity in property valued at $1,000,000 or more; and

"(vi) the balance of the Fund at the end of the previous fiscal year.

"(2) The Fund shall be subject to annual financial audits conducted by the Comptroller General of the United States.

"(f) Authorization of Appropriations.—

"(1) There are hereby appropriated from the Fund such sums as may be necessary to carry out the purposes set forth in subsection (a)(1).

"(2) There are authorized to be appropriated from the Fund not to exceed $20,000,000 for each fiscal year to carry out the purposes set forth in subsections (a)(3) and (b) for such fiscal year.

"(3) At the end of each fiscal year, any unobligated amount in excess of $15,000,000 remaining in the Fund shall be deposited into the general fund of the Treasury of the United States.".

SEC. 7365. WARRANTS.

Section 603 of the Tariff Act of 1930 (19 U.S.C. 1603) is amended—

(1) by amending the section heading to read as follows:

"SEC. 603. SEIZURE; WARRANTS AND REPORTS."; and

(2) by striking out "Whenever a seizure of merchandise" and inserting in lieu thereof the following:

"(a) Any property which is subject to forfeiture to the United States for violation of the customs laws and which is not subject to search and seizure in accordance with the provisions of section 595 of this Act, may be seized by the appropriate officer or person upon process issued in the same manner as provided for a search warrant under the Federal Rules of Criminal Procedure. This authority is in addition to any seizure authority otherwise provided by law.

"(b) Whenever a seizure of merchandise".

SEC. 7366. DISPOSITION OF FORFEITED PROPERTY.

(a) AMENDMENT.—Section 616(c) of the Tariff Act of 1930 (19 U.S.C. 1616a(c)) is amended to read as follows:

"(c)(1) The Secretary of the Treasury may apply property forfeited under this Act in accordance with subparagraph (A) or (B), or both:

"(A) Retain any of the property for official use.

"(B) Transfer any of the property to any—

"(i) other Federal agency; or

"(ii) State or local law enforcement agency that participated directly or indirectly in the seizure or forfeiture of the property.

"(2) The Secretary may transfer any forfeited personal property or the proceeds of the sale of any forfeited personal or real property to any foreign country which participated directly or indirectly in the seizure or forfeiture of the property, if such a transfer—

"(A) has been agreed to by the Secretary of State;

"(B) is authorized in an international agreement between the United States and the foreign country; and

"(C) is made to a country which, if applicable, has been certified under section 481(h) of the Foreign Assistance Act of 1961.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to property forfeited under the Tariff Act of 1930 on or after the date of the enactment of this Act.

SEC. 7367. AMENDMENTS TO THE TARIFF ACT OF 1930.

(a) PENALTY FOR FAILURE TO DECLARE.—Section 497(a)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1497), is amended by striking out "200 percent" and inserting in lieu thereof "1,000 percent".

(b) EFFECT OF A DECLARATION OF FORFEITURE.—Section 609 of the Tariff Act of 1930 (19 U.S.C. 1609) is amended to read as follows:

"SEC. 609. SEIZURE; SUMMARY FORFEITURE AND SALE.

"(a) IN GENERAL.—If no such claim is filed or bond given within the twenty days hereinbefore specified, the appropriate customs officer shall declare the vessel, vehicle, aircraft, merchandise, or baggage forfeited, and shall sell the same at public auction in the same manner as merchandise abandoned to the United States is sold or otherwise dispose of the same according to law, and shall deposit the proceeds of sale, after deducting the expenses described in section 613, into the Customs Forfeiture Fund.

"(b) EFFECT.—A declaration of forfeiture under this section shall have the same force and effect as a final decree and order of forfeiture in a judicial forfeiture proceeding in a district court of the United States. Title shall be deemed to vest in the United States free and clear of any liens or encumbrances (except for first preferred ship mortgages pursuant to subsection O of section 30 of the Ship Mortgage Act, 1920 (46 U.S.C. App. 961) or any corresponding revision, consolidation, and enactment of such subsection in title 46, United States Code) from the date of the act for which the forfeiture was incurred. Officials of the various States, insular possessions, territories, and commonwealths of the United States shall, upon application of the appropriate customs officer accompanied by a certified copy of the declaration of forfeiture, remove any recorded liens or encumbrances which apply to such property and issue or reissue the necessary certificates of title, registration certificates, or similar documents to the United States or to any transferee of the United States.".

(c) TECHNICAL CORRECTIONS.—

(1) Section 431(c)(1)(G) of the Tariff Act of 1930 (19 U.S.C. 1431(c)(1)(G)) is amended by striking out "or" and inserting in lieu thereof "of".

(2) Section 608 of the Tariff Act of 1930 (19 U.S.C. 1608) is amended to read as follows:

"SEC. 608. SEIZURE; CLAIMS; JUDICIAL CONDEMNATION.

"Any person claiming such vessel, vehicle, aircraft, merchandise, or baggage may at any time within twenty days from the date of the first publication of the notice of seizure file with the appropriate customs officer a claim stating his interest therein. Upon the filing of such claim, and the giving of a bond to the United States in the penal sum of $5,000 or 10 percent of the value of the claimed property, whichever is lower, but not less than $250, with sureties to be approved by such customs officer, conditioned that in case of condemnation of the articles so claimed the obligor shall pay all the costs and expenses of the proceedings to obtain such condemnation, such customs officer shall transmit such claim and bond, with a duplicate list and description of the articles seized, to the United States attorney for the district in which seizure was made, who shall proceed to a condemnation of the merchandise or other property in the manner prescribed by law.".

(3) Section 610 of the Tariff Act of 1930 (19 U.S.C. 1610) is amended to read as follows:

"SEC. 610. SEIZURE; JUDICIAL FORFEITURE PROCEEDINGS.

"If any vessel, vehicle, aircraft, merchandise, or baggage is not subject to section 607, the appropriate customs officer shall transmit a report of the case, with the names of available witnesses, to the United States attorney for the district in which the seizure was made for the institution of the proper proceedings for the condemnation of such property.".

(4) Section 612 of the Tariff Act of 1930 (19 U.S.C. 1612) is amended to read as follows:

"SEC. 612. SEIZURE; SUMMARY SALE.

"(a) Whenever it appears to the appropriate customs officer that any vessel, vehicle, aircraft, merchandise, or baggage seized under the customs laws is liable to perish or to waste or to be greatly reduced in value by keeping, or that the expense of keeping the same is disproportionate to the value thereof, and such vessel, vehicle, aircraft, merchandise, or baggage is subject to section 607, and such vessel, vehicle, aircraft, merchandise, or baggage has not been delivered under bond, such officer shall proceed forthwith to advertise and sell the same at auction under regulations to be prescribed by the Secretary of the Treasury. If such vessel, vehicle, aircraft, merchandise, or baggage is not subject to section 607, such officer shall forthwith transmit the appraiser's return and his report of the seizure to the United States attorney, who shall petition the court to order an immediate sale of such vessel, vehicle, aircraft, merchandise, or baggage, and if the ends of justice require it the court shall order such immediate sale, the proceeds thereof to be deposited with the court to await the final determination of the condemnation proceedings. Whether such sale be made by the customs officer or by order of the court, the proceeds thereof shall be held subject to claims of parties in interest to the same extent as the vessel, vehicle, aircraft, merchandise, or baggage so sold would have been subject to such claim.

"(b) If the expense of keeping the vessel, vehicle, aircraft, merchandise, or baggage is disproportionate to the value thereof, and such value is less than $1,000, such officer may proceed forthwith to order destruction or other appropriate disposition of such property, under regulations prescribed by the Secretary of the Treasury.".

(5) Section 589 of the Tariff Act of 1930 (19 U.S.C. 1589), as added by section 320 of the Comprehensive Forfeiture Act of 1984 (Public Law 98-473; 98 Stat. 2056), is hereby repealed.

(6) Section 627 of the Tariff Act of 1930 (19 U.S.C. 1627), as added by section 302 of the Motor Vehicle Theft Law Enforcement Act of 1984 (98 Stat. 2771), is hereby repealed.

SEC. 7368. CARGO CONTAINER DRUG DETECTION RESEARCH AND DEVELOPMENT.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amounts authorized to be appropriated for fiscal year 1989, there are authorized to be appropriated to the United States Customs Service for the fiscal year 1989, $4,100,000: *Provided*, That such additional appropriation shall be used only for accelerating the development and availability of X-ray detection, nitrate detection, or other technologies to be utilized for the detection, of illegal narcotics in cargo containers entering the United States at seaports, airports, and land borders. Up to $10,900,000 of funds appropriated under section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 may be used for the purpose set forth in this subsection.

(b) COORDINATION.—The Commissioner of Customs shall coordinate and share the findings of the research and development authorized in subsection (a) with other Federal departments and agencies with possible mission requirements for such technology, including the Federal Aviation Administration and United States Coast Guard in the Department of Transportation; the Drug Enforcement Administration in the Department of Justice; and the appropriate State and local law enforcement agencies, including airport authorities, port authorities, and other interested parties.

(c) REPORT.—The Commissioner of Customs shall report his findings in either classified, or unclassified form, to the appropriate Committees of Congress in conjunction with the President's submission of his fiscal year 1990 Budget of the United States.

SEC. 7369. STANDARDS OF CARE IN DISCOVERING CONTRABAND.

(a) IN GENERAL.—By no later than the date that is 120 days after the date of enactment of this Act and after an opportunity for public comment, the Secretary of the Treasury shall prescribe regulations which set forth criteria for use by the owner, master, pilot, operator, or officer of, or other employee in charge of, any common carrier in meeting the standards under sections 584(a)(2) and 594(c) of the Tariff Act of 1930 (19 U.S.C. 1584(a)(2) and 1594(c)) for the exercise of the highest degree of care and diligence to know whether controlled substances imported into the United States are on board the common carrier.

(b) AIR CARRIER SMUGGLING PREVENTION PROGRAM.—

(1) The Secretary of the Treasury, in consultation with the Secretary of Transportation, shall issue controlled substances regulations for a 2-year demonstration program within 6 months after the date of the enactment of this Act. The regulations shall apply to at least three United States International Airports classified as high-risk by the United States Customs Service and based upon the volume of cargo and number of aircraft arriving from high-risk points of departure. Such regulations shall establish procedures for air carrier development and Customs Service approval of foreign and domestic security and inspection practices. The regulations shall permit air carriers to request the Secretary of the Treasury to permit air carriers, the Customs Service, or an approved agent of the Customs Service to inspect at United States airports of entry, and aircraft arriving from foreign locations. The Secretary of the Treasury shall approve such request if the applicant meets the requirements of the regulations. Taking into account all considerations of security, law enforcement, and commercial needs, inspections of aircraft and cargo shall be conducted and completed within a reasonable period of time.

(2) Air carriers which have applied to the Secretary of the Treasury and which the Secretary determines to be in compliance with the regulations and inspection requirements promulgated under paragraph (1) shall be considered participating air carriers. The Secretary of the Treasury shall establish by regulation a procedure for finding a carrier to be a participating carrier and procedures for subsequent removal of that status. The Secretary shall not remove an air carrier from the status of participating air carrier unless the Secretary has first provided to the air carrier a written notice that the air carrier is not in compliance with the regulations or inspection requirements promulgated under paragraph (1), which notice shall include the reasons for that determination, and has provided to the air carrier a reasonable opportunity to correct such noncompliance.

(3) Participating air carriers shall be considered to have met the test of the highest degree of care and diligence required under law, and shall not be subject to the penalty or seizure provisions of the Tariff Act of 1930, if a controlled substance is discovered aboard an aircraft that they may own or operate or in the cargo they carried, if the participating air carrier establishes at an oral presentation that the air carrier was not grossly negligent nor engaged in willful misconduct, and complied with the applicable procedures established in the regulations promulgated under paragraph (1).

(4) For the purpose of this subsection, the term "air carrier" means an air carrier or foreign air carrier as those terms are defined in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1301).

(5) No provision of this section shall have any effect on air transportation security requirements prescribed pursuant to the Federal Aviation Act of 1958.

SEC. 7370. COMMENDATION OF UNITED STATES CUSTOMS SERVICE.

(a) FINDINGS.—The Congress finds that—

(1) on October 11, 1988, the United States Customs Service announced the results of Operation C-Chase, a 2-year investigation of the Bank of Credit and Commerce International and its top managers;

(2) this investigation culminated in simultaneous arrest, search and seizure warrants in the United States, France, and the United Kingdom;

(3) Operation C-Chase is the first indictment of an international financial institution for laundering illegal narcotics proceeds; and

(4) Operation C-Chase ended in 39 arrests, including of Amjad Awan—General Manuel Antonio Noriega's personal banker—and other alleged international drug and money laundering kingpins known as Gonzalo Mora, Jr., Roberto Alcaino, and Don Chepe, some of whom are intimately tied to the Medellin Cartel.

(b) COMMENDATION BY THE CONGRESS.—The Congress—

(1) commends Commissioner William von Raab, for his outstanding leadership and dedication over the last 7 years as Commissioner of the United States Customs Service, and specifically for his direction of Operation C-Chase;

(2) commends and expresses its gratitude to the undercover agents involved in Operation C-Chase, who risked their lives and well-being for the sake of combatting the international drug trade; and

(3) expresses its appreciation for the efforts of Special Agent in Charge Bonni Tischler of the Customs Service, and all other United States Customs officials who participated in Operation C-Chase.

(c) TRANSMITTAL.—The Secretary of the Senate is directed to transmit copies of this section to President Reagan, Commissioner von Raab, and Special Agent Tischler.

Subtitle L—Coast Guard Drug Law Enforcement

SEC. 7401. AUTHORITY AND PROTECTION OF COMMANDING OFFICERS ON NAVAL VESSELS TO WHICH COAST GUARD PERSONNEL ARE ASSIGNED.

(a) IN GENERAL.—Section 637 of title 14, United States Code, is amended to read as follows:

"§ 637. Stopping vessels; immunity for firing at or into vessel

"(a) Whenever any vessel liable to seizure or examination does not stop on being ordered to do so or on being pursued by an authorized vessel or authorized aircraft which has displayed the ensign, pennant, or other identifying insignia prescribed for an authorized vessel or authorized aircraft, the person in command or in charge of the authorized vessel or authorized aircraft may, after a gun has been fired by the authorized vessel or authorized aircraft as a warning signal, fire at or into the vessel which does not stop.

"(b) The person in command of an authorized vessel or authorized aircraft and all persons acting under that person's direction shall be indemnified from any penalties or actions for damages for firing at or into a vessel pursuant to subsection (a). If any person is killed or wounded by the firing, and the person in command of the authorized vessel or authorized aircraft or any person acting pursuant to their orders is prosecuted or arrested therefor, they shall be forthwith admitted to bail.

"(c) A vessel or aircraft is an authorized vessel or authorized aircraft for purposes of this section if—

"(1) it is a Coast Guard vessel or aircraft; or

"(2) it is a surface naval vessel on which one or more members of the Coast Guard are assigned pursuant to section 379 of title 10.".

(b) CONFORMING AMENDMENT.—The item relating to section 637 in the table of sections at the beginning of chapter 17 of title 14, United States Code, is amended to read as follows:

"637. Stopping vessels; immunity for firing at or into vessel.".

SEC. 7402. MARITIME DRUG LAW ENFORCEMENT ACT AMENDMENTS.

(a) SECTION 3(a) AMENDMENT.—Section 3(a) of the Act entitled "An Act to facilitate increased enforcement by the Coast Guard of laws relating to the importation of controlled substances, and for other purposes", approved September 15, 1980 (46 U.S.C. App. 1903(a)), is amended by inserting after "jurisdiction of the United States," the following: "or who is a citizen of the United States or a resident alien of the United States on board any vessel,".

(b) SECTION 3(b) AMENDMENT.—Section 3(b)(2) of such Act (46 U.S.C. App. 1903(b)(2)) is amended by inserting after "High Seas" the following: "and a claim of nationality or registry for the vessel is made by the master or individual in charge at the time of the enforcement action by an officer or employee of the United States authorized to enforce applicable provisions of United States law".

SEC. 7403. COAST GUARD LAW ENFORCEMENT DUTIES.

Section 2 of title 14, United States Code, is amended by striking "United States;" the first place it appears and inserting in lieu thereof "United States; shall engage in maritime air surveillance or interdiction to enforce or assist in the enforcement of the laws of the United States;".

SEC. 7404. GREAT LAKES DRUG INTERDICTION.

(a) INTERAGENCY AGREEMENT.—The Secretary of Transportation and the Secretary of the Treasury shall enter into an agreement for the purpose of increasing the effectiveness of maritime drug interdiction activities of the Coast Guard and the Customs Service in the Great Lakes area.

(b) NEGOTIATIONS WITH CANADA ON DRUG ENFORCEMENT COOPERATION.—The Secretary of State is encouraged to enter into negotiations with appropriate officials of the Government of Canada for the purpose of establishing an agreement between the United States and Canada which provides for increased cooperation and sharing of information between United States and Canadian law enforcement officials with respect to law enforcement efforts conducted on the Great Lakes between the United States and Canada.

SEC. 7405. AUTHORIZATION OF APPROPRIATIONS.

(a) ADDITIONAL AUTHORIZATION OF APPROPRIATIONS FOR THE COAST GUARD.—

(1) ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS.—Subject to subsection (c), there are authorized to be appropriated for acquisition, construction, and improvements of the Coast Guard $200,000,000 for fiscal year 1989, to remain available until expended.

(2) Operating expenses.—Subject to subsection (c), there are authorized to be appropriated for operating expenses of the Coast Guard $80,000,000 for fiscal year 1989 and $20,000,000 for each of fiscal years 1990, 1991, and 1992, to remain available until expended. Amounts appropriated pursuant to this paragraph shall be used to increase by 500 the full-time equivalent strength level for the Coast Guard for active duty personnel for fiscal years 1989, 1990, 1991, and 1992, and to procure, enhance, relocate, operate, and maintain vessels, aircraft, radar, equipment, and structures by the Coast Guard for drug interdiction purposes.

(b) Amounts in Addition to Other Amounts.—Amounts and personnel authorized by this section are in addition to any other amounts or personnel strengths authorized for the Coast Guard for any fiscal year.

(c) Authorization Enhancement.—Nothing in this Act shall authorize the Coast Guard to recruit, compensate, train, purchase, or deploy any personnel or equipment except to the extent that—

(1) additional appropriations are made available in appropriations Acts for that purpose; or

(2) funds are transferred to the Secretary of Transportation for that purpose pursuant to this Act.

Subtitle M—Interpol Provisions

SEC. 7451. AUTHORIZATION TO ACCEPT MONEY, GOODS, AND SERVICES FOR THE INTERPOL CONFERENCE AND FOR A COMMEMORATIVE GIFT TO THE INTERPOL GENERAL SECRETARIAT.

(a) Interpol Conference.—Notwithstanding the provisions of section 1342 of title 31, United States Code, the Attorney General is hereby authorized to accept, receive, hold, and administer on behalf of the United States, gifts of money, personal property and services, for the purpose of hosting the International Criminal Police Organization's (INTERPOL) American Regional Conference in the United States in May and June of 1989.

(b) Commemorative Gift.—The Attorney General is authorized to accept, receive, hold, and administer on behalf of the United States, gifts of money, personal property and services, for the purpose of making a commemorative gift, the value of which shall not exceed $10,000 without the prior concurrence of the Secretary of State, to the INTERPOL General Secretariat on the opening of its headquarters in Lyon, France.

(c) Use of Moneys Received.—All moneys received for the purposes provided in this section shall be credited to the appropriation "Salaries and Expenses, general legal activities" for fiscal year 1989. The Attorney General shall use such amounts as he deems necessary to pay expenses of such commemorative gift and hosting such conference, including (but not limited to) reception and representation expenses. The authority of the Attorney General under this section shall continue through September 30, 1989.

Subtitle N—Child Pornography and Obscenity

SEC. 7501. SHORT TITLE.

This subtitle may be cited as the "Child Protection and Obscenity Enforcement Act of 1988".

CHAPTER 1—CHILD PORNOGRAPHY

SEC. 7511. AMENDMENTS TO EXISTING OFFENSES.

(a) Sexual Exploitation of Children.—Paragraph (2) of subsection 2251(c) of title 18, United States Code, is amended by inserting "by any means including by computer" after "interstate or foreign commerce" both places it appears.

(b) Material Involving Sexual Exploitation of Children.—Subsection 2252(a) of title 18, United States Code, is amended by inserting "by any means including by computer" after "interstate or foreign commerce" each place it appears.

(c) Definition.—Section 2256 of title 18, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof: "; and"; and

(3) by adding at the end the following:

"(6) 'computer' has the meaning given that term in section 1030 of this title.".

SEC. 7512. SELLING OR BUYING OF CHILDREN.

(a) In General.—Chapter 110 of title 18, United States Code, is amended by inserting after section 2251 the following:

"§ 2251A. Selling or buying of children

"(a) Any parent, legal guardian, or other person having custody or control of a minor who sells or otherwise transfers custody or control of such minor, or offers to sell or otherwise transfer custody of such minor either—

"(1) with knowledge that, as a consequence of the sale or transfer, the minor will be portrayed in a visual depiction engaging in, or assisting another person to engage in, sexually explicit conduct; or

"(2) with intent to promote either—

"(A) the engaging in of sexually explicit conduct by such minor for the purpose of producing any visual depiction of such conduct; or

"(B) the rendering of assistance by the minor to any other person to engage in sexually explicit conduct for the purpose of producing any visual depiction of such conduct;

shall be punished by imprisonment for not less than 20 years or for life and by a fine under this title, if any of the circumstances described in subsection (c) of this section exist.

"(b) Whoever purchases or otherwise obtains custody or control of a minor, or offers to purchase or otherwise obtain custody or control of a minor either—

"(1) with knowledge that, as a consequence of the purchase or obtaining of custody, the minor will be portrayed in a visual depiction engaging in, or assisting another person to engage in, sexually explicit conduct; or

"(2) with intent to promote either—

"(A) the engaging in of sexually explicit conduct by such minor for the purpose of producing any visual depiction of such conduct; or

"(B) the rendering of assistance by the minor to any other person to engage in sexually explicit conduct for the purpose of producing any visual depiction of such conduct;

shall be punished by imprisonment for not less than 20 years or for life and by a fine under this title, if any of the circumstances described in subsection (c) of this section exist.

"(c) The circumstances referred to in subsections (a) and (b) are that—

"(1) in the course of the conduct described in such subsections the minor or the actor traveled in or was transported in interstate or foreign commerce;

"(2) any offer described in such subsections was communicated or transported in interstate or foreign commerce by any means including by computer or mail; or

"(3) the conduct described in such subsections took place in any territory or possession of the United States.".

(b) Definition.—Section 2256 of title 18, United States Code, as amended by section 201 of this Act, is further amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting "; and" in lieu thereof; and

(3) by adding at the end the following:

"(7) 'custody or control' includes temporary supervision over or responsibility for a minor whether legally or illegally obtained.".

(c) Clerical Amendment.—The table of sections at the beginning of chapter 110 of title 18, United States Code, is amended by inserting after the item relating to section 2251 the following:

"2251A. Selling or buying of children.".

SEC. 7513. RECORD KEEPING REQUIREMENTS.

(a) In General.—Chapter 110 of title 18, United States Code, is amended by adding at the end thereof the following:

"§2257. Record keeping requirements

"(a) Whoever produces any book, magazine, periodical, film, videotape, or other matter which—

"(1) contains one or more visual depictions made after February 6, 1978 of actual sexually explicit conduct; and

"(2) is produced in whole or in part with materials which have been mailed or shipped in interstate or foreign commerce, or is shipped or transported or is intended for shipment or transportation in interstate or foreign commerce;

shall create and maintain individually identifiable records pertaining to every performer portrayed in such a visual depiction.

"(b) Any person to whom subsection (a) applies shall, with respect to every performer portrayed in a visual depiction of actual sexually explicit conduct—

"(1) ascertain, by examination of an identification document containing such information, the performer's name and date of birth, and require the performer to provide such other indicia of his or her identity as may be prescribed by regulations;

"(2) ascertain any name, other than the performer's present and correct name, ever used by the performer including maiden name, alias, nickname, stage, or professional name; and

"(3) record in the records required by subsection (a) the information required by paragraphs (1) and (2) of this subsection and such other identifying information as may be prescribed by regulation.

"(c) Any person to whom subsection (a) applies shall maintain the records required by this section at his business premises, or at such other place as the Attorney General may by regulation prescribe and shall make such records available to the Attorney General for inspection at all reasonable times.

"(d)(1) No information or evidence obtained from records required to be created or maintained by this section shall, except as provided in paragraphs (2) and (3), be used, directly or indirectly, as evidence against any person with respect to any violation of law.

"(2) Paragraph (1) of this subsection shall not preclude the use of such information or evidence in a prosecution or other action for a violation of any applicable provision of law with respect to the furnishing of false information.

"(3) In a prosecution of any person to whom subsection (a) applies for an offense in violation of subsection 2251(a) of this title which has as an element the production of a visual depiction of a minor engaging in or assisting another person to engage in sexually explicit conduct and in which that element is sought to be established by showing that a performer within the meaning of this section is a minor—

"(A) proof that the person failed to comply with the provisions of subsection (a) or (b) of this section concerning the creation and maintenance of records, or a regulation issued pursuant thereto, shall raise a rebuttable presumption that such performer was a minor; and

"(B) proof that the person failed to comply with the provisions of subsection (e) of this section concerning the statement required by that subsection shall raise the rebuttable presumption that every performer in the matter was a minor.

"(e)(1) Any person to whom subsection (a) applies shall cause to be affixed to every copy of any matter described in paragraph (1) of subsection (a) of this section, in such manner and in such form as the Attorney General shall by regulations prescribe, a statement describing where the records required by this section with respect to all performers depicted in that copy of the matter may be located.

"(2) If the person to whom subsection (a) of this section applies is an organization the statement required by this subsection shall include the name, title, and business address of the individual employed by such organization responsible for maintaining the records required by this section.

"(3) In any prosecution of a person for an offense in violation of section 2252 of this title which has as an element the transporting, mailing, or distribution of a visual depiction involving the use of a minor engaging in sexually explicit conduct, and in which that element is sought to be established by a showing that a performer within the meaning of this section is a minor, proof that the matter in which the visual depiction is contained did not contain the statement required by this section shall raise a rebuttable presumption that such performer was a minor.

"(f) The Attorney General shall issue appropriate regulations to carry out this section.

"(g) As used in this section—

"(1) the term 'actual sexually explicit conduct' means actual but not simulated conduct as defined in subparagraphs (A) through (E) of paragraph (2) of section 2256 of this title;

"(2) 'identification document' has the meaning given that term in subsection 1028(d) of this title;

"(3) the term 'produces' means to produce, manufacture, or publish and includes the duplication, reproduction, or reissuing of any material; and

"(4) the term 'performer' includes any person portrayed in a visual depiction engaging in, or assisting another person to engage in, actual sexually explicit conduct.".

(b) Clerical Amendment.—The table of sections at the beginning of chapter 110 of title 18, United States Code, is amended by adding after the item relating to section 2256 the following:

"2257. Record keeping requirements.".

(c) Effective Date.—Section 2257 of title 18, United States Code, as added by this section shall take effect 180 days after the date of the enactment of this Act except—

(1) the Attorney General shall prepare the initial set of regulations required or authorized by section 2257 within 90 days of the date of the enactment of this Act; and

(2) subsection (e) of section 2257 of such title and of any regulation issued pursuant thereto shall take effect 270 days after the date of the enactment of this Act.

SEC. 7514. R.I.C.O. AMENDMENT.

Subsection 1961(1)(B) of title 18, United States Code, is amended by inserting after "section 1957 (relating to engaging in monetary transactions in property derived from specified unlawful activity)" the following: "sections 2251 through 2252 (relating to sexual exploitation of children),".

CHAPTER 2—OBSCENITY

SEC. 7521. ENGAGING IN THE BUSINESS OF SELLING OR TRANSFERRING OBSCENE MATTER.

(a) In General.—Chapter 71 of title 18, United States Code, is amended by inserting after section 1465 the following:

"§ 1466. Engaging in the business of selling or transferring obscene matter

"(a) Whoever is engaged in the business of selling or transferring obscene matter, who knowingly receives or possesses with intent to distribute any obscene book, magazine, picture, paper, film, videotape, or phonograph or other audio recording, which has been shipped or transported in interstate or foreign commerce, shall be punished by imprisonment for not more than 5 years or by a fine under this title, or both.

"(b) As used in this subsection, the term 'engaged in the business' means that the person who sells or transfers or offers to sell or transfer obscene matter devotes time, attention, or labor to such activities, as a regular course of trade or business, with the objective of earning a profit, although it is not necessary that the person make a profit or that the selling or transferring or offering to sell or transfer such material be the person's sole or principal business or source of income. The offering for sale of or to transfer, at one time, two or more copies of any obscene publication, or two or more of any obscene article, or a combined total of five or more such publications and articles, shall create a rebuttable presumption that the person so offering them is 'engaged in the business' as defined in subsection (b).".

(b) Clerical Amendment.—The table of sections at the beginning of chapter 71 of title 18, United States Code, is amended by adding after the item relating to section 1465 the following:

"1466. Engaging in the business of selling or transferring obscene matter.
"1467. Criminal forfeiture.".

(c) Travel in Commerce.—The first paragraph of section 1465 of title 18, United States Code, is amended by inserting after the word distribution: ", or knowingly travels in interstate commerce, or uses a facility or means of interstate commerce for the purpose of transporting obscene material in interstate or foreign commerce,".

(d) Presumptions.—Chapter 71 of title 18, United States Code, as amended by subsection (a) of this section and by section 302, is further amended by adding at the end the following:

"§ 1469. Presumptions

"(a) In any prosecution under this chapter in which an element of the offense is that the matter in question was transported, shipped, or carried in interstate commerce, proof, by either circumstantial or direct evidence, that such matter was produced or manufactured in one State and is subsequently located in another State shall raise a rebuttable presumption that such matter was transported, shipped, or carried in interstate commerce.

"(b) In any prosecution under this chapter in which an element of the offense is that the matter in question was transported, shipped, or carried in foreign commerce, proof, by either circumstantial or direct evidence, that such matter was produced or manufactured outside of the United States and is subsequently located in the United States shall raise a rebuttable presumption that such matter was transported, shipped, or carried in foreign commerce.".

(f) Clerical Amendment.—The table of sections at the beginning of chapter 71 of title 18, United States Code, is amended by adding after the item relating to section 1468 the following:

"1469. Presumptions.".

SEC. 7522. FORFEITURE IN OBSCENITY CASES.

(a) In General.—Chapter 71 of title 18, United States Code, is amended by adding at the end the following:

"§ 1467. Criminal forfeiture

"(a) Property Subject to Criminal Forfeiture.—A person who is convicted of an offense involving obscene material under this chapter shall forfeit to the United States such person's interest in—

"(1) any obscene material produced, transported, mailed, shipped, or received in violation of this chapter;

"(2) any property, real or personal, constituting or traceable to gross profits or other proceeds obtained from such offense; and

"(3) any property, real or personal, used or intended to be used to commit or to promote the commission of such offense, if the court in its discretion so determines, taking into consideration the nature, scope, and proportionality of the use of the property in the offense.

"(b) Third Party Transfers.—All right, title, and interest in property described in subsection (a) of this section vests in the United States upon the commission of the act giving rise to forfeiture under this section. Any such property that is subsequently transferred to a person other than the defendant may be the subject of a special verdict of forfeiture and thereafter shall be ordered forfeited to the United States, unless the transferee establishes in a hearing pursuant to subsection (m) of this section that he is a bona fide purchaser for value of such property who at the time of purchase was reasonably without cause to believe that the property was subject to forfeiture under this section.

"(c) Protective Orders.—(1) Upon application of the United States, the court may enter a restraining order or injunction, require the execution of a satisfactory performance bond, or take any other action to preserve the availability of property described in subsection (a) of this section for forfeiture under this section—

"(A) upon the filing of an indictment or information charging a violation of this chapter for which criminal forfeiture may be ordered under this section and alleging that the property with respect to which the order is sought would, in the event of conviction, be subject to forfeiture under this section; or

"(B) prior to the filing of such an indictment or information, if, after notice to persons appearing to have an interest in the property and opportunity for a hearing, the court determines that—

"(i) there is a substantial probability that the United States will prevail on the issue of forfeiture and that failure to enter the order will result in the property being destroyed, removed from the jurisdiction of the court, or otherwise made unavailable for forfeiture; and

"(ii) the need to preserve the availability of the property through the entry of the requested order outweighs the hardship on any party against whom the order is to be entered;

except that an order entered under subparagraph (B) shall be effective for not more than 90 days, unless extended by the court for good cause shown or unless an indictment or information described in subparagraph (A) has been filed.

"(2) A temporary restraining order under this subsection may be entered upon application of the United States without notice or opportunity for a hearing when an information or indictment has not yet been filed with respect to the property, if the United States demonstrates that there is probable cause to believe that the property with respect to which the order is sought would, in the event of conviction, be subject to forfeiture under this section and that provision of notice will jeopardize the availability of the property for forfeiture. Such a temporary order shall expire not more than 10 days after the date on which it is entered, unless extended for good cause shown or unless the party against whom it is entered consents to an extension for a longer period. A hearing requested concerning an order entered under this paragraph shall be held at the earliest possible time and prior to the expiration of the temporary order.

"(3) The court may receive and consider, at a hearing held pursuant to this subsection, evidence and information that would be inadmissible under the Federal Rules of Evidence.

"(d) WARRANT OF SEIZURE.—The Government may request the issuance of a warrant authorizing the seizure of property subject to forfeiture under this section in the same manner as provided for a search warrant. If the court determines that there is probable cause to believe that the property to be seized would, in the event of conviction, be subject to forfeiture and that an order under subsection (c) of this section may not be sufficient to assure the availability of the property for forfeiture, the court shall issue a warrant authorizing the seizure of such property.

"(e) ORDER OF FORFEITURE.—The court shall order forfeiture of property referred to in subsection (a) if—

"(1) the trier of fact determines, beyond a reasonable doubt, that such property is subject to forfeiture; and

"(2) with respect to property referred to in subsection (a)(3), if the court exercises the court's discretion under that subsection.

"(f) EXECUTION.—Upon entry of an order of forfeiture under this section, the court shall authorize the Attorney General to seize all property ordered forfeited upon such terms and conditions as the court shall deem proper. Following entry of an order declaring the property forfeited, the court may, upon application of the United States, enter such appropriate restraining orders or injunctions, require the execution of satisfactory performance bonds, appoint receivers, conservators, appraisers, accountants, or trustees, or take any other action to protect the interest of the United States in the property ordered forfeited. Any income accruing to or derived from property ordered forfeited under this section may be used to offset ordinary and necessary expenses to the property which are required by law, or which are necessary to protect the interests of the United States or third parties.

"(g) DISPOSITION OF PROPERTY.—Following the seizure of property ordered forfeited under this section, the Attorney General shall destroy or retain for official use any property described in paragraph (1) of subsection (a) and shall direct the disposition of any property described in paragraph (2) or (3) of subsection (a) by sale or any other commercially feasible means, making due provision for the rights of any innocent persons. Any property right or interest not exercisable by, or transferable for value to, the United States shall expire and shall not revert to the defendant, nor shall the defendant or any person acting in concert with him or on his behalf be eligible to purchase forfeited property at any sale held by the United States. Upon application of a person, other than the defendant or person acting in concert with him or on his behalf, the court may restrain or stay the sale or disposition of the property pending the conclusion of any appeal of the criminal case giving rise to the forfeiture, if the applicant demonstrates that proceeding with the sale or disposition of the property will result in irreparable injury, harm, or loss to him.

"(h) AUTHORITY OF ATTORNEY GENERAL.—With respect to property ordered forfeited under this section, the Attorney General is authorized to—

"(1) grant petitions for mitigation or remission of forfeiture, restore forfeited property to victims of a violation of this chapter, or take any other action to protect the rights of innocent persons which is in the interest of justice and which is not inconsistent with the provisions of this section;

"(2) comprise claims arising under this section;

"(3) award compensation to persons providing information resulting in a forfeiture under this section;

"(4) direct the disposition by the United States, in accordance with the provisions of section 1616, title 19, United States Code, of all property ordered forfeited under this section by public sale or any other commercially feasible means, making due provision for the rights of innocent persons; and

"(5) take appropriate measures necessary to safeguard and maintain property ordered forfeited under this section pending its disposition.

"(i) BAR ON INTERVENTION.—Except as provided in subsection (l) of this section, no party claiming an interest in property subject to forfeiture under this section may—

"(1) intervene in a trial or appeal of a criminal case involving the forfeiture of such property under this section; or

"(2) commence an action at law or equity against the United States concerning the validity of his alleged interest in the property subsequent to the filing of an indictment or information alleging that the property is subject to forfeiture under this section.

"(j) JURISDICTION TO ENTER ORDERS.—The district courts of the United States shall have jurisdiction to enter orders as provided in this section without regard to the location of any property which may be subject to forfeiture under this section or which has been ordered forfeited under this section.

"(k) DEPOSITIONS.—In order to facilitate the identification and location of property declared forfeited and to facilitate the disposition of petitions for remission or mitigation of forfeiture, after the entry of an order declaring property forfeited to the United States, the court may, upon application of the United States, order that the testimony of any witness relating to the property forfeited be taken by deposition and that any designated book, paper, document, record, recording, or other material not privileged be produced at the same time and place, in the same manner as provided for the taking of depositions under Rule 15 of the Federal Rules of Criminal Procedure.

"(l) THIRD PARTY INTERESTS.—(1) Following the entry of an order of forfeiture under this section, the United States shall publish notice of the order and of its intent to dispose of the property in such manner as the Attorney General may direct. The Government may also, to the extent practicable, provide direct written notice to any person known to have alleged an interest in the property that is the subject of the order of forfeiture as a substitute for published notice as to those persons so notified.

"(2) Any person, other than the defendant, asserting a legal interest in property which has been ordered forfeited to the United States pursuant to this section may, within 30 days of the final publication of notice or his receipt of notice under paragraph (1), whichever is earlier, petition the court for a hearing to adjudicate the validity of his alleged interest in the property. The hearing shall be held before the court alone, without a jury.

"(3) The petition shall be signed by the petitioner under penalty of perjury and shall set forth the nature and extent of the petitioner's right, title, or interest in the property, the time and circumstances of the petitioner's acquisition of the right, title, or interest in the property, any additional facts supporting the petitioner's claim, and the relief sought.

"(4) The hearing on the petition shall, to the extent practicable and consistent with the interests of justice, be held within 30 days of the filing of the petition. The court may consolidate the hearing on the petition with a hearing on any other petition filed by a person other than the defendant under this subsection.

"(5) At the hearing, the petitioner may testify and present evidence and witnesses on his own behalf, and cross-examine witnesses who appear at the hearing. The United States may present evidence and witnesses in rebuttal and in defense of its claim to the property and cross-examine witnesses who appear at the hearing. In addition to testimony and evidence presented at the hearing, the court shall consider the relevant portions of the record of the criminal case which resulted in the order of forfeiture.

"(6) If, after the hearing, the court determines that the petitioner has established by a preponderance of the evidence that—

"(A) the petitioner has a legal right, title, or interest in the property, and such right, title, or interest renders the order of forfeiture invalid in whole or in part because the right, title, or interest was vested in the petitioner rather than the defendant or was superior to any right, title, or interest of the defendant at the time of the commission of the acts which gave rise to the forfeiture of the property under this section; or

"(B) the petitioner is a bona fide purchaser for value of the right, title, or interest in the property and was at the time of purchase reasonably without cause to believe that the property was subject to forfeiture under this section;

the court shall amend the order of forfeiture in accordance with its determination.

"(7) Following the court's disposition of all petitions filed under this subsection, or if no such petitions are filed following the expiration of the period provided in paragraph (2) for the filing of such petitions, the United States shall have clear title to property that is the subject of the order of forfeiture and may warrant good title to any subsequent purchaser or transferee.

"(m) CONSTRUCTION.—This section shall be liberally construed to effectuate its remedial purposes.

"(n) SUBSTITUTE ASSETS.—If any of the property described in subsection (a), as a result of any act or omission of the defendant—

"(1) cannot be located upon the exercise of due diligence;

"(2) has been transferred or sold to, or deposited with, a third party;

"(3) has been placed beyond the jurisdiction of the court;

"(4) has been substantially diminished in value; or

"(5) has been commingled with other property which cannot be divided without difficulty;

the court shall order the forfeiture of any other property of the defendant up to the value of any property described in paragraphs (1) through (5).".

(b) REPEAL.—The last paragraph of section 1465 of title 18, United States Code, is repealed.

(c) SEXUAL ABUSE OF CHILDREN.—Sections 2253 through 2254 of title 18, United States Code, are amended to read as follows:

"§ 2253. Criminal forfeiture

"(a) PROPERTY SUBJECT TO CRIMINAL FORFEITURE.—A person who is convicted of an offense under this chapter involving a visual depiction described in sections 2251, 2251A, or 2252 of this chapter shall forfeit to the United States such person's interest in—

"(1) any visual depiction described in sections 2251, 2251A, or 2252 of this chapter, or any book, magazine, periodical, film, videotape, or other matter which contains any such visual depiction, which was produced, transported, mailed, shipped or received in violation of this chapter;

"(2) any property, real or personal, constituting or traceable to gross profits or other proceeds obtained from such offense; and

"(3) any property, real or personal, used or intended to be used to commit or to promote the commission of such offense.

"(b) THIRD PARTY TRANSFERS.—All right, title, and interest in property described in subsection (a) of this section vests in the United States upon the commission of the act giving rise to forfeiture under this section. Any such property that is subsequently transferred to a person other than the defendant may be the subject of a special verdict of forfeiture and thereafter shall be ordered forfeited to the United States, unless the transferee establishes in a hearing pursuant to subsection (m) of this section that he is a bona fide purchaser for value of such property who at the time of purchase was reasonably without cause to believe that the property was subject to forfeiture under this section.

"(c) PROTECTIVE ORDERS.—(1) Upon application of the United States, the court may enter a restraining order or injunction, require the execution of a satisfactory performance bond, or take any other action to preserve the availability of property described in subsection (a) of this section for forfeiture under this section—

"(A) upon the filing of an indictment or information charging a violation of this chapter for which criminal forfeiture may be ordered under this section and alleging that the property with respect to which the order is sought would, in the event of conviction, be subject to forfeiture under this section; or

"(B) prior to the filing of such an indictment or information, if, after notice to persons appearing to have an interest in the property and opportunity for a hearing, the court determines that—

(i) there is a substantial probability that the United States will prevail on the issue of forfeiture and that failure to enter the order will result in the property being destroyed, removed from the jurisdiction of the court, or otherwise made unavailable for forfeiture; and

(ii) the need to preserve the availability of the property through the entry of the requested order outweighs the hardship on any party against whom the order is to be entered;

except that an order entered pursuant to subparagraph (B) shall be effective for not more than 90 days, unless extended by the court for good cause shown or unless an indictment or information described in subparagraph (A) has been filed.

"(2) A temporary restraining order under this subsection may be entered upon application of the United States without notice or opportunity for a hearing when an information or indictment has not yet been filed with respect to the property, if the United States demonstrates that there is probable cause to believe that the property with respect to which the order is sought would, in the event of conviction, be subject to forfeiture under this section and that provision of notice will jeopardize the availability of the property for forfeiture. Such a temporary order shall expire not more than 10 days after the date on which it is entered, unless extended for good cause shown or unless the party against whom it is entered consents to an extension for a longer period. A hearing requested concerning an order entered under this paragraph shall be held at the earliest possible time and prior to the expiration of the temporary order.

"(3) The court may receive and consider, at a hearing held pursuant to this subsection, evidence and information that would be inadmissible under the Federal Rules of Evidence.

"(d) WARRANT OF SEIZURE.—The Government may request the issuance of a warrant authorizing the seizure of property subject to forfeiture under this section in the same manner as provided for a search warrant. If the court determines that there is probable cause to believe that the property to be seized would, in the event of conviction, be subject to forfeiture and that an order under subsection (c) of this section may not be sufficient to assure the availability of the property for forfeiture, the court shall issue a warrant authorizing the seizure of such property.

"(e) ORDER OF FORFEITURE.—The court shall order forfeiture of property referred to in subsection (a) if the trier of fact determines, beyond a reasonable doubt, that such property is subject to forfeiture.

"(f) EXECUTION.—Upon entry of an order of forfeiture under this section, the court shall authorize the Attorney General to seize all property ordered forfeited upon such terms and conditions as the court shall deem proper. Following entry of an order declaring the property forfeited, the court may, upon application of the United States, enter such appropriate restraining orders or injunctions, require the execution of satisfactory performance bonds, appoint receivers, conservators, appraisers, accountants, or trustees, or take any other action to protect the interest of the United States in the property ordered forfeited. Any income accruing to or derived from property ordered forfeited under this section may be used to offset ordinary and necessary expenses to the property which are required by law, or which are necessary to protect the interests of the United States or third parties.

"(g) DISPOSITION OF PROPERTY.—Following the seizure of property ordered forfeited under this section, the Attorney General shall destroy or retain for official use any article described in paragraph (1) of subsection (a), and shall retain for official use or direct the disposition of any property described in paragraph (2) or (3) of subsection (a) by sale or any other commercially feasible means, making due provision for the rights of any innocent persons. Any property right or interest not exercisable by, or transferable for value to, the United States shall expire and shall not revert to the defendant, nor shall the defendant or any person acting in concert with him or on his behalf be eligible to purchase forfeited property at any sale held by the United States. Upon application of a person, other than the defendant or person acting in concert with him or on his behalf, the court may restrain or stay the sale or disposition of the property pending the conclusion of any appeal of the criminal case giving rise to the forfeiture, if the applicant demonstrates that proceeding with the sale or disposition of the property will result in irreparable injury, harm, or loss to him.

"(h) AUTHORITY OF ATTORNEY GENERAL.—With respect to property ordered forfeited under this section, the Attorney General is authorized to—

"(1) grant petitions for mitigation or remission of forfeiture, restore forfeited property to victims of a violation of this chapter, or take any other action to protect the rights of innocent persons which is in the interest of justice and which is not inconsistent with the provisions of this section;

"(2) compromise claims arising under this section;

"(3) award compensation to persons providing information resulting in a forfeiture under this section;

"(4) direct the disposition by the United States, in accordance with the provisions of section 1616, title 19, United States Code, of all property ordered forfeited under this section by public sale or any other commercially feasible means, making due provision for the rights of innocent persons; and

"(5) take appropriate measures necessary to safeguard and maintain property ordered forfeited under this section pending its disposition.

"(i) APPLICABILITY OF CIVIL FORFEITURE PROVISIONS.—Except to the extent that they are inconsistent with the provisions of this section, the provisions of section 2254(d) of this title (18 U.S.C. 2254(d)) shall apply to a criminal forfeiture under this section.

"(j) BAR ON INTERVENTION.—Except as provided in subsection (m) of this section, no party claiming an interest in property subject to forfeiture under this section may—

"(1) intervene in a trial or appeal of a criminal case involving the forfeiture of such property under this section; or

"(2) commence an action at law or equity against the United States concerning the validity of his alleged interest in the property subsequent to the filing of an indictment or information alleging that the property is subject to forfeiture under this section.

"(k) Jurisdiction to Enter Orders.—The district courts of the United States shall have jurisdiction to enter orders as provided in this section without regard to the location of any property which may be subject to forfeiture under this section or which has been ordered forfeited under this section.

"(l) Depositions.—In order to facilitate the identification and location of property declared forfeited and to facilitate the disposition of petitions for remission or mitigation of forfeiture, after the entry of an order declaring property forfeited to the United States, the court may, upon application of the United States, order that the testimony of any witness relating to the property forfeited be taken by deposition and that any designated book, paper, document, record, recording, or other material not privileged be produced at the same time and place, in the same manner as provided for the taking of depositions under rule 15 of the Federal Rules of Criminal Procedure.

"(m) Third Party Interests.—(1) Following the entry of an order of forfeiture under this section, the United States shall publish notice of the order and of its intent to dispose of the property in such manner as the Attorney General may direct. The Government may also, to the extent practicable, provide direct written notice to any person known to have alleged an interest in the property that is the subject of the order of forfeiture as a substitute for published notice as to those persons so notified.

"(2) Any person, other than the defendant, asserting a legal interest in property which has been ordered forfeited to the United States pursuant to this section may, within 30 days of the final publication of notice or his receipt of notice under paragraph (1), whichever is earlier, petition the court for a hearing to adjudicate the validity of his alleged interest in the property. The hearing shall be held before the court alone, without a jury.

"(3) The petition shall be signed by the petitioner under penalty of perjury and shall set forth the nature and extent of the petitioner's right, title, or interest in the property, the time and circumstances of the petitioner's acquisition of the right, title, or interest in the property, any additional facts supporting the petitioner's claim, and the relief sought.

"(4) The hearing on the petition shall, to the extent practicable and consistent with the interests of justice, be held within 30 days of the filing of the petition. The court may consolidate the hearing on the petition with a hearing on any other petition filed by a person other than the defendant under this subsection.

"(5) At the hearing, the petitioner may testify and present evidence and witnesses on his own behalf, and cross-examine witnesses who appear at the hearing. The United States may present evidence and witnesses in rebuttal and in defense of its claim to the property and cross-examine witnesses who appear at the hearing. In addition to testimony and evidence presented at the hearing, the court shall consider the relevant portions of the record of the criminal case which resulted in the order of forfeiture.

"(6) If, after the hearing, the court determines that the petitioner has established by a preponderance of the evidence that—

"(A) the petitioner has a legal right, title, or interest in the property, and such right, title, or interest renders the order of forfeiture invalid in whole or in part because the right, title, or interest was vested in the petitioner rather than the defendant or was superior to any right, title, or interest of the defendant at the time of the commission of the acts which gave rise to the forfeiture of the property under this section; or

"(B) the petitioner is a bona fide purchaser for value of the right, title, or interest in the property and was at the time of purchase reasonably without cause to believe that the property was subject to forfeiture under this section;

the court shall amend the order of forfeiture in accordance with its determination.

"(7) Following the court's disposition of all petitions filed under this subsection, or if no such petitions are filed following the expiration of the period provided in paragraph (2) for the filing of such petitions, the United States shall have clear title to property that is the subject of the order of forfeiture and may warrant good title to any subsequent purchaser or transferee.

"(n) Construction.—This section shall be liberally construed to effectuate its remedial purposes.

"(o) Substitute Assets.—If any of the property described in subsection (a), as a result of any act or omission of the defendant—

"(1) cannot be located upon the exercise of due diligence;

"(2) has been transferred or sold to, or deposited with, a third party;

"(3) has been placed beyond the jurisdiction of the court;

"(4) has been substantially diminished in value; or

"(5) has been commingled with other property which cannot be divided without difficulty;

the court shall order the forfeiture of any other property of the defendant up to the value of any property described in paragraphs (1) through (5).

"§2254. Civil forfeiture

"(a) Property Subject to Civil Forfeiture.—The following property shall be subject to forfeiture by the United States:

"(1) Any visual depiction described in sections 2251, 2251A, or 2252 of this chapter, or any book, magazine, periodical, film, videotape or other matter which contains any such visual depiction, which was produced, transported, mailed, shipped, or received in violation of this chapter.

"(2) Any property, real or personal, used or intended to be used to commit or to promote the commission of an offense under this chapter involving a visual depiction described in sections 2251, 2251A, or 2252 of this chapter, except that no property shall be forfeited under this paragraph, to the extent of the interest of an owner, by reason of any act or omission established by that owner to have been committed or omitted without the knowledge or consent of that owner.

"(3) Any property, real or personal, constituting or traceable to gross profits or other proceeds obtained from a violation of this chapter involving a visual depiction described in sections 2251, 2251A, or 2252 of this chapter, except that no property shall be forfeited under this paragraph, to the extent of the interest of an owner, by reason of any act or omission established by that owner to have been committed or omitted without the knowledge or consent of that owner.

"(b) Seizure Pursuant to Supplemental Rules for Certain Admiralty and Maritime Claims.—Any property subject to forfeiture to the United States under this section may be seized by the Attorney General, the Secretary of the Treasury, or the United States Postal Service upon process issued pursuant to the Supplemental Rules for Certain Admiralty and Maritime Claims by any district court of the United States having jurisdiction over the property, except that seizure without such process may be made when the seizure is pursuant to a search under a search warrant or incident to an arrest. The Government may request the issuance of a warrant authorizing the seizure of property subject to forfeiture under this section in the same manner as provided for a search warrant under the Federal Rules of Criminal Procedure.

"(c) Custody of Federal Official.—Property taken or detained under this section shall not be repleviable, but shall be deemed to be in the custody of the Attorney General, Secretary of the Treasury, or the United States Postal Service subject only to the orders and decrees of the court or the official having jurisdiction thereof. Whenever property is seized under any of the provisions of this subchapter, the Attorney General, Secretary of the Treasury, or the United States Postal Service may—

"(1) place the property under seal;

"(2) remove the property to a place designated by the official or agency; or

"(3) require that the General Services Administration take custody of the property and remove it, if practicable, to an appropriate location for disposition in accordance with law.

"(d) Other Laws and Proceedings Applicable.—All provisions of the customs laws relating to the seizure, summary and judicial forfeiture, and condemnation of property for violation of the customs laws, the disposition of such property or the proceeds from the sale thereof, the remission or mitigation of such forfeitures, and the compromise of claims, shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under this section, insofar as applicable and not inconsistent with the provisions of this section, except that such duties as are imposed upon the customs officer or any other person with respect to the seizure and forfeiture of property under the customs laws shall be performed with respect to seizures and forfeitures of property under this section by such officers, agents, or other persons as may be authorized or designated for that purpose by the Attorney General, the Secretary of the Treasury, or the Postal Service, except to the extent that such duties arise from seizures and forfeitures affected by any customs officer.

"(e) Sections 1606, 1613, 1614, 1617, and 1618 of title 19, United States Code, shall not apply with respect to any visual depiction or any matter containing a visual depiction subject to forfeiture under subsection (a)(1) of this section.

"(f) Disposition of Forfeited Property.—Whenever property is forfeited under this section the Attorney General shall destroy or retain for official use any property described in paragraph (1) of subsection (a) and, with respect to property described in paragraph (2) or (3) of subsection (a), may—

"(1) retain the property for official use or transfer the custody or ownership of any forfeited property to a Federal, State, or local agency pursuant to section 1616 of title 19;

"(2) sell any forfeited property which is not required to be destroyed by law and which is not harmful to the public; or

"(3) require that the General Services Administration take custody of the property and dispose of it in accordance with law.

The Attorney General, Secretary of the Treasury, or the United States Postal Service shall ensure the equitable transfer pursuant to paragraph (1) of any forfeited property to the appropriate State or local law enforcement agency so as to reflect generally the contribution of any such agency participating directly in any of the acts which led to the seizure or forfeiture of such property. A decision by an official or agency pursuant to paragraph (1) shall not be subject to judicial review. With respect to a forfeiture conducted by the Attorney General, the Attorney General shall forward to the Treasurer of the United States for deposit in accordance with section 524(c) of title 28 the proceeds from any sale under paragraph (2) and any moneys forfeited under this subchapter. With respect to a forfeiture conducted by the Postal Service, the proceeds from any sale under paragraph (2) and any moneys forfeited under this subchapter shall be deposited in the Postal Service Fund as required by section 2003(b)(7) of title 39.

"(g) Title to Property.—All right, title, and interest in property described in subsection (a) of this section shall vest in the United States upon commission of the act giving rise to forfeiture under this section.

"(h) Stay of Proceedings.—The filing of an indictment or information alleging a violation of this chapter which is also related to a civil forfeiture proceeding under this section shall, upon motion of the United States and for good cause shown, stay the civil forfeiture proceeding.

"(i) Venue.—In addition to the venue provided for in section 1395 of title 28 or any other provision of law, in the case of property of a defendant charged with a violation that is the basis for forfeiture of the property under this section, a proceeding for forfeiture under this section may be brought in the judicial district in which the defendant owning such property is found or in the judicial district in which the criminal prosecution is brought.".

(e) Tariff Act Amendment.—Section 305 of the Tariff Act of 1930 (19 U.S.C. 1305) is amended by adding at the end the following:

"(b) Coordination of Forfeiture Proceedings with Criminal Proceedings.—(1) Notwithstanding subsection (a), whenever the Customs Service is of the opinion that criminal prosecution would be appropriate or that further criminal investigation is warranted in connection with allegedly obscene material seized at the time of entry, the appropriate customs officer shall immediately transmit information concerning such seizure to the United States Attorney of the district of the addressee's residence. No notice to the addressee or consignee concerning the seizure is required at the time of such transmittal.

"(2) Upon receipt of such information, such United States attorney shall promptly determine whether in such attorney's opinion the referral of the matter for forfeiture under this section would materially affect the Government's ability to conduct a criminal investigation with respect to such seizure.

"(3) If the United States attorney is of the opinion that no prejudice to such investigation will result from such referral, such attorney shall immediately so notify the Customs Service in writing. The appropriate customs officer shall immediately notify in writing the addressee or consignee of the seizure and shall transmit information concerning such seizure to the United States attorney of the district in which is situated the office at which such seizure has taken place. The actions described in paragraphs (1) through (3) of this subsection shall take place within sufficient time to allow for the filing of a forfeiture complaint within 14 days of the seizure unless the United States attorney of the district of the addressee's residence certifies in writing and includes specific, articulable facts demonstrating that the determination required in paragraph (2) of this subsection could not be made in sufficient time to comply with this deadline. In such cases, the actions described in paragraphs (1) through (3) of this subsection shall take place within sufficient time to allow for the filing of a forfeiture complaint within 21 days of seizure.

"(4) If the United States attorney for the district of the addressee's residence concludes that material prejudice to such investigation will result from such referral, such United States attorney shall place on file, within 14 days of the date of seizure, a dated certification stating that it is the United States attorney's judgment that referral of the matter for forfeiture under this section would materially affect the Government's ability to conduct a criminal investigation with respect to the seizure. The certification shall set forth specific, articulable facts demonstrating that withholding referral for forfeiture is necessary.

"(5)(A) As soon as the circumstances change so that withholding of referral for forfeiture is no longer necessary for purposes of the criminal investigation, the United States attorney shall immediately so notify the Customs Service in writing and shall furnish a copy of the certification described in paragraph (4) above to the Customs Service.

"(B) In any matter referred to a United States attorney for possible criminal prosecution wherein subparagraph (5)(A) does not apply, the United States attorney shall immediately notify the Customs Service in writing concerning the disposition of the matter, whether by institution of a prosecution or a letter of declination, and shall also furnish a copy of the certification described in paragraph (4) of this subsection to the Customs Service.

"(C) Upon receipt of the notification described in subparagraph (A) or (B) of this paragraph, the appropriate customs officer shall immediately notify the addressee or consignee of the seizure and shall transmit information concerning the seizure, including a copy of the certification described in paragraph (4) above and a copy of the notification described in subparagraph (A) or (B) of this paragraph, to the United States attorney of the district in which is situated the office at which such seizure has taken place, who shall institute forfeiture proceedings in accordance with subsection (a) hereof within 14 days of the date of the notification described in subparagraph (A) or (B) above. A copy of the certification described in paragraph (4) above and a copy of the notification described in subparagraph (A) or (B) of this paragraph shall be affixed to the complaint for forfeiture.

"(c) Stay on Motion.—Upon motion of the United States, a court, for good cause shown, shall stay civil forfeiture proceedings commenced under this section pending the completion of any related criminal matter whether in the same or in a different district.".

SEC. 7523. CABLE TELEVISION OBSCENITY.

(a) New Offense.—Chapter 71 of title 18, United States Code, is amended by inserting at the end, the following new section:

"§1468. Distributing obscene material by cable or subscription television

"(a) Whoever knowingly utters any obscene language or distributes any obscene matter by means of cable television or subscription services on television, shall be punished by imprisonment for not more than 2 years or by a fine in accordance with this title, or both.

"(b) As used in this section, the term 'distribute' means to send, transmit, retransmit, telecast, broadcast, or cablecast, including by wire, microwave, or satellite, or to produce or provide material for such distribution.

"(c) Nothing in this chapter, or the Cable Communications Policy Act of 1984, or any other provision of Federal law, is intended to interfere with or preempt the power of the States, including political subdivisions thereof, to regulate the uttering of language that is obscene or otherwise unprotected by the Constitution or the distribution of matter that is obscene or otherwise unprotected by the Constitution, of any sort, by means of cable television or subscription services on television.".

(b) Clerical Amendment.—The table of sections at the beginning of chapter 71 of title 18, United States Code, is amended by adding at the end the following:

"1468. Distributing obscene material by cable or subscription television.".

SEC. 7524. COMMUNICATIONS ACT AMENDMENT.

Section 223(b) of the Communications Act of 1934 (47 U.S.C. 223(b)) is amended to read as follows:

"(b)(1)(A) Whoever knowingly—

"(i) in the District of Columbia or in interstate or foreign communication, by means of telephone, makes (directly or by recording device) any obscene communication for commercial purposes to any person, regardless of whether the maker of such communication placed the call; or

"(ii) permits any telephone facility under such person's control to be used for an activity prohibited by clause (i);

shall be fined in accordance with title 18 of the United States Code, or imprisoned not more than two years, or both.

"(2)(A) Whoever knowingly—

"(i) in the District of Columbia or in interstate or foreign communication, by means of telephone, makes (directly or by recording device) any indecent communication for commercial purposes to any person, regardless of whether the maker of such communication placed the call; or

"(ii) permits any telephone facility under such person's control to be used for an activity prohibited by clause (i),

shall be fined not more than $50,000 or imprisoned not more than six months, or both.".

SEC. 7525. ELECTRONIC SURVEILLANCE.

Subsection (1) of section 2516 of title 18, United States Code, is amended by redesignating paragraphs (i) and (j) as (j) and (k), respectively, and by adding a new paragraph (i) as follows:

"(i) any felony violation of chapter 71 (relating to obscenity) of this title;".

SEC. 7526. POSSESSION WITH INTENT TO SELL AND SALE OF OBSCENE MATTERS IN FEDERAL JURISDICTION OR ON FEDERAL PROPERTY.

(a) IN GENERAL.—Chapter 71 of title 18, United States Code, is amended by inserting before section 1461 the following:

"§1460. Possession with intent to sell, and sale, of obscene matter on Federal property

"(a) Whoever, either—

"(1) in the special maritime and territorial jurisdiction of the United States, or on any land or building owned by, leased to, or otherwise used by or under the control of the Government of the United States; or

"(2) in the Indian country as defined in section 1151 of this title,

knowingly sells or possesses with intent to sell an obscene visual depiction or a visual depiction of a minor engaging in or assisting another person to engage in sexually explicit conduct, shall be punished by a fine in accordance with the provisions of this title or imprisoned for not more than 2 years, or both.

"(b) For the purposes of this section—

"(1) the term 'visual depiction' includes undeveloped film and videotape but does not include mere words; and

"(2) the terms 'minor' and 'sexually explicit conduct' have the meaning given those terms in chapter 110 of this title.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 71 of title 18, United States Code, is amended by adding before the item relating to section 1461 the following:

"1460. Possession with intent to sell and sale of obscene matter on Federal property.".

Subtitle O—Miscellaneous

SEC. 7601. DISCLOSURE OF INFORMATION ON CASH TRANSACTIONS; UNDERCOVER ACTIVITIES OF INTERNAL REVENUE SERVICE.

(a) DISCLOSURE PROVISION.—

(1) DISCLOSURE OF REPORTS UNDER SECTION 6050 I.—Section 6050I of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subsection:

"(f) ACTIONS BY PAYORS.—

"(1) IN GENERAL.—No person shall for the purpose of evading the return requirements of this section—

"(A) cause or attempt to cause a trade or business to fail to file a return required under this section,

"(B) cause or attempt to cause a trade or business to file a return required under this section that contains a material omission or misstatement of fact, or

"(C) structure or assist in structuring, or attempt to structure or assist in structuring, any transaction with one or more trades or businesses.

"(2) PENALTIES.—A person violating paragraph (1) of this subsection shall be subject to the same civil and criminal sanctions applicable to a person which fails to file or completes a false or incorrect return under this section.".

(2) PENALTY.—

(A) Section 6721(b)(1)(A) of the Internal Revenue Code of 1986 is amended by inserting "(or, if greater, in the case of a return filed under section 6050I, 10 percent of the taxable income derived from the transaction)" after "reported".

(B) Section 7203 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following sentence: "In the case of a willful violation of any provision of section 6050I, the first sentence of this section shall be applied by substituting '5 years' for '1 year'."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to actions after the date of the enactment of this Act.

(4) NO INFERENCE.—No inference shall be drawn from the amendment made by paragraph (1) on the application of the Internal Revenue Code of 1986 without regard to such amendment.

(b) DISCLOSURE OF RETURNS ON CASH TRANSACTIONS.—

(1) IN GENERAL.—Subsection (i) of section 6103 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(8) DISCLOSURE OF RETURNS FILED UNDER SECTION 6050I.—The Secretary may, upon written request, disclose returns filed under section 6050I to officers and employees of any Federal agency whose official duties require such disclosure for the administration of Federal criminal statutes not related to tax administration."

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (A) of section 6103(p)(3) of the Internal Revenue Code of 1986 is amended by striking out "or (7)(A)(ii)" and inserting in lieu thereof ", (7)(A)(ii), or (8)".

(B) The material preceding subparagraph (A) of section 6103(p)(4) of the Internal Revenue Code of 1986 is amended—

(i) by striking out "or (5)" and inserting in lieu thereof "(5), or (8)", and

(ii) by striking out "(i)(3)(B)(i)," and inserting in lieu thereof "(i)(3)(B)(i) or (8)".

(C) Clause (ii) of section 6103(p)(4)(F) of the Internal Revenue Code of 1986 is amended by striking out "or (5)" and inserting in lieu thereof "(5), or (8)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to requests made on or after the date of the enactment of this Act, but disclosures may be made pursuant to such amendments only during the 2-year period beginning on such date.

(c) ENHANCEMENT OF UNDERCOVER CAPABILITIES OF THE INTERNAL REVENUE SERVICE.—

(1) IN GENERAL.—Section 7608(b)(1) of the Internal Revenue Code of 1986 is amended—

(A) by striking out "or" before "any other" and inserting a comma, and

(B) by inserting ", or any other law for which the Secretary has delegated investigatory authority to the Internal Revenue Service," after "responsible".

(2) UNDERCOVER OPERATIONS.—Section 7608 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subsection:

"(c) RULES RELATING TO UNDERCOVER OPERATIONS.—

"(1) CERTIFICATION REQUIRED FOR EXEMPTION OF UNDERCOVER OPERATIONS FROM CERTAIN LAWS.—With respect to any undercover investigative operation of the Internal Revenue Service (hereinafter in this subsection referred to as the 'Service') which is necessary for the detection and prosecution of offenses under the internal revenue laws, any other criminal provisions of law relating to internal revenue, or any other law for which the Secretary has delegated investigatory authority to the Internal Revenue Service—

"(A) sums authorized to be appropriated for the Service may be used—

"(i) to purchase property, buildings, and other facilities, and to lease space, within the United States, the District of Columbia, and the territories and possessions of the United States without regard to—

"(I) sections 1341 and 3324 of title 31, United States Code,

"(II) sections 11(a) and 22 of title 41, United States Code,

"(III) section 255 of title 41, United States Code,

"(IV) section 34 of title 40, United States Code, and

"(V) section 254 (a) and (c) of title 41, United States Code, and

"(ii) to establish or to acquire proprietary corporations or business entities as part of the undercover operation, and to operate such corporations or business entities on a commercial basis, without regard to sections 9102 and 9103 of title 31, United States Code;

"(B) sums authorized to be appropriated for the Service and the proceeds from the undercover operations, may be deposited in banks or other financial institutions without regard to the provisions of section 648 of title 18, United States Code, and section 3302 of title 31, United States Code, and

"(C) the proceeds from the undercover operation may be used to offset necessary and reasonable expenses incurred in such operation without regard to the provisions of section 3302 of title 31, United States Code.

This paragraph shall apply only upon the written certification of the Commissioner of Internal Revenue (or, if designated by the Commissioner, the Deputy Commissioner or an Assistant Commissioner of Internal Revenue) that any action authorized by subparagraph (A), (B), or (C) is necessary for the conduct of such undercover operation.

"(2) LIQUIDATION OF CORPORATIONS AND BUSINESS ENTITIES.—If a corporation or business entity established or acquired as part of an undercover operation under subparagraph (B) of paragraph (1) with a net value over $50,000 is to be liquidated, sold, or otherwise disposed of, the Service, as much in advance as the Commissioner or his delegate determines is practicable, shall report the circumstances to the Secretary and the Comptroller General of the United States. The proceeds of the liquidation, sale, or other disposition, after obligations are met, shall be deposited in the Treasury of the United States as miscellaneous receipts.

"(3) DEPOSIT OF PROCEEDS.—As soon as the proceeds from an undercover investigative operation with respect to which an action is authorized and carried out under subparagraphs (B) and (C) of paragraph (1) are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited into the Treasury of the United States as miscellaneous receipts.

"(4) AUDITS.—

"(A) The Service shall conduct a detailed financial audit of each undercover investigative operation which is closed in each fiscal year; and

"(i) submit the results of the audit in writing to the Secretary; and

"(ii) not later than 180 days after such undercover operation is closed, submit a report to the Congress concerning such audit.

"(B) The Service shall also submit a report annually to the Congress specifying as to its undercover investigative operations—

"(i) the number, by programs, of undercover investigative operations pending as of the end of the 1-year period for which such report is submitted;

"(ii) the number, by programs, of undercover investigative operations commenced in the 1-year period preceding the period for which such report is submitted; and

"(iii) the number, by programs, of undercover investigative operations closed in the 1-year period preceding the period for which such report is submitted and, with respect to each such closed undercover operation, the results obtained and any civil claims made with respect thereto.

"(5) Definitions.—For purposes of paragraph (4)—

"(A) Closed.—The term 'closed' means the date on which the later of the following occurs;

"(i) all criminal proceedings (other than appeals) are concluded, or

"(ii) covert activities are concluded, whichever occurs later.

"(B) Employees.—The term 'employees' has the meaning given such term by section 2105 of title 5, United States Code.

"(C) Undercover investigative operation.—The terms 'undercover investigative operation' and 'undercover operation' mean any undercover investigative operation of the Service—

"(i) in which—

"(I) the gross receipts (excluding interest earned) exceed $50,000; or

"(II) expenditures, both recoverable and nonrecoverable (other than expenditures for salaries of employees), exceed $150,000; and

"(ii) which is exempt from section 3302 or 9102 of title 3, United States Code.

Clauses (i) and (ii) shall not apply with respect to the report required under subparagraph (B) of paragraph (4).".

(3) Effective date.—The amendments made by this subsection shall take effect on the date of the enactment of this Act and shall cease to apply after December 31, 1989; and all amounts expended pursuant to such amendments shall be recovered to the extent possible, and deposited in the Treasury of the United States as miscellaneous receipts, before January 1, 1990.

SEC. 7602. RECOVERY OF COSTS INCURRED BY STATE AND LOCAL LAW ENFORCEMENT AGENCIES.

(a) In General.—Subchapter B of chapter 78 of the Internal Revenue Code of 1986 (relating to general powers and duties) is amended by adding at the end thereof the following new section:

"SEC. 7624. REIMBURSEMENT TO STATE AND LOCAL LAW ENFORCEMENT AGENCIES.

"(a) Authorization of Reimbursement.—Whenever a State or local law enforcement agency provides information to the Internal Revenue Service that substantially contributes to the recovery of Federal taxes imposed with respect to illegal drug-related activities (or money laundering in connection with such activities), such agency may be reimbursed by the Internal Revenue Service for costs incurred in the investigation (including but not limited to reasonable expenses, per diem, salary, and overtime) not to exceed 10 percent of the sum recovered.

"(b) Records; 10 Percent Limitation.—The Internal Revenue Service shall maintain records of the receipt of information from a contributing agency and shall notify the agency when monies have been recovered as the result of such information. Following such notification, the agency shall submit a statement detailing the investigative costs it incurred. Where more than 1 State or local agency has given information that substantially contributes to the recovery of Federal taxes, the Internal Revenue Service shall equitably allocate investigative costs among such agencies not to exceed an aggregate amount of 10 percent of the taxes recovered.

"(c) No Reimbursement Where Duplicative.—No State or local agency may receive reimbursement under this section if reimbursement has been received by such agency under a Federal or State forfeiture program or under State revenue laws.".

(b) Establishment of Law Enforcement Agency Account.—Section 7809 of the Internal Revenue Code of 1986 (relating to deposit of collections) is amended by adding at the end thereof the following new subsection:

"(d) Deposit of Funds for Law Enforcement Agency Account.—

"(1) In general.—In the case of any amounts recovered as the result of information provided to the Internal Revenue Service by State and local law enforcement agencies which substantially contributed to such recovery, an amount equal to 10 percent of such amounts shall be deposited in a separate account which shall be used to make the reimbursements required under section 7624.

"(2) Deposit in Treasury as internal revenue collections.—If any amounts remain in such account after payment of any qualified costs incurred under section 7624, such amounts shall be withdrawn from such account and deposited in the Treasury of the United States as internal revenue collections.".

(c) Disclosure of Return Information.—Section 6103(d) of the Internal Revenue Code of 1986 (relating to disclosure to State tax officials) is amended by adding at the end the following new paragraph:

"(3) Exception for reimbursement under section 7624.—Nothing in this section shall be construed to prevent the Secretary from disclosing to any State or local law enforcement agency which may receive a payment under section 7624 the amount of the recovered taxes with respect to which such a payment may be made."

(d) Conforming Amendments.—

(1) The table of sections for subchapter B of chapter 78 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new item:

"Sec. 7624. Reimbursement to State and local law enforcement agencies.".

(2) The heading for section 6103(d) of the Internal Revenue Code of 1986 is amended to read as follows:

"(d) Disclosure to State Tax Officials and State and Local Law Enforcement Agencies.".

(e) Effective Date.—The amendments made by this section shall apply to information first provided more than 90 days after the date of the enactment of this Act.

(f) Authorization of Appropriations.—There is authorized to be appropriated from the account referred to in section 7809(d) of the Internal Revenue Code of 1986 such sums as may be necessary to make the payments authorized by section 7624 of such Code.

(g) Regulations.—The Secretary of the Treasury shall, not later than 90 days after the date of enactment of this Act, prescribe such rules and regulations as shall be necessary and proper to carry out the provisions of this section, including regulations relating to the definition of information which substantially contributes to the recovery of Federal taxes and the substantiation of expenses required in order to receive a reimbursement.

SEC. 7603. DEFINITION FOR MAIL FRAUD CHAPTER OF TITLE 18, UNITED STATES CODE.

(a) In General.—Chapter 63 of title 18 of the United States Code is amended by adding at the end the following:

"§ 1346. Definition of 'scheme or artifice to defraud'

"For the purposes of this chapter, the term 'scheme or artifice to defraud' includes a scheme or artifice to deprive another of the intangible right of honest services.".

(b) Clerical Amendment.—The table of sections at the beginning of chapter 63 of title 18, United States Code, is amended by adding at the end the following:

"1346. Definition of 'scheme or artifice to defraud'.".

SEC. 7604. NATIONAL COMMISSION ON MEASURED RESPONSES TO ACHIEVE A DRUG-FREE AMERICA BY 1995 AUTHORIZATION ACT.

(a) Short Title.—This section may be cited as the "National Commission on Measured Responses to Achieve a Drug-Free America by 1995 Authorization Act".

(b) Commission.—(1) There is hereby established a Commission to be chaired by the Director of the Office of National Drug Control Policy and consisting of 24 members appointed by the President within 120 days of the date of enactment of this section. Not more than one-half of the members of the Commission may be members of one political party. The members of the Commission shall include—

(A) State and local law enforcement officers;

(B) Attorneys General and District Attorneys;

(C) State and local elected officials;

(D) experts in the fields of drug abuse prevention, treatment, education, and law enforcement; and

(E) other appropriate individuals as determined by the President.

(2) The term of the Commission shall expire 6 months following the date of appointment of the members thereof.

(c) Duties of the Commission.—The Commission is established to develop a proposed uniform code of State laws that represent measured responses to achieve a Drug-Free America by 1995. Among the types of measured responses that the Commission should consider are—

(1) appropriate penalties for drug offenses;

(2) participation in rehabilitation and treatment programs;

(3) appropriate use of drug testing;

(4) efforts to educate the public on the dangers of drug abuse as a means of reducing demand;

(5) forfeiture of assets of violators of State drug laws;

(6) cooperative ventures among the Federal, State, and local levels;

(7) methods to interdict illegal drugs at our borders, eradicate crops of illegal drugs, and cease the manufacture of illegal drugs; and

(8) other means of preventing drug abuse.

(d) Report of Commission.—Within 6 months after the date of the appointment of its members, the Commission shall submit its proposed uniform code to the Governors of the 50 States and the Mayor of the District of Columbia.

(e) Vacancies.—A vacancy in the Commission shall be filled in the same manner as the original appointment was made. A vacancy in the Commission shall not affect the powers of the Commission.

(f) QUORUM.—Fourteen members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(g) COMPENSATION.—(1) Each member of the Commission who is not an officer or employee of the United States shall be compensated at a rate established by the Commission not to exceed the daily equivalent of the annual rate of basic pay prescribed for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the actual performance of duties as a member of the Commission. Each member of the Commission who is an officer or employee of the United States shall receive no additional compensation for service on the Commission.

(2) While away from their homes or regular places of business in the performance of duties for the Commission, all members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at a rate established by the Commission not to exceed the rates authorized for employees of agencies under sections 5702 and 5703 of title 5, United States Code.

(h) ADMINISTRATIVE PROVISIONS.—(1) The Commission shall appoint an Executive Director who shall be compensated at a rate established by the Commission not to exceed the rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) With the approval of the Commission, the Executive Director may appoint and fix the compensation of such additional personnel as the Executive Director considers necessary to carry out the duties of the Commission.

(3) Subject to such rules as may be issued by the Commission, the chairman may procure temporary and intermittent services of experts and consultants.

(4) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(5) Service of an individual as a member of the Commission, or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of any Federal law relating to conflicts of interest or otherwise imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with claims, proceedings, or matters involving the United States. Service as a member of the Commission, or as an employee of the Commission, shall not be considered service in an appointive or elective position in the Government for purposes of section 8344 of title 5, United States Code, or comparable provisions of Federal law.

(i) POWERS OF COMMISSION.—(1) For the purpose of carrying out this section, the Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(2) Any member or employee of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this subsection.

(j) SENSE OF THE CONGRESS ON STATE CONFERENCES.—It is the sense of the Congress that the Governors of the 50 States and the Mayor of the District of Columbia should convene State conferences for a Drug-Free America by 1995. These conferences should include attorneys general, district attorneys, mayors, other elected officials, law enforcement officials, educators, drug prevention and treatment experts, and other interested parties. The State conferences should consider the proposed uniform code described in subsection (c) and make recommendations thereon.

(k) AVAILABILITY OF FUNDS.—There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, and they shall remain available for the term of the Commission. New spending authority or authority to enter contracts as provided in this section shall be effective only to such extent and in such amounts as are provided in advance in appropriation Acts.

SEC. 7605. USE OF EXISTING FEDERAL RESEARCH AND DEVELOPMENT FACILITIES FOR CIVILIAN LAW ENFORCEMENT.

(a) COMPREHENSIVE PLAN.—The President of the United States shall direct the Office of National Drug Control Policy, established in title I of this Act, to develop a comprehensive plan for utilizing no fewer than eight existing facilities of the Department of Defense, the Department of Justice, the Department of Energy, National Security Agency, and the Central Intelligence Agency, to develop technologies for application to Federal law enforcement agency missions, and to provide research, development, technology, and evaluation support to the law enforcement agencies of the Federal Government. Such plan shall be prepared and submitted to the Congress by no later than 90 days from the date of enactment of this Act.

(b) EXISTING FACILITIES TO BE EXAMINED.—The following existing United States Government facilities shall be examined in developing the comprehensive plan mandated in subsection (a):

(1) For night vision research and development—Department of Defense, Army Materiel Command, Night Vision Laboratory at Fort Belvoir, Virginia;

(2) For ground sensor research and development—Department of Defense, Army Materiel Command, Communications Electronic Command, Fort Monmouth, New Jersey;

(3) For physical/electronic security research and development—Department of Defense, Air Force Systems Command, Electronic Systems Division, Hanscom Field, Massachusetts;

(4) For imaging/electronic surveillance research and development—Central Intelligence Agency and National Security Agency, Washington, DC;

(5) For chemical/biosensor research and development—Department of Defense, Army Materiel Command, Chemical Research Development and Engineering Center, Aberdeen, Maryland;

(6) For chemical/molecular detector research and development—Department of Energy, Sandia National Laboratories, Albuquerque, New Mexico;

(7) For physical/electronic surveillance and tracking, research and development—Department of Justice, Federal Bureau of Investigation and Drug Enforcement Administration, Washington, DC; and

(8) For explosives ordnance detection research and development—Department of Defense, Naval Ordinance Station, Indian Head, Maryland.

(c) PARTICIPATION.—In developing the plan mandated in subsection (a), the Director of National Drug Control Policy shall ensure that representatives of the Federal law enforcement agencies are provided an opportunity to participate in the formulation of the comprehensive plan and that their views and recommendations are integrated into the planning process.

(d) COMPTROLLER GENERAL OVERSIGHT.—The Comptroller General of the United States shall monitor the development of the plan mandated in subsection (a) and report periodically to the appropriate Committees of the Congress on the progress of the development of this research and development program. This subsection does not confer authority upon the Comptroller General, additional to that otherwise provided by law, to gain access to sensitive information held by any agency within the intelligence community.

SEC. 7606. CIVIL AIR PATROL.

(a) REGULATIONS.—Within 45 days, the Secretary of the Air Force shall issue such regulations as are necessary to ensure that the Civil Air Patrol has an integral role in drug interdiction and eradication activities.

(b) REPORTS.—The Secretary of the Air Force shall submit to the Committees on Appropriations and the Committee on Armed Services of the Senate and the House of Representatives, quarterly reports which include a detailed description of the activities of the Civil Air Patrol in support of the Federal, State, and local government agencies' drug interdiction and eradication programs. The first report shall be submitted on the last day of the first quarter ending not less than 150 days after the date of the enactment.

SEC. 7607. DEFENSE DRUG INTERDICTION AMENDMENT.

Title VII of "An Act Making Appropriations For The Department of Defense For The Fiscal Year Ending September 30, 1989" is amended under the heading "DRUG INTERDICTION, DEFENSE" by inserting at the end of the first sentence after the word "United States" the following: "and drug enforcement and interdiction activities of the Army National Guard and Air National Guard", and by inserting in the second sentence "enforcement and" after the word "drug".

SEC. 7608. UNITED STATES MARSHALS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Chapter 37 of title 28, United States Code, is amended by striking out sections 561 through 571 and inserting in lieu thereof the following:

"§561. United States Marshals Service

"(a) There is hereby established a United States Marshals Service as a bureau within the Department of Justice under the authority and direction of the Attorney General. There shall be at the head of the United States Marshals Service (hereafter in this chapter referred to as the 'Service') a Director who shall be appointed by the President, by and with the advice and consent of the Senate.

"(b) The Director of the United States Marshals Service (hereafter in this chapter referred to as the 'Director') shall, in addition to the powers and duties set forth in this chapter, exercise such other functions as may be delegated by the Attorney General.

"(c) The President shall appoint, by and with the advice and consent of the Senate, a United States marshal for each judicial district of the United States and for the Superior Court of the District of Columbia, except that any marshal appointed for the Northern Mariana Islands may at the same time serve as marshal in another judicial district. Each United States marshal shall be an official of the Service and shall serve under the direction of the Director.

"(d) Each marshal shall be appointed for a term of four years. A marshal shall, unless that marshal has resigned or been removed by the President, continue to perform the duties of that office after the end of that 4-year term until a successor is appointed and qualifies.

"(e) The Director shall designate places within a judicial district for the official station and offices of each marshal. Each marshal shall reside within the district for which such marshal is appointed, except that—

"(1) the marshal for the District of Columbia, for the Superior Court of the District of Columbia, and for the Southern District of New York may reside within 20 miles of the district for which the marshal is appointed; and

"(2) any marshal appointed for the Northern Mariana Islands who at the same time is serving as marshal in another district may reside in such other district.

"(f) The Director is authorized to appoint and fix the compensation of such employees as are necessary to carry out the powers and duties of the Service and may designate such employees as law enforcement officers in accordance with such policies and procedures as the Director shall establish pursuant to the applicable provisions of title 5 and regulations issued thereunder.

"(g) The Director shall supervise and direct the United States Marshals Service in the performance of its duties.

"(h) The Director may administer oaths and may take affirmations of officials and employees of the Service, but shall not demand or accept any fee or compensation therefor.

"(i) There are authorized to be appropriated such sums as may be necessary to carry out the functions of the Service.

"§ 562. Vacancies

"(a) In the case of a vacancy in the office of a United States marshal, the Attorney General may designate a person to perform the functions of and act as marshal, except that the Attorney General may not designate to act as marshal any person who was appointed by the President to that office but with respect to such appointment the Senate has refused to give its advice and consent.

"(b) A person designated by the Attorney General under subsection (a) may serve until the earliest of the following events:

"(1) The entry into office of a United States marshal appointed by the President, pursuant to section 561(c).

"(2) The expiration of the thirtieth day following the end of the next session of the Senate.

"(3) If such designee of the Attorney General is appointed by the President pursuant to section 561(c), but the Senate refuses to give its advice and consent to the appointment, the expiration of the thirtieth day following such refusal.

"§ 563. Oath of office

"The Director and each United States marshal and law enforcement officer of the Service, before taking office, shall take an oath or affirmation to faithfully execute the duties of that office.

"§ 564. Powers as sheriff

"United States marshals, deputy marshals and such other officials of the Service as may be designated by the Director, in executing the laws of the United States within a State, may exercise the same powers which a sheriff of the State may exercise in executing the laws thereof.

"§ 565. Expenses of the service

"The Director is authorized to use funds appropriated for the Service to make payments for expenses incurred pursuant to personal services contracts and cooperative agreements, authorized by the Attorney General, for security guards and for the service of summons on complaints, subpoenas, and notices in lieu of services by United States marshals and deputy marshals.

"§ 566. Powers and duties

"(a) It is the primary role and mission of the United States Marshals Service to provide for the security and to obey, execute, and enforce all orders of the United States District Courts, the United States Courts of Appeals and the Court of International Trade.

"(b) The United States marshal of each district is the marshal of the district court and of the court of appeals when sitting in that district, and of the Court of International Trade holding sessions in that district, and may, in the discretion of the respective courts, be required to attend any session of court.

"(c) Except as otherwise provided by law or Rule of Procedure, the United States Marshals Service shall execute all lawful writs, process, and orders issued under the authority of the United States, and shall command all necessary assistance to execute its duties.

"(d) Each United States marshal, deputy marshal, and any other official of the Service as may be designated by the Director may carry firearms and make arrests without warrant for any offense against the United States committed in his or her presence, or for any felony cognizable under the laws of the United States if he or she has reasonable grounds to believe that the person to be arrested has committed or is committing such felony.

"(e)(1) The United States Marshals Service is authorized to—

"(A) provide for the personal protection of Federal jurists, court officers, witnesses, and other threatened persons in the interests of justice where criminal intimidation impedes on the functioning of the judicial process or any other official proceeding; and

"(B) investigate such fugitive matters, both within and outside the United States, as directed by the Attorney General.

"(2) Nothing in paragraph (1)(B) shall be construed to interfere with or supersede the authority of other Federal agencies or bureaus.

"(f) In accordance with procedures established by the Director, and except for public money deposited under section 2041 of this title, each United States marshal shall deposit public moneys that the marshal collects into the Treasury, subject to disbursement by the marshal. At the end of each accounting period, the earned part of public moneys accruing to the United States shall be deposited in the Treasury to the credit of the appropriate receipt accounts.

"(g) Prior to resignation, retirement, or removal from office—

"(1) a United States marshal shall deliver to the marshal's successor all prisoners in his custody and all unserved process; and

"(2) a deputy marshal shall deliver to the marshal all process in the custody of the deputy marshal.

"(h) The United States marshals shall pay such office expenses of United States Attorneys as may be directed by the Attorney General.".

(2) ADDITIONAL AMENDMENTS.—Chapter 37 of title 28, United States Code, is amended—

(A) by striking out sections 572a, 573, and 574; and

(B) by redesignating sections 572, 575, and 576 as sections 567, 568, and 569, respectively.

(3) CONFORMING AMENDMENTS.—The chapter heading for chapter 37 of title 28, United States Code, and the table of sections at the beginning of such chapter, are amended to read as follows:

"Chapter 37—United States Marshals Service

"Sec.
"561. United States Marshals Service.
"562. Vacancies.
"563. Oath of office.
"564. Powers as sheriff.
"565. Expenses of the Service.
"566. Powers and duties.
"567. Collection of fees; accounting.
"568. Practice of law prohibited.
"569. Reemployment rights.".

(b) OTHER AMENDMENT.—Section 755 of title 28, United States Code, is amended by striking out the third paragraph.

(c) MARSHALS' FEES.—Section 1921 of title 28, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (e); and

(2) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a)(1) The United States marshals or deputy marshals shall routinely collect, and a court may tax as costs, fees for the following:

"(A) Serving a writ of possession, partition, execution, attachment in rem, or libel in admiralty, warrant, attachment, summons, complaints, or any other writ, order or process in any case or proceeding.

"(B) Serving a subpoena or summons for a witness or appraiser.

"(C) Forwarding any writ, order, or process to another judicial district for service.

"(D) The preparation of any notice of sale, proclamation in admiralty, or other public notice or bill of sale.

"(E) The keeping of attached property (including boats, vessels, or other property attached or libeled), actual expenses incurred, such as storage, moving, boat hire, or other special transportation, watchmen's or keepers' fees, insurance, and an hourly rate, including overtime, for each deputy marshal required for special services, such as guarding, inventorying, and moving.

"(F) Copies of writs or other papers furnished at the request of any party.

"(G) Necessary travel in serving or endeavoring to serve any process, writ, or order, except in the District of Columbia, with mileage to be computed from the place where service is returnable to the place of service or endeavor.

"(H) Overtime expenses incurred by deputy marshals in the course of serving or executing civil process.

"(2) The marshals shall collect, in advance, a deposit to cover the initial expenses for special services required under paragraph (1)(E), and periodically thereafter such amounts as may be necessary to pay such expenses until the litigation is concluded. This paragraph applies to all private litigants, including seamen proceeding pursuant to section 1916 of this title.

"(3) For purposes of paragraph (1)(G), if two or more services or endeavors, or if an endeavor and a service, are made in behalf of the same party in the same case on the same trip, mileage shall be computed to the place of service or endeavor which is most remote from the place where service is returnable, adding thereto any additional mileage traveled in serving or endeavoring to serve in behalf of the party. If two or more writs of any kind, required to be served in behalf of the same party on the same person in the same case or proceeding, may be served at the same time, mileage on only one such writ shall be collected.

"(b) The Attorney General shall from time to time prescribe by regulation the fees to be taxed and collected under subsection (a). Such fees shall, to the extent practicable, reflect the actual and reasonable cost of the service provided.

"(c)(1) The United States Marshals Service shall collect a commission of 3 percent of the first $1,000 collected and 1½ percent on the excess of any sum over $1,000, for seizing or levying on property (including seizures in admiralty), disposing of such property by sale, setoff, or otherwise, and receiving and paying over money, except that the amount of commission shall be within the range set by the Attorney General. If the property is to be disposed of by marshal's sale, the commission shall be in such amount, within the range set by the Attorney General, as may be allowed by the court. In any case in which the vessel or other property is sold by a public auctioneer, or by some party other than a marshal or deputy marshal, the commission authorized under this subsection shall be reduced by the amount paid to such auctioneer or other party. This subsection applies to any judicially ordered sale or execution sale, without regard to whether the judicial order of sale constitutes a seizure or levy within the meaning of State law. This subsection shall not apply to any seizure, forfeiture, sale, or other disposition of property pursuant to the applicable provisions of law amended by the Comprehensive Forfeiture Act of 1984 (98 Stat. 2040).

"(2) The Attorney General shall prescribe from time to time regulations which establish a minimum and maximum amount for the commission collected under paragraph (1).

"(d) The United States marshals may require a deposit to cover the fees and expenses prescribed under this section.".

(d) Support of United States Prisoners in Non-Federal Institutions.—

(1) In general.—Chapter 301 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 4013. Support of United States prisoners in non-Federal institutions

"(a) The Attorney General, in support of United States prisoners in non-Federal institutions, is authorized to make payments from funds appropriated for the support of United States prisoners for—

"(1) necessary clothing;

"(2) medical care and necessary guard hire;

"(3) the housing, care, and security of persons held in custody of a United States marshal pursuant to Federal law under agreements with State or local units of government or contracts with private entities; and

"(4) entering into contracts or cooperative agreements with any State, territory, or political subdivision thereof, for the necessary construction, physical renovation, acquisition of equipment, supplies, or materials required to establish acceptable conditions of confinement and detention services in any State or local jurisdiction which agrees to provide guaranteed bed space for Federal detainees within that correctional system, in accordance with regulations which are issued by the Attorney General and are comparable to the regulations issued under section 4006 of this title, except that—

"(A) amounts made available for purposes of this paragraph shall not exceed the average per-inmate cost of constructing similar confinement facilities for the Federal prison population,

"(B) the availability of such federally assisted facility shall be assured for housing Federal prisoners, and

"(C) the per diem rate charged for housing such Federal prisoners shall not exceed allowable costs or other conditions specified in the contract or cooperative agreement.".

(2) Conforming amendment.—The table of sections at the beginning of chapter 301 of title 18, United States Code, is amended by adding at the end the following:

"4013. Support of United States prisoners in non-Federal institutions.".

(e) Pay of Director of Service.—Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Director, United States Marshals Service.".

SEC. 7609. DATA COLLECTION AND REPORTING.

(a) Family Violence Reporting.—Under the authority of section 534 of title 28, United States Code, the Attorney General shall require, and include in uniform crime reports, data that indicate—

(1) the age of the victim; and

(2) the relationship of the victim to the offender, for crimes of murder, aggravated assault, simple assault, rape, sexual offenses, and offenses against children.

(b) National Crime Survey.—The Director of the Bureau of Justice Statistics, through the annual National Crime Survey, shall collect and publish data that more accurately measures the extent of domestic violence in America, especially the physical and sexual abuse of children and the elderly.

(c) Authorization of Appropriations.—There are authorized to be appropriated in fiscal years 1989, 1990, 1991, and 1992, such sums as are necessary to carry out the purposes of this section.

TITLE VIII—FEDERAL ALCOHOL ADMINISTRATION

SEC. 8001. FEDERAL ALCOHOL ADMINISTRATION.

(a) The Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) is amended—

(1) by inserting immediately after the enacting clause the following centered heading:

"TITLE I—FEDERAL ALCOHOL ADMINISTRATION";

(2) by redesignating the first section and section 2 through 17 as sections 101 through 117, respectively; and

(3) by adding at the end the following new title:

"TITLE II—ALCOHOLIC BEVERAGE LABELING

"SHORT TITLE

"Sec. 201. This title may be cited as the "Alcoholic Beverage Labeling Act of 1988".

"DECLARATION OF POLICY AND PURPOSE

"Sec. 202. The Congress finds that the American public should be informed about the health hazards that may result from the consumption or abuse of alcoholic beverages, and has determined that it would be beneficial to provide a clear, nonconfusing reminder of such hazards, and that there is a need for national uniformity in such reminders in order to avoid the promulgation of incorrect or misleading information and to minimize burdens on interstate commerce. The Congress finds that requiring such reminders on all containers of alcoholic beverages is appropriate and necessary in view of the substantial role of the Federal Government in promoting the health and safety of the Nation's population. It is therefore the policy of the Congress, and the purpose of this title, to exercise the full reach of the Federal Government's constitutional powers in order to establish a comprehensive Federal program, in connection with the manufacture and sale of alcoholic beverages in or affecting interstate commerce, to deal with the provision of warning or other information with respect to any relationship between the consumption or abuse of alcoholic beverages and health, so that—

"(1) the public may be adequately reminded about any health hazards that may be associated with the consumption or abuse of alcoholic beverages through a nationally uniform, nonconfusing warning notice on each container of such beverages; and

"(2) commerce and the national economy may be—

"(A) protected to the maximum extent consistent with this declared policy,

"(B) not impeded by diverse, nonuniform, and confusing requirements for warnings or other information on alcoholic beverage containers with respect to any relationship between the consumption or abuse of alcoholic beverages and health, and

"(C) protected from the adverse effects that would result from a noncomprehensive program covering alcoholic beverage containers sold in interstate commerce, but not alcoholic beverage containers manufactured and sold within a single State.

"DEFINITIONS

"Sec. 203. As used in this title—

"(1) The term 'alcoholic beverage' includes any beverage in liquid form which contains not less than one-half of one percent of alcohol by volume and is intended for human consumption.

"(2) The term 'bottle' means to fill a container with an alcoholic beverage and to seal such container.

"(3) The term 'bottler' means a person who bottles an alcoholic beverage.

"(4) The term 'commerce' means—

"(A) commerce between any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, Wake Island, the Midway Islands, Kingman Reef, or Johnston Island and any place outside thereof;

"(B) commerce between points in any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, Wake Island, the Midway Islands, Kingman Reef, or Johnston Island, but through any place outside thereof; or

"(C) commerce wholly within the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, Wake Island, the Midway Islands, Kingman Reef, or Johnston Island.

"(5) The term 'container' means the innermost sealed container irrespective of the material from which made, in which an alcoholic beverage is placed by the bottler and in which such beverage is offered for sale to members of the general public.

"(6) The term 'health' includes, but is not limited to, the prevention of accidents.

"(7) The term 'person' means an individual, partnership, joint stock company, business trust, association, corporation, or any other business or legal entity, including a receiver, trustee, or liquidating agent, and also includes any State, any State agency, or any officer or employee thereof.

"(8) The term 'sale' and 'distribution' include sampling or any other distribution not for sale.

"(9) The term 'Secretary' means the Secretary of the Treasury.

"(10) The term 'State' includes any political subdivision of any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, Wake Island, the Midway Islands, Kingman Reef, or Johnston Island.

"(11) The term 'State law' includes State statutes, regulations, and principles and rules having the force of law.

"(12) The term 'United States', when used in geographical sense, includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, Wake Island, the Midway Islands, Kingman Reef, and Johnston Island.

"LABELING REQUIREMENT; CONSPICUOUS STATEMENT

"SEC. 204. (a) On and after the expiration of the 12-month period following the date of enactment of this title, it shall be unlawful for any person to manufacture, import, or bottle for sale or distribution in the United States any alcoholic beverage unless the container of such beverage bears the following statement:

"'GOVERNMENT WARNING: (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.'.

"(b) The statement required by subsection (a) of this section shall be located in a conspicuous and prominent place on the container of such beverage, as determined by the Secretary, shall be in type of a size determined by the Secretary, and shall appear on a contrasting background. The Secretary shall make such determinations within 90 days after the date of enactment of this title.

"(c) Subsection (a) of this section shall not apply with respect to alcoholic beverages that are manufactured, imported, bottled, or labeled for export from the United States, or for delivery to a vessel or aircraft, as supplies, for consumption beyond the jurisdiction of the internal revenue laws of the United States: Provided, That this exemption shall not apply with respect to alcoholic beverages that are manufactured, imported, bottled, or labeled for sale, distribution, or shipment to members or units of the Armed Forces of the United States, including those located outside the United States.

"(d) The Secretary shall—

"(1) have the power to—

"(A) ensure the enforcement of the provisions of this title, and

"(B) issue regulations to carry out this title, and

"(2) consult and coordinate the health awareness efforts of the labeling requirements of this title with the Surgeon General of the United States.

"PREEMPTION

"SEC. 205. No statement relating to alcoholic beverages and health, other than the statement required by section 204 of this title, shall be required under State law to be placed on any container of an alcoholic beverage, or on any box, carton, or other package, irrespective of the material from which made, that contains such a container.

"REPORT TO CONGRESS

"SEC. 206. If, after appropriate investigation and consultation with the Surgeon General carried out after the expiration of the 24-month period following the date of enactment of this title, the Secretary finds that available scientific information would justify a change in, addition to, or deletion of the statement, or any part thereof, set forth in section 204(a) of this title, the Secretary shall promptly report such information to the Congress together with specific recommendations for such amendments to this title as the Secretary determines to be appropriate and in the public interest.

"CIVIL PENALTIES

"SEC. 207. Any person who violates the provisions of this title shall be subject to a civil penalty of not more than $10,000, and each day shall constitute a separate offense.

"INJUNCTION PROCEEDINGS; COMPROMISE OF LIABILITY

"SEC. 208. (a) The several district courts of the United States are vested with jurisdiction, for cause shown, to prevent and restrain violations of this title upon the application of the Attorney General of the United States acting through the several United States attorneys in their several districts.

"(b) The Secretary is authorized, with respect to any violation of this title, to compromise the liability arising with respect to such violation upon payment of a sum for each offense, to be collected by the Secretary and to be paid into the Treasury as miscellaneous receipts.

"SEVERABILITY

"SEC. 209. If any provision of this title or the application thereof to any person or circumstance is held invalid, the validity of the remainder of this title and this Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 210. Except as provided in section 204(a), this title shall take effect on the date of its enactment into law.".

(b) The Federal Alcohol Administration Act, as amended by this Act, is further amended—

(1) by amending section 101, as redesignated under subsection (a)(2) of this Act, to read as follows:

"SHORT TITLE

"SEC. 101. This title may be cited as the 'Federal Alcohol Administration Act'.";

(2) in sections 103, 104, 105, 107, 108, and 117, as so redesignated, by striking "this Act" each place it appears and inserting in lieu thereof "this title";

(3) in section 104(d), as so redesignated, by striking "section 5" and inserting in lieu thereof "section 105" and by striking "section 6" and inserting in lieu thereof "section 106"; and

(4) in section 107, as so redesignated, by striking "section 3 or 5" and inserting in lieu thereof "section 103 or 105".

TITLE IX—MISCELLANEOUS

Subtitle A—Alcohol and Drug Traffic Safety

SEC. 9001. SHORT TITLE.

This subtitle may be cited as the "Drunk Driving Prevention Act of 1988".

SEC. 9002. DRUNK DRIVING PREVENTION PROGRAMS.

(a) GENERAL RULES.—Chapter 4 of title 23, United States Code, is amended by adding at the end the following new section:

"§410. Drunk driving prevention programs

"(a) GENERAL AUTHORITY.—Subject to the provisions of this section and to the extent provided in advance in appropriation Acts, the Secretary shall make basic and supplemental grants to those States which adopt and implement drunk driving prevention programs which include measures described in this section to improve the effectiveness of the enforcement of laws the purpose of which are to discourage individuals from operating motor vehicles while under the influence of alcohol. Such grants may only be used by recipient States to implement and enforce such programs.

"(b) MAINTENANCE OF EFFORT.—No grant may be made to a State under this section in any fiscal year unless such State enters into such agreements with the Secretary as the Secretary may require to ensure that such State will maintain its aggregate expenditures from all other sources for drunk driving prevention programs at or above the average level of such expenditures in its 2 fiscal years preceding the date of enactment of this section.

"(c) FEDERAL SHARE.—No State may receive grants under this section in more than 3 fiscal years. The Federal share payable for any grant under this section shall not exceed—

"(1) in the first fiscal year a State receives a grant under this section, 75 percent of the cost of implementing and enforcing in such fiscal year the drunk driving prevention program adopted by the State pursuant to subsection (a) of this section;

"(2) in the second fiscal year the State receives a grant under this section, 50 percent of the cost of implementing and enforcing in such fiscal year such program; and

"(3) in the third fiscal year the State receives a grant under this section, 25 percent of the cost of implementing and enforcing in such fiscal year such program.

"(d) MAXIMUM AMOUNT OF BASIC GRANTS.—Subject to subsection (c) of this section, the amount of a basic grant made under this section for any fiscal year to any State which is eligible for such a grant under subsection (e) of this section shall not exceed 30 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title.

"(e) ELIGIBILITY FOR BASIC GRANTS.—For purposes of this section, a State is eligible for a basic grant if such State provides—

"(1) for an expedited driver's license suspension or revocation system for individuals who operate motor vehicles while under the influence of alcohol which requires that—

"(A) when a law enforcement officer has probable cause under State law to believe an individual has committed an alcohol-related traffic offense and such individual is determined, on the basis of a chemical test, to have been under the influence of alcohol while operating the motor vehicle or refuses to submit to such a test as proposed by the officer, the officer serve such individual with a written notice of suspension or revocation of the driver's license of such individual and take possession of such driver's license;

"(B) the notice of suspension or revocation referred to in subparagraph (A) provide information on the administrative procedures under which the State may suspend or revoke in accordance with the objectives of this section a driver's license of an individual for operating a motor vehicle while under the influence of alcohol and specify any rights of the operator under such procedures;

"(C) the State provide, in the administrative procedures referred to in subparagraph (B), for due process of law, including the right to an administrative review of a driver's license suspension or revocation within the time period specified in subparagraph (F);

"(D) after serving notice and taking possession of a driver's license in accordance with subparagraph (A), the law enforcement officer immediately report to the State entity responsible for administering drivers' licenses all information relevant to the action taken in accordance with this paragraph;

"(E) in the case of an individual who, in any 5-year period beginning after the date of the enactment of this section, is determined on the basis of a chemical test to have been operating a motor vehicle under the influence of alcohol or is determined to have refused to submit to such a test as proposed by the law enforcement officer, the State entity responsible for administering driver's licenses, upon receipt of the report of the law enforcement officer—

"(i) suspend the driver's license of such individual for a period of not less than 90 days if such individual is a first offender in such 5-year period; and

"(ii) suspend the driver's license of such individual for a period of not less than 1 year, or revoke such license, if such individual is a repeat offender in such 5-year period; and

"(F) the suspension and revocation referred to under subparagraph (D) take effect not later than—

"(i) 15 days after the day on which the individual first received notice of the suspension or revocation in accordance with subparagraph (B); or

"(ii) 30 days after the day on which the individual first received notice of the suspension or revocation in accordance with subparagraph (B) if the Secretary determines that the requirements of clause (i) would impose a hardship upon the State; and

"(2) for a self-sustaining drunk driving prevention program under which the fines or surcharges collected from individuals convicted of operating a motor vehicle while under the influence of alcohol are returned, or an equivalent amount of non-Federal funds are provided, to those communities which have comprehensive programs for the prevention of such operations of motor vehicles.

"(f) SUPPLEMENTAL GRANT PROGRAMS.—

"(1) MANDATORY BLOOD ALCOHOL CONCENTRATION TESTING PROGRAMS.—For purposes of this section, a State is eligible for a supplemental grant for a fiscal year in an amount, subject to subsection (c) of this section, not to exceed 10 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State provides for mandatory blood alcohol concentration testing whenever a law enforcement officer has probable cause under State law to believe that a driver of a motor vehicle involved in an accident resulting in the loss of human life or, as determined by the Secretary, serious bodily injury, has committed an alcohol-related traffic offense.

"(2) PROGRAM FOR PREVENTION OF OPERATORS UNDER AGE 21 FROM OBTAINING ALCOHOLIC BEVERAGES.—For purposes of this section, a State is eligible for a supplemental grant for a fiscal year in an amount, subject to subsection (c) of this section, not to exceed 10 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State provides for an effective system for preventing operators of motor vehicles under age 21 from obtaining alcoholic beverages, which may include the issuance of drivers' licenses to individuals under age 21 that are easily distinguishable in appearance from drivers' licenses issued to individuals 21 years of age and older.

"(3) UNLAWFUL OPEN CONTAINER AND CONSUMPTION OF ALCOHOL PROGRAMS.—For purposes of this section, a State is eligible for a supplemental grant for a fiscal year in an amount, subject to subsection (c) of this section, not to exceed 25 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State makes unlawful the possession of any open alcoholic beverage container, or the consumption of any alcoholic beverage, in the passenger area of any motor vehicle located on a public highway or the right-of-way of a public highway, except—

"(A) as allowed in the passenger area, by persons (other than the driver), of any motor vehicle designed to transport more than 10 passengers (including the driver) while being used to provide charter transportation of passengers; or

"(B) as otherwise specifically allowed by such State, with the approval of the Secretary, but in no event may the driver of such motor vehicle be allowed to possess or consume an alcoholic beverage in the passenger area.

"(4) SUSPENSION OF REGISTRATION AND RETURN OF LICENSE PLATE PROGRAM.—For purposes of this section, a State is eligible for a supplemental grant for a fiscal year in an amount, subject to subsection (c) of this section, not to exceed 10 percent of the amount apportioned to such State for fiscal year 1989 under section 402 of this title if such State is eligible for a basic grant and in addition such State provides for the suspension of the registration of, and the return to such State of the license plates for, any motor vehicle owned by an individual who—

"(A) has been convicted on more than 1 occasion of an alcohol-related traffic offense within any 5-year period after the date of the enactment of this section; or

"(B) has been convicted of driving while his or her driver's license is suspended or revoked by reason of a conviction for such an offense.

A State may provide limited exceptions to such suspension of registration or return of license plates, on an individual basis, to avoid undue hardship to any individual, including any family member of the convicted individual, and any co-owner of the motor vehicle, who is completely dependent on the motor vehicle for the necessities of life. Such exceptions may not result in unrestricted reinstatement of the registration or unrestricted return of the license plates of the motor vehicle.

"(5) GRANTS AS BEING IN ADDITION TO OTHER GRANTS.—A supplemental grant under this section shall be in addition to any basic grant or any other supplemental grant received by such State.

"(g) DEFINITIONS.—As used in this section—

"(1) ALCOHOLIC BEVERAGE.—The term 'alcoholic beverage' has the meaning such term has under section 158(c) of this title.

"(2) MOTOR VEHICLE.—The term 'motor vehicle' has the meaning such term has under section 154(b) of this title.

"(3) OPEN ALCOHOLIC BEVERAGE CONTAINER.—The term 'open alcoholic beverage container' means any bottle, can, or other receptacle—

"(A) which contains any amount of an alcoholic beverage; and

"(B)(i) which is open or has a broken seal, or

"(ii) the contents of which are partially removed.

"(h) AUTHORIZATIONS OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for fiscal year 1989 and $50,000,000 per fiscal year for each of fiscal years 1990 and 1991. Such sums shall remain available until expended.".

(b) CONFORMING AMENDMENT.—The analysis of chapter 4 of title 23, United States Code, is amended by adding at the end the following:

"410. Drunk driving prevention programs.".

(c) REGULATIONS.—The Secretary of Transportation shall issue and publish in the Federal Register proposed regulations to implement section 410 of title 23, United States Code, not later than 6 months after the date of the enactment of this section. The final regulations for such implementation shall be issued, published in the Federal Register, and transmitted to Congress not later than 12 months after such date of enactment.

SEC. 9003. ALCOHOL IMPAIRMENT STANDARDS AND INFORMATION EXCHANGE.

(a) ALCOHOL IMPAIRMENT STANDARDS.—

(1) STUDY.—Not later than 30 days after the date of enactment of this Act, the Secretary of Transportation shall undertake to enter into appropriate arrangements with the National Academy of Sciences to conduct a study to determine the blood alcohol concentration level at or above which any individual when operating any motor vehicle should be deemed to be driving while under the influence of alcohol.

(2) REPORT.—In entering into any arrangement with the National Academy of Sciences for conducting the study under this subsection, the Secretary shall request the National Academy of Sciences to submit, not later than 15 months after the date of the enactment of this Act, to the Secretary a report on the results of such study. Upon its receipt, the Secretary shall immediately transmit the report to Congress.

(b) Federal-State Exchange of Information.—

(1) Study.—The Secretary of Transportation shall conduct a study regarding the exchange of information between the Federal Government and State law enforcement officials on all arrests for drunk driving offenses in all States. In conducting such study, the Secretary shall consider the usefulness of such information to law enforcement officials as well as any legal restraints on the exchange or use of such information. One purpose of such study shall be to identify effective methods, if any, for the exchange of such information.

(2) Report.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall transmit to Congress a report on the results of the study conducted under this section.

(c) Authorization of Appropriation.—There is authorized to be appropriated to carry out this section $300,000 for fiscal year 1989.

SEC. 9004. PILOT PROGRAM FOR DRUG RECOGNITION EXPERT TRAINING.

(a) Establishment.—The Secretary of Transportation, acting through the National Highway Traffic Safety Administration, shall establish a 3-year pilot, regional program for training law enforcement officers to recognize and identify individuals who are operating a motor vehicle while under the influence of alcohol or 1 or more controlled substances or other drugs.

(b) Report.—Not later than 1 year after the completion of the pilot program under this section, the Secretary of Transportation shall transmit to Congress a report on the effectiveness of such pilot program together with any recommendations.

(c) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $5,000,000 for fiscal year 1989, $7,000,000 for fiscal year 1990, and $9,000,000 for fiscal year 1991. Such sums shall remain available until expended.

SEC. 9005. PILOT GRANT PROGRAM FOR RANDOM TESTING FOR ILLEGAL DRUG USE.

(a) Establishment of Pilot Program.—The Secretary shall design, within 9 months after the date of the enactment of this Act, and implement, within 15 months after the date of the enactment of this Act, a pilot State grant program for the purpose of testing individuals described in subsection (e)(1) to determine whether such individuals have used, without lawful authorization, a controlled substance.

(b) State Participation.—The Secretary shall solicit the participation of States from those States interested in participating in such a program not more than 4 States to participate in the program.

(c) State Selection Process.—The Secretary shall ensure that the selection made pursuant to this section is representative of varying geographical and population characteristics of the Nation, and takes into consideration the historical geographical incidence of motor vehicle accidents involving loss of human life. In selecting the States for participation, the Secretary shall attempt to solicit States which meet the following criteria:

(1) One of the States shall be a western State which is one of the 3 most populous States, with numerous large cities, with at least one city exceeding 7,000,000 people. The State should have a diverse demographic population with larger than average drug use according to reliable surveys.

(2) One of the remaining States should be a southern State, one a northeastern State, and one a central State.

(3) One of the remaining States should be mainly rural and among the least populous States.

(4) One of the remaining States should have less than average drug use according to reliable surveys.

(d) Length of Program.—The pilot program authorized by this section shall continue for a period of 1 year. The Secretary shall consider alternative methodologies for implementing a system of random testing of such individuals.

(e) Requirements for State Participation.—

(1) Persons to be tested.—Each State participating in the test program shall test for controlled substances in accordance with paragraph (2) individuals who—

(A) are applicants seeking the privilege to drive, and

(B) have never been issued a driver's license by any State.

(2) Types of testing.—To deter drug use and promote highway safety, all individuals described in paragraph (1) shall be subject to random testing—

(A) prior to issuance of driver's licenses, and

(B) during the first year following the date of issuance of such licenses.

(3) Denial of driving privileges.—Each State participating in the test program shall deny an individual driving privileges if drug testing required by paragraph (1) indicates that such individual has used illicit drugs, with such denial lasting for a period of at least 1 year following such test or subsequent confirmatory test.

(4) Reinstitution of driving privileges.—The program described in paragraph (3) may allow for reinstitution of driving privileges after a period of 3 months if such reinstitution is accompanied by a requirement that the individual be available for a period of 9 months for drug testing on a regular basis. If any such test indicates that the individual has used illicit drugs, then driving privileges must be denied for 1 year following such test or confirmatory test.

(f) Regulations.—The Secretary may issue regulations to assist States in implementing the programs described in subsection (e) and to grant temporary exceptions in appropriate circumstances.

(g) Report.—Not later than 30 months after the date of the enactment of this Act, the Secretary shall prepare and transmit to Congress a comprehensive report setting forth the results of the pilot program conducted under this section. Such report shall include any recommendations of the Secretary concerning the desirability and implementation of a system for random testing of such operators of motor vehicles.

(h) Authorization of Appropriations.—For purposes of carrying out this test program, there is authorized to be appropriated $5,000,000 for fiscal year 1990.

(i) Definitions.—For purposes of this section—

(1) Controlled substance.—The term "controlled substance" means any controlled substance as defined under section 102(6) of the Controlled Substance Act (21 U.S.C. 802(6)) whose use the Secretary has determined poses a risk to transportation safety.

(2) Secretary.—The term "Secretary" means the Secretary of Transportation.

(3) State.—The term "State" has the meaning such term has when used in chapter 1 of title 23, United States Code.

Subtitle B—Truck and Bus Safety and Regulatory Reform

SEC. 9101. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This subtitle may be cited as the "Truck and Bus Safety and Regulatory Reform Act of 1988".

(b) Table of Contents.—

Sec. 9101. Short title; table of contents.
Sec. 9102. Commercial zone exemption.
Sec. 9103. Hours of service.
Sec. 9104. Improved compliance with hours of service regulations.
Sec. 9105. Biometric identification system.
Sec. 9106. Emergency flares.
Sec. 9107. Report on improved brake systems for commercial motor vehicles.
Sec. 9108. Speed control devices.
Sec. 9109. Extension of review and preemption time periods.
Sec. 9110. Maintenance and inspection of brake systems.
Sec. 9111. Certificates of registration for certain foreign persons.
Sec. 9112. Insurance for foreign motor carriers.
Sec. 9113. Monitoring and reporting of certain cost savings.
Sec. 9114. Freight forwarder liability technical amendments.
Sec. 9115. Definitions.

SEC. 9102. COMMERCIAL ZONE EXEMPTION.

(a) General Rule.—Section 206 of the Motor Carrier Safety Act of 1984 (49 U.S.C. 2505 App.) is amended by striking out subsection (h) and inserting in lieu thereof the following:

"(h) Commercial Zone Exemption.—

"(1) General rule.—The Secretary may not—

"(A) exempt any person or commercial motor vehicle from complying with any regulation pertaining to commercial motor vehicle safety, or

"(B) waive application of any such regulation with respect to any person or commercial motor vehicle,

solely on account that the operations of such person or vehicle are entirely in a municipality or commercial zone thereof.

"(2) Grandfather clause.—

"(A) General rule.—If any person was authorized to operate in the United States throughout the 1-year period ending on the date of the enactment of the Truck and Bus Safety and Regulatory Reform Act of 1988 a commercial motor vehicle in a municipality or commercial zone thereof and if such person is otherwise qualified to operate such a vehicle, such person may operate such a vehicle entirely in a municipality or commercial zone thereof notwithstanding paragraph (1), notwithstanding any Federal minimum age requirement for operation of such a vehicle, and notwithstanding any medical or physical condition of such person.

"(B) Definition of medical or physical condition.—For purposes of this paragraph, the term 'medical or physical condition' means a medical or physical condition of a person—

"(i) which would prevent such person from operating a commercial motor vehicle under the commercial motor vehicle safety regulations contained in title 49 of the Code of Federal Regulations,

"(ii) which existed on July 1, 1988,

"(iii) which has not substantially worsened, and

"(iv) which does not involve alcohol or drug abuse.

"(3) Limitation on Statutory Construction.—Nothing in this subsection shall be construed as having any effect on any State commercial motor vehicle safety law pertaining to intrastate commerce.".

(b) Delayed Application.—

(1) Foreign carriers.—Notwithstanding section 206(h)(1) of the Motor Carrier Safety Act of 1984 or any other provision of Federal law, the Secretary shall not apply, for a period of 1 year beginning on the date of the enactment of this Act, part 393 of title 49 of the Code of Federal Regulations to any foreign motor carrier or foreign motor private carrier (as such terms are defined, or will be defined on January 1, 1990, in section 10530 of title 49, United States Code) if—

(A) such carrier is or will be required to obtain a certificate of registration under such section 10530 for operation of a commercial motor vehicle in a municipality or commercial zone thereof which encompasses a border between the United States and a contiguous foreign country;

(B) the State in which such municipality or commercial zone is located has in effect a law or regulation pertaining to commercial motor vehicle safety which applies to such carrier; and

(C) such State has adopted and is enforcing the North American Commercial Vehicle Critical Safety Inspection Items and Out-of-Service Criteria established by the Commercial Vehicle Safety Alliance.

(2) Report.—Within 9 months after the date of the enactment of this Act, the Secretary shall submit a report to Congress on the effects of the delay in application of part 393 of title 49 of the Code of Federal Regulations provided by the Secretary under paragraph (1) together with recommendations on the extent to which foreign motor carriers and foreign motor private carriers may or should be required to comply with all or any of the requirements contained in such part 393.

(c) Savings Clause.—The amendment made by subsection (a) shall not be construed as having any effect on the enactment of subsection (d) of section 3102 of title 49, United States Code, which subsection (d) was added to such section by section 206(h) of the Motor Carrier Safety Act of 1984 on October 30, 1984.

SEC. 9103. HOURS OF SERVICE.

(a) Study.—The Secretary shall conduct a study of the hours of service regulations pertaining to operators of commercial motor vehicles as in effect under title 49 of the Code of Federal Regulations on the date of the enactment of this Act. The purpose of such study shall be to determine if there is any relationship among (1) such regulations, (2) operator fatigue, and (3) the frequency of serious accidents involving such vehicles.

(b) Report.—Not later than 2 years after the date of the enactment of this Act, the Secretary shall submit a report to Congress on the results of the study conducted under this section together with such recommendations (including legislative recommendations) for modifying the regulations referred to in subsection (a) as the Secretary determines appropriate taking into account the results of such study.

SEC. 9104. IMPROVED COMPLIANCE WITH HOURS OF SERVICE REGULATIONS.

(a) Rulemaking Proceeding.—Not later than 3 months after the date of the enactment of this Act, the Secretary shall initiate a rulemaking proceeding on the need to adopt methods for improving safety with respect to compliance by operators of commercial motor vehicles with hours of service regulations of the Department of Transportation, including the use of onboard monitoring devices on commercial motor vehicles to record speed, driving time, and other information. Such proceeding shall be completed within 1 year after the date of the enactment of this Act.

(b) Limitation on the Use of Monitoring Devices.—Any rule which the Secretary issues regarding the use of onboard monitoring devices on commercial motor vehicles shall ensure that such devices are not used for the purpose of harassment of operators of such vehicles, but such devices may be used for the purpose of monitoring the productivity of such operators.

SEC. 9105. BIOMETRIC IDENTIFICATION SYSTEM.

(a) Regulations.—Not later than December 31, 1990, the Secretary shall issue regulations establishing, for purposes of sections 12007 and 12009 of the Commercial Motor Vehicle Safety Act of 1986, minimum uniform standards for a biometric identification system to ensure identification of operators of commercial motor vehicles.

(b) Pilot Demonstration Project.—To carry out a pilot project to demonstrate the use of biometric identification systems for ensuring identification of operators of commercial motor vehicles, the Secretary may use not to exceed in each of fiscal years 1989 and 1990—

(1) $500,000 from the funds made available to carry out section 402 of the Surface Transportation Assistance Act of 1982; and

(2) $1,000,000 from the funds made available to carry out section 12010 of the Commercial Motor Vehicle Safety Act of 1986.

SEC. 9106. EMERGENCY FLARES.

Not later than 60 days after the date of the enactment of this Act, the Secretary shall initiate a rulemaking proceeding for the purposes of determining the appropriate use, as emergency warning devices for commercial motor vehicles, of fusees as an alternative or supplement to bidirectional emergency reflective triangles. The Secretary shall complete such rulemaking proceeding by October 31, 1989.

SEC. 9107. REPORT ON IMPROVED BRAKE SYSTEMS FOR COMMERCIAL MOTOR VEHICLES.

Not later than January 30, 1991, the Secretary shall submit to Congress a report on whether or not commercial motor vehicles operating on any Federal-aid highway system should be equipped with improved brakes and brake systems in order to enhance the safe operation of such vehicles. Such report shall include an examination of available information and data on antilock systems, means of improving brake compatibility, and methods of ensuring the effectiveness of brake timing and the results of any field testing conducted by the Department of Transportation on brakes and brakes systems for commercial motor vehicles.

SEC. 9108. SPEED CONTROL DEVICES.

(a) Study.—The Secretary shall conduct a study on whether or not devices which control the speed of commercial motor vehicles enhance safe operation of such vehicles.

(b) Report.—Not later than 30 months after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the results of the study conducted under this section together with recommendations of the Secretary on whether or not to make the use of speed control devices mandatory for commercial motor vehicles.

SEC. 9109. EXTENSION OF REVIEW AND PREEMPTION TIME PERIODS.

Section 208(h) of the Motor Carrier Safety Act of 1984 (49 U.S.C. App. 2507(h)) is amended by adding at the end thereof the following new sentences: "Upon request of a State which has under consideration adoption of regulations which may be in effect and enforced under this section, the Secretary—

"(1) shall extend such 60-month period with respect to the State for such additional period as the State requests but not to exceed 12 months; and

"(2) may provide an extension in addition to the extension under paragraph (1) for a period not to exceed 12 months if such additional extension is not contrary to the public interest and does not diminish the safe operation of commercial motor vehicles.

With respect to any State, the aggregate amount of extensions under this subsection with respect to such 60-month period may not exceed 24 months.".

SEC. 9110. MAINTENANCE AND INSPECTION OF BRAKE SYSTEMS.

The Motor Carrier Safety Act of 1984 (49 U.S.C. App. 2501-2520) is amended by adding at the end thereof the following new section:

"SEC. 231. MAINTENANCE AND INSPECTION OF BRAKE SYSTEMS.

"(a) Initiation of Rulemaking Proceeding.—Not later than 60 days after the date of the enactment of this section, the Secretary shall initiate a rulemaking proceeding for the purpose of adopting improved standards or methods to ensure that brakes and brake systems of commercial motor vehicles are properly maintained and inspected by appropriate employees.

"(b) Regulations.—Not later than December 31, 1990, the Secretary shall issue regulations for the purpose of adopting improved standards or methods to ensure that brakes and brake systems of commercial motor vehicles are properly maintained and inspected by appropriate employees. At a minimum, such regulations shall establish minimum training requirements and qualifications for employees responsible for maintaining and inspecting such brakes and brake systems.".

SEC. 9111. CERTIFICATES OF REGISTRATION FOR CERTAIN FOREIGN PERSONS.

(a) Definitions.—

(1) Elimination of registrable period definition.—Paragraph (1) of section 10530(a) of title 49, United States Code, is repealed.

(2) Foreign motor carrier.—Paragraph (2) of such section is amended to read as follows:

"(2) 'foreign motor carrier' means a person (including a motor carrier of property but excluding a motor private carrier)—

"(A)(i) which is domiciled in a contiguous foreign country; or

"(ii) which is owned or controlled by persons of a contiguous foreign country and is not domiciled in the United States; and

"(B) in the case of a person which is not a motor carrier of property, which provides interstate transportation of property (including exempt items) by motor vehicle under an agreement or contract entered into with a motor carrier of property (other than a motor private carrier or a motor carrier of property described in subparagraph (A)).".

(3) FOREIGN MOTOR PRIVATE CARRIER.—Paragraph (3) of such section is amended to read as follows:

"(3) 'foreign motor private carrier' means a person (including a motor private carrier but excluding a motor carrier of property)—

"(A)(i) which is domiciled in a contiguous foreign country; or

"(ii) which is owned or controlled by persons of a contiguous foreign country and is not domiciled in the United States; and

"(B) in the case of a person which is not a motor private carrier, which provides interstate transportation of property (including exempt items) by motor vehicle under an agreement or contract entered into with a person (other than a motor carrier of property or a motor private carrier described in subparagraph (A)).".

(b) CERTIFICATION REQUIREMENT.—

(1) FOR FOREIGN MOTOR CARRIERS.—Subsection (b) of section 10530 of such title is amended by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(b) CERTIFICATION REQUIREMENT.—

"(1) FOR FOREIGN MOTOR CARRIERS.—Except as provided in this section and sections 10922 and 10923, no foreign motor carrier may provide interstate transportation of property (including exempt items) by motor vehicle unless the Commission has issued to such person a certificate of registration under this section, or a certificate or permit under subchapter II of chapter 109, authorizing such person to provide such transportation.".

(2) CONFORMING AMENDMENTS FOR FOREIGN MOTOR PRIVATE CARRIERS.—Such subsection is further amended—

(A) in paragraph (2)—

(i) by inserting "FOR FOREIGN MOTOR CARRIERS.—" before "Except";

(ii) by inserting "by motor vehicle" after "items)";

(iii) by striking out "in any registrable year"; and

(iv) by striking out "in such year"; and

(B) by indenting paragraph (2) and aligning such paragraph with paragraph (1), as amended by paragraph (1) of this subsection.

(c) ISSUANCE OF CERTIFICATES.—Subsection (c) of such section is amended—

(1) by striking out "exempt items in any registrable year" and inserting in lieu thereof "property (including exempt items) by motor vehicle"; and

(2) by striking out "in any registrable year, if" and inserting in lieu thereof "by motor vehicle, if"; and

(3) in paragraph (2) by striking out "ending before the first day of such registrable year".

(d) APPLICATION.—Subsection (d) of such section is amended by inserting "by motor vehicle" before the period at the end of the first sentence.

(e) FITNESS REQUIREMENT.—Subsection (e)(2) of such section is amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(A) under section 30 of the Motor Carrier Act of 1980, and

"(B) under the laws of the States in which the carrier is operating,

to the extent applicable.".

(f) IDENTIFICATION.—

(1) IN VEHICLE.—Subsection (g) of such section is amended by striking out paragraph (1) and inserting in lieu thereof the following:

"(g) IDENTIFICATION.—

"(1) IN VEHICLE.—Any motor vehicle which is used by a foreign motor carrier or by a foreign motor private carrier to provide interstate transportation of property (including exempt items) by motor vehicle under a certificate issued under this section or section 10922 or under a permit issued under section 10923 shall have a copy of such certificate or permit, as the case may be, in such motor vehicle at any time such vehicle is being used to provide such transportation.".

(2) CONFORMING AMENDMENTS.—Such subsection is further amended—

(A) in paragraph (2) by inserting "DENIAL OF ENTRY.—" before "The Commission" and by striking out "certificate of registration" and inserting in lieu thereof "certificate or permit"; and

(B) by indenting paragraph (2) and aligning such paragraph with paragraph (1), as amended by paragraph (1) of this subsection.

(g) MORATORIUM.—

(1) GENERAL PROHIBITION.—Section 10922(l)(1) of title 49, United States Code, is amended by striking out "motor carrier of property or motor private carrier" and inserting in lieu thereof "foreign motor carrier or foreign motor private carrier".

(2) GENERAL AUTHORITY TO ISSUE CERTIFICATES OF REGISTRATION.—Section 10922(l)(2)(B)(i) of such title is amended by striking out "motor carriers of property and motor private carriers" each place it appears and inserting in lieu thereof "foreign motor carriers and foreign motor private carriers".

(3) FOREIGN MOTOR CARRIERS.—Section 10922(l)(2)(B)(ii) of such title is amended—

(A) by striking out "motor carrier of property" each place it appears and inserting in lieu thereof "foreign motor carrier"; and

(B) by striking out "exempt items" and inserting in lieu thereof "property (including exempt items) by motor vehicle".

(4) FOREIGN MOTOR PRIVATE CARRIERS.—Section 10922(l)(2)(B)(iii) of such title is amended—

(A) by inserting "foreign" before "motor private" each place it appears; and

(B) by inserting "by motor vehicle" after "items)".

(5) HYBRID FOREIGN MOTOR CARRIERS.—Section 10922(l)(2)(B)(iv) is amended—

(A) by striking out "motor carrier of property" and inserting in lieu thereof "foreign motor carrier"; and

(B) by striking out "exempt items" and inserting in lieu thereof "property (including exempt items) by motor vehicle".

(6) HYBRID FOREIGN MOTOR PRIVATE CARRIERS.—Section 10922(l)(2)(B)(v) is amended—

(A) by inserting "foreign" before "motor private"; and

(B) by inserting "by motor vehicle" after "items)".

(7) DEFINITIONS.—Section 10922(l)(2)(B)(vi) of such title is amended by inserting ", 'foreign motor carrier', 'foreign motor private carrier'," before "and".

(h) SECURITY.—

(1) GENERAL RULE.—Section 10927(a)(1) of such title is amended by striking out the first sentence and inserting in lieu thereof the following new sentence: "The Commission may issue a certificate under section 10922 or 10530 or a permit under 10923 only if the carrier (including a motor private carrier and a foreign motor private carrier) applying for such certificate files with the Commission a bond, insurance policy, or other type of security approved by the Commission, in an amount not less than such amount as the Secretary of Transportation prescribes pursuant to, or as is required by, section 30 of the Motor Carrier Act of 1980, section 18 of the Bus Regulatory Reform Act of 1982, and the laws of the State or States in which the carrier is operating, to the extent applicable.".

(2) FOREIGN TRANSPORTATION.—Section 10927(a)(2) of such title is amended by striking out "(as such term is defined under section 10530(a)(3) of this title)" and inserting in lieu thereof "and foreign motor carrier (as defined under section 10530(a))".

(i) GENERAL ENFORCEMENT AUTHORITY.—Section 11701 of such title is amended—

(1) in subsection (a) by inserting "foreign motor carrier or foreign" before "motor private carrier"; and

(2) in subsection (b) by striking out "motor carrier or motor private carrier" and inserting in lieu thereof "foreign motor carrier or foreign motor private carrier".

(j) CIVIL ACTIONS.—Section 11702 of such title is amended—

(1) in subsection (a)(4) by striking out "motor carrier or motor private carrier" and inserting in lieu thereof "foreign motor carrier or foreign motor private carrier"; and

(2) in subsection (b)(1) by striking out "or broker" and inserting in lieu thereof ", foreign motor carrier (as defined under section 10530(a)), foreign motor private carrier (as defined under section 10530(a)), or broker".

(k) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 1990.

SEC. 9112. INSURANCE FOR FOREIGN MOTOR CARRIERS.

Section 30 of the Motor Carrier Act of 1980 is amended by redesignating subsection (g) (and any reference thereto) as subsection (h) and inserting after subsection (f) the following new subsection:

"(g) INSURANCE FOR FOREIGN MOTOR CARRIERS.—The Secretary of Transportation may issue regulations which permit foreign motor carriers and foreign motor private carriers (as such terms are defined under section 10530 of title 49, United States Code) providing transportation of property under a certificate of registration issued under such section to meet the minimum levels of financial responsibility established by or under this section only during periods in which such carriers are providing transportation of property in the United States.".

SEC. 9113. MONITORING AND REPORTING OF CERTAIN COST SAVINGS.

Section 10732(b) of title 49, United States Code, relating to food and grocery transportation, is amended by striking out the second and third sentences.

SEC. 9114. FREIGHT FORWARDER LIABILITY TECHNICAL AMENDMENTS.

(a) EXEMPTION FROM LIABILITY.—Section 11707(c)(1) of title 49, United States Code, is amended by inserting "and freight forwarder" after "common carrier".

(b) STATUTE OF LIMITATIONS.—Section 11707(e) of such title is amended—

(1) by inserting "or freight forwarder" after "carrier" each place it appears; and

(2) in paragraph (2) by inserting "or freight forwarder's" after "carrier's".

SEC. 9115. DEFINITIONS.

For purposes of this subtitle—

(1) COMMERCIAL MOTOR VEHICLE, EMPLOYEE, AND REGULATION.—The terms "commercial motor vehicle", "employee", and "regulation" have the meaning such terms have under section 204 of the Motor Carrier Safety Act of 1984.

(2) Secretary.—The term "Secretary" means the Secretary of Transportation.

Subtitle C—Comptroller General Study

SEC. 9201. COMPTROLLER GENERAL STUDY.

(a) Study.—The Comptroller General of the United States shall conduct a study—

(1) to determine the impact of additional resources to certain components of the Federal criminal justice system on other components of the system and of enhanced or new Federal criminal penalties or laws on the agencies and offices of the Department of Justice, the Federal courts, and other components of the Federal criminal justice system; and

(2) use the data derived from the impact analysis to develop a model that can be applied by Congress and Federal agencies and departments to help determine appropriate staff and budget responses in order to maintain balance in the Federal criminal justice system and effectively implement changes in resources, laws, or penalties.

(b) Report to Congress.—The Comptroller General shall report the results and recommendations derived from the study required by subsection (a) no later than 1 year after the date of enactment of this Act.

Subtitle D—Insular Areas

SEC. 9301. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This subtitle may be cited as the "Insular Areas Drug Abuse Amendments of 1988".

(b) Table of Contents.—

Sec. 9321. Short title.
Sec. 9302. American Samoa.
Sec. 9303. Guam.
Sec. 9304. Northern Mariana Islands.
Sec. 9305. Puerto Rico.
Sec. 9306. Virgin Islands.
Sec. 9307. Palau.
Sec. 9308. Purposes.
Sec. 9309. Annual reports.
Sec. 9310. Drug Enforcement Agency personnel assignments.

SEC. 9302. AMERICAN SAMOA.

Section 5004(a) of the United States Insular Areas Drug Abuse Act of 1986 (48 U.S.C. 1494b(a)) is amended—

(1) in paragraph (2) by—

(A) striking "Secretary of" and inserting in lieu thereof "Secretaries of Education and";

(B) inserting ", as appropriate," after "States";

(C) inserting "and, upon request of the Government of American Samoa, shall" after "are authorized to";

(D) inserting "and other personnel" after "officers"; and

(E) inserting "or other substance" after "drug";

(2) in paragraph (3) by—

(A) striking "$700,000" and inserting in lieu thereof "$350,000 for fiscal year 1989 and annually thereafter for grants to the Government of American Samoa to be expended in accordance with a plan approved by the Secretary of the Interior in consultation with the Attorney General and the Secretaries of Education and Health and Human Services"; and

(B) striking "subsection" and inserting in lieu thereof "Act"; and

(3) by adding at the end thereof the following:

"(4) The Secretary of the Treasury in consultation with the Secretary of the Interior shall provide the Government of American Samoa with a vessel to be used in the enforcement of narcotics and other laws. There are authorized to be appropriated $500,000 for this purpose.".

SEC. 9303. GUAM.

Section 5004(b) of the United States Insular Areas Drug Abuse Act of 1986 (48 U.S.C. 1494b(b)) is amended—

(1) in paragraph (1) by—

(A) striking "Secretary of" and inserting in lieu thereof "Secretaries of Education and";

(B) inserting "and, upon request of the Government of Guam, shall provide appropriate training," after "may provide"; and

(C) inserting "or other substance" after "drug";

(2) in paragraph (2) by striking "$1,000,000" and all that follows through "shall" and inserting in lieu thereof "$500,000 for fiscal year 1989 and annually thereafter for grants to the Government of Guam to be expended in accordance with a plan approved by the Secretary of the Interior in consultation with the Attorney General and the Secretaries of Education and Health and Human Services, to carry out the purposes of this Act, to"; and

(3) by adding at the end thereof the following:

"(3) There are authorized to be appropriated to the Government of Guam $500,000 for grants to be expended in accordance with a plan approved by the Secretary of the Interior in consultation with the Attorney General for drug abuse law enforcement equipment.".

SEC. 9304. NORTHERN MARIANA ISLANDS.

Section 5004(c) of the United States Insular Areas Drug Abuse Act of 1986 (48 U.S.C. 1494b(c)) is amended—

(1) in paragraph (2) by—

(A) moving "of the United States" to after "Services";

(B) striking "Secretary of" and inserting in lieu thereof "Secretaries of Education and";

(C) inserting "and, upon request of the Government of the Northern Mariana Islands, shall" after "are authorized to";

(D) inserting "and other personnel" after "officers"; and

(E) inserting "or other substance" after "drug"; and

(2) in paragraph (3) by—

(A) striking "$250,000" and inserting in lieu thereof "$125,000 for fiscal year 1989 and annually thereafter for grants to the Government of the Northern Mariana Islands to be expended in accordance with a plan approved by the Secretary of the Interior in consultation with the Attorney General and the Secretaries of Education and Health and Human Services"; and

(B) striking "subsection" and inserting in lieu thereof "Act".

SEC. 9305. PUERTO RICO.

Section 5004(d) of the United States Insular Areas Drug Abuse Act of 1986 (48 U.S.C. 1494b(d)) is amended—

(1) in paragraph (1) by striking all after "Rico" and inserting in lieu thereof "$7,000,000 for fiscal year 1989 and $2,000,000 annually thereafter for grants to the Government of Puerto Rico to carry out the purposes of this Act to be expended in accordance with a plan approved by the Executive Director of the White House Task Force on Puerto Rico in consultation with the Attorney General and the Secretaries of Education and Health and Human Services, to remain available until expended."; and

(2) in paragraph (4) by—

(A) striking "Secretary of" and inserting in lieu thereof "Secretaries of Education and";

(B) inserting "and, upon request of the Government of Puerto Rico, shall provide appropriate training," after "may provide"; and

(C) inserting "or other substance" after "drug".

SEC. 9306. VIRGIN ISLANDS.

(a) Insular Crime Victims.—Section 1404(d)(1) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(d)(1)) is amended by striking ", except for the purposes of paragraphs (3)(A) and (4) of subsection (a) of this section,".

(b) Virgin Islands.—Section 5004(e) of the United States Insular Areas Drug Abuse Act of 1986 (48 U.S.C. 1494b(e)) is amended—

(1) in paragraph (1) by striking all after "Islands" and inserting in lieu thereof a comma and "$2,000,000 for fiscal year 1990 and annually thereafter to carry out the purposes of this Act to be expended in accordance with a plan approved by the Secretary of the Interior in consultation with the Attorney General and the Secretaries of Education and Health and Human Services, to remain available until expended.";

(2) in paragraph (2) by striking "should" and inserting in lieu thereof "shall";

(3) in paragraph (3) by—

(A) striking "Secretary of" and inserting in lieu thereof "Secretaries of Education and"

(B) inserting "and, upon request of the Government of the Virgin Islands, shall provide appropriate training," after "may provide"; and

(C) inserting "or other substance" after "drug"; and

(4) by adding at the end thereof the following:

"(4) To assist in the prosecution of the violation of the narcotics laws of the United States, the Attorney General of the United States shall assign the necessary personnel to serve in the office of the United States Attorney for the Virgin Islands appointed pursuant to section 27 of the Revised Organic Act of the Virgin Islands, as amended (48 U.S.C. 1617).

"(5) Effective fiscal year 1989, there are authorized to be appropriated for a grant to the Government of the Virgin Islands $2,500,000 to be expended in accordance with a plan approved by the Secretary of the Interior in consultation with the Secretary of Health and Human Services for a substance abuse facility.".

SEC. 9307. PALAU.

Section 5004 of the United States Insular Areas Drug Abuse Act of 1986 (48 U.S.C. 1494b) is amended by adding at the end thereof the following:

"(f) Palau.—(1) The Attorney General and the Secretaries of Education and Health and Human Services are authorized to and, upon request of the Government of Palau, shall provide appropriate training, technical assistance, and equipment to carry out the purposes of this Act and any other applicable Federal or insular drug or other substance abuse laws.

"(2) There are authorized to be appropriated $500,000 for fiscal year 1989 and annually thereafter for grants to the Government of Palau to be expended in accordance with a plan to be approved by the Secretary of the Interior in consultation with the Attorney General and the Secretaries of Education, State, and Health and Human Services to carry out the purposes of this Act.

"(3) To the extent not prohibited under the Constitution of Palau, upon written request of the President of Palau, the Drug Enforcement Administration, the Federal

Bureau of Investigation, the Secret Service, the Immigration and Naturalization Service, and the Customs Service are authorized to investigate any United States criminal laws which are applicable in Palau in cooperation with law enforcement agencies of Palau.".

SEC. 9308. PURPOSES.

Section 5002 of the United States Insular Areas Drug Abuse Act of 1986 (48 U.S.C. 1494) is amended by—

(1) inserting "and the Trust Territory of the Pacific Islands (or successor governments)" after "States" where it first appears;

(2) inserting "and other substance" before "prevention"; and

(3) inserting "associated" before "insular areas.".

SEC. 9309. ANNUAL REPORTS.

Section 5003 of the United States Insular Areas Drug Abuse Act of 1986 (48 U.S.C. 1494a) is amended by—

(1) inserting "(a) IN GENERAL.—" before "The President";

(2) in such subsection (a) inserting ", the Trust Territory of the Pacific Islands," before "and states" in paragraph (1) and after "territories" each place in which it appears in paragraph (2); and

(3) adding at the end thereof the following new subsection:

"(b) TRANSMISSION DATE.—The annual reports required by subsection (a) shall be transmitted to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate not later than the first day of October each year.".

SEC. 9310. DRUG ENFORCEMENT AGENCY PERSONNEL ASSIGNMENTS.

Title V of the United States Insular Areas Drug Abuse Act of 1986 (48 U.S.C. 1494 et seq.) is amended by adding at the end of Subtitle A the following new section:

"SEC. 5005. DRUG ENFORCEMENT AGENCY PERSONNEL ASSIGNMENTS.

"To assist in the enforcement of the controlled substances laws of the United States in coordination with law enforcement officers in insular areas in the eastern Caribbean and in the central and western Pacific, the Administrator of the Drug Enforcement Administration shall assign appropriate personnel and other resources to the Virgin Islands and Guam.".

TITLE X—SUPPLEMENTAL APPROPRIATIONS

The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to provide supplemental appropriations for the fiscal year ending September 30, 1989, and for other purposes, namely:

In view of the urgent necessity to provide additional funding for treatment and rehabilitation for drug users and for law enforcement, there is hereby appropriated an additional sum of $961,400,000 to implement the agreement on H.R. 5210, the Anti-Drug Abuse Act of 1988. Such sums are in addition to the $4,271,000,000 heretofore appropriated and made available October 1, 1988.

CHAPTER I—DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

Salaries and Expenses, General Legal Activities

For an additional amount for "Salaries and expenses, general legal activities", $1,800,000, notwithstanding any designations contained in other titles of this Act: *Provided*, That of the amount appropriated, $800,000 shall be made available to INTERPOL—United States National Central Bureau and $1,000,000 shall be made available for Organized Crime Drug Enforcement and for asset forfeiture and civil enforcement actions leading to the forfeiture of seized assets.

Salaries and Expenses, United States Attorneys

For an additional amount for "Salaries and expenses, United States attorneys", $39,000,000, notwithstanding any designations contained in other titles of this Act: *Provided*, That of the amount appropriated, $22,000,000 shall be for asset forfeiture and civil enforcement actions leading to the forfeiture of seized assets.

Salaries and Expenses, United States Marshals Service

For an additional amount for "Salaries and expenses, United States Marshals Service", $16,400,000, notwithstanding any designations contained in other titles of this Act.

Support of United States Prisoners

For an additional amount for "Support of United States Prisoners", $16,400,000, to remain available until expended, notwithstanding any designations contained in other titles of this Act: *Provided*, That of the amount appropriated, not to exceed $4,100,000 shall be for the Cooperative Agreement Program.

Assets Forfeiture Fund

For expenses necessary to carry out the programs authorized in the Omnibus Drug Initiative Act of 1988, $30,000,000, to be derived from receipts collected pursuant to 28 U.S.C. 524, as amended, shall be transferred to "Legal Activities, Salaries and Expenses, United States Attorneys".

FEDERAL BUREAU OF INVESTIGATION

Salaries and Expenses

For an additional amount for "Salaries and expenses", $15,000,000, notwithstanding any designations contained in other titles of this Act.

DRUG ENFORCEMENT ADMINISTRATION

Salaries and Expenses

For an additional amount for "Salaries and expenses", $30,000,000, notwithstanding any designations contained in other titles of this Act.

IMMIGRATION AND NATURALIZATION SERVICE

Salaries and Expenses

For an additional amount for "Salaries and expenses", $26,200,000, notwithstanding any designations contained in other titles of this Act.

FEDERAL PRISON SYSTEM

Buildings and Facilities

For an additional amount for "Buildings and facilities", $95,600,000, to remain available until expended, notwithstanding any designations contained in other titles of this Act.

OFFICE OF JUSTICE PROGRAMS

Justice Assistance

For an additional amount for "Justice assistance" for the Drug Control and System Improvement Grant program and the Public Safety Officers Benefits program as authorized by the Anti-Drug Abuse Act of 1988", and salaries and expenses for administration of such programs, $90,000,000, to remain available until expended, notwithstanding any designations contained in other titles of this Act.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

Salaries and Expenses

For an additional amount for "Salaries and expenses", $5,000,000, to remain available until expended, for expenses authorized by the Anti-Drug Abuse Act of 1988 for development, procurement and implementation of a machine-readable travel and identity document border security program.

Emergencies in the Diplomatic and Consular Service

Notwithstanding section 15 of the State Department Basic Authorities Act of 1956, as amended, the funds made available under this heading in Public Law 99-88 for the purposes stated therein, shall also be available for rewards for information concerning narcotics-related offenses as described in section 36(b)(1) and authorized by section 36(g) of the State Department Basic Authorities Act of 1956, as amended, and such funds shall remain available until expended.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

Salaries and Expenses

For an additional amount for "Salaries and expenses", $35,000,000.

Defender Services

For an additional amount as authorized by law for "Defender services", $15,000,000, to remain available until expended.

Fees of Jurors and Commissioners

For an additional amount for "Fees of jurors and commissioners", $1,000,000, to remain available until expended.

CHAPTER II—DEPARTMENT OF LABOR

DEPARTMENTAL MANAGEMENT

Salaries and Expenses

For an additional amount for substance abuse employee assistance programs in the workplace, $2,000,000.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

ALCOHOL, DRUG ABUSE AND MENTAL HEALTH ADMINISTRATION

Alcohol, Drug Abuse and Mental Health

For an additional amount for substance abuse prevention and treatment activities as authorized by the Anti-Drug Abuse Act of 1988, $283,000,000.

Family Support Administration, Community Services Block Grant, National Youth Sports Program

For an additional amount for substance abuse prevention and treatment activities as authorized by the Anti-Drug Abuse Act of 1988, $3,000,000.

Human Development Service

For an additional amount for substance abuse prevention and treatment activities as authorized by the Anti-Drug Abuse Act of 1988", $30,000,000, of which $15,000,000 is for runaway and homeless youth.

DEPARTMENT OF EDUCATION

SCHOOL IMPROVEMENT PROGRAMS

For an additional amount to carry out the Drug-Free Schools and Communities act of 1986, as amended, $108,000,000, of which $7,000,000 is provided to carry out part C, $100,500,000 is provided to carry out programs in accordance with the funding requirements of section 5112, and $500,000 shall be transferred to the Program Administration account, Department of Education, for the salaries and related expenses of carrying out said Act: *Provided*, That

$83,214,000 for part B shall become available on July 1, 1989, and shall remain available until September 30, 1990.

RELATED AGENCY

ACTION

Operating Expenses

For an additional amount for substance abuse prevention and education activities as authorized by the Domestic Volunteer Service Act of 1973, $2,000,000, of which up to $200,000 may be used for administrative expenses.

CHAPTER III—DEPARTMENT OF AGRICULTURE

FOOD AND NUTRITION SERVICE

Special Supplemental Food Program for Women, Infants and Children (WIC)

For fiscal year 1989, not to exceed $10,000,000 of the funds appropriated pursuant to section 17(g)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)(1)) may be used for purposes of preparing and distributing drug abuse education materials and to carry out the study described in section 17(g)(4) of the Child Nutrition Act of 1966, as authorized by the Anti-Drug Abuse Act of 1988.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

Salaries and Expenses

For an additional amount for the Food and Drug Administration, $5,000,000.

CHAPTER IV—DEPARTMENT OF TRANSPORTATION

COAST GUARD

Operating Expenses

For an additional amount for "Operating expenses", $16,000,000 to be available only to increase drug interdiction patrols and other special drug interdiction operations above the level otherwise programmed to be performed in fiscal year 1989 with funds made available by the Department of Transportation and Related Agencies Appropriations Act, 1989, and the Department of Defense Appropriations Act, 1989: *Provided*, That such funds shall be available only for fuel, maintenance, spare parts, supplies and materials, and related logistics expenses: *Provided further*, That the Secretary of Transportation shall submit a confidential report to Congress no later than 30 days after enactment describing the Coast Guard's planned fiscal year 1989 drug interdiction level of effort using funds made available in regular appropriations acts compared to the level of effort to be achieved with the additional funds made available by this Act.

Acquisition, Construction, and Improvements

Notwithstanding any other provision of law or this Act, for an additional amount for "Acquisition, construction, and improvements". $100,000,000 to remain available until expended, of which $52,000,000 shall be available to accelerate phase IV of the ongoing program for the acquisition of 32 HH-60 medium range recovery helicopters, $31,000,000 shall be available for the cutter fleet renovation and modernization program, and $17,00,000 shall be available for the installation of an APS-125 or APS-138 radar system on an existing Coast Guard long range surveillance aircraft.

CHAPTER V—DEPARTMENT OF THE TREASURY

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

Salaries and expenses

For an additional amount for "Salaries and expenses.", $7,000,000.

U.S. CUSTOMS SERVICE

Salaries and expenses

For an additional amount for "Salaries and expenses.", $8,500,000.

Operations and Maintenance, Air Interdiction Program

For an additional amount for "Operations and maintenance, Air Interdiction Program", $7,000,000, to remain available until expended.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF NATIONAL DRUG CONTROL POLICY

Salaries and expenses

For necessary expenses of the Office of National Drug Control Policy, $3,500,000.

CHAPTER IV—GENERAL PROVISION

No part of any appropriation contained in this title shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

This title may be cited as "the Urgant Supplemental Appropriations Act of 1989 to Meet the Dire Emergency Created by the Crisis of Drug Abuse".

The SPEAKER. The gentleman from Washington [Mr. FOLEY] will be recognized for 30 minutes, and the gentleman from Illinois [Mr. MICHEL] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. Mr. Speaker, I shall take a very few minutes, and then I shall yield whatever time I have remaining to the distinguished gentleman from New York [Mr. RANGEL], the chairman of the Select Committee on Narcotics, but, before I yield to him, I should like to express my appreciation to our Speaker for his leadership in bringing this legislation to the floor and to the distinguished gentleman from Illinois [Mr. MICHEL] and all of the committee chairmen, subcommittee chairmen, and ranking members who have had so important a part in this extremely important and far-reaching legislation.

Mr. Speaker, I am now going to read the names of some other people who made a very positive contribution to this effort: Bob Weinhagen, Wade Ballou, Douglass Bellis, Tim Brown, Ira Forstater, Peter Goodloe, Jim Grossman, Jean Harmann, Broderick Johnson, Maureen King, David Meade, David Mendelsohn, Bill Mohrman, Liz Powell, Hank Savage, Tim Sheane, Sandy Strokoff, Jim Wert, and Stanley Grimm, all of them attorneys, and the following secretaries: Nancy Hobson, Renate Stehr, Debby Birch, Elaine Sagman, Sybil Tudor, Lynne Richardson, Betty Gibson; publication coordinator, Fred Dichter; and receptionists, Chris Moncure and Meg Josepthal.

Mr. Speaker, those are the people of the legislative counsel's office who have worked all night last night and today to bring this document to the floor, and more than any Member of the House they have worked hard on this legislation, and I think they deserve a standing salute from the Members of the House.

In addition to that, Mr. Speaker, I would like to thank the staffs of all the committees in the leadership who also have worked enormously hard on this bill.

Mr. Speaker, I yield whatever time I have remaining to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Speaker, I rise in support of H.R. 5210, the conference agreement on the omnibus drug initiative, and urge the House to adopt it. I want to give the highest praise to all the House and Senate Members who negotiated until very late in the night this entire last week to reach an agreement.

It is extremely difficult for those of us who oppose the death penalty to vote for a bill with the death penalty in it, but the Nation's deepening drug crisis and the administration's lack of any legislative initiative on their own make the expansion of antidrug programs under this bill necessary.

The bill includes a number of badly needed actions in drug law enforcement, health care, and foreign policy. While over $2 billion is authorized for 1989, the Gramm-Rudman deficit ceiling only permits spending of $500 million this fiscal year. To those who say we are not spending enough this year, let me say they are right—but it is only the beginning. The legislation includes programs for the next few fiscal years. Next year, when we are not forced into an end-of-the-Congress situation as we are now, I intend to fight for full funding.

I am very pleased with those parts of the legislation which were carefully studied and crafted in advance, without the counterproductive rush of amendments to prove how tough on drugs the Congress can be. I am pleased the final version includes assistance to State and local drug enforcement; enhancement in drug treatment, including preventing the spread of AIDS through intravenous drug abuse; increases for school-based drug prevention efforts and innovative drug education programs targeted at youth gangs, disadvantaged youth, runaways, homeless youth and other hard-to-reach populations; assistance to the Drug Enforcement Administration, Customs, the Coast Guard, and other Federal enforcement agencies; a call for a Western Hemisphere drug summit and an international antidrug strike force; opposition to legalization of illicit narcotics; and many other fine antidrug programs.

I am very pleased the agreement includes a national director of drug policy, a so-called drug czar. Under the current administration, we have never known who was in charge of dealing with the Nation's drug crisis; now we will, because this individual will coordinate enforcement, prevention, and foreign policy aspects of our war on drugs.

There are still provisions in the bill I do not support—specifically, inclusion of the death penalty; taking away Federal benefits of drug users, improved however from the House version because of allowing discretion and allowing the next President to review the provision; and imposing civil fines against drug users although improved by allowing appeal to a criminal court.

The House Narcotics Committee, which I chair, will monitor this entire legislation, to see what is working and what is not. I am extremely concerned about saying we will win the war against drugs by waging it against millions of our citizens. We are not locked into any of these provisions, and we can and will continually make changes.

It is unfortunate that no leadership came from the White House on antidrug legislation, either this time or before the omnibus drug bill in 1986. That is why the Congress has been in the forefront of fashioning a comprehensive response to the drug crisis facing our Nation, without any guidance from the administration.

This year, as our Nation's drug problem escalated, I had hoped that the administration would advise us how to improve the 1986 bill. I hoped the Secretary of Education would give us a plan for drug education. I hoped the Secretary of Health and Human Services would give us a strategy for treatment and rehabilitation. I hoped the Secretary of State would tell us what we need for a vigilant international antidrug effort. I hoped the Attorney General would advise us how to improve Federal enforcement, as well as provide much needed help to hard pressed State and local police, in combatting drug-related crime in our cities and communities.

But we didn't hear from any of them. Once again, congressional leaders had to act to address the drug crisis. Therefore, Speaker **Wright**, Majority Leader **Thomas Foley**, and Minority Leader **Michel** deserve our highest praise for initiating the congressional response this year, as does the Senate leadership for ensuring Senate action on this very important issue.

I want to say a few words about the funding for State and local drug enforcement included in this bill. Two years ago I sponsored legislation to provide Federal funding to assist State and local drug enforcement efforts. This program was substantially incorporated into the Anti-Drug Abuse Act of 1986.

Earlier this year, I introduced legislation to alter the allocation of funds under this program so that eligible units of local government could receive awards directly. I did this because many local officials, including mayors and police chiefs, complained to the Select Committee on Narcotics that local officials were not adequately consulted in the preparation of statewide drug enforcement plans as required under the 1986 act, that States did not give adequate consideration to local drug enforcement priorities in developing statewide plans, that funds were long-delayed in coming from the State to the local level, and that many localities did not receive a share of funds proportionate to the resources and efforts they were expending on drug enforcement efforts.

The House Omnibus Drug bill incorporated the concept of direct funding to localities. It required States to pass through Federal funds directly to local governments eligible for awards of $25,000 or more based on a locality's criminal justice spending relative to such spending by all other units of local government within the State. The original Senate bill included a similar pass-through to localities with a population of 500,000 or more, but this provision was dropped.

I participated in the House-Senate negotiations to reconcile these differing positions. Conference negotiators were unable to reach an acceptable compromise and decided not to change the current allocation formula at this time. Members of both bodies agree, however, that the Congress should reconsider this issue next year. The lack of sufficient funding to appropriate the full amounts authorized for this program was a major factor in this decision.

Some have said that a direct pass-through would make it impossible for States to coordinate programs and allocate funds to those areas with the greatest need. The issue, however, is not one of need versus entitlement. It would be hard to find an area of our country today that does not face critical unmet needs in drug enforcement. The question is whether local law enforcement and criminal justice officials, who are in the frontline trenches of our Nation's drug war, will be able to receive and use their share of these Federal moneys to address their highest priority drug enforcement needs.

In the 1986 act, Congress intended to help both States and local governments meet their most pressing drug enforcement problems. Coordination of State and local efforts is an important goal, but in too many cases it appears that local priorities have not been given sufficient consideration. Congress should act quickly next year to remedy this situation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. **Kildee**].

Mr. KILDEE. Mr. Speaker, I like parts of this bill. Other parts I do not like.

Mr. Speaker, subtitle of title VII of H.R. 5210 contains the Juvenile Justice and Delinquency Prevention Amendments of 1988.

The provisions of this subtitle are very similar to those in H.R. 1801, which passed the House on June 1 by a vote of 377 to 5.

While I do not support the drug bill overall, I find certain sections to be excellent, and I very strongly approve of the juvenile justice amendments, which were initially developed in my Human Resources Subcommittee.

On behalf of myself and the ranking Republican of the subcommittee, Mr. **Tauke**, I am including an explanation of the provisions of subtitle F of title VII of the bill.

EXPLANATION OF THE PROVISIONS OF SUBTITLE F OF TITLE VII OF H.R. 5210 THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION AMENDMENTS OF 1988

Subtitle F reauthorizes all titles of the Juvenile Justice and Delinquency Prevention Act for four additional years at the existing authorization levels of "such sums as may be necessary." The bill contains numerous amendments designed to promote better administration of the programs, to facilitate congressional oversight of the programs, to focus existing resources more effectively, and to authorize transitional living programs for homeless youth as well as programs related to juvenile gangs and drug abuse and drug trafficking.

CHAPTER 1—AMENDMENTS TO THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

Office of Juvenile Justice and Delinquency Prevention

Section 7252 of the bill makes a number of important changes in Part A of Title II of the Act. The first is the elimination of the language in current law prescribing that the Deputy Administrator's function shall be to supervise and direct the National Institute for Juvenile Justice and Delinquency Prevention. This change leaves undisturbed the requirements that the Deputy Administrator be appointed by the Attorney General, perform such functions as the Administrator may assign, and act as Administrator during the absence or disability of the Administrator.

The second change is to require the Administrator to annually develop and publish in the Federal Register a proposed program plan for public comment. The purpose of the program plan is to provide a comprehensive description of the activities the Administrator proposes to support with the funding available for Parts C and D, with particular attention to how each of the required activities will be addressed. This provision requires that, after taking into account the public comments, the Administrator must publish the final plan by December 31 of the fiscal year to which it applies. This will result in a more timely and responsive program planning process. The new statutory requirement will ensure earlier publication of the program plan, enabling OJJDP to avoid lengthy delays in the publication of requests for proposals and the eventual awarding of grants and contracts. Additionally, timely publication will ensure an opportunity for input from the tremendous number of expert agencies, organizations, and individuals around the country that can be of assistance to OJJDP in developing a targeted and responsive plan.

The third change is to expand the mandate of the Coordinating Council on Juvenile Justice and Delinquency Prevention, which is chaired by the U.S. Attorney General. Currently the Coordinating Council is authorized to review the programs and practices of other federal agencies and to report on the extent to which these programs and practices are consistent with the provisions of section 223(a)(12)(A) and (13). The bill makes this authorized review and report a requirement and adds paragraph (14) of section 223(a). Additionally, the bill requires the Council to review the reasons why federal agencies take juveniles into custody and to make recommendations regarding how the practices and facilities of these agencies may be improved. The last comprehensive examination of this issue was begun in 1979. In September 1984, the Council received a report entitled, "Children in Federal Custody: An Assessment of Federal Policy and Practices" which stated:

"The findings presented in the following pages support two conclusions which are applicable to all five agencies. First, children are not a major priority; the amount of resources and energy directed towards the development of programs for the treatment or handling of youths in custody is minimal, often inadequate . . . Second, possibly because youths are not a priority, the monitoring systems of these agencies neither attempted nor succeeded in accounting for the identification, detention, or disposition of children in the federal system."

Since the submission of this report, the Coordinating Council has done very little, if anything, regarding children in federal custody. These amendments address this and represent a judgment that federal agencies should be encouraged to meet the same goals that the JJDPA holds out to the states.

The fourth change is to eliminate the current annual reporting requirements found in sections 204 and 245 of the Act and to substitute a new annual report to the President and the Congress. This amendment includes specific requirements in data collection and analysis. In this regard, OJJDP is encouraged to continue the annual Children in Custody survey and analysis. It should be noted that by requiring and expanding the activities currently authorized in section 242 (Information Function), the bill also makes provision for whatever resources may be necessary to collect the data needed to complete this annual report over and above the amounts provided for Part A. The annual report must also include information on the status, results, and evaluation of activities funded under the Act. The Committee on Education and Labor is particularly interested in the "determination of the feasibility and advisability of replicating such program or activity in other locations" required in the new section 207(4) of the JJDPA. Finally, the new report must contain a description of selected exemplary delinquency prevention programs for which assistance is provided under Title II of the Act. It is intended that this description should also include state and local programs and that the Administrator should enlist the assistance of the state advisory groups for this purpose.

Technical assistance to States

Section 7256 requires the Administrator, with up to two percent of the amount available for Formula Grants, to provide technical assistance to the states, units of local governments, and local private agencies to facilitate compliance with section 223 including implementation of the state plans. The Administrator must select a grantee or contractor with experience in providing this kind of technical assistance. Additionally, the grantee or contractor may not provide technical assistance to any local organization without first notifying the applicable state agency and appropriately coordinating its activities with that agency.

Minimum allocations to the States

Section 7257 of the bill increases the minimum formula grant allocation to the states from $225,000 to $325,000 and to the territories from $56,500 to $75,000. In the event appropriations for Parts A, B, and C of Title II exceeds $75 million, these minima would increase to $400,000 and $100,000, respectively.

The Committee on Education and Labor received convincing testimony in support of providing an increase in the minimum allocations for states and territories, which have not been increased since the enactment of the Juvenile Justice Amendments of 1977 (P.L. 95-115). Moreover, the increase is necessary to ensure that all states benefit from the increased percentage allocation for Part B. At the same time, the bill protects against any state receiving a disproportionate reduction in funding as a result of the minimum allocation increase.

Indian tribes

Section 7258 of the bill includes several new provisions related to Indian tribes. The first provision amends paragraph (8) of section 223(a) to include, in the state plan, analyses of juvenile crime problems in those geographical areas in which Indian tribes perform law enforcement functions. The second provision amends paragraph (5) of section 223(a) to provide funds for programs of Indian tribes that perform law enforcement functions (as determined by the Secretary of the Interior). In order to receive funding, the tribes must agree to attempt to comply with the mandates. Funding should be allocated among tribes within a state, with tribal input and based upon demonstrated need. However, because of the unique legal status of federally recognized Indian tribes, there should be a minimal number of requirements that these tribes need to satisfy in order to receive portions of formula grant funding from the states. These amendments respond to an interpretation of the Act by the Department of Justice providing that states are not responsible for compliance in those geographical areas within the state boundaries over which they have no law enforcement jurisdiction. While this interpretation is reasonable, it has also been a disincentive for states to fund programs on Indian reservations. Therefore, the bill seeks to ensure that those Indian tribes performing law enforcement functions and not subject to state jurisdiction are not excluded from the benefits of the Act.

Minority youth in the Juvenile Justice System

The bill contains three amendments designed to address the inequitable treatment of minority youth in the juvenile justice system. The first amendment requires that state plans "address efforts" to reduce the disproportionate incarceration of minority youth. It is important for the states to approach this in a comprehensive manner. They should employ a variety of strategies including: assessing the difference in arrest rates as well as the processing and handling (including rates and periods of incarceration) of minority white youth in the system; improving prevention and diversion programs in areas where minority youth are found; outreach to community-based organizations that serve minority youth; and reintegration programs for youth previously removed from the community so as to reduce the likelihood of recidivism.

The second and third amendments add a new required activity to the Special Emphasis Program and a new authorization in the National Institute for Juvenile Justice and Delinquency Prevention to support research. In designing its program announcements, OJJDP should take into consideration strategies and activities similar to those mentioned in the preceding paragraph relative to state plans. In all activities regarding minority youth, the term "minority youth" should be interpreted to include youth from ethnic as well as racial minority groups. In addition, data collection and federally-assisted services should distinguish between minority groups and between youth by gender.

These amendments come in response to numerous recommendations made to the Committee on Education and Labor. According to information made available to the Committee, Hispanic male juveniles are incarcerated at a rate 2.6 times that of white male juveniles. For black male juveniles, the comparison with white male juveniles produces an even more appalling ratio of 4 to one. Between 1977 and 1983, the number of incarcerated minority youth increased by 26 percent, even as the number of these youth being arrested was declining. Thus, even though these youth are not committing more crimes, they are more likely to be incarcerated. Furthermore, minority youth are much more likely than white youth to be incarcerated in public institutions as opposed to private facilities. OJJDP can provide important leadership and assistance through identifying, acknowledging, and disseminating for replication, policies and practices which are racially and ethnically neutral and which have proven to produce neutral results such as adopting objective criteria for determining the appropriate placement for youth.

Jail removal

Section 7258 of the bill proposes several changes in the Act's provisions requiring states to remove juveniles from adult jails and lockups. The first is a four-year extension of the so-called "rural exception". This permits a state, which has complied with the applicable OJJDP regulations, to hold a youth accused of a criminal offense in a rural jail or lockup for a period of up to 24 hours (excluding weekends and holidays). This extension constitutes an acknowledgement that rural jurisdictions frequently face difficult obstacles to compliance involving distance, transportation, and staffing. At the same time, statistics clearly show that youth are many times more likely to commit suicide in a secure adult facility than in juvenile detention. Thus, this simple extension assumes the continuation of the "continuous visual supervision" language in the current regulations and the six-hour "rule of reason" originally set out in the Committee report of 1980, House report 96-946.

The second amendment changes the jail removal compliance provisions. This amendment modifies section 223(c) of the Act to provide additional criteria for establishing whether a state is in substantial compliance.

The current standard of a 75 percent reduction in the number of juveniles held in adult jails and lockups is retained primarily for the benefit of those states that have satisfied it. For those states still attempting to demonstrate substantial compliance, they may satisfy either the current 75 percent reduction standard or the new standard which involves an assessment and determination by the Administrator based upon four criteria. One of the criteria requires a state to demonstrate "meaningful progress in removing other juveniles from jails and lockups for adults." This criterion should not be interpreted too narrowly. For example, a state may be able to demonstrate meaningful progress by showing a large reduction in the number of local jurisdictions that jail children. This amendment is necessary to ensure that states making satisfactory progress are permitted to continue participating in the Act. When the 1985 monitoring reports were completed, it became obvious that the rigid 75 percent reduction standard was producing some inconsistent results. At the same time, the new substantial compliance standard should not be construed to be a more lenient one.

The bill does not change either the requirement of unequivocal commitment to achieving full compliance or the December 8, 1988 deadline for full compliance with the jail removal requirement.

Section 7258 of the bill also amends section 223(c) of the Act to provide the Administrator with greater flexibility with regard to sanctions for states that fail to comply with the jail removal mandate. Regardless of circumstances, under current law, the Administrator has no choice but to terminate a state's eligibility. The bill changes this by permitting the Administrator to exercise his discretion to waive termination of eligibility on the condition that the noncompliant state agrees to spend all of its federal funding (excluding funds required to be expended to comply with section 222 (c) and (d) and section 223(a)(5)(C) on jail removal. It should be noted that the bill makes this alternative sanction available with regard to enforcing the substantial and full compliance requirements. However, this alternative sanction should be applied carefully to those cases in which the Administrator determines that (1) the noncompliant states have already made significant progress, and (2) additional funding is likely to produce further progress toward compliance.

There are still too many states having difficulty. It is critically important that OJJDP periodically reaffirm the value of state efforts to improve the treatment of juveniles and to complement this with sufficient levels of technical assistance, including a stronger commitment of resources within the Office to its State Relations and Assistant Division. The Committee on Education and Labor heard from many state agencies that frequent visits from OJJDP staff constitute a valuable source of technical assistance.

State advisory groups

Section 7259 of the bill amends section 241 of the Act to improve the provisions regarding the national activities of state advisory groups (SAGs). This amendment requires the Administrator to provide technical and financial assistance to an organization composed of member representatives of the state advisory groups appointed under section 223(a)(3). It further provides that the organization receiving the assistance shall conduct an annual conference relating to the activities of the SAGs.

The Juvenile Justice Runaway Youth, and Missing Children's Act Amendments of 1984 (P.L. 98-473) required the Administrator to provide, at least every other year, a conference for several enumerated purposes including advising the Congress and the President with regard to state perspectives on the operation of the Act and OJJDP. Unfortunately, the implementation of the 1984 provisions has been insufficient to enable the SAGs to meet their statutory responsibilities. For this reason, section 109 provides for assistance to be provided to an organization representing the SAGs. This should be handled in the manner of a grantor/grantee relationship. Accordingly, it is intended that the SAGs receive sufficent funding to accomplish all of their responsibilities under section 241, including the conducting of an annual conference.

National programs

The bill consolidates the major discretionary programs and activities of Title II in Part C, which is renamed "National Programs". This consolidation results in a more logical organization of the Act, simplifies the allocation of the annual appropriation among the various programs, and helps clarify the application of the competition and peer review requirements.

The Part C provisions of current law become "Subpart I—National Institute for Juvenile Justice and Delinquency Prevention". The bill amends section 242 (Information Function) to include the provision currently located in section 246(a) and makes the activities of section 242 mandatory. This is intended to strengthen OJJDP's role as a national resource for information on juvenile justice.

The bill also amends section 244 (Training Functions) to include the technical assistance and training provision currently located in section 204(b)(6) of the Act. The movement of this provision from section 204 should not be construed to place a lesser priority on this authority.

Section 7263 of the bill moves the Special Emphasis Prevention and Treatment Programs currently located in Subpart II of Part B, to Part C as a new Subpart II. This section modifies the provisions of the Special Emphasis Program by expanding the provision regarding youth advocacy to include services which improve legal representation of youth. In the 21 years since the landmark decision of In re Gault (holding that certain due process rights are applicable to juvenile proceedings), it appears that there has been little improvement in representation for youth. Another modification to the youth advocacy provision is the addition of services which provide for the appointment of special advocates by courts. The Committee on Education and Labor received compelling testimony showing the need for these sevices and describing the effective services provided by the Court Appointed Special Advocate (CASA) Program.

The bill also makes two changes in the Special Emphasis provision regarding law-related education (LRE). The first simply clarifies that Congress intends that these valuable programs be made available in a variety of community settings. Because of the effectiveness of LRE as a delinquency prevention strategy, its application should be expanded beyond elementary and secondary schools. The second change authorizes the dissemination of information regarding model, innovative LRE programs. The excellence of the products and assistance developed through the ongoing National Coordinated Law-Related Education program has been broadly recognized and this change seeks to ensure that these successful programs are widely and readily available throughout the country.

The bill also makes minor language changes to clarify congressional intent that grants under the Special Emphasis program should be primarily directed toward the provision of services. OJJDP in recent years has funded a number of research and development grants under this authority. Research and development should be funded under the National Institute for Juvenile Justice and Delinquency Prevention (NIJJDP). Once developed and tested, new programs or approaches should be funded to provide services under Special Emphasis. Once evaluated and proven effective, they should be introduced where possible into state and local programs through the Formula Grant Program in Part B.

During reauthorization hearings, the Committee on Education and Labor received informative testimony relating to state subsidies and how they have supported important improvements in services for youth in such states as Oregon, Virginia, and Pennsylvania. While the bill does not make any changes in the Act regarding state subsidies, the Administrator is encouraged to pay closer attention to the current authorization in the Special Emphasis Program for such subsidies.

Under the bill, the new Part C, Subpart II also contains the provisions governing consideration of grant applications, currently found in section 225 of the Act. The bill makes several minor changes in the language of this section designed to clarify congressional intent. First, the competition and peer review requirements apply to all activities in the new Part C subject to the exceptions contained in current law. Second, the term "new" in subsections (d)(1)(A) and (d)(2)(A) has been removed. In doing so, the Congress intends that OJJDP apply the competition and peer review requirements to each application for a new grant activity as well as to each application which proposes to continue an activity for a new project period.

In response to the competition and peer review requirements added to the Act in 1984, OJJDP developed a Peer Review Manual which has have been published in the Federal Register. This oversight should be corrected as soon as possible.

Special studies and reports

Section 7264 of the bill requires OJJDP to conduct a study of conditions in detention and correctional facilities for juveniles and the extent to which these facilities meet recognized national professional standards.

This section also, requires OJJDP to conduct a study of how Indian and Alaskan native juveniles, accused of committing offenses on or near reservations or villages, are treated under tribal or village justice systems, what resources are available to support community-based alternatives to incarceration, and the extent to which Indian tribes and Alaskan native organizations comply with the mandates of Act. The bill makes the funding to support this study subject to section 7(b) of the Indian Self-Determination and Education Assistance Act. Therefore, the successful applicant for this study must, to the greatest extent feasible, provide preferences and opportunities to Indians for training and employment in connection with the administration of the grant, and provide preference in the award of subgrants to Indian organizations.

Each of these studies must be commenced within one year following the date of enactment of this bill and must be completed 3 years after such date.

Allocations

The bill changes the percentage allocation that each part receives from the total annual appropriation for Title II.

Under current law Part A receives no more than 7.5 percent of the total appropriation. The bill moves the technical assistance and training authority out of Part A to Part C, and, therefore, reduces the Part A allocation to 5 percent.

The Act currently requires that Part B receive no less than 81.5 percent of the total appropriation. Within that amount, the Administrator is required to allocate no less than 75 percent and no more than 85 percent of the Part B allocation to the Formula Grant Program. The remainder of the Part B allocation goes to the Special Emphasis Program. The Administrator has consistently exercised his authority to allocate the minimum amount to the Formula Grant Program which computes to 61 percent of the total appropriation. Allocating the maximum amount would have resulted in 69 percent of the total being available to the states.

Since the bill moves the Special Emphasis Program to Part C, this isolates the Formula Grant Program in Part B. To reflect this shift, the bill reduces the allocation for Part B from 81.5 percent of the total appropriation to 70 percent, thereby making it possible to increase the minimum formula grant allotment to states and territories while still producing a modest increase for the other states. Allocations to states have been virtually stagnant over the last several years. Yet, the Act places the greatest burden on states to implement its goals. Therefore, an increase in the Formual Grant Program is warranted.

Current law provides an 11 percent allocation for Part C to support the activities of NIJJDP. Under the bill, NIJJDP becomes Subpart I and the Special Emphasis Program moved from Part B becomes Subpart II of Part C. To reflect this change, the bill increases the allocation for Part C to 25 percent. Once the Special Emphasis and section 242 requirements have been met, the Administrator has complete discretion in expending the remainder of the 25 percent.

Programs relating to juvenile gangs, drug abuse and drug trafficking

Section 7267 of the bill establishes a new Part D for prevention and treatment programs relating to juvenile gangs and to drug abuse and drug trafficking. It is intended that OJJDP provide funding for services so as to immediate address these serious issues.

To carry out Part D, the Admininstrator is directed to make grants and enter into contracts with public and private nonprofit agencies, organizations, institutions, and individuals for the purpose of establishing and supporting programs and activities that involve families and communities. The Administrator shall give priority to applications from the areas which have high incidences and severity of crimes committed by gangs or have a high incidence of juvenile drug abuse and drug trafficking. Also, priority shall be given to those applicants who can demonstrate broad-based community support which includes social service agencies, local education agencies and other community organizations.

This amendment is particularly timely. The Congress is not only cognizant, but also concerned about the serious and increasing gang violence and drug use among our nation's youth. Recent studies have demonstrated that gang members commit crimes at a higher rate than nongang-related juveniles and that they also commit more violent crimes. Moreover, youth who join gangs at an early age have difficulty leaving the gang at some future point.

The problems associated with gangs are multifaceted. They include: weakening of the family structure, truancy and dropping out of school. Poverty is also a factor. The enormous amounts of money generated from drug sales is certainly attractive to poor youth you face the prospect of becoming poor adults. The lack of training and employment opportunities for youth plays a significant role, as does the absence of comprehensive prevention programs in the elementary schools.

In recent months, much has been written about gang warfare in Los Angeles and other cities such as Washington, D.C. Gang violence and warfare is not an isolated problem. A 1982 study confirmed that there were over 300 cities with populations of 50,000 or more with gang-related problems. Gang warfare is no longer concentrated solely on territory, rather it concerns markets and the illegal sale of drugs and other substances. Recent reports indicate that 46 states have a problem with violence associated with gangs and illegal substances.

Although this amendment is not a panacea for all of the ills associated with gang violence, it does provide a critical component of a comprehensive approach to addressing this problem.

Prevention, intervention, and treatment must be available to complement law enforcement activities and prosecution. In essence, this amendment will fill a void which currently exists in most local efforts to address these problems. It is in the nation's best interest to address the serious problem of gang warfare and violence through prevention and treatment programs rather than increased incarceration.

CHAPTER 2—AMENDMENTS TO THE RUNAWAY AND HOMELESS YOUTH ACT

The bill rewrites much of the current law to provide clear and distinct authorizations for each of the activities currently funded under the Act. While the bill contains a number of improvements to the Runaway and Homeless Youth Act (RHA), it does not require any major redirection of the program as currently administered by the Department of Health and Human Services (HHS).

From evidence available to the Committee on Education and Labor (e.g., testimony, information from visits to local programs, etc.), it is clear that this program should be considered a model in the federal government. In general, the programs assisted under this Act are providing services in the manner contemplated by the Congress. As will be further discussed later in the section on homeless youth, the RHYA is designed to primarily assist runaway youth and their families.

Troubled youth find their way to local shelters through a variety of methods, including telephone hotlines, recommendations from peers, referrals from other community agencies, and on an increasing basis from law enforcement officers. When they arrive at a shelter, these youth encounter trained professionals who meet their immediate physical and emotional needs, contact and obtain permission from the parents to provide treatment, and provide individual and family counseling. The goal is reunification with the family unless the circumstances show an abusive home environment. The services are free and may include aftercare counseling for the family for up to six months. The program strategy reflects the understanding that troubled youth frequently come from troubled families, and that unless the family situation is improved, the youth will likely run away again.

Grants for runaway and homeless youth centers

Section 7271 of the bill amends section 311 of the Act to direct the Secretary to make grants to public and private entities to establish and support local runaway and homeless youth centers. This simply mandates what the Secretary is currently authorized to do. While the bill speaks generically, these grants are what the Department calls "basic center grants." This section of the bill does not change the method of allotting funds to centers within states, except to establish minimum allotments. Under the bill, each state shall receive not less than $75,000 and each territory shall receive not less than $30,000. At the same time, section 7271 also protects any state from receiving a reduction in funding as a result of the minimum allotments.

National Communications System

Section 7275 of the bill separately and distinctly provides for a national communication system to assist runaway and homeless youth in communicating with their families and with service providers. While the authority is not new to the Act, the bill makes several signifiant changes. The first is that this is now a mandatory activity. Secondly, the bill requires gradually increasing levels of support to the national communication system.

The Committee on Education and Labor was very impressed with testimony regarding the National Runaway Switchboard. With only $350,000 from the federal government, it handles over 400,000 calls per year. However, the Committee understands that, given the increasing cost of telephone bills alone, the National Runaway Switchboard will not be able to maintain this level of service at the current level of federal assistance.

The Committee has also learned that in 1985, the Department assigned the National Runaway Switchboard the additional responsibility of serving as the Adolescent Suicide Hotline. However, the Department has never provided additional funding to support this service. Suicide prevention services are not authorized under the RHYA and, therefore, RHYA funding should not be diluted to support them. However, given the importance of the Adolescent Suicide Hotline, the Committee strongly encourages the Department to provide the necessary funding from other sources to properly support it.

Technical assistance and training

Section 7276 of the bill amends the RHYA to authorize grants to statewide and regional nonprofit organizations to provide technical assistance and training to organizations eligible to receive basic center grants under section 311. This amendment distinctly authorizes the so-called coordinated networking grants currently funded under the Act. No change is intended except to clarify that such grants may be made on a statewide or regional basis. There are some states that have a large number of shelters (some of which may not be federally assisted) and the Secretary should consider whether these states would be best served by statewide rather than by regional networks. In any case, this provision should not be construed to require the Secretary to make only statewide grants or only regional grants. A combination of statewide and regional grants may be most effective.

Discretionary grants

Section 7277 of the bill authorizes the Secretary to make grants to states, localities, and private entities to support research, demonstration, and service projects designed to increase knowledge concerning, and to improve services for, runaway and homeless youth. The bill also lists types of projects to which the Secretary shall give special consideration and requires that the Secretary give priority to applicants that directly provide services to runaway and homeless youth.

Section 7278 requires the Secretary to publish annual proposed program priorities in the *Federal Register*. The public must be given 45 days in which to comment on the proposed priorities. The Secretary must take the public comments into consideration and publish the final program priorities no later than December 31 of the fiscal year to which they apply.

These requirements are designed to ensure that grants made by the Secretary address needs identified by experts and service providers and that the grants assist local shelters to the maximum degree.

Coordination with health agencies

Section 7279 of the bill requires the Secretary, with respect to communicable diseases, to coordinate the activities of the various health agencies with the activities of entities eligible under this Act.

The purpose of this provision is to facilitate mutually beneficial grant arrangements between runaway shelters and health agencies in the Department. Because the shelters frequently assist youth exhibiting high-risk behaviors, they are in need of information, training, or other assistance in regard to communicable diseases. For this same reason, the system of federally supported runaway shelters present the Department with an excellent avenue for outreach and information dissemination.

Authorization and allocation

Section 7280 authorizes appropriations for Part A of the RHYA for an additional four years at the current level of "such sums as may be necessary."

Additionally, this section requires the Secretary to allocate 90 percent of the annual appropriations for Part A for section 311 basic center grants. This is designed to make more funding available to local shelters and to ensure sufficient funding to support minimum allocations to states and territories.

Testimony before the Committee on Education and Labor clearly showed that the major challenge facing most the local shelters is sufficient funding. Despite their successes in obtaining additional money from other sources, many find themselves barely able to stay ahead of inflation. A program director from Grand Rapids, Michigan testified that, while she knows that there are many more youth who need services, she is reluctant to advertise because her agency simply cannot handle the increased demand. A shelter director from Cleveland, Ohio testified that she can only afford to pay her youth workers around $10,000 and her counselors around $12,000 per year; long hours, high stress, and low salaries result in high staff turnover.

The Committee also received testimony regarding the Department's practice in recent years of steadily increasing the number of local shelters receiving federal assistance. While there are still many unserved areas of the country, it makes little sense to increase the number of grants by taking funding away from current grantees. Therefore, the Secretary should refrain from increasing the number of grants in those situations where the allotment for the state has not commensurately increased.

Transitional living programs for homeless youth

Section 7273 of the bill amends the RHYA to authorize a new program of assistance for homeless youth. The Secretary is directed to make grants and to provide technical assistance to public and nonprofit private entities to establish and operate transitional living projects for homeless youth 16 to 21 years of age. In order to be eligible, an applicant must submit a plan and agree (among other things) to: provide for appropriate shelter and a variety of services including counseling in interpersonal and life skills; provide shelter and services for not more than 18 months; provide proper supervision; accommodate not more than 20 homeless clients at a time; develop an outreach program; and submit an annual report to the Secretary. In making grants, the Secretary must give priority to entities with experience in providing these types of services.

The bill authorizes $5 million for FY 1989 and "such sums as may be necessary" for FYs 1990, 1991, and 1992. In order to ensure that funding is not taken form the regular RHYA appropriation to fund this new program, the bill requires that the appropriation for Part A of the RHYA must exceed $26.9 million.

The Runaway Youth Act was amended in 1977 to authorize services for homeless youth. Since that time, homeless youth have been eligible to receive services at runaway shelters, and many have done so. However, because the service goal for homeless youth is not the same as that for runaways (i.e., family reunification), and because youth can only stay at a runaway shelter for up to 15 days, the shelters have been able to provide only very limited assistance to homeless youth. With the availability of some discretionary grants under the RHYA, limited private funding, and occassional state funding, a number of local private agencies operating runaway programs have been able to establish separate independent living programs for homeless youth. However, testimony before the Committee on Education and Labor clearly indicated that, due to the absence of federal funding, these programs face difficulties in getting established and are limited in the number of youth they are able to serve. This new program fills that void by authorizing a program designed to meet the special needs of homeless youth and to provide federal funding without taking away from services for runaway youth.

CHAPTER 3—AMENDMENTS TO THE MISSING CHILDREN'S ASSISTANCE ACT

The Missing Children's Assistance Act (MCAA) was enacted in 1984 as a part of the Juvenile Justice, Runaway Youth, and Missing Children's Act Amendments of 1984 (P.L. 98-473). Accordingly, this is the first reauthorization of the MCAA.

In terms of being able to quantitatively describe the nature and extent of the problem, the Committee remains frustrated by the lack of empirical research and reliable data on the missing children issue. Even after three and a half years, the Office of Juvenile Justice and Delinquency Prevention (OJJDP) still cannot give the Congress results from a completed national incidence study or from the study on the psychological consequences of abduction.

Consequently, the bill contains relatively minor amendments to the MCAA.

Annual report

Section 7285 of the bill amends section 404(a) of the Act by eliminating the currently mandated summary of research and demonstration projects related to missing children and by substituting a much more comprehensive annual report which must be submitted to the President and the Congress within 180 days following the fiscal year to which it applies. The information required by this amendment will be of great value to professionals in the field and to the Congress for oversight purposes.

The information required by paragraphs (B) and (C), relating to model programs, will undoubtedly be difficult for OJJDP to satisfy without the benefit of local project results. Thus, these requirements should be viewed as an encouragement by Congress to fund these types of projects under the MCAA grant program.

Paragraph (D) requires a description of how the Administrator provided adequate OJJDP staff and resources to carry out the MCAA. The Committee is concerned about the frequent turnover in the Missing Children Program Director position and delays in completing required activities.

The information required in paragraph (E), regarding the number and types of calls received in the preceding year over the toll-free telephone line, should be provided with great specificity. For example, how many of the calls were for information, to report a missing child (and what type), to report a possible sighting of a missing child, and for other purposes. Regarding calls on runaways, the report should indicate what types of persons who placed calls (parents, friends, other youth, etc.), how many calls provided sufficient information for the runaway child to be considered "missing"; in how many cases they were referred to the Title III national communication system, and in how many cases information was provided on the availability of runaway services under Title III.

National toll-free telephone line

Section 7285 amends section 404(a) of the Act to remove the statutory limitation providing that information received over the toll-free telephone can only be shared with law enforcement agencies. This still permits the Administrator to provide for the sharing of such information with "appropriate entities."

Section 7285 amends section 404(b)(1) of the MCAA to require the national toll-free telephone line to be operated 24 hours a day. Parents of missing children who call late in the night should have the benefit of immediate assistance.

The bill also requires the national toll-free telephone line to coordinate and cooperate with the Title III national communication system. The intent is not to require any kind of automatic switching device, but to facilitate the ultimate handling of calls regarding runaways by the Title III hotline.

Quarterly reports and other information regarding the activities of the toll-free telephone line indicate that it has been used to take calls on child exploitation and child pornography. Unless properly funded from other sources, these activities appear questionable in light of the criteria in section 404(b)(1). It is strongly suggested that OJJDP review this situation.

National Resource Center and Clearinghouse

Section 7285 of the bill amends section 404(b)(2) to consolidate two of the current requirements regarding technical assistance and to add two new provisions. The first requires the national resource center and clearinghouse to maintain information on free or low-cost services which may be available to missing children and their families.

The second new provision requires the national resource center to maintain information on other federal programs which assist missing children. Accordingly, the national resource center should not expand scarce resources developing materials and information on runaways. Instead, it is more cost-effective and appropriate to use materials developed by the Department of Health and Human Services and their grantees.

This section also provides to the national clearinghouse the authority to conduct training. However, the training activities of the national resource center and clearinghouse must be confined to cases involving a missing child, as that term is defined in section 403(1) of the Act.

Record checks

Section 7285 of the bill amends section 404(b) of the Act to provide information to state and local entities to facilitate the lawful use of school records and birth certificates to identify and locate missing children. The term "lawful" means taking into account all applicable federal and state privacy requirements.

Advisory Board

Section 7286 of the bill amends section 405 of the MCAA to repeal the authority establishing the Advisory Board on Missing Children. In the three years of its existence, the Advisory Board made one report and that report did not in any way comply with its mandate under the Act. To the extent that the Administrator wishes the benefit of advice and recommendations from professionals in the field, authority exists to provide for a conference on missing children issues.

Grants

Section 7287 of the bill amends section 406 of the Act to authorize three new eligible grant activities. The first is aftercare services. Over the last several years, the Committee on Education and Labor received convincing testimony regarding the need for counseling services for abducted children and their families following recovery of the children.

The second new eligible activity is mediation services for divorced or otherwise estranged parents. The object is to prevent a possible abduction by helping such parents reach agreement regarding the sharing or treatment of their children.

The third new activity is state missing children clearinghouses.

Definition

While the bill does not modify the definition of "missing child," the Committee on Education and Labor nevertheless has some concerns in this area.

The definition in current law provides that a missing child is any individual less than 18 years of age whose whereabouts are unknown to such individual's legal custodian if—(1) the circumstances suggest that he/she may possibly have been abducted, or (2) the circumstances strongly indicate that the child is likely to be abused or exploited.

It should be noted that for a runaway child to come within the definition, clause (2) must apply. In the October 4, 1984 Senate debate, during the consideration of the conference report to accompany H.J. Res. 648 (making continuing appropriations for the fiscal year 1985, and for other purposes), Senator Specter explained clause (2) of the definition as follows:

"It is intended that, in general, the need for actual evidence of a likelihood of abuse or exploitation should increase in proportion to the age of the child involved. Thus, for example, where credible evidence provides a strong indication that a 15-year-old is engaged in prostitution, the child would be considered a missing child, but no flat presumption that the child is at risk solely by virtue of being a 15-year-old runaway would be in order. Conversely, it would be appropriate to presume that a 7-year-old runaway is at risk, unless credible evidence indicates to the contrary."

Thus, for a report on a runaway to be taken over the toll-free telephone line, the circumstances must include a strong indication that the child is likely to be abused or exploited and the need for actual evidence of that likelihood increases with the child's age. If the circumstances of the case do not establish the requisite level of likelihood, then the information should not be taken and maintained by the organization operating the telephone line. However, as required by the bill, the caller should be referred to the Title III hotline.

OJJDP should develop guidelines for the proper use of the current definition in all of its MCAA activities.

Competition requirement

Section 7288 of the bill adds a new provision requiring the Administrator to utilize a competitive process in the making of any grant for an amount exceeding $50,000.

Special study and report

Section 7291 directs the Administrator to conduct a study of non-custodial parental abduction situations to identify and describe the obstacles that prevent or impede the custodial parent from recovering his/her child. Obstacles should include (but are not limited to) those that are financial and legal (e.g., intrastate, interstate, or international).

The Administrator is directed to begin the study within one year following the date of enactment of these amendments and to make a report thereon to the Congress within 3 years of such date.

CHAPTER 4—MISCELLANEOUS

GAO investigation

Section 7295 directs the Comptroller General to conduct an investigation into the use of valid court orders, as well as court orders that are not valid. The General Accounting Office must begin the investigation within 6 months following the enactment of this bill and must report to Congress not later than 3 years following enactment.

Effective date and application of amendments

Section 7696 provides that the Juvenile Justice and Delinquency Prevention Amendments shall take effect as of October 1, 1988. It also provides that the program plan requirements of section 7253(b)(1) and the program priorities requirements of section 7278 shall not apply with respect to fiscal year 1989. Finally, this section provides for the first of the annual reports required by section 7255.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from New Jersey [Mr. Hughes].

Mr. HUGHES. Mr. Speaker, I am going to be very brief also.

Mr. Speaker, the Antidrug Act of 1988 is a good piece of legislation. I think the bill that we are bringing back from conference in many respects is better than the bill we took to conference. We picked up a lot of extraneous provisions, including a major one that I know a lot of Members are interested in dealing with, child pornography and obscenity.

Mr. Speaker, the Subcommittee on Crime, which I am privileged to chair, has written two very strong child pornography bills in the last 4 years, and this bill will further strengthen the law in reference to child pornography. It navigates those mine fields, those navigational mine fields that exist in the area of obscenity, and is well balanced and in my judgment will pass constitutional muster.

While it will not make everybody happy, I believe it is a good bill.

Mr. Speaker, a lot of people have been mentioned that have worked very hard on this bill, and part of that bill deals with chemical tracking, something we have never had, Mr. Speaker, in this country.

Mr. Speaker, for a lot of the committees the work that went into this bill represents about 3 months' work, but for my Subcommittee on Crime it represents almost 2 years' work.

In the legislation there is something that has been ignored in all the debate over the death penalty, and the exclusionary rule and civil penalties and forfeiture. It is a provision called chemical tracking, and, if I had to point to any one single provision in that bill that is going to make a dramatic difference in the fight against drug and substance abuse on the supply side, it is the chemical tracking bill.

Mr. Speaker, the gentleman from New York [Mr. Gilman], the gentleman from California [Mr. Rangel] and I traveled to countries to convince them that they should have chemical-free zones when we do not have a chemical-free zone in our own country, and we find it embarrassing that most of the chemicals that are going into the manufacture of cocaine and heroin come from our country, and we are for the first time going to do something about it.

If I had to point to any one single provision that is going to do a lot of good, provide new tools, it is that provision, and that was possible because of a lot of work by a lot of people including my ranking Republican, the gentleman from Florida [Mr. McCollum] who worked very hard on the bill.

Mr. Speaker, roughly 85 percent of the controversy in this bill was in the Committee on the Judiciary, so it was our staff that had to resolve the differences, and I want to thank at this time Paul McNulty, the Republican staff member; Hayden Gregory, the chief counsel of my subcommittee; and Eric Sterling. Without their help, too, it would not have been possible. I also want to thank the distinguished chairman of the Select Committee on Narcotics on which I serve, thank him for his cooperation and leadership.

Mr. Speaker, this is a good bill. I urge my colleagues to support it.

Mr. RANGEL. Mr. Speaker, I asume that the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL] will want to close debate. There are a few Members who would like to be recognized on our side, and then I will defer to him.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I rise to express my support for H.R. 5210, the Omnibus Drug Initiative Act of 1988. Of particular concern to the Committee on Agriculture are the provisions in the bill which would provide for enhanced authorities for the U.S. Forest Service to combat the production of marijuana and other controlled substances on Forest Service lands.

Among its many other benefits, the National Forest System provides thousands of Americans with a variety of recreational opportunities every year. Unfortunately, National Forest System lands could become a haven for marijuana growers and producers of other controlled substances. These drug merchants have been known to use armed guards, attack dogs, and lethal booby traps to protect their drugs from other growers, law enforcement officers, and the public. A sorry consequence of the use of these devices is the threat that they pose to life and limb of hunters, hikers, and Forest Service employees.

The Forest Service provisions of H.R. 5210 are designed to give the Forest Service additional tools to combat drug production on Federal lands, and to ensure that these lands are safe for the public to use and enjoy. The legislation will provide the Forest Service with limited authorities to better combat the production of drugs on Federal lands, within the existing legal framework established in the National Forest System Drug Control Act of 1986. The current law requires Forest Service drug control enforcement authorities to be exercised pursuant to an agreement between the Secretary of Agriculture and the Attorney General. The drug control authorities in this legislation are also subject to such an agreement.

It has taken the Secretary of Agriculture and the Attorney General almost 2 years to consummate an agreement to approve the implementation of the enhanced enforcement authorities provided for in the 1986 act. I am hopeful that the Secretary and the Attorney General can reach an agreement to implement the authorities provided for in H.R. 5210 in a much more timely fashion.

I would like to take this opportunity to express my appreciation for the cooperation and hard work contributed by Chairman UDALL of the Committee on Interior and Insular Affairs and Chairman RODINO of the Committee on the Judiciary in helping to craft the Forest Service provisions of H.R. 5210. As chairman of the Committee on Agriculture, I am pleased that we were able to accommodate my colleagues on both of these committees on the important matters addressed in this legislation.

Following is a brief summary of the Forest Service provisions of H.R. 5210 so that the Members of the House will be able to familiarize themselves with these important provisions:

BRIEF SUMMARY OF THE SUBSTITUTE AMENDMENT TO SECTION 6254—NATIONAL FOREST SYSTEM SAFETY—OF THE SENATE AMENDMENT TO H.R. 5210, THE OMNIBUS DRUG INITIATIVE ACT OF 1988

Subsection (a)—Findings.—Subsection (a) includes findings that the National Forest Service needs additional authority to adequately deal with the unlawful production of marijuana and other controlled substances on National Forest System lands, and that such production is often harmful to the environment, to wildlife, and to public health and safety.

Subsection (b)—Powers.—Subsection (b) will increase the authorization for Forest Service special agents and law enforcement officers from 500 to 1,000, and will authorize these agents and officers to conduct investigations and enforcement actions outside the exterior boundaries of the National Forest System, for offenses committed within or affecting the administration of the National Forest System.

Subsection (c)—Cooperation.—Subsection (c) will authorize Forest Service special agents and law enforcement officers to make arrests outside the exterior boundaries of the National Forest System, for offenses committed within or affecting the administration of the National Forest System. Subsection (c) will also require the Forest Service to cooperate with the United States Attorney General in carrying out the seizure and forfeiture provisions of the Controlled Substances Act. Finally, subsection (c) authorizes the Secretary of Agriculture to designate law enforcement officers of any other Federal agency to assist the Forest Service in drug control efforts, or to accept the designation from any Federal or State agency of Forest Service law enforcement officers to cooperate in multi-agency drug control law enforcement efforts.

Subsection (d)—Authorization of Appropriations.—In order to improve U.S. Forest Service, National Park Service, and Bureau of Land Management law enforcement activities relating to the use and production of narcotics and controlled substances on public lands within their jurisdiction, subsection (d) authorizes the appropriation of $10 million annually for the Forest Service, $3 million annually for the National Park Service, and $1.5 million annually for the Bureau of Land Management.

Subsection (e)—Designation Authority of Secretary of Agriculture.—Subsection (e) authorizes the Secretary of Agriculture to designate law enforcement officers of any other Federal agency to exercise the powers and authorities of the Forest Service while assisting the Forest Service. Subsection (e) will also authorize the Secretary to accept law enforcement designation from any other Federal or State agency responsible for land management, natural resources, or recreation to enhance cooperative law enforcement efforts.

Subsection (f)—Criminal Penalty for Placing Hazardous or Injurious Devices on Federal Lands.—Subsection (f) will establish as a crime the use of a hazardous or injurious device on Federal land with the intent to violate the Controlled Substances Act, to obstruct timber harvesting or other lawful use of the lands, to damage property, or with reckless disregard to the risk that another person will be placed in danger of death or bodily injury. Penaltities for the use of a hazardous or injurious device will include fines of up to $250,000 and imprisonment ranging from less than one year for minor violations, to any term of years or for life for violations resulting in the death of an individual.

A "hazardous or injurious device" is defined to include guns or explosive devices attached to trip wires, and similar devices capable of causing bodily injury or property damage.

Subsection (g)—Clerical Amendment.—Subsection (g) amends the table of sections for chapter 91 of title 18, United States Code, to add "Hazardous or injurious devices on Federal lands." in the appropriate place.

Subsection (h)—Criminal Penalty for Polluting Federal Lands.—Subsection (h) will establish as a crime the knowing or intentional use of a poison, chemical, or other hazardous substance on Federal land in connection with the manufacture or distribution of a controlled substance in violation of the Controlled Substances Act, if such use creates a hazard to humans or animals, pollutes a body of water, or degrades or harms the environment. Violators of this subsection could be fined up to $250,000, imprisoned for up to five years, or both.

Subsection (i)—Drug Pollution Fund.—Subsection (i) will establish a "Drug Pollution Fund" in the U.S. Treasury, which shall be funded by fines imposed against polluters for violation of the prohibition against the use of a poison, chemical, or other hazardous substance on Federal land in connection with the manufacture or distribution of a controlled substance. Funds from the Drug Pollution Fund will be made available, subject to an appropriation, to the heads or executive agencies or departments for the cleanup of hazardous substance pollution resulting from drug rleated pollution on Federal lands.

Subsection (j)—Arson Involving Timber.—Subsection (j) will remove the current $5,000 limit on fines for arson on Federal lands, and will authorize fines of up to $250,000 for arson on Federal lands.

Subsection (k)—Report.—Subsection (k) will require the Secretary of Agriculture and the Attorney General to report to Congress within 180 days after enactment of H.R. 5210 concerning their activities to expedite the investigation and enforcement of criminal violations relating to marijuana and other controlled substances that are manufactured, distributed, or dispensed on National Forest System lands.

I commend the House leadership for bringing this legislation to the floor prior to the adjournment of the 100th Congress, and urge my colleagues to support this bill.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Speaker, I rise in opposition to the conference agreement. While this report reflects the hard work of many of my colleagues to resolve the problems that plague us from the flood of illegal drugs into this country, I find myself unable to support it.

I understand that this agreement will not include any expansion of the "exclusionary rule" which limits the introduction into evidence in Federal trial, illegally seized items. The agreement also will provide for congressional consideration of changes in habeas corpus procedures.

But are these improvements real or illusionary? This legislation has an authorized spending level of more than $2 billion, but is only funded for $500 million in this fiscal year, evenly split between law enforcement efforts and rehabilitation, education and treatment programs. This very modest funding level undervalues the overall enforcement impact and implementation of this antidrug legislation.

In addition the conferees agreed on language giving the Justice Department 9 months to develop a system that would allow gun dealers to determine whether prospective handgun purchasers are convicted felons. This is a variation on the House provision substituted in place of the 7-day waiting period for gun purchasers.

Specifically, I am opposed to the provision which would provide for a Federal death penalty for drug related murders. The death penalty is, in all circumstances, cruel and unusual punishment which many feel violates the United States Constitution. I am concerned about the death penalty because the facts show that, in States which have enacted the death penalty provisions, black people are disproportionately represented on death row. The facts also show that juries have been more than reluctant to impose the death penalty when the defendant is a minor.

The addition of a Federal death penalty for drug-related killings to this bill will not be an effective deterrent to crime. The death penalty provision will, however, undermine U.S. efforts to go after the big drug kingpins operating overseas. Federal prosecutors and State Department legal experts agree that the vast majority of countries which we have extradition agreements with, will not agree to extradite any of their citizens to a nation where they face the prospect of the death penalty.

There are only two instances where Federal law imposes the death penalty in two very narrow circumstances: First, for espionage by a member of the Armed Forces; and second, for death resulting from an aircraft hijacking. This agreement imposes the death penalty for killings by someone involved with drugs. This broad language would include persons even remotely involved in illegal drugs.

Mr. Speaker, the inclusion of the death penalty amendment, the imposition of civil penalties on those not convicted of any offense, and the arbitrary deprivation of Federal benefits on individuals in addition to sanctions imposed by the courts, are among the controversial provisions which fly in the face of the Bill of Rights. I doubt that these expansive provisions are necessary or needed to win the war on illegal drugs in America.

The Reagan administration has not aggressively enforced existing laws to significantly reduce the flow of illegal drugs into our country. In addition, the current administration appears to lack a commitment to help turn this situation around to save our youth and to save our communities.

Therefore I am compelled to vote against passage of the conference report on the Omnibus Drug Bill.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, I rise in support of this conference agreement. This is a good bill. It is better late than never. Something is better than nothing.

There is something else that needs to be said in the discussion of this agreement.

There are many of us in the Congress who are still trying to find out what our Government is doing to stop complicity of foreign officials in other nations engaged in aiding drug traffickers who are sending the crippling and killing, illegal drugs to the United States.

We want to know what is going on. I know of a number of House committees conducting investigations on the issue of complicity of foreign officials in drug trafficking: Appropriations, Judiciary, Drug Abuse and Narcotics Control, and Government Operations. And, in the Senate the Committee on Foreign Relations is active.

We can pass bills all day long in this Congress. But, there are essentially two things that have to be done to stop drugs.

First, Congress and the American people must discourage the use of illegal drugs and abusing legal drugs.

Second, the United States must stop people in other nations from exporting illegal drugs to the United States.

An article in the October 8 edition of The Economist reports that the value of the underground drug economy in Bolivia, Colombia, and Peru is about $20 billion. That is billion with a capital B. Virtually all of the $20 billion is drained from Americans victimized by drug use. I ask that this article be made a part of the RECORD.

To achieve the goals set forth this drug bill requires consistent cooperation among executive branch agencies and between such agencies and the Congress with respect to information about foreign activities which would be illegal if carried out in the United States in connection with the production or distribution of drugs or the management of money generated by such drug activities.

Such information can be critical to the formulation and implementation of United States policy, both foreign and domestic, including the enforcement of Federal drug laws.

The Congress must have access to such information in order to perform its constitutional oversight and lawmaking functions, especially with respect to the formulation and implementation of United States foreign policy and with respect to law enforcement activities.

Therefore, the Congress intends that the executive branch will cooperate to the fullest extent possible to insure that the Congress has access to such information. The Congress also intends the executive branch to ensure that there is effective sharing and distribution of such information within the executive branch to facilitate the necessary interagency coordination of U.S. Government foreign policy and law enforcement activities.

The Economist article follows:

[From the Economist, Oct. 8, 1988]

THE COCAINE ECONOMIES—LATIN AMERICA'S KILLING FIELDS

"Latin America's only successful multinational" is how Mr. Alan Garcia, Peru's president, has accurately described the drug trade. Last year the retail sales of South America cocaine in North America and Western Europe were probably worth more than $20 billion—equivalent to world retail sales of diamonds in 1987, or Singapore's GDP or all liquor sales in America. If Colombia's Medellin cartel, a syndicate of cocaine dealers, were a corporation, it would rank among the Fortune 500 companies, alongside some of the oil giants.

Cocaine is produced from coca leaf. Most is grown in Bolivia, Colombia and Peru. (A small amount is grown in Ecuador and Argentina.) In Colombia cultivation is concentrated in the south and south-east, in, eg, the Amazonas territory. Peru's main cocaine-producing area is the central Upper Huallaga Valley, a 150-square-mile coca field. In Bolivia the Chapare, Beni and Yungas regions are big coca-growing areas. Coca and cocaine are among their leading exports, overhauling natural gas and tin in

Bolivia, copper in Peru, and (probably) second only to coffee in Colombia. Yet, in all official statistics, coca does not exist.

It is easy to explain why. For one thing, it is politically explosive. Organisations like the IMF and World Bank are fearful of offending member governments by openly acknowledging that some countries earn large amounts of foreign exchange from drug trafficking. Cocaine money is also ignored because reliable data are hard to come by. Figures that are produced are never complete.

The most detailed estimates of cocaine production are produced by the United States government in two annual reports. One, from the State Department, is the International Narcotics Control Strategy Report (INCSR). The other is produced by the National Narcotics Intelligence Consumers Committee (NNICC), which is chaired by the intelligence chief of the Drug Enforcement Administration and includes representatives of 12 federal agencies. The NNICC report includes estimates of cultivation and production (of illegal drugs), statistics on drug abuse, prices and trends in trafficking.

Even these raw data are not precise. For example, cultivation estimates rely on aerial surveys which cannot hope to home in on all coca-producing areas. Many outside the United States government believe that the NNICC's estimates are too low. One critic is Mr. Renssalaer Lee, a foreign-policy consultant in Washington and an authority on the the cocaine trade. He says that Peru estimates that 300,000 hectares were planted with coca last year; the NNICC puts the figure at 98,000-121,000 hectares.

However, the NNICC figures are the best available and, at least, err on the side of caution. Based on these figures, it is reasonable to suppose that retail sales of South American cocaine mostly in North America and Europe were $22 billion last year. Of that, South Americans may have received $3 billion, with the rest going to middlemen. This figure is roughly in line with estimates made by drug-trade watchers. Mr. Renssalaer Lee puts the figure at $3 billion-5 billion. Mr. Francisco Thoumi, a Colombian economist, thinks gross export revenues for South America are just under $2 billion.

As a producer of coca, Colombia is in distant third place behind Bolivia and Peru. However, it is the center of refining and exporting. For the most part, Bolivians and Peruvians sell coca paste to Colombian traffickers, who convert it into cocaine and export it. The value added is impressive. In 1987 a Colombian refiner could purchase 2.5 kilos of paste for as little as $500, and then convert it into one kilo of cocaine with an export price of up to $6,000.

Colombians, involved heavily in trafficking ocerseas, receive the largest chunk of cocaine revenue—perhaps half the total—with the remainder divided more or less equally between Bolivians and Peruvians. On that basis, Colombians would have grossed about $1.5 billion last year; Bolivians and Peruvians each $750m.

It does not necessarily follow that the countries themselves received that much foreign exchange from the cocaine trade. A large portion of the money received abroad—by, for example, Colombian traffickers based in Miami—is not repatriated. And a lot of earned in South America does not stay there. Cash is not so much laundred as rinsed, then exported and invested abroad. Most drug-watchers reckon that coca-exporting countries receive in foreign exchange about half the export revenues earned by traffickers—or $1.5 billion. For 1987 this would mean $750m for Colombia and $375m each for Bolivia and Peru.

Relate these figures to official economic statistics and they look too low. Colombia's GDP is 50% bigger than Peru's and six and a half times the size of Bolivia's. Colombia's GDP last year was about $41 billion, which would make $750m in cocaine exports equivalent to just 1.8% of GDP. Peru's GDP was $27 billion, giving a ratio of 1.4%. In Bolivia, with a GDP of just $6 billion, the ratio jumps to 6%.

In the case of Bolivia, the cocaine boom coincided with a severe economic slump. Between 1981 and 1986, GDP declined every year. (A modest upturn occurred last year, with real growth of about 1.5%) Undoubtedly, the coca dollars cushioned the blow.

COCAINE INC.

Like any other business, cocaine trafficking needs capital and a distribution system. It also has overheads. Expenses include raw materials (coca), chemicals and laboratories, chemists, transport and business services (legal and financial). And security, which includes pay-offs to government officials: politicians, judges and policemen. Protection money is also paid to guerrillas, such as Colombia's Fuerzas Armadas Revolucionarias de Colombia (FARC).

Coca money is invested in local economies through various routes. In Colombia most of the leading traffickers are based in Medellin, the country's second largest city, and Cali, a city in the south-west. The trafficers have used the accumulated profits from years of drug-dealing to invest in legitimate businesses. Pablo Escobar Gaviria, allegedly one of the leading traffickers, has put together a property empire worth around $2 billion and, in 1982, was elected to the Colombian Congress. In Bolivia, Santa Cruz—a one-horse town 20 years ago—has also become a boom town partly because of the drug trade.

One of the clearest effects on the three cokedoms is that drugs provide jobs. Mr. Lee estimates that at between 750,000 and 1.1m people are directly employed in the drug trade in Bolivia, Colombia and Peru. Since the total employed in the three countries is 20m, about 5% of the (officially defined) working population is employed in the cocaine business.

Farming is the most labour-intensive aspect of the business, and most leaf-pickers are employed in Bolivia and Peru. In 1983 a Bolivian government report estimated that 300,000 Bolivians were engaged in cultivating, processing or transporting coca and its derivatives. That was updated last year to 500,000. The official workforce of Bolivia is 1.7m. So (on that figure) the cocaine trade provides one in every three of four jobs. Even allowing for the underground economy (and assuming many of those employed in the cocaine trade are not on official employment registers), drug-trafficking accounts for around 20% of jobs.

In Peru, which produces twice as much coca leaf and has a workforce of 7m, those employed in the drugs business are probably close to the Bolivian figure. In Colombia (11m employed), the third largest grower of coca, the figure will be much lower.

EXPORT AND DIE

Ever since Latin America's debt saga began in 1982, bankers have paid great attention to the ability of debtor countries to boost foreign-exchange earnings so they could service their debts. Although coca dollars have had a big effect, they are nearly always ignored in economic analyses.

One exception is an unpublished study conducted a few years ago by an economist at the United States Department of Agriculture. He estimated cocaine revenues and then calculated some economic ratios. In Colombia, cocaine (and marijuana) exports were equivalent to 22-48% of legal exports in 1984; in Bolivia, 26% and in Peru 6-16%. Based on reasonable estimates of cocaine export-income for 1987, narcotics accounted for the equivalent of 13½% of Colombia's legal exports, 14½% of Peru's and 75% of Bolivia's.

The coca dollars are absorbed into the three economies in a fairly straightforward way. A State Department official describes how the system worked when he was based in Peru in the early 1980s. "Collectors" would purchase leaves from farmers, paying them in Peruvian currency (then the sol, now the inti), and then convert the leaves into coca paste. The collectors would then sell the paste to traffickers, who would typically pay them in American dollars. Since the collectors had no need for greenbacks, they would sell the dollars to money-changers for Peruvian currency. The moneymen, in turn, would sell the dollars at a profit to commercial banks. Says the official, "there was no real control over the dollars."

In fact, the governments of Bolivia, Colombia, and Peru have occasionally created financial mechanisms through which coca-dollars could be absorbed into the official economy. Some of these are described in "Hot Money" by Mr. R.T. Naylor, an economist at Montreal's McGill University. In Colombia so-called ventaillas siniestras—"left-handed windows"—were opened at the banks, where customers could exchange black-market dollars for local currency. In Peru cocaine money "returned home to a warm and officially sanctioned welcome." In the late 1970s "Peru deliberately abolished exchange controls to attract cocadollars, exchanging them for local currency or for dollar-denominated certificates of deposit (CDs) with no questions asked. Peruvian banks expanded rapidly into cocaine country to sop up the flow."

Bolivia got into the act of 1985, when its New Economic Policy was launched. The government and banking system, said Mr. Naylor, "officially went into the laundry business. In an appeal for dope money to come home—all would be forgiven—the new policy decreed that 'No proof need be given, at the national departmental, or municipal level, of the origins of assets invested during the next four months' The central bank began marketing bearers CDs in dollar denominations with a guaranteed 10% rate of return."

In addition, the traffickers' capital may move back and forth between their home countries and foreign boltholes. In the case of the Colombian traffickers, Mr. Thoumi suspects that the trend is now to bring home money invested outside Colombia—partly because traffickers fear that their assets may be seized by United States drug-busters. By contrast, they have relatively little fear of the Colombian authorities. Whatever the case, there is little doubt that cocadollars have helped all three countries cope with balance-of-payments problems and thus, foreign debts. In Colombia, the cocaine boom is probably a big reason why the government has been able to avoid rescheduling foreign debt. Even so, the coca-producing countries have had to pay a high economic price for their drug industry.

The influx of cocaine money has led to economic distortions. The surge of drug dollars into Colombia spurred inflation. The money encouraged banks to be less prudent about their lending, so bad debts soared. Mr. Thoumi argues that Colombia has experienced something akin to the "Dutch disease". This phenomenon occurred in Holland in the 1970s when a sudden surge of income from natural gas exports distorted the Dutch economy. Just as the energy boom pushed up the value of the guilder and made many other Dutch exports uncompetitive, the coca boom (coupled with rising income from coffee exports) pushed up the Colombian peso, which undermined Colombia's efforts to boost non-traditional exports.

Away from economics, the price has also been high. When an illegal business becomes big enough, a country's political system becomes corrupted. Colombia's fabulously wealthy traffickers have garnered tremendous political power, enabling them to undermine the authority of the state. "That is now a parallel organisation that is controlled by the narcos," says Mr. Thoumi. Mr. Renssalaer Lee has written that "drug barons today are major political forces in countries such as Bolivia, Colombia, and Peru, carving out states within states in coca-producing regions, sometimes forming alliances of convenience with local leftist guerrillas, undermining authority with bribery and assassinations, and amassing enough armed might to keep governments at bay. The erosion of the authority of the state has direct consequences for the economy. The government finds it more difficult to collect taxes, implement development programmes and protect property of honest citizens.

Production of coca leaf has grown drastically in recent years. A great deal of coca planted in the late 1970s began to filter on to the market in the early 1980s (see chart below). Coca, like any other commodity, is subject to the laws of supply and demand. With the extra output, wholesale and street prices of cocaine have been falling. Couple that with rising overheads and increasing competition and the result is predicable: traffickers have seen a profit squeeze. They have reacted like conventional businessmen.

In recent years non-Colombians have become "vertically integrated" in an effort to cut out the middlemen. In the early 1980s a Bolivian cocaine king, Roberto Suarez Gomez, moved heavily into refining. "The Colombians no longer have a stranglehold on the business", says one drugs-watcher.

The Colombians formed a cartel. Under a sort of market-sharing arrangement, the Medellin cartel enjoyed hegemony in the southeastern United States, including the huge Miami market, while traffickers from the city of Cali dominated the New York market. Just like a corporation expanding through acquisition, the Medellin cartel has mounted a takeover bid for the cocaine business in New York. (Colombians accounted for 10½% of all trafficking arrests by the Drug Enforcement Administration in the United States last year.)

Commercially, it makes sense: capture a larger share of the profits on each kilo of cocaine by becoming more involved in foreign distribution. But, like any hostile bid on Wall Street, the Colombians have met with fierce opposition—touching off wars in American cities that are fought with guns, not proxies. With a glut of cocaine on world markets, traffickers are also trying to bring in new customers. The main focus of this marketing drive is Western Europe.

UNHOOKING THE HOOKED

Are cocaine and cocadollars so crucial to the economies of the three South American countries that little can (or will) be done about drug-growing? Colombia, the largest and strongest of the three economies, cocaine revenues are relatively small in relation to GDP. The coca trade also provides relatively few jobs. But it is a useful export and Colombia's trade balance would suffer if the business suddenly disappeared. Peru is more vulnerable. The economy is weaker, and far more peasants depend on coca for their livelihood.

In Bolivia the cocaine trade has a huge impact on growth, employment and the balance of payments. In recent years, with the economy stagnating and unemployment high, legal exports have brought in only modest revenue. A 1987 report to Bolivia's chamber of deputies stated: "The illegal trafficking of coca leaves and its by-products has become the most dynamic sector in the economy. . . ." Flavio Machicado, a former finance minister, was quoted in 1986 as saying: "Bolivia has gone from the economy of tin to the economy of coca. If narcotics were to disappear overnight, we would have rampant unemployment. There would be open protest and violence." Bolivia appears to be addicted to cocaine.

In its latest narcotics control report, America's State Department says; "If we are to make a difference in cocaine control, a massive infusion of economic assistance to the region will be required." Unless the west can find ways of making the drug less lucrative it is unlikely that Bolivia, Peru and Colombia can ever be weaned off cocaine—even with massive foreign assistance.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Speaker, I want to note, with respect to the so-called drug czar provisions contained in title I of the amendment, that the authorities conferred upon the drug czar and his office must be exercised in a manner consistent with the provisions of the National Security Act of 1947, as amended. These provisions include the congressional oversight provisions of title V of that statute and all the various responsibilities and authorities of the Director of Central Intelligence, in particular his responsibility to protect intelligence sources and methods. The amendment further requires the Director to issue such regulations as he determines to protect information regarding intelligence sources and methods furnished under the bill.

The amendment also gives the drug czar the authority to prepare a national drug control program budget, review the budget submission of all government elements with drug control responsibilities and to concur in certain transfers or reprogrammings of national drug control program funds.

The President, in Executive Order 12333, has also given the Director of Central Intelligence certain budget authorities unique within the Government. He must review and approve all the elements of the national foreign intelligence program, which embraces all of those activities of Government to collect, process and analyze national intelligence and counterintelligence, and to conduct covert action. These authorities are not affected by the responsibility of the drug czar to develop a national drug program budget, since these responsibilities and authorities do not abrogate those of the Director of Central Intelligence. To the extent that intelligence elements are included in the national drug control program budget, the Director of Central Intelligence will continue to be able to approve their budgets, thereby ensuring that they respond to intelligence collection priorities and overall budget constraints imposed upon the National Foreign Intelligence Program.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Speaker, the problem of drugs in our society today is one of great consequence. All over our Nation, communities are being devastated by drug abuse. As drug-related crime continues to rise, our neighborhoods are becoming playgrounds for pushers.

This is a problem that must be dealt with from all angles, including legislation and education. As a member of the House Judiciary Subcommittee on Crime, I am proud to have been one of the original architects of H.R. 5210, an omnibus antidrug bill which attacks the drug problem from all sides. Not only does it establish stiffer penalties for drug pushers and users, but it also funds drug education and rehabilitation programs.

Legislation, however, is only part of the solution to this growing problem. Our communities must also help wage the war on drugs through education and social programs.

On October 23, Kentucky's Champions Against Drugs, in cooperation with the National Federation of Parents for a Drug Free Lifestyle, will be sponsoring a Red Ribbon Campaign to show its support in promoting a drug-free lifestyle. Red ribbons will be worn by members of the community in support of the program's theme, "The Choice for Me, Drug Free!"

Hats off to Kentucky Gov. Wallace Wilkinson and First Lady Martha Wilkinson, the honorary chairpersons of this important initiative. I believe that programs such as these are extremely important for community awareness and send out a positive message to our young people, showing them that a drug-free lifestyle is the right choice. I encourage other States to support programs such as this one in the Commonwealth of Kentucky and to attack the drug problem on all fronts.

The problem of drug abuse in our society cannot be tolerated any longer. It is a tragedy which affects everyone in our community, especially our youth. In order to build a strong healthy Nation we must educate our children as to the dangers of drugs and help them make the choice to say "no" to drugs. I urge everyone to help wage the war on drugs to end this crisis.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. Scheuer].

Mr. SCHEUER. Mr. Speaker, I would like to congratulate my colleagues, particularly Chairman Rangel, Mr. Gilman, and Mr. Hughes for their outstanding efforts in producing a drug bill that provides for substantial increases in funding for drug education, treatment, and rehabilitation.

For the first time, a drug bill passed by the Congress provides approximately 50 percent of its total funding for education, rehabilitation, and treatment. This bill provides more money than ever before for such programs.

If our Nation is going to succeed in reducing drug abuse, we must devote far more of our attention and resources to the demand side of the problem.

We must perform the research necessary to learn what drug education techniques work and continue to increase funding for drug education until all of our nation's youth are taught about the dangers of drug abuse. We must provide the money necessary to insure that every addict who wants to "get the monkey off his back" has access on request to treatment and rehabilitation programs.

It is a national disgrace that drug abusers desperately seeking help must often wait a year or longer for treatment.

Hopefully, this bill makes the beginning of a major effort to deal with the demand side of the problem since our eradication and interdiction programs, although well-intentioned, are not working and dedicated local law enforcement professionals are overwhelmed.

On the one hand, spending is spiraling upward: federal funding for drug interdiction programs has tripled in the last 8 years, drug seizures have increased tenfold since 1982, drug related arrests are up, and authorities are confiscating record numbers of cars, boats, planes, and other drug-related equipment.

On the other hand, despite the billions of dollars spent each year on massive law enforcement efforts, there exists a parallel upward flow of illegal drugs which continue to flow across our borders and into the bodies of your youth in every city, town, and hamlet across America. Drugs are destabilizing our cities, two-thirds of all urban crime is drug-related, and drug dealing is still the job of choice for many inter-city kids.

I support this bill because it contains a substantial increase in education, treatment and rehabilitation funding. But I support it with reluctance because it also contains further increases in funding for interdiction. It is not a perfect bill, but many members of this body and the Senate have worked long hours to hammer out a compromise that we all hope will advance our efforts to reduce drug abuse in this country.

I am not suggesting that we should eliminate funding for eradication and interdiction. I do not believe, however, that we should continue to increase funding for programs that are not working and hold very little hope of working in the future. We should not throw good money after bad.

Mr. Speaker, an increasing number of law enforcement officials are expressing their concerns that policies aimed at interdicting the supply of drugs have proved futile.

Nearly 3 years ago, Col. Ralph Milstead of the Arizona Department of Public Safety, told the House Select Committee on Narcotics Abuse and Control:

> Ultimately there will be no victory in the war on drugs until American attitudes undergo a fundamental change. The solution lies not in reducing supply, but in reducing demand for drugs—let's work on the demand side rather than keep pouring money on the supply side. I liken it to killing a snake tail first. We ought to start at the head and the head, of course is the demand.

In July, a group of 50 law enforcement officials, most of them chiefs of police, called on the President and Congress to provide for more research to evaluate current antidrug efforts, noting that "without such research we will be merely throwing money at the problem."

They said research should be done to determine how to reduce the demand for drugs, to ascertain which treatment programs will best keep addicts from committing crimes, and to weigh the costs and benefits of massive police crackdowns on drug dealing locations.

I am placing their letter in the Record today because I think their questions have a great deal of merit.

To the President of the United States and all Members of the U.S. Congress

We are police executives and criminologists concerned about the nation's crisis of drug abuse. We share your goal of reducing drug abuse and crime in America through major new legislation this year. But we urge you to amend the current legislative proposals.

As we understand it, none of the current proposals include new funding for action research and program evaluation. Such research is vital to winning the war against drugs. Without such research we will be merely throwing money at the problem. We urge you to include in any new drug abuse bill substantial funding for action research administered by agencies such as the National Institute of Justice and the Bureau of Justice Statistic. That finding can help us get better answers to such tough questions as:

How can we reduce the demand for illicit drugs?

Which treatment programs are most effective in keeping drug addicts from committing crimes?

How can we use drug tests of arrestees most effectively in planning enforcement policies?

What are the costs and benefits of massive police crackdown on drug dealing locations?

Throwing more money into existing programs will not answer these and other critical questions. We urge you to invest in better strategic knowledge for winning this war.

Signed:

Anthony V. Bouza, Chief of Police, Minneapolis, MN.

Cornelius J. Behan, Chief of Police, Baltimore County, MD, and President, Police Executive Research Forum.

Lawrence Whalen, Chief of Police, Cincinnati, OH.

Bishop Robinson, Commissioner of Public Safety, MD.

Maurice Turner, Chief of Police, Washington, D.C.

Daryl F. Gates, Chief of Police, Los Angeles, CA.

Lee P. Brown, Chief of Police, Houston, TX.

William Hart, Chief of Police, Detroit, MI.

Robert J. Ziarnik, Chief of Police, Milwaukee, WI.

Robert Wadman, Chief of Police, Omaha, NB.

Fred Taylor, Director of Public Safety, Dade County, FL.

Francis Roache, Chief of Police, Boston, MA.

Frank Jordon, Chief of Police, San Francisco, CA.

Morris G. Redding, Chief of Police, Atlanta, GA.

Robert Burgeen, Acting Chief of Police, San Diego, CA.

Edward J. Tilghman, Commissioner of Police, Baltimore, MD.

Allen Andrews, Public Safety Commissioner, Peoria, IL.

Larry Joiner, Chief of Police, Kansas City, MO.

John J. Golba, Chief of Police, Newark, NJ.

Dwight Joseph, Chief of Police, Columbus, OH.

John T. Moran, Chief of Police, Las Vegas, Nevada.

Joe Casey, Chief of Police, Nashville, TN, and President, International Association of Chiefs of Police.

Paul Annee, Chief of Police, Indianapolis, IN.

Sam Rozzi, Commissioner of Police, Nassau County, NY.

Howard Rudolph, Chief of Police, Cleveland, OH.

James Jievy, Director of Police, Memphis, TN.

Ralph Pampina, Chief of Police, Pittsburgh, PA.

Daniel P. Guido, Commissioner of Police, Suffolk County, NY.

Sheriff John Duffy, San Diego County, CA, and chairman of the legislative Committee of the National Sheriffs' Association.

Reuben Greenberg, Chief of Police, Clarleston, SC.

Sheriff James McMillan, Jacksonville, FL.

Ronald Nelson, Chief of Police, Berkeley, CA, and President of the National Organization of Black Law Enforcement Executives.

Darrel Stephens, Executive Director, Police Executive Research Forum.

Edward Spurlock, Commander, Repeat Offenders Project, Washington, D.C. and President, Police Management Association.

Professor Charles Wellford, University of Maryland and Executive Secretary, American Society of Criminology.

E. Roberta Lesh, Executive Director, Police Management Association.

Alfred Blumstein, Erik Johnson Professor of Urban Systems Management and Dean, School of Urban and Public Affairs, Carnegie-Mellon U.

Albert J. Reiss, Jr., William Graham Sumner Professor of Sociology, Yale University and former President, American Society of Criminology.

Lloyd Ohlin, Touroff-Glueck Professor Emeritus, Harvard Law School.

Robert Boruch, Professor of Psychology and Statistics, Northweastern U.

Arnold Barnett, Professor of Operations Research, M.I.T.

Lloyd Street, Professor of Human Ecology, Cornell University.

Ronald V. Clarke, Distinguished Professor and Dean, School of Criminal Justice, Rutgers University.

Richard A. Berk, Professor of Sociology, U.C.L.A.

Robert Trojanowicz, Director, School of Criminal Justice, Michigan State University.

Lawrence W. Sherman, Professor of Criminology, University of Maryland.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I rise in support of the conference agreement to H.R. 5210, the Omnibus Drug Initiative Act. Although I have some reservations about several provisions in this legislation, nevertheless, on balance I believe that the conferees have made a reasonable effort and have markedly improved this legislation.

I am very pleased that the conference agreement retained important provisions I introduced relating to substance abuse among pregnant women. These provisions will offer hope and opportunity to the hundreds of thousands of women who are putting their infants at risk by using drugs during pregnancy. Federal leadership and direction is needed to meet the challenge of drug abuse by pregnant women, and this bill will help us to do just that.

Mr. Speaker, the past several years have seen an astronomical rise in the incidence of substance abuse among pregnant women, particularly the use of cocaine and crack. A recent study found that at least 11 percent of the pregnant women surveyed had exposed their babies to illegal drugs during pregnancy. These data suggest that nationwide, as many as 375,000 infants may suffer severe health effects as a result of their mother's drug yse each year. In one hospital in my congressional district alone, one to three babies are being born a week to mothers who use drugs. Harmful effects include miscarriages, premature birth, low birthweight, malformation, developmental disabilities, and crib death.

In looking at this problem, I found existing Federal programs to help pregnant women using drugs to be inadequate. Very few States have prevention and treatment programs targeted specifically to pregnant women. Innovative approaches must be developed to address the unique needs of pregnant women, who do not fit into traditional treatment programs.

In response to this epidemic, and to the lack of current Federal programs targeted to pregnant women, I introduced legislation earlier this year known as the Drug Free Mothers and Babies Act. Several provisions of this legislation were incorporated into the Omnibus Drug Initiative Act. One provision directs the Office of Substance Abuse Prevention to make grants for model prevention, education, and treatment projects for substance abusing pregnant women. In addition, this legislation targets Federal research efforts on the effects of substance abuse on pregnant women and their infants. Finally, the bill establishes a program of demonstration projects for IV Drug Abuse and AIDS which could encourage treatment programs for pregnant women.

I would like to commend Congressman WAXMAN and Congressman SHAW for their steadfast commitment and response to my request for support and their diligent efforts on the Vento amendments. Their assistance was crucial to making these new programs to help pregnant women break the cycle of drug abuse a reality.

This bill contains important provisions that would help eradicate the production and trafficking of illegal drugs on the one-third of our Nation's lands that are in Federal ownership. The national parks, national forests, and public lands are being abused by the cultivation, production, and distribution of illegal substances. This abuse has become a threat to the health and safety of recreationists and is polluting the environment and hurting wildlife. H.R. 5210 is an important step toward ensuring that our parks, forests, and public lands have healthy environments that are safe places for Americans to visit and enjoy. These specific provisions have been worked out with the Park and Public Lands Subcommittee which I have the responsibility to chair.

H.R. 5210 combats illegal drugs on Federal lands in several significant ways:

First. It authorizes increased annual funding for drug-related law enforcement for the major land management agencies. It authorizes $1.5 million for the Bureau of Land Management, $3 million for the National Park Service, and $10 million for the Forest Service.

Second. The bill makes it a criminal act with stiff penalties to pollute national forests with poisons and hazardous substances while manufacturing or distributing illegal drugs.

Third. It gives the Forest Service, for the first time, the authority to combat drugs outside the boundaries of the national forests as long as these activities pertain to violations within the national forest. The agency now will be able to pursue drug traffickers who flee across national forest boundaries, to interview witnesses after they have left national forests and to make arrests wherever suspects are apprehended. The National Park Service and Bureau of Land Management already have this authority.

Fourth. The bill give the Forest Service the authority to deputize law enforcement officials from other agencies to help fight drugs on the national forests and to combat other types of violations as well. Similar authority already exists for the Park Service and the BLM.

Mr. Speaker, all these provisions that help our land management agencies fight the war on drugs are the result of a consensus. The Park and Public Lands Subcommittee of the Interior and Insular Affairs Committee members and staff have spent many hours negotiating with the House and Senate Judiciary Committees, the House and Senate Agriculture Committees, and the Federal agencies involved. The resulting compromise has been agreed to by both the minority and majority of all the committees which have jurisdiction. The changes we have agreed to include:

First. Removing language from the Senate passed bill which would authorize the Attorney General to declare law-enforcement emergencies on Federal lands during which he could suspend the police powers of State and local governments.

Second. New language creating stiff new penalties for placing hazardous devices on Federal lands designed to injure innocent people.

Third. A new provision that establishes a fund from fines collected from drug traffickers who have been convicted of polluting Federal lands. The fund would be used to clean up the pollution.

I am proud that so many diverse interests were able to come to an agreement on how we should eradicate drugs from the Federal lands.

The war against drugs must be fought simultaneously on several levels. First, we must educate people, especially young people, about the dangers of illegal drugs so that they will know the dangers which they face. Second, we must increase our efforts at prevention and the interdiction of illegal drugs. This requires not only a strong domestic effort in curtailing the demand for illegal drugs here at home, but a coordinated effort with foreign nations as well which grow and export illegal drugs into the United States. We must find new ways to help people in those nations find economic alternatives to producing illegal drugs. Finally, we must make better efforts at treatment for those who use or are addicted to illegal drugs, such as the provisions added by the Vento amendments for drug-free mothers and babies. The costs to our society in terms of higher health care expenses, lost productivity, and the clogging of our judicial system are much too high to ignore. We must approach the issue of treatment with sensitivity for those who are trying to rebuild their lives.

The legislation before the House today addresses all three of these concerns in some measure.

I applaud the conferees for retaining stiff sentences for those who use children in the production of sexually explicit pornographic material and for dropping vague legislative language of dubious constitutionality which would have made it more difficult for prosecutors to obtain criminal convictions in certain cases. Judges and juries need clear and unambiguous standards to discharge their duty. The conference agreement is a significant improvement over the early versions of this initiative.

Similarly, the conferees' agreement to drop the so-called good faith exception to the exclusionary rule is a positive step in giving our police and judicial system a firm and clear standard which will make their jobs easier; not more difficult. Judges and juries should be able to devote their attention to assessing objective evidence of guilt or innocence, and not subjective arguments about whether or not the police acted in good faith before seizing evidence in drug-related crimes. The codification of the existing court decisions on the exclusionary rule is included in this legislation, which means that there will be no expansion of the exclusionary rule.

Mr. Speaker, while the conferees have made some progress in improving this legislation, I regret that they have provided for the reinstatement of a Federal death penalty. There is no doubt or argument whatsoever that drug-related homicides are dispicable crimes which deserve severe punishment. However, the numerous arguments against the death penalty do not lose their merit simply because the nature of the crime is drug-related rather than non-drug-related. Regrettably, legitimate concerns about bias, inequity, deterrence, and irreversible mistakes are ignored in favor of a rush to reinstate the death penalty so that we can look tough on drug-related crime. Indeed, it is ironic that this provision may, in fact, make it more difficult and in some instances impossible to bring certain defendants hiding in foreign countries to justice in a U.S. court of law because of certain treaties or policies of foreign nations which forbid extradition to the United States where a capital sentence would likely be imposed. Finally, the lengthy appeals process for those who are tried in our Federal courts and who receive the death sentence will insure that justice will be neither swift nor certain.

While I continue to have serious reservations about the so-called user accountability provisions of the bill which would suspend Federal aid for people who need that very same assistance to defeat the vicious circle of drug abuse, the conferees have delayed the effective date of these cuts until September 1, 1989, thereby giving the next President and Congress, and possibly the courts, an opportunity to reexamine this issue before it impacts the innocent or places a double-jeopardy type of penalty in law. I hope that following the election and early next year, the new Congress will bring more balance and sense to bear in addressing this matter.

Mr. Speaker, there is no doubt that we face a serious problem with illegal drugs and drug abuse in this country. But we cannot legislate away drug abuse. We must put in place a good and fair policy which is based upon common sense. In a crisis, there is often a temptation to posture and to look tough, regardless of what the effect of legislative action might actually be upon constitutional rights. But it is in precisely those circumstances, in a crisis situation, where constitutional values are at risk of being abandoned that they must be protected most vigorously. I voted against H.R. 5210 when it was before the House on September 22 because it included numerous floor amendments that frankly were ill-conceived provisions that I believed made it more difficult in the final analysis to stem the drug problem. Today, I will support the legislation before the House because, while it is far from perfect, it is a more thoughtful and effective legislative product. Therefore, I urge my colleagues to support the passage of the Omnibus Drug Initiative Act of 1988.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Speaker, I rise in support of the Anti-Drug Abuse Act of 1988, and in particular that portion contributed by the Committee on Public Works and Transportation.

In 1987, the drug trafficking industry in the United States expanded to an estimated $180 billion a year business that has permeated every segment of our society and has spawned an underground empire of crime, violence, and corruption.

Drug abuse is now a major national public health threat that continues to grow.

It was estimated for last year that there were 600,000 active heroin addicts in the United States, with the number increasing steadily because more heroin is available on the streets.

Whether one looks at overall trends or annual statistics, the picture is bleak. And, unfortunately, these figures are only the tip of the iceberg. The actual extent of the problem is even greater and may become even worse in the future because the sad fact is that drugs continue to infiltrate our borders.

Recognizing this, I applaud the Speaker and the distinguished majority leader of the House for taking the initiative many months ago in developing a proposal to combat this serious problem.

With its various components—education, enforcement, research, and so forth—I believe this bill takes a major step in trying to help win the war on drugs.

One issue which arose was that of drug testing. I support drug testing and it is my understanding that the administration will be issuing final regulations regarding testing for the rail, motor carrier, and aviation industries by November 1. Legislating testing in the drug bill, however, could have that process for up to another year.

FEDERAL AVIATION ADMINISTRATION DRUG ENFORCEMENT ASSISTANCE

Subtitle E of title VII marks the cumulation of an extensive, bipartisan committee investigation into the role and responsibilities of the Federal Aviation Administration in carrying out the 1984 and 1986 aviation drug laws and in providing assistance to Federal, State, and local agencies involved in the enforcement of the Nation's drug laws.

The amount of cocaine and marijuana seized from general aviation aircraft as a percent of the total volume of illegal drugs seized was 69 percent in 1984, 60 percent in 1985, 53 percent in 1986, and 64 percent in 1987. In the last year alone, some 40,000 pounds of cocaine and almost $13 billion worth in street value were confiscated.

The Office of Technology Assessment estimates 1,300 to 3,500 general aviation aircraft drug smuggling flights per year or about 3.5 to 10 per day. These are the ones law officials have tracked—there are undoubtedly countless others about which they are unaware.

Moreover, this method of drug smuggling, once generally limited to the gulf and Southern borders, is appearing increasingly at all our border areas. For example, less than a year ago, in New York, 610 pounds of cocaine were seized from a twin-engined Cessna. The flight originated in Colombia.

Drug-trafficking has become a national crisis—one that is eating at the fabric of American society. The law enforcement community, which is in the front line in this battle, experience one frustration after another. They are faced with limited personnel, facilities, equipment and funding, and confronted by a sophisticated and ruthless enemy. The frustration that law enforcement agencies have expressed with respect to the FAA's system for registering aircraft, certificating airmen, and filing major forms was the focus of the committee's investigation, and is the basis for title VII of H.R. 5210.

Basically, subtitle E of title VII focuses on three issues:

First, should the current FAA system of registering aircraft, certificating pilots and processing major repair and alteration forms be improved, especially as it relates to assisting law enforcement agencies in the enforcement of the Nation's drug laws?

Second, should current FAA drug aviation information activities be improved to assist in drug interdiction and enforcement?

Third, are the 1984 and 1986 aviation drug statutes being enforced and are they adequate to support effective drug enforcement and prosecution?

In so doing, subtitle E attempts to address complaints voiced by law enforcement officials that the FAA's "system" for registering aircraft, certificating airmen and filing major repair and alteration forms is too lax and is, therefore, subject to abuse by drug smugglers; and the FAA does not enforce what rules it does have in these areas.

DRUG RECOGNITION EXPERT PROGRAM

Section 9004 of the bill represents an agreement reached between the House and Senate on the House-passed Drug Recognition Expert Program. The provision establishes a 3-year pilot drug recognition expert program regionally in areas where the program can best be implemented throughout the Nation. At the end of the 3-year period, the Secretary of Transportation is required to evaluate the effectiveness of the program, in deterring drugged driving, and report those findings back to Congress within 1 year after the pilot program has been completed, together with any recommendations that the Secretary may have.

This program, which is based on a procedure developed by the Los Angeles Police Department, should be designed to assist States and communities in the detection, arrest and processing of drugged drivers of both private and commercial motor vehicles through the identification and classification of the different types of drug impairment. Although the pilot program should be a comprehensive approach which includes legislation, law enforcement, prosecution, adjudication, driver licensing, public information, and community involvement, the major portion of the program will involve orientation of enforcement personnel in initial techniques to detect impairment of any type and training a sufficient number of personnel to perform drug recognition evaluations. Other parts of the program will involve training procedures, judges, and traffic enforcement administrators in methods of implementing a total drugged driving enforcement countermeasures system in the community.

In order to assure that the program retains its high quality and accuracy, instructors within the prescribed regions or areas shall be certified to administer the program. In addition, classroom space may be necessary for the training of instructors by the Los Angeles Police Department; in that case, NHTSA shall provide cost-effective space for this purpose.

DRUNK DRIVING PREVENTION

The House and Senate yesterday also agreed to include in the bill a measure that, if adopted by a State, will go a long way toward deterring drinking and driving, thereby reducing the number of fatalities and serious injuries that occur each year as a result of drunk driving.

Section 9001, the Drunk Driving Prevention Act of 1988, provides incentive grants to States that provide for administrative suspension or revocation of the drivers' licenses of those who are determined to be under the influence of alcohol by traffic enforcement officials. Due process of law has been carefully crafted into this legislation, and any individual who is served a notice of revocation or suspension will have 15 days (or 30 days if the Secretary determines that 15 days represents a hardship to the State) in which to have an administrative review of the drunk driving charge.

The measure also provides for a self-sustaining drunk driving program funded by the fines, surcharges, or equivalent nonFederal funds collected from individuals convicted of drunk driving. These funds would be returned to communities with comprehensive drunk driving programs, as determined by the Secretary. However, in the case of largely rural States, the Secretary should determine comprehensive programs to include programs that are as effective in the context of smaller, agrarian communities as those programs that are determined to be comprehensive in large, urban populations.

Additional funds will be available to States that, in addition to establishing administrative revocation statutes and self-sustaining drunk-driving programs, (1) require mandatory blood alcohol concentration testing for a driver responsible for a fatality or serious bodily injury as a result of a drunk-driving accident; (2) provide for the issuance of a driver's license to drivers under the age of 21 distinguishable from those issued to drivers over 21; (3) prohibit open alcoholic containers and consumption of alcoholic beverages in the passenger area of motor vehicles located on a public highway; and (4) provide for the suspension of the registration and the return of the license plates of a motor vehicle to the State belonging to any repeat offender or individual operating a motor vehicle whose license has been suspended or revoked because of a drunk-driving offense.

Two studies are also provided for. One would address the blood alcohol concentration level at or above which a motor vehicle operator is deemed to be driving under the influence of alcohol, and the other would look at current information exchanges regarding offenses between States, the usefulness of such information, and any effective methods for such exchange of information.

The authorization for this legislation is $125 million over 3 years. The amount available upon eligibility for a basic grant is 30 percent of the State's highway safety allocations under section 402, title 23, United States Code; the amount available to States that, in addition, prohibit open containers in motor vehicles is an additional 25 percent of said highway safety allocation; and 10 percent for compliance with each of the remaining three supplemental criteria.

TRUCK AND BUS SAFETY

The House Committee on Public Works and Transportation and the Senate Committee on Commerce, Science, and Transportation have reached agreement on H.R. 5321, the Truck and Bus Safety and Regulatory Reform Act of 1988. Its passage today as subtitle B of title IX of the Anti-Drug Abuse Act of 1988 will substantially contribute to increased safety on our Nation's highways.

Briefly, subtitle B closes a loophole in Federal motor carrier safety regulations by eliminating the commercial zone exemption. All public, interstate truck and bus operations occurring within a zone will now be subject to these regulations. Since these zones generally include heavily congested roadways with high volumes of traffic, the application of safety regulations should greatly improve highway safety within the zones.

In the application of these regulations, subtitle B accommodates the unique circumstances surrounding the operation of foreign motor carriers in border commercial zones. The bill also incorporates several other provisions addressing safety issues including the use of biometric identifiers for the issuance of a commercial driver's license, a study of current hours-of-service regulations to determine if any relationship exists between driver fatigue and serious accidents, and an examination of the use of emergency flares. The measure before you differs only slightly from the version passed by the House on October 6 of this year, and these slight modifications have made the bill completely acceptable to the Senate. For a more detailed explanation of the legislative history of the original House-passed bill, see Report 100-1009.

A WORD OF APPRECIATION

I would like to thank all the members of the Public Works Committee, and in particular Mr. HAMMERSCHMIDT, the distinguished ranking Republican member, Mr. MINETA, the chairman of our Subcommittee on Aviation, Mr. SHUSTER, the ranking Republican member of our Subcommittee on Surface Transportation, and Mr. GINGRICH, the ranking Republican member of the Aviation Subcommittee, for their outstanding efforts in drafting this legislation. I know that they join with me and our Senate counterparts in feeling proud that these efforts will result in improved public health and safety in our Nation, and I urge my colleagues to support the bill.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. GUARINI].

Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I take this time to congratulate not only the chairman of the select committee, but to the many people here who have worked together so long to bring all of this before us. I want to say that our Committee on Appropriations was glad to comply with the request of the Speaker to include a supplemental as title V of this bill and in that way, to cooperate in this effort. I take this time to just let the Members know what we have done as a Congress.

Mr. Speaker, in fiscal year 1986, 1987, and 1988 we provided a total of $9½ billion to meet what perhaps is the greatest danger to happen to this country. Not only that, but the first $1.6 bilion dollars that we appropriated as a supplemental in fiscal year 1987, we did before we had an authorization and in the process made it authorized. At that time we called on the President to use $100,000 of available funds to come up with a plan.

Mr. Speaker, I say again that we owe a lot to all the people that got together to bring this about, but it does point out that we have to have a plan of procedure because 41 different Government agencies are in on the money that we have appropriated, and it took a great effort on the part of those who authorize those programs to get together on this bill.

Again I want to thank our Committee on Appropriations and say that we are glad to cooperate, Mr. Speaker.

Mr. Speaker, in fiscal years 1986, 1987, and 1988, a total of $9.5 billion was provided by the Committee and the Congress to fight the war on drugs.

On October 1, $4,271,000,000 was made available to continue fighting the war on drugs. On July 26, the Committee reported a supplemental that included $2.6 billion to enhance and speed up the war on illegal drugs. Although time ran out on that, it did set the stage for the $2.6 billion authorized in this bill for which we provide additional appropriations of $961,400,000 (with $479,819,000 in outlays) in accordance with the recommendations of the legislative committees involved in this drug bill.

This is divided evenly between supply reduction and demand reduction.

Mr. Speaker, recently we have been seeing headlines in newspapers concerning the U.S. drug abuse problem, as follows:

"Police Officer Shot to Death in Drug Raid," (in Forestville, Maryland), The Associated Press, September 1, 1988.

"Children Tangled in Drug Net, Ingestion Cases Found Among D.C. Young," The Washington Post, September 26, 1988.

"D.C Homicides Are One Short of 1987 Total; Turner Sees No End To Drug Slaying," The Washington Post, September 7, 1988.

"D.C Drug Deaths Surge," The Washington Post, September 19, 1988.

"Basque Gunmen Kill Alleged Drug Dealer," Los Angeles Times, September 18, 1988.

"Big Drug Stash in House Where Four Killed," (in New York), The United Press International, September 17, 1988.

"Mexican Ex-Officer Guilty in Murder of DEA Agent," The Washington Post, September 23, 1988.

"Slain in Drug War," The Washington Post, September 12, 1988.

"L.A. Gang Member's Arrest Concerns Police, Extension of Drug Network in East Seen," The Washington Post, September 27, 1988.

Mr. Speaker, anyone who reads newspapers and watches television knows we have a drug problem of crisis proportions. Your Committee on Appropriations and the Congress have provided a total of $9.5 billion in fiscal years 1986, 1987, and 1988. On October 1, 1988, an additional $4,271,000,000 became available and this bill provides additional appropriations of $961,400,000 and $479,819,000 in outlays. But, Mr. Speaker, money alone will not solve the drug crisis. This bill also provides what has been missing before—the establishment of a cabinet rank official with authority to cut across departmental and agency jurisdictions; with authority to develop and implement a plan to direct these resources in a comprehensive manner to combat this crisis.

Every section of our country is faced with a significant threat from illegal drug use. Anyone who reads the newspapers sees reports of violence and other problems associated with the growing drug problem and begins to understand its significance. We see these problems everywhere, everyday, not only in our cities but also in our towns and rural areas throughout this country. The problem affects all age groups, but our attention is drawn most often to the impact on the youth of America—this Nation's future. Some say the problem is so severe that we are in danger of losing an entire generation. We must not let this happen.

As bad as that is, the drug problem is made even worse because of the relationship between drug abuse and the spread of AIDS. By dealing effectively with the problem of drug abuse, we can also reduce the spread of AIDS.

SERIOUSNESS OF THE PROBLEM

The Committee on Appropriations is extremely concerned about the horrendous situation facing this Nation because of illegal drugs. Because of the urgent need for an immediate coordinated Federal effort to combat the war on drugs, the committee directed its surveys and investigations staff to conduct an investigation which would draw together the various facts regarding the drug problem in America. That investigation has been completed and a report prepared that describes how efforts taken thus far, as well intended and as aggressive as they have been, have not solved the problem.

NEED FOR CHANGE

The committee recognizes that numerous organizations are devoting financial resources to the problem and that hardworking people are involved in excellent efforts to combat the problem. But the surveys and investigations staff report clearly shows that simply not enough has been done in a coordinated, effective manner.

Federal funding for the war on drugs has consistently favored efforts designed to reduce the supply of drugs in America. Law enforcement agencies are quick to cite increases in the numbers of drug crops destroyed, investigations conducted, arrests made, convictions obtained, as well as narcotics and assets seized. But the fact remains that the supply of illegal drugs in the United States has not changed and those drugs will continue to be available until (1) the Nation's resources are mobilized in a coherent fashion to address the problem, (2) suppliers see a real risk of doing business in the United States, and (3) we reduce the demand for drugs in this country.

NEED FOR COORDINATED PLAN

The problem is not simply lack of money or organizations dealing with the problem. Increased funding has been appropriated to 41 Federal departments and agencies and their respective components since fiscal year 1980 when just under $1 billion was available. In fiscal years 1986, 1987, and 1988, the committee and Congress provided a total of over $9.5 billion in funding Governmentwide to address the drug problem.

But this is war, and to fight a war effectively, we must have an overall plan which includes organizing the available programs and resources to meet an overall goal. The departments and agencies responsible for those multiple programs have done as well as they can, but the overlapping Federal, State, and local jurisdictions need to effectively coordinate activities to reduce the supply of, and the demand for, drugs in this country.

With input from the various departments and agencies, the National Drug Policy Board has developed nine strategy implementation plans in an effort to coordinate Federal drug efforts. However, the activities detailed in the Board's nine implementation plans essentially do not: (1) identify the financial or personnel resources to carry out the plans; (2) set priorities for the activities in terms of significance or importance so that available resources can be better allocated among various activities; or (3) establish timeframes for accomplishments of the plans.

Without such a plan, we can't know how best to spend our limited resources and interrelate the multiple programs and activities that must work in tandem to solve the problem.

NEED FOR A COORDINATOR WITH AUTHORITY

An overall coordinator is necessary to deal with this national emergency. The investigative staff report describes how there is no single person or organization to insure that a coherent, coordinated Federal plan is developed and carried out. The National Drug Policy Board has developed its nine implementation plans, but it does not have the authority to cut across jurisdictional lines to ensure that these, or any other, plans are carried out.

As an example of the problem, the September 16th Washington Post reported continued jurisdictional problems and bickering between the Customs Service, the DEA, and other agencies involved in the war on drugs. There presently is no central authority with the ability to stop this infighting. Even the Appropriations Committee, the only House committee that has annual responsibility for and jurisdiction in funding for the Federal Drug Program, lacks complete visibility over the total Federal program. Our oversight is hampered because drug funding is not always identified in annual budget requests; drug program activities are often collateral to agencies' missions. As a result, drug program funding is often only an estimate, based on cost allocations developed through less than precise methods.

Without an overall plan and coordinator to make sure the plan is carried out, we have no guarantee that all the programs that can contribute to an agreed upon national drug policy are in place and working together to best satisfy that policy goal. For example, increases in law enforcement funding for the FBI, DEA, and the Customs Service have resulted in greater numbers of cases for prosecution. Yet, we have shortages of U.S. attorneys to prosecute those cases and significant shortages of prison space to house those convicted. As a short-term fix, we see the recent proposal to fine those guilty of possession without criminal prosecution.

This amendment provides $3,500,000 to fully fund the Office of National Drug Control Policy. The purpose of this office and its Cabinet level director is to: First, establish policies, objectives, and priorities for the National Drug Control Program; second, annually promulgate a strategy for the National Drug Control Program; third, coordinate and oversee the implementation by National Drug Control Program agencies of the policies, objectives, and priorities established under the strategy; fourth, make such recommendations to the President as the Director determines are appropriate to implement the policies, priorities, and objectives; and fifth, consult with and assist State and local governments respecting their relations with the National Drug Control Program agencies.

NEED FOR A RISK TO BE SEEN BY DRUG SUPPLIERS

Without adequate resources to prosecute drug suppliers and to imprison those that could be convicted, the suppliers are likely to view arrests and fines as minor inconveniences and a reasonable cost of doing business. We have to ensure that drug trafficking is not a profitable enterprise in the United States as it is in certain Latin American countries such as Peru where 30 percent of its foreign exchange, or $700 million each year, is attributed to drug trafficking. To do this, among other things, we must take firm and aggressive steps to seize the assets, particularly the massive amounts of laundered cash that these drug lords have accumulated through their illegal activities. Moreover, we have to provide a deterrent to those suppliers doing business in this country by making sure we can carry out the complete law enforcement process.

NEED TO REDUCE THE DEMAND FOR DRUGS

Fining persons found guilty of possession could act as a deterrent for users or drugs in the United States. Similar restrictions such as denial of drivers licenses, employment, and Federal loans could also be effective deterrents. Drug testing has proved very effective in DOD. In a 1980 survey, 27 percent of the military respondents indicated that they had used drugs within the last month. But only 1.8 percent tested positive for drug use in fiscal year 1987. As we effectively reduce the demand for drugs in this country, we also eliminate the market.

It is vital that we deter Americans from ever using drugs in the first place through education and other prevention efforts. But we must also find some way to remove drug abusers and addicts from their present environment for their own rehabilitation and for the protection of all our citizens. Yet three out of four abusers and addicts who seek treatment face waiting lists of 4 to 8 weeks. Attempts to increase the number of publicly funded treatment programs face obstacles such as uncertainty over Federal funding levels, lack of staff, zoning restrictions, and strong community resistance.

It is time for a change in our approach to the drug problem. What we have been doing has not reduced the supply of, or demand for, illegal drugs in this country. The committee, as it has in the past, is prepared to take the steps necessary to implement any appropriate changes.

ALLOCATION OF FUNDS IN TITLE 8

Mr. Speaker, at this point, I want to take the time to spell out, agency by agency and account by account, the funds provided in this title and the purposes for which they are provided. This is to have the same effect as a committee report or a statement of the managers.

TITLE X

This title was approved by the Committee on Appropriations on October 20, 1988, to add to the existing funding of $4.3 billion appropriated in the 13 regular appropriations measures signed into law by the beginning of the 1989 fiscal year on October 1, 1988.

This title provides funding of $961,400,000 in budget authority and $479,819,000 in outlays to fund the various authorizations included in this measure. Specifically, this title provides funding as follows:

CHAPTER I—DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

GENERAL LEGAL ACTIVITIES

The amendment provides an appropriation of $1,800,000 over fiscal year 1989 appropriation to date of $242,994,000 for general legal activities.

The amendment provides $800,000 to INTERPOL—U.S. National Central Bureau to improve drug-related intelligence operations by increasing full-time permanent personnel levels by 23 positions for the purpose of maintaining 24-hour operations, and upgrading telecommunications equipment.

The amendment also provides $1,000,000 for salaries and expenses of field attorneys and related support staff attached to the Criminal Division's Organized Crime and Racketeering Strike Force Offices. This funding is to be used for asset forfeiture litigation and related civil enforcement actions. The additional funds will be used to increase the number of field attorneys and related support staff over levels on board as of September 30, 1988.

U.S. ATTORNEYS

The amendment provides an appropriation of $39,000,000 over fiscal year 1989 appropriations to date of $391,212,000 for the activities of U.S. attorneys. Of the additional $39,000,000 provided, $22,000,000 is earmarked in the bill for asset seizure and forfeiture activities which are expected to generate an additional $84,000,000 in receipts in the assets forfeiture fund.

The total amount provided shall be used to expand narcotics and other Federal law enforcement activities by increasing the number of assistant U.S. attorneys by 300 over the personnel level employed as of September 30, 1988, as well as related support staff.

ASSETS FORFEITURE FUND

The amendment provides for a transfer of $30,000,000 from the assets forfeiture fund to "Salaries and expenses, United States Attorneys". This amount is available for transfer from the fund due to an estimated increase of $84,000,000 in new receipts to be derived as a result of additional U.S. attorney asset forfeiture litigation and related civil enforcement actions. The $30,000,000 is transferred to the U.S. attorneys to further expand narcotics and other Federal law enforcement activities.

U.S. MARSHALS SERVICE

The amendment provides an appropriation of $16,400,000 over fiscal year 1989 appropriations to date of $190,000,000 for the U.S. Marshals Service. The amounts provided include additional funds for: asset seizure and forfeiture activities; criminal justice support activities, including prisoner protection and transportation; protection of the Federal judiciary and court facilities resulting from increased drug-related trials; and increased workloads of the Marshals Service Witness Security Program.

SUPPORT OF U.S. PRISONERS

The amendment provides an appropriation of $16,400,000 over fiscal year 1989 appropriations to date of $93,700,000 for Support of U.S. Prisons. The funds provided include an amount not to exceed $4,100,000 to be available under the Cooperative Agreement Program for the purpose of renovating, constructing, and equipping State and local correctional facilities. The remaining resources made available herein shall be used to cover the costs of care and housing of Federal prisoners in contract detention facilities.

FEDERAL BUREAU OF INVESTIGATION

The amendment provides an appropriation of $15,000,000 over fiscal year 1989 appropriations to date of $1,424,000 for the FBI. The funds provided include resources for the FBI's National Drug Strategy including special agent support positions, equipment, and for contract linguists for various translation purposes. In addition, funds are provided to initiate an artificial intelligence system which will provide law enforcement officials a much-needed enhancememt in their Organized Crime Drug Enforcement activities.

DRUG ENFORCEMENT ADMINISTRATION

The amendment provides an appropriation of $30,000,000 over fiscal year 1989 appropriations to date of $505,000,000 for the DEA. The amendment provides funds to increase DEA operations against criminals involved in youth gang-related crime, for additional anaylsts and equipment to enhance the El Paso Intelligence Center [EPIC], for special agent foreign language training, for support for the United States-Bahamas Drug Interdiction Task Force, and for items such as asset removal teams, laboratory equipment and support personnel, aircraft, pilots and airwing equipment and support personnel, additional equipment and support personnel for EPIC, radio technicians, office automation equipment, personnel for asset forefeiture processing, and other drug-related activities.

The amendment provides $2,500,000 for the establishment of a joint DEA-EPA task force to develop and publish guidelines for cleanup of clandestine drug laboratories, and for the disposal of the toxic contents thereof. This program is authorized in the Omnibus Anti-Substance Abuse Act of 1988.

IMMIGRATION AND NATURALIZATION SERVICE

The amendment provides an appropriation of $26,200,000 over fiscal year 1989 appropriations to date of $800,000,000 for the INS. The amendment provides funds to increase the number of inspectors and related equipment, to increase the commitment of INS personnel to the Organized Crime Drug Enforcement Task Forces [OCDETF], and for special agent foreign language training.

The amendment provides $16,400,000 for the Border Patrol for additional agents and support personnel, and procurement of drug interdiction-related equipment.

The amendment also provides $7,000,000 for the first year costs of development and implementation of a machine-readable visa security program in conjunction with the State Department as authorized by the Omnibus Anti-Substance Abuse Act of 1988. This program, when fully implemented, should significantly enhance Federal drug law enforcement against international drug smuggling into the United States and other Federal law enforcement efforts. These funds would be used for system design, software development and support, standard ADPE and nonstandard hardware, pilot projects, analysis and evaluation, training, travel, supplies, site preparation, and installation at border crossings into the United States.

FEDERAL PRISON SYSTEM

The amendment provides an appropriation of $95,600,000 over fiscal year 1989 appropriations to date of $203,693,000 for Federal prison buildings and facilities. The amendment provides funds for renovations and new construction projects necessary to expand prison capacity to handle the increased number of drug offenders.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

The amendment provides an appropriation of $90,000,000 over fiscal year 1989 appropriations to date of $229,075,000 for Justice Assistance programs.

The amendment provides $80,000,000 for the Drug Control and System Improvement Grant Program to assist States and units of local governments in carrying out specific programs which offer a high probability of improving the functioning of the criminal justice system, with special emphasis on a nationwide and multilevel drug control strategy by developing programs and projects to assist multijurisdictional and multi-State organizations in the drug control problem and to support national drug control priorities.

The amendment provides up to $10,000,000 for the Public Safety Officers Benefits Program to fund the increased level of death benefits payable to the families of public safety officers who have died in the line of duty.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

The amendment provides an appropriation of $5,000,000 for the Department of State for the first year costs of development and implementation of a machine-readable visa security program authorized by the Omnibus Anti-Substance Abuse Act of 1988. This program, when fully implemented, should significantly enhance Federal drug law enforcement against international drug smuggling into the United States and other Federal law enforcement efforts. These funds would be used for system design, software development and support, standard ADPE and nonstandard hardware, pilot projects, analysis and evaluation, training, travel, supplies, site preparation, and installation at several major U.S. missions abroad.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

The amendment provides authority to use funds previously appropriated in Public Law 99-88 for rewards for information concerning terrorist acts, for the additional purpose of paying rewards for information concerning certain narcotics-related offenses. The Department of State has notified the Committee on Appropriations that funds for rewards for information on narcotics-related offenses are needed at the present time. None of the funds appropriated in Public Law 99-88 for rewards for information for terrorism offenses has been obligated to date.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

The amendment provides an appropriation of $35,000,000 over fiscal year 1989 appropriations to date of $1,135,000,000. The amendment provides funds for additional deputy clerk positions and additional probation and pretrial services personnel for the judiciary's drug-related caseload, resources for the installation of drug-testing equipment, and for increased drug aftercare treatment services.

DEFENDER SERVICES

The amendment provides an appropriation of $15,000,000 over fiscal year 1989 appropriations to date of $95,100,000. The amendment provides for the increased costs associated with Federal public defender and community defender organizations, as well as private attorneys appointed pursuant to the Criminal Justice Act of 1964, as amended. Funds also have been included to provide for the establishment of five additional death penalty habeas corpus resource centers in the States of California, Florida, Kentucky, North Carolina, and Oklahoma.

FEES OF JURORS AND COMMISSIONERS

The amendment provides an appropriation of $1,000,000 over fiscal year 1989 appropriations to date of $43,135,000. The amendment provides funds to accommodate the grand and petit juror workload resulting from increased drug enforcement activities.

CHAPTER II

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED AGENCIES

The agreement includes new appropriations of $428,000,000 for programs and activities under the jurisdiction of the Subcommittee on the Departments of Labor, Health and Human Services and Education, and Related Agencies. The allocation of these funds is as follows:

Department of Labor:	
Employee assistance programs	$2,000,000
Department of Health and Human Services:	
Addiction treatment grants (categorical funding to reduce waiting times and treatment backlog)	75,000,000
Expanded Alcohol, Drug Abuse and Mental Health Block Grant (new funding to be targeted to substance abuse)	125,000,000
Office of Substance Abuse Prevention (regular grants)	15,000,000
Community Prevention Grants	15,000,000
Drug Abuse Treatment Demonstration	10,000,000
Drug Abuse research, evaluations and data collection	30,000,000
(Development of new pharmacologic agents)	(10,000,000)
Substance abuse training of health personnel	3,000,000
Alcoholism and alcohol abuse research	10,000,000
Subtotal, Alcohol, Drug Abuse and Mental Health	283,000,000
National Youth Sports Programs	3,000,000
Runaway youth activities	15,000,000
Youth gang substance abuse prevention initiative	15,000,000
Total, Department of Health and Human Services	316,000,000
Department of Education:	
Drug Free Schools Grants	101,000,000
(Set aside for Federal administration)	(500,000)
(Set aside for development of early childhood education materials)	(1,000,000)
Teacher training in substance abuse prevention	7,000,000
Subtotal, Education	108,000,000
Action	2,000,000
Total, Chapter II	428,000,000

In some cases, these amounts are to expand existing programs and in other cases they are to be used to initiate brand new activities. In either case, it is the intention that all funds be spent under the terms and conditions of the authorization sections of this act.

CHAPTER III—DEPARTMENT OF AGRICULTURE—FOOD AND NUTRITION SERVICE

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN [WIC]

The agreement recommends that up to $10,000,000 from within funds available to the Special Supplemental Food Program for Women, Infants and Children [WIC] be used for drug abuse education for WIC participants. These funds may be used to study appropriate methods to carry out a drug abuse education program and to prepare and distribute drug abuse education material.

DEPARTMENT OF HEALTH AND HUMAN SERVICES—FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

The agreement includes $5,000,000 for the Food and Drug Administration to assure the safety and effectiveness of approved drugs and enforcement activities related to detection and prevention of drug abuse. Activities include, but are not limited to, inspection and approval of methadone clinics and other drug abuse problems.

CHAPTER IV—DEPARTMENT OF TRANSPORTATION, COAST GUARD

The bill contains $116,000,000 in additional funds to expand Coast Guard drug interdiction activities. This includes $16,000,000 for "Operating expenses" and $100,000,000 for "Acquisition, construction, and improvements." The bill stipulates that the funds made available for operating expenses shall be used only to increase drug interdiction patrols and related activities above the level already programmed for fiscal year 1989 with funds previously appropriated.

The additional funds appropriated for acquisition, construction, and improvements are to be distributed as follows:

Medium range recovery helicopters	$52,000,000
APS-125/APS-138 radar installation	17,000,000
Cutter renovation and modernization	31,000,000

CHAPTER V—DEPARTMENT OF THE TREASURY

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

This amendment provides $7,000,000 in additional funding for the Bureau of Alcohol, Tobacco and Firearms to be used to reduce the criminal use of firearms and to assist other Federal, State, and local law enforcement agencies in reducing crime and violence by effective law enforcement of the Federal firearms laws. The increased use of sophisticated and illegal firearms in drug trafficking is both well known and well documented and has resulted in a significant increase in danger to both the law enforcement community and the public at large.

The Bureau is directed to use these additional resources in the enforcement of firearms laws and to the extent possible to specifically target these resources to those dangerous criminals who are using weapons in illegal drug trafficking. The Bureau is directed to report to the Committees on Appropriations of the House and Senate on the use of these funds.

U.S. CUSTOMS SERVICE

This amendment provides $15,500,000—$8,500,000 for salaries and expenses and $7,000,000 for equipment for the Air Interdiction Program—in additional funding for the Customs Service to be used to combat the illegal importation of drugs into this country. The Customs Service is the first line of defense against the smuggling of illegal narcotics into the United States. The funds are to be used in a coordinated and concentrated effort to interdict illegal narcotics at the borders and to prevent their entry into the country.

The Customs Service is directed to report to the Committees on Appropriations of the House and Senate on specifically what actions have been taken with regard to this appropriation.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF NATIONAL DRUG CONTROL POLICY

This amendment provides $3,500,000 to fully fund the Office of National Drug Control Policy. The purpose of this office and its cabinet level director is to—

(1) establish policies, objectives, and priorities for the National Drug Control Program;

(2) annually promulgate a strategy for the National Drug Control Program;

(3) coordinate and oversea the implementation by National Drug Control Program agencies of the policies, objectives, and priorities established under the strategy;

(4) make such recommendations to the President as the Director determines are appropriate to implement the policies, priorities, and objectives; and

(5) consult with and assist State and local governments respecting their relations with the National Drug Control Program agencies.

1989 DRUG SUPPLEMENTAL

	Budget Authority			Outlays		
	1989 Request	1989 Enacted	Drug Supp	1989 Request	1989 Enacted	Drug Supp
CHAPTER I						
DEPARTMENT OF JUSTICE						
Legal Activities						
Salaries and expenses, general legal activities	270,186,000	242,994,000	1,800,000	235,062,000	211,405,000	1,566,000
Salaries and expenses, United States Attorneys	424,418,000	391,212,000	39,000,000	373,445,000	344,227,000	34,320,000
Salaries and expenses, United States Marshals Service	207,582,000	190,000,000	16,400,000	186,824,000	171,000,000	14,760,000
Support of United States prisoners	118,265,000	93,700,000	16,400,000	70,959,000	56,220,000	9,840,000
Total, legal activities	1,020,451,000	917,906,000	73,600,000	866,290,000	782,852,000	60,486,000
Federal Bureau of Investigation						
Salaries and expenses	1,503,307,000	1,409,000,000	15,000,000	1,202,646,000	1,127,200,000	12,000,000
INF Activities	15,100,000	15,100,000	---	12,986,000	12,986,000	---
Total, Federal Bureau of Investigation	1,518,407,000	1,424,100,000	15,000,000	1,215,632,000	1,140,186,000	12,000,000
Drug Enforcement Administration						
Salaries and expenses	538,072,000	505,000,000	30,000,000	403,554,000	378,750,000	22,500,000
Immigration and Naturalization Service						
Salaries and expenses	859,276,000	800,000,000	26,200,000	687,335,000	639,920,000	20,960,000
Federal Prison System						
Buildings and facilities	525,213,000	203,693,000	95,600,000	52,521,000	20,369,000	9,560,000
Office of Justice Programs						
Justice Assistance	78,017,000	229,075,000	90,000,000	28,866,000	84,757,000	33,300,000
Total, Department of Justice	4,539,436,000	4,079,774,000	330,400,000	3,254,198,000	3,046,834,000	158,806,000
THE JUDICIARY						
Courts of Appeals, District Courts, and Other Judicial Services						
Salaries and expenses:						
Salaries of judges	99,736,000	105,235,000	---	99,736,000	105,235,000	---
Other salaries and expenses	1,285,777,000	1,029,765,000	35,000,000	1,187,929,000	951,400,000	32,340,000
Total, salaries and expenses	1,385,513,000	1,135,000,000	35,000,000	1,287,665,000	1,056,635,000	32,340,000
Defender services	137,815,000	95,100,000	15,000,000	82,689,000	57,060,000	9,000,000
Fees of jurors and commissioners	46,500,000	43,135,000	1,000,000	43,240,000	40,116,000	930,000
Total, the Judiciary	1,569,828,000	1,273,235,000	51,000,000	1,413,594,000	1,153,811,000	42,270,000
DEPARTMENT OF STATE						
Administration of Foreign Affairs						
Salaries and expenses	1,799,250,000	1,784,250,000	5,000,000	687,335,000	639,920,000	3,950,000
Total, Chapter I: New budget (obligational) authority	7,908,514,000	7,137,259,000	386,400,000	5,355,127,000	4,840,565,000	205,026,000

CHAPTER II						
DEPARTMENT OF LABOR						
Departmental Management						
Employment assistance programs	---	---	2,000,000	---	---	1,200,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Alcohol, Drug Abuse, and Mental Health Administration						
Alcohol, drug abuse, and mental health	501,594,000	528,243,000	283,000,000	404,356,000	427,504,000	197,000,000
Family Support Services						
Community services block grant	310,000,000	358,680,000	3,000,000	213,280,000	246,746,000	2,550,000
Human Development Services						
Human Development Services	2,425,992,000	2,512,047,000	30,000,000	1,400,414,000	1,444,090,000	10,000,000
Total, Department of Health and Human Services	3,237,586,000	3,398,970,000	318,000,000	2,018,050,000	2,118,340,000	210,750,000
DEPARTMENT OF EDUCATION						
Office of Elementary and Secondary Education						
School Improvement Programs	1,126,835,000	1,109,599,000	108,000,000	136,174,000	133,153,000	13,482,000
RELATED AGENCIES						
ACTION	165,991,000	168,420,000	2,000,000	100,923,000	102,294,000	1,200,000
Total, Chapter II: New budget (obligational) authority	4,530,412,000	4,676,989,000	428,000,000	2,255,147,000	2,353,787,000	225,432,000
CHAPTER III						
RURAL DEVELOPMENT, AGRICULTURE, AND RELATED AGENCIES						
RELATED AGENCIES						
Food and Drug Administration: Drug approval and enforcement	---	---	5,000,000	---	---	4,350,000
CHAPTER IV						
DEPARTMENT OF TRANSPORTATION						
Coast Guard						
Operating expenses	2,100,506,000	1,896,116,000	16,000,000	1,789,930,000	1,616,199,000	13,600,000
Acquisition, construction, and improvements	348,000,000	295,000,000	100,000,000	38,280,000	32,450,000	10,900,000
Total, Chapter IV: New budget (obligational) authority	2,448,506,000	2,191,116,000	116,000,000	1,828,210,000	1,648,649,000	24,500,000

CHAPTER V						
DEPARTMENT OF THE TREASURY						
Bureau of Alcohol, Tobacco and Firearms	218,503,000	234,000,000	7,000,000	196,653,000	210,600,000	6,300,000
United States Customs Service:						
Salaries and expenses	966,903,000	1,025,411,000	8,500,000	821,868,000	871,599,000	7,225,000
Operations and maintenance, air interdiction program	142,262,000	142,262,000	7,000,000	78,244,000	78,244,000	3,850,000
Total, United States Customs Service	1,109,165,000	1,167,673,000	15,500,000	900,112,000	949,843,000	11,075,000
Total, Department of Treasury	1,327,668,000	1,401,673,000	22,500,000	1,096,765,000	1,160,443,000	17,375,000
EXECUTIVE OFFICE OF THE PRESIDENT						
Office of National Drug Control Policy	---	---	3,500,000	---	---	3,136,000
Total, Chapter V: New budget (obligational) authority	1,327,668,000	1,401,673,000	26,000,000	1,096,765,000	1,160,443,000	20,511,000
Grand Total, Chapter I, II, III, IV, and V: New budget (obligational) authority	16,215,100,000	15,407,037,000	961,400,000	10,535,249,000	10,003,444,000	479,819,000

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, I would like to congratulate the gentleman from New York [Mr. RANGEL] who has done a phenomenal job on this bill. I also congratulate the gentleman from New Jersey [Mr. HUGHES] who did yeoman's work for many years on this, but, Mr. Speaker, I would like to thank somebody who shepherded this bill from the beginning, who made sure that it was capable of being conferenced in an unusual way with the body on the other side, an unusual body, and that is the gentleman from Washington [Mr. FOLEY], the majority leader, without whose help, I might add, this bill would not be a reality tonight.

Mr. Speaker, I also commend the Republicans who worked so hard, and I compliment our Speaker for his imprimatur.

Mr. RANGEL. Mr. Speaker, I have no further requests for time on our side, and I thank our Speaker, and the minority leader, as well as our majority leader, and all of the chairmen.

□ 0045

Mr. Speaker, we saw a very unusual legislative procedure for this Omnibus bill, and fortunately, the gentleman from Washington [Mr. FOLEY] and the gentleman from Illinois [Mr. MICHEL] were up to it and had the cooperation of the expertise of the chairman and the subcommittee chairman working not as Democrats and Republicans, but as people who wanted to go home and tell the American people that we were aware of the crisis and we were prepared to do something about it.

As has been pointed out by the distinguished chairman of the Appropriations Committee, we have merely set out a legislative plan and it is up to us to come back next year and actually do the work to implement it and make certain that it works, but the leadership deserves all of the credit by finding this way to present the bill to the House and to the American people.

Mr. MICHEL. Mr. Speaker, I know the hour is late. Nobody is going to be able to catch their plane yet tonight. We are all going to have to be there in the morning.

The reasons I say so, we have come to the conclusion of one of the most significant pieces of legislation that we have adopted in this Congress. It has been a rather Herculean effort.

The Speaker just gave us a charge earlier on to work in a bipartisan way, led by the distinguished majority leader helping to put the committee together on your side and it is my role and responsibility on this side.

It has been an outstanding chore. The majority leader gave credit to those staff people who have worked so hard, and rightly so. Maybe it is the prejudice of the distinguished majority leader and the minority leader who once served as staff people around here to have that extraordinary respect for those who are our backup around here and who really make us what we are on many occasions. So I want to doff my hat, too, to all those who worked so tirelessly on this piece of legislation.

I think we would look good as an institution if when we conclude here tonight to give attention to those who have made a considerable contribution to this piece of legislation, to at least give them the courtesy of a few moments of expressing the thoughts that are on their minds with respect to what we have accomplished.

Mr. Speaker, at this juncture I yield 4 minutes to the distinguished gentleman from Florida [Mr. MCCOLLUM] who did an outstanding job in the field of the Judiciary on so many of the issues that were so contentious, several of which probably would not have been done, we probably could not have resolved, with the amicable kind of resolution that we are having here tonight without some contentious rollcall vote or two.

I want to pay my personal respects to the gentleman from Florida for the manner in which he has acquitted himself. We certainly owe him a debt of gratitude, and I am happy to yield 4 minutes to the gentleman from Florida.

Mr. McCOLLUM. Mr. Speaker, I will not take the 4 minutes, but I am very much interested in saying a couple words about this bill that we put our hearts and souls into for a long time, and a lot of people in this room have tonight. I think it is important for us to remember all the staff that has been mentioned. I, like the gentleman from New Jersey a few minutes ago, are especially proud of the staff of the Subcommittee on Crime; but beyond thanking staff members, I want to thank Members generally.

I cannot remember in my time here in these 8 years a bill that has had more input from more different human being Members of this body than this one has. This is a fine product because of that; but no one bill, no one piece of legislation is going to win the war on drugs, not this bill, not the one we passed in 1986, and probably not some other legislation we have have to pass a couple years from now.

In fact is that we have to have a community effort, the American people, the Congress, the law enforcement people, everyone. That is why this bill is so comprehensive. It addresses eradication. It addresses interdiction. It addresses local and Federal law enforcement. It addresses the supply and the demand side. It addresses education. It addresses rehabilitation and, yes, it addresses user accountability. I would like to say that I am especially proud of those Members who worked so hard to make this concept of deterrence in the area of user accountability to exist, to be real, and to live in this legislation.

It is not perfect. We will probably have to come back and refine it, but we are sending a message in this bill for this first time to those who would be users and those who are users, that if they chose to go this path, yes, they can get rehabilitation; no, they should not do it, but if they chose to go anyway, there will be a price to pay that will be higher than they want to pay. There are civil fines in this legislation.

There is a provision to remove eligibility for certain Federal benefits if they cross that threshold, not the one I particularly would prefer, but the compromise decision that was made can be affected and we now for the first time have that deterrence.

Now, there is something else in this bill. There are quite a number of other things. I am going to be very brief. I want to mention some other things, though. I think it is very important that we know what is in this legislation.

No. 1 on the list is the question of the issue of what we do with regard to identifying felons who are about to purchase handguns. This legislation has the immediate and accurate identification system requirement, requiring the Attorney General to develop and begin implementation of that system, a very good provision.

It also has in it an enormously productive and new bill on child pornography and obscenity. A lot of work went into that.

My hat is particularly off to the gentleman from New Jersey [Mr. HUGHES] for all the extra effort that went into reaching a compromise on that in the last 24 hours.

This is a comprehensive bill with a lot of other features, but it misses the exclusionary rule we talked about earlier. It does not have that in there. It ought to have that in there.

There are many things that need to be put in that a lot of people did not get in, but it is one of the finest products that has ever been produced by this body or the other body ever, and I am proud of it.

I am not going to say any more about it, except to say thank you, let us pass it and let us get on with winning the war against drugs.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Mr. Speaker, I rise in support of H.R. 5210, the Omnibus Drug Initiative Act of 1988. The jurisdiction of this bill spans almost every committee, and it represents yet another bipartisan achievement of the 100th Congress on an issue the American public has identified as being of primary importance to them. I think we can be proud of our accomplishment.

The part of the bill in the jurisdiction of the Ways and Means Committee focuses primarily on the authorization of appropriations for the Customs Service, especially to significantly expand the resources of customs for drug interdiction and enforcement. This will better enable our frontline agency to successfully meet the challenge of the infiltration of drugs at our borders.

However, there is another provision in this bill that is especially important to me and to the Port of Houston. This provision would direct the Secretary of Treasury to establish procedures that would insure uniformity of Customs classification and inspection decisions at all ports. These new procedures must also allow importers and port authorities to petition for review of any inconsistent decisions and for Customs to resolve the inconsistency.

This provision is important to ports because it reduces, and hopefully soon will eliminate, the practice of port shopping by importers who find that tariff levels on the same or similar merchandise are different at different ports. Some ports therefore lose business to other ports as importers shop for the best tariff and inspection treatment. Customs must do a better job of insuring uniformity at all ports and of resolving individual problems of inconsistent rulings on a timely basis.

Mr. Speaker, I believe that H.R. 5210 provides a strong and effective response by Congress to the scourge of drug use and abuse in this country. I urge my colleagues to wholeheartedly support this legislation.

Mr. Speaker, included in the drug bill is a provision requiring the Secretary of Treasury—Customs—to draft and implement regulations intended to provide greater uniformity of decisions between ports. It is expected that such regulations would allow interested parties, including port authorities, to petition the Secretary of Treasury to obtain such uniformity in an expedited and timely fashion. The proponents of this legislation intend that, absent some unforeseen circumstances or truly complex petition, Customs should be able to implement regulations which provide that these petitions be decided within a reasonably short time, such as 45 days. It also should be possible to fashion a mechanism that ensures that the time deadline for achieving uniformity is strictly observed by Congress.

Mr. GUARINI. Mr. Speaker, if the gentleman will yield, the statement of the gentleman from Texas [Mr. Archer] is correct. This provision gives Customs the opportunity to resolve the uniformity problem administratively. However, the Ways and Means Finance Committees will be watching the implementation process closely to ensure, among other things, that the new petition process be completed in an expedited and timely fashion. I agree that about 45 days appears to be a reasonable time period.

Mr. ARCHER. The provision also provides that Customs shall report to the Committees on Finance and Ways and Means by September 1, 1989 regarding the effectiveness of the proposed regulations. It is our hope that both committees would hold hearings on the uniformity issue and the proposed regulations, as well as other Customs' procedural reform issues, to determine whether further legislation is necessary to ensure uniformity at all ports. If the regulations are not adequate, would the committee be willing to consider legislation to address the uniformity problem?

Mr. GUARINI. Mr. Speaker, if the gentleman will yield further, yes, it is our intent to hold hearings to look at the uniformity problem and the proposed Customs regulations as soon as possible next year to determine whether additional legislative or administrative action may be required to ensure that uniformity of Customs' activity at all ports is achieved. If further legislation is required, the committee will certainly proceed expeditiously.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the distinguished ranking member of the Judiciary Committee, the gentleman from New York [Mr. Fish].

Mr. FISH. Mr. Speaker, I rise just to say, as the gentleman from New Jersey [Mr. Hughes] has said, 85 percent of the contentious issues were referred to our committee. I could not be more proud of Members on both sides of the aisle of our committee for the way they have handled and brought this bill to the floor tonight.

Mr. Speaker, I rise in support of H.R. 5210 not only for its many positive features in respect to combating America's drug problem but also for its treatment of the victims of our Nation's crime.

Concern for America's crime vicitms has been a consistent priority of mine, dating from long before the enactment of the Victims of Crime Act of 1984 and the Victim Witness Protection Act of 1982—both of which I sought and actively supported.

Among its provisions, H.R. 5210 reauthorizes the Victims of Crime Act of 1984, the funding mechanism of which had expired on October 1 of this year.

Beyond merely renewing the funding for this worthy program, H.R. 5210 makes significant improvements to the act which will redound to the benefit not only of crime victims but also society at large.

First, H.R. 5210 reauthorizes the act for 6 years. Second, H.R. 5210 will raise the ceiling which has heretofore been placed over the fund so as to permit more money for victims. The act itself established a crime victims fund made up primarily of Federal criminal fines, forfeited appearance and bail bonds and forfeited collateral. The current ceiling on the fund provides that receipts in excess of $110,000 shall return to the general fund of the Treasury. H.R. 5210 will raise that level to $125 million for the first 3 years of the reauthorization and to $150 million for the second 3 years.

Receipts in excess of $110 million shall be divided in two equal 47.5 percent portions for grants to States for compensation and assistance. The remainder will be devoted to Federal crime victims.

The current Victims of Crime Act requires that States give priority in its assistance grants to programs for victims of sexual assault, spousal abuse, or child abuse. While these priorities are and continue to be necessary, H.R. 5210 provides that States must certify that funds will be made available for previously "underserved" victims. This is intended to promote the broadest effort possible to assist victims of violent crime and to ensure that no category of victim is ignored. The Director of the Office for Victims of Crime is to promulgate guidelines to implement this requirement after consultation with a broad spectrum of public officials and private representatives so as to provide flexibility to the States in determining the populations of crime victims that may be underserved.

There are many ways in which a State may ensure that its previously underserved victims populations are considered. It might be useful here to reference guidelines that currently are in effect from the Office for Victims of Crime concerning victims assistance grants for priority categories. For example, under the guidelines, a State may allocate at least 10 percent of the State's VOCA victims assistance grant to each of the three priority categories. Or a State may develop criteria for ensuring that each priority category receives grants commensurate with the needs of that category. Or a State may require that every subprogram receiving grant money must include as a principal mission or component services to one of the priority categories. Looking at these guidelines may be useful in deciding how a State should treat its underserved victims without requiring any particular approach.

I wish to highlight, also, the fact that H.R. 5210 contains a provision which I introduced as separate legislation earlier in the Congress (H.R.

2768). This would require that in order for a State to qualify for Federal victim compensation grants, it must compensate its own citizens who become victims of crime in a State which does not have a qualifying program. As I indicated when I introduced that bill, there are only a few States which do not have victim compensation programs but they present a gap which should be closed for as many innocent victims of crime as possible.

Mr. Speaker, I urge my colleagues to support this legislation not only for what it will do against drugs, but also for what it will do for victims of crime.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, this bill represents a boldfaced announcement by the Representatives of the U.S. Congress to all the world to hear, that if the war on drugs is going to be fought on our turf, it is going to be fought under our rules, the rules we established through this legislation.

The death penalty will be imposed on drug dealers who would kill in the furtherance of their enterprise and an enhancement of the penalties across the board on law enforcement, this will give the proper warnings to the underworld.

I, too, want to extend my personal thanks to Ray Smietanka of my staff and Paul McNulty of the staff of the gentleman from Florida [Mr. McCOLLUM], and the gentleman from Florida [Mr. SHAW], the gentleman from Kentucky [Mr. MAZZOLI], and the gentleman from New Jersey [Mr. HUGHES].

And even those who are jeering, I thank you, too, because the moment has come for the first giant step in the war on drugs.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of H.R. 5210, the Anti-Drug Abuse Act of 1988.

It is obvious to all of us that illegal drugs are a growing threat to our society and that we need to strengthen our efforts to stem the tide of these drugs flowing across our borders.

Certainly, our awareness of the problem has been heightened by the tough initiatives undertaken by the drug task force headed by Vice President GEORGE BUSH, along with the ongoing hard work and commitment of our law enforcement officers who must deal on a daily basis with the problem.

With this legislation, we expect to build on those efforts that have already been made. The Vice President, in all of his public and private statements, continues to view the drug battle as one of his highest priorities.

We have learned from our experiences in dealing with the relentless and ruthless drug lords that there are loopholes in the system and that these people are more than savvy enough to take full advantage of them.

Subtitle E of title VII, drafted by the Public Works and Transportation Committee, specifically addresses the growing problem of using general aviation aircraft in illicit drug transportation. It reflects conclusions reached following many months of intensive investigation by our committee into this issue.

From start to finish, it was conducted on a strong bipartisan basis and in a very thorough manner.

At the conclusion of the investigation, our committee held a most enlightening hearing on our findings, during which we learned just how effective drug smugglers have been in transporting their illegal cargo by air.

I am pleased to be able to report to the House that the provisions in the bill before us today relating to aviation drug smuggling are identical, with two minor exceptions, to the provisions in title VIII of H.R. 5210 as it passed the House and in H.R. 4844 as it passed the House on October 6, 1988. For this reason, House Report 100-891 should be consulted for the legislative history of these provisions. The only two changes in the bill are relatively minor.

First, the House agreed to the Senate request to drop the requirement that budget requests of the aircraft and airmen registry and the FAA be transmitted concurrently to the appropriate House and Senate authorizing committees. This information can be gathered through the normal congressional oversight process.

The second change involved the provision exempting the information collection requirements of this bill relating to aircraft and airman registry from the Paperwork Reduction Act.

This provision was modified to clarify that any information collection activities would be subject to the normal OMB review and approval procedures. The exemption from the Paperwork Reduction Act has been limited to the annual information collection budget goals. What this means is that neither FAA nor any other agency or office of the DOT will in any way be required by OMB to reduce any other information collection activities in order to offset the additional information collected pursuant to the aviation drug smuggling provisions of this drug bill.

This increase in collection activities could be significant and it is the intent of Congress that OMB not use these increases to leverage FAA or DOT to reduce or modify any other information collection activities.

Essentially, subtitle E of title VII will tighten the Federal Aviation Administration's procedures governing aircraft registration, pilot certification, and major repairs and alterations.

It is imperative that we do this if we are to put an end to a variety of abuses, including the registration of aircraft to fictitious persons, the use of phony addresses and the use of illegal tail numbers on aircraft.

Subtitle E of title VII also adds criminal penalties, increases civil penalties, and authorizes the Secretary of Transportation to impose very reasonable user charges to finance the cost of the proposed changes in the system.

What we are not doing in this measure is succumbing to the temptation to micromanage the program. Perhaps the greatest strength of this legislation is the important balance it strikes between solving this very serious aviation drug trafficking problem and giving the executive branch enough discretion to come up with specific solutions to the problems we have targeted.

Finally, I think it is important to note that what is being proposed in no way minimizes the primary safety role of the FAA.

We should also recognize that the approach we are taking to improve the aircraft registration system will not only help law enforcement but also all users of the system.

I would also like to mention that title IX of the bill contains several important highway safety and motor carrier safety provisions. Subtitle A of title IX contains tough provisions on drunk driving. These provisions are urgently needed given the drunk driving epidemic on our Nation's highways—an epidemic that kills someone every 23 minutes.

Included in these drunk driving provisions in funding for States which establish a driver's suspension of revocation system. At a minimum, States are expected to suspend the licenses of first time offenders for a period of not less than 90 days and for second time offenders for not less than 1 year. A driver charged with multiple reoccurrences of the offense would risk revocation of the license.

One of the issues the members dealt with was whether the revocation should be absolute or whether the driving privilege should be conditional to allow the convicted offender to drive from his house to his place of employment and return. We are aware that the National Highway Traffic Safety Administratrion has recently supported a 30-day absolute or hard suspension with a 6-month to 1-year conditional driving privilege for such activities as driving to and from work if a State certified ignition interlock device which analyzes the blood alcohol content is used.

For repeat offenders, the National Highway Traffic Safety Administration recommends a 1-year suspension with a 2-year probationary period if an interlock device is utilized. These ignition interlock devices require the driver to breathe into a breath analyzer and register an acceptable blood alcohol content prior to being able to start the car. This rest is a unique breath pulse identifier which would defeat anyone trying to start the vehicle for the owner if that person attempted to circumvent the system.

I believe this is a good policy and would greatly increase our ability to combat repeat offenders. I urge the Secretary in promulgating regulations to favorably consider this proposal to restrict the offender's ability to obtain driving privileges after suspension only in certain instances where interlock devices are used.

Subtitle B of title IX contains provisions dealing with truck and bus safety. Truck and bus safety has been an issue of ongoing concern not only to the Public Works and Transportation Committee but to the entire country. 5,000 Americans are killed in heavy truck and bus accidents each year. The bill before us addresses some motor carrier safety problems that contribute to this toll and will result in increased safety for all highway users.

The repeal of the commercial zone exemption, use of on-board recorders, and use of biometric identifier with the commerical drivers license are just a few of the valuable safety provisions addressed in this bill.

It should be noted that due to the lack of conference report on this bill, the House report language accompanying H.R. 5321 will serve as valid legislative history. The provisions of H.R. 5321 served as the basis for the provisions contained in subtitle B.

In particular, I would like to highlight the House report expressing the committee's interest in a review of hours-of-service regulations as they pertain to construction and seasonal operations. The committee is very interested in ensuring that the department investigate this matter.

In closing, Mr. Speaker, I would like to congratulate the chairman of the Committee on Public Works and Transportation, the distinguished gentleman from California [Mr. ANDERSON], for his leadership on this bill and especially for his hard work on the drug recognition expert training program.

Let me also congratulate the gentleman from California [Mr. MINETA], the gentleman from Georgia [Mr. GINGRICH], and the gentleman from Pennsylvania [Mr. SHUSTER], for their fine work on the bill. I would also like to pay a special tribute to the gentleman form Florida [Mr. SHAW], a former member of the Public Works Committee, for his outstanding work on the drug testing provision.

Even though the provision was not included in the final product, his advocacy role on this issue was instrumental in spurring the Department of Transportation to move forward with a drug testing program. One of the major reasons that the provision was dropped was because DOT is about to issue regulations requiring testing for all modes of transportation. Many of us felt that the Department could do a much better job than Congress could do in sorting out the complexities of establishing a drug testing program.

In addition, we were afraid that if we legislated in the area we might delay the issuance of DOT's rules which we understand are to be issued shortly. Secretary Burnley is to be congratulated for using his existing statutory authority to make our transportion systems drug free.

I urge my colleagues to support this important legislation.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Speaker, I rise in strong support of H.R. 5210 and urge its adoption.

This bill is the result of tremendous effort by nearly every committee in the House and I want to commend the Members for their long effort to make our Nation drug-free. At the same time, I want to bring particular attention to certain excessive efforts by those involved in the drug war that we are correcting in this bill.

This bill contains a provision reported by the Committee on Merchant Marine and Fisheries that gives a defense to innocent owners of vessels seized for drug violations. Our committee was not being soft on drugs; but neither were we ignoring the basic rights that every American is guaranteed by the Constitution. I am satisfied that the bill we are passing tonight will prevent innocent owners of fishing vessels from being persecuted by well-meaning, but over-excited, enforcement agents.

Mr. Speaker, I would like to explain three sections of this bill that concern forfeiture proceedings. Section 6079 of this bill requires the Attorney General and the Secretary of the Treasury to prescribe joint regulations to provide an expedited administrative forfeiture proceeding for certain property seized by Federal authorities for violations of the drug laws involving possession of personal use quantities. Owners of property seized under section 511(a) (4), (6), and (7) of the Controlled Substances Act (21 U.S.C. 881(A)(4), (6) and (7)); section 596 of the Tariff Act of 1930 (19 U.S.C. 1595a(a)); and section 2 of the act of August 9, 1939 (53 Stat. 1291; 49 U.S.C. App. 782) may petition the Attorney General or the Secretary of the Treasury for release of the property. The procedure must minimize the adverse impact upon owners of conveyances caused by prolonged detention. The procedure must provide for a final administrative determination within 21 days of seizure of the property, or provide a procedure by which a property owner may obtain release of the property pending a final determination.

Under the procedure provided in this section, the agency official making a final determination in the forfeithure proceeding shall immediately return the property to the owner or interested party if the owner establishes a valid, good faith interest in the seized property; that the owner did not know of or consent to the violation; that the owner had no knowledge or reason to believe that the owner's property was or would be used in a drug violation. If the owner had or should have had knowledge or reason to believe that the property was being or would be used in a violation, the owner must establish that the owner did what reasonably could be expected to prevent the violation. Paragraph (D) of this subsection requires that the property owner act in a normal, customary manner to ascertain how the property will be used in order to have the property returned under this subsection.

To establish that the owner did what reasonably could be expected to prevent the violation, an owner need only show that he acted reasonably under the circumstances. The phrase "what reasonably could be expected" does not require that the owner take any type of "step" or "precaution" established by regulation. In fact, setting up a checklist of steps to be taken only would serve as a roadmap to evade the law. Recently, the U.S. Customs Service and the Department of Transportation have published lists and attempted to negotiate agreements containing "reasonable steps" or precautions that commercial and recreational vessel operators should take in order to obtain favorable consideration by the Customs Service in forfeiture remission and mitigation proceedings. These "precautions" include ensuring that all business advertising contains a zero tolerance statement, providing drug education for the crew, establishing a written company policy in support of the administration's "zero tolerance program," and reporting, via radio telephone, to the Coast Guard any possession or use of illegal drugs discovered on board the vessel.

The U.S. Customs Service draft "agreements" for commercial fishing vessel operators and personnel contain clauses requiring a search of the vessel prior to leaving any port, which may include the use of dogs trained for narcotics searches. If contraband is found, the agreements would require that the Customs Service be notified and the contraband be turned over to the appropriate authorities. A similar exercise would be required prior to arrival at a U.S. port. The agreements would also require that vessel operators turn over to Customs agents conducting investigations "relevant identifying data" regarding crewmembers and applicants for employment.

None of the so-called "positive steps," "reasonable steps", or "reasonable precautions" contained in these documents may be required by the regulations issued under this section. The Attorney General and the Secretary of the Treasury may not use the phrase "reasonably expected" in this subsection to impose any type action on property owners in order to generally deter others from illegal drug use. While we wecome voluntary action on the part of private individuals to deter drug abuse and violations of the law and encourage it in fact, this amendment may not and should not be used to require them to take these actions as a condition of obtaining release of their property. While law abiding citizens should not condone drug abuses, enforcement of the drug laws is a governmental law enforcement responsibility, which should not be shifted to private, law-abiding citizens through this civil forfeiture procedure.

Paragraph (D) of this subsection requires that owners of property act in a normal and customary manner to ascertain how their property will be used. Normal and customary practice is that which is reasonable in the industry involved. In some instances, such as with the commercial fishing industry, there may be no nationwide practice. Again, this language may not be used to require any particular type of action on the part of property owners designed to generally deter drug use as circumstances vary in each case. It does not allow the Attorney General and the Secretary of the Treasury to establish standards for an industry or group. Nor does it allow the Attorney General and the Secretary of the Treasury to use this language to force businessmen or other individuals through regulations issued under this section to adopt a set of "steps" or "precautions" to deter drug use as a condition to obtaining release of the property from the Government.

Simply put, we are saying through these provisions that the Government expects individuals to use basic common sense and that they will be held accountable accordingly.

Subsection (d) of this section requires the Attorney General, the Secretary of the Treasury and the Secretary of Transportation to prescribe regulations requiring the issuance of a summons to appear in lieu of seizure of a commercial fishing industry vessel for violations involving the possession of personal use quantities of a controlled substance. This summons is required when the violation is committed during times connected with fishing operations.

This section is not intended to limt the authority of the Attorney General, and the Secretaries of Treasury and Transportation to employ this procedure in other situations when immediate seizure has an unreasonable impact upon the owner of property.

The administrative procedures in section 6079 apply to those forfeiture cases in which the owner of the property eligible for the procedure does not post a claim and cost bond. Another administrative procedure for owners of conveyance seized for drug-related offenses who file a claim and cost bond is established under section 6080. Under this section, the Attorney General must make a decision on the owner's forfeiture proceeding within 20 days of the date on which the owner's petition is filed.

Sections 6075 and 6076 of this bill establish a defense in forfeiture proceeding for innocent owners of conveyances seized by the Federal agencies for drug-related offenses.

Under this defense an innocent owner of a conveyance must establish that the offense was committed without the knowledge, consent, or willful blindness of the owner. Willful blindness addresses the cases of individuals who have demonstrated a conscious purpose to avoid the truth. The concept of willful blindness is essentially part of the proof of lack of knowledge. For this reason, the defense for innocent owners of conveyances seized for drug-related offense is virtually identical to the existing defenses for innocent owners of real property, and money, negotiable instruments, securities, or other things of value under paragraphs (6) and (7) of section 511(a) of the Controlled Substances Act (21 U.S.C. 811 (a)(6) and (7)).

Mr. Speaker, we have a drug bill that is tough but fair and I urge prompt passage of H.R. 5210.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. Speaker, like all of my colleagues, I feel it is important for Congress to take action to deal with the problem of illegal drugs. Drug abuse is destroying lives all over our country. Here in the city of Washington we have suffered through a year that has seen a record number of murders, most of them drug-related. The number of deaths caused by cocaine overdoses continues to grow. In the past few weeks we have witnessed the misfortune of yet another professional athlete, a hero in his community, who died of a drug overdose.

A few weeks ago I voted for passage of H.R. 5210, the Omnibus Drug Initiative Act of 1988. I felt it was important that Congress take prompt action to deal with the human tragedy of drug abuse. However, although the overwhelming vote in favor of the bill in the House might indicate otherwise, this was not an easy vote. while the bill contained many very good provisions, it also contained a handful of provisions about which I had grave reservations. I am pleased to see that the conference report before us today has removed many of my reservations.

The House bill contained a provision that would have created a "good faith" exemption to the exclusionary rule. Such an exemption would have the effect of gutting the Constitution's fourth amendment protection against illegal searches and seizures. I understand the desire to take a strong stand against criminals, however, I don't think we should take away the constitutional rights of all Americans, innocent or otherwise, in order to appear "tough" on drugs. I am pleased that the conference report does not include the "good faith" exemption.

I support the House and Senate language which will modify the administration's "zero tolerance" policy to protect innocent owners of vehicles that are seized by law enforcement authorities. The compromise bill will provide a reasonable method for an innocent owner to prove that he did not or could not have known that his vehicle was involved in illegal drug activities.

I agree that more must be done to promote user accountability and in general I agree with the concept of withholding the privileges and benefits of Federal programs from illegal drug users who refuse to seek treatment. However, I had some concern about rushing headlong down this path. I am pleased that the compromise reached by the House and Senate takes a cautious approach toward user accountability and will allow us time to study the effect of this policy.

In a similar issue of user accountability, I approve of the language in the final bill that should remove the constitutional objections to the Federal civil fines for drug users that were included in the original House bill.

The compromise bill also includes important provisions to help law enforcement agencies investigate and prosecute money launderers and creates a new "drug czar" to oversee and coordinate all Federal efforts to combat drug abuse.

At the ranking Republican on the Education and Labor Committee, I feel it is important to take the time to mention the often overlooked education and prevention provisions in the bill. I cannot overstress the importance of these provisions, which are non-controversial and have been largely ignored during the wrangling over other parts of the bill. These provisions would provide much needed additional Federal funding for drug abuse treatment, prevention, and education programs. These programs are absolutely essential to our efforts to reduce drug abuse. To large extent, the success of our law enforcement efforts is dependent on the success of our prevention and education programs.

There were several issues which came under the jurisdiction of the Education and Labor Committee contained in the omnibus drug bill, H.R. 5210. The following is a summary of the drug bill provisions which are included in the negotiated agreement between the House and the Senate.

First. Education provisions. Amendments to the Drug Free Schools and Communities Act of 1986. The agreement increases the authorization level over current appropriations by $100 million, with such sums in the out years. The Senate insisted on this increase in order to meet the supply/demand funding ratio that has been established in the bill. Generally, the provisions contained in the two bills were retained, including amendments by Mr. GOODLING creating a cap on funds used for administrative purposes and establishing a 10-percent eligibility "window" for students not at-risk. Sixteen million dollars is included for teacher training activities.

The WIC drug education provisions funded at $10 million were retained with language which assures that the Secretary of Agriculture can ulilize already developed materials or contact for the development and printing of materials for distribution to State and local WIC agencies.

Second. Juvenile Justice and Delinquency Prevention Act amendments. The Senate reauthorized JJDP in its drug bill—the House had already passed a freestanding JJDP bill. In addition, the House bill included funding for youth gang provisions, runaway and homeless youth and supplemental juvenile justice provisions. Agreement was reached in all these provisions, and they are included in the final product.

Third. Children's Justice Act. The Senate drug bill moved this provision from HHS to the Department of Justice. The resolution was to retain the non-Indian provisions in HHS, with the portion—15 percent—of the program for Indians moved to Justice.

Fourth. Community youth activity grant. This provision was originally in the Senate bill as an amendment to the Public Health Service Act with a $40 million authorization. The agreement reached was to make this provision a freestanding program, not an amendment to the PHSA, with priority to fund projects that would provide after school, vacation, and weekend activities designed to give youth opportunities to actively participate in a variety of activities, such as the national youth sports program. Among its other provisions would be funding for programs aimed to dropout and projects that seek to involve youth gang members or those who might join gangs in education programs, community-based activities, training, or employment opportunities or other alternatives to gang involvement. Each State would receive a basic allocation, with a portion of the remainder reserved for national projects, and the rest to be distributed based on additional need through application from the Governors.

Fifth. Employee assistance programs. The Senate bill had a provision providing $4 million for the Secretary of Labor to make grants to employers to develop employee drug and alcohol abuse assistance programs. This program was retained in the agreement.

Sixth. ACTION amendments. The agreement provides $4 million in fiscal year 1989 and $5 million for the 2 succeeding fiscal years to extend the drug abuse prevention programs under the Domestic Volunteer Service Act. Not less than 15 percent, but not more than 25 percent shall be used for a grant program to fund public and nonprofit organizations for innovative, community-based volunteer demonstration projects which provide comprehensive drug abuse education and prevention services and activities to youth during the summer months.

Seventh. National Commission on Drug Free Schools. The Senate bill authorized a commission to develop recommendations for criteria for identifying drug free schools and campuses. Provisions were negotiated that made the directions to the commission less prescriptive. Such sums are authorized to carry out this provision.

These are the major issues that came under jurisdiction of the Education and Labor Committee. There were other items of interest to the committee, but were resolved by other committees of jurisdiction. These items included user accountability, drug-free workplace, and drug czar.

Finally, I want to congratulate all of my fellow colleagues who have worked so hard on this bill. The final bill that came out of conference improves upon the original House bill and I urge its passage.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to our ranking member of the Select Committee on Narcotics Abuse and Control, the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I want to commend the leadership on both sides of the aisle, the Speaker and the majority leader and our minority leader for fashioning and crafting this important measure.

We laid a foundation in 1986. We are building on that foundation. This is not a political measure. It is a strong symbolic measure to the entire world.

One fallacy: we did not provide sufficient funding, and I hope when we come back in the next session we will be able to provide the appropriations that are needed to meet the authorizations of this bill.

Mr. Speaker, I rise in support of final passage of H.R. 5210, the Omnibus Drug Initiative Act of 1988. Today, Mr. Speaker, we are giving the American people a sound drug bill. I strongly commend the leadership on both sides of the aisle for their diligent efforts to make certain that this Congress did not come to a close without the passage of this critical legislation. Without the leadership of Speaker WRIGHT, Republican Leader MICHEL, Majority Leader FOLEY, the distinguished gentleman from Florida [Mr. MCCOLLUM], chairman of the Republican drug task force, the distinguished chairman of Select Committee on Narcotics, Mr. RANGEL and in the other body, Senators BYRD, DOLE, NUNN, and RUDMAN, H.R. 5210 would not be before the House for final consideration.

There are many worthy elements in this bill. This legislation stiffens penalties on drug dealers and drug users; formulates programs targeted to help runaways, homeless youth and juvenile delinquents; creates controls on precursor chemicals used in drug processing; alters the existing law to crack down on money laundering; establishes a Federal drug czar; expresses the sense of Congress against the legislation of drugs and calls for a hemispheric drug summit.

Some desperately needed resources are provided to support those brave men and women who dedicate their lives to fighting drugs. Whether they are working to eradicate drug crops thousands of miles away from home or helping an addict regain control of his or her life in a local drug treatment center, they are serving this Nation well and we owe them our deepest gratitude.

But it is my understanding that only an additional $500 million will be provided in fiscal year 1989 to combat drugs. This amount is grossy inadequate to overcome a drug trafficking empire which nets over $150 billion annually in the United States. Let's think about these figures for a second. In 1989 Americans will spend 300 times more to buy drugs than we are dedicating today to fight drugs, 300 times. And some question why this war against drugs has not been won.

Poll after poll indicate that the American people overwhelmingly support a tax increase, if the funds are dedicated to combating drugs. I have introduced a very modest excise tax proposal which, if reelected, I plan to reintroduce in the next Congress. But regardless of how we do it, a mechanism must be found to properly finance the war against drugs, without busting the budget.

Without adequate funding, even the best legislative proposal imaginable would be nothing more than a paper tiger. The war against drugs will remain this Nation's mission impossible until the Congress appropriates the necessary funds.

It will fall upon the 101st Congress to finish the job we have begun today. Accordingly, I urge my colleagues, on this final day of the 100th Congress, to vote in favor of the Omnibus Drug Initiative Act of 1988.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. SHAW] who served also on the Select Committee on Narcotics Abuse and Control.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding this time to me.

I would like to also congratulate the gentleman from Illinois, as well as the Members from both sides of the aisle who have done so much to put this bill together.

Mr. Speaker, I would like to comment at this time on the so-called innocent-owner defense to forfeiture contained in the House amendment to H.R. 5210. This will provide a defense in forfeiture proceedings for innocent owners of conveyances seized by Federal agencies for drug-related offenses. This defense is virtually identical to the existing defense for innocent owners of real property, and moneys, negotiable instruments, securities, or other things of value under paragraphs 6 and 7 of section 511(a) of the Controlled Substances Act (21 U.S.C. 881(a) (6) and (7)).

In our conference the proponents of this section stated that this section is not intended to overturn existing case law rendered under the Supreme Court decision in *Calero-Toledo* v. *Pearson Yacht Leasing Co.,* [94 S. Ct. 2080 (1974)]. In Calero-Toledo, the Supreme Court stated that it would be difficult to justify a forfeiture in a case in which the owner of the property was uninvolved or unaware of the wrongful activity and also had done all that could be reasonably expected to prevent the proscribed use of that property.

For example, one Circuit Court of Appeal, applying Calero-Toledo, disallowed the so-called innocent-owner defense in a case in which the owner did not inquire into the destination of a conveyance, or the purpose for which the conveyance was to be used. Owners who have demonstrated willful blindness have not been afforded the innocent-owner defense under the Calero-Toledo line of cases and should also not be granted relief under this provision. This language was designed to indicate that Government will not condone irresponsible actions on the part of owners.

The language of Calero-Toledo and the line of cases that follow require property owners to be reasonably informed concerning the purpose for which another person may use their property. This provision in the bill before us in intended to allow the courts to determine whether owners have taken the type of actions contemplated by the Supreme Court and the Circuit Courts of Appeal.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Speaker, I rise in strong support of this legislation.

Mr. Speaker, passage of this tough anti-drug bill with its many provisions aimed at deterring violent drug crime will come too late to save the lives of two young New York City police officers who became the latest casualties in the ongoing drug war. Officer Michael Buczek and Officer Chris Hoban, both brutally murdered in separate drug-related incidents, are two names on a long and tragic list of police officers and innocent bystanders killed in this senseless conflict.

While many in this Chamber are eager to adjourn and begin campaigning in the few weeks remaining before election day, the fact that we are gathered here at the 11th hour is testament to Congress' determination to effectively address the Nation's insidious drug problem.

The violence and brutality that defines the drug world touches all of us leaving an indelible sense of grief and terror in its wake. A few months ago a resident of my own Fourth Congressional District, Officer Eddie Byrne, was murdered in cold-blood by a drug-dealer as he sat in his police car protecting the home of a witness in a drug crime. We were all devastated by the death of this brave young officer and my vote in favor of H.R. 5210 is cast in his memory and in the hope that it will save the lives of other courageous young law enforcement officers.

It's time that we start substituting "tough action" on the drug issue for "tough talk." The omnibus drug bill we vote on tonight brings out the heavy artillery in the war on drugs. It includes a provision for a Federal death penalty that can be levied against drug kingpins and others who kill or direct a killing the course of a drug-related felony. I support this provision which I believe will go a long way toward protecting the safety of our citizens and promoting our "zero tolerance" antidrug policy.

In closing, I would also like to bring to my colleagues attention another very important provision of the omnibus drug bill. Under H.R. 5210, the Secretary of Health and Human Services would be authorized to make grants to public and private nonprofit drug treatment programs in order to reduce the waiting list for drug abuse services. The authorization level of $100 million is a "one time deal" with funds only available until they are expended.

This provision is particularly important to New York State which has hundreds of drug abusers who are unable to receive treatment because of the lengthy waiting lists. Drug abuse programs provide a vital service both to the abuser seeking treatment and to the community by promoting a "drug free" environment. I urge my colleagues to join with me in demonstrating our commitment to combating the drug epidemic in this country by voting in favor of H.R. 5210. I want to thank the staff of the Committee on Energy and Commerce for the herculean effort which went into the crafting of this comprehensive legislation and, particularly, Mary McGrane of the minority staff.

Mr. MICHEL. Mr. Speaker, I say to our ranking member on the Appropriations Committee, we do have some money involved in this measure, and I yield such time as he may consume to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I want everyone to take note. Here we are facing a document that looks more like a telephone book than a piece of legislation. It is the last day of the session. And it is not a continuing resolution.

The Appropriations Committee did its work. We got our bills done. And yet here we are 2 weeks late, trying to pass a bill that contains Lord only knows what.

From this point forward, let it be said that you don't have the Appropriations Committee to kick around anymore.

I just hope they take off after whoever dreamed this thing up in the same way they've taken off after the Appropriations Committee on continuing resolutions in the past.

All I can do is tell you what's in the new appropriations title, a title in neither the House or the Senate bill, a title conceived yesterday and born here today.

We didn't fund everything. We had only $500 million to spend, compared with $1.3 billion in new outlays authorized in the original House bill. This translates into $961 million in budget authority, divided 50/50 between supply and demand reduction.

On the law enforcement side, $380 million in budget authority is provided to the Department of Justice and the Judiciary. Much of this is to provide further increases to the FBI, the DEA, the U.S. attorneys, the U.S. marshals, and the prisons. The Coast Guard receives $116 million.

But not all stays with the Feds; $80 million of the total is provided to grant programs to benefit State and local law enforcement authorities. Up to $10 million is provided to raise death benefits for families of public safety officers who die in the line of duty from $50,000 to $100,00.

On the demand side, we provide $200 million to our States and localities for expanded substance abuse treatment programs. We provide $100 million for education programs in our schools.

We provide another $100 million for antisubstance abuse prevention, treatment, research, and activities such as drug free workplaces.

All good things undoubtedly. We have provided as much as we could afford, under the budget deficit ceiling set by Gramm-Rudman-Hollings. This funding brings the fiscal year 1989 total for drug programs to $5.2 billion, compared to $2.2 billion in fiscal year 1986.

The fiscal year 1989 change purse is now completely emptied out. The next Congress and the next President will have to figure out how to fund more of the war on drugs and any other emergencies that come up. It is not going to be easy.

But let it not be said that we have left a pocket unturned, a scrap unused, a watch unpawned, or a hot check uncashed, in our effort to provide the dollars needed to fight the war on drugs.

AGRICULTURE

We have provided up to $10 million from within the funds available to WIC for a study to find out the best way to carry out the drug education program for persons using the WIC Program.

WIC is the most vital program we have to provide nutrition for the unborn and early developing children of our less fortunate families. More and more we see the need to get drug education information to expectant mothers in this program in order to protect the fetus from a host of drug-related effects.

In this bill we also have nearly $5 million in authority and outlays for fiscal year 1989 for the FDA with respect to new drugs that assist in combating drug addiction. The activities include inspection and maintenance of methadone clinics and assessment of the safety and effectiveness of approved drugs.

COMMERCE, JUSTICE, STATE, JUDICIARY AND RELATED AGENCIES—DEPARTMENT OF JUSTICE

General legal activities—$1,800,000 in budget authority and $1,566,000 in outlays. Funds for Interpol to improve drug-related intelligence operations, and attorneys and support staff for the organized crime and racketeering strike force offices.

Support of U.S. prisoners—$16,400,000 in budget authority and $9,840,000 in outlays for housing additional Federal prisoners in contract facilities. Assisting State and local correctional facilities, $4,100,000.

U.S. Marshals Service—$16,400,000 in budget authority and $14,760,000 in outlays for asset forfeiture activities, criminal justice support activities, protection of Federal judiciary, and Witness Security Program.

U.S. attorneys—$39,000,000 in budget authority and $34,320,000 in outlays for 300 additional U.S. attorneys.

Federal Bureau of Investigation—$15,000,000 in budget authority and $12,000,000 in outlays for support of the FBI's national drug strategy, improve intelligence system for law enforcement officials, and provide contract linguists for translation purposes.

Drug Enforcement Administration—$30,000,000 in budget authority and $22,500,000 in outlays for increase operations against youth gang-related crime, enhance the El Paso Intelligence Center [EPIC], establish the United States-Bahamas Drug Interdiction Task Force, aircraft, pilots, and airwing equipment, personnel for asset forfeiture processing, and establish DEA-EPA Task Force for cleanup of illegal drug laboratories.

Immigration and Naturalization Service—$26,200,000 in budget authority and $20,960,000 in outlays for increase the number of inspectors, enhance the Organized Crime Drug Enforcement Task Forces, special agent foreign language traning, additional Border Patrol agents and support personnel, and development with the State Department of a machine-readable VISA Security Program.

Federal prison system, buildings and facilities—$95,600,000 in budget authoirty and $9,560,000 in outlays for construction of a minimum of two new prisons renovation of acquired properties, and construction of a witness security unit.

Office of Justice programs—$90,000,000 in budget authority and $33,300,000 in outlays for additional State and local drug grants, $80,000,000. Increase in death benefits to families of public safety officers, $10,000,000.

DEPARTMENT OF STATE

Rewards for informants—Language allowing use of prior unobligated antiterrorism reward funds to be used for drug-related rewards.

Salaries and expenses—$5,000,000 in budget authority and $3,950,000 in outlays for development with the Immigration and Naturalization Service of a machine-readable VISA security program.

THE JUDICIARY

Salaries and expenses, courts—$35,000,000 in budget authority and $32,340,000 in outlays for additional deputy clerk positions, additional probation and pretrial services personnel, and installation of drug testing equipment.

Defender services—$15,000,000 in budget authority and $9,000,000 in outlays for increased support for Federal public defender and community defender organizations, which represent 70 percent of all drug offenders and five additional death penalty habeas corpus resource centers.

Fees of jurors and commissioners—$1,000,000 in budget authority and $930,000 in outlays provides sufficient funds for workload increases.

STATE AND LOCAL DRUG GRANTS

The bill provides $80 million for the Drug Control and System Improvement Grant Program of the Department of Justice. This program combines two earlier programs to provide grants to States and local governments to encourage and support improvements in their criminal justice systems. Special emphasis will be placed on multijurisdictional and multi-State organizations in an effort to bring better coordination in the national war on drugs. Eighty percent of the funds, or $64 million, will be allocated to the States and localities on a formula basis, and the remainder will be used for national discretionary grants. These funds are in addition to $70 million provided in the fiscal 1989 Commerce, Justice, State, and Judiciary Appropriations Act.

PUBLIC SAFETY OFFICERS BENEFITS PROGRAM

The bill provides up to $10 million for the Public Safety Officers Benefits Program. This program pays death benefits to families of public safety officers killed in the line of duty. The level of those benefits is increased in another part of the bill from $50,000 per case to $100,000. All law enforcement and fire fighting personnel are eligible for the program.

LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

DEPARTMENT OF LABOR

For the Labor Department, the drug abuse supplemental provides $2 million for a new employee assistance program. Under this program, the Secretary would make grants or enter into contracts with employers to help them provide substance-abuse programs for their employees.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The biggest part of the funding allocated to the Labor-HHS Subcommittee has been targeted to block grant programs which will expand treatment and rehabilitation services for drug abusers. HHS Secretary Bowen has targeted treatment as a top priority that we must address, and I couldn't agree more.

Treatment isn't enough by itself—many people relapse after treatment, so we need to educate people and keep them off drugs for as long as possible. Also, we need to develop new and more effective kinds of treatment. But, right now, there are waiting lists all around the country representing people willing to get off drugs—if they can just get help. These people are reaching out for help—reaching back has got to be our first priority, and this spending plan recognizes that.

Most of the treatment money will be made available through the existing Block Grant Program which provides funding to States for alcohol and drug abuse services. Supplementing an existing program should enable the money to be put into the hands of treatment providers very quickly.

The remainder of the funding for treatment and rehabilitation services will be made available under a newly authorized grant program which will fund existing treatment programs with backlogs of people who are waiting for a treatment slot to open up. This funding will be made available specifically to bring down those backlogs. In other words, this program is not intended simply to offer more money to existing providers—instead. It requires that the funding be used to expand the treatment capacity of these programs, and to reduce their waiting lists.

This spending plan also supplements the other essential components of the war against drugs: It will fund demonstration programs aimed at studying populations that are particularly at risk, such as pregnant women; it offers funding directly to communities so that they can set up prevention programs tailored to their own population and community standards; it provides funding to demonstrate better methods of helping IV drug abusers; it provides funding for research, evaluation, and data collection responsibilities at the National Institute on Drug Abuse, including $10 million to be used to develop new pharmacologic agents which will make treatment programs more successful; it provides funding to train health professionals in how to cope with drug abuse, and how to counsel drug abusers; and, it provides additional research funding to the National Institute on Alcoholism and Alcohol Abuse.

Finally, and perhaps most important, this spending plan targets kids in trouble, and kids who can be kept out of trouble—it not only supplements existing funding for those kids who will be reachable through the National Youth Sports Program, it also fully funds newly authorized programs focused on runaway youth and youth gangs.

The specific amounts appropriated for Health and Human Services programs are as follows:

For newly authorized grants to treatment programs to reduce backlogs and waiting times, $75 million;

For the existing Alcohol, Drug Abuse, and Mental Health Block Grant, $125 million to be limited to substance abuse;

For grants to be awarded through the Office of Substance Abuse Prevention, $15 million;

For the newly created program of Community Prevention Grants, $15 million;

For the newly created programs of Drug Abuse Treatment Demonstrations intended to develop more effective treatments, $10 million;

For research, evaluations of programs, and expanded data collection requirements of the National Institute on Drug Abuse, $30 million, which includes $10 million for the development of new pharmacologic agents, through research, clinical trials, and cooperative agreements with outside organizations;

To provide substance abuse training for health personnel, $3 million;

For research at the National Institute on Alcoholism and Alcohol Abuse, $10 million;

For the National Youth Sports Program, $3 million;

For the Runaway Youth Program, $15 million; and

For the youth gang substance abuse prevention initiative, $15 million.

DEPARTMENT OF EDUCATION

For the Education Department, the supplemental provides an increase of $108 million for the Drug Free Schools and Communities Act, as amended by the 1988 drug bill.

Under the Drug Free Schools Act, the formula prescribes that 82.8 percent of the funds go for grants to States and outlying areas, and the remaining 17.2 percent for discretionary national programs. The national programs fund five regional drug abuse education centers, grants to institutions of higher education, and discretionary grants in areas determined by the Secretary. The supplemental provides $100 million for these programs, $82.8 million for the State Grant Program, and $17.2 million for the national programs.

In addition, for two new authorities authorized in this bill, the drug abuse supplemental provides $7 million for a new competitive Teacher Training Program and $1 million for early childhood curriculum, training, and program materials.

RELATED AGENCIES

The supplemental provides $2 million for the ACTION Agency to continue activities begun in fiscal year 1986 to involve the volunteer sector in drug abuse prevention.

TRANSPORTATION

There is $25 million in outlays for fiscal year 1989 for the Coast Guard in the appropriations title of the drug bill.

That amount of fiscal year 1989 spending translates into $16 million of budget authority for operations and $100 million for acquisition. I am happy to see the Coast Guard get additional funding. They have one of the most important missions in our Government in attacking the supply side of the drug problem.

However, I am a little concerned about the earmarking of the acquisition funds. There is $52 million in this bill for NH-60 helicopters, $17 million for radar equipment, and $32 million for cutter renovation and modernization.

I don't have a quarrel with any of these programs, but I do ask the question "why can't we simply give the Coast Guard the money and let them establish the priorities for spending in the war on drugs."

The commandant of the Coast Guard, Admiral Yost, is certainly happy to get this additional assistance, but if he had his druthers, he would have us take out these earmarkings.

TREASURY, POSTAL, GENERAL GOVERNMENT

This chapter includes $26 million in budget authority and $20 million in outlays for drug interdiction, law enforcement, and policy coordination programs.

In the Executive Office of the President, the drug bill created an "Office of National Drug Control Policy" or what is commonly called the drug czar. This White House office was allocated $3.5 million in budget authority and $3 million in outlays for the remainder of fiscal year 1989. The compromise authorized amount is $6.5 million.

For the Bureau of Alcohol, Tobacco and Firearms, the drug bill authorized $10.6 million for the Armed Career Criminal Program and other law enforcement activities. The BATF has a major role in the apprehension of drug dealers, and their conviction record is one of the best. In this chapter, $7 million in budget authority is provided and from that amount, $6 million should be outlayed during the remainder of this fiscal year.

For the U.S. Customs Service, two appropriations are made available, $8.5 million for salaries and expenses and $7 million for the Air Interdiction Program. These funds will be used to increase staffing levels in Customs, primarily for inspectors and to properly maintain the Customs air operation.

Mr. KASTENMEIER. Mr. Speaker, today the House has before it an omnibus drug bill. Many Members have worked long and hard on this bill. To these Members I offer my congratulations.

I must in all candor, however, note that the process we have adopted to take up this bill is not an example of Congress at its best. If we are going to realistically address the major social problems confronting this body, we need to adopt a more rational and deliberative process. I am particularly unhappy and disappointed that the bill before us contains provisions authorizing the imposition of a death penalty. I agree with the public policy of the State of Wisconsin that bars State-imposed executions. No amount of outrage can serve to justify the imposition of an irrevocable, ultimate sanction. I continue to have serious questions about the deterrence value of the death penalty. Until these issues and other concerns about racial justice can be satisfactorily resolved, I remain opposed to this sanction.

Having commented on the procedures, I should take a moment to detail for the record those portions of the bill that are within the jurisdiction of the subcommittee I chair, the Subcommittee on Courts, Civil Liberties, and the Administration of Justice of the Committee on the Judiciary. I will also note for the record certain provisions of the Senate bill that were not adopted in this bill or that were substantially modified in the negotiations with the other body.

There are five major initiatives contained in this bill that are the product of my subcommittee: First, vitally needed money—$200 million—for construction of new Federal prison facilities and $13 million for essential salary increases for Federal prison officers; second, statutory reform of the Federal Prison Industries, including borrowing authority; third, a statutory charter for the U.S. Marshals Service; fourth, additional funds—approximately $80 million—for the Federal courts; and fifth, additional funds for assistant U.S. attorneys. Set forth below is a more detailed description of the amendments relating to prison industries and the Marshals Service and a briefer description of other sections. My remarks conclude with the jurisdiction of my subcommittee.

Section 7093-96 Federal Prison Industry reform:

H.R. 4994, which is included as sections 7093–7096 of this bill, would authorize Federal Prison Industries to borrow funds from the Federal Government for purposes of expansion of its industrial programs. This bill, which I cosponsored with the ranking minority member of my subcommittee, the gentleman from California [Mr. MOORHEAD], has enjoyed bipartisan support among the members of the Judiciary Committee, as well as the support of the administration.

By providing Federal Prison Industries with borrowing authority, this bill recognizes the invaluable role that Federal Prison Industries, or UNICOR as it is more commonly known, plays in our penal institutions. Not only does UNICOR provide inmates with steady employment and educate them in certain job skills, but it also has proven to be an indispensable tool in managing the staggering problem of prison overcrowding, by providing employment opportunities for inmates. Inmate idleness, according to the Director of the Bureau of Prisons, poses one of the most significant threats to prison security. When inmates work, they are not idle.

For months we in this body have been working on a drug bill designed to identify and punish drug offenders. This drug bill is just one of several bills that we have passed in the last few years that has as its goals tougher sanctions for criminals. At the same time that we are enacting laws to send more criminals to prisons, however, we are faced with an enormous Federal prison overcrowding problem. We are 160 percent over capacity. This means that in some of our Federal penal institutions, two or three inmates are being housed in spaces designed for one. If we are going to overfill our prisons, we must give our prison officials the means to house and supervise the inmates. This bill provides them with one of those means, by providing Federal Prison Industries with the borrowing authority it needs to enable it to grow commensurate with the growth in the inmate population.

It is currently estimated that the number of inmates in our Federal penal institutions could double over the course of the next 10 years. At present, UNICOR employs approximately one-third to one-half of the 44,000 inmates incarcerated in Federal penal institutions. Just to maintain this ratio UNICOR will need to significantly expand its industries in the future.

Because Federal Prison Industries is a self-supporting corporation, it must fund this rapid expansion either through direct appropriations or through borrowing funds from the Government. This bill would enable UNICOR to do the latter, thus alleviating the need to fund UNICOR's growth through appropriations.

I understand that there are problems with our providing UNICOR with the tools to expand. There are some private industries that compete with UNICOR in the Federal market, and they fear that UNICOR's growth will have a negative impact on private industry. Indeed, UNICOR has been charged with the statutory mandate to operate in such a way that "no single private industry shall be forced to bear an undue burden of competition" from Prison Industries.

In recognition of this mandate, as well as in response to the concerns of private industry, section 7096 contains a set of guidelines to be followed by UNICOR when adding or significantly expanding an existing product line. The guidelines, which were written in cooperation with private industry and the Bureau of Prisons, are intended to provide more formal guidance to Prison Industries as to what constitutes an undue burden and to ensure the least amount of competition between UNICOR and the private sector. The guidelines are discussed in more detail in House Report 100-864, which accompanied H.R. 4994.

The Federal Prison Industry reforms contained in this bill strike a balance between the need to provide security in our prisons and the concerns of private industry.

Section 7321 reauthorizes the State Justice Institute for 4 additional years, fiscal years 1989, 1990, 1991, and 1992. Each year, funds are authorized to be appropriated up to the amount of $15,000,000. I note that a bill recently passed by the House and Senate (H.R. 4807) would reauthorize the State Justice Institute for 2 additional years. Given the importance of the fight against drugs, and the partnership of State and Federal courts in the fight, reauthorization of the institute for 4 years is deemed appropriate.

Section 7101 authorizes the U.S. Parole Commission to supervise prisoners who have been transferred from a foreign country.

Section 7301 of the bill authorizes the U.S. Sentencing Commisson to study the question of whether certain Federal inmates should be required to pay for the costs of their incarceration. This study is obviously aimed at the relatively narrow segment of the Federal prison population that has a clearly demonstrated ability to pay, including white-collar offenders.

Section 7302 authorizes the Bureau of Prisons, in cooperation with the Department of Defense, to use certain facilities to house Federal inmates. An amendment adopted by the conferees stresses the need to consider allowing of women inmates to be housed in Federal prison camps. Male inmates already have the opportunity to benefit from assignment to camps. This section is designed to encourage the Bureau of Prisons to move toward providing female inmates with an equivalent opportunity. The Bureau of Prisons should not construe this provision to urge that only women have the exclusive use of such military facilities for camps for prison camps.

Section 7303 relates to the revocation of probation, parole or supervised release when such a person has been adjudicated by the court to have violated a criminal law relating to possession of an illegal drug. The provisions in this section are derived from the Senate amendments to the bill, but have been modified to preserve essential elements of judicial or Parole Commission discretion.

Section 7304 authorizes the creation of a short experiment on drug tests for persons on probation and parole. This provision was derived from the House-passed bill, with modifications that preserve necessary administrative flexibility. For example, the Director of the Administrative Office of the U.S. Courts, or the director's designee(s), is permitted to waive certain requirements.

Section 7305 relates to "house probation," and is derived from the Senate amendment. It is crafted carefully to create a new alternative to incarceration. The courts should be particularly sensitive about the need to avoid unwarranted discrimination against those offenders that do not have the resources to satisfy the requirements for house probation.

Section 7322 contains a technical amendment to authorize U.S. magistrates to impose sentences for infractions. Deleted from the bill are provisions contained in the Senate amendment that would have authorized magistrates to accept guilty pleas, and circuit judicial councils to create "drug days" in the Federal courts. The expanded authority for magistrates was rejected for two reasons; first, the Judicial Conference of the United States objected that the policy was flawed, and second, there are serious, and unresolved, constitutional objections to such authority.

Section 7902 authorizes the Department of Justice to seek for the emergency installation of pen registers and trap and trace devices.

Section 7323 contains language relating to habeas corpus. The amendment binds the Senate to certain procedures relating to the report of a special committee of the Judicial Conference on habeas corpus reform. The House Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice, which has jurisdiction over habeas corpus, will of course carefully review that report and consider any recommendations it makes. I know that the special committee will thoroughly review this issue and provide the Congress with a well-reasoned basis on which to begin any legislative consideration.

Section 7608 U.S. Marshals Service reform:

The time has come for the U.S. Marshals Service Act and it is particularly appropriate that this act be enacted as part of the Omnibus Drug Initiative Act of 1988.

The Marshals Service Act has been introduced in the 98th, 99th, and 100th Congresses. During that time, legislative hearings have been held in both the House and the Senate, and we have received constructive comments and suggestions on the legislation from members of the Federal judiciary, the executive branch, the private bar, and others. That process has resulted in significant improvement in the proposal so that, as set forth in the amendment before us, it is legislation that will promote both good government and effective law enforcement.

My subcommittee exercises oversight responsibility for the Marshals Service, so I am very familiar with its activities. I know that the Service performs an extraordinary variety of law enforcement duties that are truly indispensable to our Federal Justice System. This is so, particularly in the war on drugs. In fact, fully half of the Service's workload today is related to drug law enforcement activities. Whether safeguarding witnesses, which has become the Government's most effective weapon in prosecuting drug traffickers or protecting the courts, apprehending drug fugitives, and managing seized drug assets, the Marshals do their jobs effectively and efficiently, and all too often their contributions go unheralded.

The U.S. Marshals Service Act will greatly assist the Service in the accomplishment of its law enforcement missions. It provides an explicit statutory basis for many current functions of the Service, including the authority to carry firearms and make arrests; to protect Federal judges, witnesses and their families; to manage seized drug assets; to conduct fugitive investigations; to enter cooperative agreements with State and local authorities to obtain jail space for Federal prisoners; and to enter into contracts to provide for security guards and the Service of process in noncriminal proceedings.

The Marshals Service Act has been strongly endorsed by the Judicial Conference of the United States. The act underscores the Marshals Service's traditional and premier responsibility of providing security for the Federal courts and executing court orders. It explicitly authorizes the Service to provide personal protection to judges, U.S. attorneys, and other Federal officials, which is frequently necessary in connection with drug cases.

In short, the U.S. Marshals Service Act is highly relevant and important to the antidrug legislation we are considering, and I therefore urge my colleagues to support its adoption as an amendment to H.R. 5210.

One provision of the bill that raises serious concern in the minds of some of my constituents relates to user accountability sanctions. While some elements of this concept are worth exploring, the potential for unfair treatment appears significant. I assume in voting for this bill that the penalties provided in the bill are not retroactive. If it is later determined that these sanctions are retroactive, then repeal of such provisions should be an early agenda item for the 101st Congress.

On balance I will support this bill because of its numerous constructive provisions. I remain troubled, however, by the severity of the approach taken in some sections of the bill. I hope that we review many provisions of the bill with an eye toward limiting the amount of governmental intrusion to that necessary to achieve the shared goal of dramatically reducing illegal drug use.

In conclusion, I think that there are many beneficial reforms to our criminal justice system in this bill. I am proud to have authored some of the meritorious provisions of the bill, and to have generally played a part in improving the final product.

Mr. BROOKS. Mr. Speaker, I am pleased that the House and Senate have been able to reach an agreement on the Drug-Free Workplace Act of 1988 and have it included as part of the Omibus Drug Initiative Act of 1988.

The Drug-Free Workplace Act of 1988 would impose new conditions and requirements on Federal Government contractors and grantees designed to ensure that their workplaces are drug free. The act would enlist in the Government's efforts to combat drug abuse in America those organizations and businesses in the private sector that receive Federal grants and contracts. The problem of drugs in our society is multifaceted. The Federal Government has responded with an array of initiatives, ranging from stiff criminal sanctions on drug possession and sales to the funding and support of community programs to educate citizens of the dangers associated with drug abuse and to assist those who are trapped in the nightmare cycle of drug addiction.

The act represents a new governmental initiative with its focus on drug abuse in the workplace. While the true extent of drug abuse in the workplace is not fully known, it is clear that the problem has special consequences—the safety of coworkers is threatened by those who are impaired by drugs, the danger of defective products is greatly increased and, in general, the productivity, and thus the strength, of the Nation is diminished.

The act, in the case of companies and grantees—other than individuals—would require the Government's contractors and grantees to follow six specific requirements in order to maintain their Federal contracts and grants, and their eligibility for future Government business or funds. As a separate requirement, individuals who are contractors and grantees would be required only to certify, prior to receiving an award or grant, that they will not engage in the unlawful manufacture, dispensation, possession, or use of a controlled substance in the performance of the contract or grant.

Government contractors and grantees—other than individuals—would have to publish a statement notifying employees that drug abuse in the workplace is prohibited and specifying the actions that will be taken against those who violate that policy. Further, Government contractors and grantees must establish a drug-free awareness program to educate their employees about: First, the dangers of drug abuse in the workplace, Second, the penalties that can be imposed for such behavior, and Third, the services available to assist those with drug-related problems.

The grantee or contractor also must make it a requirement that each employee who is directly involved in the performance of a Government contract or grant, agree that they will abide by the contractor's or grantee's drug-free workplace statement and that they will notify that employer of any conviction for a criminal drug violation occurring in the workplace in a timely manner. The employer is also required to notify the Government agency managing that contract or grant of the conviction of an employee and is required to either take an appropriate personnel action against that convicted employee or require the employee's participation in an approved drug assistance or rehabilitation program. Finally, each Government contractor or grantee is required to continue, in good faith, ongoing compliance with these requirements. These six elements of the certification comprise the exclusive legislative and regulatory requirements of the act for contractors and grantees, other than individuals.

A false certification by the contractor or grantee or failure to fulfill these requirements, will constitute grounds for suspension and termination of the contract or grant and the debarment of the contractor or grantee from future Government contracts or grants for up to 5 years. Alternatively, if it is determined that a contractor or grantee has such a number of convictions for criminal drug statute violations occurring in the workplace as to indicate that the contractor or grantee has failed to make a good faith effort to provide a drug-free workplace, then the penalties of suspension, termination, and debarment may also be applied.

Determinations regarding compliance with these requirements will be made, in large measure, under existing procedures regarding procurement and grant matters. However, suspension, termination, and debarment proceedings for grants and grantees for a violation of these provisions will be conducted in accordance with special procedures to be published in the Federal acquisition regulation. These procedures shall require agencies to conduct suspension and debarment procedures in a fair and equitable manner.

The act is carefully crafted to provide specific, clear criteria aimed at curtailing drug abuse in the workplace. Entities that receive Government business or grants are required to fulfill these specific mandates in order to achieve and maintain advantageous financial relationships with the Federal Government. Failure to do so can result in the suspension or termination of their contract or grant and their debarment from future contracts or grants. These tough sanctions, however, are to be applied rationally with adequate due process procedures to protect the rights of those involved.

During our deliberations on the drug-free workplace provisions, questions were raised concerning the relationship of those provisions to the National Labor Relations Act. I would like to make it clear that it is not our intent in this piece of legislation to repeal any of the longstanding rights of employees under current labor laws. We fully intend that the provisions of the drug bill will operate in harmony with existing labor laws. Thus, if employees of a Federal contractor or grantee have selected a union to be their representative, the employees' agreement—as required by the drug-free workplace provisions—to abide by the employers' policy against drug use and to report drug convictions, is to be secured through the employees' representative, and not through individual contract.

Finally, a question has been raised with regard to the relationship of this act to other statutes that require contracts and grantees to maintain drug-free workplaces. An applicant for grant, contract, or other agreement who certifies to the department, agency, or instrumentality that the applicant has adopted and will administer in good faith a policy satisfying the requirements of the "Drug-Free Workplace Act of 1988" should be considered in compliance with Federal laws requiring drug-free workplaces.

I urge my colleagues to give their full support to this important legislation.

Mr. ROE. I rise to associate myself with the remarks of the gentleman from Texas [Mr. Brooks] and clarify further the relationship between the Drug-Free Workplace Act of 1988 and the drug-free workplace provisions which have been included in five bills which passed the House this year which were reported by the Committee on Science, Space, and Technology. The acts with drug-free workplace provisions are H.R. 4417, the National Institute of Standards and Technology Act for Fiscal Year 1989; S. 2209, the National Aeronautics and Space Administration Authorization for Fiscal Years 1989 and 1990; H.R. 4418, the National Science Foundation Act of 1988; S. 1081, the National Nutrition Monitoring and Related Research Act of 1988; and S. 2470, the Steel and Aluminum Energy Conservation and Technology Competitiveness Act of 1988.

Mr. Brooks and I agree that there be only one drug-free workplace policy governing the agencies and departments of the Federal Government and the contractors and grantees of those organizations. Congress is overwhelmingly in support of the principles set out in the Drug-Free Workplace Act. We in no way intend for this program to be delayed, compromised, or complicated by agencies trying to follow, competing or conflicting.

Mr. COELHO. Mr. Speaker, I support the Alcoholic Beverage Labeling Act of 1988. The container warning required by this act is basically a reminder of what nearly all Americans already know—and, I am glad to say, have responsibly taken to heart. Thanks in part to the public education efforts of the beverage alcohol industry, the number of alcohol related traffic fatalities has decreased by more than 20 percent since 1980, according to the National Highway Safety Administration. According to the National Institute on Alcohol Abuse and Alcoholism, the incidence of liver cirrhosis also has declined by more than 20 percent since 1978.

As a combined result of public education and private counseling, 90 percent of all women believe drinking "can cause birth defects," according to an April 1987 Gallup survey, and a 1984 Harris poll survey found that fully 81 percent of all women abstain from drinking during pregnancy. According to a November 1985 Gallup survey, 97 percent of the public views alcoholism as a very serious or quite serious national problem. These figures indicate nearly universal awareness of the health risks associated with alcohol abuse or misuse.

The legislation before us today will complement the many programs of public education and private counseling on this regard by requiring a Federal health warning on all alcoholic beverage containers to remind the public about health risks that may be associated with the consumption or abuse of alcoholic beverages. I wish to comment on one aspect of this legislation that is critical to its success—the preemption provision, section 205. This provision expresses the intent of Congress that no statement relating to alcoholic beverages and health, other than the statement required by section 204 of the act, shall be required under State law to be placed on any container of an alcoholic beverage, or on any box, carton, or other package that contains an alcoholic beverage product.

In drafting the warning statement that appears in section 204 of the act, we carefully chose language that would communicate the statement to consumers in a clear and concise manner. Given the uncertainty of the state of scientific knowledge, the proposed warning is not intended to represent a medical judgment about the specific risks which may be involved with the use of abuse of alcoholic beverages. The intent of the warning is merely to remind the public of the possibility of health problems, which may be addressed most effectively in consultation with a personal physician.

We recognized that the effectiveness of the warning statement contained in the act would be diminished if other warning statements were added to alcoholic beverage containers. State and local government authorities should be precluded from imposing their own labeling requirements to assure that consumers will receive the same alcoholic beverage health warning regardless of when and where they happen to drink. Health warnings that varied from State to State, county to county and town to town would be confusing to consumers, and would impair the effectiveness of the Federal warning. Section 205 recognizes the need for national uniformity and the importance of avoiding the consumer confusion that would result form the promulgation of multiple, incorrect or misleading warning messages.

Finally, we wanted to avoid burdens on interstate commerce of the sort that would be presented by the placement on alcoholic beverage containers of a variety of different messages, depending upon the State or locality in which the product was offered for sale. Commerce and the national economy depend on uniform regulation of labeling of nationally marketed products. It would undermine the operation of the national economy if State and local government authorities were to pursue their public health objectives through the imposition of labeling requirements that inevitably would vary from jurisdiction to jurisdiction. To avoid a crazy quilt of inconsistent statutes, regulations and common law rules that would subject alcoholic beverages to intolerable burdens, section 205 makes clear that under the act the power to regulate the labeling of alcoholic beverages to achieve public health objectives rests exclusively with the Congress.

We intend section 205 of the act to be read and administered so as to preclude any State authority and any political subdivision of a State from interfering with the warning requirement of the bill by requiring any additional or different warnings on beverage alcohol containers relating to the consumption or abuse of alcoholic beverages. We intend by section 205 to preserve exclusively for Congress the task of considering whether, because of future developments or other considerations, any additional or different warnings should be placed on beverage alcohol containers.

In this regard, the term "State law" is defined in section 203(11) of the act to include State statutes, regulations, and principles and rules having the force of law. This definition encompasses decisions made or requirements imposed by legislative, regulatory or judicial authorities, including decisions rendered pursuant to the common law of any State.

Most Americans are responsible about drinking and it is my desire that S. 2047 will further encourage a responsible attitude toward drinking.

Mr. FAZIO. Mr. Speaker, I rise today in support of H.R. 5210, the Omnibus Drug Initiative Act and urge my colleagues to support passage of this measure.

On September 22, the House of Representatives approved H.R. 5210, the omnibus drug bill. Although I am concerned about illegal drug use in this country, I voted against the bill, at that time, for a number of reasons.

I wholeheartedly agree that it is important to deal with the curse of drugs in our society. But, the answer does not lie solely in politically inspired legislation enacted now, just prior to the adjournment of Congress, so that we can tout our opposition to drugs in an election year. I was concerned with several of the key provisions of the bill and was not convinced that these provisions would be corrected in conference.

I believe that a relaxation of the exclusionary rule would have done virtually nothing to enhance federal efforts to stop drug abuse and trafficking, rather it would have had a profound effect on the liberties of Americans.

The relaxation of the exclusionary rule would have totally undermined the constitutional protections the rule affords to all Americans. The exclusionary rule is what protects ordinary citizens against unreasonable searches and seizures and the invasion of privacy by law enforcement officers. Fortunately, the conferees agreed not to expand the exclusionary rule.

I was, and still am, concerned about producing a bill with a $2.1 billion price tag which far exceeds available funds. With projections that full funding of this bill would exceed the Gramm-Rudman spending ceiling, only a portion—about $500 million—in new drug funds can be spent without exceeding the ceiling. We have passed drug bills in the past and failed to fund them adequately and that problem continues to this day.

The death penalty amendment still concerns me. I am aware that the Federal death penalty amendment was offered as a way to get to drug kingpins, but many drug felonies occur without the participation of any drug kingpins. The imposition of the death penalty will undermine U.S. efforts to go after drug kingpins operating overseas because, according to Federal prosecutors and State Department legal experts, the vast majority of countries will not agree to extradite any of their citizens to a nation where they face the prospect of the death penalty.

I am opposed to the death penalty; however, I have opposed the death penalty in the past and still voted for final passage on legislation which included the death penalty. The last time we had a drug bill of this nature, we included the death penalty and I voted in favor of the bill, even though I had reservations about that aspect of it.

I want a bill aimed at the war on drugs, not at our Constitution. And, in my opinion, the initial resolution contained a number of highly controversial and constitutionally suspect amendments, which would have had altered the bill so much so that we would have done more harm than good. There are some aspects of this measure which I strongly support. I am glad to see that we will have one person in charge of our national effort to control drugs. Further, I am now satisfied with the provision which will protect our law-abiding boatowners and believe the two-tiered test is a reasonable one.

Mr. Speaker, I am pleased that the joint House-Senate conference committee was able to produce a more responsible bill which I can support. And I am pleased to say that, while I do think this bill is far from perfect, I will support it. We must meet our drug crisis and act before it is too late.

Mr. CONYERS. Mr. Speaker, the problems confronting our Nation's cities as a result of the plague of drug abuse are complex and in many respects overwhelming. To solve them we must undertake the development of comprehensive and cohesive antidrug strategy which addresses both the eradication of the supply of drugs as well as the demand. To date, we have not had such a strategy. The bill that we have before us today, the Omnibus Anti-Drug Act of 1988, unfortunately, does not provide one.

In the last few years, we have witnessed a distressing rise in drug abuse and drug-related crime. Violence has become commonplace in most urban communities as the drug traffickers and users combat one another over turf, supply, and the quality of merchandise. Well organized gangs, composed of adults and young children, are increasingly becoming involved in the drug trade and are attempting to create regional and national networks to expand their market share.

This past summer, the Subcommittee on Criminal Justice, which I chair, held two hearings on drug use, drug trafficking, and related violence. The testimony delivered at these hearings in Compton, CA, and Detroit, MI, made clear that we must not only do more to stop the flow of drugs into the United States, but more importantly, we must do more to provide treatment, educational, and employment opportunities to persons susceptible to drug abuse—positive alternatives to choose from.

The Omnibus Anti-Drug Act contains many provisions which are designed to address these needs. However, it also contains many which raise very serious constitutional and civil liberties concerns. These troubling provisions, which will require us to surrender some important rights, will do nothing to curtail the flow of drugs across our borders, or the willingness of people to abuse them. I am, therefore, constrained to vote against the bill.

The bill provides for the imposition of the death penalty for "drug kingpins" who kill or order the killing of a person. It also provides for the death penalty to be imposed on anyone who kills a law enforcement officer during the commission of a drug felony. I believe, as a matter of policy, that it is inappropriate for the Federal Government to impose the death penalty. A number of States have rejected the death penalty as a sanction. This bill effectively overrides those decisions, raising questions of federalism. In those States which already have death penalty statutes on the books, this bill will add nothing new to the arsenal of punishments available.

The proponents of this provision argue that it will have a deterrent effect on those who kill, as well as provide proper punishment to those who have. I disagree. My subcommittee has held extensive hearings on the death penalty. We heard convincing testimony that social scientists are unable to prove that the death penalty has a deterrent effect. Further, drug dealers already face the daily risk of being murdered by their competitors or dissatisfied customers. The prospect of being killed by the Government adds very little additional business risk for them to consider. As far as punishment goes, I believe that life in prison without the possibility of release is a severe and more appropriate sanction. It acknowledges the sanctity of life, and eliminates the possibility of executing innocent persons, while protecting society from those who kill.

The inclusion of the death penalty provision in the bill will make it more difficult for our prosecutors to bring to justice the highest level drug traffickers, who reside in safe havens abroad. Most of the countries in Europe and Central America will not extradite a defendant if that person will face the death penalty in the country seeking custody of them. This provision, therefore, is clearly self-defeating.

Our experience with the death penalty at the State level tells us that race continues to be a factor in determining who is executed and who is not. Research done in 13 States since the Furman case was decided in 1972 has shown that the chance of being executed is greater when the victim is white than when the victim is black. This, in my view, is a clear violation of the 14th amendment's guarantee of equal protection of the law. A bill I introduced earlier this year, H.R. 4442, the Racial Justice Act, would provide defendants in death penalty cases a remedy by allowing them to use statistics to establish a pattern of racial disproportionality, and thus a prima facie case of a constitutional violation. The Congress failed to act on the measure, so the problem still remains to be addressed.

The death penalty provision in the bill reflects some noteworthy improvements over the original versions passed by the House and other body. My colleagues and I who opposed the measures were able to negotiate a narrowing of the scope of coverage. The application of the penalty is now limited to those persons who: First, while engaging in, or working in furtherance of, a continuing criminal enterprise, intentionally kill or intentionally order the killing of a person, if such killing actually results; second, while engaging in an offense punishable under 21 U.S.C. § 841(b)(1)(A) or 21 U.S.C. § 960(b)(1)—pertaining to the distribution of major quantities of illegal drugs—intentionally kill or order the killing of a person, if such killing actually results; and third, during the commission of, while working in furtherance of, or while attempting to avoid prosecution or service of a prison sentence for a drug related felony, intentionally kill or order the killing of a law enforcement officer, if such killing actually results.

The original House passed bill was much broader and would have permitted the imposition of the death penalty for any intentional killing connected with any drug felony. The other body's bill originally limited the death penalty for the killing of persons other than law enforcement officers to those engaging in continuing criminal enterprises. However, it went beyond those who intentionally kill to include those who, with reckless indifference to human life, kill or participate substantially in the killing of any individual. The compromise language should result in far fewer persons being subjected to this inhumane punishment.

Some of the other modifications we were able to make include the addition of provisions requiring the appointment of experienced counsel for indigent defendants charged with crimes punishable by death, and a prohibition on the execution of the mentally retarded.

I regret that the death penalty is a part of the bill. I do not think it will have an impact on our efforts to deal with the drug problem. While I am going to vote against the bill, there are, as I indicated earlier, some worthwhile provisions in it.

MAIL FRAUD AMENDMENT (MC NALLY)

On June 24, 1987, the U.S. Supreme Court in the case of *McNally* v. *United States*, 107 S. Ct. 2875, held that the mail fraud statute, 18 U.S.C. 1341, was limited to schemes to defraud a victim of money or property. The Supreme Court reasoned that the words "to defraud" contained in that provision historically have only referred to "wronging one in his property" and that Congress by enacting 18 U.S.C. 1341 was merely codifying this understanding, 107 S. Ct. 2881.

The Subcommittee on Criminal Justice, which I chair, held a hearing on the McNally decision on May 12, 1988. At that hearing John C. Keeney, Acting Assistant Attorney General for the Criminal Division, U.S. Department of Justice, testified that as a result of the McNally decision many significant prosecutions of political corruption brought under the mail and wire fraud statutes have been dismissed or overturned on appeal. Mr. Keeney pointed out that cases involving bribery, money laundering, election fraud, and licensing fraud have been dismissed because there was no monetary loss to any victim.

Prior to the McNally decision, every Federal appellate court that had considered the scope of the mail and wire fraud provisions held that those provisions protect the right of the public to the honest services of public officials and others responsible for the conduct of public or public affairs, see, e.g., *United States* v. *Margiotta*, 688 F.2d 108, 121–22 (2d Cir. 1981), *cert. denied*, 461 U.S. 913 (1983); *United States* v. *Mandel*, 591 F.2d 1347, 1358–64 (4th Cir. 1979); cert. denied, 455 U.S. 961 (1983); the right of a member of an organization to the honest services of the leaders of that organization, *United States* v. *Curry*, 681 F.2d 406, 4111 (5th Cir. 1982); and the right of employers to the honest service of their employees, *United States* v. *Von Barta*, 635 F.2d 999, 1006–07 (2d Cir. 1980), cert. denied, 450 U.S. 998 (1981).

This amendment restores the mail fraud provision to where that provision was before the McNally decision. The amendment also applies to the wire fraud provision, and precludes the McNally result with regard to that provision.

The amendment adds a new section to 18 U.S.C. 63 that defines the term "scheme or artifice to defraud" to include a scheme or artifice to defraud another of "the intangible right of honest services." Thus, it is no longer necessary to determine whether or not the scheme or artifice to defraud involved money or property. This amendment is intended merely to overturn the McNally decision. No other change in the law is intended.

Some questions were raised during the Criminal Justice Subcommittee's hearing on the McNally decision regarding the Federal Government's constitutional role in prosecuting State and local corruption. I believe that the guarantee clause of the U.S. Constitution, article IV, section 4 can be used as a constitutional basis for Congress to pass criminal legislation relating to corruption in local government. See, A. Kurland, "The Guarantee Clause as a Basis for Federal Prosecutions of State and Local Officials" 62 So. Cal. Rev. (forthcoming January 1989—CONGRESSIONAL RECORD 32959—daily edition November 19, 1987—remarks of Mr. CONYERS.

MANDATORY MINIMUMS

The mandatory minimums in this bill are ill-advised and ought not to have been included. In 1984, after many years of study and hard work, Congress enacted the Sentencing Reform Act. The purpose of the Sentencing Reform Act is to bring "truth in sentencing" and a more equitable and effective Federal sentencing system. To that end, parole was abolished and good time reduced substantially.

The centerpiece of the Sentencing Reform Act, however, was the creation of the U.S. Sentencing Commission, which is charged with the responsibility to promulgate sentencing guidelines. The act directs Federal courts to impose the sentence that the sentencing guidelines call for, unless there is an aggravating or mitigating factor present that the guidelines do not adequately account for. It was intended that, in all but a very few cases, the guideline would determine the sentence.

Congress has directed the Sentencing Commission to formulate a rational, cohesive sentencing system on the basis of "intelligent and dispassionate professional analysis" (Sen. Rep. No. 225, 98th Cong., 1st Sess. 175 (1983)). Congress has recognized that, as an institutional matter, the Commission is well suited to resolve the technical, specialized issues involved in a guidelines system.

The boundaries of the Commission's decisionmaking are established by statute, but, as the Senate Judiciary Committee noted, within these boundaries there is a "broad responsibility imposed upon the Commission to assure that sentencing and the administration of sentences fulfill the purposes of sentencing enumerated in section 3553(a) of title 18." (Sen. Rep. No. 225, 98th Cong., 1st Sess. 181 (1983)). The purposes of sentencing set forth in 18 U.S.C. 3553(a) include protecting the public from further crimes of the defendant, deterring criminal conduct, and promoting respect for the law.

The guidelines drafted by the Commission are sophisticated and complex. They base the sentence not only upon what occurred during the offense—so that, for example, a theft of $25,000 carries a longer sentence than theft of $100—but also upon the defendant's prior criminal history—so that, for example, a defendant with several prior convictions will, for exactly the same conduct, receive a longer sentence than a defendant with no prior convictions.

Now that the Commission is in place, Congress must begin to reassess the manner in which it sets sentencing policy. Mandatory minimum penalty statutes are inconsistent with the guidelines system. Such statutes mandate sentences without regard for either the particular circumstances of the offense or important offender characteristics. As a result, defendants with similar backgrounds who commit similar offenses may receive different sentences, while defendants with different backgrounds or who commit dissimilar offenses may receive the same sentence. This is precisely the injustice Congress sought to eliminate with the Sentencing Reform Act.

Drafting guidelines that fulfill the statutory purposes of sentencing is a difficult and complex task. The Sentencing Commission seems to be doing a creditable job. There is no evidence that the Commission—all of whose members President Reagan has appointed—has been lenient. Indeed, most of the complaints about the Commission's guidelines have been that they are too harsh. There is, in short, no need to fear that the Commission will coddle drug dealers and pushers, or other criminals, for that matter.

When Congress enacted the Sentencing Reform Act of 1984, Congress committed itself to a course of action that deserves a fair opportunity to succeed. We should not undercut the guidelines. We should leave the Commission free to do its work and develop guidelines that are consistent with the congressionally mandated purposes of sentencing.

PUBLIC SAFETY OFFICERS DEATH BENEFITS

Legislation I authored increasing the amount of the death benefit payable to the survivors of public safety officers killed in the line of duty from $50,000 to $100,000 has been included in Omnibus Anti-Drug Act of 1988. The measure also provides that the benefit amount be adjusted annually to reflect increases in the cost of living, eliminates the requirement that parents be financially dependent upon the deceased officer in order to qualify as beneficiaries, and provides funds to establish national programs to assist survivors.

The purpose of the Public Safety Officers' Benefits Act, which was signed into law in 1976, was to reduce the economic hardship of the families of slain officers, and to demonstrate the high value our Nation places on the lives all too often sacrificed by our police, firefighters, and other public safety personnel.

Earlier this week, two Detroit police officers were killed in a shootout with a mentally ill gunman. Two New York City police officers were also killed. My legislation, which took effect June 1, 1988, will make it possible for their survivors, and those of the approximately 50 other public safety officers who have died in the line of duty since that date, to receive the increased benefit payments.

The cost of living has risen 90 percent since the benefits program was created, while the amount of the death benefit did not increase at all. My legislation restores its real dollar value to the 1976 level in order to provide the families of slain officers with a more reasonable level of financial assistance—one that will enable them to adequately adjust to the sudden loss of current and future income.

Public safety officers often experience considerable difficulty in obtaining life insurance because of the dangers associated with their work. In addition, they earn an average of $24,000 per year, making it difficult to accumulate enough in savings to provide for future family needs.

The surviving parents of a deceased officer, even one living away from home, will now be eligible to receive the death benefit. Parents very often become dependent upon their children for financial support during their senior years, and by allowing them to collect this death benefit, regardless of dependency, we can help make those years less difficult to endure alone.

TITLE VII, SUBTITLE B

MINOR AND TECHNICAL CRIMINAL LAW AMENDMENTS ACT OF 1988

Subtitle B of title VII of the legislation makes many necessary and desirable changes to criminal law provisions of the United States Code. Subtitle B is based substantially on a bill that the House passed on suspension in June 1987, H.R. 2182. That bill had been worked out in conjunction with the Justice Department, the U.S. Sentencing Commission, the Administrative Office of U.S. Courts, the Federal Public and Community Defenders, and the National Association of Criminal Defense Lawyers.

We have negotiated with the Senate to work out a compromise that is acceptable to both Houses and the other interested parties. During these negotiations, it was agreed to drop some provisions and to keep others, most without any modifications. Subtitle B embodies the compromise worked out.

The provisions of subtitle B are explained in the following section-by-section analysis.

SECTION-BY-SECTION ANALYSIS OF TITLE VII, SUBTITLE B, MINOR AND TECHNICAL CRIMINAL LAW AMENDMENTS

SECTION 7011

Section 7011 sets forth the short title of the Act and is identical to Section 101 of S. 2485.

Sections 7012 through 7050 in the nature of a substitute are derived from sections 102 through 140 of S. 2485. Those sections are, in turn, identical in substance to sections 102 through 140 of H.R. 2182 as passed by the House, except for Sections 133, 137, 139, and 140 of H.R. 2182. Those 4 sections were included in other legislation passed by the Senate or merged into other sections of S. 2485. Sections 7051 through 7092 are derived from Sections 141 through 196 of S. 2485. There are no comparable provisions in H.R. 2182.

SECTION 7012

Section 7012 is identical to Section 102 of S. 2485, which is identical in substance to Section 102 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 2 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 6 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7013

Section 7013 is identical to Section 103 of S. 2485, which is identical in substance to Section 103 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 3 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 6 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7014

Section 7014 is identical to Section 104 of S. 2485, which is identical in substance to Section 104 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 4 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 6 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7015

Section 7015 is identical to Section 105 of S. 2485, which is identical in substance to Section 105 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 5 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 6 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7016

Section 7016 is identical to Section 106 of S. 2485, which is identical in substance to Section 106 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 6 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. 169, 100th Cong., 1st Sess. 7 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7017

Section 7017 is identical to Section 107 of S. 2485, which is identical in substance to Section 107 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 7 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 7 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7018

Section 7018 is identical to Section 108 of S. 2485, which is identical in substance to Section 108 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 8 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 7 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7019

Section 7019 is identical to Section 109 of S. 2485 to Section 109 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 9 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 7 (1987).

SECTION 7020

Section 7020 is identical to Section 110 of S. 2485, which is identical in substance to Section 110 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 10 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 8 (1987). The Senate version makes only technical nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7021

Section 7021 is identical to Section 111 of S. 2485, which is identical in substance to Section 111 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 11 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 9 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7022

Section 7022 is identical to Section 112 of S. 2485, Section 112 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 12 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 9 (1987).

SECTION 7023

Section 7023 is identical to Section 113 of S. 2485, Section 113 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 13 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 9 (1987).

SECTION 7024

Section 7024 amends 18 U.S.C. 1084(b), which regulates the transmission of wagering information, permitting such transmission between states where gambling is legal. Section 7024 amends 18 U.S.C. 1084(b) to permit transmission of wagering information from a state where gambling is legal to a foreign country where gambling is legal, and vice versa.

SECTION 7025

Section 7025 is identical to Section 115 of S. 2485, Section 115 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 15 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 10 (1987).

SECTION 7026

Section 7026 is identical to Section 116 of S. 2485, Section 116 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 16 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 10 (1987).

SECTION 7027

Section 7027 is identical to Section 117 of S. 2485, which is identical in substance to Section 117 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 17 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 10 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7028

Section 7028 is identical to Section 118 of S. 2485, which is identical in substance to Section 118 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 18 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 11 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7029

Section 7029 is identical to Section 119 of S. 2485, which is similar to Section 119 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 19 of H.R. 2182 as reported by the House Committee on Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 11 (1987). The Senate version differs from H.R. 2182 as passed and reported by including in section 119(b) the definition of "official proceeding" matters before special trial judges of the U.S. Tax Court.

SECTION 7030

Section 7030 is identical to Section 120 of S. 2485, Section 120 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 120 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 14 (1987).

SECTION 7031

Section 7031 is identical to Section 121 of S. 2485. Paragraph (1) of Section 121 of S. 2485 is identical in substance to Section 121 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 21 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 14 (1987). Paragraphs (2) and (3) of Section 121 of S. 2485 have no comparable provisions in H.R. 2182 as passed or reported. Section 121(2) of S. 2485 provides an additional cross-reference correction. Section 121(3) of S. 2485 adds new money laundering offenses to 18 U.S.C. 1956(c)(7)(D), which contains definitions relating to the laundering of monetary instruments. These new offenses are theft, fraud, or embezzlement at savings and loan associations and similar crimes related to pledges or mortgages of property offenses. See 134 Cong. Rec. 13781 (daily ed. June 8, 1988).

SECTION 7032

Section 7032 is identical to Section 122 of S. 2485, which is identical in substance to Section 122 of H.R. 2182 as passed by the

House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 22 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 14 (1987).

SECTION 7033

Section 7033 is identical to Section 123 of S. 2485, which is identical in substance to Section 123 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 23 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 14 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7034

Section 7034 is identical to Section 124 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987) and Section 24 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 14 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7035

Section 7035 is identical to Section 125 of S. 2485, which is identical in substance to Section 125 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 25 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 15 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7036

Section 7036 is identical to Section 126 of S. 2485. Subsections (a)(1) and (b)(1) of Section 126 of S. 2485 are identical in substance to Sections 126 (a) and (b) of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Sections 26 (a) and (b) of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 15 (1987). Section 126(a)(2) of S. 2485 is identical to Section 141 of H.R. 2182 as passed by the House, see 133 Cong. Rec. H5333 (daily ed. June 22, 1987). Sections 126 (b)(2) and (c) of S. 2485 have no comparable House provisions and make additional cross reference and punctuation corrections. See 134 Cong. Rec. 13781 (daily ed. June 8, 1988).

SECTION 7037

Section 7037 is identical to Section 127 of S. 2485, which is identical in substance to Section 127 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987, and Section 27 of H.R. 2182 as reported by the House Committee on the judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 15 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7038

Section 7038 is identical to Section 128 of S. 2485, Sections 128 and 140 in H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 28 of H.R. 2128 as reported by the House Committee on the Judiciary see H.R. Rep. No. 169, 100th Cong., 1st Sess. 15 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7039

Section 7039 is identical to S. 2485, which is identical in substance to Section 129 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 29 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong. 1st Sess. 15 (1987).

SECTION 7040

Section 7040 is identical to Section 130 of S. 2485, Section 130 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16903 (daily ed. June 22, 1987), and Section 30 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 16 (1987).

SECTION 7041

Section 7041 is identical to Section 131 of S. 2485. Sections 131 (a) and (b) of S. 2485 are identical in substance to Sections 131 (a) and (b) of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16904 (daily ed. June 22, 1987), and Section 31 of H.R. 2182 as reported by the Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 16 (1987). S. 2485 does not include Section 131(c) of H.R. 2182 as passed, which provides an effective date for that section, because the date specified in Section 131(c) has already passed.

SECTION 7042

Section 7042 is identical to Section 132 of S. 2485, which is identical in substance to Section 132 of H.R. 2182, see 133 Cong. Rec. 16904 (daily ed. June 22, 1987), and Section 32 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 16 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7043

Section 7043 is identical to Section 133 of S. 2485, which is identical in substance to Section 134 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16904 (daily ed. June 22, 1987), and Section 34 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 16 (1987).

SECTION 7044

Section 7044 is identical to Section 134 of S. 2485, which is identical in substance to Section 135 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16904 (daily ed. June 22, 1987), and Section 35 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 17 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7045

Section 7045 is identical to Section 135 of S. 2485, which is identical in substance to Section 136 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16904 (daily ed. June 22, 1987), and Section 36 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 17 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7046

Section 7046 is identical to Section 136 of S. 2485, which is identical in substance to Section 138 of S. 2182, as passed by the House, see 133 Cong. Rec. 16904 (daily ed. June 22, 1987), and Section 38 of H.R. 2182 as reported by the House Committee on the Judiciary, see H.R. Rep. No. 169, 100th Cong., 1st Sess. 17 (1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7047

Section 7047 is identical to Section 137 of S. 2485. Section 137(a) of S. 2485 is identical in substance to Section 142 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16904 (daily ed. June 22, 1987). Subsections (b) and (c) of Section 137 of S. 2485 have no comparable provisions in H.R. 2182 as passed or reported. Those subsections amend the Federal Rules of Civil Procedure to permit a federal court to appoint a state-licensed or certified psychologist, as well as a psychiatrist (or a psychologist who is a physician), to conduct a mental examination of a party or a person in the legal control of a party in a civil action. The House declined to make this change in the Federal Rules of Civil Procedure when H.R. 2182 was passed. See 133 Cong. Rec. 16904 (daily ed. June 22, 1987). The House Committee on the Judiciary believes that, as a general rule, changes in the Federal Rules of Civil Procedure ought ordinarily to be made through the process established by the Rules Enabling Act. See 28 U.S.C. 2072. There is no doubt, however, that under Rule 702 of the Federal Rules of Evidence a psychologist could testify as an expert about the mental state of a party or a person in the legal control of a party. It makes little sense, therefore, to preclude a psychologist from conducting an examination of a party or a person in the legal control of a party when such an examination would assist the psychologist to prepare to testify. The amendments to Rule 35 of the Federal Rules of Civil Procedure in subsections (b) and (c) of Section 137 of S. 2485 are consistent with the amendment to 18 U.S.C. 4247(b) made by section 142 of H.R. 2182 as passed. See 134 Cong. Rec. 13781 (daily ed. June 8, 1988).

SECTION 7048

Section 7048 is identical to Section 138 of S. 2485, which is identical in substance to Section 143 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16904 (daily ed. June 22, 1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7049

Section 7049 is identical to Section 139 of S. 2485, which is identical in substance to Section 144 of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16904 (daily ed. June 22, 1987). The Senate version makes only technical, nonsubstantive changes in the language of H.R. 2182 as passed.

SECTION 7050

Section 7050 is identical to Section 140 of S. 2485, which is identical in substance to Section 145(a) of H.R. 2182 as passed by the House, see 133 Cong. Rec. 16904 (daily ed. June 22, 1987). S. 2485 has no language comparable to Section 145(b) of H.R. 2182 as passed, which provides an effective date for that section, because the date specified in Section 145(b) has already passed.

SECTION 7051

Section 7051, which is identical to Section 141 of S. 2485, makes a technical amendment to 18 U.S.C. 3077(4), which defines the term "United States" for the purposes of 18 U.S.C. ch. 204, relating to rewards for information concerning terrorist acts. That definition refers to a section 3073 of the Immigration and Nationality Act, which was never enacted. Section 7051 rewrites the definition of "United States" to delete the incorrect crossreference. See 134 Cong. Rec. 13781 (daily ed. June 8, 1988).

SECTION 7052

Section 7052, which is identical to Section 142 of S. 2485, makes technical corrections to 18 U.S.C. 3062, which establishes the general arrest authority for violation of release conditions, defined in 18 U.S.C. 3142. Section 7052 amends 18 U.S.C. 3062 to conform to the new numbering of section 3142. See 134 Cong. Rec. 13781 (daily ed. June 8, 1988).

SECTION 7053

Section 7053, which is identical to Section 143 of S. 2485, renumbers sections 1952A and 1952B of title 18, United States code, as sections 1958 and 1959, and makes appropriate corrections in the table of sections for 18 U.S.C. ch. 95. See 134 Cong. Rec. 13781 (daily ed., June 8, 1988).

SECTION 7054

Section 7054, which is identical to Section 144 of S. 2485, amends 18 U.S.C. 1961 to add as RICO predicates 18 U.S.C. 1958 (relating to murder-for-hire), 18 U.S.C. (relating to sexual exploitation of children), 18 U.S.C. 2252 (relaing to certain activities relating to material involving the sexual exploitation of minors), and 18 U.S.C. 1029 (relating to fraud in connection to credit cards, electronic banking cards, similar access devices). See 134 Cong. Rec. 13781 (daily ed. June 8, 1988).

SECTION 7055

Section 7055, which is identical to Section 150 of S. 2485, amends 18 U.S.C. 751(a) and 752(a) to penalize the escape of a person detained for exclusion or deportation proceedings under the immigration laws. See 134 Cong. Rec. 13782 (daily ed. June 8, 1988).

SECTION 7056

Section 7056, which is identical to Section 151 of S. 2485, clarifies 18 U.S.C. 924(e) by adding language making explicit that the three previous convictions that trigger a mandatory minimum sentence must be offenses "committed on occasions different from one another." See 134 Cong. Rec. 13782 (daily ed. June 8, 1988).

SECTION 7057

Section 7057 is identical to Section 153 of S. 2485. Section 146(a) amends 18 U.S.C. 2314, relating to transportation of stolen money. Section 7057 amends 18 U.S.C. 2314 to make clear that section 2314 proscribes the electronic transfer of stolen or fraudulently acquired money as well as physical transportation of such money. Three recent appellate court decisions have interpreted the current language of section 2314 to cover an electronic transfer.[1] Section 7057(a) would preclude further litigation of the issue. Section 7057(b) amends 18 U.S.C. 2314 and 2315 to clarify that those sections do not apply to foreign bank notes designed to circulate as currency. This clarification is designed to prevent further confusion over the current language and further litigation. See 134 Cong. Rec. 13783 (daily ed. June 8, 1988).

SECTION 7058

Section 7058 is identical to Section 154 of S. 2485. Section 7058(a) raises the maximum prison term for the offenses of (1) knowingly engaging in sexual contact by means of force or of threats that any person will be subjected to death, serious bodily injury, or kidnapping, and (2) knowingly engaging in sexual contact with another who is at least 12 but not 16 years old and who is at least 4 years younger than the defendant. Section 7058(b) amends 18 U.S.C. 1958 (as renumbered by section 142) to raise the maximum penalty for an offense where neither death nor injury result. Section 7058(c) amends 18 U.S.C. 1113, raising the maximum penalty for attempted murder within the special maritime and territorial jurisdiction of the United States. Section 7058(d) amends 18 U.S.C. 1963(a) to increase the maximum penalty for a violation of that provision, a part of the Racketeer Influenced and Corrupt Organization (RICO) chapter of title 18. Section 1963(a) presently provides for a maximum prison term of 20 years. It is possible, however, for a RICO prosecution to be based, in part, upon a "racketeering activity" (a term defined in 18 U.S.C. 1961(1)) that authorizes the imposition of a prison term in excess of 20 years. Section 7058(d) would, in such a case, authorize a maximum prison term of life. See 134 Cong. Rec. 13783 (daily ed. June 8, 1988).

SECTION 7059

Section 7059, which is identical to Section 158 of S. 2485, amends the Interstate Agreement on Detainers (IAD), 84 Stat. 1397, which facilitates a jurisdiction's prosecution of a defendant imprisoned in another jurisdiction. The IAD requires the dismissal of an indictment with prejudice whenever a prisoner is transferred to another state and returned to the original state without having been tried. This provison in the IAD is designed to prevent abuse of a prisoner by lodging a detainer against the prisoner when there is no intent or ability to try the prisoner. The provision applies to the United States when it obtains custody of a state prisoner on federal charges. When the United States is involved, however, the potential for abuse is not as great because the transfer may only involve the defendant being taken across the street from the state court to the federal court. Section 7059 removes the sanction of automatic dismissal with prejudice when the United States is the "receiving state" and permits the United States to return prisoners to state custody where a court determines that a return is appropriate. See 134 Cong. Rec. 13784 (daily ed. June 8, 1988).

SECTIONS 7060–7075

Sections 7060 through 7075 are identical to Sections 161 through 176 of S. 2485, with only one technical correction in Section 7067 (Section 166 of S. 2485). See 134 Cong. Rec. 13784 (daily ed. June 8, 1988). These amendments make purely technical, clerical, and conforming changes.

SECTION 7076

Section 7076, which is identical to Section 177 of S. 2485, amends Rule 11(c)(1) of the Federal Rules of Criminal Procedure to require a federal district court to advise a defendant not only of the possible imposition of a special parole term, but also of the possible imposition of a term of supervised release. See 134 Cong. Rec. 13784 (daily ed. June 8, 1988).

SECTION 7077

Section 7077, which is identical in substance to Section 178 of S. 2485, amends 18 U.S.C. 1345 to permit the United States to bring an action to enjoin a violation of 18 U.S.C. 287 (false claims), 18 U.S.C. 371 (conspiracy to defraud the government), and 18 U.S.C. 1001 (false statements to the government). See 134 Cong. Rec. 13784 (daily ed. June 8, 1988).

SECTION 7078

Section 7078 is similar to Section 179 of S. 2485. Section 7078 amends 18 U.S.C. ch. 73 by adding a new section (1516) penalizing the obstruction of a federal audit. See 134 Cong. Rec. 13784 (daily ed. June 8, 1988). New section 1516(a), as proposed in section 179 of S. 2485, would have penalized conduct engaged in "with intent to deceive or defraud." New section 1516(a), as proposed in section 7078, narrows the provision by penalizing any person "with intent to deceive or defraud *the United States*" (emphasis added).

SECTION 7079

Section 7079, which is identical to Section 180 of S. 2485, amends 18 U.S.C. 709 to prohibit the use of the name or the initials of the United States Secret Service without permission of that agency. The offense has misdemeanor penalties. See 134 Cong. Rec. 13784 (daily ed. June 8, 1988).

SECTION 7080

Section 7080, which is identical to Section 181 of S. 2485, amends 18 U.S.C. 2314, which establishes penalties for schemes to defraud victims of at least $5,000. Section 7080 clarifies that the provision applies to a scheme to defraud multiple victims if, in the aggregate, the amount involved is at least $5,000. See 134 Cong. Rec. 13785 (daily ed. June 8, 1988).

SECTION 7081

Section 7081 is identical in substance to Section 182 of S. 2485. Section 7081 amends 18 U.S.C. 3288 and 3289, statute of limitations provisions that deal with what happens when a timely-brought charge is dismissed after or shortly before the limitation period expires. If the charge is dismissed after the period has run, 18 U.S.C. 3288 extends the limitations period by 6 months to permit the government to bring new charges. If the charge is dismissed within six months of the date of expiration of the period of limitations, 18 U.S.C. 3289 likewise extends the period by 6 months to permit the government to bring new charges. Section 7081 would amend both provisions, in the event of an appeal resulting in the dismissal of charges, to give the government an additional 60 days from the date of the dismissal in which to bring new charges. See 134 Cong. Rec. 13785 (daily ed. June 8, 1988).

SECTION 7082

Section 7082 is similar to Section 184 of S. 2485. Section 7082(a) amends 18 U.S.C. 3573 to clarify that procedures to reduce or eliminate outstanding fines and penalty assessments apply to fines imposed before the enactment of the Criminal Fine Improvement Act of 1987 (CFIA).[2] Section 7082(b) amends 18 U.S.C. 3013(c) to make clear that the five-year statute of limitations established by that provision for special assessments also applies to assessments made before the CFIA took effect on December 11, 1987. Section 7082(c) amends 18 U.S.C. 3612 to clarify that the Attorney General may waive interest and penalties on pre-CFIA fines. Section 7082(d) amends 18 U.S.C. 3612(d) and (e) to remove the requirement that the government use certified mail to send notices of delinquency or default in collecting fines or penalties. See

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Footnotes at end of article.

134 Cong. Rec. 13785 (daily ed. June 8, 1988).

SECTION 7083

Section 7083, which is identical to Section 185 of S. 2485, makes a grammatical correction in 28 U.S.C. 994(n). See 134 Cong. Rec. 13785 (daily ed. June 8, 1988).

SECTION 7084

Section 7084, which is identical to Section 186 of S. 2485, amends 18 U.S.C. ch. 207 by adding a new section (3151) restoring the language of former 18 U.S.C. 3150(a), which was inadvertently repealed by the Comprehensive Crime Control Act of 1984.[3] New section 3151 would reauthorize the government to refund bail in cases where bail was mistakenly forfeited or should be refunded due to extenuating circumstances.

SECTION 7085

Section 7085, amends 18 U.S.C. 3013 which requires the court to impose a special assessment upon every person convicted of a federal offense. Section 7085 revises the amount of the special assessment that is to be levied upon a defendant convicted of a misdemeanor. At present, 18 U.S.C. 3013(a)(1) requires a $25 special assessment for an individual and $100 for an organization, without regard to the seriousness of the misdemeanor. Section 7085 establishes an amount based upon the seriousness of the offense. For the most serious misdemeanors, those carrying a maximum prison term of more than 6 months, the special assessment will be $25 for individuals and $125 for organizations. For misdemeanors carrying a maximum prison term of at least 30 days, the special assessment will be $10 for individuals and $50 for organizations. For the least serious misdemeanors, those carrying a maximum of no more than 30 days imprisonment, the special assessment will be $5 for individuals and $25 for organizations.

A United States district court has found unconstitutional the practice of imposing a special assessment for an offense when a person is convicted of that offense after trial but not when a person posts and forfeits collateral for that offense.[4] Section 187 of S. 2485 sought to address that situation by providing that a special assessment would not be imposed if a local rule of court or other federal law allowed a defendant to forfeit collateral for the offense. The enactment of Section 187 of S. 2485 would have resulted in a lack of uniformity, so that a defendant in one jurisdiction convicted of a certain offense would have to pay a special assessment, while a defendant in a different jurisdiction convicted of the same offense might not.

Section 7085 does not address the matter because the matter can be taken care of without legislation if the collateral required for an offense includes an amount to cover the special assessment. For example, if an offense is an infraction for which the fine customarily is $25, the collateral required would be $30—$25 for the fine and $5 for the special assessment. See 134 Cong. Rec. 13786 (daily ed. June 8, 1988).

SECTION 7086

Section 7086, which is identical to Section 188 of S. 2485, amends 18 U.S.C. 3563(a)(2), which provides that a court must impose payment of a fine, restitution, or community service as a condition of probation. Section 7086 would permit a court, in those rare cases where "extraordinary circumstances exist that would make such a condition plainly unreasonable", to impose instead at least one of the conditions from 18 U.S.C. 3563(b). See 134 Cong. Rec. 13786 (daily ed. June 8, 1988).

SECTION 7087

Section 7087, which is identical to Section 189 of S. 2485, amends 18 U.S.C. 3184, which provides that the government may obtain warrants for the arrest of a fugitive if the person is within the jurisdiction of the issuing court. Section 7087 amends 18 U.S.C. 3184 to permit a judge or magistrate of the District of Columbia to issue an arrest warrant if the location of the fugitive is unknown. See 134 Cong. Rec. 13785 (daily ed. June 8, 1988).

SECTION 7088

Section 7088, which is identical to Section 190 of S. 2485, amends 42 U.S.C. 408, which establishes penalties for the misuse or misrepresentation of social security numbers. Section 7088(3) defines the terms "social security number" and "social security account number" for the purposes of the subsection. Paragraphs (1) and (2) of Section 7088 also amend 42 U.S. 408 to incorporate the fine levels provided by 18 U.S.C. 3571. See 134 Cong. Rec. 13785 (daily ed. June 8, 1988).

SECTION 7089

Section 7089, which is identical to Section 191 of S. 2485, amends the definitions of the term "petty offense" in 18 U.S.C. 19, rule 9 of the rules of Procedure for the Trial of Misdemeanors before United States Magistrates, and Rule 54 of the Federal Rules of Criminal Procedure. The significance of the label "petty offense" is that the constitutional right to a jury trial does not apply if a person is charged with a petty offense.[5] The term "petty offense" is presently defined by 18 U.S.C. 19 to be "a class B misdemeanor, a class C misdemeanor, or an infraction." The terms "class B misdemeanor", "class C misdemeanor", and "infraction" are in turn defined in 18 U.S.C. 3559(a) by the maximum term of imprisonment that can be imposed. Thus, it is possible for an offense carrying a maximum term of imprisonment of 5 days, an infraction under 18 U.S.C. 3559(a)(1)(I), to have a fine so substantial that the offense would not be a "petty offense" for the purpose of the exception to the right of a jury trial.

Section 7089(a) modifies the definition of "petty offense" in 18 U.S.C. 19 by providing that a petty offense cannot call for a fine in excess of $5,000 for an individual and $10,000 for an organization, the maximum fine levels set forth in 18 U.S.C. 3571(b)(6) and (7). Section 7089(b) amends Rule 9 of the Rules of Procedure so that its definition of "petty offense" is a cross-reference to 18 U.S.C. 19. Section 7089(c) makes similar amendment to Rule 54 of the Federal Rules of Criminal Procedure.

SECTION 7090

Section 7090 is identical in substance to Section 192 of S. 2485. Section 7090(a) amends 39 U.S.C. ch. 30 by adding a new section (3002a) to penalize the mailing of locksmithing devices. Proposed 39 U.S.C. 3002a(a) makes a locksmithing device nonmailable unless the device is to be delivered to a lock manufacturer or distributor, a bona fide locksmith, a bona fide repossessor, or a motor vehicle manufacturer or dealer. Proposed 39 U.S.C. 3002a(b) defines the term "locksmithing device" to be a tool or device (other than a key) designed to manipulate lock tumblers into the unlocked position through the keyway of the lock; a tool or device (other than that just described) designed for opening or bypassing a lock or similar security device; and a tool or device designed for making an impression of a key or similar security device to duplicate such a key or device. Section 7090(b) amends the table of sections for 39 U.S.C. ch. 30 to add a reference to proposed section 3002a.

Section 7090(c) amends 18 U.S.C. 1716a, relating to nonmailable material. Section 7090(c)(1) makes present 18 U.S.C. 1716a subsection (a) and adds a new subsection (b) to provide criminal penalties for mailing locksmithing devices. Proposed new section 1716a(b) makes it an offense to knowingly mail, or to cause to be delivered by interstate delivery, a locksmithing device. The maximum penalty is imprisonment for one year and a fine under title 18.[6]

Section 7090(d) amends the table of sections for 18 U.S.C. ch. 83 to conform the caption of section 1716a to the new caption of that section.

SECTION 7091

Section 7091, which is identical to Section 195 of S. 2485, amends 18 U.S.C. 3143(b), which relates to the setting of bail pending appeal. See 134 CONGRESSIONAL RECORD 13787 (daily ed. June 8, 1988).

SECTION 7092

Section 7092 which is identical to Section 196 of S. 2485, amends 18 U.S.C. ch. 206 by adding a new section (3125) to provide for emergency installation of a pen register or a trap and trace device. See 134 CONGRESSIONAL RECORD 13787 (daily ed June 8,1988).

TITLE VII, SUBTITLE C

SENTENCING AMENDMENTS

Subtitle C of title VII of the legislation makes several changes to sentencing provisions of titles 18 and 8 of the United States Code. These changes, like those in subtitle B of title VII, have been worked out in conjunction with the interested parties, including the U.S. Sentencing Commission, the U.S. Parole Commission, the Department of Justice, and the Administrative Office of U.S. Courts.

On behalf of the Subcommittee on Criminal Justice, I want to thank Michael Abbell, Esq., a Washington, D.C. partner in the law firm of Kaplan, Russin, and Vecchi, for his assistance in the drafting of section 7101. Mr. Abbell is an expert on prisoner transfer treaty matters and was most helpful to the Subcommittee.

The provisions of subtitle C are explained in the following section-by-section analysis.

SECTION-BY-SECTION ANALYSIS OF TITLE VII, SUBTITLE C

SENTENCING AMENDMENTS

Sections 7101 through 7112 are derived from Sections 301 and 310 through 320 of S. 2485. There are no comparable provisions in H.R. 2182.

SECTION 7101

Section 7101 is essential to the continued implementation of prisoner transfer treaties that the United States presently has in force with 18 countries and to the implementation of prisoner transfer treaties that come into force in the future. The prisoner transfer treaties permit a United States national convicted in one of the countries with which such a treaty is in force to elect to return to the United States for service of the foreign sentence.[7]

The Sentencing Reform Act of 1984[8] established a new sentencing system that took effect on November 1, 1987. The new system requires federal courts to use sentencing guidelines to sentence persons convicted of federal crimes committed before October 31, 1987. The sentencing Reform Act also abolished parole for offenses committed after October 31, 1987, and calls for the abolition of the Parole Commission on November 1, 1992.[9]

The Sentencing Act of 1987 amended 18 U.S.C. 4106 (relating to transfer of offenders on parole; parole of offenders transferred) so that section 4106 applies only to a person convicted in a foreign court of an offense committed before November 1, 1987. Section 4106 directs the Parole Commission to determine for such a person the length of time to be served in prison and on parole. The Parole Commission makes this determination by applying the parole guidelines as if that person had been convicted of the offense in a federal court in the United States and had received the same sentence.

While section 4106 applies if a person is convicted of an offense committed before November 1, 1987 there is presently no provision of federal law covering a person who is convicted in a foreign country of an offense committed on or after November 1, 1987 and who seeks a transfer to the United States under a prisoner transfer treaty for service of the foreign sentence. No agency of the federal government is authorized to determine the period of imprisonment such a prisoner must serve in the United States; whether the prisoner should serve a period of supervised release in the United States; and, if the prisoner should serve a period of supervised release, what will be the length and conditions of the supervised release. If the prisoner transfer treaties are to be implemented for United States nationals who commit offenses in a foreign country after November 1, 1987, legislation is necessary.

The initial determination that must be made before a prisoner returns to the United States is whether the prisoner's return is voluntary and made with full knowledge of the consequences of the transfer. That determination, under 18 U.S.C. 4108(a), is made by a United States magistrate or a court-appointed verifying officer in a proceeding in the sentencing country. There are other determinations that must be made, however, after that prisoner transfers to the United States—the period of imprisonment the prisoner should serve; whether the prisoner should serve a period of supervised release; and the period and conditions of supervised release if supervised release is determined to be appropriate. It is impracticable for these determinations to be made by a United States magistrate or court-appointed verifying officer at the consent verification proceeding.

Section 7101 provides a short-term solution, one that will apply until the Parole Commission goes out of existence on November 1, 1992. There are serious constitutional problems created by the Parole Commission's going out of existence at that time, and Congress will have to deal with those problems before then. Section 7101, however, does not address those problems, nor does section 7101 extend the life of the Parole Commission beyond November 1, 1992.

Section 7101(a) adds a new section (4106A) to 18 U.S.C. ch. 306 (relating to transfer to or from foreign countries). Proposed section 4106A(a) requires the Parole Commission to supervise prisoners on parole in a foreign country who transfer to the United States. Proposed section 4106A(b)(1)(A) requires the Parole Commission, for a prisoner returned to this country to serve a term of imprisonment for an offense committed after October 31, 1987, to determine the length of the prisoner's period of imprisonment and whether to impose a period of supervised release. If the Parole Commission determines that a period of supervised release is appropriate, proposed section 4106A(b)(1)(A) requires the Parole Commission to set the period and conditions of that supervised release. Proposed section 4106A(b)(1)(A) requires the Parole Commission to make these determinations "as though the offender was convicted in a United States district court of a similar offense."

The phrase "as though the offender was convicted in a United States district court of a similar offense" puts the Parole Commission, with regard to a prisoner who transfers to the United States for the service of sentence, in the position of a United States district court relative to a convicted defendant. Thus, the Parole Commission must use the sentencing guidelines and make the findings necessary to determine the applicable guideline range. Like a United States district court, the Parole Commission is not required to stay within that range but can depart—upward or downward—on the same basis that a federal court can depart from the guidelines.[10]

Because the conditions in foreign prisons and the treatment of persons arrested by foreign authorities may vary considerably from the conditions in federal prisons and the treatment of persons arrested in this country, it can be expected that the Parole Commission will have to decide what impact harsh treatment in another country should have upon the Parole Commission's determinations on imprisonment and supervised release. If, for example, the Parole Commission finds that the prisoner was abused when interrogated, the Parole Commission could use that fact to justify a period of imprisonment at the bottom of the guideline range. If the Parole Commission finds that a prisoner who transfers to the United States had been tortured in the sentencing country, from which the prisoner transfers, then that finding could be a basis for the Parole Commission to depart below the applicable guideline range.

There are several limitations on the Parole Commission's authority. First, proposed section 4106A(b)(1)(B)(i) requires the Parole Commission to *consider* any recommendation of the United States Probation Service. Proposed section 4106A(b)(1)(D) requires the Probation Service to carry out the duties imposed upon a probation officer by 18 U.S.C. 3552. Thus, the Probation Service, after the offender's transfer to the United States, will prepare a report concerning the offender's background, the offense for which the offender has been convicted, the applicable guideline range, and other matters usually included in a report of a presentence investigation.[11]

A second limitation on the Parole Commission, imposed by proposed section 4106A(b)(1)(B)(ii), requires the Parole Commission to *consider* any documents provided by the transferring country. A third limitation, imposed by proposed section 4106A(b)(1)(C), requires that the combined periods of imprisonment and supervised release not exceed the term of imprisonment of the transferred foreign sentence.

Proposed section 4106A(b)(2)(A) gives the aggrieved party 45 days in which to appeal a Parole Commission determination. The appeal must be to the United States court of appeals for the circuit in which the prisoner is imprisoned at the time of the Parole Commission's determination concerning the prisoner. Proposed section 4106A(b)(2)(B) requires the court of appeals to decide the appeal "as though the determination appealed had been a sentence imposed by a United States district court."[12]

Proposed section 4106A(b)(3) requires that the United States district court for the district in which the prisoner resides to supervise the prisoner during any period of supervised release.

Proposed section 4106A(c) provides that section 4106A applies only to offenses committed on or after November 1, 1987.[13]

Section 7101(b) amends 18 U.S.C. 4108(a), which presently requires that a United States magistrate or court-appointed verifying officer, before a prisoner in a foreign country transfers to the United States, verify that the prisoner has "full knowledge" of the transfer's consequences, "including any term of imprisonment or term of supervised release specified in the applicable sentencing guidelines promulgated pursuant to 28 U.S.C. 994(a)(1)". It is not possible, however, for such a prisoner to be advised at that time of "any term of imprisonment or term of supervised release specified in the applicable sentencing guidelines". Indeed, if there are disputed facts that affect guideline determinations, it is not possible for the prisoner to know the applicable guideline range until after the Parole Commission has resolved the factual issues. Because of this, section 7101(b) deletes the requirement that the United States magistrate or court-appointed verifying officer verify that the prisoner is aware of the term of imprisonment and term of supervised release called for by the guidelines.

Section 7101(b), however, does not leave a prisoner without information concerning what sort of period of imprisonment and period of supervised release to expect. The prisoner is entitled, under 18 U.S.C. 4109, to consult with counsel. If the prisoner cannot afford counsel, 18 U.S.C. 4109 authorizes the appointment of counsel at government expense. The prisoner's counsel can be expected to advise the prisoner concerning the period of imprisonment and the period of supervised release likely to be set by the Parole Commission.

Section 7101(c) amends the table of sections for 18 U.S.C. ch. 306 to add a reference to new section 4106A.

Section 7101 also amends prisoner transfer treaty provisions in 18 U.S.C. ch. 306 concerning representation by counsel and the appointment of guardians ad litem. Section 7101(d) amends 18 U.S.C. 4109 to permit a prisoner to be represented by an attorney at a proceeding before the Parole Commission under 18 U.S.C. 4106A. Section 7101(d) also provides that, if the prisoner is unable to afford counsel, counsel will be appointed under 18 U.S.C. 3006A to represent the prisoner. Section 7101(f)(1) amends 18 U.S.C. 3006A(a)(1) to authorize payment of an attorney appointed to represent a prisoner at a Parole Commission proceeding under 18 U.S.C. 4106A, or in an appeal from a Parole Commission determination under 18 U.S.C. 4106A. Section 7101(f)(2) amends 18 U.S.C. 3006A(d)(2) to set the maximum amount that may be paid to an attorney representing a prisoner at a Parole Commission proceeding under 18 U.S.C. 4106 or in an appeal from a Parole Commission determination under 18 U.S.C. 4106A.

Section 7101(e)(1) amends 18 U.S.C. 4100 to authorize the appointment of a guardian ad litem to represent a financially eligible prisoner at a proceeding to determine if the prisoner knowingly and voluntarily consents to transfer to the United States, if the verifying officer deems the prisoner to be mentally incompetent or otherwise incapable of knowingly and voluntarily consenting. The amendment made by Section 7101(e)(2) makes clear that the guardian ad litem and counsel representing the prisoner may not be the same person. Section 7101(d) amends 18 U.S.C. 4109 to provide for the compensation and payment of expenses of a person appointed guardian ad litem under 18 U.S.C. 4100.

SECTION 7102

Section 7102 is identical to section 311 of S. 2485. The purpose of section 7102 is to give a sentencing court the discretion to decide in what form to provide the court's statement of reasons for the imposition of a particular sentence to the appropriate agencies. At present, 18 U.S.C. 3553(c) requires a sentencing court to transmit a transcription of the court's statement of reasons. Section 7102 amends 18 U.S.C. 3553(c) to permit the court to send the information to appropriate agencies in a transcription or "other appropriate public record". See 134 Cong. Rec. 13788 (daily ed. June 8, 1988).

SECTION 7103

Section 7103 amends provisions of titles 18 and 28, United States Code, pertaining to appellate review of sentences.

Section 7103(a)(1) amends subsections (a)(2) and (b)(2) of 18 U.S.C. 3742, which refer to guidelines "issued by the Sentencing Commission pursuant to 28 U.S.C. 994(1)". Since the Sentencing Commission has the authority to issue emergency guidelines,[14] and since Congress has the inherent power to enact a guideline or an amendment to a guideline, subsections (a)(2) and (b)(2) raise the question whether a party can appeal from a sentence if the appeal involves a guideline issued under the Sentencing Commission's emergency guideline authority or enacted by Congress. A strict reading of 18 U.S.C. 3742 would not allow appeal in such a situation. Section 212(a)(1) deletes the phase "issued by the Sentencing Commission pursuant to 28 U.S.C. 994(1)", thereby precluding such a result.

Sections 7103(a) (2) and (8) amends 18 U.S.C. 3742 concerning when a defendant can appeal a sentence that is greater than the sentence called for by the applicable guideline range. Sections 7103(a) (2) and (8) amends 18 U.S.C. 3742 (a)(3) and (c) to authorize a defendant to appeal such a sentence if the sentence is greater than the sentence set forth in a plea agreement under Rule 11(e)(1)(C) of the Federal Rules of Criminal Procedure.

Rule 11(e)(1)(C) of the Federal Rules of Criminal Procedure authorizes a plea agreement in which the parties specify that a particular sentence is "the appropriate disposition of the case". Rule 11(e)(4) permits the defendant to withdraw the plea if the court indicates that a sentence other than that set forth in the plea agreement will be imposed. If the defendant persists in the plea and the court imposes a sentence greater than the sentence called for by the applicable guideline range, the defendant can appeal if the sentence is greater than the sentence set forth in the Rule 11(e)(1)(C) plea agreement.

Sections 7103(a) (3) and (8) makes changes in 18 U.S.C. 3742 concerning appeal of sentence by the government that are parallel to the changes sections 7103(a) (2) and (8) makes in 18 U.S.C. 3742 concerning appeal of sentence by a defendant. Sections 7103(a) (3) and (8) amends 18 U.S.C. 3742 (b)(3) and (c) to authorize the government to appeal a sentence that is below the sentence called for by the applicable guideline range if the sentence is less than the sentence set forth in a plea agreement under Rule 11(e)(1)(C) of the Federal Rules of Criminal Procedure.

Sections 7103(a) (4) and (8) in the nature of a substitute deal with appeal by a defendant of a sentence that was imposed for a sentence for which there is no sentencing guideline. Section 7103(a)(4) deletes a reference in 18 U.S.C. 3742(a)(4) to a guideline "issued by the Sentencing Commission pursuant to 28 U.S.C. 994(a)(1)". For reasons set forth above in the analysis of section 7103(a)(1), section 7103(a)(4) deletes that phrase. Section 7103(a)(4) also deletes language in 18 U.S.C. 3742(a)(4) concerning plea agreements because section 7103(a)(8) adds a new subsection to 18 U.S.C. 3742 dealing specifically with plea agreements.

Sections 7103(a) (5) and (8) makes changes in 18 U.S.C. 3742 concerning appeal of sentence by the government for which there is no sentencing guideline that are paralled to the changes sections 7103(a) (4) and (8) makes in 18 U.S.C. 3742 concerning appeal of sentence by a defendant.

Section 7103(a)(6) in the nature of a substitute makes a clerical amendment in 18 U.S.C. 3742 (d)(3) and (e)(2) so that there is consistency in the use of the phrase "applicable guideline range".

Section 7103(a)(7) amends 18 U.S.C. 3742(d), which requires the court of appeals, when reviewing a sentence on appeal, to give due regard to the opportunity of the district court to judge the credibility of witnesses and to accept a district court's finding of fact unless the finding is "clearly erroneous".[15] When an aggrieved party appeals a sentence alleging a misapplication of the guidelines (i.e., that the sentence is the result of an incorrect application of the guidelines),[16] the standard the court of appeals is to apply when reviewing that sentence depends upon the nature of the alleged misapplication of the guidelines. The appellate court must accept a district court finding of fact unless the finding is clearly erroneous.[17] The court of appeals will scrutinize more closely a district court determination of a legal question, applying a *de novo* standard.[18]

Not every alleged misapplication of the guidelines will involve a finding of fact, however. Application of the guidelines involves a number of subjective determinations. For example, section 3A1.1 of the sentencing guidelines requires the district court to increase a defendant's offense level by 2 levels if the defendant knew or should have known that the victim of the offense was "unusually valunerable due to age, [or] physical or mental condition". Although there may be a factual element to making such a determination, such as the victim's exact age or what (if any) physicial aliment the victim had, the overall determination is not an objective finding of fact. Making the subjective determination required by section 3A1.1 (whether the victim was "unusualy vulnerable"), unlike resolving purely factural questions, is not uniquely within the district court's expertise. The clearly erroneous standard, therefore, would be inappropriate.

On the other hand, because a determination under section 3A1.1 of the sentencing guidelines depends heavily on the unique factual pattern of the case, that determination cannot be considered simply a legal question. Section 3742 recognizes the importance of the district court's role in fact determinations by instructing the court of appeals to "give due regard to the opportunity of the district court to judge the credibility of the witnesses".[19] The *de novo* standard, therefore, is also inappropriate.

Section 7103(a)(7) amends 18 U.S.C. 3742(d) to require the court of appeals to give "due deference to the district court's application of the guidelines to the facts". This standard is intended to give the court of appeals flexibility in reviewing an application of a guideline standard that involves some subjectivity. The deference due a district court's determination will depend upon the relationship of the facts found to the guidelines standard being applied. If the particular determination involved closely resembles a finding of fact, the court of appeals would apply a clearly erroneous test. As the determination approaches a purely legal determination, however, the court of appeals would review the determination more closely.

Section 7103(a)(8) in the nature of a substitute inserts a new subsection (c) in 18 U.S.C. 3742 that deals with the impact of a plea agreement upon an appeal under subsections (a) (3) and (4) and (b) (3) and (4) of 18 U.S.C. 3742.[20] Proposed 18 U.S.C. 3742(c)(1) precludes a defendant's appeal under 18 U.S.C. 3742(a) (3) and (4) unless the sentence imposed is greater than the sentence set forth in a plea agreement under Rule 11(e)(1)(C) of the Federal Rules of Criminal Procedrue. Proposed 18 U.S.C. 3742(c)(2) precludes the government's appeal under 18 U.S.C. 3742(b) (3) and (4) unless the sentence imposed is less than the sentence set forth in a plea agreement under Rule 11(e)(1)(C) of the Federal Rules of Criminal Procedure.[21]

Section 7103(a)(9) in the nature of a substitute adds a new subsection (subsection (h)) to 18 U.S.C. 3742. Proposed subsection (h) provides that for the purposes of 18 U.S.C. 3742, the term "guideline range" includes a range having the same upper and lower limits. Proposed subsection (h) was added out of an abundance of caution and sets forth what would be the interpretation of the term "guideline range" even in the absence of proposed subsection (h). The term "range" means "the limits between which a thing may vary in amount or degree".[22] Thus, since "the limits between which a thing may vary in amount" (the range) can be zero months, a range can be a single point.[23]

Section 7103(b) in the nature of a substitute amends 28 U.S.C. 994(a)(1) to clarify that the Sentencing Commission is authorized to issue guidelines concerning two discrtionary conditions of probation set forth in 18 U.S.C. 3563(b).

SECTION 7104

Section 7104 is identical to section 313 of S. 2485, with one exception. The purpose of section 7104 is explicitly to authorize the Sentencing Commission to retain outside legal counsel. The Commission's authority to do so may already exist because 28 U.S.C. 995(a)(6) authorizes the Commission to "enter into and perform such contracts . . . as may be necessary in the conduct of the functions of the Commission . . . with any person, firm, association, corporation, educational institution, or nonprofit organization". Since 28 U.S.C. 995(a)(6) does not specifically refer to the retention of legal counsel, however, it would seem desirable to forestall any question about the Commission's authority to do so. Section 7104, therefore, amends 28 U.S.C. 995(a) specifically to authorize the Commission to hire private counsel and pay reasonable attorney's fees to counsel.

Section 7104 of S. 2485 amended section 995(a) to provide that counsel so retained by the Commission "may be considered special government employees as defined in section 202(a) of title 18". Section 7104 has changed that phrase to provide that such counsel "shall" be so considered.

SECTION 7105

Section 7105 is identical to section 314 of S. 2485. Section 7105 amends 28 U.S.C. 995(2) to increase the maximum salary that the Sentencing Commission is authorized to pay its staff director. The increase is from grade 18 of the general schedule (presently capped at $72,500) to level 6 of the senior executive service schedule (presently $77,500). See 134 Cong. Rec. 13788–89 (daily ed. June 8, 1988).

SECTION 7106

Section 7106 is identical to section 315 of S. 2485 and gives the Sentencing Commission the authority to make incentive awards to Commission employees, a power that most other federal agencies have. See 134 Cong. Rec. 13789 (daily ed. June 8, 1988).

SECTION 7107

Section 7107 is identical to section 316 of S. 2485 and corrects a cross-reference in 18 U.S.C. 3582(c). See 134 Cong. Rec. 13789 (daily ed. June 8, 1988).

SECTION 7108

Section 7108 is derived from section 317 of S. 2485. Section 7108(a) is identical to section 317(a) of S. 2485. Section 7108(a) amends U.S.C. 3553(d), which sets forth conditions that the court may impose on a person sentenced to a term of supervised release, to require that any condition so imposed be reasonably related to, and involve no greater deprivation of liberty than is reasonably necessary for, protecting the public from "further crimes of the defendant".

Section 7108(b)(1) is identical to section 317 of S. 2485. Section 7108(b)(1) amends 18 U.S.C. 3583(e), which authorizes a court to modify conditions of supervised release or terminate a term of supervised release after considering certain factors. Section 7108(b)(1) amends 18 U.S.C. 3583(e) to require the court to consider the need to protect the public from "further crimes of the defendant".

Section 7108(b)(2) amends 18 U.S.C. 3583(e) by striking out paragraph (3), which provides that the court can treat a violation of a condition of supervised release as a contempt of court under 18 U.S.C. 401(3).

SECTION 7109

Section 7109 amends 28 U.S.C. 994(p), which deals with the authority of the Sentencing Commission to amend the sentencing guidelines. As amended by section 7109, 28 U.S.C. 994(p) authorizes the Sentencing Commission to issue amendments to guidelines. An amendment, together with a statement of the reasons for the amendment, must be submitted to Congress at or after the start of a Session of Congress, but no later than May 1. An amendment so submitted takes effect when the Commission prescribes, but in no event sooner than 180 days after submission to Congress or later than November 1 of the calendar year in which the amendment is submitted.

Section 994(p) as amended by section 7109 also authorizes the Sentencing Commission to modify an amendment submitted to Congress before the amendment takes effect. The amendment as modified takes effect when the Commission prescribes, but in no event sooner than 180 days after submission to Congress or later than November 1 of the calendar year in which the modification is submitted. Finally, section 994(p) as amended by section 7109, carrying forward in modified form language from the previous section 994(p), states a proposition that is true even in the absence of any express statutory language: Congress can modify the effective date of any amendment to the guidelines or any modification of an amendment to the guidelines, and can change or disapprove any amendment to the guidelines or any modification of an amendment to the guidelines.

SECTION 7110

Section 7110 is identical to section 319 of S. 2485 and removes an ambiguity in 18 U.S.C. 3563(b)(3). Section 3563(b)(3), which authorizes the court to order as a discretionary condition of probation that the offender "make restitution to a victim of the offense pursuant to the provision of section 3556" of title 18, may be read to limit the availability of restitution as a criminal sanction because 18 U.S.C. 3556 provides that, when imposing sentence, the court "may order restitution in accordance with sections 3663 and 3664."

Section 3663(a), however, limits the offenses to which the provisions of 18 U.S.C. 3663 and 3664 apply to title 18 offenses and certain offenses under the Federal Aviation Act of 1958 (located in title 49 of the United States Code). If the phrase "in accordance with" as used in 18 U.S.C. 3556 is read to incorporate all of the provisions of 18 U.S.C. 3663, including the limitation of 18 U.S.C. 3663(a), then the effect of 18 U.S.C. 3556 is to permit the court to order restitution as a condition of probation only for title 18 offenses and the offenses under the Federal Aviation Act of 1958 set forth in 18 U.S.C. 3663(a).

Section 7110 eliminates the ambiguity by amending 18 U.S.C. 3563(b)(3) to provide that the court may order restitution as a condition of probation pursuant to the provisions of 18 U.S.C. 3663 and 3664 "(but not subject to the limitations of [section] 3663(a))".

SECTION 7111

Section 7111 is identical to section 320 of S. 2485 and amends Rule 4(b) of the Federal Rules of Appellate Procedure in respect to calculating the time for filing a notice of appeal of a sentence. See 134 Cong. Rec. 13790 (daily ed. June 8, 1988).

FOOTNOTES

1. United States v. Gilboe, 684 F.2d 235 (2d Cir. 1982), cert. denied, 459 U.S. 1201 (1983); United States v. Wright, 791 F.2d 133 (10th Cir. 1986); United States v. Goldberg, 830 F.2d 459 (3d Cir. 1987).

2. Pub. L. No. 100–185, 100 stat 1279.

3. Public Law No. 98–473, § 203(d), 98 Stat. 1976.

4. Scharf v. United States, 606 F. Supp. 379 (E.D. Va. 1985).

5. See Frank v. United States, 395 U.S. 147 (1969).

6. See 18 U.S.C. 3571.

7. The prisoner transfer treaties are reciprocal to the extent that an offender is convicted in a federal court or in a court in one of the approximately 30 states that have enacted legislation permitting offenders convicted in that state to transfer to a foreign country. Thus, a foreign citizen imprisoned for a federal offense in the United States may elect to return to the country of which that person is a national for service of sentence. Section 201 does not affect that aspect of the prisoner transfer treaties.

8. Pub. L. No. 98–473, tit. II, ch. II, 98 Stat. 1987. *See* Sen. Rep. No. 225, 98th Cong., 1st Sess. 56–58 (1983).

9. See Sentencing Reform Act of 1984, Pub. L. No. 98–473, § 235(b)(1), 98 Stat. 2032.

10. See 18 U.S.C. 3553 (a), (b). See also 1333 Cong. Rec. H10018 (daily ed. Nov. 16, 1987).

11. See Fed. R. Crim. P. 32(c).

12. Thus, for example, if the defendant is claiming that the Parole Commission's determination was the result of an incorrect application of the sentencing guidelines, the defendant would file a notice of appeal under 18 U.S.C. 3742(a)(2). Likewise, if the government is claiming that the Parole Commission's determination was the result of an incorrect application of the sentencing guidelines, the government would file a notice of appeal under 18 U.S.C. 3742(b)(2). If the court of appeals finds under 18 U.S.C. 3742(d) that the Parole Commission determination was the result of an incorrect application of the guidelines, then the court of appeals must, under 18 U.S.C. 3742(e), remand the matter to the Parole Commission for further proceedings.

Because the Parole Commission is acting "as though" it were a United States district court imposing sentence on a defendant convicted of a federal offense, a prisoner with a determination under 18 U.S.C. 4106A pending before the Parole Commission is entitled to the benefit of all procedures relevant to sentencing to which such a defendant is entitled. Thus, the Parole Commission may have to hold a hearing to resolve disputes about facts relevant to determining the applicable guideline range.

13. The comparable provision of section 4106A in S. 2485 as passed by the Senate refers to offenses "completed" on or after November 1, 1987. The amendment in the nature of a substitute replaces the term "completed" with the term "committed," but there is probably no difference in the result produced by the two terms. See 133 Cong. Rec. H10017, H10019 n. 5 (daily ed. Nov. 16, 1987) (section-by-section analysis of Sentencing Act of 1987).

For example, A and B agree to rob a bank on October 31, 1987 and commit an overt act in furtherance of the conspiracy on that date. A and B actually rob the bank the following day, November 1, 1987. A and B have committed conspiracy to commit robbery as of October 31 (i.e., have "completed" the offense), even if they do not later actually commit the robbery, for they had, as of October 31, committed (completed) all of the elements of the crime of conspiracy. Nothing A and B could do after October 31 would erase their liability for the conspiracy. A and B's liability for the actual robbery, however, attaches on November 1, the date the robbery took place, because that is when the elements of the substantive offense were committed (i.e., the offense was "completed"). A and B, at any time before November 1, could have prevented the attaching of criminal liability (the completion of the offense of robbery) simply by not carrying out the plan to rob the bank.

The ex post facto clause of the Constitution provides that an offender cannot be given punishment that is harsher than the punishment in effect on the date when the crime was committed. U.S. Const. art. I, §9, cl. 3. See Weaver V. Graham, 450 U.S. 24, 29 (1981); Beazell v. Ohio, 269 U.S. 167, 169–70 (1925). If the above example occurred in a country with which a prisoner transfer treaty is in force, whether the provisions of proposed section 4106A would apply if A and B transfer to the United States will depend upon whether they are convicted of the conspiracy or the substantive offense. If they are convicted of conspiracy, then proposed section 4106A will not apply because the crime of conspiracy to rob was not committed ("completed") on or after November 1, 1987. Instead, the provisions of 18 U.S.C. 4106 will apply because that section applies to offenses committed ("completed") before November 1, 1987. If they are convicted of the substantive offense, then proposed section 4106A applies because the substantive offense was committed ("completed") on November 1.

14. Sentencing Act of 1987, Pub. L. No. 100–182, § 21, 101 Stat. 1271.

15. The clearly erroneous test does not require the court of appeals to defer entirely to the lower court. In fact, the clearly erroneous test does not require as much deference to the lower court as a substantial evidence test, which requires the court of appeals to inquire whether the lower court could reasonably have made the particular finding. The clearly erroneous test does not require as much deference to the lower court, for "findings may be clearly erroneous without being unreasonable." K. Davis, Adminstrative Law Text 543 (3d ed. 1972).

16. 18 U.S.C. 3742(a) (2), (b) (2).

17. 18 U.S.C. 3742(d).

18. See K. Davis, Administrative Law Text ch. 29 (3d ed. 1972).

19. 18 U.S.C. 3742(d).

20. Two of those provisions, as amended by this legislation, authorize the defendant to appeal a sentence that is greater than the sentence called for by the applicable guideline range, 18 U.S.C. 3742(a) (3), or that is imposed for a sentence for which no sentencing guideline has been issued and that is plainly unreasonable, 18 U.S.C. 3742(a) (4). The other two provisions, as amended by this legislation, authorize the government to appeal a sentence that is less than the sentence called for by the applicable guideline range, 18 U.S.C. 3742(b) (3), or that is imposed for a sentence for which no sentencing guideline has been issued and that is plainly unreasonable, 18 U.S.C. 3742(a) (4).

21. 18 U.S.C. 3742 presently authorizes an aggrieved party to file a notice of appeal if the sentence imposed is outside of the applicable guideline range—above that range in the case of a defendant, and below that range in the case of the government—and outside of a plea agreement under Rule 11(e) (1) (B) or 11(e) (1) (C) of the Federal Rules of Criminal Procedure—above the sentence specified in the plea agreement in the case of the defendant, and below that sentence in the case of the government. A Rule 11(e) (1) (B) plea agreement requires that government to make a sentence recommendation, or not oppose a sentence request of the defendant. Unlike a Rule 11(e) (1) (C) plea agreement, a Rule 11(e) (1) (B) plea agreement does not always set forth a specific sentence that is being recommended or not opposed. Rule 11(e) (1) (B) plea agreements are of widely varying degrees of specificity and may simply contain a general statement ("The government recommends leniency").

Section 212(a) (8) of the amendment deletes the reference to Rule 11(e) (1) (B). Thus, under 18 U.S.C. 3742 as amended by section 212(a) (8) of the amendment, an aggrieved party can file a notice of appeal even though the sentence imposed is not outside of the sentence set forth in a plea agreement under Rule 11(e) (1) (B). Such an appeal is unlikely to succeed, however, for it is difficult to characterize as "unreasonable", the standard set by 18 U.S.C. 3742(d) (3), a sentence that the party appealing had agreed to as part of a plea agreement.

22.2 Shorter Oxford English Dictionary 1744 (3d ed. 1978). See W. Mendenhall, Introduction to Probability and Statistics 42 (6th ed. 1983) ("The range of a set of n measurements $y_1, y_2, y_3, \ldots, y_n$ is defined to be the difference between the largest and smallest measurement.").

23. See H.R. Rep. No. 614, 99th Cong., 2d Sess. 3 n. 9, 6 n. 33 (1986).

TITLE VII, SUBTITLE D

VICTIMS OF CRIME

Title VII, subtitle D of the legislation deals with the Victims of Crime Act [VOCA], which was enacted in 1984 as part of the Comprehensive Crime Control Act. The comparable provisions in the Senate-passed bill have been significantly changed as the result of negotiations with the Senate. On the part of the House, the Judiciary Committee and the Education and Labor Committee were involved in working out a compromise, as was the Select Committee on Children, Youth, and Families.

The Victims of Crime Act establishes a crime victims fund consisting of fines and monetary penalties collected from persons convicted of Federal crimes. No tax dollars go into the fund.

The fund is used for four purposes, to aid State crime victim compensation programs, to aid crime victim assistance programs, to provide assistance to victims of Federal crimes, and to fund certain programs under the Child Abuse Prevention and Treatment Act. The legislation addresses all four of these areas, and in addition increases the cap on the fund and calls for the fund to sunset at the end of fiscal year 1994.

With regard to crime victim compensation, the legislation adds two new requirements that a State crime victim compensation program must meet in order to qualify for money from the fund. First, the program must compensate State residents who are crime victims in another State that does not have an eligible crime victim compensation program. Second, the program cannot deny compensation to a crime victim simply on the basis of the victim's family relationship to the offender or because the victim and offender share a residence. The program can, however, deny compensation in order to avoid unjust enrichment of the offender. In addition, the legislation requires that a State make victims of drunk driving and domestic violence eligible for crime victim compensation.

In order to give the States time to comply with these requirements, the legislation gives the States 2 years to amend their laws. In the meantime, a crime victim compensation program that is otherwise eligible will continue to receive money from the crime victims fund. The legislation also increases the rate at which crime victim compensation programs will be reimbursed, from 35 to 40 percent.

With regard to crime victim assistance, the legislation does not alter the main purpose of VOCA—to assist in providing, on a continuing basis, high-quality services that directly affect the health and well-being of victims, and to ensure that rape crisis centers, domestic violence shelters, and child abuse programs—all of which provide such services—receive priority in the distribution of crime victim assistance money from the fund.

Services to crime victims span a wide range, from insuring that victims receive timely notification about the various proceedings in the process of prosecuting the person accused, to counseling to help the victim overcome the emotional trauma of the victimization. While all victims services are worthwhile, some services are more directly related to the emotional healing and recovery of the victim than others.

Since there is not enough money in the crime victims fund to permit funding of all victims services, VOCA ensures that services that directly affect the health and well-being of victims receive priority in the use of crime victims fund money. Thus, VOCA requires States to give priority to rape victims, child abuse victims, and domestic violence victims. The legislation does not alter that priority requirement.

The legislation does require the State chief executive, in distributing crime victim fund money to crime victim assistance programs, to make available money to programs that serve "previously underserved populations of victims of violent crime." In so doing, the chief executive should bear in mind that, consistent with VOCA, programs offering counseling services that are vitally important to the emotional healing and recovery of the victims served should be given priority over programs offering other types of services.

The statutory provision requiring the chief executive to make money available to programs serving "previously underserved populations of victims of violent crime" does not, however, require the commitment of any specific percentage of the State's crime victims fund money. The comparable provision in the Senate-passed bill likewise did not require the commitment of any specific percentage of the State's crime victims fund money.

During the Senate debate, the intention was expressed that this language be interpreted to require each State to make available to programs serving "previously underserved populations of victims of violent crime" at least 10 percent its crime victims fund money. The Senate's provision, with the intention, was not acceptable. The compromise provision in the legislation is a modification of the provision in the Senate-passed bill, and was included with the understanding that since the clear language of the compromise provision does not require the allocation of a specific percentage, no such requirement is intended. Thus, a State chief executive has the discretion to determine to what extent programs serving "previously underserved populations of victims of violent crime" should receive money from the State's share of the crime victims fund.

With regard to services for victims of Federal crimes, VOCA makes money available for two purposes—training and technical assistance, and direct services to victims. The legislation makes additional money available for the latter purpose, by providing that the Justice Department may spend 5 percent of amounts in the fund in excess of $100 million for direct services to victims.

Finally, with regard to Child Abuse Prevention and Treatment Act programs, VOCA requires the Department of Health and Human Services to administer money in the fund that is to be spent on those programs. The legislation as passed by the Senate would have transferred administration to the Justice Department, and in that form was not acceptable. The Senate agreed to drop that provision.

The legislation does give the Justice Department the responsibility to administer a portion of the money in the fund that is to be spent on Child Abuse Prevention and Treatment Act programs. Up to 15 percent of the money in the fund available for that purpose must be spent by the Justice Department to assist native American Indian tribes in developing, establishing, and operating programs to improve the handling of child abuse cases, particularly child sexual abuse cases, and to improve the investigation and prosecution of child abuse cases, particularly child sexual abuse cases.

I want to thank my colleagues who were involved in the drafting of this part of the legislation—Representative GUS HAWKINS, the chairman of the Education and Labor Committee; Representative GEORGE MILLER, the chairman of the Select Committee on Children, Youth, and Families; Representative PAT WILLIAMS, the chairman of the Subcommittee on Postsecondary Education of the Education and Labor Committee; Representative HAMILTON FISH, the ranking Republican member of the Judiciary Committee; Representative GEORGE GEKAS, the ranking Republican member of the Subcommittee on Criminal Justice; and last, but certainly not least, Representative PETER W. RODINO, the chairman of the Judiciary Committee, who can fairly be called the father of the Victims of Crime Act.

I also want to express my appreciation to staff who contributed to this part of the legislation, in particular Wendy Lader, the Subcommittee on Criminal Justice's research assistant, who has done an outstanding job. In addition, Diane Shust, Virginia duRivage, Lisa Naftaly, and Tim Gilligan of the staff of the Select Committee on Children, Youth, and Families, and Alan Lovesee of the staff of the Education and Labor Committee provided important help in the crafting of this part of the legislation.

The provisions of subtitle D are explained in the following section-by-section analysis. The section-by-section analysis may incorrectly refer to the section numbers in the bill as finally introduced. As my colleagues are aware, the final version of the bill is constantly being worked on. I have been assured, however, that the references to sections of the bill in this analysis are correct, at least as of the time the analysis was being typed. If the references are imprecise, the caption of the section being analyzed should make it possible to find in the bill the actual section.

SECTION-BY-SECTION ANALYSIS OF SECTION VII, SUBTITLE D

BACKGROUND

The Victims of Crime Act (VOCA) was enacted as part of the Comprehensive Crime Control Act of 1984 (Pub. L. No. 98-473, tit. II, ch XIV, 98 stat. 2170) to provide federal money to help crime victim assistance and compensation programs to carry out their work. Hearings held by the Subcommittee on Criminal Justice have shown that VOCA has had a significant impact on State efforts to aid victims of crime and has provided a valuable source of funding for victim programs.[1] As the Department of Justice recently pointed out, VOCA "serves as the cornerstone of the federal government's commitment to make victims of criminal acts whole again and to restore faith in the justice system."[2]

VOCA establishes a separate, self-generating Crime Victims Fund in the Treasury consisting, not of tax dollars, but of collections of fines and special penalty assessments levied against convicted defendants, forfeited appearance bonds, and so-called "Son-of-Sam" forfeitures. The Fund is presently capped at $110 million, with money in excess of that amount deposited in the general fund of the Treasury. Deposits in the Crime Victims Fund have been increasing since 1984, totalling $77.4 million in FY 1987 and approximately $90 million for FY 1988.

Section 1402(d)(2) of VOCA directs how the Crime Victims Fund is distributed. Of the first $100 million in the Fund, 49.5% goes to eligible State crime victim compensation programs; 45% to States for grants to eligible crime victim assistance programs; 1% to the Department of Justice for assistance programs for victims of Federal crime; and 4.5% to the Secretary of Health and Human Services for grants under the Children's Justice Act (CJA) for programs that improve the handling, investigation, or prosecution of child abuse cases. Of amounts in the Fund above $100 million, the first $5.5 million goes to the Secretary of Health and Human Services for CJA programs, and the remaining money to States for grants to eligible crime victim assistance programs.[3]

The victim compensation money available in the Fund is used under present section 1403 of VOCA to reimburse eligible State crime victim compensation programs for 35% of what they spend to compensate victims. To be eligible for that reimbursement, a State crime victim compensation program must (1) compensate crime victims for medical expenses and loss of wages resulting from the crime and must reimburse the survivors of the victim for funeral expenses; (2) promote victim cooperation with the reasonable requests of law enforcement agencies; (3) not use VOCA funds to supplant State funds otherwise available to provide crime victim compensation; (4) compensate nonresidents of the State on the same basis as State residents; (5) compensate victims of federal crimes on the same basis as victims of State crimes; and (6) provide the Attorney General with any information reasonably required.

Present section 1404 of VOCA directs the Attorney General to make, from the 45 percent of the Crime Victims Fund available to States to aid eligible crime victim assistance programs, an annual grant to each State of $100,000 plus an additional amount on the basis of population. The chief executive of the State is responsible for making grants from that money. The chief executive, however, can make grants from money received under section 1404 only to an eligible crime victim assist program.

A victim assistance program is eligible for a grant under section 1404 of VOCA if the program meets five criteria. First, the program must be operated by a public agency or a non-profit organization (section 1404(b)(1)(A)). The second criterion, in section 1404(b)(1)(B) of VOCA, requires that the program demonstrate either a track record of "effective services" plus financial support from sources other than the Crime Vitims Fund, or else substantial financial support from sources other than the Crime Victim Fund.[4] The third criterion for an eligible program, in section 1404(b)(1)(C) of VOCA, requires the program to utilize volunteers. The fourth criterion (section 1404(b)(1)(D) requires the program to promote efforts in the community to aid crime victims, and the fifth (section 1404(b)(1)(E) that it assist victims in seeking compensation benefits.

These criteria, particularly the second and third, seek to ensure that a crime victim assistance program receiving a grant from Crime Victim Fund money will be well-established and firmly based in the community, and therefore capable of providing long-term, high quality services. Thus, a program that has received grants under section 1404 should not lose that grant simply in order to provide seed money for a new program. Providing grants to help start a new program is a secondary objective of VOCA.

Services to crime victims span a wide range, from insuring that victims receive timely notification about the various proceedings in the process of presecuting the person accused, to counselling to help the victim overcome the emotional trauma of the victimization. While all victims services are worthwhile, some services are more directly related to the emotional healing and recovery of the victim than others.[5]

Since there is not enough money in the Crime Victims Fund to permit funding of all victims services, VOCA ensures that services that directly affect the health and well-being of victims receive priority in the use of Crime Victims Fund money. Thus, while the State chief executive has considerable discretion under section 1402(d)(2) of VOCA in making grants to eligible programs, the chief executive must, under section 1404(a)(2)(A) of VOCA, give priority to certain types of programs—rape crisis centers, domestic violence shelters, and child abuse programs.[6] This requirement seeks to ensure that a substantial portion of each State's victim assistance grant under section 1404(a) will be used to sustain and maintain vitally important crisis intervention services, tailored to the specialized needs of a given victim population, that are provided on a 24-hour per day basis.

The vast majority of witnesses at the Criminal Justice Subcommittee's hearings testified to the special needs of women and children victimized by crime and the need to retain the current priority requirement of section 1404(a)(2), citing the "well documented needs" of such victims, the "proven track records" of programs in this area, and the fact that these victim populations are "the least empowered and the most susceptible to intimidation and fear." [7]

Under present section 1404(c) the Attorney General can make grants for (1) "training and technical assistance services to eligible crime victim assistance programs," and (2) "financial support of services to victims of Federal crime by eligible crime victim assistance programs." However, not more than 50 percent may be used for grants for the first purpose, and not less than 50 percent for the second.

Section 7121. Victims of Crime Act of 1984 Reauthorization

Section 7121(a) amends section 1402 of VOCA to (1) establish a new sunset date for VOCA, (2) make funds available to the judiciary to enable the judiciary to establish and operate a computerized fine receipt system, and (3) increase the cap on the Crime Victims Fund.

New subsection 1402(c)(2) calls for VOCA to sunset on September 30, 1994. New subsection 1402(c)(1)(B) raises the current cap of $110 million on money that may be deposited in the Crime Victims Fund. Under new subsection 1402(c)(1)(B), the cap will be $125 million for fiscal years 1989 through 1991, and $150 million for fiscal years 1992 through 1994.

New subsection 1402(c)(1)(A) makes money available to the judiciary so that the judiciary can carry out its functions under 18 U.S.C. 3611 and 3612. This money does not come from the Crime Victims Fund itself. New subsection (c)(1)(A) makes available to the judiciary the first $2.2 million received above the cap. Thus, for fiscal years 1989 through 1991, the judicial branch will receive the first $2.2 million from collections of penalties and fines above the cap of $125 million. For fiscal years 1992 through 1994, the judicial branch will receive the first $2.2 million from collections of penalties and fines above the cap of $150 million.

Section 7121(b)(1) amends section 1402(d)(2) of VOCA to provide for the distribution of money in the Crime Victims Fund in excess of $110 million. Of money deposited in the Fund above that amount, 47.5% will be made available to eligible State crime victim compensation programs under section 1403; 47.5% will be made available to States for grants to eligible crime victim assistance programs under section 1404(a); and 5% will be made available to the Department of Justice for providing services directly to victims of Federal crime under section 1404(c)(1)(B).[8]

Section 7121(b)(2) makes a technical amendment to section 1402(d)(2)(C).

Section 7122. Victims Assistance Amendment.

Section 7122 amends section 1404(a)(2) of VOCA to add a new requirement that a State chief executive certify that funds will be made available for grants to programs that serve "previously underserved populations of victims of violent crime." New section 1404(a)(2)(B) authorizes the Director of the Office for Victims of Crime, after con-

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Footnotes at end of article.

sultation with State and local officials, to provide guidelines to implement this provision that allow flexibility to States to determine which programs to fund.

The term "underserved populations of victims of violent crime" is left undefined in order to give the chief executive of a State flexibility to determine, under the circumstances of the State, what populations of crime victim might be underserved. Such a determination cannot be made simply by looking at the numbers of victims of a given type of crime. The type of services required by the particular population of victims and the impact of those services upon their physical and mental well-being must also be considered. Programs which offer counseling and 24-hour crisis intervention provide services that can significantly affect the well-being of the victim being served. Such programs should receive funding before those that do not provide such services.

The Senate-passed bill contained a provision similar to new section 1404(a)(2)(B). During the debate on the Senate bill, it was indicated that it was intended that that provision be interpreted to require a chief executive to use at least 10% of the State's funds under section 1404 for those programs. The clear language of the provision in the Senate-passed bill did not require that, however.

Such an interpretation was unacceptable, and a provision with that interpretation would not have been agreed to. The language of new section 1404(a)(2)(B) imposes no requirement upon the chief executive of a State to allocate a specified minimum percentage of Crime Victims Fund money to programs serving "underserved populations of victims of violent crime". We agreed to new section 1404(a)(2)(B) with no intention that the provision be interpreted to impose such a minimum requirement. The chief executive is constrained, however, in the maximum that can be spent on such programs by the priority requirement of section 1404(a)(2)(A) of VOCA. The total of funds spent on "underserved" populations may not exceed funds spent on each of the priority populations.

Section 7123. Establishment of Office for Victims of Crime.

Section 7123 amends VOCA to add a new section (1411) to establish the Office for Victims of Crime as a bureau within the Justice Department, to be headed by a Director appointed by the President with the advice and consent of the Senate. New section 1411 gives the Director the authority to make VOCA grants. The Director reports to the Assistant Attorney General for the Office of Justice Programs to ensure coordination with other Office of Justice Program agencies.

Section 7124, Grants for Indian Country.

The Children's Justice Act of 1986 (CJA) made federal money available to States to establish programs to improve the handling, investigation, or prosecution of child abuse cases. To fund such programs, CJA provided for the use of money in the Crime Victims Fund.

Due to the significant problem of child abuse on Indian reservations, section 7124 amends section 1402 of VOCA to designate 15 percent of the Crime Victims Fund money allocated for CJA programs to assist Indian tribes (as defined by section 4(b) of the Indian Self-Determination and Education Assistance Act, Pub. L. No. 93-638). This 15 percent must be used by the Department of Justice in consultation with the Department of Health and Human Services and the Bureau of Indian Affairs. Money for Indian tribes must be granted for exactly the same purposes as other CJA funds: to improve the investigation, prosecution, and handling of child abuse cases in the criminal justice system. The remaining 85 percent of the CJA fund continues to be administered by the Department of Health and Human Services.

Section 7125. Other Amendments to the Victims of Crime Act.

Section 7125 makes several amendments to the crime victim compensation part of VOCA.

Section 7125(a) adds new requirements that a State crime victim compensation must meet in order to be an eligible crime victim compensation program. First, section 7125(a) adds new paragraph (6) to section 1403(b) of VOCA to require that a State compensation program compensate State residents who are victims of eligible crimes that occur in another State that does not have a victim compensation program. Section 7125(a) also amends section 1403(b) of VOCA to add new paragraph (7) requiring that an eligible State crime victim compensation program not deny compensation to a victim because of (1) the victim's familial relationship to the offender, or (2) because the victim shares a residence with the offender. New paragraph (7) permits an eligible compensation program to establish reasonable regulations to prevent the unjust enrichment of the offender.

The language of new paragraph (7) differs from the similiar provision in the Senate bill, which prohibited a program from denying compensation to a victim who lived with the offender "at the time of the crime." The Senate agreed to drop the phrase "at the time of the crime" and thereby broaden the prohibition of new paragraph (7). Thus, an eligible crime victim compensation program cannot refuse to compensate a victim who may still be living with the offender, merely because of that fact. The program may, however, refuse to compensate the victim if compensating the victim would unjustly enrich the offender.

Section 7125(b) amends section 1403(a) of VOCA by raising from 35 percent to 40 percent the level at which a State with an eligible victim compensation program will be reimbursed for what it spent to compensate crime victims in the previous year.[9]

Section 7125(c) amends section 1403(b) of VOCA to require that an eligible compensation program compensate victims of drunk driving and domestic violence. This provision may require that a State revise its laws in order to make drunk driving and domestic violence compensable crimes.

Some 36 States already compensate many victims of drunk driving, although some of those States limit their awards to more serious cases. The costs of compensating victims of drunk driving should not pose a heavy burden on State compensation programs, since the vast majority of drunk driving victims are reimbursed for their losses through private automobile insurance, State uninsured motorist funds, or civil judgements against offenders.

Regarding domestic violence, some 34 States currently deny compensation to domestic violence victims simply because they are related to, or cohabitate with, the offender. As a result of such statutory and eligibility guidelines, victims of domestic violence may have received an inequitable distribution of victim compensation funds.

Section 1403(b)(1) and 1403(d)(3) as amended require the States to drop blanket "family exclusions", to treat domestic violence as a criminal act, and to evaluate domestic violence claims with the same standards and procedures applicable to claims based on other forms of criminal conduct. Thus, the victim of domestic violence must be required to cooperate with the reasonable requests of law enforcement agencies, and the program can deny the victim compensation if the offender would be unjustly enriched by the award. In drafting guidelines to prevent unjust enrichment in claims involving domestic violence, crime victim compensation programs are encouraged to consult with domestic violence programs which are especially skilled in understanding the complexities inherent in domestic violence.

Section 7125(d) clarifies the wording in section 1403(b)(5) of VOCA, which requires that a program compensate victims of Federal crime occurring within the State on the same basis as victims of State crime.

Section 7126(e) removes an obsolete provision.

Section 7126. Treatment of Eyeglasses.

Section 7126 amends section 1403(d) of VOCA to require that eligible victim compensation programs cover loss of eyeglasses and other corrective lenses at compensable medical expenses.

Section 7127. Virgin Islands as State.

Section 7127 amends section 1404(d)(1) of VOCA to include the United States Virgin Islands as a State for purposes of determining the size of the victim assistance grant under section 1404.

Section 7128. Allocation to States.

Section 7128 amends section 1404(a) of VOCA to alter the formula for determining a State's victim assistance grant under section 1404. Present section 1404 of VOCA directs the Attorney General to make, from the 45% of the Crime Victims Fund available to States to aid eligible crime victim assistance programs, an annual grant to each State of $100,000 plus an additional amount on the basis of population. Section 7128 raises the base amount to $150,000 for fiscal years 1989 through 1991, and to $200,000 for fiscal years 1992 through 1994.

Section 7129. Transition Rule.

Section 7129 establishes a transitional period for States to revise their laws to meet new requirements enacted in the legislation. Programs currently eligible will continue to be eligible for VOCA grants until October 1, 1990. After that date, programs must comply with the new eligibility requirements to receive VOCA funds.

Section 7130. Retroactive Transfer to Fund.

Section 7130 provides that funds collected from criminal fines and penalties between October 1, 1988 and the effective date of this Act will become part of the Crime Victims Fund.

FOOTNOTES

1. The Subcommittee on Criminal Justice held three hearings on VOCA during the 100th Congress, receiving testimony from more than twenty witnesses. The vast majority of the witnesses at these hearings supported a permanent reauthorization of VOCA and the removal of, or a substantial increase in, the cap on the Crime Victims Fund.

2. Acting Associate Attorney General Frank Keating, Department of Justice, press release, September 29, 1988.

3. This formula resulted from the Children's Justice Act of 1986 (Pub. L. No. 99-401, § 102.). VOCA, as originally established, provided for a cap of $100

million, with money in the Fund distributed as follows: 50% of the Fund was to go to eligible State crime victim compensation programs; 45% to States for grants to eligible crime victim assistance programs; and 5% to the Department of Justice for assistance programs for victims of federal crime. The Children's Justice Act raised the cap on the Crime Victims Fund to $110 million and revised the distribution formula.

4. See 130 Cong. Rec. H12085 (daily ed. Oct. 10, 1984).

5. Not all activities by organizations that style themselves as helping victims are "services" for the purpose of VOCA. For example, an organization that exists "to mobilize victims and their allies to establish public conviction that [a given type of crime] is unacceptable and criminal" may engage in such activities as coalition formation, Congressional testimony, demonstrations, and grassroots organizing. Such activities would not be services to victims within the meaning of VOCA and could not be supported with VOCA money.

6. The Department of Justice currently defines the programs that are to receive priority more broadly, considering any program which serves a wide variety of victim populations, including one of the priority populations, as a program that is to receive priority. As a result of that definition, Justice Department statistics may overstate the number of programs that are receiving money from the Crime Victims Fund under section 1404 that serve principally the three priority groups of victims.

The Subcommittee on Criminal Justice has received information that some programs serving the priority groups have been told that, in order to receive a grant from a chief executive under section 1404, those programs must expand to provide service to all crime victims. This would be inconsistent with VOCA, which does not explicitly or implicitly impose such a condition. Indeed, that condition would serve to undercut the policy behind section 1404(a)(2), which recognizes that the rape, child abuse, and spouse abuse victims require specialized services and requires that programs serving those victims receive priority in the distribution of Crime Victim Fund money under section 1404.

7. See Hearings on Victims of Crime Act before the Subcomm. on Crim. Justice of the House Comm. on the Judiciary, 100th Cong., 2d Sess. (publication forthcoming) (testimony of David T. Austern, on behalf of the American Bar Association, September 30, 1987; Susan Mooney, National Coalition Against Sexual Assault, October 6, 1987; Patricia Cuza, Michigan Office of Crim. Justice, December 11, 1987; Kathleen Quigley, Office of the Prosecuting Attorney, Detroit, MI, December 11, 1987; and Debbie Frederick, Sexual Assault Information Network of Mich., December 11, 1987).

8. Grants under section 1404(c)(1)(B) of VOCA are for "the financial support of services to victims of Federal crime victim assistance programs."

9. Section 1403(a)(2) of VOCA requires, if funds do not allow for each eligible program to receive the full 40%, the percentage is reduced, but each program receives the same lower percentage.

Mr. MANTON. Mr. Speaker, I strongly support the adoption of the conference report on the Omnibus Drug Initiative Act, and I urge my colleagues to vote in favor of this historic legislation.

Mr. Speaker, illegal drugs are inundating our country, corrupting our youth and destroying the very fabric of our society. The approval of this new comprehensive measure will mark a turning point in our war against this threat to our country, because this bill will give our law enforcement officials the necessary support to stem the rising tide of illicit narcotics flooding our Nation.

As a former New York City police officer, I am deeply saddened and angered over the cold blooded killings of two more of New York City's finest this past Tuesday night. Both killings apparently were drug related. My heart goes out to their families and loved ones. Officers Christopher Hoban and Michael Buczek are the latest victims in our Nation's battle against the sleazy drug lords and their filthy trade. The heinous actions of last Tuesday are very painful reminders that we are in a war, and we must have the resolve to take the necessary steps to win this war. If we fail to do so we will lose control of our future and destroy the fabric of our society.

The legislation before us today provides the needed ammunition in our fight. I am particularly pleased the conferees have agreed to maintain what I believe is one of the most vital aspects of this legislation: The death penalty for drug-related killings. This provision is similar to a measure I sponsored during the 100th Congress, and which I wholeheartedly support.

Mr. Speaker, it saddens me that some have made a blatant partisan issue out of the drug problem and the tragic deaths of our law enforcement personnel who are out in the streets protecting our way of life. I hope we can push aside these political concerns and refrain from making this most serious of issues simply another campaign topic. The tragedy of illegal narcotics is not a Democratic issue or a Republican issue, it is a national concern. We must unite in support of this effort to rid our Nation of illicit drugs once and for all.

Mr. LEWIS of Florida. Mr. Speaker, I rise in strong support for H.R. 5210, the Omnibus Drug Initiative Act of 1988. Although there is no one approach that will solve our drug problems or win the crusade against drug abuse, I am confident that H.R. 5210 is another significant step in the right direction.

Today, with national attention focused on the issue of drug abuse, public awareness and concern about this problem is at an all time high. Consequently, many eyes throughout this country will be focused on the actions that we take here today.

The Omnibus Drug Initiative Act is a good bill with many important elements. However, we here in this body must never forget that no one aspect of this fight is more essential to success, than the long-term commitment from Congress to put its money where its mouth is by fully funding the programs authorized in H.R. 5210!

I am proud to represent the 12th Congressional District in Congress. But, south Florida is the entry point for a significant portion of the drugs coming into the United States, including 70 percent of the cocaine. Certainly, we cannot hope to stem this flow without giving our local law enforcement people the help they so desperately need. This financial commitment will make a big difference in their ability to interdict effectively.

We can win the fight against drugs, and giving adequate resources to our men and women on the front line is an important part of this effort. I urge passage of H.R. 5210.

Mr. DIXON. Mr. Speaker, the drug epidemic is taking a terrible toll in our communities. I am strongly committed to the fight against drugs, and have supported strong antidrug abuse legislation. I join my colleagues today in supporting, but with reservations, the House and Senate compromise on the major antidrug abuse initiative (H.R. 5210) of the 100th Congress.

The final compromise package tackles the drug problem by beginning to shift the emphasis on the war on drugs from law enforcement, to education and rehabilitation. It funds a number of programs that are of particular interest to Los Angeles: Provides desperately needed funds to combat gang-related drug trafficking and abuse; enhances customs, border patrol, and Coast Guard interdiction activities; provides money to train teachers who conduct drug abuse education and prevention programs; establishes a goal of providing treatment to all substance abusers wishing to cure their addiction, and provides a substantial increase in funds for treatment; and creates a Cabinet level "drug czar" position to coordinate a national drug control program.

When the House bill was originally considered on the floor in September, it did not have my support. Several provisions which would have gravely damaged our constitutional freedoms were included in this bill. The House and Senate compromise however, either removes the constitutionally suspect provisions entirely, or provides for additional legislative or judicial review before they are implemented.

Unfortunately, a Federal death penalty provision, which remains in the compromise bill, is not an antidrug abuse measure and will not deter drug-related crime. I am strongly opposed to the death penalty on both moral and practical grounds. However, the drug crisis is so great and the need for tougher laws and more Federal aid to combat drug abuse in our neighborhoods so important, that I am voting for this bill.

The compromise legislation is not a complete solution for the enormous problems associated with drug addiction. No one bill will banish illegal drugs from our schools, homes, and offices. Additional Federal funds are critically needed if this legislation is to work. But this bill is a step in the right direction. It establishes a national antidrug strategy, and constitutes a solid commitment by Congress to fight the pervasive problem of drug abuse.

Mr. YATES. Mr. Speaker, I will not be present to vote on the drug bill, H.R. 5210. Were I present I would vote "aye."

Mr. LELAND. Mr. Speaker, I want to express my great satisfaction that the legislation we are considering tonight will remedy a historical inequity in the allocation of Federal funds for substance abuse and mental health programs.

Since 1981, when the alcohol, drug abuse, and mental health block grant was created, a full one-third of our States, including my own State of Texas, have been denied their fair share of Federal dollars for prevention and treatment programs. In 1982, the Department of Health and Human Services issued a study concluding that the allocation of Federal funds did not reflect the needs of the populations to be served or the fiscal capacity of States to provide critically needed assistance programs. We have known about this inequity since 1982, yet until tonight, we have never been so close to reaching our goal of providing funds on the basis of need.

In June of this year, the Energy and Commerce Committee reported legislation, which I was proud to sponsor. This legislation, H.R. 4907, revised the allocation of Federal dollars for substance abuse and mental health services. The allocation formula, known as the fairness formula, was carefully crafted by the General Accounting Office and reflected both the population in need and the fiscal capacity of the States.

The language of H.R. 4907 was approved by the House of Representatives as a provision of H.R. 5210, the Omnibus Drug Initiative Act. The legislation we are considering tonight, includes a formula consistent with the language of H.R. 4907.

I want to thank Chairman DINGELL and Chairman WAXMAN for their leadership and support of this long overdue reform. In addition, I commend the members of the Sunbelt Caucus, under the leadership of my colleague from Houston [Mr. ANDREWS] for their assistance in generating widespread support for the "fairness formula" in the Congress.

Mr. ROTH. Mr. Speaker, I rise to express my strong support for this final version of the drug bill. This measure stands as one of the most important accomplishments of the 100th Congress. As I indicated in my comments on September 7 in this House, the bill adds important new weapons in the fight against drug smuggling and drug abuse.

The drug epidemic is a scourge on our country, and it is our most pressing domestic problem.

The bill is the product of many Members of this House and the other body. I am proud of the contribution that both of my committees made. The House Banking Committee added important new powers for our law enforcement agencies in tracking the flow of drug-tainted money, which finances the extensive smuggling and sales networks that take these illegal substances from remote parts of the world and deliver them to our communities, to corrupt our youth. By requiring the reporting of large cash transactions, law enforcement will be able to identify the hidden conspirators in the financial world who abet the crimes committed by drug kingpins.

Our Foreign Affairs Committee drafted provisions to attack the international drug cartels. By setting up a new multinational antinarcotics force, we will combine our resources with those of other nations who share our commitment to fighting drugs. This assistance will include armaments for drug task forces, new passport controls to catch drug couriers, and stepped up research on chemicals to be used to eradicate drug crops.

Today, we send this bill to the President. It is a good step. Now it is up to the executive branch, working with the State governments, to take these tools and put them to work in defending the American people against the spread of drugs.

Mr. BROOMFIELD. Mr. Speaker, I strongly support the International Narcotics Control Act of 1988. I want to salute my colleague, BEN GILMAN, for his successful efforts in helping to make this legislative initiative a reality.

This bill represents the hard labor of over 10 committees of Congress. All of us should be proud of this comprehensive and effective piece of legislation.

A number of months ago, Chairman FASCELL, of the House Foreign Affairs Committee, joined me in launching a bipartisan effort to craft an effective Foreign Affairs Committee section to the drug bill which later passed the House.

Through commendable staff work and close cooperation with the Senate in efforts to reconcile the two versions of the drug bill, the bill before us retains many of the bipartisan antinarcotics provisions introduced by our committee. Many Republican drug bill initiatives have also been included, in whole or in part, in this bill.

On the international side, this legislation encourages the President to study the possibility of creating a multinational force to conduct operations against international illegal drug smuggling organizations in this hemisphere.

The bill also earmarks nearly $1 million to arm antidrug aircraft and also provides $3.5 million for weapons and ammunition for Latin American and Caribbean antinarcotics police units. Other significant provisions permit DOD training of Latin American antinarcotics police units to help them better combat the increasingly violent narco-terrorists in many South American countries. Military assistance is also authorized for equipment that will be used in antinarcotics efforts in Colombia.

The bill also permits Export-Import Bank financing of military sales for antinarcotics purposes. Many of our out-gunned allies in South America desperately need this type of help.

On the domestic front, this omnibus legislation provides increased funding for key agencies in our Government's war on drugs, including the Drug Enforcement Agency, Coast Guard, Customs Service, Immigration and Naturalization Service, and Federal Bureau of Investigation.

My own original amendment to the bill called upon our intelligence community to more actively use covert action in the war against drugs. Although slightly modified in its final form, the Broomfield amendment tells the executive branch that if America is to win the battle against illegal drugs, we must use all available tools to aggressively shut down the international drug traffickers.

While I am concerned about the availability of funding for this impressive bill, I believe that this legislative initiative adds more arrows to America's quiver to battle the international illicit drug traffickers and the drug menace here in America.

I urge all of my colleagues in the Congress to support this bill.

Mr. MILLER of California. Mr. Speaker, H.R. 5210, the Omnibus Anti-Substance Abuse Act of 1988, includes a reauthorization of the Victims of Crime Act of 1984.

The Victims of Crime Act [VOCA] takes funds recovered from people who have broken the law and gives them to crime victims. Crime victims receive these funds in the form of grants from victim compensation programs, and services from victim assistance programs. In the 4 years since its enactment, VOCA has returned to victims of violent crimes over $100 million derived from criminal fines, penalty assessments, and forfeitures.

The Victims of Crime Act also provides funds for the Children's Justice and Assistance Act of 1986 [CJAA], of which I was a principal cosponsor. The CJAA was designed to improve the handling and investigation of child abuse cases. This act is especially important in view of the Department of Health and Human Services' recent report that, nationwide, the annual number of confirmed incidents of the sexual abuse of children tripled between 1980 and 1986. This finding confirmed an earlier report by the Select Committee on Children, Youth, and Families, which I chair, that child abuse reports rose 55 percent between 1981 and 1985. The select committee also found that States reported increasingly serious and complex cases.

Although 2 years have passed since the CJAA was enacted, the administration only recently awarded the first grants under the law. Thus, we have yet to learn anything about the act's effectiveness. The reauthorization of VOCA serves to continue funding for the CJAA and thus ensures that we will at last be able to receive the benefits of the act and to review its results.

The VOCA reauthorization language in H.R. 5210 does not simply continue the CJAA and the victim assistance and compensation programs. The VOCA reauthorization also includes several excellent amendments, thanks to the forceful leadership provided by my friend Congressman JOHN CONYERS, the chairman of the Judiciary Committee's Subcommittee on Criminal Justice. I also commend Congressman PETER RODINO, the esteemed chairman of the full committee, for his leadership not only on VOCA's reauthorization but also on its original enactment in 1984.

I am pleased that the bill sets aside CJAA funds for grants to Native American tribes to improve the handling and investigation of child abuse cases on reservations. Reports of child abuse on reservations are rapidly increasing, just as they are across the United States as a whole; H.R. 5210 will ensure that tribes will now be able to use CJAA grants to establish the same types of multidisciplinary programs that the CJAA is now beginning to fund at the State level. This is an important first step, but I want to stress that the problem of the abuse of Native American children is enormous and will have to be revisited more comprehensively addressed by the next Congress. In particular, we must respond to the pressing need for direct services for Native American child abuse victims, an area not covered by CJAA programs.

A second amendment contained in the VOCA reauthorization, which will become section 1404(a)(2)(B) of the act, requires that State programs make funds available for grants to programs which serve previously underserved populations of victims of violent crime. As explained when the other body passed the drug bill, that provision was intended to require a chief executive to use at least 10 percent of the State's funds under section 1404 for these programs.

As one who was involved in the negotiations between the House and the other body, I would like to make clear for the record that, in that form, this provision was not acceptable. The representatives of the other body verbally agreed, however, that such a requirement was not mandated by the statutory language, and that it would not insist upon such a requirement. The House concurrence in this provision—with some changes in language—was with the explicit understanding that the provision did not bind the chief executive to allocate any given percentage of crime victims fund money to programs serving "previously underserved populations of victims of violent crime." The chief executive is constrained, however, by the priority requirement of section 1404(a)(2)(A).

Furthermore, the new section 1404(a)(2)(B) authorizes the Director of the Federal Office of Victims of Crime, after consultation with State and local officials, to provide guidelines to implement this provision that allow flexibility to States to determine which programs to fund. This new section of VOCA does not define the term "underserved populations of victims of violent crime" in order to give the chief executive flexibility to determine, under the circumstances of the State, what populations of crime victims might be underserved. Such a determination cannot be made simply by looking at the numbers of victims. The type of services required by the particular population of victims and the impact of more services upon their physical and mental well-being must be considered. Programs that offer counseling and 24-hour crisis intervention provide services that can affect significantly the mental health of the victims who receive that service.

A program serving a priority population such as victims of rape or child abuse, can be considered a program serving an "underserved" population for the purposes of this section. For example, if programs for such a population have been inadequately funded through VOCA grants and if the chief executive determines that there are a high number of priority victims who need the services of that program, the chief executive could consider such a program as serving an "underserved" population.

Another important element of the VOCA reauthorization in H.R. 5210 is that, whereas the original Senate language reauthorized the act for only 4 years and did not raise the spending ceiling, the amended bill reauthorizes VOCA for 6 years and increases the ceiling substantially.

And finally, perhaps the high point of the VOCA reauthorization, H.R. 5210 includes an additional important amendment to VOCA that will end the virtual exclusion of victims of spouse abuse and drunk driving from receiving victim compensation funds.

Currently, roughly 34 States apply special, burdensome qualifications and exclusions to victims of spouse abuse when considering applications for victim compensation funds. The result of these exclusionary policies has been that in both 1986 to 1987, victims of spouse abuse received less than 1 percent of the Federal funds awarded for victim compensation. Further, the Department of Justice reports that those spouse abuse victims who did receive compensation grants were compensated at a lower dollar-per-claim rate than that of any other specific victim category.

The VOCA reauthorization language requires States receiving funds under the act to compensate victims of domestic violence and drunk driving; and it prohibits such States from denying compensation on the basis of the victim's cohabitation or familial relationship with the offender.

Some victim compensation programs have expressed concern that compensating victims of domestic violence who continue to live with the offender might serve to benefit or enrich the offender. Therefore, the VOCA reauthorization permits victim compensation programs to issue guidelines that would prevent the unjust enrichment of the offender.

As one of the parties who helped draft this language, I would like to state for the record that such guidelines should avoid penalizing a battered woman for reconciling with the abuser. Rather, they should follow the example of States, such as Michigan, that have utilized third-party payments in order to balance successfully the goals of making compensation benefits available to battered women and preventing the unjust enrichment of the offender. By paying medical and other compensable bills directly, the programs need not worry that the offender will benefit from the compensation award to the victim.

Third-party payments are a constructive way of eliminating the threat of unjust enrichment to the offender where the victim has either reconciled with the abuser or continues to share a residence with him. When the victim has ceased to cohabit with the offender, no third-party payment is necessary, as the threat of unjust enrichment has been removed. Indeed, when the victim has ceased to cohabit with the offender, no restrictions on compensation are to be applied to victims of spouse abuse and other forms of domestic violence that do not apply to victims of other violent crimes.

I commend Congressman HAMILTON FISH, JR., the ranking minority member of the Subcommittee on Criminal Justice, for his inspired leadership in writing this important, humane, and just amendment to the Victims of Crime Act.

Yet, while the Victims of Crime Act [VOCA] deserves our praise and support, I would like to use the occasion of its reauthorization to draw the attention of my colleagues to some problems that have arisen in the administration of the act.

VOCA specifies that, when awarding victim assistance grants, States must give priority to specialized programs serving victims of sexual assault, spouse abuse, and child abuse. In the debate over VOCA in the other body back in 1984, the author of this priority language explained that "victims of sexual assault and child abuse often have special needs that require treatment by persons with special training." Congressman RODINO, the floor manager of the conference bill in the House, described the specialized, priority programs as offering "the provision on a 24-hour-per-day basis, of vitally important crisis intervention services by rape crisis centers and child and spouse abuse counseling services."

In drafting administrative guidelines for victim assistance programs, however, the Office of Justice Programs ignored the congressional intent represented by the VOCA priorty language. The resulting guidelines, issued October 23, 1985, undermine the intent of Congress by redefining "priority programs" to include generic victim assistance programs that do not primarily serve one of the priority victim populations.

As a result, many programs serving the priority victims have consistently experienced difficulty in obtaining victim assistance subgrants. That problem has now been compounded by the growing efforts of States to comply with revisions in the guidelines, issued April 1, 1987, by forcing rape crisis centers, child abuse programs, and shelters for battered women either to provide generic crime victim assistance or to forfeit their Federal funding.

Thus, the latest Office of Justice Programs guidelines have the effect, though perhaps not intentionally, of permitting States to bar from receiving VOCA funds exactly the type of specialized programs that Congress was most interested in supporting.

In order to explain more specifically the connection between the Federal guidelines and the problems being encountered by these specialized programs in obtaining adequate Federal subgrant support, I am submitting for the RECORD the following analysis prepared by the National Network for Victims of Sexual Assault. This analysis clearly demonstrates that the VOCA guidelines issued by the Office of Justice Programs should be revised as soon as possible—certainly before the end of the 1989 crime victim assistance grant cycle—to bring them into line with the intentions of Congress.

The revisions should include:

First. A definition of priority programs that reflects more accurately the congressional intent and legislative history behind the Victims of Crime Act priority language (§ 1404(a)(2)(A));

Second. A clear statement that it is not the intent of Congress that these priority programs be required to provide generic victim assistance in order to remain eligible for crime victim assistance subgrants; and

Third. A clear statement that it is not the intent of the Congress that subgrants to rape crisis centers, domestic violence shelters, and child abuse programs be withheld by States because of other funding options which may be available to these programs.

I urge my colleagues on the Judiciary Committee to give their attention to this important problem.

NATIONAL NETWORK FOR VICTIMS OF SEXUAL ASSAULT

AN ANALYSIS OF DOJ/OJP GUIDELINES: CRIME VICTIM ASSISTANCE GRANTS

Issued: *Federal Register,* Vol. 50, No. 205, Oct. 23, 1985,

Issued: *Federal Register,* Vol. 52, No. 62, April 1, 1987.

BACKGROUND

During Congressional passage of the 1984 Victims of Crime Act, language was added by Senate floor amendment requiring states to give priority in the awarding of crime victim assistance grants to programs serving victims of sexual assault, spouse abuse, and child abuse. Although the amendment was opposed by the Administration, it was accepted and approved by Members of both Houses of Congress.

The Congressional record regarding this amendment clearly defined the reasons for the prioritization, the nature of the programs intended to receive priority, the services which should be provided the priority victims, and gave direction as to how priority was to be given (i.e., in funding decisions). Nonetheless, in the development of the subsequent administrative guidelines, the Office of Justice Programs (OJP) ignored much of that record and focused on perceived ambiguities. This resulted in the 1985 publication of guidelines which redefined priority programs and created minimum spending levels; levels which have been widely interpreted by states as mandatory. Prior to the issuance of the guidelines, public comment was solicited. Comments regarding these features of the proposed guidelines were critical, but the rules were adopted anyway.

In 1987, OJP revised and reissued the VCA guidelines without soliciting public comment. The revised guidelines also undermine the priority language in several ways: 1) by urging states to reduce or eliminate VIC spending on services to the priority victim populations, 2) by promoting new selection criteria unfavorable to programs specializing in services to victims of sexual assault, domestic violence, and child abuse, and 3) by resurrecting language from an Administration bill introduced, but not enacted by Congress, and setting it forth as the primary objective of the Congress. These features of the guidelines are unsupported by the legislative record; and, in many instances, in direct contradiction of Congressional intent.

As a result of the Department's 1985 action, programs specializing in services to priority victims have consistently experienced difficulty in obtaining federal crime victim assistance grants. Now, the problem has been compounded by the growing efforts of states to comply with the 1987 directives by forcing rape crisis centers, domestic violence shelters, and child abuse programs to give up their specialization and provide generic victim assistance services, or forfeit their eligibility to receive federal funding.

The analysis which follows identifies the specific provisions of the 1985 and 1987 guidelines which are in conflict with federal law and/or Congressional intent. Attached to this analysis are copies of the pertinent legislative record, the original and revised OJP guidelines, and memoranda illustrating the problems arising as a result of the OJP guidelines.

GUIDELINES ANALYSIS

Priority Programs Defined:

The Victims of Crime Act sets forth states' requirements regarding compliance with the statutory provisions of § 1404[a][2][A] as follows:

"[The chief executive shall] certify that priority shall be given to eligible recipient organizations for programs providing assistance to victims of sexual assault, spousal abuse or child abuse."

What constitutes an "eligible recipient organization" was defined by the author of this statutory language as organizations which provide specialized services by specially trained service providers:

"Victims of sexual assault and child abuse often have special needs that require treatment by persons with special training. Rape victims, for example, must face twisted social attitudes that shift blame to the victim. Counseling these victims requires sensitivity to the psychological and social problems that victims experience as a consequence of these attitudes. Similarly, treatment of abused children demands an understanding of children's psychological and social development . . . severe problems often arise when abused children are treated by adults who do not understand the perspective of a child." [Sen. Arlen Specter, CONGRESSIONAL RECORD, S10541, August 10, 1984]

The floor manager of the Conference Bill enacted by Congress was even more explicit in identifying who these specialized programs are; and, what specialized services they provide:

". . . the provision on a 24 hour per day basis, of vitally important crisis intervention services by rape crisis centers and child and spouse abuse counseling services." [Mr. Rodino, CONGRESSIONAL RECORD, H12087, October 10, 1984]

In guidelines published in the Federal Register on October 23, 1985 the DOJ Office of Justice Programs (OJP) defined eligible recipient organizations as follows:

"A program should be included in a priority category only if *a* principle mission of the program is to serve that particular category of priority victims, unless and to the extent the State determines that other programs are providing adequate services of a similar nature to priority victims in the community in question." [43016 Fed. Reg., Oct. 23, 1985 and 10424 Fed. Reg., April 1, 1987].

From the above, the differences between the OJP definition of an eligible recipient organization and that of Congress can be seen. Congress defines such an organization as one wich provides specialized services, while OJP permits generic victim assistance programs to be categorized as "priority programs" for purposes of grant prioritization and accounting. This amounts to a redefinition of the term "priority program". Further, under the OJP definition, it would not even be necessary for a program to provide the requisite crisis intervention services in order to be considered a priority program. According to OJP, for example, "A prosecutor's office could demonstrate that rape victims were among the victims it planned to serve through its new 'court assistance' program [and] establish a special liaison with rape crisis centers to qualify as a priority program." [43014 Fed. Reg., Oct. 23, 1985]. In other words, under the OJP definition of a "priority program" the federally funded program may provide only minimal services to the priority victim categories and refer them to unfunded programs to actually receive crisis counseling.

The consequence of OJP's redefinition of eligible recipient organizations, is that states have been encouraged to disregard the quality of services provided priority victim categories in favor of quantifying the number of grants awarded as "priority." For example, rules promulgated by the State of Texas specifically do not require grantees to provide the requisite 24 hour crisis intervention services. Therefore, the special needs of priority victims are not being met as intended by Congress.

Further, the OJP redefinition has created an artificial accounting system for priority grants, whereby states may appear to be heavily funding "priority programs" when, in fact, it is not possible to track actual spending on priority victim categories within a generic victim assistance context. Nonetheless, this accounting has provided the rationale for the Administration's call for repeal of the priority language, and its exhortation to states to "consider other funding options that may be available or in place for these priority population areas." [10422, Fed. Reg., Apr. 1, 1987.] That is, reduce or eliminate crime victim assistance grants to serve the priority victims. (North Carolina, for example, has complied by restricting grants for services to sexual assault, domestic violence, and child abuse to two grant years.)

CONCLUSIONS/RECOMMENDATIONS

By permitting generic victim assistance programs to be categorized as "priority programs", and by exempting these programs from providing the services most needed by the priority victims, the guidelines violate the spirit and intent of Congress regarding implementation of § 1404[a][A] of the VCA.

The OJP guideline language regarding program selection criteria should be repealed and amended to reflect the specialized services criteria established by Congress. This would not impede the ability of generic victim assistance programs to obtain grants; but, would ensure that (a) the services needs of the priority victims are met; and (b) permit an accurate assessment of federal funds spent on services to the priority victims.

"Comprehensive Services" Established as a Project Selection Criteria.

In the revised 1987 guidelines OJP adds a new section entitled "Discussion of the Intent and Purpose of the Act." In this section a "primary objective" of the federal law is described as "to promote the development of comprehensive services to all victims of crime. . . " [10422, Fed. Reg., Apr. 1, 1987]. The meaning of "comprehensive services" is not defined in this section. The language does not exist in the conference bill enacted by the Congress. It is lifted from S.2423, the Administration-backed bill which preceded the Conference bill. As such, the language is null and void as a matter of law and cannot be presumed to be a primary objective of the act. Nonetheless, OJP guidelines expand upon the "comprehensive services" concept in the new project selection criteria as follows:

"A third factor which may be considered in establishing [grant award] selection criteria in a State is the availability of a comprehensive "system" of services for crime victims, i.e., the coordinated cooperative efforts of several agencies and/or organizations to provide a continuum of services and support to all crime victims from the time the crime occurs throughout the criminal justice process." [10423, Fed. Reg., Apr. 1, 1987]

This criteria suggests that eligible programs must provide generic victim services and be a part of an interactive system of victims services. It reflects the old Law Enforcement Assistance Administration's victim assistance model wherein federal grants went to a local criminal justice agency which, in turn, established a "system" (i.e. some form of interagency communication) and referred victims out to other programs which provided services the grantee did not.

If implemented by the states, this criteria would render specialized victim assistance programs ineligible for federal funds unless they are able, and willing, to give up their specialization. In addition, this could also result in favoritism toward programs serving major urban areas, where routine interagency networking is most likely to occur, over programs serving rural and less-populated areas where distance and cost limit the amount of interagency coordination which can occur. Further, if grants are limited to programs serving communities where a "comprehensive 'system' of services" is in place for all victims of crime, few programs nationwide serve communities meeting this criteria.

The grant eligibility criteria established by Congress in § 1404[b][1][D] simply requires the "promotion, within the community served by program, coordinated public and private efforts to aid crime victims." This language is clear and simple, and expresses Congressional interest in having grant recipients seek to improve, to the extent possible, the community's response to the victims it serves. It does not suggest favoritism toward generic victim services nor services to urban areas as implied by the guidelines.

CONCLUSION/RECOMMENDATION

The OJP guidelines go beyond the letter and intent of the law in several ways. First language not enacted by the Congress is adopted to promote a victim services concept which is at variance with Congressional intent that States "be free to fund organizations of their choice" [S10541, CONGRESSIONAL RECORD, Aug. 10, 1984]. Second, they disregard the Congressional interest in encouraging States to expand upon the victim assistance models now in place by increased support for those programs. And, finally, they impose upon the States program eligibility criteria not found in federal law.

Because the "comprehensive services" language used by OJP in the "Discussion of The Intent and Purpose of the Act" and "Project Selection" sections of the revised guidelines is not found in law, all references to a "comprehensive 'system' of services" or "comprehensive services" should be stricken from the guidelines. [See Sutherland, Statutory Construction, 4th ed.].

Because States have begun complying with these guideline provisions by forcing specialized victim assistance programs to assume responsibility for generic victim services to remain eligible for federal grant assistance, the legislative record of the VCA reauthorization should show that this was not the intent of the Congress.

Mandatory spending levels

Both the original and revised OJP guidelines set forth the following option for complying with § 1404[a][2][A] of the VCA:

"[the chief executive may] Allocate at least ten percent of the total crime victim assistance funds granted to the State to each of the three priority categories . . ." [43015, Fed. Reg., Oct. 23, 1985].

This compliance option has been interpreted widely by states as being a "ten percent mandatory spending requirement" (see 13 TexReg 539, Jan. 29, 1988 for example) on funding for each of the three priority victim categories. The intent of OJP to keep funding of priority services to a minimum is further demonstrated by guideline language encouraging states to consider "Other funding options" for the priority areas. [10422, Fed. Reg., Apr. 1, 1987].

A review of the legislative record shows that Congress did not establish restriction on funding of priority programs. It specifically did not establish percentages:

[the priority language] "is to ensure that at least some funds will be used to address these crucial problems, but does not require any specific percent of the funds to be spent." [Sen. Strom Thurmond, S10537, CONGRESSIONAL RECORD, Aug. 10, 1984].

"Nor does the bill establish a definite percentage of funding that must be given to these programs. . ." [Sen. Arlen Specter, S10541, CONGRESSIONAL RECORD, Aug. 10, 1984].

The record does show, however, that Congress intended the funding to be "substantial" rather than minimal:

"The requirement that the chief executive give 'priority' to these programs thus will ensure that a substantial portion of the State's grant under section 1404[a][2] will be used to support the provision, on a 24 hour per day basis, of vitally important crisis intervention services by rape crisis centers and child and spouse abuse counseling services." [Rep. Peter Rodino, H12087, CONGRESSIONAL RECORD, Oct. 10, 1984].

CONCLUSION/RECOMMENDATION

By establishing mandatory minimm spending levels as an option for compliance with § 1404[a][2][A], OJP has encouraged states to minimize spending on services to women and children; and, issued guidelines which are in violation of Congressional intent that States be free to fund in the amounts of their choice.

Mr. JONES of North Carolina. Mr. Speaker, I rise in support of H.R. 5210, the Anti-Drug Abuse Act of 1988. Several sections of this bill are particularly important to the Merchant Marine and Fisheries Committee. They are: Subtitle L, which deals with the U.S. Coast Guard; sections 6075, 6076, 6079, and 6080, which create legal defenses for the innocent owners of conveyances seized for drug violations and expedited procedures for them to get their conveyances back; chapter IV of title X, which appropriates funds for the Coast Guard; and section 7364, which improves the Coast Guard's access to the customs forfeiture fund. I would like to take a few moments to outline and expand upon the major points of these sections.

First, subtitle L contains the Merchant Marine and Fisheries Committee's contribution to the drug bill. This subtitle contains provisions which are designed to improve the Coast Guard's drug interdiction efforts by: one, providing protection from suits for naval commanding officers for drug law enforcement actions taken while Coast Guard law enforcement detachments [LEDETS] are aboard; two, amending the Maritime Drug Law Enforcement Act to provide for improved drug law enforcement; three, clarifying the Coast Guard's role in maritime air surveillance and interdiction; four, directing the Secretaries of the Treasury and Transportation to enter into an agreement concerning Great Lakes drug interdiction, and also by encouraging the Secretary of State to negotiate an agreement with Canada on Great Lakes law enforcement; and five, authorizes appropriations. A more complete discussion of the background and congressional intent behind these provisions can be found in House Report 100-814, part 1.

Second, chapter IV of title X makes supplemental appropriations for the Coast Guard in the sum of $16 million for operating expenses and $100 million for acquisition, construction, and improvements [AC&I]. I am disappointed that the Appropriations Committee chose to earmark the funds appropriated for AC&I. This may have the undesirable effect of forcing the Coast Guard to spend money on lower priority projects. I would also like to point out that the amount appropriated for each of these accounts is significantly less than the Merchant Marine and Fisheries Committee has authorized.

This fact is particularly important with regard to the Coast Guard's operating expenses account, because the money which is appropriated is earmarked for fuel, spare parts, supplies and materials, and related logistics, but not personnel. Since subsection (B) authorizes an increase of 500 military personnel for drug interdiction missions and the funds are not appropriated for that purpose, I am concerned that the Coast Guard may interpret this to mean that I must move personnel from other areas to comply. This is absolutely not what the committee intended when this language was developed. In fact, the committee specifically stated in subsection (c) that the Coast Guard was not authorized to deploy any additional personnel for drug interdiction unless additional appropriations are made. The committee's concern is that personnel will be transferred from areas of the Coast Guard, for example, search and rescue, marine safety, marine environmental protection, and aids to navigation, which are not directly related to drug interdiction. Unfortunately, this is exactly what happened this year when the Coast Guard closed several search and rescue stations while it was expanding its drug interdiction operations in the Bahamas. Let me say very clearly that the language of subsection (c) is intended to prohibit any future actions of this type.

Third, section 2935 amends the customs forfeiture fund to improve the Coast Guard's access to it. Language similar to this was reported by the Committee on Merchant Marine and Fisheries in H.R. 4658, and I strongly support this section. Basically, this section will require the Customs Service to reimburse the Coast Guard for expenses related to vessel seizures and also to have access equal to that of the Customs Service for other qualified expenditures—for example, equipping vessels or aircraft for law enforcement functions.

Sections 6075, 6076, 6079, and 6080 provide important legal defenses for the innocent owners of conveyances seized for drug violations and two expedited procedures for those owners to get a quick decision on whether the Government will forfeit the conveyance. These provisions are in direct response to the administration's zero tolerance policy. First, let me say that I support the general premise of this policy, that is, that drug use should not be tolerated. However, I believe that this policy has had little effect on drug users, but has had a significant effect on many innocent vessel owners. In many of the zero tolerance seizures that I am aware of, the owner of the vessel had no knowledge of the drugs on board, but he was liable to lose his vessel, while the person in possession of the drugs often received a small fine or had the charges dropped. Moreover, after the subcommittee on Coast Guard and navigation's hearing on the zero tolerance policy, I learned that an innocent person did not have a legal right to get his property back or an expedited procedure to get his case heard. Since that hearing, I have been working to provide innocent people with these important protections.

Section 6079 directs the Secretary of the Treasury and the attorney general to prescribe regulations for an expedited administrative procedure for seizures under sections 511(a) (4), (6), and (7) of the Controlled Substances Act, section 595 of the Tariff Act of 1930, and section 2 of the Act of August 9, 1939, for violations involving the possession of personal use amounts of drugs. My good friend ROBERT DAVIS, the ranking member of the Merchant Marine and Fisheries Committee, will discuss the provisions of this provision in detail and I would like to say that I concur with his interpretation of these provisions. I would, however, like to highlight several of the provisions of this section.

First, the provisions of this section prevent an owner from having his conveyance forfeited "if the owner at any time had or should have had, knowledge or reason to believe that the property in which he claims an interest was being or would be used in a violation of the law, that he did what reasonably could be expected to prevent the violation." This section does not require an owner to take extraordinary steps to prevent the illegal use of his conveyance. I am aware that, as a result of the zero tolerance policy, the customs service is attempting to force commercial fishing organizations to sign agreements which require owners to, among other things, search their vessels prior to departure and return to port, drug test employees, and establish a written policy in support of zero tolerance. I consider these types of requirements to be extraordinary and not reasonable steps.

Second, this procedure requires that an owner must have acted in a normal and customary manner to ascertain how the property was going to be used before he can get the property back. Again, normal and customary does not include the types of steps that the customs service has included in the fisheries agreements. Normal and customary means what a reasonable person would do to determine the use of his property, or what is the normal business practice.

This subsection (d) directs the attorney general and the Secretaries of the Treasury and Transportation to develop regulations which implement a summons in lieu of seizure for commercial fishing vessels. This is designed to lessen the economic harm of the seizure of a fishing vessel for personal use amounts of drugs. I would like to point out that the application of this section is not limited to only commercial fishing vessels. There are several other types of commercial vessels which I believe could be covered, including small charter sport fishing vessels.

Section 6080 establishes an expedited procedure where an owner of a conveyance seized for a drug violation can file a cost bond and petition the attorney general for a determination on the owner's innocence. The attorney general may release the conveyance, retain it, or decide that there is not enough evidence and release the conveyance. If the attorney general decides to keep the conveyance, a claim in district court must be filed within 60 days. This basic language was in the House passed drug bill and I strongly support it.

Finally, sections 6075 and 6076 create legal defenses for innocent owners in each of the three statutes under which conveyances are seized for violations of the drug laws. The langauge of these defenses is virtually identical to the existing defenses for the innocent owners of real property, and moneys, negotiable instruments, securities, or other things of value, except that the concept of willful blindness is incorporated. This is intended to prevent the owner of a conveyance from closing his eyes to a violation. I believe that these provisions will provide significant legal rights for the innocent, but still ensure that the guilty will still be punished.

Mr. Speaker, this is generally a good bill and I urge all members to support it.

Mr. HORTON. Mr. Speaker, the Government Operations Committee has maintained constant vigilance over our Government's antidrug policies, programs, and operations.

As a result of the committee's hearings, the need for a full-time drug czar became clear. The House decided in favor of a full-time law enforcement director when it adopted the Brooks amendment to H.R. 5210.

The conference report blends the best of the House and Senate drug czar provisions.

First, in addition to being full-time, the czar will be a cabinet-level official. This rank will provide the institutional clout necessary to lead the wide-ranging Federal antidrug efforts.

Second, the conference report maintains the unity of supply and demand reduction. The drug war must be fought on both these fronts. Drug availability must be reduced while demand is reduced. Only in this way will we win the war.

Finally, the drug czar will develop a comprehensive antidrug strategy. This strategy will concentrate the power of the U.S. Government behind a full-fledged effort to vanquish this drug scourge from our land.

Mr. Speaker, I'd like to thank Chairman JACK BROOKS for his leadership on this issue. Along with Senator JOE BIDEN and Senator BILL ROTH, we were able to negotiate a drug czar provision that the entire Congress can support.

Mr. ST GERMAIN. Mr. Speaker, I strongly urge my colleagues to pass H.R. 5210, the Omnibus Drug Initiative Act of 1988. The drug situation in the United States today has reached intolerable proportions. The war against drugs must not only be fought in the trenches but in the board rooms of the American banking institutions as well. Recent Federal indictments in Tampa, FL, of some 80 individuals and a U.S. bank on money laundering charges only reemphasizes the need for strong legislation directed at curtailing the problem of drug trafficking in America today. Mr. Speaker, I would direct my colleagues' attention to title VI of the bill—the Money Laundering Control Amendments of 1988.

Mr. Speaker, I strongly believe that title VI of this act addresses the problem of drug trafficking and the massive sums of cash upon which that industry thrives. To win this "war on drugs," we must cut off all avenues in which drug traffickers slip their cash into the mainstream of American commerce. We cannot allow financial institutions, insured by the U.S. Government to be used—whether by design or accident—as a laundromat to clean the tainted money of drug dealers. When it comes to drug related money, title VI of this bill goes a long way in saying to the dope dealers "American banks are closed to your business"!

Title VI shuts down the accessibility of the U.S. banks to the fraudulent practices and contrivances of those trafficking in illegal drugs in America today. It accomplishes this in three major ways. First, financial institutions in certain geographic areas will be targeted, at the directive of the Secretary of the Treasury, for monitoring where money laundering is suspected and where it is occurring in transactions below the $10,000 reporting threshold. Second, it prohibits all financial institutions from issuing a negotiable instrument to any individual in connection with a transaction that involves cash of $3,000 or more unless that individual fulfills the necessary identification and the banks comply with recordkeeping requirements.

Third, it attacks insider fraud and abuse. The Right to Financial Privacy Act was never intended to be a protective shield for self-dealing insiders to hide behind. This legislation is directed to show zero tolerance of any abuses from an insider or anyone acting in concert with an insider of a financial institution when it is related to the manipulation of banking resources for the criminal laundering of drug money.

Mr. Speaker, the members of the Banking Committee strongly believe that these and numerous other provisions contained in title VI of this bill will shut tight the leaking faucet in which tainted drug money has been profusely seeping into the American stream of commerce.

In addition to title VI, title IV of this bill, the section on restricting laundering of U.S. currency, is also designed to combat the drug money issue on an international level. That title authorizes specific sanctions against those foreign institutions which are identified as a conduit for drug-related U.S. currency. While I have some reservations about how the provision will be administered, I believe title IV does address a most serious problem involving the use of U.S. currency worldwide in the financing and trafficking of illegal drugs.

In conclusion, Mr. Speaker, I want to thank the ranking minority member of the committee, Mr. WYLIE and other members of the committee—both majority and minority—particularly Mr. BARNARD and Mr. TORRES for their full cooperation for the work the committee has done under title VI.

Only with this kind of participation and full cooperation can we truly combat effectively the drug epidemic that unfortunately engulfs this Nation.

Mr. Speaker, I want to include for the RECORD an exchange of letters between Chairman FASCELL and me regarding our understanding concerning a provision of this legislation.

CONGRESS OF THE UNITED STATES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, October 20, 1988.

Hon. Fernand J. St Germain,
Chairman, Committee on Banking, Finance and Urban Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am informed of your concerns regarding Section 4502 of S. 2852, the Senate-passed version of the omnibus anti-drug legislation for 1988. In keeping with present practice generally and with the Rules of the House of Representatives, I wish to confirm that the existence of this provision, and its possible enactment into law, will not alter the jurisdiction of our respective committees over legislation relating to international currency transactions.

Thank you for your attention to this matter. With best wishes, I am

Sincerely yours,
DANTE B. FASCELL,
Chairman.

HOUSE OF REPRESENTATIVES, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS,
Washington, DC, October 21, 1988.
Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: As you know, section 4502 of S. 2852 urges the Secretary of Treasury to negotiate for the creation of an international agency to combat money laundering. The Committee on Banking, Finance and Urban Affairs has substantial concerns about ths section.

The Committee will not object to the inclusion of section 4502 in the Omnibus Anti-Drug Legislation on the condition that there is agreement between our two committees that the existence of this provision and its possible enactment into law will not alter the jurisdiction of our respective committees over legislation relating to international currency transactions.

Thank you for your cooperation in this matter.

Sincerely,
FERNAND J. ST GERMAIN,
Chairman.

Mr. WORTLEY. Mr. Speaker, I rise in support of the omnibus drug bill. Many of my colleagues have spoken eloquently on the many important provisions of this bill, and I believe the harsh reality of the drug menace deserves the attention that we are lavishing upon it.

I am pleased that a particular concern of mine is addressed in the bill—that of the laundering of drug money. For too long, the drug kingpins have been able to stand off from afar and pull the strings—reaping the profits while others pay the price in blood and ruined lives. Worse yet, this money is often "cleaned up" and then recirculated into otherwse legal enterprises. Thus, the drug lords continue to build their empires—like a large pyramid, built on the lives of countless unfortunates.

It is the height of injustice that these crooks have long gone undetected, while we intercept drugs at the border and arrest drug pushers. I'm glad that we are interdicting record amounts of drugs at our borders. The improvements in interdiction are commendable and will pay dividends. Likewise, we need to keep after the drug pushers.

But, if we do not go to the source, to the drug lords who are pulling the strings and raking in the profits—we will fail in the battle we are fighting.

Until recently, it has been nearly impossible to nail the "big guys." The one very promising avenue we can pursue is to catch them as they try to launder their profits. Recently, we have seen that it can work. The money laundering provisions passed in 1986 have already begun to bear fruit. They have enabled us to go right to the source. Operation C-Chase is the most recent example of how enhanced enforcement procedures can lead to a big payoff in fighting the drug cartels. In this case, agents were able to go after the Bank of Credit and Commerce International, in an effort which netted 87 persons, including several high-ranking members of the Medellin cartel. This is the most significant money laundering case ever brought by our Government, but it is only a small part of what we can accomplish if we give the enforcement agents and prosecutors the right tools.

There are several new money laundering provisions included in this bill, which will toughen up the law so that we can keep the pressure on the guys at the top. One important improvement is that banks will now be required to transfer information on transactions of over $3,000 to the appropriate Federal agencies, instead of the previous level of $10,000. Up to this point, drug dealers have been able to launder large amounts of money by depositing and withdrawing cash just below the $10,000 level.

In addition, two amendments which I sponsored have been included in the bill, and will provide commonsense improvements to the process of investigating and prosecuting money laundering drug kingpins.

In the first case, the requirement that notice be given to a subject of an investigation will be waived. Currently, a Federal agency can obtain relevant data on a suspected drug dealer from a financial institution without notifying the suspect. However, if those records are simply transferred to the Attorney General, the suspect must then be notified. This unwarranted notification, enables drug dealers to obstruct the investigation in limitless ways * * * or, as we have often seen * * * simply flee the United States, never to return.

Second, an amendment was adopted to modify a time-consuming and expensive requirement that prosecutors must physically present all documentary evidence to the grand jury. Sometimes, this means actually busing the grand jury to the location at which the records are kept, since the volume of the records is simply too large to transport. The new provision will still require that such records be presented, but if they are too large, the prosecutor may provide the jury with a description of the contents. This will greatly help our overworked prosecutors and will also save the Government money.

I would like to note for the record that under the section entitled "restrictions on laundering to United States currency," that the criteria included in subsection (e) are intended to identify countries that may be characterized as drug money laundering havens.

These new money-laundering provisions are commonsense changes, which will be potent weapons in our battle against the "merchants of death." Of course, this bill is not the end of the drug story. It is only another step forward in our battle against the menace of drugs. It is a battle that we can win however, and I wholeheartedly endorse this approach.

Mr. FRENZEL. Mr. Speaker, when the drug bill, H.R. 5210, passed the House, I almost voted against it. My reluctant affirmative vote was only a vote to keep the bill alive for future improvement. As the bill now comes to us for final passage, I believe it is improved, and I am more comfortable in voting for it now.

However, it would be a real mistake to overvalue the effect of this bill. Control of drugs is an enormous, complex task. Just coordinating the many Federal agencies, and the State and local agencies involved, is a major endeavor.

It is also expensive to stop drug use. Because of budget restrictions and because this bill was an election year afterthought, passed after all the money had been spent, there are precious few funds—only a half a billion dollars—to fund the ambitious provisions of H.R. 5210. This bill has real substantive values, but it can also be fairly described as an over promise.

One of the positive nongermane Senate amendments is the child pornography section. It represents another improvement in the Federal laws to stamp out child pornography.

Another area of improvement is in the handgun control provision. I found the McCallum amendment which replaced the so-called Brady amendment in the House bill unsatisfactory. I also found the Brady amendment unsatisfactory. The final version, improved by the conference committee, seems to me to be a reasonable way to proceed. I am pleased that this provision has rescued me from a Hobson's choice.

In summary, even though this is a $2½ billion bill with $500 million in financing, it is a positive step forward. In the next Congress, I hope we start our drug bill sooner than 3 months before election, but whenever we do start, it will be from a higher base because of the passage of H.R. 5210.

Mr. DAVIS of Michigan. Mr. Speaker, I rise in support of H.R. 5210 and urge its adoption.

Mr. Speaker, it is appropriate that we are concluding the 100th Congress with passage of the omnibus drug bill, H.R. 5210. This is a significant piece of legislation reflecting many hours of hard work and dedication. I am especially proud of the sections of the bill that increase the Coast Guard's authority to enforce our country's drug laws. Included among these is a section to increase the effectiveness of law enforcement on the Great Lakes.

In this bill, $100 million is appropriated for the Coast Guard to purchase much needed helicopters, cutters and radar equipment to increase the Coast Guard's effectiveness in the drug interdicting effort. An additional $16 million is appropriated for Coast Guard operating expenses to purchase additional fuel, supplies, and maintenance. With these additional dollars the Coast Guard will be able to increase its drug interdiction effort without cutting back on other essential Coast Guard missions, such as search and rescue, fisheries law enforcement, and environmental protection. Last year, the Coast Guard cut over $40 million in facilities and services to increase drug interdiction. This is an unacceptable situation to the people who depend on the Coast Guard. I am glad that the funding in this bill will prevent any further cuts in Coast Guard services.

Mr. Speaker, as we conclude the business of this Congress we should reflect on all that has transpired during those 2 years on the issue. "Drugmanship" is very popular. It is, however, nothing more than political "one-upmanship" to see who can out-tough, outspend, or otherwise out-do a political opponent. It means that many have been trying to blackmail those in public service on generalities and classic "guilt trips" because we are soft on drugs. Frankly, I was elected to my position by the people and I will not be blackmailed by anyone for any reason. I will not forsake my public responsibilities to them and work to insure that the rule of law and not the rule of rhetoric prevails. Although tempting, we cannot hide behind campaign slogans. Extremism in pursuit of even the loftiest goal cannot supersede our overriding duty to practice fundamental fairness. Blind disregard of those principles that our forefathers carefully preserved in our Constitution and the Bill of Rights is simply un-American.

Some Members of Congress and administration officials have adopted the attitude that if you question any of their positions, you are, by definition, opposed to the goals of the antidrug program. I believe that all of us are vitally concerned about the problem of drugs in America. Clearly, some of us are especially interested in the interdiction of drugs being brought into this country on or over the high seas. No doubt, there will be disagreements on which approach provides better authority or results. However, there is no question that all who are involved in these efforts are motivated soley by the desire to address the problems as effectively as possible.

However, with the extremely high level of controversy which has surrounded the administration's so-called "zero tolerance" policy we have lost the support of a significant portion of the population who also question its effectiveness and fairness. Lets face it, that's why we are enacting these provisions today because, in the minds of the public, this is a Government policy gone awry. It symbolizes unfairness. It punishes the innocent and lets the guilty go free. It gives the Government a license to steal, rather than guidance to carry out an effective program. Drug abuse is too great a problem to be sidetracked by these issues.

Now, lest I be misunderstood, let me just say that we do not want to send the wrong signal. We want to send a signal to law enforcement that we support their efforts within the context of the rule of law. We want to send a signal to those who use or traffic in drugs that we think it is wrong and must stop. But most important, we want to send the signal to the American people that their Government is under control and will treat them fairly.

I would like to further explain three sections of this bill that concern forfeiture proceedings. Section 6079 of this bill requires the Attorney General and the Secretary of Treasury to prescribe joint regulations to provide an expedited administrative forfeiture proceeding for certain property seized by Federal authorities for violations of the drug laws involving possession of personal use quantities. Owners of property sezied under section 511(a)(4), (6), and (7) of the Controlled Substances Act (21 U.S.C. 881(a)(4), (6) and (7)); section 596 of the Tariff Act of 1930 (19 U.S.C. 1595a(a)); and section 2 of the act of August 9, 1939 (53 Stat. 1291; 49 U.S.C. App. 782) may petition the Attorney General or the Secretary of the Treasury for release of the property. The procedure must minimize the adverse impact upon owners of conveyances caused by prolonged detention. The procedure must provide for a final administrative determination within 21 days of seizure of the property or provide a procedure by which a property owner may obtain release of the property pending a final determination.

Under the procedure provided in this section, the agency official making a final determination in the forfeiture proceeding shall immediately return the property to the owner or interested party if the owner establishes a valid, good faith interest in the seized property; that the owner did not know of or consent to the violation; that the owner had no knowledge or reason to believe that the owner's property was or would be used in a drug violation. If the owner had or should have had knowledge or reason to believe that the property was being or would be used in a violation, the owner must establish that the owner did what reasonably could be expected to prevent the violation. Paragraph (D) of this subsection requires that the property owner act in a normal, customary manner to ascertain how the property will be used in order to have the property returned under this subsection.

To establish that the owner did what reasonably could be expected to prevent the violation, an owner need only show that he acted reasonably under the circumstances. The phrase "what reasonably could be expected" does not require that the owner take any type of "step" or "precaution" established by regulation. In fact, setting up a checklist of steps to be taken would only serve as a roadmap to evade the law. Recently, the U.S. Customs Service and the Department of Transportation have published lists and attempted to negotiate agreements containing "reasonable steps" or precautions that commercial and recreational vessel operators should take in order to obtain favorable consideration by the Customs Service in forfeiture remission and mitigation proceedings. These "precautions" include ensuring that all business advertising contains a zero tolerance statement, providing drug education for the crew, establishing a written company policy in support of the administration's "zero tolerance program," and reporting, via radio telephone, to the Coast Guard any possession or use of illegal drugs discovered on board the vessel.

The U.S. Customs Service draft "agreements" for commercial fishing vessel operators and personnel contain clauses requiring a search of the vessel prior to leaving any port, which may include the use of dogs trained for narcotics searches. If contraband is found, the agreements would require that the Customs Service be notified and the contraband be turned over to the appropriate authorities. A similar exercise would be required prior to arrival at a U.S. port. The agreements would also require that vessel operators turn over to Customs agents conducting investigations "relevant identifying data" regarding crewmembers and applicants for employment.

None of the so-called positive steps, reasonable steps, or reasonable precautions contained in these documents may be required by the regulations issued under this section. The Attorney General and Secretary of the Treasury may not use the phrase "reasonably expected" in this subsection to impose any type of action on property owners in order to generally deter others from drug use. While we welcome voluntary action on the part of private individuals to deter drug abuse and violations of the law and encourage it in fact, this amendment may not and should not be used to require them to take these actions as a condition of obtaining release of their property. While law-abiding citizens should not condone drug abuses, enforcement of the drug laws is a governmental law enforcement responsibility, which should not be shifted to private, law-abiding citizens through this civil forfeiture procedure.

Paragraph (D) of this subsection requires that owners of property act in a normal and customary manner to ascertain how their property will be used. Normal and customary practice is that which is reasonable in the industry involved. In some instances, such as with the commercial fishing industry, there may be no nationwide practice. Again, this language may not be used to require any particular type of action on the part of property owners designed to generally deter drug use as circumstances vary in each case. It does not allow the Attorney General and the Secretary of the Treasury to establish standards for an industry or group. Nor does it allow the Attorney General and the Secretary of the Treasury to use this language to force businessmen or other individuals through regulations issued under this section to adopt a set of "steps" or "precautions" to deter drug use as a condition to obtaining release of the property from the Government.

Simply put, we are saying through these provisions that the Government expects individuals to use basic common sense and that they will be held accountable accordingly.

Subsection (d) of this section requires the Attorney General, the Secretary of the Treasury and the Secretary of Transportation to prescribe regulations requiring the issuance of a summons to appear in lieu of seizure of a commercial fishing industry vessel for violations involving the possession of personal use quantities of a controlled substance. This summons is required when the violation is committed during times connected with fishing operations.

This section is not intended to limit the authority of the Attorney General, and the Secretaries of the Treasury and Transportation to employ this procedure in other situations when immediate seizure has an unreasonable impact upon the owner of property.

The administrative procedures in section 6079 apply to those forfeiture cases in which the owner of the property eligible for the procedure does not post a claim and cost bond. Another administrative procedure for owners of conveyance seized for drug-related offenses who file a claim and cost bond is established under sectional. Under this section, the Attorney General must make a decision on the owner's forfeiture proceeding within 20 days of the date on which the owner's petition is filed.

Sections 6075 and 6076 of this bill establish a defense in forfeiture proceeding for innocent owners of conveyances seized by the Federal agencies for drug-related offenses.

Under this defense an innocent owner of a conveyance must establish that the offense was committed without the knowledge, consent, or willful blindness of the owner. Willful blindness addresses the cases of individuals who have demonstrated a conscious purpose to avoid the truth. The concept of willful blindness is essentially part of the proof of lack of knowledge. For this reason, the defense for innocent owners of conveyances seized for drug-related offense is virtually identical to the existing defenses for innocent owners of real property, and money, negotiable instruments, securities, or other things of value under paragraphs (6) and (7) of section 511(a) of the Controlled Substances Act (21 U.S.C. 811(a) (6) and (7)).

Mr. Speaker, we have a drug bill that is tough but fair and I urge prompt passage of H.R. 5210.

Mr. KYLE. Mr. Speaker, it is now a full 2 weeks past our target adjournment date, and we still have no final agreement on two of the most important pieces of legislation this Congress has had before it: The omnibus drug bill and the technical corrections tax bill. Many of us returned to Washington this week, breaking numerous longstanding commitments in our districts, to vote on those measures.

It now appears that we will not have a vote on the drug bill until much later tonight. Commitments in Arizona, which I simply cannot miss, require that I catch a plane before that vote occurs, and I regret that very, very much.

I voted in favor of the drug bill on September 22, and it was much tougher than anything we can expect from the conference committee. For example, the House-passed bill would ease the exclusionary rule and allow evidence obtained without a search warrant to be used in court under a "good faith" exception. That important provision was dropped. Another provision, over which the conferees are haggling, is one which would deny certain Federal benefits to drug users. That should remain intact.

A key provision, which I understand will remain in the bill, is a Federal death penalty for drug kingpins. I've cosponsored separate legislation to establish a death penalty, and I am pleased it will be included, and that we will finally see it enacted. Were I able to be here to vote on the conference report, I would strongly support it.

This legislation is vital to winning the war on drugs. Mr. Speaker, I urge you to bring it to a vote now, and give the American people a fighting chance against the drug problem.

Mr. DE LUGO. Mr. Speaker, drug abuse is probably the most serious social problem in the Nation's territories and commonwealths.

It causes crime so vicious and pervasive that it has changed the very nature of once-safe island societies.

Violent crime rates in the insular areas actually range to many times the national average. And police officials estimate that one-half to three-quarters of these crimes may be drug related.

But the insular drug problem is not just a local problem; it is a national problem.

Lethal drugs are abused in the insular areas largely as a byproduct of international trafficking. Drugs come across an ocean to a U.S. island primarily to be transhipped across the ocean again to the United States.

The territories and commonwealths are the Nation's insular borders in the Caribbean and the Pacific. They are also the least protected of the Nation's borders.

Federal surveillance is spotty even where it is required. Local surveillance is often nonexistent where insular governments have the responsibility.

Drug traffickers know this. They use the insular areas to smuggle their deadly goods into the large and lucrative U.S. market.

This is too big a problem for insular governments to handle on their own. They lack the resources, capability, and international approach needed to fight it.

An administration report to Congress on the insular drug-abuse problem required by the U.S. Insular Areas Drug Abuse Act of 1986 that we have just received clearly identifies problems.

Over the past several years, there has been a dramatic transshipment through the insular areas.

Local enforcement officials lack the training and equipment to deal with the growing smuggling.

Federal enforcement staffing has not kept pace with the increasing smuggling. This fact is particularly apparent in the Virgin Islands where an explicit threat exists.

Puerto Rico and the Virgin Islands are the most ideal geographical areas for narcotics smuggling into the States by both air and sea.

Specific intelligence of narcotics trafficking in the Pacific basin is limited because there are few enforcement personnel in these areas.

Along with our other colleagues from the insular areas, I sponsored the U.S. Insular Areas Drug Abuse Act of 1986 to help insular drug-control efforts and to take needed Federal action.

But so far implementation has been spotty. In the case of the islands I represent, the Virgin Islands, the administration made me fight hard to get the authorized $4 million for drug-control efforts. It hasn't stationed the intended patrol vessel in St. Croix, although it has finally agreed to station the aerostat radar intended for our region.

In fact, it was only this week that the administration gave us the first required annual report on the insular drug problem even though it is time for the second.

So, as chairman of the Insular and International Affairs Subcommittee, I sponsored the Insular Areas Drug Amendments of 1988, again with our other insular colleagues.

The amendments would continue what was begun in the 1986 law by tightening it up and building upon it.

They would allocate more money, training, and equipment for insular efforts and dedicate these resources on a long-term basis. Assistance for prevention and treatment as well as law enforcement would be provided for locally developed—but federally approved—comprehensive plans.

With bipartisan support, these provisions were included as subtitle C of title V of the Omnibus Drug Initiative Act of 1988 as passed by the House.

Although Chairman JOHNSTON of the Senate Energy and Natural Resources Committee recognized the need for these provisions, the other body did not include them in its amendment. Instead, the Senate amendment merely recognizes the need for assistance proposed in the House bill.

The substitute would correct this deficiency. Subtitle D of title IX includes the House provisions with a few minor modifications proposed by Chairman JOHNSTON.

I am grateful for the support I have received for this compromise from the distinguished majority leader, Mr. FOLEY; the distinguished minority leader, Mr. MICHEL; the distinguished chairman of the full Interior and Insular Affairs Committee, Mr. UDALL; and the subcommittee's distinguished ranking minority member, Mr. LAGOMARSINO.

I also appreciate the cooperation of our other insular colleagues, the distinguished Resident Commissioner of Puerto Rico, Mr. FUSTER, and the distinguished Delegate of Guam, Mr. BLAZ, in developing this legislation.

Let me now explain the intent of the substitute in detail.

SHORT TITLE

Section 9301 would be the act's short title: The Insular Areas Drug Abuse Amendments of 1988.

AMERICAN SAMOA

Section 9302 would require the Attorney General and the Secretaries of Education and Health and Human Services to provide appropriate training, technical assistance, and equipment to American Samoa for the enforcement of substance abuse laws and prevention and treatment programs.

It would also authorize $350,000 annually for substance abuse programs in American Samoa to be spent according to a plan approved by the Secretary of the Interior in consultation with the Attorney General and the Secretaries of Education and Health and Human Services. It would replace a one-time $700,000 authorization.

It would further require the Secretary of the Treasury in consultation with the Secretary of the Interior to provide American Samoa with a vessel to be used in law enforcement. It would authorize $500,000 for this purpose.

GUAM

Section 9303 would require the Attorney General and the Secretaries of Education and Health and Human Services to provide appropriate training, technical assistance, and equipment to Guam for the enforcement of substance abuse laws and prevention and treatment programs.

It would also authorize $500,000 annually for substance abuse programs in Guam to be spent according to a plan approved by the Secretary of the Interior in consultation with the Attorney General and the Secretaries of Education and Health and Human Services. It would replace a one-time $1 million authorization.

It would further authorize $500,000 for law enforcement equipment for Guam.

NORTHERN MARIANA ISLANDS

Section 9304 would require the Attorney General and the Secretaries of Education and Health and Human Services to provide appropriate training, technical assistance, and equipment to the Northern Mariana Islands for the enforcement of substance abuse laws and prevention and treatment programs.

It would also authorize $125,000 annually for substance abuse programs in the Northern Mariana Islands to be spent according to a plan approved by the Secretary of the Interior in consultation with the Attorney General and the Secretaries of Education and Health and

Human Services. It would replace a one-time $250,000 authorization.

PUERTO RICO

Section 9305 would authorize $7,000,000 in fiscal year 1989 and $2,000,000 annually thereafter for substance abuse programs to be spent according to a plan approved by the Executive Director of the White House Task Force on Puerto Rico in consultation with the Attorney General and the Secretaries of Education and Health and Human Services.

It would also require the Attorney General and the Secretaries of Education and Health and Human Services to provide appropriate training, technical assistance, and equipment to Puerto Rico for the enforcement of substance abuse laws and prevention and treatment programs.

VIRGIN ISLANDS

Section 9306(a) would amend the Victims of Crime Act of 1984 to authorize the residents of American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands to be eligible to receive the compensation currently authorized for residents of the States, the District of Columbia, and Puerto Rico under the Victims of Crime Program.

Section 9306(b) would authorize $2,000,000 annually for substance abuse programs in the Virgin Islands to be spent according to a plan approved by the Secretary of the Interior in consultation with the Attorney General and the Secretaries of Education and Health and Human Services, effective fiscal year 1990.

It would also require the Coast Guard to station a patrol vessel in St. Croix, VI.

It would further require the Attorney General and the Secretaries of Education and Health and Human Services to provide appropriate training, technical assistance, and equipment to the Virgin Islands for the enforcement of substance abuse laws and prevention and treatment programs.

It would finally require the Attorney General to assign necessary personnel in the Virgin Islands for drug law prosecution; and it would authorize $2,500,000 for a substance rehabilitation center in the Virgin Islands.

PALAU

Section 9307 would require the Attorney General and the Secretaries of Education and Health and Human Services to provide appropriate training, technical assistance, and equipment to Palau for the enforcement of substance abuse laws and prevention and treatment programs.

It would authorize $500,000 annually for substance abuse programs in Palau to be spent according to a plan approved by the Secretary of the Interior in consultation with the Attorney General and the Secretaries of Education, State, and Health and Human Services.

It would authorize the Drug Enforcement Administration, Federal Bureau of Investigation, and Secret Service, the Immigration and Naturalization Service, and the Customs Service to investigate U.S. laws applicable in Palau in cooperation with insular authorities upon request of Palau.

PURPOSES

Section 9308 would amend the purposes of the United States Insular Areas Drug Abuse Act of 1986 to include the Trust Territory of the Pacific Islands and the freely associated states in addition to the U.S. insular areas; and other abused substances in addition to drugs.

REPORTS

Section 9309 would amend the requirement for annual reports on Federal efforts to prevent trafficking of abused substances in and through the U.S. insular areas to: add the Trust Territory of the Pacific Islands; and require the reports to be submitted to Congress not later than October 1 each year.

PERSONNEL

Section 9310 would require the Administrator of the Drug Enforcement Administration to assign necessary personnel and other resources to the Virgin Islands and Guam for enforcement of narcotics laws in the eastern Caribbean and central and western Pacific regions.

I urge my colleagues to pass the substitute and hope that the other body will accept it. The actions it would authorize and require are essential for tackling the drug-abuse problems that we in the insular areas and our fellow Americans in the States face.

Mr. ROE. Mr. Speaker, I rise to associate myself with the remarks of the gentleman from Texas [Mr. BROOKS] and clarify further the relationship between the Drug-Free Workplace Act of 1988 and the drug-free workplace provisions which have been included in five bills which passed the House this year which were reported by the Committee on Science, Space, and Technology. The acts with Drug-Free Workplace provisions are H.R. 4417, the National Institute of Standards and Technology Act for Fiscal Year 1989; S. 2209, the National Aeronautics and Space Administration Authorization for Fiscal Year 1989 and 1990; H.R. 4418, the National Science Foundation Act of 1988; S. 1081, the National Nutrition Monitoring and Related Research Act of 1988; and S. 2470, the Steel and Aluminum Energy Conseration and Technology Competitiveness Act of 1988.

Mr. BROOKS and I agree that there be only one drug-free workplace policy governing the agencies and departments of the Federal Government and the contractors and grantees of those organizations. Congress is overwhelmingly in support of the principles set out in the Drug-Free Workplace Act. We in no way intend for this program to be delayed, compromised, or complicated by agencies trying to follow competing or conflicting statutes dealing with drugs in the workplace.

I wish to make it clear that the committee or origin of these provisions, the Committee on Science, Space, and Technology, agrees with Mr. BROOKS' conclusion that if the provisions of the Drug-Free Workplace Act of 1988 are met by an agency and its contractors, then that agency and its contractors are to be deemed to be in compliance for all purposes with all drug-free workplace provisions that apply to the agency. The use of this legislative standard means that failure to comply with any additional requirements found in the above acts, which are not found in the Drug-Free Workplace Act of 1988, shall not be grounds for contesting the award of any contract or grant.

Furthermore, although the passage of a comprehensive policy in the Drug-Free Workplace Act creates a strong presumption favoring a uniform interpretation, I would like to address concerns which have been raised regarding the scope of the miscellaneous drug-free workplace provisions mentioned above. Each provision, as passed, was to be construed narrowly as applying only to the programs covered by the act in which it was included. For instance, the National Nutrition Monitoring and Related Research Act drug-free workplace provisions applied only to the contract and grant programs mentioned in that act; a drug-free workplace provision in the Steel and Aluminum Energy Conservation and Technology Competitiveness Act of 1988 applied only to those programs of the Department of Commerce and the Department of Energy which are specifically authorized by that act. Even these provisions will be superseded and concerns over their breadth will be irrelevant at the time the Drug-Free Workplace Act becomes law.

Mr. HUGHES. Mr. Speaker, section 6182 of the Anti-Drug Abuse Act of 1988 amends section 1957 of title 18, United States Code, which authorizes 10 years imprisonment for engaging in monetary transactions involving criminally derived property. The amendment states that the term "transaction" does not include any transaction "necessary to preserve a person's right to representation as guaranteed by the sixth amendment to the constitution."

As the author of the provision in section 6113 of H.R. 5210, as passed by the House on September 22, I wish to set forth my understanding of why we agreed to a different formulation than that contained in the House-passed drug bill.

Section 6113 would have provided an exception from section 1957 for "monetary transactions involving the bona fide fees an attorney accepts for representing a client in a criminal investigation or any proceeding arising therefrom."

This was a provision in the House version of the Anti-Drug Abuse Act of 1986. We concluded that a statute which places attorneys in fear of being prosecuted and imprisoned for learning too much about a client's case, and which thus discourages attorneys not only from taking on clients but also from communicating with them, places an intolerable burden on the constitutional right to counsel and the attorney-client relationship. Moreover this provision was dropped from the final House-Senate compromise in 1986.

In the 1988 bill some members suggested changing the House provision because they were concerned that the House language appeared to speak more in terms of the interests of attorneys than the constitutional rights of citizens. I wish to emphasize my understanding that the language was designed simply to clarify the source of our concern, assuring the protection of constitutional rights, without altering the substantive effect of the House provision.

The original House provision applied to all representation and not just the trial phase. The term "right to representation as guaranteed by the sixth amendment" goes beyond the bare right to counsel at trial and applies at the investigative or grand jury phases of a criminal proceeding—phases which, particularly in RICO, CCE or money laundering cases, can be far more lengthy, complex, and critical than the trial itself.

Finally, I would note my intention that a transaction is "necessary" to protect sixth amendment rights, within the terms of the amendment, when it involves a bona fide fee paid in good faith for legitimate legal representation. This concept of "bona fide fees," as developed recently by the Justice Department in its guidelines governing section 1957, does not include a fraudulent or sham transaction designed to shield the property from forfeiture or hide its existence from governmental investigative agencies. Generally, a transaction is a sham or fraud if there is a scheme or plan to maintain the client's interest (or that of any other person or corporation associated with the client) in the asset or the ability to use it beneficially. U.S. Attorneys' Manual 9-105.410.

Mr. MICHEL. Mr. Speaker, may I simply conclude again by doffing my hat to the distinguished majority leader. As the Members well know, when we came to the final hours of coming to resolution on this matter, it was left to the four leaders in both bodies together with key members from the different committees to put the final product together, and it would never have been done on time and with such great effect as it was without having that group chaired by the distinguished majority leader, the gentleman from Washington [Mr. FOLEY]. I thank him especially.

Mr. Speaker, I yield back the balance of my time.

Mr. RANGEL. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

I urge an aye vote for the bill.

□ 0100

GENERAL LEAVE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5210, the bill now under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair wishes to make an announcement. Immediately following the vote which will ensue, the Chair expects to entertain the adjournment resolution.

Permit the Chair to express his thanks to all the Members, Democratic and Republican, for their cooperation, their understanding, their friendship. This has been a very productive Congress.

The 100th Congress concludes the first two centuries of this Government with all its faults and its flaws and its mortal imperfections. It has endured, and may it forever endure.

Thanks to you for your help. I hope to see all of you back here again who want to be back here next January.

The SPEAKER. The question is on the motion offered by the gentleman from Washington [Mr. FOLEY].

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. RANGEL. Mr. Speaker, on that I demand the yeas and nays.

Th yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 346, nays 11, not voting 74, as follows:

[Roll No. 465]

YEAS—346

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Atkins
Baker
Ballenger
Bartlett
Barton
Bateman
Bates
Bennett
Bentley
Bereuter
Berman
Bilbray
Bliley
Boehlert
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Brennan
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clement
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Costello
Coughlin
Courter
Coyne
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Frenzel
Frost
Gallegly
Gallo
Garcia
Gejdenson
Gekas
Gephardt
Gingrich
Glickman
Goodling
Gordon
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
LaFalce
Lagomarsino
Lancaster
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lightfoot
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lungren
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Payne
Pease
Penny
Perkins
Petri
Pickett
Porter
Price
Pursell
Rahall
Rangel
Ravenel
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Roe
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Saiki
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stangeland
Stenholm
Studds
Stump
Sundquist
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Weber
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yatron
Young (AK)
Young (FL)

NAYS—11

Conyers
Dymally
Gonzalez
Hayes (IL)
Kildee
Lewis (GA)
Oberstar
Sabo
Savage
Stokes
Weiss

NOT VOTING—74

Aspin
AuCoin
Badham
Barnard
Beilenson
Bevill
Bilirakis
Boggs
Boulter
Boxer
Brooks
Campbell
Clarke
Clay
Cooper
Craig
Crane
Crockett
Dannemeyer
Dellums
Dickinson
Dowdy
Edwards (CA)
Ford (TN)
Frank
Gaydos
Gibbons
Gilman
Gradison
Gregg
Jones (NC)
Jones (TN)
Kemp
Kyl
Lantos
Leath (TX)
Leland
Lewis (FL)
Lipinski
Livingston
Lott
Lukens, Donald
Mack
MacKay
Madigan
Marlenee
McCandless
Mica
Miller (OH)
Mineta
Pelosi
Pepper
Pickle
Quillen
Ray
Richardson
Robinson
Rodino
Roth
Schroeder
Sisisky
Skelton
Smith, Denny (OR)
Stallings
Stark
Stratton
Sweeney
Swift
Swindall
Taylor
Towns
Walgren
Waxman
Yates

□ 0115

The Clerk announced the following pairs:

On this vote.

Mrs. Boxer for, with Mr. Frank against.

Mr. Barnard for, with Mr. Edwards of California against.

Mr. Lantos for, with Mr. Stark against.

So, the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DESIGNATION OF THE HONORABLE THOMAS S. FOLEY TO ACT AS SPEAKER PRO TEMPORE AND TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH NOVEMBER 4, 1988

The SPEAKER laid before the House the following communication:

WASHINGTON, DC.
October 21, 1988.

I hereby designate the Honorable Thomas S. Foley to act as Speaker pro tempore and to sign enrolled bills and joint resolutions through November 4, 1988.

JIM WRIGHT,
Speaker of the House of Representatives.

The SPEAKER. Without objection, the designation is agreed to.

There was no objection.

PROVIDING FOR PRINTING AS HOUSE DOCUMENT REVISED ADDITION OF RULES AND MANUAL OF THE HOUSE OF REPRESENTATIVES FOR THE 101ST CONGRESS

Mr. FOLEY. Mr. Speaker, I offer a resolution (H. Res. 605) providing that a revised addition of the rules and manual of the House of Representatives for the 101st Congress be printed as a House document, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 605

Resolved, That a revised edition of the Rules and Manual of the House of Representatives for the One Hundred First Congress be printed as a House document, and that two thousand additional copies shall be printed and bound for the use of the House of Representatives, of which seven hundred copies shall be bound in leather with thumb index and delivered as may be directed by the Parliamentarian of the House for distribution to officers and Members of Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF COMMITTEE OF TWO MEMBERS TO INFORM THE PRESIDENT THAT THE TWO HOUSES HAVE COMPLETED THEIR BUSINESS OF THE SESSION

Mr. FOLEY. Mr. Speaker, I offer a privileged resolution (H. Res. 606) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 606

Resolved, That a committee of two Members be appointed by the House to join a similar committee appointed by the Senate, to wait upon the President of the United States and inform him that the two Houses have completed their business of the session and are ready to adjourn, unless the President has some other communication to make to them.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to join a committee on the part of the Senate to notify the President that the two Houses have completed their business of the session, unless the President has some other communication to make to them, the gentleman from Washington [Mr. FOLEY] and the gentleman from Illinois [Mr. MICHEL].

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS, APPOINT COMMISSIONS, BOARDS, AND COMMITTEES NOTWITHSTANDING SINE DIE ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that notwithstanding the sine die adjournment of the second session of the 100th Congress, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING CHAIRMAN AND RANKING MINORITY MEMBER OF EACH STANDING COMMITTEE TO EXTEND REMARKS IN THE RECORD

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the chairman and ranking minority member of each standing committee and each subcommittee be permitted to extend their remarks in the RECORD, up to and including the RECORD's last publications, and to include a summary of the work of that committee or subcommittee.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

GRANTING MEMBERS OF THE HOUSE PRIVILEGE TO EXTEND AND REVISE REMARKS IN CONGRESSIONAL RECORD UNTIL LAST ADDITION IS PUBLISHED

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members of the House shall have the privilege, until the last edition authorized by the Joint Committee on Printing is published, to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and may also include therein such short quotations as may be necessary to explain or complete such extensions of remarks. But this order shall not apply to any subject matter which may have occurred, or to any speech delivered subsequent to the adjournment of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING PRINTING OF REPORTS FILED WITH CLERK FOLLOWING SINE DIE ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that, following the adjournment sine die, committees authorized to conduct investigations may be permitted to file reports with the Clerk; and that such reports, and reports on the activities of committees pursuant to clause 1(d), rule XI, may be printed by the Clerk as reports of the 100th Congress.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen one of its clerks, announced that the Senate agrees to the Report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4333) "An Act to make technical corrections relating to the Tax Reform Act of 1986, and for other purposes".

PROVIDING FOR ADJOURNMENT SINE DIE ON SATURDAY, OCTOBER 22, 1988

Mr. FOLEY. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 398) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 398

Resolved by the House of Representatives (the Senate concurring), That when the House and Senate adjourn on Saturday, October 22, 1988, they stand adjourned sine die.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PER DIEM ALLOWANCE FOR NEWLY ELECTED MEMBERS

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I recall a conversation the gentleman from Washington [Mr. FOLEY] and I had with respect to our returning after the election for organizing of the new Congress, and that under normal circumstances we would be coming back the first part of December; was it not necessary for us to pass a resolution giving us authority paying allowances for the last day or two of November?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, the gentleman is correct, and we have been informed by the Committee on House Administration that they intend to provide authority for per diem allowance of the newly elected Members of Congress of both parties beginning, I believe, on the 30th or 31st of November rather than the 1st of December. That matter will be authorized retroactive by the Committee on House Administration.

Mr. MICHEL. Mr. Speaker, do they have authority to make that adjustment in dates without a passage of a resolution?

Mr. FOLEY. Mr. Speaker, it is my understanding that they do.

In any case, we have agreement on this side to whatever is necessary to authorize such payment.

Mr. MICHEL. If the gentleman would refresh my memory, did we pass the resolution that would change the dates for our ceremony with respect to the electoral college?

Mr. FOLEY. The House has acted on that legislation and I believe the Senate has acted or expects to act tonight.

I am informed by the Chair the Senate has acted, and the day is now the 4th of January rather than the 6th of January for a meeting of the two Houses to certify the ballots of the electoral college.

Mr. MICHEL. Mr. Speaker, I thank the distinguished gentleman.

ANNOUNCEMENT BY THE MAJORITY LEADER

Mr. FOLEY. Mr. Speaker, I would just take a moment to announce to the House that it is our intention to convene the 101st Congress on January 3, 1989. January 4, as just stated, we will be conducting the electoral ballot count. From January 5 to 18 the House will be in January district work period. On January 9 the House will receive the President's budget. January 16 is Martin Luther King's Birthday. January 20 is the Inauguration Day and we expect to return on the 19th, the day before Inauguration Day, for a meeting of the House, and we will announce a further schedule later, but that takes us up to the point of the inauguration of the next President of the United States on which the gentleman and I have some slight disagreement, but in any consequence, that is the day; January 19 is the day we will meet following January 3, 1989.

□ 0130

Mr. MICHEL. Mr. Speaker, might I inquire as to whether or not we have informed the Members of our mutual agreement with respect to next year's entire schedule?

SCHEDULE FOR 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to include the entire schedule in the CONGRESSIONAL RECORD.

The SPEAKER. Without objection, the schedule will appear in the RECORD at this point.

There was no objection.

The schedule referred to is as follows:

HOUSE CALENDAR 1989

(DRAFT)

January 3: Congress Convenes.

January 4: Electoral Ballot Count.

January 5-18: January District Work Period.

January 9: Receive President's Budget.

January 16: King's Birthday.

January 20: Inauguration Day.

February 11-20: Lincoln/Washington District Work Period.

February 12: Lincoln's Birthday.

February 20: Presidents' Day Observance.

February 22: Washington's Birthday.

February 25: Committees submit reports to Budget Committee.

March 2: Joint Session on Bicentennial Congress.

March 24-April 2: Easter District Work Period.

March 26: Easter Sunday.

April 4: House Ceremony to Celebrate Quorum.

April 15: Complete action FY 1990 Budget Resolution.

May 15: Appropriations eligible.

May 26-29: Memorial Day District Work Period.

May 29: Memorial Day.

June 10: Appropriations reports—last regular appropriations bill.

June 15: House completes reconciliation.

June 30: House completes appropriations.

July 1-July 9: Independence Day District Work Period.

July 4: Independence Day.

July 15: President submits mid-season budget review.

August 5-September 5: District Work Period.

August 15: Initial CBO snapshot.

August 20: CBO issues its initial report to President and Congress.

August 25: OMB issues its initial report to President and Congress.

September 4: Labor Day.

September 30: Rosh Hashanah.

October 1: Begin fiscal year and initial order becomes effective.

October 6: Target adjournment date.

October 9: Yom Kippur, Columbus Day.

October 10: CBO issues revised report to OMB and Congress.

October 15: OMB issues its revised report to President and Congress.

November 11: Veterans Day.

REPORT OF COMMITTEE TO INFORM THE PRESIDENT

The SPEAKER. Does the distinguished committee appointed by the Chair to wait upon the President have a report to render to the House? Has the President been waited upon?

Mr. FOLEY. Mr. Speaker, your committee appointed to join a committee of the Senate to inform the President that the Congress is ready to adjourn, and to ask him if he has any further communications to make to the Congress, has performed that duty.

The SPEAKER. Does the President have anything else that he suggests we should do?

Mr. FOLEY. Mr. Speaker, the President has directed us to say that he has no further communications to make to the 100th Congress.

He has also stated to us that he wishes to communicate to Members of both parties that he feels it has been an extremely productive and useful Congress which has had a wide range of achievements, from international trade to welfare reform. Those are the President's words. He said that although there have been differences in the past, he views the efforts of both parties this year to be a matter of outstanding success. He commends the Members on that and wishes them well in the coming year.

The SPEAKER. Does the minority leader, the gentleman from Illinois, have anything to add?

Mr. MICHEL. Mr. Speaker, I concur with the majority leader's report. There will be no minority report.

The SPEAKER. I am quite sure that all Members of the House join in wishing to the President of the United States and to Mrs. Reagan a most happy and joyous remainder of this year and a happy and joyous and productive life in their retirement from this enormous office.

Mr. FOLEY. Mr. Speaker, with those words, we are pleased to convey your message to the President, and that completes our message from the President of the United States to you.

EARLY ORGANIZATION OF THE HOUSE OF REPRESENTATIVES FOR THE 101ST CONGRESS

Mr. FOLEY. Mr. Speaker, I send to the desk a resolution, House Resolution 607, and ask unanimous consent for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 607

Resolved, That any organizational caucus or conference in the House of Representatives for the One Hundred and First Congress may begin on or after November 30, 1988.

SEC. 2. As used in this resolution, the term "organizational caucus or conference" means a party caucus or conference authorized to be called under section 202(a) of House Resolution 988, Ninety-third Congress, agreed to on October 8, 1974, and enacted into permanent law by chapter III of title I of the Supplemental Appropriations Act, 1975 (2 U.S.C. 29a(a)).

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER. Does any Member have anything in the way of business to come before the House at this time? If not, the House will stand in recess subject to the call of the Chair.

Accordingly, (at 1 o'clock and 34 minutes a.m.), the House stood in recess subject to the call of the Chair.

□ 0254

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. FOLEY) at 2:54 a.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 610. An act for the relief of Calvin L. Graham;

H.R. 1418. An act for the relief of Rick Hangartner, Russel Stewart, and David Walden.

H.R. 1473. An act to designate the building which will house the United States District Court for the Eastern District of Texas in Lufkin, Texas, as the "Ward R. Burke United States Courthouse";

H.R. 3238. An act for the relief of Maria Linda Sy Gonzalez;

H.R. 4039. An act to declare that certain lands in the State of California which form a part of the right-of-way granted by the United States to the Central Pacific Railway Company have been abandoned, and for other purposes; and

H. Con. Res. 398. Concurrent resolution providing for the sine die adjournment of the 100th Congress.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to the bill (H.R. 2020) "An act to authorize appropriations for the Office of Environmental Quality for fiscal years 1987, 1988, and 1989", with an amendment.

The message also announced that the Senate agrees to the amendment of the House to the amendments of the Senate to the bill (H.R. 3048) "An act to establish a national Federal program effort in close collaboration with the private sector to develop as rapidly as possible the applications of superconductivity to enhance the Nation's economic competitiveness and strategic well-being, and for other purposes".

The message also announced that the Senate recedes from its amendment to the title of the above-entitled bill.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 2204) "An act to implement the Inter-American Convention on International Commercial Arbitration."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. NELSON of Florida (at the request of Mr. FOLEY), for today, on account of personal business—to attend a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. MORELLA) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 60 minutes, today.

Mr. LUNGREN, for 5 minutes, today.

Mr. DORNAN of California, for 5 minutes, today.

Mr. LEACH of Iowa, for 60 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. BONIOR, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. SLAUGHTER of New York, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

(The following Member (at the request of Mr. GRAY of Illinois) to revise and extend his remarks and include extraneous material:)

Mr. COELHO, for 5 minutes, today.

(The following Members (at the request of Mr. WEISS) to revise and extend their remarks and include extraneous material:)

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. DICKS, for 60 minutes, today.

(The following Members (at the request of Mr. FRENZEL) and to include extraneous material:)

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. KYL, for 5 minutes, today.

Mr. HUGHES (at his own request), for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. MORELLA) and to include extraneous material:)

Mr. GUNDERSON in four instances.

Mr. SAXTON.

Mr. MACK.

Mr. GALLO.

Mr. BEREUTER.

Mr. WOLF.

Mr. CLINGER.

Mr. LIGHTFOOT.

Miss SCHNEIDER.

Mr. BUNNING.

Mr. GRADISON.

Mr. MCCOLLUM.

Mr. MCEWEN.

Mr. BUECHNER.

Mr. PETRI.

Mr. CONTE.

Mr. MOLINARI.

Mr. LUNGREN.

Mr. LOTT.

Mr. LEWIS of California.

Mr. CRANE in two instances.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. TRAFICANT in two instances.

Mr. TORRES in two instances.

Mr. JONTZ.

Mr. DOWNEY of New York.

Mr. DYSON.

Mr. TORRICELLI.

Mr. ALEXANDER.

Mr. KASTENMEIER.

Mr. LANTOS in two instances.

Mr. SOLARZ.

Mr. CLEMENT in 10 instances.

Mr. ROSTENKOWSKI.

Mr. TOWNS.

Mr. GUARINI.

Mr. MURTHA.

Mr. MANTON.

Mr. LIPINSKI.

Mr. JACOBS.

Mr. KANJORSKI in two instances.

Mr. ATKINS.

Mr. DORGAN of North Dakota.

Mr. STARK.

Mr. KOLTER.

Mr. WISE.

Mr. PANETTA.

Mr. BONKER.

Mr. GARCIA.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 340. Joint resolution designating November 27 through December 3, 1988, as "National Sir Winston Churchill Recognition Week", to the Committee on Post Office and Civil Service.

S.J. Res. 381. Joint resolution to designate October 30, 1988, as "Fire Safety at Home Day—Change Your Clock, Change Your Battery"; to the Committee on Post Office and Civil Service.

ENROLLED BILLS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that Committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1133. An act for the relief of Thomas Nelson Flanagan;

H.R. 1490. An act for the relief of Jean DeYoung;

H.R. 2642. An act to facilitate and implement the settlement of Colorado Ute Indian reserved water rights in southwest Colorado, and for other purposes;

H.R. 3966. An act to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes;

H.R. 4050. An act for the relief of certain persons in Riverside County, CA, who purchased land in good faith reliance on ten existing private land surveys;

H.R. 4064. An act to amend title 28, United States Code to authorize the appointment of additional bankruptcy judges;

H.R. 4068. An act to amend the Archaeological Resource Protection Act of 1979 to strengthen the enforcement provisions of that act, and for other purposes;

H.R. 4174. An act to amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes;

H.R. 4833. An act to amend the Public Health Service Act to revise and extend the programs of nurse education established in title VIII of such act, and for other purposes;

H.J. Res. 572. Joint resolution designating November 28, through December 2, 1988, as "Vocational-Technical Education Week"; and

H.J. Res. 629. Joint resolution designating October 22, 1988, as "National Chester F. Carlson Recognition Day."

BILLS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On October 21, 1988:

H.R. 525. An act for the relief of John M. Gill;

H.R. 775. An act to provide for the establishment of the Poverty Point National Monument, and for other purposes;

H.R. 945. An act for the relief of Allen H. Platnick;

H.R. 990. An act to direct the Secretary of the Interior to convey a certain parcel of land located near Ocotillo, CA;

H.R. 1275. An act for the relief of Joyce G. McFarland;

H.R. 1385. An act for the relief of Travis D. Jackson;

H.R. 1826. An act for the relief of Natasha Susan Middlemann, Samantha Abigail Middleman, Naomi Katrina Orloff Middelmann, and Hannah Emily Middelmann;

H.R. 2266. An act to amend the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1988 and 1989, and for other purposes;

H.R. 2628. An act to amend the National Traffic and Motor Vehicle Safety Act of 1966 respecting the importation of motor vehicles in anticipation of compliance with safety standards under such act;

H.R. 2677. An act to establish procedures for review of tribal constitutions and bylaws or amendments thereto pursuant to the act of June 18, 1934 (48 Stat. 987);

H.R. 3347. An act for the relief of Bibianne Cyr;

H.R. 3408. An act to authorize additional appropriations for the Central Utah Project, to implement a settlement with the Strawberry Water Users, to expand the John Muir Historic site, to prohibit the expansion of any reservoir within the boundaries of Yosemite National Park, and for other purposes;

H.R. 3414. An act for the relief of Meenakshiben P. Patel;

H.R. 3471. An act to establish the Veterans' Administration as an executive department, and for other purposes;

H.R. 3515. An act to amend the Solid Waste Disposal Act to require the Administrator of the Environmental Protection Agency to promulgate regulations on the management of infectious waste;

H.R. 3559. An act to authorize and direct the acquisition of lands for Canaveral National Seashore, and for other purposes;

H.R. 3621. An act to declare that certain lands located in California and held by the Secretary of the Interior are lands held in trust for the benefit of certain bands of Indians and to declare such lands to be part of the reservation with which they are contiguous;

H.R. 3685. An act to amend title 31, United States Code, to increase from $25,000 to $40,000 the maximum amount that the United States may pay in settlement of a claim against the United States made by a member of the uniformed services or by an officer or employer of the Government;

H.R. 3757. An act to amend title 5, United States Code, to permit voluntary transfers of leave by Federal employees where needed because of a medical or other emergency situation;

H.R. 4182. An act to authorize the establishment of the Zuni-Cibola National Historical Park in the State of New Mexico, and for other purposes;

H.R. 4209. An act to authorize appropriations to carry out title I of the Marine Protection, Research, and Sanctuaries Act of 1972 during fiscal years 1989, 1990, and 1991;

H.R. 4262. An act to amend title 17, United States Code, to implement the Berne Convention for the Protection of Literary and Artistic Works, as revised at Paris on July 24, 1971, and for other purposes;

H.R. 4375. An act to improve the management of certain public lands in the State of Michigan.

H.R. 4410. An act to designate the Federal Building at Spring and High Streets in Columbus, OH, as the "John W. Bricker Federal Building";

H.R. 4416. An act to extend the authorization of appropriations for titles V and VI of the Library Services and Construction Act through fiscal year 1989;

H.R. 4418. An act to authorize appropriations for the National Science Foundation, and for other purposes;

H.R. 4480. An act to change the name of the Pacific Tropical Botanical Garden, a federally chartered organization, to the National Tropical Botanical Garden, and for other purposes;

H.R. 4554. An act to remove certain restrictions on land acquisition for Antietam National Battlefield;

H.R. 4557. An act to amend title 46, United States Code, to require alerting and locating equipment on manned uninspected vessels, to provide for exemption of uninspected vessels from certain requirements of that title, and to increase penalties for violations of certain uninspected vessel requirements;

H.R. 4642. An act to provide for the reinstatement of the canceled entry of William A. Wright to certain lands in Lamar County, AL;

H.R. 4777. An act to modify the boundary of the Guadalupe Mountains National Park, and for other purposes;

H.R. 4818. An act to establish the National Park of America Samoa;

H.R. 4939. An act to amend the Safe Drinking Water Act to control lead in drinking water;

H.R. 4992. An act to expand our national telecommunications system for the benefit of the hearing-impaired and speech-impaired populations, and for other purposes;

H.R. 5001. An act to establish the Delaware Water Gap National Recreation Area Citizen Advisory Commission;

H.R. 5007. An act to designate the U.S. Courthouse at 620 Southwest Main Street, Portland, OR, as the "Gus J. Solomon United States Courthouse";

H.R. 5050. An act to amend the small Business Act to establish programs and initiate efforts to assist the development of small business concerns owned and controlled by women, and for other purposes;

H.R. 5052. An act to amend title 31 of the United States Code to provide for a transfer of control of the General Accounting Office Building and to improve the administration of the General Accounting Office;

H.R. 5066. An act to add additional land to the Salt River Pima-Maricopa Indian Reservation in Arizona, and for other pruposes;

H.R. 5199. An act to make nonmailable any plant, fruit, vegetable, or other matter, the movement of which in interstate commerce has been prohibited or restricted by the Secretary of Agriculture in order to prevent the dissemination of dangerous plant diseases or pests, and for other purposes;

H.R. 5318. An act to amend the Egg Research and Consumer Information Act to limit the total costs that may be incurred by the Egg Board in collecting producer assessments and having an administrative staff, to eliminate egg producer refunds, and to delay the conducting of any referendum by egg producers on the elimination of such refunds;

H.R. 5325. An act to establish a commission to review and make recommendations for the improvement of the Federal crop insurance program;

H.R. 5389. An act concerning disaster assistance for Bangladesh;

H.R. 5395. An act to designate the Sipsey River as a component of the National Wild and Scenic Rivers System, to designate certain areas as additions to the Sipsey Wilderness, to designate certain areas as conditions to the Cheaha Wilderness, and to preserve over thirty thousand acres of pristine natural treasures in the Bankhead National Forest for the asthetic and recreational benefit of future generations of Alabamians, and for other purposes;

H.R. 5442. An act to provide the Environmental Protection Agency and the public with additional information about asbestos products;

H.R. 5471. An act to amend the Public Health Service Act to revise the authority for the regulation of clinical laboratories; and

H.J. Res. 644. Joint resolution granting the consent of Congress to the compact entered into between the State of North Carolina and the State of South Carolina establishing the Lake Wylie Marine Commission.

SINE DIE ADJOURNMENT

Mr. COELHO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. Foley). In accordance with the provisions of House Concurrent Resolution 398, the Chair declares the second session of the 100th Congress adjourned sine die.

Thereupon (at 2 o'clock and 55 minutes a.m.), pursuant to House Concurrent Resolution 398, the House adjourned.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4501. A letter from the Director, Office of Management and Budget, transmitting a Soil Conservation Service plan for the Howard Creek Watershed, WV, pursuant to 16 U.S.C. 1005; to the Committee on Agriculture.

4502. A letter from the Chairman, National Endowment for the Arts, transmitting a report on the state of the arts, entitled "The Arts in America," the first in a series of biennial reports, pursuant to 20 U.S.C. 954(m); to the Committee on Education and Labor.

4503. A letter from the Chairman, Federal Trade Commission, transmitting the nineteenth report of the Commission concerning the impact on competition and on small business of the development and implementation of voluntary agreements and plans of action to carry out provisions of the International Energy Program, pursuant to 42 U.S.C. 6272(i); the Committee on Energy and Commerce.

4504. A letter from the Assistant Secretary of State, Legislative Affairs, transmitting notification of a proposed license for the export of major defense equipment sold commercially under a contract in the amount of $14,000,000 to the Government of Turkey (Transmittal No. MC-52-88), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

4505. A letter from the Assistant Secretary of State, Legislative Affairs, transmitting notification of a proposed license for the export of major defense equipment sold commercially under a contract in the amount of $14,000,000 or more to Government of Thailand (Transmittal No. MC-54-88), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

4506. A letter from the Assistant Secretary of State, Legislative Affairs, transmitting notification of a proposed license for the export of major defense equipment sold commercially under a contract in the amount of $50,000,000 to Egypt (Transmittal No. MC-42-88), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

4507. A letter from the Assistant Secretary of State, Legislative Affairs, transmitting notification of a proposed license for the export of major defense equipment sold commercially under a contract in the amount of $14,000,000 or more to France (Transmittal No. MC-51-88), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

4508. A letter from the Acting Director, Defense Security Assistance Agency, transmitting an addendum to the listing of all outstanding letters of offer to sell any major defense equipment for $1,000,000 or more, and an addendum to the listing of all letters of offer that were accepted, as of June 30, 1988, pursuant to 22 U.S.C. 2776(a); to the Committee on Foreign Affairs.

4509. A letter from the Secretary of Commerce, transmitting a draft or proposed legislation to establish $200,000 prizes to accompany the National Medals of Science and Technology and for other purposes; to the Committee on Science, Space and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 4606. A bill to establish the United States-Mexico Border Regional Commission and to assist in the development of the economic and human resources of the United States-Mexico border region of the United States; with amendments (Report No. 120-1101, Pt. 1). Ordered to be printed.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 5231. A bill to amend the Marine Protection, Research, and Control Act of 1972 to strengthen prohibitions on dumping into ocean waters, to provide for recovery of damages associated with dumping which affects ocean waters, and for other purposes; with amendments (Rep. 100-1102). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1260. A bill to establish a program for the exploration for and commercial recovery of hard mineral resources on those portions of the seabed subject to the jurisdiction and control of the United States; with an amendment (Rept. 100-1103, Pt. 1). Ordered to be printed.

Mr. ROSTENKOWSKI: Committee of conference: Conference report on H.R. 4333 (Rept. 100-1105). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WAXMAN:

H.R. 5560. A bill to amend Public Health Service Act, and the Health Omnibus Programs Extension of 1988, to make technical corrections relating to the Health Omnibus Programs Extension of 1988; to the Committee on Energy and Commerce.

By Mr. ANDERSON (for himself, Mr. Hammerschmidt, and Mr. Shuster):

H.R. 5561. A bill to direct the Interstate Commerce Commission to take no action regarding the expansion of motor carrier commercial zones for a period of 12 months; to the Committee on Public Works and Transportation.

By Mr. BONKER:

H.R. 5562. A bill to amend the Clean Air Act to control acid deposition, and for other purposes; to the Committee on Energy and Commerce.

By Mr. CRANE:

H.R. 5563. A bill to authorize the establishment of a United States-Taiwan Free Trade Area; to the Committee on Ways and Means.

By Mr. DORGAN of North Dakota:

H.R. 5564. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for farmers who realize capital gain on the transfer of property to satisfy an indebtedness, and for other purposes: to the Committee on Way and Means.

By Mr. DOWNEY of New York (for himself and Mr. Donnelly):

H.R. 5565. A bill to amend the Internal Revenue Code of 1986 to provide a $100 income tax credit to individuals who are volunteer firefighters; to the Committee on Way and Means.

By Mr. DYMALLY:

H.R. 5566. A bill to permit the naturalization of certain Filipino war veterans; to the Committee on the Judiciary.

By Mr. FLORIO:

H.R. 5567. A bill to amend the Controlled Substances Act by increasing the minimum criminal penalties for any person employing or using persons under 18 years of age in drug operations; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. GRADISON (for himself, Mr. Beilenson, Mr. Panetta, Mr. Regula, Mr. Houghton, Mrs. Johnson of Connecticut, Mr. Armey, and Mr. Green):

H.R. 5568. A bill to ensure the proper budgetary treatment of credit transactions of Federal agencies and to improve management of Federal credit programs; jointly, to the Committees on Banking, Finance and Urban Affairs, Government Operations, Ways and Means, and Rules.

By Mr. JEFFORDS:

H.R. 5569. A bill to provide for a Federal program for the improvement of child care services; to provide grants and tax incentives for small businesses to establish child care centers for children of employees; to amend the Internal Revenue Code of 1986 to increase the amount of the credit for dependent care expenses, to make such credit refundable, and to provide that certain respite care expenses are eligible for such credit; to provide for child care liability risk reduction; and for other purposes; jointly, to the Committees on Ways and Means, Education and Labor, and Small Business.

By Mrs. KENNELLY:

H.R. 5570. A bill to amend the Internal Revenue Code of 1986 to increase the amount of the credit for expenses with respect to child care for dependent children, to make such credit refundable, and for other purposes; to the Committee on Ways and Means.

By Mr. McMILLEN of Maryland:

H.R. 5571. A bill to protect the Chesapeake Bay from the disposal of medical waste, and for other purposes; jointly, to the Committees on Public Works and Transportation, Energy and Commerce, Science, Space and Technology, Merchant Marine and Fisheries, and the Judiciary.

By Mr. MORRISON of Connecticut (for himself, Mr. Downey of New York, and Mrs. Kennelly):

H.R. 5572. A bill to amend the Federal Unemployment Tax Act with respect to the provisions of State law required by such act; to the Committee on Ways and Means.

By Mr. PANETTA:

H.R. 5573. A bill to require the President to submit a report to Congress under the War Powers Resolution whenever members of the Armed Forces are paid hostile fire pay in an area declared a hostile fire zone by the Secretary of Defense; jointly, to the Committee on Armed Services and Foreign Affairs.

By Mr. PICKLE:

H.R. 5574. A bill to redesignate the Post Office located at 300 East Ninth Street in Austin, TX, as the "Homer Thornberry Judicial Building;" to the Committee on Public Works and Transportation.

By Miss SCHNEIDER:

H.R. 5575. a bill to authorize the Secretary of Housing and Urban Development to establish a demonstration program to insure mortgages with no downpayment for moderate-income first-time homebuying families; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SCHULZE:

H.R. 5576. A bill to amend the Migratory Bird Treaty Act to alter the prohibitions on the hunting, taking, capture, or killing of migratory birds by the use of live birds as decoys or the use of baiting, and to increase the penalty for a violation of such prohibitions; to the Committee on Merchant Marine and Fisheries.

By Mr. SLATTERY:

H.R. 5577. A bill to authorize the issuance of prisoner-of-war medals to members of the crew of the U.S.S. *Pueblo* who were captured by North Korea; to the Committee on Armed Services.

By Mr. SLATTERY (for himself, Mr. Horton, Mrs. Johnson of Connecticut, and Mr. Roe):

H.R. 5578. A bill to amend title XVI of the Social Security Act to provide that a blind or disabled child otherwise qualified may be eligible for SSI benefits even though not a resident of the United States, if such child is accompanying a parent who is a member of the Armed Forces serving a tour of duty overseas; to the Committee on Ways and Means.

By Mr. UDALL (by request):

H.R. 5579. A bill to provide for the participation of Indian tribes in certain social services programs, and for other purposes; jointly, to the Committees on Ways and Means, Energy and Commerce, Post Office and Civil Service, and Interior and Insular Affairs.

By Mr. UPTON (by request):

H.R. 5580. A bill to enhanced the raising of revenue through the collection of fees; to establish a fund for the deposit of such fees and other fines and penalties; to appropriate portions of the fund revenue; to assure that the fund revenue is available for the conservation of marine resources of the exclusive economic zone, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DYMALLY:

H. R. 5581. A bill to establish the Commission of Economic Set-Asides and a uniform Federal policy concerning economic set-asides; to the Committee on Government Operations.

By Mr. FOLEY (for himself and Mr. Michel):

H.R. 5582. A bill to prevent the manufacturing, distribution, and use of illegal drugs, and for other purposes; jointly, to the committees on Banking, Finance and Urban Affairs, Education and Labor, Foreign Affairs, Government Operations, Energy and Commerce, Interior and Insular Affairs, Public Works and Transportation, the Judiciary, Merchant Marine and Fisheries, Ways and Means, and Appropriations.

By Mr. WAXMAN:

H. Con. Res. 394. Concurrent resolution to correct the enrollment of S. 2843; considered and agreed to.

By Mr. MILLER of California (for himself, Mr. Udall, and Mr. de Lugo):

H. Con. Res. 395. Concurrent resolution expressing the sense of the Congress regarding the habitability of Rongelap Atoll; jointly, to the Committees on Interior and Insular Affairs and Foreign Affairs.

By Mr. PORTER (for himself, Mr. Lantos, Miss Schneider, Mr. Owens of Utah, Mr. Gilman, and Mr. Weiss):

H. Con. Res. 396. Concurrent resolution concerning the promotion of the environment and human rights in Malaysia; to the Committee on Foreign Affairs.

By Mr. TRAFICANT:

H. Con. Res. 397. Concurrent resolution expressing the sense of the Congress that the Veterans' Administration should develop and construct a full-service outpatient clinic in the area of Youngstown, OH; to the Committee on Veterans' Affairs.

By Mr. FOLEY:

H. Con. Res. 398. Concurrent resolution providing for the sine die adjournment of the 100th Congress; considered and agreed to.

By Mr. FRANK:

H. Res. 601. Resolution to concur in the Senate amendment to H.R. 5043, with an amendment; considered under suspension of the rules and agreed to.

By Mr. RUSSO (for himself, Mr. Lipinski, Mr. Yates, Mr. Annunzio, Mr. Crane, Mr. Hyde, Mr. Madigan, Mr. Bruce, Mr. Costello, Mr. Davis of Illinois, Mr. Durbin, Mr. Evans, Mr. Fawell, Mr. Gray of Illinois, Mr. Hastert, Mr. Porter, Mr. Michel, Mr. Savage, Mr. Hayes of Illinois, Mrs. Collins, Mr. Rostenkowski, and Mrs. Martin of Illinois):

H. Res. 602. Resolution expressing the sense of the House of Representatives that the Administrator of the Federal Aviation Administration should submit to Congress a plan outlining immediate and long-term solutions to the air traffic problems at O'Hare International Airport in Chicago, IL; to the Committee of Public Works and Transportation.

By Mr. ROSTENKOWSKI:

H. Res. 603. Resolution returning to the Senate the bill S. 2097; considered and agreed to.

H. Res. 604. Resolution returning to the Senate the bill H.R. 1315, as amended; considered and agreed to.

By Mr. FOLEY:

H. Res. 605. Resolution providing for the printing of the revised edition of the Rules and Manual of the House of Representatives for the One Hundred First Congress; considered and agreed to.

H. Res. 606. Resolution providing for the appointing of a committee to notify the President of the completion of business; considered and agreed to.

By Mr. FOLEY (for himself and Mr. Michel):

H. Res. 607. Resolution relating to early organization of the House of Representatives for the One Hundred and First Congress; considered and agreed to.

By Mr. DYMALLY:

H. Res. 608. Resolution providing for a study by the Committee on Government Operations to review the affirmative action employment practices with regard to business operations within the United States of foreign companies and firms; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONYERS:

H.R. 5583. A bill for the relief of Alcee L. Hastings; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 5584. A bill for the relief of Haytham Jabi; to the Committee on the Judiciary.

By Mr. WORTLEY:

H.R. 5585. A bill for the relief of Alejandro Aceves; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1007: Mr. Shays.

H.R. 1794: Mr. Upton.

H.R. 1990: Mr. Lent.

H.R. 2036: Mr. Durbin and Mr. Dixon.

H.R. 2148: Mr. Sabo.

H.R. 2238: Mr. Quillen, Mr. Blaz, and Mr. Solomon.

H.R. 2717: Mr. Spratt.

H.R. 2883: Mr. Hochbrueckner.

H.R. 3204: Mr. Costello.

H.R. 3324: Mr. Marlenee.

H.R. 3470: Mr. Holloway, Mr. Stenholm, and Mr. Hubbard.

H.R. 3509: Mr. AuCoin.

H.R. 3510: Mr. AuCoin.

H.R. 3585: Mr. Wolf and Mr. Bonior of Michigan.

H.R. 3781: Mr. Dellums and Mr. Ravenel.

H.R. 3810: Mr. Hochbrueckner, Mrs. Boxer, Mrs. Morella, and Mr. Atkins.

H.R. 4393: Mr. LaFalce.

H.R. 4632: Mr. Traficant.

H.R. 4680: Mr. Bonior of Michigan.

H.R. 4692: Mr. Anderson, Mr. Annunzio, Mr. Anthony, Mr. Bates, Mr. Bevill, Mr. Bilbray, Mr. Borski, Mr. Boucher, Mr. Bruce, Mr. Campbell, Mr. Chapman, Mr. Coelho, Mr. Coleman of Texas, Mr. Conyers, Mr. Cooper, Mr. Coyne, Mr. Craig, Mr. Daub, Mr. DeFazio, Mr. de Lugo, Mr. Derrick, Mr. Dorgan of North Dakota, Mr. Downey of New York, Mr. Dymally, Mr. Dyson, Mr. Edwards of California, Mr. Emerson, Mr. English, Mr. Espy, Mr. Fazio, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Frank, Mr. Frenzel, Mr. Fuster, Mr. Gibbons, Mr. Gonzalez, Mr. Gordon, Mr. Gray of Illinois, Mr. Gray of Pennsylvania, Mr. Hatcher, Mr. Hawkins, Mr. Hayes of Illinois, Mr. Hayes of Louisiana, Mr. Hiler, Mr. Hochbrueckner, Mr. Hubbard, Mr. Jacobs, Mr. Johnson of South

Dakota, Mr. Jones of North Carolina, Ms. Kaptur, Mr. Kolter, Mr. Lancaster, Mr. Lewis of Florida, Mrs. Lloyd, Mr. Lowry of Washington, Mr. McMillen of Maryland, Mr. Martinez, Mr. Matsui, Mr. Mfume, Mr. Montgomery, Mr. Murphy, Mr. Nichols, Mr. Oberstar, Mr. Owens of New York, Mr. Penny, Mr. Rangel, Mr. Regula, Mr. Richardson, Mr. Roberts, Mr. Robinson, Mr. Rodino, Mr. St Germain, Mr. Schumer, Mr. Sharp, Mr. Sikorski, Ms. Slaughter of New York, Mr. Skeen, Mrs. Smith of Nebraska, Mr. Spratt, Mr. Stokes, Mr. Tallon, Mr. Tauke, Mr. Thomas of California, Mr. Thomas of Georgia, Mr. Towns, Mr. Traficant, Mr. Udall, Mr. Vento, Mr. Watkins, Mr. Williams, Mr. Wilson, Mr. Wortley, and Mr. Wyden.

H.R. 4817: Mr. Kanjorski.

H.R. 4874: Mr. Boehlert.

H.R. 4923: Mr. Olin and Mr. Garcia.

H.R. 5019: Mr. Grandy and Mr. Alexander.

H.R. 5041: Mr. Aspin, Mr. McMillen of Maryland, Mr. Yatron, Mr. Akaka, Mr. Jontz, Mr. Mfume, Mr. Mineta, and Mr. Manton.

H.R. 5051: Mrs. Meyers of Kansas.

H.R. 5193: Mr. Ackerman and Mrs. Meyers of Kansas.

H.R. 5214: Mr. Frank, Mr. Wise, Mr. Foglietta, and Mr. Weiss.

H.R. 5250: Mr. Traxler, Mr. Annunzio, Mr. Frank, and Mr. Kanjorski.

H.R. 5259: Mr. Boulter.

H.R. 5272: Mr. Barton of Texas.

H.R. 5276: Mr. Huckaby and Mr. McEwen.

H.R. 5278: Mr. Fish.

H.R. 5279: Mr. Bustamante, Mr. Evans, Mr. Vento, and Mr. Owens of Utah.

H.R. 5346: Mr. Vander Jagt, Mr. Lagomarsino, Mr. Schuette, Mr. Burton of Indiana, Mr. Henry, Mr. Bonior of Michigan, Mr. Jontz, Mr. Donnelly, and Mr. Gonzalez.

H.R. 5351: Mr. Swindall.

H.R. 5352: Mr. Swindall.

H.R. 5353: Mr. Swindall.

H.R. 5354: Mr. Swindall.

H.R. 5355: Mr. Swindall.

H.R. 5356: Mr. Swindall.

H.R. 5357: Mr. Swindall.

H.R. 5358: Mr. Swindall.

H.R. 5359: Mr. Swindall.

H.R. 5360: Mr. Swindall.

H.R. 5361: Mr. Swindall.

H.R. 5362: Mr. Swindall.

H.R. 5363: Mr. Swindall.

H.R. 5364: Mr. Swindall.

H.R. 5365: Mr. Swindall.

H.R. 5366: Mr. Swindall.

H.R. 5382: Mr. Kostmayer and Mr. Wolpe.

H.R. 5394: Mr. Vento, Mr. Andrews, Mrs. Collins, Mr. Lagomarsino, Mr. Levin of Michigan.

H.R. 5426: Mr. Fields and Mr. Hastert.

H.R. 5460: Mr. Sikorski.

H.R. 5475: Mr. Crockett.

H.R. 5479: Mr. Crockett, Mrs. Johnson of Connecticut, Mr. Smith of Florida, and Mr. Atkins.

H.R. 5492: Mr. Skelton, and Mr. Crockett.

H.R. 5521: Mr. Florio.

H.R. 5527: Mr. Sikorski, Mr. Vento, Mr. Sabo, Mr. Frenzel, Mr. Penny, and Mr. Stangeland.

H.R. 5558: Mr. Neal, Mr. Sisisky, Mr. Bereuter, Mr. Weber, Mr. Lancaster, and Mr. Hatcher.

H.J. Res. 260: Mr. Hochbrueckner, Mr. Swindall, Mr. DeFazio, Mr. Coyne, Mr. Wolf, Mr. Shays, Mr. McEwen, Mr. Pickle, Mr. Skaggs, Mrs. Boggs, Mr. Wheat, Mr. Cheney, Mr. Wise, Mr. Nelson of Florida, Mr. Stump, Mr. Shaw, Mr. Price of North Carolina, Mr. Bliley, and Mr. Berman.

H.J. Res. 449: Mr. Callahan.

H.J. Res. 515: Mr. Upton, Mrs. Vucanovich, Mr. Fish, and Mr. Bateman.

H.J. Res. 526: Mr. Madigan and Mr. Skelton.

H.J. Res. 528: Mr. Akaka and Mr. McCollum.

H.J. Res. 554: Mr. Synar.

H.J. Res. 573: Mrs. Morella.

H.J. Res. 574: Mr. Wolpe.

H.J. Res. 595: Mr. Gregg, Mr. Morrison of Connecticut, Mr. Hyde, Mr. Conte, Mr. Gray of Pennsylvania, Mr. Oxley, Mr. Wortley, Mr. Brennan, Mrs. Meyers of Kansas, Mrs. Collins, and Mr. Fish.

H.J. Res. 596: Mr. Konnyu and Mr. Grandy.

H.J. Res. 604: Mr. Brennan and Mr. Crockett.

H.J. Res. 610: Mr. Smith of Iowa.

H.J. Res. 625: Mr. Barton of Texas.

H.J. Res. 627: Mrs. Meyers of Kansas.

H.J. Res. 630: Mr. Rangel, Mr. Sundquist, Mr. Dornan of California, Mr. Kostmayer, Mr. Packard, Mr. Fazio, Mr. Horton, Mr. Roe, Mr. de Lugo, Mrs. Bentley, Mr. Rowland of Connecticut, Mr. Olin, Mr. Pickle, and Mr. Sabo.

H.J. Res. 649: Mr. DeWine and Mr. Foley.

H.J. Res. 660: Mr. Hansen and Mr. Thomas A. Luken.

H.J. Res. 670: Mr. Scheuer, Mr. Smith of Florida, Mrs. Meyers of Kansas, and Mr. Fazio.

H. Con. Res. 258: Mr. Bateman.

H. Con. Res. 305: Mr. Bustamante, Mr. Fuster, Mr. Lehman of California, Mr. Lightfoot, Mrs. Meyers of Kansas, Mr. Oberstar, Mr. Richardson, Mr. Schumer, Mr. Synar, Mr. Traxler, and Mr. Williams.

H. Con. Res. 326: Mr. Porter.

H. Con. Res. 339: Mr. McMillan of North Carolina, Mr. Craig, Mr. Dreier of California, Mr. Waxman, Mr. Carper, Mr. Rowland of Connecticut, Mr. Frenzel, and Mr. Jeffords.

H. Con. Res. 342: Mr. Hunter, Mr. Pashayan, Mr. Bosco, Mr. Dreier of California, Mrs. Morella, Mr. Smith of New Jersey, Mr. McCollum, Mr. Nelson of Florida, Mr. Erdreich, Mr. Campbell, Mr. Packard, Mr. McCandless, and Mrs. Kennelly.

H. Con. Res. 343: Mr. Hyde, Mrs. Collins, Mr. Parris, Mr. Wolf, Mr. Dwyer of New Jersey, Mr. de Lugo, Mr. Boulter, Mr. Mfume, Mr. Cardin, Mr. Hunter, Mr. Udall, Mrs. Byron, Mr. Miller of Washington, Mr. Moody, Mr. Hoyer, Mr. Aspin, Mr. Wortley, Mr. Dyson, Mr. Feighan, and Mr. Lightfoot.

H. Con. Res. 352: Mrs. Collins.

H. Con. Res. 370: Mr. Skaggs.

H. Con. Res. 376: Mr. Akaka, Mr. Annunzio, Mrs. Bentley, Mr. Bilbray, Mr. Bilirakis, Mr. Bonior of Michigan, Mr. Bonker, Mr. Bunning, Mr. Bustamante, Mr. Cardin, Mr. Clay, Mr. Clement, Mr. Conte, Mr. Dicks, Mr. Houghton, Mr. Jontz, Mr. Kanjorski, Mr. Lewis of California, Mr. Livingston, Mr. Mavroules, Mr. Miller of Washington, Mr. Molinari, Mr. Nowak, Mr. Oberstar, Mr. Owens of New York, Mr. Parris, Mr. Perkins, Mr. Rahall, Mr. Roe, Mr. Savage, Mr. Sikorski, Mr. Spence, Mr. Stokes, Mr. Taylor, Mr. Thomas of Georgia, Mr. Torres, Mr. Torricelli, Mr. Towns, Mr. Vander Jagt, Mr. Yatron, and Mr. Young of Alaska.

H. Con. Res. 380: Mr. Young of Florida, Mr. Fish, Mr. Jeffords, Mr. Nagle, and Mr. Cardin.

H. Con. Res. 393: Mr. Boulter, Mr. Robinson, Mr. Grant, Mr. Martinez, Mr. Wortley, and Mr. Rose.

H. Res. 516: Mr. McEwen.

H. Res. 580: Mr. Bilbray, Mr. Moorhead, Mr. Denny Smith, and Mr. Smith of Texas.

H. Res. 599: Mr. Gunderson, Mr. Hefley, Mr. Rhodes, and Mr. Stump.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H. Con. Res. 339: Mrs. Boxer.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 237. An act to amend section 207 of title 18, United States Code, to prohibit Members of Congress and officers and employees of any branch of the United States Government from attempting to influence the United States Government or from representing or advising a foreign entity for a proscribed period after such officer or employee leaves Government service, and for other purposes; to the Committee on the Judiciary and House Administration.

S. 861. An act to require certain actions by the Secretary of Transportation regarding certain drivers of motor vehicles and motor carriers; to the Committee on Public Works and Transportation.

S. 938. An act to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal years 1988 and 1989, and for other purposes; to the Committee on the Judiciary.

S. 1301. An act to amend title 17, United States Code, to implement the Berne Convention for the Protection of Literary and Artistic Works, as revised at Paris on July 24, 1971, and for other purposes; to the Committee on the Judiciary.

S. 1305. An act to settle certain claims arising out of activities on the Pine Ridge Indian Reservation; to the Committee on the Judiciary.

S. 1430. An act to impose a moratorium on prepayments under section 515 of the Housing Act of 1949; to the Committee on Banking, Finance and Urban Affairs.

S. 1549. An act to increase the authorization ceiling for the Closed Basin Division, San Luis Valley Project, Colorado; to the Committee on Interior and Insular Affairs.

S. 2162. An act to provide for the establishment of the Zuni-Cibola National Historical Park in the State of New Mexico, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 2355. An act to authorize appropriations for fiscal year 1989 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; to the Committee on Armed Services.

S. 2869. An act to authorize appropriations for the completion of certain walls of the Internal Revenue Service Building located in Washington, DC; to the Committee on Public Works and Transportation.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED AFTER SINE DIE ADJOURNMENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and Joint Resolutions of the House of the following titles, which were thereupon signed by the Speaker:

On October 26, 1988:

H.R. 441. An act for the relief of the heirs of M.S. Nathaniel Scott, U.S. Army, retired, deceased;

H.R. 610. An act for relief of Calvin L. Graham;

H.R. 712. An act for the relief of Lawrence K. Lunt;

H.R. 1149. An act to amend the Foreign Sovereign Immunities Act with respect to admiralty jurisdication;

H.R. 1338. An act for the relief of David Butler, Aldo Cirone, Richard Denisi, Warren Fallon, Charles Hotton, Harold Johnson, Jean Lavoie, Vincent Maloney, Austin Mortensen, Kurt Olofsson, and John Jenks;

H.R. 1418. An act for the relief of Rick Hangartner, Russell Stewart, and David Walden;

H.R. 1473. An act to designate the building which will house the U.S. District Court for the Eastern District of Texas in Luflin, TX, as the "Ward R. Burke United States Courthouse";

H.R. 2109. An act for the relief of Rosa Pratts;

H.R. 2461. An act for the relief of Milena and Bozena Mesin;

H.R. 2472. An act to provide authorization of appropriations for activities of the National Telecommunications and Information Administration;

H.R. 2511. An act for the relief of Tarek Mohamad Mahmoud;

H.R. 2756. An act granting the consent and approval of Congress to the addition of the State of Ohio as a party to the Middle Atlantic Interstate Forest Fire Protection Compact;

H.R. 2802. An act for the relief of Fleurette Seidman;

H.R. 2806. An act to amend the Federal Land Policy and Management Act of 1976, to permit temporary use for military purposes of public lands in Alaska managed by the Bureau of Land Management, Department of the Interior, and for other purposes;

H.R. 3146. An act to clarify certain restrictions on distribution of advertisements and other information concerning lotteries and similar activities;

H.R. 3238. An act for the relief of Maria Linda Sy Gonzalez;

H.R. 3327. An act to designate the Federal building located at 324 West Market Street in Greensboro, NC, and the "L. Richardson Preyer, Jr. Federal Building and United States Courthouse and Post Office";

H.R. 3614. An act to authorize a study of the Hanford Reach of the Columbia River, and for other purposes;

H.R. 3917. An act for the relief of Rajani Lal;

H.R. 4118. An act to amend and extend the authorization of appropriations for public broadcasting, and for other purposes;

H.R. 4124. An act to authorize appropriations to carry out the Atlantic Striped Bass Conservation Act for fiscal years 1989 through 1991, and for other purposes;

H.R. 4210. An act to authorize appropriations to carry out titles II and III of the Marine Protection, Research, and Sanctuaries Act of 1972, to establish the National Oceans Policy Commission, and for other purposes;

H.R. 4211. An act to reauthorize the National Ocean Pollution Planning Act of 1978 for fiscal years 1989 and 1990, and for other purposes;

H.R. 4236. An act to amend the Act of June 6, 1900, to increase the number of trustees of the Frederick Douglas Memorial and Historical Association;

H.R. 4352. An act to amend the Stewart B. McKinney Homeless Assistance Act to extend programs providing urgently needed assistance for the homeless, and for other purposes;

H.R. 4432. An act to amend title 13, United States Code, to require certain detailed tabulations relating to Asian Americans and Pacific Islanders in the decennial censuses of population;

H.R. 4517. An act to amend title III of the Outer Continental Shelf Lands Act Amendments of 1978 to provide for indemnification and hold harmless agreements;

H.R. 4574. An act to amend title 5, United States Code, with respect to certain programs under which awards may be made to Federal employees for superior accomplishments or cost savings disclosures, and for other purposes;

H.R. 4686. An act to amend the Federal Aviation Act of 1958 relating to aviation research;

H.R. 4949. An act to approve the governing international fishery agreement between the United States and the Union of Soviet Socialist Republics, and for other purposes;

H.R. 5104. An act to improve the efficiency and effectiveness of the management and disposal of Federal real and personal property;

H.R. 5334. An act to make certain technical and conforming amendments to the Education of the Handicapped Act and the Rehabilitation Act of 1973, and for other purposes;

H.R. 5552. An act to provide that the Consumer Product Safety Commission amend its regulations regarding lawn darts;

H.J. Res. 438. Joint resolution designating November 4, 1988, as "National Teacher Appreciation Day";

H.J. Res. 446. Joint resolution designating October 30 through November 5, 1988, as "National Jukebox Week";

H.J. Res. 573. Joint resolution to designate the week beginning November 13, 1988, as "National Craniofacial Awareness Week";

H.J. Res. 604. Joint resolution designating February 5 through 11, 1989, as "National Burn Awareness Week";

H.J. Res. 626. Joint resolution designating September 13, 1989, as "Uncle Sam Day";

H.J. Res. 649. Joint resolution designating November 12, 1988, as "National Firefighters Day";

H.J. Res. 654. Joint resolution designating November 4 through 10, 1988, as the "Week of Remembrance of Kristallnacht"; and

H.J. Res. 677. Joint resolution changing the date for the counting of the Electoral vote by Congress to January 4, 1989.

On October 27, 1988:

H.R. 593. An act to request the President to award a gold medal on behalf of Congress to Andrew Wyeth, and to provide for the production of bronze duplicates of such medal for sale to the public;

H.R. 1807. An act to amend the Small Business Act to reform the Capital Ownership Development Program, and for other purposes;

H.R. 4030. An act to reauthorize and amend certain wildlife laws, and for other purposes;

H.R. 4333. An act to make technical corrections relating to the Tax Reform Act of 1986, and for other purposes;

H.R. 4362. An act to amend section 3 of the Act of June 14, 1926, as amended (43 U.S.C. 869-2), to authorize the issuance of patents with a limited reverter provision of lands devoted to solid waste disposal, and for other purposes;

H.R. 4399. An act to facilitate commercial access to space, and for other purposes;

H.R. 4445. An act to amend title 18, United States Code, to prohibit certain firearms especially useful to terrorists;

H.R. 5102. An act to amend the provisions of title 5, United States Code, relating to the health benefits program for Federal employees and certain other individuals;

H.R. 5115. An act to extend for 2 years section 314 of the Immigration Reform and Control Act of 1986, to make additional visas available to immigrants from underrepresented countries to enhance diversity in immigration, and to extend through December 31, 1989, H-1 nonimmigrant status for certain registered nurses; and

H.J. Res. 137. Joint resolution designating the month of May, 1989, as "National Asparagus Month."

On November 3, 1988:

H.R. 1975. An act to protect cave resources on Federal lands, and for other purposes;

H.R. 3048. An act to establish a national Federal program effort in close collaboration with the private sector to develop as rapidly as possible the applications of superconductivity to enhance the Nation's economic competitiveness and strategic wellbeing, and for other purposes;

H.R. 3313. An act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes;

H.R. 3680. An act to revoke certain public land orders, transfer certain public lands, and for other purposes;

H.R. 3911. An act to amend title 18, United States Code, to provide increased penalties for certain major frauds against the United States;

H.R. 3957. An act to establish the Delaware and Lehigh Navigation Canal National Heritage Corridor in the Commonwealth of Pennsylvania;

H.R. 4039. An act to declare that certain lands in the State of California which form a part of the right-of-way granted by the United States to the Central Pacific Railway Company have been abandoned, and for other purposes;

H.R. 4212. An act to amend the joint resolution of April 27, 1962, to permit the Secretary of the Interior to establish the former home of Alexander Hamilton as a national memorial at its present location in New York, NY;

H.R. 4807. An act to amend title 28, United States Code, to make certain improvements with respect to the Federal judiciary, and for other purposes;

H.R. 4847. An act to amend the Federal Hazardous Substances Act to require the labeling of chronically hazardous art materials and for other purposes;

H.R. 4972. An act to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes;

H.R. 5133. An act to improve the procedures and remedies for the prevention of insider trading, and for other purposes;

H.R. 5280. An act to require the Secretary of the Treasury to mint coins in commemoration of the Bicentennial of the U.S. Congress;

H.R. 5287. An act to establish the Panama Canal Commission Compensation Fund to provide for the accumulation of funds to meet the Panama Canal Commission's obligations under chapter 81 of title 5, United States Code, and for other purposes;

H.R. 5315. An act to amend the Congressional Award Act to extend the Congressional Award program;

H.J. Res. 564. Joint resolution designating the first week of April 1989 as "National Earthquake Awareness Week"; and

H.J. Res. 650. Joint resolution designating April 1989 as "Actors' Fund of America Appreciation Month."

On November 4, 1988:

H.R. 2707. An act to amend the Disaster Relief Act of 1974 to provide for more effective assistance in response to major disasters and emergencies, and for other purposes;

H.R. 2839. An act to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, to simplify the boundaries of the Goshute Reservation, and for other purposes;

H.R. 3011. An act to amend the Truth in Lending Act to establish additional disclosure, advertising, and other requirements for home equity loans;

H.R. 3105. An act to to revise, consolidate, and enact certain laws related to shipping definitions and maritime commercial instruments and liens as subtitle III of title title 46, United States Code, "Shipping," and for other purposes;

H.R. 4189. An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 for fiscal years 1989 through 1993;

H.R. 4612. An act to amend title 28, United States Code, to provide for an exclusive remedy against the United States for suits based upon certain negligent or wrongful acts or omissions of U.S. employees committed within the scope of their employment, and for other purposes;

H.R. 4879. An act to amend the Depository Institution Management Interlocks Act to revise the manner in which the service of directors of depository institutions and depository holding companies are regulated, and for other purposes;

H.R. 5043. An act to amend section 207 of title 18, United States Code, relating to restrictions on post-employment activities;

H.R. 5210. An act to prevent the manufacturing, distribution, and use of illegal drugs, and for other purposes;

H.R. 5232. An act to grant the consent of the Congress to the Southwestern Low-Level Radioactive Waste Disposal Compact;

H.R. 5261. An act to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes; and

H.R. 5560. An act to amend the Public Health Service Act, and the Health Omnibus Programs Extension of 1988, to make technical corrections relating to the Health Omnibus Programs Extension of 1988.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED AFTER SINE DIE ADJOURNMENT

The SPEAKER announced on the following dates his signature to enrolled bills and joint resolutions of the Senate of the following titles:

On October 22, 1988:

S. 2751. An act to designate certain lands in Montana as wilderness, to release other forest lands for multiple use management, and for other purposes.

On October 25, 1988:

S. 2889. An act to amend the Public Health Service Act to establish certain health programs, to revise and extend certain health programs, and for other purposes;

S.J. Res. 302. Joint resolution to designate October 1988 as "National Down Syndrome Month";

S.J. Res. 335. Joint resolution to designate the last full week of October, October 23 through October 29, 1988, as "National Adult Immunization Awareness Week";

S.J. Res. 378. Joint resolution designating the week of October 2 through 8, 1988, as "National Wild and Scenic Rivers Act Week"; and

S.J. Res. 381. Joint resolution to designate October 30, 1988, as "Fire Safety at Home Day—Change Your Clock, Change Your Battery."

On October 26, 1988:

S. 850. An act to amend the Wild and Scenic Rivers Act to designate a segment of the Rio Chama River in New Mexico as a component of the National Wild and Scenic Rivers System;

S. 1048. An act to amend the Communications Act of 1934 to provide authorization of appropriations for the Federal Communications Commission, and for other purposes;

S. 1081. An act to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of food consumed in the United States, with the provision for the conduct of scientific research and development in support of such program and plan;

S. 1382. An act to amend the National Energy Conservation Policy Act with respect to the energy policy of the United States;

S. 1476. An act to designate the Federal Records Center Extension Building 109 under construction in Overland, MO, as the "Charles F. Prevedel Federal Building";

S. 1827. An act to designate the Federal building and U.S. courthouse located at 300 Booth Street in Reno, NV, as the "C. Clifton Young Federal Building and United States Courthouse";

S. 1851. An act to implement the International Convention on the Prevention and Punishment of Genocide;

S. 1863. An act to amend the bankruptcy law to provide for special revenue bonds, and for other purposes;

S. 1919. An act for the relief of Michael Wilding;

S. 1991. An act entitled "Uranium Mill Tailings Remedial Action Amendments Act of 1988";

S. 2201. An act to extend for an additional 8-year period certain provisions of title 17, United States Code, relating to the rental of sound recordings, and for other purposes;

S. 2344. An act to reauthorize the Office of Government Ethics, and for other purposes;

S. 2361. An act to amend title 18, United States Code, to preserve personal privacy with respect to the rental, purchase, or delivery of video tapes or similar audio visual materials;

S. 2496. An act to provide for the leasing of certain real property to the American National Red Cross, District of Columbia Chapter, for the construction and maintenance of certain buildings and improvements;

S. 2637. An act for the relief of Gillian Lesley Sackler;

S. 2752. An act to declare that certain lands be held in trust for the Quinault Indian Nation, and for other purposes;

S. 2835. An act to designate the U.S. Post Office and Courthouse located at 151 West Street in Rutland, VT, as the "Robert T. Stafford United States Courthouse and Post Office";

S. 2885. An act to amend the Hunger Prevention Act of 1988 to make a technical correction;

S.J. Res. 261. Joint resolution designating the month of November 1988 as "National Alzheimer's Disease Month";

S.J. Res. 272. Joint resolution to designate November 1988, as "National Diabetes Month";

S.J. Res. 280. Joint resolution to designate the week of November 27, 1988, through December 3, 1988, as "National Home Care Week";

S.J. Res. 301. Joint resolution designating January 20, 1989, as "National Skiing Day";

S.J. Res. 306. Joint resolution designating the day of August 7, 1989, as "National Lighthouse Day";

S.J. Res. 319. Joint resolution to designate the period commencing November 6, 1988, and ending November 12, 1988, as "National Disabled Americans Week";

S.J. Res. 324. Joint resolution to designate February 1989 as "America Loves Its Kids Month"; and

S.J. Res. 342. Joint resolution to designate the week of November 5, 1988, as "National Book Week."

On November 3, 1988:

S. 11. An act to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to establish a Court of Veterans' Appeals and to provide for judicial review of certain final decisions of the Board of Veterans' Appeals; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; to increase the rates of compensation payable to veterans with service-connected disabilities; and to make various improvements in veterans' health, rehabilitation, and memorial affairs programs; and for other purposes;

S. 253. An act to convey Forest Service land to Flagstaff, AZ;

S. 795. An act to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Pauma, and Pala Bands of Mission Indians in San Diego County, CA, and for other purposes;

S. 1236. An act to reauthorize housing relocation under the Navajo-Hopi Relocation Program, and for other purposes;

S. 1630. An act to provide for retirement and survivors' annuities for bankruptcy judges and U.S. magistrates, and for other purposes;

S. 1842. An act for the relief of Mr. Wilhelm Jahn Schlechter, Mrs. Monica Pino Schlechter, Ingrid Daniela Schlechter, and Arturo David Schlechter;

S. 1883. An act to amend the act entitled "An act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes";

S. 2030. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to provide for termination of ocean dumping of sewage sludge and industrial waste, and for other purposes;

S. 2042. An act to authorize the Vietnam Women's Memorial Project, Inc., to establish a memorial on Federal land in the District of Columbia or its environs to honor women of the Armed Forces of the United States who served in the Republic of Vietnam during the Vietnam era;

S. 2049. An act to amend title 38, United States Code, to improve the education, home loan guaranty, and other programs of the Veterans' Administration; and for other purposes;

S. 2100. An act to provide for the conservation and development of water and related resources, to authorize the U.S. Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes;

S. 2102. An act to prohibit the licensing of certain facilities on portions of the Salmon and Snake Rivers in Idaho, and for other purposes;

S. 2165. An act to designate wilderness within Olympic National Park, Mount Rainier National Park, and North Cascades National Park Service Complex in the State of Washington, and for other purposes;

S. 2186. An act to improve the efficiency and effectiveness of management of public buildings;

S. 2204. An act to implement the Inter-American Convention on International Commercial Arbitration;

S. 2209. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes;

S. 2215. An act to amend and extend the Office of Federal Procurement Policy Act, and for other purposes;

S. 2470. An act to promote energy conservation and technology competitiveness in the American steel and aluminum industries;

S. 2840. An act to provide for the designation and conservation of certain lands in the States of Arizona and Idaho, and for other purposes;

S. 2843. An act to amend the Federal Food, and Cosmetic Act to authorize abbreviated new animal drug applications and to amend title 35, United States Code, to authorize the extension of the patents for animal drug products;

S.J. Res. 192. Joint resolution to designate the month of October 1988, as "National AIDS Awareness and Prevention Month";

S.J. Res. 303. Joint resolution to designate the month of October 1988 as "National Lupus Awareness Month";

S.J. Res. 314. Joint resolution designating October 1988 as "Pregnancy and Infant Loss Awareness Month";

S.J. Res. 315. Joint resolution designating 1989 as "Year of the Young Reader";

S.J. Res. 325. Joint resolution designating the third week in May 1989 as "National Tourism Week";

S.J. Res. 327. Joint resolution commemorating January 28, 1989, as a "National Day of Excellence" in honor of the crew of the space shuttle Challenger;

S.J. Res. 332. Joint resolution to designate the period commencing December 11, 1988, and ending December 17, 1988, as "National Drunk and Drugged Driving Awareness Week";

S.J. Res. 340. Joint resolution designating November 27 through December 3, 1988, as "National Sir Winston Churchill Recognition Week";

S.J. Res. 352. Joint resolution designating September 24, 1989, as "United States Marshals Bicentennial Day";

S.J. Res. 365. Joint resolution to designate January 28, 1989, as "National Challenger Center Day" to honor the crew of the space shuttle Challenger;

S.J. Res. 386. Joint resolution to designate the week of June 18 through June 24, 1989, as "National Grasslands Week"; and

S.J. Res. 395. Joint resolution to designate January 4, 1989, as "National Commissioned Corps of the Public Health Service Centennial Day."

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT AFTER SINE DIE ADJOURNMENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On October 25, 1988:

H.R. 515. An act to provide for more detailed and uniform disclosure by credit and charge care issuers with respect to information relating to interest rates and other fees which may be incurred by consumers through the use of any credit or charge card;

H.R. 1133. An act for the relief of Thomas Nelson Flanagan;

H.R. 1490. An act for the relief of Jean DeYoung;

H.R. 2642. An act to facilitate and implement the settlement of Colorado Ute Indian reserved water rights claims in southwest Colorado, and for other purposes;

H.R. 3966. An act to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes;

H.R. 4050. An act for the relief of certain persons in Riverside County, California, who purchased land in good faith reliance on an existing private land survey;

H.R. 4064. An act to amend title 28 of the United States Code to authorize the appointment of additional bankruptcy judges;

H.R. 4068. An act to amend the Archaeological Resources Protection Act of 1979 to strengthen the enforcement provisions of that Act, and for other purposes;

H.R. 4174. An act to amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes;

H.R. 4833. An act to amend the Public Health Service Act to revive and extend the programs of nurse education established in title VIII of such Act, and for other purposes;

H.J. Res. 572. Joint resolution designating November 28 through December 2, 1988, as "Vocational-Technical Education Week"; and

H.J. Res. 629. Joint resolution designating October 22, 1988, as "National Chester F. Carlson Recognition Day."

On October 27, 1988:

H.R. 2756. An act granting the consent and approval of Congress to the addition of the State of Ohio as a party to the Middle Atlantic Interstate Forest Fire Protection Compact;

H.R. 2472. An act to provide authorization of appropriations for activities of the National Telecommunications and Information Administration;

H.R. 2806. An act to amend the Federal Land Policy and Management Act of 1976, to permit temporary use for military purposes of public lands in Alaska managed by the Bureau of Land Management, Department of the Interior, and for other purposes;

H.R. 3146. An act to clarify certain restrictions on distribution of advertisements and other information concerning lotteries and similar activities;

H.R. 3614. An act to authorize a study of the Hanford Reach of the Columbia River, and for other purposes.

H.R. 4118. An act to amend and extend the authorization of appropriations for public broadcasting, and for other purposes;

H.R. 4124. An act to authorize appropriations to carry out the Atlantic Striped Bass Conservation Act for fiscal years 1989 through 1991, and for other purposes;

H.R. 4352. An act to amend the Stewart B. McKinney Homeless Assistance Act to extend programs providing urgently needed assistance for the homeless, and for other purposes;

H.R. 4517. An act to amend title III of the Outer Continental Shelf Lands Act Amendments of 1978 to provide for indemnification and hold harmless agreements;

H.R. 4686. An act to amend the Federal Aviation Act of 1958 relating to aviation research;

H.R. 4919. An act to approve the governing international fishery agreement between the United States and the Union of Soviet Socialist Republics, and for other purposes;

H.R. 5104. An act to improve the efficiency and effectiveness of the management and disposal of Federal real and personal property;

H.R. 5334. An act to make certain technical and conforming amendments to the Education of the Handicapped Act and the Rehabilitation Act of 1973, and for other purposes;

H.R. 4211. An act to reauthorize the National Ocean Pollution Planning Act of 1978 for fiscal years 1989 and 1990, and for other purposes;

H.R. 4432. An act to amend title 13, United States Code, to require certain detailed tabulations relating to Asian Americans and Pacific Islanders in the decennial censuses of population;

H.R. 4574. An act to amend title 5, United States Code, with respect to certain programs under which awards may be made to

Federal employees for superior accomplishments or cost savings disclosures, and for other purposes; and

H.R. 4210. An act to authorize appropriations to carry out titles II and III of the Marine Protection, Research, and Sanctuaries Act of 1972, to establish the National Oceans Policy Commission, and for other purposes.

On October 28, 1988:

H.J. Res. 438. Joint resolution designating November 4, 1988, as "National Teacher Appreciation Day."

On November 1, 1988:

H.R. 441. An act for the relief of the heirs of M. Sgt. Nathaniel Scott, U.S. Army, retired, deceased;

H.R. 610. An act for the relief of Calvin L. Graham;

H.R. 712. An act for the relief of Lawrence K. Lunt;

H.R. 1149. An act to amend the Foreign Sovereign Immunities Act with respect to admiralty jurisdiction;

H.R. 1388. An act for the relief of David Butler, Aldo Cirone, Richard Denisi, Warren Fallon, Charles Hotton, Harold Johnson, Jean Lavoie, Vincent Maloney, Austin Mortensen, Kurt Olofsson, and John Jenks;

H.R. 1418. An act for the relief of Rick Hangartner, Russell Stewart, and David Walden;

H.R. 1473. An act to designate the building which will house the U.S. District Court for the Eastern District of Texas in Lufkin, TX, as the "Ward R. Burke United States Courthouse;

H.R. 2109. An act for the relief of Rosa Pratts;

H.R. 2461. An act for the relief of Milena Mesin and Bozena Mesin;

H.R. 2511. An act for the relief of Tarek Mohamad Mahmoud;

H.R. 2802. An act for the relief of Fleurette Seidman;

H.R. 3238. An act for the relief of Maria Linda Sy Gonzalez;

H.R. 3227. An act to designate the Federal building located at 324 West Market Street in Greensboro, NC, as the "L. Richardson Preyer, Jr. Federal Building and United States Courthouse and Post Office";

H.R. 3917. An act for the relief of Rajani Lal;

H.R. 4246. An act to amend the act of June 6, 1900, to increase the number of trustees of the Frederick Douglass Memorial and Historical Association;

H.R. 5552. An act to provide that the Consumer Product Safety Commission amend its regulations regarding lawn darts;

H.J. Res. 446. Joint resolution designating October 30 through November 5, 1988, as "National Jukebox Week";

H.J. Res. 573. Joint resolution to designate the week beginning November 13, 1988, as "National Craniofacial Awareness Week";

H.J. Res. 604. Joint resolution designating February 5 through 11, 1989, as "National Burn Awareness Week";

H.J. Res. 626. Joint resolution desginating September 13, 1989, as "Uncle Sam Day";

H.J. Res. 649. Joint resolution designating November 12, 1988, as "National Firefighters Day";

H.J. Res. 654. Joint resolution designating November 4 through 10, 1988, as the "Week of Remembrance of Kristallnacht"; and

H.J. Res. 677. Joint resolution changing the date for the counting of the electoral vote by Congress to January 4, 1989.

On November 2, 1988:

H.R. 4333. An Act to make technical corrections relating to the Tax Reform Act of 1986, and for other purposes.

On November 3, 1988:

H.R. 593. An act to request the President to award a gold medal on behalf of Congress to Andrew Wyeth, and to provide for the production of bronze duplicates of such medal for sale to the public;

H.R. 1807. An act to amend the Small Business Act to reform the Capital Ownership Development Program, and for other purposes;

H.R. 4030. An act to reauthorize and amend certain wildlife laws, and for other purposes;

H.R. 4362. An act to amend section 3 of the Act of June 14, 1926, as amended (43 U.S.C. 869-2), to authorize the issuance of patents with a limited reverter provision of lands devoted to solid waste disposal, and for other purposes;

H.R. 4399. An act to facilitate commercial access to space, and for other purposes;

H.R. 4445. An act to amend title 18, United States Code, to prohibit certain firearms especially useful to terrorists;

H.R. 5102. An act to amend the provisions of title 5, United States Code, relating to the health benefits program for Federal employees and certain other individuals;

H.R. 5115. An act to extend for 2 years section 314 of the Immigration Reform and Control Act of 1986, to make additional visas available to immigrants from underrepresented countries to enhance diversity in immigration, and to extend through December 31, 1989, H-1 nonimmigrant status for certain registered nurses; and

H.J. Res. 137. Joint resolution designating the month of May 1989, as "National Asparagus Month."

On November 7, 1988:

H.R. 3957. An act to establish the Delaware and Lehigh Navigation Canal National Heritage Corridor in the Commonwealth of Pennsylvania; and

H.R. 5210. An act to prevent the manufacturing, distribution, and use of illegal drugs, and for other purposes.

On November 10, 1988:

H.R. 1975. An act to protect cave resources on Federal lands, and for other purposes;

H.R. 3048. An act to establish a national Federal program effort in close collaboration with the private sector to develop as rapidly as possible the applications of superconductivity to enhance the Nation's economic competitiveness and strategic wellbeing, and for other purposes;

H.R. 3313. An act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes;

H.R. 3680. An act to revoke certain public land orders, transfer certain public lands, and for other purposes;

H.R. 3911. An act to amend title 18, United States Code, to provide increased penalties for certain major frauds against the United States;

H.R. 4039. An act to declare that certain lands in the State of California which form a part of the right-of-way granted by the United States to the Central Pacific Railway Company have been abandoned, and for other purposes;

H.R. 4212. An act to amend the joint resolution of April 27, 1962, to permit the Secretary of the Interior to establish the former home of Alexander Hamilton as a national memorial at its present location in New York, NY;

H.R. 4879. An act to amend the Depository Institution Management Interlocks Act to revise the manner in which the service of directors of depository institutions and depository holding companies are regulated, and for other purposes;

H.R 4807. An act to amend title 28, United States Code, to make certain improvements with respect to the Federal judiciary, and for other purposes;

H.R 4847. An act to amend Federal Hazardous Substances Act to require the labeling of chronically hazardous art materials, and for other purposes;

H.R 4972. An act to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes;

H.R 5280. An act to require the Secretary of the Treasury to mint coins in commemoration of the Bicentennial of the U.S. Congress;

H.R 5133. An act to improve the procedures and remedies for the prevention of insider trading, and for other purposes;

H.R 5287. An act to establish the Panama Canal Commission Compensation Fund to provide for the accumulation of funds to meet the Panama Canal Commission's obligations under chapter 81 of title 5, United States Code, and for other purposes;

H.R 5318. An act to amend the Congressional Award Act to extend the Congressional Award Program;

H.R 564. Joint resolution designating the first week of April 1989 as "National Earthquake Awareness Week"; and

H.J. Res. 650. Joint resolution designating April 1989 as "Actors' Fund of America Appreciation Month."

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H.R 2707. An act to amend the Disaster Relief Act of 1974 to provide for more effective assistance in response to major disasters and emergencies, and for other purposes;

H.R 2839. An act to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, to simplify the boundaries of the Goshute Reservation, and for other purposes;

H.R 3011. An act to amend the Truth in Lending Act to establish additional disclosure, advertising, and other requirements for home equity loans;

H.R 3105. An act to revise, consolidate, and enact certain laws related to shipping definitions and maritime commercial instruments and liens as subtitle III of title 46, United States Code, "Shipping," and for other purposes;

H.R 4189. An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 for fiscal years 1989 through 1993;

H.R 4612. An act to amend title 28, United States Code, to provide for an exclusive remedy against the United States for suits based upon certain negligent or wrongful acts or omissions of U.S. employees committed within the scope of their employment, and for other purposes;

H.R 5043. An act to amend section 207 of title 18, United States Code, relating to restrictions on post-employment activities;

H.R 5232. An act to grant the consent of the Congress to the Southwestern Low-Level Radioactive Waste Disposal Compact;

H.R 5261. An act to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes; and

H.R 5560. An act to amend the Public Health Service Act, and the Health Omnibus Programs Extension of 1988, to make technical corrections relating to the Health Omnibus Programs Extension of 1988.

BILLS AND JOINT RESOLUTIONS APPROVED AFTER SINE DIE ADJOURNMENT

The President, subsequent to the sine die adjournment of the Congress, notified the Clerk of the House that on the following dates he had approved and signed bills and joint resolutions of the following titles:

On October 24, 1988:

H.R. 2399. An act to provide for study and research on the decline in United States forest productivity and to determine the effects of atmospheric pollutants on forest environments, and for other purposes;

H.R. 2772. An act to authorize construction of the Mni Wiconi Rural Water Supply Project, and for other purposes;

H.R. 3235. An act to to amend the Public Health Service Act to revise the program of assistance for health maintenance organizations;

H.R. 4345. An act to amend the United States Grain Standards Act to extend through September 30, 1993, the authority contained in section 155 of the Omnibus Reconciliation Act of 1981 and Public Law 98-469 to charge and collect inspection and weighing fees, and for other purposes;

H.R. 4417. An act to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1989, and for other purposes;

H.R. 4724. An act to direct the Secretary of Agriculture to release a reversionary interest of the United States in certain land located in Oktibbeha County, MS; and

H.R. 5423. An act to authorize continued storage of water at Abiquiu Dam in New Mexico.

On October 25, 1988:

H.J. Res. 648. Joint resolution to encourage increased international cooperation to protect biological diversity;

H.R. 1864. An act for the relief of Helen Lannier;

H.R. 3471. An act to establish the Veterans' Administration as an executive department, and for other purposes;

H.R. 4554. An act to remove certain restrictions on land acquisitions for Antietam National Battlefield;

H.R. 4480. An act to change the name of the Pacific Tropical Botanical Garden, a federally chartered organization, to the National Tropical Botanical Garden, and for other purposes;

H.R. 4557. An act to amend title 46, United States Code, to require alerting and locating equipment on manned uninspected vessels, to provide for exemption of uninspected vessels from certain requirements of that title, and to increase penalties for violations of certain uninspected vessel requirements;

H.R. 4642. An act to provide for the reinstatement of the canceled entry of William A. Wright to certain lands in Lamar County, AL;

H.R. 4777. An act to modify the boundary of the Guadalupe Mountains National Park, and for other purposes;

H.R. 4992. An act to expand our national telecommunications system for the benefit of the hearing- and speech-impaired populations, and for other purposes;

H.R. 5007. An act to designate the U.S. courthouse at 620 Southwest Main Street, Portland, Oregon, as the "Gus J. Solomon United States Courthouse";

H.R. 5052. An act to amend title 31 of the United States Code to provide for a transfer of control of the General Accounting Office Building and to improve the administration of the General Accounting Office;

H.R. 5066. An act to add additional land to the Salt River Pima-Maricopa Indian Reservation in Arizona, and for other purposes;

H.R. 5325. An act to establish a commission to review and make recommendations for the improvement of the Federal crop insurance program; and

H.R. 5395. An act to designate the Sipsey River as a component of the National Wild and Scenic Rivers System, to designate certain areas as additions to the Sipsey Wilderness, to designate certain areas as additions to the Cheaha Wilderness, and to preserve over 3,000 acres of pristine natural treasures in the Bankhead National Forest for the aesthetic and recreational benefit of future generations of Alabamians, and for other purposes.

On October 31, 1988:

H.R. 525. An act for the relief of John M. Gill;

H.R. 775. An act to provide for the establishment of the Poverty Point National Monument, and for other purposes;

H.R. 5050. An act to amend the Small Business Act to establish programs and initiate efforts to assist the development of small business concerns owned and controlled by women, and for other purposes; and

H.R. 5059. An act to quiet title and possession with respect to a certain private land claim in Sumter County, AL.

On October 26, 1988:

H.R. 900. An act to protect and enhance the natural, scenic, cultural, and recreational values of certain segments of the New, Gauley, Meadow, and Bluestone Rivers in West Virginia for the benefit of present and future generations, and for other purposes.

On October 28, 1988:

H.J. Res 629. Joint resolution designating October 22, 1988, "National Chester F. Carlson Recognition Day";

H.J. Res. 644. Joint resolution granting the consent of Congress to the compact entered into between the State of North Carolina and the State of South Carolina establishing the Lake Wylie Marine Commission;

H.R. 945. An act for the relief of Allen H. Platnick;

H.R. 990. An act to direct the Secretary of the Interior to convey a certain parcel of land located near Ocotillo, CA;

H.R. 1275. An act for the relief of Joyce G. McFarland;

H.R. 1385. An act for the relief of Travis D. Jackson;

H.R. 1826. An act for the relief of Natasha Susan Middelmann, Samantha Abigail Middelmann, Naomi Katrina Orloff Middelmann, and Hannah Emily Middelmann;

H.R. 3347. An act for the relief of Bibianne Cyr;

H.R. 4209. An act to authorize appropriations to carry out title I of the Marine Protection, Research, and Sanctuaries Act of 1972 during fiscal years 1989, 1990, and 1991;

H.R. 4375. An act to imporve the management of certain public lands in the State of Michigan

H.R. 4410. An act to designate the Federal Building at Spring and High Streets in Columbus, OH, as the "John W. Bricker Federal Building";

H.R. 2266. An act to amend the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1988 and 1989, and for other purposes;

H.R. 2628. An act to amend the National Traffic and Motor Vehicle Safety Act of 1966 respecting the importation of motor vehicles in anticipation of compliance with safety standards under such act;

H.R. 3408. An act to authorize additional appropriations for the central Utah project, to implement a settlement with the Strawberry water users, to expand the John Muir Historic Site, to prohibit the expansion of any reservoir within the boundaries of Yosemite National Park, and for other purposes;

H.R. 3414. An act for the relief of Meenakshiben P. Patel;

H.R. 3559. An act to authorize and direct the acquisition of lands for Canaveral National Seashore, and for other purposes;

H.R. 3685. An act to amend title 31, United States Code, to increase from $25,000 to $40,000 the maximum amount that the United States may pay in settlement of a claim against the United States made by a member of the uniformed services or by an officer or employee of the Government;

H.R. 3757. An act to amend title 5, United States Code, to permit voluntary transfers of leave by Federal employees where needed because of a medical or other emergency situation;

H.R. 4182. An act to authorize the establishment of the Zuni-Cibola National Historical Park in the State of New Mexico, and for other purposes;

H.R. 4262. An act to amend title 17, United States Code, to implement the Berne Convention for the Protection of Literary and Artistic Works, as revised at Paris on July 24, 1971, and for other purposes;

H.R. 4416. An act to extend the authorization of appropriations for titles V and VI of the Library Services and Construction Act through fiscal year 1989;

H.R. 4418. An act to authorize appropriations for the National Science Foundation, and for other purposes;

H.R. 4818. An act to establish the National Park of American Samoa;

H.R. 4939. An act to amend the Safe Drinking Water Act to control lead in drinking water;

H.R. 5001. An act to establish the Delaware Water Gap National Recreation Area Citizen Advisory Commission;

H.R. 5199. An act to make nonmailable any plant, fruit, vegetable, or other matter the movement of which in interstate commerce has been prohibited or restricted by the Secretary of Agriculture in order to prevent the dissemination of dangerous plant diseases or pests, and for other purposes;

H.R. 5318. An act to amend the Egg Research and Consumer Information Act to limit the total costs that may be incurred by the Egg Board in collecting producer assessments and having an administrative staff, to eliminate egg producer refunds, and to delay the conducting of any referendum by egg producers on the elimination of such refunds;

H.R. 5389. An act concerning disaster assistance for Bangladesh;

H.R. 5442. An act to provide the Environmental Protection Agency and the public with additional information about asbestos products; and

H.R. 5471. An act to amend the Public Health Service Act to revise the authority for the regulation of clinical laboratories.

On November 1, 1988:

H.R. 2677. An act to establish procedures for review of tribal constitutions and bylaws or amendments thereto pursuant to the act of June 18, 1934 (48 Stat. 987); and

H.R. 3515. An act to amend the Solid Waste Disposal Act to require the Administrator of the Environmental Protection Agency to promulgate regulations on the management of infectious waste.

On November 3, 1988:

H.J. Res. 446. Joint resolution designating October 30 through November 5, 1988, as "National Jukebox Week";

H.J. Res. 572. Joint resolution designating November 28 through December 2, 1988, as "Vocational-Technical Education Week";

H.R. 515. An act to provide for more detailed and uniform disclosure by credit and charge card issuers with respect to information relating to interest rates and other fees which may be incurred by consumers through the use of any credit or charge card;

H.R. 1133. An act for the relief of Thomas Nelson Flanagan;

H.R. 1490. An act for the relief of Jean DeYoung;

H.R. 2472. An act to provide authorization of appropriations for activities of the National Telecommunications and Information Administration;

H.R. 2642. An act to facilitate and implement the settlement of Colorado Ute Indian reserved water rights claims in southwest Colorado, and for other purposes;

H.R. 2806. An act to amend the Federal Land Policy and Management Act of 1976, to permit temporary use for military purposes of public lands in Alaska managed by the Bureau of Land Management, Department of the Interior, and for other purposes;

H.R. 4050. An act for the relief of certain persons in Riverside County, CA, who purchased land in good faith reliance on an existing private land survey;

H.R. 4064. An act to amend title 28 of the United States Code to authorize the appointment of additional bankruptcy judges;

H.R. 4068. An act to amend the Archaeological Resources Protection Act of 1979 to strengthen the enforcement provisions of that act, and for other purposes;

H.R. 4124. An act to authorize appropriations to carry out the Atlantic Striped Bass Conservation Act for fiscal years 1989 through 1991, and for other purposes;

H.R. 4174. An act to amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes; and

H.R. 4686. An act to amend the Federal Aviation Act of 1958 relating to aviation research.

On November 4, 1988:

H.R. 3614. An act to authorize a study of the Hanford Reach of the Columbia River, and for other purposes.

On November 5, 1988:

H.J. Res. 438. Joint resolution designating November 4, 1988, as "National Teacher Appreciation Day";

H.R. 1473. An act to designate the building which will house the U.S. district court for the Eastern District of Texas in Lufkin, TX, as the "Ward R. Burke United States Courthouse";

H.R. 2756. An act granting the consent and approval of Congress to the addition of the State of Ohio as a party to the Middle Atlantic Interstate Forest Fire Protection Compact;

H.R. 4517. An act to amend title III of the Outer Continental Shelf Lands Act Amendments of 1978 to provide for indemnification and hold harmless agreements;

H.R. 4574. An act to amend title 5, United States Code, with respect to certain programs under which awards may be made to Federal employees for superior accomplishments of cost savings disclosures, and for other purposes;

H.R. 5104. An act to improve the efficiency and effectiveness of the management and disposal of Federal real and personal property; and

H.R. 5552. An act to provide that the Consumer Product Safety Commission amend its regulations regarding lawn darts.

On November 7, 1988:

H.J. Res. 573. Joint resolution to designate the week beginning November 13, 1988, as "National Craniofacial Awareness Week";

H.J. Res. 654. Joint resolution designating November 4 through 10, 1988, as the "Week of Rememberance of Kristallnacht";

H.R. 3146. An act to clarify certain restrictions on distribution of advertisements and other information concerning lotteries and similar activities;

H.R. 4118. An act to amend and extend the authorization of appropriations for public broadcasting, and for other purposes;

H.R. 4210. An act to authorize appropriations to carry out titles II and III of the Marine Protection, Research, and Sanctuaries Act of 1972, to establish the National Oceans Policy Commission, and for other purposes;

H.R. 4352. An act to amend the Stewart B. McKinney Homeless Assistance Act to extend programs providing urgently needed assistance for the homeless, and for other purposes;

H.R. 4919. An act to approve the governing international fishery agreement between the United States and the Union of Soviet Socialist Republics, and for other purposes; and

H.R. 5334. An act to make certain technical and conforming amendments to the Education of the Handicapped Act and the Rehabilitation Act of 1973, and for other purposes.

On November 8, 1988:

H.R. 4211. An act to reauthorize the National Ocean Pollution Planning Act of 1978 for fiscal years 1989 and 1990, and for other purposes.

On November 9, 1988:

H.J. Res. 137. Joint resolution designating the month of May 1989, as "National Asparagus Month";

H.J. Res. 604. Joint resolution designating February 5 through 11, 1989, as "National Burn Awareness Week";

H.J. Res. 626. Joint resolution designating September 13, 1989, as "Uncle Sam Day";

H.J. Res. 677. Joint resolution changing the date for the counting of the electoral vote by Congress to January 4, 1989;

H.R. 593. An act to request the President to award a gold medal on behalf of Congress to Andrew Wyeth, and to provide for the production of bronze duplicates of such medal for sale to the public;

H.R. 1149. An act to amend the Foreign Sovereign Immunities Act with respect to admiralty jurisdiction;

H.R. 1388. An act for the relief of David Butler, Aldo Cirone, Richard Denisi, Warren Fallon, Charles Hotton, Harold Johnson, Jean Lavoie, Vincent Maloney, Austin Mortensen, Kurt Olofsson, and John Jenks;

H.R. 2109. An act for the relief of Rosa Pratts;

H.R. 2461. An act for the relief of Milena Mesin and Bozena Mesin;

H.R. 2511. An act for the relief of Tarek Mohamad Mahmoud;

H.R. 3238. An act for the relief of Maria Linda Sy Gonzalez;

H.R. 3327. An act to designate the Federal building located at 324 West Market Street in Greensboro, NC, as the "L. Richardson Preyer, Jr. Federal Building and United States Courthouse and Post Office";

H.R. 3917. An act for the relief of Rajani, Lal; and

H.R. 4236. An act to amend the Act of June 6, 1900, to increase the number of trustees of the Frederick Douglass Memorial and Historical Association.

On November 10, 1988:

H.J. Res. 649. Joint resolution designating November 12, 1988, as "National Firefighters Day";

H.R. 441. An act for the relief of the heirs of M. Sgt. Nathaniel Scott, U.S. Army, retired, deceased;

H.R. 610. An act for the relief of Calvin L. Graham;

H.R. 712. An act for the relief of Lawrence K. Lunt;

H.R. 1418. An act for the relief of Rick Hangartner, Russell Stewart, and David Walden;

H.R. 2802. An act for the relief of Fleurette Seidman;

H.R. 4333. An act to make technical corrections relating to the Tax Reform Act of 1986, and for other puproses;

H.R. 4362. An act to amend section 3 of the act of June 14, 1926, as amended (43 U.S.C. 869-2), to authorize the issuance of patents with a limited reverter provision of lands devoted to solid waste disposal, and for other purposes;

H.R. 4445. An act to amend title 18, United States Code, to prohibit certain firearms especially useful to terrorists; and

H.R. 4879. An act to amend the Depository Institution Management Interlocks Act to revise the manner in which the service of directors of depository institutions and depository holding companies are regulated, and for other purposes.

On November 14, 1988:

H.R. 4030. An act to reauthorize and amend certain wildlife laws, and for other purposes; and

H.R. 5102. An act to amend the provisions of title 5, United States Code, relating to the health benefits program for Federal employees and certain other individuals.

On November 15, 1988:

H.R. 1807. An act to amend the Small Business Act to reform the Capital Ownership Development Program, and for other purposes;

H.R. 4399. An act to facilitate commercial access to space, and for other purposes; and

H.R. 5115. An act to extend for 2 years section 314 of the Immigration Reform and Control Act of 1986, to make additional visas available to immigrants from underrepresented countries to enhance diversity in immigration and to extend through December 31, 1989, H-1 nonimmigrant status for certain registered nurses.

On November 17, 1988:

H.R. 5280. An act to require the Secretary of the Treasury to mint coins in commemoration of the Bicentennial of the U.S. Congress; and

H.R. 5135. An act to amend the Congressional Award Act to extend the Congressional Award Program.

On November 18, 1988:

H.J. Res. 650. Joint resolution designating April 1989 as "Actors' Fund of America Appreciation Month";

H.R. 1975. An act to protect cave resources on Federal lands, and for other purposes;

H.R. 3957. An act to establish the Delaware and Lehigh Navigation Canal National Heritage Corridor in the Commonwealth of Pennsylvania;

H.R. 4039. An act to declare that certain lands in the State of California which form a part of the right-of-way granted by the United States to the Central Pacific Railway Co. have been abandoned, and for other purposes;

H.R. 4612. An act to amend title 28, United States Code, to provide for an exclusive remedy against the United States for suits based upon certain negligent or wrongful acts or omissions of U.S. employees committed within the scope of their employment, and for other purposes;

H.R. 4847. An act to amend the Federal Hazardous Substances Act to require the labeling of chronically hazardous art materials, and for other purposes; and

H.R. 5210. An act to prevent the manufacturing, distribution, and use of illegal drugs, and for other purposes.

On November 19, 1988:

H.J. Res. 564. Joint resolution designating the first week of April 1989 as "National Earthquake Awareness Week";

H.R. 3048. An act to establish a national Federal program effort in close collaboration with the private sector to develop as rapidly as possible the applications of superconductivity to enhance the Nation's economic competitiveness and strategic well-being, and for other purposes;

H.R. 3313. An act to establish in the Department of the Interior the Southwestern Pennsylvania Heritage Preservation Commission, and for other purposes;

H.R. 3680. An act to revoke certain public land orders, transfer certain public lands, and for other purposes;

H.R. 3911. An act to amend title 18, United States Code, to provide increased penalties for certain major frauds against the United States;

H.R. 4212. An act to amend the joint resolution of April 27, 1962, to permit the Secretary of the Interior to establish the former home of Alexander Hamilton as a national memorial at its present location in New York, NY;

H.R. 4807. An act to amend title 28, United States Code, to make certain improvements with respect to the Federal judiciary, and for other purposes;

H.R. 4972. An act to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes;

H.R. 5133. An act to improve the procedures and remedies for the prevention of insider trading, and for other purposes; and

H.R. 5287. An act to establish the Panama Canal Commission Compensation Fund to provide for the accumulation of funds to meet the Panama Canal Commission's obligations under chapter 81 of title 5, United States Code, and for other purposes.

On November 23, 1988:

H.R. 2707. An act to amend the Disaster Relief Act of 1974 to provide for more effective assistance in response to major disaster and emergencies, and for other purposes;

H.R. 2839. An act to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, to simplify the boundaries of the Goshute Reservation, and for other purposes;

H.R. 3011. An act to amend the Truth in Lending Act to establish additional disclosure, advertising, and other requirements for home equity loans;

H.R. 3105. An act to revise, consolidate, and enact certain laws related to shipping definitions and maritime commercial instruments and liens as subtitle III of title 46, United States Code, "Shipping," and for other purposes;

H.R. 4189. An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 for fiscal years 1989 through 1993;

H.R. 5232. An act to grant the consent of the Congress to the Southwestern Low-level Radioactive Waste Disposal Compact; and

H.R. 5261. An act to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on double standards: A review of criminal investigations at the Department of Education (Rept. 100-1105). Ordered to be printed.

Mr. BROOKS: Committee on Government Operations. Report on "If This is Tuesday, This Must Be Belgium": Waste and abuse in foreign travel and aircraft usage and ownership by the Corps of Engineers (Rept. 100-1106). Ordered to be printed.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS

The following registrations were submitted for the third calendar quarter 1988:

(NOTE.—The form used for reporting is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings. This page (Page 1) is designed to supply identifying data.)

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 1036 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19 . . . . . ◆

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

IDENTIFICATION NUMBER

Is this an Amendment? ☐ YES ☐ NO

NOTE on ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) *"Employee".*—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) *"Employer".*—To file as an "employer", write "None" in answer to Item "B".

(*b*) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE on ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None."

NOTE on ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) description, (*b*) quantity distributed, (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."◆

STATEMENT OF VERIFICATION

[Omitted in printing]

PAGE 1 ◆

Organization or Individual Filing	Employer/Client
Ad Hoc Comm for Universal Comprehensive Health & Dental Care, 12151 Bayprot St., Bldg 10, #310 Garden Grove, CA 92640	
Akin Gump Strauss Hauer & Feld, 1333 New Hampshire Ave., NW, #400 Washington, DC 20036	Cambridge Information Group
Do	Distilled Spirits Council of the U.S., Inc
Do	Minnesota Power
Do	Texas Education Agency
Do	Wien Airlines
American Cemetery Assn, 5201 Leesburg Pike, #1111 Falls Church, VA 22041	
American Lung Assn of Maryland, 1301 York Rd., #705 Lutherville, MD 21093	
American State of the Art Prosthetic Assn, P.O. Box 370788 Miami, FL 33137	
Anthony A. Anderson, 1818 N St., NW Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:Metropolitan Transportation Authority)
Byron Anderson, 777 14th St., NW Washington, DC 20005	Federal Asset Disposition Assn
Andrews' Associates, Inc, 2550 M St., NW, #695 Washington, DC 20037	American Malting Barley Assn
Lori A. Antolock, 919 Prince St. Alexandria, VA 22314	Keene Shirley & Associates (For:Nicaraguan Development Council)
Arent Fox Kintner Plotkin & Kahn, 1050 Connecticut Ave., NW Washington, DC 20036-5339	Colorado River Indian Tribes
Do	Ethan Allen, Inc
Arnold & Porter, 1200 New Hampshire Ave., NW Washington, DC 20036	American Institute of Certified Public Accountants
Do	MCorp
Association for Foreign Investment in America, Inc, 1825 Eye St., NW, #940 Washington, DC 20006	
Michael G. Atieh, 1615 L St., NW, #1320 Washington, DC 20036	Merck & Co, Inc
APCO Associates, 1155 21st Street, NW, #1000 Washington, DC 20036	Province of Manitoba
William A. Bailey, 1200 17th St., NW Washington, DC 20036	American Psychological Assn
Baker & Hostetler, 1050 Connecticut Ave., NW, #1100 Washington, DC 20036	Biotechnology General, Inc
Do	Chubb Group of Insurance Cos
Do	Continental Insurance Co
Do	CIGNA Corp
Do	CNA Insurance Cos
Do	Firemans Fund
Do	Hartford Insurance Group
Do	Hyatt Corp
Do	Lincoln National Corp
Do	National Assn of Insurance Brokers
Do	National Assn of Professional Insurance Agents
Do	North American Co
Do	Puerto Rico Hospital Assn
Do	St. Paul Fire & Marine
Do	U.S. Fidelity & Guaranty Corp
Do	United Methodist Assn of Health & Welfare Ministries
Kathryn Bannan, 1050 Connecticut Ave., NW, #401 Washington, DC 20036	Hoffmann-La Roche, Inc
M. Graeme Bannerman, 888 Sixteenth St., NW Washington, DC 20006	Bannerman & Associates, Inc (For:Sawyer-Miller Group (for Government of the Philippines))
Barnes Richardson & Colburn, 1819 H St., NW, #400 Washington, DC 20006	Degussa Corp
Kristin Bass, 1250 Connecticut Ave., NW, #600 Washington, DC 20036	Government Research Corp
Stephen R. Bassett, 421 Aviation Way Frederick, MD 21701	Aircraft Owners & Pilots Assn
Lee Becker, 1111 14th St., NW Washington, DC 20005	American Bakers Assn
Stacey Beckhardt, 1200 17th St., NW Washington, DC 20036	American Psychological Assn
Mike Benner, 1300 L St., NW Washington, DC 20005	American Postal Workers Union
Douglas P. Bennett, 9020 Saunders Lane Bethesda, MD 20817	Corning Glass Works
R.W. Benson, P.O. Box 6050 East St. Louis, IL 62202	
Berman Bergner & Boyette, Inc, 1016 16th Street, NW, #700 Washington, DC 20036	ITT Corporation
Do	Lynmark Group
Do	Orange & Rockland
Stuart Binstock, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America
Bishop Cook Purcell & Reynolds, 1400 L Street, NW, #1000 Washington, DC 20005-3502	Bonneville Pacific Corp
J. Barry Bitzer, 1600 Rhode Island Ave., NW Washington, DC 20036	Conservative Alliance
Black Crotty Sims Hubka Burnett & Samuels, 501 North Grandview Ave. P.O. Box 5488 Daytona Beach, FL 32018	Electronic Data Systems Corp
Roy Blake, 900 University Dr. Nacogdoches, TX 75961	Reese Communications Companies
Bogle and Gates, One Thomas Circle, NW, #900 Washington, DC 20005	Great Western Malting Co
Bonner & Associates, 1625 K Street, NW Washington, DC 20006	Fraternal Order of Police of Washington, D.C.
Brian C. Bonnet, 1199 N. Fairfax Street, #801 Alexandria, VA 22314	National Assn of Truck Stop Operators
Steven A. Bookshester, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters
William J. Bosies, 300 Metropolitan Square Building Washington, DC 20005	Capital Holding Corporation
John C. Bottenberg, 702 Jayhawk Tower 700 S.W. Jackson Topeka, KS 66603	Reese Communications Companies
Bracewell & Patterson, 2000 K St., NW, #500 Washington, DC 20006	Lane & Mittendorf
Do	MEPC American Properties
Do	Torch Energy Advisors, Incorporated
Bracy Williams & Company, 1000 Connecticut Avenue, NW, #304 Washington, DC 20036	Emerald Homes
Dennis M. Bradshaw, 8224 Old Courthouse Road Vienna, VA 22180	Sheet Metal & Air Conditioning Contractors' Nat'l Assn
George W. Breece, P.O. Box 2801 Fayetteville, NC 28302	American State of the Art Prosthetic Assn
Bobbe J. Bridge, Garvey Schubert & Barer 1011 Western Ave., 10th Flr. Seattle, WA 98104	Reese Communications Companies
Joseph Browder, 418 10th St., SE Washington, DC 20003	Unelco
Burness Communications, 7910 Woodmont Ave., #912 Bethesda, MD 20814	Therapeutic Immunology, Inc
Burson-Marsteller, 1850 M Street, NW, #900 Washington, DC 20036	Chicago & North Western Transportation Co
Do	Saudi Refining, Inc
Roy Bussewitz, 1800 Diagonal Road, #140 Alexandria, VA 22314	Glaxo, Inc
Barbara J. Calkins, 1200 17th St., NW Washington, DC 20036	American Psychological Assn
Wayne J. Camara, 1200 17th St., NW Washington, DC 20036	American Psychological Assn
Camp Barsh Bates & Tate, 2550 M St., NW, #275 Washington, DC 20037	Housing Investment Alliance
Do	Western Mobil Home Assn
John G. Campbell, 1111 Jefferson Davis Highway, # 508 Arlington, VA 22202	Professional Services Council
Kelly A. Campbell, 1667 K Street, NW, #710 Washington, DC 20006	Baxter
Kevin B. Campbell, 603 2nd St., NE Washington, DC 20002	Dalcam, Inc (For:United Brotherhood of Carpenters & Joiners of America)
Capitol Associates, Inc, 426 C Street, NE Washington, DC 20002	Charles River Biotechnology
Do	Charles River Laboratories
Do	Museum of Science & Industry
Do	University of California Los Angeles
John M. Capriccioso, 1776 Eye St., NW, #575 Washington, DC 20006	Dow Chemical USA
Carole-jean M. Carbone, 2021 K. St., NW, #301 Washington, DC 20006	Law Office of Gerald M. Shapiro
CareerCom, 1801 Lowther St. Lemoyne, PA 17043	
Eileen Shannon Carlson, Graham & James 2000 M St., NW Washington, DC 20036	Illinois Health Facilities Authority
Phyllis D. Carnilla, 1700 17th Street, NW, #301 Washington, DC 20009	TD 61, Inc
Cassidy and Associates, Inc, 655 15th St., NW, #1100 Washington, DC 20005	Kohler, Co
Do	Pennsylvania Turnpike Commission
Harvey E. Cauthen Jr., 2 Dexter Ave. Montgomery, AL 36104	Alabama Power Company
Mary Cavanagh, 305 Third St., SE Washington, DC 20003	Mercury Stainless Corp
Chadbourne & Parke, 1101 Vermont Ave., NW, #900 Washington, DC 20005	Commercial Bank of New York
Henry Chajet, Doyle & Savit 919 18 St., NW, #1000 Washington, DC 20006	ASARCO, Inc
Do	Honestake Mining Co
Do	National Coal Assn
Michael J. Chakarun, 1920 N Street, NW Washington, DC 20036	American Mining Congress
Richard A. Charter, 6947 Cliff Ave. Bodega Bay, CA 94923	County Administrative Office County of Santa Cruz
Hal M. Christensen, 317 Massachusetts Ave., NE, #100 Washington, DC 20002	Vision Service Plan
Lynn C. Clark, 1411 K Street, NW, #500 Washington, DC 20005	
Close & Associates, Inc, 1615 St. Paul Street, Suite 1 Baltimore, MD 21202	National Funeral Directors & Morticians Assn, Inc
Coalition to Preserve Low Income Housing Tax Credit, 2300 M St., NW Washington, DC 20037	
Coastal Corporation, Nine Greenway Plaza Houston, TX 77046	
Albert P. Cohen, 405 Kemper Rd. Joppatowne, MD 21085	American Lung Assn of Maryland
Ellen M. Cohen, 236 Massachusetts Ave., NE, #608 Washington, DC 20002	Neighbor to Neighbor Action Fund
Collier Shannon Rill & Scott, 1055 Thomas Jefferson St., NW, #306 Washington, DC 20007	American Car Rental Assn
Camilla L. Collova, 1025 Connecticut Ave., NW, #1007 Washington, DC 20036	Armstrong World Industries, Inc
Tim Colton, P.O. Box 498 Chester, PA 19016	Colton and Company
Commodity Exchange, Inc, 1331 Pennsylvania Ave, NW #550 Washington, DC 20004	
Conservative Action Lobby, P.O. Box 931602 Los Angeles, CA 90093	
Cook Group, Inc, 925 S. Curry Pike Bloomington, IN 47401	
Robert M. Coon Jr., 65 Pondfield Road Bronxville, NY 10708	National Comm to Preserve Social Security

Organization or Individual Filing	Employer/Client
Corman Law Offices, 1420 16th Street, NW Washington, DC 20036	Guilford Glazer
Council of Institutional Investors, 1420 16th Street, NW, #405 Washington, DC 20036	
Covington & Burling, 1201 Pennsylvania Ave., NW P.O. Box 7566 Washington, DC 20044	Kansas Dept of Social & Rehabilitation Service
Do	Monarch Capital Corp
Mary T. Cramer, 1830 Platte St. Denver, CO 80202	Reese Communications Companies
Creative Dynamics, Inc, 1143 N. General Pershing Hammond, LA 70401	Reese Communications Companies
Kevin T. Cronin, 444 N. Capitol St., NW, #316 Wasington, DC 20001	National Assn of Insurance Commissioners
Crowell & Moring, 1001 Pennsylvania Ave., NW Washington, DC 20004-2505	Chesapeake Utilities Corp
Do	Eagle-Picher Industries, Inc
Do	National Risk Retention Assn
Do	Wyatt Company
John L. Dalton, 603 2nd St., NE Washington, DC 20002	Dalcam, Inc (For:United Brotherhood of Carpenters & Joiners of America)
Davis & Harman, 1455 Pennsylvania Avenue, NW, #1200 Washington, DC 20004	American Council on Education
Do	First Penn-Pacific Life Insurance Co
Davis Hockenberg Wine Brown Koehn & Shors, 2300 Financial Center Des Moines, IA 50309	SKC & Associates
Philip De Marigny, 1635 North Oak St., #2 Arlington, VA 22209	Roy F. Linderman
Deloitte Haskins & Sells, 1001 Pennsylvania Ave., NW, #350 Washington, DC 20004-2505	U.S. Olympic Committee
William F. Demarest Jr., Holland & Hart 1001 Pennsylvania Ave., NW, #310 Washington, DC 20004	State Street Bank
George H. Denison, 4801 Massachusetts Ave., NW, #400 Washington, DC 20016	Edison Electric Institute
Robert W. Dickey, 1320 Braddock Place, #720 Alexandria, VA 22314	National Private Truck Council
Dickstein Shapiro & Morin, 2101 L St., NW Washington, DC 20037	Apple Computer Corp
Do	Bayoil (USA), Inc
Do	Home Box Office, Inc
Do	North Carolina Dept of Natural Resources and Community Devlp
Thomas C. Diederich, 2170 Piedmont Road, NE Atlanta, GA 30324	Orkin Exterminating Co., Inc.
Dow Lohnes & Albertson, 1255 23rd St., NW Washington, DC 20037	A.P. Moller-Maersk Line
Do	Chamber of Commerce of the U.S.
William C. Dunning, P.O. Box 619500 Dallas, TX 75261	Caltex Petroleum Corp
Douglas A. Durante, 1090 Vermont Ave., NW, #900 Washington, DC 20005	Clean Fuels Development Coalition
Dutko & Associates, 412 First St., SE, #40 Washington, DC 20003	Citgo Petroleum Corp
Do	Jewish National Fund
Do	Yavapai Telephone Exchange
Dyer Ellis Joseph & Mills, 600 New Hampshire Ave., NW, #1000 Washington, DC 20037	Alliance for Corporate Growth
Do	Bristol Bay Native Corp
Do	PubCo Corp
Do	Smith Corona Corp
Jeffrey P. Eagleson, 1000 Wilson Blvd., #2500 Arlington, VA 22209	Allied-Signal Aerospace Co
Hope B. Eastman, 4800 Hampden Lane, 7th Floor Bethesda, MD 20814	National Assn of Women Business Owners
Pam Eaton, 1400 Eye St., NW Washington, DC 20005	Wilderness Society
William D. Echols, 1200 17th St., NW Washington, DC 20036	American Psychological Assn
Elliott Zweben & Steelman, 1140 19th St., NW, #600 Washington, DC 20036	Missouri Blue Cross Blue Shield
Gary Elmestad, P.O. Box 3153 St Charles, MO 63302	Industrial Development Auth of St. Charles Co
End Notch Discrimination, 59 West La Sierra Drive Arcadia, CA 91006	
Sandra Eskin, 1424 16th St., NW, #604 Washington, DC 20036	Consumer Federation of America
Donald C. Evans Jr., 655 15th St., NW, #310 Washington, DC 20005	IFRB Corp
Do	Michigan Consolidated Gas Company
Dan L. Fager, 1700 K Street, NW, #1200 Washington, DC 20006	Chevron USA, Inc
Family Holding Company Advocacy Group, c/o Mr. R.H. Jeffrey 180 East Broad Street Columbus, OH 43215	
Timothy P. Farrell, 919 Prince St. Alexandria, VA 22314	Keene Shirley & Assoc (For:Nicaraguan American National Federation)
Do	Keene Shirley & Assoc (For:Nicaraguan Development Council)
Karen S. Fennell, 1522 K St., NW, #1120 Washington, DC 20005	American College of Nurse-Midwives
Stephen L. Ferguson, CFC, Inc 405 N. Rogers St. Bloomington, IN 47401	Cook Group, Inc
Jack Ferguson Associates, Inc, 203 Maryland Ave., NE Washington, DC 20002	Christie's International
Do	Dillingham Construction Pacific
William J. Finch, 403 East Sixth St. Bloomington, IN 47401	Cook Group, Inc
Fire Equipment Manufacturers & Services Assn, Inc, 1776 Massachusetts Avenue, NW, #521 Washington, DC 20036	
Amy T. Fischer, 1600 Wilson Blvd., #1000 Arlington, VA 22209	American Waterways Operators
J. Paris Fisher, 1801 K St., NW, #800 Washington, DC 20006	Westinghouse Electric Corp
Fleishman-Hillard, Inc, 1301 Connecticut Ave., NW, 7th Floor Washington, DC 20036	Apple & Eve
Do	T.F. Energy
Joseph P. Foley, 206 G St., NE, #201 Washington, DC 20002	Bonded Lightning Protection, Inc
Do	Century Medi Corp
Do	East Los Angeles Hospital Foundation, Inc
John P. Ford, Kellogg Co One Kellogg Square Battle Creek, MI 49016	Kellogg Co
Robert Freimark, 1400 Eye Street, NW Washington, DC 20005	Wilderness Society
Fried Frank Harris Shriver & Jacobson, 1001 Pennsylvania Ave., NW, #800 Washington, DC 20004	Imperial Investments (Grosvenor) Limited
Do	Virgin Islands Rum Industries, Ltd
James M. Friedman, 1100 Citizens Bldg. Cleveland, OH 44114	Reese Communications Companies
Thomas E. Fruechtenicht, 700 Harrison Bldg 143 West Market St. Indianapolis, IN 46204	Reese Communications Companies
Galland Kharasch Morse & Garfinkle, P.C., 1054 31st Street, NW Second Floor Washington, DC 20007	Air Jamaica, Ltd
Bruce Gamble, 122 C St., NW, #580 Washington, DC 20001	National Bankers Assn
John A. Gannon, 1750 New York Ave., NW, 3rd Floor Washington, DC 20006	International Assn of Fire Fighters
Stephen K. Gardner, Gardner Communications, Inc 555 13th Street, NW, #500E Washington, DC 20004	PS Group, Inc
Sara G. Garland, 137 13th St., NE Washington, DC 20002	University of North Dakota
Ann Lakin Garver, 600 Pennsylvania Ave., SE, #211 Washington, DC 20003	National Assn of Casualty and Surety Agents
Karl Gawell, 1400 16th St., NW, #320 Washington, DC 20036	Zero Population Growth
Georgia Power Co, 333 Piedmont Ave Atlanta, GA 30308	
Alvin J. Geske, 1016 16th St., NW, 6th Floor Washington, DC 20036	ARCO Chemical Co
Do	Benchmarks, Inc
Do	Grupo Industrial Alfa, SA
David Wesley Gibbons, 1735 Jeff Davis Hwy., #403 Arlington, VA 22202	Morton Thiokol
Gibson Dunn & Crutcher, 1050 Connecticut Ave., NW, #900 Washington, DC 20036	B. Gerald Cantor
Do	Smith Barney Harris Upham
Do	Time, Inc
Robert B. Giese, 3811 Garfield St., NW Washington, DC 20007	BHC, Inc
Do	Chris-Craft Industries, Inc
Do	United Television, Inc
James E. Gilchrist, 1920 N Street, NW Washington, DC 20036	American Mining Congress
Brad Gilman, 1050 Thomas Jefferson Street, NW Washington, DC 20007	Robertson Monagle & Eastaugh (For:Dyer Ellis Joseph & Mills)
Ginn Edington Moore & Wade, 803 Prince Street Alexandria, VA 22314	Equifax
Do	First Federal Savings Bank
Do	Shell Oil Co
Martin J. Gleason, 1250 24th Street, NW, #600 Washington, DC 20037	Van Dyk Associates, Inc (For:American Gas Assn)
Gold & Liebengood, Inc, 1455 Pennsylvania Ave., NW, #950 Washington, DC 20004	Access Communications, Inc
Do	Anchor Savings
Gold Fields Operating Co-Mesquite, HCR 76, Glamis 100 Brawley, CA 92227	
John T. Gould Jr., 475 Park Ave. South New York, NY 10016	Soap & Detergent Assn
Gretchen Green, 1000 Connecticut Ave, NW Washington, DC 20036	Japan Economic Institute of America
David I. Greenberg, 1875 Eye Street, NW, #500 Washington, DC 20006	Philip Morris Companies, Inc
Fred Greene, 3434 Pinetree Terrace Falls Church, VA 22041	Denny Miller Associates
Hurdis M. Griffith, 2261 Kings Garden Way Falls Church, VA 22043	Anthony Janetti (for Amer Assn Occupational Health Nurses)
Mary Scott Guest, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	American Marketing Service International, Inc
Do	O'Connor & Hannan (For:Blanchfield & Moore)
Do	Naegle Outdoor Advertising
Do	Simpson Thacher & Bartlett (for Sol Goldman Estate)
John M. Haddow, 1735 Jefferson Davis Hwy., #403 Arlington, VA 22202	Morton Thiokol, Inc
Tom Hagedorn Associates, 1704 23rd St., So. Arlington, VA 22202	Sims Walker & Steinfeld
Gary A. Hampton, P.O. Box 12140 Boulder, CO 80303	Open Architecture Radio for Public Safty, Inc
Marra Harris, 729 15th St., NW Washington, DC 20005	Associated Builders & Contractors, Inc
Richard Gordon Hatcher, 2210 Hayes Street Gary, IN 46404	R. Gordon Hatcher & Associates, Inc (For:Tele-Communications, Inc)
Arnold I. Havens, 1818 N Street, NW Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:MetPath, Inc)
Paula Hawkins, 1214 North Park Ave. Winter Park, FL 32789	Genentech
Willian H. Hecht, 499 S. Capitol Street, SW, #507 Washington, DC 20003	Hecht Spencer & Associates (For:National Assn for the Support of Long Term Care)

Organization or Individual Filing	Employer/Client
Do	Hecht Spencer & Associates (For:Traditional Industries, Inc)
Hecht Spencer & Associates, Inc, 499 South Capitol Street, SW, #507 Washington, DC 20003	Harmer-Eyring
Do	Marwais Steel Co.
Do	National Assn for the Support of Long Term Care
Do	Traditional Industries, Inc
Don Hellmann, 1400 Eye St., NW Washington, DC 20005	Wilderness Society
Michael T. Henson, #03960-054, P.O. Box 4000 (8-2) Springfield, MO 65808	
William Hermelin, 2215 Constitution Ave, NW Washington, DC 20037	American Pharmaceutical Assn
Heron Burchette Ruckert & Rothwell, 1025 Thomas Jefferson St., NW, #700 Washington, DC 20007	Agri-Business Corp of America
Do	Asia Satellite Telecommunications, Ltd
Do	California Central Valley Project Water Users Assn
Do	Colorado-Ute Electric Assn, Inc
Do	Kings River Conservation District
Do	Welch Foods, Inc
K. Lee Herring, 1200 17th St., NW Washington, DC 20036	American Psychological Assn
Dale E. Heydlauff, 1667 K St., NW, #450 Washington, DC 20006	American Electric Power Service Corp
Damian P. Hill, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America
Karen L. Hobert, 2030 M St., NW Washington, DC 20036	Common Cause
Hogan & Hartson, 555 13th St., NW Washington, DC 20004-1109	Dianon Systems, Inc
Do	Mercy Medical Center
Hopkins Sutter Hamel & Park, 888 16th Street, NW Washington, DC 20006	Allan Bruner (for estate of Elsie Bruner)
Do	Peter Buyck
Do	Joy B. Carpenter
Do	Congaree River Limited Partnership
Toni A. Horst, 206 G Street, NW, #201 Washington, DC 20002	Coalition Against Non Effective Technologies (CAN'T)
Gerald M. Howard, National Assn of Home Builders 15th & M St., NW Washington, DC 20005	National Assn of Home Builders of the U.S.
Jonathan Howe, 1200 18th Street NW, #200 Washington, DC 20036	National Business Aircraft Assn
John J. Huber, 2200 Mill Road, #600 Alexandria, VA 22314	Interstate Truckload Carriers Conference
Thomas H. Hudson, P.O. box 2787 Baton Rouge, LA 70821	
R. Theodore Hume, 1333 New Hampshire Ave., NW Washington, DC 20036	Beveridge & Diamond, P.C. (For:Pacific Dunlop - GNB)
Richard L. Hyatt, 1750 New York Ave., NW, 3rd Floor Washington, DC 20006	International Assn of Fire Fighters
Gary Hymel, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:American Bankers Assn)
Do	Hill & Knowlton, Inc (For:Church of Scientology International)
Ronald K. Ikejiri, P.O. Box 3556 Washington, DC 20007	American Meat Institute
Edwin T. C. Ing, 2000 Pennsylvania Ave., NW, #7400 Washington, DC 20006	C. Brewer & Company, Ltd
Ivins Phillips & Barker, Chtd, 1700 Pennsylvania Ave., NW, #600 Washington, DC 20006	Family Holding Company Advocacy Group
III Dimension of Indiana, Inc, 730 Century Bldg. 36 S. Pennsylvania St. Indianapolis, IN 46204	Reese Communications Companies
Bobby J. Jackson, 1920 N Street, NW Washington, DC 20036	American Mining Congress
Julia Jackson, 2626 Pennsylvania Ave., NW Washington, DC 20037	National Telephone Cooperative Assn
Jeff P. Jacobs, 1015 15th Street, NW Washington, DC 20005	American Public Health Assn
Marc R. Jartman, c/o UNC Incorporated 175 Admiral Cochrane Drive Annapolis, MD 21401	UNC, Inc
Jellinek Schwartz Connolly & Freshman, Inc, 1350 New York Avenue, NW, #400 Washington, DC 20005	State of North Carolina, Dept of Natural Resources
Do	Union Pacific Corp
Do	Waste Management Lawncare
Jet, Inc, 750 Alpha Dr. Highland Heights, OH 44143	
Jones Day Reavis & Pogue, 1450 G Street, NW, #600 Washington, DC 20005-2088	Greyhound Lines, Inc
Do	Hilton Hotels
Do	Jeffrey Company
Do	RJR Nabisco, Inc
Do	Thrift Roundtable
De Soto Jordan, 409 12th St., SW, #310 Washington, DC 20024	Perot Systems
Kathy L. Judd, 1700 K St., NW, #1204 Washington, DC 20006	Chevron U.S.A. Inc
George Kassouf, 600 New Jersey Ave., NW Washington, DC 20001	Alliance for Justice
Kaye Scholer Fierman Hays & Handler, 901 15th St., NW, #1100 Washington, DC 20005	Estate of Minnie Fierman
David A. Keene, 919 Prince Street Alexandria, VA 22314	Keene Shirley & Associates, Inc (For:Nicaraguan American National Foundation)
Do	Keene Shirley & Associates, Inc (For:Nicaraguan Development Council)
Keene Shirley & Associates, Inc, 919 Prince Street Alexandria, VA 22314	Nicaraguan American National Foundation
Do	Nicaraguan Development Council
Richard S. Kessler, 1800 M Street, NW, #950 Washington, DC 20036	Joseph E. Seagram & Sons, Inc
William J. Kilberg, 1050 Connecticut Ave., NW, #900 Washington, DC 20036	Gibson Dunn & Crutcher (For:Wheeling-Pittsburgh Steel Corp)
Kilpatrick & Cody, 2501 M St., NW, #500 Washington, DC 20037	Granite Industrial Development
Do	Midway Airlines
Phillips Kimball Jr., 8224 Old Courthouse Road Vienna, VA 22180	Sheet Metal & Air Conditioning Contractors' Nat'l Assn
Thomas N. Kindness, 1001 Prince Street Alexandria, VA 22314	Electronic Industries Assn
Do	National Industrial Transportation League
King & Spalding, 1730 Pennsylvania Ave., NW, #1200 Washington, DC 20006	Bausch & Lomb
Do	National Strategies and Marketing Group
Peter M. Kirby, Ginsburg Feldman & Braess 1250 Connecticut Avenue, NW Washington, DC 20036	Chugai-Upjohn, Inc
Kirkland & Ellis, 655 15th Street, NW, #1200 Washington, DC 20005	Corning Glass
Do	General Motors Corp
James A. Klein, 1331 Pennsylvania Ave., NW, #719 Washington, DC 20004	Association of Private Pension & Welfare Plans
Jeffery L. Klinger, 1120 20th Street, NW, #S-720 Washington, DC 20036	Peabody Holding Company, Inc
Kogovsek & Associates, Inc, 1801 Broadway, #1420 Denver, CO 80202	U.S. Olympic Committee
Robert S. Krebs, 8111 Gatehouse Road Falls Church, VA 22042	AAA Potomac
Keith R. Krueger, 1708 19th Street, NW Washington, DC 20009	US West Communications
Kutak Rock & Campbell, 1101 Connecticut Ave., NW, #1000 Washington, DC 20036	Association of Financial Guaranty Insurors
Robert Lamb, 1627 Eye St., NW Washington, DC 20006	Doe Run Company
Do	James River Corp
Do	National Paint & Coatings Assn
Do	Occidental Chemical Corp
Do	Occidental Petroleum Corp
Do	Sun Company, Inc
Robert K. Lange, 1700 N. Moore St., #2120 Arlington, VA 22209	Boeing Company
Latham & Watkins, Sears Tower, #5800 Chicago, IL 60606	Ocenco, Inc
Keith Lawson, 1600 M Street, NW Washington, DC 20036	Investment Company Institute
Laxalt Corporation, 1455 Pennsylvania Ave., NW, #985 Washington, DC 20004	Milliken & Co
Laxalt Washington Perito & Dubuc, 1120 Connecticut Ave., NW Washington, DC 20036	Yukon Pacific Corp
Alisa J. Learner, 1100 Connecticut Ave., NW Washington, DC 20036	Chrysler Corporation
Arnold H. Leibowitz, 1707 H Street, NW, #500 Washington, DC 20036	Guam Contractors Assn
Craig S. Lesser, 23/333 Piedmont Ave Atlanta, GA 30308	Georgia Power Co
Elaine B. Lesser, 59 Maiden Lane New York, NY 10038-4548	The Home Group
Marc Levin, 2203 Pacific Coast Hwy Malibu, CA 90265	Guilford Glazer & Assoc
Herbert J. Levy, 1614 King St. Alexandria, VA 22314	National Assn of Housing Cooperatives
Liberty Council, P.O. Box 2743 Brooklyn, NY 11202	
Roger Lindberg, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:American Bankers Assn)
Victor E. Lindenheim, 1945 Old Gallows Rd Vienna, VA 22180	American Wood Preservers Inst
Lindsay Hart Neil & Weigler, 1401 New York Ave., NW, #1200 Washington, DC 20005	AVIA Footwear, Inc
Do	Crowley Maritime Corp
Do	Oregon Economic Development Dept, Marine Div
Do	Pacific Coast Council of Freight Forwarders
Do	Port of Portland
Do	Reebok International Ltd
Lipsen Hamberger Whitten & Hamberger, 1725 DeSales St., NW, #800 Washington, DC 20036	Perot Systems
Dennis Longoria, Central Power & Light Co P.O. Box 3400 Laredo, TX 78044	Central Power & Light Co
Louisiana State University Foundation, P.O. Box 25198 Baton Rouge, LA 70894	
Madison Public Affairs Group, Inc, 2033 M St., NW, #900 Washington, DC 20036	GE-Government Services
James W. Magner, Reg # 38670-019 Delta Unit P.O. Box 34550 Memphis, TN 38184-0550	
Manatt Phelps Rothenberg & Evans, 1200 New Hampshire Ave., NW, #200 Washington, DC 20036	American Assn of Nurse Anesthetists
Robert C. Manship, 1725 Jefferson-Davis Highway, #401 Arlington, VA 22202	Unisys Defense Systems
Ramon P. Marks, 400 Park Ave. New York, NY 10022	Japan Steel Works, Ltd
Marlowe & Company, 1667 K Street, NW, #660 Washington, DC 20006	End Notch Discrimination
Donald F. Massey, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Church of Scientology International)
Do	Hill & Knowlton, Inc (For:Wilfred American Education, Corp)

Organization or Individual Filing	Employer/Client
Daniel N. Matheson, 100 Congress Ave., #1400 Austin, TX 78701	Reese Communications Companies
Ann H. Mattheis, 1250 Connecticut Ave., NW Washington, DC 20036	American Paper Institute, Inc
Mayer Brown & Platt, 2000 Pennsylvania Avenue, NW, #6500 Washington, DC 20006	Solid Waste Agency of Northern Cook County
Timothy McAnarney, 312 S 4th St., #3 Springfield, IL 62701	Reese Communications Companies
McAuliffe Kelly Furlong Aldrich & Siemens, 555 New Jersey Ave., NW, #880 Washington, DC 20001	D/FW Railtran System
Carolyn Kim McCarthy, 1455 Pennsylvania Ave., NW, #500 Washington, DC 20004	Corning Glass Works
Robert A. McConnell, 1050 Connecticut Ave., NW, #900 Washington, DC 20036	Gibson Dunn & Crutcher (For:First Republic Bank Corp)
Do	Wheeling-Pittsburgh Stee. Corp
Meredith McCoy, Arnold Groburger & Haley 1629 K St., NW, #400 Washington, DC 20006	Mastercard International, Inc, et al.
Tidal W. McCoy, 499 S. Capitol Street, SW, #507 Washington, DC 20003	Hecht Spencer & Associates (For:Harmer-Eyring)
Do	Hecht Spencer & Associates (For:Marwais Steel Company)
Frank X. McDermott, Apruzzese McDermott Mastro & Murphy 500 Morris Ave. P.O. Box 329 Springfield, NJ 07081	Reese Communications Companies
Tom McDonald, Arter & Hadden 1100 Huntington Bldg. Cleveland, OH 44115	Jet, Inc
William S. McEwen, 1101 17th St., NW, #604 Washington, DC 20036	Monsanto Co
Dana McGee, Grumman Corp 1000 Wilson Blvd. Arlington, VA 22209	Grumman Corp
McGuire Woods Battle & Boothe, P.O. Box 25047 Alexandria, VA 22313	Aaronson Properties, Inc
John P. McLaughlin, 1747 Pennsylvania Avenue, NW, #1223 Washington, DC 20006	Genentech, Inc
Michael R. McLeod, Mcleod and Pires 2501 M St., NW, #400 Washington, DC 20037	General Mills, Inc
McNair Group, Inc, 1155 15th St., NW, #400 Washington, DC 20005	McNair Law Firm, P.A. (for Air Force Association)
Do	South Carolina State College
McNair Law Firm, P.A., 1155 15th Street, NW, #400 Washington, DC 20005	Automobile Importers of America
Do	Columbia Farms
Do	Melrose Company
Do	Pneumo-Abex
Margaret Mellon, National Wildlife Federation 1400 16th St., NW Washington, DC 20036	National Wildlife Federation
Matthew S. Metcalfe, P.O. Box 6422 Mobile, AL 36660	American Family Corp
David A. Metzner, 499 S Capitol St., SW, #520 Washington, DC 20003	MOVAN Enterprises, Ltd
Do	Van Fleet Associates
Mark A. Micali, 1200 18th Street, NW, #200 Washington, DC 20036	National Business Aircraft Assn
Milgrim Thomajan & Lee, 1025 Connecticut Ave, NW, #1000 Washington, DC 20036	Management Data Communications Corp
Denny Miller, 409 South Barton St. Arlington, VA 22204	Denny Miller Associates
Sandra Miller, 409 South Barton St. Arlington, VA 22204	Denny Miller Associates
Miller & Chevalier, Chtd, 655 15th St., NW, #900 Washington, DC 20005-5701	Boeing Company
Do	McDonnell Douglas Corp
Do	Pacific Medical Center
Do	Professional Services Council
Do	Tektronix, Inc
John W. Mills, Tenneco Automotive 100 Tri State Int'l, #300 Lincolnshire, IL 60015	Coalition for Auto Repair Choice
Dallas Miner, One Thomas Circle, #900 Washington, DC 20005	American Fishing Tackle Manufacturers Assn
Miner Fraser & Gabriel, 2033 M Street, NW Ninth Floor Washington, DC 20036	Stratco, Inc
Antonette D. Monsour, 2153 North Pollard St. Arlington, VA 22207	National Council of Agriculture Employees
Obie Moore, 1156 15th St., NW, #1015 Washington, DC 20005	JC Penney Co, Inc
Sue Markland Moreland, 918 North Carolina Avenue, SE Washington, DC 20003	Hazardous Waste Treatment Council
Stephen L. Morgan, 5201 Leesburg Pike, #1111 Falls Church, VA 22041	American Cemetery Assn
Katharine R. Mountcastle, 2030 M St. NW Washington, DC 20036	Common Cause
Bruce L. Moyer, 1000 16th St., NW, #701 Washington, DC 20036	Federal Managers Assn
Cheryl L. Moyer, Box 198A Ghaner Rd. Port Matilda, PA 16870	Pennsylvania Assn of Families
Gregory R. Mueller, 919 Prince Street Alexandria, VA 22314	Keene Shirley & Associates (For:Nicaraguan American National Foundation)
Do	Keene Shirley & Associates (For:Nicaraguan Development Council)
Patricia Collins Murdock, 1313 L St., NW Washington, DC 20005	American Fed of State County & Municipal Employees
Paul T. Murphy, P.O. Box 619500 Dallas, TX 75261	Caltex Petroleum Corp
Robert Musil, 1616 P Street, NW, #320 Washington, DC 20036	Professionals' Coalition for Nuclear Arms Control
MOVAN Enterprises, Ltd, 499 S Capitol St., SW, #520 Washington, DC 20003	Magnavox Government & Industrial Electronics Co
MWW/ Strategic Communications, Inc, 70 Grand Ave River Edge, NJ 07661	Fidelity Environmental Insurance Co
Do	GAF Corporation
Do	Kaselaan & D'Angelo Associates, Inc
Do	W R Grace
Do	Winters Original Chocolate Liquor Bottles, Inc
National Strategies, Inc, 1919 Pennsylvania Ave., NW, #701 Washington, DC 20006	Columbia Savings & Loan Assn
Richard W. Neal, 1301 Pennsylvania Ave., #300 Washington, DC 20004	National Cattlemen's Assn
Neece Cator & Associates, Inc, 1050 17th Street, NW Washington, DC 20036	Design Professionals Coalition
Mark Nestlen, 1300 L Street, NW, #950 Washington, DC 20005-4107	American Soybean Assn
E. Archie NeSmith Jr., 1000 Wilson Blvd., #2500 Arlington, VA 22209	Allied-Signal Aerospace Co
Travis E. Nichols, 8225 Florida Blvd., 3rd Flr Baton Rouge, LA 70806	Physicians Reliance Association
Anne L. Nicoll, 50 F St., NW, #1100 Washington, DC 20001	American Hospital Assn
Graham T. Northup, 2333 Highland Avenue Falls Church, VA 22046	Dominion Bankshares Corp
Nossaman Guthner Knox & Elliott, 1140 19th St., NW, #600 Washington, DC 20036	Telesphere International, Inc
Russell C. Notar, 1401 New York Ave., NW, #1100 Washington, DC 20005	National Cooperative Business Assn
Steven R. Nousen, P.O. Box 3529 Portland, OR 97208	Port of Portland
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	Crescent Cities Jaycees Foundation, Inc
Do	Gaming Industry Assn of Nevada, Inc
Do	Mastercard International, Inc
Do	National Assn of Off-Track Betting
Do	National Assn of Optometrists and Opticians, Inc
Do	National Republican Alliance of El Salvador (ARENA)
Do	Nevada Resort Assn
Do	Visa, USA, Inc
Bridget O'Grady, 955 L'Enfant Plaza, SW, #1202 N Washington, DC 20024	National Water Resources Assn
Bartley M. O'Hara, 1919 Pennsylvania Ave., NW, #300 Washington, DC 20006	Chicago & North Western Transportation Co
O'Neill and Athy, P.C., 1310 19th Street, NW Washington, DC 20036	Indian Development Opportunities Corp
Obadal & O'Leary, 1612 K St., NW, #1400 Washington, DC 20006	Associated Equipment Distributors
Ocenco, Inc, 400 Academy Dr Northbrook, IL 60062	
Richard C. Olson, 2000 Edmund Valley Drive, #400 Reston, VA 22091	Hydrocarbon Research, Inc
Elvira J. Orly, 1001 Pennsylvania Ave., NW #700 Washington, DC 20004	Browning-Ferris Industries, Inc
Orrick Herrington & Sutcliffe, 555 Capitol Mall, #1200 Sacramento, CA 95814	Lucky Stores, Inc
Eileen E. Padberg, 17011 Beach Blvd., 8th Floor Huntington Beach, CA 92647	Reese Communications Companies
Parry and Romani Associates, Inc, 233 Constitution Avenue, NE Washington, DC 20002	Cessna Aircraft Compnay
Peter R. Pastre, 1420 King St. Alexandria, VA 22314-2715	National Society of Professional Engineers
Patton Boggs & Blow, 2550 M St., NW Washington, DC 20037	Alain Wertheimer
Do	Art & Craft Materials Coalition
Do	Baltimore Foundation
Do	Cherokee Nation of Oklahoma
Do	Charles Heilbronn, et al.
Do	National Con-serv, Inc
Do	Prince George Center, Inc
Do	U.S. Tobacco Co
Do	University of Arizona Foundation
Do	Waste Management Inc
Jude C. Payne, 1025 Connecticut Ave., NW Washington, DC 20036	Health Insurance Assn of America, Inc
Pennsylvania Assn of Families, Box 198A Ghaner Rd Port Matilda, PA 16870	
Roxanne Perugino, 888 16th St., NW Washington, DC 20006	Bannerman & Associates, Inc (For:Government of Tunisia)
Photographers Tax Coalition, 2007 North 15th Street, #201 Arlington, VA 22201	
Rebecca S. Poe, P.O. Box 2450 Clarksburg, WV 26302-2450	CNG Transmission Corp
John C. Pouland, 5757 Martel, B-9 Dallas, TX 75206	Reese Communications Companies
Powell Goldstein Frazer & Murphy, 1001 Pennsylvania Ave., NW, 6th Floor Washington, DC 20004	Second Olbiil Era Kelulau
Do	Sunbelt Corp
Preston Thorgrimson Ellis & Holman, 1735 New York Avenue, NW, #500 Washington, DC 20006	OMI Corp
Price Waterhouse, 1801 K St., NW, #700 Washington, DC 20006	John D. & Catherine T. McArthur Foundation
Thomas F. Railsback, Graham & James 2000 M St., NW Washington, DC 20036	Illinois Health Facilities Authority
Kristen M. Rand, 2001 S St., NW, #520 Washington, DC 20009	Consumers Union of U.S., Inc
Cid Perez Randal, 2713 Ontario Rd., NW, #400 Washington, DC 20009	
Bruce A. Ray, Bruce Ray & Company 420 C Street, NE Washington, DC 20002	American Committee for Shaare Zedek Hospital in Jerusalem
Do	Rochester & Southern Railroad

Organization or Individual Filing	Employer/Client
Barclay T. Resler, 1627 K St., NW, #800 Washington, DC 20006	Coca-Cola Co
Mark J. Riedy, 1101 15th St., NW, #400 Washington, DC 20005	National Council for Savings Institutions
Garth B. Rieman, 777 14th St., NW Washington, DC 20005	National Assn of Realtors
Ellen Riker, 1030 15th Street, NW, #468 Washington, DC 20005	American Society of Anesthesiologists
Do	American Society of Clinical Pathologists
Do	National Hemophilia Foundation
Susan Riley, 1401 New York Ave., NW, #900 Washington, DC 20005-2102	Capitol Strategies, Inc (For:Miami Beach Housing Authority)
Jane Risk, 1730 M Street, NW Washington, DC 20036	League of Woman Voters of the U.S.
Delbert A. Ritchhart, 1238 Hidden Mountain Dr. El Cajon, CA 92019	General Dynamics Laser Systems Laboratory
William A. Roberts, 444 North Capitol St., #711 Washington, DC 20001	Broward County Governmental Center
Rogers & Wells, 1737 H Street, NW Washington, DC 20006	Cafritz Foundation
Fred B. Rooney, 1050 Connecticut Ave., NW, #1200 Washington, DC 20036	Victaulic Company of America
Burt E. Rosen, 1155 15th St. NW., #502 Washington, DC 20005	Bristol-Myers Co
J. Patrick Rowland, 918 16th St., NW, #601 Washington, DC 20006	Rowland Government Relations (For:Coalition for Uniform Product Liability Law)
Jonathan Russin, 1215 17th Street, NW Washington, DC 20036	Caribbean Trade and Apparel Coalition (C-TAC)
Anthony C. Rutherford, P.O. Box 619500 Dallas, TX 75261	Caltex Petroleum Corp
Richard F. Samson, 2823 S. Macon Cir. Aurora, CO 80014	Federal Asset Disposition Assn
Brian Sanderoff, 7500 Jefferson St., NE #250 Albuquerque, NM 87109	Reese Communications Companies
Petronella C. Sanders, 1200 18th Street, NW, #200 Washington, DC 20036	National Business Aircraft Assn
Eric Sapirstein, 1333 H St., NW, #400 Washington, DC 20005	In-Situ, Inc
Thomas J. Scanlon, 3248 Prospect Street, NW Washington, DC 20007	Fibras Quimicas S.A. & Nylon doe Mexico, S.A. (AKRA)
Keith Scarborough, One Thomas Circle, NW, #950 Washington, DC 20005	Independent Bankers Assn of America
Eric V. Schaeffer, Morgan Lewis & Bockius 1800 M St., NW Washington, DC 20036	Hazardous Waste Action Coalition
Do	U.S. Gypsum Co
John Noehl Schmitz, 4509 Cannes Lane Olney, MD 20832	
Martha J. Schoonover, Fulbright & Jaworski 1150 Connecticut Ave., NW Washington, DC 20036	Merichem Company
Arthur E. Schwartz, 1420 King St. Alexandria, VA 22314-2715	National Society of Professional Engineers
James E. Scott, 906 12th Street , NE Washington, DC 20002	
R. Denny Scott, 101 Constitution Ave., NW Washington, DC 20001	United Brotherhood of Carpenters & Joiners of America
Keeva Segal, 1790 Coral Way, #100 Miami, FL 33145	Miami Capital Development Corp
John Hunter Sharp, 1129 20th St., NW, #300 Washington, DC 20036	Natural Gas Supply Assn
Shearman & Sterling, 153 East 53rd Street New York, NY 10022	Viacom International Inc
John Thomas Sheehan, 733 15th Street, NW, #700 Washington, DC 20005	UST, Inc
Craigan P. Shirley, 919 Prince Street Alexandria, VA 22314	Keene Shirley & Associates (For:Nicaraguan American National Foundation)
Do	Keene Shirley & Associates (For:Nicaraguan Development Council)
Richard D. Siegel, 1029 Vermont Avenue, NW, #400 Washington, DC 20005-3589	Guilford Glazer & Assoc
Steve Silver, 1050 Thomas Jefferson St., NW, 6th Fl. Washington, DC 20007	Robertson Monagle & Eastaugh (For:Dyer Ellis Joseph & Mills)
Gerald L. Silvera, 3376 Ormond Rd Cleveland Heights, OH 44118	
Curtis Silvers, 888 16th St., NW, #606 Washington, DC 20006	Bannerman & Associates, Inc (For:Sawyer-Miller Group (for Government of the Philippines))
Michael E. Simon, 1666 K St., NW Washington, DC 20006	Arthur Andersen & Co
Simon & Company, Inc, 815 15th St., NW, #709 Washington, DC 20005	Newark, Ca
Skadden Arps Slate Meagher & Flom, 1440 New York Avenue, NW Washington, DC 20005	Alpine Group, Inc
Do	Amcore Financial, Inc
Do	Sara Lee
Allen Smith, 1400 Eye St., NW Washington, DC 20005	Wilderness Society
E. Del Smith, 905 16th Street, NW Washington, DC 20006	E. Del Smith and Company (For:American Assn of Petroleum Geologists)
Do	E. Del Smith and Company (For:Bright & Associates)
Do	E. Del Smith and Company (For:California Independent Prod Assn)
Do	E. Del Smith and Company (For:Cement Free Trade Assn)
Do	E. Del Smith and Company (For:City of Anaheim Civic Center)
Do	City of Anaheim Public Utilities
Do	E. Del Smith and Company (For:City of Laguna Beach, CA)
Do	E. Del Smith and Company (For:City of Long Beach, CA, Dept. of Oil Properties)
Do	E. Del Smith and Company (For:City of Long Beach, CA, Intergovernmental Relations)
Do	E. Del Smith and Company (For:City of Santa Monica)
Do	E. Del Smith and Company (For:Clark County Regional Flood Control District)
Do	E. Del Smith and Company (For:County of L.A. Community Development Commission)
Do	E. Del Smith and Company (For:County of Los Angeles)
Do	E. Del Smith and Company (For:Davis Walker Corp)
Do	E. Del Smith and Company (For:Hidden Valley Resources Inc)
Do	E. Del Smith and Company (For:Long Beach Naval Shipyard Employees Assn)
Do	E. Del Smith and Company (For:Northern California Power Agency)
Do	E. Del Smith and Company (For:Port of Hueneme, CA, Oxnard Harbor District)
Do	E. Del Smith and Company (For:Port of Long Beach, CA)
Do	E. Del Smith and Company (For:Port of Santa Cruz, CA)
Do	E. Del Smith and Company (For:Prado Oil Company)
Do	E. Del Smith and Company (For:Rancho Palos Verdes)
Do	E. Del Smith and Company (For:Signal Landmark, Inc)
G. Wayne Smith, Potomac Visions, Ltd 1111 14th Street, NW Washington, DC 20005	Southwest Marine Corp
Do	Zapata Gulf Marine Corp
Robert E. Smith, 1730 K St., NW, #1300 Washington, DC 20006	Olin Corporation
Tim Smith, 410 1st St., SE Washington, DC 20003	American Nuclear Energy Council
Lawrence A. Snyder, Reg # 08324-000 P.O. Box 4000 Springfield, MO 65808	
Thomas J. Soles Jr., 8224 Old Courthouse Road Vienna, VA 22180	Sheet Metal & Air Conditioning Contractors' Nat'l Assn
Sandra M. Solowiej, 1957 E Street, Washington, DC 20006	Associated General Contractors of America
Sandra Spence, 1776 Massachusetts Ave., NW, #521 Washington, DC 20036	Spence Group (For:Fire Equipment Manufacturers & Services Assn, Inc)
Spiegel & McDiarmid, 1350 New York Ave., NW Washington, DC 20005-4798	Former Residents of Centralia Pennsylvania
Martha Ann Spudis, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council
John W. Sroka, 8224 Old Courthouse Road Vienna, VA 22180	Sheet Metal & Air Conditioning Contractors' Nat'l Assn
Melvin R. Stahl, 1235 Jefferson Davis Hwy., #1410 Arlington, VA 22202	Specialty Vehicle Institute of America, Inc
Jane Sutter Starke, 1818 N St., NW, #700 Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:Armstrong World Industries, Inc)
Do	Eckert Seamans Cherin & Mellott (For:AC Transit)
Do	Eckert Seamans Cherin & Mellott (For:Metropolitan Transportation Authority)
Randolph J. Stayin, 1815 H Street, NW, Suite 800 Washington, DC 20006	Barnes & Thornburg (For:Empire Resources, Inc)
Do	Barnes & Thornburg (For:Special Comm for Workplace Product Liability Reform)
Do	Barnes & Thornburg (For:Westland Oil Development Corp)
Steptoe & Johnson, 1330 Connecticut Ave., NW Washington, DC 20036	Mutual Life Insurance Company Tax Committee
Stoel Rives Boley Jones & Grey, 1730 M Street, NW, #900 Washington, DC 20036	Cape Fox Corp
Do	Capital Markets
Do	Beverly Johnson
Do	Klawock Heenya Corp
Do	Klukwan, Inc
Do	Oregon Dept of Transportation
Michael H. Stone, 801 17th Street, NW Washington, DC 20006	Federal Asset Dispositon Assn (FADA)
Michael L. Strang, 218 2nd St., SE Washington, DC 20003	ATR Defense Group
Charlene A. Sturbitts, 901 15th Street, #570 Washington, DC 20005	Interstate Natural Gas Assn of America
Judy M. Sullivan, 1614 King Street Alexandria, VA 22314	National Assn of Housing Cooperatives
Bruce W. Sumner, 2600 Michelson Dr., #700 Irvine, CA 92715	National Comm to Preserve Social Security
Sutherland Asbill & Brennan, 3100 First Atlanta Tower Atlanta, GA 30383	American Council on Education
Deborah Swartz, 1225 19th Street, NW, #210 Washington, DC 20036	Non-Ferrous Metals Producers Committee
Swidler & Berlin, Chtd, 3000 K Street, NW, #300 Washington, DC 20007	STC PLC
Do	United States Trademark Assn
Do	Warner Communications
SKC & Associates, 900 17th St., NW, #1100 Washington, DC 20006	The state of South Dakota
Julie S. Tagen, 1000 16th St., NW, #701 Washington, DC 20036	Federal Managers Assn
Sandra E. Taylor, 1600 M St., NW, #702 Washington, DC 20036	ICI Americas
Barbara Cheryl Terio, 1735 New York Ave., NW Washington, DC 20006	(For:Associated General Contractors of America)
Thacher Proffitt & Wood, 1500 K Street, NW, #200 Washington, DC 20005	Castine Partners
Do	Urcarco, Inc
Peter William Thomas, 1404 26th Street, NW, #1 Washington, DC 20007	American State of the Art Prosthetic Assn
Thompson & Company, 529 14th St., NW, #425 Washington, DC 20004	Roberts & Holland
Do	Trans World Airlines, Inc
Julianne S. Thrift, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities

Organization or Individual Filing	Employer/Client
Thrift Roundtable, 1450 G St., NW, #600 Washington, DC 20005	
Tower & Associates, 2101 L St., NW, 9th Floor Washington, DC 20037	Textron, Inc
Jeffrey B. Trammell, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:American Bankers Assn)
Paul E. Trayers, 1000 16th St., NW, #701 Washington, DC 20036	Federal Managers Assn
Takashi Tsurusawa, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc
Robert D. Umphrey Jr., 919 18th St., NW, #700 Washington, DC 20006	Hoechst Celanese Corp
John M. Urbanchuk, 1250 Connecticut Ave., NW, #600 Washington, DC 20036	Government Research Corp
Van Fleet Associates, Inc, 499 South Capitol St., SW, #520 Washington, DC 20003	Cypress International, Inc
Van Ness Feldman Sutcliffe & Curtis, P.C., 1050 Thomas Jefferson St., NW, 7th Floor Washington, DC 20007	Larry Latham Auctioneers
Do	Malacha Power Project, Inc
James R. Vance Jr, Reg # 97147-098 P.O. Box 4000 Springfield, MO 65808	
Alfred H. Velarde, 2517 Babcock Road Vienna, VA 22180	Pureco Energy, Inc
Verner Liipfert Bernhard McPherson & Hand, Chtd, 1660 L Street, NW, #1000 Washington, DC 20036	Martin Marietta Corp
David Vienna & Associates, 401 Wythe Street ,#2A Alexandria, VA 22314	California Public Employee' Retirement System
Do	International Assn of Amusement Parks & Attractions
Do	State Board of Equalization (Calif)
Vinson & Elkins, 1455 Pennsylvania Ave., NW, #800 Washington, DC 20004-1007	Winn-Dixie Stores, Inc
Ingrid A. Voorhees, 311 First STreet, NW, #500 Washington, DC 20001	Computer & Business Equipment Manufacturers Assn
Vorys Sater Seymour & Pease, 1828 L Street, NW, #1111 Washington, DC 20036	HPM Corporation
Debra Waggoner, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.
Wagner Hines & Avary, Inc, 1615 L Street, NW Washington, DC 20036	Kabumoto & Malany
Barbara J. Walker, P.O. Box 1417-D50 Alexandria, VA 22313	Animal Health Institute
Charls E. Walker Associates, Inc, 1730 Pennsylvania Ave., NW Washington, DC 20006	Consolidated Gold Fields PLC
Do	John Zink Company
Wallace & Edwards, 1150 Connecticut Ave., NW, #507 Washington, DC 20036	American Society of Farm Managers and Rural Appraisers
R. Douglas Wallin Jr., P.O. Box 1417-D49 Alexandria, VA 22313	National Assn of Chain Drug Stores, Inc
Charles R. Weaver, 8990 Springbrook Dr., #250 Coon Rapids, MN 55316	Larkin Hoffman Daly & Lindgren (For:Reese Communications)
Webster & Sheffield, 2000 Pennsylvania Ave., NW, #7400 Washington, DC 20006	Liggett Group, Inc
Do	Pipe Tobacco Council
Douglas B. Weinfield, 1333 New Hampshire Ave., NW Washington, DC 20036	Beveridge & Diamond, P.C. (For:Pacific Dunlop-GNB)
Howard C. Weizmann, 1331 Pennsylvania Ave., NW #719 Washington, DC 20004	Association of Private Pension & Welfare Plans
W. P. West Jr., 1200 18th Street, NW, #200 Washington, DC 20036	National Business Aircraft Assn
David W. Wheeler, 600 North 18th Street Birmingham, AL 35291	Alabama Power Company
W. Keith White, 412 First St., SE, #100 Washington, DC 20003	White & Associates (For:Concerned Shrimpers of America)
William R. White, Kaplan, Russin & Vecchi 1215 17th Street, NW Washington, DC 20036	Caribbean Trade and Apparel Coalition (C-TAC)
Wilkinson Barker Knauer & Quinn, 1735 New York Ave., NW Washington, DC 20006	Hobbs Straus Dean & Wilder
Do	Solano Water Authority
Wythe Willey, 4040 First Ave,. NE Cedar Rapids, IA 52402	Reese Communications Companies
Lucinda L. Williams, 1155 15th Street, NW, #510 Washington, DC 20005	American Health Care Assn
Merrill Williams, 3701 Connecticut Ave., NW, #802 Washington, DC 20008	Freshwater Press, Inc
Do	Galactica Biochemical
Patrick H. Williams, 1722 Eye St., NW, #4040 Washington, DC 20006	Telecommunications Industry Assn
Williams & Connolly, 839 17th St., NW Washington, DC 20006	National Comm to Preserve Social Security
Williams & Jensen, P.C., 1101 Connecticut Ave., NW, #500 Washington, DC 20036	Robert M. Bass Group
Willkie Farr & Gallagher, Three Lafayette Center 1155 21st ST., NW Washington, DC 20036	State of Oregon Treasurer's Office
Wilmer Cutler & Pickering, 2445 M Street, NW Washington, DC 20037-1420	Viacon International, Inc
John P. Winburn, Winburn Associates, Inc 453 New Jersey Ave., SE Washington, DC 20003	Air Line Pilots Assn International
Jim Wise Associates, 1707 Duke St., #300 Alexandria, VA 22314	National Assn of Credit Management
S.R. Wojdak and Associates, Inc, 1401 Walnut St., #1000 Philadelphia, PA 19102	Hahnemann University
Do	Spring Garden College
Do	University of Pennsylvania
Christopher C. Womack, 600 North 18th Street Birmingham, AL 35291	Alabama Power Company
G. Kent Woodman, 1818 N Street, NW, #700 Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:AC Transit)
Do	Eckert Seamans Cherin & Mellott (For:Metropolitan Transportation Authority)
George P. Woodward Jr, 1825 Eye St., NW, #400 Washington, DC 20006	Miller Brewing Co
Wunder & Diefenderfer, 1615 L St., NW, #650 Washington, DC 20036	Investment Company Institute
Do	Union Labor Life
David S. Wynett, 1629 K Street, NW, #501 Washington, DC 20006	Delta Air Lines, Inc
Robert C. Young, 10 Park Lane, NE Atlanta, GA 30309	Federal Asset Disposition Assn
Eugene J. Zeiszler, 7901 Westpark Drive McLean, VA 22102	NMTBA

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the third calendar quarter 1988:

(NOTE.—The form used for reporting is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings. This page (Page 1) is designed to supply identifying data, and Page 2 deals with financial data.)

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 1036 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19 . . . . . ◆

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

Is this an Amendment?
☐ YES ☐ NO

IDENTIFICATION NUMBER

NOTE on ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) *"Employee".*—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) *"Employer".*—To file as an "employer", write "None" in answer to Item "B".

(*b*) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

NOTE on ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None."

NOTE on ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have ☐ terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) description, (*b*) quantity distributed, (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."◆

STATEMENT OF VERIFICATION

[Omitted in printing]

PAGE 1◆

NOTE on ITEM "D."—*(a)* IN GENERAL. The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—§ 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In general.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in connection with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multi-purpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In general.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the space following the number.

Receipts (other than loans)

1. $..............Dues and assessments
2. $..............Gifts of money or anything of value
3. $..............Printed or duplicated matter received as a gift
4. $..............Receipts from sale of printed or duplicated matter
5. $..............Received for services (e.g., salary, fee, etc.)
6. $..............TOTAL for this Quarter (Add "1" through "5")
7. $..............Received during previous Quarters of calendar year
8. $..............TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received—"The term 'contribution' includes a . . . *loan* . . ."—§ 302(a).

9. $..............TOTAL now owed to others on account of loans
10. $..............Borrowed from others during this Quarter
11. $..............Repaid to others during this Quarter

12. $..............“Expense Money” and Reimbursements received this Quarter.

Contributors of $500 or More (from Jan. 1 through this Quarter)

13. Have there been such contributors?
Please answer "yes" or "no": ....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last day of this Quarter, total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* (*"Period"* from Jan. 1 through.............................., 19.......)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE on ITEM "E".—*(a)* IN GENERAL. "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—§ 302 (b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) IN CONNECTION WITH LEGISLATIVE INTERESTS:

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the spaces following the number.

Expenditures (other than loans)

1. $..............Public relations and advertising services
2. $..............Wages, salaries, fees, commissions (other than Item "1")
3. $..............Gifts or contributions made during Quarter
4. $..............Printed or duplicated matter, including distribution cost
5. $..............Office overhead (rent, supplies, utilities, etc.)
6. $..............Telephone and telegraph
7. $..............Travel, food, lodging, and entertainment
8. $..............All other expenditures
9. $..............TOTAL for this Quarter (Add "1" through "8")
10. $..............Expended during previous Quarters of calendar year
11. $..............TOTAL from Jan. 1 through this Quarter (Add "9" and "10")

Loans Made to Others—"The term 'expenditure' includes a . . . *loan* . . ."—§ 302 (b).

12. $..............TOTAL now owed to person filing
13. $..............Lent to others during this Quarter
14. $..............Repayments received during this Quarter

15. *Recipients of Expenditures of $10 or More*____________

If there were no single expenditures of $10 or more, please so indicate by using the word "NONE".

In the case of expenditures made during this Quarter by, or on behalf of, the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Robert J. Aagre, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	40.00	11.00
Thomas G. Abernethy Sr., 3973 Stuart Place Jackson, MS 39211	U.S. Cane Sugar Refiners' Assn.		
Jean R. AbiNader, 1625 Eye Street, NW, #902 Washington, DC 20006	National U.S.-Arab Chamber of Commerce		22,089.56
Matthew J. Abrams, CANAMCO 1828 L Street, NW, #660 Washington, DC 20036	CANAMCO (For:Aerospace Industries Assn of Canada)	500.00	
Do	Dominion Marine Assn		
Elaine Acevedo, 1601 Duke Street Alexandria, VA 22314	Society of American Florists	2,000.00	
Charles A. Acquard, 2301 M Street, NW, Washington, DC 20037	American Public Power Assn.	2,000.00	
Action for Children's Television, 20 University Road Cambridge, MA 02138		5,568.00	268.50
Ad Hoc Coalition on International Electric Power Trade, 12800 Shaker Avenue Cleveland, OH 44120-2099			
Ad Hoc Comm for Universal Comprehensive Health & Dental Care, 12151 Bayprot St., Bldg 10, #310 Garden Grove, CA 92640.			
John J. Adams, 2000 Pennsylvania Ave., NW, #9000 Washington, DC 20006	Ethyl Corporation		
Do	Vepco		
John M. Adams, 225 N. Washington St. Alexandria, VA 22314	Retired Enlistes Assn		
John R. Adams, One Tabor Center 1200 17th Street, #2500 Denver, CO 80202	Energy Fuels Nuclear, Inc		
Adams Quackenbush Herring & Stuart, P.O. Box 394 Columbia, SC 29202	Empire of America	881.25	9.01
Robert O. Aders, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	200.00	
Elmer E. Adkins, 89 East Avenue Rochester, NY 14649-0001	Rochester Gas & Electric Corp		
Terrance M. Adlhock, 1111 19th St., NW, #303 Washington, DC 20036	Southern California Edison Co	4,500.00	1,500.00
Aerospace Industries Assn of America, Inc, 1250 Eye Street, NW, #1100 Washington, DC 20005		23,340.12	23,340.12
David A. Affeldt, 10404 Joiners Lane Potomac, MD 20854	American Assn of Retired Persons	8,387.50	
Do	Association for Gerontology in Higher Education	750.00	
Agendas International, 820 Second Avenue, #1302 New York, NY 10017	Ministerio del Exterior, Republic of Nicaragua		
Creigh H. Agnew, 2001 L St., NW, #304 Washington, DC 20036	Weyerhaeuser Company	100.00	100.00
David J. Aho, 1667 K Street, NW, #710 Washington, DC 20006	Baxter	2,000.00	280.00
Robert S. Aiken, 1735 I Street, NW, #916 Washington, DC 20006	Pinnacle West Capital Corp	2,000.00	853.32
Herbert Allen Ailsworth, 1615 L Street, NW, #420 Washington, DC 20036	Sandoz Corp		86.00
Air Conditioning & Refrigeration Institute, 1501 Wilson Boulevard, #600 Arlington, VA 22209			
Air Products & Chemicals, Inc, 1730 Pennsylvania Ave., NW, #265 Washington, DC 20006			1,954.95
Air Traffic Control Assn, Inc, 2020 North 14th Street, #410 Arlington, VA 22201		229.32	229.32
Air Transport Assn of America, 1709 New York Ave., NW Washington, DC 20006		48,734.01	84,322.67
Aircraft Owners & Pilots Assn, 421 Aviation Way Frederick, MD 21701		5,242,649.00	152,934.00
Randolf H. Aires, 633 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Sears Roebuck & Co	3,150.00	22.00
Michael A. Aisenberg, 1331 Pennsylvania Ave., NW, #600-2 Washington, DC 20004	Digital Equipment Corp	17,000.00	
Akin Gump Strauss Hauer & Feld, 1333 New Hampshire Ave., NW, #400 Washington, DC 20036	Aldrich Eastman Waltch, Inc	250.00	
Do	Amerada Hess Corp	250.00	
Do	American Nuclear Energy Council		
Do	American Stores Co	1,250.00	19.00
Do	American Telephone & Telegraph Co	450.00	
Do	Asamera Minerals (U.S.), Inc		
Do	Baltimore District Farm Credit Council		
Do	Bank of New York	2,000.00	38.00
Do	Boston Company	250.00	
Do	Buckeye Pipeline Co, L.P	500.00	
Do	BNS, Inc		
Do	Cambridge Information Group	1,200.00	19.00
Do	Charles Jacquin et Cie, Inc	600.00	19.00
Do	City of Philadelphia	700.00	19.00
Do	Clark/Bardes Organization, Inc	3,185.00	57.00
Do	Coalition for Fair Capital Reimbursement		
Do	Commercial Metals Co	1,100.00	19.00
Do	Copley Real Estate Advisors, Inc	250.00	
Do	COMSAT Corp		
Do	Distilled Spirits Council of the U.S., Inc	11,275.00	209.00
Do	Drexel Burnham Lambert, Inc	16,200.00	304.00
Do	Embassy of the People's Republic of China		
Do	First City Bankcorporation of Texas, Inc		
Do	Fujitsu America, Inc	1,000.00	19.00
Do	W. R. Grace & Co	3,000.00	57.00
Do	Gulf & Western Industries, Inc		
Do	Hasbro Industries, Inc	250.00	
Do	Henley Group, Inc		
Do	Houston Oilers		
Do	Jacquin's	600.00	19.00
Do	John Zink Company	2,000.00	38.00
Do	Peter Kiewit Sons', Inc	2,500.00	38.00
Do	Levi Strauss & Co		
Do	Lone Star Steel Co		
Do	Long Island Lighting Co	1,985.00	38.00
Do	McDonnell Douglas Corp	3,800.00	57.00
Do	Mesa Petroleum Co	10,050.00	190.00
Do	Metropolitan Transit Authority of Harris County	4,000.00	76.00
Do	Minnesota Power	175.00	
Do	Morgan Stanley & Co, Inc		
Do	Motion Picture Assn of America, Inc	12,100.00	228.00
Do	Mutual Fairness Taxation Assn		
Do	MEDCO Containment Services, Inc		
Do	National Football League		
Do	National Health Laboratories	1,000.00	19.00
Do	Nevada Resorts Assn	16,320.00	304.00
Do	News America		
Do	Pepsico, Inc	1,360.00	19.00
Do	Pharmaceutical Manufacturers Assn		
Do	Population Services International	500.00	
Do	Property Capital Advisors, Inc	250.00	
Do	Reebok International Ltd		
Do	RJR Nabisco, Inc	1,795.00	38.00
Do	Shell Oil Co	2,400.00	38.00
Do	Southern California Edison Co	2,950.00	38.00
Do	Texas Air Corp		
Do	Texas Education Agency	650.00	
Do	Todhunter International, Inc	600.00	19.00
Do	United Illuminating Co	1,000.00	19.00
Do	Warner-Lambert Co	2,700.00	38.00
Do	Wertheim & Co	450.00	
Do	Wien Airlines	1,150.00	28.00
William E. Albers, 1731 Connecticut Ave., NW, 2nd Fl. Washington, DC 20009-1146	Albers & Company (For:May Department Stores Co)	1,800.00	
David Alberswerth, 1400 16th St., NW Washington, DC 20036-0001	National Wildlife Federation	1,364.89	
Donald C. Alexander, 1333 New Hampshire Ave., NW Washington, DC 20036	Cadwalader Wickersham & Taft (For:Air Products & Chemicals, Inc)	72.50	
Do	Cadwalader Wickersham & Taft (For:Air Transport Assn of America)		
Do	Cadwalader Wickersham & Taft (For:American Financial Corp)	188.50	
Do	Cadwalader Wickersham & Taft (For:Bechtel Group, Inc)	87.00	
Do	Cadwalader Wickersham & Taft (For:Charter National Life Insurance Co)	58.00	
Do	Cadwalader Wickersham & Taft (For:Clark/Bardes Organization, Inc)		
Do	Cadwalader Wickersham & Taft (For:Disabled American Veterans)		
Do	Cadwalader Wickersham & Taft (For:Eastern Air Lines, Inc)	14.50	
Do	Cadwalader Wickersham & Taft (For:Family Life Insurance Co)	58.00	
Do	Cadwalader Wickersham & Taft (For:Henley & Co, Inc)	14.50	
Do	Cadwalader Wickersham & Taft (For:Knoll Pharmaceuticals)	14.50	
Do	Cadwalader Wickersham & Taft (For:Management Compensation Group)	14.50	
Do	Cadwalader Wickersham & Taft (For:Mortgage Guaranty Insurance Corp)	101.50	
Do	Cadwalader Wickersham & Taft (For:Nationwide Mutual Insurance Co)	43.50	
Do	Cadwalader Wickersham & Taft (For:PepsiCo, Inc)	116.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Cadwalader Wickersham & Taft (For:Raychem Corp)		
Do	Cadwalader Wickersham & Taft (For:Scott Paper Co)	14.50	
Do	Cadwalader Wickersham & Taft (For:United Brands Co)		
Nancy C. Alexander, 245 Second Street, NE Washington, DC 20002	Friends Comm on National Legislation	4,715.58	
Alexandra Allen, 215 Pennsylvania Avenue, SE Washington, DC 20003	U.S. Public Interest Research Group	3,731.38	
Barbara Allen, 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security & Medicare	9,757.00	325.76
Donald R. Allen, Duncan Allen & Talmage 1575 Eye Street, NW Washington, DC 20005	Colorado River Energy Distributors Assn		
William E. Allen, 1111 14th Street, NW Washington, DC 20005	American Dental Assn	1,000.00	
Alliance for Acid Rain Control, 444 N. Capitol Street, #526 Washington, DC 20001		22,500.00	2,679.00
Alliance for Capital Access, 1919 Pennsylvania Ave., NW, #704 Washington, DC 20006		175,000.00	81,021.76
Alliance of American Insurers, 1501 Woodfield Road, #400 West Schaumburg, IL 60195			60,377.80
Alliance of Nonprofit Mailers, 2001 S Street, NW, #540 Washington, DC 20009		1,580.00	2,079.11
Alliance to Save Energy, 1925 K Street, NW, #206 Washington, DC 20006			330.00
Alliance Against Handguns, P.O. Box 75700 Washington, DC 20013			
Robert F. Allnut, 1100 15th St., NW, #900 Washington, DC 20005	Pharmaceutical Manufacturers Assn	1,000.00	
James E. Allred, 815 16th St., NW, #511 Washington, DC 20006	Transportation Communications Union		
Alltel Corporation, 100 Executive Parkway Hudson, OH 44236			694.00
Alpha Lyracom d/b/a Pan American Satellite, One Pickwick Plaza Greenwich, CT 06830			2,295.00
Loren J. Alter, 231 Martingale Road Schaumburg, IL 60196	Zurich-American Insurance Companies		
Michael J. Altier, 1000 Connecticut Avenue, NW Washington, DC 20036	National Retail Merchants Assn	5,000.00	374.97
Thomas H. Altmeyer, 1130 17th St., NW Washington, DC 20036	National Coal Assn	9,800.00	497.12
Ricardo R. Alvarado, 1001 Pennsylvania Avenue, NW, #700 Washington, DC 20004	Allied-Signal Inc	533.00	
Susan E. Alvarado, 1440 New York Ave., NW, #300 Washington, DC 20005	E. Bruce Harrison Company (For:National Assn of Broadcasters)	942.00	24.00
Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue, NW Washington, DC 20016			5,000.00
Jerome A. Ambro Associates, 4734 Timber Ridge Dr. Mountclair, VA 22026	Associated Universities	4,000.00	7,333.29
Robert P. Ambrose, 14615 Lone Oak Road Eden Prairie, MN 55344	Cooperative Power Association	4,000.00	36.63
American Academy of Family Physicians, 8800 Ward Parkway Kansas City, MO 64114		20,329.39	20,329.39
American Amusement Machine Assn, 205 The Strand Alexandria, VA 22314			
American Assn for Marriage & Family Therapy, 1717 K Street, NW, #407 Washington, DC 20006			25,062.00
American Assn for Respiratory Care, 11030 Ables Lane Dallas, TX 75229		9,622.40	19,467.69
American Assn of Airport Executives, 4224 King Street Alexandria, VA 22302		11,159.00	23,791.00
American Assn of Blood Banks, 1117 North 19th St., #600 Arlington, VA 22209		1,250.00	
American Assn of Equipment Lessors, 1300 North 17th St., #1010 Arlington, VA 22209			
American Assn of Meat Processors, P.O. Box 269 Elizabethtown, PA 17022		65.35	50.00
American Automobile Assn, 8111 Gatehouse Rd. Falls Church, VA 22047			
American Bankers Assn, 1120 Connecticut Avenue, NW Washington, DC 20036		108,587.03	108,587.03
American Business Conference, Inc, 1730 K Street, NW, #703 Washington, DC 20006		4,105.00	2,135.56
American Camping Association, Bradford Woods Martinsville, IN 46151			
American Cement Trade Alliance, Inc, 1331 Pennsylvania Ave., NW, #910 Washington, DC 20004		9,375.02	38.41
American Cemetery Assn, 5201 Leesburg Pike, #1111 Falls Church, VA 22041			1,805.81
American Conservative Union, 38 Ivy Street, SE Washington, DC 20003			
American Council for Capital Formation, 1850 K Street, NW, #400 Washington, DC 20006		4,390.00	4,230.00
American Council of Life Insurance, Inc, 1001 Pennsylvania Avenue, NW Washington, DC 20004		105,117.01	105,117.01
American Dental Assn, 211 E. Chicago Ave. Chicago, IL 60611			5,083.34
American Farm Bureau Federation, 225 Touhy Ave Park Ridge, IL 60068		165,798.00	165,798.00
American Fed of Labor & Congress of Industrial Organizations, 815 16th St., NW Washington, DC 20006			146,756.31
American Feed Industry Assn, 1701 N. Ft. Myer Dr. Arlington, VA 22209		3,240.00	3,240.00
American Financial Services Assn, 1101 14th St., NW Washington, DC 20005			1,000.00
American Frozen Food Institute, 1764 Old Meadow Rd., #350 Mclean, VA 22102		6,000.00	6,000.00
American Gas Assn, 1515 Wilson Boulevard Arlington, VA 22209		85,470.00	85,470.00
American Hellenic Institute Public Affairs Committee, Inc, 1730 K Street, NW, #1005 Washington, DC 20006			
American Hotel & Motel Assn, 1201 New York Ave., NW Washington, DC 20005		21,179.12	10,245.50
American Institute of Merchant Shipping, 1000 16th Street, NW, #511 Washington, DC 20036			2,625.20
American Insurance Assn, 1130 Connecticut Avenue, NW, #1000 Washington, DC 20036		5,731.00	5,731.00
American International Group, Inc, 70 Pine Street New York, NY 10270			51,748.16
American Israel Public Affairs Comm, 500 N. Capitol St., NW, #300 Washington, DC 20001		109,254.00	146,229.21
American Land Title Assn, 1828 L St., NW, #705 Washington, DC 20036			2,460.00
American League for Exports & Security Assistance, Inc, 122 C St., NW, #740 Washington, DC 20001		2,500.00	11,732.71
American Library Assn, 50 E. Huron St. Chicago, IL 60611		715.92	8,989.94
American Logistics Association, 1133 15th Street, NW, #640 Washington, DC 20005			
American Lung Assn of Maryland, 1301 York Rd., #705 Lutherville, MD 21093		756.00	382.00
American Malting Barley Assn, Inc, 735 North Water Street, #908 Milwaukee, WI 53202		15,452.55	2,434.45
American Meat Institute, P.O. Box 3556 Washington, DC 20007			6,500.00
American Medical Assn, 535 North Dearborn St. Chicago, IL 60610			112,030.11
American Medical Care & Review Assn, 5410 Grosvenor Lane, #210 Bethesda, MD 20814			
American Medical Peer Review Assn, 440 First Street, NW, #510 Washington, DC 20001			
American Movers Conference, 2200 Mill Road Alexandria, VA 22314			2,825.00
American Newspaper Publishers Assn, Box 17407 Dulles International Airport Washington, DC 20041		8,239.30	8,239.30
American Nuclear Energy Council, 410 1st St., SE Washington, DC 20003		487,348.78	91,792.03
American Nurses' Assn, 2420 Pershing Rd Kansas City, MO 64108		33,200.39	33,200.39
American Optometric Assn, 1505 Prince Street, #300 Alexandria, VA 22314			
American Paper Institute, Inc, 260 Madison Ave. New York, NY 10016			8,125.00
American Petroleum Institute, 1220 L St., NW Washington, DC 20005		154,095.60	236,223.00
American Physical Therapy Assn, 1111 N. Fairfax St. Alexandria, VA 22314		6,504.82	6,504.82
American Podiatric Medical Assn, 9312 Old Georgetown Road Behesda, MD 20814-1621			27,166.63
American Public Transit Assn, 1201 New York Avenue, NW Washington, DC 20005		87,300.00	87,300.00
American Pulpwood Assn, 1025 Vermont Avenue, NW Washington, DC 20005			
American Retreaders' Assn, P.O. Box 17203 Louisville, KY 40217		500.00	500.00
American Seed Trade Assn, 1030 15th Street, NW, #964 Washington, DC 20005			14,585.00
American Short Line Railroad Assn, 2000 Massachusetts Ave., NW Washington, DC 20036			
American Soc of Anesthesiologists, 1111 14th Street, NW, #501 Washington, DC 20005			22,665.00
American Soc of Hospital Pharmacists, 4630 Montgomery Avenue Bethesda, MD 20814			1,800.00
American Soybean Association, 1300 L Street, NW, Suite 950 Washington, DC 20005-4107		9,900.00	5,014.91
American State of the Art Prosthetic Assn, P.O. Box 370788 Miami, FL 33137		29,000.00	18,075.20
American Textile Machinery Assn, 7297 N. Lee Hwy. Falls Church, VA 22042		260.00	260.00
American Textile Manufacturers Institute, Inc, 1801 K Street, NW, #900 Washington, DC 20006		35,939.33	42,331.52
American Veterans of World War II, Korea & Vietnam (AMVETS), 4647 Forbes Boulevard Lanham, MD 20706			20,400.00
American Veterinary Medical Assn, 1023 15th Street, NW, #300 Washington, DC 20005		1,000.00	705.00
American Waterways Operators, Inc, 1600 Wilson Boulevard, #1000 Arlington, VA 22209		369,385.93	354.40
Americans for Immigration Control, Inc, P.O. Box 738 Monterey, VA 24465		8,993.06	8,993.06
Americans for Nonsmokers' Rights, 2054 University Ave., #500 Berkeley, CA 94704			
Ameriserv, Inc, The Paragon Center 2400 East Commercial Blvd., #500 Fort Lauderdale, FL 33308			
Joanne Ames, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	1,500.00	
Morris J. Amitay, P.C., 444 N. Capitol Street, NW, #712 Washington, DC 20001	Coalition for American Energy Security	7,500.00	
Do	Nathan Lewin (for 47th Street Photo)	5,000.00	
Do	Northrop Corp	3,000.00	
Do	Thompson Medical Co	3,000.00	
Jan S. Amundson, 1331 Pennsylvania Ave., #1500 N. Washington, DC 20004-1703	National Assn of Manufacturers	1,000.00	
Christopher E. Anders, 1667 K Street, NW, #660 Washington, DC 20006	Marlowe & Company (For:Graphic Communications International Union)	370.00	
Anthony A. Anderson, 1818 N St., NW Washington, DC 20036	Eckert Seamans Cherin & Mellot (For:Burlington Northern, Inc)	2,394.00	
Do	Eckert Seamans Cherin & Mellott (For:City of Pompano Beach, Florida)		
Do	Eckert Seamans Cherin & Mellott (For:CSX Corp)	1,816.50	
Do	Eckert Seamans Cherin & Mellott (For:Metropolitan Transportation Authority)	6,244.00	6.00
Bette B. Anderson, 1020 19th St., NW, #500 Washington, DC 20036	Anderson Benjamin Read & Haney (For:De La Rue Giori of America, Inc)		
Do	Anderson Benjamin Read & Haney (For:SICPA Industries of America, Inc)		
Do	Anderson Benjamin Read & Haney (For:U.S. Banknote Corp)		
Byron Anderson, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	2,500.00	370.84
H. Kim Anderson, Virginia Petroleum Council 1001 E. Broad Street Richmond, VA 23219	American Petroleum Institute		
J. Lem Anderson, 4111 Franconia Rd. Alexandria, VA 22310	Temple-Inland		
James A. Anderson Jr., 1725 K Street, NW, #710 Washington, DC 20006	National Assn of Wholesaler-Distributors		
Steven C. Anderson, 1764 Old Meadow Rd, #350 Mclean, VA 22102	American Frozen Food Institute	5,000.00	
Susan S. Anderson, 490 L'Enfant Plaza East, SW, #4200 Washington, DC 20024	Xerox Corp	200.00	224.00
William C. Anderson, 1101 16th St., NW Washington, DC 20036	Independent Petroleum Assn of America		59.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Anderson Benjamin Read & Haney, Inc, 1020 19th St., NW, #520 Washington, DC 20036	Coalition to Stop the Raid on America		
Michael Andrews, 1455 Pennsylvania Ave., NW, #325 Washington, DC 20004	Salomon Brothers, Inc	875.00	61.77
Robert B. Andrews, 1100 Connecticut Avenue, NW, #620 Washington, DC 20036	Mobil Corp	500.00	
William Robert Andrews, 1745 Jefferson Davis Highway, #1200 Arlington, VA 22202	Rockwell International Corp	3,000.00	3,701.78
Andrews & Kurth, 4200 Texas Commerce Tower Houston, TX 77002	William M. Keck II		
Andrews' Associates, Inc, 2550 M St., NW, #695 Washington, DC 20037	American Maritime Officers Service		
Do	Association of Trial Lawyers of America		
Do	CSX Corporation		
Do	Mars, Inc	390.60	
Do	Martin Marietta Corp		
Do	Transportation Institute		
J. Donald Annett, 1050 17th St., NW, #500 Washington, DC 20036	Texaco, Inc	500.00	
Philip H. Anns, 1101 Vermont Avenue, NW, #405 Washington, DC 20005	A. H. Robins Co	3,000.00	338.62
Decker Anstrom, 1724 Massachusetts Ave., NW Washington, DC 20036	National Cable Television Assn, Inc	4,342.00	
Apartment & Office Building Assn, 1413 K Street, NW, #600 Washington, DC 20005			
Paul W. Arcari, 201 N. Washington Street Alexandria, VA 22314	Retired Officers Assn	2,713.00	
John Archer, 8111 Gatehouse Rd. Falls Church, VA 22047	American Automobile Assn		
R. M. Julie Archuleta, 1747 Pennsylvania Avenue, NW, 3rd Fl. Washington, DC 20006	Occidental Chemical Corp		
Arent Fox Kintner Plotkin & Kahn, 1050 Connecticut Ave., NW Washington, DC 20036-5339	Aris Anagnos Properties	10,330.15	20.21
Do	Artery Organization		
Do	Coalition for Auto Repair Choice		
Do	Ethan Allen, Inc	12,159.42	290.72
Do	Independent Federation of Flight Attendants	4,000.00	3,965.00
Do	Motor and Equipment Manufacturers Association		
Do	National Assn of College Stores	28,238.04	1,212.38
Do	National Field Selling Assn	180.00	
Do	National Parking Association		360.33
Do	Schoenke & Koenig	4,064.31	36.70
Do	Toshiba America, Inc	38,200.85	7,559.93
Do	Toshiba International Corp		
Do	Toyota Motor Corporation		
Do	Washington Gas Light Co		
Fred Armstrong Jr, 1620 Eye Street, NW, #520 Washington, DC 20006	Portland Cement Assn		
Carl F. Arnold, 617 Rivercrest Drive McLean, VA 22101	American Iron & Steel Institute	150.00	
Do	Ashland Oil Co	250.00	
Do	Corporate Property Investors	1,249.00	
Do	Quintana Petroleum Corp	1,249.92	
John E. Arnold, 1725 Jefferson Davis Highway, #401 Arlington, VA 22202	Unisys Defense Systems	1,000.00	
Arnold & Porter, 1200 New Hampshire Ave., NW Washington, DC 20036	American Assn of Exporters & Importers	15.00	
Do	Amok, Ltd, et al		
Do	Asea AB		
Do	Bank of Montreal		
Do	Building & Construction Trades Dept, AFL-CIO		
Do	Business Roundtable	618.75	13.00
Do	Canadian Meat Council		
Do	Caudine Investments, N.V		
Do	Cemai		29.51
Do	Chubb Corporation		
Do	Continental Corporation	92.50	
Do	Donohue & Associates, Inc	146.25	
Do	Earthquake Project		
Do	Fluor Corporation		
Do	Grain & Feed Trade Assn		
Do	Hopi Indian Tribe		
Do	International Commodities Clearing House		
Do	Japan Fair Trade Center	150.00	6.90
Do	London Commodity Exchange (1986) Limited		
Do	London International Financial Futures Exchange, Ltd		
Do	LyphoMed, Inc		
Do	Metal Market & Exchange Co, Ltd		
Do	Mutual of America	720.00	
Do	Philip Morris Cos, Inc	1,361.00	
Do	Recording Industry Assn of America, Inc	486.00	1.80
Do	Republic of Panama	1,494.00	
Do	State Farm Mutual Automobile Insurance Co	42,070.00	1,055.84
Do	Survival Technology, Inc	1,947.50	34.45
Do	Venezolana de Cementos	8,402.50	159.90
Nan Aron, 600 New Jersey Avenue, NW Washington, DC 20001	Alliance for Justice	34.72	
Thomas M. Arrasmith, 1801 K Street, NW, #1200 Washington, DC 20006	IBM Corp	738.00	336.69
Asbill Junkin Myers & Buffone, 1607 New Hampshire Ave., NW Washington, DC 20009	Coalition on Smoking or Health	18,650.00	14,446.49
Michael Ashford, 2030 M Street, NW Washington, DC 20036	Common Cause	4,000.01	116.59
Milton F. Ashford, P.O. Box 24305 Oakland, CA 94623	Clorox Company		
Nicholas J. Ashooh, 1000 Elm Street P.O. Box 330 Manchester, NH 03105	Public Service Co of New Hampshire	800.00	837.02
Asian Pacific Economic Educational Cultural Organization, P.O. Box 891 Manila, Philippine			
Asphalt Roofing Manufacturers Association, 6288 Montrose Road Rockville, MD 20852			
Associated Builders & Contractors, Inc, 729 15th St., NW Washington, DC 20005		17,500.00	
Associated Credit Bureaus, Inc, 16211 Park 10 Place Houston, TX 77084		1,500.00	
Associated General Contractors of America, 1957 E St., NW Washington, DC 20006			14,500.00
Association for Commuter Transportation, Inc, 1776 Massachusetts Ave., NW, #521 Washington, DC 20036			
Association of American Foreign Service Women, P.O. Box 70051 Washington, DC 20024-0051		864.00	
Association of American Publishers, 2005 Massachusetts Ave., NW Washington, DC 20036		8,679.73	8,679.73
Association of American Railroads, American Railroads Building 50 F Street, NW Washington, DC 20001		105,662.63	105,662.63
Association of American Veterinary Medical Colleges, 1023 15th Street, NW 3rd Floor Washington, DC 20005			
Association of Junior Leagues, Inc, 660 First Avenue New York, NY 10016		12,000.00	12,109.00
Association of Maximum Service Telecasters, Inc, 1730 M St., NW, #713 Washington, DC 20036			507.00
Association of Trial Lawyers of America, 1050 31st St., NW Washington, DC 20007		13,046.00	13,046.00
George J. Aste, 1707 L St., NW, #300 Washington, DC 20036-4202	United Airlines, Inc	500.00	
Michael G. Atieh, 1615 L St., NW, #1320 Washington, DC 20036	Merck & Co, Inc	1,000.00	57.80
Victor Atiyeh & Co, 519 SW Park St., #208 Portland, OR 97205	Arthur Andersen & Co		
Do	Fujitsu, Ltd		
Do	Seiko Epson		
Atlantic Richfield Co, 515 South Flower Street Los Angeles, CA 90071			616.80
Fritz E. Attaway, 1600 Eye St., NW Washington, DC 20006	Motion Picture Assn of America, Inc		
Leslie Aubin, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	3,189.00	200.00
John J. Auciello, P.O. Box 269 Elizabethtown, PA 17022	American Assn of Meat Processors		
Robb Austin, 2500 Virginia Avenue, NW, #1150-S Washington, DC 20037	Robb Austin & Associates (For:Philip Morris, Inc)		
Ronald R. Austin, 1201 16th Street, NW Washington, DC 20036	Overseas Education Assn, Inc	648.53	453.07
Robb Austin & Associates, 2500 Virginia Avenue, NW, #1105-S Washington, DC 20037	Philip Morris, Inc		
John S. Autry, 2001 L Street, NW, #1000 Washington, DC 20036	Unisys Corp	2,500.00	5,000.00
Walt Auvil, 6506 Little Falls Road Arlington, VA 22213	National Assn of Social Workers	1,300.00	
Aviation Consumer Action Project, 2000 P Street, NW #700 Washington, DC 20036			8.00
Rebecca Avila, 2030 M St., NW Washington, DC 20036	Common Cause	7,056.24	
Avon Products, Inc, 9 West 57th St. New York, NY 10019			
William H Axtman, 950 N. Glebe Rd., Rm. 160 Arlington, VA 22203	American Boiler Manufacturers Assn, Inc		518.72
Michael G. Ayre, P.O. Box 130 Levis P.Q. Canada G6V 6N7	Mil Davie Inc		
Merribel Symington Ayres, Metropolitan Square #205 655 15th Street, NW, Washington, DC 20005	National Independent Energy Producers		4,879.38
ADAPSO - The Computer Software & Services Industry Assn, 1300 North 17th Street, #300 Arlington, VA 22209			83.31
Hope M. Babcock, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society		
Dale R. Babione, 1700 N. Moore St. Rosslyn, VA 22209	Boeing Company	2,197.00	29.00
Robert Baechtold, 277 Park Avenue New York, NY 10172	Fitzpatrick Cella Harper & Scinto (For:Pharmaceutical Manufacturers Assn)		
Richard Anthony Baenen, 1735 New York Avenue, NW, #600 Washington, DC 20006	NANA Regional Corp, Inc		
Do	People's Republic of Angola		
Do	Shee Atika, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
William T. Bagatelas, 1730 K Street, NW, #319 Washington, DC 20006	American Hellenic Institute Public Affairs Committee, Inc		
Joan N. Baggett, 815 15th St., NW Washington, DC 20005	International Union of Bricklayers & Allied Craftsmen	1,700.00	
Brent A. Baglien, 725 15th Street, NW Washington, DC 20005	National Grain & Feed Assn		
Franklin Eugene Bailey, 1110 Vermont Ave., NW #430 Washington, DC 20005	National Cotton Council of America	3,208.50	649.17
George F. Bailey Jr., P.O. Box 21 Montgomery, AL 36101	CSX Transportation		
Judith L. Baird, 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co	400.00	
Edward R. Bajer, 1015 15th St., NW, #802 Washington, DC 20005	American Consulting Engineers Council	400.00	
Emil F. Baker, 1303 New Hampshire Ave., NW Washington, DC 20036	Fleet Reserve Assn		
Gerald E. Baker, 1625 Massachusetts Avenue, NW Washington, DC 20036	Air Line Pilots Assn	6,000.00	565.20
James Jay Baker, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America	1,370.70	188.50
R. Garrity Baker, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	225.00	44.00
Baker & Hostetler, 1050 Connecticut Ave., NW, #1100 Washington, DC 20036	American Protestant Health Assn	12,000.00	267.80
Do	American Resort & Residential Development Assn	2,000.00	2,000.00
Do	Association of Independent Organ Procurement Agencies		
Do	Banc One, Cleveland, NA	1,000.00	1,000.00
Do	Blue Cross & Blue Shield of Northern Ohio	1,500.00	1,500.00
Do	Chubb Group of Insurance Cos	4,000.00	4,000.00
Do	Cleveland Clinic Foundation	1,000.00	1,000.00
Do	Committee for a Just Animal Drug Law	30,442.00	179.34
Do	Continental Insurance Co	4,000.00	4,000.00
Do	CIGNA Corp	4,000.00	4,000.00
Do	CNA Insurance Cos	4,000.00	4,000.00
Do	Edison Electric Institute	2,000.00	2,000.00
Do	Federal Deposit Insurance Corp	4,000.00	4,000.00
Do	Firemans Fund	4,000.00	4,000.00
Do	Hartford Insurance Group	4,000.00	4,000.00
Do	Hospital Insurance Forum		396.97
Do	IBM Corp		
Do	Lincoln National Corp	4,000.00	4,000.00
Do	Loyola University	280.00	218.67
Do	Missouri Baptist Hospital	17,307.50	349.15
Do	National Assn of Insurance Brokers	2,000.00	2,000.00
Do	National Assn of Nuclear Pharmacies	5,250.00	489.92
Do	National Assn of Professional Insurance Agents	1,000.00	1,000.00
Do	National Restaurant Assn	17,500.00	330.17
Do	North American Co	4,000.00	4,000.00
Do	Organ Recovery Systems	9,757.50	
Do	Puerto Rico Hospital Assn	1,750.00	
Do	St. Paul Fire & Marine	4,000.00	4,000.00
Do	Travelers Insurance Co	2,000.00	2,000.00
Do	U.S. Fidelity & Guaranty Corp	4,000.00	4,000.00
Do	U.S. League of Savings Institutions	2,000.00	2,000.00
Do	Uniden Corp of America		
Do	United Methodist Assn of Health & Welfare Ministries	1,642.50	267.94
Do	Western Fuels Assn, Inc		
Patricia A. Baldi, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society		
H. R. Balikov, 333 Thornall St. Edison, NJ 08818	J. M. Huber Corp		
Ball Janik & Novack, 601 Pennsylvania Ave., NW, 9th Floor Washington, DC 20004	AeroLift, Inc	17,000.00	2,383.66
Do	Greenbrier Leasing, Inc	91,359.50	11,558.66
Do	Northwest Industrial Gas Users	4,550.00	1,108.85
Do	Northwest Marine Iron Works	25,500.00	3,542.40
Thomas M. Balmer, 888 16th Street, NW Washington, DC 20006	Milk Industry Foundation/Int'l Ice Cream Assn		
Michael Baly III, 1515 Wilson Blvd. Arlington, VA 22209	American Gas Assn	7,200.00	478.46
Charles E. Bangert, P.C., 662 Mallard Court Arnold, MD 21012	Business Roundtable	2,400.00	
Bank of Boston Corporation, 100 Federal St. Boston, MA 02110			
Bank Capital Markets Assn, National Press Building, 2nd Fl. Washington, DC 20045			
James T. Banks, 1155 Connecticut Avenue, NW, #800 Washington, DC 20036	Waste Management, Inc	3,550.00	2,224.00
Kathryn Bannan, 1050 Connecticut Ave., NW, #401 Washington, DC 20036	Hoffmann-La Roche, Inc		
M. Graeme Bannerman, 888 Sixteenth St., NW Washington, DC 20006	Bannerman & Associates, Inc (For:Embassy of Lebanon)	1,000.00	410.00
Do	Bannerman & Associates, Inc (For:Government of Bangladesh)	3,000.00	745.76
Do	Government of Tunisia	3,000.00	516.60
Do	Bannerman & Associates, Inc (For:Sawyer-Miller Group (for Government of the Philippines)).	5,000.00	826.23
Do	Sawyer-Miller Group (for Philippine Coconut Authority)		
Martha G. Bannerman, One Greenwich Plaza P.O. Box 2568 Greenwich, CT 06836-2568	NAC Re Corp		
Samuel J. Baptista, 1225 19th St., NW, #410 Washington, DC 20036	Financial Services Council	3,750.00	
Baraff Koerner Olender & Hochberg, P.C., 2033 M Street, NW, #203 Washington, DC 20036	National Assn of Collegiate Directors of Athletics	1,025.00	
Do	National Basketball Assn	400.00	
Emory W. Baragar, 1700 N. Moore St., #2120 Rosslyn, VA 22209	Boeing Company	1,406.50	282.51
Haley R. Barbour, P.O.Box 960 Yazoo City, MS 39194	Joint Maritime Congress	6,000.00	32.24
Do	A. L. Williams & Company	12,000.00	733.02
William J. Barnds, 1000 Connecticut Avenue, NW Washington, DC 20036	Japan Economic Institute of America	500.00	
Barnes Richardson & Colburn, 1819 H St., NW, #400 Washington, DC 20006	Degussa Corp		420.37
Do	Heidelberg Eastern, Inc	612.50	
Do	Rukert Marine Corp		19.40
Do	Stratton Hats, Inc		32.42
Do	Texas Citrus and Vegetable Import Association		34.27
Larry P. Barnett, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	12,579.40	
Barnett & Alagia, 250 South County Rd. Palm Beach, FL 33480	Cuban American Foundation		
Barnett D'Amours Sivon & Shay, P.C., 1090 Vermont Ave., NW, #810 Washington, DC 20005	American Council for State Savings Supervisors	1,980.00	16.00
Do	Citibank, N.A.	3,210.00	88.00
Do	Credit Union National Assn, Inc	440.00	8.00
Do	Investors in Industry		
Neil D. Baron, Booth & Baron 122 East 42nd Street, #1507 New York, NY 10168	Standard & Poor's Corporation		
Terry N. Barr, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
David M. Barrett, Barrett Hanna Daily & Gaspar 1055 Thomas Jefferson St., NW, #501 Washington, DC 20007	Allied Tube & Conduit Corp		
Do	Energy Consumers & Producers Assn		
Robert W. Barrie, 1331 Pennsylvania Avenue, NW Washington, DC 20004	General Electric Co	3,000.00	
Robert E. Barrow, 1616 H Street, NW Washington, DC 20006	National Grange	5,000.00	
Linda L. Bartlett, 1100 17th Street, NW, #601 Washington, DC 20036	Kraft, Inc	750.00	
Robert G. Bartlett, 1415 Elliot Place, NW Washington, DC 20007	National Stone Assn	4,000.00	500.00
James E. Bartley, 1090 Vermont Avenue, NW, #410 Washington, DC 20005	National Industrial Transportation League	7,500.00	52.25
Mark A. Bartner, 100 Maryland Avenue, NE Washington, DC 20002	Religious Coalition for Abortion Rights, Inc	6,124.98	95.58
Richard A. Barton, 1101 17th St., NW, #900 Washington, DC 20036	Direct Marketing Assn	1,000.00	1,000.00
Stephen R. Bassett, 421 Aviation Way Frederick, MD 21701	Aircraft Owners & Pilots Assn	2,000.00	
Diane Bateman, 1015 18th Street, NW Washington, DC 20036	Fertilizer Institute	9,000.00	495.18
Christopher M. Bates, 1325 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Motor & Equipment Manufacturers Assn	1,500.00	1,500.00
Robert E. Bates Jr., 1100 Connecticut Ave, NW Washington, DC 20036	Mobil Corp	1,125.00	
Davis M. Batson, 1155 15th Street, NW, #611 Washington, DC 20005	Ethyl Corporation		
Robin Battaglini, 1000 Wilson Blvd., 31st Fl. Arlington, VA 22209	ITT Corporation	1,500.00	45.00
Laurie C. Battle, 1709 New York Ave., NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	1,875.00	
Barbara Bauman, 1990 M Street, NW, #480 Washington, DC 20036	Detroit Edison Company	450.00	25.00
Baumbach & Fisher Assoc., Inc, 1900 S. Harbor City Blvd. Melbourne, FL 32901	Extradition Corp of America		
James R. Baxter, 1101 15th St., NW, #1040 Washington, DC 20005	National Construction Employers Council		
Bruce A. Beam, 1667 K St., NW, #450 Washington, DC 20006	American Electric Power Service Corp	469.03	819.88
Donald S. Beattie, P.O. Box 6474 Alexandria, VA 22306	B T Enterprises	7,000.00	3,681.00
Barbara F. Beatty, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Hubert Beatty, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Edward A. Beck III, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	4,967.28	475.75
Daniel F. Becker, 1525 New Hampshire Ave., NW Washington, DC 20036	Environmental Action, Inc	2,228.85	
Steven M. Beckman, 1757 N Street, NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	7,903.02	26.00
Elizabeth W. Beckwith, 300 5th Street, NE Washington, DC 20002	American Osteopathic Assn	1,500.00	
William W. Beddow, 1730 Pennsylvania Ave., NW, #750 Washington, DC 20006	Caterpillar, Inc	2,500.00	29.51

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Howard Bedlin, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	568.07	
Jon Charles Bednerik, 11 Embarcadero West, #202 Oakland, CA 94607	Western Independent Bankers	500.00	
Josiah Beeman, 15 Second St., NE Washington, DC 20002	Magne-Tek ALS Corp	10,000.00	1,663.53
Beer Drinkers of America, 8100 Mountain Road, NE Albuquerque, NM 87110			
Beer Institute, 1225 'Eye' Street, NW, #825 Washington, DC 20005			1,406.00
Robert M. Beers, 2101 E Street, NW Washington, DC 20037	American Foreign Service Assn	6,363.00	35.00
William A. Behan, 1700 N. Moore St., #820 Arlington, VA 22209	Magnavox Government & Industrial Electronics Co	9,837.00	4,711.26
James Beizer, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Mark Belanger, 805 Third Avenue New York, NY 10022	Major League Baseball Players Assn		
Peter M. Belanger, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	200.00	
Denise Bell, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,500.00	562.20
Stephen E. Bell, 1455 Pennsylvania Ave., NW, #325 Washington, DC 20004	Salomon Brothers, Inc	1,000.00	
Winston Everett Bell, P.O. Box 26543 Las Vegas, NV 89126			
Mary K. Bellamy, 1600 M St., NW Washington, DC 20036	Investment Company Institute		
Bruce Benefield, 1000 Wilson Blvd., #2600 Arlington, VA 22209	TRW, Inc	2,592.00	
Benner Burnett & Coleman, 1401 New York Avenue, NW, #740 Washington, DC 20005	Messerschmitt Bolkow-Blohm Gmbh, et al.		
Daniel J. Bennet, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Douglas P. Bennett, 9020 Saunders Lane Bethesda, MD 20817	Corning Associates	1,750.00	
Do	Corning Glass Works	3,750.00	
John C. Bennison, P.O. Box 23992 Washington, DC 20026-3992	American Soc of Travel Agents	8,500.00	
Frederick S. Benson III, 2001 L Street, NW, #304 Washington, DC 20036	Weyerhaeuser Company	120.00	120.00
R.W. Benson, P.O. Box 6050 East St. Louis, IL 62202			
James E. Benton, N. J. Petroleum Council 150 W. State Street Trenton, NJ 08608	American Petroleum Institute		
Diana Berardocco, 555 13th St., NW, #1050 East Washington, DC 20004	Avon Products, Inc		
George L. Berg Jr., 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	6,125.00	52.00
Karen A. Berg, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce		
Rebecca J. Berg, 1331 Pennsylvania Ave., NW, #560 Washington, DC 20004	Sea-Land Corporation		
Richard Scott Berg, 1250 Connecticut Avenue, NW, #210 Washington, DC 20036	National Forest Products Assn		
Bob Bergland, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	356.00	
Martha Bergmark, 7316 Piney Branch Road Takoma Park, MD 20912	Project Advisory Group	145.36	
Edwin M. Bergsmark, Three SeaGate Toledo, OH 43603	Trustcorp, Inc	660.00	
Paul C. Bergson, 1455 Pennsylvania Ave., NW, #525 Washington, DC 20004	RJR Nabisco, Inc	3,000.00	
Jane W. Bergwin, 1016 16th Street, NW, 5th Floor Washington, DC 20036	Consumers Power Co	3,448.00	6,998.00
Nathan R. Berkley, 2200 Mill Road Alexandria, VA 22314	American Movers Conference	300.00	
Pamela M. Berkwitz, 1200 Peavey Building Minneapolis, MN 55479-1032	Norwest Corporation	12,000.00	5,435.00
Peter A. A. Berle, 950 Third Avenue New York, NY 10022	National Audubon Society	1,000.00	180.00
Berliner & Maloney, 1101 17th Street, NW, #1004 Washington, DC 20036-4798	Government of Barbados, Ministry of Finance & Planning	13,559.00	275.15
Debra Berlyn, 1225 Eye St., NW #1100 Washington, DC 20005	Handgun Control, Inc	9,692.34	
Jason S. Berman, 1020 19th St., NW, #200 Washington, DC 20036	Recording Industry Assn of America, Inc	1,500.00	
Jay Harris Berman, 621A 7th Street, NE Washington, DC 20002	National Assn of Professional Insurance Agents		
Richard B. Berman, 1015 15th St., NW, #1200 Washington, DC 20005	Burger King Corp		
Do	Godfather's Pizza, Inc		
Do	Pillsbury Company		
Do	Quik Wok, Inc		
Do	S&A Restaurants Corp		
William R. Berman, 8111 Gatehouse Rd. Falls Church, VA 22047	American Automobile Assn		
Berman Bergner & Boyette, Inc, 1016 16th Street, NW, #700 Washington, DC 20036	Avianca, Inc	1,500.00	400.00
Do	Bell Atlantic Corp	2,000.00	550.00
Do	China External Trade Development Council	2,000.00	1,305.00
Do	Dead Pigeon River Council		
Do	Electronic Industries Assn	3,000.00	2,067.50
Do	Eli Lilly & Company	800.00	938.00
Do	First Boston Corp	3,000.00	2,387.43
Do	Flo-Sun Land Corp	2,000.00	1,875.00
Do	Forum Group, Inc	2,000.00	500.00
Do	Friendship in Freedom Assn	1,500.00	1,110.00
Do	Galesi Group	2,000.00	950.00
Do	Garden Way, Inc	1,000.00	880.00
Do	Investors for US Tax Equity	500.00	325.00
Do	McDonnell Douglas Corp	3,000.00	1,499.50
Do	Murry's, Inc	1,000.00	980.00
Do	National Assn of Business & Educational Radio	2,000.00	964.00
Do	Natural Gas Supply Assn	3,000.00	2,312.70
Do	Okeelanta Corp	1,700.00	2,302.72
Do	Republic of Korea	2,000.00	1,085.00
Mary E. Bernhard, 1615 H St., NW Washington, DC 20062	Chamber of Commerce of the U.S	1,080.00	59.61
Delanne Bernier, 1875 Eye St., NW, #500 Washington, DC 20006	Philip Morris, Inc	475.00	206.00
Bernstein & Lipsettin, 1920 L Street, NW, #501 Washington, DC 20036	National Assn of Police Organizations	17,252.63	5,808.04
Craig A. Berrington, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn		
Max N. Berry, 3213 O St., NW Washington, DC 20007	American Importers Meat Products Group		
Do	Centre National Interprofessionnel de L'Economic Laitiere		
Do	Committee to Assure the Availability of Casein		
Do	Federation des Exportateurs de Vins & Spiritueux de France		
Robert E. Berry, 1515 Wilson Boulevard Arlington, VA 22209	American Gas Assn	7,450.00	319.71
Willard M. Berry, 1625 K Street, NW, #1090 Washington, DC 20006	National Foreign Trade Council, Inc	5,000.00	1,100.00
Bethea Jordan & Griffin, P.A., P.O. Box 1454 Columbia, SC 29202	Commercial Metals Co	9,528.45	1,528.34
Better Working Environments, Inc, P. O. Box 1765 Carson City, NV 89702			
Robert Betz, 1010 Vermont Avenue, NW, #1116 Washington, DC 20005	Robert Betz Associates, Inc (For:Alabama Hospital Association)	15,000.00	337.09
Do	American Assn of Eye & Ear Hospitals	15,000.00	101.42
Beveridge & Diamond, P.C., 1333 New Hampshire Ave, NW Washington, DC 20036	Town of Oyster Bay Industrial Development Agency		
Cheryl Beversdorf, 1919 Pennsylvania Ave., NW, #300 Washington, DC 20036	American College of Surgeons		145.09
Sheldon D. Beychok, P.O. Box 2924 Baton Rouge, LA 70821	American Waste & Pollution Control Co		
Do	Camp Dresser & McKee, Inc		
Do	First Boston Corp		
Do	Lamar Corporation		
Do	Southeast Health Plan of Louisiana, Inc		
John C. Biechman, 655 15th St., NW, #1200 Washington, DC 20005	Safe Buildings Alliance		
Joan T. Bier, 1726 M Street, NW, #701 Washington, DC 20036	International Minerals & Chemical Corp	1,200.00	1,147.00
Moe Biller, 1300 L St., NW Washington, DC 20005	American Postal Workers Union, AFL-CIO	12,521.77	
Kevin W. Billings, 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council	3,193.38	1,885.80
Patricia H. Billings, 1129 20th St, NW, #600 Washington, DC 20036	Group Health Assn of America, Inc	6,522.51	
Leon G. Billings, Inc, 901 15th St., NW, #570 Washington, DC 20005	Oxford Energy	39,959.57	
Do	South Coast Air Quality Management District	15,670.35	
Hugh L. Binford, 514-D Parkview Road Ft. Walton Beach, FL 32548			
Robert Bingaman Jr., 1817 Bay Street, SE Washington, DC 20005	National Abortion Rights Action League	5,549.71	
Bipartisan Budget Appeal, P.O. Box 9 Bowling Green Station New York, NY 10004		500.00	
Birch Horton Bittner Pestinger & Anderson, 1155 Connecticut Ave., NW, #1200 Washington, DC 20036	Alaska Pacific Refining, Inc		
Do	Alaska Teamsters-Employer Pension Trust		
Do	Amerada Hess Corp		
Do	City of St. George		
Do	Ellers Oakley Chester & Rike		
Do	Gerry Cooney Enterprises		
Do	McCaw Communications Cos		
Do	North Slope Borough		
Do	Old Harbor Corp		
Do	Sealaska Corp		
Do	St. George Tanaq Corp		
Do	Tanadgusix Corporation		
Do	Westinghouse Electric Corp		
Do	Yukon Pacific Corp		
Charles O. Bishop Jr., 1201 New York Ave., NW Washington, DC 20005	American Public Transit Assn	7,197.00	72.00
Bishop Cook Purcell & Reynolds, 1400 L Street, NW, #1000 Washington, DC 20005-3502	Aleut Corporation	3,000.00	
Do	Aleutian/Pribilof Islands Assn, Inc	3,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	American Honey Producers Assn	18,720.00	364.43
Do	American Rice, Inc	380.00	37.81
Do	Bonneville Pacific Corp		
Do	City of St. Paul	2,000.00	
Do	Consolidated Natural Gas Co		
Do	CSR, Ltd	10,992.00	634.09
Do	IBP, Inc	5,393.00	103.74
Do	Master Marketers Assn of America	597.97	68.70
Do	Pyramid Energy, Inc		
Do	Roadway Services, Inc		
Do	U.S. Rice Producers' Legislative Group	8,657.00	809.96
J. Barry Bitzer, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America		
Gerrie Bjornson, 1825 Eye Street, NW, #400 Washington, DC 20006	B.F. Goodrich Co	100.00	
Wayne V. Black, Keller and Heckman 1150 17th Street, NW, #1000 Washington, DC 20036	INDA, Assn of the Nonwoven Fabrics Industry		
Black Crotty Sims Hubka Burnett & Samuels, 501 North Grandview Ave. P.O. Box 5488 Daytona Beach, FL 32018	Aetna Life Insurance Company		
Black Manafort Stone & Kelly, P.C., 211 North Union Street, 3rd Floor Alexandria, VA 22314	Aetna Life & Casualty	7,000.00	160.20
Do	Allentown Cement Co, Inc	15,000.00	190.40
Do	Allied-Signal, Inc	22,500.00	78.15
Do	Bethlehem Steel Corp	22,500.00	
Do	Chicago RTA	9,000.00	22.96
Do	Clark Construction Group	9,000.00	135.00
Do	Cooper's Ferry Development Assn, Inc	9,000.00	448.57
Do	Diamond Star Corp	30,000.00	10.37
Do	Financial Security Assurance	22,500.00	26.72
Do	GTech Corp	9,000.00	5,625.31
Do	Johnson & Johnson, Inc	30,000.00	192.10
Do	Kaman Aerospace Corp	45,000.00	133.53
Do	Massa Products Corp	15,000.00	504.29
Do	NOVA University	30,000.00	3,679.06
Do	Puerto Rico Federal Affairs Administration	9,000.00	291.62
Do	Revlon Group, Inc	6,000.00	2,669.53
Do	Tobacco Institute	22,500.00	101.87
Do	Trans World Airlines, Inc	18,000.00	206.69
Do	U.S. Sprint	12,000.00	127.86
Do	Union Pacific Corp	22,500.00	40.58
Do	UNITA	75,000.00	811.53
Lisa E. Blackwell, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004-1703	National Assn of Manufacturers	675.00	
Robert J. Blackwell Jr., 1025 Connecticut Avenue, NW, #1014 Washington, DC 20036	Enserch Corporation	3,038.00	798.63
Bev D. Blackwood, 1899 L Street, NW, #1100 Washington, DC 20036	Exxon Corporation		
David A. Blair, 5205 Leesburg Pike, #1600 Falls Church, VA 22041	National Beer Wholesalers Assn	2,050.00	271.29
Stephen Blair, 2251 Wisconsin Ave., NW Washington, DC 20007	National Assn of Trade & Technical Schools	750.00	
Richard R. Blake Jr., 777 14th Street, NW Washington, DC 20005	National Assn of Realtors		
Roy Blake, 900 University Dr. Nacogdoches, TX 75961	Reese Communications Companies		
Helen Blank, 122 C Street, NW Washington, DC 20001	Children's Defense Fund	7,266.16	
Beatrice K. Bleicher, 1700 K Street, NW, #1100 Washington, DC 20006	Owens-Illinois, Inc	2,000.00	200.00
Christopher M. Blessington, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Bryant C. Blewett, P.O. Box 24305 Oakland, CA 94623	Clorox Company		
Richard W. Bliss, 3242 Grace Street, NW Washington, DC 20007	Amax, Inc	930.00	40.30
Do	Brother International Corp		
Do	Fluor Corporation	230.00	4.84
Do	National Paint & Coatings Assn, Inc	100.00	7.98
Do	Philip Morris Companies Inc	2,160.00	99.65
Do	PB-KBB, Inc		
Do	Texstor		
Do	Varian EIMAC	1,840.00	245.08
John R. Block, 201 Park Washington Court Falls Church, VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
Peter L. Blocklin, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	3,500.00	
Douglas M. Bloomfield, 500 N. Capitol St., NW, #300 Washington, DC 20001	American Israel Public Affairs Comm	21,499.98	366.49
Mark Bloomfield, 1850 K St., NW, #400 Washington, DC 20006	American Council for Capital Formation	1,375.00	
Shirley A. Bloomfield, 2626 Pennsylvania Ave., NW Washington, DC 20037	National Telephone Cooperative Assn	5,000.00	724.82
John B. Blount Jr., 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,500.00	1,141.77
Jared O. Blum, 1731 Connecticut Ave., NW, 2nd Fl. Washington, DC 20009-1146	Albers & Company (For:May Department Stores Co)	6,300.00	75.19
Robert A. Blum, 600 Montgomery Street San Francisco, CA 94111	Orrick Herrington & Sutcliffe (For:Permanente Medical Group, Inc)	625.00	375.00
Charles R. Blumenfeld, Bogle & Gates 2100 Bank of California Center Seattle, WA 98164	Pacific Seafood Processors Assn		
Patti Blumer, 1667 K Street, NW, #430 Washington, DC 20007	American Dietetic Assn	1,000.00	467.46
Wayne F. Boan, 6140 South Marion Street Tulsa, OK 74136	Employers Council on Flexible Compensation	200.00	
Boat Owners Assn of the U.S., 880 S. Pickett St. Alexandria, VA 22304		75,000.00	75,000.00
Karen Bodenhorn, 1522 K Street, NW, #1120 Washington, DC 20005	American College of Nurse-Midwives		
Seth M. Bodner, 386 Park Avenue South New York, NY 10016	National Knitwear & Sportswear Assn	1,312.50	
Beth A. Boeke, 206 G Street, NE Washington, DC 20002	Evergreen Associates, LTD (For:Suffolk Co. NY)		
Larry A. Boggs, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Timothy A. Boggs, 1133 21st Street, NW, #400 Washington, DC 20036	Warner Communications, Inc	16,000.00	11,142.23
Bogle and Gates, One Thomas Circle, NW, #900 Washington, DC 20005	Alaskan Factory Trawlers Assn	2,000.00	
Do	Coalition to Cease Ocean Dumping	2,000.00	
Do	Great Western Malting Co	500.00	
Do	Northwest Apparel & Textile Assn	5,000.00	
Do	United Sport Fishermen	500.00	
Robert Z. Bohan, 1101 16th St., NW Washington, DC 20036	National Soft Drink Assn		
Patricia Boinski, 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co		
Carol Bok, 1133 15th St., NW, #640 Washington, DC 20005	American Logistics Association		
Benjamin C. Bolusky, 1250 Eye Street, NW, #500 Washington, DC 20005	American Assn of Nurserymen		
Joseph C. Bonanno Jr., 4068 Keith Drive Campbell, CA 95008			
A. Dewey Bond, P.O. Box 3556 Washington, DC 20007	American Meat Institute	500.00	
Edward N. Bond, 1700 N. Moore St., #2120 Rosslyn, VA 22209	Boeing Company	1,100.00	146.00
John E. Bonitt, 1001 Pennsylvania Avenue, NW, #700 Washington, DC 20004	Allied-Signal, Inc	625.00	175.00
Bonneville Associates, 257 E. 200 SO.-#825 Salt Lake City, UT 84111	Western Regional Council		
Gaylon B. Booker, 1918 N. Parkway Memphis, TN 38112	National Cotton Council of America	243.33	3.31
Steven A. Bookshester, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	533.00	9.00
John K. Booth, 1001 Pennsylvania Ave., NW Washington, DC 20006	American Council of Life Insurance, Inc	100.00	
Diane Boratyn, 1230 31st St., NW, #5 Washington, DC 20007	DB, Ltd		
Richard H. Bornemann, 10 Fourth Street, SE Washington, DC 20003	United Illuminating Co	3,500.00	233.41
Patricia A. Borowski, 6824 Pacific Lane Annandale, VA 22003	National Assn of Professional Insurance Agents		
Laurence D. Bory, 1015 15th St., NW, #802 Washington, DC 20005	American Consulting Engineers Council	900.00	
G. Stewart Boswell, 2500 Wilson Blvd. #301 Arlington, VA 22201	American Apparel Manufacturers Assn, Inc	7,812.50	102.91
Charles G. Botsford, 1730 M St., NW, #515 Washington, DC 20036	McDonnell Douglas Helicopters, et al	1,500.00	280.00
John C. Bottenberg, 702 Jayhawk Tower 700 S.W. Jackson Topeka, KS 66603	Reese Communications Companies		
John E. Bouchard, 1667 K Street, NW, #350 Washington, DC 20006	Maersk Line, Ltd		
Mary M. Bourdette, 122 C St., NW, 4th Fl. Washington, DC 20001	Children's Defense Fund of the Washington Research Project	6,247.12	472.50
James G. Bourie, P.O. Box 20655 126 S. Washington Street Alexandria, VA 22320	Potomac Advisory Group		
Albert D. Bourland, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce		
Laura L. Bourne, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	100.00	
Wayne A. Boutwell, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
John Bowers Jr., 815 16th Street, NW Washington, DC 20006	International Longshoremen's Assn, AFL-CIO	6,172.20	2,705.86
Michael Bowers, 1717 K Street, NW, #407 Washington, DC 20006	American Assn for Marriage & Family Therapy	250.00	
Bowery Savings Bank, 110 East 42nd Street New York, NY 10017			
Richard P. Bowling, 1020 Princess Street Alexandria, VA 22314	Truck Trailer Manufacturers Assn	1,000.00	
Jim D. Bowmer, P.O. Box 844 Temple, TX 76503	Tribal Council of the Coushatta Tribe of Louisiana		36.80
Joan Costain Bowyer, 1015 15th St., NW, #909 Washington, DC 20005	Phelps Dodge Corp	150.00	
John G. Boyd, 1801 K St., NW Washington, DC 20006	International Business Machines Corp	625.00	76.00
Richard A. Boyd, 1400 K St., NW, #500 Washington, DC 20005	Handgun Control, Inc	4,000.00	
Robert K. Boyd, 1515 Wilson Blvd. Arlington, VA 22209	American Gas Assn	2,000.00	76.00
Bracewell & Patterson, 2000 K St., NW, #500 Washington, DC 20006	Appalachian Energy Group		
Do	Austin Capital Metropolitan Authority		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Chemical Manufacturers Assn, Inc		
Do	Childs Fortenbach Beck & Guyton (for Enterprise Products Co)		
Do	Coalition of Funeral Directors		
Do	Computer Dealers & Lessors Assn, Inc		
Do	COMDISCO, Inc		
Do	Enron Corp		
Do	Graham Resources, Inc		
Do	Liberty Bank & Trust of New Jersey		
Do	Louisiana Land & Exploration Co		
Do	Massachusetts Mutual Life Insurance	1,320.00	566.58
Do	National Cable Television Assn, Inc		
Do	Pennsylvania Natural Gas Assn		
Do	Southdown/Pelto Oil Company		
Do	Star-Kist Foods, Inc		
Do	Tennessee Gas Transmission Co		
Do	Valero Energy Corporation	1,200.00	478.80
Bracy Williams & Company, 1000 Connecticut Avenue, NW, #304 Washington, DC 20036	American Southwest Financial Corp	7,000.00	320.00
Do	Arkla, Inc	4,000.00	170.00
Do	Babcock & Wilcox	5,000.00	70.00
Do	City of Klamath Falls	8,000.00	95.00
Do	City of Tucson	7,000.00	90.00
Do	Coin Coalition	7,000.00	440.00
Do	CSX Corporation	8,000.00	195.00
Do	Energy Absorption Systems, Inc	8,000.00	195.00
Do	Energy Contractors Price-Anderson Group		
Do	Estes Company	3,000.00	115.00
Do	LaserVideo, Inc	1,000.00	20.00
Do	Pratt & Whitney Aircraft Group	4,000.00	90.00
Do	Satellite Broadcast Network	2,000.00	90.00
Do	Southern Arizona Water Resources Association	2,000.00	80.00
Bradbury Bliss & Riordan, 431 West 7th Ave., #201 Anchorage, AK 99501	Akhiok-Kaguyak, Inc	20,679.39	
Robert W. Bradford, 1101 John Denie Rd P.O. Box 34550 Memphis, TN 38134			
Wayne W. Bradley, 535 North Dearborn Street Chicago, IL 60610	American Medical Assn		
Lawrence J. Brady, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:International Brotherhood of Teamsters)		
Charles G. Bragg, P.O. Box 12285 Memphis, TN 38182	National Cotton Council of America		
Raymond F. Bragg Jr., Two Lafayette Center 1133 21st Street, NW, #500 Washington, DC 20036	American Independent Refiners Assn	200.00	
Do	Consolidated Natural Gas Co	100.00	
Do	Environmental Power Corp	100.00	
Do	Tosco Corporation	100.00	
Stuart J. Brahs, 655 15th St., NW, #950 Washington, DC 20005	Principal Financial Group	1,218.75	
Sally M. Brain, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Barbara Bramble, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	1,804.62	
Brand & Lowell, 923 15th Street, NW, Fifth Fl. Washington, DC 20005	Arnall Golden... (for Amer Colleges for the Applied Arts)	900.00	12.00
Do	General Dynamics Corp		
Do	National Assn for Home Care	600.00	12.00
Robert M. Brandon, 1300 Connecticut Ave., NW, #401 Washington, DC 20036	Citizen Action	2,000.00	475.00
Do	Citizen/Labor Energy Coalition		
William C. Brashares, Mintz Levin Cohn Ferris Glovsky & Popeo 1825 Eye St., NW, #1201 Washington, DC 20006	Smith Barney Harris Upham & Co, Inc		
Jean A. Brashears, 8001 Braddock Road Springfield, VA 22160	National Right to Work Committee	225.00	
Christian N. Braunlich, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004-1703	National Assn of Manufacturers	125.00	
Donald H. Brazier, P.O. Box 12266 Seattle, WA 98102	Dollar Savings Bank, et al		
Harold E. Brazil, 1900 Pennsylvania Avenue, NW Washington, DC 20068	Potomac Electric Power Co	141.09	
Noel Brazil, 1505 Prince Street, #300 Alexandria, VA 22314	American Optometric Assn		
Edward T. Breathitt, 1500 K Street, NW, #375 Washington, DC 20005	Norfolk Southern Corp	1,000.00	
Roy S. Bredder, 1111 14th St., NW, #1200 Washington, DC 20005	American Dental Assn	1,000.00	
George W. Breece, P.O. Box 2801 Fayetteville, NC 28302	American State of the Art Prosthetic Assn	3,000.00	3,325.20
Bregman Abell & Kay, 1156 15th St., NW, #1212 Washington, DC 20005	Air Transport Assn of America		
Do	American Car Rental Assn		
Do	American Fed of Labor & Congress of Industrial Organizations		
Do	Committee to Eliminate Equipment Giveaways	5,000.00	
Do	Murry's, Inc		
Do	Temistocles Ramirez		
Do	Ryder Systems, Inc		
Do	Trans World Airlines, Inc	2,500.00	
Do	Truck Renting & Leasing Assn		
Carolyn L. Brehm, 1660 L Street, NW Washington, DC 20036	General Motors Corp	3,000.00	2,545.62
Michael J. Brennan, 1750 New York Ave., NW Washington, DC 20006	International Assn of Bridge Struct & Ornamental Iron Wkrs	10,800.00	295.29
Richard Brescia, N.Y.S. Petroleum Council 150 State Street Albany, NY 12207	American Petroleum Institute		
Thomas M. Bresnahan III, 1700 K Street, NW, #1200 Washington, DC 20006	Chevron USA, Inc	1,500.00	
Albert E. Brewster, 1000 Wilson Blvd., #2300 Arlington, VA 22209	Northrop Corp		
Bricker & Eckler, 888 17th Street, NW, #1050 Washington, DC 20006-3967	Commonwealth of Puerto Rico		
Bobbe J. Bridge, Garvey Schubert & Barer 1011 Western Ave., 10th Flr. Seattle, WA 98104	Reese Communications Companies		
Bruce Briggs, P.O. Box 1417-D49 Alexandria, VA 22313	National Assn of Chain Drug Stores, Inc	500.00	
Sue M. Briggum, 1155 Connecticut Ave., NW Washington, DC 20036	Waste Management, Inc	3,550.00	2,224.00
Robert J. Brinkmann, 1627 K Street, NW, #400 Washington, DC 20006	National Newspaper Assn	5,000.00	35.83
Elizabeth Y. Britton, 1455 Pennsylvania Ave., NW, #525 Washington, DC 20004	RJR Nabisco, Inc	374.54	
Stephen W. Broadie, 1629 K Street, NW, #1010 Washington, DC 20006	Alliance of American Insurers	1,500.00	4.00
Bradly A. Broadwell, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	2,000.00	1,215.74
David M. Brockman, 725 15th St., NW, #500 Washington, DC 20005	National Grain & Feed Assn		
Mary Broderick, 1625 K St., NW, 8th Fl. Washington, DC 20006	National Legal Aid & Defender Assn	1,500.00	
William M. Brodhead, 900 Marquette Building Detroit, MI 48226	Plunkett & Cooney (For:American Soc for the Prevention of Cruelty to Animals)	500.00	4.95
Do	Murray & Scheer (For:Lightning Location & Protections, Inc)		
Do	Plunkett & Cooney (for Blue Cross & Blue Shield of Michigan)	6,000.00	4.95
Do	Plunkett & Cooney (for City of Detroit, Michigan)	7,500.00	518.26
Do	Plunkett & Cooney (for Detroit Educational TV Foundation)	402.50	
Do	Plunkett & Cooney (for Humane Soc of the U.S.)	2,145.00	15.48
Do	Plunkett & Cooney (for Michigan Consolidated Gas Co)	10,500.00	83.55
Do	Plunkett & Cooney (for Michigan Humane Society)	2,145.00	15.47
David A. Brody, 1640 Rhode Island Ave., NW Washington, DC 20036	Anti-Defamation League of B'nai B'rith	4,400.00	
Marcia D. Brody, 1023 15th Street, NW, #300 Washington, DC 20005	American Veterinary Medical Assn		
Nancy B. Broff, 618D E Street, SE Washington, DC 20003	National Abortion Rights Action League	5,549.71	
Michael J. Brokovich, 1725 Jefferson Davis Hwy., #401 Arlington, VA 22202	Unisys Defense Systems	1,000.00	91.00
Michael D. Bromberg, 1111 19th St., NW, #402 Washington, DC 20036	Federation of American Health Systems	4,500.00	
Brook Associates, Inc, 1620 Eye Street, NW, #716 Washington, DC 20006	Northern Textile Assn	8,268.00	8,268.00
Dale E. Brooks, 1700 K St., NW Washington, DC 20006	Chevron USA, Inc	8,500.00	
E. R. Brooks, 2121 San Jacinto Street, #2500 Dallas, TX 75201	Central & South West Corp		1,038.00
Mary E. Brooks, 1730 M Street, NW Washington, DC 20036	League of Women Voters of the U.S.	5,244.04	
Robert M. Brooks, 206 G St., NE Washington, DC 20002	Evergreen Associates, Ltd (For:Clover Park School District)	2,887.50	
Do	Evergreen Associates, Ltd (For:Computer Dynamics & Aeronautics Corp)		
Do	Evergreen Associates, Ltd (For:DCL Industries)		
Do	Evergreen Associates, Ltd (For:Military Impacted Schools Assn)		
Do	Evergreen Associates, Ltd (For:Suffolk County, NY)	22,000.00	174.03
Donald G. Brotzman, 1400 K St., NW Washington, DC 20005	Rubber Manufacturers Assn	10,000.00	
Cynthia A. Brown, 1919 Pennsylvania Ave., NW, #300 Washington, DC 20006	American College of Surgeons		
Cynthia L. Brown, 1110 Vermont Ave., NW, #1250 Washington, DC 20005	Shipbuilders Council of America	5,000.00	
Dale E. Brown, 1133 19th Street, NW Washington, DC 20036	MCI Communications Corp	6,000.00	1,727.67
David C. Brown, 410 First St., SE Washington, DC 20003	American Nuclear Energy Council	687.50	1,062.32
David S. J. Brown, 1101 17th St., NW, #604 Washington, DC 20036	Monsanto Co	700.00	3,656.16
Diane R. Brown, 2001 L Street, NW, #506 Washington, DC 20036	Chlorine Institute, Inc	461.53	107.31
Doreen L. Brown, 1001 Connecticut Ave., NW, #800 Washington, DC 20036	Consumers for World Trade		
E. Cooper Brown, 6935 Laurel Ave., #204 Takoma Park, MD 20912			
George L. Brown, 1000 Wilson Boulevard Arlington, VA 22209	Grumman Corporation	1,250.00	1,401.76
James P. Brown, 5622 Delmar Blvd., #105-W St. Louis, MO 63112	City of St. Louis - City Hall	12,000.00	4,500.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Jesse P. Brown Jr., 1918 N. Parkway Memphis, TN 38112	National Cotton Council of America	1,575.00	103.43
Ralph Brown, Suite 107 701 S. 22nd Street Omaha, NB 68102	M.O.A.A.I.O.A. & Subs, Inc	100.00	5.00
Ronald H. Brown, 2550 M Street, NW Washington, DC 20037	Wayne County Michigan		
Vincent D. Brown, Nebraska Petroleum Council P.O. Box 95063 Lincoln, NB 68509	American Petroleum Institute	1,000.00	27.06
William R. Brown, 122 C Street, NW, #200 Washington, DC 20001	Council of State Chambers of Commerce	332.21	
William Y. Brown, 1155 Connecticut Ave., NW, #800 Washington, DC 20036	Waste Management, Inc.	3,550.00	2,224.00
Brown Coates & McCarthy Inc, 900 17th St N.W. Washington, DC 20006	Royal Teton Ranch	4,600.00	
Brown Finn & Nietert, Chtd, 1920 N Street, NW, #510 Washington, DC 20036	Amway Corp	27,000.00	
Do	Home Satellite Television Association, Inc		
Brownstein Hyatt Farber & Madden, 410 17 St., 22nd Floor Denver, CO 80202	Columbia Savings & Loan Assn		
Brownstein Zeidman & Schomer, 1401 New York Ave., NW, #900 Washington, DC 20005	New York City Housing Development Corp	9,656.61	
Do	New York State Mortgage Loan Enforcement & Admin Corp	8,655.44	
Wolf Brueckmann, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	250.00	35.00
Kathryne M. Bruner, 1100 17th Street, NW, #1200 Washington, DC 20036	General Atomics	2,381.25	130.80
William K. Brunette, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	570.76	152.50
J. M. Brunkenhoefer, 400 First Street, NW, #704 Washington, DC 20001	United Transportation Union	6,250.00	227.75
Michael E. Brunner, 2626 Pennsylvania Avenue, NW Washington, DC 20037	National Telephone Cooperative Assn		
Kenley W. Brunsdale, P.O. Box 510210 215 S. State St., 12th Fl. Salt Lake City, UT 84151	Fabian & Clendenin (For:Hoyt/Easton U S A)	6,800.00	1,487.87
Do	Fabian & Clendenin (For:Utah Power & Light Co)	21,857.50	6,496.21
J. Charles Bruse, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Allstate Insurance Cos	1,200.00	622.42
Dawn M. Brydon, 888 16th Street, NW Washington, DC 20006	Milk Industry Foundation/Int'l Ice Cream Assn		
Don C. Buchanan, 1750 New York Ave., NW Washington, DC 20006	Sheet Metal Workers International Assn	16,715.00	
Robert Buckler, 405 Sibley St., #120 St. Paul, MN 55101	National Board of Fur Farm Organizations	9,000.00	1,204.37
Thomas L. Buckmaster, 1301 Connecticut Avenue, NW, #700 Washington, DC 20036	Citizens for Sensible Control of Acid Rain	900.00	
Roy C. Buckner, 1090 Vermont Ave., NW, #1100 Washington, DC 20005	Textron	600.00	150.00
G. N. Buffington, 2230 California Street, NW Washington, DC 20008	National Assn of Real Estate Investment Trusts, Inc.		
Building Owners & Managers Assn International, 1250 Eye St., NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l		1,900.00
Douglas W. Bulcao, 1801 K Street, NW, #900 Washington, DC 20006	American Textile Manufacturers Institute, Inc.	3,750.00	30.00
Darrel D. Bunge, Minnesota Petroleum Council 350 St. Peter Street, #1025 St. Paul, MN 55102	American Petroleum Institute	701.00	
David A. Bunn, 1211 Connecticut Avenue, NW, #406 Washington, DC 20036	Hearst Corporation	1,000.00	
Do	Magazine Publishers Assn, Inc	3,000.00	
Do	Parcel Shippers Assn	2,000.00	
Norman D. Burch, 1101 Vermont Ave., NW, #604 Washington, DC 20005	College of American Pathologists	9,000.00	159.00
Barbara G. Burchett, 1615 L Street, NW, #1220 Washington, DC 20036	Hallmark Cards, Inc		
David G. Burden, 200 E. Randolph Dr. Chicago, IL 60601	Amoco Corporation		
Paul F. Burdett, 1776 Eye Street, NW, #575 Washington, DC 20036	Merrell Dow Pharmaceuticals, Inc		88.50
Robert J. Burdick, 1126 16th Street, NW Washington, DC 20036	Oil Chemical & Atomic Workers International Union	3,057.90	
Clair W. Burgener, P.O. Box 8186 Rancho Santa Fe, CA 92067	Stonecrest/The Hooberman Group	7,500.00	3,719.52
Harriet Hunt Burgesss, 116 New Montgomery Street, 4th Floor San Francisco, CA 94105	Trust for Public Lands	6,444.00	4,655.83
William J. Burhop, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	11,646.44	
Gerard P. Burke, 1117 Spotswood Drive Silver Spring, MD 20904	International Air Leases, Inc		
J. J. Burke Jr., 40 E. Broadway Butte, MT 59701	Montana Power Co.		
Burley & Dark Leaf Tobacco Export Assn, 1100 17th St., NW Washington, DC 20036		39,253.25	1,000.00
Burness Communications, 7910 Woodmont Ave., #912 Bethesda, MD 20814	Therapeutic Immunology, Inc.	5,000.00	754.76
Mahlon A. Burnette III, 631 Walker Road Great Falls, VA 22066	National Broiler Council	420.00	
David G. Burney, 1101 17th St. N.W., #609 Washington, DC 20036	U.S. Tuna Foundation	12,000.00	3,000.00
Charles S. Burns, 1015 15th St., NW, #909 Washington, DC 20005	Phelps Dodge Corp	1,200.00	
Timothy F. Burns, 2501 M St., NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	2,000.00	141.76
Burr & Forman, 3000 Southtrust Tower Birmingham, AL 35203	Investment Company Institute	2,182.96	
Burson-Marsteller, 1850 M Street, NW, #900 Washington, DC 20036	American Assn of Dental Schools	495.00	42.00
Do	American Dental Assn	495.00	42.00
Do	Arthur Andersen & Co	1,200.00	
Do	Chicago & North Western Transportation Co	3,900.00	34.00
Do	City of Philadelphia		
Do	Clark Equipment Co		
Do	Federation of Special Care Organizations in Dentistry		
Do	Hankin Management-Arsenal Business Center Associates	1,155.00	98.00
Do	Partnership for Improved Air Travel		
Do	Pennwalt Corp	247.50	21.00
Do	Philadelphia Industrial Development Corp	330.00	28.00
Do	Philadelphia Port Corp		
Do	Philip Morris, Inc	975.00	43.00
Do	Saudi Refining, Inc		
Do	Softgel Assn		
Do	Specialty Vehicle Institute of America (SVIA)	3,300.00	
Do	Temple University	330.00	28.00
Do	Thomson-CSF, Inc		
Do	U.S.-Taiwan, Republic of China Fair Trade Council		
Larry D. Burton, 1776 Eye Street, NW, #1000 Washington, DC 20006	BP America, Inc	5,000.00	1,086.26
Barbara L. Bush, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	200.00	
Roy Bussewitz, 1800 Diagonal Road, #140 Alexandria, VA 22314	Glaxo, Inc	1,000.00	4.80
Henry Butler, 3707 Woodview Trace Indianapolis, IN 46268	Crop Insurance Research Bureau		
M. Caldwell Butler, P.O. Box 720 Roanoke, VA 24004	National Conference of Bankruptcy Judges	11,451.00	
Patrick Butler, 1875 Eye Street, NW, #1110 Washington, DC 20006	Times Mirror Co		
Mrs. H. E. Butt, 3700 Ocean Drive Corpus Christi, TX 78411			
Bruce Butterfield, 1745 Jefferson Davis Hwy, #511 Arlington, VA 22202	Manufacturing Housing Institute		411.15
John J. Byrne, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	3,000.00	
James R. Byron, 1627 K Street, NW, #200 Washington, DC 20006	Fluor Corporation		
Patrick J. Cacchione, 625 Slaters Lane, #200 Alexandria, VA 22314	National Assn of Medical Equipment Suppliers		
Cadwalader Wickersham & Taft, 1333 New Hampshire Ave., NW, 7th Fl. Washington, DC 20036	Official Committee of Dalkon Shield Claimants	1,661.50	
Elizabeth B. Cady, 1919 Pennsylvania Ave., NW Washington, DC 20006	Steel Service Center Institute		
C. Richard Cahoon, 1120 Vermont Ave., NW, #1130 Washington, DC 20005	Petroleum Marketers Assn of America	5,000.00	130.41
Morrison G. Cain, 1901 Pennsylvania Ave., NW, #200 Washington, DC 20006	International Mass Retail Assn	6,250.00	
Christopher G. Caine, 1801 K St., NW, #1200 Washington, DC 20006	IBM Corp	6,200.00	1,650.00
Tony Calandro, 2251 Wisconsin Ave., NW Washington, DC 20007	National Assn of Trade & Technical Schools	1,750.00	
James D. Calaway, 711 West Bay Area Blvd., #320 Webster, TX 77598-4001	Space Industries, Inc		
Alan Caldwell, 1455 Pennsylvania Ave., NW, #525 Washington, DC 20004	RJR Nabisco, Inc	1,200.00	
Frank W. Calhoun, 3400 Texas Commerce Tower Houston, TX 77002	Burlington Northern, Inc		
John C. Callihan, 299 Park Avenue New York, NY 10171	Westvaco Corporation		
Calorie Control Council, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta, GA 30342			
Cambridge International, Inc, 1600 Wilson Boulevard, #713 Arlington, VA 22209	Eastern Technologies, Inc	250.00	
Do	Ford Aerospace & Communications Corp	175.00	
Do	FMC Corporation	175.00	
Do	General Dynamics Land Systems	400.00	
Do	General Dynamics Valley Systems Division	200.00	
Do	Lockheed Aeronautical Systems Co	325.00	
Do	Norden Systems, Inc	180.00	
Do	Textron Lycoming	200.00	
Arthur E. Cameron, 316 Pennsylvania Ave., SE, #402 Washington, DC 20003	Amerace Corporation	2,250.00	
Do	Lukens General Industries, Inc	3,328.00	
Do	Safetran Systems Corporation	4,088.00	
Do	Syro Steel Co, et al.	2,100.00	
Do	3M Company	5,633.00	
Nancy Camm, 1800 K Street, NW, #900 Washington, DC 20006	Bank of America	326.33	258.13
Camp Barsh Bates & Tate, 2550 M St., NW, #275 Washington, DC 20037	Associated Financial Corp		
Do	Association of Independent Organ Procurement Agencies		
Do	Blue Cross & Blue Shield Assn		
Do	Campbell Soup Co		
Do	Chemical Manufacturers Assn, Inc	1,300.00	
Do	Citgo Petroleum Crop	62.50	
Do	Committee for Equitable Compensation	306.25	
Do	EG&G, Inc		
Do	Fashion Accessories Shippers Assn (FASA)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Goldbelt, Inc	150.00	
Do	Government Program Services		
Do	Greater Boston Community Development, Inc		
Do	Hospital Insurance Forum		
Do	Housing Investment Alliance	135.00	
Do	Missouri Baptist Hospital of Sullivan	500.00	
Do	Mobil Oil Corp		
Do	Stephen Moses Interests		
Do	National Assn of Nuclear Pharmacies	250.00	
Do	Natural Gas Supply Assn	200.00	
Do	NATCO (National Assn of Tax Credit Coalition)		
Do	Occidental Petroleum Corp		
Do	Olin Corporation		
Do	Pennzoil Co		
Do	PGA Tour	800.00	
Do	PPG Industries, Inc		
Do	Russ Berrie & Co, Inc		
Do	Sears Roebuck & Co	6,912.50	
Do	Shell Oil Co	875.00	
Do	South Central Bell		
Do	Texaco, Inc		
Do	Union Pacific Resources, Inc		
Do	Western Mobil Home Assn	125.00	
Do	World Airways		
C. R. Campbell Jr., 1850 M St., NW, #1200 Washington, DC 20036	GTE Corporation	1,000.00	
Carl C. Campbell, 1110 Vermont Avenue, NW, #430 Washington, DC 20005	National Cotton Council of America	600.00	
Charles O. Campbell, 1420 King Street Alexandria, VA 22314-2715	National Society of Professional Engineers	2,000.00	
David Campbell, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	309.86	
Jeanne Campbell, Campbell-Raupe, Inc 1010 Pennsylvania Avenue, SE Washington, DC 20003	Algonquin Gas Transmission		
Do	American Airlines, Inc		
Do	American Nuclear Energy Council		
Do	Credit Union National Assn, Inc		
Do	Invest to Compete Alliance		
Do	LTV Aerospace & Defense Co		
Do	The New England		
Do	Pitney Bowes		
Do	Product Liability Alliance		
Do	Securities Industry Assn		
Do	Stone & Webster Engineering Corp		
Do	Texas Utilities Services, Inc		
Do	Union Pacific Corp		
Do	United Illuminating Co		
Do	Westinghouse Electric Corp		
Jerry L. Campbell, 1201 Chestnut St. Chattanooga, TN 37402	Tennessee Valley Public Power Assn		
John G. Campbell, 1111 Jefferson Davis Highway, # 508 Arlington, VA 22202	General Electric Co	8,400.00	
Do	General Motors Corp	18,000.00	
Do	National Civic Crusade for Panama	5,025.00	
Do	Professional Services Council	100.00	
Do	Republic of Panama	15,000.00	
Do	West Virginia University		
Kevin B. Campbell, 603 2nd St., NE Washington, DC 20002	Bally Kevinjohn, Inc (For:United Bro of Carpenters & Joiners of America)		
Thomas D. Campbell & Associates, Inc, 517 Queen Street Alexandria, VA 22314	Cyprus Minerals Co	5,000.00	1,190.92
Charles J. Campisi, 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security	13,750.00	310.84
Canadian Coalition on Acid Rain, 112 St. Clair Avenue, #401 Toronto, Ontario Canada M4V 2Y3		1,665.00	3,154.47
Robert P. Canavan, 1909 K St., NW Washington, DC 20049	American Assn of Retired Persons	328.48	
Candlelighters, 123 C St., SE Washington, DC 20003		586.91	
Anne C. Canfield, 1331 Pennsylvania Ave., NW Washington, DC 20004	General Electric Co	430.00	
Sharon F. Canner, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004-1703	National Assn of Manufacturers	186.80	
W. Dean Cannon Jr., 9800 S. Sepulveda Blvd., #500 Los Angeles, CA 90045	California League of Savings Institutions		
Howard W. Cannon & Associates, 1919 Pennsylvania Avenue, NW, #800 Washington, DC 20006	Rockwell International Corp		
David L. Cantor, 1233 20th St., NW, #400 Washington, DC 20036	Porter Wright Morris & Arthur (For:Coalition for Environmental-Energy Balance)	235.00	
Capitol Associates, Inc, 426 C Street, NE Washington, DC 20002	American Association for Cancer Research	300.00	
Do	American Foundation for Aids Research	750.00	
Do	Arthritis Foundation	937.50	
Do	Cambridge BioScience	750.00	
Do	Cedars-Sina Medical Center	1,375.00	
Do	Citizens Comm for Medical Research & Health Education	300.00	
Do	Cystic Fibrosis Foundation	450.00	
Do	Emory University Medical School	861.25	
Do	Endocrine Society	400.00	
Do	Illinois Collaboration on Youth	88.00	
Do	Joint Council of Allergy & Immunology	412.50	
Do	Merck & Co, Inc	1,000.00	
Do	National Assn of Pediatric Nurse Associates & Practitioners	375.00	
Do	National Coalition for Volunteer Protection	150.00	
Do	National Crime Protection Council	450.00	
Do	National Multiple Sclerosis Society	572.50	
Do	Polymer Technology Corp	500.00	
Do	Rehabilitation Institute of Chicago	812.50	
Do	Saatchi & Saatchi Compton Worldwide		
Do	Technicon Data Systems Corp	1,200.00	
Do	University of California (San Diego)	500.00	
Do	Westmore, Ltd	750.00	
Caplin & Drysdale, Chtd, One Thomas Circle, NW, #1100 Washington, DC 20005	Association of American Publishers		
Do	Children's Television Workshop	390.00	
Do	National Council of YMCA of the USA		
Do	National Wildlife Federation	260.00	
John M. Capriccioso, 1776 Eye St., NW, #575 Washington, DC 20006	Dow Chemical USA	500.00	5,496.00
CareerCom, 1801 Lowther St. Lemoyne, PA 17043			8,333.50
Norval E. Carey, 1100 17th St., NW, #1200 Washington, DC 20036	General Atomics	18,760.00	624.91
Maurice E. Carino Jr., 1000 16th St., NW, #800 Washington, DC 20036	Bethleham Steel Corp	200.00	
Linda E. Carlisle, 1333 New Hampshire Ave., NW Washington, DC 20036	Cadwalader Wickersham & Taft (For:GAF Corporation)		
Do	Cadwalader Wickersham & Taft (For:Mercedes-Benz of North America, Inc)		
Edward J. Carlough, 1750 New York Avenue, NW Washington, DC 20006	Sheet Metal Workers International Assn	25,987.00	
Anne E. Carlson, 1620 Eye Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc	5,000.00	
Catherine A. Carlson, 1400 16th Street, NW Washington, DC 20036	National Wildlife Federation	54.98	
Eileen Shannon Carlson, Graham & James 2000 M St., NW Washington, DC 20036	American Insurance Association		
Do	Attorneys' Title Guaranty Fund, Inc		
Do	Federal Administrative Law Judges Conference		
Do	Federal Judges Association		
Do	Finishing Enterprises, Inc		
Do	Illinois Health Facilities Authority		
Do	London Harness Co		
Do	Walt Disney Co	500.00	
Robert E. Carlstrom Jr., 1823 Jefferson Place, NW Washington, DC 20036	Jefferson Group, Inc (For:Doe Run Company)	6,750.00	1,067.96
Carmen & Muss, 1901 Pennsylvania Ave., NW, #1000 Washington, DC 20006	Cab-Tek, Inc		
Do	Carmen Carmen & Hugel (for CareerCom)	2,025.00	283.50
Do	First Defence Int'l Security Co	1,000.00	900.00
Carmen Carmen & Hugel, Inc, 1667 K Street, NW, #950 Washington, DC 20006	CareerCom	1,283.50	1,125.00
Phyllis D. Carnilla, 1700 17th Street, NW, #301 Washington, DC 20009	TD 61, Inc	1,000.00	86.75
Wilfred R. Caron, 560 N Street, SW Washington, DC 20024	Council of the City of New York		
Bertram W. Carp, 111 Massachusetts Ave., NW, 3rd Fl. Washington, DC 20001	Turner Broadcasting System, Inc	5,625.00	
Chapin Carpenter Jr., 1211 Connecticut Avenue, NW, #406 Washington, DC 20036	Magazine Publishers Assn, Inc	4,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
George D. Carpenter, 6110 Center Hill Road Cincinnati, OH 45224	Procter & Gamble Manufacturing Co		
Susan Carr, 1709 New York Avenue, NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	2,400.00	
John R. Carson, 9312 Old Georgetown Rd. Bethesda, MD 20814-1621	American Podiatric Medical Assn	18,000.00	
R. D. Carson Jr., P.O. Box 2021 40 Franklin Rd., SW Roanoke, VA 24022	Appalachian Power Company		192.96
David C. Carter, 1156 15th St., NW, #1019 Washington, DC 20005	U.S. Beet Sugar Assn		
John R. Carter, 1000 Wilson Blvd., #2600 Arlington, VA 22209	TRW, Inc	225.00	
Joseph L. Carter Jr., 50 F Street, NW, #1200 Washington, DC 20001-1564	Association of American Railroads	1,371.54	677.97
James P. Carty, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004-1703	National Assn of Manufacturers	500.00	
Susan B. Carver, 1130 17th Street, NW Washington, DC 20036	National Coal Assn	1,160.00	1,264.00
Daniel L. Casey, 5A East Curtis Avenue Alexandria, VA 22301	American Conservative Union		
Martin Casey, Box 17407 Dulles Airport Washington, DC 20041	American Newspaper Publishers Assn		
Allen R. Caskie, 1001 Pennsylvania Ave, NW Washington, DC 20004	American Council of Life Insurance, Inc	5,500.00	
Eugene I. Casraiss Jr., 1757 N St., NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	15,878.06	193.40
J. Warren Cassidy, 1600 Rhode Island Avenue, NW Washington, DC 20036	National Rifle Assn of America	2,437.50	
Lawrence J. Cassidy, 1750 New York Avenue, NW Washington, DC 20006	Sheet Metal Workers International Assn	27,858.00	
Cassidy and Associates, Inc, 655 15th St., NW, #1100 Washington, DC 20005	Alexander Graham Bell Assn for the Deaf	600.00	60.50
Do	Alloy Technology		
Do	American Hospital in Shanghai Foundation	50.00	
Do	Anatolia College Board of Trustees		
Do	Arizona State University	150.00	
Do	Atlanta University		
Do	Atlantic Financial	300.00	
Do	Barry University		
Do	Bolt Beranek & Newman, Inc	650.00	
Do	Boston College	150.00	
Do	Boston University		
Do	Bowdoin College	300.00	
Do	Cardinal Hill Hospital		
Do	Catholic University of America	600.00	
Do	Centex Communications, Inc		
Do	Challenger Center	450.00	
Do	Children's Hospital		
Do	Children's Hospital in Michigan	75.00	
Do	Columbia University		
Do	Critical Languages & Area Studies Consortium, Inc	300.00	16.00
Do	Drexel University	150.00	
Do	Duke University		
Do	Emerson College	300.00	14.00
Do	Experiment in International Living	750.00	50.50
Do	Friends of the American Tel Aviv Museum of Art	50.00	
Do	Fudan Foundation	50.00	
Do	Global Broadcasting Group, Inc	450.00	
Do	Gonzaga University	350.00	
Do	Hygienetics, Inc		
Do	Indiana University		
Do	Institute for Circadian Physiology	225.00	
Do	J & B Management Co	100.00	
Do	Kohler, Co	500.00	
Do	Lehigh University	687.50	38.00
Do	Loma Linda University Medical Center, Inc	150.00	
Do	Louisiana Public Facilities Authority	450.00	
Do	Loyola College (Baltimore)	375.00	
Do	Loyola Marymount University	350.00	
Do	Loyola University of Chicago		
Do	Martha Graham Center of Contemporary Dance, Inc	125.00	6.50
Do	Massachusetts Corp for Education Telecommunication	225.00	
Do	Massachusetts League of Banks		
Do	Medical College of Ohio, Toledo	150.00	
Do	Medical College of Pennsylvania	300.00	
Do	Medical University of South Carolina	150.00	
Do	Monterey Institute of International Studies	25.00	
Do	Morgan State University		
Do	Mount Sinai Medical Center		
Do	National Jewish Center for Immunology & Respiratory Medicine		
Do	NeoRx	150.00	
Do	Northwestern University		
Do	O'Connell Management Co, Inc		
Do	Ocean Spray Cranberries, Inc	2,225.00	51.15
Do	Oceanic Institute	150.00	12.00
Do	Pan Metal Corp		
Do	Pennsylvania Turnpike Commission		
Do	Pioneer Financial	600.00	
Do	Pirelli Cable Co	450.00	15.00
Do	Polytechnic University	750.00	11.15
Do	Renewable Fuels Assn		
Do	Rochester Institute of Technology	375.00	19.00
Do	Saint Joseph's University	75.00	
Do	Schutz American School	75.00	
Do	St. Norberts College		
Do	Thomas Jefferson University	425.00	
Do	Tougaloo College	200.00	
Do	Tread Corporation		
Do	Tufts University	300.00	6.00
Do	United Hospitals, Inc		
Do	Universal Med Center/U of TX Health Science Center at Dallas	1,425.00	13.00
Do	University of Alabama in Huntsville	75.00	
Do	University of Bridgeport	150.00	
Do	University of Hawaii	225.00	
Do	University of Kentucky Research Foundation	475.00	
Do	University of Nebraska	875.00	31.50
Do	University of Scranton	837.50	6.50
Do	University of Southern Mississippi	250.00	
Do	University of Utah	150.00	
Do	University of Vermont	300.00	38.50
Do	Valley Children's Hospital		
Do	West Virginia University	25.00	
Do	Wojdak & Assocs, Inc for: Children's Hospital of Pittsburgh	150.00	
Do	World Trade Center Boston		
Mark A. Casso, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	700.00	
John J. Castellani, 1000 Wilson Boulevard, #2700 Arlington, VA 22209	TRW, Inc	4,500.00	
Rita L. Castle, 100 NE Adams Street Peoria, IL 61629	Caterpillar, Inc	10,000.00	3,094.56
G. Thomas Cator, 1050 17th Street, NW Washington, DC 20036	Neece Cator & Associates, Inc (For:Association of Small Business Development Centers).		
Do	Neece Cator & Associates (For:National Assn of Development Companies)	1,350.00	1,350.00
Do	Neece Cator & Associates, Inc (For:Small Business United)	1,350.00	1,350.00
Do	Neece Cator & Associates, Inc (For:Southeastern Lumber Manufacturers Assn)		
Mary Cavanagh, 305 Third St., SE Washington, DC 20003	Mercury Stainless Corp		
Gordon Cavanaugh, 122 C Street, NW, #875 Washington, DC 20001-2109	Roisman Reno & Cavanaugh (For:Council of Large Public Housing Authorities)	13,125.00	270.28
Red Cavaney, 260 Madison Avenue New York, NY 10016	American Paper Institute, Inc	2,800.00	
Mitchell Ceasar, 8181 W. Broward Boulevard, #300 Plantation, FL 33324	Port Ever Glades Authority		
Rosario Ceballo, 2030 M St., NW Washington, DC 20036	Common Cause	4,725.00	
Cederberg & Associates, 7100 Sussex Place Alexandria, VA 22307	Grumman Corporation	200.00	
Do	Martin Marietta Corp	200.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Cendrowski & Selecky, P.C., 2050 N. Woodward, #310 Bloomfield Hills, MI 48013	Taubman Company, Inc.	23,766.00	
Centerior Energy Corp, P.O. Box 94661 Cleveland, OH 44101-4661		1,526.92	1,204.65
David Certner, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	573.46	377.50
Chadbourne & Parke, 1101 Vermont Ave., NW, #900 Washington, DC 20005	American Paper Institute, Inc.		
Do	Applied Energy Services, Inc		
Do	Catalyst Energy Corp		
Do	Commercial Bank of New York	2,800.00	20.00
Do	Napp Chemicals, Inc.	8,680.00	66.00
Do	Oxbow Geothermal Corp		
Do	Peat Products of America, Inc		
Do	Ruan Transportation Management Systems	5,539.00	
Do	Ultrapower, Inc		
Chadwell & Kayser, Ltd, 8500 Sears Tower Chicago, IL 60606-6592	Chicago Board Options Exchange	7,000.00	
Do	Harza Engineering Co		
Deborah M. Chalfie, 1319 F St., NW, #300 Washington, DC 20004	Halt, Inc		
Dean S. Chalios, 1350 New York Avenue, NW, #900 Washington, DC 20005	International Franchise Assn		
Durwood Chalker, P.O. Box 660164 2121 San Jacinto Street, #2500 Dallas, TX 75266-0164	Central & South West Corp		
Mark G. Chalpin, 1101 15th St., NW, #1000 Washington, DC 20005	National Constructors Association		
Terry M. Chamberlain, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Chambers Associates, Inc, 1625 K Street, NW, #200 Washington, DC 20006	American Assn of Retired Persons		
Do	American Express Co	350.00	
Do	American Postal Workers Union, AFL-CIO	18,413.00	
Do	Anderson Hibey Nauheim & Blair	1,663.00	
Do	Apache Corporation		
Do	Coalition of Publicly Traded Limited Partnerships	1,150.00	
Do	Coalition of State Employment Security Agencies		
Do	Manville Corporation		
Do	Metcalf & Eddy/KVB Group		
Do	National Assn of Retired Federal Employees		
Do	Salomon Brothers		
Do	University Patents, Inc.		
Maxine Champion, 1025 Thomas Jefferson St., NW, #511 Washington, DC 20007	LTV Corporation	3,000.00	975.00
Ed Chandler, 7901 Westpark Drive Mclean, VA 22102	National Machine Tool Builders' Assn	11,385.00	500.00
Nedra Chandler, 2030 M Street, NW Washington, DC 20036	Common Cause	2,664.45	7.00
Michael D. Chapman, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,500.00	1,712.04
William C. Chapman, 2801 Fort Scott Drive Arlington, VA 22202	Multinational Business Services, et al.	12,425.00	648.00
Peggy Charren, 975 Memorial Drive, #504 Cambridge, MA 02138	Action for Children's Television	225.00	
Richard A. Charter, 6947 Cliff Ave. Bodega Bay, CA 94923	County Administrative Office County of Santa Cruz	12,000.00	10,893.01
Chemical Specialties Manufacturers Assn, Inc, 1001 Connecticut Avenue, NW, #1120 Washington, DC 20036			4,506.22
William B. Cherkasky, 1350 New York Ave., NW, #900 Washington, DC 20005	International Franchise Assn		
Chernikoff & Company, 1826 Jefferson Place, NW, #101 Washington, DC 20036	Arena Stage	1,145.50	1,252.25
Do	Capital Childrens Museum	1,145.50	1,252.25
Do	Corcoran Gallery of Art	1,145.50	1,252.25
Do	Directors Guild of America	11,765.00	12,246.23
Do	Ford's Theater	1,145.50	1,252.25
Do	National Symphony	1,145.50	1,252.25
Do	Phillips Collection	1,145.50	1,252.25
Do	Shakespeare Theater at the Folger	1,145.50	1,252.25
Do	Textile Museum	1,145.50	1,252.25
Do	Washington Ballet	1,145.50	1,252.25
Do	Washington Opera	1,145.50	1,252.25
Do	Washington Performing Arts Society	1,145.50	1,252.25
Samuel D. Chilcote Jr., 1875 Eye Street, NW, #800 Washington, DC 20006	Tobacco Institute, Inc	700.00	
John B. Childers, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	712.00	95.00
Laura Chin, 4415 Fessenden St., NW Washington, DC 20016	National Asian American Telecommunications Assn.		
William W. Chip, 1333 New Hampshire Ave., NW, #700 Washington, DC 20036	Cadwalader Wickersham & Taft (For:Raychem Corp)		
Joseph L. Choquette III, Vermont Petroleum Assn P.O. Box 566 Montpelier, VT 05602	American Petroleum Institute	235.00	18.00
Hal M. Christensen, 317 Massachusetts Ave., NE, #100 Washington, DC 20002	Delta Dental Plans Assn.	1,500.00	
Do	Vision Service Plan		
Samuel W. Christine III, 1129 20th St., NW, #200 Washington, DC 20036	Greater Washington Board of Trade		
Jack E. Christy, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	659.61	
James T. Christy, 1730 Pennsylvania Ave., NW, #265 Washington, DC 20006	Air Products & Chemicals, Inc.	1,800.00	154.95
Chugach Electric Assn, Inc, P.O. Box 196300 Anchorage, AK 99519-6300			1,625.43
Donald T. Chunn, Route 2, Box 89 Columbia, TN 38401	Title Associates, Inc		
Chwat/Weigend Associates, 400 First Street, NW, #100 Washington, DC 20001	American Home Sewing Assn, Inc.	500.00	500.00
Do	American Pipe & Accessories League	2,000.00	2,000.00
Do	American Radio Relay League, Inc	3,000.00	3,000.00
Do	Associated Locksmiths of America	1,200.00	1,200.00
Do	National Licensed Beverage Assn	3,000.00	3,000.00
Do	National Weather Service Employees Organization	300.00	300.00
Do	Texas Truck Safety Alliance (TTSA)	5,250.00	5,250.00
Donna M. Cirolia, 1518 K Street, NW, #401 Washington, DC 20005	Water Quality Association		
Citizen Action, 1300 Connecticut Ave., NW, #401 Washington, DC 20036		5,000.00	5,117.50
Citizen/Labor Energy Coalition, 1300 Connecticut Ave., NW, # 401 Washington, DC 20036		1,500.00	1,500.00
Citizens for Sensible Control of Acid Rain (CSCAR), c/o 1301 Connecticut Avenue, NW Washington, DC 20036		457,142.85	754,265.98
Citizens Comm for the Right to Keep & Bear Arms, Liberty Park, 12500 NE Tenth Place Bellevue, WA 98005		481,799.96	216,000.73
Citizens Political Action Committee, P.O. Box 645 228 South A Street, #2 Oxnard, CA 93032			
Donald D. Clancy, 6507 Leeds Lane Cincinnati, OH 45215	American Continental Corp		
Do	Grocery Manufacturers of America, Inc	1,700.00	234.35
Do	Tele-Press Associates, Inc (For:Japan Fisheries Association)	1,500.00	198.00
Gilbert Clark, 1117 N. 19th Street, NW, #600 Arlington, VA 22209	American Assn of Blood Banks		
Jordan Clark, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Julie Clark, 1625 K St., NW, #800 Washington, DC 20006	National Legal Aid & Defenders Assn	11,162.76	322.25
Robert Clark, 400 Madison St., #1908 Alexandria, VA 22314	Ryder Systems, Inc		
Rudy I. Clark, 5342 Woodbury Woods Place Fairfax, VA 22032	Air Force Sergeants Assn, Inc		
Vernon A. Clark, 555 New Jersey Ave., NW, #255 Washington, DC 20001	Outdoor Advertising Assn of America, Inc	6,750.00	2,266.86
Denise Clarke, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Republic of Indonesia (NDIO))		
Sara F. Clary, 1629 K Street, NW, #1010 Washington, DC 20006	Alliance of American Insurers		
Cleary Gottlieb Steen & Hamilton, 1752 N Street, NW Washington, DC 20036	BNS, Inc		
Do	Day-Glo Color Corp	532.58	
Do	Ministry of Finance & Public Credit of the United Mexican St.		
Do	North Wind Undersea Institute		
Do	Security Pacific National Bank		
Do	Synthetic Organic Chemical Manufacturers Assn, Inc		
Do	U.S. Bancorp	2,488.00	
Do	Union Oil Co of California, et al.	1,260.00	
Ronald D. Clements, 1111 19th St., NW, 9th Floor Washington, DC 20036	Edison Electric Institute	4,303.67	1,144.98
Cleveland Electric Illuminating Co, 55 Public Square P.O. Box 5000 Cleveland, OH 44113			
Cleveland-Cliffs, Inc, 1100 Superior Avenue Cleveland, OH 44114-2589			306.00
W. M. Click, 2828 N. Haskell Dallas, TX 75204	Southland Corporation		
Clifford & Warnke, 815 Connecticut Ave., NW Washington, DC 20006	Australian Meat & Live-Stock Corp	7,500.00	2,500.00
Do	J. C. Maxtone-Mailer	600.00	211.75
Do	Proprietary Association		
Clohan Adams & Dean, 1101 Vermont Ave., NW, #400 Washington, DC 20005	Student Loan Funding Corp of Ohio	4,985.00	
Edward T. Cloonan, 70 Pine Street, 39th Floor New York, NY 10270	American International Group, Inc		
Stephen J. Cloud, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	500.00	
W. Dewey Clower, 1199 North Fairfax, #801 Alexandria, VA 22314	National Assn of Truck Stop Operators, Inc		
Stanley A. Cmich, 220 Market Ave., South, #1190 Canton, OH 44702	Putman Properties, Inc		
Do	Roetzel & Andress		
Do	Stark County Commissioners		
Do	Timken Co		
Coalition for American Energy Security, 1050 Thomas Jefferson St., NW, 6th Floor Washington, DC 20007			
Coalition of Americans to Protect Sports (CAPS), 200 Castlewood Drive North Palm Beach, FL 33408	Product Liability - Sports	250.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Coalition to Keep Alaska Oil, AFL-CIO Building 815 16th Street, NW, #309 Washington, DC 20006		7,275.00	6,408.00
Coalition to Oppose Energy Taxes, 1100 15th St., NW, #1200 Washington, DC 20005		55,000.00	
Coalition to Preserve Low Income Housing Tax Credit, 2300 M St., NW Washington, DC 20037		3,000.00	3,000.00
Alan J. Cobb, 1120 Vermont Avenue, NW, #1130 Washington, DC 20005	Petroleum Marketers Assn of America	7,500.00	1,317.40
Richard B. Cobb, Petroleum Council of Ga 230 Peachtree St., NW, #1500 Atlanta, GA 30303	American Petroleum Institute	300.00	
Robert D. Coble, P.O. Drawer 2426 Columbia, SC 29202	Providence Hospital		
Amy A. Coggin, 1415 Elliot Place, NW Washington, DC 20007	National Stone Assn	4,000.00	500.00
Don V. Cogman, 1100 Connecticut Avenue, NW, #535 Washington, DC 20036	MAPCO, Inc	4,750.00	145.28
Albert P. Cohen, 405 Kemper Rd. Joppatowne, MD 21085	American Lung Assn of Maryland	150.00	30.00
Dan Cohen, 500 North Capitol Street, NW, #300 Washington, DC 20001	American Israel Public Affairs Comm	11,841.00	517.21
Daniel L. Cohen, 1050 31st Street, NW Washington, DC 20007	Association of Trial Lawyers of America	2,000.00	100.00
David Cohen, 1616 P St., NW, #320 Washington, DC 20036	Professionals' Coalition for Nuclear Arms Control	10,374.99	6,049.84
Joseph L. Colaneri, 1050 Connecticut Ave., NW, #760 Washington, DC 20036	Union Oil Co of California		481.90
George T. Coldeway, 8245 NW 53rd St., #200 Miami, FL 33166-4609	South Florida Hospital Assn		
E. William Cole, 1050 Connecticut Avenue, NW, #760 Washington, DC 20036	Union Oil Co of California	700.00	86.00
Ken W. Cole, 1001 Pennsylvania Avenue, NW, #700 Washington, DC 20004	Allied-Signal, Inc		
Randall I. Cole, 50 F St., NW, #1080 Washington, DC 20001	BN Services, Inc -	1,000.00	1,086.79
Cole Corette & Arbutyn, P.C., 1110 Vermont Avenue, NW, #900 Washington, DC 20005	Ad Hoc Ski Boot Committee		
Do	Chase Manhattan Bank, N.A		
Do	Government of the Netherlands Antilles		
Do	Millipore Corporation		
Jessie M. Colgate, 51 Madison Avenue New York, NY 10010	New York Life Insurance Company		
Emilio G. Collado III, Collado Associates 1405 Montague Drive Vienna, VA 22180	American Watch Assn		
Collier Shannon Rill & Scott, 1055 Thomas Jefferson St., NW, #306 Washington, DC 20007	Alliance for Capital Access	30,000.00	30,000.00
Do	American Couplings Coalition		
Do	American Frozen Food Institute		
Do	American Meat Institute		
Do	American Textile Machinery Assn	160.00	160.00
Do	Bicycle Mfgrs Assn of Amer, Inc		
Do	Citizens for U.S. - Canada Free Trade Pact		
Do	Committee of American Ammunition Manufacturers		
Do	Crop Insurance Research Bureau	1,440.00	1,440.00
Do	Ferrous Scrap Consumers Coalition		
Do	Food Marketing Institute		
Do	Footwear Industries of America	800.00	800.00
Do	Independent Lubricant Manufacturers Assn	770.00	770.00
Do	Municipal Castings Fair Trade Council		
Do	National Assn of Convenience Stores	4,990.00	4,990.00
Do	National Assn of Mutual Insurance Cos	555.00	555.00
Do	National Broiler Council		
Do	National Coalition of Fresh Potato Processors		
Do	National Cosmetology Assn, Inc	310.00	310.00
Do	National Juice Products Assn	875.00	875.00
Do	National Pasta Assn		
Do	Norris Industries	700.00	700.00
Do	Outdoor Power Equipment Institute	3,890.00	3,890.00
Do	Petroleos de Venezuela, S.A	5,675.00	5,675.00
Do	PetroJam, Ltd	15,000.00	15,000.00
Do	Pittsburgh Corning Corporation		
Do	Society of Independent Gasoline Marketers of America	7,325.00	7,325.00
Do	Specialty Steel Industry of the United States	165.00	165.00
Do	Zurich-American Insurance Companies	2,260.00	2,260.00
Terese Colling, 1818 N Street, NW, 7th Floor Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:Media General, Inc)	4,821.25	65.03
Do	Eckert Seamans Cherin & Mellott (For:York Wallcoverings, Inc)		
Michael A. Collins, 13106 Ivy Drive Beltsville, MD 20705	United Assn of Jnymen & Appren of Plmbg & Pipeftg Industry	6,000.00	476.78
Paula J. Collins, 1020 19th St., NW, #600 Washington, DC 20036	American Express Co		
William P. Collins, 5055 Seminary Road Alexandria, VA 22311	Southern Company Services, Inc	1,905.00	680.22
Camilla L. Collova, 1025 Connecticut Ave., NW, #1007 Washington, DC 20036	Armstrong World Industries, Inc		
Dominique Colon, 2000 L Street, NW, #200 Washington, DC 20036	Medtronic, Inc		
Colorado Ski Country USA, Inc, One Civic Center Plaza 1560 Broadway, #1440 Denver, CO 80202			
Kent W. Colton, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Tim Colton, P.O. Box 498 Chester, PA 19016	Pennsylvania Shipbuilding Co	180.00	7.50
Columbia Gorge United, Box 328 Stevenson, WA 98648			
Mary Colville, 1155 15th St., NW Washington, DC 20005	National Broiler Council	1,250.00	
Lori A. Comeau, 2550 M Street, NW, #640 Washington, DC 20037	CF Industries, Inc	500.00	49.17
Comfort Lipe & Green, P.C., 2100 Mid-Continent Tower 401 South Boston Avenue Tulsa, OK 74103	Thrifty Rent-A-Car System, Inc	1,521.00	242.91
Comiskey & Hunt, 4023 Chain Bridge Road Fairfax, VA 22030	Gold Fields Operating Co-Mesquite	7,564.50	
Committee for Fair Trade with China, Evergreen Point Rd., Box 288 Medina, WA 98039			18,216.30
Committee for Humane Legislation, Inc, 1 Pine Street Neptune, NJ 07753		22,507.78	28,512.50
Committee for Proposition Thirty, P.O. Box 915 Hartselle, AL 35640			
Committee for Stable Deterrence, 2460 Westlake N., #E Seattle, WA 98109			
Committee to Assure the Availability of Casein, 3213 O St., NW Washington, DC 20007		21,250.00	
Committee to Protect the Family, 8001 Forbes Place, #102 Springfield, VA 22151		289,645.44	258,573.83
Common Cause, 2030 M St., NW Washington, DC 20036		2,269,307.00	533,543.00
Community Nutrition Institute, 2001 S St., NW, #530 Washington, DC 20009			
Community Service Council of Central IN, Inc, 1828 North Meridian Indianapolis, IN 46202			
Lance A. Compa, 1411 K St., NW, #1005 Washington, DC 20005	United Electrical Workers (UE)	6,303.18	
Competitive Enterprise Institute, 611 Pennsylvania Avenue, SE Washington, DC 20003		94,500.00	
Bert M. Concklin, 1500 Planning Research Drive Mclean, VA 22102	Planning Research Corporation		976.34
Gary L. Conkling, P.O. Box 500, 50-705 Beaverton, OR 97077	Tektronix, Inc	9,666.00	2,833.24
Jeanne K. Connelly, 1875 Eye St., NW, #540 Washington, DC 20006	Champion International Corp		
John J. Connolly, 499 South Capitol St., SW, #507 Washington, DC 20003	Hecht Spencer & Associates, Inc (For:Crowley Maritime Corp)		
Do	Hecht Spencer & Associates, Inc (For:Southern California Rapid Transit District)		
Do	Hecht Spencer & Associates, Inc (For:Western Growers Association)		
Brian L. Connor, 1235 Jefferson Davis Hgwy., #606 Arlington, VA 22202	National Utility Contractors Assn	10,800.00	
Catherine Connor, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	700.00	
Richard J. Connor Jr., 1455 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Joseph E. Seagram & Sons, Inc	562.50	
Jerry C. Connors, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202	Manufactured Housing Institute	8,125.00	26.07
David Conover, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America	853.50	31.50
Conservative Action Lobby, P.O. Box 931602 Los Angeles, CA 90093			1,430.36
Consortium of Social Science Assns, 1625 I Street, NW, #911 Washington, DC 20006		54,000.00	2,892.96
Consumers for World Trade, 1001 Connecticut Ave., NW, #800 Washington, DC 20036		13,821.00	17,919.48
Consumers Union of U.S., Inc, 256 Washington St. Mount Vernon, NY 10553			7,990.00
Daniel J. Conway, 1819 L St., 7th Floor Washington, DC 20036	Reinsurance Assn of America		
John A. Conway, 1201 16th Street, NW Washington, DC 20036	National Education Assn		
John J. Coogan, 1919 Pennsylvania Ave., NW, #705 Washington, DC 20006	Eastman Kodak Co	200.00	235.00
Alexandra W. Cook, 1331 Pennsylvania Avenue, NW, #1300N Washington, DC 20004	Electronic Data Systems Corp	160.00	191.00
Cheryl L. Cook, 600 Maryland Ave., SW, #202W Washington, DC 20024	Farmers' Educational & Co-operative Union of America	5,636.92	
Harry N. Cook, 1130 17th St., NW Washington, DC 20036	National Waterways Conference, Inc		
Thomas M. Cook, 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Cook Group, Inc, 925 S. Curry Pike Bloomington, IN 47401			2,345.54
Eileen D. Cooke, 110 Maryland Ave., NE, Suite 101 Washington, DC 20002	American Library Assn	1,758.00	
Bente E. Cooney, 2000 K St., NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security	1,922.00	
Benjamin Y. Cooper Jr., 1730 North Lynn St. Arlington, VA 22209	Printing Industries of America, Inc	10,000.00	
Cherry E. Cooper, 2301 Market Street, S13-1 Philadelphia, PA 19101	Philadelphia Electric Co		
Jesse D. Cooper, 1860 Lincoln Street, #404 Denver, CO 80295	Rocky Mountain Oil & Gas Assn	3,000.00	21.50
Mitchell J. Cooper, 1001 Connecticut Ave., NW Washington, DC 20036	Rubber & Plastic Footwear Manufacturers Assn	19,500.00	
Darrell Coover, 499 South Capitol St., SW, #401 Washington, DC 20003	National Assn of Independent Insurers	2,000.00	764.50
Jim Copeland & Associates, 555 New Jersey Ave., NW, #880 Washington, DC 20001	Pacific Mutual Life Insurance Co	1,200.00	
Michael J. Copps, 1660 L St., NW, #1000 Washington, DC 20036	Collins and Aikman Corp	8,799.99	5,151.69
John F. Corcoran, 1500 K Street, NW, #375 Washington, DC 20005	Norfolk Southern Corp	1,000.00	
Tom Corcoran, 360 E. Randolph, #2402 Chicago, IL 60601	Wallace Associates Corp		
William M. Corcoran, 1001 Pennsylvania Ave., NW, #700 Washington, DC 20004	Allied-Signal, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Alfred C. Cordon, 1920 N St., NW Washington, DC 20036	Buffalo Broadcasting Co, Inc		
Frank W. Corley, 8430 Blakiston Lane Alexandria, VA 22308	ITT Electro-Optical Products Div.	7,500.00	455.28
Do	Pilkington Electro-Optics, Inc.	10,500.00	715.54
Do	Spectran	3,750.00	303.99
Corman Law Offices, 1420 16th Street, NW Washington, DC 20036	Airlease Management Service, Inc		
Do	Alcalde Henderson O'Bannon & Rousselot		
Do	Cook Inlet Region, Inc	2,625.00	
Do	Guilford Glazer	8,900.00	
Do	Institute of Electrical & Electronics Engineers		
Do	Investment Partnership Assn		
Do	Kelso & Company	2,600.00	
Do	MCA, Inc	3,900.00	
Do	National Structured Settlements Trade Assn	1,700.00	
Do	Republic National Bank of New York		
Do	State of Washington		
Do	Texas Air Corp	200.00	
Do	Tropicana International, Inc	5,500.00	
Do	U.S. League of Savings Institutions		
Corn Refiners Assn, Inc, 1001 Connecticut Ave., NW Washington, DC 20036		5,893.00	2,705.00
Ernest J. Corrado, 1000 16th St., NW, #511 Washington, DC 20036	American Institute of Merchant Shipping	2,565.00	60.20
Mary Marcotte Corrigan, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America		
Richard L. Corrigan, 655 15th Street, NW, Suite #444 Washington, DC 20005	CH2M Hill	2,000.00	
Allan D. Cors, 1455 Pennsylvania Avenue, NW, #500 Washington, DC 20004	Corning Glass Works	1,500.00	
Anthony R. Corso, 150 East 42nd Street New York, NY 10017	Mobil Corp	900.00	
William R. Corson, 1707 H St., NW Washington, DC 20006	Penthouse International, Ltd		
Alfred W. Cortese Jr., 655 15th Street, NW, #1200 Washington, DC 20005	General Motors Corp		
Philip S. Corwin, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	1,500.00	
R. H. Cory, 1005 Congress Avenue, #520 Austin, TX 78701	Central & South West Services, Inc	150.00	33.43
Cosmetic Toiletry & Fragrance Assn, Inc, 1110 Vermont Ave., NW, #800 Washington, DC 20005			
J. Daniel Costello, 1615 H St., NW Washington, DC 20062	U.S. Chamber of Commerce	3,300.00	360.00
Michael E. Costello, 1090 Vermont Avenue, NW, #600 Washington, DC 20005	Texas Eastern Transmission Corp		632.01
Daniel T. Coughlin, 1155 15th Street, NW, #502 Washington, DC 20005	Bristol Myers Co	25,000.00	
Council for Rural Housing and Development, 2300 M St., NW Washington, DC 20036		4,000.00	4,000.00
Council of State Chambers of Commerce, 122 C St., NW, #200 Washington, DC 20001		891.99	752.78
Council on Alternate Fuels, 1225 Eye St., NW, #320 Washington, DC 20005			
Christopher D. Coursen, 1627 Eye Street, NW, #525 Washington, DC 20006	O'Connor & Hannan (for Pacific Telesis Group)	24,800.00	
William R. Courtney, P.O. Box 844 Temple, TX 76503	Tribal Council of the Coushatta Tribe of Louisiana		
James Cousins, 1709 New York Avenue, NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	5,000.00	
Mark J. Covall, 1319 F Street, NW, #1000 Washington, DC 20004	National Assn of Private Psychiatric Hospitals	500.00	
John F. Cove, 918 16th St., NW, #702 Washington, DC 20006	Cove Associates, Inc (For:Association of U.S. Night Vision Manufacturers)		
Covington & Burling, 1201 Pennsylvania Ave., NW P.O. Box 7566 Washington, DC 20044	American Watch Assn		
Do	Amoco Corporation	303.75	
Do	Archer Daniels Midland Company	5,433.75	9.50
Do	Association of Maximum Service Telecasters, Inc		
Do	Champion International Corp		
Do	Charles Steiner Medical Corp	1,743.75	
Do	Coalition for Effective Tax Reform		
Do	Coalition to Preserve the Integrity of American Trademarks	40,000.00	30.00
Do	Coalition to Stop the Raid on America		
Do	Commonwealth of Puerto Rico	1,140.00	
Do	ERISA Industry Committee	913.75	6.00
Do	General Mills, Inc		
Do	Hallmark Cards, Inc		10.65
Do	International Business Machines Corp	1,125.00	27.90
Do	Interstate General Company L.P.	2,612.50	21.53
Do	Investment Company Institute	2,025.00	31.35
Do	Kansas Dept of Social & Rehabilitation Service		153.25
Do	National Football League		
Do	O-W Fund, Inc		92.15
Do	Post-Newsweek Stations, Inc		
Do	Scott Paper Co		
Do	Sun Life Assurance Co of Canada (U.S.)	2,800.00	298.99
Do	United Technologies Corporation	56.25	27.53
Do	Uranium Producers of America		
Do	Wesleyan University, et al.	4,500.00	
Do	Westvaco Corporation		
Eugene S. Cowen, 2759 Unicorn Lane, NW Washington, DC 20015	Capitol Cities/ABC, Inc	405.00	
C. Deming Cowles, 6th Floor 1050 Thomas Jefferson Street, NW Washington, DC 20007	Bering Sea Fishermen's Assn	3,500.00	662.19
Do	United Fishermen of Alaska	2,000.00	205.33
Archibald Cox, 2030 M St., NW Washington, DC 20036	Common Cause	6,037.50	
C. Richard Cox, 2801 West Tyvola Road Charlotte, NC 28217-4500	Belk Stores Services, Inc		
Eric Cox, 418 7th St., SE Washington, DC 20003	Campaign for U.N. Reform-Political Education Committee	2,250.00	129.00
Jeffrey T. Cox, 1420 King St. Alexandria, VA 22314	National Society of Professional Engineers	417.00	
Jerry W. Cox, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Anglo American Auto Auctions, Inc)	307.50	
Tamara Cox, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Nebraska Wheat Board)		
Do	Hill & Knowlton, Inc (For:Republic of Indonesia, (NDIO))		
Donald Forsyth Craib III, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Sears Roebuck & Co	45.00	
Bruce Craig, P.O. Box 677 Harpers Ferry, WV 25425	National Parks & Conservation Association	330.00	16.00
Mary T. Cramer, 1830 Platte St. Denver, CO 80202	Reese Communications Companies		
William C. Cramer, 2000 L Street, NW, #810 Washington, DC 20036	Cramer & Haber, P.C. (For:Canaveral Port Authority)		
Do	Cramer & Haber, P.C. (For:Dade County International Airport)		
Cramer & Haber, P.C., 2000 L Street, NW, #810 Washington, DC 20036	Canaveral Port Authority	4,500.00	
Do	Dade County International Airport	2,500.00	
Eric F. Craven, P.O. Box 2943 Fort Worth, TX 76113	Texas-New Mexico Power Co	711.36	1,173.01
Kelly Craven, 777 14th St., NW Washington, DC 20005	National Assn of Realtors		
Robin Crawford, Box M Allentown, PA 18105-5000	Mack Trucks, Inc		
William H. Creamer III, 600 New Hampshire Ave., NW Washington, DC 20037	New York Life Insurance Company	245.00	68.75
John P. Cregan, 220 National Press Building Washington, DC 20045	U.S. Business & Industrial Council	5,000.00	
Richard C. Creighton, 1331 Pennsylvania Ave., NW, #910 Washington, DC 20004	American Cement Trade Alliance, Inc	9,375.02	38.41
Douglas P. Crew, 100 N.E. Adams Street Peoria, IL 61629	Caterpillar Tractor Co	500.00	819.55
Anne Crichton Crews, 8787 Stemmons Freeway Dallas, TX 75247	Mary Kay Cosmetics, Inc		
Joseph M. Cribben, 6900 Valley Brook Dr. Falls Church, VA 22042	United Assn of Jnymen & Appren of Plmbg & Pipeftg Industry	1,750.00	
P. H. Croft, 2000 Massachusetts Ave., NW Washington, DC 20036	American Short Line Railroad Assn		
Robert W. Crolius, 1620 Eye Street, NW, #520 Washington, DC 20006	Portland Cement Assn		
Robert W. Cromartie, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn		
Charles H. Cromwell, Inc, 6709 Georgia Street Chevy Chase, MD 20815	EDO Corp		
Do	McDonnell Douglas Helicopters		
Do	Northrop Corp		
Kevin T. Cronin, 444 N. Capitol St., NW, #316 Wasington, DC 20001	National Assn of Insurance Commissioners		
Rae E. Cronmiller, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	120.00	
Crop Insurance Research Bureau, 3707 Woodview Trace P.O. Box 68700 Indianapolis, IN 46268		1,440.00	1,440.00
Mark E Crosby, 1700 North Moore St., #910 Rosslyn, VA 22209	Special Industrial Radio Service Assn, Inc		
David T. Crow, 501 Second Street, NE Washington, DC 20002	Fertilizer Institute	10,000.00	794.00
Crowell & Moring, 1001 Pennsylvania Ave., NW Washington, DC 20004-2505	Asarco Inc	275.00	10.00
Do	Associated Gas Distributors		
Do	Avon Products, Inc		
Do	Brooklyn Union Gas Co	410.00	10.00
Do	Central Nebraska Public Power & Irrigation District		
Do	Communications Satellite Corp		
Do	Contractor Liability & Indemnification Alliance		
Do	Eagle-Picher Industries, Inc	137.50	10.00
Do	Eli Lilly & Company	275.00	10.00
Do	Emery Worldwide		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	National Assn of Wholesaler-Distributors	4,881.25	10.00
Do	National Risk Retention Assn	4,000.00	22.00
Do	Nebraska Public Power District		
Do	Pan American World Airways, Inc, et al		
Do	Regional Airline Association	250.00	
Do	Sterling Drug, Inc		
Do	Tiffany & Co		
Do	United Cities Gas Co		
Crowell & Moring International L.P., 1001 Pennsylvania Ave., NW Washington, DC 20004-2505	Board of Foreign Trade, Gov't of the Republic of China		
Crown Communications Consulting Co, 1025 Connecticut Avenue, NW, #405 Washington, DC 20006	National Strategies & Marketing Group	5,187.50	
Cuba Claims Association, P.O. Box 014004 Miami, FL 33101			
Cuban American Foundation, Inc, 7300 N.W. 35th Terrace, #105 Miami, FL 33122		56,180.03	55,481.18
Culley-Foster & Co, P.O. Box 17370 Washington, DC 20041			
Philip Cummings, 1455 Pennsylvania Ave., NW Washington, DC 20004	McCutchen Doyle Brown & Enersen (For:American Iron & Steel Institute)		4,159.83
Do	McCutchen Doyle Brown & Enersen (For:Carlsmith Wichman Case... (for Hilo Coast Proscessing), et a).		6,941.81
Do	McCutchen Doyle Brown & Enersen (For:Castle & Cooke, Inc)		323.13
Do	McCutchen Doyle Brown & Enersen (For:New York Dept of Environmental Conservation).		496.88
Do	McCutchen Doyle Brown & Enersen (For:Sterling Drug, Inc)		2,871.45
William J. Cunningham, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	15,860.05	1,236.91
Kathleen L. Curry, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	3,225.00	
Cutler & Stanfield, 1850 M Street, NW Washington, DC 20036	Colorado SSC Project		
Do	University of Colorado		24.00
CF Industries, Inc, Salem Lake Dr. Long Grove, IL 60047			1,000.00
CR Associates, 317 Massachusetts Ave., NE, 1st Floor Washington, DC 20002	Alzheimer's Disease & Related Disorders Assn	3,000.00	
Do	American Assn for Dental Research	958.50	
Do	Association for Health Services Research	742.50	
Do	Association of University Programs in Health Administration	489.00	
Do	Conjoint Comm on Diagnostic Radiology	1,200.00	
D'Amore & Doyle, Inc, 1156 15th St., NW, #1100 Washington, DC 20005	Gafney Bennett & Associates, Inc	18,000.00	676.38
Do	New England Assn of Business Industry & Rehabilitation, Inc	3,000.00	1,772.12
William K. Dabaghi, Arter & Hadden 1919 Pennsylvania Ave., NW, #400 Washington, DC 20006	Central Union of Agricultural Cooperatives (ZENCHU)	980.00	638.77
Do	Coalition for Regional Banks		555.00
Do	Houston Clearing House Assn		
Susan Dahlquist, 2000 K St., NW, 8th Foor Washington, DC 20006	National Committee to Preserve Social Security	10,933.00	716.20
William Kay Daines, 1616 H St., NW Washington, DC 20006	American Retail Federation	600.00	73.00
Dairy Farmers for Responsible Dairy Policy, 517 C Street, NE Washington, DC 20002			1,355.00
Lewis I. Dale, 1660 L Street, NW, #401 Washington, DC 20036	General Motors Corp	3,000.00	5,864.21
Donna M. Daley, 1200 l7th St., NW, Suite 106 Washington, DC 20036	American Psychological Assn	2,412.67	45.00
Donald W. Dalrymple, 1575 I St., NW Washington, DC 20005	American Cynamid Company (For:Lederle Laboratories)	2,640.00	822.22
James G. Dalton, 1420 King St. Alexandria, VA 22314-2715	National Society of Professional Engineers	2,500.00	
John L. Dalton, 603 2nd St., NE Washington, DC 20002	Bally Kevinjohn, Inc (For:United Bro of Carpenters & Joiners of America)		
Brian Daly, 1625 I Street, NW, #911 Washington, DC 20006	Consortium of Social Science Associations	563.00	
John M. Damgard, 1825 Eye Street, NW, #1040 Washington, DC 20006	Futures Industry Assn, Inc		
John E. Daniel, 1233 20th St., NW, #400 Washington, DC 20036	Ohio Edison Co		
David S. Danielson, 1505 Prince Street, #300 Alexandria, VA 22314	American Optometric Assn		
Cynthia L. Darcy, 245 Second St., NE Washington, DC 20002	Friends Committee on National Legislation	2,457.00	
Diane Davenny Darneille, 1726 M St., NW, #300 Washington, DC 20036	Schering-Plough Corp	1,125.00	833.05
Linda Daschle, 4224 King Street Alexandria, VA 22302	American Assn of Airport Executives		6,721.00
John C. Datt, 600 Maryland Ave., SW Washington, DC 20024	American Farm Bureau Federation	11,713.00	
Earl F. David, 1825 K St., NW, #1107 Washington, DC 20006	Phillips Petroleum Co	1,000.00	
James H. Davidson, 1211 Connecticut Avenue, NW, #610 Washington, DC 20036	James H. Davidson & Associates, Inc (For:American Advertising Federation)	2,465.39	
Do	James H. Davidson & Associates Inc (For:American Assn of Advertising Agencies)	2,465.39	
Do	James H. Davidson & Associates, Inc (For:American Newspaper Publishers Assn)	4,011.09	
Do	James H. Davidson & Associates Inc (For:Association of National Advertisers)	2,465.39	
Do	James H. Davidson & Associates, Inc (For:Direct Marketing Assn)		
Do	James H. Davidson & Associates, Inc (For:Magazine Publishers Assn, Inc)	15,142.25	
Do	James H. Davidson & Associates, Inc (For:Miller & Chevalier)	15,281.70	
Do	James H. Davidson & Associates, Inc (For:National Assn of Broadcasters)	17,723.16	
Do	James H. Davidson & Associates, Inc (For:National Assn of Industrial & Office Parks).	13,528.58	
Do	James H. Davidson & Associates, Inc (For:Rouse Co)	1,006.48	
Dionne M. Davies, 1120 Connecticut Ave., NW, #727 Washington, DC 20036	American Bankers Assn	1,500.00	
Drew M Davis, 1101 16th St., NW Washington, DC 20036	National Soft Drink Assn	119.48	
Edward M. Davis, 410 First St., SE Washington, DC 20003	American Nuclear Energy Council	9,000.00	1,215.80
Edwin H. Davis, 2030 M St., NW Washington, DC 20036	Common Cause	9,450.00	
Fred G. Davis, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	3,994.05	648.00
Kenneth E. Davis, Suite 1210 1667 K St., NW Washington, DC 20006	Rohm & Haas Co	500.00	
Michael Davis, 735 North Water St., #908 Milwaukee, WI 53202-4105	American Malting Barley Assn, Inc	1,200.00	
Ovid R. Davis, P.O. Drawer 1734 Atlanta, GA 30301	Coca-Cola Company		
Robert Davis, 815 Connecticut Ave., NW Washington, DC 20006	Ford Motor Co	1,775.00	680.00
Davis & Harman, 1455 Pennsylvania Avenue, NW, #1200 Washington, DC 20004	Ad Hoc Comm of Life Insurance Companies	243.92	4.00
Do	American General Life Insurance Co	1,937.90	70.10
Do	American Horse Council	1,875.00	30.65
Do	Armco Steel Co	500.00	23.25
Do	Bethlehem Steel Corp	500.00	23.25
Do	Chandis Securities Co		
Do	Chicago Board of Trade	3,750.00	75.25
Do	Committee of Annuity Insurers	8,428.75	45.00
Do	Committee of Life Insurers	21,676.05	75.00
Do	Consumer Credit Insurance Assn		
Do	Dresser Industries, Inc	710.49	11.00
Do	First Penn-Pacific Life Insurance Co		
Do	Florida Power & Light	517.25	6.00
Do	Florida Sugar Cane League, Inc	300.00	
Do	James Graham Brown Foundation		25.16
Do	LeBoeuf Lamb Leiby & MacRae (Underwriters of Lloyd's London)	3,882.37	55.75
Do	Lincoln Life Improved Housing, Inc		
Do	Lincoln National Life Insurance Co	1,297.10	18.00
Do	Monumental Corp		
Do	National Assn of Life Companies	300.00	7.00
Do	National Cattlemen's Assn	1,249.00	30.65
Do	NEOAX, Inc		
Do	Stock Information Group	28,823.20	659.84
Do	Travelers Companies		
Do	U.S. Sugar Corp	300.00	
Davis Polk & Wardwell, 1575 Eye St., NW, #400 Washington, DC 20005	American Inst of Certified Public Accountants	440.00	63.00
Do	Kohlberg Kravis Roberts & Co		
Do	LTV Corp		
Do	Manville Corporation		
Do	Morgan Guaranty Trust Co	2,140.00	102.00
Do	New York Clearing House		
Do	Norwest Corporation	150.00	18.00
Do	Occidental International Corp	687.50	13.00
Do	Otto Bremer Foundation		
Davis Wright & Jones, 1752 N St., NW, #800 Washington, DC 20036	Energy Contractors Price-Anderson Group	3,890.83	306.42
Do	First Interstate Bank of Washington		
Do	McCaw Communications Cos	500.00	86.33
Do	Non-Indian Negotiating Group		
Do	Pacific Northwest Coalition for Maritime Law Reform		
Do	Star-Kist Foods, Inc		
Donald S. Dawson, 1155 Connecticut Ave., NW, #500 Washington, DC 20036	Michael Gaughan		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Opticians Assn of America		
Do	Virgin Islands Gift & Fashion Shop Assn		
Do	Virgin Islands Merchants Assn		
Robert G. Dawson, P.O. Box 2625 Birmingham, AL 35202	Southern Company Services, Inc		
Robert M. Dawson, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn		
Brenda T. Day, 655 15th St., NW, #300 Washington, DC 20005	Armtek Corp	12,660.00	167.25
Gaston De Bearn, 1050 Connecticut Avenue, NW, #401 Washington, DC 20036	Hoffmann-La Roche, Inc		
Ralph De La Cruz, 1201 New York Avenue, NW Washington, DC 20005	American Public Transit Assn	3,234.00	149.00
De La Salle Institute, P.O. Box A-D St. Mary's College Moraga, CA 94575-1154			36,892.29
O. Mark De Michele, 411 N. Central Avenue Phoenix, AZ 85004	Arizona Public Service Company		
Maryann M. Dean, 1875 Eye Street, NW, #400 Washington, DC 20006	Georgia-Pacific Corp	1,000.00	
John Russell Deane III, 1607 New Hampshire Ave., NW Washington, DC 20009	Auto Internacional Assn	525.00	256.21
Do	Coalition of Automotive Assns	1,219.25	572.07
Do	Specialty Equipment Market Assn	3,657.75	1,716.21
Debevoise & Plimpton, 555 13th Street, NW Suite 1100E Washington, DC 20004	Security Pacific Corp		
Do	Sony Corp of America		
Do	Westpac Banking Corp		
Mark O. Decker, 1129 20th Street, NW, #705 Washington, DC 20036	National Assn of Real Estate Investment Trusts, Inc		
Do	Pension Real Estate Assn		
Richard A. Deem, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	25.00	
William R. Deere, 500 E Street, SW, #920 Washington, DC 20024	Aircraft Owners & Pilots Assn	4,422.72	2,357.36
Brian Deery, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
George K. Degnon Associates, Inc, 6728 Old McLean Village Drive Mclean, VA 22101	Association of State & Territorial Health Officials		1,000.00
Do	Nurses Organization of the Veterans Administration		1,000.00
Gene A. Del Polito, 1333 F Street, NW, #710 Washington, DC 20004-1108	Third Class Mail Association	600.00	
Delaney Bitonti & Wilhelm, Chtd, 1629 K Street, NW, #1000 Washington, DC 20006	Harcourt Brace Jovanovich, Inc	7,485.00	182.18
Do	National Assn of Independent Insurers	15,000.00	452.39
Do	Transamerica Insurance Services	15,075.00	344.38
Deloitte Haskins & Sells, 1001 Pennsylvania Ave., NW, #350 Washington, DC 20004-2505	Arkansas Electric Cooperative Corp		
Do	Lin Pac International PLC, et al		
Do	U.S. Olympic Committee		334.69
Do	Union Pacific Corp		
Tania Demchuk, 499 South Capitol St., SW, #401 Washington, DC 20003	National Assn of Independent Insurers		
George G. Demougeot, 1825 Eye Street, NW, #400 Washington, DC 20006	Haggar Women's Wear	3,230.04	230.04
Do	Kellwood Company	3,120.49	120.49
Do	United Gamefowl Breeders Assn, Inc		
Bradford T. Dempsey, Dempsey Associates, Ltd 919 Pennsylvania Avenue Harrisburg, PA 17112			
George H. Denison, 4801 Massachusetts Ave., NW, #400 Washington, DC 20016	American Nuclear Energy Council	750.00	
Do	Edison Electric Institute	750.00	
Do	Michigan Consolidated Gas Co		
Do	N U S Corporation		
Do	National Office Products Assn		
Do	Westinghouse Electric Corp		
John H. Denman, Missouri Oil Council 428 E. Capital St., #203 Jefferson City, MO 65101	American Petroleum Institute		
Robert A. Denman, 600 Maryland Avenue, SW, #202w Washington, DC 20024	Farmers' Educational & Co-Operative Union of America	7,475.38	137.90
Paul W. Dennett, 655 15th St., NW, #350 Washington, DC 20005	Blue Cross & Blue Shield Assn		
Thomas J. Dennis Sr., 1111 19th St., NW, #303 Washington, DC 20036	Southern California Edison Co	6,375.00	1,500.00
Wells Denyes, 1919 Pennsylvania Ave., NW Washington, DC 20006	Eastman Chemicals Division	650.00	124.12
Janice Deputy, 1925 K St., NW, #206 Washington, DC 20006	Alliance to Save Energy		
Julie Desmond, 1111 14th St., NW, #900 Washington, DC 20005	National Apartment Assn		
Samuel L. Devine, 170 Burning Tree Drive Naples, FL 33942	Grocery Manufacturers of America, Inc		
R. Daniel Devlin, 808 17th Street, NW, #520 Washington, DC 20006	Trans World Airlines, Inc	650.00	
Dewey Ballantine Bushby Palmer & Wood, 1775 Pennsylvania Ave., NW, #500 Washington, DC 20006	Aerospace Industries Assn		
Do	Air Products & Chemicals, Inc		
Do	Amax, Inc		
Do	American Ref-Fuel Company		
Do	Bankers Trust Co		
Do	Baptist Foundation of Texas	162.50	
Do	Bell Atlantic Corp		
Do	Beneficial Corporation		
Do	Browning-Ferris Industries, Inc		
Do	Chase Manhattan Corp		
Do	Chrysler Corporation		
Do	Digital Equipment Corp		
Do	Disk Drive Consortium		
Do	Federal National Mortgage Assn		
Do	General Reinsurance Corp		
Do	Health Insurance Assn of America, Inc		
Do	Hershey Foods Corp		
Do	Hospital Coalition		
Do	Intel Corporation		
Do	Morgan Stanley Group, Inc		
Do	National Assn of Wholesaler-Distributors		
Do	Norfolk Southern Corp		
Do	NYNEX Corp		
Do	Pfizer, Inc		
Do	Premark International		
Do	Primerica, Inc		
Do	Prudential Insurance Co of America		
Do	Semiconductor Industry Association		
Do	Squibb Corporation		
Do	SEMATECH	2,436.00	20.15
Do	Teachers Insurance & Annuity Assn of America		
Do	Tribune Broadcasting Co		
Do	U.S. Telephone Assn		
Do	Walt Disney Co		
Doris J. Dewton, 1025 Connecticut Ave., NW, #507 Washington, DC 20036	Ashland Oil, Inc	2,000.00	
Kendall P. Dexter, 9 Country Club Road Mobile, AL 36608	MacMillan Bloedel, Inc		
George T. DeBakey, 1300 North 17th St., #300 Arlington, VA 22209	ADAPSO, The Computer Software & Services Industry Assn		
Jeff DeBoer, 1215 Jefferson Davis Highway, #100 Arlington, VA 22202	National Assn of Industrial & Office Parks	3,562.00	253.20
Michael DeEmilio, 400 First St., NW, #801 Washington, DC 20001	Brotherhood of Maintenance of Way Employes	10,000.00	
James U. DeFrancis, 1025 Connecticut Ave., NW, #1014 Washington, DC 20036	Enserch Corporation	3,187.00	673.00
Law Offices of Paul H. DeLaney, Jr., 1920 N Street, NW, #610 Washington, DC 20036	Groth Air Services, Inc		
Do	Universal Frutrade Co-operative, Ltd	10,000.00	
Fred R. DeLuca, 1735 New York Ave., NW Washington, DC 20006	American Institute of Architects	1,025.00	
Martin L. DePoy, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	2,500.00	2,947.32
Gregory L. DePriest, 1730 M Street, NW, #713 Washington, DC 20036	Association of Maximum Service Telecasters, Inc		
William R. DeReuter, 1828 L Street, NW, #906 Washington, DC 20036	Merrill Lynch & Co, Inc	2,000.00	
Chester T. Dickerson Jr., c/o Bernadette Hammond 1101 17th St., NW, #604 Washington, DC 20036	Monsanto Co		4,369.37
Ann Sanders Dickey, 300 Maryland Avenue, NE Washington, DC 20002	Federal Express Corp	6,000.00	
Elaine Dickinson, 880 S. Pickett Street Alexandria, VA 22304	Boat Owners Assn of the U.S.	7,000.00	
Dickinson Wright Moon Van Dusen & Freeman, 1901 L St., NW, #801 Washington, DC 20036	Allied Signal, Inc	13,800.00	
Do	Chicago & North Western Transportation	8,600.00	299.26
Do	United Technologies Corporation	10,000.00	
Dickstein Shapiro & Morin, 2101 L St., NW Washington, DC 20037	Advance Publications		
Do	American Greyhound Track Operators Assn	19,318.00	
Do	Apple Computer Corp	400.00	
Do	Avondale Industries, Inc		
Do	ABD Securities Corp	2,000.00	
Do	Bear Stearns & Co	1,500.00	
Do	Boundary Gas, Inc		
Do	California Assn of Thrift & Loan Companies	6,734.00	
Do	Car Audio Specialists Assn (CASA)	500.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	DOT Partnership	944.00	
Do	Federal National Mortgage Assn		
Do	Federated Cash Management Systems	8,500.00	
Do	Fiat USA		
Do	Flare, Inc/Seismic Reflections		
Do	International Medical News Service	1,783.00	
Do	Iroquois Gas, Inc	15,279.00	
Do	IPP Working Group	2,809.00	
Do	Marine Engineers' Beneficial Assn		
Do	Medtronic, Inc	2,950.00	
Do	Morgan Guaranty Trust Co	7,460.00	
Do	J. P. Morgan Securities, Inc	2,827.00	
Do	Mudge Rose Guthrie Alexander & Ferndon (for Toshiba Corp)	3,500.00	
Do	National Fed of Societies for Clinical Social Work	1,245.00	
Do	Occidental Petroleum Corp	3,969.00	
Do	Ocean State Power	4,138.00	
Do	Paulucci Enterprises	8,295.00	
Do	Security Life Insurance Co	5,063.00	
Do	States of Arkansas, et al.		
Rick Diegel, 1125 15th Street, NW Washington, DC 20005	International Brotherhood of Electrical Workers, AFL-CIO-CLC	2,281.25	150.00
Walter E. Diercks, 1730 M St., NW, #412 Washington, DC 20036	Outdoor Advertising Assn of America, Inc		
George Dillard, 5128 Sauer, Suite A Houston, TX 77004	Kaleidoscope Research & Marketing Group		
Thomas A. Dine, 500 North Capitol St, NW, #300 Washington, DC 20001-1510	American Israel Public Affairs Comm	22,420.50	1,868.97
James C. Dinegar, 1575 Eye Street, NW Washington, DC 20005	American Soc of Assn Executives	300.00	
Direct Selling Association, 1776 K Street, NW Washington, DC 20006			
Dale P. Dirks, 511 Capitol Court, NE, Suite 300 Washington, DC 20002	Health & Medicine Counsel of Washington		
Do	Professional Services Counsel		
Disabled American Veterans, 3725 Alexandria Pike Cold Spring, KY 41076		181,085.96	181,085.96
Gloria Dittus, 201 Massachusetts Ave., NE, S-5 Washington, DC 20002	BMc Strategies, Inc (For:New Hampshire Yankee)	2,400.00	4,832.99
Patsy B. Dix, 1201 16th St., NW Washington, DC 20036	National Education Assn	3,155.25	76.00
Barbara A. Dixon, 1600 Eye Street, NW Washington, DC 20006	Motion Picture Assn of America, Inc	1,900.00	
Sharon Pratt Dixon, 1900 Pennsylvania Avenue, NW Washington, DC 20068	Potomac Electric Power Co		
Charles J. DiBona, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	2,500.00	
Nicholas J. DiMichael, 1275 K Street, NW, #850 Washington, DC 20005-4006	National Industrial Transportation League	225.00	
Margaret R. DiPaula, 1700 K Street, NW, #1204 Washington, DC 20006	Chevron USA, Inc	375.00	
Lucia DiVenere, 925 15th St., NW Washington, DC 20005	National Council of Senior Citizens	9,000.00	360.00
Norman L. Dobyns, 600 Maryland Ave., SW, #607 Washington, DC 20024	Northern Telecom, Inc		
J. Graham Dodson, P.O. Box 21106 Shreveport, LA 71156	Southwestern Electric Power Co	424.00	193.00
Steven P. Doehler, 1615 L Street, NW, #1230 Washington, DC 20036	Mortgage Insurance Companies of America	6,000.00	19.40
Julie Domenick Doerr, 1600 M St., NW Washington, DC 20036	Investment Company Institute	912.06	155.75
Daniel P. Doherty, 2001 S St., NW, #540 Washington, DC 20009	Alliance of Nonprofit Mailers	1,250.00	53.45
James F. Doherty, 1129 20th St., NW, #600 Washington, DC 20036	Group Health Assn of America, Inc	13,142.00	
Robin C. Dole, 1101 Connecticut Avenue, NW, #500 Washington, DC 20036	Century 21 Real Estate Corp		
Brian J. Donadio, 300 5th Street, NE Washington, DC 20002	American Osteopathic Assn	3,503.00	
Andrew J. Donelson, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	2,500.00	
Thomas F. Donnelly, 955 L'Enfant Plaza, SW, #1202-N Washington, DC 20024	National Water Resources Assn	3,125.00	
Sally S. Donner, 1710 Rhode Island Avenue, NW, #400 Washington, DC 20036	General Foods Corporation	1,343.75	60.75
Donohue & Associates, Inc, 11445 Isaac Newton Square So. Reston, VA 22090			
William Donovan, 3138 N. 10th Street Arlington, VA 22201	National Assn of Federal Credit Unions	2,500.00	309.12
Brad L. Doores, One Tabor Center, #2500 1200 17th Street Denver, CO 80202	Energy Fuels Nuclear, Inc		
Doris Day Animal League, 111 Massachusetts Ave., NW, #200 Washington, DC 20001		106,552.00	106,552.00
Kevin L. Dorn, 1400 K Street, NW, #801 Washington, DC 20005	General Aviation Manufacturers Association	7,269.00	
James A. Dorsch, 1025 Connecticut Avenue, NW Washington, DC 20036	Health Insurance Assn of America, Inc		
Dorsey & Whitney, 2200 First Bank Place East Minneapolis, MN 55402	FilmTec Corporation	3,284.60	
Do	Guam Commission on Self Determination	598.25	598.25
Dean R. Dort II, 1667 K Street, NW, #1230 Washington, DC 20006	Deere & Company	618.75	
W. Carter Doswell, 1825 Eye Stree, NW, #450 Washington, DC 20006	Goldman Sachs & Co	975.00	
R. J. Doubrava, 1629 K Street, NW, #501 Washington, DC 20006	Delta Air Lines, Inc	170.00	85.75
Michael I. Dougherty, Pillsbury Center MS 3771 Minneapolis, MN 55402	Pillsbury Company		
Sally L. Douglas, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	4,875.00	300.00
Dow Lohnes & Albertson, 1255 23rd St., NW Washington, DC 20037	Algoma Steel Corp, Ltd		79.50
Do	Beeman and Associates		
Do	California Wine Commission	1,765.00	
Do	Canadian Institute of Steel Construction		
Do	Chicago City Colleges	385.00	
Do	Cox Enterprises, Inc, et al.		
Do	Directors Guild of America		
Do	Dofasco, Inc, et al.	3,100.25	264.83
Do	Harris Steel Group, Inc		
Do	Hercules, Inc		
Do	Home Shopping Network, Inc	393.00	
Do	Lake Ontario Cement, Ltd	104.50	3.19
Do	Laurel Steel Products, Ltd		
Do	Monarch Wine Co of Georgia, et al.	9,739.08	30.00
Do	Profit Sharing Council of America	316.99	138.46
Do	Sporicidin Company	556.50	
Do	State Higher Education Executive Officers Assn		
Charles P. Downer, 7901 Westpark Drive Mclean, VA 22102	National Machine Tool Builders' Assn	1,300.00	250.00
Richard Morgan Downey, 10801 Rockville Pike Rockville, MD 20852	American Speech-Language-Hearing Assn		
John P. Doyle Jr., 8600 Boundbrook Lane Alexandria, VA 22309	J. P. Doyle Enterprises, Inc	1,000.00	
William A. Doyle, 2346 S. Rolfe Street Arlington, VA 22202	Harris Corporation	3,050.00	1,041.57
Ronald W. Drach, 807 Maine Avenue, SW Washington, DC 20024	Disabled American Veterans	18,340.40	
David P. Drake, 1747 Pennsylvania Ave., NW, #700 Washington, DC 20006	Ciba-Geigy Corp	3,000.00	67.41
James E. Drake, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	5,272.00	
Andrea N. Dravo, 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council	3,037.50	88.82
Paul A. Drazek, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	8,375.00	
Dressendorfer-Laird, Inc, 1730 Rhode Island Avenue, NW, #210 Washington, DC 20036	Briggs & Stratton Corp		
Do	General Dynamics Corp	250.00	
Do	Metropolitan Life Insurance Cos		
Do	Science Applications Int'l Corp	250.00	
William B. Driggers Jr., 1745 Jefferson Davis Highway, #605 Arlington, VA 22202	Texas Instruments, Inc	275.00	
John P. Dring, 1331 Pennsylvania Ave., NW, #565 Washington, DC 20004	Texas Gas Transmission Corp		
Alvin Drischler, 3420 Reedy Drive Annandale, VA 22003	Intelsat		
Do	PHLCORP	24,000.00	134.96
Kevin J. Driscoll, 1800 M St., NW Washington, DC 20036	American Bar Assn	400.00	50.00
Lorraine Driscoll, 1300 Connecticut Avenue, NW, #401 Washington, DC 20036	Citizen Action	1,312.50	290.00
Stan Dublinske, 10801 Rockville Pike Rockville, MD 20852	American Speech-Language-Hearing Assn		
Morgan D. Dubrow, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	130.00	
Dana D. Duden, 1819 L St., NW, 7th Floor Washington, DC 20036	Reinsurance Assn of America		
Tim Dudgeon, 1250 Eye Street, NW, #900 Washington, DC 20005	Distilled Spirits Council of the U.S., Inc	2,000.00	
John Dudinsky Jr., 201 Massachusetts Ave., NE, #C-9 Washington, DC 20002	AMSPEC	3,000.00	720.00
Do	Harris Government Systems	2,000.00	250.00
Do	Harris/3-M Document Products, Inc	11,250.00	650.00
Ann Anderson Duff, 1331 Pennsylvania AVenue, NW Washington, DC 20004	National Assn of Manufacturers	1,200.00	
Michael J. Duff, 1101 16th Street, NW Washington, DC 20036	Scientific Apparatus Makers Assn	1,400.00	268.00
Daniel A. Duffy, 1400 K St., NW, #900 Washington, DC 20005	Rubber Manufacturers Assn	2,500.00	
Stephen C. Duffy, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	3,750.00	478.79
C. Ray Duggan, 815 16th St., NW Washington, DC 20006	Transportation - Communications Union	2,000.00	2,000.00
Robert H. Dugger, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	2,000.00	
Evelyn Dukovic, 3 East 85th Street New York, NY 10028	Morality in Media, Inc	27.47	
Deborah A. Dull, 2200 Mill Road Alexandria, VA 22314	American Movers Conference	1,500.00	
Dulles Access Rapid Transit Corp, 8000 Towers Crescent Dr., #801 Vienna, VA 22180			
Mervin E. Dullum, 1629 K St., NW, #501 Washington, DC 20006	Delta Air Lines, Inc	200.00	111.50

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Mac S. Dunaway, Dunaway & Cross 1146 19th Street, NW Washington, DC 20036	Crown Control Corp		
Do	Industrial Truck Assn		
Do	Walbro Corp		
Amy K. Dunbar, P.O. Box 19230 Washington, DC 20036	Palmer & Dodge (For:National Assn of Bond Lawyers)	13,750.02	67.25
Don R. Duncan, 1825 K Street, NW, #1107 Washington, DC 20006	Phillips Petroleum Co	5,000.00	
William C. Duncan, 1050 17th Street, NW, #410 Washington, DC 20036	Japan Automobile Manufacturers Assn	2,100.00	657.49
Pauline Dunlap, 1201 McDuffie #222 Houston, TX 77019	Eagle Fisheries, Inc		
Mari Lee Dunn, 1850 K St., NW, #400 Washington, DC 20006	American Council for Capital Formation		
Michael V. Dunn, 600 Maryland Ave., SW, #202W Washington, DC 20024	Farmers Educational & Co-Operative Union of America	9,860.66	498.70
William C. Dunning, P.O. Box 619500 Dallas, TX 75261	Caltex Petroleum Corp	500.00	220.00
James A. Dupree, 815 Connecticut Ave., NW Washington, DC 20006	Ford Motor Co	4,875.00	2,065.00
Joseph L. Duran, 100 Federal St. Boston, MA 02110	First National Bank of Boston		
Judy C. Durand, 1120 20th Street, NW, #600s Washington, DC 20036	Union Pacific Corp	12,500.00	101.05
Douglas A. Durante, 1090 Vermont Ave., NW, #900 Washington, DC 20005	Clean Fuels Development Coalition	8,000.00	544.94
Margaret A. Durbin, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	1,100.00	
B. J. Durham, P.O. Box 2121 Corpus Christi, TX 78403	Central Power & Light Co		
Ed Durkin, 101 Constitution Ave., NW Washington, DC 20001	United Brotherhood of Carpenters & Joiners of America		
Dutko & Associates, 412 First St., SE, #40 Washington, DC 20003	Miguel H. Agosto	2,400.00	
Do	American Free Trade Assn	1,662.77	
Do	Anchor Industries, Inc	5,303.46	
Do	Anesthesia Care Team Society	8,000.00	
Do	Associates of North America		
Do	Association of Telemessaging Services Int'l, Inc	3,200.00	
Do	Citgo Petroleum Corp		
Do	Colorado River Municipal Water District (CRMWD)		
Do	Communications Satellite Corp	6,400.00	
Do	D & B Wholesale Cosmetics, Inc	200.00	
Do	DSC Communications	10,179.00	
Do	William Gold		
Do	Jaime Goldenberg		
Do	Granger Associates		
Do	Gulf & Western Industries, Inc	9,000.00	
Do	Hart-Culp International		
Do	International Telecharge, Inc	12,000.00	
Do	Jewish National Fund	4,000.00	
Do	Lightnet	1,550.10	
Do	MedMax		
Do	Midlands Consortium	11,603.60	
Do	Model Imperial Supply Co, Inc	1,200.00	
Do	Oklahoma State University	4,800.00	
Do	PacifiCare Health Systems	4,888.50	
Do	Pitts Energy Group		
Do	R-Max	9,517.40	
Do	Southland Corporation		
Do	Stedman Foundation, Inc		
Do	M. Stevens Cosmetics Co		
Do	U.S. Sprint		
Do	Yavapai Telephone Exchange	4,000.00	
Peggy L. Duxbury, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004	National Assn of Manufacturers	300.00	
Ernest DuBester, 815 16th Street, NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	15,860.05	440.58
William P. DuBose IV, 1050 17th St., NW, #700 Washington, DC 20036	National Ocean Industries Assn	1,500.00	
Roderick T. Dwyer, 1920 N Street, NW Washington, DC 20036	American Mining Congress		
Dykema Gossett, 1752 N St., NW, 6th Fl. Washington, DC 20036	Military Boot Manufacturing Assn		
Do	Total Petroleum, Inc		
DynCorp, 2000 Edmund Halley Drive Reston, VA 22091			
Talis Dzenitis, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Sears Roebuck & Co	500.00	
DGA International, Inc, 1818 N Street, NW Washington, DC 20036	Dir Intl Aff of the Gen Del for Armements		
Do	Societe Nationale D'Etude et de Const de Moteurs D'Aviation		
Do	Sofreavia		
E.D.E.A., Inc, 1151 Acquidneck Avenue Middletown, RI 02840	American Ship Building Co	21,750.00	3,486.54
Jeffrey P. Eagleson, 1000 Wilson Blvd., #2500 Arlington, VA 22209	Allied-Signal Aerospace Co		
Jack D. Early, 1155 15th St., NW, #900 Washington, DC 20005	National Agricultural Chemicals Assn	225.00	35.00
Hope B. Eastman, 4800 Hampden Lane, 7th Floor Bethesda, MD 20814	National Assn of Women Business Owners		
Charles H. Eaton, 1725 K St., NW, #1111 Washington, DC 20006	Eaton Associates, Inc		
Robert E. L. Eaton, 1725 K St., NW, #1111 Washington, DC 20006	Eaton Associates, Inc		
Eaton Associates, Inc, 1725 K St., NW, #1111 Washington, DC 20006			
Robert E. Ebel, 1025 Connecticut Ave., NW, #1014 Washington, DC 20036	Enserch Corporation	1,450.00	403.00
Eric D. Eberhard, 1155 Connecticut Ave., NW, #500 Washington, DC 20036	Gover Stetson Williams & Eberhard (For:Campo Band of Mission Indians)		
Do	Gover Stetson Williams & Eberhard, P.C. (For:Confederated Tribes of the Colville)	1,130.00	
Do	Gover Stetson Williams & Eberhard, P.C. (For:Gaming Pueblos of New Mexico)	940.00	6.00
Do	Gover Stetson Williams & Eberhard, P.C. (For:Pueblo of Sandia)	30.00	
Do	Gover Stetson Williams & Eberhard, P.C. (For:Sault Ste. Marie Tribe of Chippewa Indians).	1,040.00	6.50
Do	Gover Stetson Williams & Eberhard, P.C. (For:Shoshone Business Council)	300.00	40.00
Walter T. Eccard, One Farragut Square South Washington, DC 20006	Brown & Wood (For:Citicorp Investment Bank, et al.)		
N. Boyd Ecker, 1100 Connecticut Ave., NW Washington, DC 20036	Mobil Oil Corp	1,500.00	42.00
Robert C. Eckhardt, 120 5th Street, NE Washington, DC 20002	Certain Claimants Lawyers		
Do	Investment Company Institute	5,000.00	
Patricia K. Economos, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
William R. Edgar, 3116 N. Nottingham Street Arlington, VA 22207	Gates Learjet Corporation		
Helen H. Edge, 700 N. Fairfax St. Alexandria, VA 22314	Railway Progress Institute	537.50	
Edison Electric Institute, 9th Floor 1111 19th St., NW Washington, DC 20036		2,087.04	67,538.37
V. Anne Edlund, 1620 Eye St., NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Stephen L. Edmiston, 807 Maine Ave., SW Washington, DC 20024	Disabled American Veterans	17,269.20	458.66
Christine A. Edwards, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Dean Witter Financial Services Group	317.50	79.66
J. Rodney Edwards, 260 Madison Ave. New York, NY 10016	American Paper Institute, Inc		
Jack Edwards, 3000 First Natonal Bank Bldg. P.O. Box 123 Mobile, AL 36601	Fiat USA	18.00	
Do	Societe Nationale d'Etude et de Const de Moteurs d'Aviation	347.00	
Michael D. Edwards, 1201 16th Street, NW Washington, DC 20036	National Education Assn	3,594.10	143.00
Paul S. Egan, 1325 15th Street, NW, #503 Washington, DC 20005	Vietnam Veterans of America, Inc	10,500.00	2,318.71
Phyllis Eisen, 1331 Pennsylvania Ave., #1500-N Washington, DC 20004-1703	National Assn of Manufacturers	500.00	
Albert C. Eisenberg, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	11,000.00	7.00
Linda S. Eisnaugle, 225 W. 34th Street New York, NY 10122	National Commercial Finance Assn	12,250.00	2,423.00
H. J. Elam III, 1201 Maple St. Greensboro, NC 27405	Cone Mills Corp	13,650.00	9,650.28
Stephen A. Elbert, 1615 M St., NW, #200 Washington, DC 20036	Amoco Corporation		
Jane Elder, 214 N. Henry St., #203 Madison, WI 53703	Sierra Club	1,416.67	1,148.32
Timothy L. Elder, 100 N.E. Adams Street Peoria, IL 61629-1430	Caterpillar, Inc		
George K. Eliades, 7297-P Lee Highway Falls Church, VA 22042	Society of American Wood Preservers, Inc	4,000.00	970.00
J. Burton Eller Jr., 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Charles W. Elliott, Wisconsin Petroleum Council 25 W. Main St., #703 Madison, WI 53703	American Petroleum Institute		
John M. Ellis, 1120 Fairfield Avenue Roseville, CA 95678	Nor-Cal Federal Coalition		
Mark G. Ellis, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Nancy C. Elwood, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the United States		
Emergency Committee for American Trade, 1211 Connecticut Ave., NW, #801 Washington, DC 20036		78,000.09	91,179.36
Michael J. Emig, 1125 15th St., NW Washington, DC 20005	International Brotherhood of Electrical Workers	6,300.00	201.75
Randy Eminger, 5205 West 37th Street Amarillo, TX 79109	Southwestern Public Service Co	1,253.12	215.21
Irene R. Emsellem, 1800 M Street, NW Washington, DC 20036	American Bar Assn	400.00	50.00
Lowell J. Endahl, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn		
H. John Endean, 1730 K St., NW, #1200 Washington, DC 20006	American Business Conference	112.50	25.00
Energy Fuels Nuclear, Inc, One Tabor Center, #2500 1200 Seventeenth Street Denver, CO 80202			56,816.36
Gary D. Engebretson, 1350 New York Ave., NW, #200 Washington, DC 20005	Contract Services Assn		293.00
Ralph Engel, 1001 Connecticut Ave., NW, #1120 Washington, DC 20036	Chemical Specialties Manufacturers Assn, Inc	805.00	162.15
John T. Engelen, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Patricia A. English, 777 14th St., NW Washington, DC 20005	National Assn of Realtors		
Christopher Engquist, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Richard Engram Jr., P.O. Box 506 Merchants & Miners Bank Bldg. Welch, WV 24801			
Clinton W. Ensign, 2600 Virginia Avenue, NW, #901 Washington, DC 20037	Sinclair Oil Corporation	1,000.00	141.03
Environmental Action, 1525 New Hampshire Ave., NW Washington, DC 20036			
Epstein Becker & Green, P.C., 1140 19th St., NW, #900 Washington, DC 20036	Voluntary Hospitals of America, Inc	11,408.00	
Paul A. Equale, 600 Pennsylvania Ave., SE, #200 Washington, DC 20003	Independent Insurance Agents of America, Inc	24,923.00	
John Ernst, 1400 16th St., NW Washington, DC 20036-0001	National Wildlife Federation	543.78	
James L. Ervin, 499 South Capitol Street, SW, #520 Washington, DC 20003	Baldt, Inc	375.00	
Ingolf G. Esders, 815 16th Street, NW Washington, DC 20006	International Longshoremen's Assn, AFL-CIO	7,778.70	
Stephen E. Eure, 1711 King Street Alexandria, VA 22314	Snack Food Assn	4,500.00	505.05
European Travel Commission, 630 Fifth Avenue New York, NY 10111			
Billy Lee Evans, 499 South Capitol St., SW, #507 Washington, DC 20003	Hecht Spencer & Associates (For:Bixby Ranch Co)		
Do	Hecht Spencer & Associates, Inc (For:Brown & Williamson Tobacco Corp)		
Do	Hecht Spencer & Associates (For:BATUS, Inc)		
Do	Hecht Spencer & Associates (For:Crowley Maritime Corp)		
Do	Hecht Spencer & Associates, Inc (For:Great Western Financial Corp)		
Do	Hecht Spencer & Associates (For:Hong Kong Trade Development Council)		
Do	Hecht Spencer & Associates (For:Western Growers Association)		
David C. Evans, 1150 Connecticut Ave., NW, #900 Washington, DC 20036	Building Owners & Managers Assn Int'l		
Dewitt Howard Evans, 1320 G Street, SE Washington, DC 20003	Institute for Preservation of African American Literature	245.00	4,600.00
Donald C. Evans Jr., 655 15th St., NW, #310 Washington, DC 20005	American Family Corp		
Do	Hoechst Celanese Corp		
Do	Michigan Consolidated Gas Company	500.00	20.00
Do	Stepan Corporation		
Dwight H. Evans, 1130 Connecticut Ave., # 830 Washington, DC 20036	Southern Company Services, Inc	1,906.25	4,258.44
Joseph O. Evans, 4401 Lee Highway, #21 Arlington, VA 22207			
Rae Forker Evans, 1615 L Street, NW, #1220 Washington, DC 20036	Hallmark Cards, Inc		
Robert B. Evans, 1101 14th Street, NW Washington, DC 20005	American Financial Services Assn	250.00	
Robert D. Evans, 1800 M St., NW Washington, DC 20036	American Bar Assn	400.00	50.00
William J. Evans Jr., 1660 L St., NW, #901 Washington, DC 20036	Pan American World Airways, Inc	685.00	189.92
Dave Evans Associates, 4076 Rosamora Court Arlington, VA 22207	ACA	2,500.00	
Do	SIA	2,500.00	
Fawn K. Evenson, 1420 K Street NW, #600 Washington, DC 20005	Footwear Industries of America	2,000.00	267.69
Wayne S. Ewing, Associated Petroleum Industries of Pa P.O. Box 925 Harrisburg, PA 17108	American Petroleum Institute		
Paul K. Eyer, 300 5th Street, NE Washington, DC 20002	American Osteopathic Assn	1,500.00	
Tami L. Ezell, P.O. Box 21 Montgomery, AL 36101	Burlington Northern Railroad		
EDS Corporation, 1331 Pennsylvania Ave., NW, #1300 Washington, DC 20004			2,322.00
F/P Research Associates, 1700 K St., NW, #404 Washington, DC 20006	Caribbean Marine, Inc		
Do	National Cable Television Assn, Inc	500.00	
Do	Shell Oil Co	1,000.00	
Robert R. Fahs, 1101 15th St., NW, #205 Washington, DC 20005	Cargill, Inc	2,500.00	
Leslie Fain, 400 First St., NW, #800 Washington, DC 20001	Committee for Humane Legislation	6,531.25	
Dale W. Fallat, P.O. Box 119 Maumee, OH 43537	Andersons		
F. S. Fallon Jr., 5118 56th St., N., #219 Tampa, FL 33610			
Frank J. Farfone, 1776 Eye Street, NW, Suite 575 Washington, DC 20006	Dow Chemical USA		5,546.00
Thomas B. Farley II, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	3,800.00	62.75
David M. Farmer, 1629 K Street, NW, #1010 Washington, DC 20006	Alliance of American Insurers	7,000.00	181.27
Farmers' Educational & Co-Operative Union of America, 600 Maryland Ave., SW, #202w Washington, DC 20024		128,358.00	100,231.61
John W. Farquhar, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	100.00	
Dagmar T. Farr, 1750 K Street, N.w. Washington, DC 20006	Food Marketing Institute	300.00	
Christopher G. Farrand, 1120 20th Street, NW, #720 Washington, DC 20036	Peabody Holding Co, Inc		467.60
Michael Farrar, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc	200.00	
Joseph A. Farrell, 1600 Wilson Boulevard, #1000 Arlington, VA 22209	American Waterways Operators, Inc		
Richard T. Farrell, 1133 15th St., NW, #210 Washington, DC 20005	Syntex (USA) Inc	4,125.00	470.99
Marcus G. Faust, 332 Constitution Ave., NE Washington, DC 20002	Central Utah Water Conservancy District	33,578.50	4,516.00
Do	Desert Research Institute	4,044.64	44.64
Do	Echo Bay Mining Co	4,190.46	127.96
Do	Kirton McConkie & Bushnell	100.00	
Do	Public Service Co of New Mexico	13,638.75	963.75
Do	Sierra Pacific Power Co	26,221.87	4,401.87
Do	Standard Oil Co (Ohio)	11,250.00	
Do	University of Nevada School of Medicine	2,662.50	37.50
Jane Fawcett-Hoover, 801 18th St., NW, #400 Washington, DC 20006	Procter & Gamble Manufacturing Co	20.84	
William D. Fay, 1130 17th Street, NW Washington, DC 20036	Clean Air Working Group	5,250.00	5,050.48
Do	National Coal Assn	3,500.00	3,416.83
Federal Judges Association, 2188 U.S. Courthouse 75 Spring Street Atlanta, GA 30303		21,200.00	14,107.20
Federation of American Controlled Shipping, 50 Broadway New York, NY 10004		531.54	531.54
Federation of American Health Systems, 1111 19th St., NW, #402 Washington, DC 20036		10,800.00	10,800.00
Federation of American Scientists, 307 Massachusetts Ave., NE Washington, DC 20002			3,966.37
Robert Feenstra, 13545 Euclid Avenue Ontario, CA 91761	Milk Producers Council (For:Dairy Farmers for Responsible Dairy Policy)		
Donald M. Fehr, 805 Third Ave. New York, NY 10022	Major League Baseball Players Assn		499.75
Scott Feierabend, 1400 16th St., NW Washington, DC 20036-0001	National Wildlife Federation	106.96	
Kenneth E. Feltman, 927 15th St., NW, #1000 Washington, DC 20005	Employers Council on Flexible Compensation	200.00	
Randolph Fenninger, 1030 15th St., NW, #468 Washington, DC 20005	American Assn of Colleges of Osteopathic Medicine	2,000.00	
Do	American Gastroenterological Assn		
Do	American Soc for Gastrointestinal Endoscopy	1,000.00	
Do	American Soc of Anesthesiologists		
Do	American Soc of Clinical Pathologists	3,000.00	
Do	American Urological Assn/Amer Assn of Clinical Urologists	1,000.00	
Do	National Hemophilia Foundation	1,500.00	
Do	Samaritan Health Services	1,750.00	
Judith W. Fensterer, 242 E. 80th Street New York, NY 10021	Generic Pharmaceutical Industry Assn	228.00	
George F. Fenton Jr., 1920 N Street, NW Washington, DC 20036	American Mining Congress	150.00	
Edward T. Fergus, 100 Gold St. New York, NY 10292	Prudential-Bache Securities, Inc	750.00	
Betsy Ferguson, 1875 Eye St., NW, #1110 Washington, DC 20006	Times Mirror Co		
Denise G. Ferguson, 1020 19th St., NW, #600 Washington, DC 20036	American Express Co		
Jack Ferguson Associates, Inc, 203 Maryland Ave., NE Washington, DC 20002	Art Dealers Assn of America, Inc	625.00	608.73
Do	Christie's International	625.00	608.73
Do	Conoco, Inc	11,531.25	961.95
Do	Dillingham Construction Group	1,000.00	629.93
Do	Foss Maritime Co		
Do	Global Marine, Inc	1,100.00	621.03
Do	Haida Corporation	645.00	611.30
Do	Pyropower	4,671.25	689.77
Do	Sotheby's, Inc	625.00	608.73
Do	Tacoma Boatbuilding Co		
Do	U.S. Borax & Chemical Corp	8,125.00	697.95
Do	Western Forest Industries Assn	2,500.00	607.38
Do	Williams Companies	3,000.00	625.90
John L. Festa, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc		
Fred C. Fielding, 1725 Jefferson Davis Hwy, #900 Arlington, VA 22202	AM General Corporation		
C. H. Fields, 600 Maryland Ave., SW Washington, DC 20024	American Farm Bureau Federation	7,500.00	56.00
Dallas N. Fields, 1448 Duke St., #1000 Alexandria, VA 22314	National Rural Letter Carriers Assn	26,463.00	
Fierce & Associates, 600 New Hampshire Ave., NW, #1010 Washington, DC 20037	Apex Marine Corp		
Do	AB Hagglund & Sonar	12,900.00	1,327.32
Do	Bollinger Machine Shop & Shipyard, Inc	27,850.00	1,951.42
Do	Space Industries, Inc		
Do	Spar Aerospace, Ltd	16,500.00	923.64
Do	A. L. Williams & Company	12,000.00	4,067.86
Marshall S. Filler, 1101 Connecticut Ave., NW, #405 Washington, DC 20036	Continental Airlines, Inc, et al.	8,687.00	363.38
Do	Texas Air Corp	3,989.00	8.00
Financial Services Council, 1225 19th St., NW, #410 Washington, DC 20036		16,625.00	2,723.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
William J. Finch, 403 East Sixth St. Bloomington, IN 47401	Cook Group, Inc		11.00
Lawrence A. Fineran, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004	National Assn of Manufacturers	250.00	
Matthew P. Fink, 1600 M St., NW Washington, DC 20036	Investment Company Institute	1,490.82	25.00
Nelson L. Fink, 378 Valley Oak Court Waldorf, MD 20601	Air Force Sergeants Assn, Inc		
Thomas D. Finnigan, 1100 15th Street, NW, #1200 Washington, DC 20005	Union Carbide Corp		
M. J. Fiocco, 1090 Vermont Ave., NW, #410 Washington, DC 20005	National Industrial Transportation League	5,500.00	33.50
Fire Equipment Manufacturers & Services Assn, Inc, 1776 Massachusetts Avenue, NW, #521 Washington, DC 20036			
First National Bank of Boston, 100 Federal St. Boston, MA 02110			22,291.56
Amy T. Fischer, 1600 Wilson Blvd., #1000 Arlington, VA 22209	American Waterways Operators	1,100.00	104.23
Richard L. Fischer, 1615 M St., NW, #200 Washington, DC 20036	Amoco Corporation		
Deborah A. Fischione, 2000 Pennsylvania Ave., NW, #6200 Washington, DC 20006	Chicago Mercantile Exchange		
Carleton W. Fish, P.O. Box 35106 Minneapolis, MN 55435	American Collectors Assn	1,000.00	711.18
Donald W. Fisher, 3814 Ivanhoe Lane Alexandria, VA 22310	American Group Practice Assn, Inc		
J. Paris Fisher, 1801 K St., NW, #800 Washington, DC 20006	Westinghouse Electric Corp	1,500.00	
Janet S. Fisher, 1333 New Hampshire Avenue, NW Washington, DC 20036	ARCO Chemical Co		
Fisher Wayland Cooper & Leader, 1255 23rd Street, NW, #800 Washington, DC 20037-1125	International Communications Assn		3,000.00
David H. Fiske, Goodwin & Soble 1300 19th Street, NW, #350 Washington, DC 20036	Software Publishers Assn	1,332.00	54.80
Thomas H. Fitzpatrick, Connecticut Petroleum Council 410 Asylum Street Hartford, CT 06103	American Petroleum Institute		
Richard S. Fitzsimmons, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn		
Hilliard J. Fjord, 602 Main St., #600 Cincinnati, OH 45202	Ohio River Co	3,000.00	627.32
Susan G. Flack, 1320 19th St., NW, #400 Washington, DC 20036	Dayton Hudson Corp	100.00	
Do	National Assn of Chain Drug Stores, Inc	300.00	
Do	Flack, Inc (For:Spiegel, Inc)	300.00	8.00
Robert B. Flagg, 1130 17th St., NW Washington, DC 20036-4677	National Coal Assn	4,250.00	883.79
James J. Flanagan, 25 Research Dr. Westborough, MA 01582	New England Power Service Co	1,086.00	175.70
Fleishman-Hillard, Inc, 1301 Connecticut Ave., NW, 7th Floor Washington, DC 20036	Apple & Eve	15,000.00	221.68
Do	Home Satellite Services		
Do	Murdock International	4,550.00	
Do	National Spiritual Assembly of the Baha'is of the U.S.	8,100.00	1,632.00
Do	Pathology Practice Assn	30,000.00	416.34
Do	Syva Company	36,000.00	449.65
Do	T.F. Energy	9,000.00	21.50
Michael Fleming, 1300 17th St., #1010 Arlington, VA 22209	American Assn of Equipment Lessors		
Terry P. Fleming, Ohio Petroleum Council 88 E. Broad St., #1960 Columbus, OH 43215	American Petroleum Institute		
Fletcher Heald & Hildreth, 1225 Connecticut Ave., NW, #400 Washington, DC 20036	Wheat Gluten Industry Council, et al.		
Felipe M. Floresca, 67 Wall Street, #2509 New York, NY 10005			
Florida Business Associates, 1146 19th St., NW, #400 Washington, DC 20036-3703	CSX Transportation	8,122.00	
Do	ETA Systems, Inc	39,551.00	
Do	General Development Corp		
Do	MEDCO Containment		
Do	Westinghouse Electric Corp	11,058.84	
Ruth Flower, 245 Second Street, NE Washington, DC 20002	Friends Committee on National Legislation	4,715.58	
David H. Foerster, 1201 16th St., NW Washington, DC 20036	National Education Assn		
Joseph P. Foley, 206 G St., NE, #201 Washington, DC 20002	American Security Fence Corp		
Do	Bonded Lightning Protection, Inc		
Do	Century Medi Corp		
Do	Coalition Against Noneffective Technologies		
Do	East Los Angeles Hospital Foundation, Inc		
Do	Falcon Systems, Inc		
Do	PolyPhaser Corp		
Do	Sedima International, Inc		
Do	Shelson International		
Do	Brough E. Treffer & Associates		
Foley & Lardner, 1775 Pennsylvania Avenue, NW Washington, DC 20006-4680	Dimensions, Inc	500.00	63.00
Do	Kohlberg Kravis Roberts & Co		
Do	Paper Machine Cloth Group	500.00	25.59
Food & Allied Service Trades Dept, AFL-CIO, 815 16th Street, NW, #408 Washington, DC 20006		14,429.00	14,429.00
Food Marketing Institute, 1750 K St., NW Washington, DC 20006			4,850.00
Foodservice & Packaging Institute, Inc, 1025 Connecticut Ave., NW Washington, DC 20036			
James E. Ford, 1333 New Hampshire Avenue, NW Washington, DC 20036	Atlantic Richfield Co		
John P. Ford, Kellogg Co One Kellogg Square Battle Creek, MI 49016	Kellogg Co	2,000.00	283.00
Foreman & Heidepriem, 1751 N Street, NW, #301 Washington, DC 20036	Camp Barsh Bates & Tate		
Do	Coalition to Protect the Integrity of American Trademarks	850.00	70.00
Do	United Food & Commercial Workers Int'l Union		
Mark A. Forman, 8th & Eaton Avenues Bethlehem, PA 18018	Union Pacific Corp	625.00	
Sallie H. Forman, 1825 K Street, NW, #807 Washington, DC 20006	National Broadcasting Co, Inc	500.00	22.95
Larry Forrester, 3707 Woodview Trace P.O. Box 68700 Indianapolis, IN 46268	National Assn of Mutual Insurance Cos		
Richard D. Fortin, 1275 K Street, NW, #850 Washington, DC 20005-4006	National Industrial Transportation League	4,812.50	7.50
Richard C. Fortuna, 1440 New York Ave., NW, #310 Washington, DC 20005	Hazardous Waste Treatment Council	750.00	375.00
Maria Foscarinis, 1439 Rhode Island Avenue, NW Washington, DC 20005	National Coalition for the Homeless	625.00	
Bruce Foster, 1111 19th Street, NW, #303 Washington, DC 20036	Southern California Edison Co	4,437.00	1,500.00
Nancy E. Foster, 1300 L Street, NW, Suite 950 Washington, DC 20005-4107	American Soybean Association	4,025.00	556.60
Stacie Foster, 1100 15th St., NW, #700 Washington, DC 20005	Sonat, Inc		
Donald L. Fowler, P.O. Box 50627 Columbia, SC 29250	Providence Hospital		
John P. Fowler, 1187 National Press Building Washington, DC 20045	Ad Hoc Comm in Defense of Life, Inc	3,300.00	6,493.93
Alissa T. Fox, 655 Fifteenth Street, N.W., Suite 350 Washington, DC 20005	Blue Cross & Blue Shield Assn		
Fox Group, USA Ltd, P.O. Box 1831 Charleston, SC 29402	Camp Carmouche Barsh... (for Sears Roebuck & Co), et al.	6,000.00	
Donald Fraher, 777 14th Street, NW Washington, DC 20005	American Symphony Orchestra League	10,323.12	101.00
John R. Frahm, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	3,000.00	
Jacob Fraire, 1010 Vermont Ave., NW, #1100 Washington, DC 20005	Bank of Horton		
Do	Bank One		
Do	California Student Aid Commission	2,250.00	
Do	Colorado Student Loan Program	4,500.00	
Do	Fame	4,500.00	
Do	Illinois State Scholarship Commission	1,237.50	
Do	Just Kids	2,250.00	
Do	Nebraska Higher Education Loan Program, Inc	1,125.00	
Do	Nebraska Student Loan Program		
Do	Texas Guaranteed Student Loan Corp	1,125.00	
Do	Union Bank		
Do	United Concerned Cosmetology School Owners	5,500.00	
Douglas L. Francisco, 1101 16th St., NW Washington, DC 20036	Independent Petroleum Assn of America		58.50
Richard L. Frank, 1029 Vermont Ave., NW, #400 Washington, DC 20005	Olsson Frank & Weeda (For:Ad Hoc Pizza Standard Rulemaking Group)		
Stephen R. Frank, 607 Azure Hills Drive Simi Valley, CA 93065	Eagle Group (For:Design Systems, Inc)	1,500.00	687.00
Faye B. Frankfort, 9312 Old Georgetown Road Bethesda, MD 20814-1621	American Podiatric Medical Assn	3,750.00	
David C. Frankil, 918 16th Street, NW, #402 Washington, DC 20006	American Furniture Manufacturers Assn	750.00	389.50
Walter L. Frankland Jr., 1717 K St., NW Washington, DC 20006	Silver Users Assn, Inc	1,767.00	300.00
Ellis B. Franklin, 5025 Wisconsin Ave., NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
George Franklin, 1 Kellogg Square Battle Creek, MI 49016-3599	Kellogg Company	1,500.00	150.00
Kevin Frankovich, 1350 New York Ave., NW, #200 Washington, DC 20005	Contract Services Assn		35.01
Thomas C. Franks, 1220 L St., NW, #510 Washington, DC 20005	American Resort & Residential Development Assn	1,500.00	197.25
Sally Narey Frans, 385 Washington Street St. Paul, MN 55102	St. Paul Fire & Marine Insurance Co	18,000.00	
John B. Franz, P.O. Box 10568 Pompano Beach, FL 33061-6568			
Marian C. Franz, 2121 Decatur Place, NW Washington, DC 20008	National Campaign for a Peace Tax Fund	825.00	145.00
Charles L. Frazier, 475 L'Enfant Plaza, SW, #2250 Washington, DC 20024	National Farmers Organization	5,417.00	4,732.00
Fran Frazier, 1730 K Street, NW, #1200 Washington, DC 20006	American Business Conference	112.50	64.39
Robert M. Frederick, 1616 H St., NW Washington, DC 20006	National Grange	6,000.00	
John S. Fredericksen, 1101 Connecticut Ave., NW, #700 Washington, DC 20036	Regional Airline Association	1,000.00	
Free the Eagle, 25 E Street, NW, 8th Floor Washington, DC 20001		75,905.22	238,419.11
Joel Freedman, 1600 M St., NW, 5th Floor Washington, DC 20036	Hartford Fire Insurance Co	5,000.00	
James O. Freeman, 50 E Street, SE Washington, DC 20003	U.S. League of Savings Institutions	5,000.00	
Paula D. Freer, 818 Connecticut Avenue, NW, #900 Washington, DC 20006	USX Corp		
Joyce Gross Freiwald, P.O. Box 85608 San Diego, CA 92138	General Atomics	2,150.00	195.06

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
French & Company, 1455 Pennsylvania Ave., NW, #1260 Washington, DC 20004	International Electronics Mfgrs & Consumers of America, Inc	940.00	
Do	Montgomery Ward & Co, Inc	2,000.00	
Do	Wheels, Inc	600.00	
Annette P. Fribourg, 3900 Wisconsin Ave., NW Washington, DC 20016	Federal National Mortgage Assn	23,625.00	510.84
Fried Frank Harris Shriver & Jacobson, 1001 Pennsylvania Ave., NW, #800 Washington, DC 20004	Doyon, Limited		
Do	General Electric Co	1,155.00	
Do	Lonza, Inc	507.00	61.68
Do	Pueblo of Laguna		
Do	Shoshone Tribe of the Wind River Reservation		
Do	Virgin Islands Rum Industries, Ltd		5.75
Philip P. Friedlander Jr., 1250 Eye Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn		
James M. Friedman, 1100 Citizens Bldg. Cleveland, OH 44114	Cleveland Electric Illuminating Co	44,482.00	485.75
Do	Coalition for Environmental-Energy Balance	12,019.00	803.88
Do	Reese Communications Companies		
Gay H. Friedmann, 1150 Connecticut Ave., NW, #717 Washington, DC 20036	Southern California Gas Co	10,500.00	217.13
Friends Committee on National Legislation, 245 2nd St., NE Washington, DC 20002			37,708.72
Owen V. Frisby, 499 South Capitol Street, #500 Washington, DC 20003	American Security Council		
Ellen Frishberg, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	4,183.00	214.00
Susan T. Fritschler, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	610.68	106.27
Edward O. Fritts, 1771 N Street Washington, DC 20036	National Assn of Broadcasters	2,500.00	
William D. Fritts Jr., 1025 Connecticut Ave., NW Washington, DC 20036	Health Insurance Assn of America, Inc		
Charles H. Fritzel, 499 S. Capitol St., SW, #401 Washington, DC 20003	National Assn of Independent Insurers	400.00	430.00
Jeffrey Fritzlen, 555 13th Street, NW, #450-W Columbia Square Washington, DC 20004	Union Pacific Corp	12,500.00	1,210.35
Marcy Masters Frosh, 2030 M Street, NW Washington, DC 20036	Common Cause	5,882.04	
Thomas E. Fruechtenicht, 700 Harrison Bldg 143 West Market St. Indianapolis, IN 46204	Reese Communications Companies		
Nancy R. Fulco, 1615 H St., NW Washington, DC 20062	U.S. Chamber of Commerce	8,223.00	
Don Fuqua, 1250 Eye Street, NW Washington, DC 20005	Aerospace Industries Assn of America, Inc	2,750.00	
Futures Industry Assn, Inc, 1825 Eye Street, NW, #1040 Washington, DC 20006			
Eric Keith Gabrielle, P.O. Box 12532 Gainsville, FL 32604			
James E. Gaffigan, 1201 New York Ave., NW Washington, DC 20005	American Hotel & Motel Assn	2,692.31	
Leslie Gainer, 215 Pennsylvania Ave., SE Washington, DC 20003	U.S. Public Interest Research Group	3,500.78	
Joe H. Galis, D.C. 1, 19000 SW 377 St. Florida City, FL 33034			
Linda Parke Gallagher, 1225 Eye Street, NW, 7th Floor Washington, DC 20005	Linda Parke Gallagher & Associates (For:National Corp for Housing Partnerships)		
Galland Kharasch Morse & Garfinkle, P.C., 1054 31st Street, NW Second Floor Washington, DC 20007	South Africa Sugar Association	1,919.03	1,919.03
Karl Gallant, 8001 Braddock Road Springfield, VA 22160	National Right to Work Committee	3,600.00	261.24
John Paul Galles, 1155 15th St., NW, #710 Washington, DC 20005	National Small Business United	1,000.00	
Galvin Fox & Palmer, 425 Park Avenue New York, NY 10022	Herman's Sporting Goods, Inc		
Do	Voyager International, Inc		
Bruce Gamble, 122 C St., NW, #580 Washington, DC 20001	National Bankers Assn		235.31
Cheryl Gannon, 1750 New York Ave., NW Washington, DC 20006	International Assn of Fire Fighters	7,431.07	
Curtis B. Gans, 421 New Jersey Avenue, SE Washington, DC 20003	Committee for the Study of the American Electorate	31,520.00	
John B. Gantt, 2000 Pennsylvania Ave., NW, #900 Washington, DC 20006	Associated Aviation Underwriters		
Nicole Gara, 950 North Washington Street Alexandria, VA 22314	American Academy of Physician Assistants		
Harry D. Garber, 787 7th Avenue New York, NY 10019	Equitable Financial Companies	1,800.00	20.00
Isabella Garcia, 1201 16th St., NW, #624 Washington, DC 20036	National Education Assn	2,339.30	76.50
Raymond Garcia, 1745 Jefferson Davis Highway, #1200 Arlington, VA 22202	Rockwell International Corp	3,000.00	
Sherwin Gardner, 1010 Wisconsin Ave., NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc	150.00	
Stephen K. Gardner, Gardner Communications, Inc 555 13th Street, NW, #500E Washington, DC 20004	PS Group, Inc	7,500.00	200.00
Gardner Carton & Douglas, 1001 Pennsylvania Ave, NW, #750 Washington, DC 20004	Alamo Rent-A-Car, Inc		
Do	Andrew Corp		
Do	Ansell, Inc	900.00	61.76
Do	Midcon Corp		
Nancy Garland, 1505 Prince Street, #300 Alexandria, VA 22314	American Optometric Assn		
Mary Leslie Garmon, 1010 Massachusetts Avenue, NW Washington, DC 20001	National Food Brokers Assn		
Garrett & Company, 1630 Connecticut Avenue, NW, #202 Washington, DC 20009	Taiwan Power Company		
Ellen Greenberg Garrison, 1200 17th Street, NW Washington, DC 20036	American Psychological Assn		
John C. Gartland, Amway Corporation 214 Massachusetts Ave., NE, #210 Washington, DC 20002	Amway Corp	8,250.00	
Garvey Schubert & Barer, 1000 Potomac St., NW Washington, DC 20007	City of Aberdeen	18,370.00	
Do	Space Industries, Inc	9,477.00	
Do	Totem Ocean Trailer Express, Inc	13,500.00	
Do	Washington Citizens for World Trade	19,519.00	
Gas Appliance Manufacturers Assn, Inc, 1901 North Moore Street Arlington, VA 22209			
Lillian B. Gaskin, 1800 M St., NW Washington, DC 20036	American Bar Assn	400.00	50.00
Philip Gasteyer, 1709 New York Ave., NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	4,000.00	
Bruce A. Gates, 201 Park Washington Court Falls Church, VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
Fred Gebler, 1331 Pennsylvania Ave., NW, #1300 Washington, DC 20004	Electronic Data Systems Corp	128.00	197.00
Ruthann Geib, 1156 15th Street, NW, #1020 Washington, DC 20005	American Sugarbeet Growers Assn		
Robert C. Gelardi, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta, GA 30342	Robert H. Kellen Co (For:Calorie Control Council)		
Do	Robert H. Kellen Co (For:Infant Formula Council)		
Morton A. Geller, 100 Federal St. Boston, MA 02110	First National Bank of Boston		
General Aviation Manufacturers Association, 1400 K Street, NW, #801 Washington, DC 20005			10,825.00
Generic Pharmaceutical Industry Assn, 200 Madison Ave., #2404 New York, NY 10016		7,529.00	7,529.00
Diane J. Generous, 1331 Pennsylvania Ave., NW, #1500 North Washington, DC 20004-1703	National Assn of Manufacturers		
Cheryl K. Genevie, 1120 G St., NW, #800 Washington, DC 20005	Alliance for Rail Competition	9,000.00	9,000.00
John Gentille, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Nancy Whorton George, 919 18th Street, NW, #800 Washington, DC 20006	Transco, Inc		
George W. Gephart, P.O. Box 1475 Baltimore, MD 21203	Baltimore Gas & Electric Co		
Joseph G. Gerard, 918 16th St., NW, #402 Washington, DC 20006	American Furniture Manufacturers Assn	1,500.00	1,140.62
Gerard Byler & Associates, Inc, 1100 17th Street, NW, #1000 Washington, DC 20036	Commissioned Officers Assn of the U.S. Public Health Service	150.00	
Do	Havasupai Tribal Council		
Do	Leech Lake Reservation Business Committee	226.00	
Do	San Carlos Apache Tribe	483.63	
Do	Siletz Tribal Council		
Do	Tohono O'odham Nation	332.00	
Do	Tulalip Tribes	695.00	
Do	White Earth Tribal Council	225.00	
Louis Gerber, 1925 K St., NW Washington, DC 20006	Communications Workers of America	6,927.09	105.00
Robin Gerber, 101 Constitution Ave. NW Washington, DC 20001	United Brotherhood of Carpenters & Joiners of America		
Gerst Heffner Foldes & Podgorsky, 1700 K Street, NW, #1107 Washington, DC 20006	Local Railroad Coalition	600.00	15.00
Kenneth Gersten, P.O. Box 667 Annapolis, MD 21404	Sierra Club	975.00	
Alvin J. Geske, 1016 16th St., NW, 6th Floor Washington, DC 20036	ARCO Chemical Co		
Do	Benchmarks, Inc		56.25
Do	Grupo Industrial Alfa, SA		56.25
Do	Renewable Fuels Assn		
Dorothy F. Gevinson, 801 18th Street, NW, #400 Washington, DC 20006	Procter & Gamble Manufacturing Co	2.00	
Danny Ghorbani, 8014 Falstaff Road McLean, VA 22102	Association for Regulatory Reform	4,950.00	
Clair Ghylin, 1700 K Street NW, #1200 Washington, DC 20006	Chevron USA, Inc	7,500.00	
William C. Gibb, 1050 Thomas Jefferson St., NW, 6th Fl Washington, DC 20007	Committee for the Protection of Shippers Shortlines & Equip	650.00	
William T. Gibb, 1001 Pennsylvania Ave., NW9 Washington, DC 20004	American Council of Life Insurance, Inc	2,000.00	
Wayne Gibbens, 1919 Pennsylvania Ave., NW, #503 Washington, DC 20006	Mid-Continent Oil & Gas Assn	15,000.00	126.00
Anne Marie Gibbons, Third Floor 2301 M Street, NW Washington, DC 20037	American Public Power Assn	1,500.00	
Gibson Dunn & Crutcher, 1050 Connecticut Ave., NW, #900 Washington, DC 20036	American Airlines, Inc		
Robert B. Giese, 3811 Garfield St., NW Washington, DC 20007	BHC, Inc		
Do	Chris-Craft Industries, Inc		
Do	United Television, Inc		
William L. Gifford, 100 Interpace Parkway Parsippany, NJ 07054	GPU Service Corporation		
Dawn Gifford-Martinez, 3000 K St., NW, #300 Washington, DC 20007	Swidler & Berlin (For:Majestic Shipping Services Corp)		
Pamela Gilbert, 215 Pennsylvania Avenue, SE Washington, DC 20003	U.S. Public Interest Research Group	4,474.43	
Richard Gilbert, 1015 15th Street, NW Washington, DC 20005	American Public Health Assn	1,222.00	
Michael Gildea, 815 16th St., NW #309 Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	16,422.70	
John E. Giles, 1600 Eye St., NW Washington, DC 20006	Motion Picture Assn of America, Inc	100.00	71.60
Mary Ann Gilleece, 1713 Maple Hill Place Alexandria, VA 22302	Astra Holdings Corp	200.00	
Do	IPAC, Inc	200.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Neal P. Gillen, 1725 K Street, NW, #1210 Washington, DC 20006	American Cotton Shippers Assn	31,250.01	1,139.60
Annelise Gillespie, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	1,200.00	
Daniel F. Gilligan, 1701 K Street, NW, #400 Washington, DC 20006	National Manufactured Housing Federation	1,000.00	
Brad Gilman, 1050 Thomas Jefferson Street, NW Washington, DC 20007	Alaska Loggers Assn		
Do	Bristol Bay Native Corp	4,700.00	
Do	BP America, Inc		
Do	Fierce & Associates	500.00	
Do	Municipality of Anchorage	3,300.00	
Jim Gilmore, 2000 M St., NW, #580 Washington, DC 20036	National Fisheries Institute	11,250.00	72.18
Ginn Edington Moore & Wade, 803 Prince Street Alexandria, VA 22314	Agusta Aviation Corp	2,000.00	13.98
Do	Allied Signal Aerospace Co	13,800.00	86.75
Do	American Polygraph Assn		
Do	Chrysler Corporation	6,250.00	38.17
Do	Equifax		
Do	First Federal Savings Bank	3,000.00	18.51
Do	Lockheed Aeronautical Systems Company	7,800.00	52.05
Do	Lockheed Corporation	2,000.00	13.88
Do	Mechanical Technology, Inc	4,166.64	27.76
Do	National Assn of Chain Drug Stores		
Do	Oglethorpe Power Corp		
Do	Rockwell International Corp	13,500.00	85.11
Do	Shell Oil Co	3,000.00	18.91
Do	Turner Broadcasting System, Inc	2,500.00	17.35
Do	U.S. Cane Sugar Refiners' Assn		
Do	Watkins Associated Industries, Inc		
Mark R. Ginsberg, 1717 K Street, NW, #407 Washington, DC 20006	American Assn for Marriage & Family Therapy	5,000.00	
Gerard Giovaniello, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	2,500.00	1,206.53
Brenda M. Girton, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Sears Roebuck & Co	1,000.00	104.34
Francis J. Gist, 1511 K Street, NW, #809 Washington, DC 20005			
George E. Glasier, One Tabor Center, #2500 1200 Seventeenth Street Denver, CO 80202	Energy Fuels Nuclear, Inc		
Donna Siss Gleason, 2001 L Street, NW, #1000 Washington, DC 20036	Unisys Corp		
Law Offices of Thos Gleason, 26 Broadway, 17th Floor New York, NY 10004	International Longshoremen's Assn, AFL-CIO		
Robert E. Gleason, 815 16th Street, NW Washington, DC 20006	International Longshoremen's Assn, AFL-CIO	8,972.04	
Donald R. Glenn, 1627 K Street, NW, #200 Washington, DC 20006	Energy Research Corp		
Sara B. Glenn, 1100 Connecticut Ave., NW Washington, DC 20036	Mobil Corp	1,125.00	
Glenn Irvin Murphy Gray & Stepp, 1325 Laurel Street P.O. Box 1550 Columbia, SC 29202	Dr. Allen P. Bruner	567.75	390.31
Do	Mr. & Mrs. Peter Buyck		390.31
Do	Joy B. Carpenter	1,337.88	390.31
Do	Congaree River Limited Partnership	1,723.54	390.31
Global USA, Inc, 2121 K St., NW, #650 Washington, DC 20037	All Nippon Airways Co, Ltd		
Do	Fanuc Ltd		
Do	Hitachi America, Ltd	72.00	
Do	Hyundai Motor America		
Do	Japan Fed of Construction Contractors, Inc		
Do	Komatsu Ltd		
Do	Kyocera Corporation		
Do	Mazak Corporation		
Do	Sisters of Charity of the Incarnate Word	240.40	
Do	Teco Transport & Trade Corp	15.00	
Stephanie R. Godley, 2500 Wilson Blvd. #301 Arlington, VA 22201	American Apparel Manufacturers Assn, Inc	1,000.00	50.00
James W. Godlove, 1825 K Street, NW, #1107 Washington, DC 20006	Phillips Petroleum Co	1,050.00	60.53
Judith M. Goff, 375 Jackson Street St. Paul, MN 55101	Farm Credit Services	600.00	833.18
A. James Golato, 2300 M St., NW, #800 Washington, DC 20037	H&R Block, Inc		
Harvey S. Gold, 8100 Oak Street Dunn Loring, VA 22027	National Pest Control Assn		
Gold & Liebengood, Inc, 1455 Pennsylvania Ave., NW, #950 Washington, DC 20004	Access Communications, Inc		1,641.00
Do	American Academy of Ophthalmology	2,152.00	1,701.00
Do	American Assn of Airport Executives	4,800.00	1,996.00
Do	American Medical Assn	19,500.00	2,041.00
Do	Anchor Savings	750.00	1,641.00
Do	Arizona Legislative Council	28,000.00	1,641.00
Do	Beretta Corp	4,800.00	2,041.00
Do	Camp Barsh Bates & Tate	700.00	1,805.00
Do	Chemical Manufacturers Assn, Inc		1,641.00
Do	College of American Pathologists	5,000.00	2,041.00
Do	Electronic Data Systems Corp	10,231.00	1,863.00
Do	Energy Research Corp	12,600.00	2,035.00
Do	Equitable Life Assurance Society of the U.S.		2,041.00
Do	Eye Bank Assn of America	1,250.00	1,766.00
Do	Federal Express Corp	11,550.00	2,041.00
Do	Federated Investors, Inc	6,250.00	1,925.00
Do	Fiat, USA	36,000.00	2,041.00
Do	Ford Motor Co		1,641.00
Do	Hopi Tribe	24,000.00	2,041.00
Do	Investment Company Institute	2,818.00	1,740.00
Do	Martin Marietta Corp	1,500.00	1,641.00
Do	MCI Communications Corp	3,900.00	2,041.00
Do	National Cattlemen's Assn	600.00	1,109.00
Do	National Football League	830.00	1,796.00
Do	National Restaurant Assn	13,500.00	2,041.00
Do	National School Transportation Assn	6,631.00	1,941.00
Do	Pacific Enterprises	6,600.00	2,041.00
Do	Phillips Petroleum Co	7,500.00	2,041.00
Do	Public Securities Assn	2,257.00	1,727.00
Do	Ricoh Corp		1,972.00
Do	Texas Cattle Feeders Assm	600.00	1,109.00
Do	Ticor Title Insurance Co	2,000.00	1,857.00
Do	Times Mirror Co	2,586.00	1,851.00
Do	Tobacco Institute	20,000.00	2,041.00
Do	Washington Metropolitan Area Transit Authority	20,250.00	1,641.00
Goldberg & Spector, 1229 19th St., NW Washington, DC 20036	Alpha Lyracom d/b/a Pan American Satellite		
Ronald L. Goldfarb, Goldfarb & Singer 918 16th Street, NW, #503 Washington, DC 20003	Washington Independent Writers, Inc		
H.P. Goldfield, 3000 K St., NW, #300 Washington, DC 20007	Swidler & Berlin (For:Ferroalloys Association)		
Do	Strategic Resources Corp (For:Listeff Fashions)		
Do	Swidler & Berlin (For:Majestic Shipping Services Corp)		
Goldman Sachs & Co, 1825 Eye St., NW, #450 Washington, DC 20006			4,175.00
Janice Goldman-Carter, 1400 16th Street, NW Washington, DC 20036	National Wildlife Federation	60.68	
Robert H. Goldsborough, 5508 Lombardy Place Baltimore, MD 21210	Americans for Immigration Control, Inc	6,300.00	
Alan Goldstein, 1010 Mass. Ave., NW Washington, DC 20001	American Logistics Assn		
Benson S. Goldstein, 1010 North Fairfax Street Alexandria, VA 22314	National Soc of Public Accountants		
John A. Gonzalez, 1745 Jefferson Davis Hwy., #1200 Arlington, VA 22202	Rockwell International Corp	5,000.00	630.71
Ruth Gonze, Third Floor 2301 M Street, NW Washington, DC 20037	American Public Power Assn	2,000.00	
David R. Goode, 8 N. Jefferson Street Roanoke, VA 24042	Norfolk Southern Corp	1,920.00	786.85
Richard F. Goodstein, 1150 Connecticut Avenue, NW, #600 Washington, DC 20036	Browning-Ferris Industries, Inc	1,450.00	290.00
John Gordley, 201 Massachusetts Avenue, NE, #C-5 Washington, DC 20002	Evans Grain Co	4,500.00	1,503.84
Do	Iowa Pork Producers Assn	4,500.00	1,333.03
Do	National Sunflower Assn	16,500.00	2,430.63
Do	Nebraska Wheat Board	24,000.00	3,584.94
Do	Renewable Fuels Assn	10,500.00	1,675.57
Randall C. Gordon, 725 15th Street, NW Washington, DC 20005	National Grain & Feed Assn		
William Gordon, 1515 Wilson Boulevard Arlington, VA 22209	American Gas Assn	2,800.00	680.47
John C. Gore, 1776 Eye Street NW Suite 1000 Washington, DC 20006	BP America, Inc		
Millicent Gorham, 1505 Prince Street, #300 Alexandria, VA 22314	American Optometric Assn		
David W. Gorman, 807 Maine Avenue, SW Washington, DC 20024	Disabled American Veterans	15,766.40	248.58

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
James D. Gormley, 1400 K Street, NW, #801 Washington, DC 20005	General Aviation Manufacturers Association	1,881.00	
Ann M. Gosier, 1920 N St., NW Washington, DC 20036	American Mining Congress	15.00	5.50
John T. Gould Jr., 475 Park Ave. South New York, NY 10016	Soap & Detergent Assn		
Gould, Inc, 1755 Jefferson Davis Highway, #900 Arlington, VA 22202			2,102.28
Government Liaison Project, 6313 Tulsa Lane Bethesda, MD 20817			
Government Research Corporation, 1250 Connecticut Ave., NW, #600 Washington, DC 20036	SNA Canada, Inc	12,216.00	
Government Strategies, Inc, 1712 Walnut Street,#300 Philadelphia, PA 19103	Lukens, Inc	11,305.00	7,375.00
Emerson F. Gower Jr., 411 Fayetteville St. Mall, #1925 Raleigh, NC 27601	Carolina Power & Light Co	1,009.00	747.00
Edmund Graber, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	2,000.00	500.00
James E. Graf II, 1800 K Street, NW Washington, DC 20006	Contel Corp	9,000.00	25.00
Elaine Z. Graham, 1200 17th Street, NW Washington, DC 20036	National Restaurant Assn	1,500.00	990.00
Lawrence T. Graham, 1401 New York Avenue, NW, #400 Washington, DC 20005	National Food Processors Assn	500.00	100.00
Graham & James, 2000 M Street, NW, #700 Washington, DC 20036	Contact Lens Manufacturers Assn	1,216.00	41.00
John K. Gram, 610 S.W. Broadway, #608 Portland, OR 97205	Public Timber Purchasers Group	1,781.25	685.42
Frances Turk Granahan, 1090 Vermont Avenue, NW, #600 Washington, DC 20005	Texas Eastern Transmission Corp		351.10
Gerald W. Grandey, One Tabor Center, #2500 1200 Seventeenth Street Denver, CO 80202	Energy Fuels Nuclear, Inc	13,000.00	1,845.54
Grange Mutual Casualty Co, 650 South Front Street Columbus, OH 43206			
James L. Granum, 1500 K Street, NW, #375 Washington, DC 20005	Norfolk Southern Corp	1,000.00	
Alan W. Granwell, 1333 New Hampshire Ave., NW Washington, DC 20036	Cadwalader Wickersham & Taft (For:PFIC Group)		
Andrew N. Grass Jr., One World Trade Center, #4511 New York, NY 10048	National Security Traders Assn, Inc	1,875.00	
Ruth P. Graves, 600 Maryland Ave., SW, #500 Washington, DC 20560	Reading Is Fundamental, Inc		
David C. Gray, 3728 Kanawha Street, NW, Washington, DC 20015	American Camping Association	13,500.00	39.00
Do	Portsmouth-Kittery Armed Services Committee, Inc		
James A. Gray, 7901 Westpark Dr. Mclean, VA 22102	National Machine Tool Builders' Assn	1,028.00	25.00
Neil A. Gray, 1776 Massachusetts Ave., NW Washington, DC 20036-1993	Highway Users Federation for Safety & Mobility	2,199.00	69.90
Robert K. Gray, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Bell Atlantic Management Services)		
Do	Hill & Knowlton, Inc (For:Budd Company)		
Do	Hill & Knowlton, Inc (For:First American Bank, N.A.)		
Do	Hill & Knowlton, Inc		
Do	Hill & Knowlton Inc (For:Hoopa Valley Business Council)		
Do	Hill & Knowlton, Inc (For:Republic of Turkey)	1,750.00	
Do	Hill & Knowlton, Inc (For:Shaklee Corporation)		
Do	Hill & Knowlton, Inc (For:Stroh Brewery Co)		
Do	Hill & Knowlton, Inc (For:Tesoro Petroleum Corp)		
Do	Hill & Knowlton, Inc (For:Tobacco Institute)		
Mary R. Grealy, 1111 19th Street, NW, #402 Washington, DC 20036	Federation of American Health Systems	1,500.00	
Greater Wash/MD Service Station & Automotive Repair Assn, 9420 Annapolis Rd., #307 Lanham, MD 20706		200.00	200.00
Greater Washington Board of Trade, c/o Ellie Weilenmann 1129 20th Street, NW, #200 Washington, DC 20036			
James R. Greco, P.O. Box 3151 Houston, TX 77253	Browning-Ferris Industries, Inc		
Donald R. Greeley, 919 18th St., NW, #700 Washington, DC 20006	Hoechst Celanese Corp	3,500.00	135.63
Edward M. Green, 1920 N St., NW Washington, DC 20036	American Mining Congress		
George R. Green, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	450.00	
Gretchen Green, 1000 Connecticut Ave, NW Washington, DC 20036	Japan Economic Institute of America	350.00	
John K. Green, 800 American Charter Center 1623 Farnam St. Omaha, NB 68102-2130	Papillion-Lavista School District	84.00	
Micah S. Green, 1000 Vermont Ave., NW, #800 Washington, DC 20005	Public Securities Assn	12,500.00	490.79
Robert H. Green, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	1,750.00	1,332.11
Douglas Greenaway, 1250 Eye Street, NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l	500.00	
Fred Greene, 3434 Pinetree Terrace Falls Church, VA 22041	Denny Miller Associates	2,500.00	
H. Thomas Greene, 412 1st St., SE Washington, DC 20003	National Automobile Dealers Assn	9,000.00	
Howard W. Greene, 205 E. 42nd Street New York, NY 10017	Risk & Insurance Management Society, Inc		
Lynn Greenwalt, 1400 16th St., NW Washington, DC 20036-0001	National Wildlife Federation	40.74	
Sarah Massengale Gregg, 1667 K Street, NW, #710 Washington, DC 20006	Baxter		
John D. Gregory, P.O. Box 12458 Columbia, SC 29211	Norfolk Southern Corp		
William G. Greif, 1155 15th St., NW Washington, DC 20005	Bristol-Myers Co	25,000.00	
Ellen Griffee, 1413 K Street, NW, 10th Fl. Washington, DC 20005	Association of Science-Technology Centers		
Griffin Johnson & Associates, 1211 Connecticut Ave., NW, #700 Washington, DC 20036	Air Transport Assn of America		
Do	American Assn of Airport Executives	200.00	6.00
Do	American Insurance Assn		
Do	American Psychological Assn		24.00
Do	Arthur Andersen & Co	400.00	12.00
Do	Blue Cross & Blue Shield Association	200.00	6.00
Do	Camp Barsh Bates & Tate		
Do	Coalition to Preserve the Integrity of American Trademarks		
Do	CBS, Inc	600.00	18.00
Do	COMSAT Corp		
Do	Gulf Oil Corp	800.00	24.00
Do	McCaw Communications Cos	400.00	12.00
Do	Merck & Co, Inc		
Do	Pharmaceutical Manufacturers Assn		
Do	Philip Morris, Inc		
Do	Puyallup Tribe of Indians	400.00	12.00
Do	United Cable Television Corp		
Mark N. Griffiths, Smith Bucklin & Associates 1101 Connecticut Ave, NW, #700 Washington, DC 20036	National Assn of Metal Finishers	750.00	
McGee Grigsby, 1001 Pennsylvania Ave., NW, #1300 Washington, DC 20004	Latham & Watkins (For:Farmers & Merchants Bank of Long Beach)		
A. Jack Grimes, 8100 Oak Street Dunn Loring, VA 22027	National Pest Control Assn		70.00
Norman E. Grimm Jr., 8111 Gatehouse Road Falls Church, VA 22042	AAA Potomac		
Olga Grkavac, 1300 North 17th St., #300 Arlington, VA 22209	ADAPSO, the Computer Software & Services Industry Assn		
Grocery Manufacturers of America, Inc, 1010 Wisconsin Ave., NW, #800 Washington, DC 20007			342.50
James N. Groninger, 1101 16th Street, NW Washington, DC 20036	Independent Petroleum Assn of America		97.00
Groom & Nordberg, Chtd, 1701 Pennsylvania Ave, NW, #1200 Washington, DC 20006	Ad Hoc PFIC Group		
Do	American Petroleum Institute		
Do	Chevron Corp	500.00	50.00
Do	Colorado-Ute Electric Assn, Inc		
Do	Eli Lilly & Company		
Do	Goldman Sachs & Co		
Do	Murphy Oil USA, Inc		
Do	New York City Teachers Retirement System	500.00	50.00
Do	Phillips Petroleum Co		
Do	Physicians Mutual Insurance Co	200.00	20.00
Do	Principal Financial Group	200.00	20.00
Do	Prudential Insurance Co of America	1,000.00	100.00
Do	Prudential-Bache Securities, Inc	100.00	15.00
Do	Puerto Rico, USA Foundation		
Do	Reading & Bates Corporation		
Do	Southern California Edison Co	300.00	40.00
Do	Union Texas Petroleum Corp		
Do	Westinghouse Electric Corp		
Beverly Bennett Groomtt, 1001 Pennsylvania Ave., NW Washington, DC 20006	American Council of Life Insurance, Inc		
Group 1587, Western Forest Industries Assn 1500 SW Taylor Portland, OR 97205			6,378.64
Walter B. Grubbs, P.O. Box 841 Abilene, TX 79604	West Texas Utilities Co		
John T. Grupenhoff, 10000 Falls Rd., #300 Potomac, MD 20854	American Academy of Dermatology	3,150.00	159.10
Do	American Academy of Otolaryngology-Head & Neck Surgery	1,020.00	130.00
Do	American Gastroenterological Assn	1,200.00	123.10
Do	American Soc for Gastrointestinal Endoscopy	1,200.00	110.00
Do	American Soc of Clinical Oncology	810.00	121.70
Do	American Urological Assn	670.00	118.70
Do	Association of American Cancer Institutes	1,870.00	143.10
Do	Cooley's Anemia Foundation	290.00	110.00
Geri A. Guardino, 2000 K St., NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security	8,436.00	370.31
Mary Scott Guest, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	American Marketing Service International, Inc		
Do	Dillon Read & Co, Inc		
Do	LF Rothschild Unterberg Towbin, Inc		
Do	Michigan State Housing Development Authority	6,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Morris Communications	18,000.00	
Do	Naegle Outdoor Advertising		
Do	O'Connor & Hannan	22,650.00	
Do	Paine Webber Group, Inc		
Do	Riverton Investment Corp	2,000.00	
Do	Simpson Thacher & Bartlett (for Sol Goldman Estate)	9,050.00	
Clark J. Guild Jr., Guild & Hagen, Ltd 102 Roff Way Reno, NV 89501	Motion Picture Assn of America, Inc		
James E. Guirard Jr., 1730 Rhode Island Avenue, NW, #419-19 Washington, DC 20036	BASF Chemicals Corp	3,000.00	100.00
Do	KMS Fusion, Inc	700.00	40.00
Do	Marine Shale Processors, Inc	3,000.00	75.00
Do	Walk-Haydel & Associates, Inc	500.00	75.00
Lewis Gulick, 1911 Ft. Myer Drive Arlington, VA 22209	TCR Services, Inc	5,000.00	
Gun Owners of America, Inc, 8001 Forbes Place Springfield, VA 22151		108,215.41	133,162.60
Dan A. Gunderson, Minnesota Petroleum Council 350 St. Peter St., #1025 St. Paul, MN 55102	American Petroleum Institute		
Paul D. Guth, Bathgate Wegener Wouters & Neumann Three Gateway Center, 15th Floor Newark, NJ 07102	Philadelphia Stock Exchange		
Do	Wire Pro, Inc		
Richard E. Gutting Jr., 2000 M St., NW, #580 Washington, DC 20036	National Fisheries Institute	6,000.00	109.68
Alvin M. Guttman, 1924 N Street, NW Washington, DC 20036	Towing & Recovery Assn of America, Inc	600.00	
Milton S. Gwirtzman, 1250 24th St., NW, #600 Washington, DC 20037	Van Dyke Associates, Inc (For:Boston Company)	600.00	32.00
Do	Lazare Kaplan International, Inc	2,000.00	96.00
Dallas E. Gwynn, Balcor Plaza 4849 Golf Road Skokie, IL 60077	Balcor Co	22,130.00	1,838.91
GA Assn of Petroleum Retailers, Inc, 900 N. Hairston Road, Suite D Stone Mountain, GA 30083			
Jane Scherer Haake, 1667 K Street, NW, #420 Washington, DC 20006	Mead Corporation		
Dana W. Haas, 1800 K Street, NW, #1018 Washington, DC 20006	Kansas City Power & Light Co, et al	13,425.00	6,828.51
Charles W. Hackney Jr., 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
William G. Haddeland, 1025 Connecticut Ave., NW, #507 Washington, DC 20036	Ashland Oil, Inc	2,000.00	
Gene P. Haflich, Indiana Petroleum Council 714 Harrison Building Indianapolis, IN 46204	American Petroleum Institute	2,113.32	2,018.74
Thomas M. Hagan, 1005 Congress Ave., #795 Austin, TX 78701	Central & South West Services, Inc	1,892.00	16,612.00
Tom Hagedorn Associates, 1704 23rd St., So. Arlington, VA 22202	Sims Walker & Steinfeld	30,500.00	
Do	Yankee Energy Co		
Bruce N. Hahn, 9300 Livingston Rd. Ft. Washington, MD 20744	National Tooling & Machining Assn	16,354.93	1,527.40
Peter H. Hahn, 10409 La Costa Dr. Austin, TX 78747	Chromalloy American Corp	5,000.00	150.00
John F. Haifley, 8111 Gatehouse Road Falls Church, VA 22047	American Automobile Assn		
Jay D. Hair, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	5,794.67	
Thomas F. Hairston, 1050 Connecticut Ave., NW, #760 Washington, DC 20036	Union Oil Co of California	9,000.00	664.77
Randolph M. Hale, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004	National Assn of Manufacturers		
Hale and Dorr, 1455 Pennsylvania Ave., NW, #1000 Washington, DC 20004	Avondale Industries, Inc		
Do	Boston Redevelopment Authority		
Do	Gay Head Taxpayers Assn		
Do	Leach & Garner Refining Corp	27.50	
Do	Northeastern University	2,380.00	231.87
Do	State Street Development Corp		
Do	Town of Mashpee		
Hale Foundation, 422 First Street, SE, #208 Washington, DC 20003			
George W. Haley, 733 15th Street, NW, #700 Washington, DC 20005	Grocery Manufacturers of America, Inc		
Angelynn Hall, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	11,555.11	
Edwin K. Hall, 1133 19th Street, NW Washington, DC 20036	MCI Communications Corp	5,000.00	254.04
Elliott S. Hall, 815 Connecticut Ave., NW Washington, DC 20006	Ford Motor Co	1,440.00	1,142.32
Richard F. Hall, 1700 K Street, NW, #502 Washington, DC 20006	Pacific Resources, Inc	500.00	
William F. Hall, P.O. Box 803887 Chicago, IL 60680-3887	Midwest Public Affairs-Management Consulting Group		
Marian Hall-Crawford, 316 Pennsylvania Avenue, SE, #301 Washington, DC 20003	San Diego Gas & Electric	1,385.00	2,716.49
Paul Hallisay, 1625 Massachusetts Avenue, NW Washington, DC 20036	Air Line Pilots Assn	6,250.00	494.55
Maurice E. Halsey, P.O. Box 190 Aurora, IL 60507	Northern Illinois Gas Company	2,000.00	
Paul T. Haluza, 1325 Pennsylvania Ave., NW, #600 Washington, DC 20004	Motor and Equipment Manufacturers Association	3,000.00	3,141.20
Rhonda Lee Halverson, 1730 K St., NW, #1200 Washington, DC 20006	American Business Conference, Inc	152.50	25.00
Martha R. Hamby, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn	240.00	40.00
David S. Hamilton, 215 Pennsylvania Ave., SE Washington, DC 20003	U.S. Public Interest Research Group	3,597.51	
J. Lee Hamilton, 1331 Pennsylvania Avenue, NW, #1550N Washington, DC 20004-1703	National Assn of Manufacturers	228.96	
James L. Hamilton III, 818 Connecticut Ave., NW Washington, DC 20006	USX Corporation	480.00	164.20
Joyce Hamilton, 201 Park Washington Court Falls Church, VA 22046	National-American Wholesale Grocers' Assn		
Philip W. Hamilton, 1825 K St., NW Washington, DC 20006	American Soc of Mechanical Engineers		
Ronald P. Hamm, 1620 Eye St., NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Amy R. Hammer, 1899 L St., NW, #1100 Washington, DC 20036	Exxon Corporation	360.00	164.85
Thomas A. Hammer, 1000 Potomac St., NW, #106A Washington, DC 20007	Sweetener Users Assn	12,800.00	4,645.00
Timothy A. Hanan, 1100 Connecticut Avenue, NW, #620 Washington, DC 20036	Mobil Corp	1,500.00	
Nolan W. Hancock, 1126 16th St., NW Washington, DC 20036	Oil Chemical & Atomic Workers International Union	5,926.37	
William G. Handfield, 50 F Street, NW Washington, DC 20001	Association of American Railroads	550.01	281.50
Donald K. Hanes, 50 F St., NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	673.98	
Elisabeth Hanlin, 2000 L St., NW, #1000 Washington, DC 20036	Unisys Corp		
Thomas H. Hanna, 7430 Second Ave, #300 Detroit, MI 48202	Motor Vehicle Manufacturers Assn of the U.S., Inc	900.00	442.60
M. Arnita Hannon, 1029 Vermont Ave., NW, #710 Washington, DC 20005-3517	American Lung Assn	1,826.40	1,265.85
Erling Hansen, 1129 20th Street, NW, #600 Washington, DC 20036	Group Health Assn of America, Inc		
J. E. Hansen, 400 First St., NW, #708 Washington, DC 20001	Brotherhood of Railroad Signalmen	350.00	
Daniel J. Hanson Sr., 501 School Street, SW, #800 Washington, DC 20024	American Road & Transportation Builders Assn	12,000.00	249.00
Hanson Bridgett Marcus Vlahos & Rudy, 333 Market Street, #2300 San Francisco, CA 94105	Itel Rail Corp		
Robert N. Harbor, P.O. Box 1492 El Paso, TX 79978	El Paso Natural Gas Co		
Ralph Harding, Suite 717 Watergate 2600 Virginia Avenue, NW Washington, DC 20037	Sugar Regulatory Administration	45,000.00	24,125.99
Stuart B. Hardy, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce		
Jon Harkavy, 205 East 42nd Street New York, NY 10017	Risk & Insurance Management Society, Inc		
Donna Akers Harman, 1776 Eye Street, NW, #575 Washington, DC 20006	Dow Chemical Co		5,546.00
Patricia L. Harmening, 316 Pennsylvania Ave., SE, #301 Washington, DC 20003	San Diego Gas & Electric	793.00	2,597.23
Wiley C. Harrell Jr., 1211 Connecticut Ave., NW, #502 Washington, DC 20036	Anheuser-Busch Companies, Inc		
Toni Harrington, 950 L'Enfant Plaza North, SW, #5300 Washington, DC 20024	Honda North America, Inc	200.00	211.60
W. Brendan Harrington, 1101 15th St., NW, #205 Washington, DC 20005	Cargill, Inc	1,250.00	
Marilyn A. Harris, 818 Connecticut Avenue, NW Washington, DC 20006	USX Corporation	130.00	
Marra Harris, 729 15th St., NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Richard M. Harris, 525 School St., SW Washington, DC 20024	American Road & Transportation Builders Assn	12,000.00	319.74
Sandra Zeune Harris, 1120 20th Street, NW, #700 Washington, DC 20036	Williams Companies	500.00	
Teena Harris, 1627 K St., NW, #400 Washington, DC 20006	National Newspaper Assn	2,000.00	
Harris Orr & Kinzer, First Interstate Center, #3210 999 Third Avenue Seattle, WA 98104	Netlink USA		
Do	SP Energy Development Co		
Jack E. Harrison, c/o West Virginia Petroleum Council 1250 One Valley Square Charleston, WV 25301	American Petroleum Institute		
Mark Harrison, 711 G Street, SE Washington, DC 20003	SANE/FREEZE, Inc	6,040.37	
Anne Harrison-Clark, 1725 K Street, NW, #814 Wsahington, DC 20006	March of Dimes Birth Defects Foundation	4,125.00	
Jayne A. Hart, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	3,750.00	
Lynn S. Hart, 1111 19th St., NW, #402 Washington, DC 20036	Federation of American Health Systems	3,000.00	
Susan P. Hart, 1600 M Street, NW Washington, DC 20036	Investment Company Institute		
Harter Secrest & Emery, 700 Midtown Tower Rochester, NY 14604-2070	Genesee & Wyoming Industries, Inc		
Hartford Fire Insurance Co, Hartford Plaza Hartford, CT 06115			35,800.00
Gabriel A. Hartl, 2020 N. 14th Street, #410 Arlington, VA 22201	Air Traffic Control Assn, Inc		
Arthur W. Hartmann, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn		
Fanny L. Haslebacher, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	400.00	
Holly Hassett, 1730 Rhode Island Avenue, NW, #206 Washington, DC 20036	Hershey Foods Corp		
James C. Hassett, 1010 Wisconsin Ave., NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc		
Walter A. Hasty Jr., 801 18th Street, NW, #400 Washington, DC 20006	Procter & Gamble Co	63.75	
Richard Gordon Hatcher, 2210 Hayes Street Gary, IN 46404	R. Gordon Hatcher & Associates, Inc (For:National Assn of Realtors)	15,000.00	1,114.78
Do	R. Gordon Hatcher & Associates, Inc (For:Tele-Communications, Inc)	5,000.00	
Janet S. Hathaway, 1350 New York Ave., NW, #300 Washington, DC 20005	Natural Resources Defense Council	9,156.00	204.95
Howard M. Haug, 100 East 42nd St. New York, NY 10017	National Foreign Trade Council, Inc	4,500.00	695.00
James N. Haug, 55 E. Erie Street Chicago, IL 60611	American College of Surgeons		
Barbara S. Haugen, 1401 New York Ave., NW, #720 Washington, DC 20005	National Assn of Insurance Brokers, Inc		
Marilyn Beth Haugen, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc		
Barbara J. Haugh, 1050 Connecticut Ave., NW, #760 Washington, DC 20036	Union Oil Co of California		1,219.80

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Arnold I. Havens, 1818 N Street, NW Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:Armstrong World Industries, Inc)	11,732.50	43.43
Do	Eckert Seamans Cherin & Mellott (For:Burlington Northern, Inc)	17,255.80	1,467.59
Do	Eckert Seamans Cherin & Mellott (For:CSX Corporation)	11,352.50	441.10
Do	Eckert Seamans Cherin & Mellott (For:MetPath, Inc)	15,631.25	95.27
Do	Eckert Seamans Cherin & Mellott (For:Product Liability Coordinating Committee, et al.).	13,300.00	135.74
Charles W. Havens III, 1333 New Hampshire Avenue, NW, #1100 Washington, DC 20036	Leboeuf Lamb Leiby & Macrae		
Ann Marie Havrilko, 1776 Eye Street, NW Suite l000 Washington, DC 20006	BP America, Inc		
Sidney G. Hawkes, 1667 K St., NW, #420 Washington, DC 20006	Mead Corporation	980.00	45.00
Charles E. Hawkins III, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Paul M. Hawkins, 26 Ridgeview Drive Asheville, NC 28804	Colonial Life & Accident Insurance Co		
Edmund S. Hawley, 555 13th St., NW, #450 West Columbia Square Washington, DC 20004	Union Pacific Corp	12,500.00	84.08
Robert T. Hayden, 1120 Connecticut Avenue, NW, #469 Washington, DC 20036	Maurer Anderson Conway Communications (For:Coalition for Safe & Responsible Railroads).	7,500.00	7,935.26
David J. Hayes, c/o Hogan & Hartson 555 13th Street, NW Washington, DC 20004	American Electronics Assn		14.94
Do	Hogan & Hartson (For:Semiconductor Industry Association)		32.07
Do	Hogan & Hartson (For:Tektronix, Inc)		7.01
Peter M. Hayes, 214 Massachusetts Ave., NE #530 Washington, DC 20002	Salt River Project	3,521.00	2,236.97
Robert G. Hayes, Bogle and Gates One Thomas Circle, NW, #900 Washington, DC 20005	American Fishing Tackle Manufacturers Assn		
Do	Coastal Conservation Assn	2,000.00	
Robert A. Haynos, 4711 Hunt Circle Harrisburg, PA 17112	Harsco Corporation	18,375.00	1,810.37
Holly Elisabeth Hazard, 111 Massachusetts Ave., NW, #200 Washington, DC 20001	Animal Legal Defense Fund	1,750.00	
Do	Doris Day Animal League	9,000.00	
Do	New England Anti-Vivisection Society	978.00	61.36
Janis D. Hazel, 1250 Eye Street, NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l		
Paul Hazen, 1401 New York Ave., NW, #1100 Washington, DC 20005	National Cooperative Business Assn	2,500.00	25.20
Health Insurance Assn of America, Inc, 1025 Connecticut Ave., NW Washington, DC 20036			
HealthCare COMPARE, Corp, 1133 21st St., NW, #450 Washington, DC 20036			
Robert L. Healy, 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co	120.00	
Anne A. Heanue, 110 Maryland Avenue, NW, #101 Washington, DC 20002	American Library Assn	873.00	
Lynn C. Hearnes, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Willian H. Hecht, 499 S. Capitol Street, SW, #507 Washington, DC 20003	Hecht Spencer & Associates, Inc (For:Bixby Ranch Co)		
Do	Hecht Spencer & Associates, Inc (For:Boy Scouts of America)		
Do	Hecht Spencer & Associates, Inc (For:Brown & Williamson Tobacco Corp)		
Do	Hecht Spencer & Associates, Inc (For:BATUS, Inc)		
Do	Hecht Spencer & Associates, Inc (For:CSX Corporation)		
Do	Hecht Spencer & Associates, Inc (For:Great Western Financial Corp)		
Do	Hecht Spencer & Associates, Inc (For:Hong Kong Trade Development Council)		
Do	Hecht Spencer & Associates, Inc (For:Los Angeles Raiders)		
Do	Hecht Spencer & Associates, Inc (For:Southern California Rapid Transit District)		
Do	Hecht Spencer & Associates, Inc (For:Western Growers Association)		
Hecht Spencer & Associates, Inc, 499 South Capitol Street, SW, #507 Washington, DC 20003	Bixby Ranch Co	1,000.00	
Do	Boy Scouts of America	500.00	
Do	Brown & Williamson Tobacco Corp	2,000.00	
Do	BATUS, Inc	1,000.00	
Do	Crowley Maritime Corp	250.00	
Do	CSX Corporation	500.00	
Do	Great Western Financial Corp	1,000.00	
Do	Hong Kong Trade Development Council	2,000.00	
Do	Illinois Dept of Energy & Natural Resources	1,000.00	
Do	Kansas City Southern Industries, Inc		
Do	Los Angeles Raiders		
Do	Southern California Rapid Transit District		
Do	Texas Clinical Laboratories, Inc	1,000.00	
Do	Western Growers Association	500.00	
Herbert A. Hedden, 1350 New York Ave., NW, #900 Washington, DC 20005	International Franchise Assn		
Jay Hedlund, 2030 M St., NW Washington, DC 20036	Common Cause	12,068.76	48.93
Edward D. Heffernan, 1019 19th St., NW, Penthouse #1 Washington, DC 20036	Chicago Board Options Exchange	3,000.00	
Do	CSX Corporation	5,000.00	126.75
Do	Ductile Iron Pipe Research Assn		
Do	Harza Engineering Co		
Do	Sealaska Corp	3,000.00	
John Heffner, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
John F. Heilman, 807 Maine Ave., SW Washington, DC 20024	Disabled American Veterans	20,259.20	430.31
Robert M. Heine, 1701 Pennsylvania Ave., NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co	108.13	
Dan C. Heinemeier, 1722 Eye Street, NW Washington, DC 20006	Electronic Industries Assn	625.00	
Scott E. Heisel, 735 N. Water Street, #908 Milwaukee, WI 53202-4105	American Malting Barley Assn, Inc	600.00	
Helicopter Assn International, 1619 Duke Street Alexandria, VA 22314			17,013.00
Heller Ehrman White & McAuliffe, 500 Maynard Bldg. Seattle, WA 98104	Arctic Slope Regional Corp		
Richard L. Hellwege, 1225 Jefferson Davis Highway, #402 Arlington, VA 22202	Smiths Industries		
DeWitt F. Helm Jr., 155 East 44 St. New York, NY 10017	Association of National Advertisers, Inc		
Edward A. Helme, 444 N. Capitol Street, #526 Washington, DC 20001	Alliance for Acid Rain Control	1,696.00	68.13
Nancy Ginn Helme, Box 723 Washington Grove, MD 20880	Weil & Howe, Inc (for Champlain Pipeline Co)	4,658.00	213.20
Suzanne C. Helmick, One Nationwide Plaza Columbus, OH 43216	Nationwide Insurance Co	600.00	
Thomas M. Helscher, 1101 17th St., NW, #604 Washington, DC 20036	Monsanto Co		48.66
Craig R. Helsing, 499 S. Capitol St., SW, #507 Washington, DC 20005	Hecht Spencer & Associates (For:Hong Kong Trade Development Council)		
Do	Hecht Spencer & Associates (For:Illinois Department of Energy & Natural Resources)		
Do	Hecht Spencer & Associates (For:Kansas City Southern Industries, Inc)		
Do	Hecht Spencer & Associates (For:Texas Clinical Laboratories, Inc)		
Mike D. Helton, Kentucky Petroleum Council 305 Ann St., #403 Frankfort, KY 40601	American Petroleum Institute		
Carol C. Henderson, 110 Maryland Ave., NE, #101, Box 54 Washington, DC 20002	American Library Assn	1,128.00	
Leonard N. Henderson, 1615 L St., NW, #1210 Washington, DC 20036	Metropolitan Life Insurance Co	1,000.00	
Diane Hendricks, 1225 Jefferson Davis Highway, #600 Arlington, VA 22202	Westermann & Hendricks		
Karen Hendricks, 1319 F Street, NW, #604 Washington, DC 20004	Association of Junior Leagues, Inc	4,250.00	717.00
C. Dayle Henington, 2000 Pennsylvania Ave., NW, #6200 Washington, DC 20006	Chicago Mercantile Exchange		
George F. Hennrikus Jr., 201 N. Washington St. Alexandria, VA 22314	Retired Officers Assn	7,809.00	
John Hugh Henry, 1735 Eye St., NW, #814 Washington, DC 20006	McDermott, Inc	7,300.00	858.12
LeAnn Hensche, 1455 Pennsylvania Ave., NW, #525 Washington, DC 20004	RJR Nabisco, Inc	205.00	120.39
Charlotte W. Herbert, 555 New Jersey Avenue, NW, #255 Washington, DC 20001	Vern Clark & Associates, Inc	155.00	14.65
M. Lyn Herdt, 1776 Eye Street, NW, #1000 Washington, DC 20006	BP America, Inc	1,200.00	
Catherine L. Heron, 1600 M St., NW Washington, DC 20036	Investment Company Institute		
Heron Burchette Ruckert & Rothwell, 1025 Thomas Jefferson St., NW, #700 Washington, DC 20007	Aerojet-General Corp	7,016.31	171.31
Do	Agri-Business Corp of America		4,448.26
Do	American Medical Technologists	750.00	64.63
Do	Claudia Ashton		7.73
Do	Asia Satellite Telecommunications, Ltd		1,020.13
Do	Asocoflores		4.66
Do	Association of Floral Importers of Florida		
Do	Association of Human Resource Consultants		640.33
Do	ARCO	1,490.85	2.81
Do	Badger Pipeline	2,703.19	1.41
Do	Balanced Trade Group	1,966.44	75.29
Do	Bay Area Rapid Transit District	1,500.00	2.81
Do	Bechtel	879.38	23.44
Do	Bramelea Pacific	1,578.75	109.58
Do	C.B.I. Sugar Group, Inc		1,870.44
Do	California Almond Growers Exchange	34,844.69	3,024.01
Do	California Central Valley Project Water Users Assn		83.20
Do	California Energy Commission	1,789.08	646.91
Do	California Kiwi Commission	4,877.50	2,827.77
Do	California State Teachers' Retirement System	593.75	1,416.81
Do	Canada Cement LaFarge, Ltd	2,480.63	
Do	Central Utah Water Conservancy District	6,461.08	161.17

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	City of Sacramento	3,915.94	4,035.19
Do	Colorado-Ute Electric Assn, Inc	7,150.31	2,131.70
Do	Council of American Overseas Research Centers		17.24
Do	CH2M Hill	1,304.75	153.52
Do	Dalton Construction Co		45.64
Do	Desert Research Institute	596.25	137.66
Do	East Kentucky Power Cooperative	678.44	11.95
Do	Electronic Data Systems Corp	3,545.94	924.71
Do	Farm Labor Alliance	7,499.78	1,675.85
Do	Friant Water Users	4,837.19	15.47
Do	General Atomics		178.74
Do	Girling Health Care, Inc	3,530.69	417.01
Do	Globos International, Inc		2.81
Do	Good Sam Club	1,276.31	539.29
Do	Granite Rock Co		11.38
Do	Greenbrier Intermodal	16,771.25	1,881.34
Do	Halogenated Solvents Industry Alliance		19.48
Do	Independent Cement Corp	3,830.52	1.41
Do	Inland Cement Limited		
Do	International Apple Institute	4,611.02	13.69
Do	John Hancock Mutual		1.41
Do	Elizabeth (Becky) Johnson	939.38	37.91
Do	Kings River Conservation District	679.69	69.56
Do	Lake Ontario Cement, Ltd		1.41
Do	Las Vegas YMCA		3.03
Do	Massport/Commonwealth of Massachusetts	3,750.00	1,600.88
Do	Mid-Valley Water Authority	131.56	21.61
Do	National Council on Teacher Retirement	6,473.00	619.39
Do	National Medical Care	17,167.34	4,675.23
Do	National Potato Council	7,000.00	1,275.91
Do	Northern California Power Agency	269.06	187.81
Do	NTEC - Northeast Texas Electric Cooperative, Inc	16,915.63	57.50
Do	Orion Air	19,950.31	67.56
Do	Riverside Resorts	7,329.69	906.66
Do	Ryder Systems, Inc	8,037.19	25.23
Do	Sabine River Authority	38,630.89	13.31
Do	San Gabriel Valley Boys Club of America		1.41
Do	Sioux Honey Assn		166.23
Do	Solano Water Authority	1,432.50	979.22
Do	South Dade Land Corp	4,878.13	145.79
Do	St. Lawrence Cement	10,556.43	1,188.94
Do	St. Mary's Cement		1.41
Do	Sunkist Growers, Inc	67,724.51	4,516.09
Do	Tex-La	63,864.02	470.23
Do	Thai Steel Pipe Industry Assn		146.63
Do	University of California		
Do	University of Nevada/Las Vegas	1,875.00	909.25
Do	University of Nevada/Reno	20,575.50	1,603.94
Do	Vermont Electric Cooperative	118.44	1.41
Do	W.E.S.T.		1.41
Do	Walnut Street Bridge Commission	7,362.81	497.70
Do	Welch Foods, Inc	7,704.09	268.33
Do	Westlands Water District	38.13	2.81
Do	Yamaichi International (America), Inc	1,418.47	368.84
Richard A. Herrett, 1600 M St., NW, #702 Washington, DC 20036	ICI Americas, Inc		
Jo-Ann T. Herrick, 1800 K Street, NW, #530 Washington, DC 20006	Tesoro Petroleum Corp	1,500.00	
Marsha Herzstein, 1133 15th Street, NW, #640 Washington, DC 20005	American Logistics Assn		
Ted Allen Heydinger, 311 First Street, NW, #500 Washington, DC 20001	Computer & Business Equipment Manufacturers Assn	3,225.00	517.00
Dale E. Heydlauff, 1667 K St., NW, #450 Washington, DC 20006	American Electric Power Service Corp	162.59	150.36
G. Brockwel Heylin, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Robert G. Hibbert, P.O. Box 3556 Washington, DC 20007	American Meat Institute	1,000.00	
Paul T. Hicks, Rhode Island Petroleum Assn 154 Francis St. Providence, RI 02903	American Petroleum Institute		
Janet E. Hieber, 1436 U Street, NW Washington, DC 20009	Greenpeace USA	1,833.00	496.00
J. Thomas Higginbotham, One Mellon Bank Center, #3003 Pittsburgh, PA 15258-0001	Mellon Bank N.A., et al	2,000.00	
John S. Hightower, 1344 Kenilworth Parkway Baton Rouge, LA 70808	Louisiana-Pacific Corp	7,125.00	2,694.00
Anne R. Hill, 1101 Connecticut Ave., NW, #500 Washington, DC 20036	Kids Project	13,749.99	16,448.68
J. Eldred Hill Jr., 600 Maryland Ave., SW, #603 Washington, DC 20024	UBA, Inc	2,000.00	
Pamela Hill, One Tabor Center, #2500 1200 Seventeenth Street Denver, CO 80202	Energy Fuels Nuclear, Inc		
Patricia Hill, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc		
Robert B. Hill, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	400.00	120.00
Shepard William Hill, 11003 Burywood Lane Reston, VA 22094	Rockwell International Corp	15,737.00	495.72
Thomas M. Hill, 1726 M St., NW, #1100 Washington, DC 20036-4502	Pacific Gas & Electric Co	1,209.76	
Hill & Barlow, One International Place 100 Oliver St. Boston, MA 02110	United Asset Management Corporation		
Edward Joseph Hillings, 1020 16th Street, NW Washington, DC 20036	Enron Corp	7,500.00	
John L. Hills, Rt. 1, Box 645 Purcellville, VA 22132	Sundstrand Corporation	855.00	
John M. Himmelberg, 888 17th Street, NW, #900 Washington, DC 20006	Florida Fruit & Vegetable Assn	3,000.00	
Do	Florida Tomato Exchange	1,500.00	
Grace L. Hinchman, 1331 Pennsylvania Ave., NW, #600-2 Washington, DC 20004	Digital Equipment Corp	17,500.00	
Rick Hind, 215 Pennsylvania Avenue, SE Washington, DC 20003	U.S. Public Interest Research Group	5,387.58	
Robert A. Hirsch, 1320 Braddock Place, #720 Alexandria, VA 22314	National Private Trucking Assn		
Cornish F. Hitchcock, Suite 700 2000 P St., NW Washington, DC 20036	Aviation Consumer Action Project		8.00
J. D. Hittle, 3137 S. 14th St. Arlington, VA 22204	KMS Industries, Inc	1,500.00	
Do	LTV Aerospace & Defense, Inc	2,500.00	177.20
Kenneth Hoagland, 2000 K St., NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security	2,875.00	
Lawrence S. Hobart, 2301 M St., NW, #300 Washington, DC 20037	American Public Power Assn	500.00	
Karen L. Hobert, 2030 M St., NW Washington, DC 20036	Common Cause	4,914.40	47.10
Scott Hodes, 180 North La Salle St., #3800 Chicago, IL 60601	Investment Company Institute	28,218.84	
Glen D. Hofer, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
Irvin A. Hoff, 20 N. Live Oak Rd. Hilton Head Island, SC 29928	U.S. Cane Sugar Refiners' Assn		
Adonis E. Hoffman, 2908 Fort Baker Drive Washington, DC 20020-7222	Angola Peace Fund	7,500.00	
Gail Hoffman, 1225 Eye St., NW #1100 Washington, DC 20005	Handgun Control, Inc	10,230.78	
Robert C. Hoffman, 2600 N. Powhatan Street Arlington, VA 22207	Foresight Consulting Group, Inc		
William L. Hoffman, 516 First Street, SE Washington, DC 20003	American University of Beirut	11,856.00	3,762.32
Walter F. Hoffmann, 418 7th Street, SE Washington, DC 20003	Campaign for U.N. Reform-PEC	333.34	14.20
F. Nordy Hoffmann and Assoc, Inc, 400 N. Capitol St., NW, #327 Washington, DC 20001	Archer Daniels Midland Company		
Do	Coca-Cola Company		
Do	Marine Engineers' Beneficial Assn		
Do	Wilmorite, Inc		
Elizabeth Hogan, 1133 19th St., NW Washington, DC 20036	MCI Communications Corp	5,000.00	279.93
Hogan & Hartson, 555 13th St., NW Washington, DC 20004-1109	American Physical Therapy Assn		
Do	Amgen, Inc		
Do	Baptist Medical Center		
Do	Caremark, Inc	2,784.83	
Do	Citizen Energy Corp		
Do	CH2M Hill	347.50	
Do	Dianon Systems, Inc		38.15
Do	Freightliner Corp		
Do	Glasrock Home Health Care, Inc		
Do	Jewish Institute for Geriatric Care		
Do	Manufacturers Hanover Trust Co	2,420.00	
Do	Marion Laboratories, Inc	82.50	
Do	May Department Stores Co	11,675.00	
Do	Mercedes-Benz of North America, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Mercy Medical Center		
Do	Mutual Life Insurance Co of New York	300.00	
Do	National Hospice Organization	82.50	
Do	National Telecommunications Network		
Do	Ontario Ministry of Industry, Trade & Technology		
Do	Payload Systems, Inc		
Do	Schering-Plough Corp	2,887.50	
Do	Simplex Wire & Cable Co		
Do	Software Co Task Force on Foreign Market Penetration		437.00
Do	SouthernNet, Inc		
Do	Tandem Computers, Inc		
Do	Timex Corporation	2,310.00	12.00
Do	Toyota Motor Sales, USA, Inc	3,575.00	40.00
Do	Underwriters at Lloyd's London	1,500.00	192.32
Do	University of Pennsylvania		
Richard F. Hohlt, 1709 New York Ave., NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	5,198.00	37.80
Bruce E. Holbein, 111 Powdermill Rd. (b79) Maynard, MA 01754	Digital Equipment Corp	22,000.00	
Holden Group, Inc, 11365 West Olympic Boulevard Los Angeles, CA 90064			
Philip C. Holladay Jr., 1025 Connecticut Avenue, NW, #200 Washington, DC 20036	Shell Oil Co	500.00	
Holland & Hart, 1001 Pennsylvania Ave., #310 Washington, DC 20006	Citgo Petroleum Corp	2,000.00	85.00
Do	Citmoco Services, Inc		
Do	Grocery Manufacturers of America, Inc		510.00
Do	Southland Corporation		
Holland & Knight, 888 17th St., NW, #900 Washington, DC 20006	Indian River Citrus League	500.00	
Do	Pan American Satellite Corp	2,275.00	
Wendell M. Holloway, 815 Connecticut Ave., NW, #900 Washington, DC 20006	Ford Motor Co	2,490.00	2,936.54
Holly Corporation, 2600 Diamond Shamrock Tower 717 North Harwood Street Dallas, TX 75201			
Holly Farms Corporation, 1755D Lynnfield Road, #149 Memphis, TN 38119			
Diane S. Holmes, 410 First Street, SE Washington, DC 20003	American Nuclear Energy Council	475.00	581.72
Moses D. Holmes Jr., 1201 16th St., NW Washington, DC 20036	National Education Assn		
E. Y. Holt Jr., 3138 North 10th St., Arlington, VA 22201	National Assn of Federal Credit Unions		
Fred H. Holt, 119 Oronoco Street Box 1417-D50 Alexandria, VA 22313	Animal Health Institute	160.00	
John W. Holt, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	350.00	
John F. Holtz, NJ Petroleum Council 150 West State Street Trenton, NJ 08608	American Petroleum Institute		
Home Recording Rights Coalition, P.O. Box 33576 1145 19th Street, NW Washington, DC 20033		130,000.00	76,593.19
Hoog & Associates, 1877 Broadway, #405 Boulder, CO 80302	Asarco Inc	500.00	500.00
Do	Colorado State University	7,500.00	7,500.00
Do	ECAD, Inc		
Do	MediVision, Inc	2,000.00	2,000.00
Do	Strohs Brewery Co	500.00	500.00
Do	United Technologies Corporation	4,500.00	4,500.00
Do	Warner-Lambert Co		
Billy E. Hooper, 1023 15th Street NW 3rd floor Washington, DC 20005	Association of American Veterinary Medical Colleges		
Candice Shy Hooper, 1025 Connecticut Ave., NW, #1014 Washington, DC 20036	Enserch Corporation	5,570.00	1,266.71
Helen Hooper, 1785 Massachusetts Avenue, NW Washington, DC 20036	National Trust for Historic Preservation	1,950.59	
Karen A. Hoover, 560 N St., SW, Apt. N-609 Washington, DC 20024	American Maritime Officers Service		
Mark Hopkins, 1925 K St., NW, #206 Washington, DC 20006	Alliance to Save Energy		
Virginia E. Hopkins, 1620 Eye St., NW, #800 Washington, DC 20006	Taft Stettinius & Hollister (For:Great American Broadcasting Co)		
Do	Taft Stettinius & Hollister (For:Kings Entertainment Co)	75.00	
Do	Taft Stettinius & Hollister (For:Telephone & Data Systems, Inc)		
Do	Taft Stettinius & Hollister (For:Wald Manufacturing Co, Inc)		
Hopkins Sutter Hamel & Park, 888 16th Street, NW Washington, DC 20006	Alaska Joint Venture Seafoods, Inc		
Do	Alaska Tae Woong		
Do	Alaskan Cod, Inc	992.30	
Do	Allan Bruner (for estate of Elsie Bruner)	1,057.50	
Do	Peter Buyck		19.00
Do	Joy B. Carpenter	5,142.75	58.00
Do	Congaree River Limited Partnership	5,183.75	37.50
Do	Cook Inlet Land Exchange, Inc		52.00
Do	Estate of Helen Halbach	770.00	
Do	First Federal Savings Bank		
Do	Grand Trunk Corp	928.00	73.00
Do	Gundle Lining Systems, Inc	1,650.00	135.20
Do	Louisiana Pacific Corp	19,961.00	91.75
Do	Martel Laboratory Services, Inc		
Do	Safe Travel America		
Do	Skylink Corporation, Inc		
Do	Tandy Corporation		
Do	United Video	820.00	12.50
Do	Zambelli Internationale		
Robert Jack Horn, 1990 M St., NW, #480 Washington, DC 20036	Detroit Edison Company	750.00	30.00
Toni A. Horst, 206 G Street, NW, #201 Washington, DC 20002	Coalition Against Non Effective Technologies (CAN'T)		
Do	Foley & Co		
Do	Shelson International		
Robert Horvitz, 1006 Poplar Drive Falls Church, VA 22046	Association of North American Radio Clubs		
Sarah Hospodor, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	1,250.00	220.41
Thomas B. House, 1764 Old Meadow Lane #350 Mclean, VA 22102	American Frozen Food Institute	1,000.00	
Jack W. Houston, 900 N. Hairston Road, Suite D Stone Mountain, GA 30083	GA Assn of Petroleum Retailers, Inc		
Hoving Group, 910 17th St., NW, #318 Washington, DC 20006	Eagle-Picher Industries, Inc	74,000.00	4,060.45
Do	Western-Southern Life Insurance	33,300.00	362.95
John Howard, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S	300.00	5.00
Robert M. Howard, 815 Connecticut Avenue, NW Washington, DC 20006	Ford Motor Co	1,867.20	1,860.27
Roger W. Howard, 3253 E. Chestnut Expressway Springfield, MO 65802	Burlington Northern Railroad		
Senga Howat, 1155 15th Street, NW, #710 Washington, DC 20005	National Small Business United		
Gary Howell, 1745 Jefferson Davis Highway, #605 Arlington, VA 22202	Texas Instruments, Inc	700.00	
J. William Howell, 1801 K St., NW, #1200 Washington, DC 20006	International Business Machines Corp		
James P. Howell, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	1,205.00	
Mary Lynch Howell, 1090 Vermont Ave., NW, #1100 Washington, DC 20005	Textron, Inc	1,500.00	280.00
John A. Howes, 1016 16th St., NW, 5th Floor Washington, DC 20036	Consumers Power Co	6,000.00	6,998.00
Paul R. Huard, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004-1703	National Assn of Manufacturers	2,500.00	
Walter D. Huddleston, 499 S. Capitol Street, SW, #507 Washington, DC 20003	Hecht Spencer & Oglesby, Inc (For:Brown & Williamson Tobacco Corp)		
Do	Hecht Spencer & Oglesby, Inc (For:BATUS, Inc)		
Margaret Renken Hudson, 600 Maryland Avenue, SW, #700 Washington, DC 20024	National Fed of Independent Business	3,401.75	300.00
Stewart Hudson, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	1,118.38	
Dana Hughes, 122 C Street, NW, 4th Fl. Washington, DC 20001	Children's Defense Fund	675.00	
Gary E. Hughes, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
James R. Hughes, 1020 19th St., NW, #700 Washington, DC 20036	U S West, Inc	1,500.00	
Peter W. Hughes, 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security	21,750.00	
Sharon M. Hughes, 1330 Connecticut Ave., NW, #300 Washington, DC 20036	Synthetic Organic Chemical Manufacturers Assn, Inc	550.00	34.30
Vester T. Hughes Jr., 1717 Main Street, Suite 2800 Dallas, TX 75201	Mrs. H. E. Butt		
Do	Holly Corp		
Do	Sammons Enterprises, Inc		
William Hughes, 1023 15th Street, NW, #300 Washington, DC 20005	National Assn of Federal Veterinarians	23.97	
Hughes Hubbard & Reed, 1201 Pennsylvania Ave., NW, #300 Washington, DC 20004	American Institute of Certified Public Accountants	5,525.00	9.00
Do	Anglo American Auto Auctions, Inc		
Do	Grocery Manufacturers of America, Inc		
Do	Pfizer, Inc	980.00	
Do	47th Street Photo		
Cordell W. Hull, 50 Beale St., 23rd Fl. San Francisco, CA 94119	Bechtel Group, Inc		
R. Theodore Hume, 1333 New Hampshire Ave., NW Washington, DC 20036	Philippine Food Processors and Exporters Organization	100.00	57.25
Gregory A. Humphrey, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers	11,166.68	200.00
Margot Smiley Humphrey, 1150 Connecticut Avenue, NW Washington, DC 20036	Koteen & Naftalin (For:Alascom, Inc)		
Do	Koteen & Naftalin (For:Telephone & Data Systems, Inc)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Francis M. Hunt, 1776 Eye Street , N.W. Suite 575 Washington, DC 20006	Dow Chemical Co	500.00	5,596.00
Richard M. Hunt, 550 N St., SW, #S-201 P.O. Box 70192 Washington, DC 20024	NL Industries, Inc	10,800.00	
James C. Hunter, 1747 Pennsylvania Avenue, NW, #300 Washington, DC 20006	OXY USA Inc.	126.00	165.85
William N. Hunter, 2104-A GAllows Road Vienna, VA 22180	W N Hunter & Associates	2,000.00	
W. N. Hunter & Associates, 2104-A Gallows Road Vienna, VA 22180			2,000.00
Milton F. Huntington, Maine Petroleum Assn 283 Water St. Augusta, ME 04330	American Petroleum Institute	72.00	36.23
Hunton & Williams, 2000 Pennsylvania Ave., NW, #9000 P.O. Box 19230 Washington, DC 20036	Copyright Justice Coalition		
Do	Edison Electric Institute	23,190.00	499.78
Do	Historic Ricefields Assn		
Do	Long Island Lighting Co	1,000.00	
Adele M. Hurley, 112 St. Clair Ave., West, #504 Toronto, Ontario Canada M4V 2Y3	Canadian Coalition on Acid Rain	1,139.60	1,536.35
Gerard F. Hurley, 1625 I St., NW, #609 Washington, DC 20006	National Club Association		
Ronald A. Hurst, 5410 Grosvenor Lane, #210 Bethesda, MD 20814	American Medical Care & Review Assn		
Geoffrey B. Hurwitz, 1667 K St., NW, #1210 Washington, DC 20006	Rohm & Haas Co	500.00	
Michael Hussey, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,500.00	2,167.06
Philip A. Hutchinson, 490 L'Enfant Plaza, #7204 Washington, DC 20024	Volkswagen of America, Inc	200.00	25.00
Suzanne C. Hutchinson, 1615 L St., NW, #1230 Washington, DC 20036	Mortgage Insurance Companies of America	3,400.00	204.28
James L. Hutchison, 260 Madison Avenue New York, NY 10016	American Paper Institute, Inc		
Helena C. Hutton, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	2,500.00	
Randy Huwa, 2030 M St., NW Washington, DC 20036	Common Cause	11,203.11	
B. F. Hyde, Tennessee Petroleum Council 211 7th Avenue, North, 4th Fl. Nashville, TN 37219	American Petroleum Institute	800.00	580.15
Lester S. Hyman, 3000 K St., NW, #300 Washington, DC 20007	Swidler & Berlin (For:Majestic Shipping Services Corp)		
Gary Hymel, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:American Bankers Assn)	3,750.00	
Do	Hill & Knowlton, Inc (For:Anglo American Auto Auctions, Inc)	150.00	
Do	Hill & Knowlton, Inc (For:Asarco Inc)		
Do	Hill & Knowlton, Inc (For:Association for the Advancement of Human Rights)	300.00	
Do	Hill & Knowlton, Inc (For:Budd Company)		
Do	Hill & Knowlton, Inc (For:Cellmark Diagnostics, Inc)		
Do	Hill & Knowlton, Inc (For:Church of Scientology International)	150.00	
Do	Hill & Knowlton, Inc (For:Colonial Williamsburg)		
Do	Hill & Knowlton, Inc (For:Hastings College)		
Do	Hill & Knowlton, Inc (For:Hitachi America, Ltd)		
Do	Hill & Knowlton, Inc (For:Hoopa Valley Business Council)	650.00	
Do	Hill & Knowlton, Inc (For:HTB Corporation)		
Do	Hill & Knowlton, Inc (For:MediVision, Inc)		
Do	Hill & Knowlton, Inc (For:Newmont Mining Corp)		
Do	Hill & Knowlton, Inc (For:Palm Oil Registration & Authority)		
Do	Hill & Knowlton, Inc (For:Panhandle Eastern Corp)		
Do	Hill & Knowlton, Inc (For:Republic of Turkey)	1,750.00	
Do	Hill & Knowlton Inc (For:Ryder Systems Inc)	300.00	
Do	Hill & Knowlton, Inc (For:Shaklee Corporation)		
Do	Hill & Knowlton, Inc (For:Stroh Brewery Co)		
Do	Hill & Knowlton, Inc (For:Tambrands)		
Do	Hill & Knowlton, Inc (For:Title Insurance Industry Coalition)		
Do	Hill & Knowlton, Inc (For:Tobacco Institute)		
Do	Hill & Knowlton, Inc (For:U.S. Banknote Corp)		
Robert D. Hynes Jr., 1825 K St., NW, #807 Washington, DC 20006	National Broadcasting Co, Inc	1,000.00	873.96
Brian M. Hyps, 2215 Constitution Avenue, NW Washington, DC 20037	American Pharmaceutical Assn	500.00	142.70
HCA The Healthcare Co, One Park Plaza P.O. Box 550 Nashville, TN 37202-0550			
Richard H. Ichord, 499 S. Capitol St., SW, #520 Washington, DC 20003	AAI Corporation	444.05	
Kevin J. Igli, 1155 Connecticut Ave., NW Washington, DC 20036	Waste Management, Inc	812.00	438.00
Independent Data Communications Manufacturers Assn, c/o Squire Sanders & Dempsey 1201 Pennsylvania Ave., NW Washington, DC 20004.		140.25	140.25
Independent Insurance Agents of America, Inc, 100 Church St., 19th Fl. New York, NY 10007		38,554.00	38,554.00
Independent JOA Publishers Assn, 1050 17th St., NW, #590 Washington, DC 20036		5,000.00	5,000.00
Independent Lubricant Manufacturers Assn, 651 S. Washington Street Alexandria, VA 22314		770.00	770.00
Industrial Biotechnology Assn, 1625 K Street, NW, #1100 Washington, DC 20006		1,910.25	1,910.25
Industrial Gas Cleaning Institute, Inc, 1707 L St., NW Washington, DC 20036			
Industrial Truck Association, 1750 K Street, NW, #210 Washington, DC 20006			100.00
Industrial Union Department, AFL-CIO, 815 16th St., NW, #301 Washington, DC 20006		25,247.59	25,247.59
Infant Formula Council, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta, GA 30342			
Charles E. Ing, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc	2,650.00	103.89
Edwin T. C. Ing, 2000 Pennsylvania Ave., NW, #7400 Washington, DC 20006	Hawaiian Electric Industries, Inc	7,906.88	16.75
Do	Kamehameha Schools/Estate of Bernice P. Bishop	6,842.50	35.28
Do	Kauai Electric Co	2,305.62	16.58
Do	U.S. Windpower, Inc	7,352.50	27.02
Charles W. Ingram, 305 C Street, NE, #309 Washington, DC 20006	S.K.C. & Associates		
Robert A. Ingram, 1615 L Street, NW, #1320 Washington, DC 20036	Merck & Co, Inc		
Doug Inkley, 1400 16th St., NW Washington, DC 20036-0001	National Wildlife Federation	469.93	
Institute of International Bankers, East Building, 4th Floor 280 Park Ave. New York, NY 10017		8,979.30	
Institute of International Container Lessors, Bedford Consultants Building Box 605 Bedford, NY 10506		1,777.09	1,777.09
Int'l Union, United Auto Aerospace & Agric Implement Workers, Workers of America (uaw) 8000 E. Jefferson Avenue Detroit, MI 48214.		150,652.41	150,652.41
International Assn of Bridge Struct & Ornamental Iron Wkrs, 1750 New York Ave., NW Washington, DC 20006		9,983.15	20,783.15
International Brotherhood of Teamsters, 25 Louisiana Ave., NW Washington, DC 20001			72,576.99
International Communications Industries Assn, 3150 Spring St. Fairfax, VA 22031			4,821.74
International Longshoremen's Assn, AFL-CIO, 17 Battery Place, #1500 New York, NY 10004			61,037.48
International Taxicab Assn, 3849 Farragut Avenue Kensington, MD 20895			
International Union of Bricklayers & Allied Craftsmen, 815 15th St., NW Washington, DC 20005			7,700.00
Investment Company Institute, 1600 M St., NW Washington, DC 20036			70,357.90
Peter A. Iovino, 815 Connecticut Ave., NW Washington, DC 20006	Ford Motor Co	2,124.00	1,609.10
Kathy D. Ireland, 1600 M Street, NW Washington, DC 20036	Investment Co Institute		
Charles C. Irions, 2200 Mill Rd. Alexandria, VA 22314	American Movers Conference	600.00	
Thomas L. Irmen, P.O. Box 119 Maumee, OH 43537	Andersons		
Iron Ore Lessors Assn, Inc, W-2081 First National Bank Bldg. Saint Paul, MN 55101		17,108.41	12,081.04
Edrie Irvine, 1620 Eye Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc	128.00	
William A. Isokait, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Ivins Phillips & Barker, Chtd, 1700 Pennsylvania Ave., NW, #600 Washington, DC 20006	American Textile Manufacturers Institute, Inc		
Do	Borg-Warner Corp		
Do	Employee Relocation Council		
Do	Family Holding Company Advocacy Group	3,397.50	
Do	Oberlin College		
Do	Rochester Tax Council		
Kenneth M. Iwashita, 29400 Lakeland Boulevard Wickliffe, OH 44092	Lubrizol Corp		
III Dimension of Indiana, Inc, 730 Century Bldg. 36 S. Pennsylvania St. Indianapolis, IN 46204	Reese Communications Companies		
INTERACT, 1350 Old Bayshore Highway, #750 Burlingame, CA 94010	American Comm for Vietnam Claims Justice	9,600.00	5,100.00
Charles R. Jackson, 225 North Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn of the USA	7,900.00	20,957.91
Glenn Jackson, 555 13th Street, NW, #300 West Washington, DC 20004	Interstate Natural Gas Assn of America	1,000.00	
Julia Jackson, 2626 Pennsylvania Ave., NW Washington, DC 20037	National Telephone Cooperative Assn	5,000.00	647.54
William P. Jackson Jr., Jackson & Jessup, P.C. 3426 N. Washington Boulevard Arlington, VA 22201	Osborne Truck Line, Inc, et al	1,173.30	835.80
Stephen Jacobs, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	1,670.00	589.86
E. A. Jaenke & Associates, Inc, 777 14th St., NW, #666 Washington, DC 20005	National Cooperative Bank	15,000.00	
Do	University of Kansas	250.00	
Jaffe Snider Raitt & Heuer, P.C., 1800 First National Building Detroit, MI 48226			
Edward L. Jaffee, 1730 Rhode Island Avenue, NW, #713 Washington, DC 20036	PPG Industries, Inc	35.00	7.00
Claudia James, Box 17407 Dulles Airport Washington, DC 20041	American Newspaper Publishers Assn	1,500.00	356.77
Jamin Ebell Bolger & Gentry, P.O. Box 4269 Kodiak, AK 99615	Old Harbor Native Corp	10,047.00	16,291.28
Japan Economic Institute of America, 1000 Connecticut Ave., NW Washington, DC 20036		2,773.62	2,773.62
Japanese American Citizens League, 1765 Sutter Street San Francisco, CA 94118			
Joseph J. Jaquay, 5025 Wisconsin Ave., NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Evelyn Jarvis-Ferris, 444 Market Street San Francisco, CA 94111	Shaklee Corporation		
Jerry J. Jasinowski, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004-1703	National Assn of Manufacturers	2,000.00	
Sonia S. Jasso, 815 16th Street, NW, #707 Washington, DC 20006	Labor Council for Latin American Advancement		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Julie A. Javernick, 413 North Lee St. P.O. Box 1417-D49 Alexandria, VA 22313	National Assn of Chain Drug Stores, Inc	500.00	
Joseph A. Jeffrey, 1920 N St., NW, #300 Washington, DC 20036	American Mining Congress		
Jeford-McManus International, Inc, 513 Capitol Court, NE, #300 Washington, DC 20002	Aerojet-General Corp	75.00	
Do	Garber International Associates, Inc	105.00	
Do	Hazeltine Corp	200.00	
Do	ISC Defense & Space Group	200.00	
Do	John Deere Technologies International, Inc	200.00	
Do	Litton Data Systems	50.00	
Do	LTV Defense & Space Co	100.00	
Do	McDonnell Douglas Corp	150.00	
Do	Piasecki Aircraft Corp	90.00	
Do	Pratt & Whitney Group	150.00	
Do	Raytheon Corp	225.00	
Do	Spartan Electronics Corp	50.00	
Jellinek Schwartz Connolly & Freshman, Inc, 1350 New York Avenue, NW, #400 Washington, DC 20005	Adolph Coors Co	19,564.00	591.00
Do	ASARCO, Inc	72,544.00	1,656.00
Do	Colorado School of Mines Foundation	1,733.00	50.00
Do	East Bay Municipal Utility District	4,615.00	384.00
Do	Los Angeles County Sanitation District	23,919.00	2,995.00
Do	New York Power Authority		
Do	Rhone-Poulenc Ag Co	8,888.00	421.00
Do	State of North Carolina, Dept of Natural Resources	3,005.00	25.00
Do	Union Pacific Corp	7,986.00	303.00
Joseph S. Jenckes, Suite 300 1710 Rhode Island Ave., NW Washington, DC 20036	Abbott Laboratories	5,000.00	144.00
Linda Jenckes, 1025 Connecticut Avenue, NW Washington, DC 20036	Health Insurance Assn of America, Inc		
Kempton B. Jenkins, 1667 K St., NW, #650 Washington, DC 20006	Armco, Inc	200.00	313.36
Jenner & Block, 21 Dupont Circle, NW Washington, DC 20036	Adhesive & Sealant Council, Inc		
Do	American Assn of Electromyography & Electrodiagonosts		
Do	American Dental Assistants Assn		
Do	American Dental Trade Assn		
Do	American Diabetes Assn		
Do	American Film Marketing Assn		
Do	American Soc for Cataract & Refractive Surgery		
Do	Auto Glass Industry Comm		
Do	Cable TV Admin & Marketing Society, Inc		
Do	Dental Gold Institute		
Do	International Soc for Hybrid Microelectronics		
Do	Metropolitan Transit Authority	13,797.50	1,586.33
Do	MCI Communications Corp		
Do	National Glass Association		
Do	San Francisco Public Utilities Commission	2,565.54	34.46
James C. Jennings, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc		
Richard H. Jenrette, 787 7th Avenue New York, NY 10019	Equitable Financial Companies		
Rusty L. Jesser, 1120 Connecticut Avenue, NW Washington, DC 20036	American Bankers Assn	3,500.00	
Nancy H. Jessick, 1331 Pennsylvania Ave., NW, #720 Washington, DC 20004	Hiram Walker & Sons, Inc		
Kataejar U. Jibas, P.O. Box 921 Majuro, Marshall Islands	Bikini/Kili/Ejit Council		
Charles B. Jiggetts, 1331 Pennsylvania Ave., NW, #1300 North Washington, DC 20004	Electronic Data Systems Corp		
Calvin P. Johnson, 815 16th Street, NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	15,860.05	1,889.37
Jane Leonard Johnson, P.O. Box 19109 Greensboro, NC 27419	Unifi, Inc		
Jess Johnson Jr., 4198 Roberts Pt. Circle Sarasota, FL 34242	Shell Oil Co	12,500.00	3,945.99
Joel L. Johnson, 122 C St., NW, #740 Washington, DC 20001	American League for Exports & Security Assistance, Inc	6,600.00	166.76
John W. Johnson, P.O. Box 35106 Minneapolis, MN 55435	American Collectors Assn	1,000.00	
Johnny Johnson, P.O. Box 921 Majuro, Marshall Islands	Bikini/Kili/Ejit Council		
Kay Johnson, 122 C Street, NW Washington, DC 20001	Children's Defense Fund	396.00	
Kenneth A. Johnson, 4524 Hillsboro Ave. North New Hope, MN 55428	Pillsbury Company		
L. Oakley Johnson, 1455 Pennsylvania Avenue, NW, #900 Washington, DC 20004	American International Group, Inc	5,000.00	
Mark R. Johnson, 1667 K Street, NW, #350 Washington, DC 20006	Maersk, Inc		
Nancie S. Johnson, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co	420.00	
Rady A. Johnson, 200 East Randolph Drive P.O. Box 87703 Chicago, IL 60680-9978	Amoco Corporation		
Richard W. Johnson Jr., 225 N. Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn of the USA	7,274.88	105.00
Susan E. Johnson, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Sears Roebuck & Co	3,900.00	286.33
Barbara W. Johnston, 1150 Connecticut Ave., NW, #700 Washington, DC 20036	BHP-UTAH International, Inc		372.49
David A. Johnston, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
George A. Johnston, 2000 K St., NW, 8th Foor Washington, DC 20006	National Comm to Preserve Social Security	5,767.00	
James D. Johnston, 1660 L St., NW, #401 Washington, DC 20036	General Motors Corp	3,600.00	5,855.02
Rod Johnston, 1250 24th Street, NW, #600 Washington, DC 20037	Prisco E. Entines		
Johnston Barton Proctor Swedlaw & Naff, 1100 Park Place Tower Birmingham, AL 35203	John W. Jamison III	10,500.00	108.22
Mary K. Jolly, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America	1,020.65	86.68
Herbert A. Jolovitz, 7531 Sebago Road Bethesda, MD 20817	Owens-Corning Fiberglas	910.00	
Allan R. Jones, 2200 Mill Rd. Alexandria, VA 22314	American Trucking Assns, Inc	9,000.00	
Beverly E. Jones, 1101 16th Street, NW Washington, DC 20036	Consolidated Natural Gas Co	1,000.00	805.86
Ernest W. Jones Jr., 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Gerald R. Jones, 2001 L Street, NW, #1000 Washington, DC 20036	Unisys Corp		
James E. Jones Jr., 1629 K St., NW, #1010 Washington, DC 20006	Alliance of American Insurers	1,005.00	80.00
Randall T. Jones, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	3,562.50	
T. Lawrence Jones, 2000 Pennsylvania Ave., NW, #9000 Washington, DC 20006	Marsh & McLennan Cos, Inc		
Wiley N. Jones, 816 Connecticut Ave., NW, 8th Floor Washington, DC 20006	Southern Pacific Transportation Co	1,000.00	500.00
William Patrick Jones, 1010 Duke Street Alexandria, VA 22314	American Assn of Port Authorities	10,625.00	2,000.00
De Soto Jordan, 409 12th St., SW, #310 Washington, DC 20024	EDS Corporation		
Do	Perot Systems		117.33
Harris Jordan, 1575 Eye Street, NW Washington, DC 20005	American Soc of Assn Executives	300.00	
David C. Jory, 1275 Pennsylvania Ave., NW, #503 Washington, DC 20004	Citibank, N.A	500.00	
Mary Lou Joseph, 2025 M Street, NW Washington, DC 20036	National Public Radio	16,237.52	682.27
Diana Jost, 655 15th Street, NW, #350 Washington, DC 20005	Blue Cross & Blue Shield Assn		
John J. Joyce, 25 Louisiana Ave., NW Washington, DC 20001	International Brotherhood of Teamsters	3,000.00	
Tomaki Juda, P.O. Box 921 Majuro, Marshall Islands	Bikini/Kili/Ejit Council		
Ardon B. Judd Jr., 1100 Connecticut Ave., NW, #310 Washington, DC 20036	Dresser Industries, Inc		
Amy E. Judy, 2030 M St., NW Washington, DC 20036	Common Cause	2,906.68	163.95
Robert E. Juliano Associates, 2555 M Street, NW, #303 Washington, DC 20037	Aetna Life & Casualty	12,000.00	
Do	American Express Co	10,000.00	
Do	ADAPSO, Inc	5,000.00	
Do	Hotel Employees & Restaurant Employees Int'l Union	27,625.02	1,900.07
Do	International Speedway Corp	7,500.00	
Do	Monarch Capital Corp	5,000.00	
Do	National Academies of Practice		
Do	Rentar Industries, Inc		
Do	Stock Information Group	10,000.00	
Justice Fellowship, P.O. Box 17181 Washington, DC 20041			
Geza Kadar Jr., 1025 Connecticut Avenue, NW Washington, DC 20036	Health Insurance Assn of America, Inc		
Jim Kaitz, 1667 K Street, NW, #710 Washington, DC 20006	Baxter		
Laurel B. Kamen, 1020 19th St., NW, #600 Washington, DC 20036	American Express Co		
Dennis R. Kanin, Foley Hoag & Eliot One Post Office Square Boston, MA 02109	Cambridge Redevelopment Authority	1,585.50	14.37
Do	Humane Society of the U.S., et al.	2,119.50	26.40
Do	Iriquois Gas Transmission Systems	6,762.00	431.32
Do	Thermedics, Inc		
Martin B. Kanner, 2301 M St., NW Washington, DC 20037	American Public Power Assn	2,000.00	
Kevin Kaplan, 8100 Mountain Road, NE Albuquerque, NM 87110	Beer Drinkers of America		
David A. Karcher, 3702 Pender Drive, #250 Fairfax, VA 22030	American Soc of Cataract & Refractive Surgery		1,540.00
Susan D. Karp, Keller and Heckman 1150 17th Street, NW, 1000 Washington, DC 20036	INDA, Assn of the Nonwoven Fabrics Industry		95.43
Gene Karpinski, 215 Pennsylvania Avenue, SE Washington, DC 20003	U.S. Public Interest Research Group	6,552.21	
Peter J. Kassander, 412 Fifth Street, SE, #1 Washington, DC 20003	Seattle Organizing Committee, 1990 Goodwill Games	7,964.76	
Enid Kassner, 925 15th Street, NW Washington, DC 20005	National Council of Senior Citizens	7,600.00	90.00
George Kassouf, 600 New Jersey Ave., NW Washington, DC 20001	Alliance for Justice	735.16	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Robert C. Kaufmann, 1250 Connecticut Ave., NW Washington, DC 20036	American Paper Institute, Inc		
Anthony P. Kavanagh, 410 First Street, SE Washington, DC 20003	Consolidated Edison Co of New York, Inc	2,115.00	1,183.11
Everett E. Kavanaugh, 1110 Vermont Ave., NW, #800 Washington, DC 20005	Cosmetic Toiletry & Fragrance Assn, Inc		
Richard F. Keating, 1211 Connecticut Ave., NW, #502 Washington, DC 20036	Anheuser-Busch Companies, Inc		
Keck Mahin & Cate, 1730 Pennsylvania Avenue, NW, #350 Washington, DC 20006	Schwinn Bicycle Co		
Robert J. Keefe, 444 N. Capitol Street, #711 Washington, DC 20001	Keefe Co (For:Sanders Associates, Inc)		
Do	Keefe Company (For:UNIAO Nacional Para Independencia Total DeAngola)		
Do	Keefe Company (For:Westinghouse Electric Corp)		
Mary Catherine Keegan-Ayer, 600 Pennsylvania Ave., SE, #200 Washington, DC 20003	Independent Insurance Agents of America, Inc	7,708.00	
Vicki R. Keenan, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	700.00	
Keith Keeney, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta, GA 30342	Robert H. Kellen Co (For:Calorie Control Council)		
Robin E. Keeney, 1828 L Street, NW, #705 Washington, DC 20036	American Land Title Assn	2,160.00	
Kendell W. Keith, 725 15th Street, NW Washington, DC 20005	National Grain & Feed Assn		
William D. Kelleher, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S	2,500.00	
Robert H. Kellen, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta, GA 20342	Robert H. Kellen Co (For:Calorie Control Council)		
Keller & Heckman, 1150 17th Street, NW, #1000 Washington, DC 20036	Specialty Advertising Assn Int'l	1,200.00	120.00
John T. Kelley, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	500.00	
Kelley Drye & Warren, 1330 Connecticut Ave., NW, #600 Washington, DC 20036	Cushman & Wakefield	360.00	
Do	Greyhound Corp	19,813.50	1,021.12
Do	J.P. Morgan & Co, Inc	725.00	21.50
Do	Society of the New York Hospital	295.00	
Do	Tokyo Electric Co., Ltd	41.67	
Do	U.S. League of Savings Assns	5,908.50	
Joseph T. Kelliher, 410 First St., SE Washington, DC 20003	American Nuclear Energy Council	2,700.00	1,133.35
Stephen G. Kellison, 1720 Eye Street, NW, 7th Floor Washington, DC 20006	American Academy of Actuaries		
Stephen S. Kellner, 1001 Connecticut Ave., NW, #1120 Washington, DC 20036	Chemical Specialties Manufacturers Assn, Inc	380.70	
Carol A. Kelly, 1700 Pennsylvania Ave, #525 Washington, DC 20006	Equitable Financial Companies	225.00	10.00
Edward L. Kelly, 1319 F Street, NW, #1000 Washington, DC 20004	National Assn of Private Psychiatric Hospitals	500.00	
Ernest B. Kelly III, 950 L'Enfant Plaza, SW Washington, DC 20024	Communications Satellite Corp	1,500.00	
Harold V. Kelly, 1025 Thomas Jefferson St., NW, #511 W. Washington, DC 20007	LTV Corporation		
John F. Kelly, 1828 L Street, NW # 906 Washington, DC 20036	Merrill Lynch & Co, Inc	2,000.00	
William N. Kelly, 1200 Peavey Building Minneapolis, MN 55479-1032	Norwest Corporation		
Mark L. Kemmer, 1660 L Street, NW, #401 Washington, DC 20036	General Motors Corp	2,500.00	3,445.82
Coletta Kemper, 1401 New York Avenue, NW, #720 Washington, DC 20005	National Assn of Insurance Brokers, Inc		
Jackson Kemper Jr., 1215 Jefferson Davis Hwy., #1004 Arlington, VA 22202	Diagnostic/Retrieval Systems, Inc	8,750.00	
Jonathan Kempner, 1250 Connecticut Ave., NW, #620 Washington, DC 20036	National Multi Housing Council	3,180.00	3,180.00
Kendall & Associates, Inc, 50 E St., SE Washington, DC 20003	ALC Communications Corp	500.00	
Do	Hogan & Hartson (for Timex Group, Ltd)		
Do	Hogan & Hartson (for Volume Shoe Corp)		
Do	Manville Corporation	1,000.00	
Do	Rose Communications	300.00	
Do	Toyota Motor Sales, USA, Inc	1,000.00	
Do	Worldwide Information Resources, Inc		
Stephanie Kennan, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	549.23	373.27
Joseph W. Kennebeck, 490 L'enfant Plaza, SW, #3210 Washington, DC 20024	Volkswagen of America, Inc	250.00	35.00
Art Kennedy, Box 200576 Anchorage, AK 99520	Koniag, Inc		
James J. Kennedy Jr., 400 First St., NW, #804 Washington, DC 20001	Railway Labor Executives' Assn	11,250.00	
Michael E. Kennedy, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Robert P. Kennel, 12500 Fair Lakes Circle, #260 Fairfax, VA 22033	National Wood Energy Assn, Inc		
Do	Ultrasystems, Inc		
Erica G. Kenney, 499 South Capitol St., SW, #520 Washington, DC 20003	Petroleum Marketers Assn of America	4,999.98	72.25
Jeremiah J. Kenney Jr., 1100 15th Street, NW, #1200 Washington, DC 20005	Union Carbide Corp		
Brendan Kenny, 1625 Massachusetts Avenue, NW Washington, DC 20036	Air Line Pilots Assn	5,050.00	565.20
J. H. Kent, Kent & O'Connor, Inc 1825 K Street, NW, #305 Washington, DC 20006	American Soc of Plastic & Reconstructive Surgery		
Do	American Supply Association	7,083.14	3,075.06
Do	International Assn of Airport Duty Free Stores	2,437.50	1,050.78
Do	National Customs Brokers & Forwarders Assn of America	4,750.00	2,034.28
Elizabeth Kepley, 370 L'Enfant Promenade, SW, Suite 800 Washington, DC 20024	Concerned Women for America	7,902.00	
Vytautas Kerbelis, P.O. Box 44 Sea Harbor, ME 04675	ARAS		
Michael L. Kerley, 1922 F Street, NW Washington, DC 20006	National Assn of Life Underwriters	8,230.00	277.00
Susan Akers Kernus, 1330 Connecticut Ave., NW, #300 Washington, DC 20036	Synthetic Organic Chemical Manufacturers Assn, Inc	1,000.00	34.00
Michael J. Kerrigan, 1925 K Street, NW, #504 Washington, DC 20006	Smokeless Tobacco Council, Inc	350.00	
Dale Rodney Ketcham, 1980 N. Atlantic Ave., #918 Cocoa Beach, FL 32931			
Robert M. Ketchel, 1331 Pennsylvania Ave., NW, #895 Washington, DC 20004	General Electric Co		
Gilbert W. Keyes, P.O. Box 3999 (Mail Stop 8c-68) Seattle, WA 98124	Boeing Aerospace Co		
G. Chandler Keys III, 1301 Pennsylvania Avenue, NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Earline A. Keyser, 3022 Cedar Hill Road Falls Church, VA 22042	Bechtel Group, Inc		
William S. Kies, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	200.00	
Ingolf N. Kiland Jr., 1660 L Street, NW, #401 Washington, DC 20036	General Motors Corp	3,000.00	3,951.02
Brian M. Kilbury, 815 16th St., NW, #511 Washington, DC 20006	Transportation - Communications Union	3,000.00	
Thomas J. Kilcline, 201 North Washington Street Alexandria, VA 22314	Retired Officers Assn	943.00	
John J. Killeen, 1090 Vermont Ave., NW, #1100 Washington, DC 20005	Textron, Inc	600.00	150.00
William P. Killmer, 1331 Pennsylvania Avenue, NW, #910 Washington, DC 20004	American Cement Trade Alliance, Inc	6,875.50	131.38
Mary K. Killorin, 1101 15th Street, NW Washington, DC 20005	Minnesota Mining & Manufacturing Co	2,500.00	
Kilpatrick & Cody, 2501 M St., NW, #500 Washington, DC 20037	Chemical Fuels Corp		
Do	Chicago Research & Trading Group, Ltd		
Do	Flying Tigers	8,184.00	49.25
Do	Forest Farmers Assn	1,650.00	
Do	Furniture Rental Assn of America		
Do	Granite Industrial Development	1,336.50	
Do	Gray Communications Systems, Inc		
Do	Greenpeace USA	5,200.00	32.00
Do	Kootznoowoo, Inc	6,800.00	88.50
Do	Marathon U.S. Realties, Inc		
Do	Midway Airlines		
Do	Mitsubishi Electronic America, Inc	66.00	
Do	PepsiCo, Inc	26,672.00	22.50
Do	U.S. Sprint Telecommunications Co	3,234.00	24.50
Do	University of Georgia	5,544.00	39.00
Eun Sang Kim, 1030 15th Street, NW, #776 Washington, DC 20005	Korea Foreign Trade Assn	600.00	555.00
Richard H. Kimberly, 1201 Pennsylvania Avenue, NW, #730 Washington, DC 20004	Kimberly-Clark Corp	5,024.12	293.84
Kimberly-Clark Corp, Texas Commerce Bank Building 545 E. Carpenter Freeway Irving, TX 75062-3931			6,607.48
James L. Kimble, 1130 Connecticut Avenue, NW, #1000 Washington, DC 20036	American Insurance Assn		
Thomas N. Kindness, 1001 Prince Street Alexandria, VA 22314	American Electronics Assn		
Do	Contractor Liability & Indemnification Alliance		
Do	Electronic Industries Assn	2,500.00	
Do	National Industrial Transportation League	3,500.00	
Do	Recording Industry Assn of America, Inc		
Aubrey C. King, 1133 21st Street, NW Washington, DC 20036	Travel & Tourism Gov't Affairs Council	2,000.00	
Charles L. King, 3138 North 10th Street Arlington, VA 22201	National Assn of Federal Credit Unions	1,250.00	36.43
Lewis O. King, P.O. Box 10045 Austin, TX 78766	National Guard Assn of Texas	7,000.00	124.38
W. Russell King, 50 F St., NW, #1050 Washington, DC 20001	Freeport McMoran D.C., Inc	500.00	166.87
King & Spalding, 1730 Pennsylvania Ave., NW, #1200 Washington, DC 20006	Coca-Cola Bottling Co West, Inc		
Do	Generic Pharmaceutical Industry Assn	4,656.00	47.90
Do	Intelligent Systems		
Do	Lincoln Property Co, et al	1,719.00	59.61
Do	Mercer University	4,000.00	
Do	National Assn of Bond Lawyers		336.90
Do	National Strategies and Marketing Group		807.46
Do	Trammell Crow Co	2,931.00	35.26
King Shapiro Cohen Boyd & Young, 3100 Breckinridge Blvd., Bldg. 1200 Duluth, GA 30136	A. L. Williams Corp		
Ruby King-Williams, 1201 16th Street, NW Washington, DC 20036	National Education Assn		
Kathleen N. Kingscott, 1801 K Street, NW, #1200 Washington, DC 20006	IBM Corp	7,945.00	1,186.30

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Daniel T. Kingsley, 1655 N. Fort Myer Dr., #700 Arlington, VA 22209	National Venture Capital Association		
Roger P. Kingsley, 10801 Rockville Pike Rockville, MD 20852	American Speech-Language-Hearing Assn		
Janie A. Kinney, 1615 L Street, NW, #1320 Washington, DC 20036	Merck & Co, Inc	575.00	175.00
Marcia Y. Kinter, 1600 Wilson Boulevard, #1000 Arlington, VA 22209	American Waterways Operators, Inc		
Cecilia Anne Kirby, 1201 New York Ave., NW Washington, DC 20005	American Hotel & Motel Assn	1,676.58	
Alan G. Kirk II, 1900 Pennsylvania Ave., NW Washington, DC 20068	Potomac Electric Power Co		
John R. Kirk, Bingham, Dana & Gould 150 Federal Street Boston, MA 02110	First National Bank of Boston		
Kirkland & Ellis, 655 15th Street, NW, #1200 Washington, DC 20005	Committee for Future Investment in America's Past		
Do	Corning Glass		
Do	Electronic Data Systems Corp	69,512.00	
Do	JMB Realty Corporation		
Do	Medford Corp	963.00	
Do	Professional Services Council	500.00	
Do	Service Master	17,159.00	
Do	T.I.M.E.-DC, Inc	741.00	
Do	Valhi, Inc	5,354.00	
Kirkpatrick & Lockhart, 1800 M St., NW, S. Lobby, #900 Washington, DC 20036	Color Systems Technology, Inc		
Do	Columbia Pictures Industries, Inc	922.50	
Do	County of Suffolk, New York		
Do	First Boston Corp	6,806.50	
Do	Grocery Manufacturers of America, Inc		
Do	Midlantic Corp	5,017.50	
Do	H. K. Porter Company, Inc		
Kirlin Campbell & Keating, One Farragut Square South Second Floor Washington, DC 20006	Council of European & Japanese National Shipowners' Assn	20,160.00	504.10
Robert A. Kirshner, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	500.00	
Mary Brice Kirtley, 888 17th Street, NW, #300 Washington, DC 20006	ConAgra, Inc	900.00	
Lisa K. Kjaer, 1722 Eye St., NW #300 Washington, DC 20006	Electronic Industries Assn	1,050.00	261.24
Dean Kleckner, 225 Touhy Avenue Park Ridge, IL 60068	American Farm Bureau Federation	3,375.00	
James A. Klein, 1331 Pennsylvania Ave., NW, #719 Washington, DC 20004	Chamber of Commerce of the U.S.		
Kline & Knopf, Inc, 355 N. 21st Street, #303 Camp Hill, PA 17011	General Public Utilities Corp		
William Klinefelter, 1400 16th St., NW Washington, DC 20036-0001	National Wildlife Federation	1,197.75	
Michael R. Klipper, 1600 I St., NW Washington, DC 20006	Motion Picture Assn of America, Inc	1,133.20	40.00
David M. Klucsik, 1415 Wyckoff Road Wall, NJ 07719	New Jersey Natural Gas Co		
Glenn Knapp, 773 Dartmouth Ave. San Carlos, CA 94070			
John A. Knebel, 1920 N Street, NW, #300 Washington, DC 20036	American Mining Congress	180.00	
Gary D. Knight, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	43.12	3.50
Knights of Columbus, 1275 Pennsylvania Ave., NW, #501 Washington, DC 20004-2404			35,898.35
Keith R. Knoblock, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Albert B. Knoll, 555 13th Street, NW, #1010 East Washington, DC 20004-1109	Sun Co, Inc	2,000.00	523.59
Gene A. Knorr, 1875 Eye St., NW, #500 Washington, DC 20006	Philip Morris Companies, Inc		
Bradley R. Koch, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	134.90	
George W. Koch, 1010 Wisconsin Ave., NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc	108.84	
Patrick C. Koch, 900 19th St., NW, #800 Washington, DC 20006-2102	U.S. Telephone Assn	5,000.00	
William E. Koch Jr., 579 D'Onofrio Dr., 2nd Floor Madison, WI 53719	NorLight	45.00	10.80
Gary J. Kohn, 1600 M Street, NW Washington, DC 20036	Investment Company Institute	41.20	21.00
Michael S. Koleda, 1225 Eye St., NW, #320 Washington, DC 20005	Council on Alternate Fuels		
Diane J. Koller, 1101 17th St., NW, #600 Washington, DC 20036	American Airlines, Inc	2,500.00	462.29
Timothy S. Kolly, 2805 Meadow Vista Drive Charlottesville, VA 22906	Worrell Enterprises, Inc		
Kominers Fort & Schlefer, 1401 New York Ave., NW, #1200 Washington, DC 20005-2187	Bollinger Machine Shop & Shipyard, Inc		
Nicholas Kominus, 1001 Connecticut Ave., NW Washington, DC 20036	U.S. Cane Sugar Refiners' Assn	843.75	
Stephen Koplan, 1455 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Joseph E. Seagram & Sons, Inc	1,600.00	
Steven Kopperud, 1701 N. Ft. Myer Drive Arlington, VA 22209	American Feed Industry Assn	3,240.00	
Nicholas G. Kordopatis, One Hillendale Road Perkasie, PA 18944	Independence Bancorp, Inc	15,615.32	
Kerrill K. Kornegay, 1025 Connecticut Ave., NW, #1014 Washington, DC 20036	Enserch Corporation	2,093.00	
Ronald W. Kosh, 8111 Gatehouse Road Falls Church, VA 22047	AAA Potomac		
Nicholas P. Koskores, 1455 Pennsylvania Avenue, NW, #1000 Washington, DC 20004	New England Council, Inc		
Marilyn S. Koss, 600 New Hampshire Ave., NW Washington, DC 20037	New York Life Insurance Company	120.00	100.17
Gerald J. Kovach, 1133 19th Street, NW Washington, DC 20036	MCI Communications Corp	2,000.00	23,074.45
Kenneth S. Kovack, 815 16th St., NW, #706 Washington, DC 20006	United Steelworkers of America	11,537.45	
Mylio S. Kraja, 1608 K St., NW Washington, DC 20006	American Legion	3,938.00	408.05
Joseph H. Kramer III, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Budd Company)		
Do	Hill & Knowlton, Inc (For:HTB Corporation)		
Stephen W. Kraus, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	1,000.00	
Raymond R. Krause, 3771 Pillsbury Center Minneapolis, MN 55402	Pillsbury Company	1,500.00	497.00
Earl R. Kreher, 1620 Eye Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc	185.00	
Kroger Company, 1014 Vine St. Cincinnati, OH 45201			4,691.17
Krooth & Altman, 2101 L Street, NW, #210 Washington, DC 20037	Healthcare Financing Study Group		
Keith R. Krueger, 1708 19th Street, NW Washington, DC 20009	Tele-Systems Assn, Inc	105.00	
Paul R. Kruse, 1155 15th St., NW, #600 Washington, DC 20005-2770	Pennzoil Co	625.00	
James S. Krzyminski, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
Nicholas M. Kublicki, 1407 North Kenilworth St., #1 Arlington, VA 22205	American Conservative Union		
Philip Kugler, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers		
Thomas R. Kuhn, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	4,632.34	250.64
Kurrus & Kirchner, P.C., 1055 Thomas Jefferson St., NW, #418 Washington, DC 20007	Marine Transport Lines, Inc		
Do	Seafarers International Union		
Ester Kurz, 500 North Capitol St., NW, #300 Washington, DC 20001	American Israel Public Affairs Comm	16,903.50	68.64
Kutak Rock & Campbell, 1101 Connecticut Ave., NW, #1000 Washington, DC 20036	Association of Financial Guaranty Insurors		3,969.60
Do	Financial Security Assurance	11,613.75	2,705.54
Do	Municipal Bond Insurance Assn	1,890.00	700.85
Do	State of New York Mortgage Agency		953.32
Peter Kyros, Kurrus & Kirchnerway 1055 Thomas Jefferson St., NW, #418 Washington, DC 20007	Mutual Protection Trust Cooperative of American Physicians		
Do	Uniformed Services Disabled Retirees		
John R. Kyte, 201 Massachusetts Avenue, NE, #5 Washington, DC 20002	BMc Strategies, Inc	2,080.00	3,515.23
James La Sala, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Labor Bureau, Inc, 1101 15th Street, NW, #1010 Washington, DC 20005			
Labor Policy Assn, Inc, 1015 15th St., NW, #1200 Washington, DC 20005			
Joseph L. Lach, 1625 K Street, NW, #750 Washington, DC 20006	Manville Corp	500.00	
Marc E. Lackritz, 1000 Vermont Ave., NW, #800 Washington, DC 20005	Public Securities Assn	12,500.00	428.65
John D. Lacopo, 1331 Pennsylvania Ave., NW, #1300 Washington, DC 20004	EDS Corporation	594.00	
Christine Ladd, 2030 M St., NW Washington, DC 20036	Common Cause	31.44	
Robert A. Ladig, Scott Plaza Philadelphia, PA 19113	Scott Paper Co	1,550.00	426.98
Gerard F. Lamb, 2341 Jefferson Davis Hwy, 10th Floor Arlington, VA 22202	Bath Iron Works Corp	5,000.00	
Robert Lamb, 1627 Eye St., NW Washington, DC 20006	Doe Run Company	5,000.00	
Do	James River Corp	5,000.00	
Do	National Paint & Coatings Assn	5,000.00	
Do	Occidental Chemical Corp	5,000.00	
Do	Occidental Petroleum Corp	5,000.00	
Do	Sun Company, Inc	5,000.00	
David F. Lambert III, 1401 New York Ave., NW, #720 Washington, DC 20005	National Assn of Insurance Brokers, Inc		
David R. Lambert, 1030 15th St., NW, #964 Washington, DC 20005	American Seed Trade Assn	6,000.00	
James E. Lamble, 4000 Tunlaw Road, NW, #324 Washington, DC 20006	Bechtel Group, Inc		
Stephen K. Lambright, One Busch Place St. Louis, MO 63118	Anheuser-Busch Companies, Inc		
Martha D. Lamkin, P.O. Box 3005 Columbus, IN 47202	Cummins Engine Co, Inc	821.00	24.40
Virginia A. Lampley, 1818 N St., NW, #600 Washington, DC 20036	DGA International, Inc (For:Dir Intl Aff of the Gen Del for Armements)		
Do	DGA International, Inc (For:Societe Nationale D'Etude et de Const de Moteurs D'Aviation).		
Ray H. Lancaster, 1331 Pennsylvania Ave., NW, #565 Washington, DC 20004	Texas Gas Transmission Corp	3,000.00	122.29
L. Charles Landgraf, 1333 New Hampshire Avenue, NW Washington, DC 20036	Leboeuf Lamb Leiby & MacRae		
Thomas M. Landin, P.O.Box 7929 One Franklin Plaza Philadelphia, PA 19101	SmithKline Beckman Corp		
Robert D. Landis, 777 14th St., NW Washington, DC 20005	National Assn of Realtors		
Landis Cohen Rauh & Zelenko, 1019 19th St., NW, #500 Washington, DC 20036	American Soc of Composers Authors & Publishers	2,300.00	
Do	National Council for Japanese American Redress	1,000.00	
Do	NFL Players Association	3,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
David W. Landsidle, 1710 Rhode Island Avenue, NW, #300 Washington, DC 20036	Abbott Laboratories	4,000.00	
Bruce Alan Landy, 2601 Virginia Avenue, NW Washington, DC 20037	B.A.L. Co		
Do	Cryogenic Vacuum Technology Co		
Do	FAA-Congress Watch		
Do			
Scott H. Lane, 412 First Street, SE Washington, DC 20003	National Automobile Dealers Assn	3,300.00	
William C. Lane, 100 N.E. Adams Street Peoria, IL 61629-1460	Caterpillar, Inc	1,625.00	2,665.83
Lane & Edson, P.C., 2300 M Street, NW Washington, DC 20036	City of Baltimore	7,800.00	
Do	Coalition to Preserve Low Income Housing Tax Credit	3,000.00	
Do	Council for Housing & Rural Development	4,000.00	
Do	GA Technologies, Inc	1,305.00	
Do	National Glass Association	3,029.50	
Do	National Independent Automobile Dealers Assn	6,725.57	
Do	National Leased Housing Assn	900.00	
Adrienne C. Lang, 1111 14th Street, NW, #501 Washington, DC 20005	American Soc of Anesthesiologists	5,000.00	
Robert K. Lange, 1700 N. Moore St.; #2120 Arlington, VA 22209	Boeing Company	528.00	332.27
Robin W. Lanier, 1000 Connecticut Ave., NW Washington, DC 20036	National Retail Merchants Assn	4,000.00	3.00
J. Stephen Larkin, 9225 Katy Freeway, #310 Houston, TX 77024	Petroleum Equipment Suppliers Assn	1,430.00	963.00
Jason Caesar Larkin, 11230 Cherry Hill Rd., #302 Beltsville, MD 20705			
Richard Eugene Larochelle, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	199.00	
Debra L. Larson, 729 15th St., NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Mary Ellen Larson, 1420 King Street Alexandria, VA 22314-2715	National Soc of Professional Engineers	1,250.00	
Reed E. Larson, 8001 Braddock Road, #600 Springfield, VA 22160	National Right to Work Committee		
Lash Group, 555 13th St., NW Washington, DC 20004	American Physical Therapists Assn		
Do	Caremark/Home Health Care of America		
Do	University of Pennsylvania		
Warren Lasko, 1125 15th Street, NW Washington, DC 20005	Mortgage Bankers Assn of America		
Latham & Watkins, Sears Tower, #5800 Chicago, IL 60606	Ocenco, Inc	855.76	855.76
Theodore A. Lattanzio, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America	1,376.98	
Lorraine Lavet, 1615 H St., NW Washington, DC 20062	Chamber of Commerce of the U.S.	2,100.00	341.99
Kathryn M. Lavriha, 1313 L Street, NW Washington, DC 20005	Service Employees International Union	9,300.00	114.65
George H. Lawrence, 1515 Wilson Blvd. Arlington, VA 22209	American Gas Assn	4,500.00	
Lloyd R. Lawrence Jr., Bob Lawrence & Associates 803 Prince Street Alexandria, VA 22314	Valmont Industries, Inc	12,000.00	750.00
Ursula Lawrence, 25 Guilfoy Street Glen Cove, NY 11542	America's Conscience		1.50
Bob Lawrence & Associates, 803 Prince St. Alexandria, VA 22314	Mechanical Technology Incorporated	18,000.00	900.00
Elizabeth Lawson, 1730 M Street, NW Washington, DC 20036	League of Women Voters of the U.S.	401.90	
Janie L. Lawson, 1025 Connecticut Avenue, NW, #200 Washington, DC 20036	Shell Oil Co	500.00	
Keith Lawson, 1600 M Street, NW Washington, DC 20036	Investment Company Institute	70.05	59.30
Richard L. Lawson, 1130 17th St., NW Washington, DC 20036	National Coal Assn	2,565.00	
Laxalt Corporation, 1455 Pennsylvania Ave., NW, #985 Washington, DC 20004	Mesa Limited	2,000.00	
Do	Motion Picture Assn of America, Inc	1,500.00	
Do	R. T. Vanderbilt Co, Inc		
Laxalt Washington Perito & Dubuc, 1120 Connecticut Ave., NW Washington, DC 20036	American College of Neuropsychopharmacology		
Do	AVW Electronic Systems, Inc		
Do	City of Inglewood		
Do	City of Oakland		
Do	Government of Antigua		
Do	Greenebaum & Rose		
Do	Nordisk-USA	808.33	
Do	Stephen E. O'Neil		
Do	Southwest Gas Corp		
Do	State of Arizona		
Do	Yukon Pacific Corp	1,987.00	
Sandra L. LaFevre, 1819 L St., NW, 7th Floor Washington, DC 20036	Reinsurance Assn of America		
Wayne R. LaPierre Jr., 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America	2,062.50	4,000.00
Clifford C. LaPlante, 1331 Pennsylvania Avenue, NW, #700-S Washington, DC 20004	General Electric Co	1,700.00	
Joseph A. LaSala Jr., 555 13th Street, Suite 450 West Columbia Square Washington, DC 20004	Union Pacific Corp	12,500.00	
Joan H. LaVor, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
League of Rural Voters Education Project, Inc, 3255 Hennepin Avenue South, #225 Minneapolis, MN 55408		94,950.00	3,600.00
League of Rural Voters, Inc, 3255 Hennepin Avenue South, #225 Minneapolis, MN 55408		10,000.00	
League of Women Voters of the U.S., 1730 M St., NW Washington, DC 20036		28,919.53	28,919.53
League to Save Lake Tahoe, 2197 Lake Tahoe Blvd. P.O. Box 10110 South Lake Tahoe, CA 95731			3.96
Noel R. Leary, 1250 Eye Street, NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l		
Thomas B. Leary, Hogan & Hartson 555 13th St., NW Washington, DC 20004-1109	Business Roundtable	43,718.03	
Richard J. Lease, 2145 Boise Drive Las Cruces, NM 88001			
Linda S. Lee, 4 Monroe Street, #301 Rockville, MD 20850	Ataji L. Balos, et al.		1,000.00
L. Courtland Lee, Inc, 3814 West Street Landover, MD 20785	Minerals Exploration Coalition, Inc	200.00	35.00
Peter A. Lefkin, 1130 Connecticut Avenue, NW, #1000 Washington, DC 20036	American Insurance Assn	450.00	325.00
Marsha P. Lefkovits, 1455 Pennsylvania Ave., NW, #525 Washington, DC 20004	RJR Nabisco, Inc	990.00	1,139.09
C. Hoke Leggett, 1875 I St., NW, #800 Washington, DC 20006	Tobacco Institute		
Meric L. Legnini, 10807 Gainsborough Rd Potomac, MD 20854	Scheduled Airlines Traffic Offices, Inc		
C. Richard Lehmann, 15327 NW 60th Ave., #240 Miami Lakes, FL 33014	Richard Lehmann & Associates, Inc (For:Bond Investors Assn)		
Leslie A. Lehmann, 111 SW Columbia, #800 Portland, OR 97201	Nerco, Inc	6,765.00	
Matthew R. Lehrman, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	1,500.00	183.12
G. Timothy Leighton, 1101 14th St., NW Washington, DC 20005	American Financial Services Assn	250.00	
Leighton & Regnery, 1667 K Street, NW Washington, DC 20006	American Dairy Products Institute	250.00	
Do	ALPO Petfoods, Inc		
Do	Clorox Company		
Do	Express Foods Co, Inc		
Do	General Instrument Corporation		
Do	GTE Products Corp		
Do	Johnson & Johnson		
Do	Leprino Foods, Inc		
Do	Merrick's, Inc		
Do	Visiting Nurse Assn of America	1,800.00	
Terry L. Leitzell, One Thomas Circle, NW, #900 Washington, DC 20005	Bogle & Gates (For:American Shrimpboat Association)	1,000.00	
Do	Bogle & Gates (For:Crystal Globe, Ltd)	1,750.00	
Do	Bogle & Gates (For:Marine Construction & Design Co)		
Do	Bogle & Gates (For:Northern Eagle Partners, L. P.)		
Do	Bogle & Gates (For:Northern Falcon, Inc)	2,500.00	
Do	Bogle & Gates (For:Port of Seattle)		
Do	Bogle & Gates (For:Sahlman Seafoods, Inc)	500.00	
Joseph L. Leitzinger, Bank of California Building 1201 Third Ave., #4900 Seattle, WA 98101	Simpson Investment Co		
Robert A. Lembo, 1050 31st Street, NW Washington, DC 20007	Association of Trial Lawyers of America	2,000.00	100.00
Laverne Still Lemen, 1100 Vermont Avenue, NW, Suite 430 Washington, DC 20005	National Cotton Council of America	600.00	29.72
Burleigh C. W. Leonard, 1455 Pennsylvania Ave., NW, #525 Washington, DC 20004	RJR Nabisco, Inc	600.00	926.31
Earl T. Leonard Jr., P.O. Drawer 1734 Atlanta, GA 30301	Coca-Cola Company	572.00	1,025.21
Jerris Leonard, Leonard & Ralston 1050 Thomas Jefferson St., NW, 6th Fl. Washington, DC 20007	Krueger, Inc	10,000.00	
Lloyd Leonard, 1730 M St., NW Washington, DC 20036	League of Women Voters of the U.S.	5,874.66	282.30
Rodney E. Leonard, 2001 S Street, NW, #530 Washington, DC 20009	Community Nutrition Institute		
Charles Leppert Jr., 801 18th Street, NW, #400 Washington, DC 20006	Procter & Gamble Co	46.36	
Richard L. Lesher, 1615 H St., NW Washington, DC 20062	U.S. Chamber of Commerce	191.00	
William Gene Lesher, 517 C Street, NE Washington, DC 20002	Lesher Russell & Moos, Inc	6,666.67	
Lesher Russell & Moos, Inc, 517 C Street, NE Washington, DC 20002	Agricultural Policy Working Group	20,000.00	48,243.75
Do	Lesher, Russell & Moos, Inc	15,000.00	15,000.00
Daniel Lesmez, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
William J. Lessard Jr., 2000 K Street, NW, #800 Washington, DC 20006	National Comm to Preserve Social Security	3,578.00	25.80
Joseph S. Lester Jr., 1201 Pennsylvania Ave., NW, #370 Washington, DC 20004	Control Data Corporation		
Dale Lestina, 1201 16th St., NW Washington, DC 20036	National Education Assn	3,556.45	112.50
Leva Hawes Mason Martin & Bebchick, 1220 19th St., NW, #700 Washington, DC 20036	Finnigan Corporation		
Leventhal Senter & Lerman, 2000 K Street, NW, #600 Washington, DC 20006-1809	Aeronautical Radio, Inc		
S. R. Levering, Route 2 Ararat, VA 24053	U.S. Committee for the Oceans		
Betsy Levin, One Dupont Cirle, NW, #370 Washington, DC 20036	Association of American Law Schools		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Morris J. Levin, 1050 17th St., NW Washington, DC 20036	Association of American Railroads	2,500.00	
Do	Independent JOA Publishers Assn	5,000.00	
Barbara W. Levine, 1015 15th Street, NW Washington, DC 20005	American Public Health Assn	634.50	
Bertram J. Levine, 1667 K Street, NW, #410 Washington, DC 20006	Johnson & Johnson	1,000.00	225.00
Harry Levine Jr., 1331 Pennsylvania Ave., NW, #700 South Washington, DC 20004	General Electric Co		
Lawrence E. Levinson, 1875 Eye St., NW, #1225 Washington, DC 20006	Gulf & Western, Inc	2,750.00	320.00
Herbert J. Levy, 1614 King St. Alexandria, VA 22314	National Assn of Housing Cooperatives		
Roger N. Levy, 1660 L St., NW, #804 Washington, DC 20036	Travelers Companies	2,500.00	
Howard Lewis, National Association of Manufacturers 1331 Pennsylvania Ave., NW, #1500-N Washington, DC 20004-1703	National Association of Manufacturers	1,000.00	50.00
Jack W. Lewis, 5205 Leesburg Pike, #1600 Falls Church, VA 22041	National Beer Wholesalers Assn	3,550.00	304.18
Michael R. Lewis, 1133 15th St., NW, #640 Washington, DC 20005	International Longshoremen's & Warehousemen's Union	10,900.00	1,212.33
Richard Lewis, 1025 Vermont Ave., NW Washington, DC 20005	American Pulpwood Assn		
Richard W. Lewis, 1700 K Street, NW, #1200 Washington, DC 20006	Chevron USA, Inc	750.00	
Robert J. Lewis, 1875 Eye Street, NW, #800 Washington, DC 20006	Tobacco Institute	1,100.00	
William H. Lewis, Morgan Lewis & Bockius 1800 M Street, NW Washington, DC 20036	U.S. Gypsum Co	1,000.00	50.00
Lewis & Roca, 100 West Washington Street Phoenix, AZ 85003-1899	Syncor International Corp	4,252.08	69.58
John F. Leyden, 815 16th Street, NW, #308 Washington, DC 20006	Public Employee Department, AFL-CIO	4,754.56	
LeBoeuf Lamb Leiby & MacRae, 1333 New Hampshire Ave., NW, #1100 Washington, DC 20036	General Conf of the 7th Day Adventists Church Risk Mgt Svcs		
Do	Maritrans Operating Partners, L.P.		
Do	Physicians Insurers Assn of America		
Do	Underwriters at Lloyd's London		
Harris W. LeFew, 300 Pratt Street Luke, MD 21540-1099	Westvaco Corporation		
Lawson LeGate, 177 East 900 South, #102 Salt Lake City, UT 84111	Sierra Club	449.75	656.24
Lynn H. LeMaster, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	2,976.19	397.86
James M. LeMunyon, 1225 Eye St., NW, #950 Washington, DC 20005	American Electronics Assn	2,000.00	
William J. Lhota, 215 N. Front Street Columbus, OH 43215	Columbus Southern Power Co		171.50
Richard A. Lidinsky Jr., 1440 New York Ave., NW, #430 Washington, DC 20005	Sea Containers America, Inc		
William C. Lienesch, 238 10th St., SE Washington, DC 20003	National Parks & Conservation Association	1,538.00	59.00
Ross W. Lillard, 920 Main Street Kansas City, MO 64105	Stinson Mag & Fizzell (For:Farmland Industries, Inc)		
Leanne Klyza Linck, 214 N. Henry St., #203 Madison, WI 53703	Sierra Club	250.00	13.14
Lincoln National Corp, 1300 South Clinton Street Fort Wayne, IN 46801			4,551.60
Karl W. Lindberg, 2322 Easter Lane New Orleans, LA 70152	Southern Forest Products Assn	1,925.00	
Roger Lindberg, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:American Bankers Assn)	34.17	
Do	Hill & Knowlton, Inc (For:Cellmark Diagnostics, Inc)	102.50	
Do	Hill & Knowlton, Inc (For:Colonial Williamsburg)	375.83	
Do	Hill & Knowlton, Inc (For:Damon Corp)		
Do	Hill & Knowlton, Inc (For:Hoopa Valley Business Council)		
Do	Hill & Knowlton, Inc (For:MediVision, Inc)		
Do	Hill & Knowlton, Inc (For:Panhandle Eastern Corp)		
Do	Hill & Knowlton, Inc (For:Republic of Turkey)		
Do	Hill & Knowlton, Inc (For:Shaklee Crop)		
Victor E. Lindenheim, 1945 Old Gallows Rd Vienna, VA 22180	American Wood Preservers Inst	234.38	50.00
George E. Lindow, 625 Liberty Avenue Pittsburgh, PA 15222-3197	Peoples Natural Gas Co	193.80	291.17
Donald Lindsey, 400 First Street, NW, #819 Washington, DC 20001	Brotherhood of Locomotive Engineers (OH)	415.17	53.68
Kathleen M. Linehan, 1875 Eye St., NW, #500 Washington, DC 20006	Philip Morris, Inc	2,400.00	380.00
Andrew D. Lipman, Swidler & Berlin, Chtd. 3000 K Street, NW, #300 Washington, DC 20007-3841	Norlight, Inc		
Linda A. Lipsen, 2001 S Street, NW, #520 Washington, DC 20009	Consumers Union of U.S., Inc	2,160.00	
Lisboa Associates, Inc, 1317 F St., NW, #400 Washington, DC 20004	University of the Virgin Islands	2,062.50	
John M. Lison, 200 West Adams, #2015 Chicago, IL 60606	Maverick Tube Co, et al		
Barbara A. Little, 1155 15th St., NW, #611 Washington, DC 20005	Ethyl Corporation	2,000.00	
Charles B. Little, 600 Maryland Ave., SW, #603 Washington, DC 20024	UBA, Inc	1,000.00	
William F. Little, 815 Connecticut Ave., NW Washington, DC 20006	Ford Motor Co	487.00	679.90
Roy Littlefield, 15900 Pinecroft Lane Bowie, MD 20716	American Retreaders' Assn	500.00	
Do	Greater Washington/Maryland Service Station Assn	200.00	
E. Geoffrey Littlehale, 1100 15th Street, NW Washington, DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	36.00
David A. Litvin, 1776 Eye Street, NW, #1000 Washington, DC 20006	BP America, Inc		
E. F. Livaudais Jr., 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co		
Robert W. Lively, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	115.00	
Lobel Novins Lamont & Flug, 1275 K St., NW, #770 Washington, DC 20005	Generic Pharmaceutical Industry Assn	11,806.58	365.07
Do	Phone Medium	6,783.00	10.62
Paul Locigno, 25 Louisiana Avenue, NW Washington, DC 20001	International Brotherhood of Teamsters	23,290.91	
Robert F. Lockhart Jr., 490 L'Enfant Plaza East, SW Washington, DC 20024	Tenneco, Inc		
Long Law Firm, 8550 United Plaza Blvd., #800 Baton Rouge, LA 70809	Carribean Tubular Co, Inc		
Do	Committee for Just Animal Drug Law		
Do	CIGNA Corp	175.00	
Do	Loyola University		
Do	National Assn of Nuclear Pharmacies		
Do	National Restaurant Assn	2,125.00	178.16
Do	New Orleans Cold Storage & Warehouse Co., Ltd		
Do	Non-Profit Hospital Insurance Forum	1,925.00	
Do	Toyota Motor Manufacturing, USA	700.00	
Dennis Longoria, Central Power & Light Co P.O. Box 3400 Laredo, TX 78044	Central Power & Light Co		1,232.20
Susan J. Loomis, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	4,000.00	500.00
Loomis Owen Fellman & Howe, 2020 K St., NW, #800 Washington, DC 20006	Association of Bituminous Contractors		
Do	Classroom Publishers Assn		
Do	First Co		
Do	Industrial Diamond Assn		
Do	Optical Manufacturers Assn		
Do	Textile Rental Services Assn of America		
Gerald D. Lore, 1050 Connecticut Avenue, NW, #401 Washington, DC 20036	Hoffmann-La Roche, Inc		
Philip J. Loree, 50 Broadway New York, NY 10004	Federation of American Controlled Shipping	200.00	
Robert E. Losch, P.C., 1716 New Hampshire Ave., NW Washington, DC 20009	American Dredging Co, et al	30,126.00	4,797.94
Timothy Lovain, 3713 Gunston Road Alexandria, VA 22302	Denny Miller Associates	5,000.00	
Celia C. Lovell, 1500 K Street, NW, #375 Washington, DC 20005	Norfolk Southern Corp	1,000.00	
Stephanie P. Loving, 1101 Vermont Ave., NW, #405 Washington, DC 20005	A. H. Robins Co	7,675.00	670.86
Arthur M. Luby, 1300 L Street, NW, #200 Washington, DC 20005-4178	O'Donnell Schwartz & Anderson (For:Transport Workers Union of America, AFL-CIO)	4,000.00	70.00
Paula D. Lucak, 815 16th Street, NW, #308 Washington, DC 20006	Public Employee Department, AFL-CIO	10,500.10	12.00
Mrs. Freddie H. Lucas, 1660 L St., NW Washington, DC 20036	General Motors Corp	3,000.00	1,241.02
William L. Lucas, 2021 K Street, NW, #300 Washington, DC 20006	Michigan Consolidated Gas Co	500.00	
Leslie G. Ludwick, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	3,750.00	
David R. Lukens, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Sylvester Lukis, 1155 15th St., NW, #504 Washington, DC 20005	City of Miami	18,750.00	
Do	City of Miami Beach	7,667.00	
Do	Cybernectics & Systems, Inc	6,000.00	
Do	Dade County, Florida	23,124.00	
Do	Howard Needles Tammen for Miami Int'l Airport		
Do	Fowler White Gillen Boggs Villareal & Banker (For:National Medical Enterprises, Inc)		
Do	Fowler White Gillen Boggs Villareal & Banker (For:University of Tampa)		
J.C. Luman & Associates, 1030 15th Street, NW, #720 Washington, DC 20005	National Assn of Personnel Consultants	4,000.00	
Michael L. Lunceford, 8787 Stemmons Freeway Dallas, TX 75247	Mary Kay Cosmetics, Inc	130.20	
Lund & O'Brien, 1625 Eye St., NW Washington, DC 20006	Pennsylvania Power & Light Co	1,620.00	228.43
Francis M. Lunnie Jr., 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004	National Assn of Manufacturers		
Ann P. Lunson, Eastman Kodak Company 1919 Pennsylvania Ave., NW Washington, DC 20006	Eastman Chemicals Division	61.42	25.11
Howard T. Lyman, 600 Maryland Ave., SW, #202W Washington, DC 20024	Farmers' Educational & Co-Operative Union of America	7,268.72	373.28
David H. Lynch, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors		
Timothy P. Lynch, 1901 N. Fort Myer Dr., #204 Arlington, VA 22209	Roadway Express, Inc	425.00	200.00
John E. Lynn, 2200 Mill Road Alexandria, VA 22314	American Trucking Assns, Inc	15,000.00	
Margaret Lyons, 1747 Pennsylvania Ave., NW, #700 Washington, DC 20006	Ciba-Geigy Corp	2,875.00	
William T. Lyons, 1747 Pennsylvania Ave., NW, #700 Washington, DC 20006	Ciba-Geigy Corp	6,625.00	6,233.00
M.O.A./AIOA & Subs, Inc, 701 S. 22nd, #107 Omaha, NB 68102		100.00	5.00
James E. Mack, 9005 Congressional Court Potomac, MD 20854	National Assn of Mirror Manufacturers		
Do	Peanut Butter & Nut Processors Assn		
James H. Mack, 7901 Westpark Dr. Mclean, VA 22102	National Machine Tool Builders' Assn	20,955.00	500.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Thomas L. Mack, 13529 Haddonfield Lane Darnestown, MD 20878	Bechtel Group, Inc		764.45
Olivia C. Mackin, 1825 K St., NW, #1107 Washington, DC 20006	Phillips Petroleum Co	1,000.00	
Mackin Sorensen Peizer Richards & Edwards, PS, 2201 Sixth Avenue, #1301 Seattle, WA 98121	Shee Atika Inc		3,025.00
Timothy MacCarthy, 1620 I Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc	9,375.00	
Malcolm MacKay, 51 Madison Avenue New York, NY 10010	New York Life Insurance Company		
Martha Madden, P.O. Box 473 Baton Rouge, LA 70821	Edward Blankstein, Inc	2,600.00	3,731.88
Cliff Madison Government Relations, Inc, 1611 Landfall Drive Wilmington, NC 28403	American Assn of Airport Executives	3,000.00	
Do	Burbank-Glendale-Pasadena Airport Authority	7,500.00	
Do	Citation Homes	15,000.00	
Do	Federal Express Corp	10,500.00	
Do	Mark Air, Inc	15,000.00	
Do	Quantas Airways, Ltd	15,000.00	
Do	Regency Outdoor Advertising	5,000.00	
Do	Southern California Rapid Transit District	15,000.00	
Do	Ventura Port District	9,000.00	
Susan Magaw, P.O. Box 3556 Washington, DC 20007	American Meat Institute	2,000.00	
James N. Magill, 200 Maryland Avenue, NE Washington, DC 20002	Veterans of Foreign Wars of the U.S	4,500.00	402.05
James W. Magner, Reg # 38670-019 Delta Unit P.O. Box 34550 Memphis, TN 38184-0550			
A. John Maguire, 1110 Vermont Ave. NW Suite 430 Washington, DC 20005	National Cotton Council of America	24,000.00	1,775.18
W. Terry Maguire, Box 17407 Dulles International Airport Washington, DC 20041	American Newspaper Publishers Assn		
David L. Mahan, 1818 N St., NW, #600 Washington, DC 20036	DGA International, Inc (For:Societe Nationale D'Etude et de Const de Moteurs D'Aviation).		
Do	DGA International, Inc (For:Sofreavia)		
Linda F. Maher, 9000 Montgomery Ave Chevy Chase, MD 20815	Turner Broadcasting System, Inc	550.00	
James E. Mahoney, 2200 Concord Pike Wilmington, DE 19899	Rollins Jamaica Ltd	3,250.00	253.00
John Francis Mahoney, 536 Seventh St., SE Washington, DC 20003	American Medical Assn		
Do	Mahoney & Associates (For:American Soc of Anaesthesiologists)	1,000.00	
Do	Mahoney & Associates (For:Connecticut Med Ins Co)	675.00	
Do	Mahoney & Associates (For:Crouse Irving Memorial Hospital)	3,705.00	
Do	Mahoney & Associates (For:Physicians Ins Co of Indiana)	675.00	
Do	Mahoney & Associates (For:Physicians Ins Co of Wisconsin)	675.00	
Do	Mahoney & Associates (For:Physicians Mutual Ins Trust)	675.00	
Terence P. Mahony, 1825 K Street, NW, #807 Washington, DC 20006	National Broadcasting Co, Inc	500.00	85.12
R. Roger Majak, 1700 N. Moore Street, #1620 Arlington, VA 22209	Tektronix, Inc	10,317.50	10,414.72
Major League Baseball Players Assn, 805 Third Avenue New York, NY 10022			499.75
K. Wayne Malbon, 1250 I Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn	450.00	15.00
Daniel C. Maldonado, 1030 15th St., NW #468 Washington, DC 20005	American Soc of Anesthesiologists	8,000.00	984.79
Do	National Hemophilia Foundation	1,200.00	
Do	Research Society on Alcoholism	1,100.00	
Do	Samaritan Health Services		
Conrad L. Mallett Jr., 1800 First National Bldg Detroit, MI 48226	Jaffe Snider Raitt & Heuer, P.C		
David Mallino, 815 16th Street, NW Washington, DC 20006	Industrial Union Department, AFL-CIO	8,066.00	670.94
Robert H. Maloney, 490 L'enfant Plaza East, SW Washington, DC 20024	Tenneco, Inc		
William R. Maloni, 3900 Wisconsin Avenue, NW Washington, DC 20016	Federal National Mortgage Assn		
Manatt Phelps Rothenberg & Evans, 1200 New Hampshire Ave., NW, #200 Washington, DC 20036	American Assn of Nurse Anesthetists	692.50	
Do	American Institute of Real Estate Appraisers	1,975.00	
Do	Bowling Proprietors Assn of America	150.00	
Do	California Bankers Assn	4,875.00	
Do	Centre Pointe Associates		
Do	Chronar Corporation		
Do	Connecticut National Bank		
Do	Fairfield Communities, Inc		
Do	First Bank System, Inc		
Do	Flying Tiger Line, Inc		
Do	Government of Cyprus	4,052.50	
Do	Home Group, Inc	1,655.00	
Do	Krueger, Inc		
Do	Manufacturers Hanover	6,450.00	
Do	Matlack, Inc		
Do	Melrose Company	2,662.50	
Do	Money Store		
Do	National Cable Television Assn, Inc	7,375.00	
Do	North Beach Property Owners' Assn		
Do	Northrop Corp	375.00	
Do	NEC Corporation		
Do	Philip Morris, Inc	1,385.00	
Do	Rollins Environmental Services		
Do	RLC Corporation		
Do	Security First Group, Inc		
Do	Donald T. Sterling & Associates		
Do	Superior Training Services	1,525.00	
Do	Texas International Co		
Do	U.S. Telephone Assn	3,625.00	
Katherine T. Mance, 1616 H Street, NW Washington, DC 20006	American Retail Federation	200.00	103.00
Manchester Associates, Ltd, 1707 L Street, NW, #725 Washington, DC 20036	Nissan Motor Company, Ltd		
Do	Nissan Motor Manufacturing Corp, USA	3,600.00	3,420.00
Susan Manes, 2030 M Street, NW Washington, DC 20036	Common Cause	14,400.00	76.40
Frank Mankiewicz, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Bell Atlantic Management Systems)		
Do	Hill & Knowlton, Inc (For:Brother Industries, Inc)		
Do	Hill & Knowlton, Inc (For:Republic of Turkey)		
Do	Hill & Knowlton, Inc (For:Stroh Brewery Co)		
Do	Hill & Knowlton, Inc (For:Title Insurance Industry Coalition)		
Do	Hill & Knowlton, Inc (For:United Air Lines)		
Cynthia Mansfield, 600 Maryland Ave., SW, #520 Washington, DC 20024	GPU Service Corporation	1,073.82	484.14
Robert C. Manship, 1725 Jefferson-Davis Highway, #401 Arlington, VA 22202	Unisys Defense Systems	1,000.00	
Manufactured Housing Institute, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202			17,341.31
Anthony Manzanares Jr., 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
John V. Maraney, 324 East Capitol St., NE Washington, DC 20003	National Star Route Mail Contractors Assn		
March for Life, Inc, P.O. Box 90300 Washington, DC 20090		13,191.27	18,137.46
Bristow Marchant, P.O. Box 394 Columbia, SC 29202	Frank J. Merrill		3.00
Michael Marchese Jr., 1300 South Clinton Street Fort Wayne, IN 46801	Lincoln National Corp	900.00	520.00
R. V. Mariani, 815 16th St., NW Washington, DC 20006	Transportation - Communications Union	2,500.00	2,500.00
Maritime Institute for Research & Industrial Development, 1133 15th St., NW, #600 Washington, DC 20005			18,635.00
Lawrence D. Markley, P.O. Box 196300 Anchorage, AK 99519	Chugach Electric Assn, Inc	1,103.20	522.23
Marc L. Marks, 1801 K Street, NW, #800 Washington, DC 20006	Westinghouse Electric Corp		
Matthew J. Marks, Marks Murase & White 2001 L Street, NW, #750 Washington, DC 20036	UETA, Inc		
Ronald Anthony Marks, 7640 Tremayne Place, #208 McLean, VA 22102			
Luther A. Markwart, 1156 15th St., NW, #1020 Washington, DC 20005	American Sugarbeet Growers Assn		
Ernest Robert Marlow, 1126 16th Street, NW, #410 Washington, DC 20036-1081	International Chemical Workers Union	2,000.00	
Howard Marlowe, 1667 K St., NW, #660 Washington, DC 20006	Marlowe & Co (For:Commercial Metals Co)	300.00	
Do	Marlowe & Company (For:Graphic Communications International Union, AFL-CIO, CLC).	250.00	
Do	Marlowe & Company (For:Lazare Kaplan International, Inc)	5,500.00	68.00
Marlowe & Company, 1667 K Street, NW, #660 Washington, DC 20006	Coalition to Keep Alaska Oil	7,275.00	133.00
Do	Commercial Metals Co	300.00	300.00
Do	Graphic Communications International Union	620.00	620.00
Do	Lazare Kaplan International, Inc	5,500.00	5,568.00
William G. Margaritis, 1747 Pennsylvania Ave., NW, 3rd Flr Washington, DC 20006	Occidental Chemical Corp		
Chalmers H. Marquis, 1350 Connecticut Ave., NW, #200 Washington, DC 20036	National Assn of Public Television Stations	600.00	150.00
C. Travis Marshall, 1776 K St., NW, #300 Washington, DC 20006	Motorola, Inc	1,500.00	
Dianne D. Marshall, 1331 Pennsylvania Avenue, NW, #910 Washington, DC 20004	American Cement Trade Alliance, Inc	1,387.50	4.50
Thomas A. Martens, P.O. Box 10110 SO. Lake Tahoe, CA 95731	League to Save Lake Tahoe	114.00	
Cynthia L. Martin, 1215 Jefferson Davis Hwy., #1004 Arlington, VA 22202	Diagnostic Retrieval Systems, Inc	3,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
David F. Martin, 2020 14th Street, North Arlington, VA 22201	American Standard, Inc	500.00	
Donald N. Martin, Donald N. Martin & Company, Inc 630 Fifth Ave. #565 New York, NY 10111			
Fred J. Martin Jr., 1800 K Street, NW Washington, DC 20006	Bank of America	807.66	149.87
J. Ross Martin, Kansas Petroleum Council 1005 Merchants Tower Topeka, KS 66612	American Petroleum Institute		
John M. Martin Jr., 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	100.00	
Katherine E. Martin, 50 F Street, NW Washington, DC 20001	Association of American Railroads	713.94	170.10
Larry K. Martin, 2500 Wilson Blvd. #301 Arlington, VA 22201	American Apparel Manufacturers Assn, Inc	2,600.00	75.00
Maureen A. Martin, 23 Wall Street New York, NY 10015	Morgan Guaranty Trust Co		
Robert L. Martin, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	2,500.00	395.35
Stephen I. Martin, Hartford Plaza Hartford, CT 06115	Hartford Fire Insurance Co		
Judith Marty, 85 Ridge St. North Sydney, NSW 2060 Australia			
Merrill D. Marxman, 8213 Terra Grande Avenue Springfield, VA 22153	Marxman & Associates, Inc		
Mike M. Masaoka, Suite 520, The Farragut Bldg. 900 17th St., NW Washington, DC 20006	American Japanese Trade Comm		
Do	Japan Telescope Manufacturers Assn	200.00	
Do	Nisei Lobby		
Do	Toyota Motor Sales, USA, Inc	750.00	
Do	West Mexico Vegetable Distributors Assn	500.00	
Mark A. Maslyn, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	6,250.00	112.00
Arthur K. Mason, 1220 19th Street, NW, #700 Washington, DC 20036	Leva Hawes Mason Martin & Bebchick (For:Association of the U.S. Army)		
Michael J. Mason, 1220 L St., NW Washington, DC 20005	American Petroleum Institute	10,900.00	138.34
Ned W. Massee, 299 Park Avenue New York, NY 10171	Westvaco Corporation		1,127.41
Donald F. Massey, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Association for the Advancement of Human Rights)	75.00	
Do	Hill & Knowlton, Inc (For:Church of Scientology International)	2,250.00	
Do	Hill & Knowlton, Inc (For:Colonial Williamsburg)		
Do	Hill & Knowlton, Inc (For:Hastings College Foundation)		
Do	Hill & Knowlton, Inc (For:Hitachi America, Ltd)		
Do	Hill & Knowlton, Inc (For:Hoopa Valley Business Council)	1,275.00	
Do	Hill & Knowlton, Inc (For:MediVision, Inc)		
Do	Hill & Knowlton, Inc (For:Monsanto Co)		
Do	Hill & Knowlton, Inc (For:Palm Oil Registration & Licensing Authority)	300.00	
Do	Hill & Knowlton, Inc (For:Panhandle Eastern Corp)		
Do	Hill & Knowlton, Inc (For:Republic of Turkey)	2,925.00	
Do	Hill & Knowlton, Inc (For:Stroh Brewery Co)	75.00	
Do	Hill & Knowlton, Inc (For:Tesoro Petroleum Corp)	75.00	
Do	Hill & Knowlton, Inc (For:Title Insurance Industry Coalition)	150.00	
Do	Hill & Knowlton, Inc (For:Wilfred American Education, Corp)	225.00	
James D. Massie, 50 F Street, NW, #1050 Washington, DC 20001	Freeport McMoran D.C., Inc	300.00	166.00
Noel D. Matchett, 1001 Spring St., #123 Silver Spring, MD 20910	Information Security, Inc	10.00	
Daniel N. Matheson, 100 Congress Ave., #1400 Austin, TX 78701	Reese Communications Companies		
Richard D. Mathias, 1200 17th Street, NW, #500 Washington, DC 20036	Pan American World Airways, Inc		
Dawson Mathis, 919 18th Street, NW, #800 Washington, DC 20006	Dawson Mathis & Associates (For:Crowley Maritime Corp)	3,000.00	
Do	Dawson Mathis & Associates (For:Massachusetts Mutual Life Insurance Co)	3,000.00	
Do	United Parcel Service	3,000.00	
Dawson Mathis & Associates, 919 18th Street, NW Suite 800 Washington, DC 20006	Crowley Maritime Corp	3,000.00	
Do	Massachusetts Mutual Life Insurance Co	3,000.00	
Peter Mattheis, 1050 Connecticut Avenue, NW Washington, DC 20036	Baker & Hostetler (For:Soap & Detergent Assn)		
Charles D. Matthews, 1050 17th St., NW, #700 Washington, DC 20036	National Ocean Industries Assn	3,250.00	
Robert A. Matthews, 700 North Fairfax St. Alexandria, VA 22314	Railway Progress Institute	1,181.25	
Suzette Matthews, 2020 North 14th Street, #410 Arlington, VA 22201	Air Traffic Control Assn, Inc	229.32	
Joseph M. Mattingly, 1901 North Moore Street, #1100 Arlington, VA 22209	Gas Appliance Manufacturers Assn, Inc		
Daniel J. Mattoon, 1133 21st St., NW, #900 Washington, DC 20036	BellSouth Corp		1,622.70
William C. Mattox, 1700 Pennsylvania Avenue, NW Washington, DC 20006	Equitable Financial Companies	900.00	20.00
Marshall L. Matz, 888 17th Street, NW, #900 Washington, DC 20006	American School Food Service Assn	9,000.00	741.90
Robert V. Maudlin, 1511 K Street, NW Washington, DC 20005	C.V. & R.V Maudlin (For:Southern Company Services, Inc)		
Michael Mawby, 2030 M Street, NW Washington, DC 20036	Common Cause	11,826.30	185.65
William A. Maxwell, 311 First Street, NW, #500 Washington, DC 20001	Computer & Business Equipment Manufacturers Assn	14,000.00	142.50
Albert E. May, 1627 K Street, NW, 1200 Washington, DC 20006	United Shipowners of America	5,250.00	1.27
James C. May, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	10,000.00	
Jerry C. May, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Walter R. May, 7004 Park Terrace Drive Alexandria, VA 22307	Yellow Freight System, Inc	13,500.00	1,562.00
Joseph T. Mayer, 1745 Jefferson Davis Hwy., #1200 Arlington, VA 22202	Rockwell International Corp	9,400.00	772.11
Mayer Brown & Platt, 2000 Pennsylvania Avenue, NW, #6500 Washington, DC 20006	Accountants' Liability Assurance Co, Ltd		
Do	Attorneys' Liability Assurance Society Ltd		
Do	Business Roundtable		
Do	Cabot Cabot & Forbes Realty Advisors, Inc		
Do	Comdisco, Inc		
Do	Continental Illinois Nat'l Bank & Trust Co		
Do	FMC Corporation		
Do	Goldman Sachs & Co		
Do	GATX Corporation		
Do	Hewlett-Packard Co		
Do	Household Commercial Financial Services, Inc		
Do	Inland Steel Corp		
Do	JMB Realty Corp		
Do	Lasalle Partners, Inc		
Do	Lebenthal & Co, Inc		
Do	Lehndorff & Babson Real Estate Counsel		
Do	Merrill Lynch Capital Markets		
Do	Quaker Oats Company		
Do	RJR Nabisco, Inc		
Do	Sara Lee Corp		
Do	Sears Roebuck & Co		
Do	Shearson Lehman Brothers, Inc		
Do	Smith Barney Harris Upham & Co, Inc		
Do	Solid Waste Agency of Northern Cook County		
Do	Tele-Communications, Inc		
Do	Voluntary Hospital Assn		
Loomis Mayfield, 815 15th Street, NW, #711 Washington, DC 20005	Americans for Democratic Action, Inc	2,433.69	
Martin Mayfield, 8001 Braddock Road Springfield, VA 22160	National Right to Work Committee	750.00	169.51
Maurice W. Maynard, 44 Fifth Avenue Brooklyn, NY 11217			
Jeffrey G. Mays, 1505 Prince Street, Suite 300 Alexandria, VA 22314	American Optometric Assn		
Donald S. Mazzullo, 700 Midtown Tower Rochester, NY 14604-2070	Genesee & Wyoming Industries, Inc		
Maryln Lee McAdam, 1010 Vermont Ave., NW, #1100 Washington, DC 20005	Bank of Horton		8.95
Do	Bank One		
Do	California Student Aid Commission	2,250.00	322.71
Do	Colorado Student Loan Program	4,500.00	2,436.94
Do	Fame	4,500.00	23.53
Do	Illinois State Scholarship Commission	1,237.50	681.81
Do	Just Kids	2,250.00	970.48
Do	Nebraska Higher Education Loan Program, Inc	1,125.00	373.30
Do	Nebraska Student Loan Program		388.88
Do	Texas Guaranteed Student Loan Corp	1,125.00	808.42
Do	Union Bank		
Do	United Concerned Cosmetology School Owners	5,500.00	1,313.10
Michael J. McAdams, 1776 Eye Street, NW, #1000 Washington, DC 20006	BP America, Inc	4,000.00	
H. Wesley McAden, 1155 15th St., NW, #504 Washington, DC 20005	J. G. Boswell Co	3,000.00	
Do	New York Cotton Exchange	2,000.00	
Do	Supima Association of America	2,000.00	
Douglas E. McAllister, 1920 N St., NW Washington, DC 20036	American Mining Congress		
McAuliffe Kelly Furlong Aldrich & Siemens, 555 New Jersey Ave., NW, #880 Washington, DC 20001	Alcohol Beverage Legislative Council	2,000.00	
Do	Association of Human Resource Consultants	200.00	
Do	ADAPSO	3,000.00	
Do	Bay Area Rapid Transit District	1,500.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Cellular Telecommunications Industry Assn		
Do	Chicago Mercantile Exchange	550.00	
Do	D/FW Railtran System	1,000.00	
Do	Human Rights Campaign Fund	8,000.00	
Do	International Franchise Assn	300.00	
Do	Lawyers' Mutual Insurance Co		
Do	National Medical Care	300.00	
Do	Joseph E. Seagram & Sons, Inc	4,000.00	
Do	Southern California Rapid Transit District	3,600.00	
Do	State Street Development Co of Boston		
Do	Stock Information Group	4,000.00	
Do	Transamarica Corporation		
Do	U.S. Telephone Assn	300.00	
Do	VIAG Fuels, Inc		
Ann McBride, 2030 M St., NW Washington, DC 20036	Common Cause	16,540.02	243.00
Charlie McBride Associates, Inc, 1101 Connecticut Ave., NW, #906 Washington, DC 20036	American Electric Power Co, Inc	4,500.00	
Do	American Nuclear Energy Council	5,000.00	691.70
Do	Carolina Power & Light Co	4,500.00	
Do	Commonwealth Edison Co	4,500.00	
Do	Consolidated Edison Co of New York, Inc	3,000.00	
Do	ETA Systems, Inc	7,500.00	2,188.69
Do	General Atomics	13,000.00	1,558.61
Do	Oxford Energy Co	9,000.00	3,561.45
Do	Sealaska Corp	9,000.00	561.10
Do	Southern California Edison Co	4,500.00	
Do	Stone & Webster Engineering Co	4,000.00	
Do	Tri-City Industrial Development Council	6,000.00	104.75
Do	Turlock Irrigation District	3,412.50	
Do	United Illuminating Co	15,000.00	751.92
Do	Urenco, Inc	9,000.00	
Do	Westinghouse Electric Corp	9,200.00	2,629.29
Do	Will & Muys, P.C	15,000.00	
Stephen C. McCaffrey, 1828 N. Meridian Street Indianapolis, IN 46202	Community Service Council of Central IN, Inc		
Julie P. McCahill, 1101 16th Street, NW Washington, DC 20036	National Soft Drink Assn		
John D. McCallum, 1900 Pennsylvania Ave., NW Washington, DC 20068	Potomac Electric Power Co		
McCamish Martin Brown & Loeffler, P.C., 1200 First Republic Bank Tower 175 East Houston San Antonio, TX 78205	Central & South West Corp		
Do	Salomon Brothers, Inc	183.33	60.76
Do	United Services Automobile Assn	310.00	117.18
Katherine S. McCarter, 1015 15th Street, NW Washington, DC 20005	American Public Health Assn	2,566.00	
David J. McCarthy, Baker & Daniels 1920 N Street, NW, #600 Washington, DC 20036	Indiana Electric Assn	4,000.00	4,420.79
James R. McCarthy, 1801 K St., NW, Suite 700 Washington, DC 20006	Sun Co, Inc		
Robin W. McClung, 1667 K St., NW, #1210 Washington, DC 20006	Rohm & Haas Co	500.00	138.31
Frederick D. McClure, 1201 Pennsylvania Ave., NW, #300 Washington, DC 20004	Texas Air Corp	7,350.00	4,547.00
McClure & Trotter, 1100 Connecticut Ave., NW, #600 Washington, DC 20036	Allied Capital Corp		5.87
Do	Coca-Cola Company	491.63	109.95
Do	Gulf & Western, Inc	349.20	82.38
Do	Mobil Oil Corp	510.00	181.89
Do	Rank Video Services America		12.93
Robert S. McConnaughey, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Hugh T. McCormick, 520 Madison Avenue New York, NY 10022	LeBoeuf Lamb Leiby & MacRae (For:General Conf of the 7th Day Adventists Church Risk Mgt Svcs).		
Margaret M. McCormick, 236 Hamburg Hall 5000 Forbes Ave. Pittsburgh, PA 15213	Carnegie-Mellon University	11,000.00	1,200.76
Molly McCormick, 2301 Market Street, S 13-1 Philadelphia, PA 19101	Philadelphia Electric Company		
Meredith McCoy, Arnold Groburger & Haley 1629 K St., NW, #400 Washington, DC 20006	Arkansas Assn of Securities Dealers		
Do	Mid-South International Trade Assn		
Steven A. McCoy, 1030 15th Street, NW #1020 Washington, DC 20005	North American Export Grain Assn, Inc		
James K. McCracken, 9211 Holly Oak Drive Bethesda, MD 20817			
Cliff G. McCreedy, 8100 Oak Street Dunn Loring, VA 22027	National Pest Control Assn		
Aubrey McCutcheon III, 711 G Street, SE Washington, DC 20003	SANE/FREEZE, Inc		
John McDavitt, 2000 K St., NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security	3,649.00	
David F. McDermitt, 2238 Highland Avenue Falls Church, VA 22046	National Utility Contractors Assn	14,500.00	
Daniel J. McDermott, 1225 19th St., NW, #410 Washington, DC 20036	Financial Services Council	1,000.00	
Francis O. McDermott, 888 16th Street, N.W. Suite 624A Washington, DC 20006	Association Management Corp		
Marianne McDermott, 1350 New York Avenue, NW, #615 Washington, DC 20005	Resources for Group Management, Inc (For:Greeting Card Assn)		
Mark T. McDermott, Joseph Powell McDermott & Reiner, P.C. 1300 19th Street, NW, #400 Washington, DC 20036	Civil Pilots for Regulatory Reform		
McDermott Will & Emery, 1850 K St., NW, #500 Washington, DC 20006	American Dental Hygienists Assn	11,500.00	
Do	American Soc of Outpatient Surgeons	2,500.00	
Do	Banks of Iowa		
Do	California Assn of Children's Hospitals	6,000.00	
Do	Caterpillar Tractor Co		
Do	Federal Kemper Life Assurance Co		
Do	Hitachi America, Ltd		
Do	Home Intensive Care, Inc	2,375.00	32.16
Do	International Minerals & Chemical Corp		
Do	Juvenile Diabetes Foundation, International	6,800.00	
Do	Kemper Investors Life Insurance Co		
Do	Lumberman Mutual Co		
Do	Outpatient Opthalmic Surgery Society	10,500.00	
Do	Peterson & Sullivan	235.00	
Do	Public Employees Retirement Assn of Colorado	235.00	6.00
Do	Solar Turbines, Inc	528.75	7.50
Do	Technicon Instruments Corp	1,300.00	5.50
Edward T. McDonald, 815 16th St., NW Washington, DC 20006	Transportation - Communications Union	3,000.00	3,000.00
Jack McDonald, 1001 Pennsylvania Avenue, NW, #625-S Washington, DC 20004	Jack McDonald Co (For:American Express Corp)		
Do	Jack McDonald Co (For:Association of Bank Holding Cos)		
Do	Jack McDoanld Co (For:Belz Enterprises)		
Do	Jack McDonald Co (For:Dow Corning Corp)		
Do	General Cinema Corp		
Do	Jack McDonald Co (For:Hitachi America, Ltd)		
Do	Jack McDonald Co (For:Hitachi Sales Corp of America)		
Do	Jack McDonald Co (For:Jacques Borel Enterprises, Inc)		
Do	Jack McDonald Co (For:Royal Zenith Corp)		
Do	Jack McDonald Co (For:Societe Generale de Surveillance, S.A.)		
Michael D. McDonald, Maryland Petroleum Council 60 West St., #403 Annapolis, MD 21401	American Petroleum Institute	215.00	15.55
Patricia McDonald, 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Jack McDonald Co, 1001 Pennsylvania Avenue, NW, #625-S Washington, DC 20004	American Express Corp	900.00	221.14
Do	Association of Bank Holding Cos		
Do	Belz Enterprises		
Do	Dow Corning Corp		
Do	Hitachi America, Ltd	786.00	8.00
Do	Hitachi Sales Corp of America		
Do	Jacques Borel Enterprises, Inc		
Do	Royal Zenith Corp	6,500.00	
Do	Societe Generale de Surveillance, S.A		
Roger D. McDonough, 1250 Eye Street, NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l		
Marian E. McDowell, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute	2,686.15	651.59
Dinah D. McElfresh, 1255 23rd Street, NW, #850 Washington, DC 20037	Hauck & Associates, Inc (For:Hearing Industries Assn)		
McElroy & Associates, 600 New Hampshire Ave., NW, #1010 Washington, DC 20037	Dravo Corporationn		
Do	Hughes Aircraft	6,249.00	250.00
Do	A. L. Williams & Company	12,000.00	528.00
Robert H. McFadden, 1620 Eye Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Terry M. McGann, 1900 Placer Gold Court Gold River, CA 95670	Foundation Health Corp		
Do	Maxicare		3,452.97

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Paul J. McGeady, 27 Hampton Place Nutley, NJ 07110	Morality in Media, Inc	879.11	
Dana McGee, Grumman Corp 1000 Wilson Blvd. Arlington, VA 22209	Grumman Corp	1,250.00	633.74
Gale W. McGee, 901 31st St., NW Washington, DC 20007	Hill & Knowlton, Inc (For:Republic of Turkey)		
Meredith McGehee, 2030 M St., NW Washington, DC 20036	Common Cause	9,712.50	65.25
P. Anne McGhee, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	500.00	
Robert M. McGlotten, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	18,999.67	1,753.73
Phyllis M. McGovern, 1875 Eye Street, NW, #800 Washington, DC 20006	Tobacco Institute		
Jeanne H. McGowan, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn		
Christopher C. McGrath, New York State Petroleum Council 150 State St. Albany, NY 12207	American Petroleum Institute		
Richard L. McGraw, 950 L'Enfant Plaza, SW Washington, DC 20024	Communications Satellite Corp	2,500.00	
McGuiness & Williams, 1015 15th Street, NW, #1200 Washington, DC 20005	Borg-Warner Corp		
Do	International Theatrical Agencies Assn		
Do	National Assn of Orchestra Leaders		
Do	National Manufactured Housing Assn		
Do	Pony Express Courier Corp		
Do	Wells Fargo Armored Service Corp		
Joseph M. McGuire, 1501 Wilson Boulevard, #600 Arlington, VA 22209	Air Conditioning & Refrigeration Institute		
Monica M. McGuire, 1331 Pennsylvania AVe., NW, #1500 North Lobby Washington, DC 20004-1703	National Assn of Manufacturers		
McGuire Woods Battle & Boothe, P.O. Box 25047 Alexandria, VA 22313	RF&P Railroad		
Do	Savage/Fogarty Companies, Inc		
Do	Vulcan Materials Co		
McHale Cook & Welch, P.C., 1100 Chamber of Commerce Building Indianapolis, IN 46204	Indiana Bell Telephone Co	1,000.00	600.00
James E. McInerney Jr., 122 C Street, NW, #740 Washington, DC 20001	American League for Exports & Security Assistance, Inc	3,500.00	49.80
Jan E. McKenzie, 1111 19th St., NW, #702 Washington, DC 20036	Edison Electric Institute	2,747.73	231.37
Larry McKenzie, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	5,375.00	180.00
Robert T. McKernan, 1250 Connecticut Ave., NW Washington, DC 20036	American Paper Institute, Inc	250.00	
William Colm McKeveny, Chadbourne Park Law Firm 30 Rockefeller Plaza New York, NY 10112	American Pulpwood Assn		
C. A. 'Mack' McKinney, 225 North Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn of the USA	11,000.00	437.43
Thomas I. McKnew Jr., 1001 Pennsylvania Ave., NW, #675 Washington, DC 20004	Santa Fe Southern Pacific Corp	1,500.00	
James D. McLaughlin, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	725.00	
Ursula H. McManus, 1707 H St., NW, #602 Washington, DC 20006	G. Heilman Brewing Co, Inc	502.50	114.50
William F. McManus, 1331 Pennsylvania Avenue, NW Washington, DC 20004	General Electric Co	490.00	
C. W. McMillan, 2021 K Street, NW, #306 Washington, DC 20006	Committee for Fair Pizza Labeling		
Do	McMillan & Farrell Associates, Inc		
James D. McMillan, 1899 L St., NW, #1100 Washington, DC	Exxon Corporation	750.00	339.46
Sandra H. McMullan, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	4,368.00	20.00
McNair Group, Inc, 1155 15th St., NW, #400 Washington, DC 20005	Akin Gump Strauss Hauer & Feld	1,760.00	
Do	Blue Cross & Blue Shield of South Carolina		
Do	Clemson University	15,000.00	659.15
Do	Correctional Concepts, Inc		
Do	CSX Corporation	26,008.50	340.32
Do	Illinois Central Railroad	29,630.12	1,234.54
Do		30,306.45	
Do	McNair Law Firm, P.A.		
Do	McNair Law Firm, PA (for GTE)		
Do	Norfolk Southern Corp	24,932.25	121.03
Do	Pennsylvania Shipbuilding		
Do	Railstar Control Technology, Inc	400.00	11.24
Do	Railway Progress Institute		
Do	Riedel Omni Products, Inc	5,525.00	93.95
Do	Superior Machine Shop, Inc		
McNair Law Firm, P.A., 1155 15th Street, NW, #400 Washington, DC 20005	Alabama Power Co		
Do	Allied-Signal, Inc	58.00	0.24
Do	American Insurance Assn		
Do	Americans for Fair Treatment of Alcoholic Veterans	1,390.05	24.00
Do	Association of Independent Television Stations, Inc	90.00	
Do	Automobile Importers of America		32.65
Do	ADDSCO Industries, Inc	4,170.00	
Do	Bristol-Myers Co		
Do	Gasoline Alliance to Preserve Competition	6,059.69	670.31
Do	Georgia-Pacific Corp	767.10	13.68
Do	GSX Corporation	5,156.40	469.40
Do	GTE Government Systems Corporation		0.20
Do	Insurance / Financial Affiliates of America	1,425.00	70.16
Do	International Assn for Financial Planning	1,491.49	30.04
Do	International Paper Co		
Do	Melrose Company		23.80
Do	Michelin Tire Company		
Do	Milliken Mills	1,096.80	3.00
Do	Munitions Carrier Conference		
Do	National Council on Alcoholism, Inc	1,979.20	104.55
Do	New York State Bankers Assn	8,000.00	1,533.21
Do	Norfolk Southern Corp	659.40	5.66
Do	Nuclear Fuel Services, Inc	2,793.50	92.70
Do	P.U.S.H., Inc	400.00	118.51
Do	Pneumo-Abex	1,227.00	20.20
Do	R.J. Reynolds Tobacco Co	1,806.27	78.37
Do	Times Mirror Co	1,610.20	18.45
Do	Union Pacific Corp		
Do	Vulcan Materials Co	8,088.50	
Do	Westinghouse Electric Corp	5,989.30	142.85
Kathryn M. McNamara, 633 Pennsylvania Avenue, NW, #600 Washington, DC 20004	Sears Roebuck & Co	200.00	190.00
Laramie Faith McNamara, 1000 Wilson Blvd., #2700 Arlington, VA 22209	TRW, Inc	1,000.00	
Mary Martha McNamara, 1150 17th St., NW, #1000 Washington, DC 20036	Art Supply Labeling Coalition	9,725.00	442.57
John P. McNerney, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America		
Michael J. McShane, 1101 30th Street, NW, #500 Washington, DC 20007	National Computer Systems		
George G. Mead, 1500 K St., NW, #375 Washington, DC 20005	Norfolk Souther Corp	1,000.00	
Leslie S. Mead, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives		
Francis X. Meaney, 1825 Eye Street, NW Washington, DC 20006	Mintz Levin Cohn Ferris Glovsky & Popeo (For:Goldman Sachs & Co)		
Do	Mintz Levin Cohn Ferris Glovsky & Popeo (For:Securities Industry Assn)	2,000.00	
William A. Meaux, 1600 M Street, NW, #702 Washington, DC 20036	ICI Americas, Inc	26,000.00	
Michael Medberry, 1400 Eye Street, NW Washington, DC 20005	Wilderness Society		
Joseph J. Meder, 1730 M St., NW, #515 Washington, DC 20036	Acme Steel Company	1,500.00	
Do	Interlake Corp	3,000.00	
Colise G. Medved, 1800 Diagonal Rd., #500 Alexandria, VA 22314	Penn Central Corporation		
William H. Megonnell, 1111 19th St., NW, 9th Floor Washington, DC 20036	Edison Electric Institute	1,029.87	306.00
Larry Mehlhaff, 23 N. Scott Sheridan, WY 82801	Sierra Club	6,500.00	2,879.85
Katherine Meier, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn	1,552.00	
Michelle Meier, 2001 S Street, NW, #520 Washington, DC 20009	Consumers Union of U.S., Inc	1,000.00	
Kenneth F. Melley, 1201 16th Street, NW Washington, DC 20036	National Education Assn		
Margaret Mellon, National Wildlife Federation 1400 16th St., NW Washington, DC 20036	National Wildlife Federation	83.16	
Carol Melton, 1133 21st St., NW, #400 Washington, DC 20036	Warner Communications, Inc	9,250.00	
Howard H. Menaker, 1199 North Fairfax Street, #801 Alexandria, VA 22313	National Assn of Truck Stop Operators, Inc		
John R. Mendenhall, Martin Tower 8th & Eaton Avenues Bethlehem, PA 18018	Union Pacific Corp	5,000.00	
Howard A. Menell, 1747 Pennsylvania Ave., NW, #900 Washington, DC 20006	American Express Co		
Edward L. Menning, 1023 15th Street, NW, #300 Washington, DC 20005	National Assn of Federal Veterinarians		
J. Roger Mentz, 1333 New Hampshire Ave., NW Washington, DC 20036	Cadwalader Wickersham & Taft (For:Barron Collier Co)		
Do	Cadwalader Wickersham & Taft (For:Coalition for Capital Import Neutrality)		
Do	Cadwalader Wickersham & Taft (For:Government of Puerto Rico)	72.00	
Do	Cadwalader Wickersham & Taft (For:GAF Corporation)		
Do	Cadwalader Wickersham & Taft (For:Knoll Pharmaceuticals)		
Do	Cadwalader Wickersham & Taft (For:Mercedes-Benz of North America, Inc)	194.00	
Do	Cadwalader Wickersham & Taft (For:Pepsico, Inc)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Cadwalader Wickersham & Taft (For:PFIC Group)	25.00	
Jane Mentzinger, 2030 M Street, NW Washington, DC 20036	Common Cause	3,937.50	
Edward L. Merrigan, 6000 Connecticut Ave., NW Washington, DC 20815	Central Gulf Lines, Inc	3,750.00	88.76
Do	Rolls-Royce Motors, Inc	7,650.00	7.50
Nancy Jo Merrill, 1725 K St., NW, #814 Washington, DC 20006	March of Dimes Birth Defects Foundation		
Merrill Lynch & Co, Inc, 1828 L St., NW, #906 Washington, DC 20036			12,500.00
Richard P. Merski, 1455 Pennsylvania Avenue, NW, #900 Washington, DC 20004	American International Group, Inc	5,000.00	848.16
Neil T. Messick, 1331 Pennsylvania Ave., NW Washington, DC 20004	General Electric Co	600.00	
Howard M. Messner, 1015 15th St., NW, #802 Washington, DC 20005	American Consulting Engineers Council	900.00	
Jean L. Mestres, 1747 Pennsylvania Avenue, NW, #300 Washington, DC 20006	OXY USA, Inc	1,171.35	
Matthew S. Metcalfe, P.O. Box 6422 Mobile, AL 36660	American Family Corp		
Jeremy Metz, 260 Madison Avenue New York, NY 10016	American Paper Institute, Inc		
M. Barry Meyer, 900 19th Street, NW Washington, DC 20006	Aluminum Assn	50.00	
Larry D. Meyers, 412 First Street, SE #40 Washington, DC 20003	American Beekeeping Federation	1,000.00	
Do	Concerned Shrimpers of America	4,500.00	
Do	CEPEX Pacific, Inc	600.00	
Do	International Assn of Refrigerated Warehouses	750.00	
Do	National Agricultural Chemicals Assn	15,000.00	
Do	National Peanut Growers Group	3,000.00	
Do	Rice Belt Warehouse, Inc	1,500.00	
Do	Texas A&M Research Foundation	7,500.00	
Do	Texas Cotton Marketing		
Meyers & Associates, 412 First St., SE, #40 Washington, DC 20003	Golf Course Superintendents Assn of America	2,500.00	
David R. Mica, Florida Petroleum Institute 325 John Knox Rd., #F-210 Tallahassee, FL 32303	American Petroleum Institute		
Eileen F. Michaels, 1317 F Street, NW, #202 Washington, DC 20004	Lisboa Associates, Inc (For:University of the Virgin Islands)	525.00	
Michael G. Michaels, P.O. Box 150160 Lakewood Station Box PMB Atlanta, GA 30315			
Michaels & Wishner, P.C., 1726 M St., NW, #500 Washington, DC 20036	National Assn for Ambulatory Care		
James G. Michaux, 6917 Granby Street Bethesda, MD 20817	Federated Dept Stores, Inc	500.00	
Frank G. Michelena, 17925 Sky Park Cir. Irvine, CA 92714	Landsdell Co		6,921.62
Kathleen Michels, 1101 14th Street, NW, #200 Washington, DC 20005	American Nurses' Assn	4,415.00	157.87
Mid-Continent Oil & Gas Assn, 1919 Pennsylvania Ave., NW, #503 Washington, DC 20006		1,579.73	19,536.41
Mid-West Electric Consumers Assn, 1441 York Street, #305 Denver, CO 80206			
Roger E. Middleton, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	2,100.00	85.00
Evan M. Migdail, 888 17th Street, NW Washington, DC 20006	CITGO Petroleum Corp	1,500.00	
Migrant Legal Action Program, Inc, 2001 S St., NW, #310 Washington, DC 20009			
Rene Milam, Box 17407 Washington Dulles Airport Washington, DC 20041	American Newspaper Publishers Assn	500.00	88.95
Milbank Tweed Hadley & McCloy, 1825 Eye St., NW Washinton, DC 20006	Midland Bank plc		
Miles & Stockbridge, 1701 Pennsylvania Ave., NW, #500 Washington, DC 20006	Black and Decker Corp		150.00
Do	PepsiCo, Inc		
Do	Pizza Hut, Inc		510.00
Milgrim Thomajan & Lee, 1025 Connecticut Ave, NW, #1000 Washington, DC 20036	AGS Management Systems, et al.	1,500.00	
Do	Lloyds U.S.		
Do	Management Data Communications Corp	800.00	50.00
Military Boot Manufacturers Assn, Belleville Shoe Manufacturing Co P.O. Box 508 Belleville, IL 62222			
Carolynn E. Miller, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	3,189.00	200.00
Charles R. Miller, 1155 Connecticut Ave., NW Washington, DC 20036	Waste Management, Inc	812.00	438.00
Dale Miller, 4000 Reno Road, NW Washington, DC 20008	Texasgulf, Inc		
Deborah Imle Miller, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Denny Miller, 409 South Barton St. Arlington, VA 22204	Denny Miller Associates	7,500.00	
Grant Miller, 1725 Jefferson Davis Highway, #900 Arlington, VA 22202	LTV Aerospace & Defense Co	2,500.00	125.00
Harris C. Miller, 322 Westview Court Vienna, VA 22180	Occidental Chemical Corp	510.00	
Lawrence E. Miller, 1023 15th Street, NW, #300 Washington, DC 20005	American Veterinary Medical Assn	300.00	
Michael J. Miller, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Paul J. Miller, 8000 Sears Tower Chicago, IL 60606	Investment Counsel Assn of America, Inc		
Richard G. Miller, 1101 14th Street, NW, #200 Washington, DC 20005	American Nurses' Assn	3,900.00	955.93
Robert H. Miller, 490 L'Enfant Plaza East, SW, #2202 Washington, DC 20024	Tenneco, Inc		32.00
Sandra Miller, 409 South Barton St. Arlington, VA 22204	Denny Miller Associates	1,250.00	
Miller & Chevalier, Chtd, 655 15th St., NW, #900 Washington, DC 20005-5701	American Nuclear Energy Council	1,305.00	
Do	Boeing Company		
Do	Chevy Chase Savings & Loan Assn	1,200.00	
Do	De La Salle Institute	5,336.25	622.20
Do	Gold Fields Operating Co - Mesquite	50.00	
Do	Ideal Basic Industries, Inc		
Do	Martin Marietta Corp	445.00	5.00
Do	McDonnell Douglas Corp		
Do	National Assn of Temporary Services, Inc		
Do	Pacific Medical Center		
Do	Professional Services Council		
Do	Western Savings & Loan Assn	1,540.00	
Denny Miller Associates, Inc, 400 N. Capitol St., NW, #325 Washington, DC 20001	Boeing Company	3,000.00	2,460.00
Do	Makah Tribal Council	300.00	245.00
Do	Marine Engineers' Beneficial Assn	4,000.00	3,265.00
Do		19,862.50	16,250.00
Do	Momentum 88	1,875.00	1,530.00
Do	Olin Corporation	3,000.00	2,460.00
Do	Pacific Nuclear Systems, Inc	1,062.50	862.00
Do	Port of Tacoma	1,125.00	928.00
Do	State of Washington, Dept of Transportation	1,500.00	1,235.00
Do	Tri-City Industrial Development Council (TRIDEC)	4,000.00	3,265.00
Miller Cassidy Larroca & Lewin, 2555 M St., NW, #500 Washington, DC 20037	National Assn of Life Underwriters, et al	40,500.00	
Do	47th Street Photo	1,000.00	
Miller Young & Holbrooke, 1225 19th Street, NW, #400 Washington, DC 20036	City of Sacramento, et al.	337.50	10.00
Do	Sugar Land Telephone Co	255.00	10.00
Kenneth Y. Millian, 919 18th Street, NW Washington, DC 20006	W. R. Grace & Co		1,012.78
C.G. Pete Milligan, 1442 S.W. Troon Circle Palm City, FL 33490	American Telephone & Telegraph Co	2,200.00	229.08
Amy J. Millman, 1875 Eye St., NW, #500 Washington, DC 20006	Philip Morris, Inc	600.00	375.00
John W. Mills, Tenneco Automotive 100 Tri State Int'l, #300 Lincolnshire, IL 60015	Coalition for Auto Repair Choice		
Robert G. Mills, 450 Maple Ave., East, #204 Vienna, VA 22180	U.S. Defense Committee	2,400.00	
Richard V. Minck, 1001 Pennsylvania Ave., N.W. Washington, DC 20004	American Council of Life Insurance, Inc	1,750.00	
Dallas Miner, One Thomas Circle, #900 Washington, DC 20005	American Fishing Tackle Manufacturers Assn	5,000.00	
Miner Fraser & Gabriel, 2033 M Street, NW Ninth Floor Washington, DC 20036	Government of Haiti		
Minimum Wage Coalition to Save Jobs, P.O. Box 28261 Washington, DC 20038		57,300.00	72,967.52
Joseph G. Minish, 66 Sheridan Avenue West Orange, NJ 07052	Bayamon Federal Savings	6,000.00	
Bennett L. Minton, 900 19th Street, NW, #800 Washington, DC 20006-2102	U.S. Telephone Assn		
Mintz Levin Cohn Ferris Glovsky & Popeo, P.C., 1825 I Street, NW, #1025 Washington, DC 20006	Cablevision		
Do	Coalition for High Definition TV	33,000.00	
Do	Communications Industry Assn of Japan	24,000.00	
Do	Home Recording Rights Coalition	3,190.00	
Do	Siemens Capital Corp	17,850.00	
Do	Smith Barney Harris Upham & Co, Inc		
Do	Turner Broadcasting System, Inc	1,295.00	
Miro Miro & Weiner, P.C., 500 N. Woodward Ave., #200 P.O. Box 908 Bloomfield Hills, MI 48303-0908	Detroit Tooling Assn		
Do	Michigan Council of Self-Insured Group Administrators		
Charles P. Mitchell, 1501 16th Street, NW Washington, DC 20036	Center for Science in the Public Interest	735.00	17.20
Edward F. Mitchell, 1900 Pennsylvania Avenue, NW Washington, DC 20068	Potomac Electric Power Co		
Mobile Majority, P.O. Box 3329 Visalia, CA 93278		3,305.69	3,233.69
Stacey J. Mobley, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co		
David T. Modi, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co		
John Moehring, 2200 Mill Road Alexandria, VA 22314	American Movers Conference	400.00	
Peter A. Molinaro, 1100 15th Street, NW, #1200 Washington, DC 20005	Union Carbide Crop		
Robert M. Moliter, 1331 Pennsylvania Ave., NW, #865 Washington, DC 20004	General Electric Co		
John V. Moller, 1707 L Street NW, #725 Washington, DC 20036	Manchester Associates, Ltd (For:Nissan Motor Company, Ltd)		
Do	Manchester Associates, Ltd (For:Nissan Motor Manufacturing Corp, USA)	2,700.00	28.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Patricia L Molloy, 1220 19th Street, NW, #700 Washington, DC 20036	Leva Haws Mason & Bebchick (For:Association of the U.S. Army)		
Robert A. Molofsky, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO	5,000.00	183.00
C. Manly Molpus, 1700 N. Moore Street, #1600 Arlington, VA 22209	American Meat Institute	1,000.00	
Christopher Monek, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Elizabeth R. Monro, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	12,953.06	
Alfredo C. Montoya, 815 16th Street, NW, #707 Washington, DC 20006	Labor Council for Latin American Advancement		
William J. Montwieler, 1750 K Street, NW, #210 Washington, DC 20006	Industrial Truck Assn		100.00
James P. Mooney, 1724 Massachusetts Ave., NW Washington, DC 20036	National Cable Television Assn, Inc	8,750.00	
Alan J. Moore, 1001 Pennsylvania Ave., NW, #675 Washington, DC 20004	Atchison Topeka & Santa Fe Railway Co	1,000.00	
Carlos Moore, 1801 K Street, NW, #900 Washington, DC 20006	American Textile Manufacturers Institute, Inc		
Frank B. Moore, 3003 Butterfield Road Oak Brook, IL 60521	Waste Management, Inc	5,000.00	1,242.00
Obie Moore, 1156 15th St., NW, #1015 Washington, DC 20005	JC Penney Co, Inc		
Richard L. Moore, P.O. Box 338 Dearborn, MI 48121	Detroit Tooling Assn Worker's Compsensation Fund	4,101.63	12.50
Thomas L. Moore, 1320 Braddock Place, #720 Alexandria, VA 22314	National Private Trucking Assn		
Timothy X. Moore, Timothy Moore & Co 2900 M Street, NW, #300 Washington, DC 20007	All-Industry TV Music License Committee	10,500.00	1,500.00
Do	BF Goodrich Co		
Do	Occidental Chemical Corp		
Do	Swidler & Berlin, Chtd		
William D. Moore, Commerce Center 30 Exchange Terrace Providence, RI 02903	Greater Providence Chamber of Commerce	222.75	59.40
Ann Moorhead, 2571 Vernon Drive, NE Palm Bay, FL 32905	Press Television		
Eugene Moos, 517 C Street, NE Washington, DC 20002	Lesher Russell & Moos, Inc	1,666.67	
Richard M. Moose, 1020 19th Street, NW, #600 Washington, DC 20036	American Express Co		
Morality in Media, Inc, 475 Riverside Dr., #239 New York, NY 10115		1,887.87	1,887.87
Lori M. Moran, 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	200.00	
Judith Morehouse, 1700 N. Moore Street Rosslyn, VA 22209	Boeing Company	1,207.00	488.52
Sue Markland Moreland, 918 North Carolina Avenue, SE Washington, DC 20003	Association of Biotechnology Cos	4,000.00	150.23
Do	Hazardous Waste Treatment Council	1,420.00	6.70
Dudley Digges Morgan III, 4900 Baronne Street New Orleans, LA 70115	Southern Forest Products Assn	12,875.04	
E. Joyce Morgan, 1920 N St., NW Washington, DC 20036	American Mining Congress		
J. Railton Morgan, 412 First Street, SE Washington, DC 20003	National Automobile Dealers Assn	3,300.00	
Peter Denis Morgan, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	1,750.00	113.28
Stephen L. Morgan, 5201 Leesburg Pike, #1111 Falls Church, VA 22041	American Cemetery Assn		
Morgan Lewis & Bockius, 1800 M St., NW, #800 N. Washington, DC 20036	Business Roundtable		
Do	Coalition to Stop the Raid on America		
Do	Consolidated Natural Gas Co		
Do	Scotch Whisky Assn		
Do	Wheels, Inc		
William G. Morin, 1331 Pennsylvania Avenue, NW, #1500-N Washington, DC 20004-1703	National Assn of Manufacturers	247.00	
James A. Morrill, 1726 M St., NW, #901 Washington, DC 20036	Scott Paper Co	6,000.00	
Gerald D. Morris, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers, AFL-CIO	10,750.00	140.00
Loretta C. Morris, 1725 K Street, NW, #814 Washington, DC 20006	March of Dimes Birth Defects Foundation	1,131.25	
Tessa Morris, 1155 Connecticut Ave., NW, #1130 Washington, DC 20036	Security Pacific Corp		
Tom C. Morris, 1825 K St., NW, #1107 Washington, DC 20006	Phillips Petroleum Co	1,800.00	1,853.91
Valerie W. Morris, 1601 Duke Street Alexandria, VA 22314	Society of American Florists		
W. Patrick Morris, 1110 Vermont Avenue, NW Suite 1250 Washington, DC 20005	Shipbuilders Council of America	1,250.00	
James W. Morrison Jr., 655 15th St., NW, #300 Washington, DC 20005	ARA Services, Inc	4,791.66	
Do	Morrison Associates (For:Blue Cross & Blue Shield Assn)	28,588.00	1,531.96
William C. Morrison, 2001 North Adams St. Arlington, VA 22201	Meat Importers Council of America, Inc		
Morrison & Foerster, 2000 Pennsylvania Ave., NW Washington, DC 20006	City and County of San Francisco		
Do	Consolidated Freightways		
Do	RREEF Funds, Inc		32.10
Valerie T. Morse, 1020 19th St., NW, #600 Washington, DC 20036	American Express Co		
Evelyn M. Morton, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	531.73	220.95
George R. Moses, 2001 Eye St., NW Washington, DC 20006	National Association of Arab Americans	5,000.00	72.35
Russell N. Mosher, 950 N. Glebe Rd., #160 Arlington, VA 22203	American Boiler Manufacturers Assn, Inc	405.35	
Laurie A. Moshier, 2001 Eye Street, NW Washington, DC 20006	Electronic Industries Assn	200.00	
Dorothy J. Moss, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	25.00	
Moss Associates, Inc, 2450 Virginia Ave., NW Washington, DC 20037	Association of Bank Holding Cos	900.00	
Gerald J. Mossinghoff, 1100 15th Street, NW, #900 Washington, DC 20005	Pharmaceutical Manufacturers Assn	1,000.00	
Motion Picture Assn of America, Inc, 1600 Eye Street, NW Washington, DC 20006		23,876.84	23,876.84
John J. Motley, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	9,570.00	500.00
L. A. Motley and Company, 1800 K Street, NW, #1000 Washington, DC 20006	Adical	105,000.00	740.16
Do	ABRASSUCOS - Brazilian Juice Assn	18,000.00	484.58
Do	ANIC - National Assn of Citric Industries	17,970.00	491.20
Motor and Equipment Manufacturers Association, 1325 Pennsylvania Ave., NW, #600 Washington, DC 20004			4,641.20
Motor Vehicle Manufacturers Assn of the U.S., Inc, 7430 Second Avenue, #300 Detroit, MI 48202		34,546.00	34,546.00
Thomas O. Moulton Jr., 1275 Pennsylvania Ave., NW, #400 Washington, DC 20004	Pacific Telesis Group	12,000.00	
Katharine R. Mountcastle, 2030 M St. NW Washington, DC 20036	Common Cause	1,481.26	4.60
Susan Connolly Moya, 1615 H St., NW Washington, DC 20062	U.S. Chamber of Commerce	2,500.00	
Cheryl L. Moyer, Box 198A Ghaner Rd. Port Matilda, PA 16870	Pennsylvania Assn of Families	2,126.03	317.75
Steve Moyer, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	188.79	
Muldoon Murphy & Faucette, 5101 Wisconsin Ave., NW, #508 Washington, DC 20016	Empire of America, FSB	1,840.00	
Richard J. Muller, 1100 Connecticut Ave., NW, #930 Washington, DC 20036	Chrysler Corporation	2,000.00	105.00
John A. Mullett, 1627 K St., NW, #500 Washington, DC 20006	FMC Corporation	2,200.00	105.85
Albert E. Mullin Jr, 111 Powdermill Rd. (b79) Maynard, MA 01754	Digital Equipment Corp	15,000.00	
Tracy Mullin, 1000 Connecticut Ave., NW, #700 Washington, DC 20036	National Retail Merchants Assn	4,000.00	85.50
William F. Mullin, 1615 L St., NW, #1210 Washington, DC 20036	Metropolitan Life Insurance Cos	1,000.00	
James Brian Munroe, 340 Kingsland Street Nutley, NJ 07110	Hoffmann-La Roche, Inc		
Daniel R. Murphy, 14 Third Street Newport, RI 02840	American Express Co		
Elizabeth A. Murphy, 1901 N. Fort Myer Drive, #204 Arlington, VA 22209	Roadway Express, Inc		
James F. Murphy, 6200 Oaktree Blvd. Independence, OH 44131	Centerior Energy Corp, et al		
James P. Murphy, 485 Lexington Ave., 25th Floor New York, NY 10017	New York State Bankers Assn	5,300.00	1,688.26
John P. Murphy, 1001 Connecticut Ave., NW, #1120 Washington, DC 20036	Chemical Specialties Manufacturers Assn, Inc	2,800.00	358.37
Lester L. Murphy Jr., 5709 W. 21st St., P.O. Box 4267 Topeka, KS 66604	Kansas Electric Cooperatives, Inc		
Michael M. Murphy, 1101 17th St., NW, #400 Washington, DC 20036	American President Companies, Ltd, et al	8,600.00	
Paul T. Murphy, P.O. Box 619500 Dallas, TX 75261	Caltex Petroleum Corp	1,500.00	1,100.00
Daniel H. Murray, 1133 21st St., NW, #900 Washingtor, DC 20036	BellSouth Corp		2,337.00
James E. Murray, One Farragut Square South Washington, DC 20006	Brown & Wood (For:Citicorp Investment Bank, et al.)		
Do	Brown & Wood (For:National Assn of Small Business Investment Cos, et al.)		
Rosemary Griffin Murray, 1200 17th Street, NW, #500 Washington, DC 20036	Pan American World Airways, Inc		
Murray & Scheer, 2715 M Street, NW, #300 Washington, DC 20007	American Cyanamid Co		
Do	Bear Stearns & Co	500.00	
Do	Cleveland Cliffs Iron Co	250.00	
Do	Connecticut Mutual Life Insurance Co	500.00	
Do	Home Life Insurance Co	500.00	
Do	Industry Council for Tangible Assets	400.00	
Do	Iron Ore Assn	250.00	
Do	Lightning Location & Protection, Inc	625.00	
Do	LTV Corporation	450.00	
Do	National Business Aircraft Assn	500.00	
Do	National Council of Coal Lessors	300.00	
Do	New England Life Insurance Co	500.00	
Do	Pacific Mutual Life Insurance Co	500.00	
Do	Penn Mutual Life Insurance Co	500.00	
Do	Provident Mutual Life Insurance Co of Philadelphia	500.00	
Do	PHP Healthcare Corp		
Do	Shubert Organization, Inc	400.00	
Do	Swaziland Sugar Assn	400.00	
Do	Wisconsin Central Railroad		
Robert J. Muth, 180 Maiden Ln. New York, NY 10038	Asarco Inc	200.00	
Mutual Life Insurance Co Tax Committee, 720 East Wisconsin Avenue Milwaukee, WI 53202		5,000.00	2,741.50
Fred J. Mutz, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	4,100.00	
Gary D. Myers, 1015 18th Street, NW Washington, DC 20036	Fertilizer Institute	4,500.00	1,939.79

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Daniel Nadash, 777 14th St., NW Washington, DC 20005	National Assn of Realtors		
Timothy D. Naegele & Associates, 1250 24th Street, NW, #600 Washington, DC 20037	Baybanks, Inc		
Alan Y. Naftalin, 1150 Connecticut Avenue, NW Washington, DC 20036	Koteen & Naftalin (For:Alascom, Inc)		
Do	Koteen & Naftalin (For:Telephone & Data Systems, Inc)		
Diane M. Nash, 600 Pennsylvania Avenue, SE, #200 Washington, DC 20003	Independent Insurance Agents of America, Inc	8,562.00	
John Francis Nash Jr., 214 Massachusetts Ave., NE, #420 Washington, DC 20002	Milliken & Company	5,000.00	4,100.00
Gary M. Nateman, 1225 'Eye' Street, NW, #825 Washington, DC 20005	Beer Institute		
Frances E. Nathan, 455 Fifth Avenue New York, NY 10016	New York Public Library	6,205.72	
Hardy L. Nathan, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	500.00	
National Abortion Rights Action League, 1101 14th Street, NW 15th Floor Washington, DC 20005			14,558.33
National Agricultural Chemicals Assn, 1155 15th St., NW Washington, DC 20005		1,760.00	1,760.00
National Air Carrier Assn, 1730 M St., NW, #710 Washington, DC 20036			
National Assn for Biomedical Research, 818 Connecticut Ave., NW, #303 Washington, DC 20006		108,150.00	14,320.00
National Assn for Neighborhood Schools, Inc, 335 Locust St. Pittsburgh, PA 15218		958.80	2,202.00
National Assn for Stock Car Auto Racing, Inc (NASCAR), 1801 Speedway Boulevard Daytona Beach, FL 32015			
National Assn for Uniformed Services, 5535 Hempstead Way Springfield, VA 22151		1,637.50	4,063.19
National Assn of Air Traffic Specialists, 4780 Corridor Pl., Suite B Beltsville, MD 20705			2,311.35
National Assn of Aircraft & Communications Suppliers, Inc, 23871 Madison Torrance, CA 90505			
National Assn of Broadcasters, 1771 N Stret, NW Washington, DC 20036		71,681.34	71,681.34
National Assn of Chain Drug Stores, Inc, P.O. Box 1417-049 Alexandria, VA 22313			
National Assn of Federal Employees, 3500 Maple Avenue, Suite 1650 Dallas, TX 75219			
National Assn of Federal Veterinarians, 1023 15th Street, NW, #300 Washington, DC 20005			23.97
National Assn of Home Builders of the U.S., 15th & M Sts., NW Washington, DC 20005		6,823.92	118,934.04
National Assn of Independent Colleges & Universities, 122 C St., NW, #750 Washington, DC 20001			50,047.00
National Assn of Insurance Brokers, Inc, 1401 New York Ave., NW, #720 Washington, DC 20005			
National Assn of Manufacturers, 1331 Pennsylvania Ave., NW, #1500 Washington, DC 20004-1703		126,865.62	126,865.62
National Assn of Mutual Insurance Cos, 3707 Woodview Trace P.O. Box 68700 Indianapolis, IN 46268		555.00	555.00
National Assn of Real Estate Investment Trusts, Inc, 1129 20th St., NW, #705 Washington, DC 20036			2,485.39
National Assn of Stevedores, 2011 I Street, NW, #601 Washington, DC 20006		3,300.00	2,600.00
National Assn of Temporary Services, Inc, 119 South Saint Asaph Street Alexandria, VA 22314			
National Assn of Trade & Technical Schools, 2251 Wisconsin Ave., NW Washington, DC 20007		7,500.00	7,500.00
National Assn of Truck Stop Operators, Inc, 1199 N. Fairfax Street, #801 Alexandria, VA 22314			
National Automobile Dealers Assn, 8400 Westpark Drive Mclean, VA 22102			21,040.00
National Beer Wholesalers' Assn, 5205 Leesburg Pike, #505 Falls Church, VA 22041		139,043.00	34,523.00
National Broiler Council, 1155 15th St., NW Washington, DC 20005		3,170.00	3,170.00
National Business Aircraft Assn, 1200 18th St., NW, #200 Washington, DC 20036-2598			
National Cable Television Assn, Inc, 1724 Massachusetts Ave., NW Washington, DC 20036		34,282.43	34,282.43
National Cattlemen's Assn, 5420 S. Quebec Street P.O. Box 3496 Englewood, CO 80155			5,000.00
National Club Association, 1625 Eye St., NW, #609 Washington, DC 20006			
National Coalition for Fair Trade, 1718 Connecticut Avenue, NW, #310 Washington, DC 20009			218.76
National Coalition of Fresh Potato Processors, c/o Collier Shannon Rill & Scott 1055 Thomas Jefferson St., NW Washington, DC 20007.			
National Comm to Preserve Social Security, 2000 K Street, NW, 7th Floor Washington, DC 20006		479,407.00	479,407.00
National Comm Against Repressive Legislation, 236 Massachusetts Avenue, NE, #406 Washington, DC 20002		2,507.00	6,544.27
National Commercial Finance Assn, 225 W. 34th St. New York, NY 10122		12,250.00	2,423.00
National Community Action Foundation, Inc, 2100 M Street, NW, #604A Washington, DC 20037		60,497.74	40,253.95
National Consumer Assn, P.O. Box 65733 Washington, DC 20035			
National Cooperative Business Assn, 1401 New York Ave., NW, #1100 Washington, DC 20005		27,500.00	10,141.70
National Cotton Council of America, P.O. Box 12285 Memphis, TN 38182		52,080.11	52,080.11
National Council for Languages & Int'l Studies, 20 F Street, NW, 4th F. Washington, DC 20001		17,169.46	19,953.55
National Council of Agricultural Employers, 499 S. Capitol Street, SW, #411 Washington, DC 20003		1,022.00	1,048.00
National Council of Farmer Cooperatives, 50 F Street, NW, #900 Washington, DC 20001		15,966.00	11,367.46
National Electrical Manufacturers Assn, 2101 L Street, NW, #300 Washington, DC 20037		947.18	947.18
National Fed of Independent Business, 150 W. 20th Ave. San Mateo, CA 94403		43,705.00	43,705.00
National Food Processors Assn, 1401 New York Avenue, NW, #400 Washington, DC 20005		4,450.00	4,450.00
National Foreign Trade Council, Inc, 100 East 42nd St. New York, NY 10017		135,274.00	135,274.00
National Grain & Feed Assn, 725 15th St., NW, #500 Washington, DC 20005			
National Grange, 1616 H St., NW Washington, DC 20006		20,875.00	20,875.00
National Guard Assn of the U.S., One Massachusetts Ave., NW Washington, DC 20001		101,843.00	168.00
National Industrial Transportation League, 1090 Vermont Ave., NW, #410 Washington, DC 20005		15,000.00	13,680.75
National Knitwear & Sportswear Assn, 386 Park Avenue South New York, NY 10016			1,314.10
National Leased Housing Assn, 2300 M St., NW, #260 Washington, DC 20037		900.00	900.00
National Motorsports Comm of Accus, 1500 Skokie Boulevard, #101 Northbrook, IL 60062			
National Multi Housing Council, 1250 Connecticut Ave., NW, #620 Washington, DC 20036		6,775.41	6,775.41
National Newspaper Assn, 1627 K St., NW, #400 Washington, DC 20006		29,347.00	7,800.00
National Pest Control Assn, 8100 Oak St. Dunn Loring, VA 22027			
National Printing Equipment & Supplies Assn, Inc, 1899 Preston White Drive Reston, VA 22091			
National Public Affairs Corp, 1050 Thomas Jefferson Street, NW, #600 Washington, DC 20007	Westinghouse Electric Corp	300.00	
National Realty Committee, 1250 Connecticut Ave., NW, #303 Washington, DC 20036		2,911.00	2,911.00
National Retail Merchants Assn, 1000 Connecticut Avenue, NW Washington, DC 20036			20,989.45
National Right to Work Committee, 8001 Braddock Rd., #600 Springfield, VA 22160		7,755.25	7,755.25
National Rural Electric Cooperative Assn, 1800 Massachusetts Ave., NW Washington, DC 20036			
National Rural Housing Coalition, 122 C Street, NW, #875 Washington, DC 20002		1,000.00	16,903.22
National Rural Letter Carriers Assn, 1448 Duke St., #100 Alexandria, VA 22314		24,790.00	28,004.00
National Security Traders Assn, Inc, One World Trade Center, #4511 New York, NY 10048			7,250.00
National Society of Professional Engineers, 1420 King Street Alexandria, VA 22314		12,500.00	9,017.00
National Soft Drink Assn, 1101 16th St., NW Washington, DC 20036			430.63
National Stone Assn, 1415 Elliot Place, NW Washington, DC 20007			
National Strategies, Inc, 1919 Pennsylvania Ave., NW, #701 Washington, DC 20006	Alliance for Capital Access	30,000.00	
Do	Columbia Savings & Loan Assn		6.00
Do	Manor Care	10,000.00	5,202.70
Do	PGA Tour, Inc		5.36
Do	Triangle Industries	11,420.63	195.08
National Telephone Cooperative Assn, 2626 Pennsylvania Ave., NW Washington, DC 20037		27,000.00	3,076.72
National Tire Dealers & Retreaders Assn, 1250 Eye Street, NW, #400 Washington, DC 20005		6,250.00	6,250.00
National Venture Capital Association, 1655 N. Fort Meyer Dr., #700 Arlington, VA 22209			
National Wildlife Federation, 1400 16th Street, NW Washington, DC 20036-0001			5,491.75
National-American Wholesale Grocers' Assn, 201 Park Washington Court Falls Church, VA 22046		12,000.00	12,000.00
Michael W. Naylor, 1001 Pennsylvania Ave, NW, #700 Washington, DC 20004-2502	Allied-Signal, Inc		
Landis M. Neal, 2000 K Street, NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security	9,000.00	36.25
Karen J. Neale, 2501 M Street N.w. Washington, DC 20037	Chemical Manufacturers Assn, Inc	465.00	83.10
Jeffrey Nedelman, 1010 Wisconsin Avenue, NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc	40.92	
Allen Neece Jr., 1050 17th Street, NW Washington, DC 20036	Neece Cator & Associates, Inc (For:Association of Small Business Development Centers).	1,350.00	1,350.00
Do	Neece Cator & Associates, Inc (For:National Small Business United)	1,350.00	1,350.00
Do	Neece Cator & Associates, Inc (For:National Venture Capital Association)		
Neece Cator & Associates, Inc, 1050 17th Street, NW Washington, DC 20036	Association of Small Business Development Centers	1,350.00	1,350.00
Do	Colson Investments		
Do	Design Professionals Coalition	1,350.00	1,350.00
Do	National Small Business United	1,350.00	1,350.00
Do	National Venture Capital Association		
Do	Southeastern Lumber Manufacturers Assn		
Jorge A. Negron, 111 Massachusetts Ave., NW, #200 Washington, DC 20001	U.S. Hispanic Chamber of Commerce	10,250.00	957.76
Laura C. Nehf, 1101 Connecticut Avenue, NW, #405 Washington, DC 20036	Filler & Nehf, P.C. (For:Association of Progressive Rental Organizations)		
Stanley Nehmer, 1225 19th Street, NW, #210 Washington, DC 20036	Non-Ferrous Metals Producers Committee	500.00	
Neighbor-To-Neighbor Action Fund, 2601 Mission Street, #400 San Francisco, CA 94110			
Frederick W. Neill, 600 5th Street Aurora, IL 60505			3,500.00
Neill & Company, Inc, 900 17th St., NW, #400 Washington, DC 20006	Arab Republic of Egypt	180,000.00	21,113.24
Do	Hashemite Kingdom of Jordan	55,000.00	4,466.35
Do	Islamic Republic of Pakistan	165,000.00	7,756.36
Do	Kingdom of Morocco		5,680.08
Do	Republic of Gabon	187,500.00	
Do	Republic of Kenya		1,988.29

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Neill Mullenholz & Shaw, 900 17th St., NW, #400 Washington, DC 20006	Florida East Coast Railway Co	1,000.00	
Do	National Council Social Security Management Assns, Inc	4,000.00	210.00
Do	National Farm & Power Equipment Dealers Assn	1,500.00	
Do	PHH Group, Inc		
Do	Senior Executives Assn	5,000.00	340.00
Do	Soo Line Corporation	2,500.00	
Do	TACA International Airlines		
Joshua E. Neiman, 815 16th St., NW, #408 Washington, DC 20006	Food & Allied Service Trades Dept, AFL-CIO	508.00	
Mark D. Nelson, 1701 Pennsylvania Ave., NW, #900 Washington, DC 20036	E. I. du Pont de Nemours & Co		
Paul Gunnar Nelson, Hamilton & Hamilton 734 15th St., NW, 11th Floor Washington, DC 20005	GNA	3,643.12	13.02
Do	Weyerhaeuser Company	15,307.50	446.97
Michael A. Nemeroff, 1722 Eye Street, NW 7th Floor Washington, DC 20006	Sidley & Austin (For:Borden, Inc)		
Lynda L. Nersesian, 1100 15th St., NW, #900 Washington, DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	34.25
Mark Nestlen, 1300 L Street, NW, #950 Washington, DC 20005-4107	National Grange		
Network, 806 Rhode Island Ave., NE Washington, DC 20018		32,417.70	34,306.61
E. John Neumann, 1130 Connecticut Avenue, NW, #830 Washington, DC 20036	Southern Company Services, Inc	5,740.19	5,003.45
New York Comm of Intl Comm of Passenger Lines, 74 Trinity Place New York, NY 10006			
New York State Bankers Assn, 485 Lexington Avenue New York, NY 10017		60,000.00	70,703.00
Cynthia E. Newman, 400 North Washington Street Alexandria, VA 22314	Professional Insurance Agents	500.00	200.00
George S. Newman, 7915 Jones Branch Dr. McLean, VA 22102	BDM International, Inc		
Newman & Holtzinger, P.C., 1615 L St., NW, #1000 Washington, DC 20036	Utility Nuclear Waste Management Group		
Sharon Newsome, 1400 16th St., NW Washington, DC 20036-0001	National Wildlife Federation	6,024.70	
E. Archie NeSmith Jr., 1000 Wilscn Blvd., #2500 Arlington, VA 22209	Allied-Signal Aerospace Co		
Todd C. Nichols, 1600 Seattle Tower Seattle, WA 98101	Francis & Nichols (For:Ueki America Corp)	20.00	5.00
E. Bruce Nicholson, 1800 M St., NW Washington, DC 20036	American Bar Assn	400.00	50.00
Marlene Nicholson, 1722 Eye St., NW, Fifth Floor Washington, DC 20006	Barclays Bank PLC	3,026.50	1,176.77
Thomas Nickels, 1101 14th Street, NW, #200 Washington, DC 20005	American Nurses' Assn	5,144.00	263.03
Daniel E. Nickelson, 2000 L St., NW, #200 Washington, DC 20036	Cleveland Clinic Foundation		
Nissan Motor Corporation, U.S.A., 1919 Pennsylvania Avenue, NW, #707 Washington, DC 20006			
Nixon Hargrave Devans & Doyle, One Thomas Circle, NW, #800 Washington, DC 20005	American Free Trade Assn	5,231.25	58.75
Do	Bausch & Lomb		
Do	Thompson Medical Co		
Barbara D. Nocera, 955 L'Enfant Plaza, SW, #5300 Washington, DC 20024	Honda North America, Inc	200.00	229.72
Robert W. Nolan, 1303 New Hampshire Ave., NW Washington, DC 20036	Fleet Reserve Assn	100.00	
Walker F. Nolan, 1111 19th St., NW, 9th Fl. Washington, DC 20036	Edison Electric Institute	8,821.93	361.62
Robert I. Nooter, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	6,313.00	127.00
David F. Norcross, 1010 Kings Highway So., #2-C Cherry Hill, NJ 08034	National Check Cashers Coalition	16,054.40	3,787.20
Julia J. Norrell, 1001 Pennsylvania Avenue, NW Washington, DC 20004	American Council of Life Insurance, Inc	5,325.00	78.79
North American Export Grain Assn, Inc, 1030 15th Street, NW, #1020 Washington, DC 20005			
Patrice North-Rudin, 1133 21st Street, NW Washington, DC 20036	Travel & Tourism Gov't Affairs Council	2,280.00	
Northeast Utilities Service Co, Selden St. Berlin, CT 06037			3,407.27
Graham T. Northup, 2333 Highland Avenue Falls Church, VA 22046	Dominion Bankshares Corp	9,000.00	
Edward M. Norton Jr., 1400 16th Street, NW, #300 Washington, DC 20036	Grand Canyon Trust		20.50
NorLight, 579 D'Onofrio Dr., 2nd Floor Madison, WI 53719			55.80
Nossaman Guthner Knox & Elliott, 1140 19th St., NW, #600 Washington, DC 20036	Aetna Life & Casualty	2,475.00	1,225.00
Do	California Co-Compost Systems		
Do	California Student Loan Finance Corp	1,750.00	875.00
Do	MEBA District II, et al	375.00	
Do	Northwestern National Life Insurance Co	575.00	350.00
Do	Southern California Edison Co	375.00	200.00
Do	Telesphere International, Inc		
Russell C. Notar, 1401 New York Ave., NW, #1100 Washington, DC 20005	National Cooperative Business Assn	2,000.00	22.50
Nathan Note, Box 373 Majuro, Marshall Islands	Bikini/Kili/Ejit Council		
P. Michael Nugent, Suite 1300, North Tower 1331 Pennsylvania Ave., NW Washington, DC 20004	EDS Corporation	320.00	107.14
Silas O. Nunn, 1110 Vermont Avenue, NW, #1250 Washington, DC 20005	Shipbuilders Council of America	1,500.00	
Ralph D. Nurnberger, 500 North Capitol Street, NW, #300 Washington, DC 20001	American Israel Public Affairs Comm	12,966.00	2,079.01
C. D. Nyberg, 103 S.W. 14th Street Austin, MN 55912	Geo. A. Hormel & Co		
NL Industries, Inc, 3000 North Belt East P.O.Box 60087 Houston, TX 77205			10,800.00
Hubert K. O'Bannon, 50 F Street, NW Washington, DC 20001	Association of American Railroads	402.47	351.20
George O'Bea Jr., 815 16th Street, NW, #701 Washington, DC 20006	United Paperworkers International Union		
Dinah K. O'Berry, 2000 K St., NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security	8,674.00	325.67
Coleman C. O'Brien, 1709 New York Ave., NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	9,500.00	32.00
David D. O'Brien, O'Brien & Associates 600 New Hampshire Avenue, NW Washington, DC 20037	Harley-Davidson, Inc	9,000.00	531.30
Mary Eileen O'Brien, 1800 M St., NW, Suite 325-S Washington, DC 20036	Dow Corning Corp		
Raymond V. O'Brien, 1600 M St., NW Washington, DC 20036	ITT Corporation	1,250.00	80.00
Rosemary L. O'Brien, 2550 M St., NW, #640 Washington, DC 20037	CF Industries, Inc	500.00	73.64
David O'Brien & Associates, 600 New Hampshire Ave., NW, #1010 Washington, DC 20037	A. L. Williams & Company	12,000.00	1,688.49
David S. O'Bryon, 7297 Lee Highway, Unit N Falls Church, VA 22042	American Textile Machinery Assn	100.00	
Shannon O'Chester, 370 L'Enfant Promenade, SW, #800 Washington, DC 20024	Concerned Women for America	7,091.55	
James J. O'Connell, 1201 Pennsylvania Avenue, NW, #370 Washington, DC 20004	Control Data Corporation		
Richard T. O'Connell, Richard T. O'Connell & Associates, Inc 3208 Traveler Street Fairfax, VA 22030	Chocolate Manufacturers Assn of the USA		
Do	National Confectioners Assn of the U.S.		
Terrence M. O'Connell II, 444 N. Capitol Street, NW, #711 Washington, DC 20001	Keefe Co (For:Sanders Associates, Inc)	1,500.00	
Do	Keefe Company (For:UNIAO Nacional Para Independencia Total DeAngola)	1,250.00	
Do	Keefe Company (For:Westinghouse Electric Corp)		
William B. O'Connell, 111 East Wacker Dr. Chicago, IL 60601	U.S. League of Savings Institutions	25,375.00	3,390.51
K. James O'Connor Jr., 2501 M Street, NW Washingtun, DC 20037	Chemical Manufacturers Assn, Inc	400.00	
Patrick C. O'Connor, 1825 K Street, NW, #305 Washington, DC 20006	American Supply Association	7,083.14	3,129.58
Do	American Warehousemen's Association		
Do	National Assn of Fleet Administrators	3,282.50	1,414.47
Do	Steel Tank Institute		
Do	Transportation Lawyers Assn		
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	Alliance for Capital Access		
Do	American Bus Assn	5,443.55	
Do	American Clinical Laboratory Assn	5,000.00	
Do	American Family Life Assurance Co		
Do	American Health Care Assn	4,765.96	
Do	American Inst of Certified Public Accountants	3,750.00	
Do	American Insurance Assn		
Do	American Maritime Transport, Inc	195.00	
Do	American Soc of Assn Executives	4,764.36	
Do	American Soc of Cataract & Refractive Surgery	1,540.00	
Do	American Trucking Assns, Inc		
Do	Arthur Andersen & Co	1,000.00	
Do	California Student Loan Finance Corp	1,560.86	
Do	Center for Environmental Education, Inc		
Do	ChemWaste Management, Inc		
Do	China External Trade Development Council	11,200.00	
Do	City of Minneapolis	500.00	
Do	Coca-Cola Company	12,900.00	
Do	Connaught Laboratories, Inc	10,681.73	
Do	Consumer Credit Insurance Assn	8,000.00	
Do	Corcoran Mullins Jennison	250.00	
Do	CNA Insurance Co	2,873.86	
Do	Distilled Spirits Council of the U.S., Inc	1,000.00	
Do	Drexel Burnham Lambert, Inc		
Do	Eastern Michigan University	100.39	
Do	Electronic Data Systems Corp	4,000.00	
Do	Embassy of Bolivia	19,000.00	
Do	Glass Packaging Institute	5,512.00	
Do	Government of Netherlands Antilles	14,500.00	
Do	Health Care Financing Study Group	1,500.00	
Do	Hennepin County		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Historic Landmarks for Living		
Do	Independent Advertising Council	1,000.00	
Do	Independent Computer Consultants Assn		
Do	Investment Company Institute	4,517.50	
Do	Kawasaki Kisen Kaisha, Ltd	120.00	
Do	Martin Marietta Corp	2,500.00	
Do	Mastercard International, Inc	1,000.00	
Do	Mercedes-Benz of North America, Inc	35,400.00	
Do	Mexican Cement Chamber	2,700.00	
Do	Michigan Consolidated Gas Co	3,945.82	
Do	Miller & Schroeder Financial, Inc		
Do	Minnesota Mutual Life Insurance Co	6,000.00	
Do	Mitchell Sweet & Associates	1,543.75	
Do	Morgan Grenfell Group, PLC	6,600.00	
Do	National Apartment Assn		
Do	National Assn of Portable X-Ray Providers		
Do	National Assn of Private Enterprise of El Salvador	1,400.00	
Do	National Funeral Directors Assn	7,692.88	
Do	Pacific Telesis Group	10,300.00	
Do	Philadelphia Stock Exchange		
Do	Prudential Insurance Co of America		
Do	Joseph E. Seagram & Sons, Inc	318.21	
Do	Securities Industry Assn	6,000.00	
Do	SmithKline Beckman Corp	4,663.60	
Do	State of Alaska	4,380.00	
Do	Visa, USA, Inc	1,000.00	
Do	Westinghouse Electric Corp	3,000.00	
Thomas A. O'Day, 1629 K St., NW, #1010 Washington, DC 20006	Alliance of American Insurers	450.00	
John F. O'Donnell, 1111 14th St., NW, #1100 Washington, DC 20005	American Dental Assn	1,000.00	
J. Daniel O'Flaherty, 1625 K St., NW, #1090 Washington, DC 20006	National Foreign Trade Council	5,000.00	400.00
Bridget O'Grady, 955 L'Enfant Plaza, SW, #1202 N Washington, DC 20024	National Water Resources Assn	3,812.00	
Jane O'Grady, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	16,231.70	159.65
Terri O'Grady, 1600 Rhode Island Avenue, NW Washington, DC 20036	National Rifle Assn of America	1,052.70	293.68
Barbara E. O'Hara, P.O. Box 23992 Washington, DC 20026-3992	American Soc of Travel Agents	125.00	
James G. O'Hara, Patton, Boggs & Blow 2550 M St., NW, #800 Washington, DC 20037	Wayne County Michigan	355.00	
Jerry J. O'Keefe Jr., 8225 Florida Blvd., 3rd Floor Baton Rouge, LA 70806	Physicians Reliance Assn		
Charles B. O'Keeffe Jr., 1615 L St., NW, #920 Washington, DC 20036	Sterling Drug, Inc		9,000.00
O'Melveny & Myers, 555 13th St., NW Washington, DC 20004	Amax, Inc		
Do	CIGNA Corp		
Do	Dulles Access Rapid Transit Corp		
Do	Holden Group, Inc (Public Employer Benefits Council)		
Do	Mobil Oil Corp		29,384.03
Joseph O'Neil, 1000 Wilson Blvd., 31st Floor Arlington, VA 22209	ITT Defense Technology Corp	2,000.00	45.00
John Vincent O'Neill, 13411 Running Pump Ct. Herndon, VA 22071	Institute of Electrical & Electronics Engineers	4,688.00	639.00
Joseph P. O'Neill, 1616 H Street, NW Washington, DC 20006	American Retail Federation		
O'Neill and Athy, P.C., 1310 19th Street, NW Washington, DC 20036	Allegheny County Commission		
Do	Bank of New England	1,300.00	
Do	Business Roundtable	1,200.00	
Do	Connecticut Bank & Trust Corp		
Do	Cruise America Line, Inc		
Do	Glass Packaging Institute		
Do	Indian Development Opportunities Corp		
Do	Massachusetts General Hospital		
Do	Massachusetts Hospital Assn		
Do	Milk Industry Foundation		
Do	National Assn of Jai-Alai Frontons, Inc		
Do	National Football League		
Do	National Gas Pipeline Coalition		
Do	New England Deaconess Hospital		
Do	Northwestern Mutual Life		
Do	Pyrotechnic Signal Manufacturers Assn		
Do	Sears Roebuck & Co	400.00	
Do	Source Data Network		
Do	Texas Utilities Co		
Do	USTA		
Do	USX Corporation		
J. Denis O'Toole, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	8,500.00	
John E. O'Toole, 1899 L Street, NW Washington, DC 20036	American Assn of Advertising Agencies	2,500.00	750.00
M. Diane O'Toole, 1000 Wilson Blvd., #2300 Arlington, VA 22209	Northrop Corp		
Patricia M. O'Toole, Jones Day Reavis & Pogue 355 South Grand Ave., #3000 Los Angeles, CA 90071	Union Oil Co of California		
Stephen E. O'Toole, 1660 L St., NW Washington, DC 20036	General Motors Corp	3,000.00	2,668.17
Jana R. Oakley, 1331 Pennsylvania Avenue, NW, #1500N Washington, DC 20004-1703	National Assn of Manufacturers	950.00	
Paul C. Oakley, 50 F Street, NW Washington, DC 20001	Association of American Railroads		
Obadal & O'Leary, 1612 K St., NW, #1400 Washington, DC 20006	Associated Equipment Distributors	5,000.00	1,100.00
Harry R. Obley, One Mellon Bank Center, #3003 Pittsburgh, PA 15258-0001	Mellon Bank N.A., et al.	2,000.00	1,637.48
Kim M. Oboz, 1020 19th Street, NW, #700 Washington, DC 20036	U S West, Inc	550.00	
Ocenco, Inc, 400 Academy Dr Northbrook, IL 60062			1,444.76
Thomas P. Ochsenschlager, 1850 M Street, NW, #300 Washington, DC 20036	Grant Thornton		
Thomas J. Oden, 1503 N. Filmore St. Arlington, VA 22201	National Milk Producers Federation	6,500.00	
Donald G. Ogilvie, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	2,500.00	
Ogilvy & Mather, 1901 L Street, NW Washington, DC 20036			
Ohrenstein & Brown, 655 Third Avenue New York, NY 10017	Mutual Signal Corp		0.25
Michael D. Oldak, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	148.00	
R. Teel Oliver, 1615 L Street, NW, #1320 Washington, DC 20036	Merck & Co, Inc	1,375.00	500.00
Van R. Olsen, 1156 15th St., NW, #1019 Washington, DC 20006	U.S. Beet Sugar Assn		
Eric Olson, 1400 16th St., NW Washington, DC 20036-0001	National Wildlife Federation	294.97	
Gerald L. Olson, Pillsbury Center, MS 3771 Minneapolis, MN 55402	Pillsbury Company		
Richard C. Olson, 2000 Edmund Valley Drive, #400 Reston, VA 22091	Citibank, N.A	1,550.00	
Do	DynCorp	2,808.00	
Do	Hydrocarbon Research, Inc	500.00	
Roy E. Olson, 260 Madison Ave. New York, NY 10016	American Paper Institute, Inc		
Olwine Connelly Chase O'Donnell & Weyher, 1701 Pennsylvania Ave, NW, #1000 Washington, DC 20006	Ad Hoc Comm for Small Hydro Power		
Do	Alexander & Alexander Services, Inc		
Do	Energy Factors, Inc		
Do	Intercontinental Energy Corp		
Do	Long Lake Energy Corp		
Do	Manville Corp		
Do	National Corp for Housing Partnerships		
Do	National Independent Energy Producers		
Do	Sithe Energies USA, Inc		
Do	YMCA of the USA		
Omega International, Inc, 11 Carriage House Circle Alexandria, VA 22304	Signal Landmark	500.00	
Do	United Engineers & Constructors	300.00	
Clark Onstad, 1201 Pennsylvania Ave., NW, #300 Washington, DC 20004	Texas Air Corp, et al.	15,650.00	5,387.00
Charles J. Orasin, 1225 Eye Street, NW, #1100 Washington, DC 20005	Handgun Control, Inc	10,365.39	
Michel Orban, American Express Company American Express Tower World Financial Center New York, NY 10285-4890	American Express Co		
Elvira J. Orly, 1001 Pennsylvania Ave., NW #700 Washington, DC 20004	Allied-Signal, Inc		
Edward R. Osann, 1400 16th St., NW Washington, DC 20036-0001	National Wildlife Federation	154.91	
James L. Osborne, 4th & Davis Streets P.O. Box 808 McMinnville, OR 97128	National Assn of Mutual Insurance Cos		
David S. Osterhout, 1825 Eye Street, NW, #1000 Washington, DC 20006	Lockheed Corporation	6,600.00	8,766.33
J. F. Otero, 815 16th Street, NW Washington, DC 20006	Transportation Communications Union	1,000.00	
Cliff Ouse, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	25.00	
Gene E. Overbeck, 1101 17th Street, NW Washington, DC 20036	American Airlines, Inc	2,125.00	18.35

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Overseas Education Assn, 1201 16th Street, NW Washington, DC 20036		1,249.99	790.20
Thomas J. Owens, P.O. Box 12266 Seattle, WA 98102	American Savings Financial Corp		
Do	Dollar Savings Bank, et al.	60,943.74	9,850.71
Do	PSFS Meritor Financial Group	33,925.00	3,953.91
Do	Washington Physicians Service		
William J. Owens, 1745 Jefferson Davis Highway, #511 Arlington, VA 22202	Manufactured Housing Institute		
Joel Packer, 1201 16th Street, NW Washington, DC 20036	National Education Assn	2,992.20	64.00
Lee W. Paden, P.O. Box 201 Tulsa, OK 74102	Public Service Co of Oklahoma		
Pagonis & Donnelly Group, 1620 Eye St., NW, #202 Washington, DC 20006	Air Products & Chemicals Inc	6,927.50	39.00
Do	Americans for National Dividend Act, Inc	6,000.00	
Do	ABB, Inc	1,000.00	
Do	Burroughs Wellcome Co	10,800.00	197.10
Do	City of Pompano Beach		
Do	Dow Chemical USA	6,712.50	
Do	Harrah's, Inc		
Do	Holiday Corp	16,687.50	
Do	Management Compensation Group		
Do	National Wool Growers Assn		
Do	Nord Resources Corp		
Henry S. Palau, 201 N Washington St. Alexandria, VA 22314	Retired Officers Assn		
Palumbo & Cerrell, Inc, 1629 K St., NW, # 1100 Washington, DC 20006	American Soc of Composers Authors & Publishers	40,500.00	
Do	Artists for Tax Equity	12,499.98	
Do	Atlantic Richfield Co	11,187.50	
Do	European Community (EC)	13,200.00	
Do	RJR Nabisco, Inc	12,000.00	
Do	Southern California Rapid Transit District	15,000.00	
Peter J. Pantuso, 7900 Westpark Drive, A-320 Mclean, VA 22102	National Confectioners Assn of the U.S.		1,650.00
Marcia M. Pape-Daniels, 655 15th Street NW, Suite #444 Washington, DC 20005	CH2M Hill	750.00	
G. Oliver Papps, N.J. Petroleum Council 150 W. State St. Trenton, NJ 08608	American Petroleum Institute		
Nancy L. Parke, 210 Little Falls Street Falls Church, VA 22046	American Cong. on Survey. & Mapp./Amer Soc of Photogrammetry	2,692.25	1,860.23
Alan A. Parker, 1050 31st Street, NW Washington, DC 20007	Association of Trial Lawyers of America	5,000.00	100.00
Bonnie S. Parker, 1875 Eye Street, NW, #800 Washington, DC 20006	Tobacco Institute	500.00	92.10
John N. Parker, 1100 Connecticut Ave., NW, #620 Washington, DC 20036	Mobil Corp	375.00	
Tom V. Parker, Arkansas Petroleum Council 460 Twin City Bank Bldg. North Little Rock, AR 72114	American Petroleum Institute		
Benjamin G. Parks III, 1919 Pennsylvania Avenue, #300 Washington, DC 20006	National Forest Recreation Assn	750.00	
Do	National Inholders Assn	6,840.00	693.82
Carl M. Parks, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Sears Roebuck & Co	5,000.00	318.10
Ann M. Parman, 1701 K Street NW, Suite 400 Washington, DC 20005	National Manufactured Housing Federation	100.00	
Ken Parmelee, 1448 Duke Street, #100 Alexandria, VA 22314	National Rural Letter Carriers Assn	13,836.00	3,313.00
Parry and Romani Associates, Inc, 233 Constitution Avenue, NE Washington, DC 20002	Cessna Aircraft Compnay	400.00	
Do	Commonwealth of the Bahamas	26,250.00	
Amber Parson, 7901 Westpark Drive McLean, VA 22102	National Machine Tool Builders' Assn	1,000.00	500.00
Richard M. Parsons, 1652 Wainwright Dr. Reston, VA 22090	Safari Club International	9,825.00	125.84
Charles C. Partridge, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services	2,500.00	
Jack Partridge, 1014 Vine St. Cincinnati, OH 45201	Kroger Company	2,500.00	672.17
Richard E. Pasco, 1015 15th St., NW, #402 Washington, DC 20005	National Pork Producers Council	2,000.00	9.00
Peter R. Pastre, 1420 King St. Alexandria, VA 22314-2715	National Society of Professional Engineers	833.00	
M. Stephanie Patrick, 1101 15th Street, NW, #205 Washington, DC 20005	Cargill, Inc	1,250.00	
Gary B. Patterson, Delaware Petroleum Council P.O. Box 1429 Dover, DE 19903	American Petroleum Institute	100.00	
Jerry M. Patterson, 3200 Park Center Dr., #650 Costa Mesa, CA 92626	City of Bell & Bell Community Redevelopment Agency	10,546.50	
Do	Burke Williams & Sorensen (For:City of Huntington Beach)		
Do	Burke Williams & Sorensen (For:City of Santa Ana)		
Richard M. Patterson, 1776 EYE St., NW, #575 Washington, DC 20006	Dow Chemical Co	500.00	5,646.00
Kenton H. Pattie, 3150 Spring St. Fairfax, VA 22031	International Communications Industries Assn	4,268.74	682.75
David J. Pattison, 1025 Connecticut Ave., NW Washington, DC 20036	Health Insurance Assn of America, Inc		
Patton Boggs & Blow, 2550 M St., NW Washington, DC 20037	Ad Hoc Group for 8(a) Reform	120.00	
Do	Advanced Technology, Inc	2,560.00	
Do	Aiwa America, Inc		
Do	Akai America, Ltd		
Do	Alain Wertheimer	1,375.00	
Do	Alexander & Baldwin, Inc		
Do	American Congress on Surveying & Mapping	738.75	
Do	American Express Co		
Do	American International Automobile Dealers Assn		
Do	American Logistics Assn		
Do	American Maritime Assn	120.00	
Do	American Stock Exchange		
Do	Art & Craft Materials Coalition		
Do	Association of Professional Flight Attendants		
Do	Association of Trial Lawyers of America	2,657.50	138.50
Do	Atacra Trustees		
Do	ALTA Technology		
Do	Biogen		
Do	BATUS, Inc	350.00	22.50
Do	Cadawalader Wickersham & Taft		
Do	Center for Molecular Medicine & Immunology		
Do	Chelsea Property Owners		
Do	Chemfix Technologies, Inc	940.00	
Do	Cherokee Nation of Oklahoma	2,247.00	
Do	Chicago Board Options Exchange	625.00	38.50
Do	Chrysler Corporation		
Do	City & County of Denver	1,560.00	24.00
Do	Coalition on State Use Taxes	10,000.00	
Do	College Savings Bank	180.00	
Do	Columbia Farm Credit District		
Do	Columbia, Inc		
Do	Costa Rican Foreign Trade Committee		
Do	Council of Graduate Schools	350.00	50.00
Do	Cryolife, Inc		
Do	CIGNA Corporation		
Do	Dealer Action Association		
Do	Dole Fresh Fruit Co		
Do	Dredging Industry Size Standards Committee (DISSC)	9,253.75	
Do	Duty Free Shoppers Group, Ltd		
Do	DOYON, Ltd	500.00	26.00
Do	Fiart Cantieri Italiani, S.P.A.	536.25	
Do	Fidelity Investors		
Do	Fishing Vessel Owners' Assn		
Do	Freedom to Advertise Coalition	1,835.00	41.00
Do	Fuji Photo Film USA, Inc		
Do	Fundacion de Defensa del Comerio Exterior		
Do	Government of the Republic of the Marshall Islands		
Do	Great Western Financial Corp	87.50	
Do	Charles Heilbronn, et al.	1,750.00	
Do	G. Heilman Brewing Co, Inc		
Do	Hitachi Sales Corp of America		
Do	Hobby Industries Assn		
Do	Immune Response Corp		
Do	Incorporated Research Institutions for Seismology		
Do	Institute of Scrap Iron & Steel, Inc	900.00	79.00
Do	International Thomson, Inc		
Do	Kaiser Aluminum & Chemical Corp		
Do	Kenwood USA Corporation		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Loop, Inc		
Do	Marathon Oil Co	1,600.00	
Do	Mars, Inc	1,375.00	
Do	Mass Mutual	1,085.00	502.75
Do	Matson Navigation Co		
Do	Matsushita Electric Corp of America		
Do	Maxell Corp of America		
Do	May Department Stores Co	900.00	32.00
Do	Metropolitan Life	400.00	200.00
Do	Minerals Marketing Corp of Zimbabwe		
Do	Mitsubishi Electric Sales of America, Inc		
Do	Mocatta Metals Corp		
Do	Mutual Benefit Life	400.00	100.00
Do	Mutual Legislative Committee	600.00	450.00
Do	MCI Telecommunications, Inc	80.00	
Do	Nakajima All Co, Ltd	350.00	12.00
Do	Nakamichi USA		
Do	National Assn for Foreign Student Affairs		
Do	National Assn of Life Underwriters	600.00	100.00
Do	National Assn of Retail Druggists	40.00	
Do	National Cable Television Assn, Inc	1,172.50	8.00
Do	National Con-serv, Inc	200.00	
Do	National Intergroup, Inc	900.00	
Do	National Marine Manufacturers Assn	900.00	72.00
Do	National Soft Drink Assn		
Do	Navajo Nation	925.00	64.00
Do	New Process Co		
Do	New York Life Insurance Co	100.00	50.00
Do	Newmont Mining Corp		
Do	Northwestern Mutual Life	500.00	100.00
Do	NEC Electronics (USA) Inc		
Do	Onkyo USA Corp		
Do	Options Clearing Corp		
Do	OSG Bulk Ships, Inc		
Do	OTASCO, Inc		
Do	Paine Webber, Inc		
Do	Pioneer Electronics (USA), Inc		
Do	Prince George Center, Inc	800.00	
Do	Reader's Digest Assn, Inc		
Do	William G. Reed		
Do	Retail Industry Trade Action Coalition	1,050.00	20.00
Do	Retail Tax Committee		
Do	Rice Millers' Assn		
Do	Sansui Electronics Corp		
Do	Sanyo Electronics, Inc		
Do	Sharp Electronics Corp		
Do	Shell Oil Co		
Do	Charles E. Smith Companies	41.25	8.00
Do	Smokeless Tobacco Council, Inc	1,497.50	47.00
Do	Sony Corp of America		
Do	Squibb Corporation		
Do	Sultantate of Oman	2,000.00	
Do	Teac Corp of America		
Do	Teknika Electronics Corp		
Do	Toshiba America, Inc		
Do	TDK USA Corp		
Do	U.S. Air, Inc		
Do	U.S. Tobacco Co		
Do	U.S.A. Coalition/Fishing Vessel Reflagging		
Do	Union Pacific Corp		
Do	Unitary Tax Campaign		
Do	Universal Lottery Co		
Do	University of Arizona Foundation	2,000.00	
Do	US JVC Corporation		
Do	Waste Management Inc	2,227.50	
Do	WWL-TV		
Do	Yamaha Electronics Corp, USA		
Andrew R. Paul, 1875 Eye Street, NW, #1225 Washington, DC 20006	Gulf & Western, Inc	3,600.00	136.35
Paul Hastings Janofsky & Walker, 1050 Connecticut Avenue, NW, #1200 Washington, DC 20036	Amdahl Corporation		
Do	CalMat Company		
Do	GAF Corporation		
Do	Kawasaki Motors Corp, USA	8,043.75	
Do	Oglethorpe Power Corp		
Do	Security Life of Denver	12,427.50	
Do	Tobacco Institute		
Do	U.S. Committee for Energy Consumers		
Paul Weiss Rifkind Wharton & Garrison, 1615 L Street, NW, #1300 Washington, DC 20036	Cook Inlet Region, Inc		
Do	McDonnell Douglas Corp		
Do	National Music Publisher's Assn, Inc	300.00	
Do	NEC Corp and NEC America, Inc	140.00	
Larry E. Paulick, 2111 Eisenhower Avenue Alexandria, VA 22314	National Spa & Pool Institute		
Nell Payne, 111 Massachusetts Ave., NW, 3rd Floor Washington, DC 20001	Turner Broadcasting System, Inc	1,625.00	
Tommy J. Payne, 1455 Pennsylvania Ave., NW, #525 Washington, DC 20004	RJR Nabisco, Inc	2,100.00	152.20
Richard A. Paysor, 1415 Elbridge Payne Rd., #135 St. Louis, MO 63017	First Capitol Associates - Gateway, Inc		
Marc A. Pearl, 815 15th St., NW, #711 Washington, DC 20005	Americans for Democratic Action		
Ronald Pearson, 422 First Street, SE, #208 Washington, DC 20003	Embassy of South Africa		
Russell H. Pearson, 1156 15th Street, NW, #1015 Washington, DC 20005	J. C. Penney Co, Inc		
Pearson and Pipkin, Inc, 422 First Street, SE, #208 Washington, DC 20003	Embassy of South Africa	15,000.00	1,319.53
Joe P. Peck Jr., 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Edward F. Pembleton, 801 Pennsylvania Ave., SE Washington, DC 20003	National Audubon Society	2,200.00	305.00
James C. Pennington, 5535 Hempstead Way Springfield, VA 22151	National Assn for Uniformed Services	1,250.00	
Pennsylvania Assn of Families, Box 198A Ghaner Rd Port Matilda, PA 16870		7,873.75	8,703.16
Pennsylvania Power & Light Co, 2 North 9th Street Allentown, PA 18101			1,840.43
Pennwalt Corporation, Three Parkway Philadelphia, PA 19102			4,165.35
Pension Real Estate Assn, 1129 20th Street, NW, #705 Washington, DC 20036			
Pepper & Corazzini, 1776 K St., NW Washington, DC 20006	Tempo Enterprises, Inc	210.60	
Barbara K. Pequet, 609 Bonifant Street Silver Spring, MD 20910	American Soc for the Prevention of Cruelty to Animals	1,500.00	1,500.00
Victor J. Perini Jr., 1776 Massachusetts Ave., NW Washington, DC 20036	Highway Users Federation for Safety & Mobility		
James W. Perkins, 1 Beacon Street, Rm. 2200 Boston, MA 02108	Palmer & Dodge (For:National Assn of Bond Lawyers)		
Robert A. Perkins, 1100 Connecticut Avenue, NW Washington, DC 20036	Chrysler Corporation	15,000.00	550.00
Gary J. Perkinson, 453 New Jersey Ave., SE Washington, DC 20003	Perkinson & Associates, Inc (For:Beneficial Management Corp of America)		
Do	Perkinson & Associates, Inc (For:National Second Mortgage Assn)		
Do	Perkinson & Associates, Inc (For:Save Home Equity Deductions (SHED))		
Perkinson & Associates, Inc, 453 New Jersey Ave., SE Washington, DC 20003	Beneficial Management Corp		
Do	National Second Mortgage Assn		
Do	Save Home Equity Deductions (SHED)		
Ernest Michael Perley, 112 St. Clair Avenue, West, #401 Toronto, Ontario M4V 2Y3	Canadian Coalition on Acid Rain		
Jeffry L. Perlman, 1615 H St., NW Washington, DC 20062	Chamber of Commerce of the U.S.	3,000.00	371.20
Leonard Perlman, 5312 Trailway Drive Rockville, MD 20853	American Assn for Counseling & Development		
Franklyn G. Perry, #22870-048 P.O. Box 1000 Leavenworth, KS 66048-1000			
Kate M. Perry, 1785 Massachusetts Avenue, NW Washington, DC 20036	National Trust for Historic Preservation	286.86	
Susan Perry, 1025 Connecticut Avenue, NW Washington, DC 20036	American Bus Assn	2,687.50	75.00
Mark Pertschuk, 2054 University Ave., #500 Berkeley, CA 94704	Americans for Nonsmokers' Rights		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Roxanne Perugino, 888 16th St., NW Washington, DC 20006	Bannerman & Associates, Inc (For:Government of Tunisia)	990.00	
Phillips S. Peter, 1331 Pennsylvania Avenue, NW, #800-S Washington, DC 20004	General Electric Co	100.00	
Michael W. Peters, 5709 W. 21st St., P.O. Box 4267 Topeka, KS 66604	Kansas Electric Cooperatives, Inc	1,650.00	25.98
Robert Peters, 342 West 15th Street New York, NY 10011	Morality in Media, Inc	728.01	
Geoffrey G. Peterson, 1250 Eye St., NW, #900 Washington, DC 20005	Distilled Spirits Council of the U.S., Inc	2,000.00	
Kenneth W. Peterson, Kansas Petroleum Council 1005 Merchants Bank Tower Topeka, KS 66612	American Petroleum Institute		
Lars E. Peterson, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	500.00	
Mary B. Peterson, 700 New Hampshire Ave., NW Washington, DC 20037	General Motors Corp	5,000.00	196.38
Mary Jo Peterson, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	2,000.00	500.00
Sheryl L. Peterson, 1101 14th St, NW Washington, DC 20005	American Financial Services Assn	250.00	
Peterson Engberg & Peterson, 1730 M St., NW, #907 Washington, DC 20036	Federated Research Corp	26,400.00	2,202.07
Susan F. Petniunas, 1625 K Street, NW, #750 Washington, DC 20006	Manville Corporation	500.00	
Michael J. Petrina Jr., 1110 Vermont Avenue, NW, #800 Washington, DC 20005	Cosmetic Toiletry & Fragrance Assn, Inc		
Petroleum Marketers Assn of America, 1120 Vermont Ave., NW, #1130 Washington, DC 20005		205,525.00	30,195.06
Stephan Petry, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	272.70	
Evelyn A. Petschek, 1730 Pennsylvania Ave., NW Washington, DC 20006	Patterson Belknap Webb & Tyler (For:Cultural Institutions Retirement Systems)		
Brian T. Petty, 1901 L St., NW, #702 Washington, DC 20036	International Assn of Drilling Contractors		
Annabelle Petys, P.O. Box 5053 7022 Rhoden Court Springfield, VA 22150-5053			347.83
Peyser Associates, Inc, 1000 Vermont Ave., NW, #400 Washington, DC 20005	City of Philadelphia	27,500.00	
Do	Juvenile Products Manufacturers Assn	5,000.00	
Do	Metro	6,900.00	
Do	Metropolitan Toledo Consortium	2,875.00	
Do	National School Health Education Coalition	5,100.00	
Do	New York State Bridge Authority	3,000.00	
Do	Regional Transit Authority	13,500.00	
Do	Southeastern Pennsylvania Transit Authority	9,000.00	
Robert X. Peyton, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Steven J. Pfister, 1000 Connecticut Avenue, NW Washington, DC 20036	National Retail Merchants Assn	2,000.00	125.98
Kurt Pfotenhauer, 555 13th Street, Suite 450 West Columbia Square Washington, DC 20004	Union Pacific Corp	5,000.00	57.78
James R. Phalen, 1100 Connecticut Avenue, NW, #535 Washington, DC 20036	MAPCO, Inc	3,570.00	
Pharmaceutical Manufacturers Assn, 1100 15th Street, NW, #900 Washington, DC 20005		23,739.20	23,739.20
Marshall A. Pharr, 6103 Adirondack Amarillo, TX 79106	Southwestern Public Service Co	4,577.25	202.91
Dennis J. Phelan, 1401 New York Avenue, NW, #400 Washington, DC 20005	National Food Processors Assn	3,750.00	100.00
Do	Pacific Seafood Processors Assn	7,500.00	589.00
Mary Frances Phelps, 1050 Connecticut Ave., NW, #760 Washington, DC 20036	Union Oil Co of California		
William C. Phelps, 2929 Allen Parkway Houston, TX 77019	American General Corporation	6,800.00	6,134.18
William W. Phelps, P.O. Box 2159 Dallas, TX 75221	American Petrofina, Inc	23,566.36	3,651.71
Deborah M. Phillips, 1155 21st Street, NW, 4th Fl. Washington, DC 20036	General Instrument Corporation		
Deirdre B. Phillips, 100 Federal Street Boston, MA 02110	Bank of Boston Corporation		
Do	First National Bank of Boston	230.00	352.30
Patricia Lynn Phillips, P.O. Box 10891 McLean, VA 22102	National Assn of State Agencies for Food Distribution	6,900.00	
William G. Phillips, 417 Sixth Street, SE Washington, DC 20003	Association of Univ Environmental Health Science Centers	6,000.00	696.71
Do	Association of Univ Programs in Occupational Health & Safety	11,050.00	1,368.68
Do	Metal Trades Department, AFL-CIO	2,700.00	364.69
Phillips Nizer Benjamin Krim & Ballon, c/o Tibero Schwartz 40 West 57th Street, 32nd floor New York, NY 10019	Riverbay Corp	168.00	1.68
Dan Phythyon, 1771 N St., NW Washington, DC 20036	National Assn of Broadcasters	3,500.00	660.14
Joan Piccolo, 1776 K Street, NW, #300 Washington, DC 20006	Motorola, Inc	4,000.00	
Paulette C. Pidcock, 1100 Connecticut Avenue, NW, #530 Washington, DC 20036	Baltimore Gas & Electric Co	433.70	306.57
Wayne Pierce, 101 Constitution Avenue, NW Washington, DC 20001	United Brotherhood of Carpenters & Joiners of America	29,575.00	617.41
Stuart F. Pierson, Verner, Liipfert, Bernhard, & Mcpherson 902 15th Street, #700 Washington, DC 20005-2301	LTV Corporation, et al		
Pierson Semmes & Finley, 1054 31st Street, NW Washington, DC 20007	Mauritius Sugar Syndicate	17,742.00	112.54
Do	Oklahoma Natural Gas Company		
Do	Six Flags Corporation		
Susan G. Pikrallidas, 8111 Gatehouse Road Falls Church, VA 22047	American Automobile Assn		
John H. Pilcher, 1331 Pennsylvania Ave.,NW, #1500 Washington, DC 20004-1703	National Assn of Manufacturers	250.00	
Pillsbury Madison & Sutro, 1667 K St., NW, #1100 Washington, DC 20006	D. L. Berger Associates, Inc	500.00	28.00
Do	Grocery Manufacturers of America, Inc		
Do	Pfizer, Inc		
Do	Temis Ramires de Arellano		
Jane Pinsky, 1101 14th St., NW, #200 Washington, DC 20005	American Nurses' Assn	4,625.00	360.65
Valerie F. Pinson, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	1,121.00	
Piper & Marbury, 1200 19th Street, NW Washington, DC 20036	Edison Electric Institute	1,368.75	
Robert Pipkin Jr., Pearson & Pipkin, Inc 422 First Street, SE, #208 Washington, DC 20003	Embassy of South Africa		
Virginia L. Pitcher, 2000 L St., NW, #200 Washington, DC 20036	American College of Emergency Physicians	2,806.54	279.95
Plains Cotton Growers, Inc, 4510 Englewood Lubbock, TX 79414			
Plaintiff Employment Lawyers Assn, 911 Mercantile Library Bldg. 414 Walnut Street Cincinnati, OH 45202			
Reuben C. Plantico, 111 SW Columbia, #800 Portland, OR 97201	Nerco, Inc	5,250.00	626.03
Wyll W. Pleger, 1150 Connecticut Ave., NW, #205 Washington, DC 20036	Brown & Root, Inc		
Martha Rachel Plotkin, 2300 M Street, NW, #910 Washington, DC 20037	Police Executive Research Forum	2,002.11	8.00
Podesta Associates, Inc, 426 C Street, NE Washington, DC 20002	American Newspaper Publishers Assn	680.00	
Do	Chemical Producers & Distributors Assn	900.00	107.71
Do	Digital Equipment Corp	1,000.00	639.32
Do	Merck & Company	2,000.00	
Rebecca S. Poe, P.O. Box 2450 Clarksburg, WV 26302-2450	CNG Transmission Corp		
John A. Poindexter, 3805 West Alabama Houston, TX 77027	Columbia Gulf Transmission Co	15,000.00	
Gerald Poje, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	315.59	
Mindy Pollack, One Greenwich Plaza P.O. Box 2568 Greenwich, CT 06836	NAC Re Corp		
Michele Pollak, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	582.88	435.54
Alfred M. Pollard, 1155 Connecticut Ave., NW, #1130 Washington, DC 20036	Security Pacific Corp	3,488.00	550.00
John F. Pontius, 130 North Carolina Avenue, SE Washington, DC 20003	Meadows Recovery Center		
Richard Popkin, 3000 K St., NW, #300 Washington, DC 20007	Swidler & Berlin (For:Ferroalloys Association)		
Do	Swidler & Berlin (For:Majestic Shipping Services Corp)		
Edward T. Porcaro, 1615 L Street, NW, #1210 Washington, DC 20036	Metropolitan Life Insurance Cos	1,000.00	
Portable Power Equipment Manufacturers Assn, 4720 Montgomery Lane, #514 Bethesda, MD 20814			
Porte Stafford & Associates, 1050 17th Street, NW, #840 Washington, DC 20036	American Medical Records Assn	3,000.00	
Do	National Assn of Medical Directors of Respiratory Care	6,000.00	
Do	National Dialysis Assn	6,000.00	
Carol Alice Porter, 1000 Connecticut Ave., NW, #1002 Washington, DC 20006	Wildlife Legislative Fund of America	6,369.90	
Porter Wright Morris & Arthur, 41 South High Street Columbus, OH 43215	Coalition for Environmental-Energy Balance		3,523.89
Potomac Advisory Group, P.O. Box 20655 126 S. Washington Street Alexandria, VA 22320			
Joseph L. Powell Jr., 1901 L Street, NW, #320 Washington, DC 20036	Ogilvy & Mather		
Powell Goldstein Frazer & Murphy, 1001 Pennsylvania Ave., NW, 6th Floor Washington, DC 20004	Association of Bank Holding Cos	6,132.00	
Do	Bayley Seton Hospital		
Do	Committee for Competitive Marketing	550.00	
Do	Council of State Housing Agencies	533.00	
Do	CORETECH	10,950.00	
Do	Federal National Mortgage Assn		
Do	Flood Control Advisory Committee		
Do	Hitachi Sales Corp of America		
Do	International Telecommunications Satellite Organization	2,628.00	
Do	Massachusetts Housing Finance Agency		
Do	National Development Service Corp		
Do	National Multi Housing Council	60.00	
Do	Owens-Illinois, Inc	2,994.00	
Do	Societe Generale de Surveillance, S.A.	7,577.00	
Do	Starrett Housing Corp	100.00	
Do	Westinghouse Electric Corp	4,720.00	
Do	Philip D. Winn	6,162.03	
John J. Power, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	16,231.70	687.53
Graydon R. Powers Jr., 1101 16th St., NW Washington, DC 20036	Scientific Apparatus Makers Assn		
Powers Harsch & Kinder, 1722 Eye Street, NW Washington, DC 20006	Aspen Technology, Inc	1,260.70	375.56
Do	City of Cranston (RI)		
Do	Pyropower Corp		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	SOLV-EX Corp	4,372.50	981.47
Prather Seeger Doolittle & Farmer, 1600 M Street, NW, 7th Floor Washington, DC 20036	Banker's Assn for Foreign Trade	17,300.00	1,377.70
Do	Dollar Bank, Federal Savings Bank		1.50
Do	John Hancock Mutual Life Insurance Co	16,383.75	2,822.40
David J. Pratt, 1130 Connecticut Ave., NW, #100 Washington, DC 20036	American Insurance Assn	680.00	100.00
Robert L. Pratt, 125 Second Avenue Waltham, MA 02254	Thermo Electron Corporation	3,800.00	848.00
Richard H. Prendergast, 1020 19th St., NW Washington, DC 20036	Anderson Benjamin Read & Haney (For:De La Rue Giori of America, Inc)		
Do	Anderson Benjamin Read & Haney (For:SICPA Industries of America, Inc)		
Preston Thorgrimson Ellis & Holman, 1735 New York Avenue, NW, #500 Washington, DC 20006	Alaska Loggers Assn		
Do	American Nuclear Insurers		
Do	American President Lines	1,740.00	
Do	Bay Tankers Inc	1,450.00	
Do	Bellingham Cold Storage		
Do	Burlington Northern Railroad	19,705.00	
Do	Calista Corp		
Do	Council on Research & Technology	3,135.00	
Do	COMPACT		
Do	Data General Corp	2,118.00	
Do	Hewlett-Packard Co	665.00	
Do	Intelsat		
Do	Lutheran Medical Center		
Do	Marine Management, Inc	1,184.00	
Do	Martin's Point Health Care Center		
Do	Moore McCormack Resources, Inc		
Do	Mutual Atomic Energy Liability Underwriters		
Do	National Council on Compensation Insurance		
Do	OMI Corp	3,728.00	
Do	Pacific Medical Center		
Do	Port of Seattle		
Do	Seaboard Pacific Co		
Do	Seattle Organizing Comm		
Do	South Dakota Dept of Transportation	264.00	
Do	Sunmar Shipping, Inc		
Do	Transportation Institute		
Do	Tri-City Industrial Development Council		
Do	University of Washington		
Do	Waste Management, Inc		
James M. Price, 730 Polk Street San Francisco, CA 94109	Sierra Club	2,100.00	310.63
Price Waterhouse, 1801 K St., NW, #700 Washington, DC 20006	Investment Company Institute		
Do	Toyota Motor Manufacturing, USA		
Do	Wolverine Exploration	292.00	6.00
Patricia Pride, 1129 20th St., NW Washington, DC 20036	Financial Accounting Foundation	300.00	9.47
William Prindle, 1925 K St., NW, #206 Washington, DC 20006	Alliance to Save Energy		
Joel Pritchard, Bogle & Gates One Thomas Circle, NW, #900 Washington, DC 20005	International Telecommunications Satellite Organization		
George W. Pritts Jr., 1745 Jefferson Davis Hwy., #1200 Arlington, VA 22202	Rockwell International Corp	1,875.00	415.43
Pro-Life Congressional District 11, P.O. Box 727 San Carlos, CA 94070		3,205.00	255.07
Sydney Probst, 1250 Eye Street, NW, #900 Washington, DC 20005	Distilled Spirits Council of the U.S., Inc	2,000.00	
Procompetitive Rail Steering Committee, c/o Vuono, Lavelle & Gray 2310 Grant Building Pittsburgh, PA 15219		15,000.00	11,101.22
Stuart E. Proctor Jr., 2626 Pennsylvania Ave., NW Washington, DC 20037	National Telephone Cooperative Assn	12,000.00	1,050.74
Profit Sharing Council of America, 20 N. Wacker Drive Chicago, IL 60606			
Project Advisory Group, 1029 Vermont Ave., NW, #860 Washington, DC 20005			230.80
Proprietary Association, 1150 Connecticut Ave., NW, #1200 Washington, DC 20036			4,000.00
Gerald R. Prout, 1627 K St., NW, #500 Washington, DC 20006	FMC Corporation	6,850.00	
Prudential-Bache Securities, Inc, 100 Gold St. New York, NY 10292			750.00
James C. Pruitt, 1050 17th St., NW, #500 Washington, DC 20036	Texaco, Inc	294.00	
Public Citizen Health Research Group, 2000 P St., NW, #700 Washington, DC 20036		18.31	18.31
Public Employee Department, AFL-CIO, 815 16th St., NW Washington, DC 20006		67,976.51	24,277.87
Public Employer Benefits Council, 555 13th Street, NW #500-W Washington, DC 20004			
Public Timber Purchasers Group, 610 SW. Broadway, #608 Portland, OR 97205		139,545.06	33,592.18
Theresa Pugh, 1331 Pennsylvania Ave., NW, #1500-N Washington, DC 20004-1703	National Assn of Manufacturers		
Philip N. Pulizzi Jr., 1000 16th Street, NW, #800 Washington, DC 20036	Bethlehem Steel Corp	110.00	
David E. Pullen, 1625 K Street, NW, #750 Washington, DC 20006	Manville Corporation	1,000.00	
Sue P. Purvis, P.O. Box 14042 St. Petersburg, FL 33733	Florida Power Corp	2,475.00	1,186.61
Do	Florida Progress Corp	625.00	131.85
Earle W. Putnam, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Howard Pyle III, 1050 17th Street, NW, #550 Washington, DC 20036	Houston Lighting & Power Company	5,100.00	
Robert N. Pyle & Associates, 3222 N Street, NW, #32 Washington, DC 20007	Elkem Metals Company	4,250.00	84.00
Do	Independent Bakers Assn	3,000.00	150.00
Do	Stratcor	6,000.00	110.00
Do	Welch Foods, Inc	3,750.00	65.00
John R. Quarles Jr., Morgan Lewis & Bockius 1800 M St., NW Washington, DC 20036	National Environmental Development Assn		
William A. Quinlan, 3045 Riva Rd. Riva, MD 21140	National Candy Wholesalers Assn, Inc		
Do	Retail Bakers of America		
Harold P. Quinn Jr., 1130 17th St., NW Washington, DC 20036	National Coal Assn	5,470.00	44.50
Earl C. Quist, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc		
George Gregory Raab, 2000 L Street, NW, #200 Washington, DC 20036	Medtronic, Inc		4.80
Mark J. Raabe, 1615 L St., NW, #1320 Washington, DC 20036	Merck & Co, Inc	500.00	300.00
Theresa Rabel, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	5,000.00	699.33
Steve Rabin, 1901 L Street, NW, #320 Washington, DC 20036	Ogilvy & Mather		
Alex Radin, 1200 New Hampshire Ave., NW, #507 Washington, DC 20036	Washington Public Utility Districts Assn	400.00	
W. A. Radziewicz, 400 First Street, NW, #708 Washington, DC 20001	Brotherhood of Railroad Signalmen	350.00	
Michael Rae, 2030 M St., NW Washington, DC 20036	Common Cause	2,913.23	
Tess A. Rae, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
Tanya A. Rahall, 2033 M Street, NW, #300 Washington, DC 20036	National Assn of Arab Americans	7,895.85	23.75
Roderic W. Rahe Jr., 1015 15th Street, NW, #802 Washington, DC 20005	American Consulting Engineers Council	700.00	
Richard W. Rahn, 1615 H St., NW Washington, DC 20062	Chamber of Commerce of the U.S	300.00	424.73
Thomas F. Railsback, Graham & James 2000 M St., NW Washington, DC 20036	American Insurance Association	562.50	
Do	Attorneys' Title Guaranty Fund, Inc		
Do	Federal Administrative Law Judges Conference	1,350.00	
Do	Federal Judges Association	675.00	25.00
Do	Finishing Enterprises, Inc		
Do	Illinois Health Facilities Authority	157.50	
Do	London Harness Co		
Do	National Council of U.S. Magistrates	787.50	
Do	Walt Disney Productions	1,440.00	50.00
Railway Labor Executives' Assn, 400 First St., NW, #804 Washington, DC 20001		228,000.00	230,601.32
Railway Progress Institute, 700 North Fairfax St. Alexandria, VA 22314			
Rainbow Lobby, 236 Massachusetts Avenue, NE, #409 Washington, DC 20002		65,201.50	75,099.27
Elizabeth L. Raisbeck, 801 Pennsylvania Ave., SE, #301 Washington, DC 20003	National Audubon Society	13,500.00	770.24
John C. Ramig, 1730 M Street, NW, #900 Washington, DC 20036	Stoel Rives Boley Jones & Grey (For:Association of O & C Counties)	425.00	
Do	Stoel Rives Boley Jones & Gray (For:Gregory Affiliates, Inc)	26,600.00	1,432.00
Do	Stoel Rives Boley Jones & Grey (For:Pacificorp)	5,488.00	1,040.00
Kathleen Marie Ramsey, 1010 Wisconsin Avenue, NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc		
Kristen M. Rand, 2001 S St., NW, #520 Washington, DC 20009	Consumers Union of U.S., Inc		1,000.00
Cid Perez Randal, 2713 Ontario Rd., NW, #400 Washington, DC 20009			
Donald A. Randall, P.C., 321 D Street, NE Washington, DC 20002	Automotive Service Assn	4,869.48	
Do	National Independent Dairy-Foods Assn	4,370.00	
James D. Range, 1155 Connecticut Ave., NW, #800 Washington, DC 20036	Waste Management, Inc	3,550.00	2,224.00
Robert A. Rapoza Associates, Inc, 122 C Street, NW, # 875 Washington, DC 20001	Local Initiatives Support Corp	10,500.00	90.30
Do	National Rural Housing Coalition	9,121.40	
Do	National Trust for Historic Preservation	4,500.00	
Do	Policy & Management Associates	5,000.00	2,841.64
D. Michael Rappoport, P.O. Box 52025 Phoenix, AZ 85072	Salt River Project	1,680.00	4,753.52

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Brian Rasmussen, 655 Fifteenth Street, NW, Suite 350 Washington, DC 20005	Blue Cross & Blue Shield Assn.		
Magda Ratajski, One Commercial Place Norfolk, VA 23510-2191	Norfolk Southern Corp		
Robert Ratliffe, 5808 Lake Washington Blvd., 3rd Fl. Kirkland, WA 98033-7397	McCaw Communications Cos.		
John W. Rauber Jr., 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	350.00	375.52
Carol L. Raulston, 1250 Connecticut Ave., NW Washington, DC 20036	American Paper Institute, Inc.	2,075.00	
Craig Raupe, Campbell-Raupe, Inc 1010 Pennsylvania Ave., SE Washington, DC 20003	Algonquin Gas Transmission		
Do	American Airlines, Inc.		
Do	American Nuclear Energy Council		
Do	Credit Union National Assn, Inc.		
Do	Invest to Compete Alliance		
Do	LTV Aerospace & Defense Co		
Do	The New England		
Do	Pitney Bowes		
Do	Product Liability Alliance		
Do	Securities Industry Assn.		
Do	Stone & Webster Engineering Corp.		
Do	Texas Utilities Services, Inc		
Do	Union Pacific Corp		
Do	United Illuminating Co		
Do	Westinghouse Electric Corp.		
Bruce A. Ray, Bruce Ray & Company 420 C Street, NE Washington, DC 20002	American Committee for Shaare Zedek Hospital in Jerusalem	5,500.00	
Do	Anti Friction Bearing Manufacturers Assn.		54.33
Do	Bayley Seton Hospital	2,000.00	103.01
Do	Maimonides Hospital, et al.		1,488.88
Do	Pines Steel Supply Corp.	3,500.00	178.29
Do	Regional Transit Authority (New Orleans)	3,000.00	
Do	Rochester & Southern Railroad	5,000.00	23.50
John K. Rayburn, 1801 K Street, NW Washington, DC 20006	Westinghouse Electric Corp.	235.00	30.00
Ralph Rayburn, 403 Vaughn Bldg. 807 Brazos Austin, TX 78701	Texas Shrimp Assn	200.00	175.00
David A. Raymond, 1025 Connecticut Ave., NW, #1014 Washington, DC 20036	Enserch Corporation	3,379.00	664.00
Richard J. Razook, 200 South Biscayne Blvd. 4900 Southeast Financial Center Miami, FL 33131-2363	Thomson Zeder Bohrer Werth & Razook (For:Burger King Corp)	159.61	
Reading Is Fundamental, Inc, 600 Maryland Ave., SW, #500 Washington, DC 20560			
Linda S. Rearick, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	2,000.00	368.46
Recording Industry Assn of America, Inc, 1020 19th St., NW #200 Washington, DC 20036		9,048.50	11,348.50
John M. Rector, 205 Daingerfield Rd. Alexandria, VA 22314	National Assn of Retail Druggists	700.00	150.00
Donald L. Redfoot, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	511.53	
Jo Reed, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	644.80	
Michael L. Reed, 1100 15th Street, NW, #900 Washington, DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	41.25
Reed Smith Shaw & McClay, 8201 Greensboro Drive, #820 McLean, VA 22102	Alliance for 8(a) Reform	13,000.00	1,124.78
Do	Phoenix Group		5,323.58
J. Mitchell Reese, 1700 K Street, NW, #1204 Washington, DC 20006	Chevron USA, Inc	400.00	25.00
Robert S. Reese Jr., 2200 Mill Road Alexandria, VA 22314	American Trucking Assns, Inc	9,000.00	
Reese Communications Companies,Inc., 2111 Wilson Boulevard, #900 Arlington, VA 22201	Citizens for Sensible Control of Acid Rain (CSCAR)	411,357.99	226,183.85
Do	Philip Morris USA		
Benjamin F. Reeves, 1100 17th Street, NW Washington, DC 20036	Burley & Dark Leaf Tobacco Export Assn	1,000.00	
J. Ronald Reeves, Washington National Airport Washington, DC 20001	U.S. Air, Inc	2,000.00	218.75
Timothy J. Regan, 1455 Pennsylvania Ave., NW, #500 Washington, DC 20004	Corning Glass Works	2,000.00	656.23
John T. Reggitts Jr., 95 Booton Ave. P.O. Box 470 Boonton, NJ 07005			
Regional Airline Association, 1101 Connecticut Ave., NW Washington, DC 20036		2,000.00	1,400.00
David K. Rehr, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	3,401.75	300.00
Kenneth A. Reich, Widett, Slater Goldman Sixty State Street Boston, MA 02109	Northeast Solvents Reclamation Corp.		
Reichler, Appelbaum & Wippman, 1701 K Street, NW, #700 Washington, DC 20006	Republic of Guatemala	26,000.00	2,261.27
Do	Republic of Nicaragua	6,000.00	150.00
Do	United Coconut Assn of the Philippines	7,000.00	2,345.68
Charlotte Reid, 2466 Chatham Road Aurora, IL 60506	Motorola, Inc		
Michael Reid, 1925 K Street, NW, #206 Washington, DC 20006	Alliance to Save Energy	208.01	
Reid & Priest, 1111 19th St., NW, #1100 Washington, DC 20036	Anheuser-Busch Companies, Inc.		
Do	City of Philadelphia	7,089.50	642.86
Do	Committee of Corporate Telecommunications Users		
Do	CIAC Group	141.20	
Do	Edison Electric Institute	1,492.50	
Do	National Spa & Pool Institute		
Do	Pennsylvania Shipbuilding Co	9,450.00	101.30
Do	Philadelphia Industrial Development Corp		
Do	Phillip Morris		
Do	Rhode Island, Inc.		
Do	SPD Technologies		
Do	Transol USA, Inc	1,590.00	
Do	Utility Decommissioning Group		10.00
Joseph J. Reilly, Jr, 2419 Leighton Street Fort Lee, NJ 07024	Morality in Media, Inc	5.50	
Reinsurance Assn of America, 1819 L St., NW, 7th Floor Washington, DC 20036			
Religious Coalition for Abortion Rights, Inc, 100 Maryland Avenue, N.e. Washington, DC 20002		84,991.54	9,548.14
Diane Rennert, 2005 Massachusetts Avenue, NW Washington, DC 20036	Association of American Publishers	5,000.00	478.62
Barclay T. Resler, 1627 K St., NW, #800 Washington, DC 20006	Coca-Cola Co	765.00	1,266.00
Resource Technical Consultants (USA), Inc, d/b/a TECNA 330 Seventh Avenue, #1902 New York, NY 10001			
Resources Fund, Inc, 1535 P Street, NW Washington, DC 20005			7,500.00
Retired Officers Assn, 201 N. Washington St. Alexandria, VA 22314		80,535.33	26,790.25
John H. Reurs, 74 Trinity Place New York, NY 10006	New York Comm of Intl Comm of Passenger Lines		
Vincent P. Reusing, 1615 L Street, MW, #1210 Washington, DC 20036	Metropolitan Life Insurance Companies	1,000.00	
Alan V. Reuther, 1757 N Street, NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	20,077.31	164.65
Allan R. Rexinger, 1150 Connecticut Ave., NW, #1200 Washington, DC 20036	Proprietary Association	3,850.00	150.00
Renee Reymond, 1331 Pennsylvania Ave., NW, #1500 N. Washington, DC 20004	National Assn of Manufacturers		
Mary Anne Reynolds, 8111 Gatehouse Road Falls Church, VA 22047	AAA Potomac		
Timothy M. Reynolds, 1776 Eye Street, NW Suite 1000 Washington, DC 20006	BP America Inc		
Frederick W. Rhodes, 1111 Jefferson Davis Highway, #811-E Arlington, VA 22202	Loral Systems Group	4,250.00	
Grace Ellen Rice, 600 Maryland Ave., SW Washington, DC 20024	American Farm Bureau Federation	7,562.00	167.00
Lois D. Rice, 1201 Pennsylvania Avneue, NW, #370 Washington, DC 20004	Control Data Corporation		
Rice Genocide Research, 3046 Roosevelt Street Detroit, MI 48216			267.53
James E. Rich Jr., 1025 Connecticut Ave., NW, #200 Washington, DC 20036	Shell Oil Co	500.00	
Alan H. Richardson, 2301 M St., NW Washington, DC 20037	American Public Power Assn.	500.00	
Donna Richardson, 1101 14th Street, NW, #200 Washington, DC 20005	American Nurses' Assn	4,935.00	145.39
John C. Richardson, 520 Madison Avenue New York, NY 10022	LeBoeuf Lamb Leiby & MacRae (For:Underwriters at Lloyd's London)		
K. O. Richardson, 815 16th Street, NW, #511 Washington, DC 20006	Transportation - Communications Union	3,000.00	131.67
Warren S. Richardson, 325 Pennsylvania Ave., SE Washington, DC 20003	Washington Lobby Group, Inc (For:Preston Corp)	3,000.00	
Wesley S. Richardson, P.O. Box #65 Washington Grove, MD 20880	Washington Lobby Group, Inc (For:Preston Corp)	1,500.00	
Lois Richerson, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	1,092.00	
Les Richter, 1801 Speedway Boulevard Daytona Beach, FL 32015	National Assn for Stock Car Auto Racing, Inc (NASCAR)		
Do	National Motorsports Comm of ACCUS, FIA, Inc		
Larry D. Rickards, 1200 17th Street, NW Washington, DC 20036	American Psychological Assn.	15,000.00	214.45
Christine R. Riddiough, 114 15th St., NE Washington, DC 20002	National Assn of Gay & Lesbian Democratic Club	2,000.00	
Judy Noel Riddle, P.O. Box 27567 Richmond, VA 23261	Lawyers Title Insurance Co.		
Mary Catherine Riddle, 1700 K St., NW, #1200 Washington, DC 20006	Chevron USA, Inc	215.00	35.00
Lowell J. Ridgeway, North Dakota Petroleum Council P.O. Box 1395 Bismarck, ND 58502	American Petroleum Institute	693.00	
E. George Riedel, 1000 Wilson Blvd., 31st Floor Arlington, VA 22209	International Telephone & Telegraph Corporation	2,000.00	65.00
Garth B. Rieman, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	1,500.00	
E. Philip Riggin, 1608 K St., NW Washington, DC 20006	American Legion	14,088.00	302.70
P. Robert Rigney Jr., 1117 North 19th Street, #600 Arlington, VA 22209	American Assn of Blood Banks	1,250.00	1,250.00
Ellen Riker, 1030 15th Street, NW, #468 Washington, DC 20005	American Society of Anesthesiologists	2,000.00	
Do	American Society of Clinical Pathologists	1,500.00	
Do	National Hemophilia Foundation	1,000.00	
Wesley J. Riker, 4647 Forbes Blvd. Lanham, MD 20706	AMVETS	6,800.00	
Dale P. Riordan, 3900 Wisconsin Avenue, NW Washington, DC 20016	Federal National Mortgage Assn		
Kevin J. Riordan, 1700 K St., NW, #1204 Washington, DC 20006	Chevron USA, Inc	55.00	30.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Carol A. Risher, 2005 Massachusetts Ave., NW Washington, DC 20036	Association of American Publishers	2,000.00	
Jane Risk, 1730 M Street, NW Washington, DC 20036	League of Woman Voters of the U.S.	622.94	29.40
Jeanne M. Ritchie, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
James E. Ritchie & Associates, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006-3483	Gaming Industry Assn of Nevada, Inc	3,200.00	3,298.80
Do	Golden Nugget, Inc		
Do	National Assn of Off-Track Betting	1,900.00	4,978.46
Do	National Assn of Optometrists & Opticians, Inc	10,000.00	5,041.36
Do	Nevada Resort Assn	4,800.00	4,947.96
Leslie Sue Ritts, Morgan Lewis & Bockius 1800 M Street, NW Washington, DC 20036	National Environmental Development Assn		
Valentin J. Riva, 1415 Elliot Place, NW Washington, DC 20007	National Stone Assn	4,000.00	500.00
Ivette E. Rivera, 412 First Street, SE Washington, DC 20003	National Automobile Dealers Assn	2,700.00	
Phillip W. Rivers, 1050 17th St., NW #500 Washington, DC 20036	Texaco, Inc		
Carole 1. Roberts, 1660 L St., NW, #1000 Washington, DC 20036	Travelers Companies	1,825.00	
Richard R. Roberts, 402 8th Street, N.E. Washington, DC 20002	American Council of Highway Advertisers	1,500.00	1,777.13
Do	South Sea Charter Service		545.18
Richard W. Roberts, 100 East 42nd St. New York, NY 10017	National Foreign Trade Council, Inc	10,000.00	700.00
William A. Roberts, 444 North Capitol St., #711 Washington, DC 20001	Keefe Co (For:City of Tampa)	1,500.00	
Do	Keefe Company (For:Dallas Area Rapid Transit)	1,250.00	
Do	Keefe Co (For:Sanders Associates, Inc)	1,500.00	
Do	Keefe Company (For:Tres Grande Vitesse (TGV-USA, Inc))	2,000.00	
Do	Keefe Company (For:University of Miami)	600.00	
Do	TKC International, Inc (For:UNIAO Nacional Para Independencia Total DeAngola)	12,500.00	
Do	TKC International, Inc (For:Westinghouse Electric Corp)		
Gordon C. Robertson, 444 North Capitol St., NW, #534 Washington, DC 20001	International Assn of Fish & Wildlife Agencies	9,312.54	187.69
Nathan Robfogel, 700 Midtown Tower Rochester, NY 14604-2070	Genesee & Wyoming Industries, Inc		
Robins, Kaplan, Miller & Ciresi, 1627 Eye St., NW, #610 Washington, DC 20006	City of St. Paul	3,484.00	30.20
Do	Dominium Group, Inc		
Do	Polaris Industries	7,694.00	
Do	Robins Zelle Larson & Kaplan		
Betty S. Robinson, 1757 N St., NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	15,872.06	83.20
Ernestine S. Robinson, 1575 Eye Street, NW Washington, DC 20005	American Soc of Assn Executives	300.00	
Kenneth L. Robinson, 3138 North l0th Street Arlington, VA 22201	National Assn of Federal Credit Unions		
Thomas E. Robinson, 1129 20th Street, NW, #705 Washington, DC 20036	National Assn of Real Estate Investment Trusts, Inc	250.00	
Do	Pension Real Estate Assn		
Robison International, Inc, 2300 N St., NW, #600 Washington, DC 20037	FMC Corporation	4,500.00	5,078.00
Do	McDonnell Douglas Corp	7,500.00	5,483.00
Do	Royal Ordnance, Inc	12,000.00	8,772.00
James Anthony Rock, 1730 M Street, NW, #607 Washington, DC 20036	Montana Power Co, et al.	1,750.00	363.38
Quincy Rodgers, 1155 21st Street, NW, #400 Washington, DC 20036	General Instrument Corporation	3,000.00	195.99
Raymund Rodriguez, P.O. Box 982 El Paso, TX 79960	El Paso Electric Co	1,939.00	
Bruce N. Rogers, 1660 L St., NW Washington, DC 20036	General Motors Corp	3,000.00	6,283.25
Nancy Rogers, 815 16th Street, NW Washington, DC 20006	Industrial Union Department, AFL-CIO	6,604.00	271.15
Rogers & Wells, 200 Park Avenue New York, NY 10166	Adamar of New Jersey, Inc, et al.		
Do	American Express Co	10,827.70	110.00
Do	Cafritz Foundation		90.50
Do	Liz Claiborne, Inc		569.00
Do	Compagnie Financiere de Paribas		
Do	Desert Palace, Inc		
Do	Dreyfus Corporation	7,500.00	537.50
Do	Grocery Manufacturers of America, Inc		
Do	Internor Trade, Inc		
Do	Investment Partnership Assn	7,500.00	237.00
Do	Jockey Club		
Do	Kamehameha Schools/Bishop Estate		
Do	Liga Agricola Industrial de la Cana de Azucar	3,000.00	
Do	Merrill Lynch & Co, Inc		
Do	National Assn of Beverage Importers		176.00
Do	Pan American World Airways, Inc		
Do	Pan American World Services, Inc		
Do	Republic National Bank		
Do	Rutgers, The State University of New Jersey		
Do	Teachers Insurance & Annuity Assn/CREF		
Do	Walker Telecommunications Corp		
Do	Wine & Spirits Wholesalers of America, Inc		
Do	Wordperfect Corp	2,500.00	112.00
Carole M. Rogin, 1255 23rd Street, NW, #850 Washington, DC 20037	Hauck & Associates, Inc (For:Hearing Industries Assn)		
Richard A. Rohrbach, 1615 M Street, NW, #570 Washington, DC 20036	Boise Cascade Corp	34,200.00	179.84
Stephen F. Rohrkemper, 150 S. Washington St., #403 Falls Church, VA 22046	International Technical Expertise Ltd		
Ian M. Rolland, 1300 South Clinton Street Fort Wayne, IN 46801	Lincoln National Corp	900.00	520.00
Jackie Rollins, 1201 16th Street, NW Washington, DC 20036	Overseas Education Assn, Inc		
John F. Rolph III, 1275 Pennsylvania Ave, NW, #503 Washington, DC 20004	Citicorp Washington, Inc	1,000.00	
Kenneth S. Rolston Jr, 1025 Vermont Ave., NW, #1020 Washington, DC 20005	American Pulpwood Assn		
Emil A. Romagnoli, 180 Maiden Lane New York, NY 10038	Asarco, Inc	1,500.00	
Joseph D. Romer, 304 N. Virginia Avenue Falls Church, VA 22046	Brown Bridgman & Company		90.00
Michael J. Romig, 1001 Pennsylvania Avenue Washington, DC 20004	American Council of Life Insurance, Inc	2,500.00	
Fred B. Rooney, 1050 Connecticut Ave., NW, #1200 Washington, DC 20036	American Iron & Steel Institute	2,850.00	
Do	Association of American Railroads	2,950.00	
Do	CalMat Company	2,750.00	
Do	Crawford Fitting Co	2,750.00	
Do	Lone Star Industries, Inc	2,750.00	
Do	Specialty Vehicle Institute of America	20,000.00	
James Roosevelt, 567 San Nicolas Dr, # 106 Newport Beach, CA 92660	National Committee to Preserve Social Security	2,250.00	
John C. Roots, 1333 New Hampshire Ave., NW, #1001 Washington, DC 20036	Atlantic Richfield Co	34.10	
Clifton Peter Rose, 1825 Eye Street, NW, #450 Washington, DC 20006	Goldman Sachs & Co	975.00	
Leslie Rose, 1129 20th St., NW, #600 Washington, DC 20036	Group Health Assn of America, Inc	3,836.52	
Rose Communications, Inc, 1660 L St., NW, #809 Washington, DC 20036	Johnson Matthey, Inc	10,300.00	8,470.50
Rose Schmidt Hasley & DiSalle, 1250 24th Street, NW, #630 Washington, DC 20037	Cigar Assn of America, Inc		
Do	Equimark Corporation		
Do	Joy Technologies		
Do	Social Security Protection Bureau	4,425.00	
Burt E. Rosen, 1155 15th St. NW., #502 Washington, DC 20005	Bristol-Myers Co	10,000.00	
Do	Pfizer, Inc		
Hilary Rosen, 1020 19th St., NW, #200 Washington, DC 20036	Recording Industry Assn of America	6,500.00	
Richard Rosen, 5010 Wisconsin Ave., NW, #118 Washington, DC 20016			
Sara Rosenbaum, 122 C Street, NW Washington, DC 20001	Children's Defense Fund	2,022.00	
Ernest S. Rosenberg, 1440 New York Ave., NW, #300 Washington, DC 20005	E. Bruce Harrison Company (For:Alternative Materials Institute)		
Do	E. Bruce Harrison Company (For:NEDA/Clean Air Act Project)		
Do	E. Bruce Harrison Company (For:NEDA/Ground Water Project)		
Gregory M. Rosenberg, 5410 Grosvenor Lane, #120 Bethesda, MD 20814	Mechanical Contractors Assn of America, Inc		
Herb Rosenbleeth, 1811 R Street, NW Washington, DC 20009	Jewish War Veterans of the USA	10,000.00	
Roger C. Rosenthal, 2001 S St., NW, #310 Washington, DC 20009	Migrant Legal Action Program, Inc		
Joe Ross, P.O. Box 1582 Little Rock, AR 72203-1582			
Lawrence J. Ross, Ross & Duerk, P.C. 1700 K Street, NW, #1100 Washington, DC 20006			
Nancy Ross, 1830 17th St., NW Washington, DC 20009	Rainbow Lobby	4,225.00	889.94
William F. Ross, South Carolina Petroleum Council 1310 Lady Street, #716 Columbia, SC 29201	American Petroleum Institute	438.00	772.12
Ross Marsh Foster Myers and Quiggle, 888 l6th St., NW Washington, DC 20006	Church Alliance	19,307.79	690.03
Richard Rosser, 122 C Street, NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	1,261.00	
Joseph L. Rosso, 2200 Mill Road Alexandria, VA 22314	American Trucking Assns, Inc	9,000.00	
Barry N. Roth, 1120 20th Street, NW, #700 Washington, DC 20036	Williams Companies	500.00	
John C. Rother, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	1,359.62	122.55
Linda Rothleder, 315 Bonifant Road Silver Spring, MD 20904	Marconi Electronics, Inc	13,000.00	1,825.97
Emily B. Rothrock, 1455 Pennsylvania Ave., NW, #900 Washington, DC 20004	American International Group, Inc	2,000.00	
Edwin Rothschild, 1300 Connecticut Ave., NW, #401 Washington, DC 20036	Citizen Action	750.00	20.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Citizen/Labor Energy Coalition	1,500.00	
Donald D. Rounds, South Dakota Petroleum Council 222 E. Capitol, #16 Pierre, SD 57501	American Petroleum Institute		
Michael O. Roush, 600 Maryland Avenue, SW. #700 Washington, DC 20024	National Fed of Independent Business	4,875.00	300.00
Brigette M. Rouson, Box 17407 Dulles Airport Washington, DC 20041	American Newspaper Publishers Assn	800.00	86.84
Eugene F. Rowan, 2550 M Street, NW Washington, DC 20037	National Assn of Chain Drug Stores, Inc		
Do	Revco D.S., Inc	44.00	
George R. Rowan, 1750 New York Ave., NW, #340 Washington, DC 20006	Armed Forces Marketing Council		
Rowan & Blewitt, Inc, 1000 Vermont Ave., NW Washington, DC 20005	Velsicol Chemical Corp		
J. Patrick Rowland, 918 16th St., NW, #601 Washington, DC 20006	Rowland Government Relations Associates (For:Baker Industries)	1,500.00	
Do	Rowland Government Relations Associates (For:Borg-Warner Automotive, Inc)	1,500.00	
Do	Rowland Government Relations Associates (For:Borg-Warner Chemicals, Inc)	2,000.00	
Do	Rowland Government Relations (For:Committee of National Security Cos)	6,453.00	
Charles Rowton, 1899 L Street, NW, #1100 Washington, DC 20036	Exxon Corporation	300.00	73.18
Roxton, Inc, 2000 S. Eads Street, #1003 Arlington, VA 22202	Medical Identification Card		
Tobi Z. Rozen, 888 16th St., NW Washington, DC 20006	Milk Industry Foundation/Int'l Ice Cream Assn		
Eric M. Rubin, Rubin Winston & Diercks 1730 M St., NW, #412 Washington, DC 20036	Outdoor Advertising Assn of America, Inc		
Joseph T. Ruble, 1300 North 17th Street, #300 Arlington, VA 22209	ADAPSO, The Computer Software & Services Industry Assn		75.31
Eldon Rudd, Shimmel Hill Bishop & Gruender, P.C. 3700 North 24th Street Phoenix, AZ 85016	Central Arizona Project Assn		
Henry C. Ruempler, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	2,000.00	
Nicholas L. Ruggiere, 1667 K Street, NW, #410 Washington, DC 20006	Johnson & Johnson	1,000.00	225.00
Ronald R. Rumbaugh, 5205 Leesburgh Pike, #1600 Falls Church, VA 22041	National Beer Wholesalers of America	488.00	
John Runyan, 1730 North Lynn St., #409 Arlington, VA 22209	Printing Industries of America, Inc	1,000.00	
Morgan S. Ruph, 4647 Forbes Boulevard Lanham, MD 20706	AMVETS	6,800.00	
Robert A. Rusbuldt, 600 Pennsylvania Avenue, SE, #200 Washington, DC 20003	Independent Insurance Agents of America, Inc	18,092.00	
Tonda F. Rush, Box 17407 Dulles Airport Washington, DC 20041	American Newspaper Publishers Assn	180.00	219.81
Barry Russell, 1101 16th St., NW Washington, DC 20036	Independent Petroleum Assn of America		75.00
Christine Anne Russell, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	9,875.00	229.13
Dorothea L. Russell, 1120 Vermont Avenue, NW, #1120 Washington, DC 20005	National Candy Wholesalers Assn, Inc		
James A. Russell, 122 C St., NW, #740 Washington, DC 20001	American League for Exports & Security Assistance, Inc	475.00	41.15
Randall M. Russell, 517 C Street, NE Washington, DC 20002-5809	Lesher Russell & Moos, Inc	6,666.67	
Robert M. Russell, 2170 Piedmont Rd., NE Atlanta, GA 30324	Orkin Pest Control		1,340.05
William Russell & Associates, Inc, 1701 Pennsylvania Ave., NW, #100 Washington, DC 20006	Pacific Telecom, Inc		
Jonathan Russin, 1215 17th Street, NW Washington, DC 20036	Caribbean Trade and Apparel Coalition (C-TAC)		
Wally Rustad, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	50.00	
Herman Max Ruth 71990-158, FCI La Tuna P.O. Box 1000 Anthony, NM 88021	Herman Max Ruth		
Anthony C. Rutherford, P.O. Box 619500 Dallas, TX 75261	Caltex Petroleum Corp	900.00	725.00
J. T. Rutherford & Associates, Inc, 1301 N. Courthouse Rd., #1802 Arlington, VA 22201	American Assn of Bioanalysts/Intl Soc of Clinical Lab Techs		913.40
Do	American College of Radiology		520.50
Do	American Optometric Assn		801.30
Frank T. Ryan, 1400 K Street, NW Washington, DC 20005	Rubber Manufacturers Assn	2,500.00	
George J. Ryan, 915 Rockefeller Building Cleveland, OH 44113	Lake Carriers' Assn		
Joseph Ryan, 1155 21st., NW, 4th Fl Washington, DC 20036	General Instrument Corporation		
Patricia Ryan, 1319 F Street, NW, #1000 Washington, DC 20004	National Assn of Private Psychiatric Hospitals	500.00	
Thomas L. Ryan, 225 North Washington Street Alexandria, VA 22314	Non Commissioned Officers Assn of the USA		
John Ryan Associates, 8447 Portland Place McLean, VA 22102	MPB Corp	1,020.00	56.49
Charles Ryan Associates, Inc, 1110 Vermont Avenue, NW, #820 Washington, DC 20005	West Virginia Bankers Assn	3,000.00	101.54
Do	West Virginia Hospital Assn	8,250.00	626.89
Do	West Virginia Independent Oil & Gas Assn	7,500.00	352.82
Kermit W. Ryman, 1700 K St., NW, #1200 Washington, DC 20006	Chevron USA, Inc	211.00	61.00
RADAR, 4949 S 25A Tipp City, OH 45371		186,038.97	1,544.05
RBC Associates, 324 Fourth Street, NE Washington, DC 20002	Ann Arbor Railroad	7,500.00	6,123.71
Do	Bangor & Aroostook Railroad	6,750.00	6,123.71
Do	Chicago & North Western Transportation Corp	36,000.00	5,376.82
Do	Delaware Otsego System	12,000.00	5,595.44
Do	Genesee & Wyoming Industries, Inc	1,000.00	5,013.56
Do	Regional Railroads of America	40,000.00	5,013.57
RJR Nabisco, Inc, 401 N. Main Street Winston-Salem, NC 27102			21,707.73
Catherine Sadell, 7214 Blair Road, NW Washington, DC 20012	Rainbow Lobby, Inc	4,214.00	229.08
G. J. Thomas Sadler Jr., 3521 Valley Drive Alexandria, VA 22302	Communications Satellite Corp	1,500.00	470.51
Susan L. Sadtler, 2626 Pennsylvania Avenue, NW Washington, DC 20037	National Telephone Cooperative Assn	5,000.00	653.62
Anthony J. Saggese Jr., 1050 17th St., NW, #500 Washington, DC 20036	Texaco, Inc		
Gene A. Sale, 9621 Locust Hill Dr. Great Falls, VA 22066			
Frank Max Salinger, 1101 14th St., NW, 4th Floor Washington, DC 20005	American Financial Services Assn	250.00	
James H. Sammons, 535 North Dearborn Street Chicago, IL 60610	American Medical Assn	1,500.00	
Sammons Enterprises, Inc, 403 South Akard Dallas, TX 75202			
Felix R. Sanchez, 1515 Wilson Blvd. Arlington, VA 22209	American Gas Assn	1,500.00	1,673.94
Brian Sanderoff, 7500 Jefferson St., NE #250 Albuquerque, NM 87109	Reese Communications Companies		
James C. Sanders, 1225 'Eye' Street, NW, #825 Washington, DC 20005	Beer Institute		
Rose Marie Sanders, 2501 M Street, NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	200.00	98.39
Sanders Schnabel & Brandenburg, P.C., 1110 Vermont Avenue, NW, #600 Washington, DC 20005	American Soc of Assn Executives	2,437.00	90.58
Stephen E. Sandherr, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	2,000.00	500.00
Myron G. Sandifer III, 1001 Pennsylvania Ave., NW, #625-South Washington, DC 20004	Jack McDonald Co (For:Belz Enterprises)		
Do	Jack McDonald Co (For:Dow Corning Corp)		
Do	Jack McDonald Co (For:Hitachi America, Ltd)		
Do	Jack McDonald Co (For:Hitachi Sales Corp of America)		
Do	Jack McDonald Co (For:Jacques Borel Enterprises, Inc)		
Do	Jack McDonald Co (For:Royal Zenith Corp)		
Do	Jack McDonald Co (For:Societe Generale de Surveillance, S.A.)		
Charles E. Sandler, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	6,000.00	
Peter G. Sandlund, 1725 Eye St., NW, #315 Washington, DC 20006	Council of European & Japanese National Shipowners' Assn	300.00	
James D. Santini, 1101 King Street, #350 Alexandria, VA 22314	American Escrow Assn	4,500.00	1,588.82
Do	GM Energy Company, Inc		16.72
Do	National Tour Assn, Inc	23,913.00	3,762.01
Do	Truckee-Carson Irrigation District	2,800.00	121.76
Eric Sapirstein, 1333 H St., NW, #400 Washington, DC 20005	California Assn of Sanitation Agencies	1,500.00	1,130.01
Do	Cure Corp		
Do	In-Situ, Inc		
Do	Las Virgenes Municipal Water District		
Do	Victor Valley Wastewater Reclamation Authority		
Do	Western Research Institute	1,575.00	1,268.14
Ronald A. Sarasin, 1200 17th Street, NW Washington, DC 20036	National Restaurant Assn	1,500.00	990.00
Klara B. Sauer, 9 Vassar Street Poughkeepsie, NY 12601	Scenic Hudson, Inc		
Albert C. Saunders, 1100 15th St., NW #900 Washington, DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	27.70
Mary Jane Saunders, 1300 N. 17th Street, #300 Arlington, VA 22209	ADAPSO, The Computer Software & Services Industry Assn		8.00
Richard N. Sawaya, 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co		
Victoria V. Schaff, Missouri Electric Utitlies 1800 K Street, NW, #1018 Washington, DC 20006	Kansas City Power & Light, et al.	3,000.00	2,179.59
Laurie S. Schaffer, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	180.00	
Schagrin Associates, 1112 16th St., NW, #200 Washington, DC 20036	Committee on Pipe & Tube Imports	9,598.69	120.14
Do	Sprinkler Pipe Producers Group	5,666.88	
Harold A. Schaitberger, 1750 New York Ave., NW Washington, DC 20006	International Assn of Fire Fighters	15,007.85	
William T. Schapaugh, 1030 15th Street, NW Washington, DC 20005	American Seed Trade Assn	5,000.00	
Mary L. Schapiro, 1825 Eye St., NW, #1040 Washington, DC 20006	Futures Industry Assn, Inc		
C. M. Schauerte, 2929 Allen Parkway Houston, TX 77019	American General Corporation		
Jay T. Scheck Jr., Rt. 202-206 North Somerville, NJ 0P876	Hoechst Celanese Corp		
Robert H. Scheerschmidt, 490 L'Enfant Plaza East, #4200 Washington, DC 20024	Xerox Corp	1,000.00	
Dale E. Schell, 1919 Pennsylvania Ave., NW, #300 Washington, DC 20006	GATX Corporation		
Schell & Co, Inc, 1776 K Street, NW, #700 Washington, DC 20006	Fuller Co		
Robert J. Schenk, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Kenneth D. Schloman, 499 South Capitol, SW, #401 Washington, DC 20003	National Assn of Independent Insurers	400.00	362.43
Richard M. Schmidt Jr., 1333 New Hampshire Ave., NW, #600 Washington, DC 20036	Association of American Publishers	500.00	
Do	National Assn of Trade & Technical Schools	1,250.00	
Arthur C. Schmitt, 3705 S. George Mason Drive, Apt. 301 So. Falls Church, VA 22041	Oxford Group, Limited		
Robert Richard Schmitt, #12453-047 PO Box 1000 Leavenworth, KS 66048-1000			

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Schnader Harrison Segal & Lewis, Suite 1000 1111 19th St., NW Washington, DC 20036	Savin Corporation		
Do	Toyota Motor Corporation	1,435.00	245.37
Thomas J. Schneider, 1300 19th Street, NW, #400 Washington, DC 20036	AFL-CIO Maritime Committee		
Abraham Schneier, 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	3,401.75	300.00
Frank Schneller, 1957 E St., NW Washington, DC 20006	Associated General Contractors of America		
Schnitzer Steel Products Co, P.O. Box 10047 Portland, OR 97210			82.20
Paul Schoellhamer, 900 17th St., NW, #526 Washington, DC 20006	Northwest Airlines, Inc	1,000.00	100.00
Martha J. Schoonover, Fulbright & Jaworski 1150 Connecticut Ave., NW Washington, DC 20036	Merichem Company	6,705.00	80.00
Elizabeth J. Schram, 555 Thriteenth Street, Suite 450 West Washington, DC 20004	Union Pacific Corp	5,000.00	50.01
Carl J. Schramm, 1025 Connecticut Ave., NW Washington, DC 20036	Health Insurance Assn of America, Inc		
Jack J. Schramm, 1155 Connecticut Ave., NW, #800 Washington, DC 20036	Waste Management, Inc	3,550.00	2,224.00
A. Kolbet Schrichte, 1133 15th Street, NW, #640 Washington, DC 20005	American Logistics Association		100.00
H. B. W. Schroeder, 1016 16th Street, NW, 5th Floor Washington, DC 20036	Consumers Power Co	8,000.00	6,998.00
N. Donald Schroeder, Maryland Petroleum Council 60 West St., #403 Annapolis, MD 21401	American Petroleum Institute	160.00	83.60
Judy Schub, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	671.73	539.15
Amy J. Schultz, 317 Third St., SE, #22 Washington, DC 20003	Robert A. Rapoza Associates (For:National Rural Health Assn)	9,624.99	
Mark Schultz, 918 16th Street, NW, #406 Washington, DC 20006	Professional Services Council	1,500.00	40.00
Richard F. Schultz, 807 Maine Avenue, SW Washington, DC 20024	Disabled American Veterans	13,629.20	739.88
Robert L. Schulz, c/o Iowa Petroleum Council 1012 Fleming Bldg. Des Moines, IA 50309	American Petroleum Institute		
Ralph D. Schumack, 1800 M Street, NW, #325 South Washington, DC 20036	Dow Corning Corp		8.00
Arthur E. Schwartz, 1420 King St. Alexandria, VA 22314-2715	National Society of Professional Engineers	334.00	
Elinor Schwartz, 318 S. Abingdon Street Arlington, VA 22204	California State Lands Commission	10,800.00	1,990.62
Richard Schwartz, 880 S. Pickett St. Alexandria, VA 22304	Boat Owners Assn of the U.S.	14,000.00	
Richard S. Schweiker, 1001 Pennsylvania Ave, NW Washington, DC 20004	American Council of Life Insurance, Inc	2,448.00	64.34
Scientific Apparatus Makers Assn, 1101 16th St., NW Washington, DC 20036		6,989.57	247.29
Michael Sciulla, 880 S. Pickett St. Alexandria, VA 22304	Boat Owners Assn of the U.S.		
Harold B. Scoggins Jr., 1101 16th St., NW Washington, DC 20036	Independent Petroleum Assn of America		
Ellen Scott, 1750 New York Avenue, NW Washington, DC 20006	Sheet Metal Workers International Assn	7,423.00	
Gregory R. Scott, 1875 Eye St., NW, #500 Washington, DC 20006	Philip Morris, Inc	791.25	378.95
James L. Scott, 1919 Pennsylvania Ave., NW, #703 Washington, DC 20006	American Healthcare Institute	11,125.00	187.33
John Havens Scott, 1101 Vermont Ave., NW 12th Floor Washington, DC 20005	American Medical Assn	3,750.00	
R. Denny Scott, 101 Constitution Ave., NW Washington, DC 20001	United Brotherhood of Carpenters & Joiners of America		
Scribner Hall & Thompson, 1850 K Street, NW, #1100 Washington, DC 20006	CNA Financial Corp		
Do	Provident Life & Accident Insurance Co		
Do	Security Life of Denver Insurance Co		
Do	Transamerica Corporation		
Anne Scully, 777 14th Street, NW Washington, DC 20005	National Association of Realtors	1,725.00	1,997.38
Timothy Scully, 25 Louisiana Avenue, NW Washington, DC 20001	International Brotherhood of Teamsters	12,099.08	
Earl W. Sears, P.O. Box 12285 Memphis, TN 38182	National Cotton Council of America	1,330.00	19.61
James E. Secrist, 1745 Jefferson Davis Hwy., #1200 Arlington, VA 22202	Rockwell International Corp	2,000.00	3,043.17
Keeva Segal, 1790 Coral Way, #100 Miami, FL 33145	Alberto Cardenas		
Do	Miami Capital Development Corp		
Do			
Ruth L. Segal, 555 New Jersey Ave., NW, #255 Washington, DC 20001	Vern Clark & Associates	1,297.10	500.00
Merrill K. Seggerman, 1025 Connecticut Ave., NW, #200 Washington, DC 20036	Shell Oil Co	500.00	
H. Richard Seibert Jr., 1331 Pennsylvania Ave., NW, #1500 N Washington, DC 20004-1703	National Assn of Manufacturers	1,780.00	
George H. Seidel Jr., Associated Petroleum Industries of Pa P.O. Box 925 Harrisburg, PA 17108	American Petroleum Institute	609.75	254.65
Seidman & Associates, P.C., Federal Bar Building, #1001 1815 H Street, NW Washington, DC 20006	National Tooling & Machining Assn	5,839.33	17.80
J. Barton Seitz, Duncan Allen & Talmage 1575 Eye Street, NW Washington, DC 20005	Colorado River Energy Distributors Assn		
Marlissa Senchak, 3900 Wisconsin Ave.,NW Washington, DC 20016	Federal National Mortgage Assn	16,000.00	618.60
Stanton P. Sender, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Sears Roebuck & Co	3,625.00	309.99
John J. Serfustini, 1407 West North Temple Salt Lake City, UT 84140	Utah Power & Light Co	6,500.00	2,293.20
Terry L. Serie, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc	2,000.00	
Seven Months Session for Congress, 4210 Spicewood Road, #202 Austin, TX 78759			187.00
Seward & Kissel, 818 Connecticut Avenue, NW, #800 Washington, DC 20006	Daily Dollar Reserves, Inc		
Do	Merrill Lynch & Co, Inc	461.25	
Do			
J. Richard Sewell, 1800 K St., NW, #1110 Washington, DC 20006	Florida Power & Light Co	3,000.00	962.89
Seyfarth Shaw Fairweather & Geraldson, 1111 19th St., NW, #500 Washington, DC 20036	Agricultural Producers		
Do	American Soc of Pension Actuaries	13,800.00	33.51
Do	Flxible Corp		
Do	Technology for Communications International	2,000.00	
Victoria McKenzie Shain, 1710 Rhode Island Avenue, NW, #300 Washington, DC 20036	Abbott Laboratories	2,000.00	60.50
Thomas A. Shallow, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	200.00	
James M. Shamberger, 1819 L St., NW, 7th Floor Washington, DC 20036	Reinsurance Assn of America		
Ali A. Shami, 6863 Calhoun Dearborn, MI 48126	United Lebanese Lobby of America		
Deborah L. Shannon, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	1,350.00	
Gary J. Shapiro, 2001 Eye Street, NW Washington, DC 20006	Electronic Industries Assn	2,000.00	
Shaw Pittman Potts & Trowbridge, 2300 N Street, NW Washington, DC 20037	Alabama Contruction Contractors	4,357.19	203.23
Do	American Insurance Assn	640.63	16.25
Do	Aronov Realty	468.75	
Do	Atlas Minerals Division		
Do	Auburn University	3,000.00	271.43
Do	ADDSCO Industries, Inc		
Do	Bristol-Myers Co	750.00	
Do	Citmoco Services, Inc	4,683.13	153.84
Do	Drummond Company, Inc	3,125.00	193.21
Do	Emerson Electric Co		
Do	Federation of Bankers Assn of Japan		
Do	Holly Farms Corp		
Do	Institute of International Bankers		8,865.00
Do	Intergraph Corporation	4,022.19	325.63
Do	Investment Counsel Assn of America, Inc		
Do	Michelin Tire Company	3,920.54	516.15
Do	Minimum Wage Coalition to Save Jobs	1,515.63	
Do	Munitions Carrier Conference	1,875.00	27.30
Do	National Automobile Dealers Assn		233.74
Do	National Industries	2,385.94	104.42
Do	Pfizer, Inc	6,750.00	68.57
Do	Private Child Care Providers	1,125.00	
Do	Rust Engineering	5,993.13	477.58
Do	Southern Company Services, Inc	5,624.99	664.47
Do	Taiwan Power Company	5,705.00	102.91
Do	Utility Nuclear Waste Management Group	1,000.00	
Do	Vulcan Materials Co	5,091.25	185.26
Shea & Gardner, 1800 Massachusetts Avenue, NW Washington, DC 20036	Marshall & Stevens, Inc	1,115.00	
Do	Societe Generale de Surveillance, S.A.		
James V. Sheahan, 1666 Manhasset Drive Atlanta, GA 30338	Siemens Energy & Automation, Inc		
Gail E. Shearer, 2001 S St., NW, #520 Washington, DC 20009	Consumers Union of U.S., Inc	4,000.00	
Shearman & Sterling, 153 East 53rd Street New York, NY 10022	Viacom International Inc		282.37
John J. Sheehan, 815 16th St., NW, #706 Washington, DC 20006	United Steelworkers of America	13,088.25	
Peggy A. Sheehan, 1401 New York Avenue, NW, #1100 Washington, DC 20005	National Cooperative Business Assn	2,700.00	42.00
Shaun M. Sheehan, 1111 19th Street, NW, #1000 Washington, DC 20036	Tribune Broadcasting Co	3,000.00	1,862.92
Michael W. Sheehy, 1800 K Street, NW Washington, DC 20006	Contel Corp	10,500.00	67.76
Kathleen Sheekey, 3rd Floor 2030 M Street, NW Washington, DC 20036	Common Cause	14,149.98	340.01
C. Douglas Shelby, Florida Petroleum Council 325 John Knox Rd., #F-210 Tallahassee, FL 32303	American Petroleum Institute		
George A. Sherman, 6511 Gateway Blvd. District Heights, MD 20747	AMEX Life Assurance Co	12,000.00	12,022.50
Judith C. Sherman, 1111 14th Street, NW Suite—1200 Washington, DC 20005	American Dental Assn	1,000.00	83.34
Nancy Sherman, 1025 Connecticut Ave., NW Washington, DC 20036	Foodservice & Packaging Institute, Inc		
R. Parker Sherrill, One Park Plaza P.O. Box 550 Nashville, TN 37202-0550	HCA The Healthcare Company		
Nelson T. Shields, 1225 Eye Street, NW, #1100 Washington, DC 20005	Handgun Control, Inc	8,292.31	
R. Philip Shimer, 444 N. Capitol St., NW, #526 Washington, DC 20001	Western Governors Assn		
Harvey A. Shipman, 1800 Diagonal Road, #500 Alexandria, VA 22314	Penn Central Corporation		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Julie Shisler, P.O. Box 85608 San Diego, CA 92138	General Atomics	2,090.00	1,290.49
John B. Shlaes, 1111 19th Street, NW Washington, DC 20036	Edison Electric Institute		
Elaine Shocas, 555 New Jersey Avenue, NW Washington, DC 20001	American Fed of Teachers	5,875.00	120.00
T. V. Shockley III, P.O. Box 2121 Corpus Christi, TX 78403	Central Power & Light Co		
John G. Shortridge, 818 Connecticut Ave., NW Washington, DC 20006	USX Corporation	250.00	
Scott Shotwell, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	1,200.00	
A. Z. Shows, 1801 Columbia Rd., NW, #203 Washington, DC 20009			
Eric Shulman, 925 15th Street, NW Washington, DC 20005	National Council of Senior Citizens	11,800.00	
Kathy Shulman, 1730 M St., NW Washington, DC 20036	League of Women Voters of the U.S.	3,743.03	24.00
Sidley & Austin, 1722 Eye Street, NW Washington, DC 20006	Donrey, Inc	33,497.75	
Do	Peoria Journal Star, Inc	1,591.11	
Richard D. Siegel, 1029 Vermont Avenue, NW, #400 Washington, DC 20005-3589	Guilford Glazer & Assoc	980.00	21.00
Do	North West Timber Assn	3,300.00	15.15
Siegel Mandell & Davidson, P.C., One Whitehall Street New York, NY 10004	Sigallo, Ltd		
Susan Siemietkowski, 1023 15th St., NW, #300 Washington, DC 20005	American Veterinary Medical Assn		
Christine Sigler, 2000 K St., NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security	3,005.00	
William A. Signer, 444 North Capitol St., NW, #711 Washington, DC 20001	Keefe Company (For:A.P.G. Corp)		
Do	Keefe Company (For:Corporate Growth Concepts)		
Do	Keefe Company (For:CIC Enterprises)		
Do	Keefe Co (For:Foodservices & Lodging Institute)	500.00	
Do	Keefe Company (For:Greater New York Hospital Assn)	1,000.00	
Do	Keefe Company (For:Linnabary & Associates)		
Do	Keefe Company (For:Management Insights, Inc)		
Do	Keefe Co (For:MARC Associates (for American Soc of Anesthesiologists))	500.00	
Do	Keefe Co (For:National Restaurant Assn)	500.00	
Do	Keefe Company (For:New York Hospital)	2,000.00	
Do	Keefe Company (For:Pierce Kennedy & Hearth)		
Do	Keefe Company (For:RJR Nabisco, Inc)	5,000.00	
Do	Keefe Company (For:Targeted Management Consultants)	5,000.00	
Do	Keefe Company (For:U.C. Consultants)		
Do	Keefe Company (For:Vrain)		
Stephan Silberfarb, 500 North Capitol St., NW, #300 Washington, DC 20001	American Israel Public Affairs Comm	8,946.00	786.10
Mark Silbergeld, 2001 S Street, NW, #520 Washington, DC 20009	Consumers Union of U.S., Inc	3,700.00	20.00
David Silver, 1600 M St., NW Washington, DC 20036	Investment Company Institute	82.41	
Howard J. Silver, 1625 Eye St., NW, #911 Washington, DC 20006	Consortium of Social Science Assns	1,250.00	6.00
Steve Silver, 1050 Thomas Jefferson St., NW, 6th Fl. Washington, DC 20007	Alaska Loggers Assn	10,000.00	
Do	Alaska Pulp Corp		
Do	Amselco Minerals, Inc		
Do	Apex Marine Corp		
Do	ARCO Marine Co, Inc		
Do	Bristol Bay Native Corp	8,000.00	
Do	BP America		
Do	Crowley Maritime Corp		
Do	General Communications, Inc		
Silver Users Assn, Inc, 1717 K St., NW Washington, DC 20006			3,353.67
Bruce A. Silverglade, 1501 16th Street, NW Washington, DC 20036	Center for Science in the Public Interest	350.00	25.00
Curtis Silvers, 888 16th St., NW, #606 Washington, DC 20006	Bannerman & Associates, Inc (For:Government of Bangladesh)	750.00	
Do	Bannerman & Associates, Inc (For:Government of Tunisia)	750.00	28.34
Do	Bannerman & Associates, Inc (For:Sawyer-Miller Group (for Government of the Philippines)).	750.00	32.56
Do	Bannerman & Associates, Inc (For:Sawyer-Miller Group (for Philippine Coconut Authority)).		
Silverstein & Mullens, 1776 K Street, NW, #800 Washington, DC 20006	Association for Advanced Life Underwriting	5,000.00	
Do	Bristol-Myers Co		
Do	Cushman & Wakefield		
Do	GATX Corporation		
Do	Music Corp of America, Inc		
Do	National Assn of Home Builders of the U.S.		
Do	Rolls-Royce Motor Cars, Inc		
Deborah S. Simmons, 1717 K St., NW, #407 Washington, DC 20006	American Assn for Marriage & Family Therapy	7,000.00	
M. P. Simmons, P.O. Box 860 Valley Forge, PA 19482	CertainTeed Corp		
Gary D. Simms, 1720 Eye Street, NW, 7th Floor Washington, DC 20006	American Academy of Actuaries		
Michael E. Simon, 1666 K St., NW Washington, DC 20006	Arthur Andersen & Co	1,358.00	30.00
Neil A. Simon, 1350 New York Ave., NW, #900 Washington, DC 20005	International Franchise Assn		
Stanley C. Simon, Ginsberg & Forman 820 Hartford Building Dallas, TX 75201	Southland Corporation		
Simon & Company, Inc, 815 15th St., NW, #709 Washington, DC 20005	City of Erie, PA	11,499.92	4,249.91
Do	City of Fresno, CA	8,366.41	4,608.67
Do	City of Portland, OR	9,103.80	4,891.35
Do	Fresno County, CA	8,077.64	4,805.53
Do	Gary, Indiana	7,970.07	4,513.07
Do	Newark, Ca	3,633.75	3,285.58
Do	San Leandro, CA	4,207.49	4,353.34
Do	Tacoma, WA	2,835.92	5,024.37
Do	Water Department in San Bernadino, CA	2,722.61	4,265.14
C. Kyle Simpson, 9 Greenway Plaza, #714 Houston, TX 77046	Coastal Corporation		
Thomas D. Simpson, 700 N. Fairfax Street Alexandria, VA 22314	Railway Progress Institute	525.00	
William G. Simpson, 1155 15th St., NW, #504 Washington, DC 20005	First Mississippi Corp	2,000.00	
Do	Mississippi Power & Light Company	2,000.00	
Do	State of Mississippi	4,000.00	
Albert M. Sims, 11006 Hampton Rd. Fairfax Station, VA 22039	Performance Engineering, Inc		
Ivan E. Sinclair, 1000 Wilson Boulevard, #2700 Arlington, VA 22209	TRW, Inc	1,000.00	
James W. Singer III, 1100 15th Street, NW Suite 900 Washington, DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	
Donna L. Singletary, 1730 North Lynn Street Arlington, VA 22209	Printing Industries of America, Inc	500.00	
Skadden Arps Slate Meagher & Flom, 1440 New York Avenue, NW Washington, DC 20005	Alpine Group, Inc		
Do	Amcore Financial, Inc	1,000.00	
Do	American Telephone & Telegraph Co		
Do	Anheuser-Busch Companies, Inc	2,000.00	
Do	Baker-Hughes, Inc		
Do	Banner Industries, inc	300.00	
Do	CSX Corporation		
Do	Drexel Burnham Lambert, Inc	7,500.00	
Do	Dun & Bradstreet	3,000.00	
Do	Genentech		
Do	General Development Corp	3,000.00	
Do	Government of Jamaica	4,000.00	
Do	Levitz Furniture Corp	3,000.00	
Do	Mesa Petroleum Co		
Do	MCI Communications Corp		
Do	Reynolds Metals Co		
Do	Sara Lee		
Do	Westinghouse Electric Corp		
Edmund J. Skernolis, 1155 Connecticut Ave., NW Washington, DC 20036	Waste Management, Inc	812.00	438.00
James H. Skidmore, 1156 15th St., NW, #1201 Washington, DC 20005	NCR Corporation		
William J. Skinner, 751 Rockville Pike, # 27B Rockville, MD 20852	U.S. Pharmacopeial Convention, Inc	349.93	47.78
Barney J. Skladany Jr., 1100 Connecticut Ave., NW, #620 Washington, DC 20036	Mobil Corp	1,125.00	
Scott Sklar, 1730 N. Lynn St., #610 Arlington, VA 22209	Solar Energy Industries Assn	6,483.00	7,294.75
Steven A. Skonberg, 3138 North 10th Street, Arlington, VA 22209	National Assn of Federal Credit Unions	1,250.00	210.70
Kathleen M. Skrabut, 1313 L Street, NW Washington, DC 20005	Service Employees International Union	7,373.91	69.50
Dale D. Skupa, 3707 Woodview Trace P.O. Box 68700 Indianapolis, IN 46268	National Assn of Mutual Insurance Cos	260.00	
Jonathan Slade, 444 North Capitol St., #711 Washington, DC 20001	Cuban-American Freedom Coalition	7,000.00	707.00
Do	Keefe Company (For:UNITA)	2,000.00	
F. Slatinshek & Associates, Inc, 1102 Belle Vista Dr. Alexandria, VA 22307	Grumman Aero Corp, et al	200.00	
Robert G. Slaughter, 1615 M ST., NW, #200 Washington, DC 20036	Amoco Corporation		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Joshua J. Slavitt, 450 Maple Ave., E., #204 Vienna, VA 22180	U.S. Defense Committee	500.00	
Barry S. Slevin, 1000 Potomac Street, NW, #204 Washington, DC 20007	Seifman Semo & Slevin, P.C. (For:United Food & Commercial Workers International Union).		
William T. Slider, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Ronald J. Slinn, 260 Madison Avenue New York, NY 10016	American Paper Institute, Inc		
Deborah Sliz, 2301 M Street, NW Washington, DC 20037	American Public Power Assn	2,500.00	
John E. Sloan Jr., Capital Gallery East, #695 600 Maryland Avenue, SW Washington, DC 20024	National Fed of Independent Business	1,150.00	200.00
Slover & Loftus, 1224 17th St., NW Washington, DC 20036	Western Coal Traffic League	3,500.00	
Small Business Council of America, Inc, P.O. Box 4299 Columbus, GA 31904		8,528.03	23,777.85
Smathers Hickey & Smathers, 1050 Connecticut Avenue, NW, #1230 Washington, DC 20036	American Horse Council	3,666.00	
Do	Florida East Coast Railway Co	750.00	
Do	National Hockey League	500.00	
Do	Pennzoil Co	6,000.00	
Robert G. Smerko, 2001 L St., NW, #506 Washington, DC 20036	Chlorine Institute, Inc		
Donald E. Smiley, 1899 L St., NW, #1100 Washington, DC 20036	Exxon Corporation		
James R. Smircina, P.O. Box 94661 Cleveland, OH 44101	Centerior Energy Corp, et al	1,526.92	1,204.65
C. Douglas Smith, 1850 M St., NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc		
Daniel T. Smith, P.O. Box 660074 Dallas, TX 75266	International Airline Passengers Assn, Inc		
Elizabeth M. Smith, 815 16th St., NW, #310 Washington, DC 20006	Amalgamated Clothing & Textile Workers Union	6,500.00	144.45
Geoffrey R.W. Smith, 1455 Pennsylvania Ave, NW, #650 Washington, DC 20004	McCutchen Doyle Brown... (for Animal Health Institute)		
Gordon L. Smith, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Florists' Transworld Delivery Assn)	2,500.00	
Jeffrey A. Smith, 1600 Wilson Boulevard, #1000 Arlington, VA 22209	American Waterways Operators, Inc		
Jennifer L. Smith, 900 17th Street, NW, #520 Washington, DC 20006	West Mexico Vegetable Distributors Assn	300.00	
Julian H. Smith Jr., 600 North 18th Street Birmingham, AL 35291	Alabama Power Co	20,727.00	5,853.66
Kathryn Smith, 1454 Duke Street Alexandria, VA 22314	American Osteopathic Hospital Assn		
Maureen Smith, 122 C Street, NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	1,626.00	180.00
Michael E. Smith, P.O. Box 5000 Cleveland, OH 44101	Cleveland Electric Illuminating Co		
Michael P. Smith, 485 Lexington Ave. New York, NY 10017	New York State Bankers Assn	4,480.00	1,482.00
Patricia Smith, 1909 K St., NW Washington, DC 20049	American Assn of Retired Persons	648.84	350.00
Richard F. Smith, 1090 Vermont Ave., NW, #1100 Washington, DC 20005	Textron, Inc	600.00	150.00
Susan Snyder Smith, 7900 Westpark Drive, #A320 Mclean, VA 22102	Chocolate Manufacturers Assn of the USA	300.00	150.00
Tim Smith, 410 1st St., SE Washington, DC 20003	American Nuclear Energy Council	1,812.50	132.87
William A. Smith, 453 New Jersey Ave., SE Washington, DC 20003	Perkinson & Associates, Inc (For:Beneficial Management Corp)		
Do	Perkinson & Associates, Inc (For:National Second Mortgage Assn)		
Do	Perkinson & Associates, Inc (For:Save Home Equity Deductions (SHED))		
Smith Anderson Blount Dorsett Mitchell & Jernigan, P.O. Box 12807 1300 St. Mary's Street Raleigh, NC 27605	Investment Company Institute	8,003.20	
John W. Smith T, 410 First St., SE Washington, DC 20003	American Nuclear Energy Council	1,031.25	220.16
Smokeless Tobacco Council, Inc, 1925 K Street, NW, #504 Washington, DC 20006		1,894.50	1,894.50
Peter Leigh Snell, 401 Wythe Street, #2-A Alexandria, VA 22314	International Assn of Amusement Parks & Attractions		
David F. Snyder, 1130 Connecticut Avenue, NW, #1000 Washington, DC 20036	American Insurance Assn	300.00	18.00
Edward F. Snyder, 245 2nd St., NE Washington, DC 20002	Friends Committee on National Legislation	6,596.25	
Gene Snyder, 140 Chenoweth Lane Louisville, KY 40207	Cincinnati Microwave, Inc	15,000.00	2,808.42
Do	Norfolk Southern Corp	15,000.00	2,451.51
Do	United Parcel Service	15,000.00	3,149.51
John M. Snyder, 600 Pennsylvania Ave., SE, #205 Washington, DC 20003	Citizens Comm for the Right to Keep & Bear Arms	9,000.00	
Snyder Ball Kriser & Assoc, Inc, 499 S. Capitol St., SW, #520 Washington, DC 20003	General Motors Corp	35.00	208.15
Laurie J. Snyder-Cavell, 1776 Eye Street, NW, #1000 Washington, DC 20006	BP America, Inc		
Alan C. Sobba, 1301 Pennsylvania Ave., NW, #300 Washington, DC 20004	National Cattlemen's Assn	1,000.00	
Society for Animal Protective Legislation, P.O. Box 3719 Georgetown Station Washington, DC 20007		11,959.53	55,663.62
Nancy C. Somerville, 1735 New York Ave., NW Washington, DC 20006	American Institute of Architects	2,368.00	
Judah C. Sommer, 1825 Eye Street, NW, #450 Washington, DC 20006	Goldman Sachs & Co	975.00	
Roberta Lee Sorensen, 1101 Vermont Ave., NW, #604 Washington, DC 20000	College of American Pathologists	7,000.00	57.00
Walter Larke Sorg, 1625 Eye St., NW, #204 Washington, DC 20006	American Assn of Small Dredging & Marine Construction Cos	12,500.00	2,733.27
Southern Forest Products Assn, P.O. Box 52468 New Orleans, LA 70152		19,781.48	19,781.48
Space Industries, Inc, 711 West Bay Area Blvd., #320 Webster, TX 77598-4001			15,477.00
Susan E. Spangler, 1331 Pennsylvania Ave., NW, #1500 N Washington, DC 20004	National Assn of Manufacturers	500.00	
D. Dean Sparkman, 1707 L St., NW, #300 Washington, DC 20036-4202	United Airlines, Inc	300.00	
Ian D. Spatz, 1785 Massachusetts Avenue, NW Washington, DC 20036	National Trust for Historic Preservation	3,010.21	
Specialized Carriers & Rigging Assn, Inc, 2200 Mill Road, #616 Alexandria, VA 22314			
Sandra Spence, 1776 Massachusetts Ave., NW, #521 Washington, DC 20036	Spence Group (For:Association for Commuter Transportation, Inc)		
Do	Spence Group (For:Fire Equipment Manufacturers & Services Assn, Inc)		
William C. Spence, 3805 W. Alabama Houston, TX 77027	Columbia Gulf Transmission Co		
Spiegel & McDiarmid, 1350 New York Ave., NW Washington, DC 20005-4798	Former Residents of Centralia Pennsylvania		
Do	Manassas Hydro	140.00	
Do	Service Employees International Union, AFL-CIO		
Alan P. Spielman, 655 15th Street, NW, #350 Washington, DC 20005	Blue Cross & Blue Shield Assn		
Larry N. Spiller, 1015 15th St., NW, #802 Washington, DC 20005	American Consulting Engineers Council	200.00	
Frances Spivy-Weber, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society	600.00	200.00
William M. Spodak, 1801 K St., NW Washington, DC 20006	Westinghouse Electric Corp	200.00	20.00
Earl C. Spurrier, The Madison Building, #900 1155 15th Street, NW Washington, DC 20005	National Agricultural Chemicals Assn		
Mark G. Spurrier, 400 Kenilworth Drive Towson, MD 21204	Baltimore County Police Department, et al	441.84	
Squire Sanders & Dempsey, 1201 Pennsylvania Ave., NW P.O. Box 407 Washington, DC 20044	Alaska Air Group, Inc	1,635.00	35.00
Do	American Soc of Anesthesiologists		
Do	ADAPSO, the Computer Software & Services Industry Assn		
Do	Chemstar, Inc		
Do	Independent Data Communications Manufacturers Assn	140.00	106.51
Do	Microband Companies, Inc		
Do	National Collegiate Athletic Assn	41,795.00	34.40
Do	Public Securities Assn		
Do	Samaritan Health Services	3,077.50	3.00
Janet G. St. Amand, 23 Wall Street New York, NY 10015	Morgan Guaranty Trust Co	200.00	
Melvin R. Stahl, 1235 Jefferson Davis Hwy., #1410 Arlington, VA 22202	Motorcycle Industry Council, Inc		
Stakeholders in America, Trumble & Associates P.O. Box 87 Chaska, MN 55318			59,626.70
Tyrone Stallworth, 220 North Devillers Street Pensacola, FL 32501			
David P. Stang, P.C., 1629 K St., NW, #601 Washington, DC 20006	McDermott, Inc	4,764.61	
Joseph M. Stanton, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Jane Sutter Starke, 1818 N St., NW, #700 Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:Armstrong World Industries, Inc)	1,040.00	7.70
Do	Eckert Seamans Cherin & Mellott (For:AC Transit)	1,930.50	
Do	Eckert Seamans Cherin & Mellott (For:Burlington Northern, Inc)	6,020.00	0.80
Do	Eckert Seamans Cherin & Mellott (For:Corning Glass Works, et al.)		
Do	Eckert Seamans Cherin & Mellott (For:CSX Corp)	265.00	
Do	Eckert Seamans Cherin & Mellott (For:Metropolitan Transportation Authority)	2,352.00	17.50
Lois Starkey, Suite 511 1745 Jefferson Davis Hwy. Arlington, VA 22202	Manufactured Housing Institute	8,125.00	654.09
Frank M. Staszesky Jr., 10025 Scenic View Terrace Vienna, VA 22180	Bechtel Group, Inc		
David Michael Staton, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	5,900.00	
James D. Staton, 320 Timberbrook Drive Waldorf, MD 20601	Air Force Sergeants Assn, Inc		
Mick Staton Associates, Inc, 4607 Lillian Drive Alexandria, VA 22310	Delchamps, Inc		
Samuel E. Stavisky, 1725 Desales Street, NW, #804 Washington, DC 20036	Samuel E. Stavisky & Associates, Inc (For:Broadcast Music, Inc)	150.00	30.00
Do	Samuel E. Stavisky & Associates, Inc (For:Federacion Nacional de Cafeteros de Colombia).	200.00	35.00
Samuel E. Stavisky & Associates, Inc, 1725 Desales Street, NW, #804 Washington, DC 20036	Broadcast Music, Inc	200.00	50.00
Do	Federacion Nacional de Cafeteros de Colombia	200.00	35.00
Randolph J. Stayin, 1815 H Street, NW, Suite 800 Washington, DC 20006	Taft Stettinius & Hollister (For:Empire Resources, Inc)	350.00	
Do	Barnes & Thornburg (For:Empire Resources, Inc)		
Do	Taft Stettinius & Hollister (For:Machinery Dealers National Association)		
Do	Taft Stettinius & Hollister (For:National Candle Assn)		
Do	Taft Stettinius & Hollister (For:Special Comm for Workplace Product Liability Reform).	900.00	
Do	Barnes & Thornburg (For:Special Comm for Workplace Product Liability Reform)		
Do	Taft Stettinius & Hollister (For:Wald Manufacturing Co, Inc)		
Do	Taft Stettinius & Hollister (For:Westland Oil Development Corp)		
Do	Barnes & Thornburg (For:Westland Oil Development Corp)		
Martin J. Steadman, 164 Lexington Avenue New York, NY 10016	Paul Buiar Associates, Inc (For:Phillip Morris USA)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Dean E. Steel, 1655 N. Ft. Myer Drive, #1120 Arlington, VA 22209	Varian Associates, Inc		
Steele & Fornaciari, 2020 K Street, NW, #850 Washington, DC 20006	K Mart Corp	750.00	5,252.50
Carol Higgins Steenland, 1600 M Street, NW Washington, DC 20036	Investment Company Institute	103.05	133.56
Steier & Kreikemeier, P.C., 1065 North 115 St., #100 Omaha, NB 68154	Omaha Tribe of Nebraska		
Allan Stein, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn		
Stein Davidoff & Malito, 100 East 42nd Street New York, NY 10017	Long Island University	18,000.00	4,085.82
Do	Nassau-Suffolk Hospital Council, Inc	15,000.00	2,311.18
Do	National Passenger Traffic Assn		
Do	SPC Securities Services Corp	22,500.00	4,504.69
Rena Steinzor, 1350 New York Ave., NW Washington, DC 20005-4798	Spiegel & McDiarmid		
Charles W. Stellar, 5410 Grosvenor Lane, #210 Bethesda, MD 20814	American Medical Care & Review Assn		
Jack L. Stempler, 1725 Jefferson Davis Highway, #900 Arlington, VA 22202	LTV Aerospace & Defense Co	2,500.00	75.00
Stephens Overseas Services, Inc, 114 East Capitol Avenue Little Rock, AR 72201			
Stephens, Inc, 114 East Capitol Avenue Little Rock, AR 72201			
Steptoe & Johnson, 1330 Connecticut Ave., NW Washington, DC 20036	Association of Private Pension & Welfare Plans, Inc	14,393.75	1,118.03
Do	Bear Stearns & Co	3,520.53	
Do	Cement Importers Assn		
Do	Citizens Savings Financial Corp		
Do	CSO Company	3,813.31	
Do	Harley-Davidson Motor Co, Inc		
Do	Mutual Life Insurance Company Tax Committee		12.00
Richard W. Sternberg, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	95.00	
Michael E. Steward, 1730 M Street, NW, #607 Washington,, DC 20036	Puget Sound Power & Light Co	4,300.00	363.46
Eugene L. Stewart, 808 17th Street, NW, #301 Washington, DC 20006-3910	Floral Trade Council		
Do	Monsanto Co		
Do	Roses, Inc	130.00	
Do	Timken Co	1,040.00	
Robert B. Stewart, 1050 17th St., NW, #700 Washington, DC 20036	National Ocean Industries Assn	1,999.00	
Terence P. Stewart, Stewart and Stewart 808 17th Street, NW, #300 Washington, DC 20006-3910	Cabot Corporation		
Do	Floral Trade Council		
Do	Monsanto Co		
Do	PPG Industries, Inc	2,925.00	279.18
Do	Roses, Inc		97.50
Do	Smith Corona Corp		0.56
Do	Timken Co		7.78
Do	Torrington Company		
Warren E. Stickle, 1225 19th Street, NW, #300 Washington, DC 20036	Chemical Producers & Distributors Assn	3,010.00	736.80
Do	Cheminova		
Do	International Sanitary Supply Assn	450.00	19.00
Don Stillman, 1757 N Street, NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	1,861.50	22.00
Lee J. Stillwell, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	750.00	
Edward W. Stimpson, Suite 801 1400 K St., NW Washington, DC 20005	General Aviation Manufacturers Association	1,675.00	
David J. Stirpe, 1501 Wilson Blvd., #600 Arlington, VA 22209	Air Conditioning & Refrigeration Institute		
Heidi A. Stirrup, 1957 E Street, NW Washington, DC 20006	Associated General Contractors of America	2,000.00	500.00
John J. Stocker, 1110 Vermont Avenue, NW Suite 1250 Washington, DC 20005	Shipbuilders Council of America	3,300.00	
Stockholders of America, Inc, 1625 Eye Street, NW, #724A Washington, DC 20006		13,955.00	588.41
Steven F. Stockmeyer, 499 South Capitol Street, SE #103 Washington, DC 20004	National Assn of Business Political Action Committees		
Do	Springs Industries	1,000.00	
Stoel Rives Boley Jones & Grey, 1730 M Street, NW, #900 Washington, DC 20036	A-dec, Inc	6,740.00	305.00
Do	Cape Fox Corp	4,612.00	856.00
Do	Capital Markets	7,950.00	1,804.00
Do	Klawock Heenya Corp	8,112.00	2,056.00
Do	Klukwan, Inc	4,425.00	1,432.00
Do	Oregon Dept of Transportation		
Dennis C. Stolte, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	6,250.00	381.00
Robin E. Stombler, 1919 Pennsylvania Avenue, NW, #300 Washington, DC 20006	American College of Surgeons		265.39
Dena G. Stoner, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	90.00	
Floyd E. Stoner, 1120 Connecticut Avenue, NW Washington, DC 20036	American Bankers Assn	3,800.00	
Harry L. Storey, 8400 E Prentice Ave. 15th Floor Englewood, CO 80111	Alliance for Clean Energy	20,000.00	6,722.30
John L. Stowell, 1800 K St., NW, #1018 Washington, DC 20006	Public Service Co of Indiana	5,125.00	15,546.82
Michael L. Strang, 218 2nd St., SE Washington, DC 20003	ATR Defense Group		2,497.81
Luther J. Strange III, 1100 15th Street, NW, #700 Washington, DC 20005	Sonat, Inc		
Marcy B. Stras, 1620 Eye St., NW, #800 Washington, DC 20006	Taft Stettinius & Hollister (For:National Candle Assn)		
Strategic Resources Corp, 3000 K Street, NW, #300 Washington, DC 20007	Matsushita Electric Corp of America		
Do	National Machine Tool Builders' Assn		
Terrence D. Straub, 818 Connecticut Avenue, N.w. Washington, DC 20006	USX Corporation	250.00	86.63
Stroock & Stroock & Lavan, 1150 17th St., NW Washington, DC 20036	Dreyfus Corporation	320.00	
William M. Stroud, 231 Martingale Road Schaumburg, IL 60196	Zurich-American Insurance Company	600.00	600.00
R. Keith Stroup, Suite 500A, Box 69 100 Maryland Ave., NE Washington, DC 20002	League of Rural Voters Education Project, Inc	2,500.00	
Do	League of Rural Voters, Inc	500.00	
George Strumpf, 1150 17th St., NW, #600 Washington, DC 20036	Health Insurance Plan of Greater New York	11,900.00	2,840.00
Cory N. Strupp, 23 Wall Street New York, NY 10015	Morgan Guaranty Trust Co	2,874.00	58.00
Charlene A. Sturbitts, 901 15th Street, #570 Washington, DC 20005	Interstate Natural Gas Assn of America	15,000.00	
Eugene F. Sturgeon, 182 Crater Lane Kensington, CT 06037	Northeast Utilities Service Co	1,790.18	1,617.09
Lawrence J. Suffredin Jr., 69 W. Washington, #1250 Chicago, IL 60602	Harza Engineering Co		
Glenn Sugameli, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	46.56	
Arthur E. Sullivan Jr., 1215 Jefferson Davis Hwy., #1004 Arlington, VA 22202	Diagnostic/Retrieval Systems, Inc	3,250.00	
Austin P. Sullivan Jr., P.O. Box 1113 Minneapolis, MN 55440	General Mills, Inc		
Charles S. Sullivan, 11 15th Street, NE, #6 Washington, DC 20002	Citizens United for Rehabilitation of Errants	2,975.44	3,647.64
Gael M. Sullivan, 1025 Thomas Jefferson St., NW, #511 Washington, DC 20005	LTV Corporation	2,344.00	755.40
Harold R. Sullivan, 1750 K St., NW Washington, DC 20006	Food Marketing Institute	600.00	
Judy M. Sullivan, 1614 King Street Alexandria, VA 22314	National Assn of Housing Cooperatives		
Margaret Cox Sullivan, 1625 Eye St., NW, #724A Washington, DC 20006	Stockholders of America, Inc		
Patrick J. Sullivan, 815 16th Street, NW Washington, DC 20006	International Longshoremen's Assn, AFL-CIO	10,882.24	2,673.68
Pauline Sullivan, #11 15th St., NE, #6 Washington, DC 20002	Citizens United for Rehabilitation of Errants	300.00	
Sullivan & Cromwell, 1775 Pennsylvania Ave., NW, #800 Washington, DC 20006	American International Group, Inc		
Do	BP North America, Inc		
Do	Esselte Business Systems, Inc		
Do	Goldman Sachs & Co		
Do	Grand Met USA, Inc		
Do	Kidder Peabody & Co, Inc		
Do	Securities Industry Assn		
Sutherland Asbill & Brennan, 1275 Pennsylvania Avenue, NW Washington, DC 20004	Ad Hoc Comm for a Competitive Electric Supply System		
Do	American Council on Education		30.00
Do	American Industrial Clay & Georgia Kaolin	2,615.83	269.14
Do	Anglo-American Clays Corp	2,615.83	269.14
Do	Baker Hughes Production Tools		
Do	City of Baton Rouge	3,000.00	6.50
Do	Committee Against Revising Staggers	11,450.00	
Do	Council of Industrial Boiler Owners	7,250.00	
Do	Duke University	8,950.00	28.56
Do	Engelhard Minerals & Chemicals Corp	2,615.83	269.14
Do	Forethought Life Insurance Co	2,175.00	27.00
Do	J. M. Huber Corp	2,615.83	269.14
Do	Industrial Oil Consumers Group		
Do	Minnesota Mutual Life Insurance Co	35,080.00	347.08
Do	Mutual of Omaha Insurance Co	1,950.00	
Do	Nord Resources Corp	2,615.83	269.14
Do	North American Co for Life & Health Insurance	1,397.50	
Do	Philip Morris, Inc		
Do	Process Gas Consumers Group	25,000.00	
Do	Thiele Kaolin Co	2,615.83	269.14
W. Thomas Suttle, 1521 Vermont Avenue, NW Washington, DC 20005	Institute of Electrical & Electronics Engineers	3,081.00	639.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
William W. Suttle, 1130 Connecticut Ave., NW, #1000 Washington, DC 20036	American Insurance Assn	600.00	24.50
Douglass W. Svendson Jr., 1730 Rhode Island AVenue, NW, #417-19 Washington, DC 20036	Hollywood Marine Service, Inc	1,500.00	
Do	Shell Oil Co	150.00	
David L. Swanson, Craft & Loesch 1050 Thomas Jefferson St., NW, 6th Fl. Washington, DC 20007	Clean Coal Technology Coalition	3,150.00	
Do	Edison Electric Institute	20,737.50	
Do	General Atomics	15,000.00	
Deborah Swartz, 1225 19th Street, NW, #210 Washington, DC 20036	Luggage & Leather Goods Manufacturers of America, Inc	500.00	
Do	Neckwear Assn of America, Inc	500.00	
Do	Outboard Marine Corp		
David A. Sweeney, 25 Louisiana Ave., NW Washington, DC 20001	International Brotherhood of Teamsters	21,221.87	
William R. Sweeney Jr., 536 Seventh Street, SE Washington, DC 20003	American Nuclear Energy Council		
Do	China External Trade Development Council		
Do	Embassy of Japan		
Frederic H. Sweet, 720 East Wisconsin Avenue Milwaukee, WI 53202	Northwestern Mutual Life Insurance Co	500.00	
Leland H. Swenson, 10065 East Harvard Avenue Denver, CO 80251	Farmers' Educational & Co-Operative Union of America	9,375.00	361.94
Swidler & Berlin, Chtd, 3000 K Street, NW, #300 Washington, DC 20007	All-Industry Television Station Music Licensing Committee	6,800.00	
Do	American Hoechst Corporation		
Do	Business Software Assn	7,742.50	
Do	Design Protection Coalition	380.00	
Do	Hyundai Motor Company		
Do	National Assn of Public Television Stations		
Do	National Assn of Wholesaler-Distributors		
Do	New England Power	1,947.50	34.00
Do	STC PLC	1,567.50	11.70
Do	United States Trademark Assn	8,740.00	
Carol A. Swift, 311 First St., NW, #500 Washington, DC 20001	Computer & Business Equipment Manufacturers Assn	1,300.00	104.24
Ivan Swift, P.O. Box 607 Courthouse Station Arlington, VA 22216	New England Anti-Vivisection Society	12,000.00	1,490.00
Tricia L. Swift, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	1,200.00	
Randall Swisher, 2301 M Street, NW Washington, DC 20037	American Public Power Assn	3,000.00	
Ronald G. Sykes, 1660 L Street, NW Washington, DC 20036	General Motors Corp	2,500.00	3,516.31
David A. Sykuta, Illinois Petroleum Council P.O. Box 12047 Springfield, IL 62791	American Petroleum Institute		
Christopher U. Sylvester, 1831 Briar Ridge Court Mclean, VA 22101	Garrison Diversion Conservancy District	3,500.00	214.73
Systematics, Inc, 4001 Rodney Parham Road Little Rock, AR 72212			
Ronald P. Szabat, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	400.00	
SKC & Associates, 900 17th St., NW, #1100 Washington, DC 20006	Seldovia Native Assn		
Do	Southern Company Services		
T. Boone Pickens, Jr. United Shareholders Assn, 1667 K St., NW, #770 Washington, DC 20006			189.75
Martha Tableman, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	653.64	
Robert Taft Jr., 1620 Eye St., NW, #800 Washington, DC 20006	Taft Stettinius & Hollister (For:Dosimeter Corp of North America)	835.00	
Do	Taft Stettinius & Hollister (For:Empire Resources, Inc)	1,974.50	
Do	Taft Stettinius & Hollister (For:Great American Broadcasting Co)		
Do	Taft Stettinius & Hollister (For:Kings Entertainment Co)		
Do	Taft Stettinius & Hollister (For:Machinery Dealers National Association)		
Do	Taft Stettinius & Hollister (For:Recordings Import Trade Committee)		
Do	Taft Stettinius & Hollister (For:Special Comm for Workplace Product Liability Reform)		
Do	Taft Stettinius & Hollister (For:Telephone & Data Systems, Inc)		
Do	Taft Stettinius & Hollister (For:Wald Manufacturing Co, Inc)		
Do	Taft Stettinius & Hollister (For:Westland Oil Development Corp)		
George C. Tagg, 300 Maryland Ave., NE Washington, DC 20002	Federal Express Corp	6,000.00	
Taggart & Associates, Inc, 1155 15th Street, NW, #1108 Washington, DC 20005	Animal Health Institute		
Do	Association of American Railroads		
Do	M&M/Mars		
Do	Marion Laboratories, Inc		
Do	Telephone & Data Systems, Inc		
Do	Uniroyal Chemical, Inc		
Kirk Talbott, Weisgall Law Office 1300 19th St., NW, #407 Washington, DC 20009	Bikini/Kili/Ejit Council		
Tanaka Ritger & Middleton, 1919 Pennsylvania Ave., NW, #303 Washington, DC 20006	Electronic Industries Assn of Japan		
Do	Japan Automobile Tire Manufacturers Assn (JATMA)		
Susan Tannenbaum, 2030 M St., NW Washington, DC 20036	Common Cause	6,386.29	97.30
William E. Tanner, 10803 Norman Ave. Fairfax, VA 22030	Coalition for Environmental-Energy Balance	7,200.00	1,505.53
M. Louise Tate, 450 Maple Avenue, E., #204 Vienna, VA 22180	U.S. Defense Committee	900.00	
Thomas N. Tate, 1250 Eye Street, NW Washington, DC 20005	Aerospace Industries Assn of America, Inc	14,812.00	143.55
Susan Tatum, 1250 Connecticut Avenue, NW Washington, DC 20036	National Forest Products Assn	1,200.00	
Taubman Company, Inc, P.O. Box 200 Bloomfield Hills, MI 48303-0200			32,160.00
Graca Da Silva Tavares, 17 Perkins Street West Newton, MA 02165			50.00
Charles A. Taylor III, 499 South Capitol St., SW, #401 Washington, DC 20C03	National Assn of Independent Insurers	1,500.00	
Dennis J. Taylor, 36 Grove Street New Canaan, CT 06840	Central States Health & Life Co of Omaha	20,000.00	7,740.00
Do	International Typographers Assn		508.00
Do	U.S. Surgical Corporation	20,950.00	10,800.00
Jefferson D. Taylor, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,500.00	906.20
Patricia Taylor, 1501 16th St., NW Washington, DC 20036	Center for Science in the Public Interest	899.00	65.00
Peggy Taylor, 815 16th St., NW Washington, DC 20006	American Fed of Labor & Congress of Industrial Organizations	17,097.10	602.91
R. William Taylor, 1575 Eye Street, NW Washington, DC 20006	American Soc of Assn Executives	300.00	
Sandra E. Taylor, 1600 M St,. NW, #702 Washington, DC 20036	ICI Americas	15,000.00	138.62
William S. Taylor, 239 W. New York Avenue Las Vegas, NV 89107			
Telos Corp, 3420 Ocean Park Blvd. Santa Monica, CA 90405			143.81
James M. Temenak, 1420 Springhill Road, #500 McLean, VA 22102-3002	National Steel & Shipbuilding Company	5,070.00	190.27
Norman J. Temple, 155 Dresden Avenue Gardiner, ME 04345	Central Maine Power Co, et al.	8,000.00	
Paul M. Tendler, 1090 Vermont Ave., NW Washington, DC 20005	Tendler & Biggins, Chtd (For:American Licensed Practical Nurses Assn)		
Do	Tendler & Biggins, Chtd (For:Bascom, Inc)		
Do	Tendler & Biggins, Chtd (For:Geodesco)		
Do	Tendler & Biggins, Chtd (For:Mears International Sales Co)		
Do	Tendler & Biggins, Chtd (For:Rasche Elektroniks)		
Do	Tendler & Biggins, Chtd (For:Solargistics Corp)		
Betty-Grace Terpstra, 1726 M St., NW, #901 Washington, DC 20036	Scott Paper Co	4,000.00	40.91
John H. Terry, P.O. Box 4878 Syracuse, NY 13221	Hiscock & Barclay (For:Niagara Mohawk Power Corp)	1,192.00	618.90
Michelle C. Tessier, 1350 Connecticut Ave., NW, # 200 Washington, DC 20036	National Assn of Public Television Stations	600.00	150.00
Robert D. Testa, 1726 M Street, NW, #1100 Washington, DC 20036-4502	Pacific Gas & Electrical Co	423.35	
James G. Tetirick, 1156 15th Street, NW, #1015 Washington, DC 20005	J. C. Penney Co, Inc		
Textron, Inc, 40 Westminster St. Providence, RI 02903		4,650.00	1,030.00
Thacher Proffitt & Wood, 1500 K Street, NW, #200 Washington, DC 20005	Amoskeag Savings Bank	133.77	230.11
Do	Citicorp Mortgage Finance, Inc		1,111.11
Do	Maine Savings Bank	133.77	230.11
Do	Massachusetts Bankers Assn		230.11
Do	New Hampshire Savings Bank	131.77	1,080.11
Do	Ranieri-Wilson	2,395.00	1,128.61
Do	Salomon Brothers, Inc		1,080.11
Do	Urcarco, Inc		2,516.11
Mary Kay Thatcher, 600 Maryland Avenue, SW Washington, DC 20024	American Farm Bureau Federation	5,875.00	209.00
Karen E. Theibert, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	400.00	
Janelle C. Morris Thibau, 1828 L Street, NW, #906 Washington, DC 20036	Merrill Lynch & Co, Inc	1,000.00	
Douglas E. Thierwechter, 818 Connecticut Avenue, NW, #900 Washington, DC 20006	USX Corp		
Third Class Mail Association, 1333 F Street, NW, #710 Washington, DC 20004-1108		600.00	600.00
Diane Kay Thomas, 2327 Nebraska Ave., NW Washington, DC 20016	National Assn of Investment Companies	10,766.00	
Doris I. Thomas, 15th & M St, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Gordon M. Thomas, 1090 Vermont Avenue, NW, #1100 Washington, DC 20005	Textron, Inc	600.00	150.00
Henry A. Thomas, 2801 Bell Brook St. Temple Hills, MD 20748			
J. David Thomas, 1919 Pennsylvania Ave., NW, #705 Washington, DC 20006	Eastman Chemical Division	320.00	151.79
John W. Thomas, 119 Oronoco Street Box 1417-D50 Alexandria, VA 22313	Animal Health Institute	210.00	
Peter William Thomas, 1404 26th Street, NW, #1 Washington, DC 20007	American State of the Art Prosthetic Assn		64.40
Robert L. Thomas, 1319 F St., NW, #1000 Washington, DC 20004	National Assn of Private Psychiatric Hospitals	500.00	
Virginia Lamp Thomas, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce	2,400.00	453.32

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Barbara Thompson, 1401 New York Avenue, NW, #1100 Washington, DC 20005	National Cooperative Business Assn	2,500.00	52.00
Bruce E. Thompson Jr., 1828 L Street, NW, #906 Washington, DC 20036	Merrill Lynch & Co, Inc	7,500.00	
Frank Thompson Jr., 1020 Prince Street Alexandria, VA 22314	Boilermakers Iron Ship Bldrs Blacksmiths Forgers & Helpers	2,500.00	308.46
Do	Metal Trades Department, AFL-CIO		
Do	Sheet Metal Workers International Assn	3,000.00	191.53
Kenneth W. Thompson, 2021 K Street, NW, #300 Washington, DC 20006	Michigan Consolidated Gas Company	2,200.00	
Robert L. Thompson Jr., P.O. Box 70 Fort Mill, SC 29715	Springs Industries, Inc		627.56
Roger G. Thompson, 117 Bellefonte Drive Ashland, KY 41101	Kentucky Power Co		
W. Reid Thompson, 1900 Pennsylvania Ave., NW Washington, DC 20068	Potomac Electric Power Co	28.33	
Thompson & Company, 529 14th St., NW, #425 Washington, DC 20004	ALTEC International	5,250.00	
Do	Bear Stearns & Co	170.00	
Do	Bristol-Myers Co	9,751.00	431.04
Do	Chicago Research & Trading Group, Ltd	18,750.00	3,852.81
Do	Hinderliter Industries, Inc		
Do	Mitsubishi Electronics America, Inc	12,000.00	4,092.28
Do	Morse/Diesel	3,900.00	428.65
Do	Reed International	4,059.38	177.98
Do	Roberts & Holland	4,000.00	37.91
Do	Suzuki of America Automotive Corp	16,350.00	1,335.50
Do	Trans World Airlines, Inc		
Thompson & Mitchell, 1120 Vermont Avenue, NW, #1000 Washington, DC 20005	Cold Finished Steel Bar Institute	137.00	
Do	Wheat Gluten Industry Council		
Thompson Hine & Flory, 1920 N St., NW, #700 Washington, DC 20036	Alltel Corporation	694.00	
Thompson Mann & Hutson, 1730 Pennsylvania Ave., NW, #1250 Washington, DC 20006	Bechtel Group, Inc	2,450.00	22.65
Do	Combustion Engineering, Inc		
Do	Fluor-Daniel, Inc	2,450.00	22.65
Do	M.W. Kellogg Company		
Do	Morrison-Knudsen Co, Inc	2,450.00	22.65
Do	National Coalition to Defeat H.R. 281/S. 492		11,000.00
Parker D. Thomson, 200 South Biscayne Blvd. 4900 Southeast Financial Center Miami, FL 33131-2363	Thomson Zeder Bohrer Werth & Razook (For:Burger King Corp)		
Thomson Zeder Bohrer Werth & Razook, 200 South Biscayne Blvd., #4900 Miami, FL 33131	Burger King Corp	18,513.44	5,126.71
Margo Thorning, 1850 K St., NW, #400 Washington, DC 20006	American Council for Capital Formation	138.00	
Julianne S. Thrift, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	3,375.00	
Gil Thurm, 777 14th St., NW Washington, DC 20005	National Assn of Realtors		
Tighe Curhan & Piliero, 1750 Pennsylvania Avenue, NW, #1201 Washington, DC 20006	Ad Hoc Comm of Mutual Fund Managers	2,269.20	
Do	Coalition for H.R. 2972 (Richardson) Substitute Bill	4,500.00	
Do	Integrated Resources, Inc	300.00	
Do	Sharp Manufacturing Co of America		
Do	Town of Andover, Massachusetts	100.00	
Rebecca E. Tillet, 1275 K St., NW, #750 Washington, DC 20005	National Women's Political Caucus	5,208.00	
Wallace Tillman, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	150.00	
Patti A. Tilson, Suite 520 900 17th Street, NW Washington, DC 20006	Toyota Motor Sales USA, Inc	500.00	
Gary G. Timmons, 1201 16th Street, NW Washington, DC 20036	National Education Assn		
Timmons & Co, Inc, 1850 K St., NW, #850 Washington, DC 20006	American Petroleum Institute	624.99	
Do	American Trucking Assns, Inc	1,312.50	
Do	Amoco Corporation	812.00	
Do	Anheuser-Busch Companies, Inc	2,875.00	
Do	Association of Trial Lawyers of America	750.00	2.00
Do	Boeing Company	250.00	
Do	Brown Group, Inc	687.50	
Do	Capital Cities/ABC, Inc	1,062.50	
Do	Chrysler Corporation	1,562.50	
Do	H. J. Heinz Co	125.00	
Do	Major League Baseball	2,375.00	
Do	Morgan Stanley & Co, Inc	2,470.00	
Do	MSU System Services, Inc	812.49	
Do	National Rifle Assn of America	1,437.50	
Do	Northern Telecom, Inc	500.00	
Do	Northrop Corp	625.02	
Do	NutraSweet Co	1,062.50	
Do	G. D. Searle & Co	625.00	
Alan R. Timothy, 601 Pennsylvania Ave., NW, #500 Washington, DC 20004	Adolph Coors Co	13,173.75	28,017.05
G. Wayne Tingle, 1725 Jefferson Davis Highway, #900 Arlington, VA 22202	LTV Aerospace & Defense Co	2,500.00	125.00
William C. Tinklepaugh, 888 16th Street, NW Washington, DC 20006	Milk Industry Foundation/Int'l Ice Cream Assn		
Constance D. Tipton, 888 16th Street, NW Washington, DC 20006	Milk Industry Foundation/Int'l Ice Cream Assn		1,120.00
E. Linwood Tipton, 888 16th St., NW Washington, DC 20006	Milk Industry Foundation & Int'l Ice Cream Assn		1,600.00
Eben S. Tisdale, 1550 Wilson Blvd., #600 Arlington, VA 22209	Hewlett-Packard Co	4,000.00	156.50
Title Associates, Inc, Rt.2, Box 89 Columbia, TN 38401			
Francis M. Tivnan, Massachusetts Petroleum Council 11 Beacon Street Boston, MA 02108	American Petroleum Institute		
Tobacco Associates, Inc, 1725 K Street, NW, #512 Washington, DC 20006			5,493.00
James S. Todd, 535 North Dearborn Street Chicago, IL 60610	American Medical Assn	2,500.00	
M. Douglas Todd, 1000 Wilson Blvd., #2300 Arlington, VA 22209	Northrop Corp		68.00
David R. Toll, 1155 Connecticut Ave., NW, #400 Washington, DC 20036	Public Service Co of Colorado		
Do	Western Utilities Clean Air Group		
Edward Tonat, 6723 Brigadoon Drive Bethesda, MD 20817	Robert Goff & Associates, Inc		
Billy W. Tongate, 4842 Randolph Drive Annandale, VA 22003	Circus Circus Enterprises, Inc	25,500.00	2,667.07
Jean R. Toohey, 1575 I Steet, NW., #200 Washington, DC 20005	American Cyanamid Co	192.00	173.84
William D. Toohey, Two Lafayette Centre 1133 21st Street, NW Washington, DC 20036	Travel Industry Assn of America	4,568.00	
Peter W. Tooker, 1920 N Street, NW Washington, DC 20036	American Mining Congress		
Total Petroleum, Inc, 999 18th Street, Suite 2201 Denver, CO 80202			
Frank V. Toti Jr., 600 Maryland Ave., SW, #700 Washington, DC 20024	National Fed of Independent Business	3,401.75	300.00
Touche Ross & Co, 1900 M Street, NW Washington, DC 20036-3564	Money Store Investment Co		
Do	Restaurant Associates		
Gilbert D. Tough, 70 North Main St. Wilkes-Barre, PA 18711	Blue Cross of Northeastern Pennsylvania		
Tower & Associates, 2101 L St., NW, 9th Floor Washington, DC 20037	British Aerospace, Inc		
Do	Hicks & Associates		
Do	LTV Defense & Space Co	420.00	
Do	Martin Marietta Corp		
Do	Rockwell International Corp		
Wanda Townsend, 1724 Massachusetts Ave., NW Washington, DC 20036	National Cable Television Assn, Inc	1,220.00	
Burke A. Tracey, 2111 Jefferson Davis Highway, #1009-S Arlington, VA 22202	Coalition of Higher Education Assistance Organizations	3,000.00	
Joseph P. Trainor, 815 16th St., NW Washington, DC 20006	Transportation - Communications Union		
Jeffrey B. Trammell, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:American Bankers Assn)	2,300.00	
Do	Hill & Knowlton, Inc (For:Association for the Advancement of Human Rights)	600.00	
Do	Hill & Knowlton Inc (For:Ryder Systems Inc)		
Do	Hill & Knowlton, Inc (For:Stroh Brewery Co)	1,000.00	
Transportation - Communications Union, 815 16th St., NW Washington, DC 20006		14,500.00	22,131.00
Travel & Tourism Government Affairs Policy Council, 1133 21st Street, NW Washington, DC 20036		4,280.00	4,300.00
Travel Industry Assn of America, Two Lafayette Centre 1133 21st Street, NM Washington, DC 20036			8,868.00
Travis & Gooch, 1100 15th St., NW, #1200 Washington, DC 20005	Coalition to Oppose Energy Taxes		
Sally A. Triplett, 1725 Desales Street, NW, #804 Washington, DC 20036	Samuel E. Stavisky & Associates, Inc (For:Broadcast Music, Inc)	50.00	20.00
Tripp Scott Conklin & Smith, 110 Southeast 6th Street 110 Tower, 28th Floor Fort Lauderdale, FL 33301	Alamo Rent-A-Car, Inc		9,342.48
Eugene M. Trisko, 9817 Rosensteel Avenue Silver Spring, MD 20910	Stern Bros, Inc		
Michael G. Troop, 1709 New York Avenue, NW, #801 Washington, DC 20006	U.S. League of Savings Institutions	15,000.00	
George G. Troutman, Suite 1100 1090 Vermont Ave., NW Washington, DC 20005	Bell Helicopter Textron, Inc	150.00	
Alexander B. Trowbridge, 1331 Pennsylvania Avenue, NW Washington, DC 20004	National Assn of Manufacturers	1,625.00	
Thomas L. Trueblood, 401 North Michigan Ave. Chicago, IL 60611	Navistar International Transportation Corp	1,000.00	2,224.95
Paul E. Tsongas, Foley Hoag & Eliot One Post Office Square Boston, MA 02109	Cambridge Redevelopment Authority		
Do	Humane Soc of the U.S., et al	558.00	24.49
Do	Iriquois Gas Transmission Systems	13,206.00	1,638.95
Do	Northeast Solvents Recovery	1,364.00	30.79
Do	Sierra Club of America		
Do	Thermedics, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Motoyuki Tsutsui, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc	225.00	66.84
Tucker & Associates, 1701 Pennsylvania Ave., NW, #1000 Washington, DC 20006	Manville Corporation		
Do	Regional Transportation District	1,000.00	
Do	Security Life Insurance Co of Denver		
Shannon B. Tuel, 1200 17th Street, NW Washington, DC 20036	National Restaurant Assn	1,500.00	990.00
Stanley F. Turesky, 1250 24th Street, NW Suite 600 Washington, DC 20037	Van Dyke Associates, Inc (For:American Gas Assn)		
Do	Van Dyke Associates, Inc (For:Boston Company)	1,500.00	75.00
Do	Van Dyke Associates, Inc (For:USF&G Corp)		
Audrey Schumacher Turner, 1333 New Hampshire Ave., NW, #700 Washington, DC 20036	Cadwalader Wickersham & Taft (For:Loyens & Volkmaars)		
Do	Cadwalader Wickersham & Taft (For:New Tech Snacks, Inc)		
Brian Turner, 815 16th Street, NW Washington, DC 20006	Industrial Union Department, AFL-CIO	8,335.50	
J. Terry Turner, 2200 Mill Road Alexandria, VA 22314	Interstate Truckload Carriers Conference	500.00	150.00
Jane L. Turner, 1920 N Street, NW Washington, DC 20036	American Mining Congress		
John M. Turner, 1875 Eye St., NW, #400 Washington, DC 20006	Georgia-Pacific Corp	2,200.00	
William F. Turner, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters		
Turner Broadcasting System, Inc, 111 Massachusetts Ave., N.W. Third Floor Washington, DC 20001		13,620.00	13,620.00
Richard F. Turney, 1725 K St., NW, #710 Washington, DC 20006	Courtney McCamant & Turney	300.00	
S. Diane Turpin, 1100 17th St., NW, #1203 Washington, DC 20036	Financial Executives Institute		
St. Clair J. Tweedie, Suite 220 1575 Eye Street, NW Washington, DC 20005	American Cyanamid Co	15,000.00	
John R. Tydings, 1129 20th Street, NW Washington, DC 20036	Greater Washington Board of Trade		
U.S. Cane Sugar Refiners' Assn, 1001 Connecticut Ave., NW Washington, DC 20036			843.75
U.S. Defense Committee, 450 Maple Avenue, E., #204 Vienna, VA 22180		6,975.28	6,975.28
U.S. League of Savings Institutions, 111 E. Wacker Dr. Chicago, IL 60601			191,807.93
U.S. Public Interest Research Group, 215 Pennsylvania Avenue Washington, DC 20003		81,960.76	73,421.56
U.S. Recreational Ski Association, P.O. Box 15486 Santa Ana, CA 92705-0486			
Gilman Udell, 1750 New York Avenue, NW Washington, DC 20006	International Assn of Fire Fighters	6,000.00	
Jerry G. Udell, 1616 H St., NW Washington, DC 20006	American Retail Federation	250.00	120.00
Kenji Ueno, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc		
Robert D. Umphrey Jr., 919 18th St., NW, #700 Washington, DC 20006	Hoechst Celanese Corp	3,000.00	257.62
Unifi, Inc, P.O. Box 19109 Greensboro, NC 27419			
United Brotherhood of Carpenters & Joiners of America, 101 Constitution Ave., NW Washington, DC 20001			30,192.41
United International Consultants, 1800 Diagonal Road Alexandria, VA 22314	Republic of South Africa	90,000.00	24,999.00
United Services Automobile Assn, P.O. Box 4525 Reston, VA 22090-1489			
John M. Urbanchuk, 1250 Connecticut Ave., NW, #600 Washington, DC 20036	Government Research Corp	8,750.00	
Utility Nuclear Waste Management Group, c/o Edison Electric Institute 1111 19th St., NW Washington, DC 20036			
Grayce K. Uyehara, 1730 Rhode Island Avenue, NW, #204 Washington, DC 20036	Japanese American Citizens League Legislative Education Comm	2,058.00	93.00
Robert E. Vagley, 1130 Connecticut Avenue, NW, #1000 Washington, DC 20036	American Insurance Assn		
Anthony Valanzano, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc	6,000.00	339.88
Jack J. Valenti, 1600 Eye St., NW Washington, DC 20006	Motion Picture Assn of America, Inc	700.00	
R. Thomas Van Arsdall, 50 F Street, NW, #900 Washington, DC 20001	National Council of Farmer Cooperatives	920.00	
Van Dyk Associates, Inc, 1250 24th St.,N.W. Suite 600 Washington, DC 20037	Boston Company	12,000.00	1,500.00
Do	USF&G Corp		
Van Fleet Associates, Inc, 499 South Capitol St., SW, #520 Washington, DC 20003	Cadillac Gage Co	12,939.00	
Do	Cincinnati Electronics	3,300.00	
Do	Cypress International, Inc	6,000.00	
Do	Ford Aerospace	2,200.00	
Do	Harsco Corp	30,249.00	9,232.29
Do	Magnavox Government and Industrial Electronics, Co	15,000.00	6,249.00
Henry B. Van Gieson, 1700 North Moore St., 2120 Arlington, VA 22209	Boeing Company	1,751.50	630.66
Matthew Van Hook, 1250 Connecticut Avenue, NW Washington, DC 20036	American Paper Institute, Inc		
Burkett Van Kirk, 1747 Pennsylvania Ave., NW, #1000 Washington, DC 20006	INTERARMS		
Nick L. Van Nelson, Suite 540 1875 Eye Street, NW Washington, DC 20006	Champion International Corp		
Van Ness Feldman Sutcliffe & Curtis, P.C., 1050 Thomas Jefferson St., NW, 7th Floor Washington, DC 20007	Alaska Eskimo Whaling Commission		
Do	American Inst of Certified Public Accountants	684.00	
Do	American President Lines	627.00	
Do	Arctic Slope Regional Corp	4,350.00	25.00
Do	Bumble Bee Seafoods, Inc	1,107.00	
Do	BRAE Corporation		
Do	Clean Coal Technology Coalition		
Do	Coal Waste to Energy Coalition	500.00	
Do	Coalition for Electric Vehicle Development		
Do	Collier Company	4,306.00	
Do	Committee of Hydroelectric Dam Owners	170.00	
Do	Consumers United for Rail Equity (C.U.R.E.)	7,125.00	8.00
Do	Edison Electric Institute		
Do	Fidelity Management & Research Co	1,937.00	
Do	Geothermal Resources Assn	950.00	4.00
Do	Hawaiian Electric Company, Inc		
Do	Larry Latham Auctioneers	895.00	
Do	LUZ International Ltd	670.00	87.02
Do	Malacha Power Project, Inc	373.00	
Do	National Hydropower Assn	425.00	8.00
Do	Postal Square Associates		
Do	Uranium Producers of America	1,330.00	32.00
Do	Wagner & Brown	921.00	
John A. Vance, 1726 M St., NW, #1100 Washington, DC 20036-4502	Pacific Gas & Electric Co	5,844.00	20.16
Norman C. VanderNoot, New Hampshire Petroleum Council 23 School Street Concord, NH 03301	American Petroleum Institute	84.00	
Variable Annuity Life Insurance Co, 2929 Allen Parkway Houston, TX 77019			18,988.05
Theresa Varner, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	619.23	
George F. Vary, 1667 K St., NW, #650 Washington, DC 20006	Armco, Inc	200.00	430.98
Donald R. Vaughan, P.O. Box 2909 Asheboro, NC 27203	Stedman Corporation		
Nicholas A. Veliotes, 2005 Massachusetts Avenue, NW Washington, DC 20036	Association of American Publishers		
Robert J. Verdisco, 1901 Pennsylvania Avenue, NW, #200 Washington, DC 20006	International Mass Retail Assn	5,000.00	100.00
William P. Verdon, 1627 K Street, NW, #1200 Washington, DC 20006	United Shipowners of America	12,500.00	1.97
Jerry T. Verkler, 1660 L Street, NW, #601 Washington, DC 20036	Interstate Natural Gas Assn of America	6,250.00	191.60
Frank Verrastro, 1155 15th Street, NW, #600 Washington, DC 20005	Pennzoil Co	1,084.50	
Verstandig & Associates, Inc, 1455 Pennsylvania Avenue, NW, #1180 Washington, DC 20004	Gold & Liebengood, Inc	12,000.00	
David Vienna & Associates, 401 Wythe Street ,#2A Alexandria, VA 22314	California Public Employee' Retirement System	18,136.50	
Do	International Assn of Amusement Parks & Attractions		
Do	Pacific Stock Exchange, Inc	7,627.75	
Do	State Board of Equalization (Calif)	9,825.00	
Ralph Vinovich, 1875 Eye Street, NW, #800 Washington, DC 20006	Tobacco Institute	1,000.00	212.61
Vinson & Elkins, 1455 Pennsylvania Ave., NW, #800 Washington, DC 20004-1007	American Airlines, Inc	5,715.00	128.36
Do	Bank Tax Group		
Do	Bear Stearns & Co		
Do	Dunigan Enterprises	387.50	
Do	Enserch Corporation		
Do	Federal Express Corp	11,068.75	88.11
Do	Fidelity Management & Research Co		
Do	Goldman Sachs & Co		
Do	John Hancock Mutual Life Insurance Co		
Do	Merrill Lynch & Co, Inc		
Do	Pennzoil Co	340.00	8.00
Do	Provident Life & Accident Insurance Co		
Do	Public Service Co of New Mexico	973.75	
Do	Salomon Brothers, Inc	185.00	
Do	Southern California Edison Co	205.00	7.00
Do	Southern Star Shipping Co, Inc		
Do	Travelers Insurance Co		
Do	Warner-Lambert Co		
Do	Winn-Dixie Stores, Inc		
Walter D. Vinyard Jr., Zuckert, Scoutt, Rasenberger & Johnson 888 17th St., NW, 7th Fl. Washington, DC 20006	Continental Insurance Companies	15.00	
Do	National Fraternal Congress of America	24.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Virginia Association of Railway Patrons, P.O. box 867 Richmond, VA 23207			76.88
George A. Viverette Jr., 8111 Gatehouse Road Falls Church, VA 22047	American Automobile Assn.		
Jesse S. Vogtle, 600 North 18th Street Birmingham, AL 35291	Alabama Power Co.	49,000.00	1,345.06
Nick J. Volcheff, 7325 Del Norte Drive Scottsdale, AZ 85258	AT&T		
Volkswagen of America, Inc, 490 L'Enfant Plaza, SW, #7204 Washington, DC 20024			450.00
Douglas K. Vollmer, 801 18th St., NW Washington, DC 20006	Paralyzed Veterans of America	14,020.74	
Ian D. Volner, 1333 New Hampshire Ave., NW, #600 Washington, DC 20036	National Assn of Trade & Technical Schools	1,250.00	
Volpe Boskey & Lyons, 918 16th Street, NW, #602 Washington, DC 20006	American Assn of Equipment Lessors		
Voluntary Hospitals of America, Inc, 1150 Connecticut Ave., NW, #800 Washington, DC 20036			11,408.00
Vorys Sater Seymour & Pease, 1828 L Street, NW, #1111 Washington, DC 20036	Grocery Manufacturers of America, Inc		
Frank J. Voyack, 1750 New York Ave., NW Washington, DC 20006	International Assn of Bridge Struct & Ornamental Iron Wkrs	9,983.15	209.83
John A. Vuono, Vuono Lavelle & Gray 2310 Grant Building Pittsburg, PA 15219	Procompetitive Rail Steering Committee	10,115.00	
Rex B. Wackerle, 1000 Wilson Blvd., #2300 Arlington, VA 22209	Northrop Corp		
Sadami Wada, 9 West 57th Street New York, NY 10019	Sony Corp of America		
Robert J. Wade, 1850 M Street, NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc		
Wagner Hines & Avary, Inc, 1615 L Street, NW Washington, DC 20036	Association of Business Publishers		
Do	Charter Federal Savings & Loan Assn	4,500.00	1,123.60
Do	Kabumoto & Malany	2,112.50	361.50
Do	National Beer Wholesalers of America	17,475.00	4,004.49
Do	National Debt Repayment Foundation		
Do	New MediCo Associates, Inc		
Do	Rainbow Navigation, Inc.	14,025.00	2,917.33
Howard W. Wahl, 10501 Bit and Spur Lane Potomac, MD 20854	Bechtel Group, Inc		
Frederick P. Waite, 1333 New Hampshire Ave., NW Washington, DC 20036	American Wire Producers Assn		
Do	Loyens & Volkmaars		
Do	New Tech Snacks, Inc		
Herbert R. Waite, 100 Federal Street Boston, MA 02110	Bank of Boston Corporation		
Do	First National Bank of Boston	11,700.00	10,009.26
Susan Stephenson Walden, 1667 K St., NW, #410 Washington, DC 20006	Johnson & Johnson	1,000.00	225.00
Angela S. Waldorf, N.C. Petroleum Council P.O. Box 167 Raleigh, NC 27602	American Petroleum Institute		
Robert E. Waldron, Associated Petroleum Industries of Michi 930 Michigan Natl Tower, PO Box 10070 Lansing, MI 48901	American Petroleum Institute	920.00	
Jean A. Walker, 122 C Street, NW, #200 Washington, DC 20001	Council of State Chambers of Commerce		
Robert Joseph Walker, 1909 K St., NW Washington, DC 20049	American Assn of Retired Persons	316.61	
Charls E. Walker Associates, Inc, 1730 Pennsylvania Ave., NW Washington, DC 20006	Aluminum Company of America	750.00	
Do	American Petroleum Instittute		
Do	American Telephone & Telegraph Co.	750.00	
Do	Anheuser-Busch Companies, Inc.	4,500.00	
Do	Bank Capital Markets Assn.	8,750.00	
Do	Broadcast Music, Inc.		
Do	Burlington Northern, Inc		
Do	Champion International Corp	750.00	
Do	Coalition to Preserve Group Workers' Compensation Funds		
Do	Consolidated Gold Fields PLC		
Do	CBS Records Group	3,750.00	
Do	CBS, Inc		
Do	CSX Corporation	500.00	
Do	Dresser Industries, Inc	750.00	
Do	Enron Corp	750.00	
Do	First Texas Savings & Loan		
Do	Ford Motor Co	750.00	
Do	Goodyear Tire & Rubber Co	750.00	
Do	International Paper Co	375.00	
Do	Lone Star Technologies, Inc		
Do	National Assn of Small Business Investment Cos	5,000.00	
Do	Northville Industries Corp	1,500.00	
Do	Northwestern Mutual Life Insurance Co.	3,750.00	
Do	Oppenheimer & Co, Inc		
Do	Owens-Illinois		
Do	Phlcorp, Inc	937.50	
Do	Quanex Corp	1,500.00	
Do	Sea-Land Corporation	6,250.00	
Do	Shearson Lehman Hutton, Inc		
Do	Southern Company Services, Inc	9,375.00	
Do	Texas Ozone Task Force	750.00	
Do	U.S. Fidelity & Guaranty Co.	6,000.00	
Do	Union Carbide Corp	750.00	
Do	University of Alabama System	5,250.00	
Do	Vulcan Materials Co	750.00	
Do	Weil Gotshal & Manges		
Do	Weyerhaeuser Company	2,000.00	
R. Duffy Wall & Associates, Inc, 1317 F Street, NW, #400 Washington, DC 20004	Ad Hoc Comm on Coal Taxation	1,500.00	
Do	Bell Atlantic Corp	500.00	
Do	Brinks, Inc	1,000.00	
Do	California Federal Savings & Loan Assn	1,000.00	
Do	Cantor Fitzgerald & Co, Inc	600.00	
Do	Footwear Retailers of America	1,500.00	
Do	Hong Kong Trade Development Council	1,500.00	
Do	Life of Virginia	1,000.00	
Do	National Assn of Temporary Services, Inc	1,000.00	
Do	New York State Bankers Assn	1,500.00	
Do	Pharmaceutical Manufacturers Assn	1,500.00	
Do	Securities Industry Assn	500.00	
Do	Sullivan & Cromwell	750.00	
Do	Torchmark Corporation	1,000.00	
Henry Scott Wallace, 1110 Vermont Ave., NW, #1150 Washington, DC 20005	National Assn of Criminal Defense Lawyers	11,250.00	50.00
Raymond C. Wallace, 5025 Wisconsin Avenue, NW Washington, DC 20016	Amalgamated Transit Union, AFL-CIO		
Wallace & Edwards, 1150 Connecticut Ave., NW, #507 Washington, DC 20036	Alabama Farmers Federation	1,500.00	
Do	American Society of Farm Managers and Rural Appraisers	833.00	
Do	American Sugar Cane League	4,375.00	
Do	Amstar Corp	3,750.00	
Do	Cotton Warehouse Assn of America	4,550.00	
Do	Federal Compress & Warehouse Co		
Do	Fiber Fabric & Apparel Coalition for Trade	6,250.00	
Do	Flue-Cured Tobacco Cooperative Stabilization Corp	2,500.00	
Do	Merchants Grain & Transportation, Inc	2,500.00	
Do	Service Corporation International	1,875.00	
Lionel L. Wallenrod, 260 Madison Ave. New York, NY 10016	American Paper Institute, Inc		
Anne Marie Walsh, 1025 Connecticut Ave, NW Washington, DC 20036	Health Insurance Assn of America, Inc		
James P. Walsh, Davis Wright & Jones 1752 N St., NW, #800 Washington, DC 20036	American Tunaboat Assn	9,000.00	
Richard J. Walsh, 6770 Lake Ellanor Drive Orlando, FL 32859-3330	General Mills Restaurants, Inc	725.00	255.66
Samuel J. Walsh, 1608 K Street, NW Washington, DC 20006	American Legion		
William C. Walsh, 215 Pennsylvania Ave., SE Washington, DC 20003	U.S. Public Interest Research Group	3,874.43	
Henry L. Walther, 450 Maple Avenue, E., #204 Vienna, VA 22180	U.S. Defense Committee	3,000.00	
John C. Walton, 2300 N St., NW, #600 Washington, DC 20005	Emhart Corp	4,166.66	
Do	General Dynamics Corp	8,333.32	350.50
Do	General Electric Co.	6,000.00	103.16
Do	Martin Marietta Corp	8,100.00	284.78
Do	Morton Thiokol, Inc	6,300.00	144.45
Do	Stone & Webster Engineering Corp	9,600.00	
Do	Textron, Inc	9,999.99	2,639.87
Bonnie B. Wan, 1201 Pennsylvania Avenue, #730 Washington, DC 20004	Kimberly-Clark Corp		
John F. Wanamaker, 201 N. Washington, St. Alexandria, VA 22314	Retired Officers Assn	2,720.00	
Alan S. Ward, 1050 Connecticut Ave., NW, #1100 Washington, DC 20036	Baker & Hostetler (For:Soap & Detergent Assn)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Justin R. Ward, 1350 New York Avenue, NW, #300 Washington, DC 20005	Natural Resources Defense Council, Inc.		
Richard D. Warden, 1757 N St., NW Washington, DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	22,295.55	303.00
Jack Ware, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	6,673.00	178.53
Michael O. Ware, 1701 Pennsylvania Ave., NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co	2,500.00	
Jenifer Warkenthien, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc.	2,500.00	
Peter F. Warker, Suite 2700 1000 Wilson Boulevard Arlington, VA 22209	TRW, Inc	1,250.00	
Ann D. Warner, 1513 16th St., NW Washington, DC 20036	Air Conditioning Contractors of America	1,250.00	
Ernest R. Warner Jr., 1818 N St., NW Washington, DC 20036	DGA International, Inc (For:Dir Intl Aff of the Gen Del for Armements)		
Do	DGA International, Inc (For:Sofreavia)		
Do	DGA International, Inc (For:SNECMA)		
William H. Warner, 1201 Pennsylvania Avenue, NW, #370 Washington, DC 20004	Control Data Corporation	71.50	104.12
Christine M. Warnke, 1801 K Street, NW, #900 Washington, DC 20006	American Textile Manufacturers Institute, Inc.	400.00	229.00
Barbara J. Washburn, 1201 Pennsylvania Avenue, NW, #370 Washington, DC 20004	Control Data Corporation	365.50	18.85
Washington Independent Writers, Inc, 733 15th St., NW, #220 Washington, DC 20005			
Washington Lobby Group, Inc, 325 Pennsylvania Ave., SE Washington, DC 20003	Preston Corp.	9,000.00	
Koichi Watanabe, 1850 M St., NW, #600 Washington, DC 20036	Toyota Motor Sales, USA, Inc		
Waterbed Manufacturers Assn, 2500 Wilshire Boulevard, #603 Los Angeles, CA 90057			
Millie Waterman, 5256 Corduroy Road Mentor, OH 44060	National Congress of Parents & Teachers		1,270.37
Jerry B. Waters, 777 14th Street, NW, #680 Washington, DC 20005	Farmland Industries, Inc.	2,400.00	
Austen W. Watson, 1725 Jefferson Davis Hwy., #701 Arlington, VA 22202	Singer Co.	540.00	2,122.22
Clarke R. Watson, 1111 Ash Street Denver, CO 80220	Westland Companies, Inc.		
John L. Watson III, One World Trade Center, #4511 New York, NY 10048	National Security Traders Assn, Inc.	5,375.00	
Leroy Watson, 1616 H Street, NW Washington, DC 20006	National Grange	4,875.00	
Carl E. Watt Jr., 1745 Jefferson Davis Hwy, #1200 Arlington, VA 22202	Rockwell International Corp	9,250.00	307.79
Carolyn Herr Watts, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	50.00	
Douglas R. Watts, 1724 Massachusetts Avenue, NW Washington, DC 20036	National Cable Television Assn, Inc	1,521.00	
George B. Watts, 1155 15th St., NW, #614 Washington, DC 20005	National Broiler Council	1,500.00	
Norman E. Watts Jr., RR 1, Box 854 Woodstock, VT 05091	Grocery Manufacturers of America, Inc		
Bruce H. Watzman, 1130 17th Street, N.w. Washington, DC 20036	National Coal Assn	6,660.00	146.41
William H. Weatherspoon, North Carolina Petroleum Council PO Box 167 Raleigh, NC 27602	American Petroleum Institute		
A. Vernon Weaver, 114 East Capitol Ave. Little Rock, AR 72201	Stephens Inc.		
Charles R. Weaver, 8990 Springbrook Dr., #250 Coon Rapids, MN 55316	Larkin Hoffman Daly & Lindgren (For:Reese Communications)		
James M. Webb, 801 North 11th Street St. Louis, MO 63101	Svendrup Corp (For:Jacksonville Transportation Authority)		
Andrew H. Webber, 440 First Street, NW, #510 Washington, DC 20001	American Medical Peer Review Assn		
Frederick L. Webber, 1101 16th Street, NW Washington, DC 20036	National Soft Drink Assn		
Peter K. Weber, 801 Pennsylvania Ave., SE Washington, DC 20003	National Audubon Society	4,899.00	20.00
Webster & Sheffield, 2000 Pennsylvania Ave., NW, #7400 Washington, DC 20006	Asarco Corporation		
Do	Liggett Group, Inc.		
Do	Mazda Motor Manufacturing (USA) Corp		
Do	Pipe Tobacco Council	300.00	10.00
Webster Chamberlain & Bean, 1747 Pennsylvania Ave., NW, #1000 Washington, DC 20006	Beer Industry Alliance		
Do	Better Working Environments, Inc		
Do	Diagnostic Retrieval Systems, Inc		
Do	International Taxicab Assn		
Do	Miller Brewing Co	900.00	185.00
Do	Waterbed Manufacturers Assn		
Lee J. Weddig, Suite 580 2000 M St., NW Washington, DC 20036	National Fisheries Institute	4,000.00	
Wegman & Hoff, 1701 Pennsylvania Ave., NW, #1000 Washington, DC 20006	American Business Conference		
Do	Canadian Embassy	2,250.00	
Do	City of Kenosha, Wisconsin	4,500.00	
Do	Department of Natural Resources, Province of Manitoba		
Do	J&B Management Company	3,250.00	
Do	Ministry of the Environment	3,750.00	
Do	Taurus International Manufacturing, Inc		
Do	VMS Realty		
Theodore F. Weihe, 1800 Massachusetts Avenue, NW 3rd Floor Washington, DC 20036	U.S. Overseas Cooperative Development Committee	2,812.00	
Fred B. Weil, One California Street San Fransisco, CA 94111-5482	Broad Schulz Larson & Wineberg (For:De La Salle Institute)	28,937.00	121.11
Weil & Howe, Inc, Two Central Plaza Augusta, ME 04330	Champlain Pipeline Co	5,021.20	4,871.20
Weil Gotshal & Manges, 1615 L Street, NW, #700 Washington, DC 20036	Chevron Corp		
Do	Marine Shale Processors, Inc	2,500.00	50.00
Do	TIME, Inc		
Suzanne E. Weiland, 1133 15th Street, NW, #640 Washington, DC 20005	American Logistics Assn		68.60
Steven A. Wein, 1090 Vermont Avenue, NW, #1100 Washington, DC 20005	Textron, Inc	600.00	150.00
Mark Weinberg, 1815 H St., NW, #600 Washington, DC 20006	Mark B. Weinberg, P.C. (For:Coalition for a Free Marketplace of Ideas)		
Weinberg & Jacobs, 1815 H Street, NW, #600 Washington, DC 20006	Coalition for a Free Marketplace of Ideas		
Weiner McCaffrey Brodsky & Kaplan, P.C., 1350 New York Ave., NW, #800 Washington, DC 20005	National Manufactured Housing Finance Assn		
Donald G. Weinert, 1420 King St. Alexandria, VA 22314-2715	National Society of Professional Engineers	1,500.00	
Arthur E. Weisberg, 2200 First Bank Place East Minneapolis, MN 55402	Dorsey & Whitney		
Arthur A. Weiss, 1800 First National Building Detroit, MI 48226	Jaffe Snider Raitt & Heuer, P.C.		
David Weiss, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	1,250.00	744.36
Bryant L. Welch, 1200 17th St., NW, Suite 106 Washington, DC 20036	American Psychological Assn	3,750.00	20.00
Don Welch, P.O. Box 841 Abilene, TX 79604	West Texas Utilities Co		
John F. Welch, 655 15th Street, NW, #1200 Washington, DC 20005	Safe Buildings Alliance		
Kathleen Welch, 215 Pennsylvania Ave., SE Washington, DC 20003	U.S. Public Interest Research Group	1,600.56	
Jerry Welcome, 1700 N. Moore Street, #1600 Arlington, VA 22209	American Meat Institute	2,000.00	
John T. Weller, 1776 Eve St., NE, #1000 Washington, DC 20006	BP America, Inc		
Paul S. Weller Jr., 1629 K St., NW, #1100 Washington, DC 20006	Old Republic Companies	3,000.00	26.80
L. H. Wells, Suite 200 1025 Connecticut Avenue, NW Washington, DC 20036	Shell Oil Co	500.00	
Wendorf & Associates, Inc, 53 D Street, SE Washington, DC 20003	Central & South West Services, Inc	5,172.00	
Thomas F. Wenning, 1825 Samuel Morse Dr. Reston, VA 22090	National Grocers Assn		
Fred Wertheimer, 2030 M St., NW Washington, DC 20036	Common Cause	18,136.52	216.00
Roland Wesley, 1159 Quail Run Bolingbrook, IL 60439	Committee for Minor. Access to Post Second. School Ownership		
Charles M. West, 205 Daingerfield Road Alexandria, VA 22314	National Assn of Retail Druggists	1,500.00	300.00
Ford B. West, 501 Second Street, NE Washington, DC 20002	Fertilizer Institute	25,000.00	942.50
G. Franklin West, 1530 North Key Blvd., #122 Arlington, VA 22209	Church Alliance	4,000.00	
West Mexico Vegetable Distributors Assn, P.O. Box 848 Nogales, AZ 85621			1,000.00
J. C. West, P.C., 1511 K Street, NW, #1100 Washington, DC 20005	City of Detroit	37,787.24	16,304.24
Western Coal Traffic League, 1224 17th St., NW Washington, DC 20036		3,500.00	3,500.00
John F. Wetzel Jr., 50 F St., NW Washington, DC 20001	Association of American Railroads	321.25	167.41
William Wewer, 7201 Wisconsin Ave., Suite 705 Bethesda, MD 20814	National Comm to Preserve Social Security	3,750.00	
Wexler Reynolds Harrison & Schule, Inc, 1317 F Street, NW, #600 Washington, DC 20004	Aetna Life & Casualty		
Do	Allied-Signal, Inc		
Do	American Airlines, Inc	519.68	9.90
Do	American Institute for Foreign Study Scholarship Foundation	4,270.73	88.50
Do	American International Manufacturing Corp		
Do	Americans For Safe & Competitive Trucking		9.90
Do	ARCO		
Do	Bank Capital Markets Assn		
Do	Blue Cross & Blue Shield Assn		
Do	Communications Satellite Corp	6,806.22	
Do	Consortium of State Maritime Schools		140.32
Do	Coopers & Lybrand	3,312.50	27.95
Do	Ethigen Corp		
Do	Foothills Pipe Lines (Yukon) Ltd	1,908.86	10.00
Do	General Motors Corp		
Do	Gulf South Engineers, Inc		
Do	Health Policy Agenda for the American People		
Do	Hughes Aircraft Company	350.00	208.79
Do	Manhattan Building Companies, Inc		
Do	Manville Corporation		
Do	Massachusetts Maritime Academy		3.00
Do	Monarch Capitol Corp	575.00	14.85
Do	Motion Picture Assn of America, Inc	1,126.21	106.60

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Mullen Advertising	100.00	4.95
Do	MCI Communications Corp	6,752.73	41.40
Do	Natioanl Assn of Social Workers		
Do	National Assn of Business Political Action Committees		
Do	National Gypsum Co	2,570.26	18.00
Do	New England Electric System		6.00
Do	New England Fisheries Development Foundation, Inc		
Do	Nova, An Alberta Corp		
Do	Novacor Chemicals, Ltd		
Do	Oceanic Institute		6.00
Do	Paul Weiss Rifkind Wharton & Garrison	4,017.53	44.55
Do	Radio Assn Defending Airwave Rights, Inc	1,533.10	10.95
Do	Regional Planning Commission		
Do	Schaefer & Associates		
Do	Spanish International Communications Corp		
Do	Springs Industries, Inc		
Do	Training Media Distributors Assn	150.00	
Do	Viacom International, Inc		
Do	Woods Hold Oceanographic Institution	325.00	129.16
Brian B. Whalen Jr., 401 N. Michigan Ave. Chicago, IL 60611	Navistar International Transportation Corp	1,250.00	21.99
Curtis E. Whalen, 555 13th Street, NW, Suite 430W Washington, DC 20024	Transco Energy Company	5,000.00	4,680.28
Ellan Wharton, 1701 Pennsylvania Avenue, NW, #900 Washington, DC 20006	E. I. du Pont de Nemours & Co		
Leonard P. Wheat, 1111 14th St., NW, #1200 Washington, DC 20005	American Dental Assn	1,000.00	
Clyde A. Wheeler Jr., Bishop Cook Purcell & Reynolds 1400 L Street, NW Washington, DC 20005	American Petroleum Institute	2,500.00	
June M. Whelan, 400 Madison Street, NW Alexandria, VA 22314	Van Ness Feldman... (for Uranium Producers of America)	1,500.00	
John C. Whitaker, 2021 L Street, NW, #320 Washington, DC 20036-4909	Union Camp Corporation	1,386.00	14.50
Deborah A. White, 1333 New Hampshire Ave., NW Washington, DC 20036	Atlantic Richfield Co	62.70	
George E. White Jr., P.O. Box 61000 New Orleans, LA 70161	MSU System Services, Inc	1,754.64	189.74
John C. White, 1899 L Street, NW, #500 Washington, DC 20036	Camp Barsh Bates & Tate	6,500.00	
Do	Chicago Mercantile Exchange	4,166.00	
Do	Coastal Corp	12,500.00	
Do	Comtran, Ltd		
Do	Louis Dreyfus Corp		
Do	Tobacco Institute	5,700.00	
John Thomas White II, Suite 2202 490 L'Enfant Plaza East, SW Washington, DC 20024	Tenneco, Inc		
Larry White, 1909 K St., NW Washington, DC 20049	American Assn of Retired Persons	568.07	82.80
Leland J. White, 1825 K St., NW, #218 Washington, DC 20006	American Soc of Mechanical Engineers		
Margita E. White, 1730 M Street, NW, #713 Washington, DC 20036	Association of Maximum Service Telecasters, Inc	474.00	
Raymon M. White Jr., 5501 Seminary Road, Apt. 2211-South Falls Church, VA 22041	Harris Corporation	3,500.00	4,526.16
Richard H. White, 1875 I Street, NW, #800 Washington, DC 20006	Tobacco Institute	600.00	99.84
Sam White, 412 First St., SE, #40 Washington, DC 20003	American Beekeeping Federation	1,500.00	
Do	Concerned Shrimpers of America	4,500.00	
Do	Friends of the Show Horse		
Do	Independent Cattlemen's Assn		
Do	National Agricultural Chemicals Assn	15,000.00	
Do	National Peanut Growers Group	6,000.00	
Do	Sam Kane Packing		
Steven C. White, 10801 Rockville Pike Rockville, MD 20852	American Speech-Language-Hearing Assn		
Toni D. White, 1745 Jefferson Davis Highway, #605 Arlington, VA 22202	Texas Instruments		
William R. White, Kaplan, Russin & Vecchi 1215 17th Street, NW Washington, DC 20036	Caribbean Trade and Apparel Coalition (C-TAC)		
Do	Edison Electric Institute	1,920.30	
White & Associates, 412 First St., SE, #40 Washington, DC 20003	Golf Course Superintendents Assn of America	2,500.00	
Josiah R. Whitehead, 3030 Cornwallis Road Research Triangle Park, NC 27709	Burroughs Wellcome Co		
James A. Whitman, P.O. Box 1417-D49 Alexandria, VA 22313	National Assn of Chain Drug Stores, Inc	500.00	
William F. Whitsitt, 555 13th St., NW, #1010 East Washington, DC 20004-1109	Sun Co, Inc	1,000.00	266.22
Pamela J. Whitted, 1700 K St., NW, #502 Washington, DC 20006	Pacific Resources, Inc	500.00	
William E. Wickert Jr., 1000 16th Street, NW, #800 Washington, DC 20036	Bethlehem Steel Corp	150.00	
Wickham & Associates, 2300 N St., NW, #600 Washington, DC 20037	Reliance Group Holdings, Inc & Affiliates, et al		
Wickwire Gavin & Gibbs PC, 1133 21st St., NW, #500 Washington, DC 20036	ANR Venture Management Co	100.00	
Do	Cogeneration & Independent Power Coalition of America, Inc	100.00	
Do	Consolidated Natural Gas Service Co	100.00	
Do	Energy Factors, Inc		
Do	Environmental Power Corp		
Do	Great River Gas Co	100.00	
Do	HYDRO-CO Enterprises, Inc	100.00	
Do	Indeck Energy Services, Inc		
Do	Mercer Companies, Inc		
Do	National Hydropower Assn	100.00	
Do	Natural Gas Vehicle Coalition	100.00	
Do	Racquette Hydro, Ltd		
Do	Solar Turbines, Inc		
Do	Thermo-Electron Crop	100.00	
Do	Tri-Energy Pipeline Co		
Do	TBG Cogen Partners	100.00	
Mary Frances Widner, 1455 Pennsylvania Ave, NW Washington, DC 20004	American Inst of Certified Public Accountants	500.00	10,544.52
Phillip R. Wiedmeyer, 600 North 18th Street Birmingham, AL 35291	Alabama Power Co	18,654.44	13,515.18
Andrew F. Wiessner, Kogovsek & Associates 1801 Broadway #1420 Denver, CO 80202	American Public Land Exchange Co		
Do	Bonneville Pacific Corp	2,929.74	2,929.74
Do	Western Land Exchange Co	1,000.00	
W. Scott Wilber, 1101 Vermont Avenue, NW Washington, DC 20005	American Medical Assn	3,975.00	
Brian Wilcox, 1200 17th Street, NW Washington, DC 20036	American Psychological Assn	4,000.00	245.46
Thomas D. Wilcox, 2011 Eye Street, NW, #601 Washington, DC 20006	National Assn of Stevedores	1,850.00	280.00
Guenther O. Wilhelm, 1899 L Street, NW, #1100 Washington, DC 20036	Exxon Corporation		
Carl B. Wilkerson, 1001 Pennsylvania Ave., NW Washington, DC 20004	American Council of Life Insurance, Inc		
E. John Wilkinson, 1225 19th Street, NW, #300 Washington, DC 20036	Vulcan Materials Co		
Wilkinson Barker Knauer & Quinn, 1735 New York Ave., NW Washington, DC 20006	Bonneville International Corp	2,725.50	
Do	Central States Health & Life Co of Omaha		
Do	Empire Blue Cross & Blue Shield		
Do	Fleet/Norstar Financial Group	27,500.00	307.37
Do	Hobbs Straus Dean & Wilder		
Do	Manville Corporation		
Do	J. C. Penney Co, Inc	57,500.00	1,413.01
Do	Security Pacific National Bank	36,000.00	949.97
Do	Solano Water Authority	2,880.00	
Do	SPC Securities Services Corp	25,000.00	338.02
Wythe Willey, 4040 First Ave,. NE Cedar Rapids, IA 52402	Reese Communications Companies		
Ralph E. Willham, 1750 New York Ave., NW Washington, DC 20006	Sheet Metal Workers International Assn	14,220.00	
Charles C. Williams, P.O. Box 3500 M/S 630 Vancouver, WA 98668	Tektronix, Inc	260.00	1,159.71
Faith Williams, 600 New Hampshire Ave., NW Washington, DC 20037	New York Life Insurance Company	99.50	350.85
Floyd L. Williams, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Lee Williams, 1616 H St., NW Washington, DC 20006	American Retail Federation	900.00	
Leonard B. Williams, 1000 16th Street, NW, #800 Washington, DC 20036	Bethlehem Steel Corp	110.00	
Lucinda L. Williams, 1155 15th Street, NW, #510 Washington, DC 20005	National Medical Enterprises, Inc	4,980.00	
Marcia E. Williams, 1150 Connecticut Avenue, NW, #500 Washington, DC 20036	Browning-Ferris Industries, Inc	688.00	25.00
Merrill Williams, 3701 Connecticut Ave., NW, #802 Washington, DC 20008	Freshwater Press, Inc		
Do	Galactica Biochemical		
Patrick H. Williams, 1722 Eye St., NW, #4040 Washington, DC 20006	Telecommunications Industry Assn	600.00	
Peter Williams, 2030 M St., NW Washington, DC 20036	Common Cause	400.00	
Robert E. Williams, 1707 L Street, NW, #300 Washington, DC 20036-4202	United Airlines, Inc	1,500.00	
David K. Willis, 1620 Eye Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Wayne D. Willis, 1100 17th Street, NW, #1200 Washington, DC 20036	General Atomics	576.97	30.00
Willkie Farr & Gallagher, Three Lafayette Center 1155 21st ST., NW Washington, DC 20036	AOC International, Inc		
Do	ASEAN Federation of Textile Industries (AFTEX)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Companhia Siderurgica Paulista (COSIPA)		
Do	Comptroller of the State of New York	350.00	
Do	Ferro Union		
Do	Japan Iron & Steel Exporters' Assn		
Do	LEGI-SLATE		
Do	National Assn of Independent Fee Appraisers	5,576.75	50.42
Do	Shearson Lehman Hutton	5,576.75	103.71
Do	State of Oregon Treasurer's Office	2,499.00	231.20
Do	Tatung Corp		
Do	Washington Public Power Supply System	17,219.84	68.86
Do	Westinghouse Electric Corp	2,213.75	
Do	Yamaha Motor Co, Ltd, et al	15,111.25	1,010.72
Wilmer Cutler & Pickering, 2445 M Street, NW Washington, DC 20037-1420	American Broadcasting Co, Inc, et al		
Do	American Honda Motor Co, Inc	2,120.00	19.00
Do	American Soc of Composers, Authors & Publishers	3,232.50	12.50
Do	American Textile Manufacturers Industries, Inc		
Do	Apache Corporation		
Do	Capital Cities/ABC, Inc		44.00
Do	Citicorp		
Do	Government of Tibet in Exile		95.00
Do	Handgun Control, Inc		260.19
Do	International Swap Dealers Assn	7,802.50	772.77
Do	National Assn of Broadcasters		
Do	People of Enewetak	250.00	
Do	Viacon International, Inc		16.00
Charles D. Wilson, 1919 South Broadway, Box 19130 Green Bay, WI 54307-9130	Fort Howard Corp	1,538.40	432.84
Dena L. Wilson, Suite 1000 1600 Wilson Blvd. Arlington, VA 22209	American Waterways Operators, Inc	8,000.00	250.17
Denise Wilson, 1250 Eye Street, NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l	500.00	
Don T. Wilson, 1250 I Street, NW, #400 Washington, DC 20005	National Tire Dealers & Retreaders Assn	760.00	25.00
G. Peter Wilson, 249 Maitland Avenue Altamonte Springs, FL 32701-4201	Institute of Internal Auditors, Inc		
Michael J. Wilson, 815 16th St., NW, #310 Washington, DC 20006	Amalgamated Clothing & Textile Workers Union	4,000.00	195.82
Robert Gary Wilson, 1730 Rhode Island Avenue, NW Washington, DC 20036	PPG Industries, Inc	22.50	6.00
William F. Wilson, 231 W. Michigan Street Milwaukee, WI 53201	Wisconsin Electric Power Co	98.00	
John P. Winburn, Winburn Associates, Inc 453 New Jersey Ave., SE Washington, DC 20003	American Assn of Equipment Lessors	22,500.00	
Do	American Automotive Leasing Assn	6,000.00	
Do	Burlington Northern, Inc	15,000.00	
Do	Coalition to Preserve Group Worker's Compensation Funds		
Do	FAG Bearings Corporation	15,000.00	
Do	Gray Communications Systems, Inc		
Do	Green Bay Packaging Co		
Do	The Hartford	15,000.00	
Do	Leggett & Platt	12,000.00	
Do	National Assn of ASCS County Office Employees	3,000.00	
Do	Pennzoil Co	15,000.00	
Do	Quanex Corp	7,500.00	
Do	Rosenberg Real Estate Equity Fund, Inc		
Do	Ruan Transport Corp	27,000.00	
Windels Marx Davies & Ives, 1701 Pennsylvania Avenue, NW Washington, DC 20006	Onkyo Corp		2.00
Eileen M. Winkelman, 2501 M St., NW Washington, DC 20037	Chemical Manufacturers Assn, Inc	500.00	223.00
Joseph B. Winkelmann, 1250 Connecticut Ave., NW, #620 Washington, DC 20036	American Resort & Residential Development Assn		
Kathleen J. Winn, 1155 15th St., NW, #600 Washington, DC 20005-2770	Pennzoil Co	690.00	
Lars Winoy, 1735 New York Avenue, NW Washington, DC 20006	American Institute of Architects	7,000.00	
David A. Winston, 1922 F Street, NW Washington, DC 20006	National Assn of Life Underwriters	656.25	95.00
Winthrop Stimson Putnam & Roberts, II55 Connecticut Ave., NW, #1000 Washington, DC 20036	Alaska Native Coalition		
Do	America West Airlines, Inc	2,970.00	18.00
Do	Amoco Performance Products, Inc		
Do	Bowater, Inc		
Do	Brown & Bain		
Do	BASF Structural Materials, Inc		
Do	BASF, Corp	1,063.75	18.00
Do	Connecticut Liquidity Investment Fund, Inc		
Do	Fiberite Corp		
Do	Fusion Systems Corp		
Do	Hercules Aerospace Co		
Do	Irving Bank Corp		
Do	IBJ Schroder Bank & Trust Co		
Do	National Vehicle Leasing Assn		
Do	Navajo Nation		
Do	Norsk Forsvarsteknologi A/S		
Do	Patrolmen's Benevolent Assn		
Do	QO Chemicals, Inc	277.02	
Do	Thrifty Rent-A-Car System, Inc		157.05
Jim Wise Associates, 1707 Duke St., #300 Alexandria, VA 22314	National Assn of Credit Management		
Walter J. Witek Jr., 777 14th St., NW Washington, DC 20005	National Assn of Realtors		
Christopher J. Witkowski, 2000 P St., NW, #700 Washington, DC 20036	Aviation Consumer Action Project		
Glenn P. Witte, 888 16th St., NW Washington, DC 20006	Milk Industry Foundation/Int'l Ice Cream Assn		
Raymond S. Wittig, 2111 Wilson Blvd, #323 Arlington, VA 22201	American Coastal Industries, Inc	25,000.00	92.30
Sandra W. Wobbe, 1250 Eye Street, NW Washington, DC 20005	Aerospace Industries Assn of America, Inc	5,460.00	94.30
S.R. Wojdak and Associates, Inc, 1401 Walnut St., #1000 Philadelphia, PA 19102	Children's Hospital of Pittsburgh	54,000.00	194.97
Do	Medical College of Pennsylvania	10,000.00	82.15
Do	Mercy Catholic Medical Center	28,500.00	506.04
Do	National Assn of Children's Hospitals & Related Institutions	12,000.00	526.65
Do	National League of Nursing	9,000.00	464.40
Do	St. Christopher's Hospital for Children	67,500.00	154.93
Do	St. Francis Medical Center	3,000.00	81.65
James Wolf, 1925 K St., NW, #206 Washington, DC 20006	Alliance to Save Energy		
James E. Wolf, 2020 14th St., North Arlington, VA 22201	American Standard, Inc	500.00	
Wolf Block Schorr & Solis-Cohen, 12th Floor Packard Building 15th & Chestnut Streets Philadelphia, PA 19102	CIGNA Corporation	3,000.00	458.00
Do	Revlon Group, Inc		
Do	Smith Kline Beckman, Inc		
Megan McGrath Wolfe, 1726 M Street, NW, #300 Washington, DC 20036	Schering-Plough Corp	225.00	333.19
Sidney M. Wolfe, 2000 P St., NW, #708 Washington, DC 20036	Public Citizen Health Research Group	16.33	
Ronald Wolsey, One North Charles St., #1520 Baltimore, MD 21201	Amoco Corporation	1,200.00	165.05
Don Womack, Suite 303 1825 K St., NW Washington, DC 20006	Texas Utilities Services, Inc	3,375.00	107.53
S. Roy Woodall Jr., 1455 Pennsylvania Ave., NW, #1250 Washington, DC 20005	National Assn of Life Companies	1,477.37	2,300.00
G. Kent Woodman, 1818 N Street, NW, #700 Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:AC Transit)	282.62	14.15
Do	Eckert Seamans Cherin & Mellott (For:Burlington Northern, Inc)		
Do	Eckert Seamans Cherin & Mellott (For:Metropolitan Transportation Authority)	1,206.50	3.00
Irvin M. Woods, 500 E Street, SW, #920 Washington, DC 20024	Aircraft Owners & Pilots Assn	10,455.00	1,796.09
George P. Woodward Jr, 1825 Eye St., NW, #400 Washington, DC 20006	Miller Brewing Co	85.00	54.80
Robert W. Woody, 1333 New Hampshire Ave, NW Washington, DC 20036	LeBoeuf Lamb Leiby & MacRae	87.13	
Perry W. Woofter, Suite 530 1800 K St. NW Washington, DC 20006	Tesoro Petroleum Corp	3,000.00	
Edward A. Woolley, Bedford Consultants Building P.O. Box 605 Bedford, NY 10506	Institute of International Container Lessors	1,680.00	
Howard E. Woolley, 1771 N Street, NW Washington, DC 20036	National Assn of Broadcasters	5,000.00	888.00
Noel C. Woosley, 4647 Forbes Boulevard Lanham, MD 20706	AMVETS	6,800.00	
Willard A. Workman, 1615 H Street, NW Washington, DC 20062	U.S. Chamber of Commerce		107.00
Worldwide Information Resources, Ltd, 1717 K Street, NW, #706 Washington, DC 20006	Avon Products, Inc		
Do	Bombardier Corp		
Do	Equitable Life Assurance Society of the U.S		
Do	Toshiba America, Inc		
Do	Toyota Motor Sales, USA, Inc		
Do	Transportation Group, Inc		
W. Robert Worley, 190 St.Clair Drive St.Simmons Island, GA 31522	Southern Company Services, Inc	1,875.00	927.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Owen Wormser, 12942 Oak Lawn Place Herndon, VA 22071	Command & Control Consulting, Inc		
Worthington Associates, 2132 Southbay Lane Reston, VA 22091	HRM		
Joseph T. Wrabek, Box 70 Cascade Locks, OR 97014	Columbia Gorge United		
David L. Wray, 20 North Wacker Drive Chicago, IL 60606	Profit Sharing Council of America		
Alan D. Wright, P.O. Box 94661 Cleveland, OH 44101-4661	Centerior Energy Corp, et al.		
David L. Wright, Anderson Hill Rd. Purchase, NY 10577	Pepsico, Inc		
Kenneth Wu, 1755 Jefferson Davis Highway, #900 Arlington, VA 22202	Gould, Inc	1,500.00	602.28
Wunder & Diefenderfer, 1615 L St., NW, #650 Washington, DC 20036	Airship Industries, Ltd	12,625.00	968.55
Do	Alaska Airlines, Inc	120.00	1.65
Do	Alliance of American Insurers	2,991.00	70.90
Do	Anderson Hibey Nauheim & Blair	508.75	14.52
Do	Association of American Railroads	1,249.95	21.16
Do	BellSouth Corp		
Do	Bohemia Lumber Co		
Do	Dominion Resources		
Do	Duke Power Co		
Do	Enserch Corporation		
Do	Federation of Postal Police Officials	1,481.20	9.04
Do	Food Marketing Institute		
Do	Ford Motor Co	1,175.00	11.48
Do	Genentech	200.00	1.58
Do	General Aviation Manufacturers Association	2,010.00	14.90
Do	Georgia-Pacific Corp	3,367.50	224.10
Do	GTE Corporation		
Do	Hook-SupeRx, Inc		
Do	HDTV 1125/60 Group	11,000.00	115.64
Do	Interlocking Directorate Reform Coalition	1,810.35	42.38
Do	Investment Company Institute	12,500.00	
Do	Koniag	2,125.00	43.64
Do	LTV Corporation	2,400.00	
Do	Metropolitan Insurance Co	10,500.00	416.08
Do	Michigan Consolidated Gas Company	827.50	17.82
Do	Mortgage Guarantee Insurance Corp		
Do	Mutual Life Insurance Co Tax Committee		
Do	National Assn of Temporary Services	3,604.50	193.97
Do	National Cable Television Assn, Inc	12,499.80	474.63
Do	North American Phillips Corp	17,560.80	517.10
Do	Northwestern Mutual Life Insurance Co		
Do	Pennsylvania Higher Education Assistance Agency		
Do	Polaris Industries		
Do	Product Liability Coordinating Committee	22,506.00	423.36
Do	Shared Medical Systems (SMS)	1,600.00	75.15
Do	Sony Corp of America	9,173.50	553.89
Do	Squibb Corp	1,568.50	21.74
Do	State of North Carolina		
Do	Texas Oil & Gas Corp		
Do	Tobacco Industry Labor Management Committee	23,377.38	4,505.31
Do	U.S. Telephone Assn	3,647.00	47.99
Do	Union Labor Life		
Do	1587 Group		
Thomas L. Wylie, 555 13th St., NW, #1010 East Washington, DC 20004-1109	Sun Co, Inc	1,519.00	15.80
Wyman Bautzer Christensen Ruchel & Silbert, 1919 Pennsylvania Avenue, NW, #800 Washington, DC 20006	American Boiler Manufacturers Assn, Inc		
Do	Eklutna, Inc		
Marc D. Yacker, 1250 Connecticut Ave., NW Washington, DC 20036	American Paper Institute, Inc	800.00	
Jill Yacone, Keller and Heckman 1150 17th Street, NW, #1000 Washington, DC 20036	INDA, Assn of the Nonwoven Fabrics Industry		
Deborah K. Yamada, 1020 19th Street, NW, #600 Washington, DC 20036	American Express Co		
T. Albert Yamada, Suite 520 900 17th St., NW Washington, DC 20006	Toyota Motor Sales USA, Inc	500.00	
Do	West Mexico Vegetable Distributors Assn	500.00	
Nancy Foster Yanish, 1750 K Street, NW Washington, DC 20006	Food Marketing Institute	400.00	
Mary J. Yarrington, 2000 K St., NW, 8th Foor Washington, DC 20006	National Comm to Preserve Social Security	3,250.00	
Edward R. Yawn, 1111 19th St., NW Washington, DC 20036	Edison Electric Institute	2,454.55	520.87
Kim Yelton, 8120 Fenton St. Silver Spring, MD 20910	Americans United for Separation of Church and State	8,508.48	67.00
Jack Yelverton, 1303 New Hampshire Ave., NW Washington, DC 20036	Fleet Reserve Assn		
Edward L. Yingling, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn	6,000.00	
Larry E. Yoakam, 650 S. Front Street Columbus, OH 43206	Grange Mutual Casualty Co		
John S. Yodice, 500 E Street, SW, #930 Washington, DC 20024	Yodice Associates (For:Aircraft Owners & Pilots Assn)	396.00	
D. Scott Yohe, 1629 K St., NW, #501 Washington, DC 20006	Delta Air Lines, Inc	390.00	176.80
Andrew Yood, 1220 L Street, NW Washington, DC 20005	American Petroleum Institute	200.00	
Roberta Lynn Youmans, 122 C Street, NW, #875 Washington, DC 20001-2109	National Housing Law Project	2,312.50	
Thomas F. Youngblood, 1201 New York Ave, NW, #600 Washington, DC 20005	American Hotel & Motel Assn	1,983.37	
Betsy Younkins, 1220 L Street, NW, #1200 Washington, DC 20005	American Petroleum Institute	6,000.00	229.49
Eugene A. Yourch, 50 Broadway New York, NY 10004	Federation of American Controlled Shipping	200.00	
Elizabeth Ysla, 1120 Connecticut Ave., NW Washington, DC 20036	American Bankers Assn		
David E. Yudin, 1707 H Street, NW, #500 Washington, DC 20006	Bus Transit Caucus	637.50	
Do	Regional Transportation District	1,750.00	
Michael Zagorac Jr., 8333 Bryan Dairy Rd. P.O. Box 4689 Clearwater, FL 33518	Jack Eckerd Corp		
Lynn Zakupowsky, 1331 Pennsylvania Ave., NW Washington, DC 20004	General Electric Co		
John S. Zapp, 1101 Vermont Ave., NW Washington, DC 20005	American Medical Assn	4,900.00	
Janice Zarro, 555 13th Street, NW, #1050 Washington, DC 20004	Avon Products, Inc		
Thomas K. Zaucha, 1825 Samuel Morse Drive Reston, VA 22090	National Grocers Assn		
Kathy Zebrowski, 1600 Eye St., NW Washington, DC 20006	Motion Picture Assn of America, Inc	706.20	685.68
Vincent Justin Zecca, 315 West Cuthbert Road Westmont, NJ 08108			
Leo C. Zeferetti, 9912 Fort Hamilton Parkway Brooklyn, NY 11209	Building & Construction Trades Dept, AFL-CIO		
Do	New York Telephone		
Do	Sikorsky Aircraft		
Denis R. Zegar, 201 Park Washington Court Falls Church, VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
Geoffrey Zeh, 12050 Woodward Avenue Detroit, MI 48203-3596	Brotherhood of Maintenance of Way Employes		
Philip F. Zeidman, 1401 New York Ave., NW, #900 Washington, DC 20005	American Business Conference, Inc		
Don J. Zeller, 1615 M Street, NW, #200 Washington, DC 20036	Amoco Corporation	1,850.00	207.15
Carl A. Zichella, 214 N. Henry St., #203 Madison, WI 53703	Sierra Club	2,253.33	727.69
Ronald L. Ziegler, P.O. Box 1417-D49 Alexandria, VA 22313	National Assn of Chain Drug Stores, Inc	1,000.00	
Elaine Ziemba, 1515 Wilson Boulevard Arlington, VA 22209	American Gas Assn	12,000.00	1,027.08
Michael J. Zimmer, Wickwire Gavin & Gilbs, P.C. 1133 21st Street, NW, #500 Washington, DC 20036	Consolidated Natural Gas Co		
Kathleen Zimmerman, 1400 16th Street, NW Washington, DC 20036-0001	National Wildlife Federation	192.06	
Ziontz Chestnut Varnell Berley & Slonim, 2121 Fourth Avenue, #1230 Seattle, WA 98121	Makah Indian Tribe		
Gary M. Zizka, 5205 Leesburg Pike, #1600 Falls Church, VA 22041	National Beer Wholesalers Association	1,404.00	557.63
Zuckert Scoutt Rasenberger & Johnson, 888 17th St., NW, #600 Washington, DC 20006-3959	CITGO Petroleum Corp	4,458.25	3,141.58
Zurich-American Insurance Co, 231 Martingale Road Schaumburg, IL 60196		2,860.00	2,860.00
Murray Zweben, 1140 19th St., NW, #600 Washington, DC 20036	Manchester Group, Ltd		
Do	New Hampshire Yankee	125.00	500.00
Do	Romulus Engineering		
Kurt D. Zwikl, 2024 Lehigh Street Allentown, PA 18103	Merchants Bank		
23rd Congressional District Action Comm, 575 Charles St. St. Marys, PA 15857			

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the second calendar quarter of 1988 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings. This page (Page 1) is designed to supply identifying data, and Page 2 deals with financial data.)

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 1036 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19 . . . . . ◆

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

IDENTIFICATION NUMBER ______________________

Is this an Amendment? ☐ YES ☐ NO

NOTE on ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) *"Employee"*.—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) *"Employer"*.—To file as an "employer", write "None" in answer to Item "B".

(*b*) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

NOTE on ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None."

NOTE on ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) description, (*b*) quantity distributed, (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."◆

STATEMENT OF VERIFICATION

[Omitted in printing]

PAGE 1◆

NOTE on ITEM "D."—*(a)* IN GENERAL. The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—§ 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In general.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in connection with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multi-purpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In general.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the space following the number.

Receipts (other than loans)

1. $..............Dues and assessments
2. $..............Gifts of money or anything of value
3. $..............Printed or duplicated matter received as a gift
4. $..............Receipts from sale of printed or duplicated matter
5. $..............Received for services (e.g., salary, fee, etc.)
6. $..............TOTAL for this Quarter (Add "1" through "5")
7. $..............Received during previous Quarters of calendar year
8. $..............TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received—"The term 'contribution' includes a . . . *loan* . . ."—§ 302(a).

9. $..............TOTAL now owed to others on account of loans
10. $..............Borrowed from others during this Quarter
11. $..............Repaid to others during this Quarter

12. $..............“Expense Money” and Reimbursements received this Quarter.

Contributors of $500 or More (from Jan. 1 through this Quarter)

13. Have there been such contributors?
Please answer "yes" or "no": ....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last day of this Quarter, total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* (*"Period"* from Jan. 1 through.............................., 19.......)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE on ITEM "E".—*(a)* IN GENERAL. "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—§ 302 (b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) IN CONNECTION WITH LEGISLATIVE INTERESTS:

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the spaces following the number.

Expenditures (other than loans)

1. $..............Public relations and advertising services
2. $..............Wages, salaries, fees, commissions (other than Item "1")
3. $..............Gifts or contributions made during Quarter
4. $..............Printed or duplicated matter, including distribution cost
5. $..............Office overhead (rent, supplies, utilities, etc.)
6. $..............Telephone and telegraph
7. $..............Travel, food, lodging, and entertainment
8. $..............All other expenditures
9. $..............TOTAL for this Quarter (Add "1" through "8")
10. $..............Expended during previous Quarters of calendar year
11. $..............TOTAL from Jan. 1 through this Quarter (Add "9" and "10")

Loans Made to Others—"The term 'expenditure' includes a . . . *loan* . . ."—§ 302 (b).

12. $..............TOTAL now owed to person filing
13. $..............Lent to others during this Quarter
14. $..............Repayments received during this Quarter

15. *Recipients of Expenditures of $10 or More*__________

If there were no single expenditures of $10 or more, please so indicate by using the word "NONE".

In the case of expenditures made during this Quarter by, or on behalf of, the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Robert J. Aagre, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	45.00	10.00
Paul C. Abenante, 1111 14th St., NW, #300 Washington, DC 20005	American Bakers Assn	1,107.69	6.00
Ablondi & Foster, P.C., 1776 K Street, NW, #606 Washington, DC 20006	Rhone-Poulenc, Inc.	11,781.25	
Do	Taiwan Textile Federation		
Ad Hoc Coalition on International Electric Power Trade, 12800 Shaker Avenue Cleveland, OH 44120-2099			6.37
Kenneth R. Adams, 2211 Congress Street Portland, ME 04122	UNUM Life Insurance Co	500.00	180.00
Air Transport Assn of America, 1709 New York Ave., NW Washington, DC 20006		48,402.98	96,281.39
Nancy C. Alexander, 245 Second Street, NE Washington, DC 20002	Friends Comm on National Legislation	4,715.58	
John D. Allan, c/o Doh Lohnes & Albertson 1255 23rd St., NW Washington, DC 20037	Stelco, Inc.		
Nicholas W. Allard, 1714 Massachusetts Ave., NW Washington, DC 20036	Fox Weinberg & Bennett (For:Wireless Cable Assn, Inc)	257.81	
Alliance for Rail Competition, 1120 G St., NW, #800 Washington, DC 20005		2,500.00	0.70
Jerome A. Ambro Associates, 4734 Timber Ridge Dr. Mountclair, VA 22026	Associated Universities	19,000.00	14,338.14
American Amusement Machine Assn, 205 The Strand Alexandria, VA 22314			
American Apparel Manufacturers Assn, Inc, 2500 Wilson Blvd., #301 Arlington, VA 22201		66,953.91	66,953.91
American Assn for Counseling & Development, 901 East Capitol Street, SE Second Floor Wahington, DC 20003		39,650.00	29,512.00
American Assn for Respiratory Care, 11030 Ables Lane Dallas, TX 75229		7,012.33	19,100.25
American Assn of Airport Executives, 4224 King Street Alexandria, VA 22302		6,663.00	13,865.00
American Assn of Exporters & Importers, 11 West 42nd Street, 30th Fl. New York, NY 10036			3,522.00
American Assn of Museums, 1225 Eye Street, NW, #200 Washington, DC 20005		14,314.00	44,661.44
American Conservative Union, 38 Ivy Street, SE Washington, DC 20003			
American Fed of State County & Municipal Employees, 1625 L St., NW Washington, DC 20036			96,658.54
American Hospital Assn, 50 F Street NW, # 1100 Washington, DC 20001		92,379.36	92,379.36
American Library Assn, 50 E. Huron St. Chicago, IL 60611		293.00	7,749.00
American Medical Student Assn, 1890 Preston White Drive Reston, VA 22091			7,648.35
American Nuclear Energy Council, 410 1st St., SE Washington, DC 20003		516,557.58	112,291.32
American Rivers Conservation Council, 801 Pennsylvania Avenue, SE, #303 Washington, DC 20003-2155		2,097.00	1,659.00
American Soc for Personnel Administration, 606 North Washington Street Alexandria, VA 22314		5,000.00	
American Subcontractors Assn, 1004 Duke St. Alexandria, VA 22314			3,350.00
American Trucking Assns, Inc, 2200 Mill Road Alexandria, VA 22314		10,290.06	68,190.30
Americans for the High Frontier, 2800 Shirlington Road Suite 405A Arlington, VA 22206		70,265.13	68,957.17
Ameriserv, Inc, The Paragon Center 2400 East Commercial Blvd., #500 Fort Lauderdale, FL 33308			
John G. Ams, 1660 L St., NW, #601 Washington, DC 20036	Interstate Natural Gas Assn of America	300.00	
A. Richard Anderson, 300 South Sixth Street Minneapolis, MN 55402	Pillsbury Company		
Scott G. Anderson, 50 F St., NW, #1080 Washington, DC 20001	BN Services Inc.	1,900.00	1,246.46
Anderson Hibey Nauheim & Blair, 1708 New Hampshire Ave., NW Washington, DC 20009	Alamo Rent-A-Car, Inc	16,831.70	2,883.80
Do	American International Group, Inc	792.00	135.87
Do	Amerop Sugar Corporation		
Do	Bay Area Rapid Transit District		
Do	Communication Industries Assn of Japan	3,994.00	271.82
Do	Eco Corporation	1,832.25	137.97
Do	Steven Eggers		
Do	Electronic Industry Assn of Japan	1,752.00	51.69
Do	Enterprise Leasing Co	6,750.00	378.75
Do	Institute for Financial & Fiscal Studies	541.50	148.42
Do	Japan Machine Tool Builders Assn	2,221.90	108.02
Do	Park 'N Fly, Inc	6,000.00	328.25
Do	Project Orbis, Inc	1,689.92	19.93
Do	Riviana Foods, Inc		
Do	Toshiba Corp	9,241.10	290.16
David R. Andrews, Three Embarcadero Center San Francisco, CA 94111	McCutchen Doyle Brown & Enersen (For:Castle & Cooke, Inc)		
Do	McCutchen Doyle Brown & Enersen (For:Rohr Industries, Inc)		
Do	McCutchen Doyle Brown & Enersen (For:Sterling Drug, Inc)		
Lori A. Antolock, 919 Prince St. Alexandria, VA 22314	Keene Shirley & Associates (For:Nicaraguan American National Federation)	1,000.00	
Do	Keene Shirley & Associates (For:Nicaraguan Development Council)	1,000.00	
Arent Fox Kintner Plotkin & Kahn, 1050 Connecticut Ave., NW Washington, DC 20036-5339	Arizona Grape Grower's Assn	967.01	
Do	National Field Selling Assn	180.00	
John A. Armstrong, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Dofasco, Inc		
Tertia R. Armstrong, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.		
Arnold & Porter, 1200 New Hampshire Ave., NW Washington, DC 20036	Amok, Ltd, et al.	800.00	
Do	Earthquake Project		
Do	Japan Fair Trade Center		
Do	National Coordinating Comm for Multiemployer Plans	15,312.00	350.67
Do	Philip Morris Cos, Inc		
Asphalt Roofing Manufacturers Association, 6288 Montrose Road Rockville, MD 20852			
Associated Builders & Contractors, Inc, 729 15th St., NW Washington, DC 20005		15,000.00	
Association for Commuter Transportation, Inc, 1776 Massachusetts Ave., NW, #521 Washington, DC 20036			36.50
Walt Auvil, 6506 Little Falls Road Arlington, VA 22213	National Assn of Social Workers	12,500.00	40.00
Aviation Consumer Action Project, 2000 P Street, NW #700 Washington, DC 20036			
AFL-CIO Maritime Committee, 444 North Capitol Street, #820 Washington, DC 20001		7,270.00	2,821.27
APCO Associates, 1155 21st Street, NW, #1000 Washington, DC 20036	Advanced Center for Technology Training		
Do	American Foreign Service Assn		
Do	Amok, Ltd, et al.	1,018.75	277.19
Do	Asocolflores		
Do	ASEA AB		
Do	Bank of Montreal		
Do	Canadian Meat Council	250.00	
Do	Cemai	62.50	23.40
Do	CEL Educational Resources		
Do	Earthquake Project	2,006.25	
Do	Embassy of Australia	22.50	10.35
Do	Ferroalloys Association		
Do	Japan Fair Trade Center	623.75	
Do	Manitoba Energy Authority		
Do	New Hampshire Yankee	150.00	
Do	Northern California Power Agency		
Do	Profilo Holding A.S.		
Do	Recording Industry Assn of America		
Do	Sacramento Municipal Utility District	115.00	
Do	Tulane University	840.00	
Do	University of California		
Do	Virginia Institute of Marine Science		
Geoffrey Bacino, 805 15th Street, NW, #300 Washington, DC 20005	Credit Union National Assn, Inc		
John P. Bailey, 501 Slaters Lane, #221 Alexandria, VA 22314	National Assn of Medical Equipment Suppliers		
Quinter S. Baker, P.O. Box 8091 Falls Church, VA 22041	Friendship Hill Assn		
Baker & Hostetler, 1050 Connecticut Ave., NW, #1100 Washington, DC 20036	American Resort & Residential Development Assn	2,000.00	150.00
Do	Banc One, Cleveland, NA	1,000.00	100.00
Do	Beverly Investment Properties, Inc		
Do	Blue Cross & Blue Shield of Northern Ohio	2,000.00	250.00
Do	Chubb Group of Insurance Cos	1,000.00	1,000.00
Do	Cleveland Clinic Foundation	1,000.00	1,000.00
Do	Continental Insurance Co	1,000.00	100.00
Do	CIGNA Corp	1,000.00	100.00
Do	CNA Insurance Cos	1,000.00	100.00
Do	Federal Deposit Insurance Corp	5,000.00	500.00
Do	Firemans Fund	1,000.00	100.00
Do	Hartford Insurance Group	1,000.00	100.00
Do	IBM Corp		
Do	Lincoln National Corp	1,000.00	100.00
Do	North American Co	1,000.00	100.00
Do	Rouse Company	1,000.00	100.00
Do	St. Paul Fire & Marine	1,000.00	100.00
Do	Travelers Insurance Co	5,000.00	500.00
Do	U.S. Fidelity & Guaranty Corp	1,000.00	100.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	U.S. League of Savings Institutions	1,000.00	100.00
Do	Uniden Corp of America		
Do	Western Fuels Assn, Inc		
Baker & McKenzie, 815 Connecticut Ave., NW Washington, DC 20006	Coalition to Exclude Operationg Income from PFIC Provisions	57,000.00	1,856.70
Do	Nuclear Electric Insurance Co, et al.	85,154.50	1,573.01
Elizabeth Baldwin, 1346 Connecticut Avenue, NW, #1122 Washington, DC 20036	Association for Women in Science	898.68	
Bank Capital Markets Assn, National Press Building, 2nd Fl. Washington, DC 20045			
M. Graeme Bannerman, 888 Sixteenth St., NW Washington, DC 20006	Bannerman & Associates, Inc (For:Embassy of Lebanon)	3,000.00	1,070.00
Do	Bannerman & Associates, Inc (For:Government of Bangladesh)	3,000.00	1,750.00
Do	Government of Tunisia	3,000.00	1,660.00
Do	Sawyer-Miller Group (for Philippine Coconut Authority)	5,000.00	2,715.00
Martha G. Bannerman, One Greenwich Plaza P.O. Box 2568 Greenwich, CT 06836-2568	NAC Re Corp		
Robert D. Bannister, 15th & M Streets, NW Washington, DC 20005	National Assn of Home Builders of the U.S.		
Baraff Koerner Olender & Hochberg, P.C., 2033 M Street, NW, #203 Washington, DC 20036	College Football Association		
Do	National Assn of Collegiate Directors of Athletics	1,800.00	
Do	National Basketball Assn	150.00	
Larry P. Barnett, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	12,136.18	
Barnett & Alagia, 250 South County Rd. Palm Beach, FL 33480	Cuban American Foundation		
Robert G. Bartlett, 1415 Elliot Place, NW Washington, DC 20007	National Stone Assn	4,000.00	500.00
Weldon V. Barton, One Thomas Circle NW, #950 Washington, DC 20036	Independent Bankers Assn of America	17,000.00	447.51
Richard 'Sandy' Beach, 805 15th Street NW, #300 Washington, DC 20005-2207	Credit Union National Assn, Inc		
Tina Marts Beach, 1331 Pennsylvania Avenue, NW, #700-S Washington, DC 20004	General Electric Co	372.00	
Barbara F. Beatty, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Robert E. Beck, P.O. Box 6808 Falls Church, VA 22046	National Assn of Plumbing-Heating-Cooling Contractors	237.00	64.00
Howard Bedlin, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	486.92	
Beer Drinkers of America, 8100 Mountain Road, NE Albuquerque, NM 87110			117.40
James Beizer, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Donald K. Belch, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Stelco, Inc	397.50	944.41
Joe Belew, 1300 N. 17th St., #1200 Arlington, VA 22209	Consumer Bankers Assn		
Diane L. Bell, 2626 Pennsylvania Ave., NW Washington, DC 20037	National Telephone Cooperative Assn		
Daniel J. Bennet, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Alan R. Bennett, 1714 Massachusetts Ave., NW Washington, DC 20036	Fox Weinberg & Bennett (For:Bristol-Myers Co)		
Do	Fox Weinberg & Bennett (For:Hoffmann La Roche, Inc)		
Bob Bergland, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	265.00	345.00
Berliner & Maloney, 1101 17th Street, NW, #1004 Washington, DC 20036-4798	Embassy of Belize	1,650.00	40.31
Do	Government of Barbados, Ministry of Finance & Planning	17,045.51	720.32
Jason S. Berman, 1020 19th St., NW, #200 Washington, DC 20036	Recording Industry Assn of America, Inc	1,500.00	
Zalman C. Bernstein, Sanford C. Bernstein & Co, Inc 767 Fifth Avenue New York, NY 10153			
Willard M. Berry, 1625 K Street, NW, #1090 Washington, DC 20006	National Foreign Trade Council, Inc	5,000.00	1,100.00
Beverly Enterprises, Inc, 1901 N. Fort Myer Drive, #302 Rosslyn, VA 22209		25,296.89	
Robert Bingaman Jr., 1817 Bay Street, SE Washington, DC 20005	National Abortion Rights Action League	1,446.45	
Bishop Cook Purcell & Reynolds, 1400 L Street, NW, #1000 Washington, DC 20005-3502	American Honey Producers Assn	5,880.00	121.02
Do	American Rice, Inc		
Do	Baxter Healthcare Corp	2,528.00	
Do	Board of Trade of Kansas City, MO, Inc		
Do	ConAgra, Inc	5,434.10	56.71
Do	CNA Insurance Co of Chicago, Illinois	900.00	
Do	CSR, Ltd	14,052.50	985.65
Do	IBP, Inc	7,139.90	132.19
Do	Master Marketers Assn of America	709.29	75.56
Do	Pyramid Energy, Inc	612.50	5.01
Do	Texaco, Inc	1,200.00	
Do	Texas Gas Transmission Corp	2,499.99	
Do	U.S. Rice Producers' Legislative Group		
Gerrie Bjornson, 1825 Eye Street, NW, #400 Washington, DC 20006	B.F. Goodrich Co	100.00	
Roger Blacklow, 100 Indiana Avenue, NW Washington, DC 20001	National Assn of Letter Carriers	7,663.03	
Richard R. Blake Jr., 777 14th Street, NW Washington, DC 20005	National Assn of Realtors		38.80
Larry A. Boggs, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Timothy A. Boggs, 1133 21st Street, NW, #400 Washington, DC 20036	Warner Communications, Inc	16,000.00	10,882.34
Bogle and Gates, One Thomas Circle, NW, #900 Washington, DC 20005	Alaskan Factory Trawlers Assn	2,000.00	
Do	Coalition to Cease Ocean Dumping	2,000.00	
Do	Great Western Malting Co	500.00	
Do	United Sport Fishermen	500.00	
Benjamin C. Bolusky, 1250 Eye Street, NW, #500 Washington, DC 20005	American Assn of Nurserymen		
Patricia A. Borowski, 6824 Pacific Lane Annandale, VA 22003	National Assn of Professional Insurance Agents		
Rodney A. Bower, 8701 Georgia Avenue, #701 Silver Spring, MD 20910	International Fed of Professional & Technical Engineers		
Bracewell & Patterson, 2000 K St., NW, #500 Washington, DC 20006	Appalachian Energy Group		
Bradbury Bliss & Riordan, 431 West 7th Ave., #201 Anchorage, AK 99501	Akhiok-Kaguyak, Inc	30,923.59	
Robert W. Bradford, 1101 John Denie Rd P.O. Box 34550 Memphis, TN 38134			
Brand & Lowell, 923 15th Street, NW, Fifth Fl. Washington, DC 20005	General Dynamics Corp		
Do	National Assn for Home Care		
Do	Winstead McGuire Sechrest & Minick		
Robert M. Brandon, 1300 Connecticut Ave., NW, #401 Washington, DC 20036	Citizen Action	2,000.00	675.00
Do	Citizen/Labor Energy Coalition		
Bregman Abell & Kay, 1156 15th St., NW, #1212 Washington, DC 20005	Committee for Tax Equity		
Do	National Car Rental Systems, Inc		
Nancy B. Broff, 618D E Street, SE Washington, DC 20003	National Abortion Rights Action League	1,446.45	
Ben Jarratt Brown, 325 Pennsylvania Ave., SE Washington, DC 20003	Washington Lobby Group, Inc (For:Preston Corp)	3,000.00	
Donald K. Brown, 1121 L St., #810 Sacramento, CA 95814	Crowley Maritime Corp		
Do	Summa Corporation		
E. Cooper Brown, 6935 Laurel Ave., #204 Takoma Park, MD 20912			
John J. Brown, 1125 17th St., NW Washington, DC 20036	International Union of Operating Engineers	8,500.00	628.00
Ralph Brown, Suite 107 701 S. 22nd Street Omaha, NB 68102	M.O.A.A.I.O.A. & Subs, Inc	100.00	
Brownstein Zeidman & Schomer, 1401 New York Ave., NW, #900 Washington, DC 20005	New York City Housing Development Corp	7,118.18	
Do	New York State Mortgage Loan Enforcement & Admin Corp	13,388.30	
William K. Brunette, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	489.23	414.50
Building Owners & Managers Assn International, 1250 Eye St., NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l		3,761.73
Barbara G. Burchett, 1615 L Street, NW, #1220 Washington, DC 20036	Hallmark Cards, Inc		
William J. Burhop, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	11,230.79	
Diane B. Burke, 1625 L Street, NW Washington, DC 20036	American Fed of State County & Municipal Employees	10,900.26	372.00
J. J. Burke Jr., 40 E. Broadway Butte, MT 59701	Montana Power Co		442.00
Kevin M. Burke, 1111 14th St., NW Washington, DC 20005	American Bakers Assn	492.31	5.00
Francis X. Burkhardt, 1750 New York Ave., NW Washington, DC 20006	International Brotherhood of Painters & Allied Trades		
Mahlon A. Burnette III, 631 Walker Road Great Falls, VA 22066	National Broiler Council	420.00	
Michael Burns, 601 Pennsylvania Ave., NW, #700 Washington, DC 20004-2602	Business Executives for National Security		
James J. Butera, 1101 15th St., NW, #400 Washington, DC 20005	National Council of Savings Institutions	10,000.00	727.62
Patrick J. Cacchione, 625 Slaters Lane, #200 Alexandria, VA 22314	National Assn of Medical Equipment Suppliers		
John D. Cahill, 1310 19th St., NW Lower Level Washington, DC 20036	Massachusetts Bay Transportation Authority	3,750.00	
Do	Massachusetts Port Authority	11,625.00	
Do	Massachusetts Water Resources Authority	4,500.00	
Morrison G. Cain, 1901 Pennsylvania Ave., NW, #200 Washington, DC 20006	International Mass Retail Assn	6,250.00	
James Callan, 1726 M Street, NW, #1000 Washington, DC 20036	Electronic Funds Transfer Assn	375.00	
Peter E. Callanan, 1100 Connecticut Ave., NW Washington, DC 20036	Honeywell, Inc	275.00	450.00
Jeanne Campbell, Campbell-Raupe, Inc 1010 Pennsylvania Avenue, SE Washington, DC 20003	Pitney Bowes		
Robert P. Canavan, 1909 K St., NW Washington, DC 20049	American Assn of Retired Persons	281.53	
William F. Canis, 1730 Pennsylvania Avenue, NW, #750 Washington, DC 20006	Caterpillar Tractor Co	4,000.00	253.27
Capitol Associates, Inc, 426 C Street, NE Washington, DC 20002	Thompson Medical Co		
Eileen Shannon Carlson, Graham & James 2000 M St., NW Washington, DC 20036	American Insurance Association	165.00	
Do	Attorneys' Title Guaranty Fund, Inc	540.00	25.00
Do	Federal Administrative Law Judges Conference		
Do	Federal Judges Association	396.00	
Do	London Harness Co		
Do	Walt Disney Co	440.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Gerald P. Carmen, 1667 K St., NW, #700 Washington, DC 20006	Federal Asset Disposition Assn	1,199.04	
George D. Carpenter, 6110 Center Hill Road Cincinnati, OH 45224	Procter & Gamble Manufacturing Co		
David C. Carter, 1156 15th St., NW, #1019 Washington, DC 20005	U.S. Beet Sugar Assn		
John R. Carter, 1000 Wilson Blvd., #2600 Arlington, VA 22209	TRW, Inc	731.25	179.18
Daniel L. Casey, 5A East Curtis Avenue Alexandria, VA 22301	American Conservative Union		
Lawrence J. Cassidy, 1750 New York Avenue, NW Washington, DC 20006	Sheet Metal Workers International Assn	13,939.00	
Cassidy and Associates, Inc, 655 15th St., NW, #1100 Washington, DC 20005	Brown University		
Do	New England College of Optometry		
Do	Rocky Mountain Energy Co		
Rita L. Castle, 100 NE Adams Street Peoria, IL 61629	Caterpillar, Inc	15,000.00	686.00
Center for Law and Education, Inc, Larsen Hall, 6th Floor 14 Appian Way Cambridge, MA 02138		725.00	1,654.79
David Certner, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	491.53	255.00
Henry Chajet, Doyle & Savit 919 18 St., NW, #1000 Washington, DC 20006	American Mining Congress		
Mark G. Chalpin, 1101 15th St., NW, #1000 Washington, DC 20005	National Constructors Association		
William J. Chandler, 1511 K Street, NW, #1100 Washington, DC 20005	Natural Resources Defense Council, Inc		
Michael D. Chapman, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors	2,500.00	1,395.56
William Chasey Organization, 855 La Jolla Corona Ct. La Jolla, CA 92037	Industrial Data Link		
Do	Life Insurance Coalition of America		
Do	Real Property Services Corp		
Do	Syncrotech Software Corp		
Chernikoff & Company, 1826 Jefferson Place, NW, #101 Washington, DC 20036	Directors Guild of America	14,000.00	19,413.56
John H. Chettle, 1050 Connecticut Ave., NW, #825 Washington, DC 20036	Chamber of Mines of South Africa	4,900.00	2,580.00
John B. Childers, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	6,138.00	108.00
Jack E. Christy, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	565.38	
Donna M. Cirolia, 1518 K Street, NW, #401 Washington, DC 20005	Water Quality Association		
Citizen Action, 1300 Connecticut Ave., NW, #401 Washington, DC 20036		6,303.50	6,303.50
Citizen/Labor Energy Coalition, 1300 Connecticut Ave., NW, # 401 Washington, DC 20036		1,500.00	1,500.00
Citizens Political Action Committee, P.O. Box 645 228 South A Street, #2 Oxnard, CA 93032			
Julie Clark, 1625 K St., NW, #800 Washington, DC 20006	National Legal Aid & Defenders Assn	11,162.76	293.78
Cleveland-Cliffs, Inc, 1100 Superior Avenue Cleveland, OH 44114-2589			1,594.00
Stanley A. Cmich, 220 Market Ave., South, #1190 Canton, OH 44702	Timken Co		
Coalition for American Energy Security, 1050 Thomas Jefferson St., NW, 6th Floor Washington, DC 20007			36.27
Coalition to Preserve Low Income Housing Tax Credit, 2300 M St., NW Washington, DC 20037		3,000.00	3,000.00
Coalition to Promote America's Trade, c/o Steptoe & Johnson 1330 Connecticut Avenue, NW Washington, DC 20036		15,000.00	82,171.11
Amy A. Coggin, 1415 Elliot Place, NW Washington, DC 20007	National Stone Assn	4,000.00	500.00
Jacqueline Abelman Cohen, 1199 N. Fairfax St., #701 Alexandria, VA 22314	National Assn of Tobacco Distributors	2,500.00	
Robert E. Cole, 900 17th St., NW Washington, DC 20006	Kaiser Aluminum & Chemical Corp	750.00	112.00
Cole Corette & Arbutyn, P.C., 1110 Vermont Avenue, NW, #900 Washington, DC 20005	Ad Hoc Ski Boot Committee		
Do	Chase Manhattan Bank, N.A		
Do	Dalmark Corporation		
Do	Government of the Netherlands Antilles		
Do	Millipore Corporation		
Do	Mohawk Data Sciences Corp		
Do	Tremark Corporation		
Colette R. Coleman, 1200 17th Street, NW Washington, DC 20036	National Restaurant Assn	1,500.00	990.00
Eileen M. Collins, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn	3,127.58	
Colorado Ski Country USA, Inc, One Civic Center Plaza 1560 Broadway, #1440 Denver, CO 80202			
Committee for Do-It-Yourself Household Moving, 2011 Eye Street, NW, #500 Washington, DC 20006			
Committee on U.S. Business Canadian Life & Health Ins. Assn, c/o Dykema Gossett 1752 N St., NW Washington, DC 20036			1,710.00
Concerned Women for Amcrica, 370 L'Enfant Promenade, SW, #800 Washington, DC 20024		24,230.00	24,230.00
Robert J. Conner, 1100 Connecticut Ave., NW Washington, DC 20036	Chrysler Corporation	500.00	869.05
Francis J. Conners, 100 Indiana Avenue, NW Washington, DC 20001	National Assn of Letter Carriers	4,288.75	
Gregory E. Conrad, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Consumer Federation of America, 1424 16th St., NW, #604 Washington, DC 20036		39,730.00	76,047.00
Eileen D. Cooke, 110 Maryland Ave., NE, Suite 101 Washington, DC 20002	American Library Assn	1,758.00	
Edward Cooney, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center	2,074.90	
Mark N. Cooper, 1424 16th St., NW, #604 Washington, DC 20036	Consumer Federation of America	300.00	
Stephen H. Cooper, 74 North Pearl St. Albany, NY 12207	Hospital Assn of New York State	672.97	2,572.44
Patrick H. Corcoran, 1725 K St., NW, #1205 Washington, DC 20006	Association of Oil Pipelines		
Corman Law Offices, 1420 16th Street, NW Washington, DC 20036	Airlease Management Service, Inc		
Marty Corry, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	625.38	
Cosmetic Toiletry & Fragrance Assn, Inc, 1110 Vermont Ave., NW, #800 Washington, DC 20005			
Walter Coulliard, 100 Indiana Avenue, NW Washington, DC 20001	National Assn of Letter Carriers	8,619.88	
Christopher D. Coursen, 1627 Eye Street, NW, #525 Washington, DC 20006	O'Connor & Hannan (for Pacific Telesis Group)	40,000.00	
Jerry W. Cox, 901 31st Street, NW Washington, DC 20007	Hill & Knowlton, Inc (For:Odyssey Partners)		
Kevin J. Coyle, 801 Pennsylvania Ave., SE, #303 Washington, DC 20003	American Rivers		
William C. Cramer, 2000 L Street, NW, #810 Washington, DC 20036	Cramer & Haber, P.C. (For:Canaveral Port Authority)		
Do	Cramer & Haber, P.C. (For:Dade County International Airport)		
Cramer & Haber, P.C., 2000 L Street, NW, #810 Washington, DC 20036	Canaveral Port Authority	4,500.00	
Do	Dade County International Airport		
Kelly Craven, 777 14th St., NW Washington, DC 20005	National Assn of Realtors		19.00
Richard L. Crawford, 1200 17th Street, NW Washington, DC 20036	National Restaurant Assn	1,500.00	990.00
Robin Crawford, Box M Allentown, PA 18105-5000	Mack Trucks, Inc		
John P. Cregan, 220 National Press Building Washington, DC 20045	U.S. Business & Industrial Council	5,000.00	
Anne Crichton Crews, 8787 Stemmons Freeway Dallas, TX 75247	Mary Kay Cosmetics, Inc		137.80
Mary Dent Crisp, 601 Pennsylvania Ave., NW, #700 Washington, DC 20004-2602	Business Executives for National Security		
Richard E. Cristol, 1101 15th St., NW, #202 Washington, DC 20005	National Assn of Margarine Manufacturers		
Robert W. Cromartie, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	63.02	
Rae E. Cronmiller, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	100.00	
Herminia L. Cubillos, 20 F Street, NW, 2nd Floor Washington, DC 20001	National Council of La Raza	2,688.26	4,217.08
Kathleen L. Curry, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	1,881.00	
Jay B. Cutler, 1400 K Street, NW Washington, DC 20005	American Psychiatric Assn	7,250.00	734.16
CRS, P.O. Box 118 Cold Spring Harbor, NY 11724-0118			
Ron D'Aloisio, 2001 S St., NW, #210 Washington, DC 20009	Farmworker Justice Fund, Inc		1,218.98
Stephen J. Daigler, 1601 Duke Street Alexandria, VA 22314	Society of American Florists		
Cynthia L. Darcy, 245 Second St., NE Washington, DC 20002	Friends Committee on National Legislation	2,457.00	
Darnoc Enterprises of DC, Inc, 1700 K Street, NW Washington, DC 20006			
Linda Daschle, 4224 King Street Alexandria, VA 22302	American Assn of Airport Executives		9,375.00
Theodore S. J. Davi, 624 South Quincy Street Green Bay, WI 54301			
John W. Davis, 1331 Pennsylvania Avenue, NW Washington, DC 20004	General Electric Co	200.00	
Ovid R. Davis, P.O. Drawer 1734 Atlanta, GA 30301	Coca-Cola Company		
Susan A. Davis, 1146 19th Street, NW, #700 Washington, DC 20036	Susan Davis International (For:Turkish Republic of Northern Cyprus)		
Susan Davis International, 1146 19th Street N.W.,#700 Washington, DC 20036	Turkish Republic of Northern Cyprus		
Robert M. Dawson, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn		
Gail De Loach, P.O. Box 8091 Falls Church, VA 22041	Friendship Hill Assn		
Debevoise & Plimpton, 555 13th Street, NW Suite 1100E Washington, DC 20004	Security Pacific Corp		
Robin Deck, 1155 15th St., NW, #400 Washington, DC 20005	Hospital Corp of America		
Richard Del Vecchio, Keene Shirley & Associates, Inc 919 Prince Street Alexandria, VA 22314	McDonnell Douglas Astronautics Co	1,833.34	
Deloitte Haskins & Sells, 1001 Pennsylvania Ave., NW, #350 Washington, DC 20004-2505	Arkansas Electric Cooperative Corp		
Do	U.S. Olympic Committee		165.52
Do	Union Pacific Corp		
Elizabeth C. Demato, 5201 Auth Way Camp Springs, MD 20746	Seafarers International Union	3,000.00	271.50
Bradford T. Dempsey, Dempsey Associates, Ltd 919 Pennsylvania Avenue Harrisburg, PA 17112			
Department for Professional Employees, AFL-CIO, 815 16th St., NW Washington, DC 20006		12,093.53	12,093.53
Julie Desmond, 1111 14th St., NW, #900 Washington, DC 20005	National Apartment Assn		
Dewey Ballantine Bushby Palmer & Wood, 1775 Pennsylvania Ave., NW, #500 Washington, DC 20006	Walt Disney Co		
Mary Elise DeGonia, 600 Maryland Avenue, SW West Wing, Suite 300 Washington, DC 20024	70001 Training & Employment Institute		
Norman Dickinson, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Canadian Institute of Steel Construction		
Lucia DiVenere, 925 15th St., NW Washington, DC 20005	National Council of Senior Citizens	9,000.00	360.00
G. Diane Dodson, 2000 P St., NW, #400 Washington, DC 20036	Women's Legal Defense Fund	553.31	202.58
Robin C. Dole, 1101 Connecticut Avenue, NW, #500 Washington, DC 20036	Century 21 Real Estate Corp		
Mary Elizabeth Donnelly, 1233 20th St., NW, #200 Washington, DC 20036	Newmont Mining Corp		
Thomas F. Donnelly, 955 L'Enfant Plaza, SW, #1202-N Washington, DC 20024	National Water Resources Assn	3,125.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Donohue & Associates, Inc, 11445 Isaac Newton Square So. Reston, VA 22090			
Ira Dorfman, 1111 14th St., NW, #300 Washington, DC 20005	American Bakers Assn	778.46	6.00
May Del Rio Dorfman, 380 Second Avenue New York, NY 10010	Planned Parenthood of New York City, Inc	268.20	195.05
Dorsey & Whitney, 2200 First Bank Place East Minneapolis, MN 55402	Automobile Importers of America, Inc	400.00	10.00
Do	International Electronics Mfgrs & Consumers of America, Inc		
Do	MacMillan Bloedel, Inc		
Do	Texas Assn of Steel Importers		
Lorraine Driscoll, 1300 Connecticut Avenue, NW, #401 Washington, DC 20036	Citizen Action	1,312.50	340.00
Evelyn Dubrow, 1710 Broadway New York, NY 10019	International Ladies' Garment Workers Union	13,280.80	121.25
Morgan D. Dubrow, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	125.00	
Evelyn Dukovic, 3 East 85th Street New York, NY 10028	Morality in Media, Inc	27.47	
Mac S. Dunaway, Dunaway & Cross 1146 19th Street, NW Washington, DC 20036	Crown Control Corp		
Do	Industrial Truck Assn		
Do	Walbro Corp		
William C. Duncan, 1050 17th Street, NW, #410 Washington, DC 20036	Japan Automobile Manufacturers Assn	2,100.00	
Duncan Allen & Talmage, 1575 Eye Street, NW Washington, DC 20005	Cecil Saydah Co	1,389.00	150.42
Do	Colorado River Energy Distributors Assn	13,359.00	696.47
Louise C. Dunlap, 418 Tenth Street, SE Washington, DC 20003	Dunlap & Browder, Inc (For:Acurex Corp/California Energy Commission)	4,500.00	
Do	Dunlap & Browder, Inc (For:Unelco)		
Pauline Dunlap, 1201 McDuffie #222 Houston, TX 77019	Eagle Fisheries, Inc		1,000.00
John H. Dunne, 8701 Georgia Ave., #701 Silver Spring, MD 20910	International Fed of Professional & Technical Engineers		
Judy C. Durand, 1120 20th Street, NW, #600s Washington, DC 20036	Union Pacific Corp	12,500.00	1,044.24
Roderick T. Dwyer, 1920 N Street, NW Washington, DC 20036	American Mining Congress		
Dyer Ellis Joseph & Mills, 600 New Hampshire Ave., NW, #1000 Washington, DC 20037	Allscrips, et al	12,000.00	275.00
Do	Apex Marine Corp	12,000.00	558.36
Do	ARCO Marine Co, Inc	1,000.00	
Do	Bender Shipbuilding & Repair Co, Inc		
Do	Crowley Maritime Corp	7,600.00	281.48
Dykema Gossett, 1752 N St., NW, 6th Fl. Washington, DC 20036	Committee on U.S. Business Canadian Life & Health Ins. Assn		
Do	Michigan Assn of County Treasures		
A. Blakeman Early, 555 13th St., NW, #500-W Washington, DC 20004	Sierra Club	7,539.94	24.00
John D. Echeverria, 801 Pennsylvania Ave., SE, #303 Washington, DC 20003	American Rivers		
Marsha A. Echols, Law Offices of Max N. Berry 3213 O Street, NW Washington, DC 20007	Gilway Company, Ltd		
Do	National Assn for the Specialty Food Trade, Inc		
William A. Edwards, 201 Massachusetts Ave., NE Washington, DC 20002	New Hampshire Yankee	4,258.08	561.69
Charles E. Ehrhart, 1101 15th St., NW, #202 Washington, DC 20005	National Assn of Margarine Manufacturers		
Jill W. Eiland, 507 Second Street, NE Washington, DC 20002	Portland General Electric Co		
Electronic Funds Transfer Assn, 1726 M Street, NW, #1000 Washington, DC 20036			2,200.00
Electronic Industries Assn, 2001 Eye St., NW Washington, DC 20006		61,090.97	50,976.48
J.W. Ellis, 1629 K St., NW, #1100 Washington, DC 20006	Old Republic Companies	1,650.00	
Mark G. Ellis, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Mark C. Ellison, 300 N. Washington St, #208 Alexandria, VA 22314	Satellite Broadcasting & Communications Assn		
Dorothy A. Ellsworth, 1300 Connecticut Ave., NW Washington, DC 20036	International Assn of Machinists & Aerospace Workers	14,880.94	357.15
Employee Relocation Council, 1720 N St., NW Washington, DC 20036			
Lowell J. Endahl, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn		
John T. Engelen, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Patricia A. English, 777 14th St., NW Washington, DC 20005	National Assn of Realtors		
Clinton W. Ensign, 2600 Virginia Avenue, NW, #901 Washington, DC 20037	Sinclair Oil Corporation	1,000.00	224.68
Cheryl Anthony Epps, 13 Firstfield Road Gaithersburg, MD 20878	International Assn of Chiefs of Police	9,075.00	409.75
Epstein Becker & Green, P.C., 1140 19th St., NW, #900 Washington, DC 20036	Voluntary Hospitals of America, Inc	8,315.00	
Erisa Industry Committee, 1726 M Street, NW, #1101 Washington, DC 20036		7,000.00	7,726.00
Mark Esherick, 1400 16th St, NW, #320 Washington, DC 20036	Zero Population Growth, Inc	521.00	12.00
Sandra Eskin, 1424 16th St., NW, #604 Washington, DC 20036	Consumer Federation of America	2,492.00	56.00
David C. Evans, 1150 Connecticut Ave., NW, #900 Washington, DC 20036	Building Owners & Managers Assn Int'l		
Rae Forker Evans, 1615 L Street, NW, #1220 Washington, DC 20036	Hallmark Cards, Inc		
Robert J. Evans, P.O. Box 367 Church Hill, TN 37642			
Walter H. Evans III, Ragen Tremaine Krieger Schmeer & Neill 2300 M Street, NW, #800 Washington, DC 20037	Nike, Inc	1,500.00	31.00
Do	Oregon Economic Development Dept, Ports Div	13,125.00	81.00
Sarah Farrell, 1730 K St., NW, #1100 Washington, DC 20006	National Treasury Employees Union	9,875.25	124.00
Timothy P. Farrell, 919 Prince St. Alexandria, VA 22314	Keene Shirley & Assoc (For:Nicaraguan American National Federation)	541.67	
Do	Keene Shirley & Assoc (For:Nicaraguan Development Council)	541.67	
Frederick Fedeli, 1400 K St., NW Washington, DC 20005	American Psychiatric Assn	2,296.00	862.00
Federal Kemper Life Assurance Co, Kemper Bldg. D-3 Long Grove, IL 60049			826.16
Federal Managers Assn, 1000 16th Street, NW Washington, DC 20036		10,000.00	22,198.21
Karen S. Fennell, 1522 K St., NW, #1120 Washington, DC 20005	American College of Nurse-Midwives		
George F. Fenton Jr., 1920 N Street, NW Washington, DC 20036	American Mining Congress	90.00	
Jack Ferguson Associates, Inc, 203 Maryland Ave., NE Washington, DC 20002	Art Dealers Assn of America, Inc	1,250.00	232.34
Do	Christie's International	1,250.00	232.34
Do	Conoco, Inc	21,000.00	837.11
Do	Dillingham Construction Group	5,875.00	686.59
Do	Foss Maritime Co	750.00	611.19
Do	Global Marine, Inc	4,810.00	630.11
Do	Haida Corporation		
Do	Pyropower		
Do	Sotheby's, Inc	1,250.00	232.34
Do	Tacoma Boatbuilding Co	1,500.00	649.28
Do	U.S. Borax & Chemical Corp	7,000.00	864.41
Do	Williams Companies	2,000.00	619.17
Robert J. Fersh, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center	196.38	
Dallas N. Fields, 1448 Duke St., #1000 Alexandria, VA 22314	National Rural Letter Carriers Assn	16,001.00	
Fierce & Associates, 600 New Hampshire Ave., NW, #1010 Washington, DC 20037	Apex Marine Corp	8,000.00	98.65
Do	AB Hagglund & Sonar	12,800.00	1,676.55
Do	Bollinger Machine Shop & Shipyard, Inc	27,925.00	670.28
Do	Spar Aerospace, Ltd	16,500.00	910.75
Do	A. L. Williams & Company	12,000.00	207.31
Manuel D. Fierro, 1901 N. Fort Myer Dr., #202 Rosslyn, VA 22209	Fond Du Lac Reservation		
Do	National Indian Gaming Assn	4,000.00	745.00
Fine & Ambrogne, Exchange Place Boston, MA 02109	Smith College		
Shira A. Flax, 330 Pennsylvania Ave., SE Washington, DC 20003	Sierra Club	4,000.00	4,725.00
Jonathan W. Fleming, 1225 I St., NW, #950 Washington, DC 20005	American Electronics Assn	2,000.00	
Fletcher Heald & Hildreth, 1225 Connecticut Ave., NW, #400 Washington, DC 20036	Wheat Gluten Industry Council, et al		
Ruth Flower, 245 Second Street, NE Washington, DC 20002	Friends Committee on National Legislation	4,715.58	
John J. Flynn, 1125 17th Street, NW Washington, DC 20036	International Union of Operating Engineers	7,500.00	146.00
Richard C. Fortuna, 1440 New York Ave., NW, #310 Washington, DC 20005	Hazardous Waste Treatment Council	750.00	375.00
John P. Fowler, 1187 National Press Building Washington, DC 20045	Ad Hoc Comm in Defense of Life, Inc	3,300.00	6,250.19
Alissa T. Fox, 655 Fifteenth Street, N.W., Suite 350 Washington, DC 20005	Blue Cross & Blue Shield Assn		
Allan M. Fox, 1714 Massachusetts Ave., NW Washington, DC 20036	Fox Weinberg & Bennett (For:Bristol-Myers Co)		
Do	Fox Weinberg & Bennett (For:National Coalition for Cancer Research)		
Fox Weinberg & Bennett, 1714 Massachusetts Avenue, NW Washington, DC 20036	AGB Television Research	540.00	135.00
Do	Bristol-Myers Co	390.00	
Do	Hoffmann-La Roche, Inc		
Do	Johnson & Johnson	440.00	65.00
Do	Lederle Laboratories		
Do	Memorial Sloan-Kettering Cancer Center		
Do	National Coalition for Cancer Research		
Do	New MediCo Associates, Inc		
Do	Pickens County Medical Center		
Do	Serono Laboratories, Inc	435.00	90.00
Do	Wireless Cable Assn, Inc	536.00	257.81
Donald Fraher, 777 14th Street, NW Washington, DC 20005	American Symphony Orchestra League	10,323.12	115.00
George Franklin, 1 Kellogg Square Battle Creek, MI 49016-3599	Kellogg Company	3,000.00	325.00
Friends Committee on National Legislation, 245 2nd St., NE Washington, DC 20002			30,855.27
Ellen Frishberg, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	5,625.00	151.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Linda Parke Gallagher, 1225 Eye Street, NW, 7th Floor Washington, DC 20005	Linda Parke Gallagher & Associates (For:National Corp for Housing Partnerships)		
Galland Kharasch Morse & Garfinkle, P.C., 1054 31st Street, NW Second Floor Washington, DC 20007	South Africa Sugar Association	5,659.78	5,659.78
John Paul Galles, 1155 15th St., NW, #710 Washington, DC 20005	National Small Business United	1,000.00	
Nicole Gara, 950 North Washington Street Alexandria, VA 22314	American Academy of Physician Assistants		
David McLane Gardiner, 330 Pennsylvania Ave., SE Washington, DC 20003	Sierra Club	5,857.50	84.38
Gardner Carton & Douglas, 1001 Pennsylvania Ave, NW, #750 Washington, DC 20004	Andrew Corp	1,975.00	643.42
Sara G. Garland, 137 13th St., NE Washington, DC 20002	Pfizer, Inc	4,500.00	
Do	Rapoza Associates	12,500.00	35.00
Do	University of North Dakota	31,249.98	18,903.07
Frank T. Gasper, 4903 Cloister Drive Rockville, MD 20852	Moog, Inc		
Jerome C. Gatto, 01065-081 Federal Prison Camp Box 1000 Dorm 6 Boron, CA 93516			
Karl Gawell, 1400 16th St., NW, #320 Washington, DC 20036	National Wildlife Federation	636.13	
Do	Zero Population Growth	860.00	
Garry Geffert, 2001 S Street, NW, #312 Washington, DC 20009	Farmworker Justice Fund, Inc		
Fred Gehringer, P.O. Box 1002 Chino, CA 91710			
General Instrument Corporation, 767 Fifth Avenue New York, NY 10153		15,257.25	98.02
Fred J. Gentile, 195 Montague Street Brooklyn, NY 11201	Brooklyn Union Gas Co		
Georgia Power Co, 333 Piedmont Ave Atlanta, GA 30308		7,936.50	9,832.02
Gerard Byler & Associates, Inc, 1100 17th Street, NW, #1000 Washington, DC 20036	Commissioned Officers Assn of the U.S. Public Health Service	234.00	
Do	Havasupai Tribal Council	584.00	
Do	Leech Lake Reservation Business Committee	827.50	
Do	San Carlos Apache Tribe	852.50	
Do	Siletz Tribal Council		
Do	Tohono O'odham Nation		
Do	Tulalip Tribes	3,354.00	
Do	White Earth Tribal Council	301.00	
Gibson Dunn & Crutcher, 1050 Connecticut Ave., NW, #900 Washington, DC 20036	American Airlines, Inc		
Dorothy M. Gillman, One Thomas Circle, NW, #950 Washington, DC 20005	Independent Bankers Assn of America	8,250.00	680.67
Gilmartin Poster & Shafto, One William Street, 5th Floor New York, NY 10004	B & B Dredging Corp	13,750.00	828.00
Gerard Giovaniello, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	2,500.00	1,002.50
Leslie Alan Glick, Duncan Allen & Mitchell 1575 I Street, NW, #300 Washington, DC 20005	Visaflor, S.A.		45.80
Horace D. Godfrey, 918 16th St., NW, #701 Washington, DC 20006	Godfrey Associates, Inc		
Godfrey Associates, Inc, 918 16th St., NW, #701 Washington, DC 20006			
Gold Fields Operating Co-Mesquite, HCR 76, Glamis 100 Brawley, CA 92227			16,999.88
Madeleine Golde, 1300 Connecticut Avenue, NW, #401 Washington, DC 20036	Citizen Action	1,125.00	76.00
Patricia R. Goldman, 50 F St., NW, #1100 Washington, DC 20001	American Hospital Assn	2,723.44	1,150.50
Jack Golodner, 815 16th St., N.W. Washington, DC 20006	Department for Professional Employees, AFL-CIO	4,381.40	
Ann M. Gosier, 1920 N St., NW Washington, DC 20036	American Mining Congress		
George B. Gould III, 100 Indiana Ave., NW Washington, DC 20001	National Assn of Letter Carriers	13,540.79	2,174.80
David W. Graham, 1776 Eye Street, NW, Ste. 575 Washington, DC 20006	Dow Chemical USA		4,868.05
Elaine Z. Graham, 1200 17th Street, NW Washington, DC 20036	National Restaurant Assn	1,500.00	1,980.00
Graham & James, 2000 M Street, NW, #700 Washington, DC 20036	Contact Lens Manufacturers Assn	4,637.00	91.00
John K. Gram, 610 S.W. Broadway, #608 Portland, OR 97205	Public Timber Purchasers Group	1,781.25	553.27
Ruth P. Graves, 600 Maryland Ave., SW, #500 Washington, DC 20560	Reading Is Fundamental, Inc	500.00	72.20
Neil A. Gray, 1776 Massachusetts Ave., NW Washington, DC 20036-1993	Highway Users Federation for Safety & Mobility	2,199.00	115.50
William T. Gray III, 5210 Banks Place, NE Washington, DC 20019			
Do	National Assn for the Advancement of Justice		
Edward M. Green, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Kaylene H. Green, 2341 Jefferson Davis Highway, #1035 Arlington, VA 22202	Bath Iron Works Corp	600.00	71.71
Douglas Greenaway, 1250 Eye Street, NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l		
Phyllis Greenberger, 1400 K Street, NW Washington, DC 20005	American Psychiatric Assn	2,592.00	1,791.23
Howard W. Greene, 205 E. 42nd Street New York, NY 10017	Risk & Insurance Management Society, Inc		
Janice M. Gregory, 1726 M St., #1101 Washington, DC 20036	Erisa Industry Committee	3,488.00	128.00
Hurdis M. Griffith, 2261 Kings Garden Way Falls Church, VA 22043	Anthony Janetti (for Amer Assn Occupational Health Nurses)	3,125.00	60.75
Do	Anthony Janetti (for American Academy of NPs)	3,125.00	60.97
McGee Grigsby, 1001 Pennsylvania Ave., NW, #1300 Washington, DC 20004	Latham & Watkins (For:Farmers & Merchants Bank of Long Beach)		
Geri A. Guardino, 2000 K St., NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security	8,325.00	203.96
Kenneth A. Guenther, One Thomas Circle, NW, #950 Washington, DC 20005	Independent Bankers Assn of America	30,000.00	
Paul D. Guth, Bathgate Wegener Wouters & Neumann Three Gateway Center, 15th Floor Newark, NJ 07102	Philadelphia Stock Exchange		
Ned H. Guthrie, 209 Hayes Avenue Charleston, WV 25314	American Fed of Musicians	4,247.50	5,421.78
Robert F. Guthrie, 815 16th St., NW, #608 Washington, DC 20006	Department for Professional Employees, AFL-CIO	6,503.43	
Tom Hagedorn Associates, 1704 23rd St., So. Arlington, VA 22202	Yankee Energy Co		
Hale and Dorr, 1455 Pennsylvania Ave., NW, #1000 Washington, DC 20004	Indian Land Claim Committee		
Martin Haley Companies, Inc, 1015 15th St., NW Washington, DC 20005	M&M/Mars		
Angelynn Hall, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	11,804.63	
Karen Hammond, 1400 K St., NW Washington, DC 20005	American Psychiatric Assn	1,899.00	884.59
Handgun Control, Inc, 1400 K Street, NW, #500 Washington, DC 20005		1,238,193.00	403,435.00
Richard L. Hanneman, 206 North Washington Street Alexandria, VA 22314	Salt Institute		
Frederick J. Hannett, 1823 Jefferson Place, NW Washington, DC 20036	Jefferson Group, Inc (For:Foundation Health Corp)		
Christopher W. Hansen, 1700 N. Moore Street Rosslyn, VA 22209	Boeing Company	2,016.91	1,098.61
Erling Hansen, 1129 20th Street, NW, #600 Washington, DC 20036	Group Health Assn of America, Inc		
Mary V. Harcar, 1747 Pennsylvania Ave., NW, #704 Washington, DC 20006	Manufacturers Life Insurance Co, Inc		
Jon Harkavy, 205 East 42nd Street New York, NY 10017	Risk & Insurance Management Society, Inc		
Donna Akers Harman, 1776 Eye Street, NW, #575 Washington, DC 20006	Dow Chemical Co		4,875.00
Jeffrey Harris, Sachs Greenbaum & Tayler 1140 Connecticut Ave., NW, #900 Washington, DC 20036	Domino's Pizza, Inc		
Milton E. Harris, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Harris Steel Group, Inc		
Susan P. Hart, 1600 M Street, NW Washington, DC 20036	Investment Company Institute		
Harter Secrest & Emery, 700 Midtown Tower Rochester, NY 14604-2070	Genesee & Wyoming Industries, Inc		
Vance Hartke, 7637 Leesburg Pike Falls Church, VA 22043	Alliance of Foreign Medical Graduates	9,000.00	
Clifford J. Harvison, 2200 Mill Rd. Alexandria, VA 22314	National Tank Truck Carriers, Inc		
Richard Gordon Hatcher, 2210 Hayes Street Gary, IN 46404	R. Gordon Hatcher & Associates, Inc (For:National Assn of Realtors)	15,000.00	1,923.56
Do	R. Gordon Hatcher & Associates, Inc (For:Tele-Communications, Inc)		1,796.94
R. Gordon Hatcher & Associates, Inc, 2210 Hayes Street Gary, IN 46404	National Assn of Realtors		
Arnold I. Havens, 1818 N Street, NW Washington, DC 20036	Eckert Seamans Cherin & Mellott (For:Armstrong World Industries, Inc)	14,867.50	55.15
Do	Eckert Seamans Cherin & Mellott (For:Burlington Northern, Inc)	18,852.75	44.30
Do	Eckert Seamans Cherin & Mellott (For:City of Pompano Beach, Florida)		
Do	Eckert Seamans Cherin & Mellott (For:CSX Corporation)	16,724.75	146.63
Do	Eckert Seamans Cherin & Mellott (For:Product Liability Coordinating Committee, et al.).	33,516.00	216.57
Kathryn Joann Hawes, 8701 Georgia Ave., #701 Silver Spring, MD 20910	International Fed of Professional & Technical Engineers		
Charles E. Hawkins III, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Peter M. Hayes, 214 Massachusetts Ave., NE #530 Washington, DC 20002	Salt River Project	3,521.00	671.80
Robert G. Hayes, Bogle and Gates One Thomas Circle, NW, #900 Washington, DC 20005	American Fishing Tackle Manufacturers Assn	2,000.00	
Do	Coastal Conservation Assn	2,000.00	
Janis D. Hazel, 1250 Eye Street, NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l		
Anne A. Heanue, 110 Maryland Avenue, NW, #101 Washington, DC 20002	American Library Assn	822.00	
Hecht Spencer & Associates, Inc. 499 South Capitol Street, SW, #507 Washington, DC 20003	Boy Scouts of America	1,000.00	
James B. Hedlund, 1200 18th St., NW Washington, DC 20036	Association of Independent Television Stations, Inc	5,000.00	
Heller Ehrman White & McAuliffe, 500 Maynard Bldg. Seattle, WA 98104	Arctic Slope Regional Corp	635.00	1,241.46
Carol C. Henderson, 110 Maryland Ave., NE, #101, Box 54 Washington, DC 20002	American Library Assn	1,128.00	
Donald E. Henderson, 130 E. Washington Street Indianapolis, IN 46204	Indiana Farm Bureau, Inc	6,000.00	1,503.16
Richard Dean Henderson, 2022 P Street, NW Washington, DC 20036	Private Truck Council of America, Inc		40.00
Kathleen Henderson-Whyte, 1625 Eye St., NW, #500 Washington, DC 20006	Ketchum Public Relations (For:Ormet Corporations)		
Hercules, Inc, Hercules Plaza Wilmington, DE 19894			9,700.00
Richard A. Herrett, 1600 M St., NW, #702 Washington, DC 20036	ICI Americas, Inc		
Jo-Ann T. Herrick, 1800 K Street, NW, #530 Washington, DC 20006	Tesoro Petroleum Corp		
Barry Alexander Herring, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Laurel Steel Products, Ltd		
Heublein, Inc, 16 Munson Road Farmington, CT 06034-0388		17,250.00	6,065.84
Dale E. Heydlauff, 1667 K St., NW, #450 Washington, DC 20006	American Electric Power Service Corp	34.13	150.36
Janet E. Hieber, 1436 U Street, NW Washington, DC 20009	Greenpeace USA	1,833.00	321.60
Hill & Barlow, One International Place 100 Oliver St. Boston, MA 02110	United Asset Management Corporation	1,224.00	
Cornish F. Hitchcock, Suite 700 2000 P St., NW Washington, DC 20036	Aviation Consumer Action Project		
Lawrence S. Hobart, 2301 M St., NW, #300 Washington, DC 20037	American Public Power Assn	500.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Hobbs Straus Dean & Wilder, 1819 H St., NW, #800 Washington, DC 20006	Aroostook Band of Micmacs	1,730.00	40.30
Do	Association of Navajo Community Controlled School Boards		
Do	Bristol Bay Area Health Corp	190.00	33.75
Do	Maniilaq Assn	90.00	18.75
Do	Menominee Indian Tribe	3,434.00	30.00
Do	Metlakatla Indian Community	220.00	26.25
Do	Miccosukee Tribe of Indians of Florida	210.00	15.00
Do	National Indian Education Assn	200.00	7.50
Do	Norton Sound Health Corp	140.00	11.25
Do	Oglala Sioux Tribe	350.00	60.00
Do	Oglala Sioux Tribe Public Safety Commission		
Do	Quinault Indian Tribe/Quinault Allottees Assn	1,000.00	7.00
Do	Seminole Tribe of Florida	2,530.00	88.65
Do	Tanana Chiefs Conference, Inc		
Adonis E. Hoffman, 2908 Fort Baker Drive Washington, DC 20020-7222	Angola Peace Fund	7,500.00	
Robert C. Hoffman, 2600 N. Powhatan Street Arlington, VA 22207	Foresight Consulting Group, Inc		
William J. Holayter, 1300 Connecticut Avenue, NW Washington, DC 20036	International Assn of Machinists & Aerospace Workers	8,184.48	
Michele O'Donnell Holbrook, 10 Lafayette Square, Rm. 900 Buffalo, NY 14203	National Fuel Gas Distribution Corp, et al	1,650.00	6,188.63
Susan Z. Holik, 2101 E Street, NW Washington, DC 20037	American Foreign Service Assn		
Holland & Hart, 1001 Pennsylvania Ave., #310 Washington, DC 20006	Citgo Petroleum Corp	570.00	
Do	Citmoco Services, Inc	3,000.00	1,362.00
Do	Grocery Manufacturers of America, Inc		174.00
Do	Southland Corporation		
Holly Farms Corporation, 1755D Lynnfield Road, #149 Memphis, TN 38119			
Holt Miller & Associates, 2111 Wilson Blvd., #531 Arlington, VA 22201	Home Group, Inc	17,770.20	2,715.93
Do	Texas Ranchers Labor Assn	300.00	
Do	Texas Sheep & Goat Raisers Assn		
Do	U.S. English	3,480.00	215.84
Do	Western Agricultural Coalition	720.00	
Lois Holwerda-Hoyt, 600 Maryland Avenue, SW, #770 Washington, DC 20024	American Academy of Family Physicians	2,562.00	144.40
Pete Homer Jr., 1012 Santa Ana, SE Albuquerque, NM 87123			
Marian Hopkins, 1615 H Street, NW Washington, DC 20062	Chamber of Commerce of the U.S.	3,900.00	794.37
Hopkins Sutter Hamel & Park, 888 16th Street, NW Washington, DC 20006	Alaska Joint Venture Seafoods, Inc		
Do	Alaska Tae Woong		
Do	Alaskan Cod, Inc		
Do	Allan Bruner (for estate of Elsie Bruner)		13.50
Do	Peter Buyck		
Do	Joy B. Carpenter	2,975.00	13.50
Do	Congaree River Limited Partnership	1,312.50	47.50
Do	Cook Inlet Land Exchange, Inc	16,922.00	125.00
Do	Estate of Helen Halbach	1,445.00	
Do	First Federal Savings Bank		
Do	Gundle Lining Systems, Inc	600.00	338.02
Do	Louisiana Pacific Corp	22,720.00	3,330.68
Do	Martel Laboratory Services, Inc		
Do	Safe Travel America		92.35
Do	United Video	10,825.00	265.62
Do	Zambelli Internationale	75.00	207.09
Hospital Association of New York State, 74 N. Pearl St. Albany, NY 12207		3,519.00	3,519.00
Betty Hudson, 1627 K Street, NW, #300 Washington, DC 20006	Fluor Corporation	15,000.00	74.00
Brett Hulsey, Utica Center Building 1574 E. 21st Street Tulsa, OK 74114	Sierra Club	1,577.00	2,061.00
Gregory A. Humphrey, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers	22,333.36	240.00
Charles G. Huntington, 600 Maryland Ave., SW, #770 Washington, DC 20024	American Academy of Family Physicians	2,343.75	120.35
Hunton & Williams, 2000 Pennsylvania Ave., NW, #9000 P.O. Box 19230 Washington, DC 20036	Copyright Justice Coalition		
Robert D. Hynes Jr., 1825 K St., NW, #807 Washington, DC 20006	National Broadcasting Co, Inc	1,000.00	222.38
HCA The Healthcare Co, One Park Plaza P.O. Box 550 Nashville, TN 37202-0550			
Maurice C. Inman Jr., 1231 Stone Canyon Road Los Angeles, CA 90077			
International Assn of Machinists & Aerospace Workers, 1300 Connecticut Ave., NW Washington, DC 20036			30,331.70
International Brotherhood of Painters & Allied Trades, 1750 New York Ave., NW Washington, DC 20006			
International Union of Operating Engineers, 1125 17th St., NW Washington, DC 20036		22,500.00	1,109.00
Investment Counsel Assn of America, Inc, 20 Exchange Place New York, NY 10005			
Edrie Irvine, 1620 Eye Street, NW, #1000 Washington, DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Ivins Phillips & Barker, Chtd, 1700 Pennsylvania Ave., NW, #600 Washington, DC 20006	American Textile Manufacturers Institute, Inc		
Do	Borg-Warner Corp		
Do	Employee Relocation Council	460.00	
Do	Limited, Inc		
Do	Oberlin College		
Do	Rochester Tax Council		
Timothy P. James, 1125 17th Street, NW Washington, DC 20036	International Union of Operating Engineers	6,500.00	335.00
Anthony Jannetti, Inc, N. Woodbury Road, Box 56 Pitman, NJ 08071	American Academy of Nurse Practitioners	3,275.00	3,185.97
Do	American Assn of Occupational Health Nurses	5,000.00	3,185.75
Joseph A. Jeffrey, 1920 N St., NW, #300 Washington, DC 20036	American Mining Congress		
Kempton B. Jenkins, 1667 K St., NW, #650 Washington, DC 20006	Armco, Inc	200.00	308.58
Jenner & Block, 21 Dupont Circle, NW Washington, DC 20036	MCI Communications Corp		
Ronald P. Johnsen, 1250 Eye St., NW, #703 Washington, DC 20005	Columbia Gas System Service Corp	175.00	433.05
Aileen A. Johnson, 2000 P St., NW, #400 Washington, DC 20036	Women's Legal Defense Fund		
Kay Johnson, 122 C Street, NW Washington, DC 20001	Children's Defense Fund	882.00	
Stanley L. Johnson, 5344 29th St., NW Washington, DC 20015	Texaco, Inc		
Susan E. Johnson, 633 Pennsylvania Ave., NW, #600 Washington, DC 20004	Sears Roebuck & Co	3,900.00	200.00
Joint Corporate Comm on Cuban Claims, c/o Lone Star Industries, Inc PO Box 5050 Greenwich, CT 06830			180.00
Belva W. Jones, 1101 15th St., NW, #202 Washington, DC 20005	National Assn of Margarine Manufacturers		
Beverly E. Jones, 1101 16th Street, NW Washington, DC 20036	Consolidated Natural Gas Co	1,000.00	237.58
Theodore L. Jones, 1730 Pennsylvania Ave., NW, #350 Washington, DC 20006	Hartford Group		
Do	Mall Properties, Inc		
Do	Maxicare Health Plans, Inc		
Do	Michcon Corporation		
Do	U.S. Cane Refiners' Assn		
Do	United Companies Life Insurance Companies		
Do	Zapata Corporation		
Do	Zapata Gulf Marine Corp		
Jones Day Reavis & Pogue, 1450 G Street, NW, #600 Washington, DC 20005-2088	AmeriTrust Co, Nat'l Assn		
Do	Automotive Dismantlers & Recyclers Assn, Inc		
Do	Bank Street Consultanting Group		
Do	Bear Stearns & Co		
Do	Cleveland Cliffs Iron Co	8,337.00	55.00
Do	Computer & Business Equipment Manufacturers Assn	2,425.00	
Do	Consumers for Competitive Fuels	3,615.00	41.00
Do	Consumers United for Rail Equity (C.U.R.E.)	985.00	20.25
Do	Embassy of the People's Republic of China	9,994.50	7.00
Do	Health Policy Coalition	8,337.00	55.00
Do	Heron International, Ltd		
Do	Laurel Industries, Inc	1,850.25	59.67
Do	Los Angeles County	3,809.00	999.50
Do	M.A. Hanna Company	5,322.00	100.00
Do	Michigan Consolidated Gas Company		59.50
Do	Morgan Grenfell & Co, Ltd		12.00
Do	National Assn of Independent Insurers		
Do	National Assn of State Auditors Comptrollers & Treasurers		
Do	National Beer Wholesalers Assn	4,162.25	
Do	Pfizer, Inc	4,198.00	84.50
Do	Stakeholders in America	9,940.00	1,892.78
Do	State Assn of County Retirement Systems		
Do	SCM Corp	160.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	USAA Federal Savings Bank		
Mary Lou Joseph, 2025 M Street, NW Washington, DC 20036	National Public Radio	14,761.38	694.88
Jeffrey Judah, 602 E St., SE Washington, DC 20003	H E R O Project		
James L. Kane Jr., 1315 Vincent Place Mclean, VA 22101			
Patricia L. Katson, 11215 Oak Leaf Drive Silver Spring, MD 20901	Liberty Lobby, Inc	8,250.00	
Anthony P. Kavanagh, 410 First Street, SE Washington, DC 20003	Consolidated Edison Co of New York, Inc	2,010.00	987.75
Kaye Scholer Fierman Hays & Handler, 901 15th St., NW, #1100 Washington, DC 20005	American Nuclear Energy Council		172.75
Do	Robert Bosch Corp	784.65	784.65
Do	Brown Brothers Harriman & Co	345.00	345.00
Do	Carlon Company		460.00
Do	Eastern Airlines	345.00	90.85
Do	Goldman Sachs & Co	1,813.91	292.10
Do	GAF Corporation		
Do	Kraft, Inc	1,250.63	1,576.65
Do	Londontown Corporation		
Do	Morgan Guaranty Trust Co of New York	11,768.29	370.10
Do	Siemens Medical Systems, Inc	404.88	1,121.25
Do	U.S. Industrial Fabric Institute	690.00	782.05
Do	UTV of San Francisco, Inc		1,089.00
Do	Westwood One, Inc		
Do	Winfield Manufacturing Co	1,792.28	1,243.35
David L. Keating, 18 9th Street, NE Washington, DC 20002	National Taxpayers Union	3,029.00	
Keck Mahin & Cate, 1730 Pennsylvania Avenue, NW, #350 Washington, DC 20006	General Instrument Corporation	12,257.25	46.00
David A. Keene, 919 Prince Street Alexandria, VA 22314	Keene Shirley & Associates, Inc (For:American Freedom Coalition)	562.50	
Do	Keene Shirley & Associates, Inc (For:Apex Marine)	562.50	
Do	Keene Shirley & Associates, Inc (For:Australian Barley Board)	962.50	
Do	Keene Shirley & Associates, Inc (For:Council for International Development)	562.50	
Do	Keene Shirley & Associates, Inc (For:CSR, Ltd)		
Do	Keene Shirley & Associates, Inc (For:Limited, Inc)	562.50	
Do	Marine Engineers Beneficial Assn (AFL-CIO)	3,000.00	
Do	Keene Shirley & Associates, Inc (For:McDonnell Douglas Astronautics Co)	562.50	
Do	Keene Shirley & Associates, Inc (For:Mortgage Guaranty Insurance Corp)		
Do	Keene Shirley & Associates, Inc (For:National Farmers' Federation of Australia)	562.50	
Do	National Tax Limitation Committee	562.50	
Do	Keene Shirley & Associates, Inc (For:Nicaraguan American National Foundation)	187.50	
Do	Keene Shirley & Associates, Inc (For:Nicaraguan Development Council)	187.50	
Do	Keene Shirley & Associates, Inc (For:United Maritime Officers Assn)	562.50	
Keene Shirley & Associates, Inc, 919 Prince Street Alexandria, VA 22314	American Freedom Coalition	19,137.61	5,184.70
Do	Apex Marine	5,000.00	1,525.00
Do	Australian Barley Board	18,000.00	3,400.00
Do	Council for International Development	9,000.00	1,575.00
Do	CSR, Ltd	1,791.83	1,791.83
Do	Limited, Inc	21,887.82	4,936.38
Do	Marine Engineers Beneficial Assn	3,000.00	3,000.00
Do	McDonnell Douglas Astronautics Co	17,000.00	3,408.97
Do	Mortgage Guaranty Insurance Corp		
Do	National Farmers' Federation of Australia	38,075.73	6,660.04
Do	National Tax Limitation Committee	4,000.00	1,532.96
Do	Nicaraguan American National Foundation	8,250.00	2,355.67
Do	Nicaraguan Development Council	2,750.00	3,752.48
Do	United Maritime Officers Assn	15,000.00	562.50
Paul J. Kelley, 2727 North Central Ave. Phoenix, AZ 85004	U-Haul Intl, Inc	3,000.00	
William N. Kelly, 1200 Peavey Building Minneapolis, MN 55479-1032	Norwest Corporation	1,200.00	925.00
Kemper Financial Services, Inc, 120 South Lasalle Street Chicago, IL 60603			443.36
Kemper Investors Life Insurance Co, 120 South Lasalle Street Chicago, IL 60603			47.66
Michael W. Kempner, MWW/Strategic Communications, Inc 70 Grand Avenue Grand Four Office Center River Edge, NJ 07661	Fidelity Environmental Insurance Co		
Do	Kaselaan & D'Angelo Associates, Inc		
Do	W R Grace		
Do	Winter's Liquor Filled Chocolates		
Stephanie Kennan, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	470.76	241.92
Robert P. Kennel, 12500 Fair Lakes Circle, #260 Fairfax, VA 22033	National Wood Energy Assn, Inc		
Timothy C. Kernan, 1627 K Street, NW, #300 Washington, DC 20006	Fluor Corporation	8,000.00	776.56
T. Michael Kerr, 1625 L St., NW Washington, DC 20036	American Fed of State County & Municipal Employees	10,390.50	276.37
Kilpatrick & Cody, 2501 M St., NW, #500 Washington, DC 20037	Chicago Research & Trading Group, Ltd		
Do	Flying Tigers	2,689.50	
Do	Forest Farmers Assn	1,740.50	25.00
Do	Gray Communications Systems, Inc		
Do	John Hancock Mutual		
Do	Marathon U.S. Realties, Inc		
Do	Mitsubishi Electronic America, Inc	2,046.00	26.00
Do	PepsiCo, Inc	13,238.00	
Do	Prudential Insurance Co of America		
Do	U.S. Sprint Telecommunications Co	280.50	
Do	University of Georgia	5,973.00	27.00
Richard H. Kimberly, 1201 Pennsylvania Avenue, NW, #730 Washington, DC 20004	Kimberly-Clark Corp	4,163.25	254.50
Kimberly-Clark Corp, Texas Commerce Bank Building 545 E. Carpenter Freeway Irving, TX 75062-3931			5,305.75
Gene Kimmelman, 1424 16th St., NW, #604 Washington, DC 20036	Consumer Federation of America	11,385.00	371.00
Kirkland & Ellis, 655 15th Street, NW, #1200 Washington, DC 20005	Committee for Future Investment in America's Past	2,000.00	
Do	Corning Glass		
Do	JMB Realty Corporation	18,890.00	
Do	Medford Corp	35,058.00	
Do	Professional Services Council	1,200.00	
Do	Service Master	42,139.00	
Do	T.I.M.E.-DC, Inc	57,982.00	
Do	Valhi, Inc	11,440.00	
Kirkpatrick & Lockhart, 1800 M St., NW, S. Lobby, #900 Washington, DC 20036	Koppers Co, Inc	10,442.50	
Do	Search Group, Inc	11,407.00	1,048.21
Donald R. Kirtley, Hercules Plaza Wilmington, DE 19894	Hercules, Inc		
James A. Klein, 1331 Pennsylvania Ave., NW, #719 Washington, DC 20004	Chamber of Commerce of the U.S		
Jerry D. Klepner, 1625 L Street, NW Washington, DC 20036	American Fed of State County & Municipal Employees	22,500.00	332.82
James E. Kneale, 2335 South Meade St. Arlington, VA 22202	Lockheed Corporation	4,000.00	821.72
John A. Knebel, 1920 N Street, NW, #300 Washington, DC 20036	American Mining Congress		
Peter E. Knight, 1101 15th Street, NW, #400 Washington, DC 20005	National Council of Savings Institutions	8,000.00	796.64
Keith R. Knoblock, 1920 N St., NW Washington, DC 20036	American Mining Congress		
C. Neal Knox, Neal Knox Associates Box 6537 Silver Spring, MD 20906		5,000.00	650.00
Bradley R. Koch, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	142.50	
Kogovsek & Associates, Inc, 1801 Broadway, #1420 Denver, CO 80202	City of Pueblo, Pueblo County	4,500.00	2,981.74
Do	Colorado-Ute Electric Assn, Inc	200.00	768.00
Do	Dolores Water Conservancy District		1,077.82
Do	Public Employees Retirement Assn of Colorado	5,025.00	
Do	Rio Grande Water Conservation District	4,500.00	3,117.37
Do	Rocky Mountain Health Care Corp	5,205.00	555.89
Do	Southern Ute Indian Tribe		9,553.09
Do	Southwestern Water Conservation District, Durango County		8,808.38
Do	Upper Yampa Water Conservation District	2,862.50	1,483.51
Do	Ute Mountain Ute Indian Tribe		392.50
Hugh A. Krentz, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Canadian Institute of Steel Construction		
Nicholas M. Kublicki, 1407 North Kenilworth St., #1 Arlington, VA 22205	American Conservative Union		
Herb B. Kuhn, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn	2,228.80	235.65
Kuykendall Company, 517 3rd Street, SE Washington, DC 20003	Guardsmark, Inc	15,000.00	
Do	R. F. Shoup Corp		
Labor-Management Maritime Committee, Inc, 100 Indiana Avenue, NW Washington, DC 20001		4,989.00	5,682.00
Bruce C. Ladd Jr., 1776 K Street, NW Washington, DC 20006	Motorola, Inc	16,500.00	138.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Gerard F. Lamb, 2341 Jefferson Davis Hwy, 10th Floor Arlington, VA 22202	Bath Iron Works Corp	5,000.00	
Jill Lancelot, 7100 Sycamore Avenue Takoma Park, MD 20912	National Taxpayers Union	4,173.00	
Robert D. Landis, 777 14th St., NW Washington, DC 20005	National Assn of Realtors		24.30
Lane & Edson, P.C., 2300 M Street, NW Washington, DC 20036	Coalition to Preserve Low Income Housing Tax Credit	3,000.00	
Lane Powell Moss & Miller, 3800 Ranier Bank Tower Seattle, WA 98101-2647	Afognak Joint Venture		36,379.84
Richard Eugene Larochelle, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	225.00	
Debra L. Larson, 729 15th St., NW Washington, DC 20005	Associated Builders & Contractors, Inc.	2,500.00	
Theodore A. Lattanzio, 1600 Rhode Island Ave., NW Washington, DC 20036	National Rifle Assn of America	1,376.98	
Richard A. Lauderbaugh, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn		61.46
Karl F. Lauenstein, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	1,000.00	120.10
Charles B. Lavin Jr., 1120 19th St., NW, #LL-20 Washington, DC 20036	Alarm Industry FCC Frequency Advisory Committee		
Do	Central Station Electrical Protection Assn		
Do	National Burglar & Fire Alarm Assn, Inc		
Ursula Lawrence, 25 Guilfoy Street Glen Cove, NY 11542	America's Conscience		3.00
Elizabeth Lawson, 1730 M Street, NW Washington, DC 20036	League of Women Voters of the U.S.	4,894.60	4.00
Edward J. LaFleur, 1745 Jefferson Davis Highway, #1200 Arlington, VA 22202	Rockwell International Corp		
Sally Ann LaHue, 1101 15th Street, NW, #400 Washington, DC 20005	National Council of Savings Institutions	2,000.00	692.56
Leach Biesty & McGreevy, 1619 New Hampshire Ave., NW Washington, DC 20009	Washington Psychiatric Society	5,250.00	
Leadership Conference on Civil Rights, 2027 Massachusetts Ave., NW Washington, DC 20036		124,574.03	69,400.64
League of Rural Voters Education Project, Inc, 3255 Hennepin Avenue South, #225 Minneapolis, MN 55408		55,004.00	3,600.00
League of Rural Voters, Inc, 3255 Hennepin Avenue South, #225 Minneapolis, MN 55408			600.00
Noel R. Leary, 1250 Eye Street, NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l		
L. Courtland Lee, Inc, 3814 West Street Landover, MD 20785	Minerals Exploration Coalition, Inc.	300.00	40.00
Mary Nell Lehnhard, 655 15th Street, NW, #350 Washington, DC 20005	Blue Cross & Blue Shield Assn.	274.15	
Matthew R. Lehrman, 777 14th St., NW Washington, DC 20005	National Assn of Realtors	1,500.00	132.01
Arnold H. Leibowitz, 1707 H Street, NW, #500 Washington, DC 20036	Republic of Palau		
Laverne Still Lemen, 1100 Vermont Avenue, NW, Suite 430 Washington, DC 20005	National Cotton Council of America	600.00	9.60
Cynthia R. Lenhart, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society	7,250.00	4,236.90
Lepon McCarthy & Jutkowitz, 1146 19th Street, NW, Third Floor Washington, DC 20006	Manhattan Apartments, LP		5,540.15
Craig S. Lesser, 23/333 Piedmont Ave Atlanta, GA 30308	Georgia Power Co	7,936.50	9,832.02
Betsy Levin, One Dupont Cirle, NW, #370 Washington, DC 20036	Association of American Law Schools		
James F. Levy, 215 Assembly Street Columbia, SC 29201	Vista, Inc		
David A. Lewis, 1601 Connecticut Ave., NW, #800 Washington, DC 20009	Physicians for Social Responsibility	3,364.59	22.00
David J. Lewis, 2321 N. Columbus Street Arlington, VA 22207	International Trade & Development Agency, Inc		
Harris W. LeFew, 300 Pratt Street Luke, MD 21540-1099	Westvaco Corporation		
Lawson LeGate, 177 East 900 South, #102 Salt Lake City, UT 84111	Sierra Club	364.74	405.49
Judith Lichtman, 2000 P St., NW, #400 Washington, DC 20036	Women's Legal Defense Fund	209.28	67.24
Linton Mields Reisler & Cottone, 1"25 Eye Street, NW Washington, DC 20005	Iowa Department of Transportation	5,473.00	202.00
Do	Madison Gas & Electric Co	1,612.00	
Do	Metropolitan Sanitary District of Greater Chicago	8,576.00	
Do	Michigan Dept of Transportation	4,784.00	
Do	Northern States Power Co	2,907.00	
Do	Oregon Department of Transportation	3,750.00	
Do	State of Colorado, Dept of Highways	4,500.00	
Do	State of IL, Dept of Transportation	7,178.00	319.00
Do	State of IL, Dept of Transportation, Div of Water Resources	5,862.00	
Do	Superior Water Light & Power Co	407.00	
Do	Wisconsin Electric Power Co	7,920.00	41.00
Do	Wisconsin Fuel and Light Co		
Do	Wisconsin Natural Gas Co		
Do	Wisconsin Power & Light Co		
Do	Wisconsin Public Service Corp	3,055.00	
Lipsen Hamberger Whitten & Hamberger, 1725 DeSales St., NW, #800 Washington, DC 20036	American Dehydrated Onion & Garlic Assn		
Do	American Public Transit Assn	4,368.00	
Do	Association of Scientists & Prof Engineering Personnel		
Do	Council of Engineers Scientists Organizations		
Do	Diagnostic Retrieval Systems, Inc		
Do	Dravo Corporation		
Do	DINAMO/ovia	1,200.00	
Do	Electronic Data Systems Corp		
Do	Enserch Corporation		
Do	Gray Communications Systems, Inc		
Do	McKesson Corp		
Do	Meridian Bancorp, Inc	1,020.00	
Do	National Rural Letter Carriers Assn		
Do	Olivetti Corp of America		
Do	Pharmaceutical Card System, Inc	2,591.25	
Do	Pillsbury Company		
Do	RJR Nabisco, Inc	4,450.00	
Do	Seatrain Tankers Corp		
Do	Staley Continental, Inc		
Do	TeleCommunications, Inc		
Do	Tobacco Institute		
Do	Union Pacific Corp		
Do	Westinghouse Electric Corp	5,775.00	
David A. Litvin, 1776 Eye Street, NW, #1000 Washington, DC 20006	BP America, Inc		
Robert W. Lively, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	115.00	
Lord Day & Lord, Barrett Smith, 1201 Pennsylvania Avenue, NW, #821 Washington, DC 20004	Coffee Sugar & Cocoa Exchange, Inc		14.00
Gerald D. Lore, 1050 Connecticut Avenue, NW, #401 Washington, DC 20036	Hoffmann-La Roche, Inc		
Timothy Lovain, 3713 Gunston Road Alexandria, VA 22302	Denny Miller Associates		
Charles M. Loveless, 1625 L Street, NW Washington, DC 20036	American Fed of State County & Municipal Employees	12,992.66	648.46
David H. Lynch, 777 14th Street, NW Washington, DC 20005	National Assn of Realtors		45.91
M.O.A./AIOA & Subs, Inc, 701 S. 22nd, #107 Omaha, NB 68102		100.00	
Samuel A. Mabry, 1800 K St., NW Washington, DC 20006	Hercules, Inc	4,938.00	1,912.00
Robert E. Mackin, 122 South Swan Street Albany, NY 12210	National Conference of Insurance Legislators	7,500.00	1,117.47
Jack A. MacDonald, 1901 N. Fort Meyer Drive, #302 Rosslyn, VA 22209	Beverly Enterprises, Inc	6,250.00	75.00
Sheila MacDonald, 3231 Beech Street, NW Washington, DC 20015	National Taxpayers Union	2,322.00	
Madison Public Affairs Group, Inc, 2033 M St., NW, #900 Washington, DC 20036	GE-Government Services		
Mimi Mager, 2027 Massachusetts Ave., NW Washington, DC 20036	Leadership Conference on Civil Rights	10,384.62	633.80
Mary Mahon, 380 Second Avenue New York, NY 10010	Planned Parenthood of New York City, Inc	75.96	434.42
James Timothy Mahoney, 330 Pennsylvania Ave., SE Washington, DC 20003	Sierra Club	12,213.81	73.40
Michael C. Maibach, Intel Corporation, GR1-63 3535 Garrett Drive Santa Clara, CA 95051-8119	Intel Corporation	12,000.00	10,813.70
R. Roger Majak, 1700 N. Moore Street, #1620 Arlington, VA 22209	Tektronix, Inc	10,317.50	10,038.40
Daniel C. Maldonado, 1030 15th St., NW #468 Washington, DC 20005	American Soc of Anesthesiologists	13,900.00	207.87
Richard J. Mannix, 1001 Pensylvania Ave., NW Washington, DC 20004-2505	Brooklyn Union Gas Co		
Richard Mark, 1616 P St., NW, #320 Washington, DC 20036	Professionals' Coalition for Nuclear Arms Control	9,999.96	5,249.84
Howard Marlowe, 1667 K St., NW, #660 Washington, DC 20006	Coalition to Keep Alaska Oil		
Valsin A. Marmillion, 5757 Wilshire Blvd., #7th Flr Los Angeles, CA 90036	Hunt Marmillion & Associates (For:American Bankers Assn)		
Chalmers H. Marquis, 1350 Connecticut Ave., NW, #200 Washington, DC 20036	Agency for Instructional Television		
Dennis G. Martin, Dow Lohnes & Albertson 1255 23rd St., NW Washington, DC 20037	Dofasco, Inc		
Maryland People's Counsel, 231 E. Baltimore Street, 9th Fl. Baltimore, MD 21202			78.66
Noel D. Matchett, 1001 Spring St., #123 Silver Spring, MD 20910	Information Security, Inc	10.00	
Mary Cheryl Matheis, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	515.76	
William W. Maurer, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	1,000.00	863.92
Michael J. McAdams, 1776 Eye Street, NW, #1000 Washington, DC 20006	BP America, Inc	4,000.00	219.13
Douglas E. McAllister, 1920 N St., NW Washington, DC 20036	American Mining Congress		
John H. McAllister, Dow Lohnes & Albertson 1255 Twenty Third St., NW Washington, DC 20037	Dofasco, Inc		
David F. McDermitt, 2238 Highland Avenue Falls Church, VA 22046	National Utility Contractors Assn	14,500.00	
Francis O. McDermott, 888 16th Street, N.W. Suite 624A Washington, DC 20006	Association Management Corp		
Roger D. McDonough, 1250 Eye Street, NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l		
McElroy & Associates, 600 New Hampshire Ave., NW, #1010 Washington, DC 20037	Dravo Corporationn	12,000.00	139.38
Do	Hughes Aircraft	6,249.00	
Do	A. L. Williams & Company	6,000.00	5,104.91

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Christine W. McEntee, 50 F Street, NW, #II00 Washington, DC 20001	American Hospital Assn		
Terry M. McGann, 1900 Placer Gold Court Gold River, CA 95670	Foundation Health Corp		
Paul J. McGeady, 27 Hampton Place Nutley, NJ 07110	Morality in Media, Inc	21.98	
Michael McGehee, 555 13th Street, #500E Washington, DC 20036	Research to Prevent Blindness, Inc	4,187.50	1,066.07
Law Offs of James D. McKevitt, 1101 16th Street, NW, 500 Washington, DC 20036	Kelly Assisted Living		
Do	Kelly Services, Inc		
Do	National Assn of Wholesaler-Distributers		
Do	National Fed of Independent Business	1,200.00	10.00
Francis X. McLaughlin Jr., 1730 K St., NW, #1100 Washington, DC 20006	National Treasury Employees Union	8,413.25	785.66
Edward T. McMahon, 218 D Street, SE Washington, DC 20003	Coalition for Scenic Beauty	250.00	
Joseph E. McMahon, 1331 Pennsylvania Avenue, NW, #909 Washington, DC 20004	Rodale Press	9,300.00	381.72
Sandra H. McMullan, 122 C St., NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	4,350.00	185.00
Larry McNickle, 1129 20th St., NW, #400 Washington, DC 20036	American Assn of Homes for the Aging	1,016.00	88.00
Francis X. Meaney, 1825 Eye Street, NW Washington, DC 20006	Mintz Levin Cohn Ferris Glovsky & Popeo (For:Securities Industry Assn)	1,200.00	
William A. Meaux, 1600 M Street, NW, #702 Washington, DC 20036	ICI Americas, Inc	13,000.00	
Medtronic, Inc, 7000 Central Ave., NE Minneapolis, MN 55432			53.15
Nanine Meiklejohn, 1625 L St., NW Washington, DC 20036	American Fed of State County & Municipal Employees	11,325.60	188.12
Susan R. Meisinger, 606 North Washington Street Alexandria, VA 22314	American Soc for Personnel Administration	5,000.00	
John R. Mendenhall, Martin Tower 8th & Eaton Avenues Bethlehem, PA 18018	Union Pacific Corp	5,000.00	
Howard A. Menell, 1747 Pennsylvania Ave., NW, #900 Washington, DC 20006	American Express Co		
Edward L. Merrigan, 6000 Connecticut Ave., NW Washington, DC 20815	Central Gulf Lines, Inc		406.18
Do	Rolls-Royce Motors, Inc		142.95
Harold E. Mesirow, 1800 M Street, NW, Suite 250N Washington, DC 20006	Global Marine, Inc		
David A. Metzner, 499 S Capitol St., SW, #520 Washington, DC 20003	MOVAN Enterprises, Ltd	6,249.99	
Do	Van Fleet Associates	6,249.99	
Michigan Assn of County Treasurers, 1752 N Street, NW, 6th Floor Washington, DC 20036			
Mid-West Electric Consumers Assn, 1441 York Street, #305 Denver, CO 80206			
Milbank Tweed Hadley & McCloy, 1825 Eye St., NW Washinton, DC 20006	Committee for Fair Trade with China		
Milgrim Thomajan & Lee, 1025 Connecticut Ave, NW, #1000 Washington, DC 20036	AGS Management Systems, et al	30,500.00	64.00
Do	Lloyds U.S		508.00
Linda B. Miller, 1625 Eye St., NW, #810 Washington, DC 20006	Volunteer Trustees of Not-For-Profit Hospitals		
Paul J. Miller, 8000 Sears Tower Chicago, IL 60606	Investment Counsel Assn of America, Inc		
Peggy Miller, 1424 16th St., NW, #604 Washington, DC 20036	Consumer Federation of America	8,077.00	246.00
Miller & Chevalier, Chtd, 655 15th St., NW, #900 Washington, DC 20005-5701	American Electronics Assn		
Do	Computer & Business Equipment Manufacturers Assn		
Do	Council on Research & Technology	2,951.59	56.00
Do	De La Salle Institute	73,332.50	3,231.45
Do	Electronic Industries Assn		
Do	Tektronix, Inc	885.00	25.00
Do	UDC-Universal Development L.P	1,733.64	23.00
Miller Hamilton Snider & Odom, 256 State St., P.O. Box 46 Mobile, AL 36601	Colonial Bancgroup, Inc	1,122.00	5,773.26
John W. Mills, Tenneco Automotive 100 Tri State Int'l, #300 Lincolnshire, IL 60015	Coalition for Auto Repair Choice		
Miner Fraser & Gabriel, 2033 M Street, NW Ninth Floor Washington, DC 20036	Navajo Nation	20,898.75	14,034.25
Bennett L. Minton, 900 19th Street, NW, #800 Washington, DC 20006-2102	U.S. Telephone Assn		
Elizabeth R. Monro, 1709 New York Ave., NW Washington, DC 20006	Air Transport Assn of America	13,231.38	
William J. Montwieler, 1750 K Street, NW, #210 Washington, DC 20006	Industrial Truck Assn		100.00
Obie Moore, 1156 15th St., NW, #1015 Washington, DC 20005	JC Penney Co, Inc		40.00
Timothy X. Moore, Timothy Moore & Co 2900 M Street, NW, #300 Washington, DC 20007	All-Industry TV Music License Committee	10,500.00	1,100.00
Do	BF Goodrich Co		
Do	National Machine Tool Builders' Assn	1,340.00	
Do	Occidental Chemical Corp		
Do	Swidler & Berlin, Chtd		
Do	Whitman & Ransom (for Seiko-Epson, Japan)	1,320.00	
Walter K. Moore, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn		486.00
Ann Moorhead, 2571 Vernon Drive, NE Palm Bay, FL 32905	Press Television	1,600.00	
Morality in Media, Inc, 475 Riverside Dr., #239 New York, NY 10115		1,541.88	1,541.88
E. Joyce Morgan, 1920 N St., NW Washington, DC 20036	American Mining Congress		
Gerald D. Morris, 555 New Jersey Ave., NW Washington, DC 20001	American Fed of Teachers, AFL-CIO	21,500.00	148.00
James Morrison, 601 Pennsylvania Ave, NW, #700 Washington, DC 20004-2602	Business Executives for National Security		
Morrison & Foerster, 2000 Pennsylvania Ave., NW Washington, DC 20006	Mastercard International, Inc, et al	23,231.87	367.25
Evelyn M. Morton, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	455.76	186.25
Michael L. Morton, 910 16th Street, NW, #402 Washington, DC 20006	Florida Sugar Cane League, Inc		
Mudge Rose Guthrie Alexander & Ferdon, 2121 K Street, NW, #700 Washington, DC 20037	American Assn of Exporters-Importers-Textile & Apparel Group	3,297.00	87.00
Do	Government of Hong Kong	880.00	
Gregory R. Mueller, 919 Prince Street Alexandria, VA 22314	Keene Shirley & Associates, Inc (For:American Freedom Coalition)	916.67	
Do	Keene Shirley & Associates (For:Nicaraguan American National Foundation)	305.56	
Do	Keene Shirley & Associates (For:Nicaraguan Development Council)	305.56	
Richard J. Muller, 1100 Connecticut Ave., NW, #930 Washington, DC 20036	Chrysler Corporation	2,000.00	105.00
Evelyn Fieman Munley, 1129 20th Street, NW, #400 Washington, DC 20036	American Assn of Homes for the Aging		
James Brian Munroe, 340 Kingsland Street Nutley, NJ 07110	Hoffmann-La Roche, Inc		
Barbara Munson, 1300 North 17th St., #1200 Arlington, VA 22209	Consumer Bankers Assn	5,087.48	159.49
Patricia Collins Murdock, 1313 L St., NW Washington, DC 20005	American Fed of State County & Municipal Employees	4,043.86	48.60
Do	Service Employees International Union		
Edward L. Murphy, 1313 L Street, NW, 2nd Floor Washington, DC 20005	National Assn of Government Employees	7,000.00	210.00
James E. Murray, One Farragut Square South Washington, DC 20006	Brown & Wood (For:Citicorp Investment Bank, et al.)		
MOVAN Enterprises, Ltd, 499 S Capitol St., SW, #520 Washington, DC 20003	Magnavox Government & Industrial Electronics Co	15,000.00	6,249.99
MPC & Associates, 3 Lafayette Centre 1155 21st St, NW, #1000 Washington, DC 20036	Virginia Institute of Marine Science		
MWW/ Strategic Communications, Inc, 70 Grand Ave River Edge, NJ 07661	Fidelity Environmental Insurance Co	15,000.00	965.12
Do	GAF Corporation	26,050.00	981.94
Do	Kaselaan & D'Angelo Associates, Inc	13,800.00	2,394.82
Do	W R Grace	7,500.00	536.32
Do	Winters Original Chocolate Liquor Bottles, Inc	9,881.25	1,036.38
Daniel Nadash, 777 14th St., NW Washington, DC 20005	National Assn of Realtors		
Timothy D. Naegele & Associates, 1250 24th Street, NW, #600 Washington, DC 20037	Baybanks, Inc		
Alan Y. Naftalin, 1150 Connecticut Avenue, NW Washington, DC 20036	Koteen & Naftalin (For:Alascom, Inc)		
Do	Koteen & Naftalin (For:Telephone & Data Systems, Inc)		
Nash Railsback & Plesser, 1133 15th Street, NW, #1100 Washington, DC 20005	Home Box Office, Inc	565.50	
Do	Monsanto Co		
National Abortion Rights Action League, 1101 14th Street, NW 15th Floor Washington, DC 20005			9,041.91
National Assn for the Advancement of Justice, 5210 Banks Place, NE Washington, DC 20019			
National Assn of Aircraft & Communications Suppliers, Inc, 23871 Madison Torrance, CA 90505			
National Assn of Beverage Importers, 1025 Vermont Avenue, NW, #1205 Washington, DC 20005			
National Assn of Home Builders of the U.S., 15th & M Sts., NW Washington, DC 20005		18,345.57	111,839.52
National Assn of Independent Colleges & Universities, 122 C St., NW, #750 Washington, DC 20001			51,573.00
National Assn of Letter Carriers, 100 Indiana Ave., NW Washington, DC 20001		5,925,650.96	325,375.27
National Assn of Olympic Businesses, P.O. Box 3337 Idyllwild, CA 92349-3337			
National Assn of Realtors, 777 14th St., NW Washington, DC 20005			52,290.70
National Assn of Wheat Growers, 415 2nd St., NE, #300 Washington, DC 20002		6,200.00	7,775.00
National Automobile Dealers Assn, 8400 Westpark Drive Mclean, VA 22102			21,025.00
National Coal Assn, 1130 17th Street, NW Washington, DC 20036		1,186,483.52	11,961.38
National Coalition for Marine Conservation, Inc, P.O. Box 23298 Savannah, GA 31403		23,101.00	22,062.77
National Council of Agricultural Employers, 499 S. Capitol Street, SW, #411 Washington, DC 20003		5,386.00	7,193.02
National Council of Savings Institutions, 1101 15th St., NW, #400 Washington, DC 20005		4,000.00	
National Democratic Council of Asian & Pacific Americans, 1050 Thomas Jefferson St., NW, 6th Floor Washington, DC 20007			
National Family Planning & Reproductive Health Assn, Inc, 122 C St., NW, #380 Washington, DC 20001		154,509.00	492.00
National Foreign Trade Council, Inc, 100 East 42nd St. New York, NY 10017		114,005.00	114,005.00
National Independent Automobile Dealers Assn, 600 E. Las Colinas Blvd., #314 Irving, TX 75039		7,235.00	16,466.00
National League of Postmasters of the U.S., 1023 North Royal Street Alexandria, VA 22314			39,891.00
National Organization for Women, 1401 New York Ave., NW, #800 Washington, DC 20005			
National Printing Equipment & Supplies Assn, Inc, 1899 Preston White Drive Reston, VA 22091			
National Rifle Assn of America, 1600 Rhode Island Ave., NW Washington, DC 20036		209,144.71	209,606.80
National Rural Electric Cooperative Assn, 1800 Massachusetts Ave., NW Washington, DC 20036			3,121.08
National Rural Letter Carriers Assn, 1448 Duke St., #100 Alexandria, VA 22314		19,904.00	20,255.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
National Stone Assn, 1415 Elliot Place, NW Washington, DC 20007			
National Taxpayers Union, 325 Pennsylvania Ave., SE Washington, DC 20003		16,382.00	11,526.00
National Tour Assn, Inc, 546 E. Main Street Lexington, KY 40508		50,621.00	50,621.00
Natural Gas Supply Assn, 1129 20th St. nw #300 Washington, DC 20036		131,409.00	29,058.79
Ralph G. Neas, 2027 Massachusetts Ave., NW Washington, DC 20036	Leadership Conference on Civil Rights	13,863.42	378.50
Mary Elizabeth Neese, 1101 15th St., NW, #400 Washington, DC 20005	National Council of Savings Institutions	2,000.00	207.64
Neighborhood Housing Services of America, 3805 Alton Place, NW Washington, DC 20016			
E. Colette Nelson, 1004 Duke St. Alexandria, VA 22314	American Subcontractors Assn	2,450.00	
Frederick H. Nesbitt, 100 Indiana Avenue, NW Washington, DC 20001	National Assn of Letter Carriers	9,535.16	
Neal Neuberger, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn	2,648.37	749.35
David B. Neumeyer, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center		
Edward M. Norton Jr., 1400 16th Street, NW, #300 Washington, DC 20036	Grand Canyon Trust		29.00
Nossaman Guthner Knox & Elliott, 1140 19th St., NW, #600 Washington, DC 20036	California Co-Compost Systems		
Do	California Student Loan Finance Corp	1,125.00	1,750.00
Do	MEBA District II, et al	375.00	375.00
Charles Albert O'Connor Jr., 200 N. Pickett Street, #810 Alexandria, VA 22304			
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington, DC 20006	Alliance for Capital Access		
Do	American Inst of Certified Public Accountants	4,908.00	
Do	American Soc of Cataract & Refractive Surgery		
Do	Corcoran Mullins Jennison	500.00	
Do	Drexel Burnham Lambert, Inc		
Do	Health Care Financing Study Group	3,000.00	
Do	Historic Landmarks for Living		
Do	Morgan Grenfell Group, PLC	6,700.00	
Do	National Apartment Assn		
Do	New York City Council	100.00	
Do	Pacific Telesis Group	6,400.00	
Do	Philadelphia Stock Exchange		
Do	Prudential Insurance Co of America	1,850.00	
Do	Securities Industry Assn	6,000.00	
J. Daniel O'Flaherty, 1625 K St., NW, #1090 Washington, DC 20006	National Foreign Trade Council	5,000.00	400.00
Bartley M. O'Hara, 1919 Pennsylvania Ave., NW, #300 Washington, DC 20006	Anheuser-Busch Companies, Inc	3,000.00	
Do	Grocery Manufacturers of America, Inc		
Do	International Union of Bricklayers & Allied Craftsmen	3,000.00	
Kathleen O'Leary, 1250 Eye St., NW, #703 Washington, DC 20005	Columbia Gas Transmission Corp	4,000.00	384.54
O'Melveny & Myers, 555 13th St., NW Washington, DC 20004	Santa Fe International Corp		
Law Offices of John O'Neal, P.C., 1455 Pennsylvania Ave., NW, #1200 Washington, DC 20004	National Rural Telecom Assn	3,762.50	
Patricia M. O'Toole, Jones Day Reavis & Pogue 355 South Grand Ave., #3000 Los Angeles, CA 90071	Union Oil Co of California		
Ohrenstein & Brown, 655 Third Avenue New York, NY 10017	Mutual Signal Corp		1.98
Michael D. Oldak, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	150.00	
Lisa M. Olson, 919 Prince Street Alexandria, VA 22314	Keene Shirley & Asociates, Inc (For:The Limited, Inc)	1,375.00	
Do	McDonnell Douglas Astronautics Co		
Olwine Connelly Chase O'Donnell & Weyher, 1701 Pennsylvania Ave, NW, #1000 Washington, DC 20006	Ad Hoc Comm for Small Hydro Power		
Do	Alexander & Alexander Services, Inc		
Do	Energy Factors, Inc		
Do	Family Service America		
Do	Grants & Contracts Projects		
Do	Intercontinental Energy Corp		
Do	J & B Management Co		
Do	Long Lake Energy Corp		
Do	Manville Corp		
Do	National Corp for Housing Partnerships		
Do	National Independent Energy Producers		
Do	Sithe Energies USA, Inc		
Do	YMCA of the USA		
Philip C. Onstad, 500 West Putnam Avenue Greenwich, CT 06832	Control Data Corporation	200.00	
Organ. for Protection & Advancement of Small Telephone Cos, 2000 K Street, NW, #205 Washington, DC 20006			
Orrick Herrington & Sutcliffe, 555 Capitol Mall, #1200 Sacramento, CA 95814	Lucky Stores, Inc		
David S. Osterhout, 1825 Eye Street, NW, #1000 Washington, DC 20006	Lockheed Corporation	3,350.00	4,329.85
Roger D. Oswalt, 919 Prince Street Alexandria, VA 22314	Keene Shirley & Associates, Inc (For:Australian Barley Board)	1,875.00	
Do	Keene Shirley & Associates, Inc (For:CSR, Ltd)		
Do	Keene Shirley & Associates, Inc (For:Limited, Inc)	1,875.00	
Do	Keene Shirley & Associates, Inc (For:McDonnell Douglas Astronautics Co)		
Do	Keene Shirley & Associates, Inc (For:National Farmers' Federation of Australia)	1,875.00	
Cliff Ouse, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	25.00	
Jack W. Owen, 50 F St., NW, #1100 Washington, DC 20001	American Hospital Assn		
Thomas J. Owens, P.O. Box 12266 Seattle, WA 98102	PSFS Meritor Financial Group		
Allen Scott Pack, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Algoma Steel Corp, Ltd, et al		
Pagonis & Donnelly Group, 1620 Eye St., NW, #202 Washington, DC 20006	Algoma Steel Corp, Ltd, et al		
Do	Nord Resources Corp		
Henry S. Palau, 201 N Washington St. Alexandria, VA 22314	Retired Officers Assn		
Peter J. Pantuso, 7900 Westpark Drive, A-320 Mclean, VA 22102	National Confectioners Assn of the U.S		1,550.00
Nancy L. Parke, 210 Little Falls Street Falls Church, VA 22046	American Cong. on Survey. & Mapp./Amer Soc of Photogrammetry	2,692.25	11,387.37
Sara Lynn Parker, 1319 F St., NW, #500 Washington, DC 20004	Food Research & Action Center		
Ken Parmelee, 1448 Duke Street, #100 Alexandria, VA 22314	National Rural Letter Carriers Assn	15,796.00	2,750.00
Parry and Romani Associates, Inc, 233 Constitution Avenue, NE Washington, DC 20002	Cessna Aircraft Compnay	1,000.00	
Do	Commonwealth of the Bahamas		
DeLane Pate, c/o Dow, Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Laurel Steel Products Ltd		
Paul Weiss Rifkind Wharton & Garrison, 1615 L Street, NW, #1300 Washington, DC 20036	Cook Inlet Region, Inc		
Do	McDonnell Douglas Corp	468.00	
Do	National Music Publisher's Assn, Inc	120.00	
Do	NEC Corp and NEC America, Inc		
Larry E. Paulick, 2111 Eisenhower Avenue Alexandria, VA 22314	National Spa & Pool Institute		
Margaret Pena, 80 F Street, NW Washington, DC 20001	American Fed of Government Employees	7,261.50	3.00
Nicholas J. Penning, 1801 N. Moore Street Arlington, VA 22209	American Assn of School Administrators		
Joseph M. Penot Sr., 100 Indiana Ave, NW, #311 Washington, DC 20001	Radio Officers Union	13,750.00	
Robert A. Perkins, 1100 Connecticut Avenue, NW Washington, DC 20036	Chrysler Corporation	15,000.00	450.00
Abigail Perlman, 801 17th Street, NW., #200 Washington, DC 20006	Federal Asset Disposition Assn	1,311.00	
Robert Peters, 342 West 15th Street New York, NY 10011	Morality in Media, Inc	549.60	
Esther Peterson, 2001 S St., NW, #510 Washington, DC 20009	International Organization of Consumers Unions		
Stephan Petry, 1800 Massachusetts Avenue, NW Washington, DC 20036	National Rural Electric Cooperative Assn	226.20	
Pettit & Martin, 1800 Massachusetts Avenue, NW, #600 Washington, DC 20036	Nippon Yusen Kaisha (NYK) Line	16,937.75	964.18
Do	U.S. Suzuki Motor Corp	31,756.00	1,630.84
Paul J. Phoenix, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Dofasco, Inc		
Photographers Tax Coalition, 2007 North 15th Street, #201 Arlington, VA 22201		3,930.00	249.87
Physicians for Social Responsibility, 1601 Connecticut Avenue, NW, #800 Washington, DC 20009		10,294.16	13,006.28
Pierson Ball & Dowd, 1200 18th St., NW, #1000 Washington, DC 20036	Community Psychiatric Centers		
Do	National Assn for Biomedical Research		
Pierson Semmes & Finley, 1054 31st Street, NW Washington, DC 20007	Oklahoma Natural Gas Company		
Nancy Pinson-Millburn, 901 East Capitol Street, SE Second Floor Washington, DC 20003	American Assn for Counseling & Development		
James H. Pissot, 801 Pennsylvania Ave., SE, #301 Washington, DC 20003	National Audubon Society	7,250.00	4,236.90
Jean S. Polatsek, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn	852.72	484.07
Richard J. Pollack, 50 F Street, NW #1100 Washington, DC 20001	American Hospital Assn	8,440.39	236.94
Michele Pollak, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	499.66	926.99
Port of Seattle, P.O. Box 1209 Seattle, WA 98111			
Donna Potemken, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn	1,051.48	60.81
Powell Goldstein Frazer & Murphy, 1001 Pennsylvania Ave., NW, 6th Floor Washington, DC 20004	Alliance for Medical Nutrition	1,616.82	
Do	Association of Bank Holding Cos	40,479.25	
Do	CORETECH	15,720.00	
Do	Flood Control Advisory Committee		
Do	Owens-Illinois, Inc	4,122.00	
Do	Societe Generale de Surveillance, S.A	1,948.00	
Do	Westinghouse Electric Corp	6,968.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Philip D. Winn		
Prather Seeger Doolittle & Farmer, 1600 M Street, NW, 7th Floor Washington, DC 20036	Dollar Bank, Federal Savings Bank		1.10
Do	John Hancock Mutual Life Insurance Co	39,702.25	3,880.36
James M. Price, 730 Polk Street San Francisco, CA 94109	Sierra Club	2,100.00	555.53
Robert V. Price, 1150 Connecticut Avenue, NW, #500 Washington, DC 20036	Browning-Ferris Industries, Inc		
Woodruff M. Price, 1331 Pennsylvania Ave., NW, #560 Washington, DC 20004	CSX Corporation	6,000.00	262.46
Pro-Desert Coalition, P.O. Box 188380 Sacramento, CA 95818-8380		861.00	1,391.16
Pro-Life Congressional District 11, P.O. Box 727 San Carlos, CA 94070		111.65	1,229.02
Procompetitive Rail Steering Committee, c/o Vuono, Lavelle & Gray 2310 Grant Building Pittsburgh, PA 15219		11,500.00	36,616.28
Leslie Proll, 600 New Jersey Avenue, NW Washington, DC 20001	Alliance for Justice		
Public Citizen Health Research Group, 2000 P St., NW, #700 Washington, DC 20036			
Public Timber Purchasers Group, 610 SW. Broadway, #608 Portland, OR 97205		27,000.00	20,243.83
Robert D. Purcell, 2601 Mission St., #400 San Francisco, CA 94110	Neighbor-To-Neighbor Action Fund	6,615.67	1,019.57
Ragan & Mason, 900 17th St., NW Washington, DC 20006	American Bureau of Shipping	5,000.00	112.75
Do	American Ship Building Co	5,000.00	80.63
Do	Bechtel Corp	10,471.50	
Do	Earth Observation Satellite Co	20,000.00	
Do	Government of Bermuda	3,000.00	105.28
Do	National Bulk Carriers, Inc	4,500.00	
Do	R.J. Reynolds Nabisco, Inc		
Do	R.J. Reynolds Tobacco Co		
Do	Stimson Lumber Co & Miller Redwood Co	3,000.00	
Thomas F. Railsback, Graham & James 2000 M St., NW Washington, DC 20036	American Insurance Association	3,037.50	
Do	Attorneys' Title Guaranty Fund, Inc	3,450.00	50.00
Do	Federal Administrative Law Judges Conference	652.50	
Do	Federal Judges Association	1,748.00	
Do	London Harness Co		
Do	Merck & Co, Inc		
Do	National Council of U.S. Magistrates		
Do	Walt Disney Productions	1,125.00	50.00
Rainbow Lobby, 236 Massachusetts Avenue, NE, #409 Washington, DC 20002		96,376.97	126,342.90
John C. Ramig, 1730 M Street, NW, #900 Washington, DC 20036	Stoel Rives Boley Jones & Grey (For:Association of O & C Counties)	750.00	
Do	Stoel Rives Boley Jones & Gray (For:Gregory Affiliates, Inc)	20,200.00	
Do	Stoel Rives Boley Jones & Grey (For:Pacificorp)	7,000.00	1,040.00
Kathleen Marie Ramsey, 1010 Wisconsin Avenue, NW, #800 Washington, DC 20007	Grocery Manufacturers of America, Inc		
Craig J. Rancourt, 1050 17th Street NW., #210 Washington, DC 20036	American Assn of Classified School Employees	13,095.87	2,042.84
Robert A. Rapoza Associates, Inc, 122 C Street, NW, # 875 Washington, DC 20001	Local Initiatives Support Corp	10,500.00	22.90
Do	National Trust for Historic Preservation		
Do	Policy & Management Associates	44,499.00	15,650.50
Craig Raupe, Campbell-Raupe, Inc 1010 Pennsylvania Ave., SE Washington, DC 20003	Stone & Webster Engineering Corp		
Do	Texas Utilities Services, Inc		
Eiler C. Ravnholt, 723 Investment Bldg. Washington, DC 20005	Hawaiian Sugar Planters' Assn	840.00	505.00
Reading Is Fundamental, Inc, 600 Maryland Ave., SW, #500 Washington, DC 20560			671.12
Recording Industry Assn of America, Inc, 1020 I9th St., NW #200 Washington, DC 20036		12,603.00	12,603.00
Donald L. Redfoot, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	438.56	403.18
Jo Reed, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	552.69	
Charlotte Reid, 2466 Chatham Road Aurora, IL 60506	Motorola, Inc		
Reid & Priest, 1111 19th St., NW, #1100 Washington, DC 20036	Anheuser-Busch Companies, Inc		
Do	National Spa & Pool Institute		
Do	Phillip Morris		
Mary Lynn Reilly, P.O. Box S708 Washington, DC 20016	Neighborhood Housing Services of America		
Dale L. Reistad, 1726 M Street, NW, #1000 Washington, DC 20036	Electronic Funds Transfer Assn	375.00	
John W. Rendon Jr., 1439 Rhode Island Ave., NW Washington, DC 20005	Rendon Company (For:EXPEX, Inc)		
Do	Rendon Company (For:Government of Aruba)		
Rendon Company, 1439 Rhode Island Ave., NW Washington, DC 20009	EXPEX, Inc		
Do	Government of Aruba		
Renewable Fuels Assn, 201 Massachusettes Ave, NE, #C-4 Washington, DC 20002		2,153.89	61,674.28
Timothy M. Reynolds, 1776 Eye Street, NW Suite 1000 Washington, DC 20006	BP America Inc		
Richard Richards, Law Office of Richard Richards 1050 Thomas Jefferson Street, NW, 6th Fl Washington, DC 20007	Hughes Aircraft Company	1,500.00	
Do	Universidad Autonoma de Guadalajara	900.00	
Glenn Wadsworth Riddell, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Laurel Steel Products Ltd, et al		
Christine R. Riddiough, 114 15th St., NE Washington, DC 20002	National Assn of Gay & Lesbian Democratic Club	3,000.00	
Siert F. Riepma, 1101 15th St., NW, #202 Washington, DC 20005	National Assn of Margarine Manufacturers		
Susan Riley, 1401 New York Ave., NW, #900 Washington, DC 20005-2102	Capital Strategies, Inc (For:Camera de la Industria de Transformacion de Nueve Leon).	3,000.00	
Do	Capital Strategies, Inc (For:Export Packers Co, Ltd)	500.00	
Do	Capital Strategies, Inc (For:Forest City Residential Development, Inc)		
Do	Capital Strategies, Inc (For:Kidder Peabody & Co, Inc)		
Do	Capital Strategies, Inc (For:National Multi Housing Council)	3,000.00	1,530.23
Do	Capital Strategies, Inc (For:New York City Housing Development Council)	1,944.00	
Do	Capital Strategies, Inc (For:New York State Mortgage Loan Enforcement & Admin Corp).	16,530.00	93.19
Do	Capital Strategies, Inc (For:Olympus Corp)	1,500.00	
Do	Capital Strategies, Inc (For:South Bay Foundry)		
Do	Capital Strategies, Inc (For:Tri-Star Electronics)	548.00	
Do	Capital Strategies, Inc (For:Universal Furniture Industries, Inc)		
Do	Capital Strategies, Inc (For:Vitrocrisa Cristaleria, S.A.)	6,000.00	
Valentin J. Riva, 1415 Elliot Place, NW Washington, DC 20007	National Stone Assn	4,000.00	500.00
Rivkin Radler Dunne & Bayh, 1575 I Street, NW, #1025 Washington, DC 20005	Ad Hoc Ethanol Committee	142.50	
Do	Akin Gump... (Drexel Burnham Lambert, Inc)	737.50	61.00
Do	Allstate Insurance Co	8,843.75	27.00
Do	American Bakers Assn	2,225.00	69.03
Do	ALC Communications Corp	2,230.31	110.00
Do	Business Coalition for RICO Reform	13,420.24	226.70
Do	Chemical Bank	25,000.00	5,350.00
Do	City of South Bend	1,275.00	9.00
Do	Emmis Broadcasting		
Do	Gunnar Dana Associates	4,000.00	
Do	Lever Brothers Co, Inc		
Do	National Soft Drink Assn		
Do	New Energy Co of Indiana	162.50	20.00
Do	Renewable Fuels Assn	21,536.25	51.04
Richard R. Roberts, 402 8th Street, N.E. Washington, DC 20002	American Council of Highway Advertisers	1,500.00	2,109.48
Do	South Sea Charter Service	5,000.00	106.97
Richard W. Roberts, 100 East 42nd St. New York, NY 10017	National Foreign Trade Council, Inc	10,000.00	2,923.00
Robins, Kaplan, Miller & Ciresi, 1627 Eye St., NW, #610 Washington, DC 20006	City of St. Paul		487.11
Robinson Lake Lerer & Montgomery, 1667 K St., NW, #900 Washington, DC 20007	Nevada Resort Assn	10,000.00	
Do	Sun-Diamond Growers of California	5,000.00	
Do	Suzuki Motors of America, Inc	7,500.00	
Do	Vietnam Women's Memorial Project, Inc	5,000.00	
Michael J. Rock, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn	3,589.63	525.94
Michael F. Rodgers, 1129 20th St., NW, #400 Washington, DC 20036	American Assn of Homes for the Aging	288.00	26.60
Gardiner Rogers, 105 Forrest Avenue, Suite 7 Narberth, PA 19072	Liberty Lobby, Inc	130.00	67.56
Joe O. Rogers, 1815 H St., NW, #600 Washington, DC 20006	Rogers International, Inc (For:China External Trade Development Council)		
Nancy Rogers, 815 16th Street, NW Washington, DC 20006	Industrial Union Department, AFL-CIO	7,843.00	209.20
Lori S. Rogovin, 901 East Capitol Street, SE Second Floor Washington, DC 20003	American Assn for Counseling & Development	7,265.00	
Daniel Romanko, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Canadian Steel Producers Assn		
Wilfred J. Romero, 51 Madison Avenue New York, NY 10010	New York Life Insurance Company		
Fred B. Rooney, 1050 Connecticut Ave., NW, #1200 Washington, DC 20036	Specialty Vehicle Institute of America	10,000.00	
Ropes & Gray, 1001 Pennsylvania Ave., NW, #1200 Washington, DC 20004	Eastern Gas & Fuel Associates	87.50	
Leslie Rose, 1129 20th St., NW, #600 Washington, DC 20036	Group Health Assn of America, Inc	3,288.46	
Hilary Rosen, 1020 19th St., NW, #200 Washington, DC 20036	Recording Industry Assn of America	6,000.00	
Richard Rosen, 5010 Wisconsin Ave., NW, #118 Washington, DC 20016			

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Albert B. Rosenbaum III, 2200 Mill Rd. Alexandria, VA 22314	National Tank Truck Carriers, Inc.		
Nancy Ross, 1830 17th St., NW Washington, DC 20009	Rainbow Lobby	4,550.00	298.08
Richard Rosser, 122 C Street, NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	1,121.00	
Edwin Rothschild, 1300 Connecticut Ave., NW, #401 Washington, DC 20036	Citizen Action	750.00	25.00
Do	Citizen/Labor Energy Coalition	1,500.00	
Eugene F. Rowan, 2550 M Street, NW Washington, DC 20037	National Assn of Chain Drug Stores, Inc	131.00	
Do	Revco D.S., Inc		
Rowan & Blewitt, Inc, 1000 Vermont Ave., NW Washington, DC 20005	Velsicol Chemical Corp		
James H. Rowe III, 1511 K Street, NW, #1100 Washington, DC 20005	Corcoran Youngman & Rowe (For:Quasha Schneider & Wessely)	460.00	
Lois J. Rude, 50 F Street, NW, #1080 Washington, DC 20001	BN Services Inc	500.00	344.11
Barbara A. Rudolph, 1901 N. Fort Myer Drive, #302 Rosslyn, VA 22209	Beverly Enterprises, Inc	3,375.00	112.14
Wally Rustad, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	50.00	
Herman Max Ruth 71990-158, FCI La Tuna P.O. Box 1000 Anthony, NM 88021	Herman Max Ruth		
John G. Ryan, 655 15th Street, NW, #410 Washington, DC 20005	Squibb Corporation	1,000.00	88.41
S.A.F.E.S.T., 1120 G St., NW, #800 Washington, DC 20005		5,000.00	1,138.10
Catherine Sadell, 7214 Blair Road, NW Washington, DC 20012	Rainbow Lobby, Inc	4,785.00	
Brenda Seymore Sanders, 1825 K St., NW, #218 Washington, DC 20006	American Soc of Mechanical Engineers		
Ronald A. Sarasin, 1200 17th Street, NW Washington, DC 20036	National Restaurant Assn	1,500.00	990.00
Satellite Broadcasting & Communications Assn, 300 N. Washington Street, #208 Alexandria, VA 22314			
Save Our Schools, 7777 Leesburg Pike c/o TVC 5th Floor Falls Church, VA 22043			
Dale E. Schell, 1919 Pennsylvania Ave., NW, #300 Washington, DC 20006	GATX Corporation		
Schell & Co, Inc, 1776 K Street, NW, #700 Washington, DC 20006	Fuller Co		
Schiff Hardin & Waite, 1101 Connecticut Avenue, NW Washington, DC 20036	Chicago Board Options Exchange		
James P. Schlicht, 655 15th Street NW #410 Washington, DC 20005	Squibb Corporation	1,000.00	
Sandra A. Schlicker, McMahon and Associates 1331 Pennsylvania Avenue, NW Washington, DC 20004	Rodale Press	13,950.00	431.33
Schmeltzer Aptaker & Sheppard, 1800 Massachusetts Ave., NW Washington, DC 20036	American Honda Motor Co, Inc	1,236.00	25.00
Robert Richard Schmitt, #12453-047 PO Box 1000 Leavenworth, KS 66048-1000			
Herbert K. Schmitz, 1600 M St., NW, #702 Washington, DC 20036	ICI Americas, Inc	20,000.00	
Judy Schub, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	575.76	727.52
Schwabe Williamson & Wyatt, 2000 Pennsylvania Ave., NW, #8335 Washington, DC 20006	Investment Co Institute		
Do	State of Oregon, City of Portland, Oregon Metro	8,713.59	7,264.94
Adam D. Schwartz, 1101 15th St., NW, #400 Washington, DC 20005	National Council of Savings Institutions	2,000.00	
Steve Aaron Schwartz, 8701 Georgia Ave., #701 Silver Spring, MD 20910	International Fed of Professional & Technical Engineers		
Carl F. Schwensen, 415 2nd St., NE, #300 Washington, DC 20002	National Assn of Wheat Growers	2,150.00	
Schwinn Bicycle Co, 217 North Jefferson St. Chicago, IL 60606			414.00
Scrivens Goldstone & Co, 5857 S. Gessner, #287 Houston, TX 77036			
Anne Scully, 777 14th Street, NW Washington, DC 20005	National Association of Realtors	1,725.00	167.02
Walter J. Sczudlo, 1129 20th Street, NW, #300 Washington, DC 20036	Natural Gas Supply Assn	20,310.00	732.60
Law Offices of John Sears, 818 Connecticut Avenue, NW Washington, DC 20006	Embassy of the Republic of South Africa	15,000.00	956.75
Debbie Sease, 330 Pennsylvania Avenue, SE Washington, DC 20003	Sierra Club	6,302.38	517.47
M. Mark Seklecki, 50 F Street, NW, #1100 Washington, DC 20001	American Hospital Assn		
Marlissa Senchak, 3900 Wisconsin Ave.,NW Washington, DC 20016	Federal National Mortgage Assn	15,000.00	387.35
Peter M. Seremet, 16 Munson Road Farmington, CT 06034-0338	Heublein, Inc	17,250.00	6,065.84
Daniel E. Shaughnessy, 1911 North Ft. Myer Drive, #702 Arlington, VA 22209	Western Great Lakes Maritime Assn		
Shea & Gould, 1627 K St., NW, #1000 Washington, DC 20006	Group Health, Inc	10,970.00	75.00
Zack H. Shelley Jr., 1331 Pennsylvania Avenue, NW Washington, DC 20004	General Electric Co	1,156.00	
R. Parker Sherrill, One Park Plaza P.O. Box 550 Nashville, TN 37202-0550	HCA The Healthcare Company		
Craigan P. Shirley, 919 Prince Street Alexandria, VA 22314	Keene Shirley & Associates, Inc (For:American Freedom Coalition)	962.50	
Do	Keene Shirley & Associates, Inc (For:Apex Marine)	962.50	
Do	Keene Shirley & Associates, Inc (For:Australian Barley Board)	962.50	
Do	Keene Shirley & Associates, Inc (For:Council for International Development)	962.50	
Do	Keene Shirley & Associates, Inc (For:CSR, Ltd)		
Do	Keene Shirley & Associates, Inc (For:Limited, Inc)	962.50	
Do	Keene Shirley & Associates, Inc (For:McDonnell Douglas Astronautics Co)	962.50	
Do	Keene Shirley & Associates, Inc (For:Mortgage Guaranty Insurance Corp)		
Do	Keene Shirley & Associates, Inc (For:National Farmers' Federation of Australia)	962.50	
Do	Keene Shirley & Associates, Inc (For:National Tax Limitation Committee)	962.50	
Do	Keene Shirley & Associates (For:Nicaraguan American National Foundation)	320.84	
Do	Keene Shirley & Associates (For:Nicaraguan Development Council)	320.84	
Elaine Shocas, 555 New Jersey Avenue, NW Washington, DC 20001	American Fed of Teachers	11,750.00	120.00
Christine Sigler, 2000 K St., NW, 8th Floor Washington, DC 20006	National Comm to Preserve Social Security	2,475.00	
William A. Signer, 444 North Capitol St., NW, #711 Washington, DC 20001	Keefe Company (For:A.P.G. Corp)		
Do	Keefe Company (For:Corporate Growth Concepts)		
Do	Keefe Company (For:CIC Enterprises)		
Do	Keefe Co (For:Foodservices & Lodging Institute)	500.00	
Do	Keefe Company (For:Greater New York Hospital Assn)	1,000.00	
Do	Keefe Company (For:Linnabary & Associates)		
Do	Keefe Company (For:Management Insights, Inc)		
Do	Keefe Co (For:MARC Associates (for American Soc of Anesthesiologists))	500.00	
Do	Keefe Co (For:National Restaurant Assn)	500.00	
Do	Keefe Company (For:National 4&5 Bondholders)		
Do	Keefe Company (For:New York Hospital)	2,000.00	
Do	Keefe Company (For:Pierce Kennedy & Hearth)		
Do	Keefe Company (For:RJR Nabisco, Inc)	5,000.00	
Do	Keefe Company (For:Targeted Management Consultants)	5,000.00	
Do	Keefe Company (For:U.C. Consultants)		
Do	Keefe Company (For:Vrain)		
Stephen Silbiger, 1625 L St., NW Washington, DC 20036	American Fed of State County & Municipal Employees		
Curtis Silvers, 888 16th St., NW, #606 Washington, DC 20006	Bannerman & Associates, Inc (For:Government of Bangladesh)	750.00	
Do	Bannerman & Associates, Inc (For:Government of Tunisia)	750.00	
Do	Bannerman & Associates, Inc (For:Sawyer-Miller Group (for Philippine Coconut Authority)).	750.00	
William Douglas Simon, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Dofasco, Inc		
Talmage E. Simpkins, 444 North Capitol Street, #820 Washington, DC 20001	AFL-CIO Maritime Committee	200.00	557.83
Do	Labor-Management Maritime Committee, Inc	1,553.00	274.58
Marcus W. Sisk Jr., 2828 Pennsylvania Ave., NW, #203 Washington, DC 20037	Tosco Corporation		
Robert G. Smerko, 2001 L St., NW, #506 Washington, DC 20036	Chlorine Institute, Inc		
Ellen S. Smith, 1400 K Street, NW Washington, DC 20005	American Psychiatric Assn	2,929.00	1,237.40
Kathryn Smith, 1454 Duke Street Alexandria, VA 22314	American Osteopathic Hospital Assn		
Kern Smith, 400 First St., NW, #710 Washington, DC 20001	Alliance of Foreign Medical Graduates	9,000.00	
Maureen Smith, 122 C Street, NW, #750 Washington, DC 20001	National Assn of Independent Colleges & Universities	2,168.00	
Patricia Smith, 1909 K St., NW Washington, DC 20049	American Assn of Retired Persons	556.15	980.48
Patrick F. Smith Jr., 1730 K Street, NW, #1101 Washington, DC 20006	National Treasury Employees Union	16,500.00	
Edward F. Snyder, 245 2nd St., NE Washington, DC 20002	Friends Committee on National Legislation	6,596.25	
Laurie J. Snyder-Cavell, 1776 Eye Street, NW, #1000 Washington, DC 20006	BP America, Inc		
Society for Nutrition Education, 1700 Broadway, #300 Oakland, CA 94612-2128			
Vincent R. Sombrotto, 100 Indiana Ave., NW Washington, DC 20001	National Assn of Letter Carriers	5,248.26	
Nancy C. Somerville, 1735 New York Ave., NW Washington, DC 20006	American Institute of Architects	2,368.00	
Robert G. Sommer, MWW/Strategic Communications, Inc 70 Grand Avenue River Edge, NJ 07661	Fidelity Environmental Insurance Co		
Do	W. R. Grace & Co		
Do	Kaselaan & D'Angelo Associates, Inc		
Do	Winter's Original Liquor Filled Bottles, Inc		
Space Services, Inc of America, 7015 Gulf Freeway, #140 Houston, TX 77087			
Thomas J. Spangler, 1730 K Street, NW, #1100 Washington, DC 20006	National Treasury Employees Union	11,800.00	468.52
Sandra Spence, 1776 Massachusetts Ave., NW, #521 Washington, DC 20036	Spence Group (For:Association for Commuter Transportation, Inc)	33.50	
Spiegel & McDiarmid, 1350 New York Ave., NW Washington, DC 20005-4798	Connecticut Municipal Electric Energy Coop		
Do	Manassas Hydro	30.00	
Do	Northern California Power Agency	420.00	
Do	Service Employees International Union, AFL-CIO		
Frances Spivy-Weber, 801 Pennsylvania Avenue, SE Washington, DC 20003	National Audubon Society	450.00	125.00
Melvin R. Stahl, 1235 Jefferson Davis Hwy., #1410 Arlington, VA 22202	Motorcycle Industry Council, Inc		
H. Gerald Staub, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	1,000.00	173.90
Henry J. Steenstra Jr., 1000 Wilson Boulevard, #2600 Arlington, VA 22209	TRW, Inc	2,292.00	2,921.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Rena Steinzor, 1350 New York Ave., NW Washington, DC 20005-4798	Spiegel & McDiarmid		
Steptoe & Johnson, 1330 Connecticut Ave., NW Washington, DC 20036	Alliance for Cannabis Therapeutics		
Do	Cement Importers Assn	2,537.00	26.00
Do	Coalition to Promote America's Trade	75,469.00	1,945.28
Richard W. Sternberg, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	90.00	
H. Donald Stewart, 188 W. Main Street Penns Grove, NJ 08069			
John J. Stirk, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	1,000.00	374.07
Stoel Rives Boley Jones & Grey, 1730 M Street, NW, #900 Washington, DC 20036	Onsite Energy, Inc	1,480.00	
Dena G. Stoner, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	75.00	
Ronald J. Streck, P.O. Box 238 Alexandria, VA 22313	National Wholesale Druggists' Assn		
R. Keith Stroup, Suite 500A, Box 69 100 Maryland Ave., NE Washington, DC 20002	League of Rural Voters Education Project, Inc	3,000.00	
Do	League of Rural Voters, Inc		
Dorothy E. Stucke, 1735 New York Ave., NW Washington, DC 20006	American Institute of Architects		
Do	American Subcontractors Assn		
Ann Sullivan, 1660 L Street, NW, #601 Washington, DC 20036	Interstate Natural Gas Assn of America	300.00	
Marcia Z. Sullivan, 1300 N. 17th St., #1200 Arlington, VA 22209	Consumer Bankers Assn	4,579.20	43.11
David A. Super, 1319 F Street, NW, #500 Washington, DC 20004	Food Research & Action Center		
Sutherland Asbill & Brennan, 1275 Pennsylvania Avenue, NW Washington, DC 20004	Minnesota Mutual Life Insurance Co	13,800.00	475.38
Rosemarie Sweeney, Suite 770 600 Maryland Ave., SW Washington, DC 20024	American Academy of Family Physicians	3,750.00	2,937.99
Swidler & Berlin, Chtd, 3000 K Street, NW, #300 Washington, DC 20007	American Hoechst Corporation		
Scott R. Swirling, 122 C St., NW, #380 Washington, DC 20001	National Family Planning & Reproductive Health Assn, Inc	260.00	122.00
T. Boone Pickens, Jr. United Shareholders Assn, 1667 K St., NW, #770 Washington, DC 20006			2,341.13
Robert Taft Jr., 1620 Eye St., NW, #800 Washington, DC 20006	Taft Stettinius & Hollister (For:Dosimeter Corp of North America)		
Do	Taft Stettinius & Hollister (For:Empire Resources, Inc)		
Do	Taft Stettinius & Hollister (For:Great American Broadcasting Co)		
Do	Taft Stettinius & Hollister (For:Kings Entertainment Co)		
Do	Taft Stettinius & Hollister (For:Machinery Dealers National Association)		
Do	Taft Stettinius & Hollister (For:Recordings Import Trade Committee)		
Do	Taft Stettinius & Hollister (For:Special Comm for Workplace Product Liability Reform).		
Do	Taft Stettinius & Hollister (For:Telephone & Data Systems, Inc)		
Do	Taft Stettinius & Hollister (For:Wald Manufacturing Co, Inc)		
Do	Taft Stettinius & Hollister (For:Westland Oil Development Corp)		
Rita Takahashi, 1730 Rhode Island Ave., NW, #204 Washington, DC 20036	Japanese American Citizens League Legislative Education Comm	9,750.00	38.80
Margaret J. Taylor, 50 F Street, NW, #1080 Washington, DC 20001	BN Services, Inc	1,750.00	65.94
Sandra E. Taylor, 1600 M St,. NW, #702 Washington, DC 20036	ICI Americas	6,250.00	87.91
James M. Temenak, 1420 Springhill Road, #500 McLean, VA 22102-3002	National Steel & Shipbuilding Company	1,690.00	340.80
Tempo Enterprises, Inc, P.O. Box 702160 Tulsa, OK 74170			2,360.53
Paul M. Tendler, 1090 Vermont Ave., NW Washington, DC 20005	Tendler & Biggins, Chtd (For:American Licensed Practical Nurses Assn)		
Do	Tendler & Biggins, Chtd (For:Bascom, Inc)		
Do	Tendler & Biggins, Chtd (For:Geodesco)		
Do	Tendler & Biggins, Chtd (For:Mears International Sales Co)		
Do	Tendler & Biggins, Chtd (For:Rasche Elektroniks)		
Do	Tendler & Biggins, Chtd (For:Solargistics Corp)		
Thacher Proffitt & Wood, 1500 K Street, NW, #200 Washington, DC 20005	Amoskeag Savings Bank		432.58
Do	Maine Savings Bank		432.58
Do	New Hampshire Savings Bank		432.58
Do	Ranieri-Wilson		432.58
Do	Salomon Brothers, Inc	10,142.95	432.58
Do	Urcarco, Inc		857.58
Meshall Thomas, Suite 400 2000 P Street, NW Washington, DC 20036	Women's Legal Defense Fund		
Law Offices of Fred Thompson, 1919 Pennsylvania Avenue, NW, #850 Washington, DC 20006	Central States SE & SW Areas Health Welfare & Pension Funds	5,280.00	
Do	Westinghouse Electric Corp		
Richard L. Thompson, 655 15th Street, NW, #410 Washington, DC 20005	Squibb Corporation	1,500.00	
Douglas Clare Thorson, 2059 Whisperwood Glen Lane Reston, VA 22091	Save Our Schools		
Tighe Curhan & Piliero, 1750 Pennsylvania Avenue, NW, #1201 Washington, DC 20006	Coalition for H.R. 2972 (Richardson) Substitute Bill	7,500.00	
Wallace Tillman, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	149.00	
Tobacco Associates, Inc, 1725 K Street, NW, #512 Washington, DC 20006			5,493.00
Jean R. Toohey, 1575 I Steet, NW., #200 Washington, DC 20005	American Cyanamid Co	340.00	263.04
William D. Toohey, Two Lafayette Centre 1133 21st Street, NW Washington, DC 20036	Travel Industry Assn of America	4,568.00	
Peter W. Tooker, 1920 N Street, NW Washington, DC 20036	American Mining Congress		
Transafrica, 545 8th Street, SE, #200 Washington, DC 20003		148,830.11	109,243.15
Travel Industry Assn of America, Two Lafayette Centre 1133 21st Street, NM Washington, DC 20036			8,848.00
Paul E. Tsongas, Foley Hoag & Eliot One Post Office Square Boston, MA 02109	Northeast Solvents Recovery		
Do	Sierra Club of America		
Do	Thermedics, Inc		
Shannon B. Tuel, 1200 17th Street, NW Washington, DC 20036	National Restaurant Assn	1,500.00	990.00
William J. Turenne, 1901 L Street, NW Washington, DC 20036	Eli Lilly & Company	3,000.00	90.00
Brian Turner, 815 16th Street, NW Washington, DC 20006	Industrial Union Department, AFL-CIO	6,093.50	
Jane L. Turner, 1920 N Street, NW Washington, DC 20036	American Mining Congress		
Max Turnipseed, 1155 15th Street, NW, #611 Washington, DC 20005	Ethyl Corporation	2,120.00	37.50
U.S. Recreational Ski Association, P.O. Box 15486 Santa Ana, CA 92705-0486			
Mark J. Ugoretz, 1726 M Street, NW, #1101 Washington, DC 20036	Erisa Industry Committee	4,238.00	
Craig Ulrich, 1300 N. 17th Street, #1200 Arlington, VA 22209	Consumer Bankers Assn		
United Services Automobile Assn, P.O. Box 4525 Reston, VA 22090-1489			
Van Fleet Associates, Inc, 499 South Capitol St., SW, #520 Washington, DC 20003	Cypress International, Inc	6,000.00	
Robert C. Varah, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Dofasco, Inc	1,500.00	1,247.47
Theresa Varner, 1909 K Street, NW Washington, DC 20049	American Assn of Retired Persons	530.76	
Kristin Lea Vehrs, 1110 Vermont Avenue, NW, #1160 Washington, DC 20005	American Assn of Zoological Parks & Aquariums	750.00	125.00
Do	Texas Shrimp Assn		
Venture Entrepreneurs, Inc, 1201 San Marco Blvd., #204 Jacksonville, FL 32207			
Robert J. Verdisco, 1901 Pennsylvania Avenue, NW, #200 Washington, DC 20006	International Mass Retail Assn	5,000.00	782.50
Victoria E. Vidal, 1101 15th St., NW, #400 Washington, DC 20005	National Council of Savings Institutions	1,000.00	180.52
David Vienna & Associates, 401 Wythe Street ,#2A Alexandria, VA 22314	California Public Employee' Retirement System		
Do	Pacific Stock Exchange, Inc	11,550.00	
Do	State Board of Equalization (Calif)	5,475.00	
Voluntary Hospitals of America, Inc, 1150 Connecticut Ave., NW, #800 Washington, DC 20036			8,315.00
Volunteer Trustees of Not-For-Profit Hospitals, 1625 Eye St., NW, #810 Washington, DC 20006		84,500.00	12,814.00
Vorys Sater Seymour & Pease, 1828 L Street, NW, #1111 Washington, DC 20036	Alliance for Corporate Growth	1,068.00	446.02
Do	Committee of Publicly Owned Companies	1,175.30	99.51
Do	Dale Michael A/K/A Riviera Bowling Lanes		525.97
Do	Distrigas Corp	3,212.50	279.60
Do	Fraternal Order of Police - National Headquarters	1,075.28	
Do	Hanson Industries		
Do	Ohio Manufacturers Assn		
Do	PubCo Corp	1,658.70	64.52
Do	Smith Corona Corp	7,410.00	1,577.47
Do	Trustcorp/Toledo Trust Co	22,200.00	3,812.06
John A. Vuono, Vuono Lavelle & Gray 2310 Grant Building Pittsburg, PA 15219	Procompetitive Rail Steering Committee	32,760.00	
Howard W. Wahl, 10501 Bit and Spur Lane Potomac, MD 20854	Bechtel Group, Inc		
Robert Joseph Walker, 1909 K St., NW Washington, DC 20049	American Assn of Retired Persons	271.38	41.90
R. Duffy Wall & Associates, Inc, 1317 F Street, NW, #400 Washington, DC 20004	Sullivan & Cromwell		
Henry Scott Wallace, 1110 Vermont Ave., NW, #1150 Washington, DC 20005	National Assn of Criminal Defense Lawyers	11,250.00	50.00
Frank J. Walter, 1745 Jefferson Davis Hwy, #511 Arlington, VA 22202	Manufactured Housing Institute		
Barbara F. Warden, 1710 Broadway New York, NY 10019	International Ladies' Garment Workers Union	8,522.54	67.50
Jenifer Warkenthien, 729 15th Street, NW Washington, DC 20005	Associated Builders & Contractors, Inc	2,500.00	
Barbara J. Washburn, 1201 Pennsylvania Avenue, NW, #370 Washington, DC 20004	Control Data Corporation	612.00	158.23
Washington Independent Writers, Inc, 733 15th St., NW, #220 Washington, DC 20005			
Lucy R. Watkins, 236 Massachusetts Ave., NE, #504 Washington, DC 20002	Center for Law and Education, Inc	925.47	
Austen W. Watson, 1725 Jefferson Davis Hwy., #701 Arlington, VA 22202	Singer Co	540.00	1,436.18
Carolyn Herr Watts, 1800 Massachusetts Ave., NW Washington, DC 20036	National Rural Electric Cooperative Assn	50.00	
Peter K. Weber, 801 Pennsylvania Ave., SE Washington, DC 20003	National Audubon Society	3,700.00	666.03
Susan Weber, 1400 16th Street, NW, #320 Washington, DC 20036	Zero Population Growth, Inc	849.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Paul Weckstein, 236 Massachusetts Ave., NE, #504 Washington, DC 20002	Center for Law and Education, Inc	103.91	
Stephen Wehrly, Route 4, Box 457 Vashon, WA 98070	Miller Brewing Co		
Weil Gotshal & Manges, 1615 L Street, NW, #700 Washington, DC 20036	Marine Shale Processors, Inc	1,800.00	200.00
Weiner McCaffrey Brodsky & Kaplan, P.C., 1350 New York Ave., NW, #800 Washington, DC 20005	Chicago Central & Pacific RR		
Do	Gulf & Mississippi Railroad		
Stanley A. Weiss, 601 Pennsylvania Ave., NW, #700 Washington, DC 20004-2602	Business Executives for National Security		
Susan Weiss, 1424 16th St., NW, #604 Washington, DC 20036	Consumer Federation of America	5,819.00	91.00
Suzanne Weiss, 1129 20th Street, NW, #400 Washington, DC 20036	American Assn of Homes for the Aging	160.00	4.60
Wendorf & Associates, Inc, 53 D Street, SE Washington, DC 20003	Central & South West Services, Inc	1,724.00	
West Mexico Vegetable Distributors Assn, P.O. Box 848 Nogales, AZ 85621			1,000.00
June M. Whelan, 400 Madison Street, NW Alexandria, VA 22314	Van Ness Feldman... (for Uranium Producers of America)	1,500.00	
Larry White, 1909 K St., NW Washington, DC 20049	American Assn of Retired Persons	486.92	292.90
William R. White, Kaplan, Russin & Vecchi 1215 17th Street, NW Washington, DC 20036	Edison Electric Institute		
Elizabeth D. Whitley, 499 S. Capitol Street, SW, #411 Washington, DC 20003	National Council of Agricultural Employers	1,500.00	200.00
Robert L. Whitmire, 1745 Jefferson Davis Highway, #1000 Arlington, VA 22202	General Dynamics Corp	1,000.00	499.20
Wickham & Associates, 2300 N St., NW, #600 Washington, DC 20037	Reliance Group Holdings, Inc & Affiliates, et al.		
Harry G. Wiles II, 1023 15th St., NW, 4th Fl Washington, DC 20005	Wine & Spirits Wholesalers of America, Inc		534.36
Suzanne C. Wilkins, 801 Pennsylvania Ave., SE, #303 Washington, DC 20003	American Rivers		
Harding deC. Williams, 1101 15th Street, NW, #400 Washington, DC 20005	National Council of Savings Institutions	4,000.00	
Lawrence F. Williams, 330 Pennsylvania Avenue, SE Washington, DC 20003	Sierra Club	5,160.05	
Margie R. Williams, 415 2nd St., NE, #300 Washington, DC 20002	National Assn of Wheat Growers	1,100.00	
Williams & Jensen, P.C., 1101 Connecticut Ave., NW, #500 Washington, DC 20036	American Home Products	525.00	30.99
Do	American Real Estate Committee		
Do	Association of Family Farmers	737.50	33.81
Do	Association of Progressive Rental Organizations	1,027.50	40.85
Do	Century 21 Real Estate Corp		
Do	College Construction Loan Insurance Assn		
Do	CIGNA Corporation	267.50	16.90
Do	Danaher Corp		
Do	Environmental Processing, Inc		
Do	Estee Lauder, Inc	225.00	14.09
Do	Federation for American Immigration Reform	200.00	14.09
Do	Financial Security Assurance		
Do	First Boston Corp	3,312.50	209.88
Do	Goldome FSB	100.00	7.04
Do	GAMMA Corp	137.50	8.45
Do	Hazel/Peterson Cos, Inc		323.97
Do	Higher Education Assistance Foundation	600.00	40.85
Do	Kellogg Company		
Do	Kelly Appleman Hart & Hallman	605.00	47.89
Do	Mustang Fuel Corporation		
Do	National Assn of Rehabilitation Agencies	75.00	7.04
Do	National Board for Professional Teaching Standards		
Do	Norfolk Southern Corp	3,200.00	161.98
Do	Paralyzed Veterans of America		
Do	Pharmaceutical Manufacturers Assn	3,402.50	188.74
Do	Recording Industry Assn of America, Inc		
Do	Southwest Airlines	225.00	14.09
Do	Southwestern Bell Corp	225.00	7.04
Do	Student Loan Marketing Assn	1,000.00	67.61
Do	Texaco, Inc	225.00	14.09
Do	Texas Air Corp	4,975.00	215.50
Do	Trailer Train Co	450.00	26.76
Do	Turner Broadcasting System, Inc	4,750.00	202.83
Do	U.S. Telephone Assn	225.00	14.09
Do	United Bankers, Inc	1,400.00	
Do	Universal Foods, Inc		
Do	USAA Financial Service Co		
Wilmer Cutler & Pickering, 2445 M Street, NW Washington, DC 20037-1420	Deutsche Lufthansa AG		
Do	Handgun Control, Inc		
Do	International Swap Dealers Assn	2,860.00	362.73
David W. Wilmot, 2303 36th Street, SE Washington, DC 20020	Anheuser-Busch Companies, Inc		
Denise Wilson, 1250 Eye Street, NW, #200 Washington, DC 20005	Building Owners & Managers Assn Int'l		
H. Graham Wilson, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington, DC 20037	Dofasco, Inc		
Windels Marx Davies & Ives, 1701 Pennsylvania Avenue, NW Washington, DC 20006	Onkyo Corp		
Walter J. Witek Jr., 777 14th St., NW Washington, DC 20005	National Assn of Realtors		
Claudia A. Withers, 2000 P Street, NW, #400 Washington, DC 20036	Women's Legal Defense Fund		
Lyn M. Withey, 1620 Eye Street, NW, #700 Washington, DC 20006	International Paper Co	2,100.00	224.00
Christopher J. Witkowski, 2000 P St., NW, #700 Washington, DC 20036	Aviation Consumer Action Project		
Thomas J. Wolf, 1219 N. Veitch St. #1 Arlington, VA 22201	Rendon Company (For:EXPEX, Inc)		
Do	Rendon Company (For:Government of Aruba)		
Wolf Block Schorr & Solis-Cohen, 12th Floor Packard Building 15th & Chestnut Streets Philadelphia, PA 19102	Revlon Group, Inc		
Do	Smith Kline Beckman, Inc		
Sidney M. Wolfe, 2000 P St., NW, #708 Washington, DC 20036	Public Citizen Health Research Group		
Burton C. Wood, 1125 15th St., NW Washington, DC 20005	Mortgage Bankers Assn of America	19,050.00	3,959.00
David A. Wormser, Pepper Hamilton & Scheetz 1777 F Street, NW Washington, DC 20006	Norlight, Inc		
F. Dalton Yancey, 910 16th St., NW, #402 Washington, DC 20006	Florida Sugar Cane League, Inc		
Mary J. Yarrington, 2000 K St., NW, 8th Foor Washington, DC 20006	National Comm to Preserve Social Security	3,250.00	
Brooks B. Yeager, 330 Pennsylvania Avenue, SE Washington, DC 20003	Sierra Club	4,911.35	88.50
Richard K. Yep, 901 East Capitol Street, SE Second Floor Washington, DC 20003	American Assn for Counseling & Development	9,570.00	
Roberta Lynn Youmans, 122 C Street, NW, #875 Washington, DC 20001-2109	National Housing Law Project	2,312.50	
Mitchell Zeller, 1501 16th Street, NW Washington, DC 20036	Center for Science in the Public Interest	350.00	27.00
Zero Population Growth, Inc, 1400 Sixteenth St.,N.W.,#320 Washington, DC 20036		3,238.00	3,906.00
Ziontz Chestnut Varnell Berley & Slonim, 2121 Fourth Avenue, #1230 Seattle, WA 98121	Makah Indian Tribe	3,255.00	1,004.03
Murray Zweben, 1140 19th St., NW, #600 Washington, DC 20036	Manchester Group, Ltd		
Do	New Hampshire Yankee		125.00
Do	Romulus Engineering	500.00	

EXTENSIONS OF REMARKS

IN MEMORY OF TINY KRUEGER

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. ROTH. Mr. Speaker, today I rise to pay tribute to Clifford "Tiny" Krueger, a veteran legislator from Wisconsin. In his 34 years as a State senator Tiny spread his warmth and charm throughout the State. His death not only marks the loss of a great public servant, but also the loss of a great friend.

Tiny Krueger was born in Madison, WI, and spent most of his early life enthralled by the circus. In the summers of 1937 and 1938, he joined the Seils-Sterling Circus based in Sheboygan. This experience helped shape his life and career as a politician.

In the circus, Tiny learned to overcome his shyness about his size, and also learned about compassion for other people. These lessons would benefit him for the rest of his life.

Even in his later years, Tiny still loved the circus. In 1968, he was elected to the board of directors of the Historic Sites Foundation, which operates the State Historical Society's Circus World Museum. He was also a member of the Circus Fans Association of America and the "Tiny Krueger Tent," a circus fan organization named after him.

As a State senator, Krueger enjoyed wide support from his district in northern Wisconsin. He was the Senate's Republican floor leader from 1975 to 1981. He was very successful in tailoring legislation and seeing it pass—although he was often on the minority side. State Senator Krueger was not a partisan but had a broad picture of the legislation—and because of that he held a good deal of sway on the floor of the State senate.

Tiny Krueger will be sorely missed by his many friends and relatives. His wit and humor touched everyone that he knew. I will always have fond memories of Tiny.

LAWRENCE AREA TEENS CITED FOR COMMUNITY SERVICE

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. ATKINS. Mr. Speaker, the Community Service Network of New England recently cited some of my most dedicated constituents—hundreds of teenagers who live in the Merrimack Valley of Massachusetts—for giving their time and love to make life better for their community.

In an era of shrinking Government support for social action programs, the volunteer work these students have performed in aiding the elderly, the retarded, and the disabled; tutoring children cleaning up the environment, and raising money for charity, is heartwarming and heroic.

Teenagers, of course, have always been motivated by idealism and willing to make constructive efforts to build a better society. That is true in my district and in the districts of every Member of this body. But too often the news media focus on the troubled teenagers, the drug users, and the delinquents.

So I would like to take this opportunity to pay tribute to some of the young people I represent who have made a positive mark in their neighborhoods.

The Community Service Program I speak of involves hundreds of teenagers. The Lawrence Eagle-Tribute, which is helping promote the idea of volunteer action, recently cited some of the teenagers for their good deeds. These few represent hundreds of other junior and senior high school students in my district, all of whom deserve our applause and all of whom bring credit not only to themselves and their schools, but to their proud parents.

Robert Benedetto, 17, of Andover, MA, a senior at Central Catholic High School in Lawrence, who worked at an orphanage in Mexico.

Eddie Mejia, 17, of Lawrence, MA, and John Gianino, 17, of Lowell, MA, both students at Central Catholic High, who tutored children at the Merrimack Court Housing project.

Andy Peck, 15, of Andover, MA, a student at Central Catholic High, who worked at the Bread and Roses soup kitchen in Lawrence.

Natalie Belkin, 17, of Andover, MA, a student at Andover High, who taught horseback riding to the physically challenged.

Corin McGinley, 17, of Andover, MA, a student at Andover High, who participated in the Big Brother-Big Sister Program in Lawrence.

Emily Tilghman, 17, of Andover, MA, a student at Andover High, who tutored children.

Ryan Zannini, 17, of Methuen, MA, a student at Methuen High, who was a peer leader in the Greater Lawrence Education Collaborative and worked with the Heart Fund, the Cancer Society, and the St. Jude Hospital Fund.

Alan Picarillo, 17, of Methuen, MA, a student at Methuen High, who volunteered as a referee for the junior soccer league in Methuen and who worked with the St. Jude Hospital Fund and Dollars for Scholars.

Andrew Joel, 17, of Andover, MA, a student at Phillips Academy, who taught the physically challenged to ride horses and helped with a weekly athletic program for mentally retarded children.

Sharon Slater, 17, of Methuen, MA, a student at Phillips Academy, who tutored third, fourth, and fifth graders at the Lawrence Boy's Club and participated in the Big Brother-Big Sister Program.

RETIREMENT OF WILLIAM H. FITZGERALD, JR.

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. COUGHLIN. Mr. Speaker, I would like to take this opportunity to salute one of the truly outstanding public servants in our Nation's Capital, William H. FitzGerald, Jr., the Deputy Assistant Secretary for Budget and Programs at the U.S. Department of Transportation. Fitz, as he is fondly known by his colleagues and staff, plans to retire in January after 40 years of service in the Federal Government. He began his career with the U.S. Coast Guard and served as budget officer for the Coast Guard and the Federal Railroad Administration prior to becoming the Deparment's Budget Director in 1981.

Those of us on the Appropriations Committee who have had the opportunity to work with Mr. FitzGerald have benefited greatly from his counsel and knowledge. He combines a thorough understanding of the Federal budget process and the Department's programs with wit, good humor, and diplomacy. Few people are more dedicated to keeping our budget process on track. Mr. FitzGerald embodies the best of the Civil Service. We wish him well in his new endeavors, but needless to say, his friends in Congress and in the Department will sorely miss him.

TRIBUTE TO KENNETH FUJINO

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding individual, Kenneth Fujino, and ask my colleagues to join me in honoring this exceptional member of my community. Mr. Fujino is this year's recipient of the coveted Goodfellow Award, presented each year by the Boys & Girls Club to an outstanding member of the community who has demonstrated a commitment to the welfare of humanity.

Kenneth Fujino symbolizes the spirit, energy, and future of the San Fernando Valley. He has served the southern California community for many years. His pleasant personality and ready willingness to be helpful has endeared him to both his colleagues in the insurance business and to the public he has served so well. His leadership has led to great success in the business world as well as success in his countless hours of work for charitable causes. In addiition, he has enhanced the lives of young people through sub-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

stantial contributions of time and finances to the Boys & Girls Club of the San Fernando Valley. As a result of his hard work and excellent performance, he enjoys respect and support throughout the San Fernando Valley.

Kenneth is currently the chief operating officer of Fairmont Insurance Co., and was previously employed by Fireman's Fund in San Francisco where he served for 22 years in increasingly responsible positions.

Throughout his career, Kenneth has always shown a willingness and desire to give freely of his valuable time to aid organizations or causes important to his community. At present he is on the board of directors of California Workers' Compensation Institute and serves on Workers Compensation Committee of the Association of California Insurance Companies. He also was an active member of 20/30 Club and Rotary Club of Sacramento.

Kenneth is a native of Los Angeles. He is a graduate of the University of Minnesota. He is married to Arlene, and is the proud father of two daughters.

Few people have given of their time and energy as selflessly as Kenneth. It is my distinct honor and pleasure to ask my colleagues to join me in honoring Kenneth Fujino, an invaluable member of our community, and a truly remarkable human being.

SCHOOL'S INTERNATIONAL CELEBRATION NOTED

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. SUNDQUIST. Mr. Speaker, in my district in Memphis, TN, I recently had the privilege to take part in a special ceremony of flags at Craigmont High School. I should explain that Craigmont High is Memphis' optional school for international studies. It serves as a magnet for the city's brightest students whose interest lies in the field of internation studies. The student body is diverse and varied, boasting children of immigrants and a good number of foreign exchange students.

These young people, under the direction of the school's principal, Dr. Jane Walters, presented a most impressive and inspiring program earlier this month, and I wanted to share something of this event with my colleagues.

The ceremony of flags featured the colors of 43 nations, from Australia to Zimbabwe, some presented by students whose families hail from those lands. Add to this the embellishments of musical selections from several of the nations, and special tributes to the countries that have served as honored countries in Memphis' celebrated "Memphis in May" celebration.

In this day of global communications, when far less separates the people of the Earth than at any time in recorded history, it was stirring to see the involvement of so many young people in a program of this sort.

And Members of this House will be heartened to know that flying proudly among those many flags is one that flew over this Capitol on the day we marked the 200th anniversary of our Constitution.

The young people at Craigmont High School understand and appreciate that people of different languages and nations can get along. They understand that to know something of how others live is to gain a new appreciation of the freedoms and opportunities we have been blessed with in this country.

I was proud to salute the student body of Craigmont High School and their faculty advisers and sponsors, and I wanted to share something of their accomplishment with you.

TRIBUTE TO TOM TRIMBOLI OF THE HOUSE SMALL BUSINESS COMMITTEE

HON. CHARLES A. HAYES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. HAYES of Illinois. Mr. Speaker, I want to take this opportunity to express a warm farewell to Mr. Tom Trimboli, the senior legislative counsel for the House Small Business Committee. As the 100th Congress draws to a close, it also brings to an end Tom's work with the Small Business Committee.

As a member of the Small Business Committee, I want to take this moment to commend Tom for his excellent work. Tom has been a strong force as a senior staff member of the committee for the last 13 years. I personally will be sad to see such a devoted and impressive young man leave my committee, but certainly wish Tom well in his future endeavors.

As the author of significant pieces of small business legislation, including the recently passed 8(a) reform bill, Tom has had a great impact on improving the status of our Nation's small business community. Without a doubt, Tom is an expert when it comes to small business procurement.

Since my election to this Congress, I have certainly appreciated Tom's personal insight on the various issues considered by the Small Business Committee. He has truly been a guiding force in helping to set a progressive agenda for the committee. Tom has been an exceptional friend to small business, and I have further observed his particular commitment to small, disadvantaged minority businesses.

I rise today to make special notice of the devoted works of a man with integrity and a strong sense of duty. Mr. Speaker, we say goodbye to a good friend, with respect and affection and with gratitude for having had the privilege to work with such a man. I, as I am sure other members of the Small Business Committee, will certainly miss Tom's wisdom and service. Again, I wish him all the best as he leaves us.

NEWARK'S 10TH ANNUAL PRIDE BOWL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. RODINO. Mr. Speaker, I want to bring to the attention of my colleagues a very special event that recently took place in my own city of Newark. On October 1, the Pride Bowl—the 10th annual—celebrated "A Golden Decade for Newark Youth" and once again provided a catalyst for instilling pride in the youth of Newark.

The Pride Bowl, which this year included a festive parade and a football game between Montclair State College and Wagner College, is sponsored by Project Pride. It is the culmination of months of hard work by dedicated volunteers. The proceeds from the game will be used for recreational, educational, and scholarship programs which will benefit more than 13,000 young Newarkers.

Mr. Speaker, I want to salute all of those who helped to make the 1988 Pride Bowl such a special event and I want to commend Project Pride for its outstanding service to our community. By encouraging pride and instilling hope in our children, this worthwhile project is helping to ensure a brighter tomorrow for us all. With your permission, I would like to include in my remarks an article from the Star Ledger.

[From the Newark Star-Ledger, Sept. 29, 1988]

PRIDE BOWL—NEWARK GRIDIRON TRADITION HELPS YOUTHS MEET LIFE GOALS

(By Lauren Robinson)

At least once a year for the past 10 years, magic has swept through the city of Newark, turning college football players into superheroes, taking urban children out of statistic books and fusing those who hold the promises with those who need the promises.

You can bet that Saturday's Pride Bowl, "A Golden Decade for Newark Youth," will be tucked neatly away in the memories of the thousands who come to the game. You can guess that the hundreds of volunteers who have spent the past couple of months in preparation for the game will be relieved—yet somewhat saddened—when the final buzzer sounds.

You can hope that the players, arch rivals with a score to settle, will feel honored no matter who wins the game. You should know that more than 13,000 kids will spend the rest of the year participating in recreational, educational and scholarship awarding programs, all supported by the proceeds of the game.

"It's amazing that no one has ever gotten paid but we have lasted. It has always been for the kids," said Jerry Izenberg, president of Project Pride and a sports columnist for The Star-Ledger, before he departed to cover the Olympics in South Korea. "This will be the first game I have missed and to tell you the truth, I'd rather be here."

According to Joe DiVincenzo, director of the game, one of the highlights of the 10th anniversary Pride Bowl will be a telephone call linking Izenberg to the crowd. Other highlights include a pre-game parade, a halftime show and an awards ceremony to cap off the day.

"I think we've finally reached our milestone," DiVincenzo said. "This year we doubled our budget with the money we've raised. We'll be looking our best. It's a happening you won't want to miss."

Some 2.4 million viewers in the tristate area won't have to miss the game, which will be cablecast by the Madison Square Garden Network (MSG) at 7 p.m., thanks to a donation from Mutual Benefit Life.

The Actual game, pitting Montclair State College against last year's NCAA Division III champs, Wagner College of Staten Island, starts at 1:30 p.m. in Newark Schools Stadium, where an overflow crowd of more than 15,000 is expected.

"One day we're going to be on the same level as the Rose Bowl and Orange Bowl," said Charles Bell, president of the board of education and the "head cook and bottle washer" for the game.

"But the Pride Bowl will always be here and will always be special because it sells itself," he continued. "The idea behind Project Pride is having pride in yourself, in your schools and in your community. Some come to the Pride Bowl for the game, some for camaraderie. The beauty is that everything goes to the kids."

"I love marching in the parade and holding the banner," said Darnell Reddin, 13, an eighth-grader at Miller Street School, where many of the students spent the past few weeks creating drills, marches and a banner for the game.

"I feel good about Project Pride. It helps us do things throughout the city," he continued. "We have pride in ourselves and that's important because when you don't, you're scared to do things like talk in front of people."

"Project pride will help our futures," joined Antonio Mendez, 14, one of Reddin's classmates. "If you don't like yourself, why should anyone else? My favorite part of the day is meeting the players. I want to be a professional football player."

Preparations for the game started in January when the 21-member Project Pride board decided which teams to solicit and contacted previous game sponsors, whose ads usually appear in the football program.

Major sponsors for this year's game include: Coca-Cola, the official soft drink of the Pride Bowl and providers of as much soda as fans can purchase; Mutual Benefit Life; Wesray Corp.; New Jersey Bell; First Fidelity Bank; Prudential Insurance Co.; First Jersey National Bank, and Blue Cross and Blue Shield of New Jersey.

Shickhaus Processed Meats has donated 3,000 hot dogs to the game and the New York Pretzel Co. has thrown in 6,000 pretzels.

Other donations include: Tickets purchased by corporations and sent to each elementary school in Newark; 2,500 hats that will be given away to the first entrants to the game, and all kinds of signs, tents and equipment donated by the Essex County Department of Parks, Recreation and Cultural Affairs to be used for turning the game into a professional looking affair.

If it's hoopla you want, tickets are priced at $5. Newark police and fire departments, the Essex County Sheriff's Office and the North Ward Cultural Center are still your best bets.

The parade starts at Lake Street and Bloomfield Avenue at noon and features 10 elementary schools, the Boys and Girls Clubs of Newark, Weequahic and Barringer high school bands, Newark police and fire departments, and two floats—one a huge birthday cake full of surprises.

Any youngster needing transportation to the events can take NJ Transit routes 6, 11, 29, 34, 60 and 72 to and from the game for 35 cents each way with a ticket or ticket stub.

If you miss the game, you'll miss the action when Wagner's green and white Seahawks try to soar as Montclair's red and white Indians take aim. But when you miss the game, you miss some of the magic that has kept Project Pride alive and has kept Newark kids yearning for more.

IGNORANCE COSTS MORE THAN EDUCATION

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. DORGAN of North Dakota. Mr. Speaker, much is being said these days about the problems our country is facing with the decline in our educational system. Colleges complain about the increasing number of college freshmen who lack basic skills in reading, writing, and math. Businesses and corporations are having to train and educate graduates entering the work force because these new workers are not prepared. The deficiencies in our Nation's educational system ripple through our Nation's economic well-being. We are paying a price for our ignorance and insufficient education.

An editorial entitled "Ignorance Is Not Bliss" was recently featured in the U.S. News & World Report. This editorial eloquently made this point: Our Nation is paying the price for our lack of an education. Although both Presidential candidates have made promises to be the education President, it is going to take a courageous commitment to establish education as national priority. We are already seeing the cost of neglecting our educational system. Our Nation is quickly falling behind in the development of technological expertise. The bottom line is that an investment in education today will save our economic and political well-being tomorrow. Quality education will provide our children with a better chance to participate and contribute to the productivity of our economy. Otherwise, they may end up simply dependent upon our economy and our social programs.

I would like to include the editorial for the RECORD.

IGNORANCE IS NOT BLISS

(By Mortimer B. Zuckerman)

The successful launch of the shuttle Discovery illustrates how America can respond to a challenge by concentrating talent, technology, money and commitment. But we are failing another key challenge—the education of our children. A numbing accumulation of test scores and surveys suggests they are falling behind, and it is not their fault. It is ours.

Japan's approach has illuminated our tarnished record. There is little difference between us in the first grade, but by the fifth grade, the Japanese child is very much ahead. It is in middle school and high school where the failures of our education abound. Our students still work to a school year that corresponds to a 19th-century agrarian society, when a three-month summer break to tend crops was appropriate. Japan today offers only a 40-day summer break, marked by substantial homework assignments. When Americans test two to three years behind the Japanese upon graduation from high school, and when Japanese teenagers finish the 12th grade with half of them knowing as much as the U.S. college graduate, we can correlate this directly to the lesser amount of time we spend teaching our children between kindergarten and high school.

Then there is a question of quality. We are facing a critical shortage of skilled teachers. In the next decade, we have to replace a million—half the current force—at a time when salaries, which today average $18,000 a year, have declined in real terms by 1.25 percent annually since the early 1970s. Small wonder that top-notch college graduates are not attracted to teaching.

The nature of our democracy has always presumed an educated citizenry, willing to join in the political process and able to judge issues and candidates. A failure in education is contributing to an erosion of strength in our political democracy, embodied in the disillusion and apathy that will keep half the voters away from the polls this election. And the failure is having a crucial effect on our technocracy, on our ability to flourish in a world of complex and dynamic economies.

We are now, as the National Commission on Excellence in Education described it, A Nation at Risk. In the last century, when the British were the world's leading economic power, they were stunned by American progress toward a system of mass production. Upon investigation, they found that the key ingredient in America's industrial success was the degree of universal literacy. Japan and Korea have recognized a new kind of literacy: The ability to interpret advanced mathematics, read complex engineering blueprints and perform sophisticated tasks on the factory floor. Their workers can do this far better than ours.

We once had a near monopoly on innovation. We could convert ideas into products and processes far better than anyone else. Know-how was our word. It summed up what seemed to be a special American aptitude to fix things; in World War II, the average GI could fix a busted radio or repair a Jeep. That know-how commanded a high price in the commercial marketplace. No more. The product cycle today will more often than not begin with the Japanese introduction of a new product emulated only later by U.S. companies. We are forced to cut our labor costs and the value of our dollar to let our products compete for market share. We have failed too often to convert our scientific breakthroughs into commercially viable products. Color TV and the VCR are examples.

The public cares about this. The annual college issue of U.S. News always evokes an extraordinary response. And both candidates have put forward programs to help middle-class families pay for college. Bush's proposals would use tax incentives, and Dukakis's a program of federally guaranteed student loans. Yet both are haunted by budget constraints and fail to rally America to the scale of the crisis. There is a Chinese proverb: "He who goes to bed to save candles begets twins." Unless we invest now, we will pay more later. One dollar invested in the Head Start program, for example, saves an estimated $6 in social-welfare costs, since participating children have a better chance of employment when they become adults.

As the president of Harvard once said: "If you think education is expensive, try ignorance."

S. 2011, THE VETERANS' COMPENSATION BILL

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 19, 1988

Mr. EVANS. Mr. Speaker, I rise today to congratulate Chairman MONTGOMERY and the House Veterans' Affairs Committee in passing legislation that would provide for judicial review and compensation for our veterans.

However, I would like to note that an article in today's Washington Post was mistaken by stating that the organization Vietnam Veterans of America [VVA] was opposed to the compromise legislation regarding judicial review of Veterans' Administration claims. VVA has been a strong supporter of legislation that I had introduced with regards to judicial review and they have also taken a very active role in the formulation of this compromise legislation.

I regret that we were unable to include the provisions of the amendment attached to S. 2011, the Veterans' Compensation bill, that is similar to the Veterans' Agent Orange and Vietnam Service Disabilities Act that I have sponsored. This amendment would have established rebuttable presumptions of service connection for Vietnam veterans suffering from two categories of disabilities: (1) disabilities associated with Vietnam service, specifically non-Hodgkin's lymphoma and soft-tissue sacroma; and (2) disabilities reasonably associated with exposure to dioxin or other toxic agents in herbicides.

I am encouraged by Chairman MONTGOMERY and the committee's support for holding hearings in the next Congress on this critical issue. I look forward to working with the committee to see a bill regarding compensation for our Vietnam veterans. Those who answered this country's call and served in Vietnam should not have to wait any longer for the help and recognition our Government owes them.

DR. GERTRUDE BELLE ELION AWARDED NOBEL PRIZE IN MEDICINE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. GREEN. Mr. Speaker, recently, the Nobel Prize in Medicine was awarded to Gertrude Belle Elion for her research into the treatment of such diseases as leukemia, heart disease, AIDS, and gout.

Gertrude Belle Elion, cowinner of the 1988 Nobel Prize in physiology or medicine, is the 10th graduate of the City University of New York to win a Nobel Prize and the second Hunter College alumna to be honored. CUNY has more Nobel Laureates among its undergraduate alumni than any other public university in the country.

Dr. Elion's successes can be traced back to her childhood in the Bronx. Dr. Robert and Bertha Elion provided a solid home in which Gertrude could blossom intellectually. Her father's occupation, dentistry, interested Gertrude Elion immensely. Upon her father's tragic death due to cancer, she stated her intentions to find a cure for the disease. Anyone who knew Gertrude Belle Elion felt little doubt that someday she would find a cure for cancer, or something of similar magnitude. Dr. Elion did not let us down.

Gertrude Belle Elion attended Hunter College of the City University of New York, where she graduated summa cum laude. Her dedication and numerous achievements make her a role model for innercity youth. In 1944, she received her master's degree from New York University, and instead of pursuing a Ph.D. she accepted a job with Burroughs Wellcome Co. of Research Triangle Park, NC. It was here that Dr. Elion teamed with George M. Hitchings, also a Nobel Prize winner, to work on the restructuring of nucleic acid chains in DNA. The next 40 years of research created numerous breakthroughs concerning treatment of various diseases. She codiscovered landmark drugs against a variety of disorders.

I congratulate Dr. Elion and Hunter College on their great success.

JAPAN AND WORLD DEVELOPMENT

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BROOMFIELD. Mr. Speaker, it's no secret that the Japanese have become one of the world's most astute marketers of products and services. It appears they have now extended their marketing expertise to the whole subject of trade flows.

According to the Wall Street Journal, they are attempting to wrap up their huge trade surplus and a new willingness to ease Third World debt burdens in a nice little package that has found more than a few gullible buyers.

As the Journal points out, the Japanese in effect are seeking to institutionalize their surplus and make it more palatable by tying it to some backdoor charity for hard-pressed Third World countries. By institutionalizing the surplus, Japan would create larger and larger imbalances.

I might add that Japan would thereby have that much more money to invest in American factories, shopping centers, and apartment complexes. That point should not be lost on those in this body who profess a concern about the level of foreign investment in the United States.

The Journal's bottom line? Caveat emptor. Let the buyer beware. It's the huge imbalances in the world that threaten the world economy. According to the Journal: "The goal of Group of Seven policymakers should be to correct the imbalances in the world, not institutionalize them."

[From the Wall Street Journal, Oct. 14, 1988]

JAPANESE BEARING GIFTS

At the recent IMF-World Bank meeting, Japan was talking up a new plan for relieving Third World debt, and the world of international finance is still chewing on this initiative. The plan will no doubt return for the new U.S. administration, which had better watch for a curve ball.

What the Japanese have in mind is rather lacking in details, but there is a broad outline. A special facility at the IMF would acquire debtor-nation paper held by banks, presumably at a discount. This debt would be "securitized," with the securities to be backed with debtor-nation foreign-exchange reserves. Since most debtor nations aren't long on reserves they would be invited to talk to the Japanese, who are extremely long. The Japanese would be willing to lend some of their large balance-of-payments surplus to help back the new securities.

This plan, dubbed the Miyazawa plan in honor of Japanese Finance Minister Kilchi Miyazawa, sounds jolly on the surface. Banks would have a new market at the IMF where they could peddle unwanted debtor-nation paper. The debtor nations would have a new source of financing, of sorts. They could reschedule a portion of their debts, with a possibility, under certain circumstances, of repaying some in their own currencies. The IMF would have a more central role in the management of international debt. And the Japanese would become close partners of the IMF in debt management.

Now, to those people who think that the answer to the problems of debtor nations is to lend them more money, all this no doubt makes sense. The plan has been picking up tentative support here and there. From Michel Camdessus, director general of the International Monetary Fund (IMF), for example, as well as French Finance Minister Pierre Beregovoy. There are also congressional Democrats enamored of any form of debt forgiveness. So it's not hard to envision an alliance among the French socialist government and the U.S. congressional Democrats and the Japanese Treasury, which does not usually run with the bleeding-heart crowd.

If Japan sets itself up as a permanent rich uncle at the IMF it will have created a permanent justification for Japanese balance-of-payments surpluses. Japan could continue to run trade surpluses, which is very much in keeping with its mercantilist view of the world, with the imprimatur of the IMF bureaucracy and many borrower states. A political block will have been created on behalf of a permanent imbalance in world trade and capital flows. Japan would consolidate its position as the world's largest creditor, with a significantly expanded role in the deliberations of the IMF.

Top U.S. government officials are not fond of such a prospect, which is why they have treated the Japan initiative with skepticism. It isn't necessary to become a Japan-basher to argue that they are right.

The problems of the Third World will not be solved by more loans. The first requirement, rather, is that debtor nations accept the responsibility for restoring themselves to financial health, something that Mexico and Chile already have been doing. This means stabilization of currency, reduction of state subsidies and the introduction of competition through privatization, deregulation and the lowering of import barriers.

Such policies inevitably disturb vested interests and present political difficulties, as has been evident in Mexico with the challenges within the PRI to the party's reform wing. The last thing reformers need within their own political system is the promise of pie in the sky from Japan or the IMF.

The Japanese seem to have something else in mind. The parallel lending of their surpluses would be managed through the Export-Import Bank of Japan, which suggests that debtor nations signing up for Japanese backing might also be expected to show some preference for Japanese exports. Here again, it is easy to wonder if the Japanese really have some vision of how they would improve the workings of the international economy, or whether their only intent was to design yet another mercantilist scheme.

If the Japanese want to help the developing nations and the world economy, the route is clear enough: reduce their surpluses by becoming consumers of more of the world's goods. The goal of Group of Seven policy makers should be to correct the imbalances in the world, not institutionalize them.

IN HONOR OF MASON LAMPTON

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. RAY. Mr. Speaker, Mr. Glenn Vaughn, chairman of the Columbus Ledger-Enquirer, recently wrote an informative and complimentary article on an outstanding citizen, Mr. Mason Lampton. Since moving to the Third Congressional District, and Columbus, GA, Mr. Lampton has among other charitable causes founded the Columbus Steeplechase which has been an outstanding success contributing $300,000 in 3 years to several local nonprofit organizations.

Mr. Speaker, this former Kentuckian is an example of the entrepreneurial spirit which nurtures and keeps alive our great free enterprise system. I am honored to include in the CONGRESSIONAL RECORD this article, written by Mr. Glenn Vaughn, in tribute to Mr. Lampton.

THE MASON LAMPTON TOUCH IS MAKING BIG, LASTING MARK

Sam Franklin, the polite and properly reserved former president of Columbus' Trust Company Bank, has a talent for sizing up most any circumstance in a few words.

On a weekend visit from Nashville, Tenn., where he is senior executive vice president of a huge-Sun Trust Bank (Third National), he characterized his new location thusly: "Nashville is like a whole city of Mason Lamptons."

That highly compliments the Tennessee capital because the Mason Lampton who adopted our town 11 years ago is a creative doer who gets major things done with strong-mindedness and a keen sense of humor.

Mason, 40, is a native Kentuckian whose family owns and operates the insurance company his grandfather founded. (American Life and Accident Insurance Co. of Kentucky, based in Louisville. His father, Dinwiddie Lampton, is president and his sister, Nancy Lampton, is chairman.)

He's a horse lover and the founder of what was an immediately-successful Columbus Steeplechase at Callaway Gardens, the fourth running of which is scheduled Nov. 19. This time it, along with a number of good commercials about Columbus, will be televised on ESPN.

Having grown up on a horse farm in the land of thoroughbred racing, Mason initiated the steeplechase idea the year he was president of the Columbus Chamber of Commerce. He teamed with Callaway Gardens President Harold Northrop and, using his Hardaway Co. resources, developed a steeplechase track enthusiasts say is among the best in the world.

In three years $300,000 in Steeplechase proceeds have been contributed to five nonprofit, art-related endeavors: Columbus Museum, Springer Opera House, Historic Columbus Foundation, Callaway Gardens Foundation and the Columbus Symphony.

This year's again will be an international affair with horses from Europe and New Zealand as well as from this country. Something called the Sport of Kings Challenge links the Columbus Steeplechase with three other steeplechase races that will have been held in England, Ireland and Nashville, Tenn. Through an arrangement with Lloyds of London, should a single horse win all four races, a special $1 million purse will be awarded.

Call that the Mason Lampton touch. However, he had a close call on a similar arrangement last year when the insurance broker, who was to guarantee the big purse, backed out.

Mason's wife of 17 years, Mary Lu, is the daughter of Ben and Sarah Hardaway. The Lamptons, who met when he came to Fort Benning after getting his ROTC commission at Vanderbilt University, have two children, Mason, 14, and Lucile, 12.

Not only did strong-minded Mason Lampton start a racing tradition few thought would succeed, he's been gutsy in the boardroom as well. When his father-in-law, Ben Hardaway invited him to join the huge Hardaway Co. (which grosses more than $200 million per year in large public construction contracts like dams, bridges and highways), Mason's response was "if you'll sell me the company, I'll come in." A leveraged buyout was agreed to and Mason left the family business he'd worked with six years and came to Columbus.

Also bold, and very important to Uptown revitalization, was his $4.3 million redevelopment of the Schwob Building on Lower Broadway as a new Hardaway Co. headquarters and office building. The sparkling 55,000-square foot facility, complete with trees and landscaping, will be officially opened Nov. 1. Mason's Hardaway firm, along with two blue chip clients—the CPA firm of Ernst and Whinny and the Thomson-McKinnon brokerage offices—has already moved in.

Maybe Sam Franklin will send one or two more Mason Lamptons our way.

BAND DIRECTOR GARY SULLIVAN

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. WOLPE. Mr. Speaker, I rise to pay tribute to a very special constituent of mine, Mr. Gary Sullivan. Gary Sullivan is the high school band director and chairman of the band department for Michigan's Charlotte Public Schools. On December 15, 1988 he will be presented with the American School Band Directors Association's Stanbury Award. The award is presented annually to recognized young band directors who have made exceptional contributions to their school and communities.

Gary Sullivan has a very accomplished musical career. He began his work in 1975 as assistant director of the North Branch Bands in North Branch, MI. He later worked in the band programs at Miami and Ohio Universities and Adrian College. Since 1983 Mr. Sullivan has conducted the Charlotte High musical programs.

In addition to being a band teacher, Gary Sullivan is also a skilled composer and musician. He has written several original band pieces such as "Capricious Holiday" and "Greenville Episodes" and he has arranged music for Central Michigan University, Ohio University and Michigan State University. He has also performed with numerous community and university bands and orchestras, playing the trombone and the euphonium.

Mr. Speaker, over the years, Gary Sullivan has distinguished himself as a dedicated musician, conductor, and instructor. His concern for music and musicians has always been present in his approach to teaching. His dedication and his musical talents have endeared him the respect and admiration from those who have had the privilege of his instruction and music.

Mr. Speaker, I am certain that my colleagues will want to join me in saluting Gary Sullivan for his outstanding contributions to Charlotte High School and the entire Charlotte community. We would also like to congratulate him on the recognition he will receive by his selection as this year's recipient of the ASBDA-Stanbury Award.

THE 1,000TH ANNIVERSARY OF CHRISTIANITY IN THE UKRAINE

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mrs. BENTLEY. Mr. Speaker, last month the House passed a bill establishing a "Religious Freedom Week." I am proud to have been the original sponsor of this bill. Indeed freedom of religion is something which many Americans wrongly take for granted. Imagine what our society would be like if people did not have the right to choose—or not to choose—what church they wished to attend.

Unfortunately, there are places in the world where people do not have to imagine what religious repression is like—instead it is an everyday fact of life. In the Soviet Union, for example, priests have been imprisoned, churches closed, and prelates exiled on the whim of the government bureaucracy.

Yet even in the face of these terrible odds religious faith has endured. In fact, this year marks the 1,000th anniversary of Christianity in the Ukraine. Many Ukrainians reside in my district, and I have been blessed with their support in the past. While I am by heritage a Serb and thus a member of the Serbian Orthodox faith, I feel a certain kinship with them. Both our races have faced persecution for our faith and beliefs over the centuries. Both our peoples, however, have endured despite the odds.

On October 8 a rally was held in honor of the National Ukrainian Millennium Celebration. Mr. Speaker, I urge you as well as all my colleagues to join in saluting the Ukrainian people at this special milestone in their history. Indeed they have fought for the right to worship with a passion that should inspire all Americans. Perhaps the people of this Nation would think more about what it means to have a Constitution protecting freedom of religion if they reflect on the example set by the Ukrainians.

SOMETHING SPECIAL FROM WISCONSIN

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. ROTH. Mr. Speaker, it is often the case that companies celebrate their past instead of their future. Similarly, it seems that many executives are frequently more concerned with their accomplishments rather than their goals. It gives me special pleasure, then, to pay tribute to a young company that has a lot to be proud of, and even more to look forward to in the future.

Just over a year ago, a small company began producing hand-cooked potato chips in Antigo, WI. The chips are all made from potatoes grown in Wisconsin, and are all painstakingly prepared by hand. In a very short time the small company, founded by Mervyn Phillips, became a local favorite.

That company, called Grandpa Merv's, is going strong today. In fact, Grandpa Merv's has expanded beyond the local market of Antigo, and is now serving metropolitan areas around Madison, Milwaukee, and Green Bay. While this transition has been fast, it has not caused Grandpa Merv's to lose site of its modest beginnings. The product is still prepared in the same fashion that won it support in Antigo. In just 1 year, then, Grandpa Merv's truly has become the home of something special from Wisconsin.

I salute the entrepreneurial spirit that has made Grandpa Merv's a success. The unique cooperation between the local community and the founders of Grandpa Merv's has led to a unique pride in the company. As it continues to expand throughout the State, and throughout the country, it will always remain a hometown business. The care and personal attention that began in the early days of the business, will always be a key to its success.

Grandpa Merv's has a solid year of accomplishments behind them. Ahead of them lies even more opportunity. The company is rapidly growing, and plans to start business soon in Minneapolis. From there, the company hopes to begin marketing their product around the country.

Grandpa Merv's is a perfect example of a small company that has taken advantage of the growing economic opportunities in Wisconsin. Starting off as a local business, Grandpa Merv's is now becoming an exporter. In the years ahead the potential for this company are limitless.

It is turning an idea into reality that makes this story so special. Here is a company that is eagerly looking toward its future. The remarkable accomplishments that this company has achieved in 1 year, can only be outdone by its tremendous expectations for the future.

WARREN DUCKETT

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today to bring this House's attention to a public servant in my district who has recently been given added responsibility and honor.

Maryland State's Attorney Warren Duckett was recently appointed by Gov. William Donald Schaefer to be a circuit court judge. Governor Schaefer could not have made a better choice for the position. Warren's family has been in Anne Arundel County for generations and produced many judges to serve the citizens of Maryland. He was the youngest person ever to be elected to the Anne Arundel County Council. In 1960, he was also a delegate to the Democratic National Convention that nominated John F. Kennedy for President.

In addition, Warren is renowned for his managerial skills and his courtroom abilities. Unlike other State's attorneys, Warren has stayed in the courtroom and ushered through even the most difficult and unpopular cases. As a manager of a prosecutor's office, he has an excellent reputation for dealing with the diverse requirements of the office. The best testimony of his abilities is probably the fact that in his last three elections there has been no oppositions.

Warren has served two terms as president of the Maryland State Attorney's Organization, and is one of the finest chief prosecutor's in Anne Arundel County history.

The State of Maryland will miss Warren's prosecutorial skills, but will no doubt benefit immensely from his experience and wisdom on the bench.

TENNESSEE SENIOR OLYMPIANS SALUTED

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. SUNDQUIST. Mr. Speaker, in this Olympic year we have found much to admire in the athletic performance of our young people in Seoul, but we also have reason, closer to home, to take pride in the athletic accomplishment of older, but no less enthusiastic citizens. I refer to the Senior Olympics, a program active in virtually all of our districts.

I'd like to recognize some special people from my district in Tennessee, Senior Olympians from Chester County who won medals in Tennessee's State competition.

In the horseshow pitch, Lillian Maness took the gold, Arlie Ivy the silver, and Evie Patterson and Robert Jones each won a bronze.

In swimming, Tommie Concialdi took a silver medal. Tylene Seaton won the silver in the discus. In the shot put, Evie Patterson and Lilliam Maness each won gold. In walking, Tylene Seaton took the gold, while Hubert Seaton and Mary Schwartz won bronze medals.

In the schuffleboard competition, Lillian Maness took another gold medal, Evie Patterson and Juanita Goff won silver, and Jean Farley and Arlie Ivy won the bronze.

In doubles schuffleboard, Len Carter and George Concialdi, Juanita Goff and Edith Hooler, and Jean Farley and Mamie Austin all took home gold medals. Melburn Connor and Robert Jones, and Evie Patterson and Lillian Maness won silver medals.

The joy of competition and pride of achievement these men and women displayed during my visit with them were obvious. I cannot help but share that pride. I cannot help but be encouraged by the active lives these citizens lead and the compelling example they set for us all.

I ask my colleagues in this House to join me in recognizing the senior citizens of Chester County for their Senior Olympic victories, and to join me in supporting these worthwhile programs all across our Nation.

A COMMUNITY OF EXCELLENCE

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. GUNDERSON. Mr. Speaker, it reminds me of a Norman Rockwell painting, an image nearly universal on every college or university campus in America: Pep rallies, presentations, sporting events, class reunions, parades, alumni dinners, queen coronation, and of course on a crisp Saturday afternoon the big game—homecoming!

Homecoming—a sequence of days in the fall semester dedicated to reminiscing about bygone days at our alma mater, surrounded by youthfull coeds absorbing and experiencing their collegiate years to the fullest. Homecoming, a lighthearted connection between an institution's history, tradition, and future.

All this and more will be captured this week on the campus of Gallaudet University for "University Week—A Community of Excellence." Yes, the kickoff rally has been held, presentations have been made by guest speakers, the homecoming queen and court is about to be named, and of course the Gallaudet Bisons only have victory on their mind as they get set to face New York Maritime on the gridiron this coming Saturday afternoon.

This university week on the Gallaudet campus, however, takes on much greater significance. It is extremely special and unique because it signifies the celebration of a new beginning—a new and proud chapter in the annals of Gallaudet. The true milestone of Gallaudet's 1988 university week will commence tomorrow morning, Friday, October 21, 1988, with the inauguration of a Gallaudet graduate, Dr. Irving King Jordan, Jr., as the eighth president of Gallaudet University, and the first deaf president in Gallaudet's 124-year history. This inauguration is a shining moment that the deaf and hearing-impaired community shares with us all.

Dr. Jordan has an outstanding record of commitment to the Gallaudet community. Since 1973, he has been an educator in the psychology department, and most recently dean of the College of Arts and Sciences. With his excellent record, there is no doubt in my mind that Dr. Jordan will work with the faculty, staff, and students to shape a bright future for Gallaudet. This university week truly is a celebration of excellence at Gallaudet.

Mr. Speaker, it is a distinct privilege for me to serve as a congressional trustee of Gallaudet, and I extend my most heartfelt congratulations to Dr. Jordan, and wish him well in his service as the eighth president of Gallaudet University.

RECOGNIZING THE CENTER FOR HELP IN TIME OF LOSS

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mrs. ROUKEMA. Mr. Speaker, I would like to take this opportunity to honor and thank an extraordinary organization, the Center For Help in Time of Loss, located in Park Ridge, NJ. It was founded in 1978 by Mary Ball and a small group of caring people. They recognized a real and tangible need; that is, helping people cope with the serious illness, death or other loss of a loved one. To meet this need the group established a permanent center in Bergen County—a place where anyone facing severe illness or loss could receive practical and emotional help.

Out of this search for practical methods to ease the acute stress and isolation that accompany illness and loss, a three point program of service, education and research was established. The center offers a safe environment in which people can discover new values, learn to approach life in a positive manner, live more fully and freely, complete unfinished business, and experience life and death with peace and acceptance.

Their nonprofit system of support groups, home care, counseling services, educational, training and speaking programs and a nationwide network of resources has answered the prayers of countless families in desparate need.

As their Representative in Congress, I would like to pay tribute to the Center for Help in Time of Loss and the services it provides to the citizens of New Jersey. I am proud to be a part of their special testimonial dinner to honor a distinguished physician and friend, Dr. Stewart F. Alexander, on October 27. I extend the good wishes and gratitude of all those whose lives have been touched by this wonderful organization.

HOME IS WHERE THE HEART IS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. FLORIO. Mr. Speaker, family issues, such as daycare and parental leave, have captured the attention of the Nation. We in Congress, those on the campaign trail and the media have all announced proposals on exactly how to address these issues.

I would like to take a moment to recognize a man who saw a need for good low-cost childcare before it became a popular cause. Issac Heller is that man. He envisioned an industrial park that met the needs of both the companies and the employees. In the corner of the Heller Industrial Park in Edison, NJ, sits a daycare center that parents dream of. The John Kenney Child Care Center costs $50 a week. Half of what the daycare costs is paid by Issac Heller, the owner of the industrial park.

This program stems from a genuine concern for employee welfare, but it is also good business. Heller, the founder of Remco Toys, says the center helped attract some of the 38 firms that lease space in the industrial park. Having the employees' children nearby and well cared for is good for the bottom line as well. In a report on family benefits, the U.S. Chamber of Commerce asserts that responsiveness to workers' needs on the home front "can yield higher employee morale, productivity, recruitment, and retention."

I would like to include in the RECORD a copy of an October 3, 1988 Time magazine special report "Family Ties: Home is Where the Heart Is" that features the John Kenney Child Care and Issac Heller.

HOME IS WHERE THE HEART IS

COMPANIES TRY HARDER TO MEET THE PERSONAL NEEDS OF WORKERS

At sunrise every morning in the Los Angeles suburb of Glendale, the Shanker family gets ready for work. Steven Shanker, 37, and his wife Avima, 35, wake their two sons, Elan, 5, and Dannel, 2, for a hurried breakfast of cereal and orange juice. After the meal Avima heads off by 7:30 to her job as an engineer at Librascope, a computer firm. Then, as other pinstriped parents up and down the San Fernando Valley march out to their cars with groggy children in tow, Steven, a vice president at Union Bank in nearby Monterey Park, drives the boys to their day-care center, where he will pick them up again at 6 p.m.

Millions of American working couples must scramble every day to arrange care for their children. But the Shankers have one big advantage over most parents: the day-care center is at Steven's office. Union Bank provides $150,000 a year to subsidize the complex, which includes spacious play areas and five classrooms. While it would cost Shanker up to $700 a month to put his boys in other local day-care facilities of comparable quality, he pays the bank only $520 through convenient payroll deductions. Moreover, the arrangement allows him to avoid paying taxes on the portion of his salary that goes to child care. The best part, though, is that Shanker can walk downstairs at lunch-time to visit Elan and Dannel, and is nearby in case of emergency.

Union Bank is one of thousands of firms that have grasped a basic fact of business in the era of the two-career household: when companies hire employees, families and all their homelife headaches are taken on as well. If little Suzy goes off to day care with a cold, Dad may fret about it at the office all day. If Mom suddenly has to work late, there may be no one to pick up Suzy and give her dinner. And if Grandma falls and breaks her hip, that budget report due tomorrow just doesn't seem so important anymore.

Instead of blindly demanding endless sacrifices from their workers, companies are increasingly looking for ways to help ease the unavoidable conflicts between career and family. More than half of all U.S. firms provide some form of family benefits, ranging from paternity leave and flexible hours to assistance in finding the right nursing home for an elderly parent. The Merck pharmaceutical company helped start a day-care center near its Rahway, N.J., headquarters, and permits employees to start work as early as 7 a.m. or as late as 9:30 a.m. so that they can meet family obligations. Procter & Gamble offers workers unpaid child-care leave of up to one year, with a guarantee that they will not lose their job. American Express conducts workplace seminars on topics as diverse as pregnancy planning, family stress and elder care. Capital Cities/ABC contributes up to $3,000 when an employee adopts a child.

All these programs stem at least in part from genuine concern about employee welfare, but they are good for the bottom line as well. In a report on family benefits, the U.S. Chamber of Commerce asserts that responsiveness to workers' needs on the home front "can yield higher employee moral, productivity, recruitment and retention potential, as well as stem excessive absenteeism." From his experience, Union Bank's Shanker agrees: "My commitment has increased and I feel a new level of goodwill toward the bank because my employers have shown concern about my family. There is a direct connection between the existence of the day-care center and my job performance."

But corporate efforts to help families are only beginning to gain momentum, and many working parents still face enormous difficulties. For that reason, family issues are among the hottest topics of political debate in this election year. Congress is considering more that 100 childcare bills, including the so-called ABC (Act for Better Child Care) bill. Backed by Michael Dukakis but opposed by the Reagan Administration, the measure would establish a $2.5 billion program of child-care grants to the states and would set federal standards for day-care facilities. Vice President George Bush has proposed an alternative approach: a $1,000 tax credit to help families pay for child care. Under this plan, families earning too little to qualify for the tax refund would get a check for up to $1,000 per preschool child from the Government.

Some of the proposals for greater federal involvement in family matters are aimed directly at business. The Family and Medical Leave bill would require businesses employing 50 or more people to allow workers up to 15 weeks a year of unpaid medical leave for a variety of family-related reasons, including pregnancy, stress and the care of ailing parents or children. The controversial bill, which would guarantee job security during such leaves, is strongly opposed by many business leaders as too costly, especially for smaller companies. Says Virginia Thomas, a spokeswoman for the U.S. Chamber of Commerce: "The bill supposes that every employer is like IBM or General Motors and can afford to hold open jobs for 15 weeks per year."

Companies may be wary of heavy-handed Government intervention, but more and more of them recognize that corporate America must adapt to a rapidly changing workforce. Both husband and wife hold jobs in 57 percent of U.S. couples with children, up from 43 percent in 1978. In 1950 only 12 percent of mothers with children under six years old worked outside the home; more than 57 percent do so now. Over the past ten years, in fact, the fastest-growing segment of the U.S. labor force has been mothers of children younger than three years old. More than half of these women have jobs today, up from a third in 1976.

Until recently, companies did not have to be too concerned about the needs of these new employees. If a woman wanted to take time off to have a baby or reduce her hours to spend more time with a child, the employer could easily fill her slot with another worker. During the 1970s, the U.S. work force increased by an average of 3 million people a year. But in the next decade, as the baby bust—the smaller generation behind the huge baby boom—comes of age, the labor force will grow more slowly than at any other time since the 1930s, expanding by just 1.3 million new workers each year. Says Tom Blumer, director of human relations at Corning Glass: "We no longer have the luxury of an unlimited labor supply."

Moreover, the majority of new workers in this small labor pool are women. The Hudson Institute, a nonprofit Manhattan research organization, estimates that 3 out of every 5 people entering the work force during the next twelve years will be women. Most will have children at some point during their careers.

As the child-care problem grows, so does the burden of caring for the elderly. Americans who are 75 or older are the fastest-growing segment of the population. Sociologists have dubbed today's workers the "sandwich generation"—a put-upon group that has to attend to children on one side and parents on the other. Says Robert Beck, executive vice president for corporate human resources at Bank of America: "The focus may be on child care now, but elder care will become the critical issue of the future."

The increase in family pressure on workers creates costly problems for business. Studies conducted by several large corporations, including IBM, Merck and Corning Glass, show that family responsibilities often contribute to reduced perfomance, higher turnover, greater absenteeism and worsening health among workers. Companies also lose out when experienced employees turn down a transfer or a promotion because they cannot reconcile work and family.

Measuring the costs of such conflicts is difficult, but some researchers have tried. Analysts examining employee turnover typically estimated that replacing a worker can cost the equivalent of a year's salary or more in training expenses and lost productivity. Such outlays are rising rapidly, since women, who are more likely than men to have to leave their jobs, make up an increasingly large part of the work force and are holding more high-salaried managerial posts than ever before. Says Frank, Skinner, president of the Southern Bell telephone company: "No employee who has to leave a sick child or an elderly parent at home without adequate care can be expected to be your most productive employee. It is clearly in our best corporate interest to find ways to help employees address these problems."

Some companies are doing just that. One in 10 U.S. firms now provides some form of child-care assistance to employees. Many companies merely distribute lists of local community services, but at least 600 firms provide day-care facilities on the premises. In Dade County, Fla., the American Bankers Insurance Group operates a kindergarten and first-grade class, using teachers and classroom supplies provided by the local school district. Since the school opened, absenteeism and employee turnover are down sharply. To hold down costs, companies in some cities have joined forces on child-care programs. In Tysons Corner, Va., 22 firms raised $100,000 to start a day-care center for their employees last year.

Elder care lags behind child care on the corporate agenda, but increasing numbers of companies recognize that Grandpa can sometimes create more trouble than Junior. IBM learned in an employee survey last year that 30% of its workers help take care of elderly relatives. So starting last February, the computer company began operating the first nationwide elder-care referral service for its 237,000 employees and 33,000 retirees. In the first month alone, more than 4,000 employees called for help. Bobby Sloan, 55, an IBM equipment designer in San Jose, Calif., used the service to arrange medical care for his mother, a 78-year-old victim of Alzheimer's disease who lives 2,000 miles away in Ponca, Okla. Says he: "I don't believe I could have done it without them." Transamerica, Arthur Andersen and Aetna Life & Casualty offer similar services.

In Cambridge, Mass., the Stride Rite company is building an "intergenerational center" near its headquarters to provide day care for up to 60 children and 30 elderly relatives of its employees. Stride Rite chairman Arnold Hiatt believes the center, scheduled to open in 1991, will have advantages over facilities that cater strictly to children or the elderly. Since the two groups will share some activities, both are expected to get more out of the experience.

Perhaps the most common of family benefits is flexible scheduling, or flextime, which permits employees to adjust their working hours to meet personal needs. In some 60 percent of U.S. workplaces, employees are allowed some leeway in when they work. Typically, a flextime employee comes to the office earlier or later than the standard time and then works a full eight-hour day. In Oak Brook, Ill., computer workers at the Official Airline Guides publishing firm can cluster their hours, and work from 7 a.m. to 7:30 p.m. three days a week. Other companies adjust hours on a case-by-case basis. At Stride Rite, comptroller Nancy Cirigliano varied her schedule last December when her father was hospitalized, coming in late some days and leaving early on others. Says she: "My boss said, 'Don't even ask.' He understood."

Traditionally, giving birth has been the common reason for taking a family leave. More than half of U.S. firms offer some form of maternity leave. But a growing number of companies are broadening the policy to give fathers parental leave or to let workers have time off to care for sick children or parents. Southern New England Telephone guarantees the employee's job for up to six months of unpaid parental leave. Mike Liquori, 34, a customer-service representative, took a four-month leave starting last October to care for his infant son Luke after his wife's maternity leave ended. Says Liquoir: "It created a bond between Luke and me that maybe wouldn't be the same if I hadn't been there."

In the years ahead, more and more employees are going to demand the opportunity to give their families at least as much attention as their careers. If they are not satisfied, they may just look for work elsewhere. Says Bank of America's Beck: "Corporations are going to have to do more to get good skilled people and to keep them. To do that, we will have to start looking at the whole person, and work on strengthening our understanding of the employee-family relationship."

Such an effort will yield long-term dividends. Companies that help parents will make it easier for them to raise healthy, happy children. That will go a long way toward ensuring the quality of the next generation of workers. Seen in that light, good family policies are a critical investment in America's economic future.—By Janice Castro.

DAY CARE AT THE OFFICE

To most parents, a good daycare program that costs $50 a week seems the impossible dream. But in Edison, N.J., such a place exists: in a corner of the Heller Industrial Park is the John Kenney Child Care Center, where 84 children, from 18 months to 5 years old, play with toys, careen down slides and learn to spell and share. Says Bruce Oakley, whose daughter Laura, 4 attends the center: "This is not a place where you just dump the kid off. It's great."

Half of what the day care costs is paid by the owner of the center and the industrial park, Isaac Heller. The founder of Remco toys, Heller, 62 says the center, which is open to all Edison residents, has helped make his park an attractive location for the 38 firms that lease space. Observes Heller: "Not everybody is a yuppie earning $100,000. Some people earn less, and their children deserve the same care as rich people's children."

LATIN AMERICAN CIVIC ASSOCIATION HONORED

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BERMAN. Mr. Speaker, it is always a pleasure to recognize the contributions of a civic association that is dedicated to the betterment of its local community. For this reason, I rise to pay tribute to the Latin American Civic Association on the association of 25 years of efforts towards improving the emotional, educational, and social development of low-income families.

The Latin American Civic Association has a long tradition of service and commitment in the San Fernando Valley and is recognized as one of the most successful and operative nonprofit organizations in the Nation as well as in California. The effective programming of the association has positively affected the lives of many children and adults.

LACA is most notably recognized for its successful Head Start/State preschool project which was established 23 years ago to provide for the special needs of economically disadvantaged children. Since its inception in 1965, the Head Start project has helped over 12,000 children and their families, and now boast of serving over 1,000 children daily. Head Start offers a basic preschool program, with 64 classrooms at 21 sites in the greater San Fernando Valley. The project design provides children with a comprehensive curriculum that has produced consistently gratifying results.

Consistent with LACA's commitment to address the needs of low-income families, in February 1987, the association extended its high quality service and introduced the CA/ARES Program. The Center for Adolescent/Adult Remedial Education Services Program focuses on adolescent and adult drop out students, and those of a high risk group. The staff is sensitive, qualified, and capable of helping adolescents and adults who require individualized instruction and counseling in order to establish a sense of personal achievement and develop a positive self-image and the motivation to become successful. The combined efforts of tutoring, counseling, medical attention, as well as job training skills are essential components to the CA/ARES Program.

The hard work and dedicated efforts of the Latin American Civic Association has greatly enhanced the San Fernando Valley. It gives me great pleasure to invite my colleagues to join me in honoring LACA for their contributions toward making the lives of special needs low-income friends more comfortable and rewarding.

TRIBUTE TO TOM TRIMBOLI

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. MFUME. Mr. Speaker, as the 100th Congress approaches its end I've began reflecting on the things that I've learned in my first term and one sure thing that I would recommend to the newcomers who will join us next year is to identify and know who your friends are early on.

One individual that stood out and that I recognized immediately was Tom Trimboli, senior legislative council to the House Small Business Committee. Tom, who had worked closely with former Congressman Parren Mitchell while he chaired the Small Business Committee, was there waiting, ready, and willing to help all of us who would follow and attempt to further and build on the initiatives of the past.

Tom has authored legislation that is still near and dear to the minority business community. His greatest legislative achievements, no doubt, came when he worked under the leadership of Parren Mitchell. Together, they have left us with a legacy of accomplishments that I hope will be carried forth. As a team, they represented a true dedication to the needs of small and disadvantaged business enterprises.

One of my greatest accomplishments during the 100th Congress included floor passage of the Minority Business Development Act—legislation which he wrote the language for and shared his knowledge with me on. The 8(a) reform legislation which was considered by this Congress also had the benefit of the expertise of Tom Trimboli. An expertise, I must add, that has not expanded its full scope and that we in the Congress will no longer have the direct benefit of.

Mr. Speaker, it is time to say farewell to Tom Trimboli as he has decided to leave the Congress of the United States. This is a farewell that saddens me; one in which I feel a great loss. You see there will never be another Tom Trimboli. And as I struggle to survive the challenges that I will face on the Small Business Committee, his presence will be sorely missed.

To Tom Trimboli, I say thanks. Thanks for being you.

LIBERAL IS NOT A DIRTY WORD

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. KANJORSKI. Mr. Speaker, during the current presidential campaign, many observers have commented on the unpopularity of the term "liberal," or the "L" word as some have called it. Yet, Tom Bigler, a columnist for the Wilkes-Barre Times Leader, has written a very perceptive column on the history of liberal contributions to our country. Mr. Bigler records that liberals have created such programs as Social Security, Medicare and Medicaid. It was liberals who pushed for civil rights, clean air and safe foods for all Americans. And it was liberals who have helped create a nation of unparalleled opportunity and growth. Mr. Bigler makes a strong case for recognizing the important contributions made by liberals to our country and suggests that we think twice before we denounce liberalism as something evil or unsavory. Mr. Bigler's column makes for very interesting reading, and I recommend it to all my colleagues.

THOSE WHO CRITICIZE LIBERALS SEEM TO BE FORGETTING A LOT

(By Tom Bigler)

To hear the word "liberal"—and all that it means—tossed about these days as though it were an incurable veneral disease or a branch of the KGB alarms us about the health and memory of the tossers.

We grew up in an era when liberalism was more than a virtue; it was a way of life, an acknowledgement that all men are brothers and that we are responsible to and for each other—all of us, great and small, fortunate and unfortunate.

The keystone was in trying to understand the people and the world about us; to appreciate the endless diversity of life; to accept it all as being as valid a part of creation as ourselves; to reach for tolerance and compassion; and to respect the person and property of others at least as much as we respect our own.

It was a time when the only proper time to be considered a liberal was at the summing up of a life's service. We've had, after all, more than our share of fair weather patriots. The word "liberal" wasn't to be worn as a badge; it was an epitaph.

Now it is being used by some, who should know better, as a code word for something evil. You've got to wonder if their memories have failed them—or if they ever were a willing part of that heritage. It is as though they reject the great philosophical development of the Western world that culminates in a commitment to justice—to social justice as a co-equal of economic justice.

Do those who now pretend to despise the "L" word also despise Social Security, Medicare, and Medicaid? These are creations of liberals.

Do they despise the Securities and Exchange Commission (SEC) that was created to bring stability and order to the securities markets? The SEC was a creation of liberals.

Do they despise the Federal Reserve System that was created to assure reliability and stability in the nation's financial institutions? The Federal Reserve is a creation of liberals.

Do they despise the Federal Deposit and Insurance Corporation, or the Savings and Loan Insurance Corporation, both of which have protected depositors during the last five years, which saw the largest number of bank and savings and loan failures in the history of the nation? Both agencies are a creation of liberals.

Do they despise laws that prevent child labor and sweat shops, laws that regulate hours and wages for most working people, and laws which encourage collective bargaining? Those laws are creations of liberals.

Do they despise the existence of our great national and state parks: the forest, wildlife, water and mineral preserves? Their existences are creations of liberals.

Do they despise the right of women to vote, to own property, and to have an equal share in all the rights of citizenship? Such laws are a product of liberals.

Do they despise protection of the civil rights of all citizens? Such laws are an inspiration of liberals.

Do they despise laws intended to keep the food they eat, the liquids they drink, the medicines they take, the very air they breathe, safe to consume? Such laws are a creation of liberals.

Do they despise the reliability and stability of the currency they so avidly collect and so stingily dole out? Those laws are a creation of liberals.

Do they despise the assurance that whatever the buy will resemble what has been advertised and, if not, give them a fair chance of recovering their losses? Such consumer protection laws are a product of liberals.

Oh, the list seems endless. Each of its achievements was hard-fought by those who would profit from public gullibility and ignorance, and hard-won by forces led and inspired by liberals.

Who, concerned for his own self-interest and self-respect, could have opposed those efforts then? Why, and how, can they oppose them all now? Does anyone really believe that government belongs to a party, an ideology, to business, but not to the people?

Some would have you believe that liberalism is dead—or should be. These enemies of what is liberal would have you believe it wise and desirable to wipe out the hallmarks of the past 55 years and their fellow accomplishments of at least the past 200 years, and to return to an era of greed, selfishness, and prejudice. In forgetting everything man has learned through the centuries, they would have us make the same old mistakes again.

Surely it is their memory that fails them, for the record shows it is the liberal who has been patriotic, has demonstrated loyalty to the Constitution, has implemented the Bill of Rights, and has honored the heritage of this nation.

Which is cause for alarm about the critic's health.

THE FIGHT AGAINST DRUG ADDICTION—TIME FOR NEW STRATEGIES: A NONPOLITICAL REALITY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. STARK. Mr. Speaker, recently, I introduced legislation to establish an addiction treatment trust fund to provide treatment for the millions of Americans tragically dependent on drugs. Increasingly, leaders of all political persuasions are recognizing the failure of current policy, with its emphasis on the supply side and law enforcement.

A case in point is the recent editorial by President Reagan's Secretary of Health and Human Services, Dr. Otis R. Bowen, Washington Post, October 14, 1988. I am attaching the full text of Dr. Bowen's timely and articulate article, but would like to emphasize a few of the key points he so ably makes:

Treatment may be needed for as many as 10 times the number of those currently receiving help for an addiction.

No neighborhood is exempt from the spreading web of users, dealers, and kingpins.

Treatment is expensive; money to run treatment facilities will have to be forthcoming.

Whenever possible, the person undergoing treatment should pay for it.

Treatment is not a panacea. Drug use is a chronic, relapsing disease. Some people may be drug-free for life after treatment. Others may require readmission.

Treatment techniques and facilities must be scrutinized as never before. Fiscal priority should be given to those facilities that make a difference for their patients.

Further Federal and private research is absolutely vital. We need to know more about what works and what doesn't.

As Dr. Bowen further observes, "Obviously, it would be better if Americans were persuaded to ignore the temptation of drugs or deterred from illicit drug use. But treatment is the only answer for the millions of Americans who, for one reason or another, want to say no, but can't."

I couldn't have said it better!

I am pleased to have introduced on October 19, 1988, comprehensive legislation which addresses all of Dr. Bowen's concerns. I would urge my colleagues to study the bill and join our efforts, as cosponsors. This could be the opening salvo of a joint campaign to control drug addiction.

THE QUIET SIDE OF THE WAR ON DRUGS—WE'RE NOT DOING ENOUGH TO TREAT THE USERS

(By Otis R. Bowen)

As we plan and implement new strategies on ending illicit drug use, a central concern must be access to successful treatment. Simply put, any effort to end illicit drug use must ensure that treatment facilities are available, adequately funded and capable of having reasonable success rates.

Often the importance of treatment is ignored in public policy debates. Therefore, let me highlight a few salient facts.

First, availability of treatment is a problem. Over 70 million Americans have used illicit drugs, and about 6.5 million are severely dependent on cocaine, amphetamines, heroin and other opiates. But the available space in many cities is not enough. Treatment may be needed for as many as 10 times the number of those currently receiving help for an addiction. Some institutions have waiting lists as long as two years.

Yet, despite the obvious need, many people oppose the establishment of treatment facilities in their neighborhoods. The battle cry has become "Not in my backyard, you don't!" In addition, some city or county zoning regulations even make the creation of such facilities impossible. Where zoning regulations do allow them, procedural delays are common and may de facto equal a prohibition.

Prohibitions and delays are unfortunate. No neighborhood is exempt from the spreading web of users, dealers, and kingpins. The more dangerous setting is the terrorism caused by illicit drugs in the homes, in the schoolyards and on the job site.

Second, even if treatment facilities could be established, the money to run the facilities would have to be forthcoming. We must remember that treatment is expensive. The cost of treating a single addict may easily range into the tens of thousands of dollars, with no assurance that a drug-free life will be sustained after treatment.

Of course, the Federal Government has a role, and the Reagan administration has made a substantial commitment. Since 1986, the administration has worked hard to put more treatment money in the hands of the states. In addition, the president's fiscal year 1989 budget proposes $402 million in grant money for states to allocate for treatment.

This is a burden that reasonably must be shared. The Federal Government already supplies one in every five dollars spent. The constitutional and fiscal responsibility primarily lies on the state and local levels. Because of deficit considerations and the fact that several states are running surpluses, fiscal prudence also dictates more non-federal money to be allocated to treatment. Let me also suggest that, whenever possible, the person undergoing treatment should pay for it.

Third, treatment is not a panacea. Drug use is a chronic, relapsing disease. The fact that people may relapse after treatment underlines the fact that our goal should be to keep people drug-free for as long as possible. That means some people may be drug-free for life after treatment. Others may require readmission.

This gets to the heart of the matter. Because there are no easy solutions, we face enormous difficulties in sustaining fiscal and political support for treatment. However, as a nation, we must not allow the difficulties to deter us from making treatment a full partner in the effort to end illicit drug use.

As a beginning, state and local governments must become more aggressive in their determination to establish treatment facilities and provide slots for drug users. Americans must become more accepting of initiatives to place treatment facilities in areas of need. Local zoning restrictions and unnecessary delays that inhibit the establishment of treatment facilities must be removed. Congress may wish to consider further incentives to help remove these restrictions.

As well, Congress should approve the president's request for treatment funding. Other sources of funding must be further tapped, including state and local budgets, nonprofit sources and individuals in treatment.

Fiscal responsibility requires that Americans receive some assurance that any public money devoted to treatment is well spent. This places the oversight burden squarely on the shoulders of Congress and the administration. Treatment techniques and facilities must be scrutinized as never before. Fiscal priority should be given to those facilities that make a difference for their patients.

We also must address the root problems which may lead to relapse during treatment or after. Further federal and private research is absolutely vital. We need to know more about what works and what doesn't. The more than 3,000 treatment facilities in this country have widely varying methods to help patients remain drug free. Some facilities appear to have better methods for helping patients than do others. We need to know why, and we need to know what more can be done for patients.

We also need more innovative thinking and more insight from all of those involved—treatment personnel, local and state officials, nonprofit and corporate financiers, Congress and the administration.

Obviously, it would be better if Americans were persuaded to ignore the temptation of drugs or deterred from illicit drug use. But treatment is *the* only answer for the millions of Americans who, for one reason or another, want to say no, but can't.

STUDY FINDS BLACK POVERTY RATES RISING

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. LELAND. Mr. Speaker, this week the Center on Budget and Policy Priorities released a disturbing study, "Still Far From the Dream: Recent Developments in Black Income, Employment, and Poverty."

In 1987 black proverty rates rose while black family income remained stagnant according to the report. This information is not shocking to those who live in black communities and those who are concerned with the quality of life in this country. The importance of this excellent document is in the careful analysis and quantification of the poverty we know exists. Based primarily on data from the U.S. Census Bureau and Department of Labor, it provides a realistic guide for urgently needed program and policy change.

The study will not be welcomed by those who perpetuate the myth that poverty in the black community is solely a problem of single-parent families. Since 1978, a year when economic conditions such as unemployment rates were similar to 1987, both the incomes of both black married families and black single-parent families have fallen further behind those of white families. The income gap has increased most among married couple families.

Among the key findings of the 50 page report:

> Despite a fifth year of economic recovery, the black poverty rate rose to 33.1 percent in 1987 and 700,000 more blacks fell into poverty, while the white poverty rate declined.
>
> The gap between the incomes of the typical, or median, black and white family grew by more than $1,000 last year, as white family income increased and black family income failed to rise.
>
> Poverty rates for both blacks and whites are above the levels of the 1970s, according to the study. Two million more blacks—and eight million more Americans overall—lived in poverty in 1987 than in 1978.
>
> Poverty rates have climbed to especially high levels for black children, the study found. Some 45.6 percent of black children now are poor, a higher rate than in any year in the late 1960s or 1970s. In addition, 49 percent of black children under six—nearly one in every two—lived in poverty last year, the study said.

The center has previously documented the growing gap between the rich and poor in this Nation. Now, it identifies increasing economic distances between lower and upper income black families. From 1978 to 1987, the average income of the poorest fifth of black families plunged 24 percent, from $5,022 to $3,837, after adjusting for inflation. The average income of the middle fifth of black families also fell by more than $1,000.

The detailed data in the report relating to employment, wages, and government programs provides ample direction in identifying the structural forces that keep black Americans in poverty. I commend it to all who seek to bring about greater equity and economic justice.

INTRODUCTION OF THE PAPERWORK REDUCTION INCENTIVE ACT

HON. TOM DeLAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. DELAY. Mr. Speaker, the time has come to recognize dedicated personnel of the Federal Government who go to great lengths to reduce the paperwork burden on the American citizen. That's why I am introducing the Paperwork Reduction Incentive Act.

This bill establishes cash and non-cash awards for Federal employees who substantially and directly reduce the paperwork burden on the American public. Specifically, it establishes a $20,000 award for the most outstanding contribution toward this effort and several recognition of merit non-cash awards.

Because of tough budget constraints, I don't normally support legislation that provides new benefits to the Federal workforce. However, I am convinced that there is a lack of incentive for bureaucrats to comply with the paperwork reduction targets established by the Paperwork Reduction Act of 1980. That act requires all Federal agencies to reduce the paperwork burden on the public by 5 percent per year.

Notwithstanding the requirements of the act, the paperwork burden has actually increased substantially since the act was passed. According to the Office of Management and Budget, which has the task of keeping track of paperwork burdens, the paperwork budget for the entire Government has increased from a mere 1.23 billion hours in 1981 to an incredible 1.82 billion hours this year.

Moreover, according to the Business Council on the Reduction of Paperwork, the Federal Government routinely underestimates the actual paperwork burden by a factor of 7. This was well substantiated recently when the Internal Revenue Service stated that they had underestimated by a factor of 7 the time it takes citizens to fill out personal income tax forms. The original estimate by IRS was about 2¾ hours. Now they admit that it takes closer to 17 hours. Therefore, the paperwork burden on business should have been reduced from the adjusted figure of 5.5 billion hours of 1981 to 3.85 billion hours this year. Instead of this reduction, the paperwork burden has increased to 8.3 billion hours this year—over four times what it should be.

Admittedly, a substantial portion of this amount has been due to legislation enacted by Congress since 1981. New paperwork requirements are added outside the paperwork budgets allocated each year by OMB. Nevertheless, I and others feel that this burden could have been reduced if there had only been a greater incentive within the Federal Government to put the lid on information collections. Currently, OMB is the only office attempting to enforce the paperwork budgets. I applaud their hard work in this regard but feel that the job is much harder than they are able to cope with.

This bill is the first part of a two-pronged approach that I am putting forth to deal with the precipitous rise in paperwork. As I stated earlier, this will establish a prestigious award—an incentive if you will—for bureaucrats who reduce the paperwork burden in their department or agency. The awards will be given annually by the Speaker of the House and the President of the Senate.

In conjunction with this incentive, I will also introduce legislation which establishes a series of penalties for those Government agencies which do not meet the information collection budgets mandated by the Paperwork Reduction Act.

I doubt that anyone would disagree that the paperwork burden on businesses threatens our ability to compete in the global marketplace. It is especially harmful to small and minority owned businesses which often do not have the expertise or resources to fill out complicated Federal forms.

With this in mind, I have stated in the bill the intention to award those who reduce the burdens on minority and small businesses, in particular. This is not to the exclusion of burdens eliminated for larger firms—these are also very important. However, paperwork is especially burdensome for smaller firms.

Senator LAWTON CHILES has long carried the torch for paperwork reduction and was the original sponsor of the 1980 Paperwork Reduction Act. With his retirement this year from the Senate, it is my hope that we can continue to carry on the legacy and the hard work that he has devoted to this issue.

I am taking this opportunity to introduce this bill today not expecting action in the 100th Congress, but to better generate support for this very important legislation in the 101st Congress. I sincerely hope that all Members consider the benefits to society this bill offers and support this legislation.

PROGRESS BEING MADE WITH HARLEM TRADE CENTER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. RANGEL. Mr. Speaker, I am pleased to announce that the Harlem International Trade Center is well on the way to becoming, among other things, an institution for disseminating pertinent data about trade and investment opportunities in the Caribbean.

Located in my own congressional district of Harlem, NY, the purpose of the Trade Center is to stimulate trade and commerce between the United States and other countries of the world. However, because of the special affinity that the Harlem community enjoys with the Nations of Africa and the Caribbean, the work that we have done to date has been directed towards those regions of the world.

Mr. Speaker, recently a conference was held under the auspices of the Harlem International Trade Center. The purpose of this conference was to educate minority business entrepreneurs in the New York metropolitan area about investment and trade opportunities presently available under the Caribbean Basin Initiative. I had the pleasure of attending this gathering, which was a success. We had a very lively exchange of ideas and I feel confident that everyone who attended left with the sense that a useful dialogue has been initiated on Caribbean investment opportunities.

At this time, I would like to insert into the RECORD an article on this conference, which appeared in one of my hometown newspapers, *Carib News*, titled, "New CBI Trade and Investment Opportunities for Harlem." I believe that it provides an accurate summary of the conference proceedings.

[The article follows:]

[From the Carib News, Oct. 11, 1988]

NEW CBI TRADE AND INVESTMENT OPPORTUNITIES FOR HARLEM

NEW YORK, N.Y., September 15, 1988—Harlem business and financial leaders participated in a step-by-step approach to doing business through investment and trade in the Caribbean Basin, at the first meeting hosted by the Harlem International Trade Center Corporation (HITCC), and co-sponsored by the Harlem Urban Development Corporation.

Congressman Charles B. Rangel (D-N.Y.) said that this conference was a fulfillment of what he perceives will be many meetings and trade events to be sponsored by the HITCC. Mr. Rangel sees the organization as an extension of the United Nations where the international business community will meet to develop trade and investment opportunities.

Mr. Roy Anderson, Director of Development for JAMPRO Ltd., said that JAMPRO has a commitment to Black enterprise and to Harlem. He said, "As the economic marketplace becomes wider and more competitive, now is the opportune time for the minority businessman to find new markets by taking a global perspective look, for instance, Jamaica."

H. Carl McCall, Chairman of HITCC, said that the $150 million building complex which is expected to break ground in a year's time has the support of the Federal Government, The Port Authority and private sector. The complex is expected to create over 7,000 new jobs in Harlem and an additional 2,760 new jobs nationally. The total impact on New York City is expected to reach $100 million after 5 years of operation.

The conference learned that Harlem International Trade Center Inc. Complex (HITCC) will house a first class hotel, office building, convention and communication center, and a display arena.

JAMPRO Ltd., the investment, trade and industrial modernization agency of the Jamaican Government, and FOMENTO, the Puerto Rican Economic Development Administration, along with Kingston Restoration Company of Jamaica were the first development organization to address the Harlem business community, which enthusiastically applauded their investment presentation.

A department of Commerce Economic Development Administration funded project, the conference also provided a progress report on the construction plans for the HITCI.

TRIBUTE TO DR. ABEL WOLMAN

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mrs. BENTLEY. Mr. Speaker, last month the first Maryland Academy of Science Medal was bestowed upon one of Maryland's greatest scientific minds. This man has been our Nation's pre-eminent expert on water resources throughout this century. He is a man whom the New York Times dubbed "friend of the thirsty". As a sanitary engineer, consultant, and educator he has used his great knowledge and skills to serve his fellow man with great zeal and tireless effort.

The man I speak of is Dr. Abel Wolman, and at 96 years of age he is able to look back on a life replete with accomplishments too numerous to mention. His mind is keen and his spirit strong, and it was a pleasure for me to attend the banquet honoring his latest achievement.

When I say "latest" achievement I am by no means exaggerating. His resume looks like the index to an encyclopedia more than anything else. He has held literally hundreds of positions and won every award there is in the area of water resources. He has been a consultant to cities, States, foreign countries, and the U.S. Government. Titles such as "chairman," "delegate," "editor," and "president" are quite familiar to him. In addition he has published over 300 articles and four books.

Mr. Speaker, what can you say about such a incredible man? How do you sum up a career of achievement which has spanned three-quarters of a century? To do so would require writing a book, and that's not what I'm trying to do here.

Instead I'm just going to say that Dr. Abel Wolman is a person who "made a difference" in a variety of ways. He made a difference when he chose to lend his scientific skills to public service over personal gain. He made a difference when he spearheaded efforts to insure a water supply free of waste and disease. He made a difference when he introduced chlorinated water—an idea for which he does indeed deserve most of the credit.

More than anything else, however, he made a difference in that he has—to the best of his abilities—made this a better world. His colleagues at Johns Hopkins University referred to him as "Very Abel Wolman." Perhaps this recognition by his compatriots is the best award Dr. Wolman ever received.

Mr. Speaker, I urge you as well as the rest of my colleagues in saluting this great man. We—as well as the rest of the citizens of the world—owe him a lot.

Thank you, Dr. Wolman, and congratulations for a job well done.

TRIBUTE TO MR. J.A. "SONNY" HICKS AND MR. GORDON DOWNING

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today to pay tribute to two great men who have been serving their communities for many years. Mr. J.A. "Sonny" Hicks and Mr. Gordon Downing, both of Upper Marlboro, MD, have recently been recognized by the Nottingham Democratic Club for their years of dedicated service to both the club and their community.

Mr. Downing, who has resided in Prince Georges County his entire life, was one of the founders of the Nottingham Democratic Club, and he currently serves as an active member. He has been active over the years in precinct operations as well. A longtime tobacco-farmer and horse-lover, Mr. Downing presently serves on a tobacco warehouse board.

Mr. Hicks, who also has resided in Prince Georges County his entire life, has been quite active in his community as well. An active member of both the Brandywine and Nottingham Democratic Clubs, he has taken part in precinct operations and campaign fundraising, as well as serving as Bill Almonett's campaign Treasurer for ten years. He has served as a member of the Citizens advisory board for Rosaryville State Park, and has also been involved in church activities and youth groups. Mr. Hicks presently owns and operates W. Carlton Hick's Grocery, the family store.

The involvement that Sonny Hicks and Gordon Downing have displayed the type of caring for their community that we all should try to emulate. I know many of my colleagues join me in congratulating these gentlemen and urging them to continue to set a fine example to which we all can aspire.

HONORING ROBERT L. MARCALUS

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mrs. ROUKEMA. Mr. Speaker, it is with great personal pleasure that I pay tribute to one of northern New Jersey's most distinguished citizens. Robert L. Marcalus, Sr., will be honored by the board of directors of the Bergen Community College Foundation on October 28 at the college's fourth annual Medallion Awards Dinner. I would like to join the foundation and the entire Bergen County community in recognizing the achievement and the service of Bob Marcalus.

Without a doubt, Bob is a "Captain of Industry," widely respected as former president of the Marcal Paper Mills. He currently serves as chairman of the Board of Directors and Chief Executive Officer of this New Jersey institution.

Yet the true measure of Bob Marcalus lies not in his business success but in the tremendous contribution he has made to his community, his State and his Nation. He plays a major role in many local and civic organizations and has undertaken numerous charitable endeavors, always looking to help those who are less fortunate.

As a lifelong citizen of New Jersey, Bob has been tireless in his service. He is a former member and president of the Wyckoff Board of Education. He now serves both the foundation of St. Joseph's Hospital and Medical Center and the Board of Regents of St. Peter's College. In addition he is a director of Valley National Bancorp, the Delaware Otsego Corp., The American Institute of New York City, and the advisory board of the Bergen Museum of Art and Science.

With his wife, Norma, his 6 children, and his 16 grandchildren by his side, Bob has made important contributions to the lives of many New Jersey citizens. I urge my colleagues to join me in saluting one of this year's Bergen County Community College Foundation's Medallion Award honorees, my friend, Bob Marcalus. We all wish Bob and his family the best for the future.

SOMERDALE LOSES MAYOR JAMES PERRY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. FLORIO. Mr. Speaker, it is with great sorrow that I note the passing of James Perry, who served as mayor of the borough of Somerdale for the past 17 years. As his friend and as his representative, I had the pleasure of working with him over the years and I know that his family and friends, and his constituents will greatly miss him.

Jim Perry demonstrated throughout his career a firm dedication to serving the public and to helping his borough meet the needs and challenges of the past 17 years. He was noted for his warmth and dedication as well as for his long record of accomplishment.

Of course, Jim Perry will be remembered for his efforts on the environment, on drug abuse, on rent control and on human relations, on behalf of the young and the old members of his community. As he fought to improve the borough's budget, to cut taxes, and to encourage economic growth, so he fought until the very end. Although cancer claimed his life at the end, Jim Perry continued fighting his disease while still caring for his constituency and doing everything possible to maintain his commitment to the people of Somerdale. He fought a hard battle but his family and friends can be proud of the way he fought. I would like to express my heartfelt sympathy to his family; I will surely miss him.

I would like to share with my colleagues the following article on Jim Perry:

JAMES PERRY, MAYOR OF SOMERDALE, DIES AT 52

(By Laura Sutphin)

SOMERDALE.—James Perry, who has been mayor of this borough for the past 17 years, died Sunday at Kennedy Memorial Hospital in Stratford after a long battle with cancer. He was 52.

"From the moment he came into office, he bagan confronting the town's problems and improving life for the residents," said Martin Hansen, who was mayor before Mayor Perry.

During his tenure, Mayor Perry straightened out the borough's budget and cut taxes four times, Hansen said.

He also encouraged growth in the town and saw the development of five shopping centers and the building of Somerdale Community Center with an adjoining library.

"He was loyal to the people and always had their best interest in mind," said Hansen.

Mayor Perry's illness did not affect his dedication to the town, as he sent tape-recorded messages to the town meetings and had his mail delivered to him daily.

He was last re-elected in 1987. When he was too ill to attend the reorganization meeting, he was sworn in at his home. Council president William Murrow has been acting mayor in Mayor Perry's absence.

Borough clerk Eleanor O'Donnell said the mayor was well-liked by the residents of Somerdale.

"He treated everyone as if they were family," she said.

Reporters who covered him remembered him as a man who always spoke his mind, but always with a sense of humor.

He was employed as assistant superintendent of the Waste Water Control Department of the Camden County Health Services and as a legislative aide to Assemblyman Wayne Bryant.

Besides serving as mayor, he served on the planning board for 16 years, the board of health for three years and as chairman of the heart drive in 1977 and the cancer drive in 1972 and 1975.

Mayor Perry established a human relations committee, a rent control commission, an environmental commission, a drug abuse committee, a senior citizens committee, a mayor's advisory committee and a youth committee during his years in office.

In the late 1970s, he was the host of his own cable television talk show, "The Jim Perry Show," which appeared on Tuesday and Friday nights on Channel 2. The show's guests included local media and sports celebrities.

Mayor Perry was one of 13 people appointed by the state Assembly to serve on a task force for the 21st century.

He was a former president of the Camden County Mayor's Association and a member of the N.J. League of Mayors, a state Democratic committeeman elected in 1981 and again in 1985, the first president of the Independent Taxpayers Association, chairman of the Committee on Political Education for the AFL-CIO, former vice president of Local 252 AFL-CIO, president of Somerdale's Young Democrats Club and a member of Our Lady of Grace Church, Somerdale.

A resident of Somerdale for the past 42 years, Mayor Perry was educated in the Somerdale and Philadelphia school systems.

Serving in the U.S. Army from 1954 to 1956, he was an enlisted aide to Major General N.A. Costello.

Mayor Perry was engaged to be married to Toni Chiarulli of Somerdale, but the couple had not set a wedding date. He was divorced from his first wife, Carol.

He is survived by his mother, Matilda of Somerdale; two sons, Louis of Somerdale and James of Voorhees; a daughter, Donna Muller of Pine Hill; two sisters, Terry Emberger of Somerdale and Rita Raimondo of California; and three grandchildren, Gabrielle, James and Adrien.

Funeral services will be 8:30 a.m. Thursday at the Eugene J. Zale Funeral Home, White Horse Pike and Whitman Avenue, Stratford. Mass of Christian Burial will be 9:30 a.m. Thursday at Our Lady of Grace Church, White Horse Pike, Somerdale.

Friends may call from 6 to 9 p.m. tomorrow at the funeral home. Burial will be in St. Joseph's Cemetery, Chews Landing.

THE HIRSHBERGS CELEBRATE 65TH WEDDING ANNIVERSARY

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BERMAN. Mr. Speaker, it is a pleasure to ask my colleagues to join me in sending best wishes to an extraordinary couple who will soon celebrate their 65th wedding anniversary.

On November 7, 1923, Bessie and Samuel Hirshberg were joined in marriage. Still happily married 65 years later, they enjoy a full and productive life and are an inspiration to all those privileged to know them.

Bessie Maistrosky Hirshberg is a lifetime resident of Haverhill, MA. She was born on February 22, in the first year of this century. After graduating from Haverhill High School, she went directly to work as a secretary in a shoe factory for many years. She is a member of the National Council of Jewish Women.

Samuel Hirshberg was born in East Boston. He moved to Haverhill as a young man and was a prominent shoe manufacturer there and in New Hampshire until his retirement in 1968. At 89 years of age, Samuel is still driving his own car and occasionally stops by the country club for a couple of hands of gin rummy. Samuel is a life member of the Two-Ten Foundation which is the Philanthropic Wing of the American Footwear Industry. He is also a veteran of World War I, having served in the Army Air Corps. He will celebrate his 90th birthday on December 1 of this year.

Samuel and Bessie are hardworking members of the community and both are well known for their kind and thoughtful ways. They have witnessed history unfold and have never lost sight of the ideals and values for which this Nation stands. Their pleasant personalities and ready willingness to be helpful to others has endeared them to both family and friends.

Bessie and Samuel reside in Haverhill, MA, where they have lived all their married life and from where they remain is the backbone of the Hirshberg family. They have a beautiful family of 3 children, 11 grandchildren, and 2 great grandchildren, all of whom they are very proud.

Warmest congratulations are in order for bessie and Samuel Hirshberg. It is my distinct honor to ask my colleagues to join me in saluting these remarkable individuals.

TELECOMMUNICATIONS MARKET SHOULD BE REEXAMINED

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. KOLBE. Mr. Speaker, for quite some time, I've been interested in the effect of the AT&T divestiture on our domestic telecommunications industry. We've witnessed dramatic changes in the nature of the telecommunications business in the last few years. Among these is the dramatic explosion of technological applications in everyday use. These changes, and their associated effects on commerce, communications, and the quality of life of our constituencies will no doubt require Congress to reexamine the telecommunications marketplace, and to respond to these challenges in a reasonable, measured and prudent way. It is in that spirit that I recently wrote to Representative JOHN DINGELL to express some of my thoughts on this matter. Mr. Speaker, the text of that letter appears below.

OCTOBER 6, 1988.

Representative JOHN DINGELL,
U.S. House of Representatives,
Washington, DC.

DEAR JOHN: I have been following with a great deal of interest the continuing impact of the line of business restrictions imposed by Judge Harold Green in the Modification of Final Judgment, rendered September 10, 1987. The last several years have been witness to tremendous leaps in technology in all phases of the telecommunications industry. In that environment, the relationship of the line of business restrictions to our nation's competitiveness in the world marketplace is definitely worthy of scrutiny and discussion.

Bell operating companies (BOC's) are seeking, through legislative fiat, incremental relief from the sections of the judgment which prohibit the BOC's from manufacturing telecommunications equipment and providing information services. Widespread utilization of information services, in particular, is a source of dramatic potential for our nation, and an area where we can't afford to fall behind. The current MFJ restrictions on the BOCs may hamstring our efforts to stay in front. Their competitors express strong reservations about eliminating these restrictions because of perceived competitive advantages they say favor the BOC's. Few issues we face in Congress are more salient to our nation's competitive status in the technology-based future.

Congress is in a critical position to judge how this debate will be resolved. Will we surrender our policy-making prerogative, and continue to allow Judge Green to make the rules in this dynamic and challenging area? Or will we assert our legitimate right to sponsor a full public airing of the complex and controversial issues at hand? I think our responsibility is obvious. Congress must assert itself fully into this debate once again.

I urge you and your committee to pursue this issue vigorously in the 101st Congress, with an eye toward legislating some form of modifications to the line of business restrictions. I support your work, and look forward to participating in this issue next year.

Sincerely,

JIM KOLBE,
Member of Congress.

THE MUNICH OF AFRICA?

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. HYDE. Mr. Speaker, we appear to be fast approaching a settlement to the seemingly intractable problems of Namibian independence and a total withdrawal of Cuban troops from Angola—a goal this administration has sought for 8 years. Unfortunately, internal reconciliation between the Government of Angola and the democratic forces of Dr. Jonas Savimbi, president of the National Union for the Total Independence of Angola (UNITA), remains elusive. Recently, two of my colleagues on the House Intelligence Committee, Congressmen BUD SHUSTER and ROBERT MCEWEN, traveled to Dr. Savimbi's guerrilla base camp, Jamba, located in the liberated zone of Angola. They both returned with highly favorable views of UNITA's military prowess, but more importantly, they witnessed the enormous strides Dr. Savimbi and UNITA have made in addressing the needs of the Angolan people in the areas of education, medical care, and agriculture.

Upon his return, Congressman SHUSTER drafted a compelling piece on Dr. Savimbi and UNITA, one of the few democratic liberation movements in the world today. His report provides valuable insights into the dynamics of the Angolan Civil War, putting to rest many of the false accusations that have been laid at Savimbi's and UNITA's feet. I commend it to my colleagues' attention and encourage each of you to share its message with your constituents.

THE MUNICH OF AFRICA

By Bud Shuster, M.C.

Flying two hundred feet above the treetops to avoid enemy radar, our unmarked plane approached Jonas Savimbi's guerrilla camp deep in the African jungle of southeastern Angola. The region is called Jampa, meaning "Land of the Elephants," and was called "The End of the Earth" by the Portuguese colonists.

Congressman Robert McEwen and I, as members of the House Intelligence Committee, were on a mission to evaluate the Ccmmunist inspired charges that Dr. Savimbi's UNITA organization had little support among the Angolan people; was incapable of mounting a fighting force to seriously challenge the Soviet-Cuban supported MPLA Communist government located in Luanda; controlled only one percent of the country; and was a puppet of the white racist government of South Africa. In short, America should stop supporting Savimbi's UNITA and recognize the MPLA Communist government. Our mission took on added significance when Gov. Dukakis announced, at Jesse Jackson's prodding, that if elected President he would withdraw U.S. support for Savimbi and recognize the Communists.

Negotiations currently under way for a settlement of the conflict hold out hope for a deal that removes Cuban troops from Angola and South African troops from neighboring Namibia. But it is difficult to imagine hard-pressed Cuba giving up the $705 million annual bounty it extracts from oil and diamond-rich Angola as payment for its troops. And it is equally difficult to imagine the Soviet Union letting Savimbi march into Luanda, where he surely would be sipping tea if the Cubans should go home.

Savimbi's credentials as an authentic black nationalist are irrefutable: He fought the Portuguese colonial government for over a decade from the jungle of his country while leaders of the other liberation movements—the Communist supported MPLA and the Western backed FNLA—directed their struggle from their air-conditioned apartments in Zaire and Switzerland. When Portugal finally gave Angola its independence in 1975, Savimbi agreed to form a united front with the MPLA and the FNLA, believing the Portuguese promise of free elections. As a member of the country's largest tribal group, the charismatic Savimbi's chances as the ballot box were excellent. And he emphasized, "If I cannot win a free election, I would deserve to be treated as a bandit."

But the left wing government of Portugal reneged on its promise of elections and recognized the MPLA as the government, who in turn invited in the Soviets and Cubans. While the FNLA crumbled, Savimbi and his followers fled into the bush, and for thirteen years have waged a guerrilla war against the unelected MPLS Communist government—with U.S. support during the Ford years, without it during the Carter years, and with it again during the Reagan years. Combined support to UNITA from the U.S., France, South Africa, Morocco, Saudi Arabia, and China has amounted to only a fraction of the billions of dollars in military aid given to the MPLA by the Soviets. Additionally, over 50,000 Cuban soldiers, 2,500 Soviets, and 600 East Germans have turned the Angolan government into a Soviet client state. Contrary to Communist propaganda, South African troops only went to Savimbi's aid two months after 12,000 Cuban troops landed in Angola to support the MPLA. Savimbi consistently has denounced Apartheid, however reminding us that the U.S. joined hands with Stalin to defeat the Nazis.

But the question remains: Can Savimbi win?

Bouncing along in a land rover over dirt roads as rutted as a dried out river bed, past elephant wallows, beneath the swarming cries and cackles of frightened birds, we eventually reached Savimbi's camp. In thatched roofed, mud huts we met the guerrilla leaders, saw their maps and plans, studied their ogranization and supplies, noted, as in Afghanistan, surface to air missiles have turned the tide of battle in their favor, and witnessed the willingness of thousands of black Africans to endure the hardships of the jungle, dying if necessary, rather than capitulate to Communist rule.

We saw with our own eyes the dedicated troops that help make up his 65,000 man fighting force; flew over a large portion of Free Angola, confirming Savimbi's control of one-third of the country. And then at midnight, after a dinner of antelope and maize, we were led through the gates of a stockade into an open-air amphitheater under an ink-black African sky. Suddenly, lights flickered throughout the packed arena as thousands of men, women, and children clapped and shouted, "Savimbi . . . Savimbi . . ." to the rhythm of their native drums. The songs and dances and speeches, powerful as they were, eclipsed by the sheer electricity of Savimbi's dedicated followers.

The next morning we saw the open-air schools beneath the scrub trees where children on crude benches were learning to read and write, and teenagers were studying algebra and chemistry.

Should America support Jonas Savimbi against the Soviet-Cuban controlled Communist government? Do we believe in freedom for others as well as for ourselves? What does oil-rich Angola matter to the U.S.? What does Soviet control of the strategic minerals of Africa mean to the free world and to our standard of living?

Dr. Savimbi says it best: "Angola is the Munich of Africa. Do not suppose that Zaire, Zambia, Botswana, and Namibia will remain with the West when faced with an unopposed Soviet base in Angola. They will be forced to make accommodations just as Eastern Europe fell under Nazi domination."

MASTROSIMONE TO RECEIVE FERMI ACHIEVEMENT AWARD

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. SMITH of New Jersey. Mr. Speaker, I am pleased to announce that the Fermi Federation has selected playwright William Mastrosimone to receive its prestigious Achievement Award.

William Mastrosimone was born in Lawrence Township, NJ to John and Jeanette Seamon in 1947. He attended Pennington Prep and Tulane University, receiving his degree in English literature from Rider Colleger in 1974. He went on to study at the Mason Gross School of Arts where he was awarded a masters degree to playwrighting in 1976.

Perhaps Mr. Mastrosimone's most famous play has been "Extremities". This play reveived the John Gassner Award and the New York Outer Circle Critics Award for best Off-Broadway play. Furthermore, "Extremities" was produced as a feature film in 1986. Another of Mr. Mastrosimone's plays, "Nanawatai", is currently being filmed under the title "The Beast".

Several other plays written by William Mastrosimone have also received critical acclaim. "The Woolgatherer" was presented with the L.A. Drama Critics Award. "Shivaree" received the Warner Communications Award, and "Tamer of Horses" was honored by the NAACP Award for Playwrighting. In addition, the State of New Jersey chose Mr. Mastrosimone for the Governor's Walt Whitman Creative Arts Award.

At the present time, William Mastrosimone is busy working on an 8-hour miniseries for CBA entitled, "The Frank Sinatra Story," and a feature file starring Dustin Hoffman called "Damon".

Mr. Speaker, I commend Mr. Mastrosimone, a native of New Jersey's Fourth Congressional District, for his outstanding achievements. The Fermi Federation has obviously chosen a very worthy recipient for their cherished award.

TRIBUTE TO J. GARFIELD DEMARCO

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. SAXTON. Mr. Speaker, I rise today to ask my colleagues in the House to join with me in paying tribute to J. Garfield DeMarco of Chatsworth, NJ, whose many successes in business, politics, and government, distinguish him as one of New Jersey's most illustrious citizens.

In my 13th Congressional District, Garfield is best known as the chairman of the Burlington County Republican Party. His long tenure of service in that position is, in itself, a tribute to his long string of successful campaign efforts. But this is only one part of a most interesting biography.

Those who have visited Garfield in the far reaches of the southern New Jersey Pine Barrens, and have heard his dissertations on such subjects as government and the fine arts against a backdrop of cranberry bogs and blueberry fields, know that this is a complex yet fascinating individual.

By rights, he can claim many titles—farmer, businessman, bank director, stockholder, party chairman, lawyer, bridge commissioner, scholar—I daresey, Mr. Speaker, the list goes on and on. But what makes it all so incredible is that each title carries with it a list of accomplishments.

Garfield is the president of the cranberry and blueberry enterprises which bears his family's name, he is a member of the New Jersey and American Bar Associations, and a graduate of Yale Law School.

He is a member of the New Jersey Public Broadcasting Authority, an Associate of the Philadelphia Museum of Art, a producer of the Pennsylvania Ballet, and a member of the Charles Wilson Peale Society at the Pennsylvania Academy of the Fine Arts.

He has held or currently holds many government-related posts and is a member of the New Lisbon State School Board of Trustees, a commissioner of the Burlington County Bridge Commission and a former member of the New Jersey Water Policy and Supply Council.

Mr. Speaker, I have barely scratched the surface * * *

Garfield has also made a major mark in education, graduating from Dartmouth College in 1959 with honors. He was a recipient of the Fulbright Grant for study in Italy, and is a member of Phi Beta Kappa.

Those of us who have the privilege of knowing Garfield personally, and sharing in his election day successes, see him not just as a superb political strategist, but also as one keenly interested in responsible government. At the same time, he possesses a sharp wit and sense of humor, and unrelenting respect for family heritage and friends.

Tomorrow evening, Mr. Speaker, the Burlington County Council of the Boy Scouts of America will give due recognition to Garfield and his many accomplishments at a banquet being held in his honor.

I want to take this occasion to commend and thank the Boy Scouts for extending this honor to a most worthy gentleman, and to offer my thanks and congratulations as well to Garfield, not just for what he has done, but for those good things, which, I know, are yet to come.

A TRIBUTE TO CHARLES SERRAINO COMMISSIONER, NEW JERSEY DEPARTMENT OF LABOR

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mrs. ROUKEMA. Mr. Speaker, I urge my Colleagues to join me in recognizing one of northern New Jersey's outstanding citizens. On October 28, the board of directors of the Bergen Community College Foundation will hold its fourth annual medallion awards dinner. This year they will distinguish The Honorable Charles Serraino, the commissioner of labor for the State of New Jersey, for his outstanding contributions and service.

Charles, a native of Hoboken and a graduate of Garfield High School, has an unbroken record of service to New Jersey, both to industry in the private sector and to the citizens of New Jersey as adviser to an auspicious list of our elected officials. Gov. Richard J. Hughes, William T. Cahill, and our present Governor, Thomas H. Kean, have all depended upon his expertise and counsel. In addition, former New Jersey Supreme Court Chief Justice Hughes and the current chief justice, Robert Wilentz, sought his guidance as their labor Advisers.

Charles was the National Executive Council of the American Arbitration Association's Man of the Year in 1980 and was chosen to chair the Presidential Emergency Board for the Conrail negotiations in 1982 and 1983.

In 1984 he was confirmed as commissioner of the department of labor. Since then he has tirelessly served with distinction and dedication. This is an outstanding public servant. I am pleased to lend my voice to the many deserved accolades that this evening will produce. Charles, your many New Jersey friends salute you.

TRIBUTE TO BILL LEVIN

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BERMAN. Mr. Speaker, it gives me great pleasure to rise today and pay tribute to my friend of some 20 years, Bill Levin.

On November 13, 1988, Bill will be honored by the American Jewish Congress in recognition of his many years of enlightened leadership on behalf of human rights.

A lifelong member of the American Jewish Congress, Bill exemplifies the high standards of this fine organization and its commitment to fair and constructive endeavors.

Bill's professional activities earned him the reputation of being one of the finest labor law scholars and arbitrators in southern California. He is a distiguished author and law professor and a leader in the cause of human rights. In addition to his outstanding professional accomplishments, Bill has devoted much of his time to a wide range of community activities, serving on the boards of the Jewish Federation Council, Juvenile Justice Connection, the Board of Public Council, Neighborhood Legal Services, the San Fernando Valley Child Guidance Clinic, and many others. His generous gifts of time, expertise, and resources have been of immense benefit to his community and have made him an inspiration to all those fortunate enough to know him.

It is an honor to call Bill Levin my friend. I invite my colleagues to join me in saluting him as he is honored by the Pacific southwest region of the American Jewish Congress and receives the 1988 Tzedek Award.

COMMEMORATING THOMAS N. TODD FOR HIS COMMITMENT TO CIVIL RIGHTS

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BILBRAY. Mr. Speaker, I rise today to honor one of our country's most distinguished black citizens, Thomas N. Todd. On Friday, November 4, Mr. Todd will be the guest of honor at the Freedom Fund Banquet 88, sponsored by the Las Vegas Chapter of the NAACP. The event is being held to benefit the NAACP Scholarship Program.

Few people have done more to advance the civil rights struggle in our country than Thomas N. Todd. His accomplishments and achievements are so numerous that one would find it easier to list those awards and honors that he has not received rather than those he has. Mr. Speaker, I wish to share with my colleagues some of the accomplishments of this extraordinary citizen.

Mr. Todd was born in Demopolis, AL, on September 24, 1938. He graduated from Central High School in Mobile, AL, in 1955, a year which saw the initial repercussions of the Brown decision and marked the beginning of the Civil Rights Movement. Mr. Todd continued his education at Southern University in Baton Rouge, LA, where he received a B.A. in political science in 1959.

Even with his college degree, Mr. Todd was not able to escape the bounds of racism so prevalent in the South in the early 1960's. He was faced with a 2½-hour literacy test when he registered to vote in Alabama in 1960, a popular method of disfranchising blacks in the South. As a result of this experience, Mr. Todd was compelled to help other blacks register to vote. Under the auspices of the NAACP, he helped his fellow citizens prepare for the literacy test by tutoring them in the basement of a local church.

Mr. Todd continued his education at Southern University and graduated magna cum laude from their school of law in 1963. Since then he has compiled an extraordinary record in the field of law. His first position was with the Office of the Solicitor in the U.S. Department of Labor. He later worked in the Office of the Staff advocate in the U.S. Army, captain, and then in the U.S. attorney's office in Chicago, Illinois. In 1971, he was elected president of the Chicago Chapter of the Southern Christian Leadership Conference, one of the principal organizations leading the struggle for civil rights in the South in the 1960s. During this period he also found the time to teach several classes at Northwestern University School of Law, where he was the first black full-time law professor in the school's history. More recently, Mr. Todd has served as acting president for Operation PUSH.

Mr. Todd currently has his own law practice in Chicago where he specializes in contract negotiation. Most of his clients are minority-owned firms whom he counsels in contract negotiations.

Mr. Speaker, Thomas Todd's accomplishments symbolize a spirit of hope and pride so characteristic of our country's great civil rights leaders. His quest for social justice has made this country a better place in which to live, not only for people of color, but for all Americans. I urge my colleagues to join me today in honoring Mr. Thomas N. Todd, a true champion of social justice.

A NEW AMERICAN CITIZEN SPEAKS OUT

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. WALKER. Mr. Speaker, the following speech was delivered by my constituent, Mr. Jorge Antonio Cano-Portilla of Lancaster, PA, at a recent dinner honoring newly naturalized citizens. Mr. Cano-Portilla has lived in the United States for only 8 years, yet his thoughts on the priviliges we enjoy as Americans are quite insightful. I am including Mr. Cano-Protilla's remarks in the RECORD at this point:

I would like to introduce myself as a refugee with no actual possibility of return to my native country, mostly because of a political reason. I was born in Cuba, I'm not a Communist and I am a true believer in free enterprise and true capitalism.

Freedom is a word taken for granted by a lot of Americans. The word freedom refers to the quality or state of being free, the abscence of necessity or coercion and the choice of action. The quality of being frank, free or outspoken is also a political right.

For most of us, freedom has a complicated meaning and a very deep emotional significant feeling. If some of you would lose your country, your flag, your home and the right to see your loved ones whenever you wish, then you would appreciate and understand that we have memories that we cannot forget and scars in our hearts we cannot heal.

I believe eight years in exile is enough time to learn a new culture. My respect and love for it makes me extremely grateful to be here. Our freedom of speech, religion, press and communication that we enjoy and share today is unique in this new country.

Sometimes I see an imperfect judicial system, but for the most part I strongly believe that it works, and it is the envy of the rest of the world ever since the adoption of the Constitution on September 17, 1798. We are in the land of opportunity where we can talk freely and think the way we wish without the fear of having to end up behind bars. We have the right to vote for our officials and leaders, and today, that dream came true for me.

Another dream exists for me in this country, "The American Dream." The American Dream is here, everywhere. We just have to have the desire to find it and work for it. We need to feed our intellect through new culture and language. We have the obligation to try our very best and to take chances. That's the only way to win a respectful place in the American society. As the old saying goes, "* * * opportunity knocks only once."

My very special thanks to the government of the United States, all the people, churches and social agencies who made everything possible for us right at the scary beginning in 1980.

All may love to the Eres family from Quarryville, PA, who sponsored me and took responsibility for my headstart in a new free life in a free society, and to my wife and children who have to deal with a lot of stress in our constant struggle for a better life and for their support, especially when I feel homesick.

Thanks to the Sertoma Club for this fine reception, for devoting your time in the preparation for this occasion and for letting me express my feelings.

Many thanks to everyone for sharing with me this very special day.

Again, I thank freedom and democracy. God Bless America!

Thank you very much!

DOVER GENERAL SETS THE PACE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. COURTER. Mr. Speaker, I rise today in recognition of Dover General Hospital and Medical Center in Dover, NJ.

Next month Dover General will be celebrating its 80th anniversary—80 years of caring for the community. Since opening its doors in 1908, Dover has expanded to become a first rate, 360-bed health care facility. Four years ago I had the privilege of dedicating the $38 million expansion and renovation of the medical center. Today it provides medical care with a human touch to the residents of the entire northwest area of Morris County.

Dover has also reached out beyond its walls to our senior citizens. It recently opened an Alzheimer's disease day care center in Succassunna, NJ, to help care for our elderly citizens who are suffering from this tragic disease.

As Dover enters its ninth decade it continues to expand. It will soon be dedicating its new regional cancer treatment center. When opened, it will be the largest unit of its kind between Dover and the Delaware Water Gap. With its sophisticated technology it will be a great step in the advancement of comprehensive cancer treatment in northern New Jersey.

Dover General Hospital and Medical Center is a remarkable facility. For 80 years it has expanded to meet the growing and changing needs of the community. Given the hard work and dedication of its staff and supporters I'm sure that Dover General will continue to grow and meet these needs into the next century.

YET ANOTHER BREAKTHROUGH FOR TRADE-LINKED PROTECTION OF WORKER RIGHTS

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. PEASE. Mr. Speaker, sometimes we are left wondering about the practical effects of new legislation that we enact. I am pleased to share the following article from the Wall Street Journal of October 4 reporting that the worker rights provision added to the Generalized System of Preferences [GSP] Program in 1984 is working to promote greater international respect for fundamental worker rights. In this case, the filing of a petition on Malaysia has prompted the Government of Malaysia to abandon its longstanding policy of prohibiting Malaysian electronics workers from exercising their basic right to form unions and bargain collectively.

MALAYSIA, ITS EXPORTS TO U.S. THREATENED, APPROVES UNIONS IN ELECTRONICS INDUSTRY

(By Stephen Duthie)

KUALA LUMPUR, MALAYSIA.—Malaysia's electronics industry is between a rock and a hard place.

Apparently reacting to the threatened loss of reduced-duty privileges for electronics exports to the U.S. because workers can't freely organize, Malaysia recently lifted a ban on unions in the electronics industry. But the decision, announced last week, runs counter to the government's campaign to attract foreign electronics investment, partly by shielding companies from unions. And foreign electronics manufacturers here, predominantly from the U.S., Japan and Europe, are up in arms.

"Further investment could be jeopardized by this move," says a Western trade official. "The electronics guys have said that if the unions come in, they'll leave. They don't want another layer of bureaucracy and any potentially disruptive forces."

Adds the chief executive for Malaysian operations of a U.S. manufacturer: "The quality and reputation acquired by the electronics industry has been through teamwork. That can't be maintained with a biased third party driving a wedge between the workers and management."

A SUDDEN SHIFT

The policy shift was especially surprising in light of the government's intense efforts to persuade manufacturers to establish or expand their plants, to increase the sophistication of their products and to create a fully integrated semiconductor sector. Moreover, many executives and economists had expected that union activity would be restrained while the country continues to recover from the 1985-86 recession and as less flexible labor arrangements are gradually replaced by salary and benefit increments pegged to productivity and profitability.

Several industry excecutives and Western trade officials said the timing of the government's announcement was linked to a pending Washington hearing on whether to remove Malaysia from the Generalized System of Preferences, under which a developing country's exports to an industrialized nation enjoy reduced tariffs or are duty-free.

In 1987, Malaysia was the ninth largest exporter to the U.S. under this GSP program. A significant portion of the $347 million of Malaysian goods sold in the U.S. last year were electronics.

The Washington hearing was triggered in August when the office of the U.S. Trade Representative agreed to consider a petition from the AFL-CIO to lift Malaysia's GSP status because the nation denied electronics workers the right to unionize freely. Malaysia says it will oppose the petition. The hearing in Washington is scheduled for mid-November, and a decision is expected soon afterward.

Labor Minister Lee Kim Sai denies the government reversed itself on unionization because of the pending GSP hearing. He says the cabinet decided "long before the GSP issue" to permit unions into electronics plants.

LACK OF CONSULTATION

Electronics industry executives were particularly miffed at not being consulted before the government announced its policy reversal. Jerry Lee, chairman of the Malaysian-American Electronics Industry and managing director of Texas Instruments Malaysia Sdn. Bhd., a unit of the U.S. company, says the U.S. electronics group is seeking a meeting with the labor minister "to clarify" the announcement.

He adds that his industry group, which represents 14 U.S. semiconductor companies with 17 plants in Malaysia, "had no prior knowledge" of the decision. Meanwhile, union officials say they intend to enlist the estimated 85,000 workers in the industry. About 17% of Malaysia's 5.6 million work force is unionized.

Total investment in the electronics industry is about $1.13 billion, the bulk from foreign manufacturers. The industry exported nearly $2.64 billion in electronic components—primarily integrated circuits and semiconductor devices—last year, a 34% increase over 1986, according to Bank Negara, the central bank.

U.S. semiconductor investments in Malaysis were projected to grow at an annual rate of $113 million in the next five years, according to the Malaysian-American Electronics Industry. Other foreign manufacturers also are rapidly expanding.

TRIBUTE TO THE SAN FERNANDO VALLEY LIONS CLUB

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BERMAN. Mr. Speaker, it was 50 years ago that Judge Julian Beck, Frank R. Hovey, and 28 other gentlemen in San Fernando had the foresight and vision to organize what is now one of the oldest and finest service clubs in the San Fernando Valley. The San Fernando Lions Club was established on July 12, 1938 and according to their historical record, was formed so that the businessmen and professionals of San Fernando would have a place to meet socially, and discuss the problems and develop the ideas to help their community. The club is rich with history and exceptional individuals who are responsible for its success.

The San Fernando Lions have a well deserved, outstanding reputation for the many special services provided since its inception. In 1942, Lion members coordinated the much needed blood donor runs for our soldiers during World War II. Also in the early 1940's they established an Annual Football Banquet for the local high school and the Annual Awards Dinner for outstanding academic achievers. Today, the Awards Dinner is an active and extremely resourceful youth scholarship fundraiser. Lions are the main sponsors of the San Fernando DARE Program, a present youth oriented drug prevention program. In addition, the Lion members continue their dedication toward sight conservation and the special needs of the blind.

The guiding principal of the Lions Club is, "We serve," and Lion members have tirelessly served the San Fernando Valley as true Americans and good citizens. Certainly, in the 50 years since the inception of the club, Lion members, have furthered this principal for the betterment of us all. Their roster of members has included some of the most prominant citizens of this State, including three district Governors, numerous deputies, and several zone chairmen.

The Lions Club is a credit to my community and to our country. I am proud to have the San Fernando Valley Lions Club in the district I represent and I commend those members who have contributed the Lions Club success. I am pleased to have this opportunity to congratulate them on the very special occasion of their 50th anniversary.

REPEAL TWO INITIATIVES ON MEDICARE REIMBURSEMENT

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. DERRICK. Mr. Speaker, I am pleased to introduce today legislation designed to repeal two initiatives which Congress enacted in an effort to reform Medicare physician reimbursement. Unfortunately, the reforms did not work out as originally conceived. MAAC's [maximum allowable actual charges] and unnecessary services denials provide counterincentives to physicians and patients alike, reinforce drastic and unjustifiable regional variations in fees, deny access to essential medical services arbitrarily and with disregard to necessity, quality of care, or medical judgment.

MAAC's do not save money for the Medicare Program, but instead place restrictions on balance billing which are completely unnecessary in light of significant increases in acceptance of assignment by physicians—78 percent in 1988—for Medicare claims.

Unnecessary services is a misnomer of the Medicare Program. HCFA has utilized this authority to slash program costs without any determination of the actual medical basis for providing a patient with that service. Carrier clerks reviewing computer files are given marching orders to deny payments utilizing arbitrary criteria screens. Some carriers report that more than 70 percent of these denials are overturned on appeal by the physician. Obviously, these disasters must be halted.

IN HONOR OF HON. HARRY G. BARNES, U.S. AMBASSADOR TO CHILE

HON. ROBERT. A ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 19, 1988

Mr. ROE. Mr. Speaker, I am very pleased to be able to participate in honoring one of this country's finest public servants, Ambassador Harry G. Barnes.

I have no doubt that many Members will recount today the tremendous contributions that Ambassador Barnes has made to the return to democracy in Chile. These contributions stand as a fitting summation of an eminent and productive career, and they can in no way be underestimated. I rise today to remember and honor another highly successful aspect of Ambassador Barnes' career in Chile—namely, his visionary work in building linkages in science, space, and technology between the two countries.

Despite efforts by a number of Members of this Congress and by a number of dedicated science attaches stationed at our embassies all over the world, science, space, and technology remain underutilized instruments of U.S. foreign policy. Ambassador Barnes recognized this fact as perhaps no other current U.S. Ambassador. He knew that Chilean scientists are the most productive in all of Latin America, and that opportunities for United States-Chilean scientific cooperation abounded in a number of fields that affect the daily lives of the Chilean people—control of environmental pollution and endemic disease, increasing agricultural productivity, earthquake preparedness, and development of fisheries resources. Ambassador Barnes also recognized that Chilean scientists, engineers, and educators will have an important role to play in a future democratic system, and that it is in the strong interest of the United States to expand the strong relationships that already exist between United States and Chilean universities, technical societies, and scientific agencies.

In January of this year during a 3-day visit to Chile, the Committee on Science, Space, and Technology had the opportunity to see firsthand some of the fruits of Ambassador Barnes' efforts at fostering United States-Chilean scientific cooperation. At La Serena, the committee participated in the celebration of the 25th anniversary of the Cerro Tololo Inter-American Observatory. Cerro Tololo is one of the world's finest astronomical facilities and a model of United States-Latin American cooperation, and upon our return, the House passed House Resolution 369 honoring its 25th anniversary.

The committee also reviewed the many agreements in United States-Chile scientific cooperation that have been signed under Ambassador Barnes' direction. For example 2 years ago the United States concluded an agreement with Chile that allowed NASA to construct a space shuttle emergency landing site on Easter Island, and to obtain desire Chilean cooperation on ozone research in the Antarctic. In oceanography, basic sciences, and earthquake research, active programs are underway involving ongoing exchanges of United States and Chilean scientists. Because of these agreements, United States and Chilean researchers have been able to work together on projects which have high visibility to the Chilean people. Ambassador Barnes has been extremely creative in using these programs to foster democratization through enouragement of the Chilean scientific community.

We, on the Committee on Science, Space, and Technology, applaud the pioneering efforts of Ambassador Harry Barnes in promoting United States-Chilean scientific cooperation, and wish him all the best in his retirement from public service. The most fitting tribute from all of us would be to build on the fine foundation of friendship and cooperation that he has helped to foster in United States-Chilean relations.

IN ADMIRATION OF THE POLISH HELSINKI COMMITTEE

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. JEFFORDS. Mr. Speaker, for the past 5 years, a small, courageous group of Polish professionals has been secretly monitoring human rights abuses in Poland. The Polish Helsinki Committee, as these individuals are collectively known, has published numerous reports documenting human rights abuses in Poland and has been an invaluable source of human rights information for the Polish underground press and for international human rights organizations.

On July 24, 1988, in a brave step, the 12 members of the Polish Helsinki Committee gathered to adopt a statement to which they signed their names. The United States has long admired independent-minded individuals of strong character and conviction who stand firm in the struggle against injustice; our country was founded by such individuals. In admirations of the Polish Helsinki Committee's courage and determination in the struggle to preserve human rights in Poland, I respectfully enter their statement of July 24, 1988, into the CONGRESSIONAL RECORD.

Thank you Mr. Speaker.

STATEMENT OF THE POLISH HELSINKI COMMITTEE

In the thirteen years that have passed since the signing of the Helsinki accords, the public's attitude to the problem of human rights has changed. The perception that violations of human rights constitute a challenge for the nations of our continent because they deny values that are at the basis of European culture has become more and more widespread. It happened not only thanks to those governments that made the issue of respecting human rights a part of their political relations with other signatories of the Helsinki accords, but also due to the fact that the ideals of human rights have awakened the aspirations and solidarity of people. A human rights movement emerged both in the East and in the West. This movement deals with the issue of respect for human rights not only in political categories but in moral ones as well. The essence of an order based on human rights is respect for human dignity and the moral obligation to defend it.

The Helsinki Committee is a citizens' initiative and is part of this movement. The Committee's role consists mainly of informing public opinion and international bodies about violations of human rights in our country. We have been reporting on violations of personal integrity, about cases and mechanisms of degrading and humiliating treatment during penal procedures, about the limits on freedom to express one's opinions and beliefs and on access to information, about restrictions on the right to organize and to participate in public life, about the legal and practical conditions under which existing organizations operate.

We believe that currently the conditions are emerging to undertake, in addition to informational activity, more general actions aimed at eliminating the legal mechanisms that allow arbitrariness in government actions and at reducing the repressiveness of the law. We see the necessity of undertaking citizens' legislative initiatives regarding human rights, of assessing the existing law and its proposed changes, of disseminating information about the possibility of using the existing law to protect individual and collective rights of citizens. The Helsinki Committee has been and will continue to cooperate with other citizens' initiatives and organizations concerned with the defense of human rights."

Signed:

Piotr Andrzejewski, lawyer.
Halina Bortnowska-Dabrowska, philosopher.
Jerzy Ciemniewski, lawyer.
Janusz Grzelak, psychology professor.
Jaroslaw Kaczynski, lawyer.
Marek Nowicki, lawyer.
Jan Rozner, lawyer.
Stefan Starczewski, philologist.
Andrzej Stelmachowski, lawyer.
Zofia Wasilkowska, lawyer.
Janina Zakrzewska, lawyer.
Tadeusz Zielinski, lawyer.

OUR LADY OF THE WAYSIDE CHURCH

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. DYSON. Mr. Speaker, I am pleased to rise today to honor the parish community of Our Lady of the Wayside Church. On Sunday, October 23, there will be a celebration of both the 50th anniversary of the establishment of Our Lady of the Wayside as a parish in the archdiocese of Washington, and of the 50th anniversary of the building and consecration of the parish church itself. This twofold celebration is truly worth our notice.

In these days when religion seems to be viewed as a pariah, it is wonderful to see a celebration of religious longevity. Religious faith is the backbone of America. I am pleased to see the dedication and zeal exhibited by the congregation of Our Lady of the Wayside on their 50th anniversary. Rev. Neal Ward and the entire congregation should be commended.

Mr. Speaker, America's faith has made it the most powerful and benevolent Nation in history. Our churches and synagogues continually renew this strength through the spirit of brotherhood, family, and concern for one's fellow man. As the Puritans in Massachusetts said upon coming to this new land, "We are the light of the world." It is our religious faith that enables this light to illuminate the entire Earth. I congratulate the parish of Our Lady of the Wayside on its 50th anniversary, and it is my sincerest wish that this parish will celebrate 50 years more.

WATER AND SEWAGE SERVICE TO RURAL AREAS

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. ORTIZ. Mr. Speaker, I rise today to inform the House of Representatives that I have introduced legislation which will promote the delivery of water and sewage service to rural areas. While rural residents require these necessities, the economics of supplying these services are complicated by the reduced population density. In addition, each rural area represents a unique situation in terms of the existing infrastructure and the area's proximity to larger towns where the services are already available to residents.

My legislation would enable municipalities to annex rural areas which develop on the outskirts of many cities. Current Federal law restricts a municipality's ability to annex these areas. Federal loans or grants are often extended to regional water supply corporations which design and provide for implementation of rural water and sewage projects. Courts have recognized that annexation could threaten the payment schedule of a Federal loan. This legislation would preserve the Federal Government's investment in these areas by requiring that the municipality fully compensate any borrower for the fair market value and potential earnings they might lose from annexation. Some background on the relationship between these rural areas and the cities with an interest in annexation will clarify the need for this legislation.

The ability of a city to serve the rural and residential developments outside of the limits often presents a dilemma for both the city and its rural neighbors. Cities often feel an obligation to serve nearby areas, and annexation of these areas offers the city an opportunity to increase its registered population and tax base.

There are naturally, as well, significant responsibilities inherent in annexation of these areas, including the expansion of water and sewage pipes and improvements in road construction and maintenance. In addition, a city must provide police, fire and garbage service to their new citizens. Given the considerable distances which may exist between the homes of rural residents, supplying these services can prove to be an imposing economic and logistical burden. Nevertheless, the additional tax base and possibilities for land use often leads cities to pursue the expansion of their jurisdictional boundaries to include these regions.

From the perspective of residents, many are hesitant to acknowledge that a nearby city is the most efficient or worthy provider of these services. As might be expected, the primary reluctance felt by these rural residents is based upon a distaste and opposition to paying local taxes. While they would approve of increased access to the services which accompanying annexation, they express greater opposition to the taxes assessed to finance these services. Many rural citizens depend upon the water supply corporations which are indigenous to the rural areas and provide these necessary provisions and services to the citizens in these areas.

I represent a portion of south Taxes where many rural subdivisions have been developed outside of a city's limits. These subdivisions are commonly referred to as colonias, and development with similar characteristics can be found in rural areas nationwide. Colonia development occurs in part because county governments in Texas are restricted by state law from assuming debt to provide water and sewage service. Limitations on debt assumption by county governments in other States may have the same result. In these areas, rural water supply corporations have been formed bring clean water to residents. Where affordable and practical, these water supply corporations are trying to develop wastewater and sewage treatment in these areas.

Rural water supply corporations obtain financing from a variety of State and Federal agencies, but their seed money often originates with a combination of grants and loans from the Farmer's Home Administration [FmHA]. Once water service is provided by the water supply corporation, a monthly fee must be determined which is affordable for the residents. This fee represents the source of capital that water supply corporations utilize to repay their loans from Federal agencies.

This dependence upon monthly fees to service Federal loans complicates any city's effort to annex areas previously served solely by a water supplys corporation. Federal agencies, such as the FmHA, have a direct investment in the rural water authorities. They are therefore understandably wary when the debtor loses their primary source for funds to repay a loan. This issue was recently addressed in a U.S Circuit Court decision of May 15, 1987, in Mississippi. The court ruled that existing Federal law prohibits municipalities from encroaching on or competing with areas that currently are served by a water supply corporation that is indebted to the FmHA.

I certainly understand the court's ruling in this decision, and empathize with the court's fear that municipalities may attempt to annex the most populous and profitable areas, only leaving distant subdivisions on the outskirts of a water supply corporation's service area. This development could seriously impair service to the remaining customers, and threaten the Federal agencies' ability to collect their loan.

With these various interests in mind, I have worked with interested parties to develop a legislative initiative which enables municipalities to annex areas, without threatening existing service or a water supply corporation's ability to repay a Federal loan. This legislation, which I am introducing today, contains provisions that ensure the municipality provides fair compensation to the currently operating water supply corporation. This compensation must take into account the terms of any loan currently extended to that water supply corporation, and their ability to repay that loan. It must also take into account how a partial annexation of the service area would impact the remaining customers, as well as estimated population changes in the general service area.

I feel this bill is consistent with last year's court ruling, and includes the necessary safeguards to protect any Federal investment and loans to water supply entities. In addition, it provides municipalities with the flexibility to annex rapidly developing areas and encourage economic development. While this legislation necessarily focuses upon the economic impact caused by such an annexation, the purpose is to expedite the extension and delivery of water and sewage services to people in rural areas. Public and private entities at all levels must contribute to this effort, and passage of this bill will encourage the partnerships which are necessary to bring clean water and sewage treatment to all the citizens of our country.

COCHAIRMAN NAMED TO HOUSE EXPORT TASK FORCE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BONKER. Mr. Speaker, it is with great pleasure I announce the selection of my colleagues, the Honorable MEL LEVINE and the Honorable DOUG BEREUTER, to be the cochairmen of the House Export Task Force. I have chaired this caucus for the past 7 years. During that time, it has served the Members of Congress and the business community by providing information on trade-related legislation. As I leave the Congress, I wanted to ensure the caucus would be chaired by individuals who have exhibited a keen commitment to the promotion of American exports. Furthermore, in the spirit of the bipartisan nature of this caucus, I wanted to have both parties represented in the leadership of the caucus. With those goals in mind, I am pleased Congressmen LEVINE and BEREUTER have agreed to be the cochairmen of the House Export Task Force. During the time Congressman LEVINE has been in the House, he has exhibited interest in promoting American exports by proposing legislation which would make American products more competitive in the world marketplace. Similarly, Congressman BEREUTER has demonstrated leadership in promoting the export of American agricultural products.

I am confident the House Export Task Force, under the leadership of these highly qualified Members, will continue to perform a valuable service for the House of Representatives and the business community.

THE 32D ANNIVERSARY OF THE HUNGARIAN REVOLUTION

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. HORTON. Mr. Speaker, I rise to commemorate the 32d anniversary of the Hungarian Revolution, which takes place on October 23, 1988. The occasion marks a point in history where individuals risked their lives and personal safety in an effort to free themselves from oppression.

As you know, I have been in contact with the Prime Minister of Hungary in order to resolve an issue which still burns in the hearts of many Hungarians both here and in Hungary itself. The bodies of those brave men and women who were executed for their roles in the revolution remain in unmarked graves. The bodies of these freedomfighters must be returned to their families for proper burial.

I have received assurances from Prime Minister Grosz and Hungarian Minister of Justice Kulcsar that the bodies will be returned but, as of yet, no visible action on the matter has been taken. I would like to use the occasion of this 32d anniversary of the revolution to reiterate the demand that this matter be handled forthwith.

The following is the statement of President Ronald Reagan commemorating this important anniversary:

October 17, 1988.

I am honored to commemorate with you the 32d anniversary of the Hungarian Revolution, which will be marked on October 23. We can never forget the shining example of the many brave men and women who faced death fearlessly in 1956 to regain freedom and self-determination for their beloved homeland. Their idealism, patriotism, and courage remain an inspiration to all Hungarians who yearn for freedom and democracy, as well as to other peoples around the world who are engaged in the same struggle for their countries.

The United States remains fully committed to the goals of democracy, national self-determination, and human rights for which the brave freedom fighters of 1956 fought. These goals are timeless, and the struggle to achieve them will continue as long as the desire for freedom rests in the human heart. Today, when we hear much about change and "new thinking" in the Eastern bloc, we hope that leaders in that part of the world will take a new look at the Hungarian Revolution and recognize the lessons it carries to the present day. The situation in Europe can never be considered normal until the cruel and unnatural division of that continent is healed, and until historical injustices such as the brutal suppression of the Hungarian Revolution are forthrightly dealt with in the history books. I remain convinced that that day will come, and I hope and pray that it is not far in the future.

God bless you,

Ronald Reagan.

WHAT THE PLEDGE OF ALLEGIANCE REALLY MEANS

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. DURBIN. Mr. Speaker, the Montgomery Journal in Hillsboro, IL, recently published the following Pledge of Allegiance, written by Joe Kempe, Sr., editor of Joka Press. I am inserting his column in the CONGRESSIONAL RECORD because I believe his observations show a unique perspective of the real importance of this issue.

[From the Montgomery County Journal, Hillsboro, IL]

I PLEDGE ALLEGIANCE

(By Joe Kempe, Sr.)

I pledge allegiance to the flag of the United States of America, and to the republic for which it stands. I do so voluntarily, loving by and joyfully, for the following reaons, among others:

It is a grand old flag that can be waved in the hand or in the heart with equal sincerity and efficacy.

It represents the separation of church and state. Surely the Lord is not pleased to see sheep herded into His fold at gunpoint, or forced by political pressure to enter through any particular portal.

It is a flag for everyone. Its handle fits the hand of pompous, privileged politician or poverty-prone peon.

It is a flag that protects one's right to approve or disapprove when our government sells weapons to Iran, uses the proceeds in an attempt to overthrow the government of another sovereign nation, then shreds documents recording details of the transactions.

It is a flag that represents the two-party system, within the framework of which one is allowed to be just as reactionary, conservative, liberal or radical as his conscience and convictions dictate.

It is a flag designed by dissidents who had the wisdom and courage to resist tyranny and oppression and the audacity to refuse to go on pledging allegiance to a flag-waving Englishman named George.

A MATTER OF UPHOLDING THE LAW

HON. GEO. W. CROCKETT, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. CROCKETT. Mr. Speaker, I wish to submit for the information of my colleagues an article by Prof. Wayne Smith of the School of Advanced International Studies, former head of the U.S. Interests Section in Havana.

Professor Smith points out that if Vice President BUSH really wanted the United States to be "the dominant force for good in the world," as he claims, he could have started by trying to make the Reagan-Bush administration obey the law more over the past 8 years. Yet what we have seen is the denigration of international institutions, the violation of international law, the defiance of the World Court, and the involvement of unprecedented numbers of administration officials in scandals, violations of the law, and unethical conduct.

As Professor Smith says, "those who lead this country ought to have the intelligence, integrity, and statesmanship to handle (situations) within the rules established by international law." Should Mr. BUSH achieve the office that he is seeking, I hope he will understand that our country cannot be a dominant force for good if our Government defies the law.

The article follows:

[From the Christian Science Monitor, Sept. 28, 1988]

A MATTER OF UPHOLDING THE LAW

(By Wayne S. Smith)

Vice President George Bush say he wants the United States to be "the dominant force for good in the world." Certainly Americans like to think of their country in those terms, and over the years have had ample reason to do, as evidenced by such endeavors as the Good Neighbor Policy, the Marshall Plan, and the reconstruction of Japan.

But our most important contributions to the world have been the genius of our constitutional system and our dedication to the rule of law. Since the days of Franklin Roosevelt, the US has taken a leading role in encouraging the rule of law within the community of nations. Mr. Roosevelt envisioned the United Nations as a means to that end. Harry Truman brought the vision to reality. Up to 1981, all postwar presidents had upheld the Charter of the UN and accepted the jurisdiction of the World Court.

On the campaign trail, Mr. Bush has praised the bipartisan foreign policies of Roosevelt and Truman as a standard for others to follow. The Reagan-Bush administration, however, has departed dramatically from those standards. It is difficult to see how Bush squares his words with that departure. How can one undermine the international organizations inspired by Roosevelt and Truman, yet claim to be following in their footseps? And how can one's policies be "a dominant force for good" if they defy the law?

It is not just that the Reagan-Bush administration has refused to pay its dues to the UN and the Organization of American States (OAS); it has also defied the World Court and violated the Charter itself.

In 1986, the World Court, after a careful examination of the evidence, ruled that US mining of Nicaraguan harbors was a violation of international law. Accordingly, it ordered the US to cease these and other efforts, such as military assistance to the contras, aimed at overthrowing the Nicaraguan government.

Rather than comply, the Reagan/Bush administration, for the first time in our nation's history, refused to accept the jurisdiction of the court, and in so doing violated Article 84 of the UN charter, which calls on "each member of the United Nations * * * to comply with the decision of the International Court of Justice in any case to which it is a party." Nor was the administration forced to choose between the law and national security. Legal measures were available to ensure the latter.

The administration might, for example, have taken its case to the OAS, charging Nicaragua with aggression against El Salvador and invoking the Rio Mutual Defense Treaty. Of course, that would have meant presenting evidence to back its charge, and the administration has never been long on evidence.

Or it might have negotiated and signed a detailed security agreement with Nicaragua under which the latter ruled out the establishment of any Soviet bases, foreswore assistance to the Salvadorean guerrillas, etc. Had Nicaragua violated the agreement, the US could then have used force with the full weight of international law on its side. And had Nicaragua respected it, US objectives would have been achieved without bloodshed.

The question here has nothing to do with what one thinks of the Sandinistas. The US may indeed have good reason to regard the Sandinistas as adversaries. That in no way changes the fact that those who lead this country ought to have the intelligence, integrity, and statesmanship to handle such a situation within the rules established by international law.

Of course, even at home this administration has shown all too little respect for the law. Ten Reagan appointees have been convicted and sentenced to prison. One hundred fifty others have been indicted, placed under investigation, or both. The greatest corruption scandal in Pentagon history now threatens to add dozens more to that list. The former chief law enforcement officer himself, the attorney general, was investigated and found culpable of unethical if not illegal conduct. And during Irangate, it became clear that in pursuit of an illegal war against Nicaragua, members of the administration had violated the law of our own land.

All this is unworthy of us. If there is ever to be that better and more just world of which we all dream, it will grow out of the UN, with all its imperfections, and out of a growing acceptance of international law. The US will not be true to its high calling if it undermines either. As John Locke so wisely noted some three centuries ago: "Where law ends, tyranny begins." The US must always be on the side of the former.

METAL TECH OF BETHEL PARK WINS AWARD

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. WALGREN. Mr. Speaker, I am pleased to announce that Metal Tech Machine Co., located in my district in the township of Bethel Park, has won the U.S. Small Business Administration's prestigious "Administrator's Award for Excellence."

Metal Tech, a 13-year-old company funded in 1975, was the only company in western Pennsylvania to receive the award. Metal Tech—a firm with only seven employees—was selected in a nationwide competition. The company makes small- to medium-sized machined and fabricated parts and assembles them for commercial and Government use.

Metal Tech has joined as a subcontractor with Gilbert/Commonwealth and together the two provide operations support for research activities at the Pittsburgh Energy Technology Center. The Pittsburgh Energy Technology Center is a national laboratory operated by the Federal Department of Energy and assigned major responsibility for the Nation's energy crisis. The Pittsburgh Center conducts research and provides management for national programs to improve the clean and economic uses of coal, the Nation's most abundant energy resource. Examples of work Metal Tech has performed include the machining of high-pressure manifolds for use in PETC's gas cylinder storage facility and intricate components for PETC's flat flame burner system that is used to study the effects of electrical fields on coal combustion.

Metal Tech was recognized, in part, for its ability to machine and fabricate parts of the highest quality on short notice. This is a critical factor, especially in laboratory research, to avoid delays that would disrupt research and demonstration of new technology.

It is an honor for me to salute Metal Tech and its management and employees as a fine example of American enterprise, as small business that is making an important contribution to the economy of western Pennsylvania and the National interest.

H. CON. RES. 339

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. FRENZEL. Mr. Speaker, a number of members of the Energy and Commerce Committee have introduced House Congressional Resolution 339. A total of about 200 Members are cosponsors.

The resolution calls for lifting of restrictions on the Regional Bell Operating Companies which prevent them from offering certain information services and from doing their own manufacturing.

I have today, entered my name as a cosponsor, but with some reservations. My real intent in signing on the bill is to indicate the need for hearings and serious committee work on the problem.

I am not expert in the field. Therefore, I am more reliant on good committee work than are the Energy and Commerce members who originally introduced the resolution. They may know what the answers are. My sponsorship only indicates that I want to see the matter investigated carefully. I am told that heavy sponsorship of the bill is the only way to ensure that the Energy and Commerce Committee will take all the time and trouble to work on the issue.

My sponsorship means I believe the matter needs work and careful analysis. For those of us who do not work on these matters regularly, that is the only way we can find out what is the best course of action.

The best course may be exactly what is contained in House Congressional Resolution 339, but I have no way of confirming that now.

WAITING PERIOD ON HANDGUN PURCHASES DESERVES ENACTMENT

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. MAZZOLI. Mr. Speaker, I commend to the attention of my colleagues the following press account and editorial which appeared last week in the Louisville Courier-Journal concerning the killing of Louisville attorney John Mackey in August.

The Mackey killing appears to have been a "crime of passion" which might have been prevented if a waiting period law had been in effect.

I am disappointed that the House voted in September to delete the 7-day waiting period language on handgun purchases from the drug bill. I hope the issue can be revisited with more success in the 101st Congress.

The article and the editorial follow:

[From the Louisville Courier-Journal, Oct. 11, 1988]

TAKING AIM AT A GOOD LAW

The Young woman accused of killing Louisville attorney John Mackey allegedly bought a semi-automatic pistol from a downtown pawnshop a few hours before Mackey was shot to death.

Maybe the shooting wouldn't have occurred if Louisville had an eight-day waiting period for gun purchases, as it had from 1970 to 1974—or even a 24-hour cooling off period, such as the one that was in effect in the city from 1974 to 1984. Then again, maybe nothing would have deterred the young woman from the crime of which she is accused.

In any event, Louisville Police Chief Richard Dotson, like many other law-enforcement officials, believes a waiting period would be helpful—if it were mandated by federal legislation and enforced all across the nation.

Such legislation was rejected by the U.S. House of Representatives last month. What the country is left with is a patchwork of state and local laws that allow a would-be gun buyer to leave a jurisdiction with tight regulations and purchase a gun where the rules are lax.

For instance, Indiana requires a 7-day wait before someone who applies to buy a gun can actually take possession of the weapon. The law doesn't call for police checks of applicants, but the waiting period could allow someone who is enraged, and has homicide in mind, to cool off. Next door in Kentucky, however, there's no waiting period. In fact, state law bars local governments from imposing such restrictions on handgun purchases.

No one argues that a national waiting period would end handgun homicide in this country. but it would help reduce the carnage. The next Congress should put handgun legislation high on its agenda.

[From the Louisville Courier-Journal, Oct. 8, 1988]

MAN'S DEATH SHOWS NEED FOR GUN-SALE LAW, POLICE SAY

(By Kay Stewart)

Just a few hours before Louisville lawyer John Mackey was shot dead in his home Aug. 17, the woman accused of killing him went to a downtown pawnshop and bought the pistol that police believe was used in the shooting, court records say.

Some Louisville police commanders said yesterday that this case is the first one they could recall since 1982—when Kenneth Bailey Miles emptied a handgun inside a downtown savings and loan office—in which someone has been accused of buying a gun and promptly using it to kill someone.

The case also provides an "exact reason" why a waiting period is needed on gun purchases, said Louisville Police Chief Richard Dotson.

Advocates of a waiting period—which was outlawed by a Kentucky statute in 1984 and rejected by the U.S. House of Representatives just last month—say that such a delay discourages crimes of passion and allows police time to check the backgrounds of would-be buyers.

However, Dotson said he believes a waiting period needs to be enforced nationally in order to work.

Mackey, 40, died about 6 p.m. Aug. 17 at his home at 1916 Deer Park Ave. of four gunshot wounds in the head and neck according to court records. Ruth Ann Kinnamon, 26, who was living at the Wayside Christian Mission shelter at 812 E. Market St. at the time, was arrested on a murder charge on Aug. 18—after she told a mental-health counslor that she shot Mackey, court records say. She was once a part-time secretary in Mackey's office.

Jim Walker, a clerk at Davis & Son Inc., 113 W. Jefferson St., said in an interview yesterday that Kinnamon bought a small, .25-caliber pistol between 2 and 3 p.m. Aug. 17. He said she "acted very normal."

Documents filed in Jefferson Circuit court include a receipt for the gun that police took from Kinnamon's purse.

Waiting periods for gun purchases have been the subject of extensive debate.

The measure defeated in Congress last month would have required a seven-day waiting period on handgun purchases, a measure already required in 22 states.

From 1970 to 1974, Louisville required an eight-day waiting period. But city gun dealers complained they were losing business to dealers outside the city, where guns could be purchased in a single visit.

City law was changed in 1974 to require any person applying for a gun to wait 24 hours. But even police said that law was virtually worthless because 24 hours did not give them enough time to check for felony convictions or a history of mental illness.

Enforcement of that law ceased in 1984, after the Kentucky General Assembly passed a law prohibiting county and city governments from enforcing gun-control legislation.

Former Democratic Rep. Jim Dunn of Pleasure Ridge Park, who co-sponsored the legislation, said he's not opposed to waiting periods, but doesn't think they would stop anyone from getting a gun.

Dotson said people could still get guns for the wrong reasons if a waiting period were in effect—but some tragedies might be prevented, because "during a waiting period a person has time to rethink what they want to do."

Maj. Edward Mercer, chief of detectives for the Louisville police, said the Kenneth Bailey Miles case is the only other one he could recall in which someone was charged with using a brand-new gun to commit murder.

Miles, a convicted felon with a history of mental treatment, bought a pistol at a West End pawn shop and used it to kill two people, while injuring another person and himself.

Miles, who has been found mentally incompetent to stand trial, had to wait 24 hours under the old city ordinance before taking possession of his handgun.

Mercer also said police occasionally see cases of people who buy guns in order to immediately commit suicide.

The receipt for Kinnamon's purchase of the gun—a Raven semiautomatic—shows she paid $69.95 for it and $5 for ammunition.

Walker, the store clerk, said Kinnamon asked for instructions on how to load and fire the gun and then paid cash. Walker said there isn't a cheaper gun for sale at the store.

Arthur Davis, an owner of the store, said that Kinnamon filled out the required federal "Firearms Transaction Record."

He declined to show the form to a reporter, but said that Kinnamon, in response to one question, said she had never been committed to a mental hospital or convicted of any crime. He said that she produced a valid driver's license.

The murder charge is the first crime Kinnamon has ever been charged with, according to court records.

Mackey's father, Edward Mackey, said yesterday that Kinnamon had worked part time as a secretary in the law partnership he shared with his son.

He said she had done no work for them in about eight years, but his son had done some legal work for Kinnamon, including the drafting of a will, in recent years.

According to court records, Kinnamon was married in December 1983 and divorced in 1986, and she has one daughter.

Mackey said his son did not represent Kinnamon in her divorce. He said he couldn't think of a reason she would want to harm him.

John Mackey's brother, Robert Mackey, said that he understood Kinnamon went to his brother's apartment at times to have "a shoulder to cry on," but he didn't know what type of relationship they had.

Assistant Commonwealth's Attorney Michael Schafer said yesterday that Kinnamon, who is in jail, is to undergo a court-ordered psychiatric evaluation. Her attorney, public defender Michael C. Davis, would not comment on the case.

According to court records, on Aug. 18 Kinnamon told John Akers-Bell, a counselor, that she had shot Mackey. Akers-Bell works for Living Supports Inc., a subsidiary of Seven Counties Services Inc., a non-profit regional mental-health agency. Living Supports helps people suffering from mental or emotional illnesses, said Mark O'Hearn, chief development officer for Seven Counties.

The court record says that Akers-Bell asked Kinnamon how many times she shot Mackey and that Kinnamon responded in a whisper: "I unloaded the gun."

She told Akers-Bell she threw the gun away, according to the court records.

But the gun is listed in court records as evidence obtained by police, Schafer said police received an anonymous tip that the gun was in a vacant building at Shelby and Jefferson streets.

Court records say the gun police found in the building has the same serial number as shown on the pawn-shop receipt.

FAA WINDSHEAR TRAINING AID

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. MINETA. Mr. Speaker, 3 years ago, on October 30, 1985, the Subcommittee on Aviation held a hearing on the status of Federal programs to improve the detection of hazardous aviation weather. The hearing also focused on the need for improved training of flight crews and procedures to avoid windshear conditions. We now have evidence that new windshear training techniques recently developed by a government/industry team have been instrumental in avoiding hazardous windshear conditions and preventing possible accidents. Several organizations and individuals were involved in this successful program, known as the FAA windshear training aid, and they are identified later in this tribute to the cooperation between government and industry to prevent accidents.

In July of this year, FAA controllers provided timely windshear information derived from terminal Doppler weather radars at Denver Stapleton Airport to five United Airlines flight crews. Each flight crew was able to use this unique information to immediately apply the procedures they had learned from the new FAA windshear training aid to avoid the windshear hazards.

As chairman of Subcommittee on Aviation, I am pleased that the FAA and industry have developed and implemented this national program. The international aviation community is also adopting the new training program for windshear avoidance.

The development of the FAA windshear training aid represents an excellent example of timely and effective government/industry cooperation in tackling a major aviation safety issue. The windshear training aid was developed by a consortium of aviation experts following an extensive industry review process which produced an industrywide consensus on all technical, piloting, and training issues. In addition, all recommendations were substantiated by extensive technical evaluations. The windshear training aid development process is widely regarded as a model for use in tackling other aviation safety issues, including human factors and collision avoidance.

Microburst windshear is the primary, single contributing factor in air carrier accidents that have occurred during the takeoff and landing phases of flight. Congressional concern following a 1982 accident in New Orleans resulted in a National Academy of Sciences-commissioned study by the National Research Council [NRC] which assessed the hazards of low-altitude windshear on flight takeoffs and landings. One of the primary recommendations of the NRC study was to establish an integrated windshear program. The group specifically recommended in its final report, "Low-Altitude Windshear and Its Hazard to Aviation," that the FAA and the industry should prepare and disseminate as widely as possible updated and authoritative information on windshear to better educate pilots and controllers.

In response to the NRC recommendations and the needs of the aviation industry, the Boeing Co., entered into discussions with the FAA resulting in a Boeing proposal for a program to develop a windshear training aid. In November 1985, the FAA contracted with Boeing as primary contractor; and McDonnell Douglas, Lockheed, United Airlines, Aviation Weather Associates, and Helliwell Inc. as subcontractors, to produce the windshear training aid. The 15-month project was completed in February 1987, on schedule and within budget and provided the FAA with four documents and two videotapes which provide the basic resources for a comprehensive windshear training program.

The windshear training aid is an effective means of training flight crews to minimize the windshear threat through avoidance and the use of cockpit recognition and recovery techniques. It is applicable to all current Boeing commerical jet transport models as well as those manufactured by McDonnel Douglas and Lockheed. Furthermore, it represents an industrywide consensus on all major training, piloting, and technical issues as a result of its extensive review process that included representatives from the airlines, the pilot community, research organizations, as well as Government regulatory and safety agencies. Extensive technical evaluations were conducted to substantiate all recommendations. Other transport aircraft manufacturers, including Airbus, British Aerospace, and Fokker, have also endorsed the training aid and are currently in the process of incorporating their own unique airplane recommendations.

I am pleased to pay tribute to the windshear training aid development team which was comprised of the following individuals:

FAA: George C. "Cliff" Hay, contract manager; and Herbert Schlickenmaier, assistant contract manager.

Boeing: Charles R. Higgins, program manager; Chester L. Ekstrand, chief training pilot; and Edgars A. Kupcis, principal investigator.

Douglas: J. Samuel Clauzel, chief pilot, standards and safety; and David A. Williams, Assistant chief pilot.

Lockheed: Ralph C. Cokeley, pilot, operations; and David Gill, manager, aerodynamics.

United Airlines: David A. Simmon, director of safety; Robert P. Smith, 727 flight manager; and Robert L. Ireland, technical projects manager.

Aviation Weather Associates: Dr. John McCarthy, meteorologist.

Helliwell: James D. Helliwell, video producer.

I applaud their dedication, expertise and hard work.

THE ANTI-APARTHEID ACT AMENDMENTS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mrs. COLLINS. Mr. Speaker, apartheid is one of the most baneful disasters of the 20th century and the American people's moral indignation and outright condemnation of that system is unequivocal. The South African Government's modus operandi of repression, hatred, fear and violence has earned it the reputation of being a true terrorist state. In order to promote democratic values in South Africa and preserve the integrity of those values at home, it is absolutely essential for the United States Government to do everything within its power to help dismantel that institutionalized form of social injustice.

The steps taken by the Anti-Apartheid Act Amendments of 1988, H.R. 1580, are sure to have a substantial effect toward this goal, H.R. 1580 is a wonderful example of legislation which lives up to the high expectations set by our principles. I applaud everyone who has contributed to this positive campaign.

I only hope at this point that our distinguished colleagues in the other body will hear the cries of righteous despondency from South Africa, recognize the urgency of this issue, and act accordingly. Such action would clearly distinguish the Congress from the Reagan administration which has consistently opposed any meaningful sanctions, even bending over backward to accomodate the South African regime. It is not only ironic, but utterly apalling, that the administration propounds worldwide democracy while supporting a cadre that allows only a small percentage of its citizens to participate in its so-called democratic process.

As the next Presidential election nears, the opportunity is ripe for the American people to choose a leader who accurately reflects our national values. Reviewing the records and positions of the two candidates, it is clear that only Gov. Michael Dukakis precisely reflects the sentiments and principles which drive our great Nation. I believe that his perception of the South African Government is accurate and that he would take concrete action to awaken the South African Government out of its institutionalized stupor.

Mr. Speaker, the South African Government simply cannot go on arrogantly ignoring the human rights of others forever. The United States Senate, House of Representatives and President must join the rest of the world in expressing disapproval and applying financial pressure to do what common sense and fundamental morality could not lead South Africa to do.

JEFFERSON BANK PROTEST

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. CLAY. Mr. Speaker, as the 100th Congress prepares to adjourn sine die, I would like to take this opportunity to apprise my colleagues of an important historic observance which took place in the city of St. Louis on August 30, 1988—the reenactment of the Jefferson National Bank protest. Twenty-five years ago I was among those arrested and sent to jail for participating in this demonstration. In those days, Jefferson National Bank, like most institutions in our city and throughout our Nation was racially segregated and refused to hire blacks. Those of us who protested helped tear down some of the barriers to the employment of blacks in banks, stores, and other businesses.

Mr. Speaker, so much has changed in our society over the last quarter of a century, but we are still struggling to realize genuine racial equality in this, the greatest democratic nation in the world. I would like to share the following newspaper reports detailing the recent reenactment of this historical event.

[From the St. Louis American, Aug. 25, 1988]

JEFFERSON BANK PROTEST REENACTED AUGUST 30

(By Sharon L. Green)

A re-enactment of the Jefferson Bank Demonstration, featuring former protesters who were jailed, will be held August 30 at Jefferson Bank, 2301 Market, to commemorate the 25th anniversary of what some call the greatest moment in St. Louis' civil rights history.

Marion Oldham, then a teacher in the St. Louis Public Schools, was one of the first arrested during a protest at the bank which refused to hire or serve blacks.

"You have to understand what conditions were like back then—everything was totally segregated. It was considered a way of life but it (the protest) didn't start in 1963 it started back in 1948," said Oldham, a former curator at the University of Missouri.

Oldham was one of the first to be arrested but not until the following day when a sheriff came to her home to arrest her. The others turned themselves in the following day.

CORE members and other local leaders formed a human chain around the bank while the demonstrators were in jail. It was an historic media event locally which later became known as the highlight of the civil rights movement in St. Louis, Oldham said.

There was an immediate impact locally. Following the protest and the media coverage at Jefferson Bank, Oldham said hundreds of black people were hired in banks throughout the city. Although the protest had no legal effect on public accommodation laws, numerous protests continued followed the Aug. 30 protest at Jefferson Bank.

"The community was more up in arms then, than it has ever been since," she said.

Oldham was jailed for 11 days and later convicted for violating the bank's injunction. She said the charges were dropped months later.

[From the St. Louis Sentinel, Aug. 18, 1988]

THE 25TH ANNIVERSARY OF JEFFERSON BANK DEMONSTRATION FOR CIVIL RIGHTS

The 25th Anniversary of the Jefferson Bank Demonstration will occur on Tuesday, August 30, 1988, according to Norman R. Seay, General Chairman, Commemoration Planning Committee.

Three commemorative activities have been planned to observe the 1963 beginning of the civil rights movement in St. Louis. Two have been finalized. One is the Symbolic Jefferson Bank Demonstration. This peaceful, non arrest activity will occur on Tuesday, August 30, from 4-6 p.m., at the Jefferson Bank, 2301 Market Street—across from Holiday Inn. The second activity is a dinner on Sunday, October 30, 6 p.m., at the Grand Masonic Hall. The third activity is to be identified later.

Five distinguished citizens are the Honorary Chairpersons. They are: Dr. Johnetta Haley, Director, SIU-E East St. Louis Center; Rev. Dr. Samuel W. Hylton, Chairman, Clergy Coalition; Msgr. John A. Shocklee, Executive Director, Human Rights Office, Archdiocesan of St. Louis; Mrs. Ruth G. Washington, civic and social leader, and Robert L. Witherspoon, former attorney to the 1963 Jefferson Bank demonstrators.

In 1963, CORE initiated a survey of banks in the Metropolitan area to assess the number of African American employees and their positions in the banks. Jefferson Bank (was located in the heart of the African-American neighborhood) was selected as the bank to publicly protest the lack of African-American in positions higher than porters/messengers. Therefore, on August 30, 1963, CORE and supporters picketed and interfered with the operation of Jefferson Bank to obtain access and other equal employment opportunities for African-Americans in the banking and other industries in Metropolitan St. Louis. Because of the successful impact of the demonstration, the principal leadership of CORE was jailed and then prosecuted. Among the jailed demonstrators were U.S. Congressman William L. Clay; former State Senator Raymond Howard; Attorney Charles and Mrs. Marion Oldham; Mr. Lucian Richards, Norman R. Seay and the late Robert Curtis.

While the demonstrators were jailed, support for them constantly developed. Teachers, doctors, tavern bartenders/owners, dentists, nuns, ministers, beauticians, unions and other groups collected funds and/or picketed the Jefferson Bank.

Today, according to Seay, African-Americans are employed in the financial community; however, there are many objectives to be achieved. The impact of Jefferson Bank transcended the financial institution—other industries began employing African-Americans. The 19 demonstrators and their supporters began a movement, using civil disobedience as an effective mechanism to overcome overt racism—discrimination and segregation.

For additional information, persons may write to the 25th Jefferson Bank Demonstration Committee, P.O. Box 6242, St. Louis MO 63106 or call Mr. Norman R. Seay at 553-5692.

Other elected planning committee officers are Mrs. Evelyn Haney-Gammon, Secretary, and Mr. Robert Foster, Treasurer.

[From the St. Louis Argus, August 18, 1988]

JEFFERSON BANK PROTEST REMEMBERED

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Three commemorative activities have been planned to observe the 1963 beginning of the civil rights movement in St. Louis. Two have been finalized. One is the Symbolic Jefferson Bank Demonstration. This peaceful, non arrest activity will occur on Tuesday, August 30, from 4-6 p.m., at the Jefferson Bank, 2301 Market St., across from the Holiday Inn. The second activity is a dinner on Sunday, October 30, 6 p.m., at the Grand Masonic Hall. The third activity is to be identified later.

Five distinguished citizens are the Honorary Chairperson. They are: Dr. Johnetta Haley, Director SIU-E, E. St. Louis Center; Rev. Dr. Samuel W. Hylton, chairman, Clergy Coalition; Msgr. John A. Schoklee, executive director, Human Rights Office, Archdiocesan of St. Louis; Mrs. Ruth G. Washington, civic and social leader; and Robert L. Witherspoon, former attorney to the 1963 Jefferson Bank demonstrators.

In 1963, CORE initiated a survey of banks in the metropolitan area to assess the number of African American employees and their position in the banks. Jefferson Bank (was located in the heart of the African American neighborhood) was selected as the bank to publicly protest the lack of African Americans in positions higher than porters/messengers. Therefore, on August 30, 1963 CORE and supporters picketed and interfered with the operation of Jefferson Bank to obtain access and other equal employment opportunities for African Americans in the banking and other industries in St. Louis. Because of the successful impact of the demonstration were U.S. Congressman William L. Clay; Former State Senator Raymond Howard; Attorney Charles and Mrs. Marion Oldham; Mr. Lucian Richards, Norman Seay and the late Robert Curtis.

While the demonstrators were jailed, support for them constantly developed. Teachers, doctors, tavern bartenders/owners, dentists, nuns, ministers, beauticians, unions and other groups collected funds and/or picketed the Jefferson Bank.

Today, according to Seay, African Americans are employed in the financial community; however, there are many objectives to be achieved. The impact of Jefferson Bank transcended the financial institution, other industries began a movement, using civil disobedience as an effective mechanism to overcome overt racism—discrimination and segregation.

COMMENDING AMBASSADOR HARRY BARNES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 19, 1988

Mr. GILMAN. Mr. Speaker, I rise to commend Hon. Harry Barnes, United States Ambassador extraordinary and plenipotentiary to Chile. Ambassador Barnes began his tour in November, 1985, at a time when President Reagan was frustrated by the difficulties in affecting a transition toward democracy in that troubled nation.

While serving in Chile, Ambassador Barnes emphasized contacts with business leaders, military leaders, other than Pinochet, and politicians of all ideological leanings. Ambassador Barnes may be credited, as well, with helping to open the way for free elections in that nation.

Mr. Speaker, I join my colleagues in commending this outstanding diplomat for his exceptional work, not merely defending the interests of this great Nation, but for furthering the cause of democracy in the world.

LORA BETH CLYDE 1988 TEXAS ROSE QUEEN

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. HALL of Texas. Mr. Speaker, it is Rose Festival time again in Tyler, TX—and it is a personal pleasure for me to introduce Lora Beth Clyde—who was crowned the 1988 Texas Rose Queen.

She is the daughter of William and Lenora Clyde—and described by all as "a lovely and vivacious queen."

Tyler, TX, the "Rose Capital of the World," annually celebrates the beauty of roses with a weeklong festival. Tyler is one of the Nation's largest rose bush growing areas, producing some 20 million bushes annually, more than 50 percent of the national supply.

Her entire family has a longstanding interest in the Rose Festival. Her father, Dr. William Clyde, was a train bearer in 1947 and an escort in the 1956 festival. Her brother David, sisters Ellenor and Kathleen were bearers for Kitty Clyde Ramsey who was queen in 1967 and her cousin, Eloise Clyde Chandler was queen in 1974. Her grandparents, Dr. and Mrs. Wylie Clyde are among those looking forward to the reign of the newest queen.

As a student at Robert E. Lee High School, Lora Beth enjoyed showing horses, hunting, fishing, water skiing, and music. At Stephen F. Austin State University, where she is majoring in Elementary education and Spanish, she has continued to care for animals and pursues hobbies of bowling, water skiing, tennis, playing the piano and hunting.

The highlight of the weeks activities came with the delivery of a letter from President Reagan recognizing this festive occasion. I congratulate Mayor Montgomery and the city of Tyler, Rose Festival President Upton Beall, the lovely mother of the queen, Lenora Clyde, and all of east Texas for this wonderful festival and a beautiful and gracious queen, Lora Beth Clyde.

Mr. Speaker, as we adjourn today, let us do so in honor of Lora Beth.

INTRODUCTION OF LEGISLATION TO REPEAL THE TAX ON THE EARLY DISTRIBUTION OF RETIREMENT BENEFITS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. GONZALEZ. Mr. Speaker, I have introduced legislation to repeal section 1123 of the Tax Reform Act of 1986, 26 U.S.C.A. 72(t). This section places a 10-percent tax on the early withdrawal of most retirement benefits.

Prior to the enactment of the Tax Reform Act of 1986, the early withdrawal of an IRA and funds withdrawn by a limited group of people from a qualified pension plan were subject to an additional income tax of 10%. The Tax Reform Act expanded on this penalty by subjecting all early distributions from any qualified retirement plan to the additional tax. Further, this tax is applied regardless of the source of the distribution.

Thus, under present law, an individual who retires before the age of 55 is penalized by the Federal Government, and this penalty applies even if the employee initially only receives his or her own contribution. I feel that this is unfair. The Federal Government has no business entering into the employer/employee relationship in this manner. If an employee and employer decide that the employee can and should retire early what business is it of the Federal Government to discourage this choice. Moreover, this provision is particularily harsh in its application when an employee takes advantage of an early retirement option due to pressure from his or her employer or because of personal hardship.

The only purpose of this legislation is to raise revenue without having to confront the public's opposition to additional taxes, and this is not a legitimate reason to tax our retired citizens unfairly.

I urge my colleagues to join me in sponsoring this important piece of legislation.

HONORING DAN LUNGREN

HON. ERNEST L. KONNYU

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. KONNYU. Mr. Speaker, I rise this evening to honor DAN LUNGREN, and to wish him Godspeed as he departs this House to return to California.

As a fellow California Member of Congress, I can understand DAN'S desire to return to the Golden State.

Yet people of Long Beach, the Palos Verdes Peninsula, Torrance, Cypress, Los Alamitos, Hunington Beach and the many other communities which make up the 42nd Congressional District of California are losing a loyal and hardworking champion of real causes.

Originally elected in no small part because of his outspoken support of Proposition 13, Dan has fought in behalf of lower taxes and the spirit of free enterprise.

Again and again, on key issues DAN has been on this House floor to make a difference.

He has stood for a strong defense, and has been unwaivering in his support for Freedom Fighters, be they in Afghanistan, Nicaragua or anywhere else in the world.

On social issues he had fought for the family and backed efforts to allow prayer back into the classroom.

It is perhaps in the area of immigration reform that DAN has had his finest hour. Going beyond just speechmaking, DAN has thrown his energies into work on that difficult and complex piece of legislation.

Many of us can vividly remember DAN'S efforts to reach a bipartisan agreement on the Simpson-Mazzoli immigration reform bill, a truly landmark piece of legislation.

DAN, through persistent lobbying and mastering of the facts, marshalled coalitions on this side of the asile which provided the winning margins on many of its provisions.

Personally, DAN LUNGREN'S help has been vital to things I cared about.

In 1983 when we in the California Legislature were trying to qualify a work fare based welfare reform initiative, DAN helped us by keynoting our Los Angeles County fundraiser.

Here in Washington, when I was assaulted with baseless allegations, he at first, was my toughest cross examiner on the facts but once satisfied that I was telling the truth, he became one of my firmest backers.

Mr. Speaker, I want to say thank you to DAN LUNGREN for the services he has rendered to me, to this body, to the people of California, and to the Nation.

GREENHOUSE EFFECT

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. CONTE. Mr. Speaker, starting with last night's news stories and continuing over the next few days, the American people will be hearing a great deal about the "greenhouse effect". Much of what they will be hearing will not be new news, but will be the result of a draft EPA report to Congress, leaked yesterday, on the "Potential Effects of Global Climate Change on the United States."

The "greenhouse effect", also called global climate change or global warming, results from the buildup of certain trace gases, mainly carbon dioxide, in the atmosphere trapping heat and causing the temperature of the Earth to increase substantially. It is the effects of that temperature rise—projected to be 3 to 9 degrees Farenheit over the next 50 years—that could have a devastating impact on this country and other regions of the world.

Mr. Speaker, we need to begin today to approach this problem in an orderly and proper fashion. Sure, we've passed legislation to mandate two studies and reports on the problem, including the draft of one leaked yesterday. And we've provided about $97 million in appropriations for bits and pieces of the problem.

But this problem deserves and demands more. We need to start thinking about it as a major issue, free from partisanship and self-interest only about the economic effects within an individual congressional district or State. The greenhouse effect will not affect many of the Members of the House, but it will affect our grandchildren and our children.

What are those effects? The EPA report looked at the effects on four regions on the country and projected major increases in rainfall and evaporation across the Nation, flooding in our coastal areas with the loss of most of our wetlands, receding forests, changing water quality, shifting climatic zones with obvious effects on the fish and wildlife and plant life within those zones, and other effects.

Obviously, we need to continue our research and expand it to look at all of the regions of our country, because the EPA reports that changes will vary by region. We need to continue to search for better answers to questions such as how fast the oceans will absorb the increased temperature, or what the time lag is between an increase in emissions and actual climate change, or how we can help to slow down the unbelievably high rate of destruction of our equatorial rain forests which can help keep the carbon dioxide levels down, and hundreds more.

Mr. Speaker, by December, EPA will formally send this report to the Congress, along with a report on possible policy options for Congress to consider. I urge my colleagues to take the time to learn more about the greenhouse effect, as it will be a major concern for the 101st Congress and succeeding Congresses. In the words of the EPA draft report—"The findings collectively suggest a world that is different from the world that exists today. Global climate change will have significant implications for natural ecosystems; for when, where, and how we farm; for the availability of water to drink and water to run our factories; for how we live in our cities; for the wetlands that spawn our fish; for the beaches we use for recreation; and for all levels of government and industry."

AMBASSADOR HARRY G. BARNES, JR.

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 1988

Mr. SENSENBRENNER. Mr. Speaker, I have known Harry Barnes for several years and he is my friend. After being impressed by my first meeting with him in India during the early eighties, I sought to remain in contact with him and have visited Chile several times in the past few years.

Much of what we have just witnessed in Chile is a direct result of the pressure our Government has exerted through the persistent diplomatic efforts by Ambassador Harry Barnes. Harry would be the first to say the job of bringing stable democracy back to Chile is not yet completed. However, this first major step is a success.

The drive to register Chilean voters is unprecedented and clearly shows their enthusiasm for democracy. As a percentage of voting age citizens, they have, perhaps, more registered voters in Chile than in the United States. And the fact they could unseat President Augusto Pinochet, military dictator for 15 years, in a vote has gone a long way towards restoring Chilean confidence in democracy.

I think Chileans across the political spectrum from center-right to center-left—excluding the Communists and most radical Socialist faction—recognize and appreciate the conditions Harry Barnes helped create. While maintaining relations with the business community and military leaders other than Pinochet, Barnes facilitated the flow of over $1 million to opposition groups to assist their voter registration drive. Barnes' almost daily contacts with the opposition drew the ire of many, but he had a mission and showed great courage in pursuing it. As a result, the United States is better able to deal with both sides in a post-Pinochet order today than at any time in recent years. And since support for Pinochet was a surprising 43 percent—of the vote—much broader popular appeal than many polls had indicated—we will have to deal with both sides.

In summary, I think the appointment of as capable a man as Harry Barnes was nothing short of a triumph for the United States. The political pressure we had tried to apply before Harry Barnes fell on deaf ears. Efforts to stop human rights abuses, liberalize and bring the transition to democracy were frustrated. Harry Barnes' assignment to Chile indicated a decisive change of tactics that worked. He was the world-class Ambassador who could handle a difficult situation that everyone wished.

SHAW COMMUNITY CENTER FOOD COMMITTEE HONORS TOMMY GOSS

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. FAUNTROY. Mr. Speaker, today I would like to call to the attention of my colleagues in the House of Representatives that on Tuesday, November 15, 1988, the Shaw Community Center Food Committee will honor Tommy Goss, a District of Columbia restauranteur for his outstanding community service and unselfish charitable giving.

Mr. Goss is indeed deserving of this appreciation celebration and I am pleased to join with my fellow members of the Shaw Community Center Food Committee in roasting a young man who grew up in the metropolitan Washington area and has returned to serve it with distinction. After graduating from the Bethesda Chevy Chase High School in 1968, Tommy continued his education at the University of Virginia on a football scholarship from 1968-72. In 1975, he earned a masters degree from the Cornell University School of Hotel Administration.

The restaurant business seemed made to order for Tommy Goss and in 1981, he opened the doors to his own restaurant, the Sign Of The Whale in downtown Washington, DC. This business venture has proved quite successful and has also been the site for numerous fundraisers. As an active member of the board of directors of the Bartenders' Ball Foundation, an organization of metropolitan area restaurant owners, Mr. Goss has helped to raise $500,000 for local charities.

During the Christmas holiday season, Tommy dons his red suit and white beard and plays Santa for the children at the St. John's Child Development Center in northwest Washington. He presents gifts to every child and staff member at the Center, which serves autistic and severly retarded children. In addition, he heads the St. John's Building Committee, which raised the funds needed to purchase the Georgetown Day School.

Earlier this year, Tommy spearheaded the National Kidney Foundation's "Organ Donor Awareness" project which enlightened hundreds of restaurant workers as well as patrons to the need for organ donation commitment.

Other organizations which have received assistance from Mr. Goss include: the Georgetown Hospital, the Multiple Sclerosis Society, the Sunshine Foundation, the Muscular Dystrophy Association and the St. Pepper Society.

The Shaw Community Center Food Committee has greatly benefited from Tommy's support of our efforts to provide Thanksgiving food baskets to needy families in the District of Columbia. He has held fundraising events at his restaurant, encouraged his purveyors to donate foodstuffs to the Food Committee and has personally given of his time, energy and resources to make the Thanksgiving Basket project a success each year.

My fellow colleagues, I invite you to join me in expressing appreciation to Tommy Goss in recognition for his many years of distinguished service to our local community and for his support of worthy charitable projects.

LU WARREN: AN APPRECIATION

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mrs. BYRON. Mr. Speaker, last week, a reporter from my district died. True to his nature, most of us were not aware that Lu Warren was suffering from cancer. He was in my office, on an almost daily basis for a decade, right up until the last 3 weeks when he passed away at the age of 75.

Lu Warren was a throw-back to an earlier, and some might say gentler, day of reporter-politician relationships. He was not terribly interested in your personal life. He didn't make an awful lot of noise with his comings and goings. He reported the news in a factual and straight-forward manner, devoid of personal analysis.

Lu Warren spent 33 years covering the Washington scene for a number of newspapers, most recently for one of the principal papers of my congressional district, the Frederick News-Post.

Despite Lu's long and distinguished tenure in Washington, he was one of the most unassuming people that I have met. He would appear daily at my door with a big "Hello, what have you got for me today?" He was a landmark for my days and I enjoyed seeing him, even when I wasn't always thrilled with his output. It was years before I discovered that he was a past president of both the National Press Club and the Gridiron Club.

Lu was held in high esteem by his colleagues. His work was a link for the citizens of Frederick County with their government in Washington. I appreciated his efforts and will miss him, as a reporter and as a friend.

SALUTE TO TOM TRIMBOLI

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. MAVROULES. Mr. Speaker, as the 100th Congress draws to a close, I would like to bring to the attention of my colleagues an outstanding individual who is leaving these hallowed halls. Too often we forget to recognize the achievements of the capable individuals on the staffs we have around us, and Tom Trimboli is one of those persons. He is a man of highest integrity and dedication to the principles of equality of opportunity for all citizens.

For 13 years, Tom has been the champion for our Nation's small businesses. He began his career on Capitol Hill as an intern for the late Honorable Joseph P. Addabbo, while still a law student at Georgetown University.

Upon graduation, he served as general counsel for Mr. Addabbo's Small Business Subcommittee on Minority Business Enterprise. There he gained a reputation as one of Washington's outstanding experts on matters relating to Government procurement.

Under President Carter's administration, Tom served as a district director for the Small Business Administration in Phoenix AZ. In 1982, Tom returned to the House Small Business committee as senior legislative counsel, where he has continued to perform his task with distinction.

Although he has a long list of bills to his credit. Tom is best known for such landmark legislation as Public Law 95-507, which opened the doors to the Federal procurement market for small and small disadvantaged businesses. He is also credited with Public Law 98-577, the Small Business Competition Enhancement Act. In the 99th Congress, he worked with the General Oversight Subcommittee, which I chaired, on the reauthorization of the Small Business Innovation Development Act. More recently, Tom worked closely with my office on a significant reform bill, H.R. 1807, which is the first major reform of the Small Business Administration's Capital Ownership Development, 8(a), program in 10 years.

Small and small disadvantaged businesses across the Nation have greatly benefitted from the expertise and tireless efforts of this public servant. His dedication to the small and small disadvantaged business community has gained for him the admiration and respect of his colleagues and those he has served. It is a privilege to honor him with this brief statement of gratitude on behalf of myself and many others who have worked with him.

The Small Business Committee, the Congress, and the small business community are losing a valuable public servant. But I know that Tom will take with him a wealth of knowledge and experience to his endeavors and will continue to enrich the lives of those around him.

MATTHEW COLANGELO—MAN OF THE YEAR

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. KANJORSKI. Mr. Speaker, on October 9 the Italian-American Association of Luzerne County, PA, paid tribute to Matthew Colangelo, a friend, a good neighbor, and the association's 1988 Man of the Year. Mr. Colangelo is clearly deserving of this honor, for he has served his country and his community well for over 50 years.

After graduating from Hughestown High School in 1938, Matt Colangelo served in the U.S. Army as a staff sergeant and was awarded the Good Conduct Medal as well as the European African Middle Eastern Service Medal with five bronze stars.

After being honorably discharged, he accepted a position as a automotive tradesman instructor at the Dallas Correction Institute in Chase, PA. While there, he became an active member of AFSCME Local 2335, where he negotiated the first contract for trades and labor in the State. Later, he was elected vice president of AFSCME Council 13, and was awarded the Wendy Hawkins Award for his outstanding contributions to the labor movement.

After 10 years of active and valuable service to AFSCME Council 13, Matthew Colangelo decided to become involved in local politics. Since this time, he has served as the chairman of council in Exerter Borough. He is also the State commander of the Veterans of Foreign Wars and a member of the Second Presbyterian Church in Pittston, where he has served as elder.

Mr. Speaker, please join us in extending our congratulations and thanks to a gentleman truly deserving of this recognition. Our community and our Nation are stronger as a result of his unselfish dedication and leadership.

PLUTONIUM AT SEA AND IN SPACE PUTS EARTH AT RISK

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. HOCHBRUECKNER. Mr. Speaker, as a Long Islander, I understand the risks of nuclear power. We have seen the recklessness of those who have claimed to manage nuclear power for our benefit. As a Congressman I have fought for safety at home in New York. Now I am concerned about the safety of little-known programs to transport nuclear materials across the oceans and into space.

With hardly a whisper, the administration has agreed to let Japan begin sea shipments of one of the world's most deadly materials: plutonium. While everyone recognizes the powerful threat carrried by a nuclear weapon, we can only imagine the threat posed by a few terrorists if they gained the means to make a nuclear bomb. While I applaud efforts to control nuclear weapons, I think we must remain vigilant against nuclear terrorism.

On September 20, Congress was put in a bind. As Congress was working to adjourn, the State Department gave us 15 days to review an agreement in which it had granted Japan 30 years advance approval for shipping tons and tons of plutonium—weapons grade material—from Europe to Japan. Along with a bipartisan group of concerned colleagues in the House, I introduced legislation to give Congress 90 days to examine this policy. We fought the good fight, but we never stood a chance.

We in Long Island know the difficulty of trying to ensure safety in the case of a nuclear power accident. We know the frustration and fear of being held hostage to a $5.3 billion nuclear-fiscal disaster called Shoreham. We also know that Federal administration decisions can be made that are not in the best interest of citizens and safety.

While the decision to allow sea shipments of plutonium was dropped on Congress as a "done deal," we now have the opportunity to monitor another nuclear venture. I prefer to stop bad decisions before they are made. For example, I believe the United States should get tough and negotiate a ban on all nuclear power sources in Earth orbit with the Soviet Union. Congressman BROWN has introduced an excellent bill, H.R. 5279, to do this.

Both countries have used nuclear power in space. Between 10 and 20 percent of these missions have experienced some kind of failure or accident, according to the Federation of American Scientists. Best known of these accidents is the 1978 reentry of the Soviet *Cosmos 954*, which fell from space and spread radioactive debris over more than 38,600 square miles of northwest Canada. It is a miracle that the accident occurred in a sparsely populated area, rather than a major metropolitan center.

Since 1977 the United States has not launched any new systems that use nuclear materials. The Soviets, on the other hand, continually use nuclear power and nuclear reactors for their satellites. And while the United States terminated its space reactor program in 1973, it has resumed development of new nuclear reactors in the last few years and plans to deploy systems using nuclear materials.

A ban on nuclear materials in Earth orbit would reduce the threat of a mishap, especially involving Soviet satellites, more of which are dependent on nuclear power than United States satellites. Such a ban need not prohibit the use of materials for deep space missions far away from the Earth's atmosphere. Before embarking on its own space nuclear reactor program, the United States should limit the risks of an accident on the launch pad or a reentry of nuclear materials into the atmosphere by agreeing to a mutual ban. Other energy sources are available to NASA for its missions. Many U.S. satellites rely on the abundant solar energy in Earth orbit.

Safety is my primary concern. I believe we can explore the heavens and preserve our security without risking plutonium contamination. While there is time to negotiate with the Soviets on space policy, I fear that it may be too late to prevent the Japanese from beginning risky shipments of plutonium by sea. In July, Japan received consent from the United States to allow it to expand its use of nuclear power and to ship refined plutonium by air from Europe. Congress insisted, however, that tests of crash-proof casks be carried out prior to any air shipments. Faced with these restrictions, Japan requested permission to make sea shipments.

While I believe the State Department negotiated in good faith, Congress deserves more time to consider an accord of this breadth and duration. In March the Department of Defense [DOD] analyzed the security of moving tons of plutonium by sea. It worried about a terrorist attack: "Even if the most careful precautions are observed," the report states, "no one could guarantee the safety of the cargo from a security incident, such as an attack on the vessel by small, fast craft, especially if armed with modern antiship missiles."

Furthermore, ships are slow and highly vulnerable. "Sea shipment is slow, with the total transit time between 35 and 75 days," DOD asserts, and "the vessel is accessible and vulnerable throughout the voyage, particularly when the vessel is passing through channels, straits, and other restricted waterways ("choke points"),. or when it is near the coast."

The DOD clearly states that ensuring the security of separated plutonium in transit is "of fundamental importance." I agree. United States taxpayers could end up paying millions to support Japan's plan to acquire as much as 45 tons of plutonium by the year 2000. By contrast, the total U.S. nuclear arsenal contains approximately 100 tons of plutonium. While Japan intends to use thjis material as reactor fuel, a terrorist could view each shipment as a cache which could help produce dozens of nuclear bombs.

We cannot afford to provide Japan with a 30-year advance approval of sea shipments of plutonium without thorough answers to these security and cost concerns. In addition, neither an environmental impact statement nor an environmental assessment has been prepared, as required by the National Environmental Policy Act.

Preventing the proliferation of nuclear materials is not a partisan issue. Guaranteeing the security and safety of weapons grade plutonium concerns everybody worldwide. While our attempt to increase the congressional review period of this agreement has not been approved, I believe it sets the stage for looking at the sea shipments of plutonium in the next session of Congress.

VALLEY ORTHOPAEDIC CLINIC IN CALEXICO, CA

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. HUNTER. Mr. Speaker, in 1962 Dr. Robert B. Nichols, a Los Angeles orthopedist, and Mr. Wayne J. Van De Graaff, a former INS officer, noticed that their makeshift clinic in the local immigration office was vastly overworked. The two men had obviously discovered a great need in this small border town. Together they founded the Valley Orthopaedic Clinic in Calexico, CA.

To date, the Valley Orthopaedic Clinic has provided free care for over 50,000 children. The doctors use modern techniques and their vast knowledge to battle crippling injuries and diseases, some of which are virtually unknown in the United States. They have worked what would appear to many to be miracles. There are endless stories of the Valley Orthopaedic Clinic giving hope to the hopeless.

One day, a boy arrived at the clinic with his grandmother. He had been stricken with polio and could only crawl around on his belly. People in his village laughed at him and called him "the snake." He never spoke; his grandmother thought he was deaf and dumb. Dr. Nichols operated on the boy who then learned to walk with braces; he began to talk too. Today, he is a businessman and has two healthy children.

The Valley Orthopaedic Clinic survives entirely on voluntarism. Everyone working in the office is a volunteer. Former patients cook meals for the doctors and patients, doctors donate their time and expertise, doctors and patients are flown between Calexico and southern California hospitals by private pilots who donate their planes, fuel, and services.

California hospitals donate bed space for children who need additional care beyond what the clinic can offer. Ambulances, buses, x-ray machines, artificial limbs, braces, and even the clinic building have been donated.

Mr. Speaker, everyone involved with the Valley Orthopaedic Clinic deserves our heartfelt thanks. Their selfless concern for the border children is a shining example of the spirit of enterprise and brotherhood upon which America was founded.

S. 2148, THE MARK O. HATFIELD WILD AND SCENIC RIVERS ACT OF 1988

HON. JOHN MILLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. MILLER of Washington. Mr. Speaker, last week the House passed S. 2148, the Mark O. Hatfield Wild and Scenic Rivers Act of 1988.

As a resident of Washington State and as a river rafting enthusiast, I want to congratulate my colleagues from Oregon for developing this fine bill. S. 2148 will protect 40 critical and outstanding rivers in the State of Oregon. The bill also designates seven other river segments for study. It is a good bill and should be signed into law by the President.

Mr. Speaker, over 20 years ago, I helped write the first wild and scenic rivers bill for Washington State along with other landmark laws like our State's shoreline management initiative and forest planning laws. We have made great progress since then, but still have a long way to go. Washington State has yet to have a major rivers bill. It is my hope that next term, we can develop a similar proposal which will preserve and protect many of our rivers.

For the past several years, the Forest Service has been studying the national forests in the Pacific Northwest. S. 2148 was based, in part, on the forest planning process in Oregon. We in Washington are near completing a similar planning process. To date, the Forest Service has recommended including over 20 rivers in the State of Washington. Additional rivers are likely to be added by the Forest Service. Still other rivers are of special significance such as the Pratt River. This river is within an hour-long drive from Seattle. Its steep hills and lush forests, its habitat for elk and trout make it an excellent option for inclusion in such a bill. This year, I introduced a bill to designate the Pratt River a wild river. Next year, I hope to see that bill become law.

Mr. Speaker, we should recognize that the Wild and Scenic Rivers Act provides a wide range of benefits from scenery to fisheries habitat. In the Pacific Northwest, this means habitat for our marvelous salmon and steelhead runs. The act can also save habitat for wildlife like elk, deer, or bears. The trees serve as a sanctuary for birds like the spotted owl. A wild and scenic river can, at the same time, provide recreation as a quiet place to hike or camp as well as rivers for rafting or swimming. When we designate a river wild or scenic, we don't lock it up, we keep it flowing for public enjoyment.

Mr. Speaker, once habitat or scenery has been lost, it may take decades to replace it. Laws like the Wild and Scenic Rivers Act are important in preserving our natural heritage for future generations to enjoy.

THE 50TH ANNIVERSARY OF THE COOPERATIVE OCCUPATIONAL EDUCATION PROGRAM AT RITENOUR HIGH SCHOOL

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BUECHNER. Mr. Speaker, I rise today to bring to the attention of the American people the 50th anniversary of the Cooperative Occupational Education [C.O.E.] Program at Ritenour High School—a school that I am proud to have located in my district, Missouri's second.

In this day and age, education is frequently the easy target for those in search of a scapegoat upon whom we may lay the problems of our Nation and, more particularly, its youth. Our schools are criticized for failing to give our young people the opportunities and experience that will prepare them for the real world. Some of that is rhetoric, some of it is sadly the truth. However, I submit that if our educational system is increasingly a sky devoid of lights, then the C.O.E. Program at Ritenour is a star that continues to shine ever more brightly.

Since 1938, this program has given students an advantage when competing in the job market. With the guidance of concerned administrators and faculty, and the participation of the business community, cooperative education gives the young people of Ritenour the opportunity to integrate their classroom experience with on-the-job-training. In much the same way that our forefathers learned an occupation or trade, these young people go out into the world of work and acquire the skills, experience, and insight to make themselves productive members of their community.

Missouri is one of the leading States participating in this program, and Ritenour is justifiably proud of having one of the oldest programs in the Nation. With nearly 200 students enrolled this year, it is also the largest cooperative education program in Missouri. The C.O.E. Program at Ritenour High School numbers as alumni successful individuals in every occupation and walk of life. This is no accident, but rather a direct result of having been involved in this program. Prospective participants, both students and employers, are held to high standards. Plainly presented yet eloquent in their simplicity, the C.O.E. guidelines state a belief in the dignity of work: education, fair play, satisfaction by good work, and the commitment to high moral and spiritual standards. These are the values that made America great, and which we should be teaching in every school in this country.

To the administration, faculty, and students of Ritenour High School I join the many well wishers of my district and of America in extending congratulations and best wishes for continued success. You have our admiration and appreciation for helping to prepare for the future of our Nation by giving our young people the opportunities and assistance they need today.

THE WORKING POOR

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. PETRI. Mr. Speaker, to supplement related material submitted yesterday, I would like to insert in the RECORD further national press articles on helping the working poor with earned income tax credit reform, including an outstanding article by Julie Kosterlitz and Jonathan Rauch from the National Journal of June 18 of this year, a May 29 column by David Broder that favorably mentions my initiative in this area, and a brief treatment from the Forbes magazine issue of June 27.

[From the National Journal, June 18, 1988]

WORKING, BUT STILL POOR

(By Julie Kosterlitz and Jonathan Rauch)

Mary Louise Williams well remembers what happened the first time she tried to get off welfare. "When I came off on $3.35 an hour, I came out worse than when I'd been on welfare," she said. "Once you come off and go into the work force, you lose all the social services and benefits"—help with food, housing and health care. "All those necessities that were taken care of, you have to take care of yourself." She went back on welfare, seeking more job training to be able to better support herself.

Today, as founder and executive director of a self-help center for welfare mothers in her hometown of Zebulon, N.C., Williams is off welfare, but she sees her story repeated with depressing regularity by her clients. The problem is not that they don't want to work, she said. In fact, many still work at the minimum wage—"because it's better than being harassed by the welfare system." When you have children, though, the going on the minimum wage gets pretty rough.

"I could have made it myself, but it's difficult to make it without welfare if you have children," said Williams, a mother of four. "You don't have health insurance, no dental care; I couldn't take my kids to the clinic. It was always another dollar here, another dollar there."

William's experience is part of a strong current that has moved the poverty debate beyond welfare to the plight of those who work but are still poor:

In 1986, there were more than a million Americans supporting families on full-time year-round jobs that did not raise them out of poverty.

Fully half of the country's seven million heads of poor households worked at least part-time in 1986.

The ranks of the working poor may not be huge, but they have been higher in the 1980s than they were in the previous decade, and their condition is rising to the surface of public consciousness. Presidential candidate Jesse Jackson says in his hymn to the working poor: "They take the early bus. They work every day. They care for other people's babies, and they can't watch their own. They cook other people's food and carry leftovers home. They work every day."

"There's broad agreement between liberals and conservatives that . . . society should be helping" the working poor, said S. Anna Kondratas, a former Heritage Foundation fellow who is director of the Agriculture Department's Food and Nutrition Service, which runs the food stamp program. And Gary Burtless, a senior fellow at the Brookings Institution, said, "It doesn't seem very consistent with American values that we have people working full-time, year-round, and they can't earn enough to get out of poverty."

That agreement flows partly from the resent outburst of interest in welfare reform, and in particular the broadening acceptance of the idea that welfare mothers should be encouraged to work.

"What happens where you move welfare mothers into jobs and they're still poor?" asked Isabel V. Sawhill, a senior fellow at the Urban Institute. "There is a significant number of people who work full-time but who, because they earn low wages, remain poor," she said. "The public is more willing to help them now, because the public is saying, 'Those guys are trying.'"

For just that reason, the working poor are among the easiest poor people to help—at least by comparison with the hard-core unemployed, the urban underclass and many of the homeless. "The working poor are the group for whom solutions tend to be in the form of providing more assistance because we're not concerned about their behavior," said Sheldon H. Danziger, the director of the Institute for Poverty Studies at the University of Wisconsin (Madison).

Indeed, some worry that focusing on the working poor may draw attention away from the task of confronting more-intractable poverty. "The liberals are leaping over the tough problem to get to the easy one," Lawrence M. Mead, a political scientist at New York University, said. "This is the king of group that liberals like to discover."

Maybe. But the existence of a large group of people who work but don't escape poverty tugs in Americans' conscience. Some see their predicament as undermining the very premise of capitalist values. And against a backdrop of renewed prosperity, Danzinger said, concern is reemerging about poverty in general and the plight of the working poor in particular. "The economy is doing fine, but we have a situation that doesn't fit well with America's image of itself," he said.

How best to provide assistance to the working poor has proved to be controversial. The issue has come center stage in recent months because of a raging political fight over the minimum wage.

Locked in a $3.35 an hour since 1981, the minimum wage no longer raises a worker with dependents out of poverty. Even with a 40-hours-a-week, 52-weeks-a-year job, a person making the minimum wage earns only $6,968, which is $431 below the poverty line for a family head with one dependent—and about $4,644 below the line for a family of four.

Ever since the Democrats recaptured the Senate in 1986, organized labor and its allies have vowed to raise the wage floor, citing the condition of the working poor as a major reason. The battle—with business, as usual, fighting tooth and nail against an increase—is in full cry.

This year, however, the minimum-wage fight and the sense that something should be done for poor people who work have combined in a way that may be undermining the case of the minimum wage itself. "The vast majority of those who would benefit directly [from a minimum-wage increase] . . . would not be among the working poor or near-poor," Robert D. Reichauer, a senior fellow at the Brookings Institution, wrote in a recent article published by the Center for National Policy, a liberal Washington forum on social issues. An increase in the minimum wage raises the prospect of an unattractive trade-off—some poor people would be helped at the expense of others. An alternative approach is gaining adherents from across the political spectrum: the wage subsidy.

A particular favorite is the notion of expanding the existing earned-income tax credit, which provides that taxpayers with dependent children get a credit for the first few thousand dollars of earned income to help offset their tax bill. (If the credit is larger than the taxes owed, the taxpayer gets a cash refund.) The credit is phased out for those with higher incomes. Expanding the credit and adjusting it for family size would directly target money to those in need, advocates say while avoiding the bureaucracy and stigma associated with welfare, on the one hand, and the economic side effects of a major increase in the minimum wage, on the other.

An experts' consensus doesn't guarantee political success. A proposal by Rep. Thomas E. Petri, R-Wis., a member of the Education and Labor Committee, to expand the earned-income tax credit and slightly increase the minimum wage has attracted supporters in both parties and interest from business, liberal groups and some Reagan Administration officials. But it faces a series of obstacles—not least, the $1.5 billion first-year price tag. Nevertheless, the increased interest in the working poor and in the tax credit could signal the opening of another front in a post-Reagan war on poverty.

TODAY'S POOR

How many working poor are out there? Who are they? The answer to the first question is not a lot, but enough to be concerned about, and more than in the 1970s. The answer to the second is tougher because it depends on your definition of part-time workers.

"In 1985," Sar A. Levitan and Isaac Shapiro write in *Working but Poor: America's Contradiction* (The Johns Hopkins University Press, 1987), "two million adults—50 percent more than in 1978—worked full-time throughout the year, yet they and their families remained in poverty. Another 7.1 million poor worked either in full-time jobs for part of the year or in part-time jobs. . . . In 1985, almost 1 out of 10 workers employed full-time, year-round did not earn enough to raise a family of three above the poverty threshold."

Most of the poor who work, as these figures indicate, are part-timers. This raises the question of whether the poor who work part-time do so because they want to or because they have to—and the evidence on this is hard to read. Moreover, a lot of part-timers are teenagers rather than family heads. And so some scholars, such as New York University's Mead, is less than alarmed by part-timers in poverty. "The episodic nature of the work is in the worker and not the job," Mead said.

Full-timers present a clearer picture. "In the United States," Levitan, an economist at George Washington University, said in an interview, "a full-time job by and large raises people out of poverty." But not always. According to Census Bureau data, full-time and year-round, but whose families were nonetheless in poverty, was about 1.2 million in 1986. That was about 1 of every 50 family heads of working age, and almost 1 of every 6 heads of poor families.

The numbers indicate that the proportion of the poor who work has stayed pretty stable over time. But the number of full-time working poor was somewhat higher in 1986 than in the business-cycle peak year of 1973 and was sharply higher than in the peak year of 1979—even though the 1.2 million working-poor family heads in 1986 made up a small fraction of the 110 million people in the work force.

What's going on? First and foremost unemployment in the 1980s has been well above the postwar average, hitting low-wage, low-skill workers, who don't have much economic leverage, particularly hard. "Clearly, it's very cyclical," Sawhill said. "Any time the unemployment rate goes up, you're going to find an increasing number of the poor being working poor." That raises an important qualification: Since early 1986—the last year for which figures on the working poor are available from the Census Bureau—civilian unemployment has fallen from slightly more than 7 percent to 5.6 percent in May, Reischauer said, "If we have '87 numbers, the fraction of people working full-time but earning low hourly wages would have declined substantially."

That is reassuring, as far as it goes, but it begs another question: Why have unemployment and the number of working poor been so high throughout most of what is now the longest peacetime economic recovery on record? Burtless of Brookings said: "This has nothing to do with Nixon, it has nothing to do with Carter, it has nothing to do with Reagan—it has nothing to do with policy made in Washington. A lot of things have been going on.

To begin with, there was the snail's pace growth in productivity since 1973, which has been reflected in near stagnant pay and benefits for workers, after inflation is taken into account. When over-all wages and benefits aren't growing, wages at the bottom end of the economy tend not to grow, either.

Along with disappointing productivity growth came the demographic changes wrought by the baby boom and immigration. Marvin H. Kosters, a labor economist at the American Enterprise Institute for Public Policy Research, said, "We have been through a period recently when we had an enormous increase in new entrants" into the labor force. "We made big investments in their informal, on-the-job training" that "doesn't show up in any account."

Instead, that entry-level training shows up in the form of lower wages for young workers, particularly men. Since 1973, wages for workers 35 years old or younger have declined in real terms, while wages for their older counterparts have increased. The wage decline has been sharpest for young men with the least education; for men 34 or younger with high school degrees or less, the average real income has dropped 26 percent from 1972–85, according to Burtless's calculations. In effect, young, less-educated workers have paid the bill for what it cost to absorb them into the economy. This means lower wages for young people starting families—and more working poor.

On top of all that, low-income workers were hit with a one-two cyclical punch. According to Levitan, wages for the poor never kept up with inflation during the late 1970s; when inflation went down, unemployment soared in the 1981-82 recession and remained unusually high through 1986. Meanwhile, the federal government was slapping the poor with rising taxes. Beginning in the late 1970s and lasting through 1986, Congress let poor people's tax burden steadily rise. In 1978, a poor family of four paid 4 percent of its income in federal income and payroll taxes; by 1986, the same kind of family was paying more than 10 percent. According to the House Ways and Means Committee, higher federal taxes accounted for 14 per cent of the increase in the number of poor people from 1979-86.

The tax problem, at least, has been mostly fixed: The 1986 tax reform bill—thanks in part to a hefty expansion of the earned income tax credit—took about six million poor people off the income tax rolls. That will help the working poor a lot, everybody agrees. Still, it is unlikely to bring all workers out of poverty. The same goes for the recent decline in unemployment. Anyway, suppose unemployment goes back up—as, eventually, it inevitably will: Should more working people be allowed to slip back into poverty?

STUCK ON WELFARE

Besides raising questions of fairness, the presence of the working poor may put a damper on the country's ability to reduce dependency on welfare. The smaller the difference between wages and welfare, the slimmer the incentive to get off welfare and go to work—and today, the minimum wage is too low to support more than one person above the poverty line. In some states, therefore, the poor are still better off on welfare than working.

In Oregon, for example, where welfare eligibility ends for anyone working full-time at the minimum wage, the problem is evident. "It creates what we call the revolving-door syndrome," said Dana C. Roberts, deputy administrator of adult and family services in the state's Human Resources Department. Welfare recipients go "into minimum-wage jobs and then come back" onto the welfare rolls, Roberts said. Of 15,000 people the state places in minimum-wage jobs each year, about half return to welfare within a year. Within two years, nearly 75 per cent are back.

Living on a minimum-wage job is especially rough for those with children. Welfare benefits are adjusted to take family size into account; wages are not. "As family size gets larger, . . . the benefits of work fall further and further," said Robert Greenstein, the director of the Center on Budget and Policy Priorities, a Washington-based group that studies and lobbies on poverty issues.

Legislators supporting the current movement to overhaul welfare are well aware of these problems. Current reform legislation aims to ease the transition from welfare to work. A provision in the House-passed welfare reform bill would largely restore the pre-Reagan earnings allowance rules that let some of the working poor stay on welfare, for example. And the House has approved a temporary extension of welfare recipients' support services, such as medicaid and child care, to people who manage to work their way off the rolls.

Neither provision, however, would go very far toward solving the problems of the working poor. "What welfare reform can do is take nonworking recipients and turn them into the working poor," Danziger said. "But nobody believes that welfare reform is going to take someone now outside the labor force and transform them so they get jobs paying $12,000 a year."

Moreover, few are enamored of going back to the days when welfare programs reached a greater share of the working poor. Welfare recipients used to be allowed to stay on the rolls even with a fair amount of earnings; but a rule change pushed by the Reagan Administration in 1981 sharply restricted that allowance, taking more than 400,000 working poor families out of aid to families with dependent children, which is the major cash welfare program. Most experts would much prefer to support the work efforts of the poor without requiring them to be on welfare.

Doing that would require raising poor workers' wages—which is, finally, the bottom line for doing something for the working poor. To raise poor workers' wages, somebody must pay. The debate now centers on who and how.

WHO WORKED, WHO DIDN'T

	Number (millions)			Percentage of total [1]		
	1973	1979	1986	1973	1979	1986
Total heads of poor families	4,812	2,568	6,991	100	100	100
Family head worked	2,482	1,021	3,500	52	40	50
(Full-time, year-round)	(879)	(164)	(1,167)	(18)	(6)	(17)
(Part-time or part-year)	(1,603)	(857)	(2,333)	(33)	(33)	(33)
Family head did not work	2,330	1,547	3,491	48	60	50

[1] Some percentages do not add up to totals because of rounding.

Source: Census Bureau.

If the idea is to pay low-wage workers more, there are two obvious candidates to foot the bill. One is employers, who could pay through a higher minimum wage. The other is taxpayers, who could pay through government subsidies. Traditionally, the United States has used the higher-wage approach, which is enthusiastically supported by the public. But among opinion leaders and economists, the tide may be shifting.

Just what happens when the minimum wage is raised is a matter of much dispute among academics as well as politicians. At one extreme, some liberals have maintained that the increase is, basically, free—if anyone pays for a higher entry-level wage, it's fat-cat bosses, who can afford it. Some conservatives say that the cost is overwhelming—that the increase in wages is more than offset by a loss of jobs. The evidence seems to indicate that the truth lies somewhere in between.

When the minimum wage goes up, it gets more expensive to hire a low-wage worker. Those who do get (or keep) low-wage jobs are paid more. But most economists agree that at least some people who would otherwise have gotten low-wage jobs won't get them. Burtless said, "On the whole, if you raise the minimum wage, it will raise the earnings of low-wage workers more than it will decrease their earnings due to job losses." Among youths, the job losses tend to outweigh the wage gains, he said; for adults, it's the other way around.

In short, when the minimum wage goes up, some workers win with higher wages and others lose with unemployment. Most studies show that in dollar terms, more low-wage workers win than lose—but nonetheless, some lose. In that case, the effect is to reduce the number of working poor while increasing the number of nonworking poor. Conservatives denounce this trade-off as unacceptable. Why should any poor people pay with their jobs so that others can earn more? John F. Cogan, an economist at Stanford University's Hoover Institution on War, Revolution and Peace and a former assistant Labor secretary in the Reagan Administration, said, "if one was interested in an antipoverty policy, the worst one is to raise the minimum wage."

Liberal economists are not so comfortable with this trade-off, either. "Faced with higher cost for labor, some employers will cut back their work force or reduce hours," which would hurt those with the fewest marketable skills, Reischauer wrote. "Increasing the minimum wage is no panacea. In fact, it is a rather blunt instrument for improving the living standards of the working poor." Fewer than one in five workers who were paid at or below the minimum wage lived in a poor family in 1985, Reischauer noted. (Many are secondary earners or teenagers in middle-class families.)

This is where the wage subsidy comes in. The current idea is to expand the earned-income tax credit and to change the credit to peg it to family size. The bill would be paid through the progressive income tax—that is, through taxes paid by higher-income people—with little, if any, offsetting loss of low-wage jobs.

WELFARE OR INCENTIVE?

The subsidy idea has attracted an unusually diverse band of adherents—from liberal anaysts such as Greenstein and Reischauer to conservatives such as Kondratas and the Heritage Foundation's Stuart Butler. There are even indications that some Administration officials are attracted to the idea: It was tentatively endorsed by the White House Working Group on the Family in 1986, and Beryl W. Sprinkel, chairman of the President's Council on Economic Advisers, recently called it a better approach than raising the minimum wage.

In theory, a wage subsidy is a form of welfare. But it can be administered (albeit with some difficulty) so that the payments show up in worker's paychecks, not welfare checks—and the payments would come from the Internal Revenue Service (IRS), not the welfare authorities. "It's a much more efficient way of giving [money] to them" Kondratas said. "It does encourage work, and it helps families stay together. . . . It's different from helping them permanently or creating rights to someone else's income."

"Hey, that sounds good," Williams said of the idea of increasing the tax credit. "That would give a person incentive to go out and work." It wouldn't be seen as welfare, "because they earned it," she said. "It's not given to them with people saying, 'Those are my dollars you're living off of.'"

There are administrative and technical headaches—for instance, how to get the credit distributed by employers in weekly paychecks rather than by the IRS in annual tax refunds. But the bigger problem is money: Measures that increase the budget deficit are not particularly popular just now. Thanks to the 1986 Tax Reform Act, which beefed up the earned-income tax credit, the current credit is expected to cost the Treasury $6.2 billion in 1989. A further expansion could easily add several billions more each year.

Moreover, for many liberals the minimum wage is a sacred symbol of the nation's commitment to a fair day's pay for a fair day's work: They are ambivalent about the idea of what is, at bottom, an indirect kind of welfare program for workers. "I don't think it's an appropriate federal role to set up another welfare program because employers refuse to pay" workers an adequate wage, said Robert M. McGlotten, the AFL-CIO's chief lobbyist. The plight of the working poor, he said, "can only be addressed with legislation: a minimum wage and health benefits. . . . If employers aren't willing to give [them, they] ought to be mandated."

Nancy Amidei, an antipoverty activist and columnist, said: "I do think there's something about [raising the minimum wage] that says, 'Your work is valued, and you are valued.' I don't know if workers would feel the same way about the earned-income tax credit."

Education and Labor Committee chairman Augustus F. Hawkins, D-Calif., the chief sponsor of the House minimum-wage bill, is similarly ambivalent. "He doesn't see [increasing the credit] as a substitute for increasing the minimum wage," said John Butler, the committee's press secretary. "There's certainly a feeling that the private sector should bear some of the burden."

Petri's bill, which would combine a rather hefty increase in the tax credit with a compartively small increase in the minimum wage, has attracted support from Austin J. Murphy, D-Pa., chairman of the Education and Labor Subcommittee on Labor Standards, and Rep. Timothy J. Penny, D-Minn. The idea also got a plug from Rep. Buddy MacKay, D-Fla., who is running for an open Senate seat, in a recent Washington Post op-ed piece.

The bill has drawn some tentative interest in the business community, which has launched total war against the effort to raise the minimum wage. Although business groups have yet to formally endorse the Petri bill, some clearly seem to favor it over a large increase in the minimum wage. Business groups have tried to get across the message that the minimum-wage increase would do more to help higher-wage workers (by pushing up over-all wage rates) than the working poor (who by and large are not union members) and would undercut U.S. business's ability to compete internationally. Robert L. Martin, the manager of human resources policy at the U.S. Chamber of Commerce, asked, "Are [unions] really concerned about the working poor, or is this really just a cover for what we think is the real reason—to ratchet up all hourly wages?"

Martin said of raising the earned-income tax credit, "For the first time, we may have a better mechanism for targeting assistance to people everyone wants to help." Indeed, it is hard to find anyone who is against raising the tax credit. The problem is that a lot of conservatives would just as soon do nothing, while a lot of liberals regard the tax credit as a lever to derail the option they prefer, the minimum-wage increase. In fact, the more enthusiastic business gets about the tax credit, the more dubious many unionists are likely to become.

It is reasonable to wonder whether the tax credit idea would be getting any attention this year were it not for the drive to increase the minimum wage. Petri noted that he originally pitched his legislation as an adjunct to welfare reform last fall, but more recently, he has framed many of his arguments for the bill in terms of the minimum wage. "If you're just ordering [employers] to provide a good result and ignoring the economic consequences, that may have been a good way to go in the 1930s, but now it's in disrepute all over the world," he said.

Ever since Democrats began pushing the minimum-wage issue last year, the battle lines have been sharply drawn. The result has been something of a standoff. A proposed $5.05 per hour minimum wage, to be phased in over four years, was approved by the Education and Labor Committee in March. But the Democratic leadership has not yet brought the bill to the House floor, for fear of losing. In the Senate, the Labor and Human Resources Committee has not yet acted.

The tax credit and the minimum wage need not work at cross-purposes. "They do different things," Greenstein said, and using the two in combination could minimize the problems encountered with either used alone. Some increase in the minimum wage, for one thing, would reduce the government spending required to help get the working poor out of poverty.

As a practical matter, however, such a compromise is unlikely this year. Although Petri has offered his bill as an amendment to the minimum-wage legislation, it would likely come under the jurisdiction of the Ways and Means Committee, which has not considered the proposal—a complication that supporters of the wage increase don't need. Also, the Petri bill's cost all but rules out its chances in this session, given the strictures of the two-year-budget agreement struck last year between Congress and the White House.

Still, advocates say the tax credit's chance could come in future years, independent of the fate of the minimum wage. The minimum-wage debate has helped draw the spotlight to the working poor and the wage subsidy idea; but those issues are now a central element of a national debate on wealth and poverty, and they may outlast this year's minimum-wage brouhaha.

The working poor, Petri said, represent "a basic problem we've got to address. In fact, a lull [in the minimum-wage debate] is the best time to do it because then you're not playing defensive ball." The wage subsidy may be on its way.

[From the Washington Post, May 29, 1988]

[By David S. Broder]

How About a Little Glasnost for the House?

From one generation to the next, one-party control continues. Although the ritual of elections is observed, there is almost never competition, so grass-roots accountability is more myth than reality. Bureaucracy grows, but with each passing year output declines, and efficiency decreases. Meantime, those in power systematically shut down opportunities for alternative or dissenting views to be heard and considered.

That sounds like Mikhail Gorbachev's indictment of the entrenched Soviet system as he pushes his policy of internal reform or perestroika.

But it is also the heart of the case that the Republican leadership of the House of Representatives began to make last week against the paralysis of the House in its fourth decade of unbroken Democratic control.

The Republicans are angry with Speaker Jim Wright of Texas and his sometimes heavy-handed parliamentary tactics. They have demanded an Ethics Committee inquiry into his personal financial dealings. And last week they tried to sandbag his personal diplomacy in Nicaragua by sneaking an aid-to-the-contras amendment onto the floor when they thought the speaker might lack the votes to repulse it.

But beyond the gripes about Wright, Minority Leader Bob Michel of Illinois and his principal deputies, Reps. Trent Lott of Mississippi and Dick Cheney of Wyoming, are raising a fundamental challenge to the way the House is operating—or failing to operate—these days. The comparison to the Soviet Union is mine—not theirs. But examine it for a moment, and see what you think.

One-party control? In the past 34 years, we have had seven different presidents and four shifts of party control of the White House. But the House has remained constantly in the hands of the Democrats.

A false facade of free elections? In November of 1986, when 10 of the 34 Senate seats at stake and 14 of the 33 governorships were switching parties, more than 98 percent of the 393 House members seeking reelection were successful. The average swing between the parties has declined from 45 House seats per election in the first four elections of the postwar period to fewer than 20 seats in the past four.

Increasing bureaucracy and declining productivity? In the postwar period, the number of House staff members has increased almost six times, with equally steep gains on committee staffs and in House members' offices. You would think that larger staffs mean higher production, but that is not the case.

The congressional committees are supposed to be the real work centers of Congress where hearings are held, expert testimony is taken, and bills are shaped, But the unchallenged statistics cited by the Republicans show that in the past five Congresses the number of bills reported by House committees dropped almost 40 percent and the annual number of committee hearings fell by more than that. Increasingly, the House is bypassing its committees. In the last Congress, it passed more than 300 bills that had never received committee action.

What about the quality of the House's work? More and more of it is junk legislation. In the 95th Congress, less than 10 percent of the bills passed were "commemorative" resolutions honoring this cause or that. So far in this 100th Congress, almost half the bills passed have dealt with such trivia. Ironically, one of them proclaimed "National Productivity Improvement Week." George Orwell would have loved that one.

Finally, and most serious, what about openness to fresh ideas? Here the Republicans make their most telling point. The past six Congresses have seen almost a fourfold increase in what are called "restrictive rules," limiting the number and type of amendments that may be offered on the floor. So far in the 100th Congress, 44 percent of the bills that have reached the floor have not been open to unrestriced amendment.

This is much more than a technical issue. An example: Rep. Thomas E (Tim) Petri (R-Wis.) is a notably independent, creative legislator. The Harvard Law graduate has been in the House for 10 years and somehow has avoided the sour frustration that corrodes so many others in the permanent minority. He has a proposal to expand the earned-income tax credit to help poor families. It would refund up to $800 of taxes paid by low-income workers who have a child or children to support. Because it efficiently increases the after-tax earnings of low-income families, without adding to the costs for business or requiring new government bureaucracies, it has won widespread praise across the political spectrum.

Petri cannot get a vote on it in the House. Last December, when he tried to offer it as an amendment to the welfare reform bill, the Rules Committee refused to allow it. Now there is substantial doubt whether Petri will be able to get consideration of this idea when the House takes up the minimum-wage bill. That's not just his problem; it's a loss to the country of a very important idea.

How about a little glasnost for the one-party House of Representatives?

[From the Forbes Magazine, June 27, 1988]

A BETTER WAY TO HELP THE LOW-PAID

RAISING THE MINIMUM WAGE HAS HIT A POLITICAL REEF

The proposal to increase the Federal minimum wage from today's $3.35 to $5.05 an hour over the next few years from Senator Ted Kennedy and Representative Augustus Hawkins has hit a political reef.

Surprising as that might seem in an election year, with a Democrat-controlled House and Senate and much arm-twisting by organized labor, there are good reasons it's foundering.

The main reason: Fewer people get the minimum: In 1987, 4.7 million hourly workers were paid the federal minimum, down by over 2 million (more than 30%) since 1982. In that period, 15 million new jobs were created.

ENHANCING EITC, IN CONTRAST, HAS FORMIDABLE APPEAL

The minimum wage issue will be further defused because a better alternative is emerging, one that is both pro-work and pro-family, thus an alternative with formidable sales appeal. That alternative is to enhance the Earned Income Tax Credit.

EITC gives a direct credit to a parent with at least one child at home. At present it is worth $800 in extra take-home pay to someone earning $5,714, phasing down to zero for those earning $17,000 a year.

A bill by Representative Thomas Petri would lift the base income and vary the credit by family size up to a maximum of four children. This will result in a much larger credit, ranging from a maximum of $1,000 to $2,500. Says the Brookings Institution's Robert Reischauer, an EITC proponent: "It makes working more attractive than welfare."

EITC isn't perfect. One problem: Petri's bill favors families but it does nothing for low-paid singles and childless couples. But in these budget-squeezed times, encompassing them would cost too much.

THERE WILL BE SHARP PENCIL WORK ON PETRI'S BILL

The Petri bill is gathering support. Its initial effect on government revenues would be modest—some $1.5 billion a year, since only 15% of minimum-wage earners head households.

Using EITC has another advantage over increasing the minimum wage: It has no direct negative effect on job creation.

Proponents of the EITC alternative would do well to sell its virtues, rather than hit the drawbacks of a minimum wage hike. Clucking over how many jobs would be "lost" by a Kennedy-Hawkins raise, is unconvincing. The annual cost to employers of a rise to $5.05 would be about $20 billion by 1992, but richer states—Connecticut, California and Minnesota, for example—won't be hard hit. They already have tight labor markets and minimum wages that exceed the federal minimum, and yet they have experienced no lower job creation rates.

The greater problem from mandating a higher minimum wage would be to add to costs in weaker states (Mississippi, say, or West Virginia), places that most needed jobs—at any pay rate.

TRIBUTE TO LT. DOMINIC FERRAZZI

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. ATKINS. Mr. Speaker, I rise today to pay tribute to Lt. Dominic Ferrazi who is retiring after 34 years of dedicated service as a police officer in Framingham, MA.

Lieutenant Ferrazzi was initially appointed as a reserve officer in 1954 and was commissioned to regular duty in 1956. After 7 years of hard work and commitment, he was elevated to sergeant and swiftly promoted to lieutenant in 1969. In 1983, he was appointed as the civil defense director for the town Framingham which consists of 61,241 persons and is 18 miles west of Boston. His dedication to the community are well-known both in the department and in the Town of Framingham.

During the course of his career, Lieutenant. Ferrazzi attended numerous courses and programs designed to enhance his performance as a police officer and improve the qualtiy of police service available to the community. In 1975, he graduated from Northeastern University where he earned a B.S. in Law Enforcement; he also attended Command Training School at Babson College and Civil Disobedience School at Fort Gordon in Georgia. Lieutenant. Ferrazzi made many sacrifices to best serve the public as a police officer.

It is with a certain amount of regret that I wish a fond farewell to such an able and respected member of the Framingham Police Department. It is relatively simple to do a job in a ordinary manner, but to do it as well as he has during his 34 year career is the mark of a true professional.

I join his wife, Phyllis, his two sons, Louis and Michael and his grandson, Jason, in congratulating him on his well earned retirement. Dominic has had a significant impact on the Framingham community and his presence will be severely missed.

IN HONOR OF MISS MARGARET PITTS

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. RAY. Mr. Speaker, I rise today to honor a constituent of mine, Miss Margaret Adger Pitts, who has worked a lifetime in support of many colleges and churches throughout the South. Her generous support for Andrew College, Young Harris College, Emory University, LaGrange College, and Reinhardt College has been generous and unparalleled.

Under her direction, the W.I.H. and Lula E. Pitts Foundation has granted gifts of almost $8 million to 11 schools and colleges, 36 churches and church-related institutions, and 18 medical, youth, and general charities. Her hard work has made it possible for many young people to receive an education in a caring, Christian environment.

Mr. Speaker, looking over Miss Pitts' life, I am reminded of the words of the Apostle Paul to Timothy, "I have fought a good fight, I have finished my course, I have kept the faith." Miss Pitts can take pride in the fact that she has lived up to this challenge and has served as an example for those around her.

IRENE WILLIAMS CELEBRATES 90TH BIRTHDAY

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. LEVIN of Michigan. Mr. Speaker, one of my constituents from Wayne County, MI, will shortly be celebrating a very special birthday.

On election day, Irene Williams will turn 90 and the timing could not be more appropriate, because this outstanding woman has devoted her adult life to the service of her fellow Americans.

Mrs. Williams has been involved with Government and the Democratic Party for more than 50 years. Her role in the party began in the 1930's, when district meetings were held in her home.

Her daughter Kay Beard, who is now a Wayne County commissioner, recalls those days when Michigan political leaders were frequent visitors to the Williams home. Both Mrs. Williams and Mrs. Beard remember Frank Murphy, who would go on to become mayor of Detroit, Governor of Michigan, and a Justice of the U.S. Supreme Court.

Mrs. Williams has been involved with the Inkster Democratic Club, and with Democratic organizations in both the 15th and 17th Congressional Districts.

An employee of Annis Furs for 39 years, Mrs. Williams remains active in public life. She still serves on the Inkster Zoning Board of Appeals, a position she has held for the past 10 years.

Born November 8, 1898, in Canada, she was brought by her parents to the United States while still an infant. She was the youngest of four children, and is the only survivor.

Mrs. Williams has eight grandchildren and six great grandchildren. I salute her and wish her the very best on this special birthday.

TRIBUTE TO CALIFORNIA'S FIREFIGHTERS

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. LEHMAN of California. Mr. Speaker, we recently witnessed the second year in a row in which fires raged in the West and destroyed countless number of acres of public and private land. In the mountain county of Calaveras, CA alone, 778 fires left an estimated $7 million in losses.

Were it not for the dedication and commitment of over 2,000 local and State firefighters, the losses imposed on timber, property, watershed, and recreation would have been far greater. An heroic effort to battle the Calaveras County blazes was mounted by almost 1,300 California Department of Forestry firefighters from throughout the State, 250 local Calaveras Volunteer Firefighters, and 500 additional individuals who contributed to the effort. Their successful firefighting efforts prevented an estimated $10 million in potential losses to Calaveras County.

In the midst of blazing fires and tangible losses, the valiant efforts and risks taken by those fighting to control the fires and prevent further losses may go unrecognized.

It is, therefore, appropriate, now that the fires have been brought under control, that we pay honor and tribute to those firefighters who contributed to the firefighting efforts during the fire season of 1988. Particularly, I extend a personal tribute and thanks to the firefighters of the California Department of Forestry, the Calaveras Volunteers Firefighters, and the many others who contributed to the firefighting effort in Calaveras County this year. I am proud to represent and to honor these brave men and women.

TRIBUTE TO REV. DR. FRANK B. MITCHELL, JR.

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. GRAY of Pennsylvania. Mr. Speaker, it is with great pride that I rise today to pay tribute to Rev. Dr. Frank B. Mitchell, Jr., a devoted pastor and outstanding citizen who recently celebrated his 38th anniversary at Pinn Memorial Baptist Church in Philadelphia. Over the years, Reverend Mitchell's outstanding contributions to the ministry, the advancement of the rights of the underrepresented, the enhancement of neighborhoods, and the motivation of youth has made him a fine example of character and dedication for all of us.

Reverend Mitchell has displayed the noblest qualities of selfless dedication throughout his years in the ministry. Helping to initiate such projects as the Police Athletic League (PAL), the Emergency Food Center, and the Center for Learning in the City, along with countless other programs for youth and literacy, Reverend Mitchell has distinguished himself through his endless devotion and sense of compassion.

Throughout his years of service, Reverend Mitchell has touched the lives and improved the quality of life for many throughout the community. It is therefore my distinct honor and pleasure to ask my colleagues to join me in saluting Reverend Mitchell on the occasion of his 38th anniversary at Pinn Memorial Baptist Church. The city of Philadelphia has been ennobled by the compassionate work of this outstanding individual.

TRIBUTE TO TOM TRIMBOLI

HON. FLOYD H. FLAKE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. FLAKE. Mr. Speaker, I rise today to pay tribute to Tom Trimboli, legislative counsel for the House Committee on Small Business. During his tenure with the Small Business Committee, Tom's commitment and dedication to crafting legislation that would enhance the Capitol Ownership Development Program (8(a)) have been unparalleled. Tom has always been there to assist me as a freshman Member of Congress in better understanding small business issues.

When the 101st Congress convenes in January 1989, Tom will not be joining us. While I understand that this is a career move, I regret that the Members of the House Committee on Small Business will not have the benefit of his service, wisdom and expertise. He will truly be missed by everyone, especially by that segment of the small business community he sought to help. It is because of Tom's untiring efforts that the 8(a) program has been enhanced.

I am certain that Tom Trimboli will be successful in any endeavor he pursues because of his competence, intelligence and sense of commitment. I applaud Tom for the outstanding job he has done as legislative counsel for the House Committee on Small Business and wish him well in all of his future endeavors.

VETERANS FAVOR BUSH

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. SOLOMON. Mr. Speaker, as a ranking member of the House Veterans' Affairs Committee, I take strong exception to an October 17 Washington Post article entitled "On Vets Issues, Group Sends Quayle to Stockade." The story attempted to lend credibility to attacks on DAN QUALYLE'S veterans record by quoting a Vietnam Veterans of America spokesman. Michael Dukakis and the Washington Post are truly grasping at straws.

A national veterans organization with 20 times the number of Vietnam vets in their membership than VVA has a different and more objective perspective of the Quayle record. As reported in the October 17, *Time* article entitled "Watch My Lips, Not My Voting Record," the Veterans of Foreign Wars, with over 600,000 Vietnam vets and a total membership of 2.1 million, gave the two Senators precisely the same rating in 1988—74 percent favorable.

In 1986 and 1987, DAN QUAYLE received a higher VFW rating than LLOYD BENTSEN. If Senator QUAYLE has "one of the worst voting records on veterans issues," as the Senator from Texas claimed in their recent debate, where does that leave him?

For the reasons outlined above and because of the stark differences on defense, foreign policy, and veterans issues between Michael Dukakis and LLOYD BENTSEN, the VFW Political Action Committee has endorsed the Bush-Quayle ticket, and so should every one of America's 27 million veterans, their families and their dependents.

RURAL SMALL BUSINESS PROCUREMENT

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. COLEMAN of Missouri. Mr. Speaker, last year I and more than 50 Members of the House of Representatives introduced 4 bills, collectively called the rural development initiative, to promote the process of rural development in America's rural communities. In presenting these bills, we recognized that traditional agricultural programs alone are not sufficient to address the problems of rural areas, and that we must take new approaches if we are to rebuild our Nation's smaller communities.

During Floor consideration of H.R. 4174, the Small Business Administration Reauthorization and Amendment Act, the House of Representatives accepted an amendment I offered incorporating the text of H.R. 2028 into the bill. I am pleased to inform my colleagues that the House and Senate conferees have embraced this legislation, and have included as part of the conference agreement language that will greatly facilitate the participation by small rural businesses in the Federal procurement and grant-making process.

The language cleared by the negotiators requires the Small Business Administration to identify those Federal agencies having substantial procurement or grant making authority appropriate for participation by rural small businesses. These agencies would then be required to develop plans to encourage small business participation in the procurement process.

Mr. Speaker, the acceptance of this priority by the House and the Senate is a positive step vital to the future well-being of America's rural communities and the millions of rural Americans who call those communities home.

AMBASSADOR HARRY BARNES

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 19, 1988

Mr. GARCIA. Mr. Speaker, it looks as if Ambassador Harry Barnes will indeed end his assignment in Chile and his 38-year diplomatic career this November on a happy note. In a New York Times article on Tuesday, October 4, Harry Barnes indicated that he would leave Chile happier if General Pinochet were to be defeated in the plebiscite. On Wednesday, October 5, Chileans voted "No" to 8 more years of President Pinochet. This marked the first time in 15 years that the diverse political opposition groups actually cooperated and compromised to form the successful "Campaign for the No".

Ambassador Barnes has worked in Chile for 3 years, attempting to promote the United States policy of a rapid return to democracy and respect for human rights. The results of the plebiscite are a positive step in the direction of that policy. Both opposition leaders and Pinochet supporters have indicated that the efforts of Mr. Barnes helped create the relatively free campaign environment and a reasonable assurance of honest proceedings.

Harry Barnes often found himself knocking on closed doors when it came to dealing with Pinochet, but he realized dealing with Pinochet was only part of the U.S. policy. He also criticized the opposition in Chile for not producing a viable alternative to Pinochet, but Mr. Barnes still kept communications open with politicians from the center-right to center-left, as well as members of the business and military communities. In addition, Mr. Barnes had to counter opposition here in the United States which became particularly heated when he attended a funeral for two young demonstrators killed by army troops. He explained that his attendance was required if the United States was to demonstrate concern about human rights.

I would like to join my colleagues in commending Ambassador Harry G. Barnes for his extraordinary efforts in helping Chile take a step toward democracy. This is quite an achievement in what has been an exemplary diplomatic career. Clearly, the United States of America owes a great deal of gratitude to Ambassador Barnes for his many years of service. I would like to again commend the Ambassador for his contribution and wish him well in his future endeavors.

ARIZONA BEST SITE FOR THE SUPERCONDUCTING SUPER COLLIDER

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mrs. VUCANOVICH. Mr. Speaker, the Secretary of Energy will soon designate a preferred site for the superconducting super collider [SSC]. This historic project is a national imperative that will ensure America's scientific preeminence well into the next century.

There are seven States still in contention for the SSC. Of the seven, I believe that the site in Arizona offers the best possible home for the collider.

The site meets or exceeds all of the technical criteria established by the Department of Energy. The superb geology and climate will greatly reduce construction time and cost. Moreover, there is no adverse environmental impact and no opposition within the State. Arizona's quality of life will attract the best scientists from all over the world to participate in this cutting-edge project.

In endorsing the Arizona site, I join the Commission on Economic Development in my State of Nevada. The Commission has recognized the tremendous scientific and economic benefits to Nevada if the SSC is located in Arizona. Indeed, the benefits of this exciting endeavor will extend to the entire Western region of this country.

LT. GEN. LEONARD H. PERROOTS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. STOKES. Mr. Speaker, on behalf of my colleagues on the House Permanent Select Committee on Intelligence, I rise to note the impending retirement of the Director of the Defense Intelligence Agency, Lt. Gen. Leonard H. Perroots, a career intelligence officer who will soon depart after 34 distinguished years with the Air Force.

As Director of the Defense Intelligence Agency, General Perroots has continued efforts at the Agency to improve the quality and increase the effectiveness of DIA analytical products. His personal involvement in briefings to Members of the House of Representatives on such critically important issues as Soviet military force capabilities and developments have also contributed to informed debate on national security issues. The defense intelligence support provided more broadly by DIA to the Intelligence Committee and other committees of the House has grown during his tenure and has reflected objectivity, integrity, and growing expertise.

The Defense Intelligence College, another of General Perroots' responsibilities, has improved and expanded under his leadership, as I observed personally when I addressed the graduating class of the college last year. Further, DIA under General Perroots strong leadership has in the last 3 years redoubled intelligence efforts aimed at resolving any and all questions relating to prisoners of war or missing in action from the war in Vietnam, especially efforts to ensure that no American is being forcibly held in Southeast Asia today. Throughout his work, General Perroots and the DIA have briefed committees of the Congress to ensure that we remained abreast of developments on this issue, which is of such importance to the people of America.

I have more than once commended General Perroots on his cooperation and willingness to testify before the Intelligence Committee, offering the military intelligence perspective on a broad range of issues bearing on U.S. security as well as U.S. and allied interests. He is a recognized military intelligence expert, and the Department of Defense and this country will lose a valuable advisor upon his retirement.

It is, therefore, a privilege and a duty to commend this distinguished officer for his years at DIA, particularly since he understood and sought to assist the Congress in its oversight role. I am certain that whatever path lies ahead for General Perroots, the Nation will benefit from a renewed application of his vigor and experience.

GOOD-BYE AND GOOD LUCK TO OLD FRIENDS

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. SCHULZE. Mr. Speaker, some 40 years ago, Angelo and Lillian Alleva opened a small restaurant in the heart of Berwyn, PA, a town in the Fifth Congressional District. Run by family members and neighbors since that time, Alleva's Coffee Shop has served Berwyn as a classic small town retreat—a place to go for a hot cup of coffee and friendly conversation. As one of many who stopped in from time to time, I will not forget all those enjoyable moments spent sitting at that legendary counter talking with friends over one of those famous sandwiches and the ever-steaming cup of coffee.

Now, after all these years, expenses and operating costs have forced Angelo's son, Lou, and his wife Mary, to put this neighborhood institution up for sale. Still, Lou and Mary are so dedicated to keeping a place open for those who enjoy good company, that they are hoping to sell their shop to someone who will maintain the friendly tradition that has become synonymous with the name Alleva's.

I consider it a privilege to recognize the entire Alleva family's contribution to the Berwyn community. Though they will leave the coffee shop to someone else, they will never leave our fond memories, for they have taken us into their lives, if only for short periods of time. Please join me in honoring the Allevas for preserving the values of family and friendship that are essential to the progress of this country.

LEGISLATION TO ENHANCE THE OPERATIONS OF THE FOOD AND DRUG ADMINISTRATION

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. LIGHTFOOT. Mr. Speaker, the legislation I am introducing today is designed to assist the Food and Drug Administration (FDA) in meeting the growing demands placed on the agency for the prompt, yet thorough, review of drugs, devices, cosmetics, and foods. The legislation among other things seeks to provide the FDA with the tools to recruit distinguished scientists and other health professionals to work for the agency by establishing training grants and a loan repayment program.

This legislation is based in part on some of the June 1988 recommendations of the Presidential Commission on the Human Immunodeficiency Virus Epidemic. For example, to aid in the approval of AIDS-related drugs and diagnostic products, the Commission recommended the development of a plan by which an individual's graduate and medical education loans could be repaid through service with the FDA. In addition, the Commission recommended increasing the pool of qualified individuals to staff FDA's approval process by creating training grants at educational institutions. Furthermore, in an effort to increase pride in the FDA, the Commission recommended the establishment of an annual Presidential award.

The AIDS epidemic has shown the need to ensure that the FDA has a sufficient number of well-qualified, trained individuals to review applications for AIDS-related drugs and diagnostic products, and that efforts to approve AIDS-related drugs expeditiously will not impede the review or approval of drugs for other diseases and health conditions. The legislation I am introducing today addresses this concern by providing FDA with the necessary tools to recruit and retain dedicated and qualified individuals.

First, the bill establishes a Senior Biomedical Scientific Service Corps within the FDA. Members of this Scientific Service Corps could receive compensation at a rate higher than the present government general service schedules. This tool would give FDA the flexibility to reward scientists with higher pay, enticing them to either join FDA's employment ranks or to continue service with the FDA.

The second feature of the bill authorizes training grants for educational institutions so that they can develop programs to be used to train individuals in the field of regulatory review medicine. Under these training grants, individuals interested in regulatory review medicine could receive financial assistance if they agree to work for the FDA for a certain period of time.

Another component of the bill creates the Science Training Loan Repayment Program. The Loan Repayment Program would repay the educational loans of students and graduates who agree to accept employment with the FDA for a period of obligated service. Finally, the bill establishes the Food and Drug Administration Distinguished Services Science Award. This annual award would be given to dedicated scientists employed by the FDA who have creatively and expeditiously approved lifesaving products or who have discovered other ways to protect society from unforeseen health hazards.

This measure should assist FDA in recruiting individuals to work for the agency. With growing public pressure to expedite the approval of life-saving drugs, whether for AIDS, for cancer, or for heart attacks, and with increasingly complex and sophisticated products being developed through biotechnology, the FDA must be equipped with the resources to meet these challenges. One of these critical resources is having well-qualified and dedicated employees, and one way to ensure that is by having the tools to recruit and retain these individuals. My legislation seeks to accomplish that task.

Therefore, I urge my colleagues to review this measure and to join me in enhancing the operations of the FDA. Ultimately, the public will benefit by having safer drugs approved more quickly.

CONSTRUCTION OF US SPRINT'S NETWORK

HON. ALAN WHEAT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. WHEAT. Mr. Speaker, In the summer of 1984 a nationwide telecommunications revolution began as Kansas City-based United Telecommunications, Inc. started construction on what would soon become America's first and only nationwide all-digital, fiber-optic long-distance network.

From that beginning just 4 short years ago completion of the network is at hand.

US Sprint Communications Co., which is headquartered in my district, has informed me that in early November it will make the final splice in its northern transcontinental link. On that day, just outside Helena, MT, US Sprint executives and technicians will fuse the hair-thin glass strands of fiber optics and essentially complete construction of US Sprint's 23,000 mile voice, data and video network.

Construction of US Sprint's network is a story of herioc proportions. Some have compared it to construction of the transcontinental railroad.

During the height of the construction project over 200 crews were digging trenches and burying cable through some of the most hazardous areas of our Nation. The obstacles were immense, yet work continued. Terrain, weather, people, legislation, wildlife—each phase of the network construction project was unique, presenting hurdles every mile.

US Sprint folklore is replete with stories of boring through 75 miles of solid rock in California's Feather River Canyon with a custom-designed machine called "Jaws" while battling a flood and landslides . . . struggling through the swamps of Georgia while stepping over alligators . . . hiring scuba divers to research an endangered species of fresh water mussel while crossing the St. Croix River . . . negotiating right-of-way treaties with Indian tribes ranging from the Senecas in New York to the Morongos in California.

But as the US Sprint construction crews met and overcame these and other challenges, the task at hand was accomplished. Fiber-optic cable was buried and the network began taking shape. In August 1986, 10,000 miles of fiber were in the ground and 5,400 miles were in service and carrying customer traffic. By yearend 1986 the network had grown to 14,200 miles. In April 1987, the network milage stood at more than 16,000 miles and when US Sprint makes the final splice in its third transcontinental link in November, the network will streach over more than 20,000 miles or our Nation's landscape.

Mr. Speaker, telecommunications progress is a key to our Nation's past and future success. Education, business, government and defense are all dependent of the swift and accurate dissemination of information. The financial and human commitment of US Sprint, as well as its two parent companies, United Telecommunication, Inc. and GTE Corporation, deserve to be commended for providing us with the launching pad for an information revolution that will help carry our country into the 21st century.

I ask that my colleagues in the U.S. House of Representatives join with me in congratulating US Sprint on the completion of its network and to applaud its entrepreneurial spirit.

MARCIO DUFFLES IS AN OUTSTANDING BIG BROTHER

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mrs. MORELLA. Mr. Speaker, I rise to pay tribute to Marcio Duffles, a nominee for the Big Brother of the Year Award by the Big Brothers of the National Capital Area. Big Brother is an organization that offers hope and opportunity to approximately 70,000 boys in the greater Washington area who are raised without a father.

Marcio Duffles holds a bachelor of arts degree and a masters degree, both in aerospace engineering, from the University of Maryland and is employed by the Naval Air Systems Command but in his spare time, he works in landscaping to earn extra money for his 12-year old little brother, Eric Ferguson, of Rockville, MD.

Marcio not only spends recreational time with Eric, attending sporting events and movies, but also he has instilled in Eric the importance of education. Every time Marcio and Eric get together, they spend at least a half an hour reading. These sessions have inspired Marcio to develop a reading club for Eric's entire neighborhood. "The Reading Corner" has been a huge success, and for every book that a club member reads and critiques, Marcio offers a small cash award.

Marcio would like to be involved with Eric's upbringing and to continue his commitment to the Big Brothers Organization. He deserves the highest praise and recognition for his efforts to make a positive impact on the lives of children by helping them to prepare to make the fullest contribution to their communities.

CHIEF PHOTOGRAPHER AND PILOT LOST IN HELICOPTER CRASH

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mrs. SCHROEDER. Mr. Speaker, yesterday in Denver a local TV station lost two valuable members of its news team. Chief photographer Brian Hostetler and helicopter pilot Leo Galanis were killed when their aircraft crashed in the Colorado high country on a return flight from a news story.

This should remind us how dangerous the job of news reporting can sometimes be. We should all appreciate the job they do.

I wish to add that Leo Galanis was founder of the National Broadcast Pilots Association, which represents almost all TV stations that use news helicopters. Leo was concerned that news reporting might be hampered by Federal policies prohibiting aircraft from accident or disaster scenes.

But Leo taught that it was the pilots' responsibility to fly safety and to avoid complicating that situation they were covering. I was working with him and Federal officials to reach some middle ground, where the public's right to know and the ability to manage a disaster situation were not hampered.

Leo showed common sense, diplomacy, and a friendly nature in his work. He will be missed by all.

WALTER LASKOWSKI: A MOST DISTINGUISHED INDIVIDUAL

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. TRAXLER. Mr. Speaker, I rise to pay tribute to a most distinguished individual, Walter Laskowski, who held his family close to his heart, and committed his life to serving the working men and women of the Saginaw Valley through his pioneering efforts in organized labor.

I would like to take this opportunity to share with my colleagues some information about Walter Laskowski and his service to the Community of Bay City.

Despite the desperate times and seemingly hopeless circumstances surrounding his working conditions when he first went to work at the Bay City Chevrolet plant in the early 1930's, Walter Laskowski fought for and won a life of dignity for himself and his fellow workers. In 1936 he was earning 40 cents per hour and the women in the plant were making 28 cents per hour. These men and women had no health insurance, no vacation, no benefits of any kind; indeed, they had very little hope. But in March 1937, led by the vision and courage of Walter Laskowski and others in the fledgling union, the first sit-down strike, a 4 hour demonstration of solidarity, was staged which literally paralyzed the Chevy plant. Realizing their strength for the first time, 1,000 people in that plant joined the UAW that day. It was the beginning of the union's fight to raise the quality of life for its members.

"Bullets", as he was best known, had persistence, courage, and a strong desire to change the inhumane conditions he and his fellow workers endured. Courage and ingenuity were evident when he used his native language, Polish, to organize the workers. It was very effective, since 75 percent of the work force in the plant was Polish, and very irritating to the management who knew what he was doing but could not understand him. His persistence led to the establishment of UAW Local 362 which grew from 200 to a powerful union force of over 3,000 by the 1970's.

Because of his dedication he was elected chairman of the bargaining committee in 1939, a post he held until his early retirement in 1971. His organizing efforts throughout Michigan and New York brought him in contact with high ranking union officials, including Ambassador Leonard Woodcock, who was president of the UAW at that time.

Walter and his wife, Eugenia, raised six children, Terry, Alan, Clara, Tom, Walter Jr. (Jack), and Germain. They remember him with honor and respect. His vibrant presence is greatly missed.

His affiliation with the Democratic Party and his Life-long commitment to St. Stanislaus Catholic Church are two more examples of his dedication to the principles by which Walter Laskowski lived.

It is truly fitting that a pavillion was dedicated in his name on Sunday, October 9, 1988. The kind of life he envisioned for his union brothers and sisters will be evident whenever they gather for events in the pavillion.

I proudly join with the members of UAW Local 362 in honoring Walter "Bullets" Laskowski.

COMMENDING AMBASSADOR HARRY BARNES

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 19, 1988

Mr. FASCELL. Mr. Speaker, I am pleased to join our colleagues in honoring the United States Ambassador to Chile, Harry Barnes, for his efforts in behalf of democracy in Chile. I commend the steering committee of the Ad Hoc Group in Support of Democracy, Representatives TED WEISS, BRUCE MORRISON, DOUG BEREUTER, and JOHN MILLER, for initiating this tribute and for the excellent work the ad hoc group has done to promote a return to democracy in Chile.

I have had the privilege of knowing Harry Barnes for many years and have long been an admirer. In his 38-year diplomatic career, which has spanned several continents, Ambassador Barnes has personified the dedication and commitment to American values that characterize the best of the Foreign Service. Nowhere has this commitment been more evident than in his 3-year-long tenure as United States Ambassador to Chile.

His appointment in 1985 signaled a beefing up of administration attempts to influence Chilean dictator Augusto Pinochet. Already a respected senior diplomat, having served as Ambassador to Romania and India and director general of the Foreign Service, Harry Barnes in Chile has been one of the most effective advocates for American policy and an articulate champion of democracy. Ambassador Barnes outspoken emphasis on respect for human rights and an early return to Chile's 150-year-old tradition of democracy earned broad bipartisan support on Capitol Hill and praise from the human rights community both here and in Chile. And, despite Pinochet's and other's efforts to portray him as acting on his own, Barnes' statements and actions on behalf of the U.S. Government have been fully authorized—and supported—at the highest levels of the State Department and the White House.

It is so refreshing to see the American Ambassador in an undemocratic country symbolize to the people of that country the American commitment to freedom and democracy. American support for the restoration of democracy in Chile has been ably and enthusiastically demonstrated by Harry Barnes and his excellent Embassy staff. We can all be proud of the job they have done.

The next 15 months in Chile will be crucial. While the plebiscite last week resulted in a resounding victory for the Chilean people and demonstrated their deep yearning for freedom and democracy, the transition to a civilian, democratically elected government will not be easy. General Pinochet and the armed forces still maintain a firm grip on power in Chile and, under the terms of the 1980 Constitution, can extend that grip into the next decade. Yet, the groundwork for democratic transition has been laid and the opportunity to return Chile to its rightful place in the community of democratic nations is there.

As Ambassador Barnes prepares for his well-deserved retirement later this year, I am pleased to join our colleagues from both sides of the aisle in this special tribute to him and his staff.

TRIBUTE TO WILLIAM SMITH

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BORSKI. Mr. Speaker, I rise today to pay tribute to William Smith, a long-time Democratic activist.

Bill Smith has been a Democratic committeeman in the 33rd ward in Northeast Philadelphia for 35 years. It is this kind of loyalty that has made the Democratic Party a force to be reckoned with in the Northeast for decades.

A life-long resident of Philadelphia, Bill Smith and his wife Agnes have a daughter, three grandchildren, and two great-grandchildren. Bill is also a member of Machinists Local 159.

Over the years, Bill Smith has put in countless hours working for his neighborhood, his party, and his country. I am proud to share the same party affiliation with this man.

I join Bill Stinson, 33d ward leader, and everyone in the 33d ward in paying tribute to Bill Smith's 35 years of hard work and dedication as Democratic committeeman.

IN REMEMBRANCE OF J. CRAWFORD BROOKS

HON. DOUGLAS H. BOSCO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BOSCO. Mr. Speaker, I rise in sorrow to note the passing of J. Crawford Brooks of Santa Rosa, CA, a retired career diplomat, a father, and a close friend of mine. I would like to express my condolences to his wife, Doris, his daughter, Lindsay, and his son, Kearney.

Crawford was one of the most beloved and respected members of my community for many years. Sonoma County was the place where Crawford grew up, and Sonoma County was the place where Crawford returned after a long and distinguished career in government.

During his decades of public service, Crawford left his mark on nearly every continent. As a Foreign Service officer he served in China, Europe, and Latin America, and in various capacities within the executive branch in Washington. He was the American Consul in both Veracruz, Mexico, and Valencia, Spain, and he served in both active and administrative roles during World War II.

In addition to these assignments, Crawford was present at the creation of the United Nation and other charitable international organizations such as UNICEF, for which he also worked diligently. His work in the State Department after World War II helped lay the foundation for the Marshall Plan, which brought economic and political recovery to Western Europe.

After distinguishing himself in international affairs, Crawford set his sights on more local concerns. He returned to his hometown, Santa Rosa, and to his alma mater, Santa Rosa Junior College, as an instructor in international relations. Crawford was an inspiring and superlative educator, and he impressed students and faculty alike with his command of a subject he had learned so exhaustively in the field and in Washington.

Crawford also devoted himself to community and political activities in Sonoma County, and through his various interests Crawford touched and improved the lives of thousands of Redwood Empire residents.

Mr. Speaker, Crawford was a dear friend of mine, and his son, Kearney, and his daughter, Lindsay, are both bright and compassionate young people very much in their father's image. It is fitting for us in this body to pay tribute today to the life, goals, and accomplishments of J. Crawford Brooks, for he has earned the gratitude and admiration of all of us.

His efforts on behalf of peace and our Nation's ideals in the international arena, and in the service of education and understanding on the local level, should inspire those of us who serve the public today. Crawford's life should serve as a model for the many younger Americans who desire to serve their country and their community tomorrow, and he will be deeply missed by those of us who knew him well.

FAIRNESS AND SOUNDNESS IN OUR SOCIAL SECURITY SYSTEM

HON. WAYNE DOWDY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. DOWDY of Mississippi. Mr. Speaker, as the 100th Congress draws to a close, I urge my colleagues to join me in renewing our commitment to the senior citizens of our country.

While we have been successful in passing key legislation to address many concerns of older Americans, much remains to be done.

As a supporter and cosponsor of H.R. 3788, Congressman FORD's bill to correct the Social Security "notch," I have been working along with many of you to secure passage of this important measure.

Our Social Security System must be based on fairness as well as soundness. As you know, enactment of this bill will ensure a fair system of benefits for all of those who have paid into the Social Security System. The bill is strongly supported by the National Committee to Preserve Social Security and Medicare. I hope this measure will be a priority in the next Congress.

Chairman CLAUDE PEPPER'S bill to help the chronically ill receive medical assistance in the comfort of their own homes deserves our attention and support. This bill would help so many families in my homestate of Mississippi and throughout the country by providing home health services, nursing care, and daily living assistance to those in need.

I am pleased that in the 100th Congress, we successfully fought efforts to cut funding for the Older Americans Act. Our multipurpose senior centers in Mississippi serve as community focal points for thousands of our senior citizens. Our local communities benefit from the talent of older workers in productive jobs under the Older Americans Act.

In talking with retirees from Mississippi, I frequently hear concern expressed about cost-of-living adjustments. A few years ago, our Federal retirees and military retirees lost the small yearly increase that had been promised to them. This loss was a direct result of the Gramm-Rudman budget, which I opposed. Cost-of-living adjustments are important to all older Americans—whether they are living on Social Security checks, military retirement, or Federal retirement benefits. These modest increases are very important to those on a fixed income trying to meet their daily living expenses.

Mr. Speaker, let us take this opportunity to offer our appreciation to the older citizens who helped to build this great Nation of ours, and let us renew our commitment to ensuring a secure future for them.

HOUSE CONCURRENT RESOLUTION 339

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 19, 1988

Mr. DARDEN. Mr. Speaker, last July, Congressman DINGELL, chairman of the House Committee on Energy and Commerce, introduced House Concurrent Resolution 339. This resolution calls for the full participation of American industry in the provision of telecommunications equipment and services. Basically speaking, this resolution encourages lifting the bans on the development and manufacture of telecommunications equipment and on the provision of content-based information services by the seven companies formed as a result of the Bell System breakup.

I have recently decided to add my name as a cosponsor to this important resolution. My primary reason for supporting this nonbinding resolution is because I believe it is time for Congress to take a direct role in determining national telecommunications policy. This issue is too important for one individual or one court to continue to set policy.

Although I have decided to cosponsor House Concurrent Resolution 339, I have concerns regarding the potential problems if manufacturing restrictions on the regional Bell companies are lifted without addressing the impact of foreign competition on existing American manufacturing jobs. It is my hope, that next year when legislation, as advocated in House Concurrent Resolution 339, is introduced, it will include safeguards to ensure that the manufacturing activity will be done in the United States, creating jobs for American workers, and that through joint ventures foreign firms will not be the beneficiaries of lifting restrictions.

A TRIBUTE TO THOMAS P. GENETTE

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. HERTEL. Mr. Speaker, I would like to say a few words in remembrance of a heroic young man named Thomas P. Genette. Tom Genette, of Sterling Heights, MI, died of cancer earlier this year, but in his short life he left his mark in a quiet but distinct way in the military service, in the community, at work, and with his family. Tom was 1 of 10 children born to Emery and Ann Genette of East Detroit and graduated from Notre Dame High School. He entered the military service in 1968 and was soon sent to Vietnam.

While serving in Vietnam, Tom was awarded a Silver Star for leading the rescue of 33 wounded infantry soldiers near Duc Pho in 1969. In the midst of intense mortar and rocket grenade fire, Tom, a crew chief with the 68th Medical Detachment, was one of the first medivac crewmembers off the helicopter ambulance and made several trips to the fire zone to evacuate the wounded soldiers. The Silver Star commendation read: "He began carrying the wounded to the helicopter though exploding rockets rocked the landing zone." By the end of the Vietnam war, Tom had been awarded 21 medals and received a citation from the city of Detroit for his bravery.

Following his military service, Tom returned to Michigan Bell Telephone Co. where he worked as a project coordinator. Tom was always very active in community and religious activities. He served as Grand Knight Leo XIII at the Knights of Columbus in East Detroit in 1986–88 and as secretary of the Knights of Columbus East Area Vocations Committee. Tom also was an active member of the Vietnam Veterans and served as staff sergeant in the Army Reserve.

As you can see, Tom devoted his life to helping others. Whether it was defending his country or assisting with community projects, Tom was there. I know Tom will be deeply missed by his friends and relatives, especially his wife, Virginia, and his children, Matthew, Gregory, David, and Beth Ann. However, fond memories of Tom will help guide us through our lives.

A MAN WE CANNOT FORGET: A.M. ROSENTHAL REMEMBERS RAPHAEL LEMKIN

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SOLARZ. Mr. Speaker, the 100th Congress can claim a number of significant achievements. One of the most important of these accomplishments will not make too many headlines, but in the closing days of the session, it deserves to be mentioned.

By passing legislation to implement this country's ratification of the Genocide Convention, the 100th Congress has come down firmly on the side of justice and human dignity. Forty years have passed since this historic treaty was adopted at the United Nations, and 2 years have elapsed since it was finally approved by the Senate. At last, the final legislative hurdle has been cleared providing us with an important symbol in our effort to ensure that a tragedy like the Holocaust never been allowed to happen again.

In a recent column in the New York Times, A.M. Rosenthal has written eloquently about the Genocide Convention and has taught his readers an important lesson—that one man can make a difference. Rosenthal writes of Raphael Lemkin, the Polish scholar who coined the term "Holocaust" and who lost 49 relatives in the Nazi inferno. Lemkin drafted the Genocide Convention, and then lobbied the U.N. delegates in a passionate and tireless crusade that led to its adoption.

I join with A.M. Rosenthal in honoring the memory of Raphael Lemkin. I also join him in paying tribute to another man who has made a difference—Senator WILLIAM PROXMIRE. BILL PROXMIRE stood in the Senate chamber in every session for 19 years and delivered over 3,000 speeches urging his colleagues to ratify the Genocide Convention. Senator PROXMIRE's upcoming retirement brings to a close one of the most compassionate and courageous careers in the history of the Congress.

I commend to my colleagues A.M. Rosenthal's article, "A Man Called Lemkin."

[From the New York Times, Oct. 18, 1988]

A MAN CALLED LEMKIN

(By A.M. Rosenthal)

The story in the paper reported that after 40 years of consideration the United States Senate had voted to make it a Federal offense to commit genocide. That is the crime of acting with intent to destroy a national, ethnic, racial or religious group.

The story did not mention a man called Lemkin.

Raphael Lemkin pokes his head into a newspaper office in the headquarters of the United Nations in the village of Lake Success on Long Island.

"Here is that pest, that Lemkin," he says, "I have a genocide story for you."

"Everybody groans; Oh, Lemkin again? He makes a funny face, folds his hands in begging gestures. The reporters' gather around for a few minutes. He gets his little story about the genocide convention, usually tucked away in the paper on a Sunday.

Raphael Lemkin was a Polish professor of law, a distinguished academician who spoke nine languages. He was a Jew. During the Holocaust the Germans murdered 49 members of his family; see how few words it takes to tell the whole story.

He escaped to Sweden, reached the United States, found good positions at Duke and Yale. He left them and gave himself over to his life's work.

His work was to convince the nations of the world that they must make it a crime to plan or carry out another Holocaust of any people. He coined "genocide" from the Greek word for race and the Latin for killing. He wrote a convention, a treaty for the nations to sign.

Then he walked the corridors of the U.N. He stopped journalists, took junior delegates by the arm and hung on until they listened, at least a moment. To see an ambassador, he would plan and plot for weeks and sit for days in reception rooms.

He had no money, no office, no assistants. He had no U.N. status or papers, but the guards always let him pass. He carried a black briefcase stuffed with documents and his daily sandwich.

He knew that when he opened the door people would say: What, Lemkin, you here again? Sometimes it was said affectionately, sometimes with distaste. Then he would pretend he did not care. But there were many days when he sat slumped in the cafeteria over a cup of coffee, barely able to lift it for the weariness in him and the rebuff.

But if he had to wheedle and plead he did. If he met an arrogant delegate who had influence, he made himself small and fawned. Then he would turn away and make the small smacking noises of a man trying to get a bad taste out of his mouth.

He would bluff a little sometimes about pulling political levers, but he had none. All he had was himself, his briefcase and the conviction burning in him. We would say to him: Lemkin, what good will it do to write mass murder down as a crime; will a piece of paper stop a new Hitler or Stalin?

Then he put aside cajolery and his face stiffened.

"Only man has law. Law must be built, do you understand me? You must build the law!"

He walked the halls every day from the spring of 1946 until Dec. 9, 1948, when the General Assembly, in Paris, adopted a resolution approving his convention. That day reporters went looking for him to rejoice in his triumph. But we could not find him until, hours later, we thought to look into the darkened Assembly hall. He sat there weeping as if his heart would break. He asked please to be left in solitude.

Then this Lemkin came back to the corridors for years, pleading with delegation after delegation to follow through on the U.N. resolution by getting their countries to sign the treaty. There was a time when he was considered for the Nobel Peace Prize; Winston Churchill backed him.

But he died alone on Aug. 28 1959, without medals or prizes, in a hotel in New York. There were seven people at the graveside when Raphael Lemkin was buried.

In his lifetime, and for long after, the country that gave him succor never signed the treaty, although almost 100 others did. For almost 40 years lawyers fought it on technical grounds, Senate racists fought it out of fear that blacks might use it. Some Senators worried that making mass murder a Federal crime would diminish state rights.

The Senate gave its consent to the treaty in 1986. But it took two more years to push through the legislation needed to make genocide a crime in the Federal code.

Jacob Javits fought for it all his senatorial years. And at every Senate session for 19 years, Senator William Proxmire rose in outrage to plead for the convention—3,000 speeches, each different. Raphael Lemkin and the Senator from Wisconsin never met. But they would have understood each other at once.

RECOGNITION FOR JAMES A. BOCHY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MURTHA. Mr. Speaker, I would like to take note of the retirement of an outstanding individual who has served the farmers of Somerset County, PA, for many years in a variety of positions.

Mr. James A. Bochy is retiring this fall from his position as director of the Somerset County Extension Board. Mr. Bochy has served as agent-in-charge of the county extension program since 1955, assisting the farmers through many years of good times and some difficult ones as well. Mr. Bochy has worked extensively in the fields of potato culture and marketing, maple syrup production, and orchard products, all important aspects of the Somerset County agricultural market.

Mr. Bochy, is still planning to stay active in the community, as he serves as president of the Somerset County Historical Society. One of his projects in the next few years might be to document his outstanding work as director of the extension program.

I would like to congratulate Mr. Bochy on many years of outstanding service to the community and wish him well on the occasion of his retirement. Somerset County is a better place because of his work there.

JOSEPH DOHERTY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. FLORIO. Mr. Speaker, I wish to focus the attention of my colleagues on a compelling case involving Joseph Doherty, who has been left in prison for years while awaiting for our Government's decision on whether he should be extradited to Northern Ireland to face a British court for political offenses.

I recently conveyed my interest in his case by writing to President Reagan and requested that a recent decision on Joe Doherty, submitted by then-Attorney General Edward Meese be reviewed, in light of the resignation of Ed Meese under questionable circumstances. On behalf of my many constituents who have followed the case of Joe Doherty with interest, I wish to share a copy of my letter to the President with my colleagues. The letter follows:

AUGUST 2, 1988.

The PRESIDENT,
The White House
Washington, DC.

DEAR MR. PRESIDENT: I would like to express my concern with the recent decision of Attorney General Edwin Meese to deport Mr. Joseph Doherty to Great Britain.

In June 1983, Mr. Doherty was arrested for violating United States immigration laws. Subsequently, the British Government sought his extradition to Great Britain in order to face charges stemming from his involvement with the Irish Republican Army. In December 1984, the U.S. District Court for Southern New York denied the British request for extradition on the grounds that Doherty's offenses fell within the scope of the "political offenses exception" of the then existing U.S.-U.K. Extradition Agreement (*Matter of Doherty,* 599 F.Supp. 270).

In September 1986, an Immigration judge rendered an order of deportation against Mr. Doherty in which Mr. Doherty opted for voluntary departure from the United States to the Republic of Ireland. In the same month, the Immigration and Naturalization Service appealed the decision and argued that Mr. Doherty's return to the Republic of Ireland would be prejudicial to the interests of the United States. In an unanimous decision, the Board of Immigration Appeals ruled that Mr. Doherty should be permitted—in accordance with United States law—to depart for the Republic of Ireland since the government had failed to demonstrate that such action would be prejudicial to the interests of the United States. After a review requested by the Department of Justice, the Board of Immigration Appeals again upheld the decision. The Doherty case was then sent to the Attorney General for review.

On June 24, 1988, Attorney General Meese—in an unprecedented fashion—overturned the rulings of the Immigration Court as well as the Board of Immigration Appeals and ordered Mr. Doherty to be deported to the United Kingdom.

The legal maneuvers taken by the Department of Justice raise questions of impropriety. In light of Attorney General Meese's recent resignation, I would ask that Mr. Meese's successor be directed to review the Doherty matter.

I recognize that Mr. Doherty has been convicted of serious crimes in Northern Ireland. However, the Attorney General's unusual interference in the deportation matter as well as Mr. Doherty's continued imprisonment are questionable.

I respectfully request your attention to this matter.

Sincerely,

JAMES J. FLORIO.

A DISTINGUISHED DIPLOMAT: U.S. AMBASSADOR HARRY G. BARNES

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BEREUTER. Mr. Speaker, the Congress of the United States, as an institution, has a history of being among the most severe critics of the U.S. State Department and the Foreign Service officers that constitute its professional cadre of competence. One of the Foreign Service's best will retire next month after an extraordinarily exemplary career. I refer to U.S. Ambassador Harry G. Barnes who is topping his distinguished career with a boffo performance as our Ambassador to Chile—a very troubled political venue where hope for democracy has brightened as a result of the recent plebiscite. Harry Barnes is at the same time a tough, no-nonsense effective American diplomat while being a representative of the United States who is sensitive to the culture and political characteristics of the nations where he has served.

The Ambassador is a great credit to our Foreign Service and to our country. Nowhere is this more apparent than in his current assignment in Chile. He has played an instrumental role in implementing United States policy toward Chile by crucial support for the democratic opposition and by continual, low-key but effective pressure on the Chilean Government to act according to the provisions of the Chilean constitution. This pressure was, I believe it is realistic to say, a major factor in the scheduling of a plebiscite in which the Chilean people renounced the oppressive dictatorship of General Augusto Pinochet. Furthermore and more importantly, it began the process whereby Chile will return to government by majority rule through presidential elections to be held in a little over a year. The plebiscite and the Pinochet government's apparent acceptance of the results represent a victory for democracy in a nation with a long democratic tradition that had been subjected to 15 years of under a dictatorial military regime.

Ambassador Barnes will retire from the Foreign Service in November, following 38 years of distinguished diplomatic service around the globe. He has represented the United States at our embassies in Romania, Czechoslovakia, the Soviet Union, India, and Nepal. He also served as Ambassador to India and Romania in later assignments to those countries. His service has also included the position of Director General of the Foreign Service.

Ambassador Barnes has proven himself an able coalition builder. He has gained both the respect and admiration of very diverse group of Members of both parties in Congress. In the course of his close and continuous contact with Capitol Hill he has assisted us in formulating and enunciating a broadly based consensus concerning U.S. foreign policy toward Chile. In that area he has given the best performance by a diplomat that this Member has seen in this 10-year tenure. He has also gained the support of the private sector and won the unwavering support of human rights groups in supporting the U.S. policy towards Chile which has emerged and been clearly enunciated by the administration and Congress in the last few years.

Ambassador Barnes has successfully pursued the U.S. policy goal of restoring democracy to Chile without becoming personally embroiled in the political campaign related to the plebiscite. He has also avoided injecting the issue of United States intervention into the campaign—no easy feat given Chilean hypersensitivity to the prospect of intervention in its internal affairs by foreign powers, particularly by the United States.

In short, I reiterate Ambassador Barnes is a credit to Foreign Service for his demonstrated success in the often arduous and difficult process of achieving success in our foreign policy. He is also an example to the service of the need for carefully building a bipartisan constituency in Congress in developing and implementing U.S. foreign policy. I wish him every success in his retirement from the Foreign Service and hope that he will be willing to at least occasionally direct his extensive skills and experience to the foreign affairs realm or in some other public service to our Nation.

This member has met many outstanding American career diplomats, but Harry Barnes obviously ranks among the very best of our best. Thank you, Ambassador, and well done.

THE UNITED NATION'S ANTI-ISRAEL RITUAL

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LANTOS. Mr. Speaker, the United Nations General Assembly has again gone through its annual ritual of voting to expel Israel from the United Nations. As usual, the Soviet Union and most of the countries of Eastern Europe voted against Israel. A.M. Rosenthal discussed the anti-Israel vote in his column in today's issue of the New York Times. I insert his article in the RECORD. His thoughtful comments deserve the attention of all of us in this body.

THE SLOW BEAR

In the morning, Soviet delegates talked at the United Nations with warm intensity and thoughtful detail of their vision of the organization—stronger, more active in peace, better prepared to prevent war, a place where all problems from disarmament through the poisoning of the air could find decent solution.

And in the afternoon, the Soviet delegation once again cast its annual ballot to throw Israel out of the United Nations.

The world hardly noticed the ritual of hatred and hypocrisy on First Avenue. After all, everybody knew that the move to throw Israel out would fail. Why make a fuss about the yearly nastiness and the continuing Soviet addiction to it?

There was some disappointment among the Israelis and a few of their friends that the Soviet Union still was not ready to act in the new spirit of international brotherhood for which it campaigns earnestly and eloquently at the United Nations, at least not when it comes to that annoying little country in the Middle East.

Many countries, including some from Eastern Europe, have finally eased away from the oust-Israel campaign, possibly a little embarrassed at the stench of anti-Semitism that surrounds it. Presumably Israelis should be flowing with gratitude; perhaps one or two of them are.

But the Arabs and other Moslem states could still count on Moscow and most of the Communist world, including staunch Cuba and loyal Nicaragua.

How can it be that on the same day the Soviet delegation can talk with new, fresh openness and vision and act with old, stale narrowness and meanness?

The reason is that the Soviet Union is working hard to retrieve and increase its influence in the Middle East. Like other powers, it is never reluctant to use those time-proven tools of diplomacy—double-dealing hypocrisy and deception.

Moscow throws out hints that it may, after 20 years, bestow upon Israel the gift of restoring diplomatic relations. That worries the Arabs and pleases the Israelis. At the same time, by voting to throw Israel out of the U.N., the Kremlin makes sure that even if recognition does come, the Arabs understand whose side the Soviet Union really is on.

Exactly how hints of recognition of Israel can be ethically or philosophically reconciled with throwing her out of the U.N. Moscow leaves to the pure in heart to try to figure out, if they have nothing better to do with their time.

The Soviet vote is also meant as a sharp reminder to Israel that Moscow does not intend to abdicate influence in the Middle East. Moscow wants to take part in any international negotiations about the Israeli-Palestinian conflict.

Foreign Minister Shimon Peres also wants negotiations that include the Soviet Union, on the assumption that the Russians will just show up, bless the gathering and not cause any trouble by pressuring Israel in favor of the Arabs.

Mr. Peres is very intelligent, and maybe he is right. But the Russian vote will not help him in the Israeli elections on Nov. 1. Israelis, in their arrogant way, may find it difficult to invite the Soviet Union to a conference on their future as long as Moscow does not even consider them fit to associate with the rest of the world.

At the U.N., the Soviets privately told the Israelis to be patient, that the "bear takes small steps."

That may not convince anybody who has seen a bear cover ground. But it is better than the "good guy-bad guy" theory—constant struggle among Soviet foreign policy makers, with Mr. Gorbachev and his supporters always fighting their enemies.

The reality is that Mr. Gorbachev, with the support of most of the party leadership, has reached the important conclusion that it is in Soviet interests to build diplomatic and economic bridges with the West. As long as he remains convinced, or until he is overruled, that will be the broad Soviet policy.

But that still gives Moscow lots of room to work for specific Soviet goals and interests. Mr. Gorbachev has decided that it is not now in Soviet interests to persuade Arabs to take the first and essential step toward peace in the Middle East: total acceptance of Israel, legally, politically, emotionally.

Instead, he sees it in Soviet interests to stir the hatred pot by voting to make Israel the outcast of the world even though that prevents a Middle East peace—or maybe because it does.

That does not mean that Moscow's U.N. proposals are frauds to be thrown aside. It does mean that Soviet foreign policy is still taking shape and is based on many Kremlin interests. If we move toward it we should walk as slowly as any bear ever seen on First Avenue.

A TRIBUTE TO TWO GREAT PEOPLE

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. VALENTINE. Mr. Speaker, I rise today to congratulate Gertrude B. Elion and George H. Hitchings, winners of the Nobel Prize in Medicine, who have worked together for 45 years and whose research has led to treatments for leukemia, heart disease, peptic ulcers, gout, malaria, and AIDS.

I am especially proud that these two scientists have worked at the Burroughs Wellcome Co. facility in the Research Triangle Park, located in the Second Congressional District of North Carolina, since 1970.

With their discovery of two chemotherapy drugs, these innovative scientists blazed the trail for the successful treatment of children with leukemia. Their research also led to their discovery of the first immune suppressant drug that enables the body to accept transplanted organs, making kidney transplants possible.

Through their research on how the metabolism of bacteria, viruses, and parasites differ from that of human cells, they also spearheaded new treatments for infectious diseases such as herpes and AIDS.

As a result of insights from their research, Burroughs Wellcome scientists were able to develop and market Retrovir [AZT], the only drug found so far to be effective in the treatment of AIDS.

More than 42,000 Americans have died of AIDS, and as of October 11, there were 75,768 reported cases of AIDS in this country. More than one-third of the those cases were reported this year. This fatal disease is increasing at an alarming pace, and there is no cure.

Gertrude Elion and George Hitchings have obviously made significant scientific and medical discoveries, and have thereby also offered hope to thousands of people.

Although they are both officially retired, Dr. Elion and Dr. Hitchings continue to work tirelessly for the advancement of scientific knowledge. Both contribute their time and talents to Duke University and the University of North Carolina at Chapel Hill. Dr. Elion is a research professor of pharmacology and medicine at Duke and an adjunct professor of pharmacology at UNC–CH. Dr. Hitchings is an adjunct professor of pharmacology at Duke and an adjunct professor of pharmacology at UNC–CH. Both write articles and advise other scientists and researchers.

I applaud the Nobel Assembly of the Karolinska Institute for selecting this pair of outstanding North Carolinians for their tremendous contributions in the fight against human suffering. And I commend Gertrude Elion and George Hitchings for their unselfish dedication to medicine. They are 20th century pioneers whose work and contributions will affect the lives of future generations.

THE CASE OF JOSEPH DOHERTY

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. FOGLIETTA. Mr. Speaker, I rise today to bring to my colleagues' attention the unfortunate and extraordinary case of Joseph Patrick Thomas Doherty. I call this case to your attention because I am a firm believer in the separation of powers affirmed by our Constitution. This principle seems to have been largely ignored, or possibly even violated, in Mr. Doherty's case.

The British Government requested Mr. Doherty's extradition in 1983. That same year, a U.S. District Court judge ruled that Mr. Doherty's case fell under the "political offense exception" to extradition, thereby denying the British request. Mr. Doherty's position has been upheld not once, but five times since then. Nevertheless, the executive branch has made every attempt to deport Mr. Doherty, and has kept him in incarceration for 6 years.

In 1986, the Board of Immigration Appeals issued an order to deport Mr. Doherty to the Irish Republic, as Mr. Doherty had requested. However, on July 14, 1988 then Attorney General Edwin Meese ordered that Mr. Doherty be deported to Great Britain. Mr. Doherty is again attempting to gain political asylum in the United States; if he is unsuccessful, he may be deported to Great Britain.

Mr. Meese's order is in direct opposition to the rulings of three U.S. courts, as well as the decisions of the Board of Immigration Appeals. It seems that In Mr. Doherty's case, Mr. Meese considered the decisions of the judiciary on a legal matter to be less important than political concerns. I assume that it is not an established policy in the Attorney General's Office that judicial rulings are to be ignored whenever they are opposed by the government of a friendly nation.

Mr. Speaker, I join with Archbishop Cardinal John O'Connor, many of my colleagues, and many Philadelphians in protesting Mr. Meese's order, and in expressing concern over the possible violation of separation of powers between the executive and judicial branches of government in the case of Joseph Doherty.

NEW DIRECTIONS IN STOCKPILE MANAGEMENT

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BENNETT. Mr. Speaker, Dennis Shaw, Special Assistant to the Assistant Secretary of Defense for Production and Logistics, spoke at the American Mining Congress Convention in Denver, CO, last September 27. He reported on Department of Defense activities in new management for the defense related stockpiles of our country and he said in part:

The convention program lists the subject of my presentation today as: "New Directions in Stockpile Management". I intend to address this subject in general, and not in great detail which I know you might prefer. I must take the general approach not because I choose to but because the new directions forthcoming in stockpile management are still in the formulation stage and because the top level managers of the stockpile also are new.

As some or most of you may know, prior to the President's re-delegation of duties for the National Defense Stockpile program last February, stockpile policy and operations basically resided in two independent government agencies—the Federal Emergency Management Agency and the General Services Administration. How and why this peculiar arrangement came about is lost in history and remains a complete mystery to me. But, I do know that "divide and conquer" type of management is not a formula for success. It is a formula for intra-agency feuding; it is a formula for bureaucratic wheel-spinning and delay. When everybody is in charge, nobody is in charge.

Ultimately, Congress realized this and determined that something had to be done. Starting in 1987, the Congress provided the impetus for resolving the management problem. In the National Defense Authorization bill for Fiscal Year 1987, Congressman Charlie Bennett spearheaded the drive for centralized management in the Department of Defense. He obtained House approval for the concept of a "National Defense Stockpile Manager" and for assigning this new responsibility to the Secretary of Defense. The National Defense Stockpile Manager was to be a single official, at the Cabinet rank level, who would run the program and answer to the Congress. However, while the Senate agreed with centralized management, it did not concur that the Stockpile manager should be designated in law. After careful deliberation, and with some pressure from Congressman Bennett during the development of the Defense Authorization bill the following year, the President designated the Secretary of Defense as the National Defense Stockpile Manager. The President's Executive Order 12626 of February 25, 1988, delegated all the statutory duties of the Stockpile Manager for policy and management to the Secretary.

Since February, we have been working very hard on the transfer of the stockpile program, with its $10 billion in assets and 92 materials stored at more than 100 locations throughout the United States. It was no simple task. But, we succeeded in pulling all the pieces together by the July 3rd target date. And, I believe we are off to a good start.

Within the Department of Defense, the Assistant Secretary of Defense for Production and Logistics has been delegated the functions of the President and Secretary of Defense for Stockpile management. The Assistant Secretary, Jack Katzen, has established a small policy and planning staff in his office and delegated operational functions—subject to his direction and supervision—to the Defense Logistics Agency. The entire GSA operations staff was transferred into the Defense Logistics Agency. This wholesale effort ensured continuity of stockpile operations and unified policy and operations functions under the authority of the Assistant Secretary. The unification of policy and operations functions is, certainly, one of the most significant developments and new directions in stockpile management.

In creating the policy office, I took a different approach. I searched throughout the government to identify the best people with the right skill mix for this new staff and transferred them to the Department of Defense. Today, we have a materials and a budget expert from Defense, two materials experts from the Federal Emergency Management Agency, a senior executive from Commerce, and an expert in economics from the General Services Administration who work under the leadership of the previous head of the stockpile policy office before the July 3rd transition. The staff is off and running under the rather cumbersome name of the Strategic and Critical Defense Materials Directorate.

The largest task before us, and I hasten to add that it is well underway, is updating the analysis of stockpile materials requirements. And, we are doing this with new focus. We are looking, of course, at both military and civil requirements. However, for the first time in history, the military Services and the Office of the Joint Chiefs of Staff are directly involved in the process, developing their requirements directly from current war-fighting plans. For the first time, the Army, Navy, Air Force, Marines and the Joint Chiefs of Staff are using the real combat scenario that contains expected attrition, consumption, and surge rates for equipment, spare parts, and supplies to calculate the military requirements for common materials, upgraded forms of materials, and new high technology materials. The Chairman of the Joint Chiefs of Staff will present a complete statement of military materials requirements in December. Since this is a first-time effort, I expect it will not be perfectly correct. The process will need refining. But, I do expect to have a sound military foundation upon which to base a realistic and meaningful National Defense Stockpile plan and aggressive management implementation. More than ever before, we will know in detail what we need to buy for the stockpile, what in the stockpile needs to be upgraded, and what in the stockpile can be disposed of by sale or trade or payment in kind.

On the civilian side, we are well aware that the nation's economy must be supported in order to keep both the military and domestic industry productive during a national emergency. We also know that the primary wealth producing sector of the U.S. economy is services—75%—which is sustained by a much smaller industrial base. We are heavily dependent on imports. Thus, a properly structured National Defense Stockpile that will sustain the nation during any emergency or wartime is more important today than at any other time in our nation's history. In early October we will be working with various civil agencies to develop the means by which we can reduce the dependency of the United States on strategic and critical materials imports.

Within the context of overall program priorities, we are shifting our near-term and mid-term focus to those advanced materials that will be needed to surge military production and then sustain that production. In this way, our first priority will be to have the military requirements for strategic and critical materials—as determined by the Armed Services—on hand in the Stockpile. We also will focus on other aspects of modernizing the Stockpile inventory. We have just completed an audit of the inventory and will be devoting more attention to analyses of the current quality of the materials in the inventory as compared to modern industrial specifications. And, we are looking into ways to modernize the methods for acquiring and upgrading materials in order to bring them in line with the way you conduct your business today. Some of this, of course, will require enabling legislation, which we intend to propose and submit to the Congress next year.

What is our timetable for these actions? Well, I expect each of our new efforts will require several iterations, particularly in defining the requirements for stockpile materials. But, the clock is ticking away and the first major threshold date is the one established in the Stockpiling Act—February 15, 1989. That is the date by which the Secretary of Defense must submit his recommendations for stockpile requirements (and state the basis for those recommendations) and provide both a long-term plan and an "Annual Materials Plan" for achieving those requirements. Until those reports are developed and submitted, there is little more I can offer you in the way of detailed information on the "new directions" for the National Defense Stockpile. However, I am pleased to report that we have centralized the management and operation of the program, we are bringing in the best information of the military experts in determining requirements, we are directing our attention toward advanced materials and upgraded forms, and toward modernizing the Stockpile.

A SALUTE TO THE CONTINENTAL TITLE INSURANCE CO.

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SAXTON. Mr. Speaker, I rise today to salute the spirit of entrepreneurship, the willingness of individuals to organize, manage, and assume the risk associated with starting and maintaining a successful business venture. An example of this spirit can be found in the 13th Congressional District of New Jersey, which I am pleased to represent.

Today, I rise to honor the Continental Title Insurance Co., a business venture that began 200 years ago and has since continued to flourish and build a reputation on a name that is well-recognized and synonymous with service throughout the great State of New Jersey.

Continental Title Insurance Co., formerly West Jersey Title & Guaranty Co., was but a thought in the mind of William S. Casselman in 1886. Mr. Casselman, a prominent member of the New Jersey Bar Association had devoted his practice largely to real estate matters, and began to recognize a need to improve the method of real estate title searching.

After considerable negotiation and research, Mr. Casselman was joined by four other gentleman and together incorporated what has become the Continental Title Insurance Co. in Camden County. NJ, on March 5, 1988. In the 100 years since, what started as one office with a handful of employees has built itself into a network of nine branches and a staff of over 90. Mr. Casselman's special vision helped bring to New Jersey a service that has become an intregal part of our daily lives.

Mr. Speaker, on its 100th birthday this year I salute the success of Continental Title Insurance Co.'s founder William Casselman and those who have shared his entrepreneurial spirit.

CONGRATULATIONS AND BEST WISHES TO MATT BELL, FUTURE FARMER OF AMERICA

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. TORRES. Mr. Speaker, I rise today to ask my colleagues to join me in paying tribute to Mr. Matt Bell of Walnut, CA. Matt is a senior at Damian High School in La Verne. He is a 4.0 student. Not only has Matt excelled academically, he is also active in his school's debate team.

However, it is because of his participation with the La Puente Valley Chapter of Future Farmers of America [FFA] that I stand before you today. Matt serves as the southern California region president of FFA, this region incorporates the area between Los Angeles and San Diego. Matt has won the State of California Extemporaneous Public Speaking Award and will be representing California in the National Contest in Kansas City next month.

Matt plans to attend the University of California at Davis where he will study to become a veterinarian.

I ask that my colleagues join Mr. and Mrs. Bell, Mr. Ray Bryden, the FFA advisor, and his family and friends in wishing Matt good luck at the national contest and in his future endeavors.

TERRORIST BOMB ATTACK ON ISRAELIS IN LEBANON SHOULD BE CONDEMNED

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. TRAFICANT. Mr. Speaker, I rise today to condemn the senseless and brutal bomb attack that took place this past Wednesday in southern Lebanon. The attack left seven Israeli soldiers dead and eight others wounded. Two Lebanese women were also injured in the suicide attack, which involved a van filled with 200 to 400 pounds of explosives. It was a miracle more soldiers were not killed.

I am deeply concerned over the situation in the Middle East. I have spoken out forcefully for moderation and peace, and I have been highly critical of the manner in which the Israeli Army has handled the Palestinian uprising. However, there is an inherent difference between abuses carried out by Israeli soldiers and premeditated, cold-blooded acts of terrorism designed specifically to kill Israelis.

Terrorist acts such as the one perpetrated on Wednesday are senseless, brutal acts that must be condemned by all free nations. Let it be known that such acts do nothing to further the cause of peace or justice.

These heinous acts of terrorism only cause pain, death, and suffering. They only can lead to further pain, death, and suffering. The many problems in the Middle East cannot be solved through violent acts of terrorism. These acts only lead to more violence and more hatred—and there's been too much of that.

The radical groups that carry out these acts hope to muzzle and drown out the voices of peace and moderation—voices on both sides of the Arab-Israeli conflict who genuinely desire a peaceful settlement to this tragic problem. The Palestinian uprising in the West Bank and Gaza Strip poses a serious threat to the stability and security of the entire region. But the uprising also has given rise to a historic opportunity to reach a peaceful settlement.

Such a settlement can never be reached, however, if senseless acts of terror are employed to further one cause or another. I urge all Palestinian leaders to condemn the bomb attack in southern Lebanon this past Wednesday. As I have stated on numerous occasions, for peace to truly have a chance the leaders of the Palestinian people must renounce terrorism; recognize Israel's right to exist within secure borders; and they must get all Palestinians and their Arab neighbors to unify under this new peace offensive.

On the other hand, Israel must recognize that the status quo in the occupied territories must change. The abuses must end. Israel must be willing to trade land for peace as they did at Camp David 10 years ago. The United States has an important role to play in guaranteeing Israel's security if in fact the Palestinian leadership adopts a rational position and Israel opts to negotiate a land for peace agreement.

First and foremost, the United States should continue to condemn all acts of terrorism and encourage all parties to take the bold, creative steps necessary to forge a lasting peace—a peace I know the majority of Israelis and Palestinians so ardently desire.

RELIEF FOR FAMILY FARMERS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DORGAN of North Dakota, Mr. Speaker, today I am introducing legislation that would provide relief for those family famers who are in desperate need of assistance. It would allow those farmers who have been most severely affected by decreasing commodity prices and rising costs to restructure their debt without suffering devastating tax consequences. It also would begin the process of correcting the chapter 12 bankruptcy laws so that the tax consequences parallel those of chapters 7 and 11 and better reflect the intent of the new bankruptcy provisions.

Our Nation's family famers have suffered through a painful period of sustained economic decline. Our farmers are leaving their farms and rural communities in unprecedented numbers. Mired in debt, many have been forced to deed back their land to their creditors in return for forgiveness of the debt only to learn that they now owe a massive tax bill. The sad irony is that those families who can no longer afford to farm also cannot afford the tax liabilities attributable to starting over.

Under current law, a farmer in serious economic trouble who conveys his land to a creditor in satisfaction of an outstanding loan may be liable for two separate taxes on the transition. First, the farmer is liable for a capital gains tax on the difference between his basis in the land and its fair market value. Second, the farmer must pay the ordinary income tax on the differences between the property's fair market value and the amount of the outstanding loan. While section 108 of the tax code currently allows farmers to reduce their taxable income by the taxpayer's outstanding attributes and basis in property, this provision is drawn too narrowly and too few farmers are able to take advantage of it. As a result, the farmer who is forced to give up his farm, and who must, with no choice, begin a new life for his family, finds himself saddled with such an enormous tax debt that he has no realistic hope for recovery.

This legislation that I am introucing addresses both of these inequities. It provides for an exclusion for capital gains income that arises when farm property is conveyed back to a lender in exchange for debt forgiveness. It also broadens the applicability of section 108 of the tax code to allow more family farmers to reduce their debt forgiveness income by the amount of their outstanding tax attributes and basis in property. Both of these provisions, though, include limitations designed to prevent abuses by those taxpayers who are not truly in need of assistance.

Sections 3 and 4 of this legislation addresses the tax implications of declaring chapter 12 bankruptcy. When Congress enacted the new bankruptcy law, it did not fully consider the tax consequences. As a result, many farmers have been unable to make use of the chapter 12 protections. This bill is designed to extend chapters 7 and 11 tax safeguards to chapter 12 bankruptcies. Section 3 would allow for the creation of a separate taxable entity for the bankruptcy state. By so doing, the estate becomes liable for the tax implications of the bankruptcy transactions and protects the individual. Section 4 of the bill would allow the bankruptcy estate to transfer property to a secured creditor and the differences between the amount of debt and the fair market value of the property would be taxable to the estate rather than to the individual. These are protections provided for in both chapters 7 and 11 and must be extended to make chapter 12 viable law.

Those of us in Congress who represent rural communities have seen the decline in the agricultural economy and the havoc it has played on our communities. It is essential that we do all that we can to ease the strain on the farm families who not only are losing their means of making a living, but also their way of life. It is simply wrong to add a large tax that is virtually uncollectible on these families that have suffered through a serious economic crisis. This legislation would allow them equitable relief and an opportunity to make a new start.

THE AFGHAN FREEDOM FIGHTERS STILL NEED OUR SUPPORT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. CRANE. Mr. Speaker, the Afghan Mujahidin, as you know have fought off the combined Soviet and Communist Afghan forces for nearly 9 years. Faced against great odds and the overwhelming military superiority of their invaders, the Mujahidin have courageously fought and are nearer to their victory, thanks in part to U.S. assistance and in particular to our willingness to provide Stinger antiaircraft missiles to the resistance forces.

However, I am particularly concerned with reports in the American press that the Stingers to the Mujahidin have been cut off and that the Stinger missiles are in dangerously low supply. Ahmad Shah Massoud, one of the best commanders in Afghanistan, reportedly has only three Stingers left; other respected commanders also have very low supplies.

Without these missiles, the Mujahidin suffered a major defeat in Konduz which fell to a combined Soviet aerial and ground assault. Roughly 4,000–6,000 Mujahidin and civilians were killed by the air strikes there. This Soviet attack which began in the Soviet Union was a clear violation of the Geneva accords. Our response would have been to increase the number of Stingers that we send—not just to file a complaint to the U.N. monitors.

Soviet aerial assaults from Soviet bases have also struck deep into Pakistan territory. A series of attacks in September struck Afghan refugee camps in Pakistan, more than 70 miles within her borders. If the Mujahidin had adequate supplies of Stingers, Konduz would not have been lost and the Soviets might not have been able to strike into Pakistan.

With Stingers in low supply, the Mujahidin will have a difficult time capturing and maintaining major towns and cities. If the Communists are able to hold on to these positions, the Mujahidin will be further delayed and possibly prevented from winning their war. Problems will increase for the resistance as the war lengthens—problems with United States support and Pakistan's willingness to continue playing the role of a conduit.

I would like to insert into the RECORD two excellent articles on the cutoff, one by Terry Atlas of the Chicago Tribune who filed from Pakistan, and another by David Ottoway of the Washington Post.

As we prepare to conclude the 100th Congress, we should bear in mind the noble struggle of the Mujahidin and the continued need of U.S. aid—in particular Stingers.

A TRIBUTE TO JUDGE RAYMOND L. KING

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SCHUETTE. Mr. Speaker, I rise today to bring to the attention of my colleagues in the House the retirement of Judge Raymond L. King. Judge King will be leaving the office of Ogemaw County probate judge on December 31, 1988, after 20 years of service to the people of Ogemaw County and the State of Michigan. A retirement party will be held in his honor on November 5, 1988.

Raymond L. King has led an extraordinary life. He was born in Braintree, MA, on September 1, 1929. In his youth, he attended school in Massachusetts and New Hampshire. While attending college at the University of Maine, he married Jean Ellen Peters. In 1951, the same year as his marriage, he was drafted into the U.S. Air Force and served his country during the Korean war. After completing a 21-month tour of duty, he was discharged with the rank of staff sergeant and rejoined the Maine Air National Guard where he served as first lieutenant.

In 1957, Judge King went on to receive his law degree from Boston University School of Law where he served as senior class president and vice president of the American Law Students Association. From 1957–60, he was employed by the Ford Motor Co. as supervisor of purchasing administration, Tractor and Implement Division. While on a leave of absence from Ford in 1960, Judge King served on the staff of the Oakland County Republican Committee. Shortly after that, he went into private practice and established the law firm of King, Root & Sieb, P.C. where he practiced law from 1961 to 1981, and was named to the bench in 1968.

In addition to being Ogemaw County probate judge from 1968–88, Judge Raymond King held many other public offices as well. Between 1961–67, he served as the Ogemaw County prosecutor, the west branch city attorney and as a constitutional convention delegate from Pontiac, MI. Simultaneous with his public service, Judge King found time to be the Republican 10th District chairman in Michigan from 1966 to 1968.

Other notable activities of Judge Raymond King include president-elect of the Michigan Probate Judges Association, president of the 34th Judicial Circuit Bar Association, president of the Top-O-Michigan Probate Judges Association, and a member of the State Judicial Council and the State Bar Judicial Conference. In addition, he served on the board of directors of the Eagle Boy's Village and on the board of directors of the Epilepsy Center of Michigan.

Despite all his accomplishments, Judge King is perhaps the most proud of his family. He has three children, Deborah King Westcott, David W. King, and Kathryn King Holmes by his first wife, Jean Ellen Peters, who passed away in 1986. Judge King is now happily remarried to Mary Morris King.

Mr. Speaker, I hope my colleagues will join with me today in honoring this most interesting and most deserving man, Judge Raymond L. King on the occasion of his retirement. His unselfish commitment to the people of Michigan has been an example of which we all can be proud to have had him as a part of our American judicial system. I know everyone will want to join me in wishing Judge Raymond L. King the very best in his retirement.

EL SALVADOR: POLICY OF DECEIT

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. BOXER. Mr. Speaker, I would like to call the attention of my colleagues to the excellent opinion piece written by our colleague, GEORGE MILLER, which appeared in the New York Times on October 21, 1988. The article entitled "El Salvador: Policy of Deceit" follows.

[From the New York Times, Oct. 21, 1988]

EL SALVADOR: POLICY OF DECEIT

(By George Miller)

WASHINGTON.—"By most estimates, the war in El Salvador is stuck. Unhappily, the U.S. finds itself stuck with the war."

The tired words of liberal Congressional critics? Hardly. This observation is drawn from a recently published report by four United States Army Lieutenant-Colonels that confirms what too few of us in Congress have been arguing for years: The truth is almost always the opposite of what the Reagan Administration tells us."

The work of the military analysts further illustrates the failure of the Administration's policy of building democracy in El Salvador while defeating the leftist rebels militarily.

The assessment of the military analysts, who spent the last academic year as national security fellows at the Kennedy School of Government, was based on highly classified documents and interviews with Defense and State Department officials, former United States military advisers and Salvadoran military officers. The report includes a host of additional findings that lambaste the United States' role in El Salvador.

The Administration has a long history of deceiving Congress about its intentions in El Salvador, as I, with Sen. Mark O. Hatfield of Oregon and Rep. Jim Leach of Iowa, both Republicans detailed in a 1985 report. For example, the Administration has evaded a 55-person cap on military personnel in El Salvador by redefining "military personnel." According to the Army analysts' report, the number of American military service people "exceeded 150" in 1987.

Since 1981, Congress has been told that military personnel were stationed away from areas that would expose them to significant hostilites and thus, in theory, trigger the War Powers Act. Yet, the new report describes American military involvement in every facet of the war. And last month, three American advisers returned fire, for the first time, when they were caught in an attack on a base that has long been a target of the leftist Farabundo Marti Liberacion Nacional, or FMLN, rebels. It was the same base that witnessed, less than two years ago, the first (and, so far, only) killing of an American adviser in an attack in El Salvador.

In a 1987 update to the Congressional report, we concluded that the Salvadoran economy was deteriorating rapidly and that the war showed no sign of ending. Supporting our conclusion, the military analysts said: "Since 1985, the war has settled into a fixed pattern. Despite reduced numbers, the FMLN remains a formidable foe, its attacks exacerbating the deterioration of the Salvadoran economy." They added that "observers generally concede that the FMLN . . . can sustain its current strategy indefinitely" and that "an end to the war is nowhere in sight."

In 1984, we were told that the newly elected Government of José Napoleón Duarté, backed to the hilt by Washington, would represent a credible, effective and moderate force that would implement genuine economic reform and bring peace to El Salvador. Those plans have gone nowhere.

With the far right's triumph in El Salvador's March legislative elections, the renewal of death squad activity and an increasing guerilla presence in San Salvador, our next President will find that El Salvador is the real troublespot in Central America.

We must attack the root causes of the war, specifically economic underdevelopment and gross social injustice. Again, the four military analysts concur, saying that "American officers recognized . . . that victory required first addressing the grievances of the Salvadoran people."

Unfortunately and, to me, inexplicably, the four military analysts do not call for the Administration to change course. But change is obviously needed. The Government of El Salvador is now being kept afloat by annual infusions of aid—almost $3.6 billion since 1980, including nearly $400 million more just three weeks ago. As in the Vietnam era, the Administration pursues, and Congress obediently supports, a policy without critically analyzing its impact.

We must redirect all our resources to a political settlement. This must include, first, encouraging negotiations and, second, dramatically shifting our present, overwhelming emphasis on war-related assistance to aid for true economic reform. The alternative is many more years of instability, death-squad murders and war.

HEARINGS HELD FOR AMERICAN-HUNGARIAN LEADERS AND ORGANIZATIONS

HON. ERNEST L. KONNYU

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. KONNYU. Mr. Speaker, I am proud to state that the National Federation of American Hungarians, its scores of directors and member organizations in the United States, with board chairman, Mr. Zsolt Vigh, has sponsored a series of hearings for American-Hungarian leaders and organizations with my participation.

Position papers, recordings, and extensive data was accumulated to serve as a leadership opinion poll from key locations—Boston, Woodbridge, NJ, New York City, San Francisco, Chicago, St. Louis, Cleveland, and Pittsburgh.

The purpose of the hearings was to determine the political concerns of American-Hungarians living in this country as expressed by their leaders and transmitted those concerns to America's leaders for resolution. To summarize the multitude of topics covered we can state that the tragedies and concerns of Hungarians were viewed by those testified from vantage points of American interests and benefits.

The main category of foreign policy topics can be described as the historical, geopolitical, and security aspects of Central and Eastern Europe as a consequence of Yalta and other agreements.

The 1920 Treaty of Trianon and other dictates and their consequence are tragic such as a fragmented Central Europe with artificial boundaries and minority nations, millions of ethnic minorities in various countries; the resulting economic imbalance, human rights deprivations and consequent turmoil as we see increasingly today; and possible revolutions.

Some of the possibilities and directions for resolving mounting tensions in beneficial and peaceful ways is reviewed in detail.

The second category of topics are domestic in nature can be described as generally academic level observations; relating to the English language, education, youth programs, economic and social issues, government and media, domestic policies, technology transfer, and the like.

A list of the topics covered and the names of those who testified follows:

Defiance-Hungary: Mr. Denes Szegedi, Rev. Paul Bolvary, Mrs. Ilona Stolmar.

Mid-European Zone: Dr. Geza Sz. Eles.

Peace, But . . .: Anthony J. Lelbach, M.D.

Southern Hungary, Trianon, Romania, and other areas: Mr. Laszlo Gorgeny, Mr. Lajos Lote, Mr. Frank Fazakas, Dr. Kalman Fiedler, Mrs. Katalin Persik Lazar.

Other topics: Mr. Aladar Burgany, Dr. Janos Nadas, Dr. Rozsa Nadas, Mr. Zoltan Bocsay, Mr. Andras Sandor, Mr. Gyula Rozsa, anonymous contributors from the Resistance, and others.

Scouting: Mrs. Maria Friedrich, Mr. Balazs Bedy.

Linguistics: Mr. Julius Nyikos.

Technology Trasf. Dr. I.S. Tuba, ESTs.

Other contributions: Mrs. Gabriella Bene, Mr. Arpad Gallo, Ms. Katalin Homola, Ms. Gyongyver J. Sandor, Mrs. Vera Szegedi, Mrs. M. Adam, Dr. and Mrs. Herbert Mindel, Mrs. Helen Duska, Mr. and Mrs. Tibor Vigh, Mr. Peter Harkay, Mrs. Zsuzsanna Viczian, Mr. Laszlo Hamos, Mr. Lajos Jokay, Mr. Janos Jurasits, Mr. Pal Varga.

Other contributions: Prof. and Mrs. Laszlo Konnyu, Rev. Jozsef Somos, Dr. and Mrs. Daniel Vizsolyi, Ms. Zsuzsa Vizsolyi, Dr. Geza Sz. Eles, Mr. and Mrs. Ferenc Beodray, Mr. and Mrs. Laszlo Pasztor, Rev. Miklos Novak, Mr. Gabor Tatray, and many others.

A summary of the testimony we heard in the various cities I just mentioned follows including, in a few appropriate instances, presentation of selected detail.

"Freedom, peace and prosperity. . . that's what America is all about . . . for ourselves, our friends, and those people across the globe struggling for democracy."—RONALD REAGAN.

Excerpts: National Security Strategy of the United States, 1987. The United States has important political and economic interests in Eastern Europe. We have never recognized the division of Europe as either lawful or permanent. There was no agreement at Yalta to divide Europe into "spheres of influence." Rather, the Soviet Union pledged itself to grant full independence to Poland and to other states in Eastern Europe and to hold free elections. Soviet failure to honor these commitments is one of the primary causes of East-West tensions today. Our policy toward Eastern Europe seeks to promote a positive role for Eastern European States in preserving European stability and exercising a moderating influence on the Soviet Union.

Testimonies and Statements in Digest Form: Immediate and unconditional Withdrawal of Moscow's occupational troops!

We want to exercise our right of self-determination! (Voice of the opposition).

Defiance-Hungary: Even for the dead there is no mercy in Hungary.

Thousands of Hungarian Freedom Fighters, the members of the independent Hungarian government were murdered in cold-blood after the present communist party administration recaptured lost power with the help of the Soviet Red Army in 1956.

The expression of murder was purposely used because only murderers try to hide the corpses of their victims.

Those who ordered and carried out the massacre in Hungary in 1956 are still in power, and even the remains of their victims are kept in prison.

Please help to open the door!

The religious believers need the protection the freedom of conscience and equality before the law. These rights in principle, enjoy wide range protection. The Hungarian Constitution, the Criminal Law and the Civil Statute-Book propose to hold them in respect. But the formulations are very general in fact they do not protect the believers sufficiently.

A multitude of constant administrative discriminations must be endured by the believers, without detection by the West.

To help Hungary: The only solution would be to stop loans to Hungary, put on hold all economic support, as long as the communist party is in power and the Soviet occupational forces are "temporarily" in the country. Internationally supervised free and true democratic elections would offer hope for foreign loan repayment.

Refugee camps in Austria are overcrowded.

Emigration to the U.S. would be a solution, but the quota is very restricted.

Refugees forced to return home, get 3 or more years in prison, without any publicity of human rights violation.

There is no authority in Hungary to supervise the correct interpetation and implementation of the Constitution and the Laws.

Parliament is a rubber-stamp body, without authority—this would make an interesting U.S. Congress.

Members of Parliament can be suspended by the Presidium, or their decisions annulled. Isn't that a nice idea?

These are indicators of a police state; a communist dictatorship.

The solution is not an exodus, a stream of refugees; but the ability to stay home, live in freedom, without fear!

Today the entire Hungarian nation is defiant, tensions are mounting, but the losses (est. 28,000 killed equals half the U.S. losses in Vietnam), of another "1956" are unthinkable.

Are they alone again? Against all odds! Timely U.S. action is needed—now, to avoid a blood-bath.

Stop all loans and support, and the communist system will collapse. Loans benefit the party, not the people.

Demand compliance with Yalta (the slaves dare), at least once the Soviets should be made to comply with an agreement.

The Hungarian nation should be a U.S. Partner, not an orphan!

Thank you.

The International Neutralization of a Mid-European Zone Between Russia and Germany

Considering:

That as a consequence of the Yalta Pact about one hundred million people were left in a "sphere of influence" to which they do not belong.

That, the division of Europe is unnatural and can be maintained only by force,

That, a major mistake was made by the great powers when they established an artificial division between their spheres of influence.

That, this decision was unauthorized, irresponsible and shortsighted,

That the Russian hope of peacefully capturing the sentiments of the people under their rule turned out to be completely false,

That, rebellions, uprisings, revolutions, freedom fights from the Baltic states through Poland, Czechoslovakia to Hungary are proofs of this failure,

That, people of Central Europe can boast of their individual culture and national identity which goes back more than a thousand years, will never give up their right-to-human dignity, justice, freedom and self-determination,

That, we can neither expect nor wait till the Soviet leadership admits their blunders,

That, in their overextended position the Soviet Union might find an internationally neutralized zone in its own interest,

That, the great powers agreed in 1955 to the neutralization of Austria which has proven successful, and follows Sweden and Finland,

That, the Red Army is the most unpopular element in Mid-Europe and the occupation of Czechoslovakia alienated even the two most friendly nations, the Slovaks and the Czechs from the Soviet Union,

That, the Soviet Union is troubled by problems on its Chinese border and with internal dissent elswhere in the communist states,

That, the December 1970 Polish riots and the December 1981 suppression of Solidarity, by a communist military dictatorship demonstrated anew the unpopularity of the Soviet occupation forces in Poland,

That, the brutal invasion of Afghanistan bared again the inhuman face of the Soviet system,

That at present the armies of two nuclear superpowers face each other in Berlin and in Central Europe and this confrontation could trigger a third World War through a small local incident,

That, a substantial and balanced reduction of armed forces in Europe would be very difficult, perhaps impossible under the present circumstances,

That, reliable supervision of reduced military forces is almost impossible without the existence of a zone completely free from interference of nuclear and conventional armed forces of the great powers,

That, national movements, manifestations and recent events in Central Europe have also expressed the will of the population to live in neutral states independent of the feuds of the great powers,

Therefore: the International Neutralization of a Mid-European zone between Russia and Germany under the guarantee of the United Nations Organization and the great powers represented in the Security Council and to appoint a Committee for Neutralization of Mid-Europe are the appropriate measures to be taken.

Peace, But Not at Any Price

The Versailles peace treaty already foreshadowed its omen of that great world-tradgedy which did not culminate even in World War II, but is still approaching its dramatic finale in the life of humanity. The victors were influenced by the false prophets who preached and influenced the world by the doctrine of self-determination for Europe. It can now be seen that this new order did not stand-up to the test, and that violence is still rampant. Wilson's 14-points, like the Atlantic Charter, served nothing but propagandistic aims. We have to reach deeper to completely understand the present day animosities, down to their fundamentals. We have to look into the depths from the ever changing everyday events. And, then we can observe that there are two opposite, unmitigated spheres of the world and we are living at the junction of the two. Plainly speaking the present day conflicts after the World Wars are fruits of "peaces". Vain illusions took place, such as Franklin Roosevelt's concept of Stalin as the "good old Joe whose wishes have to be met and everything will be in good order". Or the creation of the United Nations. It must be stated that following World War II, two super-powers divided the world between themselves, though they were of different world-wide outlooks/Weltanschaung/ from their inceptions. One power is thriving for democracy, the other is propelled by the idea of world revolution, total dictatorship and conquering new territories, with the help of "Fifth Column", including the United States.

Looking backward, more and more events in our age are the results of the defaults, and ignorance of the higher circles of past statemanship. Considering the present happenings, unfortunately we must realize that the U.S. foreign policy, because of the majority of Democrats in Congress, is inert. And, has become part of the moral debasement of the meaning of "Americanism" at home and abroad, which in turn has increased the insecurity of the United States and of the entire free world. Because of the lack of moral indignation when confronted with moral horror, the turning to attrocities into insensibilities, the incapacity for moral reaction, the indifference to events which need high decisions, there is a drift toward World War III.

As intellectuals we must analyze the human affairs and development and expression of ideas about them. As such, we have to have moral courage to say the truth and act accordingly.

Declarations for Captive Nations is not enough. No compromise or appeasement regarding subjects, such as Germany, Eastern and Central European countries, Middle East, disarmament can not ever lead to peace, while the communists adhere to a belief of world domination for the Soviets. There is no middle road to be found and no compromise which can afford both, life and victory for the antagonists. History teaches that nations grow strong by responding to challenge, they grow weak when they compromise with the challenger. I this life or death struggle only courage and inflexible response to challenge will save the United States and the free world. As Norman Thomas said, "what makes communism a universal danger is its relentless drive for power over the bodies, minds and souls of man".

The issue of war versus peace cannot be melted down into a naive phsychology of peace through better understanding among people, handshaking visits, propaganda conferences. We have to know, that we are confronted with indoctrinated communists who will never denounce the idea, the struggle for the victory of communism and the subjugation of the United States of America. There will be no such thing as ideological disarmament by the communists. Therefore, we should take democracy seriously and accept the democratic heritage as a value to the world of tomorrow. This heritage is now in a perilous condition. These times are not so much the times of big decisions, but the times of big decision that are not carried out. For peace with honor and justice we need a devoted strong leadership.

Great nations are characterized by their ability to achieve great and noble deeds in the present, as they had in the past. We, ostracized Hungarians, will not grow weary in our seemingly hopeless fight. We shall keep our faith and convictions. We do not aspire for anything that is others'; nor shall we let what is ours be taken away. It is our belief that the reorganization of the Carpathian basin can only be done on historical premises. This also shows that the popular self-governing right proved to be an empty and false phrase.

The historical vengeance of the victorious powers at the reorganization caused the territorial dismemberment of Hungary, without ever asking the approval of the people involved. The Trianon peace dictatum robbed Hungary of five million Hungarians, exposing them to the hostility of their enemies. All this was done to a people who as original settlers lived their for one thousand years.

Therefore, we ask the United States to do all that is in her power, to acknowledge this thousand year old geographical and historical unity. And, to force the Russians to withdraw from Hungary. The entire Hungarian population has been struggling for seventy years against the Trianon Treaty and its subsequent Parisian injustices. We shall continue to campaign for an end of these inhumanities and we shall strive until the curse of Trianon is removed from the Carpathian basin.

The Carpathian basin reorganization must follow historical and geographical priorities, otherwise it will become either German or Russian territory, and will continue to be a slave as it is today. Presently, we can only hope for a basic change of the world's events for the better; that is the victory of the West over Soviet forces. And, thusly renew the hope for a just reorganization of the Carpathian basin.

We, who are in exile, cannot sell out our Hungarian heritage on the basis of so called "real politics;" but, rather we shall keep and foster the heritage, preserving the ideal of a modern Hungary and continue to fight for a better future.

In these critical times, we are not bargaining nor are we selling away our historical rights. Since the establishment of our council, our aims have not changed. We believe that the historical and geographical forces will eventually win in Central Europe. We know that the development of nations are tending toward greater unities. Western Europe can serve as partial proof of that.

And, the less fortunate are also considering unity as a means of their survival. It will happen in Southwest Europe which is under the greatest pressure.

Southern Hungary, economically, historically, geographically and culturally is part of a much larger Danube area. This absolute economical and political order will serve in the interest of a new world. South of this is the territory belonging to the Balkan region, both geographically and culturally. It must be noted that the Trianon Peace Treaty by the Antente committed not only an injustice but, made grave political mistakes, also. As Tallyrand said, "this is more than a crime, this is already a fault." A steady multi-national empire had been torn apart by an abstract idea, in the name of self-determination. This was also a victory of words over the sane mind; a propaganda victory over political rationality. And, the priority of ideology over the thousand year old historical Hungarian heritage and human sense.

Program of the Council for Southern-Hungary

I. The council wishes to call the attention of the popular sentiment of the governing bodies of the free world:

a. Concerning the political suppression of the Hungarian people in Yugoslavia, and their indoctrination into their culture, the communist ideology and the total annihilation of their freedom and human rights.

b. The inhuman mass murdering the Yugoslavs perpetrated at the time when they came to power, and the terror which insures their rule to this day.

c. The historical fact is that those nationalities which inhabited that territory, name the Hungarians, Germans, Croatians, and the Vendisch were turned over to Yugoslavia by the Treaty of Trianon and denied their independence. President Wilson promulgated the doctrine of the right for self-determination was not heeded by the Yugoslavs, although these people constituted three-fourth of the populace. The Paris Treaty following W.W. II dealt the same way with the Slovenian, Croatian, and Macedonian minorities together with the Albanians and Bulgarians. In this light it is understandable that in 1941 when they had the chance, severed their relationship with Yugoslavia. The Paris Treaty in 1947 forced these people back to Yugoslavia and Communism. This was diametrically against the principles of the Atlantic Charter.

d. The exploitive and repressive policy of Belgrade forces its own people, the Serbians against their own regime.

II. a. Hungarian territories should return to Hungary to which they belonged for a Thousand years before W.W. I. These territories belong partly to Yugoslavia and partly to Rumania and these people should be spared from the present oppressive regimes of Titoist-Ceauescu-brand of nationalistic communism.

b. We heartily oppose every effort which tends to treat the present, or pre-World War II as a democratic nation or country; but we honor the rights of Croatians and others for self-determination.

c. We, free Americans request in the name of the people, forces to stay mute, to request their return to Hungary the area annexed by Yugoslavia after W.W. I.

III. a. The Council for Southern-Hungary/DFT/speaks for all nationalities of Yugoslavia:

1. Equality for the Hungarians and others in every aspect of their lives as citizens.

2. Complete cultural freedom for all the constituting citizens, equally oppressed by Yugoslav nationalistic terror, favoring a very dangerous type of conciliatory nationalistic communism, guised as peace-loving socialism.

3. To effectuate and secure the safe exercise of the minorities's autonomous cultural heritage.

IV. Council considers as illegal every effort by Yugoslavia which aims to change the nationalities structure by force and replace them with their communistic system. Therefore, we, American-Hungarians, morally committed to the principle of Democracy, cannot accept the post 1918 arrangement imposed on our people and the ensuing injustices that followed in the form of Yugoslav oppression and enslavement.

V. The /DFT/strives to maintain and continue eight-hundred years of Hungarian-Croatian mutual friendship and, validate it in the best traditions of these two nations in the future. Every pendant question must be settled in the future between these two peoples in the spirit of traditional Hungarian-Croatian friendship and in accordance with man's inalienable right for justice, peace, self-determination and, human rights. This question is by no means a particular, insignificant, nationalistic problem, located in a small, remote area of the world. It reaches far beyond its borders and influences the entire European political and economic structure. Neglect or postponement of the solution of this vital political problem might quietly, but most assuredly open the door for communist ideology which shall answer this question to its concept and liking.

Memorandum on the Miserable Inhuman Condition of the Hungarian Ethnic Population in Rumania, and the Total Failure of the Rumanians to Govern

Thousands of crystal-clear arguments and a deluge of documented facts have already been presented, by voice and in print, against the ill-conceived tragic dismemberment of Hungary at the Paris "Peace Conference", and sanctioned by the unilateral, dictatorially imposed "peace treaty" at Trianon, in 1920. Whole volumes have been spoken in the since defunct League of Nations in Geneva, Switzerland, between the two world wars, and even much more after the conclusion of the second world war on the principles codified in the Tehran, Yalta and Potsdam agreements which have relegated the present Captive Nations of East-Central Europe into indefinite Soviet slavery, ruthless political dominance, consummate economic exploitation and ultimate despair, without time limit, without a glimmer of hope for peaceful development or escape from their plight.

This immense amount of documentary data against the dismemberment of Hungary and for a corrective reconstruction of the Carpatian Basin into a viable nation and effective buffer zone in the consuming East-West rivalry, on principles of justice, in the promise of lasting peace and power balance, may be sorted out in three major categories.

CATEGORY ONE

Is the vast collection of verified statistical data and unquestionable facts which irrefutably proves the nature of monstrosity that has been perpetrated at the Paris Peace Conference, by 1920, against European security, continental stability, balance of power, economic progress, and in general against national viability, the question of survival of nations, in freedom and prosperity, in Central Europe.

All the facts are a matter of historic record, compiled and arranged by historians, authors, political scientists, statesmen and diplomats. Names, dates, places and quotations are superfluous in the present resumative format.

CATEGORY TWO

Is the quintessential history of the three Successor States with respect to their Hungarian minorities, from 1920 until their collapse at various stages of WWII. This chapter is the documentation, in resumative format, of the systematic destruction of the Hungarian ethnic population in the phoney democracies prevailing in the "narodniky" republic of Czech tyranny, and the dictatorial monarchies of Rumanians and Serbs. All three boasted of a "democratic" Constitution which they used as a window dressing while the government actually ruled by partially secret executive orders designed to accomplish the destruction of the Hungarian ethnic group in a "final solution". . .

Though the three states differ in minor details, their methods, their time schedule and the degree of cynicism with which they masked their ultimate goal, they were identical in ruthlessness and consequential in their persecution of everything Hungarian.

The present Memorandum deals in detail with the Rumanian maneuvers toward annihilating the Hungarian minority.

All three states had a fool-proof blueprint ready, but Rumania was most eager to start.

CATEGORY THREE

which began in Aug. 1940, at the time when Northern Transylvania was returned to millenary Hungary, by the Vienna Arbitration, and continues indefinitely in our time, is a period of "open season" of warfare, bloody atrocities, legal exploitation of the Hungarian population, an era of increasing police terror, of systematic acts of large-scale genodice (!), economic exploitation, political oppression, religious intolerance, persecution, a progressively more cruel and effective destruction of the Hungarian ethnic group through intimidation, treachery, brainwashing, blood-curdling acts of injustice, cynical disregard for civil rights and human dignity of Hungarian people throughout Transylvania.

These acts, however repugnant they are, are not coincidental events wantonly practiced by petty local cesars of Rumanian officialdom; they are instituted and implemented as underlying national policy, carefully designed and assiduously pursued as traditional and permanent features of the Rumanian national character! This is the true face of the Rumanian.

The word "Transylvania" is a cumulative name for the other three Hungarian provinces: Mármaros, Kōrōsvidék, Bánság detached from Hungary in 1920, inhabited by Hungarians in compact population.

This Memorandum points at two salient issues in Central Europe:

1. First, in the words of prince F. Rakoczi (17. century):

"Recrudescunt nobilissimae nationis Hungaricae vulnera", the wounds of the noble Hungarian nation have been reopened again. Millions of incidents of "minor" impact suffered by rural Hungarians in isolation, forced labor, serfdom, poverty, deprivation, oppression, humiliation, intimidation, fear for their life defy any attempt at collecting and listing. No one is able to give a fair account of the blood and tears of Hungarians doomed to slow extinction in the brutal prison state which is Rumania.

2. Second, to document with episodes of history on record that Rumania, with an independent nationhood of barely one century (1862), immature and irresponsible, unaccountable and inexperienced, has always been, and still is today, a maverick in the community of nations, an obstacle to peaceful coexistence, a worthless military ally, a nest of international intrigues, a fountain of hatred, a despotic regime, unfit to be a real support to a rational and just settlement of Central European problems. It consistently reneged on the implementation of its international treaty obligations. It prospers on deceit, it survives by sheer terror, and thrives on lies. They have developed a technique in rewriting their national history, improving on it every time, creating new heroes, inventing events, fabricating old documents, manipulating statistics, rendering fantastic interpretation to archaeological finds, industriously constructing new hypotheses without proof in truth. (Daco-Roman continuity in Transylvania) against the unison condemnation and refutation by Western historians and scientists (British, French, German, Russian).

More than 1,500,000 Hungarian Americans fervently hope, the U.S. Congress will long remember that Rumania, as an ally or trading partner, is an unquestionable liability to this nation, an international embarrassment, not an asset, and should be dealt with as such when the final restructuring of Central Europe will be on the conference table!

TECHNOLOGY TRANSFER AND IDEOLOGICAL DEFENSE INITIATIVE

ABSTRACT

Technology, a most valuable resource, will contribute to the generation of new wealth at a much higher rate than the human race has ever experienced. Maximizing the rate of new wealth generation also maximizes the rate of a more equitable distribution of wealth. The more we distribute the means of generating wealth, the more we disseminate newly-generated wealth itself. Technology can be utilized for society's and our own self-interests concurrently. Technology also has a significant role in the world's ideological warfare.

Importance of terms like "ideology" and "ideological advantage" are difficult to understand by those who have never been exposed to the powerful arguments of the other side. Believing in democracy, freedom, apple pie and the virtues of motherhood, and promoting the same, is not enough in the harsh world of today, particularly when one has to deal with fanatic demagogues who have been brainwashed for decades with an allegedly "infallible ideology." Having superior military strength is not enough either. It is useless both against terrorism and against overwhelming "world opinion."

The latter involves a sizable portion of the nearly five billion people of the world, most of whom are exceedingly envious of American achievements and thus easily manipulated. The real struggle for the control of the world, therefore, takes place not so much in the area of atomic weaponry (which neither of the two super powers can afford to employ), but rather in trying to gain control over the minds of its 4.9 billion inhabitants. It is in this area where the war for the mastery of the world will be fought—won or lost.

Victory, however, can only be achieved by recognizing both the strong points and the soft spots of our ideological adversaries and by countering them on their own level with similar ideological weapons that are based on truth, are presented rationally and are comprehensible to most of the people of the world. Let us teach the world to think and to act rationally, and let the world abide by the same rational rules that are measurable both quantitatively and qualitatively.

SUMMARY OF POSITION

Current estimates are that our planet Earth is inhabited by 4.9 billion human beings and that number is increasing at a rapid rate. Not only is the number of people increasing, but their level of expectations is increasing as well. This, in turn, places increasingly higher demands on every sector of society. In all areas of human endeavor—food supply, health care, education, communication, transportation, leisure time, and so on—these demands must be met. It is obvious that these increasing demands can be met only by the discovery and application of newer and newer technologies and the wider and wider dissemination and application of existing technologies.

For the sake of human progress and world stability, the role and social responsibility of Engineers, Scientists and Technologists (ESTs) must be enhanced. They must gain visibility, receive recognition and play a decision-making role in line with their contributions to the generation of the world's wealth. However, they must also take on increasing responsibility for the manner in which the products of their ingenuity and labor are utilized. There is a tremendous need for cross fertilization, not only among ESTs themselves, but also with politicians, government officials, economists, educators and others.

Old political dogmas on which competing social and economic systems were based, threatening each other with mutual and total destruction, must be re-evaluated by both sides. There is no need to destroy the world; the better way is to utilize the new resource, technology, to solve the world's problems.

Evolution is occurring rapidly. At one time the major occupation was farming; with the utilization of energy, world industrialization occurred. Availability of natural resources (materials, fuels, etc.) and labor (the importance of the proletariat) in creating wealth became dominant issues. The role of capital became a disputed issue, splitting the world in two. The current standard of living, as well as degree of individual freedom, afforded by each system to its citizens is the only clear and decisive means of judgment. There is, and always will be, a need for farms, natural resources, labor and capital. Their order of importance at any given time in the development process of human progress is changing continually.

Followers of old dogmas should be made aware that the world order is changing. There is a new resource available to the human race, technology. The Western industrialized world has created the most powerful resource, technology; and it is willing to share it with the rest of the world for the betterment of the entire human race. But they should not expect to receive it free. Some of their natural resources or labor may be required in return. The price must be fair both ways.

ESTs must make the world aware that they, as the generators, possessors and implementors of technology expect to play a major role in the newly developing world order.

RELEVANT IDEAS AND THEIR DISCUSSION

We now believe that there are three basic kinds of resources: natural, human, and human-generated.

Examples of natural resources are: land, streams, oceans, fish, game, plants, animals, trees, iron ore, gas, sun, etc. The well-being of the human race, or any segment thereof, depends on its ability to utilize the available resources for the generation of wealth. Furthermore, it depends on its ability to utilize its natural, human, and human-generated resources for the purpose of "creating new wealth, continually."

Human resources are constituted by the people themselves who are able to carry out useful activities in their own and in society's behalf.

Human-generated resources are the new capabilities, knowledge, materials and techniques developed by human beings to make their lives easier, which are utilized in various fields of human endeavor (e.g., fishing, ranching, mining, banking, lathe operating, etc.). These resources include skills learned and passed on to others, the most crucial and important of which is called Technology.

As demonstrated by the known facts of history, progress has always been connected with humanity's willingness and ability to utilize all available resources to the fullest extent. This is still true today, except that in our lifetime we have witnessed the birth of a new human-generated resource, Technology. It is our contention that this new resource will have a more dramatic effect on the history of the human race than either one of the two other resources. The resulting economy may be termed, Technoconomy.

Technology is a most valuable resource which will be responsible for the generation of new wealth at a much higher rate than the human race ever experienced. It can be generated, owned, bought and sold, just like any other resource—natural or human. It can be depreciated and replaced only by more advanced versions of itself.

It is obvious that Capitalism, i.e., free market economy, has provided far more to its citizens than did the Marxist-Leninist system to the Russians. But if this is true, why are the Russians still successful in selling their ideology to the world, even though the United States has to bail them out continuously in feeding their own population? The answer is simple: They are able to sell to the world the idea that the U.S. is successful simply because it exploits everyone's natural resources and cheap labor, i.e., human resource, and utilizes these for its own benefit. At the same time, however, the Russians remain silent on what the nations of the world are getting in return for their natural resources and inexpensive labor. They gain access to capital as a strategic resource, as well as to all of the new wealth-generating resource, Technology—and do so virtually free-of-charge.

What it really comes down to is that not even Mr. Rockefeller can eat more steaks and use many more pairs of pants than most of us. As such, he must utilize his possessions in other ways namely by investing them so as to generate more new wealth. In the same way, it does not matter what the state owns, but it surely matters how it uses its possessions. It has been demonstrated that state ownership or excessive government control retards the generation of new wealth. Instead of creating it, the state simply redistributes already existing wealth, and often it even consumes the wealth to be generated by future generations.

The U.S. should articulate its own successful ideology and sell it to the world. It is an ideology based on maximizing the generation of wealth through the proper application of all natural, human, and human-generated resource, particularly Technology.

The U.S. with a newly formulated theory on generating wealth based on ideas presented here, should pull the rug out from under the phony ideology which claims that the proletariat are the only real generators of wealth. (Actually nothing is new, except these self-evident truths have not been utilized by the U.S. in the form of an ideology.)

Naturally, labor will always maintain its roles as one of the important components in the generation of wealth.

The collective wisdom represented by risk taking, human innovativeness and human organizations in a free market society is infinitely greater than that of any centrally-controlled economic or political system.

Most wealth is consumed or decays with time. The distribution of old wealth, except for the fair availability of natural resources to everyone, has no chance in solving the current social and economic problems of the world.

The world needs rational thinkers as leaders. Engineers, Scientists and Technologists were trained to think and act rationally. They should take more interest in world affairs and aspire to leadership positions in various government organizations, together with other representatives of society.

Engineers, Scientists and Technologists (ESTs) are a special breed. They are the generators, possessors, and implementors of most of the means of creating new wealth for this world. They are intelligent enough not to seek world domination (Technocracy), like the proletariat, but they do want recognition in line with their contributions. ESTs should have their fair representation in government bodies and significant stature in society.

IMPLEMENTATION OF THE IDEALS

International Technology Institute was formed in 1976 to act as an international organization to promote the idea that technology should be considered as a human-generated resource, which is the most significant factor in the creation of wealth for this world; to act as a conduit for technology transfer for the betterment of the human race; and to create and promote the "Hall of Fame for Engineering, Science, and Technology," and thus encourage ESTs toward higher-and-higher performance on behalf of the whole human race.

IDEOLOGICAL DEFENSE INITIATIVE

Obviously we are playing with words. The U.S.A. government-stated Strategic Defense Initiative is mainly aimed at the USSR vs. USA confrontation. But let's face it, these two nations add up to only 10% of the world population.

For the long term, decades or centuries ahead, how the rest of the 90% of the world population thinks will form the history of the human race, as well.

Table II summarizes our understanding of the current situation and our suggestion of position to be considered by the U.S.A., promoting it to the whole world, very aggressively.

The U.S. government and the free world should be aware of these ideas as powerful ideological tools on the international scene. They may be stated in a number of differet ways, geared to the current level of communist indoctrination at a given region of the world. The American people have been largely immune to this indoctrination. They are hardly aware of its existence and even less aware of the need to gain the minds of the 4.9 billion people of the world. That, however, is the most crucial issue. Most Americans are not even aware of the real ideological differences between Communism and Capitalism. They should be freely exposed to these competing ideologies, but also to the fallacies of those ideologies.

Soviet propaganda is successful among some have-nots and idealist intellectuals because it promises the Utopia of a classless society, "a society where everyone works according to his own ability and is rewarded according to his achievements." But as an ultimate goal it also promises Communism, i.e., "a society where everyone works according to his ability and is rewarded according to his needs." Does the first definition fit the American or the Soviet system better? And does the second one fit any system at all? Why not let the world know about this? Which of these countries or systems is ahead in satisfying the needs of its citizens? Who possesses the best resources and environment for the generation of new wealth?

CONCLUSION

Technology and technology transfer have enormous effects not only on the economic well being of the world population, but also on the political systems under which our future generations may have to live.

TABLE.—IDEOLOGICAL DEFENSE INITIATIVE

Marx-Engles-Lenin Ideology—U.S.S.R. position	Suggested U.S.A position
1. There are two resources: (a) Natural. (b) Human.	1. There are three resources: (a) Natural. (b) Human. (c) Human generated (know-how, i.e., technology and capital as strategic resources).
2. All new wealth is generated by the workers, i.e., the proletariat. They must take power into their own hand by revolution	2. Application of know-how (technology) greatly impacts the rate of new wealth generation.
3. Money (part of capital) does not generate new wealth. It is a tool of capitalists to exploit the workers, and for the USA to exploit the world, for themselves.	3. Money does not generate new wealth, but acts as a catalyst, a strategic resource to bring together the natural, human and human-generated resources for action, for generating new wealth.
4. Message to the third world: The USA is rich because you are poor. You are poor because the USA has exploited you; they took your natural resources and your cheap labor. The wealth must be redistributed.	4. **Message we should give the world: The USA is rich because it has utilized all three of its resources better than anyone else has. We can help you to do the same. (Free market, entrepreneurship risk taking, R&D, technology, etc.).**
Your only solution: Destroy your government and the USA—and the capitalist system	
We have the infallible ideology.	Technology as a resource should be traded for natural resources and less expensive labor. Make fair deals!
5. Proletarians of the world unite under USSR leadership. Destroy the capitalist system first—then start rebuilding. You must suffer economically and otherwise until you achieve this	5. Everyone should think rationally. The more distributed new wealth generation is, the fairer is the distribution of the new wealth too. ESTs are the new breed of new wealth.
	Recognize them through HOFEST.

A Few Issues and Observations by American Hungarians

A large segment of American Hungarians came to this country as a consequence of the Soviet occupation and the events of 1956 in Hungary.

It is, therefore, no wonder that these refugees are strongly anticommunist and conservative in their behavior and thinking.

We believe in God and Country and in old fashioned values like family, loyalty, justice, decency, and yes, even authority.

Although both the democratic and the republican party has let us down in time of crisis, Roosevelt in 1918, and Eisenhower in 1956, we are inclined to vote republican rather than democratic, especially during the present administration.

We do not believe that the Watergate episode was serious enough to have forced the resignation of president Nixon, and we do not understand, why the Iran-Contra affair prompted Congress to conduct a costly investigation and why people like McFarlane, Poindexer, North and even president Reagan had to be ostracized by the nations networks and press.

We do not understand why the president should have no right to conduct covert operations, to spy in enemy territory, to preserve this country's interest, to send aid to the freedom fighters and to try to keep communism out of our hemisphere.

We do not understand why criminals obtain preferencial treatments and why victims of their crime are seldom, if ever, compensated.

We are upset about the media. All the major networks and the press are against our president and against the administration. They all provide half truths and slanted news. They influence onesidely the majority of our citizens. They have unchecked power. We would like to hear the other side of the story. The opinion of the so-called silent majority and the view of our government. We have difficulty finding this information. We wonder why?

We are concerned about the future of our great country. Our production of goods is down. We are unable to compete with the rest of the world. We are losing ground everywhere.

Germany with a population of one-sixteenth of the U.S. surpasses the U.S. in goods produced, and Japan with one-half of our population is close third.

Our children are uneducated. Their I.Q. is below of those of most other countries of the western world, not mentioning Japan.

The Russians are ahead in space and armament, if not in quality but certainly in quantity.

Our foreign policy is centered around the Middle East and protects the interest of Israel over ours. Europe, especially Eastern Europe is almost completely neglected.

Human Rights and the rights of the minorities, especially the large Hungarian minorities in the neighboring countries of Hungary, Rumania, Czechoslovakia, Yugoslavia, Russia and Austria, are constantly violated. The native Hungarians annexed to these countries, except those in Austria, are being persecuted, oppressed and subjugated. The situation is especially critical in Rumania and you will, without any doubt, hear about this in much more details from others.

The number of American-Hungarians living in the United States is estimated to be in excess of 1,700,000. In Ohio in excess of 240,000 and in the greater Cleveland area in excess of 150,000.

We believe that these estimates are rather low. The reason for this is that our census bureau connects nationality to geographic location of birth.

Since Hungary lost three-fourth of its territory and one-half of its population to the neighboring countries those who emmigrated to the U.S. are registered Rumanians, Czechoslovaks, Yugoslavs, etc. and not as Hungarians.

In our view nationality is not a matter of where one was born but rather it is the deep rooted feeling of an individual, based on language, customs, and style, a heritage obtained from his or her ancestories.

I realize that most of the above is generalization and that you need more specifics to be of help to us. I will try my best.

Please find below in random order things which you could consider bringing to the attention of Congress and the interested legislative committees:

1. To increase our political influence we need a just and correct tabulation of our numbers in the next population count. "Nationality" should be recorded independently from the "Place of Birth".

2. To maintain national identity of our children we need government subsidies to establish and maintain college courses on their homeland.

3. Congress should be made aware of the ongoing genocide of the Hungarian minorities in the neighboring countries of Hungary. Especially Rumania should be kept responsible.

4. Social Security, a vital source of income for most of our elderly American-Hungarians, should be separated from the budget. It should be self supporting and the surplus/if any/ should be cumulative and off limit to other issues.

5. The injustice of the so called "Notch Babies" born 1917-1921 inclusively, should be corrected. This is discrimination of the worst kind.

6. Medicare should be strengthened and expanded to cover catastrophic illinesses.

7. Health care costs must be controlled.

8. Law enforcement should be put back on the agenda as high priority. It is disgraceful not to be able to walk freely on our streets of our cities without constant fear of being robbed, beaten, or even murdered.

9. Criminals should be put in jails and repeated offenders should be kept in jail. They should work to earn their subsistence and to compensate their victims.

10. Inflation, the worst enemy of people in retirement, should be kept as low as possible.

11. The budget, and trade deficit should be dealt with and should be gradually eliminated.

12. Manufacturing of goods should be brought back to this country to keep our working men and women employed.

13. Defense, including Star-War program must be stengthened to keep communism out and to secure freedom for all.

14. Education of our children must be improved to make us competitive with the rest of the world.

15. Schools should be cleaned from drugs. A mandatory drug test for children would do this.

16. Mandatory bussing for political purposes should be stopped.

17. The neighborhood school system should be reinstated.

18. Human Rights issues everywhere should be kept alive.

19. Freedom Fighters, including the Contras should be supported and not neglected like in 1956 in Hungary.

20. A major conservative network by the civilian sector should be created without, or with government help.

21. America is a great country. We American-Hungarians are very grateful to be able to live here.

There are things we do not agree with, and there are things we do. This is the way it should be.

In case you agree with some of the suggestions above and could do something about it we American-Hungarians would be greatly appreciative.

American Hungarian Friends of Scouting

The ethnic American-Hungarian scout troops were established to acquaint boys and girls of Hungarian descent with the language and culture of Hungary, in addition to the standard scouting program. While there is no question about the value of the international scouting program, as established by Lord Baden-Powell, it is equally important for young people to know and take pride in their heritage. Numerous ethnic cultures, as well as the Black population of America, have found this to be true. Being proud of their heritage makes the young people better persons and better citizens.

This dual function is fulfilled by the Hungarian Scout Association, which has 6,000 members and 90 scout troops in the free world. In Cleveland, there are four ethnic American Hungarian scout troops, two boy scout and two girl scout troops, which have been active continously for the last 35 years, and which are members of the Hungarian Scout Association. The troops are also members of the local American Boy and Girl Scout Associations: however, because of their special emphasis on the Hungarian language and culture, they follow the program designed by the Hungarian Scout Association.

Since the troops get neither governmental nor private funding, they rely on their sponsoring organization, the American-Hungarian Friends of Scouting (AHFS), to provide the necessary financial basis. AHFS does this by holding three major fund-raisers per year, a Scout Ball, a Recognition Dinner, and a Scout Day Picnic. These provide funds for day-to-day operations (rent, transportation, etc.). but not for major acquisitions or improvements.

It has also become increasingly difficult, because of the high-tech entertainment available everywhere, to provide programs that are stimulating and hold the scouts interest. To compete successfully, we would like to get a computer, for example, to teach the Hungarian language in an interesting way, with equipment that is familiar to the children from school. The above is just one example: obviously, there are many ways our programs would benefit from the use of modern equipment.

We would like to explore with you the possibilities of obtaining federal grants to help us in our task of teaching our children the language, culture and heritage of Hungary. A successful program would not be limited to the Hungarians in Cleveland, but could also be utilized by Hungarians in other cities. The Hungarian Scout Association has troops in cities with large Hungarian communities in New York, New Jersey, Illinois, California, etc., which are all faced with similar problems and would welcome any type of assistance that could be provided. The program could be adapted for use by other ethnic groups, as well.

English first: is supported in general by American Hungarian organizations.

Several studies have indicated that the knowledge of the second language also (in this case Hungarian), is a good solution.

It is desirable that fluency in two or more languages would be compensated in private and in public service, as it is in other countries. Knowledge of languages does enhance contacts and trade to U.S. advantage.

In the U.S. children study Hungarian at churches, scout troops and weekend classes, usually.

High school level teaching is not offered currently and badly needed, especially since several U.S. universities offer popular (credit) courses in Hungarian language, literature, etc.

Dramatically increasing tourism, trade and student exchange programs, expanding to the secondary school level, increase demand.

Canada for example, grants generous government support to ethnic elementary and high schools; resulting in continues, successful, Hungarian language programs.

The U.S. badly needs a similar program.

A Linguistic Perspective of Functional Illiteracy

A REQUEST BY WAY OF INTRODUCTION

In order to enhance your appreciation of this paper, I would like to ask you to consider—without checking any sources—(1) How many English graphemes the upper high back vowel /u/ has; and (2) what the average number of graphemes is for each English phoneme.

Please take a moment to write down both estimates for future reference. Thank you. I would now like to ask you to read a short, highly selective curriculum vitae which may serve to illustrate the differences in ease of reading acquisition, depending on the systems of orthography to which the learner has been subjected.

I was born and raised in Hungary. Like most of my compatriots during the 1920's, I did not have any familiarity with the letters of the alphabet prior to entering first grade. I, as well as every other Hungarian child without serious learning disabilities, learned to read any and all Hungarian tests fluently by the end of the first year of elementary school. In another three years, my fourth grade classmates and I acquired mastery of Hungarian orthography.

I learned to read Latin correctly at the age of ten within one week and German at eleven in less than a week. So did all the other Hungarian students studying in the gymnasium (pre-academic high school) that I attended. At the age of fourteen, I started learning to read and write English, and in the next four years I made some modest measure of progress. At the university, I dropped English and majored in German and Finno-Ugric Hungarian linguistics, philology and literature. As part of my training, I learned to read and write Finnish in a few hours as did all my fellow students.

In 1949, I immigrated to the United States. Due to poor English proficiency, my first jobs were outside the academic world. Mingling with the common folk, I learned English well enough in two years to return to my field of foreign language teaching. As soon as I had arrived in the United States, I resumed learning to read and write English and I have been making moderate but steady progress throughout the almost four decades that have elapsed since then. At this rate of progress, I hope to become comfortable with English orthography in another decade or so.

A BRIEF SUMMARY OF THE ROOT CAUSE OF FUNCTIONAL ILLITERACY

Who wouldn't know the story which begins like this, "For want of a nail, the shoe was lost, for want of a shoe the horse was lost?"—With a new twist, it could end, "For want of a systematic English orthography, countless students have been and continue to be lost to functional illiteracy." To linguists it is obvious that the term, "English spelling system" is a generous euphemism. In fact, our non-system seems to be the most ruinous influence on the forward movement of American education and on the daily routine of schoolrooms throughout the English-speaking world.

Of course, it is human to create excuses for what we are used to. No wonder that there are quite a few who, in lieu of a solution, try to refute this truism. There are even some who rudely brand critics as iconoclasts and pooh-pooh any questions raised about our long-exhumed gruesome orthographical mummies. Such detractors confuse language with spelling. In a pseudoscientific manner, they disregard the irrefutable truth that language is the magnificent result of millenia of subconscious cognitive evolution, while orthography is produced—you might say artificially created or concocted—by the conscious mind and may be great or not so great. While language cannot and need not be improved at all, orthography can and should. Our language is a precious jewel full of beauty but its spelling is needlessly confused.

It is no secret that learning our spelling non-system consists of a great deal of rote memorization. Trying to master the greatly arbitrary grapheme sequences of what seems to be myriads of words and a multitude of rules, exceptions from the rules, and exceptions from the exceptions, appears to too many students to be an endless and valueless nuisance. The much-too-frequently fruitless struggle of learners with relatively high IQ's bruises their sensitive egos and dulls their youthful enthusiasm and buoyancy. Few are fortuitous enough to be spared frustration or humiliation. No wonder their teachers do not find them exuberantly oohing and aahing whenever yet another grapheme of a phoneme is introduced. No wonder groups of our youth do not queue up at libraries, but are too often glued to the tube. It does not take a supersleuth to conclude why Hugh, Lew, and Louis, Sue, Prue and Eunice much prefer to watch beautiful movies and Dallas or Matt Houston on what they call the boob tube[1] over mastering spelling intricacies.

My nephew, Lou Hughes, for one, cannot see why four different letters should be wasted on the same single vowel sound in "through," "Sioux" and "coups." (To make matters worse, the intellectual responsibility of defending it.

William Dwight Whitney offered the following conclusion about the English language in his article, "How Shall We Spell?" which first appeared in 1867:1

> . . . we have hardly the right to hand it down to posterity with such a millstone about its neck as its present orthography.

The "present orthography" referred to 120 years ago is still our present orthography . . . This regrettable fact seems to be more the answer to the question of why Johnny still can't read than any other single cause.

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[1] With apologies to Marshall McLuhan.

TRIBUTE TO DR. ABEL WOLMAN

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. BENTLEY. Mr. Speaker, last month the first Maryland Academy of Science Medal was bestowed upon one of Maryland's greatest scientific minds. This man has been our Nation's preeminent expert on water resources throughout this century. He is a man whom the New York Times dubbed "friend of the thirsty." As a sanitary engineer, consultant, and educator he has used his great knowledge and skills to serve his fellow man with great zeal and tireless effort.

The man I speak of is Dr. Abel Wolman, and at 96 years of age he is able to look back on a life replete with accomplishments too numerous to mention. His mind is keen and his spirit strong, and it was a pleasure for me to attend the banquet honoring his latest achievement.

When I say latest achievement I am by no means exaggerating. His résumé looks like the index to an encyclopedia more than anything else. He has held literally hundreds of positions and won every award there is in the area of water resources. He has been a consultant to cities, States, foreign countries, and the U.S. Government. Titles such as chairman, delegate, editor, and president are quite familiar to him. In addition he has published over 300 articles and 4 books.

Mr. Speaker, what can you say about such an incredible man? How do you sum up a career of achievement which has spanned three-quarters of a century? To do so would require writing a book, and that's not what I'm trying to do here.

Instead I'm just going to say that Dr. Abel Wolman is a person who made a difference in a variety of ways. He made a difference when he chose to lend his scientific skills to public service over personal gain. He made a difference when he spearheaded efforts to insure a water supply free of waste and disease. He made a difference when he introduced chlorinated water—an idea for which he does indeed deserve most of the credit.

More than anything else, however, he made a difference in that he has—to the best of his abilities—made this a better world. His colleagues at Johns Hopkins University referred to him as very able Wolman. Perhaps this recognition by his compatriots is the best award Dr. Wolman ever received.

Mr. Speaker, I urge you as well as the rest of my colleagues in saluting this great man. We—as well as the rest of the citizens of the world—owe him a lot.

Thank you, Dr. Wolman, and congratulations for a job well done.

ACID DEPOSITION CONTROL ACT OF 1988

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BONKER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

EXPLANATION OF KEY PROVISIONS

SECTION 1. SHORT TITLE

The short title of the legislation is the "Acid Deposition Control Act of 1988."

SECTION 2. ACID DEPOSITION CONTROL PROGRAM

Allocating SO_2 emission reductions. Section 2 provides for a nationwide reduction in the emissions of sulfur dioxide (SO_2) from 1980 levels of 3.5 million tons by 1994, 5.7 million tons by 19[illegible], and 10.8 million tons by 2002. Approximately 80 percent of the eventual reductions in SO_2 emissions are allocated to the 10 states with the highest emissions.

Specifically, SO_2 emission reductions are allocated to the 31 states east of and adjacent to the Mississippi River on the basis of their 1980 emissions from utility powerplants which emit more than 1.2 pounds of SO_2 per million British thermal units (Btu) of heat input. In addition, all 48 contiguous states are prohibited from increasing their statewide emissions from sources other than powerplants subject to new source performance standards (NSPS).

The 1994 emission reductions are, for the most part, allocated directly to the sources of pollution. First, 14 units are required to reduce their SO_2 emissions to the level required under the NSPS applicable to units constructed after 1977, based on an annual average rate of emission. This will result in a reduction in emissions of 2.6 million tons. These plants are both high-polluting as well as being likely candidates for cost-effective scrubbing. The utilities which operate these plants may obtain the required reductions from other plants in their system, but the reductions must in any event be achieved by 1994. Second, all oil-fired powerplants must achieve a SO_2 emission rate of no greater than 0.8 pounds per million Btu of heat input, which will result in a reduction in emissions of up to 0.6 million tons. Third, all 48 contiguous states must take immediate steps to limit their statewide emissions from non-NSPS sources, resulting in additional reductions of about 0.3 million tons.

Section 2 allocates subsequent SO_2 emission reductions to each of the states, which then make the decisions as to the reductions required of each source or utility. Allocating reductions to the states is consistent with the traditional approach under the Clean Air Act, whereby the Congress establishes air quality objectives and relies upon the states to develop and administer implementation plans. It also facilitates the consideration of policy factors that may be of specific local importance, other than simply the cost to the source, of various allocations.

The SO_2 emission reduction requirements are stated in terms of limitations on the amount of emissions. Reducing the total amount of emissions is, of course, the primary goal of any acid deposition control program. Requiring reductions on this basis, rather than on the basis of an emission rate, relates to the program goal directly and makes quantification of that goal more certain. While it is possible to achieve reductions by limiting the rate of emissions to a level which is significantly below that experienced at most sources, such an approach does not adequately control emissions growth. Moreover, by limiting the total amount of emissions, rather than the rate of emissions, section 2 maximizes the value of energy conservation as a compliance strategy.

Finally, all 48 contiguous states are required to limit their statewide emissions from non-NSPS sources to a level which does not exceed the total level of SO_2 emissions permitted from such sources in the state by 2002.

In order to fulfill its obligations under section 2, a State which is required to reduce emissions must submit a revision of its State implementation plan (SIP) to the Administrator within 2 years of EPA's issuance of SIP guidance (which is required 9 months after enactment). The State may allocate emission reductions to such sources as the State sees fit, including either utility or non-utility sources, or both. However, it may not allocate such reductions to small utility powerplants, unless the small utility requests such an allocation—which might occur, for example, in fulfillment of an emission trade.

The Administrator must approve or disapprove of the revised SIP within 12 months of its submittal. If it is disapproved, the State may resubmit an amended SIP revision within 6 months (unless it sumitted the original SIP revision late), and the Administrator will again have no more than 12 months to approve or disapprove the amended SIP revision.

Certain default provisions apply to all fossil-fired electric utility plants in the State in the event that (1) a State fails to submit a SIP revision on time, (2) the SIP revision is disapproved and no amended SIP revision is submitted on time, or (3) the State has no approved SIP within 4½ years after issuance of EPA's SIP guidance. These provisions require that by the year 2000, all such plants may emit, based on an annual average, no more than 1.2 pounds of SO_2 per million Btu of heat input. These default provisions will be lifted if the State submits, and the Administrator approves, a plan which is adequate to ensure that the State will achieve the emission reductions required under this Act by the deadlines provided for.

Allocating NO_x emission reductions.—Section 2 also requires a reduction in emissions of oxides of nitrogen (NO_x) from 1980 levels of approximately 3 million tons by 1998. These reductions are achieved by requiring the installation of low NO_x burners on all fossil-fuel fired electric utility units which have tangential or wall-fired boilers. Furthermore, the Administrator is directed to examine cost-effective means of reducing NO_x emissions from other boilers. If the Administrator determines that NO_x reductions from such boilers are reasonably achieveable at a level of cost-effectiveness comparable to the use of low-NO_x burners, such reductions must be achieved.

Finally, all 48 contiguous states are required to limit their statewide emissions from non-NSPS sources to a level which does not exceed the total level of NO_x emissions permitted from such sources in the state by 2002.

Default provisions are included, and are triggered by the same circumstances described above for SO_2 emissions. They require that (except for cyclone boilers) all fossil-fired electric utility plants in the defaulting state may emit, based on an annual average, no more than 0.5 pounds of NO_x per million Btu of heat input. These default provisions will be lifted if the State submits, and the Administrator approves, a plan which is adequate to ensure that the State will achieve the emission reductions required under this Act by the deadlines provided for.

Trading sulfur dioxide emission reduction allocations.—Section 2 permits those utilities which are required by 1994 to reduce emissions at the 14 specified units may meet their requirements by obtaining the required reductions at other plants on their system. Section 2 also allows emissions trading, within a utility system, in order to meet subsequent requirements to reduce SO_2. It also allows trading outside of a single utility, including trading with non-utility sources, as long as such trading stays within a single State.

Emissions trading improves the flexibility of an acid deposition control program, and makes the program more cost-effective. This is because the sources of emissions generally have better information about real-world pollution control costs than do regulators, and will be best equipped to find the least costly control options.

Emissions trading, unfortunately, adds a degree of uncertainty to a program of emmission reductions. In order to avoid the possibility that required emission reductions will take place only on paper, section 2 requires that the Administrator issue guidance on emission trading programs. Such guidance should specifically include information on monitoring and enforcing emission trading programs. The States are required to be consistent with such guidance, and to include in their revised SIPs certain safeguards, including provisions to assure that the total emission reductions will be no less than would be required absent an emission trading program. In addition, the revised SIP must require that each source which trades emissions shall install and operate continuous emission monitoring for SO_2, and shall maintain and make publicly available certain records.

Section 2 prohibits holding companies from reallocating the costs of emission reduction among their operating utilities, while still permitting them to reduce the overall cost of compliance by allowing operating utilities to *purchase* reductions from each other. In order for the holding company to trade emissions, the costs of the required reductions must be borne by the customers of the subsidiary to whom the emission reductions are allocated.

Allocating the costs of the program.—Allocating emission reductions to States based on emissions in excess of 1.2 pounds per million Btu of heat input is a relatively cost-effective strategy overall, but it tends to impose costs somewhat disproportionately on certain states. Section 2 spreads the costs of the required emission reductions broadly by helping to finance a portion of the control program with revenue generated from a small fee on the generation and importation of electric power.

The fee is one-half of a mill (i.e., 1/20 of a cent) per kilowatt-hour (kWh) of electric power, measured in 1988 dollars, generated or imported into the United States from 1990 through 2002. The impact of the fee will vary from utility to utility, but is small in all cases. For example, the average U.S. residential ratepayer consumed 749 KWh of electric energy per month in 1985 and paid a rate of 7.39 cents per KWh, resulting in an average monthly residential electric bill of $55.35. The fee required under section 2 would add approximately 37 cents to this average monthly bill—in other words, an increase of ⅔ of 1 percent in the average monthly electric bill.

Funds generated by the fee would pay between 70 to 85 percent of the capital costs of SO_2 emission reduction, depending upon the technology used, for reductions required by 1994. Capital subsidies tend to encourage capital-intensive compliance strategies, which is desirable in the first part of the control program in order to ensure the survivability of communities dependent on high-sulfur coal mining. Later in the control program, however, clean coal technologies can be expected to be proving themselves in the marketplace, and such communities will no longer require support. At that point, the funds generated by the fee will pay up to $100 annually (over a period of 20 years) for every ton of SO_2 removed.

Conservation measures are an important, and all too frequently ignored, part of a strategy for controlling emissions of SO_2. In order for its utilities to be eligible for cost-sharing, each State utility regulatory authority must formally evaluate its ratemaking structure, including an evaluation of least-cost emission reduction strategies, and must structure its rates so that utilities are rewarded for investments in cost-effective efficiency improvements that will both reduce emissions and decrease the total societal costs of electricity. In addition, each State must address in its revised SIP (1) a least-cost emission reduction strategy, and (2) mitigation of the effects of complying with section 2 on employment. Finally, the utility must submit a certification that the funds received will be used exclusively to offset the utility's revenue requirement, thereby ensuring that ratepayers will be the beneficiaries of the cost-sharing program.

SECTION 3. NEW SOURCE PERFORMANCE STANDARDS

EPA is required to review, and update as necessary, new source performance standards at least once every 5 years. However, it has not reviewed the SO_2 or NO_x utility NSPS for about a decade. Moreover, there is no indication that EPA has any immediate plans to comply with this requirement of the Clean Air Act. Section 3 directs the Administrator, within 9 months, to report to the Congress on EPA's history on the SO_2 and No_x NSPS for utilities, and to specify how EPA intends to comply with its obligations in the future. Section 3 does not authorize or condone any delay in EPA fulfilling its obligations, and indeed is drafted specifically to avoid any suggestion that the Congress approves of or accepts the delays that appear to have occurred thus far.

SECTION 4. CLEAN COAL, ACID DEPOSITION AND CLIMATE CHANGE CONTROL TECHNOLOGY INSTALLATION PROGRAM

Section 4 provides legislative authority for a clean coal, acid deposition and climate change control technology installation program to be administered by the Secretary of Energy, and authorizes the appropriation of $2 billion over the next 5 years for such program.

The program authorized under section 4 is intended to facilitate the installation of advanced technologies, including clean coal, conservation, and renewable resources, that will reduce emissions of SO_2, No_x, and carbon dioxide. It does this by providing grants for the installation of such technologies. All grants must be matched by the grant recipient.

Section 4 also authorizes the Administrator to encourage the installation of such advanced technologies by extending the deadlines applicable under Part E (relating to acid deposition control) for plants that, in good faith, have utilized advanced technologies in order to comply with Part E but have not been able to comply by the applicable deadline. Such extensions must include enforceable schedules of compliance, which shall provide for compliance no later than 2 years after the otherwise applicable deadline. Additional extensions of up to 3 years are available under limited circumstances.

ADEQUACY OF CURRENT STRUCTURES

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. KASTENMEIER. Mr. Speaker, as a nation, we need to be more concerned than we currently are with our international responsibility for helping to protect the global environment. Unfortunately, we're finding out that pollution respects no geographic or political boundaries, and as we witnessed this past summer, the consequences of years of neglect in so many areas may be finally coming home to roost.

I am pleased to note that one of the leaders in the Congress in the effort to change this position is my friend and colleague from Wisconsin, DAVE OBEY. Since assuming the chair of the Appropriations Subcommittee on Foreign Operations, Export Financing and Related Programs 4 years ago, Representative OBEY has led the fight to ensure that our foreign assistance dollars are used for more environmentally sound projects than had been the case in the past.

Recently the New York Academy of Sciences published the proceedings of a major international scientific conference entitled "Living In a Chemical World: Occupational and Environmental Significance of Industrial Carcinogens". The keynote address to that conference was delivered by another Wisconsonite and former constituent of mine—Neal Neuberger. Before joining DAVE OBEY's staff as legislative assistant for health and the environment 5 years ago, Neal served as a county board supervisor in Dane County, WI. Recently he joined the staff of the American Hospital Association.

Mr. Speaker, I would ask that Mr. Neuberger's remarks be printed in the RECORD because they so aptly summarize Representative OBEY's work and they also lay out the task yet ahead of us as the international community searches for ways to control the sale and manufacture of hazardous substances.

I hope that the 101st Congress will build on the work that dedicated members like DAVE OBEY and his colleagues on the Appropriations Subcommittee have begun.

ADEQUACY OF CURRENT STRUCTURES

The subject of the adequacy of current structures is a complicated one in light of the sheer number of international agencies and government involved in questions of chemical safety. There are many problems and there is plenty of blame to go around. The U.S. is, like all nations, responsible for its share of the situation. The best thing to do is discuss the issue in terms of everyone doing their part to shore up the institutions which can lead to a safer chemical society.

Since I am more familiar with U.S. agencies and how we fit into the scheme of international institutions, it is that perspective that I want to discuss. It is important, however, to stress that all nations have a stake in these questions.

Mr. Obey has recently become the chairman of the subcommittee in the House of Representatives responsible for funding the U.S. foreign aid contribution. That includes the U.S. contribution to the multilateral lending institutions including the World Bank, bilateral economic assistance to individual countries through programs like the Agency for International Development and much of the U.S. portion of United Nations programs like UNICEF, the U.N. Environment Program, and the U.N. Development Program.

I want to discuss some of the provisions Mr. Obey has put in the foreign aid funding bill this year relating to international chemical concerns and other environmental priorities, but first I should briefly mention his background and interest in occupational safety and health policy. For many years he has sat on another subcommittee of appropriations which funds the National Institutes of Health including the National Institute for Environmental Health Sciences, the National Institute for Occupational Safety and Health at the Centers for Disease Control, and the Occupational Safety and Health Administration within our Department of Labor. In addition, the congressional district in Wisconsin that he represents includes many millworkers routinely exposed to high levels of such various pesticides as carbon tetrachloride, ethylene dibromide, and phosgene gas. Workers in the paper, wood manufacturing, and shipbuilding industries are, as you know, constantly subjected to the effects of substances like formaldehyde and asbestos.

As a member of Congress, Mr. Obey has been very involved in attempts to ensure that the United States maintain a strong domestic and international commitment to a safe and healthful workplace. In fact many people at this colloquium have worked hard in recent years to help establish an effective national program of environmental and occupational health in the United States. In 1977, as a member of the Foreign Aid Committee he now chairs, Mr. Obey became involved in a major effort to change pesticide practices in Pakistan. Thousands of workers were, without taking any safety precautions, exposing themselves to extremely high levels of the pesticide Malathion. Before the situation was corrected, nearly 3000 people became ill and five died.

In testimony before committees of Congress, researchers have cited numerous other instances of widespread poisoning due to the poorly regulated use of pesticides in many Third World countries. In one of the Philippine's principal rice-producing provinces, mortality rates have increased tremendously since small farmers began using insecticides intensely in the early 1970s. Public health workers in other parts of the Third World have expressed similar concern about pesticide poisoning in rural populations. In Sri Lanka more than 10,000 people are admitted to the hospital each year for pesticide poisoning, of whom some 1,000 die, more than the number dying due to malaria and several other diseases combined.

It is the feeling of many that direct economic assistance agencies and multilateral development banks, which have successfully promoted pesticide use over the years, are some of the structures that are going to have to help come to grips with the problems of improper insecticide production and use. The U.S. Agency for International Development has financed the export of more than a half billion dollars' worth of pesticides over the past 20 years. It is estimated that 10% of World Bank agricultural loans of $346.4 million per year is spent on pesticides around the globe.

U.S. AID has recognized that it has been a part of the hazardous pesticide export problem. The economic support agency has developed what is thought by many to be a very workable policy for pesticide control in its programs. In fact this April, U.S. AID helped the World Bank establish its own set of 22 pesticide operational requirements which must be observed by World Bank staff in designing and implementing development projects financed by the Bank.

One need only look at a situation in the Sudan to conclude that it is important for the World Bank to also implement an effective pesticide policy. From 1973 until 1983 Sudan has had to increase its pesticide application on cotton six-fold to overcome resistance. Until 1981, when the King banned it, chemicals used included DDT, which was used widely. In the 1979-80 growing season, $42 million was spent purchasing pesticides from Europe. However, that year only $26 million in sales were generated from cotton, the Sudan's chief export crop. In 1984, the World Bank has contributed $43.5 million to the Sudan for increased pesticide purchases.

In India, the World Bank financed millions of dollars of loans for DDT production facilities years after the chemical had been banned in most other countries. The World Bank has, over the past decade, lent India $955 million to create its pesticide and fertilizer industry. Indian farmers and health officials use 77% of all the DDT manufactured in the world, 94% of the BHC, and 64% of the world's malathion.

While recognizing the potential benefit of the cooperative AID/World Bank pesticide effort, Mr. Obey's Committee has suggested several other necessary changes in World Bank and AID environment policy. A strong supporter of the World Bank, Mr. Obey has thought for many years that some of the projects financed by international lending agencies need to be better planned from an environmental perspective from the onset. Accordingly, he has proposed legislative language which would instruct our representatives on the Bank to attempt to ensure that there is, among other things, increased environmental staffing at the banks and better policy direction during the planning phases of all projects. At the same time, his Committee has recommended that the Agency for International Development establish policies for the use of all other industrial chemicals it makes available through its commodity import program.

There are indications that public pressure in host countries is also beginning to have an effect on World Bank policies. For example, the Bank is currently holding discussions with the Indonesian government about relocating a caustic soda plant from a crowded area near Djakarta to a more remote site.

Many nations are becoming increasingly concerned about the role of multilateral development banks and chemical safety. According to a just-completed study for the Pan American Health Organization, chemical waste management has now become a primary concern to Latin American nations.

The Pan American Health Organization, which is part of the United Nations World Health Organization, has recently reached agreement with the World Bank to involve its health personnel in the planning decisions of the Bank in Latin America.

In some cases the Bank has been available to help out in situations that have not been of their making. In one of Latin America's largest petrochemical centers, at Cubatao Brazil, 23 privately financed multinational corporations operate 111 plants in what is sometimes referred to locally as Brazil's "Valley of Death." The World Bank has recently lent the state of São Paulo $22 of $100 million needed to bring air, water and soil pollution levels closer to acceptable levels in what is thought to be one of the most polluted places on earth.

Aside from the role of international financial institutions, there are several other organizational structures which have become active in the international debate on control of hazardous substances.

The European Economic Community's response to the Seveso accident may provide some valuable lessons to countries worldwide seeking to further define policies in order to avoid future Bophals. After Seveso, European Community member states agreed to develop a joint approach to major hazards resulting from industrial accidents. Now European Community members pool their expertise on hazardous substances and processes. They routinely circulate information made available within their own borders, have established strict export notification procedures, and have generally agreed to control installations handling certain substances.

Mounting evidence suggests that the six-year-old Seveso doctrine works well by establishing linkages between administrative authorities at all levels of the European Community's member states. The Seveso directive, while not directly transferable to other nations in every regard, certainly represents a useful model for international cooperation.

The Council of the Organization for Export Cooperation and Development (OECD) recently adopted a set of "Guiding Principles on Information Exchange Related to Export of Banned or Severely Restricted Chemicals." The OECD determined that while importing nations have the primary responsibility for protecting their people and the environment from hazards associated with chemicals, governments of exporting countries have a clear responsibility to provide information at or before the time of export that could lead to a proper judgment on the part of the receiving country.

The United States has been an active participant in the development of OECD recommendations. In fact, legislation is being considered in our Congress that would require the issuance of notification and the provision of technical information to host country governments concerning potential environmental, health and safety hazards associated with the transference of technologies.

In addition to agreeing to the OECD Principles, the Federal Republic of Germany has suggested to the OECD that nations voluntarily accept a self-imposed code of conduct for the international trade in pesticides.

Another control mechanism that can bring pressure to bear is the eighty-eight nation general agreement on tariff and trade or the GATT organization. At the 1982 GATT ministerial meeting, a proposal adopted whereby contracting parties shall, to the maximum extent feasible, notify GATT of any goods produced and exported by them, but banned by their national authorities for sale in their domestic markets on grounds of human health and safety. GATT's notification system has as an advantage a legal framework to implement its decisions. The GATT notification system is thought to be important to consumers because it applies to finished goods and not just substances. It also encompasses a wide variety of chemical and nonchemical products in its notification requirements.

United States laws currently require notification and certain restrictions on the export of some hazardous drugs and other substances, but not industrial processes. The distinction is important if one considers that stronger pollution control laws and occupational health standards in the United States may have led some companies to simply relocate entire manufacturing processes in economically strapped developing countries.

The transferrence of chemical manufacturing from France, the Federal Republic of Germany and the United States to the region of Brazil mentioned earlier is an example of companies' moving operations to less regulated countries of the world without regard for the social or health implications.

The history of the manufacture of benzidine is another clear example of technology transfer to avoid regulation. As Italian scientists know, the manufacture of benzidine can be a dangerous business. Recently Congressman Obey coauthored legislation with the support of the Colleguim Ramazzini which would ban the importation of benzidine and products made with benzidine-based dyes into the United States. Investigations showed that although benzidine is no longer manufactured or used in the United States, Italy, Sweden, Japan or Switzerland, several industrial and developing countries including Korea, Mauritania and India have picked up the trade. Nearly 500,000 pounds of benzidine and benzidine-based dyes were brought into the United States in 1983 alone, a substantial amount considering that it is no longer manufactured there.

The United Nations has also been very involved in efforts to help developing countries improve their ability to handle and use potentially hazardous products. Various agencies of the United Nations system, most notably the World Health Organization, Food and Agricultural Organization, the International Labor Organization, and the United Nations Environmental Program have for years studied the issue and drafted guidelines, principles, and notification schemes for pesticides, pharmaceuticals, and other chemicals and processes. In an attempt to coordinate the activities of these programs in 1981, the General Assembly approved a resolution requesting the Secretary General to prepare a consolidated list of hazardous products whose manufacture or sale has been restricted in various countries.

Some of you may have had questions about the United States vote in opposition to exenditures for publication of the list. At the same time, the Congress has maintained support for the United Nations environment program which compiles a valuable database known as the International Register of Potentially Toxic Chemicals.

The United Nations Environmental Program (UNEP) has been given high marks in congressional testimony for its toxic registry and the other programs it operates on such matters as global environmental monitoring and desertification. Although effective, UNEP is a small agency with less than 100 professional staff and a $30 million budget. In his committee recommendations for 1986, Congressman Obey has suggested that United Nations organizations including UNEP, the World Health Organization, the Center for Transnational Corporations, and the Food and Agricultural Organization work toward the establishment of uniform international standards governing the trade and proper use of products containing hazardous substances.

Clearly a move towards international consistency in the regulation of hazardous substances must be tempered by local needs and conditions in each country.

In conclusion I would note that recently, several international organizations have begun to establish export policies, trade agreements and information exchange networks with respect to the use of potentially hazardous substances. In addition, pressure is being brought to bear on the international financial institutions that fund many of the projects involving either the manufacture or use of potentially hazardous substances.

Some of these efforts have been supported by the United States and others have not.

It is encouraging to note that more than 100 countries have environmental protection ministries today, whereas only 11 did in 1972.

Short of every nation adopting its own strict export and import controls, countries could benefit from active participation in international efforts to provide up-to-date information on hazardous substances.

It is unfortunate that in many countries large-scale industrial accidents have had to serve as the impetus for change. A growing awareness of the need for clean, simple technologies, better suited to local needs and circumstances, offers hope that nations would want to adopt aspects of internationally developed models that discriminate against hazardous, polluting industries.

THE ANTI-TERRORISM AND NATIONAL SECURITY AMENDMENTS OF 1988

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. BROOMFIELD. Mr. Speaker, I urge my colleagues to support this important measure. This bill includes several significant pieces of legislation that have not yet been passed in identical form by the House and the Senate.

Three items deserve special attention:

The first is the Berman-Hyde antiterrorism and arms export control amendments, which are title I of the bill. This legislation has been passed twice by the House but has not yet been acted upon by the Senate.

The Berman-Hyde bill contains important clarifications and additions to the laws on international terrorism, especially in the Arms Export Control Act and Foreign Assistance Act. It creates a clearer and more consistent set of requirements to prevent U.S. assistance to states which support international terrorism.

The Berman-Hyde bill is also a measured response to certain legal inconsistencies that were uncovered as a result of the Iran/Contra affair. I commend the chief sponsors for their seriousness and bipartisanship.

Title II contains the Iraq sanctions bill that was passed by the House and subsequently received back from the Senate in different form. The differences have now been worked out and this measure is ready for final action by the two Houses. I consider this legislation an extremely important action against the spread of chemical weapons use.

I wish to draw special attention to the provisions in title V which relate to New Zealand. This section has been passed twice before by this House, first as freestanding legislation and subsequently on another bill. Despite bipartisan support in the House and administration support, this measure has not yet been acted upon by the Senate.

The New Zealand provisions would suspend certain U.S. military and security assistance preferences for New Zealand until the President certifies that New Zealand is fully complying with its responsibilities as a member of the Australia-New Zealand-United States security treaty, or ANZUS. These preferences are not now being extended to New Zealand as a result of the administration's decision that the ANZUS pact has been rendered inoperative by the actions of the New Zealand Government.

As the section notes, the United States does not take these steps lightly. This is because New Zealand has been a staunch traditional ally of the United States, and our peoples continue to have a warm and friendly relationship.

This step is necessitated by the decision of the New Zealand Government to bar U.S. Naval vessels from visiting New Zealand ports because they might be nuclear-powered or nuclear-armed. Not only did the government of Prime Minister Lange take such a step, but the Parliament was subsequently asked, and did, enact this policy into permanent law.

The New Zealand provision in title V simply amends U.S. law to reflect this basic change in our formal, alliance relationship with New Zealand. It is a strictly reciprocal step that reflects the current reality of the official United States-New Zealand relationship.

In summary, Mr. Speaker, let me say that all the major elements of this package have already received favorable consideration in the House of Representatives. Certain modifications have been made to accommodate the Senate.

Furthermore, the administration has been carefully consulted with respect to all these measures. I feel that the key problems have been worked out and that the President will sign these significant new provisions into law.

NO ONE THOUGHT ABOUT THE PETS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. JACOBS. Mr. Speaker, an open letter to the Ciba-Geigy Co.

NO ONE THOUGHT ABOUT THE PETS—DECISION TO STOP MAKING A DRUG HAS UNFORESEEN IMPACT

(By Paul Berg)

Sunny Howell hasn't lost hope, but she sometimes wonders how she will explain to her daughter the death of Tyge.

An enormous 5-year-old mastiff, Tyge will die in April because a drug company has stopped making the medicine he needs to stay alive.

"I guess you have to be a dog lover to understand," says Howell. "If it's a question of humans versus dogs, okay, I guess I'd go with humans every time. But that's not the issue here."

The issue here is an informal arrangement under which drugs approved and intended for human use are routinely prescribed for pets. The field of veterinary internal medicine has rapidly outpaced the ability of veterinary drug manufacturers to keep up, and half the drugs used in pets are human drugs. Yet drug companies are under no legal obligation to consider the pet market in making decisions about whether to discontinue a drug.

In the case of Tyge—and a small but unknown number of other dogs and cats around the country—the disease requiring human drug treatment is Addison's, a failure of the adrenal gland to produce necessary hormones. It is rare in humans, too, but well-known because President John Kennedy had it.

For many years, one effective treatment has been monthly injections of Percorten Pivalate, made by the Swiss firm Ciba-Geigy Corp. and costing $125 for each shot. But another steroid drug, Florinef, taken as a pill, has proven superior for human patients, and the demand for the injections has all but disappeared.

Last November, Ciba-Geigy made what it called a "business decision" and stopped production of injectable Percorten Pivalate. While many dogs are able to use the new pill, some, such as Tyge, cannot metabolize it properly and are left without any alternative treatment.

"We are not a veterinary house," said Ciba-Geigy spokeswoman Gloria Martini. "We never produce anything for pets." She pointed out that the drug is no longer under patent and that any firm could start producing it.

Similar problems have occurred in the past. Several years ago, Eli Lilly and Co. was planning to change the dosages of insulin it produced, eliminating the weakest concentrations as part of a standardization effort. This would have complicated the work of veterinarians, who use low concentrations to treat small animals with diabetes, according to Anne Chiapella, who specializes in veterinary internal medicine in Glendale, Md. But Lilly, after outcries from pediatricians and reportedly veterinarians as well, ultimately decided to continue production of one low-concentration insulin dose.

Also, when the animal tranquilizer PCP was withdrawn from the market because it was being abused by people, zoo keepers were left scrambling for other ways to sedate apes, bears, lions and other large animals.

Veterinarians say that drug companies are well aware that many of their products are sold unofficially for animal use. "The veterinary division is a lot of money but hardly ever shows up on the annual report," said veterinarian Michael S. Garvey, chairman of the medication department at New York's Animal Medical Center, which treats 67,000 animals a year.

Once, Garvey said, a large drug company sent a representative to show his staff how to use a drug properly but would never mention pets in his talk and referred only to "laboratory animals."

The New York facility uses human drugs for treatment of heart disease, cancer and infections in pets. "The FDA doesn't much care for this," he said, but banning such use "would destroy veterinary practice."

A spokeswoman for the Food and Drug Administration said veterinarians are permitted to prescribe human drugs for pets "on their own responsibility." Restrictions on drug use for livestock are much tighter, she said.

The FDA has a program to promote development and production of so-called "orphan drugs" for humans, but there are no such provisions to induce firms to manufacture unprofitable products for small animals.

Veterinarian Garvey thinks most dogs with Addison's can do well with the Florinef pill, manufactured by Squibb Corp. of Princeton, N.J. He said careful monitoring of the dose can improve a dog's response.

But Tyge's veterinarian, Jackie Keenan of Arlington, who has stockpiled enough medicine for the mastiff until April, said Tyge's Addison's disease was not controlled by the pills when he tried them in 1986. He became "terribly depressed," his kidneys began to fail, and "he was unable to deal with stressful situations," Keenan said.

As Addison's progresses untreated, "eventually the heart just stops," she said, and generally dogs must be destroyed before that time. Keenan said she and Chiapella have both written to Ciba-Geigy to plead for more of the drug but got no response. Another veterinarian, Mark Peterson of New York, who cares for one of the world's estimated 10 Addisonian cats and owns a dog with the condition, also has written to the firm.

Keenan is checking foreign manufacturers and veterinarians around the country for more supplies, but so far without results.

Howell, who said her 2-year-old daughter Kristina's first word was "Tyge," finds the prospect of putting her pet to sleep in the spring "hard to even contemplate."

"What gives them the right to make a decision like this in a back room somewhere?" Howell asked. Drug companies, she believes, should use their profits to produce unprofitable drugs both for people "and, yes, maybe even keep some dogs alive."●

NEW HOPE FOR THE UNITED NATIONS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SOLARZ. Mr. Speaker, a few weeks ago the Los Angeles Times published an article of unusual perspicacity and insight. Its author, Columbia University professor Richard N. Gardner, suggested that recent Soviet overtures have raised the possibility of vastly strengthening the ability of the United Nations to act as an effective peacekeeping and peacemaking force in international affairs.

Mr. Speaker, we don't yet know how serious these proposals are, or whether they might serve as the basis for constructive dialog. But we have a compelling obligation to pursue these matters with the Soviet Union and to do everything in our power to make the United Nations a more potent force for peace and justice in today's world.

The Members of this House would profit by reading Professor Gardner's article. Accordingly, I am submitting the full text for inclusion in the RECORD.

[From the Los Angeles Times, Sept. 29, 1988]

ALL THAT SOVIET ACTIVITY AT THE U.N. IS SOMETHING U.S. MAY NEED TO MATCH

(By Richard N. Gardner)

The next President is likely to begin his term with unprecedented Soviet proposals on the negotiating table to strengthen the effectiveness of the United Nations in peacemaking, peacekeeping, dispute settlement and environmental protection.

After four decades of Soviet intransigence in the United Nations and Soviet aggression outside it, one would have to be a "useful idiot" to take all of Mikhail S. Gorbachev's new rhetoric on international relations at face value. But it would be equally foolish not to recognize that, under Gorbachev, the Soviets have begun to pay their back U.N. dues and cooperate in the resolution of conflicts in Afghanistan, the Persian Gulf area and Africa. Moreover, it is significant that the Soviets' new rhetoric is not just for foreign consumption, they are saying the same things to their own people through the mass media and scholarly journals, much to the discomfiture of reactionaries like Yegor K. Ligachev, who delivers thunderbolts of old rhetoric whenever he gets a chance.

But what is really new in Moscow are the indications from authoritative spokesmen that, at long last, Gorbachev's call for "a comprehensive system of international security"—whose grandiosity and vagueness have understandably aroused Western suspicions—will now be followed up with some practical proposals that Western countries can take seriously. These proposals are not very original—indeed, some of them are influenced by discussions with Western governments and non-governmental organizations—but they have the merit of practicality.

To begin with, the Soviets want more active fact-gathering and mediation by the U.N. secretary general to head off emerging crises through "preventive diplomacy." They propose to create a "hot line" for instant communications between the secretary general and the Security Council's five permanent members. They want the secretary general and the council to be able to initiate quiet consultations with parties to incipient conflicts, even if no government puts an item on the U.N. agenda.

Second, the Soviets want the United Nations to review its experience with past peacekeeping operations and to adopt measures to ensure that it can meet the future peacekeeping challenges that it may face as part of settlements in Western Sahara, Namibia, Cambodia and elsewhere. The measures would include better preparation of national contingents serving under the U.N. flag, clearer guidelines for the control of peacekeeping operations by the Security Council and the Secretariat, and the use of the now-dormant Military Staff Committee to provide needed technical advice to the secretary-general.

The Soviets also want the five permanent members of the Security Council to adopt identical commitments to take certain kinds of disputes to the International Court of Justice. But, recognizing the difficulty of engaging the French and Chinese in such a common initiative, they now seem prepared to explore a bilateral agreement with the United States alone, under which each of our countries would agree to go to the court at the initiative of the other to resolve disputes over the interpretation of specified treaties to which both are parties, and perhaps also for the compulsory resolution of disputes in well-defined areas like sovereign immunity.

Finally, the Soviets want the United Nations to call a conference for as early as 1990 or '91 to launch a strengthened global program for environmental protection focusing on ozone depletion, "greenhouse" warming, desertification and deforestation. They also want to explore a charter amendment that would transform the Trusteeship Council, which has run out of dependent territories to oversee, into a body exercising trusteeship responsibilities for our common biosphere.

Foreign Minister Eduard A. Shevardnadze touched on some of those ideas in his address on Tuesday to the General Assembly. But Soviet officials admit that they have not completed their homework on these new items; moreover, they may prefer to await the arrival of a new President in Washington before beginning serious negotiations on them. What is clear, however, is that Gorbachev's new thinking concerning the United Nations is moving from the general to the specific, requiring an American response.

In developing that response we will certainly want to read the fine print in Gorbachev's initiatives to uncover any booby traps that may be lurking there. For example, we should not agree to any Soviet proposal that would give the Soviet undersecretary a measure of control over the United Nations' peacemaking or peacekeeping operations. At the same time, we should be willing to take a practical approach, recognizing that even proposals with a Soviet label may be shaped into outcomes in the interest of both superpowers and all U.N. members.

TRIBUTE TO GEN. HENRY K. FLUCK

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MURTHA. Mr. Speaker, I would like to join the Pennsylvania National Guard and the Somerset Rotary Club in their tribute to a distinguished military officer, Gen. Henry K. Fluck.

General Fluck enjoyed a long and remarkable career in the U.S. Army. He enlisted in 1928, and rose through the ranks to become a three-star general by the time of his retirement in 1972. Along the way, his service included combat duty in both World War II and Korea, as well as periods as regimental and division commander in Germany. His service in the United States included a tour as regimental commander of the Pennsylvania National Guard.

General Fluck has the distinction of being the most highly decorated, and highest ranking, military officer in the history of Somerset County, PA. To list his decorations would take up a page of this RECORD, but suffice it to say that General Fluck proved his bravery and leadership ability countless times in battle and in his commands.

It is an honor for me to pay tribute to an individual as courageous and as patriotic as Gen. Henry K. Fluck. I salute you, General, for your years of service to the United States, and I, along with all the citizens of this country, thank you for your dedication to the preservation of the freedoms on which the United States was founded that we all cherish so much.

NEED FOR CHILD CARE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. FLORIO. Mr. Speaker, as we close out the 100th Congress, I think that there will be many Members, like myself, that regret the lost opportunity for enacting important child care legislation this year. As a cosponsor of H.R. 3660, the Act for Better Child Care, I am firmly convinced that the growing need for increased child care facilities is an issue that goes to the heart of our Nation's competitiveness. Our willingness to take several steps forward and promote an increase in these facilities, while ensuring that adequate safety and health standards are enforced, will be an indication of our commitment to ensuring a better standard of living for our people and for our Nation.

Unfortunately, the ABC bill will not become law this year. However, as a firm supporter of ABC, I wish to take the opportunity to express my support of this effort and my hope that this will be a priority issue that will be taken up by the 101st Congress. Recently, I also introduced the House companion to Senator KENNEDY's smart start legislation. Smart start is an effort to provide valuable early childhood education for younger children in the hope that an early start will help our children get a firm beginning in the path to knowledge. Studies have shown that early childhood education results in a higher proportion of high school and college graduates, and a lower proportion of young adults involved in crime, teenage pregnancies, and drug abuse. Smart start works and I hope that next Congress, we will be able to focus on the need for this type of a program as a complement to increased child care facilities, as provided by the ABC bill.

I recently came across two articles which focus on the needs for the ABC and smart start legislation. I wanted to share these two articles with my colleagues. One article, from the New York Times, discusses the fact that more than half of today's new mothers are continuing to work. Clearly, there is a need to begin to cope with the needs of these working mothers and the needs of the children that remain behind. A second article, from the News Tribune, highlights several private businesses that have already decided to meet the challenges and set up child care facilities on their premises for their workers. Having personally visited several of these facilities, I wish to commend these companies for their efforts. However, not all companies are seeing fit to meet this need on their own. It is important that we aggressively meet the day care challenge as a nation. I hope to work in the next session to ensure that these worthwhile proposals are enacted.

The articles follow:

[From the New York Times, June 16, 1988]

WORKING MOTHER IS NOW NORM, STUDY SHOWS

WASHINGTON, June 15.—For the first time, more than half of new mothers are remaining in the job market, the Census Bureau reported today.

"Every time a statistic approaches the 50 percent mark of the labor force, it's not an oddity anymore, it's a way of life," said Martin O'Connell, chief of the bureau's Fertility Statistics Branch.

In 1987, 50.8 percent of new mothers remained in the job market, marking the first time a majority of women reported they were working or actively seeking employment within a year of giving birth.

The figure was 49.8 percent in 1986. In 1976, the first year the Census Bureau calculated the statistic, it was 31 percent.

The percentage has grown steadily in the last decade, Mr. O'Connell said, as a result of women's increasing inclination to delay marriage and childbearing in favor of jobs and education.

Women who accumulate more years of schooling and work experience before having children have "greater financial resources to enable them, once they have a child, to obtain child care services and get back to the labor force much quicker," he said in a telephone interview.

In addition, Mr. O'Connell said such women have "increased career commitment and increased cost of staying out of the labor force, compared to an 18- or 19-year-old who had a child earlier" in life.

Mr. O'Connell cited findings that 68 percent of women who had the first child after turning 30 remained in the job market, as against 54 percent of those 18 to 24 years old.

EDUCATION A FACTOR

Sixty-three percent of new mothers with college degrees remained in the job force, as against 38 percent for those whose education ended in high school.

The study, "Fertility of American Women: June 1987," also said that 53 percent for black new mothers returned to the work force within a year of giving birth, 51 percent of white mothers did and 36 percent of Hispanic mothers.

It also said that widowed, divorced and separated mothers were most likely to be working, at 66 percent. Married women were second at 49.8 percent, followed by single mothers at 49.5 percent.

The report also disclosed a substantial increase in the number of two-income families with children. It concentrated on women 18 to 44 years old, the normal childbearing age.

The increasing number of mothers returning to jobs led to a total of 13.4 million two-worker families with children last year, the report said, up from 8.3 million in 1976.

Two-income couples with children make up more than 40 percent of all married couples in the childbearing ages, Mr. O'Connell said, adding that as a result American businesses would have to pay close attention to the needs of these workers and families.

In a privately published analysis, "Juggling Jobs and Babies: America's Child-Care Challenge," Mr. O'Connell said last year that businesses must begin to cope with the needs of working mothers, including such possibilities as flexible work schedules, employer sponsored child care, flexible benefit plans and other new approaches.

[From the News Tribune, June 16, 1988]

SENDING CHILD CARE TO WORK

(By Christopher Loder)

Morton Goldfein knows a good deal when he sees it.

As senior vice president of law and public affairs at Hartz Mountain Industries Inc. in Secaucus, Goldfein recognizes the need for business to invest in quality and affordable child care.

"Air conditioners and elevators were once luxuries for business; now they are necessities," Goldfein said. "Child care is becoming one of the expected amenities in a company."

For several years, corporations and small businesses looked upon child care as another form of baby-sitting.

But with more women entering the labor market (women are expected to make up 65 percent of the nation's labor-force growth by the year 2000), an increasing demand is being placed on the private sector to provide child care for its employees.

"I think it's incumbent on any corporation in this state to conduct a business analysis on (child care)," said Ciro Scalera, chairman of the New Jersey Child Care Advisory Council in Newark.

Businesses are also learning that adequate child care means less absenteeism, more productivity, and better business.

"These companies (with child-care programs) are not doing this from their hearts; they're doing it because their productivity is at stake," Goldfein said. "Companies should latch on to a developer and convince him that child care makes sense. When an idea becomes business worthy, it happens."

New Jersey is taking a leading role in employer-sponsored child care. There are reported to be 72 employer-sponsored child-care facilities in the Garden State—including nine in Middlesex County and five each in Monmouth and Union counties.

Of those facilities, 28 are owned and operated by hospitals, 20 by private businesses, and 19 by state and county colleges. The rest are operated by public and private schools, private colleges, and government agencies.

In Middlesex and Union counties, several of the state's largest companies are investing in child-care facilities, including Merck & Co. in Rahway. In 1979, the pharmaceutical giant helped start the Employees' Center for Young Children at the First Presbyterian Church in Rahway.

Art Strohmer, executive director of human resources, staffing, and development at Merck, said talk of a child-care center started when a manager came to the personnel department with a dilemma.

The manager said a top-notch employee was considering leaving Merck because the company did not have a quality child-care program.

As a result of that encounter, Merck invested $100,000 in a child-care facility which now serves 65 children—from toddlers through kindergartners—and is open weekdays from 7:30 a.m. to 6 p.m.

"More and more parents are looking for more than a baby sitter; they are looking for a facility that will develop their children," Strohmer said.

Other New Jersey companies have on-site child-care facilities where employees drop off their children during the day. The Prudential Insurance Co. of America, located in Metropark in the Iselin section of Woodbridge, has a child-care facility on the first floor.

The facility, known as Supertots of Prudential, serves 62 children through age 6. The center is open weekdays from 7 a.m. to 6 p.m. and is operated by Supertots of Ogden Allied.

Eileen Hooker, senior vice president of Supertots in Washington, D.C., said the Prudential center is one of 300 on-site child-care facilities in the country.

"I think in the last couple of years, the growth of child-care facilities on-site is enormous," Hooker said. "There are more than 300 on-site child-care facilities around the country."

The Johnson & Johnson Co. of New Brunswick also has plans to build an on-site child-care center in New Brunswick. Although plans are still in the preliminary stage, J&J spokesman Jeff Leebaw said the facility would be used by J&J employees.

Businesses are finding a greater need to provide adequate child care to their employees, but they are unwilling to take the plunge for two reasons: cost and liability.

"The biggest problem corporations have with child care is the liability situation," said Edward Glazer, president and owner of Early Advantage Discovery and Learning Centers Inc. in Monmouth Junction. "When you're dealing with a large corporation, it takes a long time. We're talking about the possibility of taking them in and giving them a discount."

An Early Advantage child-care facility is on Route 1 in Monmouth Junction. The facility is open weekdays from 7 a.m. to 6:30 p.m. and serves children of employees from Dow Jones, American Cyanamid, 3-D Information Systems, Rutgers Community Health Plan, S.T. Peterson Inc., Johnson & Johnson Personnel, and FMC Corp.

Child care is not cheap. At Early Advantage, prices range from a low of $140 a month to a high of $625 a month, depending on the age of a child, Glazer said.

H.R. 1842: OUTSTANDING SUPPORT THIS CONGRESS, HOPE FOR THE 101ST

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BEREUTER. Mr. Speaker, I am pleased to note that the report on H.R. 1842, my bill to bring fairness to the renewal of franchise agreements between service station dealers and major oil producers, was filed yesterday.

This legislation has been given broad bipartisan support in the Energy and Commerce Committee and in the full House. However, time has run out to pass this bill this Congress.

H.R. 1842, is an attempt to restore the original intent of the Petroleum Marketing Practices Act of 1978 [PMPA] which set the ground rules for termination or nonrenewal of franchise agreements in the petroleum industry. This law originally was designed to protect the small business of running a gas dealership from undue manipulation by the major oil producers from whom they have their franchise.

In practice, however, the PMPA failed to create a fair balance between large oil companies and independent neighborhood service stations. Through a series of court decisions the ability of a service station dealer to hold a bargaining position with a major oil producer has been eroded to the point that there is now almost no protection.

The local gas station dealers are the backbone of the motor fuels distribution in this country. Customers are best served when retailers are free to compete based on their own abilities and are not put out of business by franchise terms that are imposed by unfair bargaining power. Currently, the most efficient dealer is subject to not only living by the terms set by the oil producer but he may also have to compete against the producer in his company-owned operations.

I would like to thank Chairman DINGELL and Chairman SHARP for their leadership and assistance in moving this bill through the committee. I also want to commend the Service Station Dealers of America and their many members who have worked tirelessly in pursuit of this bill. In particular, I would like to note the efforts of David Haddad and Jim Daskal who had much to do with the progress this Congress.

Although this bill did not get enacted this year, I intend to reintroduce it next Congress. Hopefully, it will recieve the swift attention it deserves. I will work with the many supporters of this bill to that end.

THE PLEBISCITE AND HUMAN RIGHTS—CHILE'S UNCERTAIN PATH BACK TO DEMOCRACY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LANTOS. Mr. Speaker, this is an important time in Chilean history, a time when Chile is beginning its long journey to restore its 150-year tradition of democracy. In the October 5 plebiscite on whether Gen. Augusto Pinochet's Presidential term should be extended to 1997 the courageous people of Chile sent a clear message—they want democracy to begin now. Of the total 7.2 million votes cast, 54.7 percent voted no.

In a nation where registering to vote is voluntary, not obligatory, it is a tribute to the Chilean people that over 90 percent of them registered to vote, and 97 percent of those who registered voted. The Government of Chile also should be commended for compliance with the provisions of the voting laws and its acceptance of the opposition victory.

Mr. Speaker, I welcome the results of the plebiscite in Chile. We in the Congress continue to have a strong interest in the restoration of democracy. It is important that the military leaders know that our interest in Chile continues.

The plebiscite is not an end but a beginning. We appeal to the Chilean Government to facilitate a smooth transition to democracy. It is crucial that the outrageous human rights violations which have occurred in the past 15 years now cease, and that normal democratic freedoms be allowed without interference. For example, greater freedom of speech and of the press will be essential for fair and free Presidential elections, which are now scheduled for December 1989. We are encouraged by the news that former Foreign Minister Clodomiro Almeyda now has been freed after 16 months of political imprisonment for exercising the right of free speech. Free exercise of this fundamental right must continue.

We also hope that the almost 500 political prisoners still languishing in Chilean prisons will now be released. At the end of August the government announced a relaxation in permitting exiles to return to Chile. In keeping with that spirit of liberalization, in September I urged President Pinochet to consider lifting the sentences of administrative exile that were imposed against seven Chilean exiles who still remain in Chilean jails for illegal entry: Victor Maturana Brugos, Sergio Godoy Fritis, Juan Bustos Saavedra, Jorge Martinez Munoz, Arinda Ojeda Aravena, Juan Sandoval Torres, and Rigoberto Villagra Arenas. I again urge President Pinochet to release these men.

Our greatest concern remains for those political prisoners who are currently facing death sentences. We have received reports that many of these prisoners were forced by security personnel to sign confessions under torture while being held incommunicado. Furthermore, their cases are not being heard by civilian courts but by military courts which have consistently shown a lack of independence from the military government.

The longest-held political prisoner in Chile threatened with the death penalty is Rolando Cartegena Cordova, who has been imprisoned for 7 years without a proper trial. He has been tortured and deprived of his human rights. Amnesty International and the U.S. International Human Rights Law Group have opposed the death penalty, particularly for cases such as that of Cartagena's where there have not been full guarantees of a fair trial before an impartial tribunal. Cartagena, like most of the other political prisoners facing possible death sentences, has been offered asylum by a large number of countries, including Spain, Italy, Norway, Finland, and Austria.

Mr. Speaker, it is our hope that the Government of Chile will respond to the appeals in behalf of Cartagena and all other political prisoners still suffering in Chilean prisons. As Chile moves toward democracy, it must not forget these prisoners. The United States and the rest of the world have not and will not forget them.

CONSERVATIVE TRADITIONS OVERTURNED BY HARD RIGHT

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. VALENTINE. Mr. Speaker, I rise to share with my colleagues an article that illuminates the irony of ideologues whose rhetoric espouses morality and allegiance to the Constitution but who do not hesitate to break the rules to achieve their ends.

This article, written by columnist Bill Moyers, appeared in my State paper, the Raleigh News and Observer. I believe that it shows clearly the dangers that confront us when our highest public officials and lawmakers ignore the Constitution. I ask that this article be inserted in the CONGRESSIONAL RECORD.

[From the Raleigh News and Observer]

CONSERVATIVE TRADITIONS OVERTURNED BY HARD RIGHT

(By Bill Moyers)

NEW YORK.—During an interview on the floor of the Republican National Convention in New Orleans, Sen. Paul Trible of Virginia was asked if he thought the Iran-contra scandal would become an issue in the fall campaign. "No," he said, "that's behind us."

A few hours later, George Bush chose Sen. Dan Quayle as his vice president running mate, and may have made a premature prophet out of Mr. Trible. For Mr. Quayle has been of the cheerleaders of the contra cause. His office has been familiar to plotters, schemers and crusaders in the holy war in Central America. For example, while he was Mr. Quayle's assistant, Robert Owen—a self-described "foot soldier" in that war—met with such questionable characters as John Hull to set up meetings for me with Washington power brokers including Lt. Col. Oliver North.

Soon Mr. Owen was working as Col. North's chief liaison to the contras. Alas, he discovered that they were not, after all, exactly the moral equivalent of the Founding Fathers. It became his unhappy lot to inform Col. North that some of the contra leaders "are not first-rate people." He described them as "liars, greed- and power-motivated" and said "this war has become a business to them." Including, it must be added, the drug business.

Such information did not temper Col. North's ardor. Nor, apparently, were contra boosters like Mr. Quayle deterred by news that certain of their cherished "freedom fighters" where mixed up with drug traffickers, smugglers and other assorted characters, or that operatives in the logistics networks to the contras possessed criminal records. True believers were not going to allow the facts to intrude on ideology.

Small wonder that Mr. Quayle became a darling of the hard right, those self-styled defenders of "traditional moral values" who could be seen holding up signs at the convention that proclaimed, so help me, "Republican and Righteous." Watching them cheer his selection as the vice-presidential candidate with regard only for ideology and none for qualifications, I was struck again by the irony that having lectured us for years on the plague of moral relativism, these right-wingers are now the chief carriers of it.

Right from the start, hypocrisy has been at the heart of the conservative ideology toward the Iran-contra scandal. We might expect this crowd to understand that a lawless government is a contradiction in terms. Didn't they prize "law-and-order" when they were out of power? After all, leaders can hardly expect citizens to respect law and order if they themselves act unlawfully.

Yet this conservative president did not take care that the laws were faithfully executed. His right-wingers did not want Congress to exercise the power of the purse, as required by the Constitution, nor was it to be notified of executive actions, as required by law. Moreover, the president misled the American people while his subordinates deceived the people's representatives. Democratic accountability was quashed, and the White House had free rein to manipulate and distort the facts. This is hardly respect for process, law or institutions.

In their contempt for constitutional principles, the president and his men stood conservatism on its head. As one disaffected insider put it, "There is a world of difference between conservatism and the kind of gung-ho radicalism that allows no obstacle to be put in the path of achieving one's ends. Zealots have no place in democratic governments for they threaten the very institutions they claim they want to protect."

But the zealots were taken into the heart of government and, in their pursuit of ends by any means, were cheered on by right-wing intellectuals and polemicists and by partisans in the Congress like Mr. Quayle. Trumpeting adherence to the original intent of the Constitution, for instance, they twisted like circus contortionists over the Founders' unequivocal intention that no president was to make war at his pleasure.

The Founders were not ambiguous about this. They abhorred arbitrary power. The playing field of government was to be level, and the three players—the executive, legislative and judiciary—would be guided by ethical and constitutional constraints. Thus, while the president was to be commander-in-chief of the armed forces, the Founders explicitly gave Congress the power "to declare war and to grant letters of marque and reprisal" (government commissions authorizing privateers to seize enemy vessels).

Presidents were not to authorize private war, whether declared or undeclared, whether fought with regular public forces or by buccaneers and soldiers of fortune. The declaration of war was to be a public and collegial act of the people's elected representatives, not a secret and unilateral one.

There were reasons for this. The Founders knew about war. It is ultimate in its demands. One's money can be refunded if the government errs in withholding taxes; a soldier's limb and life, once lost, are irretrievable, and such sacrifice was not to be asked on a whim. Nor can the issue be solely one of the warrior's sacrifice. Citizens have a moral responsibility for the decision made by their government that lead to the death of other people.

The maintenance of a constitutional order is difficult. We are expected as citizens to be more truthful, reasonable, just and honorable than the letter of the law. But the government, too, must live up to this exacting standard. The belief that government may not be arbitrary—that true liberty occurs as law constrains the willfulness and caprice of power—is the core of conservative tradition. When government is loosed from this caution, bad things happen. People get killed. Principles lose their force. Politics and policies fail. The worst excesses of the American experience have come in defiance of this moral spirit—from slavery by lynching, from the Trail of Tears to Wounded Knee, from the Palmer raids to Joseph McCarthy's witch-hunts, from the rebellion of the Southern states to the war in Vietnam.

Opposition to the Vietnam war, we must remember, swelled eventually to an overwhelming crescendo. Some people were against it because they thought the war immoral. Others thought it unwinnable at an acceptable cost. Most, I believe, came to oppose it because they felt that the war lacked democratic legitimacy. It was not lawfully begotten; it had been started, enlarged and continued arbitrarily, without regard to the spirit of democratic consent.

Consent is the core of our political convent. It does not come from the fine print of polls or even from an election, any more than fidelity in marriage results from the ceremony isself. Consent is a moral act of commitment to a relationship based on the reciprocity of trust. In an election a government wins office only; it must win consent by continuing adherence to democratic rule and practice. Vietnam defied this democratic bonding between government and citizen. So did Watergate. So did the Iran-contra scandal.

Can it happen again? The apparatus of secret power remains intact. The voices that airily minimize Watergate now ridicule the "lessons" of Contragate and continue as spirited defense of lawbreaking, arguing that the United States cannot play by the rules in a world where others are lawless.

The right-wingers danced in New Orleans with their placards calling for more war in Central America. For the first time, a former director of the Central Intelligence Agency is running for president of the United States. His religious right calls for the pardon of Oliver North. The White House, Defense Department and State Department are desperately trying to block a congressional investigation of illegal activities by Gen. Noriega of Panama. Yes, it can happen again. In the words of historian Walter LaFeber: "If you can corrupt a system like this once, you can do it again and more carefully the next time."

Over my 17 years in broadcast journalism, I have returned often to this subject because the principle of accountable power is so repeatedly violated in the name of national security. I come to it, of course, with scar tissue from my own experience in government, and the urgency I feel is that a member of Alcoholics Anonymous who sees the telltale signs of addiction in a loved one. I see the presidency being destroyed and with it the public morality of which the president should be the most conspicuous incarnation.

The more presidents and their staffs choose to operate in the dark contrary to publicly stated values, the more they fail. The more they fail, the more impotent becomes the presidency and the more inclined its occupant to hide his impotence behind cant, placebos and pieties. Meanwhile the public—that vast part of the public that no longer expect much from the political process anyway grows more indifferent and cynical, while the highly vocal partisans, deluded by ideology and fraustrated by democracy, scream for more of what has already led to unqualified disaster.

The only solution to this downward spiral of official morality and public virtue is to return to the principles at the heart of the Constitution. This I know, is a truism. But truisms are true, and Valerie Harrell—bless her heart—drilled this one into us back in 10th-grade civics because she believes that democracy is no game and citizens are not mere spectators. She knew that how we think about the Constitution is a measure of who we think we are.

Do we disdain it, ignore it, shed it, obey it only when it seems convenient—as the hard right champions? Or do we want to be a generous people, a fair people, an honorable people—most of all, a united and mutually respectful We-the-People?

The Constitution is our covenant about these ideals. About our basic notions of law and order. There is no way to maintain the republic if we discard the notion that none of us, the president included, can pick or choose which laws to obey. A president who is nonchalant about this contract deserves to be impeached. A people who forget it will have invited the darkness. As a friend reminded me recently, "What you cannot see can blind you."

SOME THOUGHTS ON DEFENSE SPENDING

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BENNETT. Mr. Speaker, Dennis Shaw, Special Assistant to the Assistant Secretary of Defense for Production and Logistics in his speech before the American Mining Congress in Denver last month made some pertinent observations about the budget and defense as a part of the budget, saying:

I want to talk about the federal budget, because I believe the media and many of our politicans have been, and continue to be, dishonest about the budget. Let me give you just one example.

Earlier this year, the Washington Times published an Associated Press article that said ". . . the Senate budget proposes for the Pentagon to spend $294.0 billion next year. Domestic Agencies would spend $169.2 billion, while foreign aid would total $16.1 billion." This kind of media reporting perpetuates the deception of the American public about the balance between defense and domestic spending. If you accept the Associated Press article on its face, it certainly looks like the Pentagon is an insatiable PacMan monster gobbling up the federal budget.

Tragically, this kind of incomplete and misleading reporting is not an isolated event. All over the country the media harp on the theme of a bloated defense budget. Every day, Americans are blasted in the eyes and ears with reports about the staggering costs of defense. No wonder Americans want to cut defense spending! There is rarely, if ever, an effort to inform the public that, in addition to the $294 billion spent on defense, domestic spending consumes $790 billion, including $531 billion for a cornucopia of vote-getting payments to individuals.

Most Americans do not know that payments to individuals cost almost one-half of the budget. They are unaware that some of the $531 billion payments to individuals are automatically increased every year. Nor do they know that most of the payments for individuals cannot be touched because Congress legislatively has removed them from the annual budget review—this money never sees the light of public debate. So, the biggest hunk of the budget just sits there getting larger and larger and silently inflating the deficit. The President cannot touch it. The Congress will not touch it. And, the media does not talk about it.

Something is terribly wrong with the way the budget is reported to the American people. Network and newspaper coverage is lopsided and incomplete, which distorts the public's perception of which programs are getting the lion's share of the federal budget and where big cuts must be made to significantly reduce the deficit. This is dangerous for the country. It is dangerous because public perceptions and opinions influence budget decisions made in Washington and elect the officials who go to Washington to make those decisions.

If American taxpayers are not told (and reminded) that the cost of federal payments for individuals is $531 billion and mushrooming, they will not say or do anything about it. The people getting the payments will be silent too, and Congress will continue to ignore a very signficant part of the nation's budget problem.

On the other hand, if the American people are persuaded the defense budget is too big and does terrible things like eat up most of their tax dollars and single-handedly inflate the deficit, their representatives in Congress will find great comfort in cutting the amount of money spent on national security. Worse yet, because it is more safe politically, Congressmen and Senators will continue cutting money from national security to finance popular increases in public welfare, even at the risk of diminished U.S. security. This is happening now.

Congress is slashing the nation's defense wrists, cutting more than $33 billion from defense in 1989, despite Secretary Frank Carlucci's warning that: "The U.S. military is going to end up smaller and less capable in the coming years with a budget which does not cover all of our contingencies, commitments, and threats. We will, therefore, be living with greater risk to our national security." It is worse than ironic that at the same time Congress is hacking $33 billion out of the defense budget, $93.5 billion silently will be added to the budget to cover cost of living increases for payments to individuals.

Even the Gramm-Rudman legislative contraption, which was designed to force deficit-reducing cuts on a spineless Congress, requires that 50 percent of the automatic meat ax cuts will be chopped from national security. Never mind the fact that only 27 percent of the federal budget is spent on defense and 73 percent on everything else.

The deception of the public must stop. The media should consistently report the whopping $531 billion for payments to individuals every time it takes aim at the $294 billion defense budget. If they did, the American people, who keep sending Washington all those hundreds of billions of hard earned dollars, could see that national defense is not the bogeyman of the budget. If the media were careful and fair, and budget reporting was complete and balanced, the American people could fully and accurately assess what their tax dollars buy them. For example:

Twenty-seven percent of the $1.1 trillion federal budget protects America and its vital national interests. In fact, the U.S. defense program is so effective that Americans do not think about national security very much. They feel safe becuase thay are safe. Americans do not have to build bomb shelters; U.S. military forces deter attacks on the U.S. homeland. Our sons are not conscripted and sent off to fight battles between people we do not know or understand very well; we have the luxury of choosing our own fights and using an all-volunteer military force. Americans do not have foreign soldiers' bullets whizzing across their front porches and mortar shells exploding in their back yards. And, nobody but carefree vacationers and tourists storm U.S. beaches. Sure, it costs America $294 billion to purchase this security, but Americans still have $806 billion left over to spend on other things each year.

Forty-eight percent of the $1.1 trillion federal budget is supposed to provide for the young and the old, the helpless and the poor, the sick and the infirm, and the disadvantaged. More than $235 billion is spent for Social Security, $137 billion for medical care, $59 billion for federal retirees (civilian and military), $31 billion for public assistance, $20 billion for food and nutrition, $12 billion for assistance to students, and $3.3 billion for miscellaneous "other" programs. Spending these huge sums of money every year, one would think America is helping its citizens improve themselves. But, success in these areas is, at best, dubious.

In 1965, for example, 1 in 3 Americans depended on some form of federal assistance. Today, 23 years later, 1 in 3 Americans still depend on some form of federal assistance. The ratio has not improved and the total number of people receiving federal assistance has increased. When the Food Stamp program began, 400,000 Americans used stamps and the program cost $33 million. Today, more than 20 million Americans shop with stamps and the program costs $12.5 billion. The number of people who cannot make it through the month without Aid to Dependent Children has more than doubled in the last 20 years. And, despite $500 million spent each year on the Model Cities Program, the inner cities of our major urban areas remain blighted islands of violent crime awash in a sea of drugs.

It is time to stop bashing defense. All of the self-righteous huffing and puffing about cutting $33 billion from defense while turning a blind eye and deaf ear to the invisible and silent addition of $93.5 billion for payments to individuals is unrealistic and dangerous. It is unrealistic because it will not solve the deficit problem; it only makes us think it solves the problem. It is dangerous because it eventually will demolish America's capacity to deter aggression, protect its interests, and defend itself. We have travelled that road before, in the 1970s; and it cost us hundreds of billions just to re-build essential military forces that had been neglected and run-down.

Two hundred and ninety-four billion dollars is not a cheap price for anything, not even for the most secure, comfortable, and free place to live on planet earth. But, domestic spending is much larger than defense spending; and in many instances, I am sorry to say, it is much less effective. So, if the media and Congress feel it is so important to billboard the horrible economic effects of the defense budget, they also must pull their heads out of the sand or stop hiding the facts (whichever shoe fits) and accurately and fully inform the American public about the spiraling and uncontrolled cost of domestic programs.

THE 50TH ANNIVERSARY OF THE ADMIRAL FARRAGUT ACADEMY ALUMNI ASSOCIATION

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SAXTON. Mr. Speaker, I invite my colleagues in the U.S. House of Representatives to join me in congratulating the Admiral Farragut Academy Alumni Association of Pine Beach, NJ.

During homecoming, the weekend of October 28, the Alumni Association of Admiral Farragut Academy will be celebrating its 50th year since organization. The Admiral Farragut Academy Alumni Association was founded in 1938 in order to foster a continuing alliance among graduates of this first Naval Preparatory Academy.

The Academy, itself, was founded in 1933 by a small group of experienced educators, under the leadership of Adm. S.S. Robison, U.S.N. (Ret.), who had served as Superintendent of the U.S. Naval Academy at Annapolis, and Brig. Gen. Cyrus S. Radford, U.S.M.C. (Ret.). The campus occupies 35 acres of the 13th District of New Jersey, overlooking a wide stretch of the Toms River, a location chosen for its waterfront facilities. The school opened in 1933 with 56 cadets in a building that had been originally constructed as the Pine Beach Inn. New buildings were added as the Academy expanded. Today, the academic facilities include a 12,000 volume library, an array of laboratories, a computer room, and a naval museum. Admiral Farragut Academy was the first U.S. secondary school to develop a program of naval science approved by Congress and the Department of the Navy.

The main homecoming event will be on Saturday, October 29, in which there will be a dinner/dance to salute the past presidents of the Admiral Farragut Academy Alumni Association. I personally would like to stand and salute each and every one of the former presidents of the Alumni Association. The valor and honor that they have brought to this country deserves this recognition. They have dedicated themselves to promoting naval education. To strive to continue an academic program designed to prepare young men for our service academies is admirable. These men believe in their alma mater and I would like to salute them for their countless hours of work to foster the goals and ideals of Admiral Farragut Academy.

Mr. Speaker, I would like to share with Congress the list of the former presidents of Admiral Farragut Academy Alumni Association whom are most deserving of recognition.

William Toroni, 1938-39.
Homer Sanville, 1939-40.
William Howie, 1940-46.
Thornley B. Wood, 1946-47.
Charles Beyer, 1947-48.
Clayton Matthews, 1948-49.
Anthony Fernicola, 1949-50.
William Taylor, 1950-51.
Jay Boone, 1951-52.
George Theobald, 1952-54.
Douglas MacDonald, 1954-56.
Frank P. Wendt, 1956-58.
William Beirne, 1958-60.
Philip Hurt, 1960-62.
William Bruno, 1962-64.
Walter Hutchinson, 1964-66.
Allen Howard, 1966-68.
Louis C. Goetting, 1968-70.
George W. Bleezarde, 1970-73.
John A. Gardella, 1973-76.
H. Kneeland Whiting, 1976-79.
William Garwood, 1979-82.
Donald Schreiber, 1982-85.
Bruce G. Kreeger, 1985-88.

HONORING THE INTERNATIONAL BUDDHIST PROGRESS SOCIETY

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. TORRES. Mr. Speaker, I rise today in honor of the International Buddhist Progress Society on the opening of the Hsi Lai Temple in Hacienda Heights, CA.

Planning for the temple was begun in 1978 and construction will be completed in November. The temple is on a 15-acre site, high on top of a hill, overlooking the majestic San Gabriel Valley and mountains beyond. It is the largest Buddhist temple outside of Taiwan.

The temple was established to promote cultural exchanges between East and West; so important today in building bridges of understanding. This Hsi and Lai Temple is a multifunction international Buddhist center. The temple consists of a main shrine, meditation hall, lecture hall, Dharma hall, Tripitaka hall, library, lodging for traveling monks and nuns, international conference hall classrooms, a cultural exhibition hall and a school of Chinese arts and culture.

As a prelude to the grand opening of the temple the members of the International Buddhist Progress Society will host the 10th Conference of the World Fellowship of Buddhists on the week of November 19. On the final day of the conference, November 26, there will be a public inauguration ceremony to announce the grand opening of the Hsi Lai Temple. The ceremony will be hosted by Venerable Shing Yun, founding master, Fo Kuang Shan, Venerable Hsin Ping, Chairman, Committee of Religious Affairs, Fo Kuang Shan and Venerable Hsin Kuang, Abbess, Fo Kuang Shan, Hsi, Lai Temple.

Mr. Speaker, I ask that my colleagues join with me in congratulating the members of the International Buddhist Progress Society and the community of Hacienda Heights on this milestone.

ED DERWINSKI HONORED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. CRANE. Mr. Speaker, it is a pleasure, indeed, to inform you and our colleagues of the presentation by Secretary of State George P. Shultz of the Distinguished Service Award to our friend and former colleague, Edward J. Derwinski, who now serves as Under Secretary of State for Security Assistance Science and Technology.

Ed Derwinski represented the State of Illinois here in the U.S. House of Representatives from 1959 until 1983.

The citation on the Distinguished Service Award certificate reads:

> For successfully fulfilling a range of continuing responsibilities as Counselor and then as Under Secretary for Security Assistance; for distinguished accomplishment in resolving longstanding irritants between the U.S. and traditional allies as varied as Canada and Iceland and the new nations of Micronesia and Oceania; and for consistently attending to the Department's interest in such areas as international sports and refugees.

Secretary Shultz established his Distinguished Service Award in 1985 to honor State Department personnel for distinguished contributions to the development, management, or implementation of American foreign policy.

During his almost quarter of a century here in the House of Representatives, Ed Derwinski built a reputation as being one of our most knowledgeable Members on foreign affairs. He was second ranking Republican member on the House Foreign Affairs Committee when he stepped down from office.

The State Department recognized his ability in the international field and he was requested to take over as Department counselor. He has served the Secretary of State as a special adviser, consultant and troubleshooter on major foreign policy issues, and has conducted special international negotiations. He advised on strategy with us here in Congress for administration policies, negotiated a treaty with Iceland resolving a long-standing shipping dispute, directed negotiations with Canada to achieve a long-stalled treaty on salmon fishing and a dispute over Arctic waters, negotiated agreement with 16 Pacific island states on a complex regional fisheries treaty, chaired the interagency group directing the transition of the Micronesia Islands to the status of free association with the United States, and served as senior State Department official for refugee policy and programs.

Under Secretary of State from 1987, Ed is responsible for the integration of all elements of the Security Assistance Program as an effective instrument of U.S. foreign policy. He chairs the Arms Transfer Management Group, and is responsible for international scientific and technological issues, issues involving sensitive technology transfers, and communications and information policy. He has also continued his duties as special coordinator for Pacific Basin economic cooperation and coordinator of State Department activities in connection with international sporting events.

Mr. Speaker, we wish to extend to Ed, his lovely wife, Bonnie, and his children our sincerest best wishes and congratulations on receiving this well deserved award.

CONGRATULATIONS TO ALMA COLLEGE PRESIDENT ALAN STONE

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SCHUETTE. Mr. Speaker, I rise today to bring to the attention of my colleagues in the House the inauguration of Alan J. Stone as president of Alma College in Alma, MI, on October 28, 1988. The ceremony honors Mr. Stone as the college's 11th president as well as a distinguished administrator and educator.

Over the past two decades Alan Stone has established an impressive and inspiring academic record. Armed with degrees in history, theology, and education, he began his career as an admissions counselor at his alma mater, Morningside College in Sioux City, IA. From there he went to George Williams College in Downer's Grove, IL, and became director of admissions and associate professor of history. At Hood College in Frederick, MD, he directed college relations and admissions, and at West Virginia Wesleyan College he served as vice president for financial affairs, development, and public relations. Finally, he was director of development and university relations at the University of Maine before becoming one of the Nation's youngest college presidents at Illinois' Aurora College in 1978.

During his 10 years there, Aurora College underwent more change and growth than any private school in Illinois, adding 15 master's degree programs and increasing enrollment dramatically after a 9-year decline. Because of Alan Stone's strong guidance, the university retired its budget deficit and experienced 9 years of surpluses. What was once a small college threatened with closure is now a thriving regional university serving thousands of students, due in large part to the leadership capabilities of Alan Stone.

It is these attributes Mr. Stone brings to Alma College, a college known for its academic excellence as a liberal arts institution. Among midwestern colleges, Alma has been ranked highly for its science program, boasting a 185-acre outdoor laboratory for work in biology, geology, and ecology. With Alan Stone's experience and expertise, Alma College will be certain to maintain and enhance its high standing as one of the region's finest educational institutions.

Mr. Speaker, I hope my colleagues will join me today in congratulating this outstanding man, Alan Stone. It is ambition, expertise, and pursuit of excellence such as his that make our Nation's educational system one of the finest in the world. We are fortunate as Michiganders and Americans to have this outstanding man serving to educate our young people, and I wish to extend my sincere congratulations to him in his new position. We all wish him success.

SALUTE TO BASS/TICKETMASTER

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. BOXER. Mr. Speaker, I am proud to tell you that the World Series not only was a great one but that the private sector came through to make it better for those less fortunate.

In the San Francisco Bay Area, Bass/Ticketmaster announced that the total ticket price including service charge from the sale of Bass/Ticketmaster World Series tickets will be donated to the California Homeless Coalition. I salute their generosity and compassion for a group of people who need a helping hand.

I hope that this philanthropy will inspire other business corporate support for the homeless and for other social programs. We are all part of the same world and have a responsibilty to look out for each other. Good for Bass/Ticketmaster!

THOMAS MICHAEL O'DWYER HONORED

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. BENTLEY. Mr. Speaker, the Congressional Award was created back in 1979 to recognize voluntary public service, personal development, and physical fitness achievements by young people ranging in age from 14 to 23. It is indeed a very prestigious prize; only the very best of our young people—the "cream of the crop"—can receive it. In fact it is an award which must be earned through personal effort.

Recently 30 young Americans received the Gold Congressional Award in a ceremony hosted by the Joint Leadership Commission and the Board of Trustees of the Congressional Award. I am proud to say that one of the recipients—Thomas Michael O'Dwyer—resides in my district. I am very pleased to honor him here.

Thomas O'Dwyer is 23 and presently works at the firm of Smith, Burke, & Azzam in Baltimore. Yet he found the time to work closely with various Scouting organizations, assisting with troop meetings and the planning of community projects. His work over several years spanned some 710 hours.

In terms of personal development Thomas chose the field of advertising as his goal. In college he worked over 300 hours and produced a number of award-winning features with the American Advertising Federation and the Ad Club associated with his school. In addition, Thomas completed the third criteria necessary to receive the award—physical fitness—by spending over 400 hours in wilderness and backpacking endeavors in the New Mexico mountains with the Scouting program at the Philmont Reservation.

Mr. Speaker, I am quite proud to have one of the over 60 winners of the Gold Congressional Award in my district. He is a very special young man, one who appears to have before him a bright and colorful future.

Kudos to you, Michael, for a job well done.

WOMEN AS LEADERS IN POPULATION AND ENVIRONMENT

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. PORTER. Mr. Speaker, today the Centre for Development and Population Activities [CEDPA] held their annual lecture and awards luncheon.

The award was given for excellence in promoting the role of women in population and environment was awarded to Perdita Houston.

The lecture was by Dona Margarita Penon de Arias, the First Lady of Costa Rica. However, due to the imminent arrival of Hurricane Joan in Costa Rica, Mrs. Arias was unable to leave the island, so the following lecture by Mrs. Arias was ably delivered by Muni Figueres de Jiminez.

The material follows:

WOMEN AS LEADERS IN POPULATION AND ENVIRONMENT

(Speech by Dona Margarita Penon de Arias, First Lady of Costa Rica)

Throughout this century, we have dramatically altered the relation between human societies and the rest of the biosphere. As we approach the Twenty First Century, our collective capacity for destruction through nuclear and conventional weapons, has reached unparalleled proportions, and now threatens all life on Earth.

We all know that every species on the planet maintains a dynamic equilibrium with its environment. We all know that, when the environment changes, the species gradually adapt to it through a process of organic evolution. We know that many of them, faced with a dramatic change, will be unlikely to survive. We also know that it is we human beings who are responsible for substantial alterations in the environment. The fact that large numbers of species are disappearing may not seem, however, to have the slightest importance from a selfish or arrogant anthropocentric point of view. But we now realize that if we continue to extinguish other species, not far from this day one of those species may be our own.

Population growth has become one of the most serious problems we face. It is particularly important in the developing world, where the highest rates of growth are occurring. The population of Central America, for example, has grown faster than that of any other region in the world. It is now increasing at an annual rate of close to three per cent—greater than South America's rate and almost equal to that of Africa. In 1920, the population of Central America was a little over five million. Today, it stands at twenty-seven million, and is located in fragile ecosystems that are affected by destructive and unplanned development. The region's basic resources—water, land, forests, coastlines, and seas—are used unwisely. Thus, the options for development available to future generations are increasingly restricted. Poverty and malnutrition have soared in several of these countries, and the quality of life for a majority of their people has deteriorated considerably.

Costa Rica, of course, is also affected by this problem. At 142 inhabitants per square mile, this small Central American republic is the third most densely populated country in continental America. Despite this, the 1960's saw a sharp decline in the birth rate, which lasted into the mid-1970's. The birth rate dropped from 48.3 per thousand in 1960 to 30 per thousand in 1975, and after that date to the present figure of 26 per thousand. This is still higher than the world average.

Two of the most important factors that have promoted this transition have been women's education and their incorporation into the paid workforce. These changes have caused women to marry later and to make better decisions about the size of their families. Our experience has shown that women's aspirations unfold when education and training are provided, and that the traditional child-bearing role is quickly enriched by new options and opportunities. These advances, in turn, they have a positive impact on the society.

Our behavior, human behavior, threatens the existence of other species. As population growth has spread across the face of the Earth, the increased demands of human needs have driven us to destroy our environment. Our impact on the Earth has grown significantly over the past decades as a result of population and economic growth and technological development. With a steel axe and a day's hard work a man could fell a tree; with a chain saw and a minimum amount of effort, the job can be done in a matter of minutes.

Since the Industrial Revolution, we have also been using nonrenewable resources at an increasing rate, with considerable effects on the environment. An increasingly large portion of humanity has been burning coal gas and oil on a grand scale over the last two centuries. We have polluted the atmosphere with the by-products of combustion, poisoned the waters with chemical waste and now, since the introduction of nuclear fission, we still have not found a way to dispose of nuclear waste safely.

Although the problems are many, and we have little time left, it is clear that our task is to promote sustainable resource management systems, in the face of growing populations and the demands created by modern societies. Our challenge is to incorporate women as equal partners in this process.

We women feel that our small share of power in the past has left us impotent in the face of decisions which have endangered the fate of this generation and could jeopardize the future generations' right to live. We women know that we produce half the agricultural products consumed in the world, without the benefits of high technology to ease our labor. We women know that we are contributing with two-thirds of the labor hours worked by the human race. Women are responsible for producing food, gathering fuelwood and fetching water, yet they are usually left out of the decisions and factors that affect the resources on which their survival depends.

Despite our efforts, we have not yet succeeded in modifying cultural patterns which continue to promote educational discrimination against women. At this moment, people of our sex constitute 80 percent of the world's illiterates. We women know that wealth is not shared according to sex, and that power is not generally shared at all.

We women are aware of all these truths that are difficult and painful to discuss. But we also see some new trends which offer hope. We are losing our fear of speaking out; and we are beginning to feel united, aware that we have common aims. One of the principal causes which unite us is our active participation in all of humankind's liberation movements. We are not just speaking of freeing human beings from muddled ideas, from slavery or from brutal traditions. We are also speaking with great urgency of saving the Earth from relentless destruction. Our voice, or rather, our voices (for there are already many of us), have begun to be heard over the course of this Century. In response to the First World War, in 1915, a group of women decided to organize themselves with the aim of promoting disarmament, abolishing violence and rejecting military options to resolve international conflicts. As a result of their effort, the "International League of Women for Peace and Freedom" was founded. Today it still functions as an advisory body of the United Nations Economic and Social Council, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Labour Organization (ILO) and the United Nations Food and Agricultural Organization (FAO).

Since the nuclear accident at Chernobyl, European women have mobilized on a massive scale to gather sufficient information about the quantities of chemicals in foodstuffs and safe levels of radioactivity in order to avoid contamination. In 1984 representatives of one hundred and fifty nations met in Mexico, on the occasion of the first World Conference on Population. At that meeting, the National Organization of Women demanded, outside the gates of the Conference, that the women's point-of-view be taken into consideration in any plan of action.

Most recently, in Costa Rica, a project for a Law on True Equality for Women has been formulated and it is currently being debated by our Legislative Assembly. This project embodies the desires and thoughts of thousands of Costa Rican women. Through it we seek to be guaranteed, in pracice, the equality that we are guaranteed in theory by the Constitution. We demand, among other rights, a proportional representation in the nominations made by the political parties for popularly elected offices. This Law deals with the social and economic rights of women. It seeks to guarantee equal access to credit and property. With the creation of childcare centers, it intends to facilitate the labor of women who have children. This project also gives better legal guarantees to women against sexual abuses. It protects women's privacy in criminal proceedings and prohibits executive pardon for sexual offenses. The Law on True Equality for Women also refers to the elimination of discriminatory stereotypes of women in our educational materials. Finally, an Ombudsman for the protection of women is to be created within this Law who will be assigned to the Ministry of Justice.

When we speak of real quality, of true equality, we are claiming the share of power which belongs to us, and not exactly with the idea of transforming ourselves—as a famous feminist remarked—into four-star generals. We do not have these in Costa Rica, nor do we want them. In Costa Rica, the only army we know and accept is the one made up by more than twenty-thousand teachers, mainly women. Every day they arm our children, but they arm them with ideas, with books, with weapons of knowledge.

Today, we women cannot allow ourselves to remain silent. the lives of future generations on this planet require that our voices be heard. Therefore, increasingly more united in thought and deed, neither race, nor language, nor frontier will keep us apart.

We will wait no longer in the streets and outside the gates of those who make the final decisions. We will wait no longer at the railings of ministries or in the visitors galleries of legislative assemblies. We are going to be next to the decision-makers on the benches. We will ask about the eroded land, the destroyed forests and the polluted water and air. We will cry out for the millions of children who die of hunger year after year.

While it is true that we have not been able to stop the enormous destruction of our own environment, we must not just wait for the moment to arrive when there will be no trees in the world, where cities will be only asphalt and asphyxiation, that lay as lifeless lands in our countrysides. We must not allow the moment to arrive when war and hatred reign rampant over the Earth's surface.

Despite the destructive capacity that we have known in our past, we must be capable of opposing further destruction with all our creativity, all our imagination and all our will for change. The dreams we wish to give to the young, to the future generations, will come true only if through our actions we are capable of fighting against misery, of planting new forests rather than destroying the ones that have been left, of disarming the soldier, of banishing the tyrant, of cleaning the air, and of not being afraid of liberty.

Long ago I read a phrase that I have carried with me ever since. That phrase, I feel, best describes the situation of women around the world today: "If our struggle is a seed, then it must be allowed to germinate." I ask you today to join with me and with the women of Costa Rica, as well as all the women in the Hemisphere who are struggling to protect this Earth for our children and our children's children. We must confront the problems of population growth and the environment together.

Thank you.

NEW IRAN-CONTRA REVELATIONS

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BURTON of Indiana. Mr. Speaker, Ollie North and others involved in the so-called Iran-Contra affair have been constantly criticized by many and may be penalized by a jail sentence. The article I'm inserting into the RECORD shows that just maybe the critics may have been wrong.

NEW IRAN-CONTRA REVELATIONS

(By Jack Anderson)

WASHINGTON.—We have examined suppressed documents that cast new light on the Iran-Contra scandal. These revealing papers—memos, transcripts and tapes withheld from the public under court seal—prove that President Reagan's secret overtures to Iran were on the right track.

He understood that a power struggle was seething inside Iran between the radicals and pragmatists. So Reagan sought to strengthen the pragmatists, who are led by Speaker of the Parliament Hashemi Rafsanjani. The hope was the Rafsanjani would gain control of the government, wind down the Persian Gulf war, end Iran's diplomatic isolation and restore relations with the United States.

In September 1986, Rafsanjani sent his favorite nephew, Ali Hashemi, to Washington to negotiate with the White House. Here are excerpts from the secret discussions.

Lt. Col. Oliver North summarized the U.S. position tersely: "We are prepared to proceed with an improvement in relations between our two countries or to continue differences between our two countries," he said. "Basically, it is up to your government."

A translator gave the nephew's response: "Well, as I mentioned before, we are ready to improve relations . . . You've got to understand that people who have taken this momentous step . . . this is not the agreement of everyone back there. There are a lot of differences and a lot of problems . . . You know for four years after the revolution . . . you were conceived to be as the enemy . . . Now it's only in these last two years that our responsibilities have begun to see the chance for improvement in relations with America . . ."

Later, he added, "I want to emphasize that what is really important is the political relationship . . . is that we do it in such a manner that no danger occurs to the people in power in Tehran, because we don't want the reactionary wing to take advantage of us."

North replied, "We understand that during this period of very secret contact, we cannot have the president go out and announce opening an embassy in Tehran. You have a domestic political problem. So do we."

The suppressed papers show that the White House's primary objective was to regain a foothold in Iran and repair the damage caused by the loss of Iran to the America-hating Ayatollah Khomeini. Iran dominates the Persian Gulf, which is the jugular vein of the Western world. Half of the West's oil travels through this strategic waterway.

The arms-for-hostages negotiation came up as a secondary issue. North spoke of the hostages as an "obstacle" to improving Iranian-American relations. But at the time he stressed that the White House didn't want the hostages to be bartered.

"We're committed to a long-term program to help moderate the government of Iran," North said during an earlier discussion. "OK, we're committed to that, and I don't want to start establishing . . . They can say, 'Fine, we're going to go kidnap 12 more Americans,' or something. I don't want to get into that.

During later negotiations over Iran's need for Hawk and TOW missiles, North told Rafsanjani's nephew to his face, "I do not like dealing with a man who is willing to put a price of so many TOWs on human life."

In future columns, we will describe how the Israelis helped the White House establish its first contact with Tehran through an Iranian arms merchant, Manucher Ghorbanifar, who lied to both sides in his effort to promote an arms sale that would bring himself profit. The records show that he then double-crossed the White House and sabotaged the negotiations.

Meanwhile, Rafsanjani has consolidated his control of the Iranian government. He is now bringing more rational rule to Iran and ending the war with Iraq. As the reporters who first broke the arms-for-hostages story and scathed Reagan for doing business with Khomeini, we are obligated to report now that he made overtures to the right people at the right time for the right reasons.

S. 2889, OMNIBUS HEALTH AMENDMENTS—PROVISIONS ON AIDS EDUCATION

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. HOYER. Mr. Speaker, I was very pleased to vote for S. 2889, the Omnibus Health Amendments Act of 1988, which includes authorization for a number of important Federal health programs, including several AIDS programs for which authorizing legislation was passed this year by the House or the Senate. I am very pleased to see that S. 2889 authorizes a series of important Federal initiatives in education and counseling for the prevention of AIDS. These are long overdue. The bill as enacted also contains provisions concerning the content of federally funded AIDS education and counseling programs—a subject that has been of concern for me as a member of the Appropriations Committee for the past 2 years.

Last year and again this year, I have sought to ensure that restrictions included in the appropriation for the Departments of Labor, Health and Human Services, and Education—on which subcommittee I serve—would not prevent life-saving information on AIDS prevention from reaching those who need it the most. Despite these efforts, the restriction included in the 1988 appropriation had some very unfortunate consequences for our AIDS prevention efforts; many grant applicants were unsure what it meant and varying interpretations were offered by Federal and State agencies. As a result, there was a chilling effect on some of the most effective prevention efforts designed by health professionals and AIDS experts.

This year we enacted an appropriation bill containing language that I believe satisfies the concerns of all Members that Federal funds will not be used for programs that are designed for the purpose of promoting sexual activity. At the same time, our bill meets the concern—that I likewise share with the vast majority of my colleagues—that accurate and usable information is delivered to and understood by those in our society who are at the highest risk of HIV infection.

To make this clear, we deleted language passed by the other body in the appropriation bill that we were concerned might be construed to interfere with that goal. For the same reason, S. 2889 omits some of the language approved by this or the other body in the predecessor bills, S. 1220 and H.R. 5142. Instead it contains guidance on the content of those programs that is essentially identical to the resolution we arrived at in the Labor-HHS appropriation this year. With respect to counseling, this provision is contained in section 2432(e), and with respect to education it is in section 2500. In addition, section 2506(6) addresses the design and content of education specifically targeted to individuals at increased risk of HIV infection.

These sections provide that Federal funds should not be used to develop programs and activities that are designed to promote or encourage sexual activity, whether it be homosexual or heterosexual. At the same time, these sections require that AIDS prevention programs be designed to encourage behavior change, both in the general population and among those at the highest risk for infection, in order to reduce the risk of HIV transmission. Thus, the limitation that the materials should not be designed to promote or encourage sexuality should not be construed in a manner that would inhibit the development of appropriate and effective materials that are designed for the purpose of encouraging necessary behavior change.

I have taken a personal interest in this matter in response to the concerns expressed by various State, local, and private groups that are involved in AIDS prevention education and counseling activities, and I am pleased to see that the provisions of the 1989 appropriation and of S. 2889 will not interfere in their critically important work. Indeed, these two acts with these provisions, will make more Federal funds available for this work.

Thus, Federal funds will be available to organizations that are based in the gay community, or that serve the gay community. To date, 70 percent of reported AIDS cases have occurred among gay men, and it is critical to AIDS prevention that this community in particular be educated about AIDS. Often educational messages must be specifically designed to reach this community, and those messages must be conveyed in ways that will be trusted in that community. This point is emphasized in section 2506(6) of S. 2889.

Fortunately, private groups have been formed in every State and most cities that have the experience and the contacts to develop and disseminate the information that gay men need to protect themselves from AIDS. In my own district in suburban Washington, DC, there have been innovative and very useful efforts by the Health Education and Resource Organization [HERO] of Baltimore, and by the Whitman-Walker Clinic of Washington. Largely as a result of efforts like these, sexual transmission of infectious deseases—including AIDS—in the gay community has fallen dramatically in the last several years. We want to encourage and assist that kind of private response that has proven highly effective, and both the 1989 appropriations and S. 2889 will assist in that effort.

These bills will provide funding for programs that discuss sexual practices frankly with appropriate audiences. AIDS is sexually transmitted; more importantly, specific sexual practices have been shown to transmit the virus that causes AIDS, and people must be warned that those practices are dangerous. This cannot be done without discussing those practices explicitly. Sections 2432(e) and 2500 provide that "obscene" materials are not to be used. I think this point has always been obvious, and in fact it is redundant in these sections. Both sections provide that all programs are to be designed for the purpose of AIDS prevention.

Numerous experts in the field have written and called to tell us that it does not work to discuss this subject with euphemisms. Care must be taken, of course, that the message is appropriate to the audience that will be reached. But with due regard for people's sensibilities we must remember that getting accurate information across to people at their own level of understanding is a matter of life and death. The legislation we have passed this year ensures that Federal funds will be available for that critical work.

I know that State, local, and private groups around the country are waiting to hear what kind of Federal assistance will be available for their life-saving AIDS prevention work. I will be telling groups in my district what we have done in Congress this year, but it is also very important that the Federal Centers for Disease Control act promptly to communicate these changes to potential grant applicants around the country. I urge the CDC to advise those groups formally of the new legislative language and the intent behind it so that they will be encouraged to apply for assistance in their very important efforts.

THE WAR IN EL SALVADOR CONTINUES

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. GARCIA. Mr. Speaker, I would like to submit to the record this article about El Salvador by our colleague George Miller from California. El Salvador's war has lasted 9 years and has the potential to continue indefinitely, due in part to a failed administration policy. The war in El Salvador has produced some grisly statistics. Almost 70 percent of the 5 million people in El Salvador live in poverty. Inflation is at 25 percent. Unemployment in 1987 was at 32.8 percent. Over 70 percent of El Salvadoran children are suffering from malnutrition. The Salvadoran Government receives about $2 million per day in aid from the United States Government, and three out of every four of those aid dollars go to the war. What is perhaps most horrifying is that 70,000 Salvadorans have died and nearly 1 million Salvadorans have become Central American refugees.

There are no winners in such a war. There are only losers. Our agenda should be to seek a political settlement, one that benefits all the people of El Salvador. George Miller eloquently states the case for this kind of a solution. I urge my colleagues to read his fine article.

[From the New York Times, Oct. 21, 1988]

El Salvador: Policy of Deceit

(By George Miller)

Washington.—"By most estimates, the war in El Salvador is stuck. Unhappily, the U.S. finds itself stuck with the war."

The tired words of liberal Congressional critics? Hardly. This observation is drawn from a recently published report by four United States Army Lieutenant-Colonels that confirms what too few of us in Congress have been arguing for years: The truth is almost always the opposite of what the Reagan Administration tells us.

The work of the military analysts further illustrates the failure of the Administration's policy of building democracy in El Salvador while defeating the leftist rebels militarily.

The assessment of the military analysts, who spent the last academic year as national security fellows at the Kennedy School of Government, was based on highly classified documents and interviews with Defense and State Department officials, former United States military advisers and Salvadoran military officers. The report includes a host of additional findings that lambaste the United States' role in El Salvador.

The Administration has a long history of deceiving Congress about its intentions in El Salvador, as I, with Sen. Mark O. Hatfield of Oregon and Rep. Jim Leach of Iowa, both Republicans, detailed in a 1985 report. For example, the Administration has evaded a 55-person cap on military personnel in El Salvador by redefining "military personnel." According to the Army analysts' report, the number of American military service people "exceeded 150" in 1987.

Since 1981, Congress has been told that military personnel were stationed away from areas that would expose them to significant hostilities and thus, in theory, trigger the War Powers Act. Yet, the new report describes American military involvement in every facet of the war. And last month, three American advisers returned fire, for the first time, when they were caught in an attack on a base that has long been a target of the leftist Farabundo Marti Liberacion Nacional, or FMLN, rebels. It was the same base that witnessed, less than two years ago, the first (and, so far, only) killing of an American advisor in an attack in El Salvador.

In a 1987 update to Congressional report, we concluded that the Salvadoran economy was deteriorating rapidly and that the war showed no sign of ending. Supporting our conclusion, the military analysts said: "Since 1985, the war has settled into a fixed pattern. Despite reduced numbers, the FMLN remains a formidable foe, its attacks exacerbating the deterioration of the Salvadoran economy." They added that "observers generally concede that the FMLN . . . can sustain its current strategy indefinitely" and that "an end to the war is nowhere in sight."

In 1984, we were told that the newly elected Government of José Napoleón Duarté, backed to the hilt by Washington, would represent a credible, effective and moderate force that would implement genuine economic reform and bring peace to El Salvador. Those plans have gone nowhere.

With the far right's triumph in El Salvador's March legislative elections, the renewal of death squad activity and an increasing guerrilla presence in San Salvador, our next President will find that El Salvador is the real troublespot in Central America.

We must attack the root causes of the war, specifically economic under-development and gross social injustice. Again, the four military analysts concur, saying that "American officers recognized . . . that victory required first addressing the grievances of the Salvadoran people."

Unfortunately and, to me, inexplicably, the four military analysts do not call for the Administration to change course. But change is obviously needed. The Government of El Salvador is now being kept afloat by annual infusions of aid—almost $3.6 billion since 1980, including nearly $400 million more just three weeks ago. As in the Vietnam era, the Administration pursues, and Congress obediently supports, a policy without critically analyzing its impact.

We must redirect all our resources to a political settlement. This must include, first, encouraging negotiations and, second, dramatically shifting our present, overwhelming emphasis on war-related assistance to aid for true economic reform. The alternative is many more years of instability, death-squad murders and war.

OREGON SUPPORTS THE SSC IN THE WEST

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. AuCOIN. Mr. Speaker, earlier this month I joined all of the members of the House Committee on Appropriations representing Western States in writing Department of Energy Secretary Herrington to express our collective support for siting of the superconducting super collider [SSC] in the West.

In writing the Secretary, my colleagues and I expressed our belief that extensive support and a hearty cooperative spirit has developed in the West for the SSC. Our centers of higher education and advanced research are prepared to work together in making available the finest talent and other resources to the SSC. Such unity of purpose coupled with the vast resources the region offers are the surest way to guarantee the construction and viable operation of the SSC.

Significant coalitions are being forged among business, civic, academic, and political leaders in the West and the following letter from the President of Oregon State University, John V. Byrne represents but one of an increasing number of respected and persuasive voices in the West advocating one of the two regional sites under consideration.

OREGON STATE UNIVERSITY
Corvallis, OR, October 19, 1988.

Hon. JOHN HERRINGTON,
Secretary of Energy, U.S. Department of Energy, Forrestal Building, Independence Avenue, SW, Washington, DC.

DEAR JOHN: It has been some time since our paths crossed when I was the administrator of NOAA and you were in the White House personnel office. I have watched with some interest the developments in the Department of Energy and their impact on the nation at large. As the president of a university and as an Oregonian, we have had special interests in the development of the superconducting super collider project. Although Oregon was not chosen as one of the finalists, our interests in the development of this important research tool still remain high.

It is my understanding that one of the finalists for the location of the site is in Arizona. I have a very strong feeling that if possible a western site should be selected and, for a number of reasons, feel the Arizona site has some strong advantages. I believe the selection of a western site, and particularly one in the Southwest, will bring with it not only the full support of the state in which it is located but the full support of other states in the region.

I personally have relatively strong connections with both the University of Arizona and Arizona State University and believe the commitment and level of expertise at those two institutions will benefit significantly the location, establishment, and operation of the SSC in an Arizona locale. I am sure my colleagues at other institutions in the West, and particularly those here on the Pacific Coast, would endorse a western site and may also favor the Arizona location. I am sure others have argued in a cogent fashion the advantages of the Arizona site. I believe these arguments are sound and should be given careful consideration. For me, perhaps the most telling argument, assuming the environmental situation, the infrastructure, transportation, and so on are all appropriate, is the connection with the major institutions of higher learning in the West. The association of the two leading Arizona universities with other institutions in Washington, Oregon, and California will result in a special relationship with the leading scientists and engineers from those institutions. This human resource is one I hope is not overlooked in the selection of the site. I believe the cooperation among the major universities in the Far West is an exceptional resource and should be regarded as contributing to the advantage of the Arizona site.

I wish you all success in this important endeavor. If there is any way in which I can be helpful to you, I hope you will call on me. Every best wish.

Sincerely,

JOHN V. BYRNE, *President.*

VOLUNTEER FIREFIGHTERS TAX CREDIT ACT OF 1988

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DOWNEY of New York. Mr. Speaker, I am introducing the Volunteer Firefighters Tax Credit Act of 1988 today which will provide a tax credit of $100 to volunteer firefighters or volunteer rescue squad members.

Since the inception of this Nation in the 18th century, volunteer firefighters have played a critical role in the daily fabric of American life. For over 200 years, Americans have been able to rest assured that should tragedy strike, their neighbors serving in the local volunteer fire department would be there to put the fire out, deliver the stricken family member to the local hospital, or rescue the cat at the top of the elm tree. Today, volunteers provide fire protection to three-fourths of the geographical area of the United States.

Yet the safety net provided by our neighbors in volunteer fire departments is fraying unbeknownst to many of us. For a variety of socio-economic reasons, the ranks of volunteer fire departments are dwindling. While a recent study prepared on volunteer firefighters concludes that the overall number of volunteers appears stable, a spokesman for the National Volunteer Fire Council points out that departments border-to-border can be in radically different positions with regard to the number of volunteers. With a rise in the age of volunteers, there are fewer firefighters able to battle blazes on the frontline. Moreover, because there is a smaller percentage of farmers and shift workers in the United States, the number of people who were formerly available to volunteer during the day has fallen. Volunteers must also travel further distances from the workplace to either the firehouse or directly to a fire. The bottom line is that something must be done to encourage new volunteers to join, if Americans want to continue to receive fire protection from volunteer departments.

As a means of assisting departments in recruiting new members, the Volunteer Firefighters Tax Credit Act of 1988 will provide volunteer firefighters and rescue squad personnel with a $100 Federal tax credit. This credit will also help to defray the often unreimbursed costs that volunteers incur as a result of their service. For instance, the volunteer may often respond to a call directly from work, without being able to stop at the firehouse to change into gear. As a result, street clothes may often have to be cleaned or replaced.

Volunteer fire service enjoys a long history in this Nation. It counts George Washington, Thomas Jefferson, and Ben Franklin among its founding members. It is a form of public service that embodies the American values of democracy and patriotism. My legislation seeks to continue this tradition and ensure continued protection of our property and safety.

H.R. —

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25 the following new section:

"SEC. 25A. CREDIT FOR ACTIVE VOLUNTEER FIREFIGHTERS.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual who is a volunteer firefighter, there shall be allowed a credit of $100 against the tax imposed by this chapter.

"(b) DEFINITION.—For purposes of this section, the term 'volunteer firefighter' means any individual who—

"(1) for the taxable year is an active member of a qualified volunteer fire department (within the meaning of section 150(e)(2)), and

"(2) receives no compensation for services performed as a member of such volunteer fire department."

(b) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25 the following new item:

"Sec. 25A. Credit for active volunteer firefighters."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1988.

VIENNA-FALLS CHORUS OF SWEET ADELINES SING HOME THE GOLD

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. WOLF. Mr. Speaker, I want to bring to the attention of my colleagues a significant accomplishment by the Vienna-Falls Chorus of the Sweet Adelines, Inc., which is located in my northern Virginia district.

Beating out two dozen of the best of women's barbershop-singing organizations, the 140-voice Vienna-Falls Chorus captured the gold medal in international competition this week in Houston, TX.

The chorus presented an energetic and highly sophisticated blend of sound and choreography which led them to the summit of a group of nearly 700 Sweet Adelines chorus around the world.

On behalf of the citizens of the 10th District of Virginia, I salute the Vienna-Falls Chorus for "bringing home the gold" and wish them continued success as they carry on their 20-year history of musical excellence.

At this point in the RECORD I include an article from the Washington Post of October 20, 1988, which reports on the Vienna-Falls Chorus gold-medal winning feat.

SWEET ADELINES SING HOME THE GOLD

(By Leigh Jackson)

The Vienna-Falls Chorus of the Sweet Adelines Inc., a metropolitan area barbershop-style singing group, took home 130 gold medals Saturday after winning a Houston competition sponsored by Sweet Adelines Inc., an international organization of female choruses.

"This is a major to-do," said baritone Jessie Hackes. She said the weekend was the culmination of several months of regional competitions among the organization's 660 choruses that represent nine countries, including Australia and Japan.

Musical director Betty Tracy said the championship will mean more performances for the group, which gives about 12 concerts annually. Organization rules preclude the group from competing internationally again until 1990.

The chorus beat five competitors in the last night of the annual competition, reaping a gold medal for each of the 129 chorus members who sang and one for the director, a silver trophy that the group will keep and a gold trophy, "a 65-pound number," according to Hackes.

The competition began Friday evening with 25 groups who were winnowed to five by Saturday evening. Each chorus was judged on music, sound, expression and showmanship. The Vienna-Falls group beat its nearest competitor, a Dayton, Ohio, group, by two points, earning 2,675 out of a possible total of 3,280. "That's simply phenomenal," said a spokesman for Sweet Adelines.

"It was very important to winning that we all expected our time had come. We thought we were good. We had confidence in our music, confidence in ourselves and confidence in our director," said Betsy Godley, a lawyer who has sung with the group for three years.

The 140-member group practiced for the competition every week for about 18 months. Members come from all over the metropolitan area, including Prince Georges County, Baltimore, Frederick, the District and "halfway down to Charlottesville," Hackes said.

Chorus members attribute their success in part to Tracy, who has steered the group to several regional wins since 1983.

JAMES P. "PETE" MARSH, PRESIDENT OF UNITED CEREBRAL PALSY OF SARASOTA–MANATEE FINALIST, NATIONAL GOLDEN RULE AWARD

HON. CONNIE MACK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MACK. Mr. Speaker, I rise today to bring to my colleagues' attention the achievements of Mr. James P. "Pete" Marsh of Sarasota, FL. Mr. Marsh was recently selected as one of the finalists for the National Golden Rule Award, an award sponsored by J.C. Penney, honoring exemplary volunteer service by individuals and organizations and recognizing contributions to improving the quality of life in our communities.

Mr. Marsh was nominated for this award for his work on behalf of United Cerebral Palsy of Sarasota-Manatee, Inc. [UCP], a nonprofit charitable organization which provides direct care and support services to individuals with Cerebral Palsy and other developmental disabilities. It develops and implements programs to meet the special needs of exceptional children and adults to ensure that people who have special needs can live more comfortably and independently.

In his 7 years with UCP, Mr. Marsh has held many positions. For the past 5 years, he has served as president of the board of directors, and prior to that as vice president. As a UCP community representative, he works with other social agencies to plan future services for the community and advises staff on a variety of projects.

He spearheads most major projects and is the impetus behind the organization's growth. Among his many accomplishments, he negotiated with local builders to construct a home for handicapped young adults at no cost to the UCP and then lobbied the State legislature to secure the necessary funds to operate the home.

Mr. Marsh was appointed by Governor Bob Martinez to serve on the State of Florida Developmental Disabilities Council and was recently elected vice-chairman of the Florida Development Disabilities Planning Council. He has also served as chairman of its Governmental Affairs Committee and as chairman of the Program Services Committee.

In addition to all his responsibilities, Mr. Marsh must constantly deal with the frustrations of securing sufficient resources to provide quality services for people with handicaps. To accomplish this difficult task, he first educated the community to existing problems and then shared ideas on how everyone could work together to find solutions. Over the past 5 years as a part of fundraising activities, he cochaired and coproduced the annual telethon "Weekend with the Stars", including developing the production schedule for this live 21-hour broadcast.

The commitment and dedication displayed by Mr. Marsh are truly in keeping with the admonition of the Golden Rule—to help one's neighbors. His life has centered on helping those with a handicap to meet their special challenges. Foremost, he always treats the clients like people. Handicaps are always secondary. This approach increases feelings of self-worth and helps motivate individuals to access the services that will help ensure a quality life.

Mr. Speaker, it is evident that Pete Marsh is an exceptional individual and most deserving of the honor of being recognized by the National Golden Rule Award. Mr. Marsh plays a vital role both in improving the quality of life for others and in offering an inspiring example for others. I join J.C. Penney in saluting him and wish him continued success in all his endeavors.

AMBASSADOR RONALD S. LAUDER ON THE 50TH ANNIVERSARY OF KRISTALLNACHT

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LANTOS. Mr. Speaker, Ronald S. Lauder, the former United States Ambassador to Austria, is continuing his remarkable effort to keep alive the memory of humanity's darkest hour. As Chairman of the Kristallnacht Remembrance Week Committee he has played the major role in the commemoration of the 50th anniversary of Kristallnacht—the night of broken glass, when the Nazi atrocities against the Jews began in deadly earnest.

Ambassador Lauder has written an excellent article on this anniversary which first appeared in the New York Post and has been printed in today's New York Times and Washington Post.

Mr. Speaker, I ask unanimous consent to place Ambassador Lauder's article in the RECORD. The thoughts he expresses are worthy of all our attention.

A TRAGIC ANNIVERSARY SLIDES BY, AND THE MEMORY OF MILLIONS IS BETRAYED

(By Ronald S. Lauder)

This past summer saw the 50th anniversary of the Evian Conference, at which the U.S. and 31 other democratic nations considered the fate of 650,000 Jews trying to flee Nazi terror in Germany.

Our democracies looked the frightened Jews right in the eye—and sold them out.

Our failure to meet our moral responsibilities at Evian was an important piece of the mosaic which, not long after, led to the murder of millions of Jews and other people and to the extinction of their vibrant cultures.

Yet a half century later, on the commemorative date of that ignoble event, hardly one voice was raised, hardly one line written, in remembrance.

It was in a climate of increasing terror, with tens of thousands of innocent and helpless people clamoring for asylum, that President Roosevelt organized the conference. It met in the French resort town of Evian; Stalin's Soviet Union and Mussolini's Italy refused to heed FDR's call.

The 32 nations met July 6-14 under the humanistic democratic precept that we are indeed our brother's keepers. But in the end, the free world would not provide even the fig leaf of comforting words for the threatened Jewish communities of Europe.

Britain's man proclaimed: "The United Kingdom is not a country of immigration."

Australia's candid emissary said ". . . it will no doubt be appreciated that we (Australia) have no racial problem (and) we are not desirous of importing one . . ."

And even the American delegate declared: "The U.S. will not modify its already liberal immigration policy."

Democracy betrayed itself.

Nazi Germany, which had not yet defined its policy of "final solution," permitted representatives of Jewish organizations within the Third Reich to go to Evian and plead for help. The World Jewish Congress was there, along with a number of other Jewish organizations. They were not accorded the courtesy of an opportunity to state their case, let alone any sympathy.

The end was clear. On July 8, 1938, the Herald Tribune reported: "Through their representatives at the Evian conference on refugees, the principal countries capable of receiving immigrants banged and bolted their doors today against the 650,000 Jews of Germany whose eyes are turned on this international gathering as a last hope of escape from Nazi persecution."

Both Nazi and Jew looked at Evian and got the same massage: No one cared.

Now the Nazis had the free world's signature on a license to do what they wished with an abandoned people.

Not to act is just as profound as acting. Forgetting is as decisive as remembering. How can we learn—and how can we teach—if we turn our backs not only on the countless victims, but on their memory as well?

The silence on this 50th anniversary is mute testimony to the fact that we have violated an important injunction—that which implores those that bear witness not to forget.

In November of this year both Christian and Jew will have the opportunity once again to participate in an act of remembrance.

What the democracies encouraged at Evian found its expression on the night of Nov. 9, 1938: Kristallnacht, when Nazi Germany began the extinction of Jewish life and culture in Europe by burning synagogues and Jewish shops throughout the Reich, by beating and arresting thousands of Jews.

Again, no one spoke out.

All Americans can join in next month to remember, and to dedicate themselves, 50 years after Kristallnacht, to behave today toward all peoples as we wish the world had behaved toward the Jews of Europe 50 years ago.

A TRIBUTE TO SAINT FRANCIS ELEMENTARY SCHOOL

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SCHUETTE. Mr. Speaker, I rise today and ask my colleagues to join me in commending the Saint Francis Elementary School in Traverse City, MI for being chosen a national exemplary school.

This prestigious award sets Saint Francis Elementary School apart as a leader in providing the highest quality education to our young children. Criteria for the schools' selection were comprehensive and exacting. Saint Francis submitted evidence that it has a clear statement of philosophy and goals, a comprehensive curriculum, and a record of attention to the individual needs of its students. The school's promotion of values and good discipline, a systematic program of pupil and school evaluation, its stress on parental and community involvement, and a detailed procedure of school improvement also were key factors in earning the award.

The competition to be chosen a national exemplary school was open to over 10,000 schools nationwide as well as certain American public schools overseas. To be eligible to compete for the award, a school must have 75 percent of its students at or above the national academic level in all grades. Saint Francis far exceeded this requirement with 90 percent of its students at or above the national average. Of the 800 schools that directly competed, Saint Francis was 1 of only 23 elementary schools to receive the award.

Mr. Speaker, I ask my colleagues to join me today in paying tribute to Saint Francis Elementary School for its commitment and dedication to education which has earned it the distinction of a national exemplary school. We all agree that the education of our children is of the utmost importance to the future of this great country, and it is comforting to know that we have schools like Saint Francis that are preparing our young children to be our able leaders of tomorrow.

KONNYU LAUDES REAGAN REVOLUTION

HON. ERNEST L. KONNYU

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. KONNYU. Mr. Speaker, as the 100th Congress winds to a close, I want to thank the people of the 12th Congressional District of California for allowing me to be a part of this Congress and a part of the Reagan revolution. I only regret that I won't be here to continue to carry on the torch and to ensure the progress we have already made is not undone.

I also want to take this opportunity to praise the work of our President—Ronald Wilson Reagan—who like me, will be riding off into the sunset, and won't be back to govern.

We owe a tribute to President Reagan for his leadership in world affairs, as well for the domestic prosperity this Nation has enjoyed in the longest economic peacetime expansion of this century.

Thanks to President Reagan's leadership, we have lower tax rates today with the top personal tax rate dropping from 70 percent in 1981 to between 28 and 33 percent this year.

The double-digit inflation of the Carter years has been slashed under this administration and that is something that has benefited every American.

We have the highest employment level every enjoyed. This administration has helped create 17.8 million new jobs.

And the greatest legacy of President Reagan will be the contribution he has made to lasting peace. He did this by negotiating a meaningful peace treaty, the Intermediate Nuclear Force Treaty, from a position of strength.

During the Reagan administration, American inspired free democratic presidential elections were held for the first time in years in El Salvador, Honduras, the Philippines, the Republic of Korea, Brazil, Argentina, Uruguay, Bolivia, Guatemala and Grenada. In Latin America, 90 percent of the population now lives under freely elected governments, compared with 30 percent a decade ago.

I know that many of my fellow conservative and moderate colleagues share my gratitude and praise for the accomplishments of our Commander-in-Chief. It has been a true delight for me to be a part of the historic Reagan revolution and to support the President with my votes.

HOUSE PASSED RELIGIOUS FREEDOM WEEK

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. BENTLEY. Mr. Speaker, last month the House passed a bill establishing a "Religious Freedom Week." I am proud to have been the original sponsor of this bill. Indeed freedom of religion is something which many Americans wrongly take for granted. Imagine what our society would be like if people did not have the right to choose—or not to choose—what church they wished to attend.

Unfortunately there are places in the world where people do not have to imagine what religious repression is like—instead it is an everyday fact of life. In the Soviet Union, for example, priests have been imprisoned, churches closed, and prelates exiled on the whim of the government bureaucracy.

Yet even in the face of these terrible odds religious faith has endured. In fact this year marks the 1,000th anniversary of Christianity in the Ukraine. Many Ukrainians reside in my district, and I have been blessed with their support in the past. While I am by heritage a Serb and thus a member of the Serbian Orthodox faith, I feel a certain kinship with them. Both our races have faced persecution for our faith and beliefs over the centuries. Both our peoples, however, have endured despite the odds.

On October 8 a rally was held in honor of the National Ukrainian Millenium Celebration. Mr. Speaker, I urge you as well as all my colleagues to join in saluting the Ukrainian people at this special milestone in their history. Indeed they have fought for the right to worship with a passion that should inspire all Americans. Perhaps the people of this Nation would think more about what it means to have a Constitution protecting freedom of religion if they reflect on the example set by the Ukrainians.

EFFORTS TO HALT GLOBAL WARMING BY PROTECTING TROPICAL FORESTS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. PORTER. Mr. Speaker, the severe drought that struck the Midwest this summer, for which Congress recently approved $3.9 billion in relief, has been partly attributed to the building of carbon and other gases in our atmosphere, a phenomenon known as the greenhouse effect.

While the media has focused on the burning of fossil fuels as the major cause of the global warming trend, the rapid destruction of the world's tropical forests is also responsible for the greenhouse effect. As forests are cleared, often by burning, immense amounts of carbon are released into the atmosphere. Also, a falled tree can no longer perform its natural function of removing atmospheric carbon and fixing it is its cellular structure or in the soil.

Mr. Speaker, to mitigate these negative effects, I introduced the Tropical Forests Protection Act of 1987 (H.R. 3010). I would like to insert into the CONGRESSIONAL RECORD this article on H.R. 3010 written by Eileen Schreiber that appeared in the Washington, Report on the Hemisphere, a biweekly publication of the Washington-based Council on Hemispheric Affairs [COHA]:

DEBT RELIEF STRATEGIES TO PRESERVE THE ENVIRONMENT

(By Eileen Schreiber)

U.S. environmental organizations, long aware that the Latin American debt and ecological devastation are intertwined, have persuaded several congressmen to introduce legislation which would encourage private banks, and the multilateral lending agencies to formulate programs that would ameliorate the region's debt burden while advancing environmental protections. Congress is currently delaying approval of the U.S. portion of the $75 billion World Bank General Capital Increase (GCI). The Reagan administration supports the GCI as an acceptable, short-term solution to the debt crisis. Opponents of the GCI, however, stress the immediate need for debt-relief programs which promote long-term economic growth and counter environmental degradation.

Among the various congressional debt relief proposals introduced within the past year, the Tropical Forest Protection Act, introduced by Representatives John Porter (R-IL) and David Obey (D-WI) on July 23, 1987, attempts to exchange debt relief for rainforest conservation commitments by debtor nations.

The bill directs the U.S. Executive Director to the World Bank to assess the feasibility of two 3-year pilot programs in cooperation with debtor governments. First, it envisions a debt-for-nature swap program in which the bank suspends some or all debt repayment in exchange for "conservation easements," i.e., plans by debtor governments to protect the tropical forest and/or wetlands. Second, the bill calls for the use of Structural Adjustment Loans (SALs) to ease the pressure on debtor governments that exploit their tropical rainforests to meet short-term interest obligation. Finally, the bill instructs the Secretary of the Treasury to analyze the feasibility of introducing such programs into the International Monetary Fund (IMF).

Debt-for-nature swaps similar to those suggested by the Porter bill have been carried out in Bolivia, Costa Rica, and Ecuador. These were innovative variations of conventional debt-for-equity swaps in which corporations buy discounted obligations and exchange them for private commercial or industrial equity share in debtor nations. A crucial difference between the two, however, is that the former entails no actual transfer of ownership rights of Latin American assets to U.S. institutions. The protected lands fall into the care of local conservation agencies and may later be exploited in a developmentally and ecologically sustainable manner. Furthermore, the U.S. nongovernmental organizations (NGOs) which cancel the debt make no profit on the transactions.

Bolivia was the first nation to demonstrate the feasibility of debt-for-nature trades. In July, 1987, Conservation International (CI), a U.S. based organization, used a $100,000 grant from the Weedan Foundation to buy $650,000 of Bolivian debt at a discount. The Bolivian government then expanded its Beni Biosphere Reserve by 3.7 million acres in exchange for cancellation of the debt. The Costa Rican government followed in August, 1987, by creating a conservation fund which converted $5.4 million of outstanding debt into interest bearing local currency bonds. Purchases by a number of U.S. environmental organizations, as well as a donation by one commercial bank, were used to create a new 32,500 acre national park as well as to fund the management of existing national parks.

The Central Bank of Ecuador approved a $10 million debt-for-nature swap in October 1987. The World Wildlife Fund bought $1 million of debt for $345,000. This was converted into nine-year bonds, the interest of which will fund conservation and education programs. In all three cases, NGOs and debtor governments worked independently of financial institutions to convert debt liquidation into environmentally and economically feasible strategies. The Porter bill seeks to influence multilateral lending agencies and commercial banks into doing the same.

Debt-relief strategies have gained in the face of the current deadlock over outgoing Treasury Secretary James Baker's proposed World Bank $75 billion General Capital Increase (GCI). Opponents of the GCI advocate conditioning the capital increase upon the implementation of debt-relief measures which force lender banks to assume a greater share of the repayment burden. In addition, given the restraints of the Gramm-Rudman amendment, policymakers are searching for strategies which entail no new federal expenditures.

Proponents of debt-for-conservation swaps assert that the programs satisfy these requirements. The National Wildlife Federation contends that such transactions enable debtor governments to simultaneously cancel a portion of their debt while helping to preserve ecological resources vital to endangered global ecosystems.

Until November, 1987, banks had no incentive to choose the debt-for-conservation strategy over selling at a discount on secondary markets. In response to pressure by NGOs, the Treasury Department then allowed banks to take tax deductions on the full face value of debt donated to a nonprofit organization as a charitable contribution. Also, according to one congressional aide, the IRS "gave debt-for-conservation its blessings" by deeming the practice revenue neutral: taxpayers will not have to bear the cost of bank writeoffs.

If the Porter bill were to become law, World Bank officials fear that allowing Latin debtors to suspend payments on outstanding loans will damage its AAA credit rating on bonds sold to raise capital, forcing up interest rates. They argue that poor nations will eventually have to bear this cost through higher interest rates on World Bank loans, diluting any positive gains that would derive from the strategy.

The small sums involved in most swaps are not expected to significantly reduce the $410 billion Latin debt. Neither do the schemes themselves prevent further environmental destruction. Yet conservationists argue that these swaps could create an alternative to current "quick-fix" practices of torching rainforests to make way for unsustainable agricultural activity which earns hard currency in the short-run, but often converts the land into infertile deserts over the long-run. The relationship between deforestation and the "greenhouse effect" gives debt-for-nature advocates an additional potent argument.

Mr. Speaker, I would also like to insert into the CONGRESSIONAL RECORD the following article by Margo Cuniffe which appeared in the same publication.

DEFORESTATION PLAYS MAJOR ROLE IN GREENHOUSE EFFECT

(By Margo Cuniffe)

The drought which parched land from Texas to North Dakota, and shrunk the Mississippi to its lowest levels on record has been attributed to a global warming trend, known as the "greenhouse effect," which has been linked to excess burning of fossil fuels and the destruction of tropical rainforests. In a June 23 hearing before the Senate Committee on Energy and Resources, NASA's Dr. James Hansen stated that he and other scientists are 99% certain that the warming trend is not part of a natural cycle, but due to an excessive buildup of carbon dioxide and other artificial gases in the atmosphere.

The greenhouse effect, now a generally accepted theory, occurs when a gaseous barrier accumulates and retains heat like glass in a greenhouse. If the current rate of buildup continues, the earth's temperature would increase by 3 to 9 degrees Fahrenheit by 2050. Consequently, the sea level would rise one to four feet due to thermal expansion and melting polar ice caps. Inland waters would recede from evaporation, and, due to ozone depletion, ultraviolet radiation would penetrate more easily, increasing the incidence of skin cancer.

Although the mainstream media has largely attributed the warming trend to the burning of fossil fuels, it can be argued that the destruction of tropical rainforests has had an equally disastrous effect on the atmosphere. Since 1960, deforestation has contributed 90-180 billion tons of carbon to the atmosphere from the burning of trees cut to clear land, compared with 150-190 billion tons from the burning of coal, oil, and natural gas.

Latin American and Caribbean rainforests, with 57 percent of the world's total acreage, are being destroyed at the rate of nearly 30 million acres a year. As a result, every day, an area of forest equal to the size of Philadelphia is cleared and, every year, an area the size of Pennsylvania is made bare. Both Dr. Irving M. Mintzer, a scientist for the World Resources Institute, and Dr. Michael Oppenheimer, atmospheric physicist for the Environmental Defense Fund, have stated that a halt to the rapid deforestation of the tropics is necessary to try to slow the greenhouse effect.

Various land use practices contribute to deforestation in Latin America. Limited slash and burn cultivation has been a traditional method through the millenia for using the land for farming for two to three years and then allowing the forest to grow back for 15 to 30 years. This forest maintenance practice, often used by indigenous peoples without permanently damaging the tropical growth cycle, is necessary because trees and plants store nutrients in their leaves and their destruction temporarily leaves the soil thin and poor. Population growth, irrational expansion of agricultural and animal husbandry, and unequal land distribution all have disrupted the traditional system. In Latin America, 90 percent of the land is owned by 7 percent of the landowners, and poor landless farmers have migrated or have been induced to relocate to tropical forests where, because land quickly becomes infertile, it is overworked and left barren.

Cattle ranching has added to the problem as 5 million acres of the world's rainforests, an area the size of New Jersey, are cut annually to establish grazing lands. Funded to a large degree by the World Bank, cattle ranching causes soil erosion due to compaction from machinery and fires used to control weeds. Although justified by both the United States and Latin American countries as steps necessary for economic development, Robert Repetto, Director of the Economics and Institutions Program at the World Resources Institute, asserts that government economic policies have resulted in more losses than gains.

Repetto cites the example of Brazil, where deforestation of the Amazon, totaling more than 37 million acres by 1987, can be attributed to government-encouraged, and often state-financed programs for clearing land. Such policies result in a loss of a productive resource as the land eventually become barren and useless after a few years in service. New costly subsidized government programs are then necessary to dig out lakes and harbors which have become filled with silt from soil erosion. In this way, deforestation contributes to the growth of the debt crisis by causing costly infrastructural problems which require increased government expenditures. Unfortunately, due to economic pressures from the debt crisis and powerful domestic interests, most nations lack the political will to enforce rational goals of reduced and controlled harvest.

Another major cause of deforestation is logging, in which reckless harvesting has caused long-term environmental damage. Hardwoods from the tropics are valued because they are resistant to rot and pests. However, they are cut down at such a high rate that several tropical countries now are forced to rely on lumber imports.

In response to the June hearings, Sen. Timothy Wirth (D-CO) introduced S. 2667 on July 28. The bill's language finds that because forests play a major role in filtering carbon dioxide through photosynthesis, "policies are urgently needed for reducing deforestation and increasing reforestation." The legislation would require the Secretary of State, working with the Agency for International Development (AID) and other federal agencies, to study tropical forests and set conservation goals for each country. Through the World Bank, Inter-American Development Bank and other international development banks, the U.S. would then promote reforestation and forestry programs. In addition, AID, the Export-Import Bank and the Overseas Private Investment Corporation would encourage private investment in energy-efficient technologies for developing countries. A hearing for the bill was set for September, but passage of draft legislation is unlikely in this session.

A 10-day conference of the International Tropic Timber Organization (ITTO), held in Brazil in late June, brought together representatives from both producers, such as Brazil, Malaysia, and the Philippines, and consumers of tropical trees to discuss the survival of the rainforests. Although the organization is generally management-oriented, non-governmental organizations (NGOs) were received favorably, and, according to a NGO representative who attended the conference, there is hope that the ITTO will begin to deal seriously with environmental issues. Several of the NGO delegates spoke with the head of ITTO, Dr. Freezailah, and he seemed committed to new policies dedicated to survival of the rainforests.

In a hopeful sign, a forest ecologist is being included on the staff of the ITTO for the next three years. In addition, the use of the forests as a "sustainable resource" was a principle accepted at the conference. This approach would imply more careful cutting of forests to allow time for them to grow back, a system practiced for decades by the local rubber-tappers and by most indigenous Indian civilizations, but considered by some development-oriented economists as being too expensive and time consuming.

Many countries, including the United States, are behind in their payments to the ITTO. A Commerce Department official stated that the United States is concerned about deforestation but, because of the budget constraints, can only make partial payments. Washington paid half of its dues for FY88 and intends to pay at the same rate next year. However, according to the official, the U.S. has joined several of the committees formed at the conference and intends to participate in the organization.

The next year's meeting of the ITTO is to be hosted by Japan, a country also behind in its payments and with one of the worst records on environmental issues of any country in the world. Nevertheless, as a major consumer of timber, Japan is now playing a leading role in ITTO, positioning itself to secure an influential position in Latin raw lumber markets. Environmental groups are heavily pressuring multilateral banks which fund projects that contribute to deforestation to reform their policies and are building awareness in consuming nations as well, urging boycotts of threatened exotic woods products, such as mahogany, ebony and Pacific pine.

THE LIBRARY OF CONGRESS,
Washington, DC, October 20, 1988.
Re LL Hisp 89-107.
Hon. JOHN E. PORTER,
U.S. House of Representatives, Longworth House Office Building, Washington, DC.
(Attention: Ms. Katy Moran).

DEAR MR. PORTER: In response to your request of October 18, 1988 concerning portions of the newly enacted Brazilian Constitution 1988, we have made the attached translation from Portuguese of the segments of this Constitution as supplied by your office. We preserved the order of the segments as in the original submitted to us, on the assumption that this arrangement was made to focus on specific subjects.

If we may be of further assistance, please do not hesitate to call.

Sincerely,

RUBENS MEDINA,
Chief.

Enclosures.

BRAZILIAN CONSTITUTION OF 1988

(Provisions Concerning the Indians)

Art. 231. The social organization, customs, beliefs and traditions, as well as the original rights over the lands they hold are hereby recognized to the Indians. It is the responsibility of the Union to establish and mark their boundaries, to protect them and to see to it that all their properties are respected.

Section 1. Lands traditionally held by the Indians are those where they are settled with a permanent character, those involved in their productive activities, those that are necessary for the preservation of the environmental resources, the welfare of the Indians as well as those that are necesary for their physical and cultural integrity according to their usages, their customs and traditions.

Section 2. Lands that are traditionally held by the Indians are hereby destined to their permanent possession, they are therefore entitled to the exclusive usufruct of the soil, rivers and lakes therein.

Section 3. The use of water resources, including their energetic potential, and the exploration and exploitation of mineral resources in Indian lands, may only be done with authorization of the National Congress, after hearing the Indian communities for whom participation according to law on their use is assured.

Section 4. The lands referred to in this provision may not be transferred or otherwise disposed of. The rights thereon are not subject to adverse possession.

Section 5. The relocation of Indian groups from their lands is hereby forbidden except "ad referendum" by the National Congress in cases of catastrophy or epidemic that threaten their population, or by reasons of national security as determined by the National Congress, provided that their return to their lands is guaranteed under any circumstances immediately after the threat has ceased.

Section 6. All acts aimed at holding, owning or possessing lands referred to in this article are void and terminated. So are explorations of natural resources of the soil, rivers and lakes existing therein, except in cases where the public interest of the Union is determined to be relevant according to law as for the benefit of bona fide occupants.

Section 7. The provisions of article No. 174, Sections 3 and 4 are not applicable to Indian lands.

Art. 232. The Indians, their communities and organizations are legitimate parties to appear in court in defense of all their rights and interests, together with the intervention of the Public Attorney in all procedural actions.

TITLE I OF THE ORGANIZATION OF THE STATE

Art. 19. It is forbidden to the Union, the States, the Federal District and the Municipalities:

III. To create differences among Brazilians or any kind of preferences among them.

Art. 20. The following are property of the Union:

XI. The lands traditionally occupied by the Indians.

Section 2. A strip of land of a length of up to one hundred and fifty kilometers along the (national) land borders, designated as the border zone, and fundamentally considered as a zone of defense of the national territory. The occupation and utilization of this land will be regulated by law.

Art. 49. It is of the exclusive competence of the National Congress:

XVI. To authorize in Indian lands the exploration and use of hydraulic resources and the investigation and exploitation of the mineral resources.

TITLE XVII OF ECONOMIC AND FINANCIAL MATTERS

Art. 174. The State, as regulatory agent for economic activities, will exercise by means of law the functions relating to supervision, incentives and planning, this being definitive for the public sector and indicative for the private sector.

Section 2. The law shall support and stimulate cooperativism and other forms of associations.

Section 3. The State will favor the organization of activities in search of diamonds in cooperative form, taking into account the protection of the environment and the social economic welfare of the persons engaged in these activities.

Section 4. The cooperatives referred to in the previous paragraph shall be given in their authorizations or concessions priorities to search and exploit the resources and natural deposits of diamonds in the areas where they are working and in those determined in accordance with art. 21-XXV, according to law.

Art. 176. Mineral deposits, under exploitation or not, and other mineral resources and possible exploitations of hydraulic energy, will constitute a separate property from the soil for the purposes of their exploration and exploitation, and they belong to the Union which shall guarantee to the concessionaires the product of their work.

Section 1. The search and exploitation of mineral resources and the use of the possible exploitation referred to at the head of this article, may be undertaken only by means of an authorization issued by the Union in the national interests, by Brazilians or Brazilian corporations with national capital, as provided by the law. This authorization will establish specific conditions when these activitie take place in border zones or in Indian lands.

TITLE VIII OF THE SOCIAL ORDER

Art. 210. Minimum specific objectives shall be determined in the elementary education, for the purpose of insuring a common basic formation of respect for cultural, artistic, national and regional values.

Section 32. Elementary education shall be taught in Portuguese, insuring also to the Indian communities the use of their mother tongues and proper processes of education.

Art. 215. The State will guarantee to all the full exercise of their cultural rights and the access to the sources of national culture, and it shall support and stimulate the appreciation and propagation of cultural manifestations.

Section 1. The State will protect the manifestations of popular, Indian and Afro-Brazilian cultures as well as those of other groups participating in the national civilization process.

CHAPTER VI OF THE ENVIRONMENT

Art. 225. All persons have the right to an ecologically balanced environment, a good of common use by the people, and essential for a healthy quality of life. The Public Powers and the collectives have the duty to defend and to protect it for the present and future generations.

Section 1. In order to assure the effectiveness of this right, it is the duty of the government:

I. To preserve and restore the essential ecological processes and to provide for the economical management of species and ecosystems;

II. To preserve the diversity and the integrity of the genetic heritage (*patrimonio*) of the country and to supervise those dedicated to investigate and manipulate genetic material;

III. To define, in all the states of the Union, the territorial spaces and components thereof to be protected. Any alterations or restrictions must be allowed only according to law. Any use that may threaten the integrity of the elements necessary for their protection is hereby forbidden.

IV. To require that any establishment or installation affecting the environment be subject to a prior study of its environmental impact according to law and with publication thereof;

V. To control the production, commercialization and use of technical process methods, and substances that place life, the quality of life, and the environment at risk;

VI. To promote environmental education at all levels of learning, as well as public awareness so that the environment be preserved.

VII. To protect the fauna and the flora and to restrict, according to law, practices that place environmental processes at risk, which may trigger the extinction of species, or which may subject animals to cruelty.

Section 2. Those exploring mineral resources are obligated to restore the degraded environment according to the technical prescriptions issued by the competent public agency, according to law.

Section 3. The behavior and activities that are harmful to the environment shall subject the violators to criminal and administrative penalties, notwithstanding the obligation to repair the damage caused.

Section 4. The Brazilian Amazonic Forest, the Atlantic Forest, the Serra do Mar, the Swamps of Matto Grosso, and the Coastal Zone, are the national patrimony. They may only be utilized according to law and under conditions that the preservation of the environment and the natural resources therein be assured.

Section 5. Idle public lands as well as those acquired by the government by "discriminatory" actions that are indispensable for the protection of the natural ecosystems may not be disposed of.

Section 6. Nuclear power plants may only be located as assigned by federal law. This is a requirement without which they may not be built.

TITLE IX GENERAL CONSTITUTIONAL PROVISIONS

Art. 267. The union shall complete the demarcation of Indian lands within the term of five years from the date of promulgation of this Constitution.

Prepared by Rubens Medina, Chief and Armando E. Gonzalez, Assistant Chief, Hispanic Law Division, Law Library, Library of Congress, October 1988.

TRIBUTE TO WILLIAM SMITH

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BORSKI. Mr. Speaker, I rise today to pay tribute to William Smith, a long-time Democratic activist.

Bill Smith has been a Democratic committeeman in the 33rd Ward in Northeast Philadelphia for 35 years. It is this kind of loyalty that has made the Democratic Party a force to be reckoned with in the Northeast for decades.

A life-long resident of Philadelphia, Bill Smith and his wife Agnes have a daughter, three grandchildren and two great-grandchildren. Bill is also a member of Machinists Local 159.

Over the years, Bill Smith has put in countless hours working for his neghborhood, his party and his country. I am proud to share the same party affiliation with this man.

I join Bill Stinson, 33d Ward leader, and everyone in the 33d Ward in paying tribute to Bill Smith's 35 years of hard work and dedication as Democratic committeeman.

HERE COMES DR. JORDAN

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ATKINS. Mr. Speaker, today is a momentous one in the history of education and, in particular, the history of education for the physically challenged.

Today, Gallaudet University, the Nation's only 4-year liberal arts college for the deaf, is installing a new president, only the eighth president in its history. He is Dr. I. King Jordan, a distinguished educator and dean who became president of Gallaudet last March in an event that shook the community of the disabled, the deaf culture and the world beyond.

Along with some other members of this body, I was active as a college student in seeking reform on campus, civil rights for black Americans and an end to the war in Vietnam when I was in school in the 1960's.

Nothing we did compared to the majesty, and the success, of the students and faculty at Gallaudet last March when they forcefully but peaceably rejected an outsider with no knowledge of sign language to become their president. The age of paternalism was over. Unlike my generation of student reformers, the students at Gallaudet had their faculty, most of the administrators, and their parents on their side. And unlike previous campus movements, this one was successful. It was successful because it was a moment in history when the man, Dr. Jordan, and the movement, deaf pride, became one.

Some on campus referred to the events of that week in March that resulted in the elevation of Dr. Jordan as the deaf Selma. It was a sign of just how much we all can identify with the aspirations of those left behind by callous and arrogant decisionmakers when the deaf students paraded silently through one of Washington's roughest neighborhoods on their way to the Capitol. People stood out on their porches and not only gestured their support for the protesters but used sign language to encourage the latest, overdue civil rights demonstration.

Mr. Speaker, we should all congratulate Dr. I. King Jordan on his inauguration today as president of Gallaudet University and take pride in the institution that receives some of the best dollars this Congress appropriates. I would also like to call attention to the tremendous work our colleagues DAVE BONIOR and STEVE GUNDERSON and Senator DAN INOUYE have done as trustees of Gallaudet University.

Dr. Jordan's Inauguration, today shows that physical handicaps are no longer limitations, that the limitations are only in the eyes of the beholder. As Dr. Jordan has said so many times and with such eloquence, "The only thing deaf people can't do is hear."

I would like, at this point, to include in the RECORD the inaugural address of Dr. I King Jordan.

HERE COMES DR. JORDAN

Today, Gallaudet is not simply installing its eighth president, but its first deaf president. An event made possible only because so many of you watching today were willing to commit yourselves to a cause that you believed to be just and right—the right of every person to have unlimited goals and expectations.

I am more used to sitting—there—with the faculty, than standing here. At each commencement, I recall being filled with the hope that only a teacher can know—hope for the young people ready to make their way in the world outside the familiar halls of Gallaudet—hope that the world they were going to would be inviting and responsive to them.

In my twenty years on this campus, I have witnessed extraordinary accomplishments by a dedicated community of faculty, staff, and students. My vision has become clearer—as I have moved from student to faculty member to dean to president—my vision of what a person who is deaf can do. In March, many people all over the world grew to share that vision—the belief that the capacity for excellence is not reserved for those who can hear. With this Presidency, we will begin together to demonstrate—in a new way—what our particular brand of excellence can be.

Excellence has always been at the heart of our mission. At one time, Gallaudet was small and exclusive. Under the able leadership of each president, our perspective has continually expanded. Only twenty-five years ago the first deaf students were admitted to our graduate programs. National demonstration schools, Kendall and MSSD, emerged as did regional centers and our international programs, all responding to the changing needs of the hearing imparied population throughout the world. The confirmation of our University status two years age was fitting recognition of this broadened mission. With this presidency, we will begin together new initiatives and new programs in areas where the needs of deaf people are most pressing.

What Gallaudet means by excellence is the ability to extend important ideas, materials, and resources to new areas, to new groups of people. We reach out to people of any age, with any degree of hearing loss. People who sign, people who speak, and people who both sign and speak. People who were born deaf and people who became deaf later in life. People who are not deaf but who will contribute to the lives of deaf individuals.

Establishing important connections to the world outside of the campus is an important part of our mission. The distance to the Congress on Capitol Hill has become, truly, walking distance since last March, and we have found that we have fine friends throughout our government. Members of the House of Representatives and Senators have made the way easier for us. Let us begin together to work closely with the Department of Education and the Congress to be sure that our programs continue to thrive and have maximum impact.

We respond to needs beyond Gallaudet's campuses. Although we are a relatively small university, our windows look out on the entire world. We respond to people who are deaf in San Francisco, in New York, in New Orleans, or in Africa. The deaf child in a mainstream program in New Mexico is just as much a part of our community of concern as is the hard of hearing person in Philadelphia. The person who is experiencing a hearing loss for the first time will find programs at Gallaudet to provide support and information. Many of the technologies being used here today to enhance our communication were developed on this campus.

Our community becomes even stronger when we are joined by all people who are disabled, for we share a common cause—the right of every person to have unlimited goals and expections. Let us begin together to build alliances with other disabled people to strengthen further that common cause.

Gallaudet researchers are constantly investigating in all areas that are of critical importance to the lives of deaf people. Our scholars have studied not only the traditional disciplines but the rich and varied history, the unique culture, and the cherished language of people who are deaf. Their work has made Kendall Green a repository for the culture and traditions that have so enriched the deaf community.

But, at the center of our mission are the students who entrust themselves to us. We are committed to training them to make their way in the world, to perform well—whether they perform with a microscope or perform on stage. We work with deaf people from infancy through adulthood. At all levels, our faculties constantly strive to devise new teaching methods, new programs, and new courses to assure that our students have the best opportunities. And, we share what we learn with other universities. Schools and programs across the country have benefitted from the projects and strategies created or developed in our precollege programs.

Gallaudet has always responded to the developmental needs of students. Special academic programs help us find ways to reach the struggling student who did not get a good start or to enhance the educational experience of the more gifted and talented student. Human development programs and innovative activities address the students' lives outside the classroom.

Excellence at Gallaudet has particularly meant an undergraduate program that embodies the best of the liberal arts tradition and provides a foundation on which students can build their professional lives. The men and women who study in our graduate programs will spread their knowledge throughout American society and will contribute significantly to scholarship in the twenty-first century. These new leaders will be forceful and educated advocates for us all. And now, let us begin together to find more effective ways to challenge all our students to become even better students and citizens.

Excellence in many of the areas I have mentioned is traditional at all fine universities. But, Gullaudet is, and always has been, unique among institutions of higher education. Our mission has not only been to educate, but to advocate—not only to conduct research, but to make sure the results are available—not only to serve the campus community, but to serve the larger community of deaf and hearing impaired people everywhere.

In its 124-year history, Gallaudet became an institution respected the world over. Eight months ago we were a distinguished university with many achievements. And then, on March 1, our world changed. On that day, a rally on campus brought together many members of the campus community in an unprecedented show of united purpose.

Excellence took on a new meaning in the week that followed. The world saw a diverse community come together with a synaptic spark. They saw a student body conducting itself with dignity and deliberation during a week filled with the potential for disruption. They saw articulate students, along with faculty and staff, argue eloquently that their cause was just. And now, let us begin together to make real the promise of that week.

At Gallaudet, persons who are deaf must have unlimited educational and professional opportunity.

Excellence at Gallaudet must mean that we are advocates for the rights of deaf and disabled people everywhere. We must become a working model. No barriers. No impediments. No restrictions. Gallaudet must demonstrate the true meaning of "open access."

Excellence at Gallaudet must mean that our university is a community in which people of all kinds and ages, deaf people, hard of hearing people, and hearing people, live and work together.

Excellence at Gallaudet must mean an unyielding commitment to find more, to never be satisfied with that we know, to be always alert to new possibilities, and to be always curious. Let us begin together to truly embrace the diversity of opinion and outlook that nurtures the intellectual life of any great institution of learning.

Each of us, then, who is part of the Gallaudet community must affirm this broader definition of excellence. We must be excellent students, excellent educators, excellent researchers, excellent advocates.

Samuel Johnson wrote that "curiosity is one of the permanent characteristics of a vigorous intellect." Let us begin together to increase our curiosity about the world, about learning, about ourselves as persons—deaf or hearing—and that shall make our intellects vigorous and lively.

There is a sign phrase known to every teacher in this room. A sign that appears in late April when energies are flagging and excuses begin to appear. When the patience has worn out and course work seems to be repetitive, the phrase appears: "motivation lost." It is a sad sign, an excuse. For a long time, deaf people were suffering from a feeling of "motivation lost." But last March in our unity, in our belief and in our amazement at our own strength, we enjoyed a true renaissance, a "motivation found." We must go forward with that new energy, that renewed belief in ourselves and in one another. We must provide the leadership. We must be the role models. We must share the feeling that we have known so recently—a feeling of strength.

I challenge each person in this room and in Elstad, Hughes, and MSSD, across the satellite miles, across the country, and around the world. I challenge you to take up this motivation, take up this enthusiasm, take up this new courage to try and do anything under the sun. I challenge you to succeed.

I challenge each of you: deaf, hard of hearing, or hearing; parent, child, or grandparent; student or teacher; friend—anyone within the sight of my hands. I challenge you to take up the vigor. . . .

to research with new curiosity;

to be relentless in your search for new methods and better means;

to be untiring in your willingness to reach out to one another;

to do only the best work of which you are capable;

to argue . . . deliberate . . . learn;

to take the events of last March to your heart and your hands; to do the work of making this world responsive and welcoming to deaf persons.

I challenge you to set the finest example and to bask in this "motivation found."

Then we will be known not only as the world's only liberal arts university for the deaf, but truly as a community of excellence.

Last March, we put our hands on the ground and we felt the vibrations of generations of aspirations and expectations. We felt the impulse of excellence. We came out of our huddle, and we made a beginning.

And now, let us begin together.

PERSONAL EXPLANATION OF JAMES M. INHOFE ON MISSED VOTES OF OCTOBER 19-20, 1988

HON. JAMES M. INHOFE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. INHOFE. Mr. Speaker, due to official business in the First District of Oklahoma, I was unable to vote on October 19 and 20, 1988. Had I been present I would have cast the following votes:

H.R. 515, Fair Credit and Charge Card Disclosure Act, "yes."

S. 2752, to declare certain lands be held in trust for the Quinault Indian Nation, "no" on the previous question and "no" on the bill.

S. 2840, the Arizona-Idaho Lands Conservation Act, "yes."

S. 2751 on the previous question, "no."

The Yates amendment (Roll No. 453), "yes."

THE KENNEDY/JOHNSON LEGACY

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. PICKLE. Mr. Speaker, few men in America are better qualified to evaluate the administration and executive ability of a President than Walt W. Rostow.

Mr. Rostow has written an insightful article which addresses the issues which confronted the Kennedy-Johnson administration over 25 years ago. He makes an interesting analysis of how these two leaders operated.

Walt Rostow is in an unique position to reflect on these issues. He served on a national advisory committee for President Lyndon Johnson, having previously served in the administration of President John F. Kennedy.

Both of these great men were propelled by great emotion and ambition, although they may have had their weaknesses as do we all.

Mr. Speaker, I think this article is very informative and good for all Members to read. I ask unanimous consent to insert the text of the article at this point.

Los Angeles Times, Sept 25, 1988

REMEMBERING L.B.J.—ANOTHER VOICE FROM THE '60'S

(By Walt Whitman Rostow)

AUSTIN, TX.—There is in our country a little noted tribal rite. On the birthday of each former President no longer alive, a wreath is delivered in the name of the incumbent and placed on the grave.

Such a quiet ceremony was held Aug. 27, in the family burial ground at the LBJ Ranch. Lyndon Baines Johnson would have been 80 years old.

Driving back to Austin, I thought of the reported recent remark by Richard N. Goodwin that he did not expect "Johnson loyalists" to like his book ["Remembering America: A Voice From the Sixties" (Little, Brown)]. I asked myself: What does being a Johnson loyalist mean?—for I certainly belong in that category.

In my case, it certainly does not mean that I agreed with L.B.J. on every occasion or found him without flaw. Like all of us, his personality had many elements not always harmonious. To paraphrase the novelist James Gould Cozzens, these were of irreducible complexity and each, by itself, inscrutable. It was "the struck balance" of his habitual predispositions that were observed, magnified by the issues he confronted and the consequences of the decisions he made.

What Johnson confronted as President were simultaneous, inescapable crises at home and abroad: in race relations and Southeast Asia. At home he also perceived a brief interval in which it might prove possible to move America toward the multiracial society of equal opportunity its values demanded and, along the way, to expand the foundations of the nation's educational and health systems. Johnson did not permit the intrusion of urgent, short-run problems to deflect him from the pursuit of these long-run goals.

It was much the same in foreign policy. He found the energy and vision to reach beyond the immediate crises and try to move the world toward orderly peace: the Nuclear Non-Proliferation Treaty and the initiation of work on the Strategic Arms Limitation Talks; the creation of a consensus in the North Atlantic Treaty Organization to ameliorate relations with Eastern Europe; to build with Asian leaders the Assn. of Southeast Asian Nations and other foundations for the Pacific community whose dynamism and long-run meaning he had understood and acted on in the 1950s—long before it became the conventional wisdom. Thus, statehood for Hawaii and Alaska and the East-West Center. He was quite explicit in expressing steadily his hope that China, returning to its pragmatic and humane tradition, would join that community.

The views of Johnson loyalists are evidently not identical. But Johnson commanded—and his memory still commands—the loyalty of most who served with him because of his total commitment to the resolution of the dual crises he confronted and to his large aspirations for America and the human community.

There was, however, more to it than that. No business was conducted by Johnson without a strand of humor—usually the lovingly told and relevant anecdote; for he understood that humor breeds a sense of proportion. And then there was—only occasionally expressed—a capacity for deeply felt understanding and affection. On Dec. 12, 1972, just before his death, Johnson was closing speaker at a civil-rights symposium in Austin. He came to this last hurrah against the advice of his doctors and chewed nitroglycerin pills from time to time during the program. Looking down at the array of civil-rights leaders with whom he had fought side by side, he set aside his text and said: "When I listened to Burke Marshall and Henry Gonzalez, Clarence Mitchell and Julian Bond, whom I don't know so well but admire a great deal, I said to myself that 'I love these men more than a man ought to love another man.' "

I knew John F. Kennedy well before I knew Johnson. I first met Kennedy at lunch at the Metropolitan Club in Washington on Feb. 26, 1958. Through an aide, he had asked if I would work in support of the Senate resolution he and John Sherman Cooper were designing to generate international support for the Indian Second Five-Year Development Plan. We discussed that enterprise and, being much of an age, a great deal more. I concluded he would make a great President.

Like many others, I found Kennedy an extraordinary mixture of maturity and humor; high spirits and sense of the possibility of tragedy and the closeness of death; compassion and toughness; short-term political skill and farseeing statesmanship. His friendship, once granted, was steady and reliable and generated an answering intense loyalty.

Here, I would only make a simple point: With respect to Southeast Asia and civil rights, education and medicine, Latin America, India, NATO and arms control there was virtually complete continuity between the policies of Kennedy and Johnson. Some argue, of course, that Kennedy would have taken a different course in Southeast Asia if reelected in 1964. We shall never know. What we do know is that Johnson built his policy on the foundation Eisenhower and the Senate laid in the Southeast Asia Treaty of 1955, which Kennedy had supported and seen through until his death.

It is possible—by no means certain—that the time bought at great cost by that policy will one day be reckoned to have been an essential condition for the emergence of the dynamic, confident modern Asia we now know. Whether that proves the case or not, those who believe they know what the verdict of history will be are a bit premature.

There were, of course, dissimilarities between Kennedy and Johnson: Kennedy's wry one-liners versus Johnson's anecdotes, for example. Johnson's magic was exercised best in small groups or private conversation; Kennedy had that rarest of gifts—somehow to communicate effortlessly across boundaries and cultures. Long after his death, his pictures could be found in peasant homes from the Peruvian highlands to the Nile Valley.

Kennedy once expressed what he fundamentally shared with Johnson. We had breakfast early on the morning of Aug. 8, 1958. I was in Washington to help write Eisenhower's Lebanon-Jordan speech. Driving me to the State Department, Kennedy reviewed with sympathy, shrewdness and humor his competitors for the Democratic nomination in 1960. He concluded that the Democratic Party owed Johnson the nomination; that Johnson wanted the same things for the country that he (Kennedy) did; but that it was "too close to Appomattox" for Johnson to be nominated and elected. He, therefore, felt free to run.

A common vision for the country did not, of course, prevent tensions when Kennedy was President. Johnson had a long, healing talk with Robert F. Kennedy on April 3, 1968. My notes include the following comments by Johnson: "The vice presidency is a job no one likes. It is inherently demeaning; although no one ever treated a vice president better than President Kennedy had treated him. . . . They disagreed seldom, but they did disagree a few times."

Looking back now, I would guess that there is no way the story of America in the 1960s can be told except in terms of the Kennedy/Johnson years of responsibility. Their lives and policies became inextricably intertwined. They may well have seen us all through the Gettysburg of the Cold War in Berlin, the Cuba missile crisis and Southeast Asia.

Close to them in those crises, shadowed by the specter of nuclear weapons, one felt the burden they bore was more than mortal man should have to carry. The reality of that burden helps explain why they began with such tenacity the long, slow process of building alternative relations with the Soviet Union and China in the Test-Ban and Non-Proliferation treaties and clearing the way for a serious dialogue with the Chinese. Between them, they moved the nation radically toward equality of citizenship and opportunity, long as the road ahead remains.

Their place in history is still to be decided; but it was a privileged experience to serve from the first Kennedy to the last Johnson day in their administrations. And, whether standing in that country burial ground in Stonewall or looking up at the slope of Arlington Cemetery on the way into Washington from National Airport, I'm glad I knew them.

FRANKLIN SQUARE HOSPITAL CENTER

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. BENTLEY. Mr. Speaker, today I rise in salute to the Franklin Square Hospital Center on the occasion of its 90th year of existence. Franklin Square is certainly one of Maryland's most venerable and worthy medical institutions. It has set a standard of excellence for medical care and community service to which many other hospitals aspire. It gives me great joy to honor Franklin Square here.

It was founded in 1898 as the National Temperance Hospital of Baltimore. At first it only had 20 beds. Three years later the hospital moved to a bigger building, one near the area called Franklin Square. It was then that the name was officially changed.

Over the years Franklin Square grew in order to meet the continuing demands of the community. New floors and buildings were added. Eventually the hospital took over the entire block. However, in the 1960's the changing health care environment in Baltimore drove the hospital to a point where it either had to move, merge, or close. It was then decided to move the hospital to Baltimore County.

Today the "new" Franklin Square Hospital is one of the fastest growing in Maryland. Presently it has a 405-bed capacity. It also offers three accredited residency programs and is a member of the Council of Teaching Hospitals. In addition, the hospital offers free or discounted services to senior citizens as well as a childbirth program called OB/T.L.C.

It is also interesting to note that the hospital's auxiliary is celebrating its 40th year of official existence as well. The auxiliary is somewhat unusual in that it includes men as well. However, its function as a fundraising organization has been exemplary; to date it has raised almost $3 million for the hospital. Were it not for the consistent efforts of the auxiliary, perhaps Franklin Square would not be celebrating its 90th anniversary.

Mr. Speaker, I urge you and my colleagues to join with me in saluting this fine organization of healers. Franklin Square has cured the sick and breathed life into its community at the same time. To the hospital's chairman, Robert Lindsay, as well as the entire medical and administrative staff I send my best wishes and heartiest kudos for a job well done.

THE 100TH CONGRESS SHEDS LIGHT ON SIKH GENOCIDE

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BURTON of Indiana. Mr. Speaker, as we close this session of the 100th Congress, I hope we have helped to shed additional light on the genocide which is currently occurring to the Sikhs in the Punjab. The Indian Government has done all it can to suppress information concerning the treatment of the Sikh people living in the Punjab. The United States State Department chooses to ignore the problem for fear it may hurt relations between the United States and India.

On August 2, 1988, I introduced legislation which calls upon the Indian Government to respect the human rights of the Sikhs in the Punjab and calls upon Indian troops to leave the Golden Temple; 51 Members of Congress cosponsored that legislation. Out of these 51 Members roughly half are Democrats and half are Republicans. House Concurrent Resolution 343 has now been introduced in the Senate and has received bipartisan support. The story of Indian repression is now being told.

I would like to submit for the RECORD a number of articles which continue to document Indian repression. In Bider, India, a virtual slaughter of Sikhs occurred and the Indian Government did everything in its power to cover it up. Death squads, hired by the Indian Government, continue to roam through the Punjab looking to murder innocent Sikhs. The Sikh people deserve the freedoms that we enjoy in this great country. I think it is about time Rajiv Gandhi wake up and grant the Sikhs such freedom.

[From the India Today, Sept. 15, 1988]

THE UNDERGROUND ARMY

VIGILANTE GROUPS HIRED BY THE STATE TO COUNTER TERRORISM COME UNDER FIRE

For some time now, civil rights groups have been accusing the state Government of hiring vigilante-type groups to help in the counter-terrorism battle. These groups—and their questionable methods—came into sharp focus last fortnight after the killing of two policemen by one of their operatives.

A REPORT

The slaying of two fine Punjab Police officers—senior superintendent of policy (SSP) Sital Das and his deputy (detective) Baldev Singh Brar—last fortnight has brought into sharp focus the danger of using fire to fight the fire of terrorism.

The slain officers were the unwitting victims of what is now admitted to be an official policy of counter-terrorism in which police-backed vigilantes were encouraged to use unorthodox methods to identify and eliminate terrorists. The incident has also given credence to repeated charges made by civil rights activists in Punjab that the state Government had, in fact, created "death squads" in an attempt to neutralise terrorism.

Unlike their predecessors, SSP Avinder Singh Brar and SP, K.R.S. Gill who were gunned down in January this year, Das and Brar were not shot by terrorists. The killer this time was their own undercover operative—assistant sub-inspector (ASI) Dalbir Singh—who shot himself after slaying the two. The killing occurred not in an exposed public place but within the confines of the station house officer's (SHO) room in the high-walled Civil Lines police station in the heart of Patiala city where Dalbir had been called for an interrogation following allegations that he was indulging in criminal activities. Two jeeps full of heavily-armed security guards of the two officers were present on the premises at the time of the killing.

Adviser to the governor and former police chief Julio Ribeiro observed candidly that there was nothing "unusual" about the use of undercover agents. He told India Today: "Police all over the world take the help of undercover people. There is no doubt about the fact that we had also been using people like Dalbir."

The practice of depending upon undercover operatives—serving policemen as well as known criminals—was started during Ribeiro's tenure as director-general of police (DGP). Ribeiro even feels that Dalbir's death has created a vacuum which will be difficult to fill. "But for the unfortunate killing of two of our officers, this would not have come out in the press at all," laments Ribeiro. Asked about the legality of such measures, he replied: "Don't governments use spy networks for collecting information? Is that legal? In fighting this undeclared war in Punjab what matters is success in tracking down killers."

DGP K.P.S. Gill also confirmed that there was a policy of creating undercover squads. Says Gill: "The security forces in Punjab can do nothing without special spotters' parties and there is no question of doing away with then."

ASI Dalbir Singh was, in fact, Ribeiro's blue-eyed boy. Astonishingly, Dalbir had been dismissed as a constable in 1983 on charges that he was involved with criminals and smugglers. It was his penchant for crime, ironically, that got him re-employment in the force. Toward the end of 1986, against every traditional norm, he was quietly recruited again as a constable. The reason: the then SSP of Amritsar, Mohammad Izhar Alam was recruiting policemen with criminal tendencies for special task force to be constituted along the lines of the Dirty Dozen.

Alam had sold Ribeiro the idea that the authorities needed to occasionally bypass the legal system if they were to get instant results in their fight against terrorism. Dalbir's job, like that of sources of others similarly recruited, was to infiltrate the ranks of terrorist outfits and get information. Other members of what are now known as the "Alam Special Forces" were detailed to track down terrorist gangs and shoot them whenever possible. But this tactic seemed destined to boomerang. For one thing, the planted vigilantes had to take part in terrorist acts including dacoities and murders. Alam had vehemently denied the existence of such a force when reports of it first appeared in the press in 1986 after some police-supported vigilantes were identified as being involved in a dacoity and murder in the Chowk Mehta area of Amritsar.

A few months later, however, Ribeiro admitted that such a force was raised without his knowledge and had been disbanded in late 1985. It now turns out that the force was never disbanded. Only, some of its more notorious members had been shifted from one district to another. Two of the most successful cops-turned-criminals Dalbir Singh and Santokh Singh Kala were shifted from Amritsar to Patiala and Jalandhar. According to senior police officers who are against such counter-terrorist tactics, Kala continues to operate in Jalandhar where he still reports to some police officers.

Supporters of the vigilante squad tactics, also known as "Alam Sena" within militant circles, aver that they have shown phenomenal results. Dalbir Singh gunned down an "A" grade terrorist Paramjit Singh in Tarn Taran soon after his re-employment. He helped in the arrest of another terrorist Charan Jit Singh from the hostel of Punjab University. He shot into prominence and became a favourite of Ribeiro after he played a vital role in the arrest of "B" grade terrorist Balwinder Singh Binda and Harminder Singh Banti in Chandigarh soon after Jinda's arrest in Delhi last year.

A few months later, he helped arrest Gurbachan Singh—wanted for several murders and dacoities—from a house in Mohali. The police managed to recover two Sten guns and three .38 revolvers from his possession along with Rs 38,000 in cash believed to be looted from a bank.

That Dalbir Singh was nothing short of a daredevil was proved beyond doubt when he gunned down "A" grade terrorist Surinder Singh alias K.C. Sharma in Chandigarh early this year. Dalbir had been tailing Sharma's accomplices for several weeks. He was in plain clothes when he challenged Sharma at a bus stop in Chandigarh's Sector 16, close to the official residence of the former police chief, Ribeiro. The passers by, as also a flying squad of the Union territory (UT) police mistook Dalbir for a terrorist when he emptied his gun into Sharma. With the UT police hot on his tail, Dalbir escaped by flashing his identity card and slipping into Ribeiro's house.

A beaming Ribeiro later declared in the secretariat that a "spotters' party of the special task force of the Punjab Police" had eliminated the dreaded killer. Dalbir had been given more than his just reward—two out-of-turn promotions, a jeep and two guards armed with Sten guns. Unofficially, a Maruti and a fiat were also given to him. Posted in Patiala district with no official daily routine, his secret jurisdiction extended to all of Punjab and even nearby states.

But Dalbir, it was soon discovered, had been exploiting his position to maximum financial benefit. Some of the terrorists he had killed, police officers confide, were rival gangs of bank robbers who had refused to share their booty with Dalbir. He began to extort money from ordinary citizens and even became a gun for hire sought out by rival gangs of smugglers in Punjab and Jammu to kidnap and terrorize opponents.

Driven to excess, Dalbir, for a payment of Rs 50,000, raided the house of a tailor, Saghir Ahmed from Chandigarh a month later and reported the recovery of three country-made revolvers from him. The UT police, however, found out later that the recovery was a fake one. A case was registered against Dalbir in Sector 17 police station for abduction, illegal confinement and fake recovery.

The six-foot-tall and well-built favorite of his senior officers stood exposed last month as the Punjab Police was placed in the embarrassing position of taking official cognizance of Dalbir's criminal acts. Ribeiro quietly ordered SP (detective) Baldev singh Brar to conduct a thorough inquiry against Dalbir. A few days before he was killed, SSP Sital Das was asked to disarm and suspend Dalbir from the force. A further embarrassment to Ribeiro was that Dalbir's vigilante activities in Jammu & Kashmir had resulted in Chief Minister Farooq Abdullah's imposing a blanket ban on Punjab Police's entry into his state.

Interrogations of his associates revealed that Dalbir owned houses in Patiala, Chandigarh and Mohali. He was in the process of selling his property in order to get away from Punjab and ultimately flee the country. "I would kill myself rather than letting the police find out everything about me," he had reportedly told an associate.

Dalbir contacted Sital Das on the telephone on August 18 when he was told to report at the Civil Lines police station the next day. Sital Das, according to a police officer who was close to him, had given an assurance to Dalbir that he would protect him provided he revealed all his shady deals personally to him.

According to the new SSP, J.P.S. Virdi, the senior officers talked to Dalbir in a cordial atmosphere for more than an hour in the presence of the SHO, Gurdeep Singh and an intelligence officer, inspector Surjit Singh. Surjit left the SHO's room 10 minutes before the killings. Virdi quoted the only eyewitness, SHO Gurdeep Singh, as saying that Dalbir suddenly got up during the course of the conversation in reaction to something said by Brar, and whipped out his gun. Sensing trouble, the SHO grabbed him from behind but could not stop him from firing five rounds, of which two hit Brar and one Sital Das who was about to fire from his own revolver. Within seconds, the two officers collapsed on the floor and the SHO ran out screaming for help. According to the reconstructed scenario Dalbir took possession of the SSP's special revolver and fired two more rounds—one at Das which pierced his heart and the second into his own head.

The killing of the officers of impeccable records has raised many questions about the functioning of the police in Punjab. How an officer who was to be interrogated for serious offences was allowed to retain his service revolver is one of them. Equally important, senior police officers say on condition of anonymity that the police have no right to get dirty work done by its officers. "Can we expect our personnel to stay clean and honest when we ourselves initiate them into criminal pursuits?" asked one of them.

And disturbing questions are being raised in high government circles about the activities of other vigilant squads operating in Punjab.

In one of the cases a Congress (I) leader of Amritsar whose car has been snatched at gun point recognized the robber at the police chief's residence where he had gone to complain about the robbery. It turned out later that the car snatcher was an undercover man. On the police chief's instructions he returned the vehicle to the owner within a week. In another case, a spotter who had helped the police to recover huge quantities of arms and ammunition from a hide-out took away a truck abandoned by alleged terrorists and sold it in another town.

Senior police officers admit that the scheme of hiring criminals as spotters came under heavy attack within police circles last year. A former deputy inspector general of the Border Security Force, who was then posted at a border town had complained to Ribeiro that the police tactic was earning widespread discredit because the spotters were running amuck. Several senior officers openly voiced their disagreement with Riberio on this subject.

As a result, the undercover men came under stricter screening and many of them were weeded out. It was also decided to increase the remuneration given to them on the basis of their performance in order to dissuade them from looting and plundering innocent people.

Bounty hunters like Dalbir Singh earned huge amounts when those identified as killer or terrorists were either killed or captured with his help. For instance, his earning for killing K.C. Sharma: Rs 1 lakh.

And now, inquiries are pending against at least a dozen police-backed vigilantes, bounty hunters, undercover operatives and spotters over serious charges of corruption. In the absence of political solutions, the exclusive use of an unbridled police option in Punjab has succeeded, finally, it seems in creating Frankensten monsters for which a terrible price may have to be paid.

[From the India Abroad, Oct. 14, 1988]

BRUTAL BIDAR RIOTS FOUND PRESS AND POLICE OUT TO LUNCH

By Kulkip Nayar

The anti-Sikh riots at Bidar, in Karnataka, have many lessons for the country. The national press, which reported the protest against the defamation bill even in far-flung areas, failed to take notice of the rioting for 10 days. Not a word came out until some Sikh students reached New Delhi to tell their tales of woe.

The local correspondents of newspapers and news agencies in Bidar, who are part-timers, it appears, were late in sending their dispatches, and still worse, press telegrams were not cleared for transmission for a few days. This is not the first time that a government telegraph office has acted as censor or that a local official has given unofficial instruction not to transmit messages. I experienced this in Guwahati some time back when I filed my copy in the agitation against "foreigners" in Assam.

A GAP IN JUDGMENT

When the reports did arrive at newspaper offices, the news desks also failed to appreciate the gravity of the situation—apparently because of the delay, they tended to take the reports as "stale" news.

The national press, it is true cannot have staff in every town in the country. But even when the story appeared in some regional newspapers, correspondents of the major newspapers did not follow it up. I cannot say this was because of any communal 'prejudice'—most of the subsequent stories were categorical in blaming the Shiv Sena for fomenting the trouble. But the national press cannot absolve itself of the initial lapse. How to insure that it does not happen again is a matter the media should study.

The other lesson is the police attitude. Practically every report says that the police were either silent spectators or supported the rioters. This has come to be a pattern in every riot; the minorities, religious or linguistic, are more afraid of the police, who are supposed to be their protectors than of the hoodlums of the majority group or community.

PREDICTABLE BEHAVIOR

And it has been often noticed that when a minority has protected itself well in the first round, the police have come to the assistance of the majority subsequently. And if it is the minority that is the first to err, the police have been oppressive or even brutal in retaliation. This has been the case in Ahmedabad, Moradabad and Meerut, to cite just a few.

Whether it is because of lack of training or poor morale, the police have increasingly fallen prey to religious prejudices. At one time, constructing a temple, or mosque or a gurdwara was prohibited in the police line (or housing campuses). The central police organizations were so strict on this point that any such effort was not only thwarted but those responsible were taken to task. Now a police line—the Border Security Force (BSF) and the Central Reserve Police Force (CRPF) are no exceptions—takes pride in showing places of worship to a visiting VIP. The Bihar Military Police (BMP), the Provincial Armed Constabulary (PAC) of Uttar Pradesh and the Gujarat police boast of temples that they set up even in the camps they pitch for temporary duties.

I thought that Communist-run West Bengal would be different, but what I saw at the police office in the Writers Building, the state government headquarters, makes me believe that the riot has set in there as well. Adorning a wall of that office, where I waited for clearance to go in to meet Chief Minister Jyoti Basu, was a huge saffron-colored paper cutout of 'Om', the religious symbol, in devanagri alphabet.

Several inquiry commissions that have gone into the genesis of specific communal riots have recommended the demolition of places of worship at the police line and setting up in their stead congregation halls for all communities where moral discourses could be held. The state governments have taken no action on this and the Center has not enforced the standing order not to build a place of worship in any police line.

The Intelligence Bureau, which should have placed such matters before the annual conference of directors general and inspectors general of police, is more concerned about the "portents of discontent" over salaries than the danger from the forces becoming parochial and communal.

GOOD WORDS FOR POLICE

The latest IB report, in fact, commends the police. It says: "Despite a sharp rise in the number of policemen killed, extensive range of threats and challenges during the past years, it must be stated to the credit of the police forces as a whole that a high sense of discipline and morale has been generally maintained."

This kind of commendation may help sustain police morale in view of their overwork and expanded duties. But unless the higher-ups are willing to call a spade a spade and come down heavily on those in the police who take upon themselves the responsibility of "safeguarding the interest" of the majority, the hot wind that is blowing through the country will not stop. In his letter to Karnataka Chief Minister Bommai, the former President, Zail Singh, has said more or less the same thing by suggesting quick action against the guilty instead of waiting for the report of the High Court judge inquiring into the riots, which may take many months.

Perhaps the most grievous lesson of the Bidar riots is that resentment against the Sikhs had spread even to remotest places in the country. In northern India, the killings in Punjab had prejudiced the minds of Hindus, although for the past one year, more Sikhs than Hindus have been killed by the terrorists. Now even the south, which has long been free of prejudice and fundamentalism, is getting contaminated.

In a country where radio and television feature many Hindu festivals and congregations and project the composite Indian culture as Hindu culture, the majority community's sense of superiority is bound to grow. And it is bound to lead to chauvinism, which will be the negation of the basic concept of Hindus. And very few people are prepared to point this out lest they offend the prevailing Hindu feeling. Political parties and leaders are too busy assessing how particular communities and castes will vote in the next election.

The climate in the country is becoming fouler and the communal cancer is spreading. Now "leaders" like Diwakar Raote, a Shiv Sena city corporation member of Bombay, are rising. To point out how dangerous the new breed of leaders is, I quote what one of them told some Hindu businessmen in the city when he found them unwilling to give him money: "In one riot we slaughtered 300 Muslims and you businessmen had witnessed that with your own eyes. What have you seen till now? You are happy here in Dadar and when the same Muslims attack you and when they take away your women, then you will remember us. I am warning you that whatever we do we are paying with our own lives. Instead of giving us arms, you behave as if you were throwing 10 paise coins to the eunuch. Go. Take care of your children."

The central government cannot, however, escape the responsibility for what is happening to the Sikhs in India; this is a fallout of the Punjab problem. By his acts of omission and commission, Prime Minister Rajiv Gandhi has only aggravated the situation. Had he implemented his accord with the late Harchand Singh Longowal, the state would have been out of the mess by this time.

Even now, it is not too late to win back the confidence of most of the Sikh community, which realizes the damage the terrorists have done to it. The Akalis, divided as they are, will not be able to negotiate any settlement, and, even if they do, it will not be acceptable to the "boys," who are at the back of the violence.

The government has to take some steps unilaterally. All the Sikh leaders detained without trial at the Jodhpur should be released, as agreed to by the government at one time when Gandhi's close friend, Satish Sharma, was negotiating through Sushil Muni Jain a settlement with Darshan Singh Ragil who was then the acting chief of the Akal Takht.

In fact, all political prisoners, including Parkash Singh Badal, G.S. Tohra and Sukhjinder Singh, should be released unconditionally. And the government should prosecute those guilty of the 1984 riots in which 3,000 Sikhs were killed. Once these steps are taken, the proper climate for a political solution may be created.

If not, Bidar-like happenings will continue to take place. And more and more the ineptitude of the press, the police and the prejudice of the people will be exposed to the detriment of the ideals of democracy and secularism.

[From the New York Times, June 12, 1988]

Punjabis Disband Secret Militants

AIDE SAYS EXTREMISTS BACKED BY STATE FAILED TO ATTACK OTHER BANDS OF SIKHS

(By Sanjoy Hazarika)

Amritsar, India, June 9.—The Punjab Government has disbanded and disarmed a group of Sikh extremists that it has financed and armed for several months to attack and confront other militants, a top security official said today.

"It was an operation mounted with the best of intentions, in good faith, but the people running it did not know how to handle such matters," the official said. "The fellows went out of hand."

His remarks were the first official admission that the state's Government has used one band of extremists against others. The official said the group of extremists was small, not more than 14 people, led by a man named Santokh Singh Kala. Security and police officials said the group's members had not been very effective in the antiterrorist operations.

The officials emphasized that the operation had been limited to the Amritsar region and was viewed at first as a limited part of the Government's strategy against extremism. But strong differences among policy officials surfaced earlier this summer about the group's usefulness and led to its quiet withdrawal.

HUNDREDS OF EXTREMISTS

There are hundreds of anti-Government extremists in the Punjab, although more than 200 of them surrendered to security forces last month at the Golden Temple here, the major shrine of the Sikh faith, after a 10-day seige.

Home Affairs Minister Buta Singh and other senior officials here recently denied knowledge of the pro-Government group. But officials familiar with the secret operation said the faction had a few successes, like the one year when they ousted a group of militants based at a Sikh shrine near the Golden Temple. They said the group had killed a few suspected extremists.

The group was set up, accounting to these officials, sometime last year in Amritsar, one of the three districts in Punjab that have been worst hit by Sikh extremism. "These people were won over and willing to operate against the other groups," an official said. But they proved ineffective and they resorted over the months to robbery and extortion, the officials said.

UNDER OFFICIAL CUSTODY

"Now they are more or less under unofficial custody," said one of these officials, who added that the group's members were disarmed several weeks ago and were being detained by the central reserve police force, a para-military organization. He did not say how much the Government had paid the group.

Julio F. Rebeiro, the adviser on law and order to the state's Governor, was in Amritsar this week to supervise a Government plan to clear a corridor around the Golden Temple by demolishing scores of houses and stores in a 100-foot belt around the borders of the complex. The corridor is to be completed by the end of the year and is aimed at helping security forces monitor the movements of people around the temple.

This project was stalled Tuesday when thousands of residents and storeowners rallied in the narrow streets and bazaars around the complex, waving black flags against the Government and blocking bulldozers and trucks that had been brought there to begin the demolition They then brought out only Sikh and Hindu books and began reciting prayers.

The Government, surprised by the outburst, hastily backed down from its plan and announced that it would first find alternative sites for stores and homes for those who would be affected by the operation.

Council of Khalistan

(Key Address by Dr. Gurmit Singh Aulakh at the United Nations Building, New York, June 9, 1988.)

Dear Brother and Sisters: Today, we are gathered here outside the United Nations Building in New York, while Mr. Rajiv Gandhi visits the United Nations to speak there.

It is a tribute to the great country we live in, the United States of America, that we can gather here, that we can demonstrate against Mr. Gandhi and his Government in peace, that no one will come to disperse us, that no one will shoot at us, that no one will mow us down with machine gun fire.

What a contrast to Amritsar in our homeland of Punjab, across on the other side of the globe, what a contrast to India from where Mr. Gandhi has just come!

Just a few days ago, we Sikhs in America and worldwide, marked the fourth anniversary of the blackest day in our history.

It was on June 4, 1984 that the Indian Army launched its attack on our holiest shrine, the Golden Temple at Amritsar. So just a few days ago, we gathered in Washington, in San Francisco and other places to commemorate all the Sikh men, women and children who fell, and were martyred for their nation, during "Operation Bluestar."

Over here, we can live in peace. We can worship in peace, we can demonstrate in peace. Over there, even inside our most hallowed walls, on our most hallowed ground, we are not safe from fire and slaughter.

Tens of thousands of our brothers and sisters gathered 4 years ago at the Golden Temple to commemorate the martyrdom day of the fifth guru, Arjan Dev. And tens of thousands of our brothers and sisters, within a few days, became martyrs themselves.

We commemorate them, we mourn them, we remember them.

June 4, 1984, is the darkest stain on the honor of the Indian government.

For Punjab, that day was a tragedy.

But for India that day was not a triumph.

As you know, the Golden Temple was attacked again not long ago, on May 9. Already, the number of our dead brothers and sisters in Punjab is over a thousand for this year alone. India has amended its constitution to allow for a state of emergency in Punjab, something which it had not been able to do in peacetime previously, except in cases of external aggression or armed insurrection. But a state of emergency will not change a thing. Emergency powers under Rajiv Gandhi's "iron fist" policy have been exercised for several years now. The only difference now is that murder has now become legal and has received the official stamp of approval.

India has also recently imposed martial law in three of Punjab's districts. It has increased the size of its occupying police and para-military forces. It is constructing a barbed-wire barrier along the border between Punjab and Pakistan. It sends out "killer squads" of self-confessed criminals and murderers to roam the streets of our towns and villages, by day and night, who proudly boast about the number of our Sikh men and women they have killed.

And some time ago, the speaker of the Indian Parliament, Balram Jakhar, declared: "We will not hesitate to kill 10 million Sikhs to keep India united."

All this bodes ill for the Sikh nation. Could it be that the Indian Government is preparing a "final solution" for the Sikh National and the Punjab problem? By "final solution" I mean what Hitler did to the jews.

That particular "final solution" did not succeed, neither will a similar one in our homeland.

Let us remind the Indian Government of the lessons of history. Let us also remind the ordinary people of India that we have no quarrel with them, but only with those who lead them in an effort to suppress us. Let us remind everyone that a Sikh is both a soldier and a saint, for whom death has no fear, but is an honor and a salvation.

"Jis marne jag darre mere man anand, marne te hee paye pooran parma nand."

Punjab belongs to the Sikhs and has always belonged to the Sikhs. Today, as we face the supreme challenge for our nation, our brothers and sisters are bleeding for us in our homeland, and for our future generations, so that they can live in freedom.

As they bleed for us, so must we learn to bleed for them.

The time has come for all Sikhs to unite in our common fight for the preservation and survival of our nation. No one should stand aside and watch as others fight for us.

A founding father of this great land once said that "all that is required for evil to triumph, is for good men to do nothing." Nothing worthwhile is ever achieved without a sacrifice, either in time, work, money or blood. Let every Sikh then, wherever he or she may be, join together in our united struggle as if on him or her alone shall depend victory or defeat.

Victory depends on unity. Defeat depends on discord.

The only way we will not achieve our aim of a free homeland is if we are disunited. Then we will have betrayed the blood and sacrifice of our martyrs.

We are already united under one organization, the Council of Khalistan, chosen by the Panthic committee which represents our entire nation. That unity must be cherished and preserved. We must honor the trust which our people have placed in us.

Our fight for our homeland is on two fronts; at home in Punjab, and abroad wherever we happen to live.

Few great struggles for independence have ever succeeded without some help from abroad. Long ago, France helped America in its war for independence. Recently, America helped the freedom fighters of Afghanistan.

Our mission abroad, particularly here in the United States, is to convince freedom-loving nations, that we have joined the freedom fighters of this world, that Sikhs are also freedom fighters.

This can only be done by a united and strenuous effort to inform the free world about the true situation in our homeland, about the genocide against our nation and the Government of India tries to hide it. We must shoulder together the task of countering the mighty propaganda and disinformation machine of India, which hides its own crimes and tries to blame them on us.

Before we win the battle at home, we must win the battle for public opinion abroad. And here, in the United States, each and everyone of us can play their part.

There is nothing worse than for a freedom fighter to feel abandoned by those, who may be a thousand miles away, and whose freedom he has been trying to defend.

We must remind Americans of the inscription in the Capitol in Washington which proclaims that wherever liberty is in chains, and people are fighting for it, they are fighting for America. We must remind Mr. Gandhi, and Americans, that in Afghanistan, Mr. Gandhi helped put the chains on liberty. He has never denounced the Soviet invasion of Afghanistan, and recently, he received a visit from that country's Communist dictator, Najibullah.

We must remind Mr. Gandhi and Americans that for the last 8 years, the United States has had only two allies in that region of the world, the Afghan freedom fighters and Pakistan.

We must remind Mr. Gandhi and Americans that Mr. Gandhi's representative in that building over there, at the United Nations, votes against the United States over 94 percent of the time, more often than the Soviet Union, and that his representative in that building never opposes Soviet policy, but always opposes American policy.

We must remind Mr. Gandhi and Americans that Mr. Gandhi does not admire Jefferson or Washington and their ideals of liberty, but praises Valdimir Lenin and his policies of tyranny and erects statues to him in New Delhi.

We must remind Americans that Mr. Gandhi is not a friend of this Nation, but a friend of this Nation's enemies.

Finally, we must remind Americans that Mr. Gandhi does not preside over the world's largest democracy, but over the world's largest hypocrisy.

At home in our Khalistan, we must remember that freedom is never given, it is always taken.

At home, our Declaration of Independence is irrevocable, our Khalistan is irreversible, and our freedom is non-negotiable. Let this be clear to all: we have reached the point of no return.

Yet, although India might seek a "final solution" to the problem in land, we still seek a peaceful solution. We will negotiate. But that negotiation must be about the immediate withdrawal of Indian police and para-military forces from Punjab, and the delineation of our common borders. Once these have been established, we will live in peace with all our neighbors, including India, and with the ordinary people of India we will continue to be friends.

All this we can achieve. All this we will achieve. India must recognize the historical fact that Khalistan is inevitable. It must realize that although a crime cannot always be expiated, an error can always be corrected.

Dear brothers and sisters, by joining hands together in our common stuggle, by doing our simple duty as Sikhs, we shall achieve what is ligitimately ours—our land, the land of our gurus, the land which was taken away, the land which is drenched with Sikh blood, the land which is historically ours.

Long live a free, sovereign, and united Khalistan!

[From the Washington Times, Oct. 3, 1988]

GANDHI'S PUNJAB VISIT WAS STAGE-MANAGED

The Times' Sept. 22 article, "Gandhi rallies Hindus, Sikhs," is sure to give readers an erroneous impression of what really happened during Indian Prime Minister Rajiv Gandhi's recent visit to the Sikh homeland of Punjab. Webster's dictionary defines the verb "rally" as "to collect and reduce to order, as to rally troops," and secondarily, as "to gather together for mutual action."

There is no evidence in the article that Mr. Gandhi fulfilled the first sense of the term at all, or that he accomplished the second in any meaningful way. Both Sikh and Hindu sources quoted in the article suggest otherwise.

Another newspaper account made it clearer what actually occurred on the prime minister's visit On Sept. 22 The New York Times explained that "the prime minister never came close to the people he had come to reassure," being himself "the focus of a security operation involving thousands of troops, police officers and explosives experts." It said that Mr. Gandhi spoke to a "largely passive and unenthusiastic audience that had been carefully selected and screened." It noted that "the crowd clapped on cue from a pair of hands over the prime minister's head." Then it quoted an editorial in the leading Punjabi newspaper as saying that "the credibility of the government in Delhi is on a steady downward trend."

Mr. Gandhi's stage-managed visit was clearly a charade. Why, after all, should Sikhs rally to a man who has denied them the freedoms they were promised by Rajiv Gandhi's own grandfather, Jawaharlal Nehru, and by Mahatma Gandhi, the other founder of the Hindu state?

Even as the prime minister was "rallying" the Sikhs of Punjab, 30 bodies of slain Sikh students were found on a college campus in western India, and 150 more students were reported missing.

This politically inspired mass murder of Sikh students was not reported by the Indian press and media, indicating the complete control of government over the press. The Delhi government has lost its credibility with the Sikhs.

How much longer will the Indian government continue to thwart the desire of the Sikh to be free? Independence of Sikhs from India is inevitable.

GURMIT SINGH AULAKH,
President, Council of Khalistan.

[From the Observer, Aug. 28, 1988]

ZIA CRASH: INDIA-KGB LINK BLAMED (SHYAM BHATIA AND AHMED RASHID, ISLAMABAD)

Pakistani authorities are now convinced that India's intelligence service was responsible for the crash which killed President Zia Ul-Haq, along with the United States Ambassador to Pakistan and seven generals.

A team of US experts, which has been examining the debris of the Hercules C130 which crashed shortly after take-off from the Bahawalpur air base on 17 August, has so far failed to pinpoint the cause of the crash.

After Zia was killed, the Indian Prime Minister, Mr. Rajiv Gandhi, claimed that his government was not responsible and declared three days of state mourning. But high-level Pakistani sources have noted with concern that Zia's death was preceded by the arrival in Kabul of a 300-strong team of Indian agents from the Research and Analysis Wing (RAW), India's overseas intelligence service.

Pakistan believes there is an unholy alliance between RAW, WAD, the Afghan intelligence service, and the KGB. A major-general of the KGB is said to be in charge of the operations.

Most of India's foreign intelligence effort is directed at Pakistan, and Islamabad acknowledges Indian penetration of its armed forces at lower levels. The KGB and WAD would benefit from Indian expertise in a joint operation against Pakistan.

The morning after Zia's plane crashed, 14 rockets were fired at Kemari, the huge petroleum complex at Karachi port. These rockets, for which the Pakistanis also hold the Indians responsible, did not hit their target. If they had, half of Karachi would have gone up in flames.

Pakistani press reports confirm that two Afghan army helicopters that landed by accident in the Khurram agency last week, in Pakistan's North-West Frontier province, were carrying Soviet officers and one Indian. The presence of the Indian is seen as further confirmation of collaboration between Delhi, Kabul and Moscow.

In Pakistan's disturbed southern province of Sind, Indian RAW agents have been accused of financing local separatist groups. This is said to be in retaliation for Pakistan's alleged support of Sikh extremists in the Indian state of Punjab.

Although Delhi is a predictable whipping boy for Islamabad, there is no doubt that

India and the Soviet-backed Kabul regime have been working together against the Afghan Mujahideen.

The Indians and the Afghans have a joint interest in preventing Zia-backed Islamic fundamentalists from taking over Afghanistan once the Russians have withdrawn.

Zia's publicly expressed wish was to celebrate the Mujahideens' final victory by offering prayers of thanks at the central mosque in Kabul. India was concerned that a fundamentalist victory would tilt the regional balance of power against them.

[From the Delhi Telegraph, Sept. 8, 1988]

'Restrain Pakistan' Demand by Gandhi

(By Balram Tandon)

Mr. Gandhi, Indian Prime Minister, yesterday warned "the friends and those who support Pakistan" to restrain it from supporting terrorists in Punjab before it is too late.

Mr. Gandhi, giving the traditional address by the Indian Prime Minister from the ramparts of the 16th century Moghul Red Fort in New Delhi, insisted that India could resort to very strong measures.

He warned the "friends and supporters" that they might regret it if they did not restrain Pakistan now. India was capable of meeting any challenge, he said, and was prepared to meet any eventuality.

Mr. Gandhi's theme was not wholly unexpected since he has virtually made Pakistan's support to terrorists in Punjab a major foreign policy issue.

He hammered away at the theme during his recent visits abroad, and most of his political speeches on the public platform in India are devoted to sharp attacks on Pakistan.

Mr. Gandhi's speech yesterday was an extraordinary exercise because it almost amounted to a veiled threat that the Indian government, if pushed too far, might resort to strikes against the training bases and sanctuaries in Pakistan. But he did not spell it out in so many words.

The tenor of Mr. Gandhi's speech was very similar to the tone his mother adopted on the same occasion in August, 1971.

Pakistan has always been a handy whipping boy for Indian heads of government, particularly when they run into political trouble, as Mr. Gandhi has done recently.

Yesterday, the Press Information Department had an authenticated version of the speech ready for correspondents.

SUPPORT DEMOCRACY IN HONG KONG

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. PORTER. Mr. Speaker, while democracy in Hong Kong is at risk, Prime Minister Margaret Thatcher appears content to do nothing about it. Due to the uncertainty of Hong Kong's future, 50,000 citizens are expected to flee the colony this year alone.

Yesterday, I introduced House Concurrent Resolution 393, to express the sense of Congress concerning the distrubing events in Hong Kong, and the apparent unwillingness of the London government to protect the democratic rights of Hong Kong citizens and the Western style economy that those people have so successfully established.

In 1984, Britain agreed to tranfer its sovereignty over Hong Kong to China in 1997. The accord specifically provides for a government by local residents with an elected legislature and an accountable executive. In addition, the British Government promised political reform and direct elections before the colony reverted to Chinese sovereignty.

Shockingly, earlier this year the British Government bowed to pressure from the People's Republic of China [PRC] and announced that it will not permit direct elections in Hong Kong until 1991, and then only 10 of the 57 members of the Legislative Council will be directly elected.

There should be no mistake regarding the stakes in Hong Kong. Not only are the democratic rights of the over 5 million Hong Kong citizens at risk, but British policy there also has important economic ramifications for the United States. In 1987, United States total investment in Hong Kong was $6 billion, while Hong Kong exported $11.1 billion, or 31 percent of its exports, to the United States Hong Kong also represents the 15th largest market in the world for U.S. exports and is in the top three markets for many U.S. building materials and agricultural products.

The resolution I have introduced, along with Representatives ACKERMAN, DORNAN, FRANK, INHOFE, LAGOMARSINO, and WAXMAN, states that it is in the U.S. national interest that there be strong, freely elected democratic institutions in Hong Kong long before 1997. The resolution urges the British Government to ensure that the 1991 election to the Legislative Council involve all members of the Legislative Council or a much higher proportion than the 10 currently planned. Finally, the resolution calls upon the President to communicate United States concerns to the PRC regarding the high degree of importance we attach to the promises of Hong Kong's democratic rights and the stability and retention of its Western economic system.

While passage of this concurrent resolution will not be possible in the closing days of the 100th Congress, its introduction now will open the debate and set the stage for a full hearing and consideration during the 101st Congress. While Hong Kong and its citizens will not officially revert to Chinese sovereignty until July 1, 1997, our response to the threat to their democratic rights and economic freedoms must begin now.

CHANGING THE RULES

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LOTT. Mr. Speaker, I am pleased to join with the gentleman from Oklahoma [Mr. EDWARDS], the chairman of the House Republican Research Committee and its Task Force on Congressional Reform, and with the rest of our House Republican leadership, in cosponsoring House Resolution 599, the Bicentennial House Restoration Amendments of 1988, which was introduced yesterday.

This is our package of proposed amendments to House Rules that we would like to see adopted in time for the Bicentennial Congress next year. It is aimed at restoring the legislative process by making the House and its committees more responsible, representative, and accountable to the American people. It recognizes that in recent years the House has become less deliberative and more obliterative of Members' rights and orderly procedure.

The resolution I have cosponsored with the gentleman from Oklahoma contains a variety of proposals for reforming the House and restoring the legislative process. Many of these proposals are contained in measures which I and other Members have previously introduced, and some are new.

But, they all point in the same direction of a restored House, built on the strong foundation created by the framers some 200 years ago. And that foundation is the people. These reforms recognize that we best serve the people if we are more conscientious in the way we make the laws that affect them, the way in which we oversee those laws, and the way in which we spend their hard-earned tax dollars.

The reforms especially recognize the need to restore the committee process which has broken down and become so unrepresentative due to the proliferation of subcommittees and staff, the overlap of legislative jurisdictions resulting in the referral of bills to several committees, skewed party ratios, proxy voting, and one-third quorum rules.

Mr. Speaker, while I will not be in this body next year, I want to take this occasion to offer my valedictory thoughts on the need to restore orderly process in the House.

THE IMPORTANCE OF RULES

Mr. Speaker, Thomas Jefferson, in the first section of his "Manual of Parliamentary Practice", which is today officially incorporated as part of the rules of the House [Rule XLII], offered the following observation:

> It is much more material that there should be a rule to go by than what that rule is; that there may be a uniformity of proceeding in doing business not subject to the caprice of the Speaker or captiousness of the members. It is very material that order, decency, and regularity be preserved in a dignified public body.

As a Member of the Rules Committee since 1975 I have viewed with concern the increasing departures from our standing rules and the way they have contributed to a breakdown in orderly procedure and Members' rights, just as Jefferson warned.

Jefferson's maxim goes to the very heart of modern day parliamentary practice: An established, understandable and acceptable body of rules is essential to the proper functioning and survival of a legislative body. It helps to ensure a uniformity in proceeding and the protection of Members against the arbitrary exercise and abuse of power.

THE ROLE OF THE RULES COMMITTEE TODAY

And yet, ironically, the Rules Committee, which was originally established in 1789 to draft the standing rules of the House, and performed that function exclusively for nearly a century, is today practically prohibited by the Democratic caucus from recommending any permanent improvements in the way the House and its committees operate.

That function is instead performed today by a secretive task force of the Democratic caucus whose recommendations are ratified by the caucus in closed session, and then rammed through the House on the opening day of a new Congress with only 1 hour of debate, no amendments, and no opportunity for input by the minority party.

The Rules Committee today is occupied almost entirely with writing exceptions of the rules. These exceptions are commonly referred to as "order of business resolutions," or "special rules" which provide for the consideration of legislation.

Mr. Speaker, I think most Members agree on the need for one such exception to the rules, which was the original purpose of these order of business resolutions when they were first used in the latter part of the last century. That is the need to make certain business privileged so that it can be brought up for consideration according to the schedule set by the leadership. That departure does ensure a uniformity and regularity in House business, and therefore conforms to Jefferson's idea of why rules are necessary.

But, many of these same order of business resolutions, or rules, go on to set-aside other standing rules in ways that trample upon the rights of Members and the concept of orderly process. As such, they contribute to a breakdown in the order, decency, and dignity of the House, and thereby violate Jefferson's notion of the legitimate function of rules.

I would like to focus the remainder of my remarks on four such departures from our standing rules and orderly process and the way in which our reform package would address those departures. I am referring specifically to the practice of limiting amendments, denying the minority party's right to get a final vote on its alternative legislation, so-called self-executing rules, and waivers of the Budget Act.

RESTRICTIVE RULES

Mr. Speaker, there is nothing new about special rules which limit the amendment process, though when I first came to this House in 1973, they were used almost exclusively for tax bills. The justification was that you couldn't open up the entire Internal Revenue Code for amendment on the House floor.

But, over the ensuing years, the number of such restrictive rules began to grow. This was perhaps due in part to the initiation of the multiple referral of bills to more than one committee beginning in 1975 and the need to better structure an amendment process in which several committees were involved. But, that can't be the main reason for the growth of restrictive rules since, even in the 95th Congress, 1977-78, restrictive rules comprised only 12 percent of total rules reported. The trend toward restrictive rules steadily increased over the following years until today, as table 1 shows, they comprise 43 percent of the total.

TABLE 1.—OPEN VERSUS RESTRICTIVE RULES, 95TH–100TH CONGRESS

Congress (years)	Total rules granted [1]	Open rules [2]		Restrictive rules [3]	
		Number	Percent	Number	Percent
95th (1977–78)	241	213	88	28	12
96th (1979–80)	198	161	81	37	19
97th (1981–82)	112	90	80	22	20
98th (1983–84)	145	105	72	40	28
99th (1985–86)	101	65	64	36	36
100th (1987–88)	138	79	57	59	43

[1] Total rules counted are all those reported from the Rules Committee which provide for the initial consideration of legislation, including rules on appropriations bills. Not included are special rules on conference reports, Senate amendments, etc.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with House Rules.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules.

[Prepared by Minority Counsel, Subcommittee on the Legislative Process, Committee on Rules.]

Sources: Survey of Activities, Committee on Rules, 95th–99th Congresses; "Notices of Action Taken," Committee on Rules, 100th Congress (as of Oct. 21, 1988).

The majority would have us believe that such rules have become necessary for management and efficiency purposes, and there is some justification for such a claim. But, it should be added that they are often used for political management purposes, to structure the amendment process to the advantage of the majority party and to prohibit certain amendments from being offered because they might be politically embarrassing or they might even pass. Procedure is used to shape the substantive outcome on legislation.

But, whatever the rationale for such restrictive rules, the fact remains that the American people are the losers because they are being disenfranchised in the process. Their Representative is being denied the right afforded a few to offer amendments; and they are being denied a vote on amendments which have been prevented from being offered.

As I have indicated on previous occasions, not all restrictive rules are bad. We have supported several on this side because we have recognized the necessity to structure the amendment process on some of these omnibus bills, and because on such occasions the majority has worked with the minority in fashioning a fair rule that accommodates most of the legitimate amendments Members wish to offer.

House Resolution 599, therefore, does not propose to completely prohibit restrictive rules. Instead, it would simply incorporate into House Rules something which is now required by the Democratic Caucus rules but often ignored by the Rules Committee. That is a requirement that no such rule could be considered unless the Rules Committee chairman notifies the House at least 4 legislative days prior to a meeting that less than an open rule might be granted on a bill. This should allow Members sufficient time to prepare their amendments and the bipartisan leadership to cooperate in fashioning a rule that is fair to all.

If such notice is not given and the Rules Committee attempts to report a restrictive rule anyway, a point of order would lie against the consideration of the rule. Our proposal is not intended to imply that we are now resigned to even more restrictive rules. To the contrary, we should move in the opposite direction and reduce considerably the reliance on these rules. But, in the rare instances where such rules are necessary and justified, we should establish an adequate notice requirement.

SELF-EXECUTING RULES

Another device that has been increasingly used to deny votes on substantive amendments is the so-called "self-executing rule" whereby the adoption of the order of business resolution constitutes the vote on adopting a particular legislative provision as well. Prior to this Congress, such rules were only used for incorporating purely technical amendments in a bill or, in the waning days of a session, for saving a vote on the final passage of conference reports.

But, this Congress has witnessed a quantum leap in the use of such rules to adopt substantive amendments and thereby prohibit a separate vote on the provision. Again, as with restrictive rules, this is being done increasingly for political protection.

My colleagues will note from table 2 that such self-executing rules were practically nonexistent in the 95th through 98th Congresses. But, in the last Congress there were 20 such rules comprising 12 percent of the total, and in this Congress there were 26 such rules comprising 16 percent of the total.

TABLE 2.—SELF-EXECUTING RULES, 95TH–100TH CONGRESSES

Congress	Total rules granted [1]	Number of self-executing rules [2]	As percent of total rules
95th	256	1	0
96th	259	0	0
97th	152	2	1
98th	190	5	3
99th	164	20	12
100th	165	26	16

[1] This includes all rules granted by the committee.

[2] Self-executing rules are defined here as those order of business resolutions which provide for the automatic adoption of an amendment (or other matter) upon the adoption of the rule, thus eliminating the need for a separate vote on the substance of the matter, e.g.: "Upon the adoption of this resolution the amendment printed in section 2 of the report to accompany this resolution shall be considered to have been adopted in the Hiouse and in the Committee of the Whole." Rules containing more than one self-executing provision are sitll only counted once for purposes of this table.

[Prepared by Minority Counsel, Subcommittee on the Legislative Process, Rules Committee.]

Sources: Survey of Activities, Committee on Rules, 95th–99th Congresses; Legislative Calendars, Committee on Rules, 95th–99th Congress; "Notices of Action Taken," Committee on Rules, 100th Congress (as of Oct. 21, 1988).

House Resolution 599 would place severe restrictions on such self-executing rules by requiring a two-thirds vote of the House to consider any order of business resolution which provides for the automatic adoption of any amendment, measure, or conference report. This is comparable to the existing House rule which requires a two-thirds vote to consider any rule on the same day it is reported.

And, incidentally, House Resolution 599 would also amend that so-called same-day rule to which I just referred by making it clear that a rule can not be considered on the same calendar or legislative day it is reported except by a two-thirds vote. My colleagues will recall that last October a second legislative day was created on the same calendar day to permit the consideration of a second reconciliation rule by simple majority vote. This rule change would prohibit such shenanigans in the future.

INSTRUCTIONS ON MOTIONS TO RECOMMIT

Mr. Speaker, another device used with increasing frequency in the past two Congresses is the denial to the minority of a motion to recommit legislation with instructions in the form of a final amendment. As table 3 shows, such denials were virtually unheard of until 1985. In that 99th Congress instructions were denied on 12 occasions; and in this Congress on 18 occasions.

TABLE 3.—RULES PROHIBITING INSTRUCTIONS IN MOTIONS TO RECOMMIT 95TH–100TH CONGRESSES

Congress	Total rules granted [1]	Rules denying recommital instructions [2]	As percent of total rules
95th	241	0	0
96th	198	1	1
97th	112	0	0
98th	145	0	0
99th	101	12	12
100th	138	18	13

[1] Only rules providing for the initial consideration of legislation are included and not rules providing for consideration of conference reports or Senate amendments to a House-passed bill.

[2] Rules denying instructions are confined here to those which prohibit motions to recommit with instructions to report back "forthwith" with a further amendment to the measure.

[Prepared by Minority Counsel, Subcommittee on the Legislative Process, Committee on Rules.]

Sources: Legislative Calendars, Committee on Rules, 95th–99th Congresses; "Notices of Action Taken," Committee on Rules, 100th Congress, as of Oct. 21, 1988.

Mr. Speaker, House rule XI, clause 4(b), prohibits the Rules Committee from denying a motion to recommit as provided by clause 4 of House Rule XVI. While clause 4 of rule XVI gives priority recognition for offering a motion to recommit to a Member opposed to the bill and provides for 10-minutes of debate on a motion to recommit with instructions, a strange interpretation has crept into usage that the Rules Committee may somehow prohibit a motion to recommit with instructions.

Moreover, the legislative history behind the current motion to recommit makes clear that the intent was to permit the minority one final opportunity to get a vote on its position on a bill. According to Speaker Joe Cannon, in 1904, the original purpose for motions to recommit was to give the House a last chance to "cure a mistake, if perchance any had been made in the engrossment of a bill, or a mishap to it." But, in 1909 the rule was changed to give the motion to one opposed to a bill rather than one friendly to it.

According to the history of the rule as found in "Cannon's Precedents," volume 8, section 2757, "This amendment is intended to insure recognition of a Member actually opposed to the measure and afford the House a last opportunity to express its preference on the final form of the bill."

The author of the rule, Representative John Fitzgerald, during debate on its adoption, made quite clear what was intended when he said of the existing situation:

> Under our present practice, if any Member desires to recommit with instructions, the Speaker instead of recognizing the Member desiring to submit a specific proposition by instructions, recognizes the gentleman in charge of the bill.

And Speaker Crisp is quoted in 8 Cannon's, section 2727, as saying:

> The object of a motion to recommit is clearly to give the minority of the House * * * a chance affirmatively to go on record as to what they think this legislation to be, and if a motion does not permit that, then the motion is futile.

And yet, despite this clear legislative history and intent that the minority be permitted a right to offer a substantive change in the bill in the form of recommittal instructions, the Rules Committee has dictated on 18 occasions in this Congress alone that the motion be rendered futile by prohibiting instructions.

For this reason, House Resolution 599 would restore that original intent by making it clear in the rule that the Rules Committee could not report any order of business resolution which prohibits a motion to recommit, including one with instructions in the form of an amendment.

BUDGET WAIVERS

Finally, Mr. Speaker, we continue to be disturbed by the number of times the Rules Committee waives provisions of the Budget Act, either directly or by waiving all points of order. It has become so routine that the Budget Act has been rendered almost meaningless. As my colleagues will note from table 4, in the last Congress such waivers comprised 65 percent of all rules, and in this Congress they constitute better than half.

TABLE 4.—BUDGET ACT WAIVERS REPORTED IN HOUSE, 96TH–100TH CONGRESSES

Budget Act section waived	96th Congress	97th Congress	98th Congress	99th Congress	100th Congress
302(a) [1]					1
302(c) [2]				2	5
302(f) [3]				19	11
303(a) [4]	9	12	48	25	2
305(a) [5]		1	1	1	1
311 [6]	5	15	12	21	4
401(a) [7]	23	21	6	5	1
401(b) [8]	13	7	10	6	1
402(a) [9]	77	42	54	27	
Budget waivers	127	98	133	106	37
Blanket waivers [10]	0	4	4	28	47
Total waivers	127	102	137	134	84
Total rules reported	259	152	190	164	165
Waivers as percent of rules	49	67	72	82	51
Waivers minus section 402(a) [11]	50	60	83	107	84
Non-section 402(a) waivers as percent of rules	19	40	44	65	51

[1] Sec. 302(a) requires that the joint explanatory statement on a budget resolution conference report include an allocation by committee of outlays, and a new budget-, entitlement-, and credit authority.

[2] Sec. 302(c) prohibits the consideration of any legislation reported from a committee which has not filed its section 302(b) suballocations.

[3] Sec. 302(f) prohibits the consideration of legislation which exceeds a committee's sec. 302(b) suballocation for discretionary new budget authority, new entitlement authority, or new credit authority.

[4] Sec. 303(a) prohibits the consideration of legislation providing new budget authority, new entitlement authority, new credit authority, or a change in revenues or public debt before the budget resolution for that year is adopted. [Note.—This provision was modified with the enactment of Gramm-Rudman-Hollings I, to exempt from the point of order any appropriation bill considered in the House after May 15th, even though a final budget resolution is not in place (Public Law 99–177, effective Dec. 15, 1985).]

[5] Sec. 305(a) prohibits consideration of a budget resolution prior to the sixth day after it is reported.

[6] Sec. 311 prohibits consideration of any legislation which would exceed the outlay ceiling or revenue floor contained in the most recent budget resolution.

[7] Sec. 401(a) prohibits consideration of legislation providing new contract or borrowing authority not provided for in appropriations acts.

[8] Sec. 401(b) prohibits the consideration of legislation providing new entitlement authority which becomes effective during the fiscal year which ends in the calendar year in which the bill is reported.

[9] Sec. 402(a) prohibits the consideration of any bill authorizing new budget authority for a fiscal year if not reported on or before May 15th preceding the beginning of such fiscal year. [Note.—This provision was repealed with the enactment of Gramm-Rudman-Hollings I on Dec. 15, 1985].

[10] Blanket waivers counted here are those provisions in a rule which waive all points of order against a bill or committee amendment in the nature of a substitute made in order as original text for amendment purposes. Not only do blanket waivers set aside all standing House rules, but all provisions of the Budget Act as well.

[11] To provide a constant for comparison purposes, sec. 402(a) waivers have been subtracted from total waivers here because the section was repealed on Dec. 15, 1985 (see ff. 9 above).

Sources: Legislative Calendar, Committee on Rules, 96th–99th Congresses; Survey of Activities, Committee on Rules, 96th–99th Congresses; "Notices of Action Taken," Committee on Rules, 100th Congress, as of Oct. 21, 1988.

It doesn't make sense to have such points of order to supposedly put teeth in the budget process, if we are going to remove them at every other opportunity, like a set of painful dentures, and leave them soaking in glass up in the Rules Committee.

Under House Resolution 599, House Rules would be amended to require that any report from the Rules Committee on a rule that waives any provision of the Budget Act would be required to include an explanation and justification of the waiver, together with a summary or text of any comments received from the Budget Committee regarding the waiver. In addition, a separate vote could be demanded on the waiver provision on the rule, and the waiver would have to be adopted by the requisite number of votes required by the Budget Act for such a waiver.

Hopefully, these two changes will make committees more cognizant of potential Budget Act violations prior to reporting bills, and, if they don't remedy these violations prior to reporting, will make the House more aware of just how the Budget Act is being transgressed. In these ways we should be able to restore the enforcement mechanisms of the budget process so that they are once again meaningful and effective.

CONCLUSION

Mr. Speaker, I will miss this House, despite all its faults. This still is the world's greatest legislative body. But, what we are saying in the "Bicentennial House Restoration" package is that it can be made even better by shoring up the committee system and restoring the legislative process so that it once again serves the people in a more deliberative, responsible, and representative fashion.

I urge my friends on the majority side to seriously consider the adoption of this reform package as the best possible way to commemorate the 200th anniversary of the people's House.

FESTIVAL OF TREES

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SHAW. Mr. Speaker, I would like to take this opportunity to pay tribute to the Fort Lauderdale Museum of Art for its sponsorship of the second annual "Festival of Trees."

This fun-filled 4-day extravaganza, which takes place from December 1, 1988, through December 4, 1988, showcases a winter wonderland of decorated trees, wreaths, Mennorahs and holiday vignettes. A variety of entertainment as well as many of Florida's most prominent designers will be present to add to the holiday spirit and visitors' enjoyment.

Last year's inaugural event was a tremendous success with the proceeds benefiting the Fort Lauderdale Museum of Art and this year's event is sure to be even better.

I would like to congratulate and commend all who have helped to put together such a great community event.

THE HOSTILE FIRE PAY AMENDMENT OF 1988

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. PANETTA. Mr. Speaker, I rise today to introduce a bill to amend section 310 of title 37 of the United States Code that I belive will, at least, insure the constructive use of the War Powers Resolution. It is imperative in these days of worldwide hostilities and worldwide American commitments to keep Congress informed and to insure that it is a participant in the decisionmaking process to any introduction of U.S. military forces. It's the purpose of this bill to fulfill the intent of the framers of the Constitution of the United States and insure that the collective judgment of both the Congress and the President will apply to the introduction of U.S. Armed Forces into hostilities, or into situations were imminent involvement in hostilities is clearly indicated by the circumstances, and to the continued use of such forces in hostilities or in such situations.

The War Powers Resolution states that the President in every possible instance shall consult with Congress before introducing U.S. Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated.

This bill will require a Presidential report under section 4(a)(1) of the War Power Resolution whenever the Secretary of Defense designates any area of the world as a "hostile fire zone" where U.S. military personnel are introduced and receiving "hostile fire pay."

Hostile fire pay, as stated in section 310 of title 37 of the United States Code, certifies special pay for members of the uniformed service who are on duty in an area in which they were in imminent danger of being exposed to hostile fire or explosion of hostile mines or are on duty in a foreign area in which they are subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.

In 1973, Congress saw that its power to declare war beginning to succumb to the President's power to make war. Vietnam brought a vivid picture of confusion and loss of control by this legislative body. Information on the extent of the hostilities and the U.S. role was scarce or nonexistent at the beginning of our involvement.

The Gulf of Tonkin resolution was certainly a good example of the danger of not informing Congress of the true nature of the conflict. The Gulf of Tonkin resolution, designed to support our military forces in Indochina by delegating vast authorities to the President, passed just 8 day after the reported conflict between the U.S.S. *Maddox* and North Korean Naval Forces.

Congress had passed similar resolutions before such as the defense of Formosa in 1955, and "fight if we must" resolutions on Cuba and Berlin. After the passage of the Gulf of Tonkin resolution on August 10, 1964, America's involvement became rapid. As Senator Javits later would write:

> It began to appear that the Tonkin Gulf resolution actually was being used to justify the involvement of 500,000 American troops, bombing raids conducted on a larger scale than the attacks mounted in 4 years of the Second World War and the expenditures of 50,000 lives. Luck had run out and Congress had paid too little attention to the possibilities inherent in blanket authorizations.

But we only have to go back as far as 1987 to see what kind of inherent danger exist when the executive branch has a free reign over the introduction of our military forces into hostile areas. The decision to escort Kuwaiti oil tankers was solely in the hands of the President. Congress has supported this action based on the right to the use of international waters. However, Congress does not support the introduction of 40 U.S. warships and 40,000 American troops at a cost to the American taxpayer of $1.8 million per day without consultation.

I joined 108 of my colleagues in a lawsuit against the administration, contending that the entry of United States warships into the Persian Gulf on July 22, 1987, constituted the introduction of United States Armed Forces into imminent hostilities and thus triggered the War Powers Resolution. The courts ruled, however, that this was a political issue that must be worked out between the two other branches of Government. It is my hope that this piece of legislation will create the necessary vehicle whereby a resolution can be found on the war powers issue by using requirements of already existing statutes of the Department of Defense. The Defense Department, being the most knowledgeable body in the U.S. Government of our military operations, has also realized the danger our military forces are facing everyday. As a result, all United States military personnel stationed in or around the Persian Gulf are currently receiving hostile fire pay, and deservedly so.

The Persian Gulf is only one of many examples where the executive branch has failed to consult Congress when U.S. forces are introduced into imminent hostilities.

The plan to introduce troops into Lebanon as part of a multinational peacekeeping force is another clear example of the administration's disregard for the role of Congress in the decisionmaking process when we tragically sent our troops to the shores of Lebanon. President Reagan consulted congressional leaders on July 6, 1982, after the plan had been publically announced, and after leaks in the Israeli press indicated that he had approved the plan to send troops on July 2.

In 1983, President Reagan met with several congressional leaders at 8 p.m. on October 24 to inform them of the invasion of Grenada. This was after the Presidential directive was sent ordering the landing of a large scale U.S. invasion force.

There are present day examples that show the necessity to have Congress have a hand in shaping our foreign policy. Rebels inside El Salvador have stepped up attacks on government positions throughout the country in their ongoing civil war. They have caused extensive damage and have stated as one of their intentions to fight until all United States military advisors are out of El Salvador. Reports of illegal participation in these clashes between rebel and government forces by U.S. military advisers in El Salvador have become more frequent. So what are our advisers doing down there? Congress has the right and the need to know the answer to that question. How are we going to make responsible foreign policy decisions when we may not know the precise role of our forces, not just in El Salvador, but all over the world? Currently, those military advisers stationed throughout El Salvador are receiving hostile fire pay.

We can all see the inherent danger when the full authority to introduce U.S. military personnel is solely in the hands of one person. The framers of the Constitution realized this danger when they provided for the U.S. Congress to have an equal say in the decision to send our young men and women into a hostile area.

The conditions in the Persian Gulf and El Salvador certainly satisfy the requirements in section 310 of title 37 for our men to receive hostile fire pay. Those conditions also satisfy the same requirements for the President to consult and report to Congress under the War Powers Resolution.

Clearly, hostilities are indicated in those areas of the world where our troops are receiving hostile fire pay. This is recognized by the Defense Department's own admission by its recognition that these men and women who are faced with real or imminent danger while serving the interests of the country are receiving hostile fire pay. Congress must maintain its constitutional right to participate in foreign policy decisions that will affect the entire country. As Representatives, we have the responsibility to ensure that those policy decisions are made with the combined input of both the executive and legislative branches of the U.S. Government.

The text of this resolution follows:

H.R. ——

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REQUIREMENT TO SUBMIT REPORT UNDER WAR POWERS RESOLUTION.

(a) AMENDMENT TO TITLE 37, UNITED STATES CODE.—Section 310 of title 37, United States Code, is amended by adding at the end the following new subsection:

"(e) If payments are made to members of the armed forces under this section by reason of subsection (a)(2) or (a)(4) and the area in which the members are serving is declared a hostile fire zone by the Secretary of Defense, the President shall promptly within 48 hours submit a report to Congress under section 4(a)(1) of the War Powers Resolution (50 U.S.C. 1543(a)(1)).".

(b) EFFECTIVE DATE.—Subsection (e) of section 310 of title 37, United States Code, as added by subsection (a), does not apply with respect to any hostilities, or situations where imminent involvement in hostilities is clearly indicated by the circumstances, that exist on the date of the enactment of this Act.

THE WILDERNESS ON WHEELS FOUNDATION

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. HEFLEY. Mr. Speaker, I rise today to share with my colleagues an inspiring example of good will in action.

Energetic volunteers around my home State of Colorado are offering the gift of outdoor recreation to a group of people for whom wilderness areas are normally inaccessible—those confined to wheelchairs.

With only private donations and volunteer labor, the Wilderness on Wheels Foundation has built 8 miles of wheelchair accessible boardwalks and trails that stretches along the beautiful country of Colorado. The site features a number of campsites with raised decks for tents, fire rings, and picnic tables. There is also a fishing pond stocked by the State Division of Wildlife.

This wonderful facility is not just a place for the disabled, it's a place where the disabled can enjoy being outdoors with their families. There are over 30 million disabled people in this country. Many of whom thought that when they became disabled, they would never have the opportunity to enjoy the outdoors in this way again.

The Wilderness on Wheels Foundation's mission is to foster wilderness-access projects whenever and wherever they can. Mr. Speaker, I hope that my colleagues will take the initiative to find out more about how they can bring such a great facility to their own States.

DECLARATION BY PRESIDENT ORTEGA

HON. JACK DAVIS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DAVIS of Illinois. Mr. Speaker, I would like to take this opportunity to draw your attention to an ominous declaration by Nicaraguan President Daniel Ortega. Today, October 21, Ortega declared a nationwide "state of emergency." This state of emergency, which invokes a suspension of the press and other common liberties, is the culmination of weeks of tightened control by the leftist government of Mr. Danny Ortega. And what, you may ask, is the raison d'etat for this state of emergency? The reason is clear. It is the logical response to the threat of a hurricane over 200 miles off the Nicaraguan coast. The anomalies of the environment have inspired a tightening of all freedoms in Nicaragua. Is it possible that Danny Ortega thinks that if he controls the parties that oppose him, the voices that speak against him, that in effect he can control the winds of natural disaster?

The cease-fire of this summer was a hopeful indication that the Contras and the Sandinista government could reach some diplomatic conclusion to the difficulties that have ravaged the small country of Nicaragua. Yet, the Sapoa Agreement, the Arias Plan, and the cease-fire have neither brought civil liberties nor have they guaranteed human rights in Nicaragua. In fact, within weeks of the cease-fire the Sandinistas shut down the largest opposition rally to have taken place since 1984, as they barraged the demonstrators with tear gas and bully clubs. The Sandinistas closed Radio Catolica, suspended La Prensa, and ousted the U.S. Ambassador and eight of his aides under false accusations that they had "incited" the opposition.

Whether or not you believe in giving aid to the Contras is irrelevant. We are not discussing "humanitarian" aid; we are not discussing military aid. What we are talking about are basic human freedoms. I think it is anachronistic to decry the South African Government with stark claims of human rights abuses and not to speak up about the Sandinista government in Nicaragua.

We must speak up now. Every person who feels a moral tug about South Africa should feel at least this same concern about Nicaragua. Unlike South Africa, Nicaragua is not a politically palatable topic of discussion. However, the people of Nicaragua—all of them, leftists and rightists alike—deserve the attention of a concerned Congress that sees real issues in international affairs and not only real politics.

I have seen the Borge prisons of Nicaragua, and I know what life without human rights and political liberty looks like. We should be aware of these violations in Nicaragua. We should hope that the only oppressive winds that will someday blow on those southern shores are the winds of storm, and not of political turbulence.

On July 13, 1988, the Chicago Tribune hit the nail on the head when the editors wrote of the Sandinista regime, and I quote: "A regime that silences its critics is one whose greatest fear is the truth."

CONGRATULATIONS ATLANTA UNIVERSITY

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LEWIS of Georgia. Mr. Speaker, it is with great pride and pleasure that I rise today to congratulate Atlanta University on its 123d Charter Day. Founded in 1865, Atlanta University has a long, distinguished, and unrivaled history in higher education. It is the oldest graduate school in our Nation serving a predominantly black and Third World student population.

Atlanta University attracts internationally known scholars and students from around the world. It has produced such giants as W.E.B. DuBois, James Weldon Johnson, Clarence Bacote, Hylan Lewis, and Samuel Nabrit. The influence of the university has been extended through such professional journals and civil rights organizations as Phylon and the National Association for the Advancement of Colored People, both of which were founded at this site.

Atlanta University's students and faculty have been at the forefront of the struggle for civil rights in our Nation and nation's abroad. Its graduates have excelled in all fields—varied arts, medicine, law, politics, sociology, and political science—to mention a few.

Mr. Speaker, my colleagues, Atlanta University is to be commended for the important contributions, leadership, and foresight which it has provided—and will continue to provide—not only to higher education, but to the quality of life for so many people.

I know you join me in congratulating Atlanta University on its 123d Founders Day.

GALLAUDET UNIVERSITY—A COMMUNITY OF EXCELLENCE

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. GUNDERSON. Mr. Speaker, It reminds me of a Norman Rockwell painting, an image nearly universal on every college or university campus in America. Pep rallies, presentations, sporting events, class reunions, parades, alumni dinners, queen coronation, and of course on a crisp Saturday afternoon the "big game"—Homecoming.

Homecoming—a sequence of days in the fall semester dedicated to reminiscing about bygone days at our alma mater, surrounded by youthful coeds absorbing and experiencing their collegiate years to the fullest. Homecoming, a lighthearted connection between an institution's history, tradition, and future.

All this and more will be captured this week on the campus of Gallaudet University for "University Week—A Community of Excellence." Yes, the kickoff rally has been held, presentations have been made by guest speakers, the homecoming queen and court is about to be named, and of course the Gallaudet Bisons only have victory on their mind as they set to face New York Maritime on the gridiron this coming Saturday afternoon.

This "University Week" on the Gallaudet campus, however, takes on much greater significance. This week is extremely special and unique because it signifies the celebration of a new beginning—a new and proud chapter in the annals of Gallaudet. The true milestone of Gallaudet's 1988 "University Week" will commence on the morning of Friday, October 21, 1988, with the inauguration of a Gallaudet graduate, Dr. I. King Jordan, Jr., as the eighth president of Gallaudet University, and the first deaf president in Gallaudet's 124-year history. This inauguration is a shining moment that the deaf and hearing impaired community shares with us all.

Dr. Jordan has an outstanding record of commitment and dedication to the Gallaudet community. Since 1973, he has been an educator in the psychology department, and most recently dean of the College of Arts and Sciences. With his excellent record, there is no doubt in my mind that Dr. Jordan will work diligently with central administration, the faculty, staff, and students to shape a bright future for Gallaudet, and continue down a road of excellence for years to come. This "University Week" truly is a "celebration of excellence" at Gallaudet.

Mr. Speaker, it is a distinct privilege for me to serve as a congressional trustee of Gallaudet, and I extend my most heartfelt congratualtions to Dr. Jordan, and wish him well in his service as the eighth president of Gallaudet University.

Thank you, Mr. Speaker.

TELEOMETRICS INTERNATIONAL—FAITH IN THE AMERICAN WORKER

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ARCHER. Mr. Speaker, in the early 1980's, Ford Motor Co. suffered losses of over $3 billion. Many automotive industry analysts considered Ford's problems to be a natural result of low morale within the company and poor management.

By 1987, Ford reemerged as a leader among America's automakers, rising to profits of over $3 billion. Today, it is the most profitable company in its industry domestically, and is widely recognized for high-employee morale, sleek, well-designed products, and effective management. This year, Ford's sales and profits figures are expected to be even more impressive.

Ford's turnaround was no accident. It resulted from a lot of hard work and I'm pleased that a small behavioral sciences and management training firm in the Woodlands, TX—called Teleometrics International—played a major role in it.

Teleometrics International is a unique management consulting firm, because Teleometrics starts its work from one core principle—the people at Teleometrics believe that people are inherently competent and eager to do a good job. Releasing this untapped human potential is the real solution to the problems of low productivity and morale.

This philosophy is a return to the basic American spirit of business and achievement that has brought this country to greatness. Belief in and reliance on the individual, and not on elaborate government or corporate bureaucracy, is a far more efficient and effective way to achieve the goals that brings individuals together. Teleometrics utilization of this philosophy has helped to bring a major American corporation from the bottom of its industry to the top, saved thousands of jobs and generated billions of dollars in taxable income. I would therefore like to call to the attention of my colleagues the outstanding work of the people of Teleometrics International, and I invite my colleagues to join with me and Teleometrics in recognizing the value of this idea of reliance on the individual, not only in business, but in Government policy as well.

WINNING THE WAR AGAINST DRUGS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. GARCIA. Mr. Speaker, I would like to take this opportunity to introduce into the RECORD a recent article out of the New York Observer. The article features the enormous development and expansion of the Nation's first residential drug treatment facility and its president, Dr. Mitchell Rosenthal.

The Phoenix House Foundation 21 years ago was a program with six addicts who had pooled their welfare checks to live together with the help of physicians and city social workers to overcome their drug abuse habits. Through the leadership of Dr. Mitch Rosenthal, Phoenix House now has eight locations in New York and California and has treated over 38,000 addicts since its inception.

I urge my colleagues to read the following article. It is an inspiring message of success and determination that addresses the national epidemic of drug addiction. I commend Phoenix House and Mr. Rosenthal for the hardwork and dedication devoted toward eliminating drugs from our streets and classrooms and helping win our "War on Drugs".

PHOENIX HOUSE: SIX ADDICTS TO $7.5 MILLION REALTY DEALS

PRESIDENT OF THE DRUG REHABILITATION FOUNDATION GETS SOME OF HIS BEST WORK DONE AT 21 CLUB

(By Lou Chapman)

Dr. Mitchell Rosenthal, cleanshaven, deeply tanned, his wavy black hair neatly trimmed, sat in a chair on the rooftop patio of the Upper West Side building that houses the headquarters of Phoenix House, the drug rehabilitation program be created more than 20 years ago and has run ever since.

"I love things that work well," said Dr. Rosenthal, 53, his voice quite, his delivery measured, his brown eyes watching his listener. "A camera, a bicycle . . . I've had so much fun with gadgets over the years. I like things that work."

By Dr. Rosenthal's standards, Phoenix House Foundation Inc. works, and works well. For the foundation's 21st annual meeting on Oct. 5, the auditors' report was prepared by Deloitte, Haskins & Sells, one of the nation's top accounting firms. Five days earlier, Dr. Rosenthal testified against the legalization of drugs before the House Select Committee on Narcotics, Abuse and Control. And Phoenix House's plans for the future include a treatment center in California named for First Lady Nancy Reagan.

Dr. Rosenthal earns a salary well into six figures to run what has grown to be the nation's largest network of therapeutic communities, where people live together in a very structured, hierarchal organization. With a budget last year of $15 million, Phoneix House is a changing, growing network of residential and part-time centers whose methods are still being debated within the medical community and whose results some say are unproved.

ORDER AND ORGANIZATION

Outside the medical community, new Phoenix House facilities continue to be fought tooth and nail by people afraid of having a drug rehabilitation center plopped down in their backyards.

The leader of this sprawling institution has been described as dedicated, creative and arrogant, a man of order and organization.

He has nurtured a vast network of social alliances and "balanced" political contacts helping to raise more than $1 million in private contributions last year, about 7 percent of the budget. Most of the organization's expenditures are for what are called "functional expenses," including salaries and benefits. It holds an annual "corporate dinner," and is has sponsored art auctions and auto races. "We in that regard are no different from a Columbia University, or N.Y.U. or Mount Sinai," Dr. Rosenthal said.

If he is endorsed by high society, Dr. Rosenthal also appears to be appreciated by the cops on the beat where he has opened his homes for men and women seeking to break their addiction to drugs.

"I can't recall the community getting bent out of shape because of who they are and what they represent," said Det. Vincent Lupiccino, who has worked in the West Side's 20th Precinct 29 years and is its public affairs officer. Phoenix House began in the 20th Precinct. "Is it conceivable that a guy went off the wall after dropping out of the treatment, or needed a few bucks when he left and did something he shouldn't have?" the detective said. "Sure, that's possible, I'm not going to say it isn't. But did it happen? Was it because of Phoenix House? I don't think I could say we know that."

Twenty-one years ago, what was called Phoenix House was six addicts who had pooled their welfare checks to live together and, with the help of the city social workers and doctors, tried to kick the dope in a group environment. Dr. Rosenthal, then the city's deputy commissioner for rehabilitation in the nascent Addiction Services Agency, helped those addicts. The work was the genesis of today's Phoenix House Foundation Inc.

BOOMING BUSINESS

Now boasting eight residential treatment facilities in New York and California, Phoenix House has more than 1,200 beds. Along with those, it has one full-day and two after-school and evening centers. It has treated more than 38,000 men, women and children through its various services, said Chris Policano, a spokesman for Phoenix House.

With its assets approaching $20 million, business is booming. And Dr. Rosenthal intends to stay in charge for some time.

"People I admire have certainly performed their work for more than 20 years—teachers, professors, heads of hospitals," he said. "I'll stay here."

As president of the Phoenix House, Dr. Rosenthal, a psychiatrist trained at Kings County Hospital in Brooklyn, said he earns a salary of $185,000. He would not disclose other benefits or income from the foundation. In addition, Dr. Rosenthal holds teaching, lecturing and staff positions at several colleges and hospitals. He has appeared on television shows such as "The Today Show," "Nightline" and "20/20," and is widely quoted as an expert on drug-free residential treatment for drug rehabilitation. He is adamantly opposed to legalizing drugs and doesn't advocate methadone treatment for drug addicts.

It is far cry from the obscurity of a deputy commissioner of a now-defunct city agency working with a handful of addicts in a tenement on the West Side.

THE TRANSFORMATION

"The first fiscal system of Phoenix House was in the special checking account of an ex-addict who couldn't reconcile his checkbook," Dr. Rosenthal said. "Now we're talking about real estate purchases of $7.5 million * * * we have Deloitte Haskins & Sells doing our financial reports."

Nancy Hoving, the first chairman of the board for Phoenix House and a board member since, also talked about the transformation. "In the old days it was sort of down and dirty, and meeting over a beatup card table," said Ms. Hoving, an editor for Connoisseur magazine. "I guess we were younger and more revolutionary and thought that we were going to change the world. I think Mitch had a degree of that in him, despite his scientific training and thinking, and his doctor's manner and way of speaking * * * I think he got caught up in it, too."

Dr. Rosenthal said he still is caught up in it, but times and styles have changed as the organization has grown.

Today, the foundation's board includes Frank J. Tasco, chairman and chief executive of Marsh & McLennan Companies, a major insurance brokerage house; Lawrence A. Weinbach, chief operating officer of Arthur Andersen & Company, the accountants; Sidney Kaplan, chairman of Putnam Mills Corporation, and John Weitz, the fashion designer.

"I was introduced to Mitch by my friend Louis Perlmutter," said Mr. Tasco, current chairman for Phoenix House. Mr. Perlmutter is a senior partner at the investment banking house of Lazard Freres & Company and a board member of Phoenix House. "Mitch was sitting at a table at 21 [The 21 Club, the posh midtown restaurant], and my first impression was that I was very impressed with the guy," Mr. Tasco said. "He had tremendous vitality and enthusiasm, and I said to myself, this is a very interesting guy who obviously is a highly trained physician, who has dedicated himself to this field that is basically pro bono in many instances. He could be making a fortune in private practice. I found that to be very interesting."

Dr. Rosenthal knows the benefit and the need of having people like Mr. Tasco and Mr. Perlmutter on the board and of maintaining a high social profile.

"I think it's the job description of the head of a not-for-profit institution," Dr. Rosenthal said. "Vartan Gregorian [president of New York Public Library] is an impresario at that sort of thing. You have to have a network of a board and their friends and supporters. Without that, he or she as the head of a not-for-profit can't do the work. Without that, you can't carry on."

He said that he seeks a balance between Democrats and Republicans on his board and in his fund raising, and that his partnership with Nancy Reagan has very little to do with politics or with the attitudes of her husband toward drug abuse or drug policy. "Only in the last two years has Mrs. Reagan's work gotten visible enough to get the attention of the President," said Dr. Rosenthal, adding that Mrs. Reagan decided in the early 1980's that "drug abuse would be her topic" while she was in the White House.

She first visited Phoenix House in the fall of 1981. "I have been one of the people who have assisted her," Dr. Rosenthal said. "I think Phoenix House has played a major role in her decisions." At Phoenix House's proposed California facility, Mrs. Reagan will "have an office," Dr. Rosenthal said.

For all his success at dealing with contributors and board members, it can bring out a side of Dr. Rosenthal that is bullying and condescending.

"He can be terribly arrogant, let's face it," said Ms. Hoving. "But when you look at what it takes to make this sort of thing go and work, I guess you've got to have someone forceful like that. But there are times when it's been arrogant, yes. [The time] when he couldn't be more offensive is trying to get money, trying to get [his] way, trying to get policy. It's one of those things where you know your subject very well, you have your answers and you absolutely want it go go that way."

"He is a rather forceful leader" said Mr. Wietz, the fashion designer and board member. "The ladies on his board may be prone to disagree with him at time. But there is no one on this board, who is not a close, warm friend of his. Still, every once in a blue moon there are run-ins."

Dr. Rosenthal, divorced in 1979 after 12 years of marriage and three children, rents a one-bedroom apartment in an uninspired luxury high-rise in the East 70's. He rides a bicycle around town during the day but owns a 1987 BMW sedan.

"I do something active every day, one type of aerobic exercise," Dr. Rosenthal said. Besides riding his bike, he plays tennis on weekends, in Queens ("It's too expensive in Manhattan, and you get a court," he said) and plays squash a couple times of week.

He doesn't smile, much, despite being described as "charming." In most publicity photos, Dr. Rosenthal, a jowly man who stands 5 feet 9 inches, is scowling.

His children, ages 19, 22 and 25 attend colleges in Colorado, Arizona and Washington, D.C., but unlike Dr. Rosenthal's father and his Russian emigrant father before him, none of the newest generation is studying medicine. They apparently are undecided about their college majors or are opting for the liberal arts. Dr. Rosenthal has trouble remembering, with a smile, the name of the school in Washington where his second child, Claudia, is studying architecture.

"No, it's not Georgetown," Dr. Rosenthal said, obviously embarrassed at the lapse.

"Catholic?" he asked, and fingered the reading glasses that hung from his neck. "Is there a Catholic University in Washington?"

There is.

Dr. Rosenthal was born and raised in Flushing, Queens, and his mother still lives in the house he grew up in. His father, who had one office at home and another in a medical building, died last November.

By Dr. Rosenthal's own admission and the comments of acquaintances, his father's work as a general practitioner shaped his beliefs that kicking drugs, like treating a mental illness, must take place in a broader context than simply treating a symptom. "I was around someone involved in total patient care, family care, all my life," he said. "And there's another dimension to people that practice that type of care. They were not just treating a hot appendix. They were taking care of a frightened mother, they were taking care of a dad who might not be able to pay. I was deeply affected by that. Yes, I think it had an enormous impact on the way I view drug treatment."

When his father quit his private practice in 1979, Dr. Rosenthal hired him as one of a handful of physicians on the staff of Phoenix House. He would not say how much his father was paid.

Apparently, the young Mitchell Rosenthal was on the track toward preaching total behavior modification and treating drug abuse as a psychological problem long before he created Phoenix House, long before he organized a group therapy program for disturbed Navy personnel at the Oakland Naval Hospital in 1965 or studied child psychiatry on a fellowship at the Staten Island Mental Health Society even earlier.

"He was an enterprising and bright man who was interested in using his psychiatric abilities to tackle problems in the society at large," said Dr. Herbert Pardes, a fellow student with Dr. Rosenthal at Kings County Hospital in 1961-62 and now chairman of the Department of Psychiatry at Columbia-Presbyterian Hospital and president-elect of the American Psychiatric Association.

The program at Phoenix House is based on a "stratified community" comprising small peer groups of four to six patients. The peer groups in turn "hold membership" in 20-person "clans," which make up the larger community, according to a report by the National Institute on Drug Abuse.

Members of the clinical staff are graduates of Phoenix House or similar programs.

"The premise in that type of organization is that recovered group members, as staff, at least tacitly take the view that we know what it's like, we're going to find you out, we're going to beat you down, and we're going to pick you up again," said Dr. Wayne Skinner, a researcher with the Addiction Research Foundation, in Toronto. "It is very intrusive. You submit to the censure of the group, being gradually allowed to be a member of the group. One can imagine that as a really powerful transformational setup. That's not to say Phoenix House doesn't work or isn't right. It's that it's more of a challenging type of program."

Doug Rosenberry, an official of the state's Division of Substance Abuse Services, said Phoenix House "is one of the most outstanding programs we fund." Indeed, the director of the state agency, Julio Martinez, is an early graduate of Phoenix House. Still, as with any similar organization, state inspectors identified problems. In its last annual review of Phoenix House, dated April 1987, the agency found that in group therapy sessions for both residential and day programs, the organization failed to record the duration and "a summary of what actually transpired." Phoenix House also failed to obtain completed consent forms for the release of information in almost 20 percent of the cases reviewed, and in almost half of the closed residential cases that were reviewed, Phoenix House had no discharge forms on file.

In judging the success of Phoenix House, Dr. Rosenthal claims that based on surveys conducted with patients as much as seven years after they have left the program, those who stayed in residence for at least a year have a success rate of 70 percent. He defines success as staying off drugs, keeping a full-time job or staying in school, not "abusing alcohol," and not getting into trouble with the law.

"Phoenix House has done some outcome studies and has some numbers, and that really is one of the ways you can chart success," said Dr. Frederick Glaser, an expert on therapeutic communities and now director of studies for the Institute of Medicine of the National Academy of Sciences, in Washington. "Phoenix House has persisted, it has growth. Those are some of the criteria of success. It has changed a bit, grown professionally. You learn from your experiences. Mitch has done that. I think in those terms it has been quite successful.

"From a scientific standpoint, we do not know a great deal about the efficacy of therapeutic communities overall. What you need to do is start with 100 admissions, follow them through the program no matter what happens or how long they stay in, and follow all of them, and follow them regardless. That to my knowledge has not been done."

But therapeutic communities like Phoenix House probably "are not highly efficacious" when comparing the number of people who enter them and the number who stay clean years later, because "what you see is enormous attrition early on," Dr. Glaser said.

Whatever the efficacy of the approach taken by Phoenix House and Dr. Rosenthal, some people don't want those principles applied in their neighborhood . . . not even if the facility bears the name of the First Lady.

"Placing a residential treatment center in the heart of a residential area is an inappropriate decision," Los Angeles County Supervisor Mike Antonovich said in a statement about plans by Phoenix House to buy a former medical center in the northeast corner of the San Fernando Valley. The center would be redesigned as a therapeutic community for 150 adolescents and up to 70 adults. It would be called the Nancy Reagan Center.

Dr. Rosenthal, who has met with some of those who object, said that their opposition represents a growing problem for drug treatment centers—which is another reason his board has become heavy with real estate developers, accountants and financiers.

"Everything a Mortimer Zuckerman or Lew Rudin has to do to get a building up, we have to go through more for a new facility, including the environmental impact statements, the studies on the community, all of it," Dr. Rosenthal said. "And no, having the First Lady's name didn't help. They just said, why doesn't she put it in her neighborhood in Santa Barbara if it's such a great idea? But we're on the right track."

TRIBUTE TO DELEGATE EILEEN REHRMANN

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DYSON. Mr. Speaker, I rise today to honor one of Maryland's most dedicated public servants, Delegate Eileen Rehrmann, on the occasion of her 10th anniversary of elected public service. Harford County and all of Maryland have gained through her service.

I have known Eileen for most of her 10 years of public service, and I have always been impressed by her determination in her work and her dedication of her constituents. Her first elected office was as Bel Air Town Commissioner. After serving her city for 4 years in this capacity, Eileen became a member of the house of delegates, where she has served for the last 6 years.

Eileen is a member of the powerful appropriations committee, and as such, she has a great impact on the economy of Maryland. She is also the chairman of the Harford County Delegation and treasurer of the Women's Caucus.

Mr. Speaker, Eileen Rehrmann is to be commended for her 10 years of outstanding public service. Eileen has served with honor and with the strength of her convictions. She is to be commended. Today, I join with her family and friends in honoring her 10 years of service. I hope that she will serve for 10 years more.

THE POLITICS OF CHILD-CARE POLLS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LAFALCE. Mr. Speaker, I would like to include in the RECORD a most insightful article, "The Politics of Child Care Polls" by Karlyn Keene.

Ms. Keene cites a number of surveys by respected polling agencies that call into question recent assertions about the demand for Federal assistance to child care. I ask unanimous consent that the article be included in the RECORD in its entirety.

[From the American Enterprise Institute for Public Policy Research]

THE POLITICS OF CHILD-CARE POLLS

(By Karlyn Keene)

Judging from the rhetoric in Congress this year, and from the speeches of Democratic and Republican candidates, there has been a groundswell of support for new federal involvement in child care.

Polls are being bandied about to prove that child care is an "urgent need in the country," that there is "growing demand" for federal government help, and that Americans prefer one legislative approach over others. This particular language comes from a survey report done by Marttila & Kiley Inc. for the American Federation of State, County, and Municipal Employees and the Children's Defense Fund, but others echo its tone and conclusions.

Marttila & Kiley have done excellent work this year, including their thoughtful contributions to the Americans Talk Security project on American attitudes toward defense. Those surveys do what a good survey should do. They provide perspective; they build on data already available; and they measure how intensely Americans feel about an issue—particularly important in an election year. But many child-care polls fail on these basic requirements. Fortunately, a substantial body of data exists to provide a clearer picture.

A new Gallup/Times Mirror poll provides perspective by looking at how Americans assess their child-care and other needs. The poll includes questions on how satisfied people are with a number of areas of their personal lives. About eight in ten men and women under forty (presumably the group most affected) report that they are satisfied with their ability to balance job and family life. Gallup goes further and asks about ten personal concerns people have, including "having to care for an elderly parent," "having enough money to put a child through college."

Solid majorities say they are concerned about the first two, and a near-majority report concern about financing a child's education. By contrast "having adequate child care when you go to work" ranked last, with only 28 percent expressing concern about it. Forty-seven percent said this did not apply to them. When Gallup looked more closely at the people who said "having adequate child care" applied to them, the issue still ranked eighth of ten personal concerns.

Child care is clearly a serious problem for many Americans, but to suggest that Americans feel the need is "urgent" overstates the case. Viewing the problem in isolation as Marttila & Kiley did may satisfy partisan yearnings, but it does not inform.

Another questionable question about children's needs—this one from a survey for KidsPac—purports to show a growing number of Americans more inclined to vote for a candidate who put children's needs at the top of his or her agenda.

The preface to the question tells us about "John Kennedy's pledge to explore space" and "Ronald Reagan's commitment to rebuilding our defenses." After that heroic introduction, it is surprising that nearly four in ten say a pledge to help children would not add much to a candidate's appeal. Again, the question was asked in isolation, with no comparison to other possible voting concerns.

In a new survey for the American Association of Retired Persons, the Gallup Organization asks Americans whether support for nine different programs would make them more or less likely to vote for a candidate. 57 percent, for example, said a candidate's support for "expanded job training" would make them much more likely to vote for him. Only 32 percent (and only 43 percent of strong Dukakis supporters) said that "more support for child-care serivces" would make them much more likely to vote for that candidate. Precious little evidence exists that child care is a voting issue right now.

Of course, Americans can be concerned about the problems that don't affect them personally, and they can want to spend substantial sums of money on them.

Child care may be one of those areas, and polls provide evidence that Americans want some help. Mark Clements's surveys for Glamour magazine document that nine in ten working women want employers to provide more child-care assistance. Sixty percent of Americans, in a Fingerhut/Granados survey, said employers should bear "at least some" of the cost. In the KidsPac survey, more than three-fourths of Americans said that the next president should give children's needs more attention.

The authors of the Marttila & Kiley survey suggest that Americans support the Dodd-Kildee ABC bill. Yet they did not ask Americans if they had ever heard of the bill (presumably another measure of "urgency"), nor did they ask if they could describe it. Instead, the surveyors described the bill and omitted any substantive reference to at least one controversial provision—treatment of church-centered care. They also suggest that Americans support the bill even considering the deficit. Yet the poll on human needs that Fingerhut/Granados did for the Employees International Union got a different result: "if necessary, I would be willing to support child-care programs for working parents through my taxes." The public split right down the middle: 47 percent in favor, 44 percent opposed.

A number of surveys about child care confuse majoritarian impulses with support for specific legislation. They report that Americans want high-quality and affordable care, good health and safety standards, and help for a group in need. These are hardly objectionable, and it would be surprising if Americans suggested that they wanted poor-quality, expensive care, or poor standards.

But finally, and most important, is what this Marttila & Kiley survey ignores. Perhaps the most powerful finding in survey research in this area is the substantial ambivalence that many Americans, and particularly those most directly affected, have about child care. Seen in this context, any guidance that Americans might provide their legislators is quite different from what Marttila & Kiley sugest. On one hand people (particularly those most directly affected) believe that employers should try to help more, that daycare centers do provide a nurturing environment for children, and that good, affordable child care gets single mothers off welfare. But the weight of the polling evidence about day care is on our enormous reservations about it.

Peter Hart Research Associates asked eighteen- to forty-four-year-olds (for *Rolling Stone*) whether a number of changes from their parents' time are changes for the better or the worse. Many things, including more openness in society, were seen by men and women in this age group as a change for the better. But 54 percent of eighteen- to forty-four-year-old men and 58 percent of women felt that more children in day care was a change for the worse. The general population in the Gallup/Times Mirror poll holds this view more strongly.

Polls also show that women strongly prefer to stay at home if they can afford to (88 percent in the Mark Clements poll for *Glamour* magazine), and they believe this is particularly important for young children. A third of women in the same survey said they would be afraid to leave their children in a day-care center.

Marttila & Kiley might argue that the ambivalence exists because the government isn't doing enough—spending or regulating enough right now. But an equally compelling argument focuses on worries about government doing too much, weakening already fragile families and removing parents' ability and desire to solve problems closer to home.

Most women tell surveyors they work to help provide for their families, and, clearly, making the best arrangements for children is a central part of their concerns. The public expresses general support for some assistance. Confusing and exaggerating this sentiment with support for a particular bill may heat up the debate, but it sheds little light on the subject.

A-B-E AIRPORT IS KEY TO LEHIGH VALLEY'S ECONOMIC REVIVAL

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. RITTER. Mr. Speaker, the Lehigh Valley is an area that has charged ahead during America's economic revitalization. President Reagan spoke of the economic miracle in his remarks at the annual meeting of the Atlantic Council on June 13. He said, "There's a lesson in all this—in the story of Allentown and one of the so-called Rust Belt, as well as in the globalization of trade and finance—and the lesson is that the future belongs to the flexible."

One key to that flexibility now in evidence in the Lehigh Valley is the Allentown-Bethlehem-Easton [A-B-E] Airport according to an article in the October issue of Airport Services by Wendy Quinones. I will include the article at the end of my remarks.

On October 12, 1988, Secretary of the Department of Transportation wrote:

THE SECRETARY OF TRANSPORTATION,
Washington, DC, October 12, 1988.

Hon. DON RITTER,
House of Representatives,
Washington, DC.

DEAR DON: Thank you for your letter supporting the request for an Airport Improvement Program grant for safety and security improvements at Allentown-Bethlehem-Easton (A-B-E) Airport. The Department was pleased to announce that the airport will be receiving a grant for both the communication equipment and the card key access system, as well as for land purchase and paving projects. FAA is working with the Lehigh-Northhampton Airport Authority to complete all requirements in order to proceed with the grant award. These projects should contribute significantly to the safety and security of the airport.

I enjoyed meeting with you recently and touring the airport. You and Mr. Yohe, the A-B-E Airport Director, are to be commended for your commitment to advancing the safety and security of the A-B-E airport.

Sincerely,

JIM BURNLEY.

Mr. Speaker, I am pleased that my request for "priority status" for A-B-E in the Department of Transportation appropriations bill was approved. My colleagues not just on the committee but in the Congress as a whole can also point with pride to this creative development. Without their overall support the legislation would not have been adopted, providing sufficient funding for this airport which I hope will become a model for the Nation.

Already the development of A-B-E has helped create new jobs in a region that was devastated by recessions and industrial downturns. In addition, Airport Director Jack Yohe has turned an $86,000 annual deficit into a half-million dollar yearly surplus. In summing up his managerial philosophy, Jack said, "The only way to succeed in a deregulated environment is to treat everybody as neighbors, as airport partners."

At this point, I include the article.

AIRPORT IS KEY TO LEHIGH VALLEY'S ECONOMICAL REVIVAL

One of the best ways to improve your airport may be to direct a good part of your efforts beyond the airport itself. That's the approach Airport Director Jack Yohe has used to generate significant growth at Allentown-Bethlehem-Easton International in spite of severe economic problems in eastern Pennsylvania's Lehigh Valley.

ABE International Airport was hit with a one-two punch in the late 1970s and early '80s. Dependent on heavy industry—especially steel—the Lehigh Valley suffered during that period from recessions and industrial downturns. Long-time area businesses closed, cut back or relocated, leaving many people out of work.

Compounding these problems, airline deregulation struck hard at ABE, the region's airport. Some major carriers deserted it entirely. Others cut back services and refused to compete on fares with Philadelphia, Newark and New York, all less than 100 miles away. Not even a new physical plant, completed in 1978, could keep them serving the valley.

Without jobs, not too many people were traveling; facing poor schedules and high rates, those who did were flying from other airports. The future for the region and its airport wasn't bright.

NEW BLOOD

Facing declining passenger loads and annual budget deficits, the airport made the first move. Reaching out to key area industry leaders, the airport authority formed an industry advisory board and began to look for a replacement for its retiring airport director. In 1984 it found Yohe, who just might have been an ailing little airport's dream.

Yohe's aviation career began in 1963 when he joined the Civil Aeronautics Board. He started as its director of information; three years later he became its consumer affairs director—the first in a federal regulatory agency. Later, the CAB again broke regulatory ground by naming Yohe as its first consumer advocate. Retiring in 1984, Yohe began consulting to airports around the country, including ABE. Coincidently a native of Allentown, Yohe had become ABE's director before the year was out.

He immediately began putting to work his years of close contacts within the airline industry. "I dealt with airline managers while I was at the CAB, and if they weren't already CEOs, they were en route," Yohe relates. With feasibility studies and proposed route schedules in hand, he says, "I approached my friends in the airline industry and asked them to look at ABE as a city to be served." The result? Seven new carriers for a total of 11 now serving the airport, markedly improved schedules and dramatically reduced fares.

Next, he had to get people to return to ABE from more far-flung airfields. Aggressive advertising was obviously one answer, but with a budget deficit, the airport couldn't afford it. Yohe took advantage of local resources, beginning with the Pocono Mountains resort area less than 30 minutes away.

"I went to the Pocono Mountain Vacation Bureau and asked them to become a marketing partner with us," Yohe recalls. "They have a huge public relations and advertising budget. I asked if they would support us in advertising in national magazines. They would pay all the costs, and in return, I would persuade our board of governors to set aside an area in the airport as a VIP lounge for their visitors. They agreed."

The area's 10 colleges and universities also were persuaded to help market ABE, as were travel agents in a 13-county area. Traffic subsequently increased from a low of 425,000 passengers and 99,000 operations in 1983 to a high last year of 712,000 passengers and nearly 124,000 operations.

Still staying close to home, Yohe also addressed a long-standing airport issue: trying to bring U.S. Customs into ABE so it could be a port of entry. With the support of local industry, which said it would use a port of entry if it were available, ABE secured a 60-day test period, later extended to 90 days. During that time, Congress passed legislation for the establishment of five new ports of entry to be funded entirely by user fees. ABE acted so fast on that matter that it was the first such new port of entry to open—even before one mandated in the law for New Hampshire, whose senator had sponsored the legislation.

With a full-time inspector on duty since 1985, says Yohe, "We have yet to spend our first penny for that operation." He notes that: "We have 42 companies from all over the U.S. bringing in merchandise in bond, and they're cleared through here in about five minutes. We had 21,000 or 22,000 entries last year, with about 250 aircraft cleared."

In addition, Yohe pushed an active land acquisition program, with the airport acquiring about 200 adjacent acres. Airport amenities plus this newly available space helped lure such new tenants as Federal Express, ITT (which built a $6 million hangar apron), Exxon and Northeast Jet, a jet charter operation.

A JOB CREATION TOOL

But there was a broader issue affecting ABE's use: People without jobs don't tend to take trips. The state of the region's airport simply couldn't be divorced from the state of its economy.

Independently of the airport, the region's business leaders were assessing what could be done to stimulate the local economy and bring in new jobs. In 1985, 30 leading business, government and political leaders formed the non-profit Lehigh Valley Partnership to promote the area cooperatively rather than leaving its three major cities, two counties and numerous smaller communities isolated and competing for economic growth that would benefit them all.

For example, says Bert Daday, manager of economic development and community service at Pennsylvania Power and Light, one of the Partnership's first actions was to pinpoint the need for a central place for economic development activities. Such activities would include meeting and interviewing business and industry prospects, he explains.

"People concluded that the airport was the best spot," Daday says, "It's got a good location in the heart of the Lehigh Valley, and many of our prospects come by air. So we approach Jack, and immediately, without any qualification, he said certainly we could use the facilities."

The result is the Lehigh Valley Room, described by Yohe as "a beautiful executive suite" in the airport terminal, supplied without charge by the airport and furnished by the members of the Partnership. And, Yohe says, "It's in use every day of the week."

But its symbolic value has been critical. "You have to have a unifying force to bring these wonderful assets in the valley together," Daday says. Making the airport central to development activities has made it central to the development itself, he adds: "The airport has become the unifying force in the Lehigh Valley as far as economic development is concerned."

That, he concludes, is largely due to Yohe and his expansive view of what to do to promote his airport. "He's done everything possible . . . to make it easier for us to do business anywhere around the country, and for people in other parts of the country to do business here," says Daday. "There are things Jack has done that are not for the enhancement of the airport as such but for the enhancement of the area as a whole.

And so, while Steel Belt economies may still be rusting away in some places, and their airports along with them, you won't find many making that complaint in the Lehigh Valley. In fact, over the last few years, says Lehigh County Executive David Bausch, "Economic development here has been phenomenal."

Unemployment is down, from a high of 13% in 1980 and '81, it's now a mere 4.1%, according to Eugene Hartzell, county executive in Northampton County. With industrial parks in place and the Partnership hard at work, more than 7,000 new jobs have been created in the last four years—4,000 new jobs come in the area last year alone, Daday says.

In many cases the airport seems to have been a critical factor in bringing these jobs to the Lehigh Valley. For example, says Hartzell, when Union Pacific was seeking to move its New York headquarters, it corporate aircraft division's enthusiasm for ABE, where it already was located, was the major reason for the company's move into facilities vacated by Bethlehem Steel.

"That's happened with other companies, too," Hartzell adds. "They tell me they come out here expecting to find a second-rate little airport. When they find one that's active and well-managed, it affects their whole attitude toward the area.

It's no coincidence, says Bausch, that the area's economic upsurge has gone "hand in hand" with development at ABE. And to many area observers, it's also no coincidence that ABE's growth has gone hand in hand with the tenure of Jack Yohe.

"A lot of what's happened at the airport in the last few years is very much due to Jack Yohe," declares Phil O'Reilly of Air Products and Chemicals, an Allentown manufacturer of industrial gases and chemicals that has housed its aircraft at ABE since 1946.

To Yohe, its the only way to do things. "The only way to succeed in a deregulated environment is to treat everybody as neighbors, as airport partners," he says. "If you're at loggerheads with your community, with your airlines, you're doomed to failure."

Yohe's importance to the airport is obvious in the improved traffic figures and in the fact that an $86,000 deficit the year he came has been translated into an annual surplus of nearly a half million dollars out of a $3.2 million budget. But the Lehigh Valley recently expressed its own appreciation when the partnership awarded him its 1987 annual award for leadership in economic development, a $1,500 gift.

And what did Yohe do with his prize? He turned it back to the Partnership, to be put to more good use improving the economy of Lehigh Valley—and ABE Airport.

FAMILY LEGISLATION IS THE KEY TO OUR ECONOMIC FUTURE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. HOYER. Mr. Speaker, the face of today's work force and the needs of today's families are dramatically changing. In the next 10 years, two of every three new workers will be women. More and more families are dependent on two incomes in order to survive. It is essential that we develop public policies which enable and encourage families to prosper in today's world. During the 100th Congress, several bills were introduced and developed which will help America's families. However, due to Republican intransigence and opposition, some other, very important bills which would be of great benefit to families will not be completed in this Congress.

WORKING PARENTS AND DAY CARE

Access to safe, affordable child care enables parents who need to work to do so and can make the difference in a family's economic success. Today, 10.5 million preschoolers have mothers in the work force. By 1995, that number is expected to increase to 15 million. These are mothers who are often working out of economic necessity. The average working, married woman with children contributes over 40 percent of the total family earnings.

However, in a Census Bureau study, 36 percent of nonworking mothers with family incomes under $15,000 indicated the lack of affordable child care was a major barrier to their seeking employment. Furthermore, the Census Bureau has also estimated that between two to seven children nationwide, many under the age of five, care for themselves during all or part of each school day.

Yet despite a glaring need, there is an appalling lack of safe and affordable quality child care. Only 10 percent of our Nation's employers provide day care benefits and services. In 1987, licensed child care centers and family day care homes could accommodate less than 30 percent of the estimated need for child care.

The United States does not have a comprehensive child care policy. It is time the United States joined most other industrialized nations and developed a child care policy which responds to the needs of America's workers and families. In that regard, I cosponsored and strongly supported H.R. 3660, the Act for Better Childcare (ABC), introduced in the House of Representatives by Congressman DALE KILDEE. Cosponsored by 172 Members of the House, ABC is a comprehensive approach to provide accessible, safe, and affordable child care. The Act for Better Childcare will help low- and moderate-income families pay for child care and will improve the quality of care for all children and families. ABC increases and enhances parental choice of care, by giving working parents access to a wide variety of safe and decent child care options, including family day care homes, and child care centers operated by parents, schools, employers, for profit and nonprofit organizations, and churches.

H.R. 3660 was approved by the full House Committee on Education and Labor. Similar legislation was also approved by the Senate Comittee on Labor and Human Resources. However, due to delaying parlimentary tactics and opposition by Senate Republicans, the legislation was not considered by Congress this session.

FAMILY AND MEDICAL LEAVE AND JOB SECURITY

Another piece of legislation which would benefit America's families is H.R. 925, the Family and Medical Leave Act. Today's families must balance several needs, including the need to work, the needs of their children and often, the needs of an aging, ailing parent. In fact, 44 percent of the daughters caring for an aging parent are employed outside the home. Yet most employers do not have policies which reflect the needs of their employees and their dependents.

I cosponsored and supported the Family and Medical Leave Act which guarantees job security for a worker who needs to take leave from work to care for a newborn, newly adopted or seriously ill child or parent. Under the bill, an employee can take up to 10 weeks of unpaid leave over a 24 month period. H.R. 925 also guarantees job security for any worker who takes leave to recover from a serious medical condition.

The Family and Medical Leave Act would provide America's families the job security and the flexibility they need to respond to the challenges of their everyday lives. Currently, working women who are not covered by a parental leave policy guaranteeing reemployment lose $607 million dollars per year. However, once again, because of opposition by Senate Republicans, America's families will have to wait a while longer before they can enjoy a basic protection afforded to workers in almost every other industrialized western nation.

PAY EQUITY FOR WORKING WOMEN

Prince Georges County, the community I have the privilege to represent in Congress, has one of the highest proportions of working women and one of the highest proportions of Federal employees in the Nation. The Federal Government has not reviewed the Federal wage and classification system since 1923. As a result, we do not know today if the Federal wage and classification system discriminates on the basis of race, gender, or ethnic origin.

Three quarters of the women in the Federal sector are concentrated in the lower paying office service, clerical and administrative positions. However, a vast majority, 85 percent, of men in the Federal sector are found in primarily supervisory positions in grades 10 through 15, even though women are 48 percent of the Federal workforce. I believe it is time for a comprehensive study of the Federal wage and classification system.

Therefore, I cosponsored H.R. 387, the Pay Equity Act. H.R. 387 would establish a commission to conduct an 18-month study to determine whether the existing Federal job-classification and pay systems are designed and administered in accordance with Federal labor and civil rights laws. Such a study would serve to verify that the system as administered are not the result of institutional bias against women and minorities. H.R. 387 was passed by the House on September 29, 1988 by a vote of 302 to 98. The Senate will not act on the measure before Congress adjourns.

Mr. Speaker, during the 100th Congress, several bills were enacted which improve the economic well being of American families. The Omnibus Trade Act, the Plant Closings Notification Act and the Family Support Act of 1988 will all greatly improve the economic security of America's families. Yet, the Act for Better Child Care, the Family and Medical Leave Act and the Pay Equity Act are three key pieces of legislation which are vital to ensuring the economic security and prosperity of our Nation. As the 100th Congress draws to a close, I urge my colleagues to join me in pledging to continue our efforts to secure passage of these bills. The future strength of our Nation depends on it.

ST. ATHANASIUS ROMAN CATHOLIC CHURCH: AN INSPIRATION FOR AMERICA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SOLARZ. Mr. Speaker, I would like to share some good news with my colleagues about a strong and vibrant church in Brooklyn that serves as inspiration and foundation for thousands.

The St. Athanasius Roman Catholic Church, located in Bensonhurst, celebrates its 75th anniversary on November 4. Monsignor David Dougherty will preside at the elegant dinner dance and review the struggles and many successes of the parish.

Brooklyn, the fourth largest city in the country, has thousands of churches. The St. Athanasius, however, holds a unique reputation for its excellent educational programs, social activities, recreation sports, and spiritual leaders. Four generations of Catholics have studied and worshiped at St. Athanasius since Father Donnelly held the first services on December 7, 1913.

St. Athanasius parish, like the rest of the world, has changed quite a bit since that momentous day. This once rural community now boasts a strong urban economy. Automobiles and subways have replaced horses and trollies. Thousands of parishioners now regularly celebrate mass where the small foundering congregation once prayed.

While some Catholic parishes have dwindled in membership size, St. Athanasius has continued to expand and grow through two World Wars and several social upheavals. St. Athanasius provides a place of sanctuary, stability, and support in an ever-changing and often confusing world.

Pastor Emeritus Elwood Purick embodies the beliefs and virtues of St. Athanasius for thousands of parishioners. For 31 years, Pastor Emeritus Purick has provided comfort and spiritual guidance to congregation members. He has performed a myriad of priestly duties with distinction, grace, and compassion.

It was during Purick's tenure that St. Athanasius built an addition to the school that eventually became Bishop Kearney High School. Evidence of the parish's devotion to Catholic education can be seen everywhere. St. Athanasius grade school holds an outstanding reputation for academic excellence. St. Athanasius parish runs the largest Confraternity of Christian Doctrine Program in New York City for public school students. The parish also sponsors an innovative and comprehensive recreational sports program for children.

Perhaps the best proof of St. Athanasius excellence is quality of the congregation members. Father Robert McCullough, the New York City Police Chaplain, is a parish member. Tommy Holmes, the Brooklyn Dodgers star baseball player and Mets public relations executive, is another proud member of St. Athanasius. I could go on and on, but there are too many more humane, caring, and dedicated men and women in St. Athanasius. They bring honor to their families, their communities, and Brooklyn.

St. Athanasius parish, in fact, stands as an inspiration for America.

THE FAA NEEDS A SHORT-TERM PLAN FOR O'HARE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LIPINSKI. Mr. Speaker, I rise in support of the resolution just introduced by Congressman RUSSO on behalf of myself and the rest of the Illinois delegation.

Congressman RUSSO, myself and the entire Illinois delegation would like to use this resolution to call attention to the precarious situation at O'Hare Airport in Chicago. As the world's busiest airport and the Midwest hub for many national flights, the problem at O'Hare should be a matter of urgent concern for everyone. With peak travel season approaching due to the coming holidays, this is a particularly appropriate time for our resolution. Basically what the resolution does is urge the Federal Aviation Administration to come up with short-term as well as long-term proposals for dealing with air traffic at O'Hare.

Recent news reports and the FAA's own study has highlighted the dangerous and dismal working conditions at O'Hare's control tower. The conditions are unfit for a much less stressful job. They must be endured, however, by an undermanned, overworked crew of air traffic contollers using outdated equipment. And these controllers must guide thousands of arrivals and departures each day at a dozen satellite airports in the Chicago area amid some of the most complex traffic patterns in the country. This fragile arrangement has been allowed to continue for too long.

O'Hare airport is setting records this year in a number of areas. There have been record numbers of flights handled in a single day; but there have also been record numbers of controller errors in handling flights. In 1988, the FAA has recorded 30 controller errors—where planes have come too close to one another—as compared to 12 for all of last year. In a recent 4-day period while the FAA was studying the situation at O'Hare, there were four controller errors recorded. The potential for a disastrous accident is too high to be tolerated.

I am relieved that the FAA has begun looking at long-term proposals to insure safer air travel at O'Hare and in the Chicago area. I am concerned, however, about the lack of clear guidelines on dealing with the large volume of holiday travelers. The Illinois delegation has joined in a bipartisan manner to state their concerns and their desire for an active role from the FAA to deal with the O'Hare situation. We welcome our colleagues to join us in this endeavor and hope that the FAA can respond promptly.

HENRY SANCHEZ AWARDED AIR FORCE MERITORIOUS CIVILIAN SERVICE AWARD

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. GUARINI. Mr. Speaker, I am proud to announce that Mr. Henry Sanchez, of Bayonne, NJ, has earned the U.S. Air Force's highest civilian honor; the Meritorious Civilian Service Award. He was honored for his "* * * professional skills and outstanding dedication to duty * * * significant contributions to each successful Arctic resupply mission * * * and effort in managing Air Force vehicles awaiting movement to Europe.* * *"

As Deputy Commander of the U.S. Air Force Water Port Logistics Office, Mr. Sanchez is responsible for moving all Air Force material through all common water ports and sub ports along the east coast, Great Lakes, and St. Lawrence Seaway. He is responsible for coordinating the large-scale multimillion-dollar Arctic resupply projects and special projects in support of all Department of Defense and numerous governmental agencies. Mr. Sanchez also is the top technical adviser to Headquarters Air Force and Headquarters Air Force Logistics Command on all matters pertaining to the operational efficiency and material handling capabilities of all water port-related activities.

A resident of Bayonne for 38 years, Mr. Sanchez was born January 31, 1927, in San Juan, PR. With his first wife Dorothy—who passed away in 1978—he had four children, Henry, Jimmy, Michele, and Jamie, seven grandchildren, and is expecting a great-grandchild in November 1988. In 1981, Mr. Sanchez married his current wife, Haydee Ortiz.

Mr. Sanchez began his civil service career in 1948 at the Brooklyn Army Terminal as a clerk-typist for the USA Corp of Engineers. His innate professional ability enabled him to advance through several key positions. After 32 years of civil service experience, he accepted the position of Arctic Specialist with the U.S. Air Force and soon progressed to his current position of Deputy Commander.

Mr. Sanchez's community leadership is as impressive as his professional accomplishment. He is chairman of Motby Family and Military Enterprise [FAME], vice president of the American Legion Holding Corp. at Mackenzie Post 165 in Bayonne, NJ, chairman of the Bayonne Memorial Day Committee (1989), chairman of Bayonne Bingo for United Way of Hudson County, member of Neil A. DeSena Association, member of the Air Force Association, and life member of Veterans of Foreign Wars [VFW], Disabled American Veterans [DAV], and the American Legion.

He has also been chairman of the American Legion Mackenzie Post 165 Blood Program and adviser to the Nurses Scholarship Program and Commander, 1956–57, chairman of the Bayonne Red Cross, chairman of the Military Base Committee of the 1954 March of Dimes Campaign, leader of the Bayonne Community Chest for Campaign Funds for the United Way, 1964, president of the American Legion Press Club of New Jersey, 1976, president of the Jersey City Softball Umpires Association, 1975, member of the International Association of Firefighters with Fire Department Civil Service from 1957 to 1963, and life saving and swimming instructor for the Red Cross to the Cub Scouts and Boy Scouts of Bayonne.

I am certain that my colleagues here in the House of Representatives will join me in honoring Mr. Henry Sanchez's achievements and encouraging our Nation's young people to follow his example of leadership, determination, and community involvement.

BUST THE NUCLEAR PORK BARREL

HON. ALBERT G. BUSTAMANTE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BUSTAMANTE. Mr. Speaker, I commend to my colleagues' attention an op-ed which appeared in the New York Times on Wednesday, October 19, 1988, titled "Bust the Nuclear Pork Barrel." At a time when the Department of Energy's mismanagement of our nuclear weapons production complex is receiving national attention, the authors caution that before throwing money at this latest problem, we should know what are our actual needs for nuclear materials and look at all possible alternatives to ensure the most efficient management of our resources to meet those needs.

Mr. Speaker, I insert the op-ed in the RECORD following my statement.

[From the New York Times, Oct. 19, 1988]

BUST THE NUCLEAR PORK BARREL

(By David Albright and David Feltman)

WASHINGTON.—Washington is moving toward a consensus on a dubious proposal to spend tens of billions of dollars building new facilities or repairing old ones to produce materials for nuclear weapons.

For sure, the Department of Energy's program has been scandalously mismanaged and production facilities have fallen into disrepair. But before we commit billions, we should be sure we need the materials in the first place. The Government's claims and its record in projecting needs for nuclear materials are spotty, as best.

The nuclear materials in question are plutonium, which is essentially permanent, and tritium, which decays rapidly and must be replenished in warheads every several years. After warning for years of an impending shortage of plutonium, the Secretary of Energy, John Herrington, acknowledged this year that the United States is "awash in plutonium." This surplus occurred even though the Administration resisted methods to manage plutonium more effectively—such things as accelerating the retirement of older weapons to provide plutonium for new warheads and recovering usable plutonium in scrap from earlier warhead production.

Furthermore, the Start talks between the United States and the Soviet Union could result in 50 percent cuts in strategic nuclear arsenals, radically reducing—perhaps eliminating—future needs for plutonium.

Similar questions exist for tritium. Because of tritium's short lifespan, the Government has called for two new nuclear reactors for its production. But alternatives to a new tritium production reactor have yet to be fully explored. These include using less tritium in warheads, low-power operation of the tritium plant at Savannah River, S.C., after extensive safety modifications, converting the Fast Flux Test Facility at the Hanfor Reservation in Washington to tritium production or—in the longer term—reducing nuclear arsenals.

Why two tritium reactors? Because nuclear materials production has become hostage to the same pork barrel politics that any public works contract encounters. Even though the Energy Department was considering constructing only one reactor, it was forced ultimately to recommend two, in South Carolina and Idaho.

It's clear that the Government has to make drastic changes in the management of its nuclear materials production. At the very least, we should freeze construction plans until the Administration and Congress prove that the program is under control and that we really need new nuclear facilities.

SECRETARY RICHARD E. LYNG: A MAN COMMITTED TO CIVIL RIGHTS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. TOWNS. Mr. Speaker, too often partisan politics prevents us from acknowledging the accomplishments of those in the opposite party. As we bring the 100th Congress to a close, I want to break this pattern by paying tribute to the efforts of Agriculture Secretary Richard E. Lyng for his promotion of equal opportunity and civil rights in the Department of Agriculture.

While the Nation's farmers continue to face serious problems. Secretary Lyng's support, for civil rights enforcement and increased funding for community-based organizations and historically black colleges and universities, has made a significant difference in the lives of many black and other minority farmers. For example, funding to HBCU's has risen by $9 million within the last year. A new initiative has also been developed with the Department of the Interior to interest minority students in natural resources and forestry careers. Historically black college campuses have received research funds to compliment the marketing, technical assistance and business needs of limited resource farmers. There are also plans to establish mentor relationships between USDA agencies and the 1890 land grant institutions. This liaison program between Tuskegee University and the Animal and Plant Health Inspection Service [APHIS] has been extremely beneficial to that institution. Students who have participated in the summer internship program have been offered permanent jobs with USDA thus increasing the numbers of young blacks who may choose a career in agriculture. In addition, Tuskegee has received equipment donations from APHIS to augment their instruction and teaching materials.

On the question of civil rights enforcement, the Secretary has played a major leadership role in ensuring that civil rights is taken seriously at the Department of Agriculture. Early on, he established civil rights as a critical performance element for all senior executives. Secretary Lyng issued the first departmental affirmative employment plan with numerical objectives based on race, sex, national origin and major job category in a serious effort to diversify USDA's work force. These actions have resulted in substantially improved promotion rates for women and minorities with minorities being one out of every five new managers and fiscal year 1988 and women constituting approximately two out of every five.

In the Department's effort to ensure that the needs of small farmers are not ignored, Secretary Lyng sponsored the first major conference designed to reach small, disadvantaged, limited resource and minority farmers at Southern University in Baton Rouge. This conference was particularly important in ensuring that small and disadvantaged farmers are not left out of the rural revitalization plan. As a part of this effort, soil scientists and other conservation experts have been assigned to HBCU campuses to help small farmers and rural communities comply with the new conservation requirements for farmers.

Through these initiatives, Secretary Richard Lyng has demonstrated his willingness to support programs for historically black land-grant colleges and universities. In an era, when some have questioned the commitment of the executive branch to civil rights enforcement, Secretary Lyng has taken corrective action, implemented policy and promoted equal opportunity and civil rights when others would have failed to act, at all. As we leave the 100th Congress and anticipate a new administration, let us hope that the text Agriculture Secretary has Dick Lyng's interest, dedication and commitment to helping the disadvantaged.

SONS OF THE AMERICAN REVOLUTION ELECT A WEST VIRGINIAN PRESIDENT GENERAL

HON. HARLEY O. STAGGERS, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. STAGGERS. Mr. Speaker, I am please and proud to inform my colleagues that Charles Francis Printz, Sr., of Shepherdstown, WV, has been elected the 84th president general of the National Society of the Sons of the American Revolution in the organization's 99th year. He is the first West Virginian to hold this office.

As president general of the National Society of the Sons of the American Revolution, Printz will guide the many programs of the society commemorating the men and events of the Revolution including Flag Day and Constitution Day celebrations. The new president will be aided in his efforts by more than 25,000 members located in all 50 States, the District of Columbia, England, France, Germany, and Switzerland.

The National Society of the Sons of the American Revolution is an organization chartered by the U.S. Congress.

Charles Printz is well known in the eastern panhandle of West Virginia. His record of service to his community as a distinguished business, educational, and community service leader is exemplary.

President General Printz is a former professor and chairman of the division of business at Shepherd College. He is a practicing certified public accountant, president of several small businesses, a retired commander in the U.S. Navy, past commander of a local American Legion post. He was previously named an outstanding West Virginian. Currently, he is secretary of the West Virginia Board of Regents, treasurer and lay reader for the Trinity Episcopal Church in Shepherdstown.

I would like my colleagues, more than 20 of whom are members of the National Society of the Sons of the American Revolution to join with me in congratulating the society's new president general and sending him our best wishes for a very successful year.

PROSPECTS FOR INCREASED TRADE WITH THE SOVIET UNION BY AMERICAN SMALL BUSINESS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LAFALCE. Mr. Speaker, the Committee on Small Business has recently held two hearings on the economic relationship between the United States and the Soviet Union with a particular emphasis on the prospects for increased trade by American small business. During these hearings, we heard from a variety of witnesses that "perestgroika," if successful, would provide new economic and political opportunities for the United States. This is especially true with regard to opportunities for increased trade between our two countries that would benefit not only American big business, but also small business.

However, in order to take advantage of these new opportunities, the United States must be in a position to reexamine its current foreign economic policy toward the Soviet Union and develop a more coherent long-term economic and trade policy that is based on the changes that are taking place in that country. This reevaluation should also take into consideration the constraints that hinder the ability of small companies, in particular, to increase trade with the Soviets, and develop appropriate responses to facilitate such trade.

NEW OPPORTUNITIES FOR AMERICAN SMALL BUSINESS

Various witnesses have testified that emerging Soviet reforms could provide future long-term opportunities for American small business. Four major developments are of particular interest:

First, the Soviets are restructuring their State apparatus for administering the foreign trade sector. The role of ministries, and especially the central planning organization [GOSPLAN], has been consolidated and restricted through the establishment of two new organizations: the State Foreign Economic Commission, which has formal authority over all foreign economic relations, and the Ministry for Foreign Economic Relations. While the results of this reorganization are still uncertain, it is intended to greatly simplify the licensing and bureaucratic process for American small firms to conduct business there.

Second, the Soviets have increased the power of lower level officials to make decisions to allow enterprises to engage in foreign trade. According to the Department of Commerce, over 100 Soviet industries and enterprises are now authorized to deal directly with foreign countries, including the right to sign contracts and retain a portion of hard currency earned through exporting. Therefore, small firms may now directly engage in trade with Soviet enterprises for the first time.

Third, the Soviets have now authorized new forms of cooperation between Soviet and foreign enterprises, particularly joint ventures. Foreign companies may now own up to 49 percent of the equity in the Soviet joint venture companies; and there are currently ongoing discussions to allow foreigners to own an even larger percentage of the equity. Repatriation of profits, reinvestment tax credits, third-country operations, and expropriation protection are all part of these joint venture agreements.

To date, there are 70 registered joint ventures in the Soviet Union, with 80 percent of these with capitalist countries. According to the Department of Commerce, there are 7 registered American-Soviet joint ventures, and 30 additional American proposals under consideration.

Some of the most interesting business opportunities for small companies would undoubtedly result from joint ventures. One such possibility would be under the "umbrella" of joint ventures that are initially established by multinational corporations, such as the American Trade Consortium. Small firms could subcontract for pieces of the larger venture, or could directly provide necessary services to the venture operation.

Fourth, the Soviet Union appears to have finally learned that it is the small firms that provide the highest degree of entrepreneurship and innovation within a society. Last May, the Supreme Soviet passed the Law on Cooperatives, that allows and encourages the formation of private cooperatives, their small business equivalent.

The Soviet response to this new law has been overwhelming. As of July 1988, over 32,000 private cooperatives have been formed. The Soviet Government is also currently considering the establishment of a quasi-governmental agency to assist in the establishment of cooperatives. This development presents unique opportunities for American small business because these cooperatives can directly engage in joint ventures with foreign firms and in particular with small foreign firms.

The impact of all these reforms would make it easier for American small business to expand trade activities with their Soviet counterparts. However, in order to develop business opportunities there, small companies must meet the criteria of providing a major new market to be tapped and the ability to earn hard currency. Therefore, according to Soviet experts who testified before the committee, it appears that the best opportunities for small business would initially exist in the areas of light industry (such as consumer goods), food and food distribution, services, machinery, and technology.

WHAT MUST BE DONE TO FACILITATE TRADE

While long-term opportunities for small business will exist in the Soviet Union, there are still constraints to increased trade on both sides that are significant, although not insurmountable. At last December's summit, President Reagan and General Secretary Gorbachev urged the development of concrete proposals for the expansion of United States-Soviet trade. To achieve this goal, each country must formulate and implement different strategies to facilitate increased trade.

For the United States, the overall question is whether we should encourage and facilitate normalized trade with the Soviet Union. In my opinion, we should do so because the Soviet policy of "perestroika" is in our interests. "Perestroika"—economic restructuring—represents a fundamental recognition by the Soviets that they must begin to develop a more market-oriented economy in order to revitalize their economic system and become internationally competitive. This reform, together with the policy of "glasnost" and other democratization reforms, would revolutionize Soviet society.

Some individuals have argued that there is nothing the United States can do to help or hinder the Soviet economic and political reforms. I do not agree. I believe that we have the ability to support these reforms through a more constructive trade policy as well as the potential to hinder the reforms through a tightening or further expansion of restrictive trade legislation.

I believe, however, that we should adopt a more active policy based only on certain conditions that the Soviets must first meet in order to enhance our bilateral relationship. Such conditions should include: (a) greater movement toward a more market-oriented economy; (b) a guarantee for the protection of foreign investments; (c) development of market priorities that could be served by American business, particularly small business; and (d) great access to the Soviet domestic market by American business.

In general, an active foreign eocnomy policy should be based on a three-pronged approach:

First, we must develop an overall foreign eocnomic policy that encourages the Soviet reforms on all levels—political, economic, social, and cultural. Economic and trade relations should no longer be relegated to only an "honorable mention" during American-Soviet summits, but instead should become a major ticket item during negotiations.

Second, we should reexamine the effectiveness and desirability of existing American governmental constraints to increased trade with the Soviet Union.

Third, we should consider specific policies to facilitate trade, particularly for small business. This could encompass, for example, the creation of a small business working group under the bilateral Joint Commercial Commission; the inclusion of a small business component in all trade negotiations and trade missions held by the United States in the Soviet Union; and increased education and business exchanges between our countries to foster greater understanding and expertise in each other's laws and ways of conducting business.

For the Soviets, the success of their reforms is critically important. While step-by-step improvements in our trading relationship are already taking place, increased trade opportunities on a large-scale depend on the full implementation of "perestroika." This means that price reform must be in place, with convertibility of the ruble established. In addition, the Soviets must also address their managers' lack of experience and expertise within a market-oriented economy, which the committee has been told is one of the major constraints to increased trade.

CONCLUSION

All of these important issues will be revisited again and again as the Soviet Union carries out its reforms and as our political and economic relationship continues to stabilize and improve. During the 101st Congress, the Committee on Small Business intends to continue to examine the progress of "perestroika," especially with regard to the creation of a Soviet small business sector, as well as the prospects for increased trade by American small business.

This does not mean that we are encouraging small business to rush into the Soviet Union without a realistic assessment of the risks that must be overcome in order to achieve any benefits. But, as the Committee on Small Business has heard, it is "not business as usual" in the Soviet Union. Something extraordinary—indeed unprecedented—may be happening there, and we should be prepared to respond accordingly. Next to our mutual interest in avoiding war, economic relations may hold the greatest opportunities for increased American-Soviet cooperation.

HELEN SUZMAN: A TRUE CHAMPION OF JUSTICE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SOLARZ. Mr. Speaker, Helen Suzman is one of those rare individuals whose personal integrity, courage, and commitment to justice has led her to dedicate her life to the struggle for racial justice in South Africa. She is one of those men and women whose lives have truly made a difference to their fellow countrymen and women.

For 35 years she has championed the civil and human rights of all South Africans, irrespective of the color of their skin or their political views.

For 14 years she served as the only elected member of South Africa's Progressive Federal Party in the Parliament. For those long and lonely years she was the sole opposition voice in Parliament, regularly and bravely condemning the policies and practises of the Nationalist Party government, particularly its efforts to expand the odious system of legalized racism, known as apartheid.

For 35 years, Helen Suzman fearlessly exposed the cruelties and injustices of apartheid, and championed the rights of all South Africans to live in a just society without fear of punishment or oppression because of the color of their skin or their political opinions.

Helen Suzman is a women of enormous personal courage and compassion. She has refused to be intimidated by threats or personal attacks. She has relentlessly exposed the brutal mistreatment of those who sought to challenge apartheid. She has effectively rebutted the counsel of those who claimed change could best be achieved by ingnoring injustices and concentrating instead on building up South Africa's economy.

Helen Suzman long understood that even South Africa's economic development was threatened by the continuation of apartheid. She has tirelessly continued her campaign to draw public attention to the government's brutal mistreatment of its opponents, whether they were members of the Black Sash, United Democratic Front members or black schoolchildren.

I am pleased that over the years I have had the opportunity to come to know this courageous woman, and to appreciate the vital role that she has played in the struggle for justice in South Africa. For while we disagree on the importance of coordinated international economic sanctions in hastening the end of apartheid, we fully agree that until apartheid is ended, South Africa cannot hope to achieve peace and stability.

Mr. Speaker, because of the important role that this courageous parliamentarian has played in the fight to bring justice to South Africa, I ask that a tribute by Harry Oppenheimer on the occasion of Ms. Suzman's thirty-fifth year in the South African Parliament be included in today's CONGRESSIONAL RECORD.

[From the New York Times, May 11, 1988]

ON HELEN SUZMAN, ENEMY OF APARTHEID

[By Harry F. Oppenheimer]

JOHANNESBURG.—Whenever I am downhearted and depressed at the course of events in South Africa—and which of us can honestly say that our courage never flags or fails?—I have only to think of Helen Suzman, and of all she has done and endured and achieved over the last 35 years, to feel a resurgence of confidence, determination and faith.

I was a member of Parliament from 1948 to 1858 and remember very well the beginning of Helen Suzman's long career. It was impossible not to be impressed by her intellect, her grasp of economic issues and the lucidity of her exposition.

She made it abundantly clear that the realization of South Africa's economic potential simply could not be reconciled with the policy of apartheid—and that, I'm afraid, is a truth that after 35 years has still not been grasped by those at home and abroad who believe that apartheid can best be fought through the application of economic sanctions.

But Helen brought far more to our public life than a fine brain and a trained mind. For 14 lonely years as the sole Progressive in Parliament, she keep alive a proper respect for human dignity, a deep sympathy for human suffering and a hatred of all cruelty and injustice. She showed, too, that high courage and determination without which other qualities of heart and mind are of no avail, and without which nothing worthwhile is achieved.

She cried out against injustice. She denounced cruelty wherever she found it. She defended the right to freedom of expression of all South Africans, including those with whose views she profoundly disagreed. She vehemently opposed intolerance, whether of the right or left.

How sad it is that at a time when the Nationlists are patently losing faith in themselves, when their policy of apartheid is in disorderly retreat, so many white liberals should on their side lose faith in the value of the struggle they have carried on so long and so bravely, and in the validity of white politics as a whole.

Over the generation and more that this Government has been in power, it has obstinately followed a disastrous policy, involving great and calculated cruelty to black and brown South Africans. And who in the long battle against all this injustice, cruelty and folly has played a part to compare with Helen Suzman?

But at this time it may also be right to remind outselves of the incalculable damage that this long period of Nationalist rule had done to white South Africans also.

The effects of injustice, cruelty and folly cannot be confined to blacks only. This Government has made white South Africans acquainted for the first time with fear—the fear that springs from the knowledge that whether we like it or not we have become involved in an unjust system—a system that makes us the object of bitterness, resentment and hate.

We know that under Nationlist rule South Africa has been "trampling out the vintage where the grapes of wrath are stored." And that is why so many of our best young people are leaving the country and why more, many more, are contemplating doing so.

And just as important, perhaps even more important, we white South Africans know that we have lost our reputation in the world—that we have been deprived of our good name.

Can our young people even remember a time when South Africa's reputation stood high in the world?

A time when our soldiers were regarded as honored and trusted allies in the defense of freedom?

A time when a South African passport took you without question anywhere in the civilized world?

A time when South African athletes were universally welcome to compete openly under their own flag?

A time when South African scientists and men of letters were received with honor everywhere in the academic world?

A time when businessmen found it an advantage and not a disadvantage, to call themselves South Africans when competing in world markets?

There is no South African today, irrespective of race and color, who has not been damaged by this Nationalist Government. Today, every South African who travels abroad, even if he is not prepared to condemn his country, is at least forced to apologize for her.

This is no little matter for us who want to be able to feel proud of our country. But here again, as in so much else, we can look to Helen Suzman and draw comfort. Here is one South African known around the world, a great international figure, for whom none of us has to apologize. Here is the living proof that the struggle for a just society in South Africa is not a lost cause.

Helen is certainly an idealist but a very practical sort of idealist. She is not one of those tedious, irritating people who think it enough to fight and lose in a good cause. Helen is not content to fight and lose. She fights to win.

I have certainly not lost faith in the future of South Africa. And I'm sure that that goes for all of us. But our hope and our faith owe more than any of us can say to the career, the personality and the example of Helen Suzman. It has been said "In defeat defiance; in victory magnanimity." For the Progressive Federal Party, the time for magnanimity will come. The time for defiance is now.

SPANISH LANGUAGE BROADCASTER PROOF OF HISPANIC BUSINESS SUCCESS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. GARCIA. Mr. Speaker, I rise today to share with my colleagues an article in Crain's New York Business concerning an up and coming Spanish language radio station. A father and son team in New York City, Raul Alarcon, Sr. and Raul Alarcon, Jr., owners and operators of Spanish Broadcasting System Inc., have launched a new FM radio station, WSKQ-FM, to join their existing successful AM radio station, WSKQ-AM. This story is proof that by working hard and providing a much needed service to the community one can be successful.

It is with great pride that I bring this to the attention of the membership in the House of Representatives because, unfortunately, it is often the misconception that one cannot point to the success of Hispanic Americans in the business world. I think it is vitally important that all members of this great body realize the great potential within the Hispanic community throughout this country.

Those of us who have fought hard to open doors for minority groups in America know all too well that our communities lack opportunities and access, and our youth lack role models and encouragement, but there is no lack of talent and capability. The Alarcons have proven themselves in a very competitive marketplace and no doubt they will meet with continued success in their new venture, I recommend this article to my colleagues.

[From Crain's New York Business, Sept. 26, 1988]

SPANISH RADIO MOGUL STIRRING SALSA IN NEW YORK

(By Linda Moss)

Raul Alarcon Sr. stands at a sound-mixing board, playing the many jingles that will be used to promote his new radio station. The variety of musical styles—salsa, merengue, jazz, reggae, ballad and Puerto Rican country—are meant to reach all of New York's varied Hispanic community.

"We want 10 different versions," Mr. Alarcon says. "We're going to hit everybody with this."

The music may vary, but the message is the same. *Haciendo historia*, "Making history," is the slogan for what is to be New York's first Spanish-language FM radio station, WSKQ-FM.

After years of searching, Mr. Alarcon's Spanish Broadcasting System Inc. has finally found an FM sister station for its Spanish WSKQ-AM in New York. But in acquiring the FM outlet at a big premium, in a complicated deal valued at $55 million to $100 million, the company is embarking on its riskiest venture.

Not only is Spanish Broadcasting taking on substantial debt, but WSKQ-FM is launching into a market where advertisers traditionally pay cut rates on Spanish stations.

"If he's right, it's a no-brainer," says Gary Stevens, a radio broker. "But if he's wrong, he paid $15 million over the stick (the station's base asset value)."

Spanish Broadcasting made its aggressive buy in order to create New York's first Spanish AM-FM combination, permitting it to package both stations to advertisers. And an FM Spanish outlet is expected to attract younger, more affluent Hispanic listeners than the existing four Spanish AM stations. "All the cities with major Hispanic populations, such as Los Angeles and Miami, have FM Spanish-language stations," says Raul Alarcon Jr., who helped his father create a Hispanic radio fiefdom that includes AM-FMs in those cities.

But for several reasons New York, despite its Hispanic population of 3 million, has lagged in getting an FM station.

"In New York when you're talking price of an FM, you've eliminated 99.9% of all Hispanic buyers," says Mr. Alarcon Jr., Spanish Broadcasting's 32-year-old president. "And here, Anglo broadcasters are scared of the format. They don't understand it, and they don't want to risk that kind of an asset (an FM station) on programming they can't control."

NOT ALONE IN ITS SEARCH

Spanish Broadcasting wasn't the only one looking for a Spanish FM outlet. WADO-AM attempted to forge a Spanish AM-FM combination this year by bidding, unsuccessfully, for WYNY-FM.

The elder Mr. Alarcon, the company's 61-year-old chairman, owned two radio stations in Cuba and fled the country in 1960. "He left everthing and started as a disk jockey in New York," his son says.

In 1983, the Alarcons finally secured the $3.25 million needed to buy their first U.S. radio station, WSKQ-AM, New York's only Hispanic-owned Spanish station. This year, profitable WSKQ-AM is expected to tally $6.9 million in gross ad billings, and company gross sales should hit $22.6 million.

"Spanish Broadcasting is indeed aggressive," says Jimmy Jimenez, general manager of Spanish WKDM-AM. "They built an empire in five years."

The company secured its elusive FM station earlier this year when Mr. Alarcon Jr. agreed to buy 50,000-watt WFAN-AM's 1050 frequency for $23 million. Secretly, he was maneuvering to swap WFAN's frequency for the Jewish station, WEVD-FM, owned by Forward Association Inc.

Spanish Broadcasting not only gave Forward the WFAN frequency and strong signal in exchange for WEVD's FM spot, but made additional payment. Depending on what prepayment options Mr. Alarcon Jr. exercises, the agreement is worth $55.5 million to $100 million.

The pricey deal must get federal approval, and may be challenged by Salem Communications Corp., which claims it has right of first refusal on WEVD-FM. But if all goes well, Mr. Alarcon Jr.'s optimistic about his odds for success. "The station will generate more than enough to pay the debt service and make money," he says.

But skeptics abound. Mr. Stevens, the broker, says the station will need a whopping $5 million to $6 million in annual cash flow to meet its debt service. "If Mr. Alarcon is right, he'll have an AM-FM combo in Spanish and have 3 million Hispanics to himself," Mr. Stevens says. "But his deal assumes the moon will be in the right place, and he'll have the right horoscope."

To make the deal work, Mr. Alarcon Jr. will change the programming on his AM station and try to draw a younger following to the FM band, to differentiate his two audiences.

WSKQ-AM now plays international contemporary Spanish music, such as romantic ballads popular with women. In the spring, it has a 1.9 rating, just behind the city's top-rated Spanish station WADO-AM, with its news-talk format, which scored a 2.0, according to Arbitron Ratings Co. New York's remaining Spanish stations, WJIT-AM and WKDM-AM, both had a 1.0 rating.

The revamped WSKQ-AM outlet will feature upgraded and increased news coverage. The FM outlet will be "strictly music," with brief news updates, and "will also include elements we now consider a little too young for our AM, like Spanish rock groups, but not urban sounds," Mr. Alarcon Jr. says.

GETTING AN UPSCALE SOUND

Says Esther Farber, media director at Robles Communications Inc., a Hispanic ad agency, "We expect WSKQ-FM to have a more sophisticated, upscale sound."

Younger Hispanics previously had no choice but to tune to FM-band stations such as WQHT-FM. That English-language, Top 40-dance station plays club music that's attracted Hispanics.

The city's Spanish stations are battling for a relatively small, but growing, pool of dollars for Hispanic advertising. Now, New York's four stations share less than $20 million in gross ad billings, says Herbert Levin, WADO-AM senior vice president.

An average 60-second ad costs $175 at WSKQ-AM, and Mr. Alarcon Jr. says he'll try to establish a $500 rate for the new AM-FM combination. "I want to be gutsy in the beginning," he says.

But Eduardo Caballero, head of a firm that sells national ads on Hispanic radio, doubts whether advertisers will want to pay extra, no matter what the combination rate, for an FM with no ratings track record. He's been unimpressed by the success of FM Spanish radio in general. "It will be difficult to charge higher rates in a market used to paying lower rates," says Mr. Caballero, whose clients include WADO-AM and WJIT-AM.

Even though Mr. Alarcon Jr. claims his AM's ad rate is the highest for New York's Spanish radio, it's far less than rates for Anglo stations. "If all four of the Spanish stations walked into a Madison Avenue agency, we'd get half or three-quarters what an Anglo station, with our combined share, would get," says Frank Flores, WJIT-AM's general manager.

Spanish stations get such low rates because they're competing for the tiny portion of ad dollars budgeted for Hispanics. Another reason is the "low impression most general advertisers have about Hispanic consumers," Mr. Caballero says.

As the market grows with new players and aggressive sales efforts, Mr. Levin predicts the city's underdeveloped Hispanic market will grow. "An FM will attract additional audience, and more advertisers," he says.

LU WARREN: AN APPRECIATION

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. BYRON. Mr. Speaker, last week, a reporter from my district died. True to his nature, most of us were not aware that Lu Warren was suffering from cancer. He was in my office, on an almost daily basis for a decade, right up until the last 3 weeks when he passed away at the age of 75.

Lu Warren was a throwback to an earlier, and some might say gentler, day of reporter-politician relationships. He was not terribly interested in your personal life. He didn't make an awful lot of noise with his comings and goings. He reported the news in a factual and straightforward manner, devoid of personal analysis.

Lu Warren spent 33 years covering the Washington scene for a number of newspapers, most recently for one of the principal papers of my congressional district, the Frederick News-Post.

Despite Lu's long and distinguished tenure in Washington, he was one of the most unassuming people that I have met. He would appear daily at my door with a big "Hello, what have you got for me today?" He was a landmark for my days and I enjoyed seeing him, even when I wasn't always thrilled with his output. It was years before I discovered that he was a past president of both the National Press Club and the Gridiron Club.

Lu was held in high esteem by his colleagues. His work was a link for the citizens of Frederick County with their Government in Washington. I appreciated his efforts and will miss him, as a reporter and as a friend.

A TRIBUTE TO DR. TOM JOHNSON

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LEWIS of California. Mr. Speaker, it is with great pleasure and respect that I rise today, the last day of the 100th Congress, to pay tribute to a truly outstanding individual, Dr. Tom Johnson of Rancho Cucamonga, CA. Dr. Johnson recently retired from a very distinguished career in dentistry and odontology after 41 years of service to his community.

Dr. Johnson's career began in the early 1940's following a stint in the U.S. Navy. After traveling to New Orleans to work as a dental assistant, he decided to pursue dental school at the University of Southern California. There he received a number of prestigious awards in recognition of his dental skills; he graduated at the head of his class as class president, with honors, in 1947. Upon graduation, Dr. Johnson practiced dentistry in Redlands until 1951, when Second Lieutenant Johnson was called into service by the Navy to serve in the Korean war. He moved his dental practice to Upland in 1963 where he worked until his last day on September 30 of this year.

Dr. Johnson's impressive accomplishments are many and varied. He has served as president of the Tri-County Dental Society, deputy coroner odontologist for San Bernardino County, a diplomat of the American Board of Forensic Odontology, and as a Fellow of the American Academy of Forensic Sciences. In addition, Dr. Johnson has been very active as a consultant on forensic dentistry to the San Bernardino County sheriff's Homicide Department.

Dr. Johnson plans to remain active in his retirement through teaching forensic dentistry at Loma Linda University and in his new workshop where he plans to build furniture for his wife, Linda, and daughter, Mynette.

Please join me, Mr. Speaker, in congratulating Dr. Tom Johnson on his 41 years of service and wishing him the very best as he begins an enjoyable and well-deserved retirement.

NATIONAL FOREST PRODUCTS WEEK

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ROTH. Mr. Speaker, Congress has recognized October 16 to 22 as National Forest Products Week and I commend the hardworking individuals who are employed in this expanding and innovative industry.

Over 60,000 people are employed in the forest products industry in Wisconsin. The industry is the second largest manufacturing employer in the State and encompasses many components—from the family owned logging camps and sawmills to the large pulp and paper mills in the Fox River Valley.

Wisconsin is the No. 1 papermaking State with over 3.7 million tons of paper production annually representing 11.6 percent of the U.S. total. Wisconsin is also the leading State in paper recycling. Since 1980, recycled paper has increased 32.2 percent in the State. On average, the Wisconsin facilities recycle over 1.5 million tons of waste paper each year into new and useful products.

Wisconsin has a rich forest resource base which supports the $9.8 billion forest products industry. Wisconsin forests produce a variety of high-quality softwoods and hardwoods, the majority of which are owned by private citizens. Wisconsin has gained over 200,000 forest acres since 1968 and presently, the annual harvest barely exceeds half of the annual forest growth.

The forest products industry in Wisconsin is supported by an innovative public/private support structure. Wisconsin is home to the USDA Forest Service Forest Products Laboratory in Madison and the University of Wisconsin has an impressive forest research department focusing on forestry-related problems and tree improvement. An industry-sponsored Trees for Tomorrow campus in Wisconsin offers year-round forest ecology training for youths and adults.

Mr. Speaker, the forest products industry is a dynamic sector of Wisconsin's economy. It is manned by intelligent, hardworking individuals who are committed to excellence. In recognition of National Forest Products Week, I extend my congratuations to those individuals involved with this vibrant industry.

NEW ENGLAND NEEDS MORE NATURAL GAS

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. KENNEDY. Mr. Speaker, over the Fourth of July weekend, John Sharp, commissioner of the Texas Railroad Commission, and I hosted a gas supply summit in Boston. The purpose of the summit was to bring consumers and producers of natural gas together.

As our summit pointed out, all of New England needs additional sources of clean, efficient and cost-effective energy to meet the needs of growth. The Southwest has the fuel that fits the bill: natural gas. Natural gas is abundant, cheap and has environmental advantages over oil, coal and nuclear power. New England has the markets that the Southwest needs to spur demand and to give a much needed boost to the economy of that region.

New England will need at least 2,000 megawatts and perhaps as much as 4,000 megawatts of new electrical capacity in the next 20 years. That translates into as much as a 17-percent increase over current demand. We'll have to find the new capacity, and the cheapest, cleanest and most responsible way to do so is through natural gas-fired plants. We have plenty of natural gas. Estimates vary widely with current market prices, but our total resources amount to a 32-year supply right now.

There is only one catch before the consumers and suppliers can be united: additional pipeline capacity is needed to bring that gas to New England. The current pipeline capacity is insufficient, and the regulatory review process is so slow and cumbersome that it could leave Massachusetts stuck without new gas for years. Already several major utilities from Long Island to Brookline have announced that they will impose a moratorium on new gas hookups within a year if no new pipeline capacity is added.

The purpose of the summit was to bring together the producers, consumers, financiers, State officials and pipeline builders so as to create a strategy to match the needs of the Northeast with the resources of the Southwest and to facilitate the expansion of pipeline capacity. There is a role for all these parties to play in this process.

There also is a role for the U.S. Congress. A hearing held on October 5, by Chairman PHILIP SHARP'S Subcommittee on Energy and Power on "New Northeastern Natural Gas Pipeline Capacity" underscored the growing demand for natural gas in the Northeast, the advantages of natural gas and the problem of inadequate pipeline capacity in the Northeast.

Chairman SHARP and I will continue our efforts to identify the roadblocks and find expeditious ways to overcome them as we pursue the goal of moving more Southwestern gas into New England. It just makes sense.

FIRST-TIME HOMEBUYERS ASSISTANCE ACT

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Miss SCHNEIDER. Mr. Speaker, the last decade has been witness to an assault on the most basic ingredient of the American dream—homeownership. It has become increasingly difficult to buy a home. This assault has been most severe on young couples and individuals trying to buy their first home. In the last decade the numbers of young people able to afford to buy a home has decreased alarmingly. In 1973 38.9 percent of young married families were homeowners. In 1987, that percent had dropped to 29.1 percent. The most significant difficulty confronting prospective homebuyers is the accumulation of sufficient money to make a downpayment. In 1975, the average downpayment totaled 33 percent of a first-time homebuyers' yearly gross income. In 1987, that figure had leaped to 50 percent.

This is not a problem that will disappear soon. The National Association of Home Builders reports that 66 percent of home builders are building for "move up" buyers, and by 1989–1990 only 29 percent intend to build for first-time homebuyers. The added emphasis on move up homes will only increase the pressure on first-time homebuyers.

I have introduced legislation designed to deal directly with this worrisome problem. The First-Time Homebuyers Assistance Act is targeted at moderate income families and individuals who have not previously owned a home. Applicants for this program will need to meet stringent eligibility requirements, including a consistent employment and rental history and an excellent credit record.

Qualified families that are currently unable to generate sufficient cash to place a downpayment on a home will be eligible for Government guaranteed insurance of zero percent downpayment mortgages. The First-Time Homebuyers Mortgage Insurance Fund will be established specifically for this program. The qualified applicants will pay an initial insurance premium of 1.5 percent of the mortgage amount, and monthly payments of 5 percent of the monthly mortgage payment to this fund.

My bill also contains provisions to ensure that all money appropriated by the U.S. Government will be returned to the Treasury with any earned interest, upon the decision of the Secretary of the Department of Housing and Urban Development that the fund is liquid. This will ensure that this program will be self-sufficient and cause the Government to lose no money.

The aim of this program is to incorporate more families into the American dream of homeownership. The principle beneficiaries of this program will be the people on the fringes of being able to afford a home, yet lacking the large sum of money needed to place a downpayment.

CHILD ABUSE PREVENTION, ADOPTION, AND FAMILY SERVICES ACT OF 1988 TECHNICAL AMENDMENTS

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. OWENS of New York. Mr. Speaker, the passage of technical amendments that the House is passing today will help to clarify congressional intent concerning the recently reauthorized Child Abuse Prevention and Family Services Act of 1988.

Specifically, the conferees agreed that priority should be given to projects which focus on the early identification and prevention of child abuse in discretionary and demonstration grants authorized under the Child Abuse Prevention and Treatment Act.

Additionally, included within this set of amendments is a provision which raises the funding cap on the demonstration grants authorized under the "Family Violence Prevention and Services Act". These grants are intended to be seed money for public or private groups that provide shelter and related assistance to family members, or which engage in prevention activities. It has come to our attention that the cap of $150,000 that any one single entity may receive in Federal funds, may shortly be exceeded, and so create a situation that none of the conferees intended; entire areas left without any provision of services. By raising the limit to $200,000 those entities receiving Federal money clearly have time to plan to become independent of Federal funds within a reasonable period of time.

CONDEMNING BRITISH "CENSORSHIP" ORDER IN NORTHERN IRELAND

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MANTON. Mr. Speaker, as a member of the Ad Hoc Congressional Committee for Irish Affairs, I wish to express my strong opposition to the British Government's announcement that they will ban television and radio broadcasts by certain organizations and related individuals. As described in today's Washington Post, the ban announced by British Home Secretary Douglas Hurd would apply to statements by "members of illegal terrorist organizations in Northern Ireland or their legal allies and sympathizers."

In a position I fully agree with, again according to the Post, opposition politicians charged that new ban "amounted to censorship." In my view, this is but another example of the repressive nature of the British direct rule policies in Northern Ireland which are entering their second decade. It is a policy that is morally and legally bankrupt and which relies on the tools of repression to survive.

I am especially opposed to this policy because of its selective application. It is directed not only at paramilitary organizations but also representatives of legally sanctioned political parties, who compete in elections, but who subscribe to different political positions than the ruling British Government. To shut down their positions is to impose a visible form of censorship because it denies a full and fair exchange of views which the people in Northern Ireland are entitled to.

I recognize that the problem in Northern Ireland continues to be a serious one. I have long been critical of all forms of violence in Northern Ireland whether civilian or official in nature. Yet, banning broadcasts by representatives of only one part of the problem does not eliminate the problem.

The British Government finds itself with a policy modeled after one adopted previously in South Africa. Perhaps it is more than coincidental that these two nations share this policy in common since in many respects the British direct rule over Northern Ireland has other parallels to the repressive apartheid based policies in South Africa.

A democracy should be especially vigilant about protecting all its freedoms and ensuring they are extended to all its people. Here the British Government is advancing the position that it can restrict those freedoms for some of its citizens. This is a decision which should be reversed and soon.

RESOLUTION CONCERNING HABITABILITY OF RONGELAP ATOLL

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MILLER of California. Mr. Speaker, today I am introducing, along with Congressman DE LUGO and Congressman UDALL, a resolution urging a comprehensive and independent study to determine the habitability of Rongelap Atoll.

Mr. Speaker, Rongelap is a case study in government indifference and deception.

For 30 years, the Rongelap people have asked one simple question: "Is our home safe?" As of yet, they have not received an honest answer from the U.S. Government.

On March 1, 1954, the United States detonated a nuclear device on Bikini Atoll, a little over 100 miles from Rongelap.

The wind wasn't supposed to blow from Bikini toward Rongelap that day, but it did. Within a few hours, Rongelap was covered with radioactive fallout. The people were not informed of the test, or that the white powdery "snow" was pure poison.

The Rongelap people were exposed to a near lethal dose of radiation. The entire population, seriously ill, was evacuated within 2 days. They returned to Rongelap 3 years later after the Government assured them the atoll was safe.

According to later Government documents, the people were sent back too soon; Rongelap was not safe.

In 1982, the Department of Energy [DOE] published a report on the levels of radiation at Rongelap and 13 other atolls in the northern Marshall Islands. DOE declared Rongelap safe. DOE said it to the Rongelap people, and subsequently to Congress.

In 1985, the Congress established a process to determine if the DOE report was accurate. An initial assessment has determined that the report contains numerous, serious flaws. The data in the DOE report was inadequate and any conclusion as to habitability cannot be substantiated.

In addition, the review raised other disturbing issues. The Rongelap people were never told that they had been exposed to plutonium. More startling, the review was unable to conclude that Rongelap is safe for children.

The resolution I have introduced today urges that a comprehensive, independent study be undertaken to determine if the Rongelap Atoll is safe.

The Rongelap people have asked whether their atoll is safe. That is a question we should be able to answer honestly and fairly. But we can't.

Mr. Speaker, the people of Rongelap deserve to know the truth. The resolution I've introduced today will help us get the answers.

CLEAN AIR LEGISLATION

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. FORD of Tennessee. Mr. Speaker, I rise today to express my great disappointment that clean air legislation will not be passed in the 100th Congress. We all know of the great risks posed by smog and acid rain. Twenty years is enough time to realize that the Clean Air Act is not doing its job. It must be strengthened and the longer we wait, the more it will cost.

Mr. Speaker, my district, Memphis, is one of the many cities plagued with dirty air. I am frequently asked by constituents why Congress has failed to act upon this serious problem. I share their frustraton and agree that there is no reasonable justification for delaying action. The fact that Congress will not have an opportunity to vote on this crucial environmental legislation before adjournment is truly a loss to us all.

However, the issue is not dead. Congress must come back in January even more committed to cleaning our Nation's air, so that people in my district and throughout the Nation can breathe easier. I would just like to thank those who have led the fight here in Congress. Through their courage and dedication clean air will not be compromised. And there has been a great deal of pressure to do just that. But, we must stand firm in our commitment to strong legislation that will do the job in a timely fashion. The American people will not settle for less and neither should we.

Mr. Speaker, I urge my colleagues to join with me in a pledge to continue the fight for strong and effective clean air legislation and work toward its passage in the 101st Congress.

SAVANNAH RIVER—TIME TO MOVE FORWARD

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. CLINGER. Mr. Speaker, as was recently pointed out by a veteran U.S. arms negotiator, the past 8 years have seen America wisely reject the concept of unilateral concessions in the area of arms control. As a result, President Reagan was able to negotiate a landmark agreement with the Soviet Union to eliminate an entire class of ground-launched medium-range nuclear missiles.

It is important that America be able to continue negotiating from strength so that America's adversaries will find it in their interest to come to the table to negotiate meaningful and reciprocal cuts in nuclear weapons.

However, unless we solve the current problems at U.S. defense production facilities like Savannah River, we will provide the ultimate unilateral concession—the unilateral disarming of our nuclear deterrent.

The problems that have come to light are not problems unique to current management at the Department of Energy or the present administration. These are not Republican problems or Democrat problems.

For example, a review of previous incidents at Savannah River demonstrates that we are not talking about problems that suddenly appeared 8 years ago.

In January 1960, during the Eisenhower administration, control rods were withdrawn too quickly which resulted in a power surge nearly causing coolant to boil.

In May 1964, during President Johnson's tenure, a reactor shutdown button did not work for 40 days, making an emergency shutdown virtually impossible.

During the Nixon administration, there was an instance when a processing room was contaminated with radioactive material. Workers at the plant ignored the alarm that warned of the problem.

During President Carter's term of office, "hot" fuel was partly exposed when a crane moving reactor fuel stalled.

Clearly, no single administration and no one political party can be blamed for the problems that have come to light. The sad reality is that there is plenty of blame to go around. In fact, a large part of the blame must be shouldered by Congress, including the authorizing and appropriating committees. We can never forget that it is Congress which funds and annually reviews these programs.

The challenge is to now move forward. Instead of trading charges and allegations in the press, it's time to offer constructive suggestions to get defense production back on track. That is why I joined with a number of my colleagues last Wednesday, in sending to President Reagan specific recommendations regarding Savannah River.

The recommendations we sent to the President are not radical and are not necessarily inconsistent with recommendations coming from the Department itself. We simply asked that DOE report to Congress the specific steps it intends to take in addressing management shortcomigs. We asked that DOE not restart the Savannah River reactors until the Advisory Committee on Nuclear Facility Safety completes a review of DOE's safety upgrade program. Finally, we urged that DOE promptly complete a transition plan for the Savannah facility, to help ensure that the new contractor is able to implement needed safety improvements.

I am encouraged by the recent comments of Secretary Herrington and others within DOE. I am convinced that there is a commitment at the highest level to turn this thing around so that these facilities will operate safely and reliably. I strongly and emphatically disagree with those who contend that these problems are not receiving serious attention by the administration or DOE. Based on discussions I have had with officials from the White House and the Department of Energy, it is clear that improving the level of safety at DOE production facilities has become a top priority.

I hope that our efforts will help mark a new chapter in the American defense production. It's time to learn from the past, but at the same time, to put it behind us. I am confident that the President will give our recommendations serious consideration and will take the necessary steps to achieve safe and secure nuclear defense production.

DEFORESTATION AND THE GREENHOUSE EFFECT: A HOT TOPIC FOR THE 101ST CONGRESS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. STARK. Mr. Speaker, forests play an important role in mitigating the carbon dioxide problem, popularly known as the greenhouse effect.

About half the weight of an average, fairly fast-growing tropical hardwood species is carbon that has been assimilated from the atmosphere through photosynthesis.

Forests also allow the soil they grow in to absorb and store a greater amount of carbon than they could otherwise.

According to Sandra Postel of the World Watch Institute, assuming conservatively that soil carbon storage would increase about a half-ton per hectare annually on reforested land, the total carbon-fixing—absorbing—benefit of tree planting would be 6.5 tons per hectare per year.

Ms. Postel has calculated that at that rate, the equivalent of 120 million hectares of trees would sequester roughly an additional 780 million tons of carbon annually until the trees reach maturity, reducing net carbon releases from tropical terrestrial systems by 47 percent.

In temperate areas Ms. Postel claims that a hectare of woodland stores on the order of 40 to 45 more tons of carbon than a hectare of cultivated cropland.

There is no denying the facts, massive Third World deforestation is definitely compounding the atmospheric carbon dioxide problem by reducing the carbon absorbing capacity of the Earth. These levels must be controlled if the world wishes to avoid the ominous greenhouse effect, which threatens to shift rainfall patterns north and south of the United States (and with them, grain growing regions), wash away coastal cities, and steadily increase world temperatures.

One way to control carbon dioxide levels and stifle the greenhouse effect is to reforest recently logged forestland in Third World nations. This is why I recently introduced H.R. 5390, which would remove GSP tariff waivers on wood and wood products being imported into the United States unless the exporting nation provides for the reforestation of land cleared for those exports.

I hope the Congress will pass H.R. 5390 in the new year. The greenhouse effects must be curbed, for the good of us all.

CREDIT REFORM

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. GRADISON. Mr. Speaker, over the past 10 years, considerable progress has been registered in the area of credit reform. Once virtually ignored in both the congressional and Executive budget processes, credit programs now receive significant and explicit consideration in the formulation of fiscal policy.

The basic, but elusive, goal of credit reform is to reflect the true costs of Federal credit programs in the budget. This is easier said than done. In pursuing this goal, Congress, on a bipartisan basis, and both Republican and Democratic administrations, have recognized the importance of correcting the distortions of the budget accounting practices for credit programs. These practices overstate the costs of direct loans and understate the costs of loan guarantee. Credit programs also tend to escape the scrutiny commonly applied to noncredit programs. As a result, we not only have difficulty comparing credit to noncredit programs, but we also have distortions in resource allocation because the inappropriate accounting practices send false cost signals.

The underlying principle of credit reform is to create a level playing field, not only between credit programs—direct loans and loan guarantees—but also between credit and noncredit programs. Credit reform has long been neutral with respect to total spending and the deficit.

Over the years, the question of how to measure the costs, or subsidies, of credit programs has occupied considerable attention. So, too, has the question of how to incorporate theory into practice, that is, actually determining or estimating the subsidies of credit programs and reporting them in the budget. While no complete consensus has emerged, a convergence of views has. This thinking is incorporated in H.R. 1745 and S. 745, which were introduced earlier in the 100th Congress, and which consisted of a major administrative initiative developed with extensive Hill consultation.

Today, as the 100th Congress draws to a close, and for the purpose of establishing legislative history, I am pleased to introduce a revised version of H.R. 1745 and S. 745. Once again this was crafted by the administration with extensive consultation with the Hill. The principal change is the elimination of the requirement to sell loan assets in order to determine the underlying cost to the Government, or subsidy. Under the new proposal, these costs would be estimated.

Importantly, Federal agencies would continue to administer credit programs. They would to originate loans and guarantees and to collect repayments, interest, and fees as they now do. Agency accounts would reflect the subsidy costs and these costs would be appropriated as are most noncredit spending programs. No committee would be either advantaged or disadvantaged in terms of their budgetary resources allocations. Finally, total outlays and the deficit will be unchanged as a result implementing this proposal.

Mr. Speaker, I am not alone in this endeavor. For as long as I've been involved in credit reform, so too have Representatives TONY BEILENSON, LEON PANETTA, and RALPH REGULA. I am pleased that they are again joining as original cosponsors of this latest comprehensive credit reform proposal. Credit reform has also been a priority for Representatives AMO HOUGHTON, NANCY JOHNSON, DICK ARMEY, and BILL GREEN. They cosponsored H.R. 1745, and have agreed to be original cosponsors of this new version.

JULIAN R. KNUTSON, M.D. RETIRES

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LUNGREN. Mr. Speaker, I rise today to recognize a truly special man, Dr. Julian R. Knutson. Julian has been a valuable member of the medical community of Long Beach for 38 years and will retire on October 31, 1988.

Dr. Knutson graduated from St. John's University in Collegeville, MN, where he received his bachelor of science degree. He continued his education at the University of Minnesota Medical School. As a new Medical Doctor, he went to the Mayo Foundation in Rochester, MN, as a teaching fellow in neuropsychiatry. His tenure there was interrupted by his service in the U.S. Army Medical Corps. His brief army career was spent in Hawaii as Chief of Medicine at Tripler General Hospital in Honolulu. He returned to the Mayo Foundation to complete his training as a first assistant in physiology and cardiology.

In January of 1951, to escape the cold Minnesota winters, Julian moved with his family to Long Beach. There he joined a practice in internal medicine and cardiology. He served as member of the board of directors of Long Beach Memorial Hospital and was chief of staff there from 1966 to 1968. Dr. Knutson was also an associate professor of medicine at UCLA's Harbor General Hospital.

Julian and his wife of 45 years, Mary, especially enjoy traveling. Their special interest is in archeology and they have pursued that avocation with trips to India, China, Indonesia, Turkey, Greece, Southeast Asia, and Mexico. He has also explored his Norwegian roots in his travels to Scandinavia. While at home, Dr. Knutson enjoys serving the community through the Long Beach Rotary Club. Julian and Mary will undoubtedly spend much of their retirement further exploring the globe.

Dedicated, talented, insightful and successful are all qualities that describe Julian Knutson. His career has been long, productive and of great significance to many people. Mr. Speaker, I ask that you join me and his wife Mary, his daughters Ann and Marcia, his son Rolf, his grandchildren Julie and Brian as well as friends and colleagues in saluting Julian Knutson. He serves as an outstanding example to us all for his dedication to the medical profession. It is with great respect that I pay tribute to him today.

THE OMNIBUS DRUG INITIATIVE ACT

HON. JIM BUNNING

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BUNNING. Mr. Speaker, I rise to express my support of the Omnibus Drug Initiative Act and to commend this body for a job well done. This bill does not contain every provision that I would have liked to have seen. However, it does do so much to strengthen our national effort and our national commitment to the fight against illicit drugs that it has to be seen as a major step forward.

This bill attacks the scourge of drugs and drug abuse on many fronts at the same time. It provides money for rehabilitation. It provides money for education. It toughens up the penalties on drug merchants and it toughens up the penalty for drug users. It provides new funds for interdiction both here at home and for international cooperative efforts to stop drugs at their source.

Drug use and drug abuse are complex issues and I don't believe that any of us pretend that this bill will provide any miracle cure. But it certainly proves that Congress is serious about tackling the problem and it does certainly provide a very necessary expansion of the front lines in the war against this devastating social disease.

This bill, as it stands, marks a real turning point for Congress. This bill completely destroys the myth that drug use is a victimless crime. The penalties provided in this bill for the users of drugs—not just the merchants of drugs—tells everyone in this country that we do not intend to tolerate drug use anymore. The penalties for users which include the potential loss of student loans or public housing or other Federal benefits provide a very clear statement that this Congress has decided, at long last, that we can no longer concentrate only on the supply side of the drug problem.

From my point of view, it is unfortunate that the provisions dealing with the exclusionary rule were dropped from this conference report. Taking the misguided blinders off our law enforcement officials would have been an extraordinary victory for law and order.

But despite this major shortcoming in this conference report, I think this is a landmark bill and that this body can be proud of its work on it.

TOM COPE, DEDICATED PUBLIC SERVANT

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ALEXANDER. Mr. Speaker, I rise today to pay tribute to Thomas Cope, the outgoing treasurer of St. Francis County, AR.

By his very life, Tom Cope has defined competent, dedicated public service.

He will retire from office on December 31, 1988, at the end of his current term, having served 42 years as county treasurer. He has held the office longer than any county treasurer in the 152-year history of the State of Arkansas. Today, I salute his exemplary service to St. Francis County, to Arkansas, and to the Nation.

Tom Cope's father was an agent for the Missouri Pacific Railroad, and the Cope family moved to Hughes, AR, in March 1923. Tom spent his first 8 years of school in Hughes. In April 1931, Tom's family moved to Forrest City, the seat of St. Francis County, and Tom graduated from high school there in May 1936.

As the storm clouds of war gathered across the oceans in 1941, Tom, along with millions of other young men, entered the U.S. Army. He served through all of the Second World War, and lost his right leg below the knee in the European Theater of Operations in February 1945.

Decorated with the Purple Heart, the young veteran left the Army in April 1946. He married his lovely wife Betty in May 1946, and won the Democratic primary for county treasurer—equivalent to election as there were practically no Republicans in St. Francis County in those days—by a slim margin in late July 1946.

That was the last time the words "slim margin" were ever associated with Tom Cope. From that 1946 primary until this year, when he announced he would not seek reelection, Tom Cope drew opposition only twice—in 1978 and 1980. He won both of those elections going away.

For 42 years, Tom Cope has efficiently and effectively managed St. Francis County's money so that the county can make the best use of a limited tax base.

However, Tom has done far more with the office than manage money.

For four decades, he has gone far beyond the call of duty in helping the people of St. Francis County.

When anyone needed help filling out any kind of Government form, he was there.

When a poor family's child died in infancy and the family could not afford to pay for burial of the child, he was there.

When a veteran needed help in obtaining veterans' benefits, he was there.

In fact, the major veterans' organizations have designated Tom Cope as the official veterans' representative for the east central Arkansas region for more than 40 years. He is an active member of the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans.

Perhaps the most distinctive characteristic about Tom Cope is that he has never been known to wear a wristwatch. For four decades, this has symbolized to the people of St. Francis County that no matter what the hour, no matter what your circumstances, no matter how difficult your problem, Tom Cope has time for you.

Tom Cope's service is a model for those of us who would serve the public. Mr. Speaker, I say Godspeed to Tom and Betty Cope, and I wish them a happy retirement and long lives.

TRIBUTE TO MRS. PAMELA GRABE

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. KOLTER. Mr. Speaker, it is with great pride that I rise today to pay tribute to Mrs. Pamela Grabe for her untiring efforts on behalf of children throughout the United States.

Mrs. Grabe, a graduate of Davis and Elkins College, put her talents and education to good use as a mother, a teacher, and an advocate of children with special needs. As director of the Butler County Mental Health Association since 1981, Pam has initiated such programs as COMPEER—which provides one-to-one friendships for people who are recovering from a mental illness; and BAMI, a support group for families of the seriously mentally ill, as well as a group for the survivors of the victims of suicide. But it is on behalf of special needs children and the families who adopt them that Pam has become most vocal.

In 1973, Pam and her husband Charles became involved in the adoption process when they adopted their son, Charlie, now age 15, and the oldest of their four adopted children. During the adoption of Charlie, Pam discovered just how many children were languishing in foster homes hoping to be adopted. Pam's concern for these children without permanent homes led her to assist in the creation of PACO, a group that encourages and assists families who want to adopt children with special needs, namely those with physical, emotional, or mental handicaps or those over 10 years old.

In the next few years Pam promoted her ideas to anyone who would listen. Soon people and agencies did listen and Pam became one of the founders of the Three Rivers Adoption Council, a group of western Pennsylvania agencies and parent groups, such as PACO, who want to increase the number of successful special needs adoptions. Pam's sphere of influence soon spread to the State level where she assisted in the founding of the Specialized Pennsylvania Adoption Network which allows agencies and parent groups across the State to exchange information on available children and to improve the adoption process.

Because the concept of placing special children for adoption was so new, agencies had nowhere to turn for information. Pam again filled the void by doing research on the most troubling issues facing agencies and families and published the booklets and pamphlets that were so desperately needed. The media became interested and invited Pam to appear often on local and area radio and television stations.

As the number of special needs adoptions increased, so did the number of serious problems. Pam realized that very specialized therapy was needed to address the issues that were plaguing almost all special needs children and jeopardizing the success of their adoptions. With the help of a Federal grant, Pam and Rev. Paul Reitnauer, an adoption caseworker and the father of 12 adopted children, organized workshops for mental health professionals across the United States. To further assist therapists, Pam invited experts from across the United States to contribute to a manual which she edited and had published. The manual, entitled "Adoption Resources for Mental Health Professionals" became a best seller in the field of social work not only in the United States but in foreign countries as well. The profits from the book continue to sponsor mental health programs.

I am very proud of Pam because she has given a voice to a group of children who, until now, had no one to champion their cause. Her unrelenting concern for homeless children has brought the dream of a permanent family closer to reality for the 500,000 children in foster care in the United States. Those who have worked with Pam know that she is truly a selfless person. I am amazed at her contributions and honored that I have been asked to speak on her behalf. She is a priceless asset to her community and to her country.

HYDROFLUORIC ACID—100 TIMES MORE TOXIC THAN FIRST THOUGHT

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LEVINE of California. Mr. Speaker, I rise today to to voice my concern over a critical environmental issue in my district and around the Nation—the use of hydrofluoric acid [HF] in the refining process.

Hydrofluoric acid, also known as HF, is used as a chemical catalyst to increase the octane level of unleaded gasoline. In the last 2 years, this Nation has learned the horrors of this chemical. A Department of Energy experiment done in conjunction with private companies simulated releases of different volumes of HF under different weather conditions. The results were astounding. According to the test, everyone living within 7.5 miles of a release is in a zone considered to be immediately dangerous to life and health. According to the Environmental Policy Institute, 2.2 million of my constituents live within such a zone and 6 to 12 million Americans live within such a distance of 60 refineries around the country utilizing HF. Most importantly, it was determined that water spray technologies were only about 50 percent effective in containing such a release and that HF was 100 times more toxic than originally thought. It has been determined that some facilities may have been constructed under the assumption that water spray could mitigate a release of HF.

Unfortunately, citizens living in Texas City, TX; Tulsa, OK; and Torrance, CA have witnessed a real life release of HF from nearby refineries. In Texas City, the release caused the evacuation of thousands from their homes, many of whom required treatment at nearby hospitals. If wind conditions and weather patterns had been different, there could have been fatalities. One of the facilities located in my district is so problematic, three separate investigations are being undertaken right now to determine the risk of continuing to use HF in the refining process. The local regulatory authority, the fire department, and even the local OSHA is investigating the facility. Several fires and explosions have occurred in a refinery in Torrance. Several of these episodes have been attributed to HF.

Mr. Speaker, the continued use of HF is not prudent given that there is an available commercial alternative to HF, capable of increasing the octane level of fuel without risking the lives of citizens. While sulfuric acid is undoubtedly a dangerous chemical compound, it is a liquid and controllable in an accident. According to the estimates of the Environmental Policy Institute, the refineries in the country are nearly evenly split between using these two chemicals in the refining process.

Mr. Speaker, there are two vehicles available to the Congress to protect our citizens from this deadly chemical. First, title III of the Superfund legislation is known as the Right to Know Act. This title was added to Superfund for precisely the reasons described in this statement. Right to know was passed so that citizens can be educated as to the dangers that they face as a result of hazardous chemicals stored in nearby industrial facilities. We must insure that the Local Emergency Planning Commissions established by the act develop sufficient emergency plans to evacuate citizens in the event of a chemical release.

Finally, the Clean Air Act was supposed to be reauthorized this year. Yet, Congress still has not passed legislation that regulates toxic threats such as this. Will the Congress wait until there is a tragedy to act or will we restrict the use of a dangerous chemical when an viable commercial alternative exists? I urge action now.

IN HONOR OF THE 50TH ANNIVERSARY OF OUR LADY OF THE ANGELUS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ACKERMAN. Mr. Speaker, I rise to honor Our Lady of the Angelus in Rego Park, Queens County, as it celebrates the 50th anniversary of its outstanding parish.

For the past 50 years the priests, sisters, and laity have been striving to build a parish community committed to the worship of God, quality education, and community involvement. As an institution with thousands of faithful members, the church has contributed immeasurably to the development of Rego Park community over the years and has given stability, permanence, and a sense of tradition to this vicinity.

To celebrate the anniversary of this fine parish many activities, including concerts and special masses, have taken place. The parish is holding a gala dinner/dance on Friday, October 21. Among the 400 people expected to participate in this event include his excellency, Francis J. Mugavero, Bishop of Brooklyn; the Reverend Lawrence Jenco, the former Beirut hostage; and Borough President Claire Shulman who will be presenting a proclamation declaring October 21 Our Lady of the Angelus Day in Queens County.

This outstanding parish has contributed to improving the Rego Park community through many educational and social programs such as leisure club for the elderly, English as a second language classes, Catholic Youth Organization, spiritual meeting group and both an English and Spanish choir.

Many people deserve credit for the magnificant work that takes place at the parish of Our Lady of the Angelus. I commend some of those who play vital roles in keeping the parish in such fine condition. These include the Reverend William T. Hickey, and the previous pastor, the Reverend Robert Rausch. The excellent choir is led by a fine organist Ann Palmer.

I am sure my colleagues join me in congratulating the members of Our Lady of the Angelus in this historic occasion, thanking them for their essential contributions to the community, and wishing them all the best in the future.

CHINA-BURMA-INDIA VETERANS

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. HAMMERSCHMIDT. Mr. Speaker, I would like to call the attention of my colleagues to a group of people that I had the distinct pleasure of serving with—the China-Burma-India Veterans of WW II. This past July, I, along with Representatives MONTGOMERY and INHOFE, introduced House Joint Resolution 608, which, as amended, would designate November 12, 1988, as "National China-Burma-India Veterans Day." Over 300,000 individuals served in this theatre from December 7, 1941 to March 2, 1946.

As many of us know first hand, there are few bonds stronger than those formed on the battlefield. Over the years these bonds have remained strong—in fact, some would say they have even grown. Our ability to maintain these ties has been greatly facilitated through the formation of the National China-Burma-India Veterans Association [CBIVA]. Today the association has a membership of over 9,000 veterans across the Nation. Through the association, CBI veterans have the opportunity to renew old friendships, forge new ones, as well as work together to preserve the history of this ERA.

I greatly value the many friends and memories that I have from that time. It was certainly a privilege to serve with such a fine group of men and women. I would, therefore, ask my colleagues to join with me in paying tribute to the China-Burma-India Veterans of WW II.

EL SALVADOR: POLICY OF DECEIT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. EDWARDS of California. Mr. Speaker, I would like to call to the attention of my colleagues an outstanding article by our colleague, GEORGE MILLER, which appeared in today's New York Times.

The article discusses the failure of the Reagan administration to adopt policies that would help promote peace in El Salvador. In fact, as the gentleman from California points out, a recent report from four U.S. Army lieutenant-colonels concudes that our Government's policy has prolonged the hostilities there and enabled the far right to consolidate its hold on that troubled nation.

This military analysis mirrors the findings of our colleagues, GEORGE MILLER, JIM LEACH, and Senator MARK HATFIELD in their 1985 report to the arms control and foreign policy Caucus and their more recent 1987 report entitled "Bankrolling Failure."

As the gentleman from California points out, what is urgently needed is a change of course in United States policy toward El Salvador, one that encourages peaceful settlement and that shifts United States assistance from counter-productive war-related assistance to aid for economic development and reform.

I encourage my colleagues to read this insightfull article.

[From the New York Times, October 21, 1988]

EL SALVADOR: POLICY OF DECEIT

(By George Miller)

"By most estimates, the war in El Salvador is stuck. Unhappily, the U.S. finds itself stuck with the war."

The tired words of liberal Congressional critics? Hardly. This observation is drawn from a recently published report by four United States Army Lieutenant-Colonels that confirms what too few of us in Congress have been arguing for years: The truth is almost always the opposite of what the Reagan Administration tells us.

The work of the military analysts further illustrates the failure of the Administration's policy of building democracy in El Salvador while defeating the leftist rebels militarily.

The assessment of the military analysts, who spent the last academic year as national security fellows at the Kennedy School of Government, was based on highly classified documents and interviews with Defense and State Department officials, former United States military advisers and Salvadoran military officers. The report includes a host of additional findings that lambaste the United States' role in El Salvador.

The Administration has a long history of deceiving Congress about its intentions in El Salvador, as I, with Sen. Mark O. Hatfield of Oregon and Rep. Jim Leach of Iowa, both Republicans, detailed in a 1985 report. For example, the Administration has evaded a 55-person cap on military personnel in El Salvador by redefining "military personnel." According to the Army analysts' report, the number of American military service people "exceeded 150" in 1987.

Since 1981, Congress has been told that military personnel were stationed away from areas that would expose them to significant hostilities and thus, in theory, trigger the War Powers Act. Yet, the new report describes American military involvement in every facet of the war. And last month, three American advisers returned fire, for the first time, when they were caught in an attack on a base that has long been a target of the lefist Farabundo Marti Liberacion Nacional, or FMLN, rebels. It was the same base that witnessed, less than two years ago, the first (and, so far, only) killing of an American adviser in an attack in El Salvador.

In a 1987 update to the Congressional report, we concluded that the Salvadoran economy was deteriorating rapidly and that the war showed no sign of ending. Supporting our conclusion, the military analysts said: "Since 1985, the war has settled into a fixed pattern. Despite reduced numbers, the FMLN remains a formidable foe, its attacks exacerbating the deterioration of the Salvadoran economy." They added that "observers generally concede that the FMLN . . . can sustain its current strategy indefinitely" and that "an end to the war is nowhere in sight."

In 1984, we were told that the newly elected Government of José Napoleón Duarté, backed to the hilt by Washington, would represent a credible, effective and moderate force that would implement genuine economic reform and bring peace to El Salvador. Those plans have gone nowhere.

With the far right's triumph in El Salvador's March legislative elections, the renewal of death squad activity and an increasing guerilla presence in San Salvador, our next President will find that El Salvador is the real troublespot in Central America.

We must attack the root causes of the war, specifically economic underdevelopment and gross social injustice. Again, the four military analysts concur, saying that "American officers recognized . . . that victory required first addressing the grievances of the Salvadoran people."

Unfortunately and, to me, inexplicably, the four military analysts do not call for the Administration to change course. But change is obviously needed. The Government of El Salvador is now being kept afloat by annual infusions of aid—almost $3.6 billion since 1980, including nearly $400 million more just three weeks ago. As in the Vietnam era, the Administration pursues, and Congress obediently supports a policy without critically analyzing its impact.

We must redirect all our resources to a political settlement. This must include, first, encouraging negotiations and, second, dramatically shifting our present, overwhelming emphasis on war-related assistance to aid for true economic reform. The alternative is many more years of instability, death-squad murders and war.

FRIENDSHIP DAY AT GRACE LUTHERAN CHURCH, FOREST HILLS, NY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ACKERMAN. Mr. Speaker, I rise today to congratulate Grace Lutheran Church, located in Forest Hills, as it celebrates the 30th anniversary of its beautiful sanctuary. It is my pleasure to take part in the anniversary festivities, including the friendship fair which will highlight the church's community activities.

The Grace Lutheran Church came into existence over 60 years ago in the Forest Hills area of Queens County. Since its modest beginnings, the Grace Lutheran Church has continued to be at the forefront of community leadership. On November 6, the congregation will honor its role in helping Forest Hills maintain its status as one of New York's outstanding communities.

Along with honoring its community activities, the church is also celebrating the 30th anniversary of the building of its magnificent sanctuary. Today, over 200 members worship there and many local residents utilize the grounds for various activities.

From the day it first opened its doors, the center became the focal point of numerous community programs. It is currently involved in the work of the Girl Scouts, alcohol anonymous, narcotics anonymous. It also serves as a shelter for the homeless and as a theater for the Parkside Players.

Mr. Speaker, as you know, a church is not merely an edifice, but it is also made up of countless committed and dedicated individuals. I want to thank the many people whose hard work and selflessness make the Grace Lutheran Church a great success. The church thrives today because of the steady leadership of the Reverend Douglas A. Haak. However, there are many other people who also devote much time and energy to the church by participating in the various church committees.

Through the outstanding work of the dedicated people, the Grace Lutheran Church has become a model community orgnization. Therefore, I call on my colleagues in the House of Representatives to join me in offering the Grace Lutheran Church the very best of birthday wishes, and our hopes for its continued success.

BILL NATCHER—A MEMBER'S MEMBER

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MAZZOLI. Mr. Speaker, I am proud to be part of the Kentucky delegation and prouder, still, that it has in its ranks one of the greatest Members of Congress in the history of the House of Representatives.

The front page article in the Wall Street Journal of October 20, 1988, says it all.

I wish here to share it with my colleagues.

REPRESENTATIVE NATCHER RUNS AUSTERE CAMPAIGN, AND VOTERS LOVE IT

KENTUCKIAN SHUNS DONATIONS, POLLSTERS AND THE PRESS; VISITING THE BARBER SHOP

(By Brooks Jackson)

BOWLING GREEN, KY.—Congressman William Natcher recalls how Speaker Sam Rayburn used to kid him about the political dangers of his anachronistic style of seeking re-election: "He'd say, 'You're still not taking campaign contributions? Just keep doing that—they'll get you one of these days.' "

That was 30 years ago, and no one has gotten Mr. Natcher yet. Now, in another election season, the Democratic lawmaker is heading back to his sprawling district in western Kentucky, running the same kind of campaign he always has: no polls, no television advertising, no campaign staff, no press entourage, no special-interest money, no donations from anybody. And he appears to be winning again.

Mr. Natcher is the last of a vanishing breed—a lawmaker who runs solely on his official record and his personal reputation. One handshake at a time, the 79-year-old, silver-haired Kentucky gentleman continues to campaign as he has for all his 35 years in the House, paying all expenses from his own pocket.

A PINCH-PENNY CAMPAIGN

He is the only person left in Congress doing it this way. Sen. William Proxmire of Wisconsin also refused all campaign gifts, but he is retiring this year. Mr. Natcher glides on serenely. "This weekend, I'll buy gasoline and I'll start traveling," he says. He will drive alone, without hoopla, visiting a town each day. "I'll put my car on a side street, at a meter, and I'll spend all day. I go everywhere."

The average House winner in 1986 spent more than $350,000, and lawmakers lean ever more heavily on special-interest donors to finance the dizzying expense of a campaign. House Democrats got about half their 1986 funds from political-action committees, and much of the rest from Washington lobbyists and businessmen seeking favors from Congress.

Not Mr. Natcher. In 1986, he spent $5,714, mostly for gasoline and advertisements in the many small newspapers in his district. The money comes out of his $89,500 House salary and from land rentals back home, which brought in $4,200 last year.

Lobbyists and political-action committees would gladly finance his campaigns if only he would permit them. He is chairman of the subcommittee that handles billions in appropriations for the Departments of Labor, Health and Human Services and Education. Only the Defense Appropriations lawmakers oversee more money.

"In the position I'm in, I could raise a whole lot of money in 10 days—more than I would need," he says. "But I won't do it. I would be defeated before I would accept campaign contributions."

Actually, he did accept one $100 campaign gift early in his career while running for county attorney. A close friend gave him the contribution, he says; the friend would have been wounded if it had been rejected. So, before the election, Mr. Natcher bought his friend a $100 gift certificate at a local men's store. "Plus tax," he recalls. "It cost me $2.50 to return the hundred."

The current Republican nominee, Martin Tori, is reduced to saying that Mr. Natcher is too nice. "He's a gentleman in the highest caliber and a credit to Kentucky," Mr. Tori told one newspaper interviewer. But he says the incumbent isn't forceful enough in bringing federal dollars into his district, and argues, "You need a mean, nasty guy in Congress—me."

Mr. Natcher is the seventh most senior member of the House, but he attracts far less attention than lawmakers who are less consequential but flashier and more publicity-hungry. He wants it that way. He has no press secretary, and boasts that his five-woman Washington staff is the smallest of any member of Congress.

He issues but one press release a year, announcing the number of votes he has cast in an unbroken string since his first day in Congress. The number, now up to 15,883, long ago set a record for any legislative body. You can look it up: It's in the Guinness Book of World Records.

His standing in Congress is legendary with Democrats and Republicans alike. Former Speaker Thomas O'Neill once called him the best parliamentarian in the House. Georgia Rep. Newt Gingrich, the GOP firebrand who has made a career of baiting powerful House Democrats, says, "I don't know anyone in the House who has more affection and less resentment. He reminds you of the world that once was, in which politics happens in your district and governing happens in Washington."

NO PRESS, PLEASE

In 1982, some Republicans floated the idea of supporting Rep. Natcher for speaker, to divide Democrats and unseat Mr. O'Neill. Mr. Natcher rejected the notion, however. "I'd rather be speaker than president of the United States, but if I'm going to be speaker I would have to win it the right way," he says.

Mr. Natcher does have detractors. Years ago, some blacks and liberals accused him of racism when, as head of the subcommittee handling funds for the mostly black District of Columbia, he complained about welfare, illegitimacy and crime. But he supported the 1965 Voting Rights Act and Lyndon Johnson's antipoverty programs. Now that he shepherds through annual appropriations for most of the federal government's nonmilitary outlays, some conservatives gripe that he is a big-spending liberal.

He won't allow reporters to accompany him on his campaign trips, saying he doesn't wish to embarrass his constituents. Once in 1983, reporter Al Cross of the Louisville Courier-Journal stole into Bowling Green before dawn and parked in front of the congressman's house at 5:30 a.m., hoping to trail him to wherever he was going. No use. "He apparently was already up and gone," Mr. Cross recalls.

J.T. Whitlock, a Lebanon, Ky., broadcast-station owner, says Rep. Natcher's visits to his town always follow this pattern: "His secretary will call and say he's coming. That means call the county judge and the mayor and four or five other people. After lunch, which he pays for, he will explain the bills that are before Congress. [He will say] 'Gentlemen, I want you to let me know how to vote.' "

PICKING UP THE TAB

The congressman routinely tours the town squares, dropping by barber shops, stores and sometimes the local newspaper office. In Glasgow, Ky., drugstore manager Tom Holmes say the congressman always has coffee with the regulars at the lunch counter; on the last visit he lost a coin toss and had to pay everyone's tab. "It's just like he grew up here. He just fits in the group," Mr. Holmes says.

Like Mr. Rayburn 30 years ago, some friends worry that Mr. Natcher's old-fashioned campaign style will someday be his ruin. "A lot of his district is what you would call Bible-belt redneck," says Jack Eversole, director of a regional development council in Kentucky. "Someone who votes a lot of money for welfare and illegitimate mothers is vulnerable . . . particularly since he does not accept the PAC funds and mount an advertising campaign about all the things he's accomplished."

But most believe that Rep. Natcher can remain in office indefinitely. Walter Baker, a Republican attorney who ran against him in 1976, says "the Lord himself" couldn't beat him in an election here. Mr. Baker describes his erstwhile opponent as "an honorable and an honest man."

In the unlikely event that he loses, Rep. Natcher says he won't stick around Washington to lobby, the way many of his defeated colleagues do. Rather, he says, he would be content to resume the legal practice here that he left 35 years ago. The lettering on his storefront office still reads: "William H. Natcher, Attorney at Law."

"It's a point of pride," he says.

TRIBUTE TO MR. JAY CAVANAUGH

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BERMAN. Mr. Speaker, it is a pleasure to ask my colleagues to join me in paying tribute to an outstanding member of the San Fernando Valley community, Mr. Jay Cavanaugh. Mr. Cavanaugh is being honored by Because I Love You, a non-profit parent support group organization, for his many contributions toward the safekeeping and preserving of harmony in family life.

For well over 15 years, Jay has devoted his life to the concerns of the young people of our Nation. The growing problems of teenage suicides, runaways, irregular school attendance, substance abuse, physical or verbal abuse, and negative attitudes are of extreme importance to Mr. Cavanaugh. His hard work and dedicated efforts on behalf of these youth has positively affected many lives. He has instilled strength, hope, dignity, and a strong desire to improve the quality of life into many hearts and minds.

At present, Jay is director of I-ADARP, [Inter Agency Drug Abuse Recovery Programs], a non-profit drug rehabilitation program for outpatient drug and alcohol counciling. His service also includes counseling for the Los Angeles County Health Department, training, teaching, and lecturing on different aspects of drug abuse. He is a distinguished author whose expertise is in great demand.

Jay is a member of the California Board of Pharmacy and the California Senate Bill 550 Committee on Pharmacy Practice in Correctional Facilities. He also served on the California Medical Association Task Force on Prescription Drug Abuse and is a member of numerous community outreach affiliations. His energy and commitment are a testimony to his achievements in the substance abuse field where he is recognized as an outstanding leader.

Jay Cavanaugh has continually worked toward the betterment of our Nation. His sensitivity to the special needs of the unfortunate victims of all aspects of the drug abuse cycle is unmatched. Few have given of their time and energy as selflessly as Jay. It is my distinct honor to ask my colleague to join me in saluting Mr. Jay Cavanaugh, a truly dedicated citizen.

POST OFFICE DEDICATION IN HONOR OF LESLIE N. SHAW, SR.

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. HAWKINS. Mr. Speaker, a dedication ceremony will be held today to name a U.S. Post Office in Los Angeles after Leslie N. Shaw, Sr., the first black postmaster of a major U.S. city. He was appointed to the post by President John F. Kennedy.

The Los Angeles General Mail Facility will be the Nation's largest single-level mail-processing center and will handle about 6.5 million pieces of mail a day. The 74-acre complex, located in South Central Los Angeles, will have 1.1 million square feet of space and house 4,100 employees. The main building, with its 635,000 square-foot floor, is about the size of 10 football fields.

It is fitting that this major public facility be named in honor of Leslie Shaw because of his deep and committed involvement with members of the Los Angeles community. He was widely recognized for his civic leadership and was involved in a number of important public issues, particularly to finding workable solutions to difficult housing problems. He was an early pioneer in exploring better ways to involve his and other financial institutions in community needs.

Les Shaw also served on the Great Western Financial Corp. for 16 years as vice president and director of Community Development. The Great Western Financial Corp. last year established the Leslie N. Shaw, Sr., Memorial Award. The award, accompanied by a substantial monetary grant, will be given annually to nonprofit organizations throughout the country that are working to develop low-cost housing opportunities.

I also want to commend Charles W. King, the Postmaster of Los Angeles, for all his efforts in making this dedication possible and for the excellent manner in which he has performed his duties through the years.

Although I regret I cannot attend the dedication ceremony today of this major postal facility in behalf of Leslie Shaw, I am pleased to honor this event today with congressional recognition in the House of Representatives.

MEDICAL DEVICE IMPROVEMENTS ACT OF 1988

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. FLORIO. Mr. Speaker, in this session, Energy and Commerce Committee Chairman DINGELL and Health and Environment Subcommittee Chairman WAXMAN successfully shepherded through the House the Medical Device Improvements Act of 1988. Among the important issues addressed in that package was the question of the proper classification of transitional devices, including contact lenses.

The question of the proper classification of soft and rigid permeable lenses is not a new issue, but it is a tremendously controversial one. The FDS has twice rejected attempts to reclassify soft and rigid gas-permeable contact lenses in class III. In two separate proceedings, the FDA has determined that no "valid scientific evidence" exists to support relaxation of the premarket approval requirement.

The House, in its medical devices bill, crafted an industrywide compromise which would have required the FDA to review the status of contact lenses within a reasonable timeframe—3 years—without the coercive threat of automatic reclassification.

In contrast, legislation considered in the other body would have the automatic reclassification of these lenses, thus overriding the scientific judgment of the FDA on an important safety matter.

I share the concern expressed by Public Citizen that "any automatic reclassification * * * is a bad idea, since it represents a hasty congressional capitulation to an individual segment of an industry, rather than a considered scientific judgment, and sets an unfortunate precedent to which other segments of industry can point when seeking special legislative treatment in the future."

This is why I support the House position on this issue and oppose the Senate's automatic reclassification approach.

I want to share with my colleagues Public Citizen's correspondence to the Senate on this matter as we anticipate work on medical devices in the 101st Congress.

PUBLIC CITIZEN,
Washington, DC, July 25, 1988.

Senator EDWARD M. KENNEDY,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: Public Citizen Health Research Group urges to seek postponement of Senate action on S. 1808, a bill to loosen regulatory controls on certain contact lenses and other medical devices once regulated as drugs, until the Senate can explore the ramifications of the bill in hearings. The bill in its present form is seriously flawed, for several reasons.

First, the bill corrupts the basic structure of the medical device law by tinkering with the fundamental standard for classifying potentially risky medical devices into the "Class III" category requiring premarket approval—i.e., scientific proof of safety and effectiveness before marketing. The fundamental structure of the law requires that a medical device be placed into Class III if it either is for a use in supporting or sustaining human life or preventing impairment of human health, or presents a potential unreasonable risk of illness or injury.[1]

S. 1808 would change that fundamental test with regard to nonhydrophilic (mainly rigid gas-permeable) contact lenses, so that the lenses could be in Class III only if they met *both* tests, instead of either one. This corruption of the basic standard of the law singles out one kind of device for special treatment, creating a terrible precedent for future pleas by particular segments of the industry lobbying Congress for favored status.

Second, the bill would provide for automatic reclassification to Class II of all rigid gas-permeable lenses of any chemical composition, even for lengthy extended-wear use, unless FDA makes a special determination within one year that the lenses should remain subject to premarket approval requirements. This process would be carried out, apparently, without opportunity for public comment before FDA's decision is made final. This is troublesome from both the procedural and substantive standpoints.

The lack of opportunity for public comment undermines the principle of public accountability at the heart of the current medical device law. (Other decisions to classify or reclassify medical devices are subject to a public advisory committee's review, notice-and-comment proceedings or both.)[2]

The automatic reclassification to Class II is also bad substantive policy. Class II medical devices require performance standards to provide reasonable assurance of safety and effectiveness,[3] but no standard has been promulgated by FDA for any kind of contact lenses, much less for lenses intended for potentially riskier extended-wear use. If rigid gas-permeable lenses for lengthy extended-wear use are placed in Class II, so that they could go on the market without premarket safety testing, the nation would have little assurance that they were formulated and manufactured to specifications that would protect the eyesight of the likely millions of users.

Finally, any automatic reclassification (whether under the standard now provided in the law or under the corrupted standard of S. 1808) is a bad idea, since it represents a hasty Congressional capitulation to an individual segment of an industry, rather than a considered scientific judgment, and sets an unfortunate precedent to which other segments of industry can point when seeking special legislative treatment in the future. The device classification process should be performed by the agency Congress has entrusted to carry out scientific review, unpressured by a harried legislative body during an election year.

For these reasons, we ask that you seek to postpone Senate consideration of this unfortunate bill until hearings can be held to fully explore the issues raised, in the context of overall reform of the medical device law. Thank you for your consideration of these points.

Sincerely,

SIDNEY M. WOLFE, M.D.,
Director.

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[1] Food, Drug and Cosmetic Act (FDCA) Section 513(a)(1)(C)(ii). Also, insufficient information must exist to establish a performance standard for the device.

[2] E.g., FDCA Sections 513(d), 513(e), 513(f)(2), 520(1)(2).

[3] FDCA Sections 513(a)(1)(B) & 514.

ROBERT B LEFLAR, J.D.,
M.P.H.,
Of Counsel.

OAKLAND HOUSING AUTHORITY DAY

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DELLUMS. Mr. Speaker, I am very pleased to call the attention of my colleagues to the resolution passed by the Oakland, California City Council proclaiming the 28th of October to be "Oakland Housing Authority Day." Our city is privileged to be served by an excellent housing authority, and to have the able leadership of Mr. Harold Davis, certainly one of the most outstanding housing administrators in this Nation. Because I share so wholeheartedly in the sentiments expressed in the resolution of September 20, 1988, by Mayor Lionel Wilson and the council, I am extremely pleased to republish this statement in its entirety.

RESOLUTION OBSERVING THE 50TH ANNIVERSARY OF THE HOUSING AUTHORITY OF THE CITY OF OAKLAND AND PROCLAIMING OCTOBER 28, 1988 AS "OAKLAND HOUSING AUTHORITY DAY"

Whereas, The Oakland City Council established the Housing Authority in 1938 to provide decent, affordable housing to low-income residents of the City of Oakland; and

Whereas, The Housing Authority, in carrying out its mission, has provided housing to the residents of the City of Oakland in need of low-income rental housing for 50 years; and

Whereas, Through Conventional and Leased Housing Programs, the Housing Authority currently provides approximately 35,000 Oakland residents with approximately 10,000 housing units, thereby providing a valuable resource; and

Whereas, The Housing Authority, governed by a seven-member Board of Commissioners chaired by Donald Duffy, is dedicated to the development, management, and maintenance of affordable housing in Oakland; and

Whereas, Dynamic and effective executive leadership has been provided by Harold Davis, Executive Director for sixteen years, assisted by a capable and dedicated staff of 220 that includes the Departments of Administration, Housing Management, Leased Housing, Maintenance, Modernization and Architectural Services, Community Services, Management Information Services, Security Services, Finance, and Human Resources; and

Now, therefore, be it resolved: That the Mayor and the City Council do hereby congratulate and salute the Housing Authority of the City of Oakland on the occasion of its 50th Anniversary for providing City of Oakland on the occasion of its 50th Anniversary for providing housing services to residents of the City of Oakland for five decades;

And be it further resolved: That the Mayor and the City Council do hereby, in recognition of these accomplishments, proclaim that October 28, 1988 will be observed as "Oakland Housing Authority Day" in the City of Oakland.

A TRIBUTE TO HOWARD N. LARSEN

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. CONTE. Mr. Speaker, it's a pleasure for me to pay a special tribute to dedicated public servant and a lover of the environment, Mr. Howard Larsen. The Northeast was fortunate to have Howard as a Regional Director for the U.S. Fish and Wildlife Service. During his tenure at helm, Howard made significant contributions to the conservation of our natural resources, and for that service, the Nation is grateful.

Howard N. Larsen, 55, was born and raised in Waukegan, IL. He graduated from Northwestern University with a B.A. degree in biology and he also attended graduate school at Auburn University and George Washington University.

Larsen entered Federal service in 1958 at Lake Mills National Fish Hatchery, WI. He had tours of duty at Manchester, IA; New London, MN; Leetown, WV; Marion. AL; and LaCrosse, WI, before being assigned to Washington, DC, in 1966 as Chief of Production in the Branch of Fish Hatcheries. In 1968, he was appointed Assistant Chief of Fish Hatcheries and became the Chief in 1972. In 1974, he was promoted to Deputy Associate Director for Fish and Wildlife, and became Regional Director of region 5, 1975.

In 1959, Larsen attended the in-service fish disease training school; in 1960 he attended with warm water fish cultural school, and in 1965, the Departmental Management Training Program. His early career was spent as a specialist in fish diseases and solving fish habitat problems.

As Regional Director in the Northeast, Howard Larson has taken the lead on many important conservation programs, including the restoration of Atlantic salmon, restoration of bald eagles, resolution of conflict in public use of refuges, and development of sound Federal-State working relationships.

Mr. Larsen's achievements have had a substantial impact on the direction and substance of the Service's programs and have derived significant benefits to the Service, the Department, and the Nation. He was a prime mover in redirecting the Service's policy on controlling fish diseases at national fish hatcheries and the entry of diseased fish and fish eggs into the United States. He strongly influenced the management of the National Fish Hatchery System so that management goals are now directed toward quality fish production and away from the once prevalent quantity production. Another noteworthy contribution for which he received high commendation was his participation as a member of the Alaska Planning Group where he contributed immeasurably to implementing section 17(d)(2) of the Alaska Native Claims Settlement Act. The fruition of his dedication and labors culminated in his selection as the Regional Director of the Service's Northeast Region, comprised of 13 States containing approximately 25 percent of the Nation's population. In this position, he demonstrated leadership, sound judgment and managerial expertise in balancing competing demands between human needs and resource needs. One of the major accomplishments is the success achieved in restoring Atlantic salmon to New England rivers in cooperation with the States. As top manager in the region, he took the lead in the development of a comprehensive memorandum of understanding between the Service and the Environmental Protection Agency implementing coordinated plans for the restoration and cleanup of the Chesapeake Bay. As a tribute to his integrity and outstanding capabilities as an administrator, Mr. Howard N. Larsen was granted the Distinguished Service Award of the Department of Interior.

Mr. Larsen has made especially noteworthy contributions in the field of policy formulation and direction. He was personally responsible for the redirection of the Service's policy of controlling fish diseases at National fish hatcheries and the importation of diseased fish into the United States. In conjunction with the latter, he received a Certificate of Award from the Director in recognition of his successful efforts in amending title 50 CFR to prevent the importation of two serious fish diseases into the United States. His diplomacy and expertise in accomplishing this task reflected favorably on this Service and the Department. He was a prime mover in establishing a system to classify National Fish Hatcheries in terms of fish disease incidence at each hatchery. This system was a major step toward controlliong the spread of fish diseases between hatcheries and more important, the spread of disease in wild fish stocks. Fish are no longer stocked in the wild or transferred between hatcheries until a determination is made on the impact, if any, the involved fish will have on the disease status of the receiving waters.

In 1973, he was appointed a member of the Alaska Planning Group which had the responsibility for the overall planning and coordination of studies of the national interest lands in Alaska. His work as a member of this group contributed to the implementation of section 17(d)(2) of the Alaska Native Claims Settlement Act. In recognition for his enthusiasm, dedication, and professional competency in this effort, he was awarded a letter of commendation from the Secretary of Interior.

Mr. Larsen was the Regional Director of the Fish and Wildlife Service's Northeast Region, comprised of the 13 Northeastern States containing approximately 25 percent of the Nation's population. There is a great demand in his region for recreation and a high potential for conflict between human needs and the needs of fish and wildlife. He addresses those resource needs.

One of his major accomplishments is the success achieved in restoring Atlantic salmon to New England rivers. Under his guidance, all six New England States and utility companies on the major rivers are cooperating in this highly visible and popular restoration program.

Mr. Larsen took the lead in the development of a comprehensive memorandum of understanding between the Fish and Wildlife Service and the Environment Protection Agency implementing coordinated plans for the restoration/cleanup of the Chesapeake

Bay. Cooperative agreements between the Fish and Wildlife Service and the State of Maryland and Virginia in 1985 initiated an ongoing striped bass restoration effort in the bay.

Mr. Larsen received the Meritorious Service Award of the Department of the Interior 1977. Howard Larsen's achievements have had a substantial impact on the direction and substance of the Service's programs and have derived significant benefits to the Service, the Department and the Nation and on July 3, 1988, he was appointed Special Assistant to the Director, National Fisheries Research Center, Gainesville, FL.

Howard Larsen's devotion to duty, integrity, high moral convictions and outstanding achievements qualify him as an individual who has placed the natural resources of this Nation in esteem. A debt of gratitude is owed to this man who has devoted his career to the betterment of our Nation's natural resources.

TRIBUTE TO DR. EVANS DANIELS

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. KENNELLY. Mr. Speaker, I rise today to honor a very special and personal friend, Dr. Evans Daniels. Dr. Daniels' 35-year career as a family physician has enhanced the quality of health care for countless Hartford residents. Because of his dedication and his exemplary service, family and friends will gather on October 27, 1988, to pay tribute to this outstanding physician.

Dr. Daniels recognized his calling in medicine early on. Having watched his family doctor treat his grandmother, Evans decided that he wanted to be just like him. After his first year as a Howard University undergraduate, Mr. Daniels served in the U.S. Army in World War II. During that tenure his commanding officer, Arthur Wilson, a Hartford physician, encouraged him to go on to medical school after college. Dr. Wilson also suggested Hartford as a town in need of black physicians, as well as a good place to begin a practice. Dr. Daniels took his advice on both counts. He earned his medical degree from Howard University in 1952 and then came to Connecticut.

Since settling in Hartford in 1953, Dr. Daniels has been outstanding, diligent, and tireless in serving the north end community. In 1968, when area associations and businesses came together to address the need for health care services in the area, they went to Dr. Daniels. The Community Health Services, Inc. resulted from their efforts, with Dr. Daniels named executive and medical director.

To say that Dr. Daniels has touched the lives of many would be an understatement. As a friend I can attest to his warmth and generosity. He is a true champion and a source of pride for so many in the Greater Hartford Area. His commitment and integrity serves as a model for all of us.

Dr. Daniels, I join your family and many friends in honoring you for your many years of public service.

GENEROSO P. POPE, JR.

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DORNAN of California. Mr. Speaker, America is mourning the passing of National Enquirer founder and owner Generoso P. Pope, Jr., who passed away October 2 at age 61. He purchased a 17,000-circulation newspaper at age 25 and built it into a nationally distributed publication with a weekly readership of 19 million, pioneering distribution in America's supermarkets. He was also a tireless humanitarian who devoted much of his time, energy, and money to helping those less fortunate.

He leaves behind his loving wife Lois and six children.

Here is the eulogy delivered at the funeral by Iain Calder, president and editor of the Enquirer, who knew Mr. Pope for 24 years.

Lois, Family, Friends . . .

Gene Pope was the greatest man I've ever known.

He was an inspiration to me and to everyone he met. Gene was a man of towering intellect who graduated from MIT at the age of 19. He was a visionary with the capacity to dream the impossible dream—and the courage and drive to make it come true. He was a real leader with the ability to command respect and loyalty. He was the genius with a very special gift of insight into the minds of millions of Americans.

But, perhaps most of all, Gene Pope was a uniquely compassionate human being whose heart was touched by human suffering. Whenever he saw or heard of people in genuine need, he reached out to them. As we all know, he gave literally millions of dollars to charity and he gave of himself totally and selflessly. The beneficiaries of his generosity are everywhere. JFK Medical Center where ultimately, he was Board Chairman; Palm Beach Habilitation Center, Palm Beach Blood Bank, Florida Easter Seals Society, The Town of Lantana, police forces throughout the County.

I just can't begin to name them all.

Many of you, of course, have your own favorite personal examples of Gene Pope's caring. Perhaps how he gave some poor underprivileged toddlers a Christmas day they would never forget. Perhaps how he heard that a former Enquirer writer had contracted terminal cancer, then hired him back on payroll just so The Enquirer could pay his last medical bills.

But one story I heard just yesterday seems to crystallize and illuminate the essence of Gene. A few years ago, the director of a local orphanage was taking a group of his boys to visit The Enquirer's Christmas tree. One of the boys somehow believed his father was nearby and became hysterical. Crying and yelling for his daddy, nobody could quiet the distraught youngster who was just inconsolable.

Then Gene arrived at the scene. The owner of America's biggest newspaper—the publishing tycoon Generoso Pope Junior, went over, bent down and took the tearful little boy by the hand. Somehow, he quieted him down, dried his tears and asked him gently if he would like to visit The Enquirer offices. The little boy nodded and Gene took him into his own office.

There, where Gene has entertained VIP's ranging from presidential cabinet members and famous movie stars to Billy Graham, he sat the little orphan boy down and personally got him a coke. With a few kind words and some jokes, he made the boy smile again and a few moments later, a happy child was back with his friends.

But that's not the end of the story.

Some days later, there arrived at the orphanage crates of ice cream, a pool table, a ping pong table. Not long after came a check for $30,000. And since then, gifts have never stopped arriving.

The director of the home said he was absolutely astonished at Gene's generosity. I'm not. That's the Gene Pope I knew and came to love after working for him for almost 25 years.

I'll miss you Gene, terribly. I always will. Your family and your friends will. Nothing we can say here will ease the loss.

But we're not here to mourn. Gene would have hated that. We're here to rejoice and wonder at what he achieved in his 61 years.

He leaves behind his beloved wife Lois and the wonderful family he adored. He leaves the heritage of a publishing empire known throughout the civilized world. And he leaves us all with our own special individual memories of a man who just will never be forgotten.

About a year ago, a TV interviewer asked Gene, "How would like people to remember you?"

Gene thought for a moment and answered very carefully, "I would like for them to say I made an awful lot of people happy and gave them relief and escape. Millions and millions of them."

Well, Gene succeeded in that. He sure did.

Every week 21 million Americans throughout the United States and Canada read The Enquirer. They read it for escape, for enjoyment and—in Gene's words—to make them happy.

And if they like the paper, they liked Gene. It was his baby. The result of an idea, a conception and finally, a success beyond all expectations. But not beyond Gene's expectations.

He knew he would succeed.

In the early days, when the paper had only 17,000 circulation, others predicted failure. He ignored them. He went on to inspire people around him, he generated excitement, he challenged his staff to reach for and attain heights they themselves thought impossible.

From such special people, legends are born. It may be a cliche, but I really believe everyone here would agree with me—Gene Pope truly was a legend in his own time.

Gene taught me a lot. And frankly he'd be mad at me if I didn't remember his number one adage: "Don't bore your audience. Be brief."

So from all of us here, and from the millions whose lives you have touched:

Thank you, Gene.

You were the best.

NEW YORK CITY AND THE DISTRIBUTION OF NEEDLES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. RANGEL. Mr. Speaker, as a concerned citizen and chairman of the House Select Committee on Narcotics Abuse and Control, I have repeatedly criticized the city of New York's plan to distribute free needles to drug addicts. Proponents of this plan, while well intentioned, are wrong in their assumptions that this plan will be an effective tool in reducing the spread of AIDS among drug users.

I remain opposed to this plan because I believe that it will send to drug users a signal that their habits are acceptable to our society. Drug users, and perhaps more importantly, those who have considered, but never used drugs, will begin to believe that our society has demonstrated its support of the use of illegal drugs by supposedly making "shooting up" safer. Nothing could be farther from the truth.

Mr. Speaker, the city of New York's plan is of particular concern to me because I represent an area of New York where illegal drugs are rampant. Now, we have made some progress in reducing the use of illegal drugs in my district of Harlem, as well as the flow of such substances into my congressional district. I do not want any Federal, State, or city plan implemented that in my opinion, will do nothing more than further limit the progress that I and other Harlem community leaders are making on this front. Under the Reagan administration, we have had a difficult enough time making the progress that we have made, without having to fight the city of New York as well.

At this time, I would like to enter into the RECORD an editorial written by Earl Caldwell, a columnist for the New York Daily News. Titled, "Once Again, It's Blacks Against the City," I recommend that all concerned and committed Members review this timely piece.

[From the New York Daily News]

ONCE AGAIN, IT'S BLACKS AGAINST THE CITY

(By Earl Caldwell)

Another fight that puts the city on one side and the bulk of the black community of New York on the other has begun to take shape. Already it raises the specter of a fight likely to reach the proportions of the battle to save Sydenham Hospital. And later, the struggle to force the appointment of Thomas Minter to the position of schools chancellor.

At issue is the scary experiment the city Health Department is to begin next month. Maybe nowhere else in the country has the AIDS epidemic reached the dimensions that it has in New York. And one of the places the disease has multiplied in alarming numbers is among intravenous drug users. So under the guise of fighting AIDS, the sanctioned experiment of the Health Department of New York City is to provide clean needles to known addicts, to shoot illegal drugs.

The fight to keep the city from closing Sydenham Hospital in Harlem brought together many elements in the black community. The struggle was long and fierce, but the hospital was closed. An even wider cross-section lined up behind Minter, who was trained at Harvard to run a big-city schools system and was first in line when the job opened. Minter, though, did not get the job.

Now, another line is being drawn. Even in the face of almost a year of protest, Dr. Stephen Joseph, health commissioner, is determined to go ahead with his experiment. He says that only a small number (200) of addicts are involved. He says the desperate situation dictates drastic action. And his critics, he says, "need to step back and think this (criticism) through." So his position is set: Damn the criticism, full speed ahead.

Sydenham sat in a community where the need for medical care was at the crisis level. The appointment of Minter was seen as being more than a symbol. The public schools had fallen to such a level that the number of dropouts had begun to match the number of graduates. Sydenham was important. Minter was important. But among blacks, no problem is greater than the one of drugs.

Even though AIDS has risen to become a giant killer among blacks, it has not cut nearly the path of damage that drugs have over the last 20 years. So any signal that seems to say "yes" to drugs arouses the black community. The evidence is in the kind of opposition that has developed to the clean-needles experiment.

"It sends the worst kind of signal," James Dumpson said. Dumpson, who was twice welfare commissioner (first under Robert Wagner and then under Abraham Beame), is a co-chairman of the recently organized Black Leadership Commission on AIDS. The group has 52 members. Seldom has the community mustered a more impressive or wider array of leadership to attack a problem. But fighting AIDS is just a part of the group's mission. The real work the group has now is fighting Joseph's experiment.

"To whom will this (clean-needle experiment) be beamed?" Dumpson asks. "Minorities," he answers. "We're the predominant group among the intravenous drug users. Well, we have enough bad images going to our young people. I know Dr. Joseph is well-intentioned, but why is he doing this? Is it out of frustration?" The Black Leadership Commission on AIDS has begun to look, as Dumpson says, "line by line" at the city's proposal. The group has lawyers and a wide array of medical experts, and Dumpson says they intend to stop the city. And they are not alone. Other groups are mobilizing too. Lines are being drawn.

This October, all of it looms as the fight the City of New York cannot afford. And more than that, it is the fight the city has no business making. In a sense, Joseph has done some good. His plan, as outrageous as it is, did serve a purpose. It has aroused a community, where the problem is great, to the danger of AIDS. But unless the city is ready to revisit old battles, the time has come to back away from a bad idea.

TRIBUTE TO DELEGATE EILEEN REHRMANN

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DYSON. Mr. Speaker, I rise today to honor one of Maryland's most dedicated public servants, Delegate Eileen Rehrmann, on the occasion of her 10th anniversary of elected public service. Harford County and all of Maryland have gained through her service.

I have known Eileen for most of her 10 years of public service, and I have always been impressed by her determination in her work and her dedication to her constituents. Her first elected office was as Bel Air Town Commissioner. After serving her city for 4 years in this capacity, Eileen became a member of the House of Delegates, where she has served for the last 6 years.

Eileen is a member of the powerful Appropriations Committee, and as such, she has a great impact on the economy of Maryland. She is also the chairman of the Harford County Delegation and treasurer of the Women's Caucus.

Mr. Speaker, Eileen Rehrmann is to be commended for her 10 years of outstanding public service. Eileen has served with honor and with the strength of her convictions. She is to be commended. Today I join with her family and friends in honoring her 10 years of service. I hope that she will serve for 10 years more.

FURTHER WORK REQUIRED TO AMERICANIZE THE U.S. FISHING INDUSTRY

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. JONES of North Carolina. Earlier this year, Congress sent to President Reagan H.R. 2598, the Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987, for his signature. On January 11, 1988, the President signed this bill into law, Public Law 100-239.

Representing a milestone for the U.S. fishing industry, the bill includes many new provisions to assist our domestic fishing industry. First, Congress closed the loophole which had previously allowed foreign-built fish processing vessels to be documented as U.S.-built vessels for allocating fishing privileges under the Magnuson Act. We also included provisions on American-controlled ownership and manning to bring the fishing industry into closer alignment with the other domestic trades, thus helping to achieve Congress' goal of truly Americanizing the U.S. fishing industry.

My colleagues and I included another key provision in the new law which prohibits U.S.-built vessels, destined for use in the U.S. fishing industry, from being rebuilt in foreign shipyards. Unfortunately, unlike the other provisions, this one is not working. It has been brought to our attention that these vessels are still being rebuilt overseas, despite a cutoff date of July 28, 1987. The problem stems from uncertainties associated with the term "rebuilt." Achievement of a final bill, acceptable to all parties involved, was a hard-fought battle; however, it does not appear to be over. Congress needs to firmly close this loophole once and for all, and we will be working in the next Congress to tighten the definition of "rebuild" so that all—the shipbuilding industry, vessel operators, and the U.S. Coast Guard—have a strong and definitive set of guidelines to follow, and we can ensure that this work will be performed in American shipyards.

A TRIBUTE TO RICHARD J. SCHWARTZ

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DIOGUARDI. Mr. Speaker, I rise today to recognize a close friend and a great American, Richard J. Schwartz, who will celebrate his 50th birthday later this year.

Dick Schwartz was born on December 29, 1938 in New York and earned a B.A. degree from Cornell University in 1960. He is a devoted family man; he and his wife Sheila have two children.

Among Dick's hunanitarian endeavors are his trusteeships of Lincoln Center for the Performing Arts, Mount Sinai Medical Center, the Buffalo Bill Historical Center in Cody, WY, the Chapin School in New York, the Herbert F. Johnson Museum of Art at Cornell University, the National Museum Services Board and the Archives of American Art in New York, of which he is also president.

Dick proudly serves as president of the David Schwartz Foundation which his father established. I recently had the privilege to witness firsthand the important archeological work underway in Jerusalem which was made possible through the generous support of the David Schwartz Foundation.

Because of his devotion to and support for worthwhile cultural and humanitarian causes, Dick has developed strong leadership roles in the business and social communities in Westchester and New York City. He is a man particularly deserving of our recognition.

I ask my distinguished colleagues in Congress to join me to wish Richard J. Schwartz a happy 50th birthday. Dick, we thank you for your many contributions, and we wish you another 50 years of health, happiness and success.

TRIBUTE TO THE EFFORTS OF DR. HUERTA C. NEALS OF JERSEY CITY, NJ

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. TORRICELLI. Mr. Speaker, I welcome the opportunity to pay tribute to a man who has distinguished himself in service to his community. Dr. Huerta C. Neals, a Jersey City cardiologist, responds with energy and creativity to the need of providing health care to elderly patients in housing projects.

Dr. Neals has had a long and distinguished career both inside and outside of the medical profession. Earning his Bachelors of Science degree from Morehouse College in 1936, he went on to receive his M.D. here in Washington from Howard University in 1942 and completed a graduate fellowship in cardio-vascular diseases from Harvard University in 1958. Currently the senior attending physician in medicine at the Jersey City Medical Center, Dr. Neals has served as past president of the New Jersey Society of Internal Medicine, and has received numerous awards and citations from groups such as the NAACP and the American Society of Internal Medicine.

In 1967, Dr. Neals conceived of a novel idea to reach elderly patients who could not ordinarily reach him—a mobile health office. Every other Tuesday afternoon, after morning rounds at the Jersey City Medical Center, Dr. Neals and his wife board their modified RV for afternoon rounds in housing projects. Dispensing quality medical care and invincible cheerfulness, Dr. Neals is appreciated both by those he serves in the projects and by us, the residents of that great State of New Jersey, who look to his example.

Mr. Speaker, it is with much admiration that I commend Dr. Huerta C. Neals to my colleagues, and take this opportunity to wish him and his wife Antoinette much continued success in the years ahead.

STATE EFFORTS TO REMOVE BARRIERS TO PARTICIPATION IN THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN [WIC]

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LELAND. Mr. Speaker, next year Congress will consider legislation to reauthorize the Special Supplemental Food Program for Women, Infants, and Children—popularly referred to as WIC. Over the past 14 years, WIC has expanded from a demonstration project to a national program operating in all States and serving approximately 3.6 million low-income pregnant and postpartum women, infants and children under the age of 5 years each month.

The House Select Committee on Hunger, which I have the privilege of chairing, has conducted a series of hearings to examine the effectiveness and accessibility of Federal food assistance programs. We have received testimony from WIC administrators, service providers and participants identifying various barriers to participation in the program. Efforts to learn more about these obstacles led the select committee to develop a questionnaire which was distributed to the directors of all State, territorial and tribal WIC programs during February 1988. Based on the responses to this questionaire and an extensive review of information currently available on the operation of WIC, the select committee has prepared a report which addresses barriers to participation; innovations implemented by States to expand caseloads; and, recommendations for improving program management and expanding program service.

Since its inception, the WIC Program has received broad bipartisan support in the Congress—from both sides of the aisle. The program has also received positive recognition in the medical and nutrition communities, largely because of the numerous studies indicating that it is a cost-effective means for supplying poor women, infants, and children with critical food assistance and access to health care.

I believe the select committee's report will enhance our knowledge about WIC and will provide us new insights on the steps we must take to assure maintenance of its effectiveness as we contemplate reauthorization in 1989.

A TRUE CHAMPION ON NEW JERSEY SMALL BUSINESS

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. GALLO. Mr. Speaker, I rise to pay tribute to one of New Jersey's most active, prominent and dedicated advocates of small businesses.

Betty Lyons, the director of the Division of Development for Small Business and Women and Minority Businesses of the New Jersey Department of Commerce, will be retiring from public service on November 1, 1988. Betty will be missed by her colleagues and all those entrepreneurs that have benefited from her expertise and encouragement.

I have had the pleasure of working with Betty Lyons on several projects in the 11th District of New Jersey. Through her leadership and direction, I have put on several conferences on State and Federal procurement programs and export opportunities for my constituents.

Betty also served as an integral part of my New Jersey Small Business Export Opportunity Task Force that made several key recommendations to the Federal Government, particularly the Small Business Administration and U.S. Department of Commerce, toward increasing the participation of small, minority and women-owned businesses in international trade. Several of these recommendations were approved this year by the Small Business Committee and included in the omnibus trade bill signed into law by the President.

These are but a few of Ms. Lyon's many accomplishments that remain a vital part of her legacy to the small business community of New Jersey.

Mr. Speaker, let me conclude by wishing Betty a happy and healthy retirement. Betty Lyons will be missed by all who have had the pleasure of working with her.

S. 2100—WATER RESOURCES ACT

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LIGHTFOOT. Mr. Speaker, I would like to raise an issue with respect to S. 2100, the Water Resources Act. Included in the House-passed version of this bill was a study and demonstration project for Carter Lake, IA. This lake has been a problem for the community for some time, and I had included language in the House-passed Water Resources Act to address this problem.

Unfortunately, during conference consideration of the bill, conferees dropped the language addressing the Carter Lake problem because of assurance they had received from the Army Corps of Engineers that the Carter Lake situation was being addressed. Conferees indicated they were informed by the Corps of Engineers that a section 205 study on the Carter Lake drainage problem was nearly complete and the corps expected the study to lead to corps assistance in remedying the problem.

I therefore am awaiting results of the corps study and expect to see work on a project begin as soon as practical so further legislative action will not be necessary.

HONORING THE 25TH ANNIVERSARY OF THE SACRED HEART SCHOOL IN PITTSFIELD, MA

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. CONTE. Mr. Speaker, this year marks the 25th anniversary of the Sacred Heart Elementary School in Pittsfield, MA, and I would like to take this opportunity to extend my congratulations to the faculty and student body for carrying on the tradition of academic excellence that has been a trademark of Sacred Heart since its dedication a quarter of a century ago.

Sacred Heart Elementary School takes pride in being the only parochial school in Pittsfield, MA. The dedication and talent of the faculty who teach those enrolled in kindergarten through fifth grade should be commended for their efforts in helping the youth of central Berkshire County to grow and succeed throughout their scholastic careers. Judging by the large number of students currently enrolled at the school, it is apparent that parents appreciate the academic excellence Sacred Heart has to offer.

Under the wise and watchful eye of its principal, Sister Kathleen Wallace, Sacred Heart has prepared thousands of students to continue on as future leaders of their community. Sister Kathleen remembers well those first few years at the new parish school when it first began to grow and gain recognition within the community. First as a teacher and now as the principal, Sister Kathleen should also receive special recognition for her guidance and inspiration to the faculty, staff, students, and parents.

Since its inception 25 years ago, Mr. Speaker, Sacred Heart Elementary School has established a fine tradition of education. All those affiliated with the school certainly have reason to celebrate on November 19. There is no doubt that the success of this fine institution will carry on and serve Berkshire County for another 25 years.

Western Massachusetts is fortunate and proud to be the home of Sacred Heart Elementary School, and on behalf of the First Congressional District I wish all those affiliated with Sacred Heart a happy silver anniversary.

THIRD ANNUAL NATIONAL VETERANS GOLDEN AGE GAMES

HON. JIM JONTZ

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. JONTZ. Mr. Speaker, the third annual National Veterans Golden Age Games was held from September 8 to September 11 at the Marion, IN, VAMC. Sponsored by the VA and the DAV, these games are the culmination of months of competition by older veterans receiving care from VA medical centers.

I had the opportunity to participate in the awards ceremony. In a sense, it was more of a privilege than an opportunity as these men and women are very special. The courage and dedication of our veterans show us the depth of our potential as human beings.

The games allow veterans to expand the activities in their lives and participate in the larger community of disabled veterans. Most importantly the games demonstrate that whatever handicaps a person may have they cannot prevent him from developing his other abilities to the fullest. The games recognize that a person's life is defined not by what they can do but rather by what they set out to achieve.

In this light I want to congratulate all the veterans, their friends, and VA employees who participated at all levels in this competition.

CONGRATULATIONS TO MORTON-THIOKOL

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BUECHNER. Mr. Speaker, I recently had the priviledge to witness America's return to space. With the *Challenger* disaster still on the minds of many, I watched the crowd at Cape Canaveral—composed of politicians, NASA engineers, journalists, and other Americans from every walk of life and various parts of the country—anxiously await liftoff. Once the countdown had worked its way to zero and we saw the magnificent glow from the solid rocket motors and heard the thunderous rumbling of the shuttle lifting off the pad, I gently prodded her—"go baby-go baby" I could hear myself saying—as it was echoed by those around me and in the schools and offices, the shops and stores "go baby-go baby." Then she disappeared into the clouds. Collectively we held our breath until *Discovery* emerged—then a ripple, then a cascade of applause, cheers and yes, emotional tears that sent the crew on their way toward the heavens to begin their journey and to find the stars we all know belong to each of the fallen *Challenger* crew.

The launch of the space shuttle *Discovery* was a joyous occasion for our Nation and especially for the thousands of men and women who worked so tirelessly to resuscitate our manned space program. In particular, I want to congratulate the men and women of Morton-Thiokol who redesigned the solid rocket motor. In the aftermath of the *Challenge* disaster, these men and women shouldered an enormous responsibility that can test the endurance of human strength. When I visited the Morton-Thiokol facility in Utah last year, I realized the magnitude of their grief and an identification with the victims and their sheer determination to make sure this never occurs again.

The engineers, technicians, and every worker at Morton-Thiokol dedicated their heart and soul toward the redesign of the solid rocket motor. Their work was not an effort to liberate the memories of that tragic loss last January, but rather it was a tribute to the seven heroic souls who lost their lives and the urgent need for America to recapture its leadership in the area of space technology.

At 2 minutes and 4 seconds into the flight of *Discovery* all their hard work came to fruition as the solid rocket motors successfully separated from the shuttle and decended to the ocean below.

As future generations look back to this period, I know they will look to our vision, much as we look to that of Columbus and the explorers of his age. They will look back with a sense of admiration, knowing that in the face of adversity—we did not back away from our commitment to a strong space program. Indeed, future generations will understand that the rebirth of our space program epitomizes the thirst for discovery and adventure, and the commitment to freedom that makes us Americans. And for that, we owe a debt of thanks to Morton-Thiokol and the NASA team for once again allowing our dreams to become reality.

TRIBUTE TO ALDO R. BENEDETTO

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MOLINARI. Mr. Speaker, I rise today to pay tribute to Aldo R. Benedetto, a personal friend of mine who passed away earlier this year. Aldo, a life-long resident of Staten Island, left behind an impressive record of service to the Staten Island community.

After attending college, Aldo entered the U.S. Army and fought in North Africa and Italy in World War II. He returned to Staten Island in 1945 when he was wounded in action and received the Purple Heart. He would spend the rest of his life serving our veterans.

Aldo joined the American Legion after the war, becoming commander of Staats Post in 1950 and county commander of Richmond County, NY in 1953. In 1960, he was unanimously elected State commander of the American Legion of New York State. He was elected committeeman for New York State on the National Executive Committee of the national American Legion in 1972. In 1976 Gov. Hugh Carey appointed him eastern regional director of the New York State Division of Veterans Affairs. Needless to say, Aldo helped countless veterans, war widows, and orphans with their problems.

Aldo's contributions to the community were felt in many other areas as well. He served as assistant borough president from 1977 to January 1988, when he became very ill. He was chairman of the board of directors of the Staten Island chapter of the American Red Cross for many years, president of the Rotary Club of Staten Island, director of the Staten Island Multiple Sclerosis Society, director of the Staten Island Retarded Children's Association and president of the Cedar Grove Beach Club. He was also a member of the Knights of Columbus, the Staten Island Elks, the Veterans of Foreign Wars and the Disabled American Veterans.

This brief recitation of some of Aldo's activities show that he truly was a strong presence in our community. It would be hard to remember all the activities and events we participated in together. I surely miss him as a friend and I know his community misses his activism and diligence. Yet, as a community we look back on all his achievements and contributions to us and we know Staten Island was fortunate indeed to have him serve us so well for so many years.

CONGRESS RECEIVES APPRECIATION FROM DIMCO-GRAY CO.

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. McEWEN. Mr. Speaker, I stand today with the honor of presenting to my colleagues a scroll signed by 130 workers at the employee-owned Dimco-Gray Co. in Centerville, OH.

These 130 workers at Dimco-Gray are now the owners of their own company because of the 1984 Deficit Reduction Act which enacted incentives for borrowing institutions and for employees to purchase companies. A provision of the law approved by the Congress made it possible for workers to purchase the company they work for and to have a role in managing their futures and the future of their company.

The scroll reads in, in part:

> We the undersigned employees of Dimco-Gray Company, Centerville Ohio, wish to express our appreciation to the Congress of the United States of America for the legislation establishing significant tax credits for employee-owned corporations.
>
> This legislation providing a tax reduction for our corporation and lending institutions made it possible for us to purchase Dimco-Gray, protecting our jobs and our futures. It has allowed us to create additional jobs and opportunities for fifteen more employees of the corporation. Dimco-Gray employees have contributed $17 million to the local and national economy since June 1986 when we became an employee owned corporation. We are confident that with the continued support of Congress and legislation favorable to employee ownership our contribution will increase at a more rapid pace than privately held or publicly held stock held corporations.

It's a privilege for me to present this document for your attention.

THE 100TH ANNIVERSARY OF THE CHURCH OF ST. ROSE, BELMAR, NJ

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. HUGHES. Mr. Speaker, this Saturday, the parishioners of the church of St. Rose, Belmar, NJ, will be celebrating their 100th anniversary.

Our late colleague and friend, Congressman Jim Howard, attended the grammar and high schools which are a part of the church. I know how close he felt to the students and the parishioners of St. Rose and to the borough of Belmar where he grew up and maintained his principal district office. If he were alive today, he would be standing here recounting with pride the many fine contributions St. Rose has made to surrounding communities.

The theme of the anniversary celebration is "One Hundred Years, Growing in the Lord." With the tremendous growth which has taken place at the Jersey shore, St. Rose has served an ever-expanding population since its creation in 1888. At that time, it was a mission church and Belmar was known as Ocean Beach. Now it serves over 1,400 families.

The pastor of St. Rose is Msgr. Alfred D. Smith. Father Leonard F. Troiano is associate pastor and Father John B. Garrone, C.P.M. is in residence. St. Rose Grammar School and St. Rose High School are staffed by the Sisters of St. Joseph, Chestnut Hill, PA.

I want to personally extend my congratulations to the parishioners of St. Rose Parish and wish them many more years of growth and service to the community. I am sure the entire New Jersey congressional delegation joins me in this salute.

H.R. 5529—LEGISLATION TO MODIFY MEDICARE PAYMENTS TO HOSPITALS

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SLATTERY. Mr. Speaker, on October 13, 1988, I introduced legislation (H.R. 5529) to modify Medicare payments to hospitals.

During a recent visit to the Clay County Hospital in my district, it was suggested to me that when a Medicare beneficiary is admitted under one diagnosis related group [DRG] and subsequently experiences a secondary, more severe diagnosis, the Medicare Program's hospital payment should reflect the higher DRG—including any outlier payment—for which the hospital provides treatment.

The purpose of the legislation is to allow hospitals to recapture costs for services provided multidiagnosed Medicare beneficiaries. I am concerned that hospitals oftentimes are unfairly penalized for the severity of illness of the beneficiaries they serve.

I introduced H.R. 5529 to begin a discussion which I believe we all know needs to take place: How can we make the prospective payment system more flexible and responsive to the needs of our hospitals, Medicare beneficiaries, and our communities?

One-third of this Nation's hospitals are currently operating with a deficit. Obviously, something is wrong. The integrity of this great Nation's health care delivery system is in jeopardy—and we need to face up to the fact that the Medicare payment system is partly to blame.

I will be working in the 101st Congress to inject some balance and equity in the Medicare Program. I solicit your support and recommendations.

TRIBUTE TO MAYOR JOE DAVIS

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. FLIPPO. Mr. Speaker, I would like to recognize the extaordinary record of public service that Mayor Joe Davis of Huntsville has compiled as the chief executive of that city for the past 20 years.

A native of New Market, AL, Davis graduated from East Tennessee State College and received a masters degree from George Peabody College in Nashville. During World War II, he served in the U.S. Navy where he participated in the invasion of Okinawa and the Philippine Islands.

He taught biology and social studies in the Huntsville School system for 9 years and later served as principal of Huntsville Junior High School and Fifth Avenue Elementary School.

Joe Davis was first elected to the office of mayor in 1968 after serving as administrative assistant to Mayor Glenn Hearn. He took over the reins of government during the height of the Apollo Program when Huntsville came to be known as the "Rocket City" because of its role in building the saturn rocket that powered the first men to the Moon.

Following the Moon landing, cutbacks in the space program severely impacted the local economy and the boom that had occurred during the Apollo era seemed like a distant memory. Fortunately, Joe Davis and the city's community leaders banded together in an effort to aggressively seek a new, more diversified economic base so that Huntsville would not again be caught in the same economic circumstances.

That effort led to a remarkable industrial recruiting effort and the establishment of several first-class industrial parks which quickly filled with a broad range of industries. This effort set in place a development oriented way of thinking for the community that led to one of the most impressive rates of growth found anywhere in the nation.

I have been pleased to work with Mayor Davis over the years on many important initiatives that have led to a better way of life for everyone in Huntsville. Joe has had an interesting and challenging career as a teacher, farmer, in private industry, and as a committed public servant. I want to wish him the very best in the future and to say a special thanks for all he has accomplished.

COLUMBIA ACADEMY CELEBRATES CENTENNIAL

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. GORDON. Mr. Speaker, in this Congress we have spent a lot of time and effort passing legislation aimed at helping future generations of Americans prepare to take their place as responsible and productive citizens.

In keeping with the attention the country is, quite appropriately, giving to our system of education, I would like today to talk about an institution that over the years has done a fine job of preparing its students to contribute to and sometimes lead their communities.

Columbia Academy in Columbia, TN, is celebrating the 100th anniversary of the creation of its campus.

In 1888, President Grover Cleveland signed a law creating Columbia Arsenal and authorizing the construction of the three sturdy stone buildings that still house parts of the academy.

A few years later, the arsenal was used as a training headquarters for Spanish-American War troops.

In 1904, legislation passed creating Columbia Military Academy, and the academy opened the following August. For most of the 20th century, CMA, as its friends called it, educated young men in a rigorous and disciplined educational environment. CMA graduates emerged well prepared for college and career, not only because they had mastered algebra and literature, but also because they were mentally tough and ethically sound.

Under the long stewardship of headmaster Col. C.A. Ragsdale and the assistant headmaster William D. Bates, CMA built leadership.

One graduate of the class of 1939 served four terms in this House. William R. Anderson represented middle Tennessee in the 89th through 92d Congresses, serving on the Rules Committee, where I am now proud to serve.

But William R. Anderson is probably better known for his U.S. Navy service; he commanded the *Nautilus,* our first nuclear powered submarine, which he steered on the first voyage under the ice of the North Pole.

There were many others from CMA who served their country and their community with distinction. For CMA tended to produce that kind of person.

But times changed, and hard times came to military schools in the post-Vietnam era. In 1978, the military program was dropped, and in 1979, the academy became a Christian school affiliated with the Church of Christ. That affiliation led to the modern Columbia Academy.

Today, the academy is a growing institution that strives to maintain the high academic tradition of its heritage. Columbia Academy is accredited by the Southern Association of Colleges and Schools. Eighty-six percent of its graduates go on to college.

I believe a good education requires a rigorous academic program. But there is more to it than that. A good education also should include character building—the teaching of spiritual and moral values that are central to our heritage as Americans.

In today's complex, stressful world, young people need more than ever a firm value system that builds strength of character.

Columbia Academy produces the kind of well-rounded, complete graduates that will be the model citizens of the future.

Although it is proud of its affiliation with the Church of Christ, Columbia Academy accepts students of all faiths, without regard to sex, race, or national origin.

Its low teacher-student ratio, its beautiful 67-acre campus, its many extracurricular activities, its emphasis on teaching moral and spiritual values, and its highly educated faculty make Columbia Academy a true national asset.

I congratulate Columbia Academy on its renewed success and wish it the best in its important mission of educating young Americans.

TRIBUTE TO SERGEANT BENJAMIN V. RICCIARDI

HON. MATTHEW J. RINADLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. RINALDO. Mr. Speaker, as Veterans Day approaches and we prepare to pay tribute to the courageous men and women who have served in our Armed Forces, I wish to bring to the attention of my colleagues a veteran in my district who exemplifies the bravery and gallantry of so many of our veterans throughout the country.

Benjamin V. Ricciardi of Union, NJ served three combat tours in Vietnam. He received a total of 14 military awards, 5 for valor and the Distinguished Service Cross which he earned for extraordinary heroism in connection with military operations against a hostile force in the Republic of Vietnam. The account of Sergeant Ricciardi's display of bravery and selfless devotion to duty at great personal risk is not unlike that of thousands of highly decorated veterans who have served in our country in time of conflict.

Sergeant Ricciardi continues in the service as a member of the Army Reserve. He is a veteran we can all be proud of and like all those we honor on Veterans Day deserving of our gratitude.

IN APPRECIATION OF DR. JOHN V. DUGAN, JR.

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ROE. Mr. Speaker, today, I am pleased to bring to the attention of my colleagues the accomplishments of Dr. John V. Dugan, Jr., better known to his colleagues as Jack. After 13½ years as a staff member on the Committee on Science, Space, and Technology, Jack is going to continue his distinguished career in the private sector.

Jack began his professional career at the NASA Lewis Research Center in Cleveland, OH, in 1961, while also working toward his Ph.D. in physical chemistry from the University of Notre Dame. After receiving his Ph.D. in 1965, Jack continued an active role at the laboratory with various management and administration positions.

Jack's commitment to the Committee on Science, Space, and Technology began in 1975 when he came from NASA Lewis at the request of a former ranking Republican member, Hon. Charles Mosher of Ohio. Mr. Mosher knew of Jack's technical expertise and offered him a position on the then Committee on Science and Technology as a technical consultant on the Subcommittee on Space, Science and Applications.

Jack has distinguished himself by serving on several subcommittees during his tenure and as a key staffer has worked with our major authorizations for the National Aeronautics and Space Administration [NASA], the Department of Energy [DOE], and the National Science Foundation [NSF]. For the past 8 years, Jack has been the very able staff director of the Subcommittee on Energy Research and Development.

Jack's impeccable scientific and technical credentials, including his laboratory research work and 50 papers published in scientific and engineering journals, as well as his management leadership have served our committee well.

Jack will be missed by our committee. I do want to take this opportunity to wish him my heartfelt best wishes in his new career and give him my thanks for his superlative efforts during his tenure on the Committee on Science, Space, and Technology.

IN APPRECIATION OF DR. JOHN V. DUGAN, JR.

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. LLOYD. Mr. Speaker, today, I am pleased to join the distinguished chairman of the Committee on Science, Space and Technology in acknowledging the accomplishments of Dr. John "Jack" V. Dugan, Jr. Jack has been the staff director of the Subcommittee of Energy Research and Development, then known as Energy Research and Production, since I became chairman in 1981. Jack has decided to leave our committee after 13½ years to join the private sector.

The position of the Energy Subcommittee staff director during these difficult budget times and trying to ensure that our U.S. energy supply needs will be met in the future has been no easy task. Many times I have relied upon Jack to assist me in formulating subcommittee plans to best secure our energy future with limited financial resources. Jack has responded appropriately and has not disappointed me with his efforts.

Jack's technical expertise in energy research and development is well known. Throughout his 13½ years on the committee he has built a reputation for integrity in leadership and fairness in negotiations whether he was dealing with committee members or other staff. I believe he will be missed by all of us on the committee.

Jack has had a distinguished career on Capitol Hill, has achieved the respect of the members and staff of our committee, and I know that everyone joins me in wishing him well.

MODEL FOR FUTURE POWER PRODUCTION

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. COELHO. Mr. Speaker, earlier this month the Department of Energy honored the winners of its National Awards Program for Energy Innovation. It is a source of great pride to me that of the five projects honored, one is an extraordinary facility in my district that burns whole waste tires and converts them to fuel.

The facility, located near Modesto, was developed by Oxford Energy Co. It burns between 4 and 5 million tires each year and produces more than 14 megawatts sold under a long-term agreement to Pacific Gas & Electric Co. Remarkably, the plant has been designed so that all of the residues and byproducts of the combustion process are recyclable.

Mr. Speaker, I wish to commend the president of Oxford, Robert Colman, and his colleagues for their pioneering work in this area. Their bold innovative thinking has transformed a potentially serious fire and health hazard into an extraordinary model for future power production.

We in California are proud to be home to such clean and innovative technology. This country simply must seek more imaginative ways to husband and recycle our scarce energy resources, and I believe firmly that Oxford's Modesto facility stands as a model for that course.

DAN LUNGREN

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LIVINGSTON. Mr. Speaker, when the 100th Congress adjourns, the House of Representatives will be losing one of its most effective and articulate members, DAN LUNGREN.

DAN is such an effective Member, who can work both sides of the aisle, that many of us have overlooked his significant contributions to this Chamber and this country.

We will always be indebted to DAN for his leadership and his dedication, up to the very end of his House career, in passing some of the strongest anticrime and antidrug legislation in this body's history.

In addition to his efforts this year, in 1986 DAN successfully amended that year's drug bill to provide an exception to the exclusionary rule. DAN LUNGREN was the person who accomplished one of the greatest legislative feats in many years when he used the continuing resolution appropriations bill as the vehicle for passing the 1984 omnibus crime bill, the most significant piece of crime legislation passed in decades by Congress and a bill that the House leadership was allowing to die from inaction.

Mr. Speaker, we all owe this most exceptional, effective, and articulate Member a great deal of thanks for his tremendous contributions to this Chamber and our country.

We wish him Godspeed with all of his endeavors and have every confidence that the Nation will be blessed with far more of his great ability and service in the future.

SUPPORTING H.R. 2790, BUILDING CODE COMPLIANCE AMENDMENTS OF 1988

HON. ROBERT F. (BOB) SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ROBERT F. SMITH. Mr. Speaker, I rise today to urge my fellow colleagues' support for H.R. 2790, the Building Code Compliance Amendments of 1988.

This bill is perhaps the most successful bill never passed by the 99th Congress. For the lack of an oratorical pause, the bill died at the leader's desk in the other body at sine die.

It's purpose is simple. H.R. 2790 would bring Federal construction projects under the same umbrella of nationally recognized building and safety codes which are followed by virtually every other construction project in the country.

The legislation would clarify the position of the Federal Government in complying with nationally recognized building codes, and other local requirements, such as zoning laws and building permit regulations when constructing or remodeling Federal buildings.

The bill would also require the Federal Government to submit plans for such projects to local building officials for review and grant to local officials the opportunity to inspect the building during construction or alteration.

All this sounds simple enough, emphasizing communication and cooperation between the Federal Government and the States and localities with which it works in Federal construction projects. One can hardly imagine that such common sense is not in force already, or that significant problems could arise.

But significant problems have arisen with such projects in my own district which emphasize the need for this legislation.

In Medofrd, where my district office is located, a loading ramp was built and then demolished when changes were made in the ramp's specifications. The cost to the taxpayers: $25,000. Had the contractor and the Post Office established a dialog through the city building department, the taxpayers would have been spared both the expense and their wasted efforts.

In a remodeling project at the Rogue River National Forest auto shop, the Forest Service refused to remodel an existing firewall to meet city codes or to pay the $350 fee for a local permit. This created a potential safety hazard and the city responded by issuing a stop order which was subsequently ignored by the contractor. The issue was eventually resolved, but not before the Federal Government filed suit against Medford, all to avoid paying a $350 permit fee.

Mr. Speaker, our citizens deserve the benefits of proper communication between all levels of government in the construction or remodeling of Federal buildings. The alternative is confusion, delay, and reduced safety in these Federal facilities.

Moreover, by requiring that federally constructed buildings comply with nationally recognized building codes and local zoning laws, we ensure that the host community's own standard of design, safety, and esthetic values are protected.

"Good enough for government work" is not good enough for our local communities, Mr. Speaker, and we must not allow the Federal Government to substitute brute force for common sense in questions of local building code compliance.

Mr. Speaker, I urge all my colleagues to support H.R. 2790, the Building Code Compliance Amendments of 1988. Thank you.

IRA C. NORRIS HONORED BY ANTI-DEFAMATION LEAGUE

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LEWIS of California. Mr. Speaker, I rise today to recognize a truly special man, Ira C. Norris, who is being honored by the Anti-Defamation League as its 1988 Inland Empire Distinguished Citizen. As president and founder of Inco Homes, Ira Norris is well known in southern California not just as a leader in the building industry, but in the community as well.

Ira C. Norris graduated from the University of Southern California and went on to receive his M.B.A. from Pepperdine University. For over a quarter of a century, he has developed housing in New Jersey, Illinois, and California; as a corporate vice president and operating manager of Kaufman & Broad and now through his own company.

In addition to his philanthropic and civic activities, Ira is a director and past president of the Building Industry Association of Southern California and a director of the California Building Industry Association and National Association of Home Builders. He serves as a national representative for California and 1988 chairman on the National Association of Home Builders Federal Government Affairs Committee. He has been a recipient of the Achievement Award and the Construction Man of the Month Award from the Building Industry Association of Southern California and was the Professional Builder Magazine Award Winner. He also finds time to lecture at Pepperdine University and the University of California at Riverside.

His efforts on behalf of the Arthritis Foundation have earned him the Foundation's Humanitarian and Distinguished Service Award. Ira believes that all companies should be responsible to the communities wherein they build. His own company, Inco Homes, has consistently reflected this view through its sponsorship of adult and youth groups and participation in civic events such as neighborhood beautification.

Committed to the building industry, admired by friends and colleagues for his contributions to the community, I ask you, Mr. Speaker to join me, Ira's wife Nancy, and their four children: Mike, Greg, Susan and Terry, and the Anti-Defamation League of the Inland Empire in saluting this exemplary American.

RICHARD TRUMKA'S EFFORTS ON ACID RAIN

HON. ROBERT E. WISE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. WISE. Mr. Speaker, I rise today to bring to the attention of my colleagues in both bodies the efforts of President Richard L. Trumka of the United Mineworkers of America. As many Members know, Rich was very active in the recent negotiations over the Clean Air Act, and contributed a great deal towards compromise on the acid rain portion of the issue. Although these negotiations came close to producing a compromise, they did not succeed.

Some Members of the other body, who were not directly involved in the negotiations, have made public statements concerning the intent of the United Mineworkers and its President Trumka. Unfortunately these criticisms are not based upon fact and analysis, and show why these negotiations were not ultimately fruitful. In particular, President Trumka was referred to as "arrogant" concerning the mining of low sulfur coal, and was described as "egotistical."

Those of us who closely followed the direct negotiations with Senator MITCHELL and President Trumka were very much impressed with the reasoned approach the United Mineworkers' leader took in grappling with the issue. Those of us from West Virginia obviously come from a major coal producing area and we have both low and high sulfur coal. People like Rich Trumka, who represent thousands of miners, have a great deal to lose, and it takes a great deal of courage to move toward a compromise.

For the record, the compromise which was reached was indeed coal neutral. It would not have resulted in loss of jobs or a shifting of coal markets. The impacts have been scientifically analyzed by the Environmental Protection Agency and others, and the results are clear. This analysis indicated that the legislation would have moderate impact on utility costs. If anything, the compromise may be too generous to the Western United States. Let's look at the facts.

Under the EPA analysis, in the year 2005 the West would produce 550 million tons of coal per year if nothing was done legislatively. If the compromise had been enacted, the West would produce 600 million tons per year in that year—yes, that's growth. In the East, if nothing was done, production would increase from the current 260 million tons per year to 400 million tons per year in 2005. If the compromise bill was enacted, the growth would be to 350 million tons—and if a 1 pound sulfur content was available, to 425 million tons per year.

Additionally, regarding the assertion that the percentage reduction enacted in the late 1970's resulted in coal growth in the East at the expense of the West, let me point out the following. Wyoming, for instance, mined 24 million tons of coal per year in 1975. After enactment of the percentage reduction, Wyoming mined 95 million tons in 1980. In 1987, 147 million tons of coal were mined there. This is hardly being hurt.

In summary, the compromise bill achieved significant sulfur dioxide reduction, protected coal miners' jobs while not resulting in one coal producing area gaining much more market share at the expense of other coal producing regions and safe guarded industrial and residential power customers from large rate increases.

President Trumka recognized that next year will be much more difficult for achieving balanced acid rain legislation that does not hurt coal mining and manufacturing regions. I predict that next year many of those now criticizing President Trumka's efforts will look back on his actions and wish he had been successful.

INTELLECTUAL PROPERTY RIGHT PROTECTION IN KOREA

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ROSTENKOWSKI. Mr. Speaker, I am enclosing, for my colleagues consideration the contents of a recent speech by Robert, H. Malott, the chairman of FMC Corp. Mr. Malott is a recognized leader in the effort to obtain better protection for U.S. intellectual property rights in foreign markets. His observations on recent developments in Korea should be of interest to all those who believe we must have better worldwide rules to safeguard patent and trademark rights.

KOREAN INTELLECTUAL PROPERTY RIGHTS AT THE CROSSROAD

(Robert H. Malott, Chairman and Chief Executive Officer, FMC Corp.)

Good afternoon. I am Bob Malott, chairman and chief executive officer of FMC Corp., a worldwide producer of chemicals and machinery for industry, agriculture and government.

I deeply appreciate this opportunity to participate in the first plenary session of the United States-Korea Business Council. The establishment of this council reflects the growing importance of trade relations between our two countries—and, indeed, Korea's growing stature in the world economy.

I also appreciate the opportunity to speak frankly about an issue that has produced great friction between Korea and the United States: the enforcement of intellectual property rights.

INTELLECTUAL PROPERTY RIGHTS PROTECTION IN KOREA; SOURCES OF DISPUTE

As background, let me cite one prominent example of an intellectual property rights dispute between our two countries. At issue in this dispute—and a major issue in the 1966 United States-Korean trade negotiations following the U.S. section 301 action against Korea—was Korea's failure to protect composition of matter patents in the chemical and pharmaceutical industries.

Until July of last year, Korean law did not protect chemical composition of matter, or product, patents; it only protected process patents. What this means is that a company such as FMC could apply for a Korean patent on the process used to manufacture, say, an agricultural chemical product. But the product itself—the actual chemical compound—was not protected by a patent in Korea.

In other words, any company could develop a slightly different process for making the compound, and sell this product in direct competition with the original inventor of the product.

Understand that in order to discover, develop and market a successful agricultural chemical compound, for example, a company such as FMC must spend approximately $60 million dollars—and the entire process takes as much as eight years. Development a new process for making an already developed compound, of the other hand, is much easier, cheaper, and faster. With much lower costs to recover, an imitator enters the market with a significant competitive advantage.

While Korea's failure to provide composition of matter protection has been a major source of friction, it is by no means the only problem area. For example:

There was virtually no protection of foreign copyrights in Korea until Korea jointed the universal copyright convention last year. Even now, it seems, a large number of counterfeit books are still being sold in Korea.

Another problem area has been the counterfeiting of computer products. Texas Instruments, for example, has recently—and successfully—pursued a U.S. trade action against Korean companies that copied some of their D-ram computer products.

Producers of defense equipment have also seen their technical data rights abused in Korea. Colt industries, for example, licensed a Korean company to produce its M-16 rifle, only to see the licensee enter the export market for the product—using Colt's proprietary information—in violation of the spirit of the agreement between Colt and its Korea licensee.

NEW KOREAN INTELLECTUAL PROPERTY RIGHTS LAWS: ENFORCEMENT ISSUES

In 1985 the U.S. Government took action on this problem: The U.S. trade representative initiated a formal investigation of Korea's intellectual property practices under section 301 of the U.S. trade statute. An agreement was reached in the 301 case in 1986, and in 1987 Korea introduced its new intellectual property laws.

The 1987 patent law reflects a very substantial improvement in the Korean Government's recognition of intellectual property rights. The law provides coverage for composition of matter as well as process patents. It extends coverage from 12 to 15 years, and increases penalties for infringement.

In addition, the transition agreement reached between the United States and

Korea permits protection of some U.S. patented chemical products that have not yet been marketed—so-called "pipeline" products. The agreement also permits the conversion of some existing process patent applications into product or composition of matter patent applications.

But while the new law and the transition agreement represent significant improvement in theory, so far the way in which they have been enforced raises serious questions about the commitment of the Korean Government and Korean industry to genuine policy reform.

For example: U.S. companies are experiencing a serious delay in gaining protection for their "pipeline" products—that is, patented products not yet marketed. A mechanism for protecting these products has still not been resolved, and U.S. companies are concerned that these products will not receive protection, despite the agreement between our two governments.

The Korean patent office also allowed a rash of patent applications from Korean companies to be hastily granted before the September 1987 cutoff for conversion to product protection—appearing to give preferential treatment to local companies.

U.S. companies are having great difficulty converting their process patent applications to product patent applications. FMC has nine such patents pending, for example—and despite frequent inquiries, both directly and through the U.S. Government, these applications remain in limbo. Why is this? If the Korean Government is committed to reform, why can't such requests be expedited?

These actions cast serious doubts on Korea's willingness to enforce not only the letter, but even more the spirit, of the U.S.-Korean agreement. If every effort to apply the new patent law requires a major battle with the bureaucracy—culminating in intervention by the U.S. Government—trade relations between the United States and Korea will not be enhanced. And I can't believe anyone in this room wants our trade relations to be conducted primarily through section 301 actions under the U.S. trade statute.

While I have emphasized immediate enforcement issues, there are some longer-term issues that should also be addressed by Korean industry and the Korean Government.

In particular, U.S. companies continue to be dissatisfied with the way their intellectual property rights complaints are handled in Korean courts.

For example, Korean courts have generally been unwilling to accept the testimony of non-Korean expert witnesses. This puts U.S. companies in a very difficult position. Intellectual property cases, especially patent cases, tend to be highly technical. Expert testimony is crucial. Yet virtually all of the expert testimony on patent cases heard in Korean courts comes from two sources: The Korean Advanced Institute of Science and Technology, and the Korean Chemical Research Institute. These organizations are widely understood to exist primarily for the purpose of studying—and replicating—technologically sophisticated products. Perhaps this past pattern should not be a concern for U.S. companies; but we need to be convinced.

Other outstanding issues include Korea's failure to develop strong domestic laws for the protection of copyright; to protect semiconductor chips; to extend patent protection to biotechnology products; and to strengthen the protection of trademarks.

I have tried to give you a sense of why American companies remain concerned about the direction of Korean intellectual property rights protection. At the same time, please know that we appreciate the steps the Korean Government has taken to date. We recognize that change comes neither easily, nor quickly. But we need assurance—or rather, we need evidence—that Korean industry and government leaders recognize that Korea's acceptance as a world-class economic power will depend on strict, impartial, and consistent enforcement of intellectual property rights.

INTELLECTUAL PROPERTY RIGHTS ENFORCEMENT: THE BENEFITS FOR KOREAN INDUSTRY

Let me emphasize: both our countries stand to gain from progress on this front. I would go even further. I believe that in the long run, strict enforcement of intellectual property rights is even more in the interest of Korean industry than it is in the interest of U.S. industry.

Let me outline several reasons why I believe this is true.

The excuse most commonly offered for inadequate protection of intellectual property rights is that strict enforcement of patents and technical data discourages "technology development."

In fact, just the opposite is true.

Historically, countries that have not protected intellectual property rights have not innovated, either. Between 1919 and 1949, for example, when Great Britain suspended chemical product patent protection to shield the British chemical industry against German competitors, British companies introduced no new drugs into the market. Before 1919, and after 1949—in other words, when product patents were permitted—innovation flourished, to the benefit of local industry. Italy, Switzerland, and Canada have had similar experiences.

If Korea were willing to settle for being an imitator, not an innovator, this wouldn't matter. But I cannot—and do not—believe that this is Korea's objective.

In recent years this country's external trade has been weighted increasingly toward high technology, high value-added exports. Over the past 5 years, for example, Korean chemical exports rose 200 percent, telecommunications equipment exports rose 300 percent, and office machinery exports rose more than 900 percent. On the other hand, Korean textile exports—requiring relatively low technology—rose only 60 percent.

In other words, Korea's future competitive advantage lies in precisely those industries where technological innovation is most critical—and therefore where intellectual property rights enforcement is most critical.

Inadequate protection of intellectual property rights not only impedes the development of technology; it also discourages the transfer of technology—a second reason why Korean industry and the government should support strict enforcement of intellectual property rights.

Korea's 1987-1991 economic plans call for a substantial expansion of foreign investment, especially in high technology industries. But foreigners with the technology Korea is most eager to acquire will generally be least willing to share that technology without adequate protection of their rights. If anyone doubts this point, I suggest you review the problems that Brazil and India—countries with notoriously inadequate protection of intellectual property rights—have had attracting high technology investments.

A third reason why Korean industry and government should support strict enforcement of intellectual property rights is the need to strengthen Korea's defense industrial base.

Korea has very good geopolitical, as well as economic, reasons for wanting to develop a strong, technologically advanced defense industry. But the same concerns I have raised about technology transfer apply to the defense industry—only more so.

Korea does not have a very good record in this area: I've already cited, as an example, Colt industries' problems with the M-16 rifle. Earlier this year the House Armed Services Committee of the U.S. House of Representatives held hearings on Korea's abuse of U.S. companies' technical data rights; and the committee plans to hold more hearings next year. I predict that Congress will study in depth whether licensing agreements for the Korean advanced fighter program, for example, include adequate protection for U.S. technical data and other trade secrets.

This brings me to the fourth and final reason why Korean industry and government should support strict enforcement of intellectual property rights: The future of U.S. trade policy toward Korea will—in my opinion—depend in no small part on the progress Korea makes in this area.

I am sure that everyone here is aware of the rising protectionist sentiment in the U.S. Congress. This audience is also aware that the new trade law gives the U.S. Government much greater authority to retaliate against unfair trading practices.

My own company has very actively in Washington to support liberal U.S. trade practices. We opposed the Gephardt amendment. We fought hard against the textile quota bill. We have helped organize and rally other major companies in support of pro-trade policies.

But in this environment, the fact that Korea's real GNP has grown at an enviable average rate of almost nine percent a year for a quarter of a century, and that this country's trade surplus with the United States is dropping more slowly than Japan and Taiwan's surpluses with the United States, make it likely that Korean trade practices will come under considerable scrutiny.

Recognize that the U.S. Government's responsibility to ensure intellectual property rights protection is featured prominently in at least four sections of the new U.S. trade law. Recognize also that there are many supporters of protectionism in the U.S. Congress. In my judgment, failure to protect U.S. intellectual property rights in this country could provide the ammunition that protectionism's supporters are seeking if given the opportunity.

Let me conclude by making a more general point about the choices Korean leaders face in determining future trade policy.

By the end of this century Korea will be one of the world's top ten trading nations. Korean industry will be widely recognized as a technological leader, not a follower. And Korea will have clearly taken its place among the nations that set the pace, and set the standard, for the rest of the world.

With this leadership comes responsibility: Responsibility to show the way, by—among other things—enforcing intellectual property rights at home; and responsibility to lead the way, by—among other things—working through the current round of GATT negotiations to expand the protection of intellectual property rights throughout the world.

Let me close by offering a challenge to my counterparts in Korean industry. I believe that your government will follow your lead on the protection of intellectual property rights. I also believe that the Korean government's support for stronger intellectual property rights will, in turn, have a major impact on the direction and success of the forthcoming GATT intellectual property rights negotiations.

I also feel that the issue of intellectual property rights is of sufficient importance that it is most appropriate for our newly-created United States-Korea business council to establish a committee chaired by a representative of Korean industry to examine all aspects of this issue. I further propose that we request this committee to report to us at the next plenary session of our council, which I understand is scheduled for April of next year.

Let's work together and get these issues resolved!

SUPPORT LAWN DART BAN

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 20, 1988

Mr. MILLER of California. Mr. Speaker, I rise in support of the legislation before us to ban lawn darts.

Lawn darts are part of a game meant for children that has turned into a children's nightmare. Evidence indisputably reveals that these metal-tipped toys that are tossed into circular hoops have injured about 6,700 children over the past 10 years. Attempts to protect children through labeling and restricting their sale have proven fruitless.

The Consumer Product Safety Commission's own study has proven that the attempt to regulate the sale of lawn darts has failed. In a study in 1987, of the 21 cases the Commission surveyed, none of the manufacturers had complied with the regulations. Other reports strongly support the same conclusion.

I understand that the Commission is expected to vote on the institution of a lawn dart ban next week. Legal action could be taken against an agency ban, however, and possibly leave these deadly products on store shelves. This legislation is therefore imperative, and I am pleased that it is moving forward.

But it is extremely important to note that while this bill is critical, it represents just one of numerous problems with the CPSC. The Commission was created 15 years ago to protect consumers, but in recent years it has proven in many cases to be the consumer's worst enemy.

Hearings held by the Consumer Protection Subcommittee, at one of which I had the privilege to testify, detailed the failure by the Commission to address the hazards of pool covers cigarette lighters, bunk beds, all-terrain vehicles, and many other dangerous products. The case of ATV's, which alone have led to 1,000 deaths and hundreds of thousands of injuries, is still not fully addressed.

Among the hazards that remain unaddressed are infant cribs with extended cornerposts. Danny Lineweaver, a constituent of mine, was one of the many children who have been disabled in accidents in this type crib. This product can still be found on the market.

Much is still to be done to reform the operation of the CPSC and to do something about these product hazards. Unfortunately, the House has not been able to consider comprehensive CPSC reauthorization legislation this Congress. I hope we can do so quickly next year.

Meanwhile, I urge my colleagues to support this lawn-dart-ban legislation.

THE WORLD COURT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. WEISS. Mr. Speaker, I would like to draw the attention of my colleagues to an important issue which has been virtually ignored for the past 2 years—the case of Nicaragua versus the United States in the International Court of Justice. Contrary to what most people believe, the case did not die in July 1986 when the court ruled against the United States. Earlier this year, the case was reactivated when Nicaraguan lawyers filed a petition for reparations from the United States for the damages caused by lethal aid to the Contras.

As in the past, the State Department refuses to involve itself in the case. I hope that they reconsider their position given the possibility of a multibillion dollar reparation award to Nicaragua. Not to do so would only further embarrass the United States in the eyes of the world.

I would like to submit several articles written by a constituent of mine, Mr. Howard Meyer, for the RECORD. I believe that the articles convincingly outline the perils of the current administration position on the World Court, and deserve close attention and scrutiny.

Mr. Speaker, the Reagan administration's decision to withdraw from the World Court's compulsory jurisdiction violated a solid policy of support for the court over the last four decades. This country was founded on a respect for domestic and international law. By continuing to reject the jurisdiction of the World Court, the administration has betrayed our American traditions and acted contrary to our own long-term interests.

Let us hope that the next, and hopefully, a wiser, administration will reverse this irrational policy at the first opportunity.

[From the Los Angeles Times, Sept. 25, 1988]

UNITED STATES SNUB OF WORLD COURT WON'T AVERT DAY OF RECKONING

(By Howard N. Meyer)

Nicaraguan-American relations took another erratic turn last week with the refusal of U.S. visas for the customary complement of delegates wishing to attend the new U.N. General Assembly in New York. Yet, despite its rock up-and-down course, the cease-fire agreement between Nicaragua and the U.S.-supported Contras may still be headed for resolution of the conflict there. Most of us pray that it will. But that would not close the matter for the United States.

I do not speak primarily of remorse, or of debate over the "loss" of Nicaragua, or of the trials of Americans charged with violating federal laws in the conduct of U.S. policy. There is an international tribunal that our nation still must face.

Few legislators and commentators, let alone the general public, are aware of the nature of the June, 1986, judgment of the international Court of Justice, popularly known as the World Court. The possibility of a multibillion-dollar damage award in consequence of our violations of international law has been given no attention at all.

In the minds of many, the Nicaraguan case at the World Court is associated with nothing more than the Central Intelligence Agency's mining of Managua's harbor in early 1984. That is as erroneous as the belief that the case was concluded by the ruling against us in 1986.

The World Court case is very much alive. The Nicaraguan claim for an immediate award of damages ("reparations" in international law) was rejected in 1986 as premature. The parties were told to come back to the court for further hearings if they could not settle the case by diplomatic negotiations.

The litigation was not settled; repeated requests by Nicaragua to negotiate have been rejected.

Two of the court's rulings against U.S. contentions are of potential consequence now: The May, 1985, trade embargo against Nicaragua, imposed by executive order, was condemned as a treaty violation; and the United States' "training, arming, financing and supplying" of the Contra force was held to be wrongful intervention into the affairs of a nation with which we were at peace.

Obviously there is a great deal more at stake here then merely the damage done by mining the harbor for a few weeks. The embargo is still in effect, with consequences so severe that they might now be considered a matter of humanitarian concern. Even if the arming of Contra forces has by now ceased, calculation of the amount of reparations for the effects of lethal aid is unfinished judicial business at the Hague, where the World Court sits.

In a note to the secretary-general of the United Nations last October, the late Nora Astorga, then Nicaragua's ambassador to the international organization, referred to "more than 43,176 victims and material damage which surpasses $2.8 billion" as the components of the reparations claim.

The case was reactivated by a petition filed by Nicaragua's attorneys. The court ordered a hearing; the State Department declined to appear. The court set a timetable for the filing of written statements. Nicaragua's "bill of particulars" (which exceeded Astorga's dollar estimate) was filed when due, on March 28. The United States, given until July 29 to respond, ignored the court as it has in the past.

During the summer of 1986, we were insulated (by the exercise of our veto power at the U.N. Security Council) from sanctions or other steps to enforce the "cease and desist" features of the court's interim order. But that does not guarantee that the next round at the court will be equally futile. The one-shot veto of Security Council enforcement action did not terminate our treaty obligation under the U.N. Charter to "comply with the judgment of the International Court of Justice."

.A money judgment does not require further U.N. action. Although we became a "debtor nation" a couple of years ago, we have vulnerable assets all over the world.

In considering the stubborn refusal of Washington to negotiate with Managua, we had better remember that so-called "sovereign immunity" is not necessarily going to be a shield for our assets, even among the friendliest of our allies. Addressing this very issue in 1982 in a lecture at the Hague Academy, Columbia Law School's distinguished international law professor, Oscar Schachter, declared that "the immunity cannot prevail over the obligations of the State under the United Nations Charter to carry out the Court's decision."

Wise litigators always prefer settlements to chancy victories. Why we should not attempt direct talks with Nicaragua has never been satisfactorily explained by Washington. To try for a courthouse settlement would cost nothing, and might gain the prize of peace.

THE WORLD COURT AND NICARAGUA: OUR RIGHT TO KNOW AND TO UNDERSTAND LAW'S RELEVANCE TO PEACE AND DISARMAMENT

(By Howard N. Meyer)

Disarmament has always been the most popular single object of peace advocacy. Combatting the arms race, curtailing arms production, reduction of nuclear stockpiles are equally the goals of the radical and the liberal, the well-meaning conservative and the terrified apolitical.

Some of the enormous output of energy and enthusiasm that they pour out for these ends should be reserved for a somewhat neglected cause. It is one that, on reflection, will be seen to be indispensable for their indisputably meritorious purpose.

Those who celebrate "Plowshares" as a code word or symbol for the dismantling of the war machine, or inspiration for brave acts of witness against weaponry, should go back to the all-but forgotten source. Precondition for the beating of "swords into plowshares" is the coming of a tribunal to substitute for combat in the settlement of matters previously adjudged by weaponry. There had to be one to "judge among the nations" according to Isaiah, before they could be expected not to "learn war any more."

One need not subscribe to the theological postulates of the scriptures to agree with the common sense embodied in that ordering of priorities. Nor need one have any sympathy for the old-Right political stance of President William Howard Taft—later the Chief Justice who objected to Brandeis as one who would bring socialist Bolshevism to the Supreme Court of the United States—to understand and accept his epitomization.

I am strongly convinced that the best method of ultimately securing disarmament is the establishment of an international court and the development of a code of international equity that nations will recognize as affording a better method of setting international controversies than war."

The "court" idea was not his. The United States peace movement of the nineteenth century had agitated for it. Like their sister movements of abolitionism and radical feminism, they had much to say that would been of use to their counter parts of present day, that had to be relearned. So successful had our grandfather peaceniks been that by the time present century dawned, their idea of a peace court convinced such establishment and political personalities as President Taft himself.

I am not arguing that "law" or judicial recourse by itself will necessarily insure peace—or that the institutions successively created in our century carrying the name "World Court" were or are perfectly structured or always able to help guide the nations in arriving at concord. But one can insist that the importance of a fair and impartial decision-making entity to settle disputes between nations has seen grieveously underestimated by many of the individuals and organizations that preach and profess support for disarmament and peace.

If the "World Court" were fully functioning as first conceived, it could aid the disarmament process in at least two essential aspects; first, by offering a problem-solving agency that, if used, could replace piling up of arms for tests of strength in the medieval trial-by-combat mode much of the globe still lives by. Secondly, since disarmament can only come by treaty, by making available the time-honored facility—acourt—for interpreting words of an agreement of weighing the facts claimed to violate the promise of the words.

The body now known as "The World Court" whose official title is international Court of Justice, has been in existence for almost half a century; precisely as long as the United Nations organization, of which it was declared to be the "principle judicial organ." It is functional successor of the Permanent Court International Justice, the "World Court" of the League of Nations, a product of the Treaty of Versailles that had imposed an imperialist victors' peace on Europe and the globe. The new Court was said at the the time to be a "striking creation of the modern peace movement, which has advocated it incessantly for decades."

The dream of those early peace agitators was not realized in the Court that came into being. It did aid a good deal in the development of international law as the system of customs and rules regulating peace-time relations between nation-states. But a first principle of the international law that had long existed, the "sovereign" right of each state to ignore a tribunal to which it had not consented in advance was exercised by the Great Powers at the Court's first 1921) founding and second (1945). That broadside "veto" deprived all the nations of that which *most* of them wanted, a rule of compulsory submission of disputes to the Court's jurisdiction.

The United States, which abstained completely from the 1921-39 Court, took a progressive step toward the second, by accepting the commitment that was invited under its "optional" clause. The Court's statute allowed a firm advance offer to be made to submit for decision such future disputes as might erupt with nations that had made similar specific advance agreements. The Senate inserted a reservation and limitation hedging about that commitment, and there remained many years of controversy over their effect and whether they should be revoked. But the underlying commitment proved enough, when the Nicaragua case came along, to give the Court and the world an opportunity of unprecedented magnitude. The text of its judgment, read in the backdrop of the events that led to it, offers a vision of how relations between nations could be regulated (if the opportunity were understood) so as to enable the disarmament that could only come with elimination of fear of conflict.

Opportunity is not realization. The very creation of the Court—and of course the United Nations—offered an opportunity that was allowed to pass by default, as the Cold War came to dominate all international institutional arrangements. The Court's decision in the Nicaragua case should be regarded as the new opportunity of the 1980s, offering the possibility of the revival of the idea of peaceful, third-party resolution of conflict that parties cannot settle by themselves.

A very human failing is the persistence of habits of thought, of ways of thinking, that are so deep-rooted as to block recognition of change so cataclysmic as to make old formulae and slogans obsolete. The Nicaragua decision may be "wasted" in both meanings of the word, judging by the extent to which it has been treated—save in circles of international law scholarship—as a non-event. It is not just that the Washington war-managers repudiated the decision even before it was rendered on June 27, 1986 or that an overwhelming percentage of members of Congress have voted for contra aid since its rendition without any acknowledgment of transgression. The media, jealous of their freedom and repute for skeptical coverage of events, have ignored the persistent pattern of violation.

Above all, the individuals and the organizations to whom we should have looked for guidance—and who have lately been vociferously leading the agitation for disarmament—have failed to break with their own old habits of thought and/or been too sluggish-mineded to explore the breadth and implications of the Nicaragua World Court achievement. In brief, what the Court did was to illuminate a valuable segment of preexisting International Law as "Peace Law," and the fifteen Judges sitting at the Hague Peace Palace as a "Peace Court."

Specifically in relation to Nicaragua, having weighed the evidence as well as the contentions made despite U.S. departure from the Courthouse after losing its contest on jurisdiction, the judgement, among a variety of rulings decided:

that U.S. "training, arming, equipping, financing and supplying the contra forces" violated our international law obligation "not to intervene in the affairs of another state;"

that the embargo imposed on Nicaragua in May 1985 (after the Court case had begun, and recently renewed after the April cease-fire with the contras) violated U.S. treaty obligations;

that the alleged excuse for U.S. conduct, the so-called right of collective self-defense in support of El Salvador did not meet the defined legal requirements for such actions;

that the U.S. was under the duty (June 27, 1986) to cease the conduct found to violate international law at once;

that the U.S. is under obligation to make reparations, that is, to pay damages, to be calculated, for its unlawful conduct.

Generally in relation to laying a foundation for establishment of principles that would be conducive to construction of world order under law, the Court in its opinion on the foregoing and other matters (including, mining of harbors, overflights, raiding oil installations, and the distribution of a CIA-prepared manual that commissioned atrocities against Nicaraguan civilians):

gave a needed and authoritative statement of the law regulating the use of force, between nations, including requirements that must be met for the lawful exercise of the right of self-defense;

laid down, in the setting of a case of intervention and civil strife, standards inhibiting the use of force in international relations and the contours of a claimed right of collective self-defense with specific limitations on definition of an "armed attack;"

by the swing votes of five judges from "first world" or allied nations, adjudicated mainly in favor of a small beleaguered nation facing intervention planned and financed by a giant superpower.

Under-utilized, to date, is the text of the judgment of the Court that was early said by Professor Richard Falk in the pages of the American Journal of International Law to offer a "valuable basis for public education on the international law of law and peace in the nuclear age." The directions in the judgment are uncomplied with, and so far, unenforced. Hangmen enforced international law after the Nuremberg trials that followed the defeat of the Nazis. There are those—they may be very numerous—who regard International Law as somehow "second class" law because of the seeming lack of enforcement.

Without debating the point whether inability to call a cop makes law somehow less worthy of attention, particularly a body of law that bears so directly on issues of life, death and survival, on which the success of disarmament treaties may depend, there are surely aspects of the Nicaragua litigation that are worth citing in response. In regard to each of these it is necessary to fault the media, across the spectrum, for failure to report ongoing developments of pertinence and of consequence. (The Court's decision on the merits was reported adequately; it is worth saying that they was a default in debate on the issues described; one pundit has written me that it is because the "Administration managed to damage the credibility of the World Court as well as that [Nicaragua] decision." Another is willing to eschew an "investigative" role, and accept the one State Department epithet, "politicized," as dispositive.)

Normal enforcement is entrusted to the UN Security Council, the Court being officially the judicial arm of the United Nations. Even prior to an appeal to the Council is our obligation under the Charter. It is plain: "to comply with the decision of the International Court of Justice in any case to which it is a party." Though that be our Treaty obligation, its breach has been totally ignored and unreprimanded by the Senators, who as ratifiers, are deemed by some of them to have a special role in policing compliance.

But the Charter does not leave compliance solely to trust in the good faith willingness of nations to live up to their promises. For the failure there is a remedy provided, as broad as the authority of the Security Council which has power ranging from the moral force of condemnation to the coercive force of multinational peacekeeper military means. In the case of the United States' failure and refusal to comply, the first step was taken: a resolution to compel compliance. There was only one vote against—but it was enough, as it was the veto of the United States. (Subsequently, serious argument has been made that on a matter arising from a judicial proceeding, a Great Power—one of the Council's five permanent members is disqualified to act, by virtue of the time-honored Anglo-American principle "no one shall be judge in his own case." For lack of interest or attention, the subject has never had official consideration.)

That was not the last one heard from the United Nations, but it was the last time that it was possible to read about it. On November 12, 1987 the General Assembly of the UN, following the practice instituted under U.S. leadership back in the 1950s when it was the Soviet use of the veto that paralyzed the UN, took up a Resolution calling upon the U.S. to comply with the judgment of the International Court. Adopted by a lopsided vote of 94—2 (only Israel and the U.S. dissented) the resolution had an Orwellian fate: treated as non-existent, unreported by any medium, that non-report itself not commented on by any of the wise men whose comments we look to that we may know what to think, liberal, moderate or conservative. It is worth mentioning that the debate on the Resolution, A.42 of the 42nd General Assembly, reported in full at ref. A/42PV.67 is eloquent instructive, worthy of the attention of any teacher or student of political science, foreign affairs or U.S. history for example, from Peru, "the Judgment of the Court has a universal and permanent value. The super-Powers, and perhaps other powers, may place their trust in force to guarantee their security, but the medium-sized and small countries can place their trust in international law alone. That is why for us, the developing countries, it is so important and vital to preserve the legal order and strengthen non-intervention and non-use of force in international relations. The Judgment of the Court does this in all its terms with unusual firmness and clarity."

By coincidence, within a week after the General Assembly's 1987 debate on Resolution A.42, there was presented to an Appellate Court of the United States an appeal from dismissal of a federal court action, initially brought by the late Ben Linder and a variety of co-plaintiffs, each selected with a view to overcoming the mysteries of the obstacle of "standing:" that is, possession of a legally recognizable interest that was damaged by failure of the United States to comply with the World Court's decision. At the time, November 1987, the argument of the case, its very pendency, went unreported; as of this writing, it remains undecided—testimony at least to the proposition that the case is not utterly without merit.

Should the District of Columbia federal appeals court re-instate that case, there is no assurance that it will go anywhere, given the grim signal that the new Rehnquist majority emanated on a key civil rights case. But there is still another possible source of enforcement, very much alive, and with a potential to teach a few lessons.

If you know that the case at the Hague (where the World Court sits) between U.S. and Nicaragua was still very much alive, it will not be because you read it in or heard it from any of the media. As the Court's merits judgment of 1986 will show, the question of damages payable to Nicaragua ("reparations" in international law) was deferred and a plea for an emergency interim allowance rejected, with a recommendation that the parties attempt to settle directly. Since the U.S. persistently has refused to negotiate, that unanimous (including the vote of the otherwise dissenting judge of the U.S. nationality) request of the Court has also dangled unsatisfied.

In September, 1987, after the *Esquipulas* Accord was signed, while it still seemed hardly possible that U.S. resistance to that local peace effort would be overcome, Nicaragua's representative went back to the Court and petitioned for a hearing on damages. Neither that, not the U.S. refusal to appear, nor the Court's order for filing itemization of damages, nor Nicaragua's filing of a claim for over 2.5 billion dollars (March 28, 1988), were reported. The U.S. answer is due July 28, 1988.

The result may surprise those whose estimate of the worth of international law is dependent on result, the "call-a-cop" school. For unlike a cease-and-desist order such as was delivered in 1986, a World Court money judgment for damages can, in the opinion of experts, be "docketed" and entered (without further UN or other action) in any court in the World. And the protection ordinarily afforded U.S. assets under "sovereign immunity" can be stripped. Perhaps such an outcome will raise consciousness about the relevance of the principles of international law and the International Court of Justice.

NEW YORKERS DEMONSTRATE SUPPORT FOR JAMAICA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. RANGEL. Mr. Speaker, all of us, no doubt, are familar with the destruction to the island of Jamaica by Hurricane Gilbert: 49 dead in Jamaica; between 40,000 and 60,000 left without homes; and severe damage to buildings, crops, roads, and electrical lines. With the help of the entire world community, including the Government of the United States, Jamaica is now on the road toward economic recovery.

At this time, I would like to pay a special tribute to the public and private sectors of my home State of New York, both of which performed in an exemplary manner during this crisis in the Caribbean. Both were not only supportive in my successful efforts of passing legislation providing over $100 million in assistance to the Government of Jamaica, but also initiated their own relief efforts. Although it would be impossible to name all of the many New Yorkers who had a role in Jamaica relief, I would like to specifically cite the roles of: Gov. Mario Cuomo, Senator DANIEL P. MOYNIHAN, Representative EDOLPHUS TOWNS, Representative MAJOR OWENS, and Representative FLOYD FLAKE.

In the aftermath of Hurricane Gilbert, Governor Cuomo was especially useful in authorizing the New York National Guard to transport several shipments of humanitarian supplies to Jamaica. When we ran into a roadblock with regard to securing authorization from the U.S. Agency for International development [AID] for the transport, by military aircraft, of 150,000 pounds of relief supplies to Jamaica, I, working with the previously named Members of the New York Congressional Delegation, was successful in securing AID approval. In addition to thanking and commending these public servants for their efforts, I would also like to say a word of thanks to the staffs of the New York State Emergency Management Office and the Caribbean Action Lobby.

In New York State, the private sector was also quick to respond to Jamaica's plea for assistance from the world community. One such organziation that deserves special mention is the Philip Morris Co., Inc. Within days of the disaster, Philip Morris Co., Inc., had dispatched more than 90,000 pounds of food, clothing, and medical supplies on a privately chartered plane. Included in the shipment were 30,000 pounds of food the company had donated through its General Foods subsidiary. Total, this company's contribution to the Jamaica relief effort represented one of the largest private donations from the New York private sector.

Mr. Speaker, witnessing the New York political and business communities come together in the fashion that it did in the aftermath of this devastating hurricane makes me proud to be a New Yorker. We, in a very real way, have demonstrated our support to the Caribbean community in general, and the island of Jamaica in particular. In responding to such natural disasters, the State of New York has become a role model and example for other States to follow.

HON. KENNETH GRAY

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. APPLEGATE. Mr. Speaker, I wish to join with my colleagues in offering special recognition and thanks to one of the real movers and shakers in the Chamber. A Member who probably deserves a major share of the credit for the productive 100th Congress, Representative KENNETH GRAY of Illinois.

I've had the pleasure of serving with KEN for the past 4 years on the House Veterans' Affairs Committee where he played a big part in the passage of some of the most important legislation for America's veterans that we've seen in decades. As someone who served our Nation in World War II, someone who was on the leading edge of combat in the skies and on the ground in North Africa, Corsica, and southern France, KEN GRAY knows only too well the experiences of America's 27 million veterans, and he has always acted to do what was needed to provide for the continuation of benefits and programs for the needy and deserving men and women who have served in our Armed Forces.

KEN GRAY entered the House of Representatives for the first time in 1954, serving 10 continuous terms and leaving his mark on the Public Works and Transportation Committee upon which he served. KEN played a major role in the development of the Interstate Highway System that was initiated in the 1950's, and he has always demonstrated a keen interest in the restoration of Union Station here in Washington and in public works and buildings throughout the Nation. The newly reopened Union Station was brought back to life due in part to the efforts and endeavors of KEN GRAY.

So many of us have commented recently as to the successes of the 100th Congress and the achievements that far surpass the gains made by past Congresses. I think the reason why we've been able to do what we have around here is because KEN GRAY has probably put in more time as Speaker pro tempore than any other person in this Chamber. You could always count on a speedy day in the House with KEN in control, and I can think of only a few others around here who know the rules and the procedures of the House of Representatives as well as KEN GRAY. He has always been a master at maintaining control around here.

Mr. Speaker, I've enjoyed working with KEN over the past 4 years and I wish for him and his wife, Gwendolyn, my very best wishes for many more years of happiness and joy after leaving Capitol Hill. KEN put in two decades in the House prior to his service in the 99th and 100th Congresses; I'm glad he returned to do his part in making the U.S. House of Representatives the great and eminent institution that it is today.

FREE-TRADE ARRANGEMENT WITH TAIWAN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. CRANE. Mr. Speaker, today I am introducing a bill for the purpose of authorizing the negotiation of a free-trade arrangement with Taiwan. An FTA, which will remove all trade barriers between the two nations over a period of time, will ensure increased access to the markets in the Republic of China on Taiwan, while guaranteeing the Taiwanese the dependability of the United States market.

The Republic of China has demonstrated its commitment to maintaining and improving its trade relationship with the United States. In recent years, Taiwan has taken substantive steps in opening its markets to American products. For example, they have sponsored several "Buy American" procurement missions, signed long-term purchasing agreements, adopted favorable trade measures to support U.S. businesses, lowered customs tariffs, and removed nontariff barriers.

The Taiwanese "Buy American" procurement mission is perhaps the finest example of Taiwan's commitment to the expansion of free trade with the United States. The ROC has just completed its 14th such mission, purchasing over 160 million dollars' worth of United States agricultural and industrial products. Since 1978, these missions have been responsible for buying nearly $11 billion of U.S. goods. Taiwan's efforts confirm the country's commitment to liberalize their trade regime.

Although Taiwan occupies a small piece of land not much larger than the State of Vermont, it has a population of over 19 million people. The average income per household, which is fairly evenly distributed, is approximately $12,000. Additionally, the Taiwanese have the largest savings rate in the world, averaging over $10,000 per family. Inevitably, this means that the potential for an increase in consumer demand can easily become greater as markets open to high quality American products.

The United States is Taiwan's largest trading partner largely due to their dependance on our agricultural trade. Because less than one-quarter of Taiwan is arable and they lack many natural resources they have become one of our largest purchasers of apples, corn, lumber, ice cream, cotton, grapes, onions, and cattle hides. And as a result of significant tariff cuts in food items as well as other products, the list continues to grow. An FTA will provide the United States even further access to the Taiwan market.

The creation of an FTA with Taiwan will carry with it an unlimited number of advantages. The larger trade environment will encourage more competition between industries. Consequently, consumers, both American and Taiwanese will have access to quality imports at lower prices and use their saved capital to purchase other goods. Ultimately, the economies of both the United States and the ROC will strengthen.

Perhaps the greatest advantage of all would be the effect an arrangement with Taiwan would have on our other trading partners. As the economic advantages of a United States-Taiwan FTA are realized, it is practically inevitable that other nations will approach us with an offer to negotiate a similar agreement. As free trade throughout the world is clearly our main objective, a bilateral approach, at least initially, may be exactly what we need to get the ball rolling.

McKINNEY HOMELESS ASSISTANCE ACT

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 19, 1988

Mrs. COLLINS. Mr. Speaker, every day we see the visible homeless on the streets, in doorways, in subways, and parks. As a result, we have a false perception of the homeless. We tend to believe that they are mostly derelicts, male, unemployed and unemployable, mentally ill, and often substance abusers.

But, although some of the homeless fit into that category, in reality, 25 percent of the 3 million homeless are working, yet don't earn enough to afford both housing and food. Approximately 90 percent of the 3 million have worked at various times in their lives; 40 percent are families with small children; another 25 percent suffer from a debilitating medical condition that prevents them from working. Approximately 40 percent are veterans, primarily from the Vietnam era. Another group are elderly and not able to work.

The causes of homelessness are as diverse as the homeless. Family breakup—many times the result of physical abuse—eviction, loss of employment, and urban renewal all contribute to the largest number of homeless U.S. citizens at any time since the Great Depression. This statistic is especially shocking in these times so prosperous for some, and so hopeless for others.

The McKinney Act intends that unutilized and underutilized, excess and surplus Federal real property be offered to various governmental groups and nonprofit organizations to be used as facilities for the homeless. This term should be interpreted by the Federal agencies charged with the responsibility of placing real property in the hands of those working with the homeless as broadly as possible. It includes far more than emergency shelters. It also involves transitional housing where persons are assisted in finding permanent housing and are prepared for the move back into the societal mainstream, soup kitchens, legal and social services clinics which assist the homeless in obtaining their legal entitlements, medical care and housing, health clinics, educational and child care services, community mental health clinics, and employment and training services.

When the Department of Housing and Urban Development issued its criteria for evaluating property as suitable for homeless facilities, it appeared to take an unduly narrow view of facilities for the homeless as being mainly emergency shelters. As a result, HUD's criteria placed a heavy emphasis on factors that would be necessary for residential purposes. It also ignored the fact that in some areas, vacant land could be used efficiently for temporary modular construction. Congress expects a more creative approach to the use of unutilized or underutilized Federal property for those without homes and fully anticipates that the executive agencies now understand that it is their role to use Federal property to assist the homeless and not to go through an unnecessarily burdensome process that can have no other result than to deny usable property to our most needy fellow citizens.

REPUBLIC OF CHINA'S 77TH ANNIVERSARY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. HYDE. Mr. Speaker, I know I speak for all my colleagues here in Congress as I offer best wishes and congratulations to the Republic of China on the occasion of her National Day, Monday, October 10, the 77th anniversary of its founding by Dr. Sun Yat-sen in 1911. We applaud Taiwan's achievements in democratic reform and her efforts to reduce the trade gap with the United States as well as reduce trade and tariff barriers.

President Lee Teng-hui and Ambassador Ding Mou-shih both have our assurances of continued support and cooperation in matters national and international, and we promise a new vigor in upholding, and in implementing, the Taiwan Relations Act of 1979. May Taiwan enjoy a further eight decades of development and prosperity.

VOTER UP! KIDS GET POLL SMART

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. UDALL. Mr. Speaker, many of us in Congress have expressed our concern over the low voter turnout in the United States. By some estimates, less than half of the eligible voters in this country showed up at the polls in the last election. That number is much lower for younger voters. Only 20 percent of the eligible voters under the age of 30 cast ballots in the 1986 election.

There is another generation of Americans, Mr. Speaker, who have not yet had the opportunity to vote in a congressional or Presidential election. This generation is now being educated in our Nation's elementary schools. Many of their teachers are committed to promoting a strong sense of civic responsibility in their students. The core of that lesson is an emphasis on voter participation.

In Arizona, a program geared toward teaching schoolchildren about the democratic process has encouraged these educators. "Kids Voting" is an attempt to teach American children about their voting rights. The methodology is simple: While the parents cast their ballots on November 9, their children will vote alongside them in a mock voting booth. Later, both parents and children can watch on a local television station as their votes are tabulated.

Another program aimed at increasing voter participation through early instruction is the National Student/Parent Mock Election. On November 3, students and parents from all 50 States will cast votes for National and State offices in the third "National Mock Election". Participants will phone in their choices to a central office and will be able to view the results on C-SPAN.

Mr. Speaker, these two programs show the promise of creating a generation of lifetime voters. Today, the Christian Science Monitor wrote about the kids voting project and described how a similar 40-year-old program in Costa Rica is credited with that country's 90-percent voter turnout.

Mr. Speaker, I ask that the article from the Christian Science Monitor be inserted in the CONGRESSIONAL RECORD:

VOTER UP! KIDS GET POLL SMART: FIRST WHOLE-FAMILY APPROACH DEDICATED TO CONQUERING VOTER APATHY

(By Janice Arenofsky)

MESA, ARIZ.—Eleven-year-old Matthew Maynard lives in one of the fastest-growing areas in the nation: Phoenix's East Valley.

On weekdays Matthew trudges off to Jordan Elementary School, where he's just another youngster learning fractions and flute-a-phone.

But come Nov. 8—election day in the United States—Matthew will head off to a different place—a neighborhood church. There while his parents vote, Matthew will, too.

He'll go into a separately designated area, mark a simulated ballot printed in either English or Spanish, and carry away a souvenir pencil with the words "First Vote." Later, Matthew will listen for his specially tabulated results on local TV.

No matter who becomes president, though, the Maynards will have made history as voters in the election of '88 and as supporters of Kids Voting—the first whole-family approach in the US devoted to conquering voter apathy.

For several East Valley community leaders on a fishing holiday, Kids Voting turned out to be their biggest catch.

While vacationing in Costa Rica, they learned that for nearly 40 years, children in this Central American democracy have accompanied their parents to the polls and voted in mock elections. But the most illuminating and inspiring news was Costa Rica's impressive voter turnout: a phenomenal 90 percent!

To the Southwesterners, it seemed a case of "monkey-see, monkey-do," with generation after generation of youngsters developing into model citizens. Could Costa Rica's triumph, they wondered, transfer to Arizona, a state ranking especially low—46th nationwide—in voter turnout?

Back home, the combined enthusiasm of businessmen, educators, and journalists stimulated a $20,000 donation.

Yet before the project could proceed, it needed to hurdle one formidable obstacle: a state law stipulating that minors remain 50 feet from the polls. After some debate, the legislature passed a bill removing all restrictions.

As it now stands, Kids Voting targets some 28,000 students in four cities: Mesa, Tempe, Chandler, and Gilbert. The plan is to turn youngsters into lifetime voters by offering them school lessons on the democratic process and the opportunity of actually voting at the polls.

Program administrators also hope to increase adult voter turnout in the 65 participating precincts. Once kids get excited and informed, say Kids Voting supporters, parents will, too.

As an added hook, however, children in Grades 3 to 8 can vote only if accompanied by a parent. High school students, though permitted to vote alone, are encouraged to go with Mom or Dad.

Jean Hamlin, a resource specialist in Mesa Public Schools, helped create the classroom teaching guides, which focus on candidates, offices, platforms, and the rights and responsibilities of voters.

"We've been very careful to be nonpartisan," Ms. Hamlin says. "Some parents expressed concern that teachers would promote their own candidates, so we've tried for balance."

David Eagleburger, associate superintendent of Mesa Public Schools, believes that the hands-on approach of Kids Voting "helps to desensitize the voting process, making it less intimidating for kids."

Recently U.S. Sens. Alan Cranston (D) of California and Dennis DeConcini (D) and John McCain (R) of Arizona introduced and helped pass a concurrent resolution on Kids Voting. In it they asked the Federal Election Commission to "advise the Congress on the success of the [Kids Voting] program in increasing voter turnout."

Senator Cranston, who is also sponsoring a national bill that would allow adults to register on election day, says, "I hope the success in Arizona this fall will lead to the plan spreading elsewhere."

Coming out on top, though, will probably mean coming up with the right numbers. No one knows this better than Bruce Merrill, a pollster and Arizona State University associate professor who has organized state campaigns throughout the country. Mr. Merrill intends to scientifically evaluate Kids Voting.

Over the next decade, he plans to track at least 1,000 children taking part in the pilot project, studying their voting habits in school and public elections.

"That would be a true test showing the value of this experiment," he says.

But for now, Merrill will compare the Kids Voting precincts with Arizona precincts having similar demographics but lacking the program.

"If those precincts don't see an upturn in voters, and ours do, then the inference is that the project positively affected turnout."

Dee Sirkis of the Arizona League of Women Voters is cautiously optimistic. Before expanding the geographic scope of the program, she says, "We must first see what the reactions of parents are, assess them, and see what changes must be made."

Working out the logistics of Kids Voting takes commitment. Project administrators, for instance, still need to recruit and train 585 workers to man the polls.

Also, with the cooperation of Michael Harty, director of the Maricopa County Elections Department, Kids Voting personnel are busy rounding up additional space at the polling sites.

"I think it's an excellent program that helps young people get a better feeling for the electoral process," says Mr. Harty, whose enthusiasm for Kids Voting doesn't blind him to possible problems—one being extremely crowded polls.

Yet, even if adult turnout increases by 20 percent, as supporters of Kids Voting predict, Beverly Maynard won't mind the lines. She says it makes good sense for youngsters like her son Matthew to get a head start on decisionmaking.

"I'm impressed with Kids Voting," she says. "I'd like to see it work."

JUANITA VALDEZ: A SPECIAL GOLDEN RULE HONOREE

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. GONZALEZ. Mr. Speaker, I would like to pay tribute to and bring to the attention of you and our colleagues, a very special San Antonio constituent of mine—Juanita Valdez.

Ms. Valdez is the 1988 recipient of the National Golden Rule Award, a national competition sponsored by J.C. Penney to honor exemplary volunteer service by individuals and organizations. The award is a means of recognizing the contributions made by these individuals and organizations to improving the quality of life in their communities.

Ms. Valdez, a volunteer with Inner City Development, Inc., located on the westside of San Antonio, was selected by a blue ribbon panel of volunteer and civic leaders from a field of over 3,600 nominees from all over the United States. Her organization is devoted to assisting needy individuals and families to become self sufficient, as well as providing the basic needs of individuals—food, shelter, and counseling.

Juanita Valdez wears many hats at Inner City. She is responsible for all aspects of the organization's soup kitchen, from maintenance, to chef, to program administrator, to staff supervisor. She is at the kitchen 6 days a week feeding 85 to 140 persons a day. In addition to her involvement with the soup kitchen, Ms. Valdez also conducts casework for the organization's emergency food service. This program serves 1,200 families a year and ensures that families in crisis receive proper assistance and do not fall between the cracks.

By any standard, Juanita's dedication and unselfish giving of her time is an inspiration and personifies the admonition of the Golden Rule—to help one's neighbors as you would want to be helped. The fact that Juanita Valdez is a permanently disabled single parent with seven children, and who has had to undergo 16 operations in the past 8 years makes her contributions to others remarkable.

Four other finalists of the Golden Rule Award were recently honored with Ms. Valdez here in Washington. They, too, have made very significant volunteer contributions to the well-being of their fellowmen and women. These fianlists are: Sylvia Benenson of Dallas, TX; Marion Bozarth of Bethany, OK; Bob Kiniery of Mill Valley, CA, and Pete Marsh of Sarastoa, FL.

I applaud J.C. Penney in recognizing and honoring Juanita Valdez and all volunteers who give so generously of that most precious of commodities—time and devotion. These wonderful volunteers, these wonderful Americans, these wonderful human beings illustrate that an individual can make a difference.

TRIBUTE TO BUD FARALLY

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. WELDON. Mr. Speaker, I rise today on the last legislative day of the 100th Congress to congratulate a leader from my district. Mr. Bud Farally served his country in the U.S. Air Force, and continues to serve the working men and women of southeastern Pennsylvania.

Bud Farally is currently vice president of the Building Trades' Union of the Delaware County AFL-CIO's Central Labor Council. In this capacity Bud has fostered cooperation between labor and management and served as a catalyst for many new construction projects. For as long as I have know Bud, he has shown enviable management and leadership qualities. Bud is respected by his peers and looked to for counsel by Government officials, developers, project manager, and brother labor leaders.

Having worked with Bud while chairman of the Delaware County Council and now as the Congressman from the Seventh District of Pennsylvania, I know why he is being honored as "Outstanding Tradesman" by the AFL-CIO's Central Labor Council. Bud has accepted many challenges throughout his career. While rising up through the ranks of local 19 sheet metal workers and serving as a strong labor leader, But also took on civic responsibilities including service on the Delaware County Drug and Alcohol Commission.

It takes a great deal of skill and character to be a leader today. Today's leaders must be prepared to accept extraordinary amounts of responsibility with less and less reward. Leaders of today must be prepared to bear personal sacrifice for the benefit of the people they represent. Mr. Speaker, I am proud today to honor one such leader, Bud Farally.

I urge my colleagues to join me in thanking Bud for the many good works he has done for the people of my district.

FEDERAL RESERVE SHOULD MOVE TO EXPAND BANK SECURITIES POWERS UNDER EXISTING LAW

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LAFALCE. Mr. Speaker, unfortunately, the Congress is about to adjourn without passing badly needed legislation. Absent congressional action, I believe it is imperative that the Federal Reserve move expeditiously to act upon bank holding company applications for additional securities powers under existing law. Current law, as interpreted by the courts, clearly allows the granting of additional powers to bank holding companies.

Such action on the part of the Federal Reserve would be consistent with congressional intent, as expressed under the Competitive Equality Banking Act passed in August of 1987, that any subsequent congressional failure to act should in no way impede regulatory action under existing law. It would also be consistent with the direction in which the Senate and House Banking committees are clearly moving—that is, the granting of a full array of securities powers to bank holding companies.

I have written to Chairman Greenspan of the Federal Reserve expressing my views in this regard. The text of the letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 21, 1988.

Hon. ALAN GREENSPAN,
Chairman, Federal Reserve Board, Washington, DC.

DEAR MR. CHAIRMAN: As you are aware, the Senate and House Banking Committees have made a concerted effort to enact comprehensive banking legislation. Unfortunately, we have not been successful in passing this badly-needed legislation in this session of Congress.

Certainly, as the Speaker of the House has recently noted, any change in the provisions of the law concerning the regulation of banking institutions is rightfully a legislative concern. However, absent Congressional action, the Federal Reserve has a right, indeed an obligation, to proceed in a timely and conscientious fashion under existing law.

Current law as interpreted by the courts clearly allows the granting of additional powers to bank holding companies under Section 20. In fact, the Federal Reserve has already moved cautiously and appropriately under the provisions of existing law to approve expansion into certain areas, and the Board's actions have been approved by the courts.

The failure of the Congress to act should thus prove to impediment to the proper implementation of existing law by the Federal Reserve. In fact, the intent of the Congress is made very clear in section 203 of the Competitive Equality Banking Act of 1987: "It is the intent of the Congress not to renew or extend the moratorium established under section 201 whether or not subsequent banking legislation is passed by the Congress." In essence, in August 1987, with that statement, the Congress directed the Federal Reserve to act, in the Board's discretion, on future applications, should the Congress fail to act.

All actions within the Congress since August 1987 have reinforced that direction and basically indicated the parameters of future reform.

The full Senate passed a bill, on March 30, 1988, by a 94 to 2 vote, that granted a wide range of securities underwriting powers to bank holding companies, including commercial paper; municipal revenue bonds; asset-backed securities; mutual funds; and corporate debt, including debt convertible into equity.

The House Banking Committee, on July 27, 1988, by a vote of 31 to 20, also decided to grant bank holding companies the same broad array of powers: commercial paper; municipal revenue bonds; asset-backed securities; mutual funds; and corporate debt, including debt convertible into equity.

Hence, there is a basic harmony between the full Senate action and the action of the House Banking Committee, and also between these actions and the 1987 expression of Congressional intent. All of these actions are consistent with the Federal Reserve's interpretation of existing law and all move clearly in the direction of granting a full array of securities powers to bank holding companies.

I would suggest that the Federal Reserve proceed to take action that is consistent with existing law and with the direction that the full Senate and the House Banking Committee have set. Such regulatory decisions, in my judgment, would not be reversed, either prospectively or retroactively.

I would hope and expect that the Federal Reserve will proceed in a timely fashion, therefore, to review and act upon, as appropriate, any pending and future applications for expanded powers under Section 20.

Sincerely,

JOHN J. LAFALCE,
Member of Congress.

EMIEL J. CHRISTENSEN: A LARGE AND GROWING LEGACY LEFT FOR NEBRASKA

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BEREUTER. Mr. Speaker, the year 1988 saw the passing of one of Nebraska's most distinguished and influential citizens—Emiel J. Christensen of Columbus, NE. He left this life at the age of 93, preceded in death by the wives of his two happy marriages, survived by his son and daughter-in-law, Mr. and Mrs. William Christensen, and children of Fremont, NE, and acclaimed affectionately by the thousands of Nebraskans who were his friends, students, professional associates, or beneficiaries of his expertise in architecture and community planning. Nebraska, and other parts of this Nation too, is and will continue to be a far better place to live because Emiel Christensen gave to his fellow man so generously of his talent, intellect, and concern for humanity and its home planet.

Mr. Christensen was a native of the small country town of Lyons, NE, in Burt County, where as he put it he "grew up studying, playing, and working among the children of the Scandinavian immigrants and American Indians." Soon after his graduation from Lyons High School when it became clear that Americans would enter "the war to end all wars," he volunteered for the Army and served in both British and American units. After participating with distinction in many battles in France, he was wounded and gassed. During his recuperation in St. Louis, MO, he proceeded to build on an earlier brief vocation in carpentry by pursuing the study of architecture at Washington University in that city. After graduation he began a professional career in architectural and community planning that consumed his interest until the day he died. After short periods of apprenticeship in Florida, the Southwest, and a year in Omaha with the office of Thomas R. Kimball, he moved to Columbus, NE, where he established his own architectural firm, his roots, his practice, and the focus of action from which he built a statewide reputation. Among many local civic responsibilities in Columbus he served two terms as American Legion Post president of the Rotary Club, and as a leader and resource person in the earliest stages of Columbus' development as a center of the manufacturing and public power industries.

In light of Mr. Christensen's professional achievements, it is not surprising that the Nebraska Society of Architects gave him their Distinguished Architect Award. The Nebraska Chapter of the American Planning Association made him their first life member. When the Architectural Forum prepared its postwar planning series in the early 1940's, he was a member of its editorial advisory committee. The Governor's Council to Keep Nebraska Beautiful today designated their annual highest environmental award for him. Additionally Mr. Christensen served his State and profession by chairing the Nebraska State Board of Examiners for Professional Engineers and Architects.

When this Member returned to my home State in 1966 to be employed as a community planner with the Nebraska Resources Division, I first met Emiel Christensen, for he was the part-time director of the planning section of that State agency while continuing to serve as professor of architecture and coordinator of community services at the University of Nebraska in Lincoln. He was a great inspiration to me as a person, as an involved and active citizen of Nebraska and this Nation, and as a person whose vocation was directed to helping our State's communities with their planning and development activities. Emiel became a great and lasting friend, a teacher, and an adviser to this Member from that day forward.

Among this Member's primary responsibilities was to assist in the nearly unique and highly successful annual State of Nebraska Award and Assistance Program for Nebraska's communities, the Nebraska Community Betterment Program. That effort, later led by this Member, continues today in a highly successful adopted form which continues to bring great benefits to Nebraska's communities and their citizens. Those benefits, improvements, and the education and leadership opportunities given to several generations of Nebraskans will continue far into the future. That is a part of the reason why the legacy of Emiel Christensen is so large and growing and why it will continue.

In 1961 Emiel Christensen published some of his lecture notes under the title of "Created Pawns or Creative Partners." In it is a small sample of the wisdom, character, and integrity this creative pioneer of the prairie demonstrated for Cornhuskers of the past, present, and future. For what he was, for what he did, and for what he left behind for his fellow countrymen, Emiel J. Christensen was a very special human and a great American.

Men like him need to be recognized by this Congress and by this Nation; therefore, I take this step at the conclusion of the 100th Congress to honor and pay tribute to the memory of Emiel J. Christensen of Nebraska. Emiel, Nebraskans will especially miss you and your contributions in the Cornhusker State. Thank you.

THE CONGRESS WILL MISS DON BONKER

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SWIFT. Mr. Speaker, today I join the rest of my colleagues in saying that the House will miss one of its energetic leaders, DON BONKER, who will be leaving us at the end of the year. Those of us from Washington State will especially miss the close friendship and counsel he has given to us over the last many years.

To the State has has been a leader on many environmental and resource issues so important to the Northwest. Environmentalists in Washington State will be long appreciative of DON BONKER's efforts in working out careful compromises which provided for the preservation of Bowerman Basin, a delicate wildlife estuary in the southwestern part of Washington State. Citizens from all of the 50 States will be able to enjoy the magnificent panoramas of the Columbia Gorge due in large part to efforts that DON BONKER made at the end of the last Congress.

On resource issues DON BONKER sought and succeeded in coming to the assistance of many of the resource-related industries in our State, including our important fishery and timber industries upon which so many of our citizens rely for their livelihood. His service on the Merchant Marine and Fisheries Committee has been of great value to our fishermen, and there is a vacuum which will be hard to fill.

I remember well DON BONKER's leadership on energy issues. In the 96th Congress many of us in the Wasington State delegation worked to pass the Pacific Northwest power bill which provided a framework for managing the vast hydroelectric resources of our region. In December 1980 we succeeded in passing one of the most forward looking pieces of energy legislation ever to be signed into law. DON BONKER's contribution was in providing leadership in the structuring of the Pacific Northwest Power Planning Council which for the first time provided for popular input into regional energy decisionmaking. Other regions of the country look with envy at this mechanism. DON BONKER should be given large credit for his efforts here.

The Congress will miss a valued leader in the area of international trade. We all remember his work in this year's trade legislation. He has recently authored a book which offers a clear and insightful exposition of our current trade problems. I will continue to seek his advice on these issues.

I could go on. But the career of seven terms in Congress by such an able Member cannot be summed up in a statement such as this, and it shouldn't be. There are just too many accomplishments. Suffice it to say it is public policy that is the loser here. For those of us that are his friends and colleagues, will continue to work with DON BONKER. It is the public policy process that is losing DON BONKER. We hope it's only a temporary loss.

SSC—THE TIME HAS COME

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. AKAKA. Mr. Speaker, my colleagues, as adjournment for the 100th Congress approaches, I would like to take time to focus attention on the decision expected in the coming month on the site selection for the superconducting super collider—the SCC as it is known.

As the siting decision draws near, I want to add my voice to the rising chorus in favor of siting the SCC in the West. A western site has many advantages, some of which I will catalog. But the one overwhelming advantage that the West can offer the SSC is a broad groundswell of support among the research community and elected officials throughout the region.

Based upon the recommendations of the National Academies of Science and Engineering, the Department of Energy selected 7 sites last January from among 30 that submitted proposals. The West boasts of two sites from among the final seven—Arizona and Colorado.

By selecting a western site, the Department of Energy can build upon its already strong research base in the region. The advanced scientific research on high energy physics and superconductivity at the Los Alamos, Sandia, Lawrence Livermore, and the National Center for Atmospheric Research offer a solid research foundation which will support the SSC.

Add to this a strong and united coalition of unversities and research institutions throughout the West that have voiced their commitment to the SSC. These organizations have joined to establish the Western States SSC coalition which is dedicated to establishing cooperative scientific ventures throughout the region to support the SSC through their institutions.

These are a few of the many reasons why Hawaii has played an active role in supporting a western site for the SSC. And this is why Hawaii's chief executive, Gov. John Waihee, and I have voiced strong support for locating the SSC in the West.

As a further demonstration of Hawaii's support, I would like to place in the RECORD a copy of a letter which Dr. Albert Simone, president of the University of Hawaii, recently sent to Secretary Herrington regarding the university's support for the superconducting super collider [SSC].

When the Secretary's announcement is made I certainly hope that we'll be singing "Westward Ho:"

UNIVERSITY OF HAWAII,
Honolulu, HI, September 27, 1988.

Mr. JOHN S. HERRINGTON,
Secretary of Energy, U.S. Department of Energy, Washington, DC.

DEAR MR. HERRINGTON: The University of Hawaii has an active program of basic research in High Energy Physics involving experiments at several accelerator sites as well as non-accelerator experiments located in Hawaii. We are also supporting the broad national program in this field through our membership in the Universities Research Association [URA]. My personal participation in URA proceedings has left me with a deep appreciation of how scientists and university administrators in this field, working together to seek consensus, have been able to define realizable goals for their profession. This program, supported primarily by the Department of Energy, has made available to many universities the magnificent facilities which no one university could possible maintain.

I have written to you before in support of the goal of building the superconducting Super Collider (SSC), a goal agreed upon by the vast majority of high energy physicists. Thanks to your leadership in mobilizing widespread support, President Reagan has endorsed the SSC. Hawaii contributed to this support by persuading both our Senators to cosign a letter in favor of the SSC. We are now hopeful that Congress will follow through with adequate funding for construction as well as R&D.

A logical and well-planned process of encouraging proposals for the SSC site has narrowed down the candidates to seven sites. We have been on the sidelines up to now in this competition, since our physicists, due to Hawaii's remote location, have a long way to travel to any of the proposed locations. Furthermore, your process of objectively examining the pros and cons of each site is just now providing detailed information on each location. Once that is done, it seems fair for each region of the country to make clear the primary reasons for it being the choice for the siting the SSC.

There is strong support among our Hawaii group for the Arizona locations to be chosen as the site for the SSC. The DOE reports appear to support Arizona's assertions of lower construction costs, minimum environmental impact, and a beneficial living environment, among other advantages. Rapid transfer to DOE jurisdiction of all lands required for construction and operation of the SSC is another important factor. My understanding of the geological conditions at the Arizona site is that no unusual problems in tunneling are expected. There are other technical reasons for choosing Arizona, which their application details.

Another reason for Hawaii favoring the Arizona site is Hawaii's favorable experience in shared use of astronomical facilities with Arizona; Tucson and Mauna Kea are two of the world's best locations for ground-based astronomy. Our High Energy Physics program in gamma ray astronomy started at Mt. Hopkins near Tucson, through the cooperation of the optical observatory there. Judging from our own experiences as well as the pledges of the University of Arizona SSC proponents, we anticipate a very cooperative and beneficial atmosphere for research if the SSC is located as proposed in Arizona.

I realize that you have a very difficult decision to make in designating the "preferred site" for the SSC. Let me assure you, however, there will be strong support from Hawaii if the Arizona site is chosen.

Sincerely yours,

ALBERT J. SIMONS,
President.

BATH IRON WORKS OF BATH, ME, CONTINUES AS A TOP-QUALITY EMPLOYER—BUILDING AND REPAIRING SUPERIOR SHIPS

HON. JOSEPH E. BRENNAN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. BRENNAN. Mr. Speaker, as Maine's First District Congressman, I have the honor of representing Bath, ME, home of the world's premier shipbuilder. Earlier this year, the U.S.S. *Samuel B. Roberts* struck a submerged mine while on patrol in the Persian Gulf. While the *Roberts* was severely damaged with a 22-foot gash torn into the hull, there was no loss of life and the ship stayed afloat. Bath Iron Works built the *Roberts* and the ship was commissioned in 1986.

Despite the serious damage to the frigate, the quick reaction and heroic response of her officers and crew prevented any loss of life and the ship. Several weeks prior to that incident, Capt. Paul X. Rinn, commanding officer of the *Roberts,* wrote Bill Haggett, chairman and CEO of Bath Iron Works, the praise the suberb seaworthiness and rugged construction of his ship. Captain Rinn's letter follows:

COMMANDING OFFICER,
USS SAMUEL B. ROBERTS (FFG 58),
New York, NY, March 14, 1988.

DEAR BILL: Greetings from the Persian Gulf. *Samuel B. Roberts* is operating at high tempo in this tense corner of the world and doing the job quite well. Bill, this Bath Iron Works product you gave us to operate has just been superb. Both the Combat Systems suite and the Engineering package have been a dream. Don't let the critics kid you, this ship is a match for the threat whether it be a Mirage Fl at 380 knots 50 feet off the deck or an Iranian SAAM Frigate maneuvering in close to gain tactical missile/gun advantage. I know, because that's what we have had to deal with and in every case we have taken the other guy down town.

The operations tempo in the Middle East Force is tough and requires ships to be able to stay at sea for extended periods of time without replenishment or technical support in an environment of wind, heat and sand second to none. As of 20 March SBR will have 75 days deployed with only 3 days in port. During the period 19 FEB to 20 MAR we will have operated alone in patrol areas bringing 19 FEB to 20 MAR we will have operated alone in patrol areas bringing us in active contact daily with Iranian and Iraqi jets as well as Iranian surface craft and ships. We have successfully done this with only one RAS during the time frame. I'd say the ship has excellent legs when employed

properly. Overall the situation in the Persian Gulf remains tense and sleep is at a premium, but there is no doubt that our presence has calmed the waters quite a bit. On the homefront SBR has dominated the East Coast Frigate world and anticipates winning the Battle "E" in all major categories. Our eye will then shift to the Battenburg Cup as the "Top Combat Ready Surflant Ship". (My relief will have to get that one).

I hope BIW is coping with the latest ship building allocations and that you are not on the verge of another difficult labor contract dispute. I have always been proud of the fact that *Samuel B. Roberts* was built at Bath Iron Works and felt your yard worked hard to give us the best possible product. I also appreciate the difficult position you are presently in trying to keep one of our best shipbuilding companies in business and competitive. As a result I thought you might be interested in some good news about how well one of your sleek platforms has been doing.

Warm Regards

PAUL X. RINN.

The *Roberts* is one fo 24 Bath-built FFG-7 class frigates. Following delivery of the lead ship, the *Perry*, in 1977, all consecutive ships at Bath were delivered ahead of schedule and under budget. In fact, Bath's frigates were delivered a cumulative 400 weeks ahead of schedule. Bath continues to serve the Nation as a premier builder of complex surface combatants.

In 1982, Bath was awarded the follow-yard contract on the Aegis Cruiser Program. In 1985, Bath won a difficult three-way competition to be the lead design and building yard for the Aegis destroyer, the *Arleigh Burke* class. Both cruiser and destroyer programs are now well underway at the shipyard, with the Navy estimating that Bath's entry into the Cruiser Program has resulted in a $3 billion savings from initial program cost projections. The state-of-the-art Aegis ships will provide needed antiair warfare [AAW] capability well into the next century.

Bath has laid the groundwork, made the necessary investments in the latest advancements in facilities, and most importantly, brought together America's best shipyard workers to form a winning team. Earlier this month, the employment level at BIW reach over 10,000—a record peacetime number. I remain certain that the quality of Bath Iron Works' ships can be directly attributed to the quality of workers who build the ships. BIW's reputation for quality is known throughout the world, which is a point of particular pride for all Maine residents. The efforts of all Bath Iron Works employees certainly positions the company to serve America's needs well into the future.

ELDERLY OUT-OF-POCKET HEALTH CARE COSTS RISE TO $2,394 PER PERSON—18.1 PERCENT OF ELDERLY INCOME IN 1988

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ROYBAL. Mr. Speaker, today I am releasing a summary of a committee staff analysis of elderly out-of-pocket health care costs.

Based upon the attached report, I am deeply concerned with the elderly's rapidly rising out-of-pocket health care costs. The results of that study clearly show that, in terms of out-of-pocket health care costs, the elderly in 1988 are significantly worse off than they were 8 years ago in 1980. While the elderly's health care costs ranged from 12 to 13 percent of their income in the 1977–1980 period, they will be spending just over 18 percent of their limited income in 1988—an average of $2,394 per person.

Cutting Medicare and Medicaid and failing to contain health care costs generally has taken a devastating toll on the elderly's financial resources. Assuming that the elderly should not be required to use a greater percentage of their income than they did in 1980, program cuts, increased premiums and copayments, and the failure to control health care costs have increased the elderly's health care payments in 1988 by $21.9 billion. This amounts to an added burden of $718 per elderly person. Every year that there is a failure to control the elderly's share of health care costs, America's elderly will fall deeper and deeper into trouble.

Unfortunately, I fear that the worst is yet to come. Although the elderly's health care payments are already too high at 18 percent of income, these payments are likely to continue to rise rapidly at a rate one and one-half to two times faster than their limited incomes. These likely increases result from past Medicare and Medicaid cuts and the failure to control health cost inflation. These increases will occur even without further cuts in Medicare and Medicaid.

Today I am calling upon the 101st Congress and the next administration to join with me to prevent any further increases in out-of-pocket health care costs and any further cutbacks in critically needed protection for America's elderly and poor.

Mr. Speaker. I ask that the summary of the committee study be included in the RECORD.

COMMITTEE ANALYSIS

ELDERLY OUT-OF-POCKET HEALTH CARE COSTS, 1977–1988

Elderly spending $21.9 billion more of their income for health care in 1988 than if spending the same percentage of their income as in 1980. This figure amounts to an average of $718 per elderly person.

Elderly per capita out-of-pocket costs rise to $2,394 in 1988—two and one-half times higher than the $966 spent in 1980.

Elderly out-of-pocket health care costs at 18.1 percent of income in 1988—nearly one and one-half times higher than the 12-13 percent in 1977 and 1980.

Since 1986, a greater and greater share of elderly income has been spent on health care than the proportion spent when Medicare and Medicaid began in 1966.

Between 1980 and 1988, the elderly's health care payments (up 12.0 percent per year) rose one and one-half times faster than their income (up 7.1 percent per year). During the 1977-80 period, the growth in elderly health care payments (10.7 percent annually) was in better balance with growth in elderly income (9.0 percent annually)—a difference of only 1.7 percent annually.

Under the direction of Chairman Edward R. Roybal, the House Select Committee on Aging staff have completed an analysis of health care costs for America's elderly.[1] The study is based upon studies and information supplied by the Health Care Financing Administration in 1984 and 1988. The results of the committee study clearly show that, in terms of out-of-pocket health care costs, the elderly in 1987 and 1988 are significantly worse off than they were in 1977 and 1980. All indications are that out-of-pocket health care costs will continue to consume increasingly larger portions of elderly income for the foreseeable future.[2]

According to the committee study, the elderly are spending just over 18.1 percent of their income in 1988—an average of $2,394 per person. For the 1977-80 period, the elderly's health care costs consumed only about 12-13 percent of their income—down from the estimated 15 percent spent in 1966 when Medicare and Medicaid began.

ELDERLY OUT-OF-POCKET HEALTH CARE COSTS

Year	Elderly out-of-pocket health care costs	Percentage of elderly income
1988	$2,394	18.1
1987	2,165	17.4
1980	966	12.7
1977	712	12.3
1966	300	15

Sources: House Select Committee on Aging, October 1988; Census Bureau, 1988; Health Care Financing Administration, July 1984 and October 1988.

Elderly out-of-pocket health care costs in 1988 are estimated to average $2,394 per person—nearly two and one-half times the costs just eight years earlier in 1980. The 1988 out-of-pocket cost of $2,394 compares to the cost figures of $712 in 1977 and $966 in 1980.

In the period 1980 to 1988, the elderly's health care payments rose at a rate that was one and one-half times faster than the rate of increase in their income. Specifically, the elderly's share of health care costs climbed at a rate of 12.0 percent, while elderly income increased at an annual rate of only 7.1 percent.

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[1] The Committee analysis relies heavily on budget information provided by the Health Care Financing Administration (HCFA) and three HCFA studies: "Health Expenditures by Age Groups, 1977 1987" (Unpublished, 1988), "Demographic Characteristics and Health Care Use and Expenditures by the Aged in the United States: 1977 1984" (Fall, 1984) and "National Health Expenditures, 1986 2000" Summer 1987).

[2] For purposes of this study, total "out-of-pocket" health costs include any costs paid by the elderly, including direct payments for services (e.g., nursing homes, prescription drugs), coinsurance and deductibles, private insurance premiums (most of which are paid by the elderly themselves), and Medicare Part B and A premiums (except for those paid by Medicaid).

Cutting Medicare and Medicaid and failing to contain health care costs generally has taken a devastating toll on the elderly's financial resources. Assuming that the elderly should not be required to use a greater percentage of their income than they did in 1980, program cuts, increased premiums and copayments, and the failure to control health care costs have increased the elderly's health care payments in 1988 by $21.9 billion. This amounts to an added burden of $718 per elderly person. Every year that there is a failure to control the elderly's share of health care costs, America's elderly will fall deeper and deeper into trouble.

For the elderly, the situation continues to worsen. Though the elderly's health care payments are already high at 18.1 percent of income, out-of-pocket health care payments will likely consume ever increasing portions of their income. Barring some intervention, health care costs are likely to continue to rise at one and one-half to two times faster than elderly income. This increase results from relatively uncontrolled health care cost inflation and past Medicare and Medicaid cuts. This large increase will occur even without any further cuts in Medicare and Medicaid. Unless action is taken to control health care costs generally, health care will continue to eat up ever larger portions of the elderly's income for the foreseeable future.

Unfortunately, many people still believe that health care costs paid by the elderly are not excessive. Over the past eight years, proposals continued to surface which would severely cut Medicare and Medicaid benefits. While many of these proposals were rejected by the Congress, the 101st Congress and the next Administration must exercise great care. Simple solutions to containing costs and proposals that shift costs to beneficiaries must be rejected. Instead, we must take steps which constrain rapidly rising health care costs for all payers—the States, the employer, the poor, the elderly—not just for the federal portion of Medicare and Medicaid.

No one discounts the problem which the Federal government faces with increasing Medicare and Medicaid program costs. However, everyone must also realize that the elderly are shouldering an increasing share of the health care cost burden and that the poor are facing major problems with health care access. Congress must cautiously and reasonably constrain health care costs for everyone. At the same time, we must carefully shield the elderly and poor from those Medicare and Medicaid cuts which increased elderly out-of-pocket costs or reduce access to quality health care.

PERSONAL HEALTH CARE EXPENDITURES FOR PEOPLE AGED 65 AND OLDER IN 1977, 1980, 1987, AND 1988

[In dollars]

Source of funds	Per capital health expenditures			
	1977	1980	1987	1988
Total	$1,785	$2,515	$5,288	$5,749
Private	719	976	2,190	2,421
Consumer	712	966	2,165	2,394
Out of pocket	522	721	1,549	1,691
Insurance	115	148	434	463
Medicare premiums	75	96	183	240
Other private	7	10	25	27
Government	1,066	1,540	3,098	3,328
Medicare	713	1,061	2,153	2,303
Medicaid	249	333	620	677
Other government	104	146	325	348

PERSONAL HEALTH CARE EXPENDITURES AS A PERCENTAGE OF INCOME FOR PEOPLE AGED 65 AND OLDER IN 1977, 1980, 1987, AND 1988

Elderly consumer costs as percentage of income	1977	1980	1987	1988
Percentage of mean income	12.30	12.68	17.44	18.12

Consumer Cost/Mean Income: 1977—712/5,853—12.30 percent; 1980—966/7,614—12.68 percent; 1987—2,165/12,417—17.44 percent; 1988—2,394/13,217—18.12 percent.

Sources: House Select Committee on Aging, October 1988; Census Bureau, 1988; Health Care Financing Administration, July 1984 and October 1988.

PERSONAL EXPLANATION

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. NELSON of Florida. Mr. Speaker, due to my attendance at the funeral of my close personal friend, Martin Stein, Sr., of Jacksonville, FL, I missed the following votes. Had I been present I would have voted "yea" on rollcalls 456, 457, 458, 459, 460, 461, and 462.

PERSONAL EXPLANATION

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DURBIN. Mr. Speaker, I wish to have noted for the RECORD that, had I been present on October 19, 1988, I would have voted "yea" on rollcall vote No. 449 and "yea" on rollcall vote No. 450.

Mr. Speaker, I wish to have noted further for the RECORD that, had I been present on October 20, 1988, I would have voted "yea" on rollcall vote No. 451, "nay" on rollcall vote No. 452, "yea" on rollcall vote No. 453, "nay" on rollcall vote No. 454, and "yea" on rollcall vote No. 455.

TRIBUTE TO MR. ANDREW P. DENTON

HON. ROBERT LINDSAY THOMAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. THOMAS of Georgia. Mr. Speaker, as the 100th Congress prepares to adjourn this evening, I know that our thoughts have been on the many legislative issues that have come before us during the past 2 years.

However, at this point, I want to call to the attention of my colleagues an event that occurred in Savannah, GA, this week that had nothing to do with legislation or Presidential campaigns. Yet, in many ways, it was one of the most important events that took place in the Nation because it had to do with the personal courage and the achievements of one American citizen. The collective courage and achievements of Americans is the bedrock of this Nation, and it is our people who give life to our democracy.

The achievement I speak of is the award of the Bronze Star Medal to Mr. Andrew P. Denton. I was to have presented this award to Mr. Denton on October 20. However, due to the congressional session, I arranged for its presentation by my administrative assistant, Mr. Robert H. Hurt. Joining in this ceremony was Col. Ian Larson, Acting Division Commander, 24th Infantry Division (Mechanized), and Fort Stewart-Hunter.

In order to bring this matter to the attention of the House, I would like to ask that the newspaper account of this ceremony as it appeared in the Savannah Morning News on October 20, 1988, be included in the RECORD at this point. Following that, I ask that my own statement prepared for delivery of October 19 be placed in the RECORD. at this point. Following that, I ask that my own statement prepared for delivery on October 19 be placed in the RECORD. This statement was presented in summary form at the ceremony.

DISABLED VETERAN GETS BRONZE STAR 2 DECADES LATER

(By Patrick Armstrong)

A Savannah man who lost his right arm 20 years ago while serving in Vietnam was awarded the Bronze Star in a ceremony Wednesday at the Savannah Vet Center.

Andrew Denton received the award after fighting U.S. Army regulations and a lack of proper paperwork for almost a year.

Denton, who was a specialist four in the Army, served from October to December 1968. He was severely injured when, operating under orders, he set off explosives at a bridge that his unit had secured.

Denton said he remembers that while he was recovering someone told him he had been recommended for the Bronze Star. However, the paperwork was never processed and the award never given.

The Bronze Star is given "for heroic or meritorious achievement of service not involving serial flight in connection with operations against an opposing armed force," reads Army literature.

Denton did not decide to press the issue until last December when he contacted 1st District U.S. Rep. Lindsay Thomas Savannah office to tell his story. In April, Thomas' request that the award be given was denied by the Army because of the lack of original paperwork.

However, former officers in Denton's unit were tracked down and interviewed with the help of Army officials. Records of Denton's service also were searched.

The Army Decoration Board then reviewed the records and recommended the award, said Bob Hurt, Thomas' staff director. The board is empowered to recommend an individual for a decoration which was not formally submitted either because the person making the recommendation for the award or the person recommended is medically incapacitated.

STATEMENT OF U.S. REP. LINDSAY THOMAS, PREPARED FOR DELIVERY, SAVANNAH, GEORGIA, OCTOBER 19, 1988

We are assembled here today to recognize the achievements of a very remarkable young man—Mr. Andrew P. Denton.

We are here to honor him for two achievements. First, as a combat soldier in the service of the United States of America in the Republic of South Vietnam.

Second, as a peace-time veteran who had the courage of his convictions, and the strength to fight for something he knew that he deserved.

It was just over ten months ago that Mr. Denton came to my Savannah office to speak with my office manager, Ms. Trish DePriest, to tell a story that began more than 20 years ago. That was when he lost an arm and suffered many other terrible injuries while operating under orders setting off explosives at a bridge his Army unit had secured in hostile action.

Like many young men who served in Vietnam, his road back to life in America has not been an easy one. He is 100-percent disabled, and he bears the scars of war on his body and in his memory.

But he has been working hard with friends, with family, and with the resources of the Veterans' Administration and the Savannah Veterans' Centers. They have helped, and they are continuing to help. As Andy has worked his way through the pain of his injuries and the scars he will bear for life, he came to grips with the fact that all of the chapters of his service in Vietnam had not been closed.

One of those unanswered chapters was his recollection that as he lay wounded, he was told that he had been recommended for the Bronze Star decoration. But as is often the case, the paperwork for the decoration was never correctly processed. He had elected not to pursue the issue years ago, and because so much time has passed, no record exists today to confirm his decoration as required by Army regulations.

Andy will be the first to tell you that he is not one to seek the formalities of ribbons and decorations. But the lack of that special decoration seemed to mock his sacrifice. Just at the time he was coming to grips with the anger and depression that have followed him for years, it seemed that the bureaucracy of his country was turning him away.

My first Congressional inquiry to the Army came back with a sympathetic, but firm, denial. Unless the paperwork for the decoration had been submitted at the time, no award could be made.

Many men would have walked away at that. But Andy is tougher than a great many men. He wanted to push it.

And so I wanted to push it, too. He had the help of his physician, Dr. John Savino. And we called on two very special Georgians to help us, both of them Vietnam veterans themselves. One is Lt. Col. Frank Norton, originally from Waycross, and now a member of the Army Congressional Liaison team in Washington. The other is Maj. Gen. Chuck Dominy, formerly our District Engineer here in Savannah, and now the Chief of Legislative Liaison for the Army in Washington.

They put the big wheels in motion. Former officers in Andy's unit were tracked down in civilian life. Interviews were conducted. Records were searched.

Rules are rules, and the required supporting documentation could not be found for the original decoration.

But Specialist Four Andrew Denton was a special soldier, and that became clear as the Army Decoration Board reviewed his records.

This Board is empowered to recommend an individual for a decoration under carefully defined circumstances. Those circumstances are when it can be conclusively proven that formal submission of the original recommendation was not made within the recommended time limits because the person recommending the decoration, or the person being recommended, was in a medically incapacitated status.

Andy, I have talked to a great many people in Washington, and I can tell you that this is a rare distinction you are about receive. Both because of the decoration, and because it was reviewed with the most stringent attention to insure that it was fully justified. In other words, what is about to happen here is something very rare and very special.

I should add at this point that the ceremony today was planned based on Andy's own directions. He said he wasn't much on formality. He wanted to keep it simple.

General Taylor and the good people at Ft. Stewart and Hunter had made plans to have an Army band and a complete honor guard here. Andy said thanks, but he'd rather just have his friends here and the great people at the Savannah Vets Center who have meant so much to him.

So that's why we're here, and that's why you don't see a 21-gun salute with all the trimmings. It was Andy's choice.

In accordance with Andy's instructions, it is now my honor to present his medal. But first, I want to say one final thing.

I know that this medal and this certificate are not compensation for the physical pain you have borne or the wounds that you will carry with you always.

There is no medal or ribbon that we can give to you to match what you have given to us.

But this medal is not meant to be compensation. It is meant to be a symbol of the heart-felt gratitude of the men and women of the United States Army and of the United States America.

There is a famous message that a British soldier carved on an old sentry box so long ago that his name has been forgotten. However, his words endure. He said:

"God and soldier, all men adore,
In time of trouble, and then no more.
For when war is over, and wrongs are righted,
God is neglected, and the solider slighted."

There was a time in our country when many would slight our Vietnam veterans. For too many veterans, there was no homecoming. For too many, there was only the bond they shared with their fellow veterans, and a few close friends or family.

But that has changed. This country is filled with men and women who salute you for who you are and what you have done.

If times get hard somewhere down the road, I hope that you will pull this medal out and take a look.

It is not so much a medal, as it is a mirror that reflects the gratitude, the respect, and the admiration of the United States of America.

On behalf of everyone here, as well as all of the people of the United States of America, thank you.

MORATORIUM ON EXPANSION OF MOTOR CARRIER COMMERCIAL ZONES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ANDERSON. Mr. Speaker, I am introducing legislation along with Mr. HAMMERSCHMIDT and Mr. SHUSTER today which would provide for a 12-month moratorium on the rulemaking proposed by the Interstate Commerce Commission to expand the size of the commercial zones around our Nation's cities and towns.

The Interstate Commerce Commission has instituted a rulemaking proceeding which proposes to expand the size of individual commercial zones by as much as 100 miles in diameter. The ICC has indicated that this is an attempt by the Commission to deregulate the trucking industry. As chairman of the Public Works and Transportation Committee, I question whether these increases, to the extent proposed by the Commission, are within the discretionary powers of the Commission. Such a rulemaking could unwisely result in the Commission, and not the Congress, making important policy decisions on the scope of economic deregulation for the trucking industry.

I am also concerned with the economic well-being of motor carriers operating within these expanded zones. Many comments filed in the ICC's proceeding are strongly and persuasively opposed to the proposed commercial zone expansion.

I expect the Committee on Public Works and Transportation to review this issue in more detail in the next Congress. Therefore, I would hope that the ICC takes no further action to expand the size of commercial zones as proposed in Ex parte No. MC-37 (Sub-No. 40) until Congress has had an opportunity to analyze and review this matter more closely.

HOUSE JOINT RESOLUTION 597—THE PALAU COMPACT OF FREE ASSOCIATION IMPLEMENTATION ACT

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DE LUGO. Mr. Speaker, 64 other Members joined me in sponsoring House Joint Resolution 597 to authorize a compact of free association with the Trust Territory Islands of Palau to be put into effect if certain conditions are met.

One condition is that the compact would have to be approved in a referendum in Palau.

Other conditions require commitments to address very serious problems indentified through an investigation by the Insular and International Affairs Subcommittee, which I am privileged to chair.

These problems include corruption, drug trafficking, a crippling debt, and a lack of basic health and other facilities. They have contributed to Palau's failure to approve the compact in six referenda so far.

The United States has an obligation to address these problems under an agreement with the United Nations Security Council for the trusteeship administration of the islands. A failure to address them would be an unconscionable failure to live up to a sacred trust.

The House approved an amended version of the resolution October 6 with 406 Members voting in favor. The amendment reflected a compromise between interested members of both parties of the Interior and Insular Affairs and Foreign Affairs Committees.

The compromise preserved the fundamental principles of House Joint Resolution 597. It was also fully supported by the administration, even though its provisions were different from those initially requested by the President.

House Joint Resolution 597 united Palau's President and Congress in support of the compact for the first time. They said that it offered the best chance yet for getting the compact approved in Palau. Later, they agreed to the compromise that passed the House, saying that it, too, offered a realistic chance for getting the compact approved in Palau.

The day after the House acted, the other body amended the resolution, apparently misunderstanding what it contained.

The Senate amendment—although I am sure well-intentioned—would not result in the compact being implemented because the Palauans would not accept that amendment without the other provisions of the House-passed resolution being adequately dealt with.

Not meeting United States responsibilities in Palau could prolong the debate on Palau's future political status.

Sponsors of House Joint Resolution 597 agree with Palau's leaders that it would be better to enact no legislation at all on the compact than to enact legislation that did not meet United States responsibilities in Palau.

At this point I want to include in the RECORD letters from Palau's President, senate president, and house speaker which make it clear that Palau would not approve the compact under the conditions proposed by the other body.

SECOND OLBIIL ERA KELULAU,
PALAU NATIONAL CONGRESS,
Republic of Palau, October 21, 1988.

SP: 1443
Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs,
and
Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, DC.

DEAR CHAIRMEN: The leadership of Palau has heard that there is an effort to pressure the House of Representatives to accept the Senate amendments to the Palau Compact legislation with only a compromise on the IPSECO debt added. Palau's leadership opposes this proposal and believes that it would not enable the Compact to be approved by Palau.

We urge the House of Representatives not to compromise away the basic principles of H.J. Res. 597 as passed by the House. These assurances offer the only real chance of getting a Compact approved in Palau, and the Palau leadership would strongly oppose approval of a Compact without these basic principles.

Sincerely yours,
JOSHUA KOSHIBA,
Senate President.

SECOND OLBIIL ERA KELULAU,
PALAU NATIONAL CONGRESS,
Republic of Palau, October 11, 1988.

LCvt: 1437
Hon. J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Dirksen Senate Office Bldg., Washington, DC.

DEAR CHAIRMAN JOHNSTON: We are writing you to express our strong support of House Joint Resolution No. 597, the legislation which would authorize the entry into force of the Compact of Free Association between the United States and the Republic of Palau. It is our understanding that H.J.R. No. 597 does not enjoy the same degree of support among the membership of the Senate that it does in the House of Representatives, where it passed overwhelmingly, and that favorable action by the Senate is an uncertain prospect.

It is extremely unlikely that the Compact, in the same form that has been rejected in six previous plebiscites, will once again be submitted to the voters of Palau. Only an enhanced package of Compact benefits, such as that represented by H.J.R. No. 597, would stand a good probability of approval by the Palauan electorate.

The widespread support in Palau for H.J.R. No. 597 is much more than an election-year phenomenon. On this basis, we respectfully encourage you to exercise your substantial influence in an effort to secure the enactment of this legislation as soon as possible.

Thank you for your consideration.

Sincerely,
JOSHUA KOSHIBA,
Senate President.
SANTOS OLIKONG,
Speaker, HOD.

SECOND OLBIIL ERA KELULAU,
PALAU NATIONAL CONGRESS,
Republic of Palau, October 14, 1988.

Hon. J. BENNETT JOHNSTON,
Chairman, Senate Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. JOHNSTON: We have just received the Congressional Record regarding the Senate action on H.J. Res. 597 and wish you to understand that we cannot support the version of H.J. Res. 597 that passed the Senate. The House version reflected our absolute bottom line position, which was not easily arrived at. Because H.J. Res. 597, as amended by the Senate, will not receive the support of our leadership, regretfully, Palau will not be able to approve the Compact of Free Association with the United States. We think it best for H.J. Res. 597 to die now rather than to become law in the form passed by the Senate, a form that our leadership will never accept.

Sincerely,
SANTOS OLIKONG,
Speaker.

OFFICE OF THE PRESIDENT,
Republic of Palau, October 11, 1988.

Serial: P110 88
Hon. J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington DC.

DEAR CHAIRMAN JOHNSTON: As the United States Congress considers the Palau Compact implementation legislation, I would like to mention that the people of Palau want to see the Compact put into effect as soon as possible. Furthermore, while I appreciate the Senate action on the Compact, I am in full support of the main provisions of the House passed legislation. Those provisions would provide badly needed financial and technical assistance to enable us to deal with a number of problems that are not adequately addressed by the Compact, especially law enforcement, Public Auditor and Special Prosecutor, and IPSECO debts arrangement.

I am in agreement with the leadership of Palau, including the Olbiil Era Kelulau (OEK), that Palau will have a better chance in approving the Compact if the United States approves the House passed legislation. Without the main provisions of the said legislation, it will be extremely difficult to expect a favorable vote result if it is put into another plebescite. That would sum up the voting on the same Compact package which have failed six times and frankly, I doubt the present leadership in Palau will be inclined to submit the same package for the seventh referendum. Of course, we have an option to make another attempt to amend our constitution so that the Compact can be approved by a simple majority instead of 75% but the general support for such process has deteriorated to the point where it will not only be unwise to carry out such an exercise, it will definitely fuel more dissension and political turmoils in Palau which we cannot afford to relive.

I look forward to our new relationship under the Compact and hope to see United States Congress approve a Compact legislation we all can support.

Thank you.

Sincerely
THOMAS O. REMENGESAU,
President, Republic of Palau.

The views of Palau's leaders are important here because the compact cannot come into effect without Palau's approval and free association is supposed to be a mutually agreed-to relationship.

If this legislation is enacted, it will be the third law on the Palau Compact. The first, Public Law 99-239, was an "approval in principle" of the compact. The second, Public Law 99-658, was a "conditional approval" of the compact—the condition being that another law would have to be enacted.

These two laws were enacted to provide an incentive to the people of Palau to approve the compact. But in three referenda since they were enacted—as well as in the three referenda held before—Palauans have failed to approve the compact.

It could be counterproductive to enact a third law to authorize the compact to be implemented which did not address reasons why the two previous laws did not lead to approval of the compact.

I have studied the Senate amendment carefully in an effort to find a compromise that would preserve enough of the fundamental principles of House Joint Resolution 597 for us to support it and enough that the compact might be able to be approved in Palau.

Chairman UDALL of the Interior and Insular Affairs Committee and Chairman FASCELL of the Foreign Affairs Committee proposed such a package to Chairman JOHNSTON of the Energy and Natural Resources Committee.

The substitute Chairman UDALL proposed included all of the provisions of the Senate amendment which I believed that we—and, hopefully, the people of Palau—could accept.

Seventeen of the sections were essentially Senate provisions. Two were major compromises between the House and Senate-passed legislation. Only six sections are basically House provisions.

Two of the major compromises concerned the primary issues of difference between the legislation passed by the House and that passed by the Senate.

One involved whether the legislation should provide the same commitment to assistance for Palau's anticorruption and antidrug abuse efforts and replacement of medical and prison facilities that the compact would provide for almost all of the assistance the compact would provide Palau.

The House-passed resolution would provide a full faith and credit of the U.S. commitment for the assistance. The Senate amendmemt would authorize assistance at levels to be determined later which may or may not be provided.

Because nearly $3 billion has already been authorized for compacts with the Republic of the Marshall Islands, Federated States of Micronesia and Palau and are backed by the full faith and credit of the United States, we believe that same approach is the proper one in this instance.

However, labeling this money "full faith and credit" is far less important to the Interior Committee members or to the Palauans than having an iron-clad assurance that the money will be there on the schedule provided.

Therefore, in an effort to deal with the concerns of members of the Senate Energy and Natural Resources Committee on this matter, we agreed earlier today to drop any reference to full faith and credit, in return for commitments from Chairman YATES amd Senator JOHNSTON and others on the Appropriations Committee of the House and Senate and the administration that this money will, indeed, be appropriated or otherwise made available and provided to Palau as called for by the resolution.

Assuming these commitments would be met, this solution would have met our concern that this vitally necessary funding not be illusory and should have eliminated concerns which have been expressed by some in the Senate about the use of the full faith and credit language. Through this provision, the first year funds for these sections could be provided to Palau later this year or early next year in time for Palau to know they are available it if considers the compact in a 7th referendum.

Unfortunately, this compromise was not able to receive clearance in the other body.

The substitute would have required the United States to provide the assistance proposed by the House but it would not apply a full faith and credit commitment to it. Instead, the assistance would have been authorized as proposed by the other body.

The other issue involved what compact assistance Palau may use to pay a scandalous $46 million debt for power facilities perhaps worth half that much and acquired under very questionable circumstances.

The House resolution would let Palau use $32 million of compact funds to settle the debt within a year for that amount.

It would provide Palau next year with funds it was to have received over the next 13 years under the compact to enable Palau to afford the settlement.

The Senate amendment would let Palau use up to $83 million of compact funds to settle the debt. Under it, a settlement for up to an estimated $66 million over a dozen years was planned.

The substitute would have let Palau use $32 million of compact funds to settle the debt. It would have provided Palau this fiscal year with the funds Palau was to receive over the next 14 years of the compact to enable Palau to afford the settlement. But it would also have required Palau to pay the net costs to the United States of this "acceleration" of compact funds back to the Federal Government, an amount estimated to be $9 million. This compromise was devised on the other side of the Capitol.

I had hoped that my colleagues and Members of the other body would regard this as a fair—and responsible—compromise. It went as far as I think we could towards the positions adopted on the other side of the Capitol.

Unfortunately, spokesmen for the other body indicated that some Members of that Chamber would not be able to support this compromise. They insisted that the House accept the Senate amendment with the compromise that they proposed regarding the power facilities debt.

We could not agree to this proposal and Palau's leaders urged us not to.

The spokesmen for Members of the other body reportedly rejected several different proposals from us which we had made in an effort to compromise on the problem areas. It was in essence a "take it or leave it" situation.

At about 11 o'clock tonight, a representative of the administration, James D. Berg, the Director of the Office of Freely Associated State Affairs requested a meeting with House and Senate staff in an effort to resolve an apparent stalemate.

Shortly before the end of the legislative business of this Congress, Mr. Berg, a career employee of the U.S. State Department, offered to provide written commitments from himself on behalf of the administration for all of the fundamental principles of the House resolution. Some of these letters were hurriedly drafted by Mr. Berg by hand and provided to us after the last vote of this Congress.

After rushed discussion with my colleagues. I agreed to accept the assurance to be contained in these Executive Branch letters—and others to be submitted—and the assurances of members of the Foreign Affairs Committee and the provisions of the Senate proposal.

Unfortunately, the Republican objectors objected to consideration of the legislation.

The distinguished majority leader, TOM FOLEY, understandably was concerned about taking up such important legislation at that hour.

I understand that the speaker, JIM WRIGHT, did not intend to recognize Members for the purpose of offering legislation after Members had been told the last vote had already occurred. So, the legislation was not able to be considered.

A reasonable compromise is, further, justified in light of what is at stake.

For the United States, the compact would secure important military, international, and domestic objectives.

The military objectives include base rights for 50 years which figure into any alternative to our important Philippine bases and the right to deny access to an area of the Western Pacific to any other country.

The international objectives include ending the embarrassment of being the administrator of the last of the 11 trusteeships set up by the U.N., ending a controversy about whether the trusteeship still applies to the other three parts of the Trust Territory, and ending the divisive and destructive debate in Palau over the islands' future political status.

The domestic objectives include alleviating the executive branch of responsibilities it has not fulfilled for several years and the problems which have developed as a result.

For Palau, the compact would mean self-governing authority for the first time in many, many years—at least in all matters not affecting United States military rights.

The compact would also guarantee close to half a billion dollars in assistance over 15 years, including some Federal programs. And it would mean access to the United States to live and work for Palau's 15,000 people.

The 101st Congress will now have to address this matter.

In the interim, though, there is much that this administration and its successor can do to simplify the action needed by the next Congress.

What the House-passed resolution would have required—steps the administration is willing to take—should be taken by executive action, such as agreements with Palau, and by proposals of appropriations or other legislation.

These requirements can also be written into the compact itself.

Reaching these compromises required the dedication and cooperation of a number of Members. In particular, I would like to recognize the contributions to it of the Chairmen of the Interior and Insular Affairs and Foreign Affairs Committees, our colleagues MO UDALL and DANTE FASCELL; and the contributions of the distinguished gentleman from California, GEORGE MILLER, the distinguished gentleman from Alaska, DON YOUNG; the distinguished gentleman from Minnesota, BRUCE VENTO; and the distinguished gentleman from Connecticut, SAM GEJDENSON.

I would also like to note the work done on this legislation by our able colleagues, STEVE SOLARZ, BOB LAGOMARSINO, JIM LEACH, DOUG BEREUTER, BEN BLAZ, and BILL BROOMFIELD.

The interest in this matter of two Members of the other body, BENNETT JOHNSTON and JAMES McCLURE, also deserve special mention.

In the next several days, I will include in the RECORD details of the proposed compromise and the reasons for it.

I thank Members for their understanding of this important matter.

SANDRA DAY O'CONNOR FIGHTING BREAST CANCER

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Ms. OAKAR. Mr. Speaker, the news media is carrying a sad story describing a tragedy that will be repeated at least 130,000 times this year. Supreme Court Justice Sandra Day O'Connor underwent surgery for breast cancer today. She, along with first Lady Nancy Reagan, are two of the most visible victims of this insidious disease.

Mr. Speaker, I am very relieved that Justice O'Connor is going to be well again. In fact, the Supreme Court Public Information Office has stated that she fully intends to return to work on October 31—the first day the Supreme Court returns to hear oral arguments. I wish to send my best wishes to her for a speedy and complete recovery.

Breast cancer is a disease that affects 1 out of every 10 American women. Last year, over 41,000 women died of breast cancer. In addition, about 400,000 American women annually need surgical biopsies to be sure of the diagnosis. Breast cancer is a disease that does not respect economic, racial, ethnic, or even sexual boundaries. Indeed, almost every person in our Nation has a loved one, or knows someone who has battled this terrible disease.

Mr. Speaker, Justice O'Connor has chosen not to release detailed information regarding her battle with breast cancer. However, she did state that her cancer was detected "in the very early stages." The fact that she found the cancer in its early stage suggests that she was informed about the threat of breast cancer and probably had access to excellent health care. It may even suggest she had access to a mammogram—the life-saving procedure used by Nancy Reagan to detect her cancer.

All women in America should have access to mammograms regardless of their level of income. Mammograms cost approximately $100—an unaffordable amount to millions of women in our Nation. When surveyed, women most often cite the high cost of mammograms for their reason for not receiving one. To alleviate this problem, we need to amend Medicare to provide coverage for medically prescribed annual mammograms. The recently passed Catastrophic Health Care Prevention Act institutes Medicare coverage for biannual mammograms. While this is an important first step that I strongly support, it is not medically correct and will not guarantee the needed insurance to prevent thousands of unnecessary deaths in our country.

Mr. Speaker, we need to pass legislation similar to my bill, H.R. 2935, which would provide Medicare coverage for annual four-view mammograms for all women over the age of 65. It also includes language guaranteeing safe procedures and mammographic equipment. This is the kind of legislation that will guarantee the safety of the lives of thousands of older American women. In addition, private insurance plans should cover cancer screening such as mammograms.

Mr. Speaker, I am convinced H.R. 2935 will also save the Medicare trust fund a lot of money. The average cost of breast cancer treatment for late-stage cases is about $65,000. In contrast, the cost of treatment for early-stage breast cancer treatment is approximately $20,000. As a result, I am convinced the savings to the Medicare trust fund will be dramatic. Preventative health care saves money, and most importantly, saves lives.

Mr. Speaker, it is my hope that breast cancer can be conquered before the end of this century. We need to provide the funds needed to find a vaccine, to immunize our people from cancer. In the meantime, let's devote more effort to preventive health care. It saves money, and it saves lives.

PERSONAL EXPLANATION

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LELAND. Mr. Speaker, I was unavoidably called to my district this afternoon and, therefore, I was absent from the Chamber when a recorded vote was taken on H.R. 5210, the Omnibus Drug Initiative Act. Had I been present, I would have voted "aye" in support of this legislation.

In addition, Mr. Speaker, due to previously scheduled business in my district, I was not present for several recorded votes on H.R. 5210 and other unrelated measures on September 8, 9, and 14. Had I been present, I would have cast my votes as follows: rollcall vote No. 299, the Rangel substitute to the McCollum "user accountability" amendment, "aye;" rollcall vote No. 300, the McCollum "user accountability" amendment, "nay"; roll call vote No. 301, the Lungren amendment limiting the exclusionary rule, "nay"; rollcall vote No. 302, "yea;" rollcall vote No. 303, "aye;" rollcall vote No. 304, "yea;" rollcall vote No. 305, "nay;" rollcall vote No. 306, "yea;" rollcall vote No. 307, "nay;" rollcall vote No. 308, "yea;" rollcall vote No. 309, "yea;" rollcall vote No. 312, "yea;" rollcall vote No. 313, "yea;" and rollcall vote No. 314, "yea."

A REVIEW OF THE CRISIS IN EL SALVADOR

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MILLER of California. Mr. Speaker, as we move to adjourn today, the critical state of war is continuing in El Salvador, shattering more lives, destroying the Salvadoran economy and further adding to the destabilization of the region.

I hope that in the next Congress and with a new administration, we will closely examine the course of our policy in El Salvador over the past 8 years. For this reason, I bring a comprehensive series on El Salvador, as reported in the Christian Science Monitor by Brook Larmer, to your attention.

The report provides an excellent review of the problems Salvadorans are facing in their strife-ridden nation and also discusses the failure of U.S. policy. To date, only the following three parts of the series have been printed. I will insert the final two parts at the next opportunity. I hope my colleagues will have a chance to read the report.

The articles follow:

[From the Christian Science Monitor, Oct. 19, 1988]

PART 1.—BACKSLIDING TO THE BAD OLD DAYS

(By Brook Larmer)

SAN SALVADOR.—Over the past eight years, the United States has poured nearly $43,000 an hour into El Salvador to bolster the country's fragile political center and defeat its Marxist guerrillas.

For a country barely the size of Massachusetts, the transfusion of $3 billion has been staggering. El Salvador is now the fifth-largest recipient of U.S. aid in the world. It has received 14 times as much aid as the controversial contras of Nicaragua.

This is the U.S.'s largest counterinsurgency campaign since Vietnam. There have been gains: The effort has helped prevent a guerrilla victory, reduce Army human rights abuses, and establish civilian rule after 50 years of repressive military regimes.

But all this is now threatened. El Salvador seems to be sliding back to the violent, chaotic days of the early 1980s.

Central America's hottest war, which has already cost 65,000 lives, is intensifying. Notorious death squads are swinging into action again. A modes economic upturn disguises a deep dependency on U.S. aid and deteriorating economic conditions for the majority of Salvadorans. And with President José Napoleón Duarte gravely ill, the political center has crumbled from its own inexperience, corruption, and internal divisions.

Nearly everybody here, from conservative Army colonels to leftist political leaders, openly criticizes the U.S. "project," questioning whether it can produce genuine change or end the war.

"The U.S. has flattened El Salvador," says San Salvador's mayor, Armando Calderón Sol, a leader of the right-wing Nationalist Republican Alliance (ARENA). "It is not reactivating the economy or winning the war, but maintaining a status quo of misery and hunger."

Leftist politician Jorge Villacorta tangles with his conservative opponent on nearly every topic—but not this one: "Everyone agrees that the North American project has failed."

Today, as both the U.S. and El Salvador head toward uncertain presidential elections, politicians, diplomats, and Central American experts in both countries are riaising serious questions: Is the massive U.S. aid justified? And why hasn't it brought peace, political stability, or economic recovery?

SYMBOL OF U.S. POLICY

While Nicaragua consumes most congressional debate on Central America, U.S. policy in El Salvador continues to enjoy a largely unquestioned consensus. The primary reason: It has embodied the hopes of the administration and Congress that U.S. policy can prevent leftist revolution by fostering a viable alternative to military rule.

For a new Reagan administration, El Salvador represented the first line of defense against communism—a project that would shore up the U.S.'s weak image in the world. And after its pivotal presidential election of 1984, El Salvador became a potent demonstration of how the U.S. could help engineer a peaceful transition from U.S.-backed military regimes to civilian-run democracies.

The U.S. government was stung by its failure to control the direction of Nicaragua's Sandinista revolution. And, as President Reagan took office in January 1981, another longtime Central American ally was under siege by several thousand Marxist guerrillas.

El Salvador's leftist Farabundo Martí National Liberation Front (FMLN) had launched a "final offensive" days before Mr. Reagan's inauguration. Though the insurrection failed, U.S. intelligence sources came out with controversial evidence that Nicaragua was funneling arms to the rebels by land, air, and sea.

Panic spread. In the eyes of Reagan conservatives, El Salvador was likely to be the next domino toppled by a Soviet-inspired communist revolution. Said Reagan: "We believe that the government of El Salvador is on the front line of a battle that is really aimed at the very heart of the Western Hemisphere, and eventually us."

Within days, El Salvador, a land of only 5 million people, had become a centerpiece of American foreign policy. It was the place to show U.S. resolve, to "draw the line" on communist revolution in the third world.

For Reagan, there would be no more Nicaraguas. But for the American people, there would be no more Vietnams.

So the Reagan team promised that no American soldiers would go into combat. It limited the number of U.S. military advisers to 55. And it won congressional approval for an escalation of U.S. support. In Reagan's first term, U.S. military aid zoomed from less than $6 million in 1980 to nearly $200 million in 1984.

But El Salvador's troublesome problems—flagrant Army atrocities, right-wing death squads, and resurgent rebel forces—still worried Congress. It was only when Mr. Duarte was elected President in 1984 that skeptical congressional Democrats began to rest easy. The moderate, U.S.-trained engineer, they thought, would consolidate democracy, combat communism, and save his torn country from violent extremists on the left and right.

HOPES DEFLATED

The high hopes are now little more than memories.

During his first year as President (following a term as leader of a civilian-military junta), Duarte fought to break the monopoly held for generations by coffee-growing families backed by the Army. He tried to expand the land-reform program and nationalization of banks and export trade introduced by the junta. Using U.S. money as leverage, he wooed the armed forces away from their longtime allies in the economic elite. But he met with resistance from the right and failed to get strong U.S. backing for carrying out the reforms.

"Nobody in the history of Central America has received support like Duarte to resolve his country's problems," says a former U.S. ambassador in the region. "But the [U.S.] administration never let him go. It was never willing to confront the Army and oligarchy in the midst of what it saw as a life-or-death struggle with communism."

As the relentless cycle of war and economic crisis persisted, Duarte's power and popularity eroded.

In the end, diplomats and Salvadoran officials say, Duarte never had the power to stand up to the Army, the oligarchy, or the U.S. Embassy. He never had the courage to call a halt to corruption. And despite his good intentions, he never redressed the grave social inequities that fuel the conflict.

Consequently, Duarte alienated the very people that elected him. Meanwhile, his government drew fire from the Army and the private sector for being too socialist and corrupt to fight the war and manage the economy. The result: The ultraconservative ARENA party overwhelmed Duarte's Christian Democrats in legislative elections last March.

After the loss, Duarte fell ill and his government became paralyzed by internal splits and corruption charges. Meanwhile, leftist politicians announced that they will participate in elections for the first time since 1972, but refused to break their alliance with the FMLN guerrillas.

ARENA is now favored to win the presidency in the elections next March. If it does, it would likely push for a more aggressive war and roll back Duarte's economic reforms.

ARENA may pose a dilemma for the next U.S. administration because of its notoriously anti-democratic past. The party has worked hard to construct a moderate facade. But many U.S. and Salvadoran analysts say ARENA is still ruled by Roberto d'Aubuisson, a former military intelligence officer suspected of running death squads in the early 1980s.

While it is not clear whether ARENA members are currently involved in death squads, human rights groups say such murders have doubled this year. Recent newspaper reports suggest that, taking their cue from the ARENA victory, death squads are reemerging after a period of relative inactivity. The killing of civilians by the Army and the rebels has also risen sharply.

El Salvador seems to be entering one of the most vulnerable, polarized periods since U.S. dollars began flowing.

The eight-year war has displaced nearly half a million rural peasants, pushing many into squalid shantytowns dotting the capital. Another half million have fled the country. The neediest have been neglected as the war indirectly consumed over half of the country's national budget and of all U.S. aid.

And yet the war remains deadlocked.

Despite three sets of face-to-face discussions, neither side has budged from its negotiating position: The Marxist rebels want nothing less than a share of power and a radical restructuring of society; the acutely anticommunist Army wants nothing more than the disappearance of the Guerrillas.

Both sides still push for a clear victory. But for either army, such a victory remains a faraway dream.

CHRONOLOGY OF CONFLICT

1932: Peasant organizer Farabundo Marti leads slave-wage coffee pickers in violent uprising against wealthy landowners. The military government reacts swiftly, slaughtering 10,000 to 30,000 peasants.

1933-72: A de facto alliance between the Army and wealthy families blocks reforms and maintains a cheap rural work force. El Salvador becomes the World's third-largest coffee exporter.

1972: The military steals a presidential election victory from José Napoleon Duarte and installs its own candidate. Disillusioned activists take up arms against the dictatorship.

1973-78: As repression and economic inequities mount, left leaning chuch, student, and union groups coalesce. Five small rebel groups begin sporadic fighting in the mountain.

October 1979: Reformist Army officers stage a U.S.-backed coup and establish a moderate civilian-military junta, hoping to avert the type of revolution that swept Nicaragua three months earlier.

January 1980: The junta collapses when most civilian members resign because of the Army's continued repression and unwillingness to submit to civilian control. In March, another junta, now including Duarte, pushes land reform and the nationalization of banks and export trade.

November 1980: The Farabundo Marti National Liberation Front (FMLN) forms around five rebel factions. Armed forces respond by arresting and often murdering suspected leftists.

January 1981: The FMLN launches a "final offensive" with apparent help from Nicaragua and Cuba. It fails, but U.S. aid escalates sharply.

March 1982: The right-wing ARENA party gains control over the National Assembly and suspends land reform. The U.S. prevents ARENA from naming alleged death-squad leader Roberto D'Aubuisson as president.

1983: Right-wing death squads and Army massacres continue, raising toll of civilian murders to nearly 40,000 in four years.

March 1984: With strong United States backing, Duarte beats d'Aubisson in presidential elections. The U.S. Congress approves massive amounts of military and economic aid.

1985-1987: Duarte's Christian Democrats gain control of the National Assembly. The expanded armed forces improve their performance in war and on human rights. The FMLN is forced to turn to a strategy of mines and economic sabotage. But Duarte loses popular support as his government fails to halt the war or resolve economic problems.

1988: ARENA wrests control of the National Assembly in March. Duarte falls ill. Death-squad killings and Army abuses resurge. The FMLN launches a fall offensive.

[From the Christian Science Monitor, Oct. 20, 1988]

PART 2.—THE SHIFTING BATTLEFRONT

(By Brook Larmer)

SAN ANTONIO MOSCO, EL SALVADOR.—Ene Emilio Ponce, the most powerful field commander in the Salvadoran military, leaps off the deck of the Army helicopter just as it touches ground near this isolated farming village.

The tough-minded colonel and his troops stride past the clusters of barefoot women and children, past peasant farmers with callused hands and white sombreros.

Oddly, after eight years in the cross fire of the country's bitter civil war, many villagers are laughing and smiling. For, unlike past Army operations, Colonel Ponce is not here to flush out leftist guerrillas and their sympathizers. He is spearheading a recent Army effort to win the people over with food, medicine, and promises of future development projects.

Though fighting between the Army and the tenacious rebels of the Farabundo Marti National Liberation Front (FMLN) is intensifying, this is the core of Central America's hottest war: the battle for hearts and minds.

"These people have changed their conduct and attitude with respect to the armed forces," boasts Ponce, who may soon become the most influential man in El Salvador with his likely promotion to Army chief of staff. "It hurts the guerrillas much more if we're taking away their base of support than if we're killing their combatants."

But despite Ponce's optimism, he and other top commanders admit that the Army has made only modest advances. In the struggle for civilian sympathies, as in the rest of the bloody war that has claimed 65,000 lives, neither side has the upper hand.

Boosted by more than $800 million in direct United States military assistance since 1980, the Salvadoran Army has prevented the estimated 6,000 to 8,000 Marxist rebels from winning the war. And it has transformed itself from an inefficient, brutal bunch of 12,000 men into a professional counterrevolutionary force of 57,000 soldiers.

But despite the massive US support, the armed forces have not been able to defeat the rebels or win the hearts of the people.

Why not? A wide range of US and Salvadoran government officials, military officers, and political analysts offer several explanations:

The leftist rebels remain the most potent and elusive military insurgency in Latin America, even though their prospects for outright victory are slimmer than four years ago. While the FMLN receives political and strategic help from Nicaragua and Cuba, it is considered largely a home-grown creation, born of the repression and economic inequities of decades.

The war has not been a high priority for the US. Despite its financial commitment, it has sent mediocre military advisers who often give training inappropriate for a guerrilla war.

The Army's current hearts-and-minds campaign is designed more to manipulate people's behavior than to fundamentally change the miserable social conditions that perpetuate the war. With its emphasis on pep talks and charity, the civic-action strategy has so far failed to root out either poverty or mistrust.

The Army's fight for civilian sympathies is also hindered by its longtime reputation for brutality. For 50 years, the Army ruled with an iron fist in the interests of the country's elite. In the early '80s, it was linked to thousands of death-squad killings and other abuses.

The military's own structure makes it difficult to eliminate the abuses, as well as corruption and inefficiency. After completing the military academy members of each tanda, or graduating class, rise through the ranks more on the basis of class affiliation than merit. Because of their alliances, officers feel they won't be held accountable for their actions, no matter how egregious they may be.

"The *tanda* system is one reason the Salvadoran Army can't win," says a Salvadoran military analyst. With the bounty of US aid, he says good looters are rewarded more than good fighters. "It condones corruption. You go into the Army not to be a hero, but to get rich."

The tightly knit system creates a shield of immunity. Col. Mauricio Staben, for example, has been implicated by US and Salvadoran sources in an attempted coup, a kidnapping ring, and other cases of human rights violations. But neither the colonel nor any other officer has been convicted of human rights abuses. Colonel Staben is now Ponce's second in command at the 3rd Brigade in San Miguel.

Despite efforts to promote a merit-based system, the US has so far had little success in transforming the *tanda* system—or forcing the prosecution of any Army officer for past abuses.

But, prodded by the US, the Army had attempted to scrub its image, and it has come a long way from being public enemy No. 1. A Salvadoran academic says: "Through the past eight years, the Army has gained a level of legitimacy it never had before."

The large-scale massacres and civilian bombings of the early 1980s have largely subsided. Death-squad killings, while in a resurgence the past year, have dropped dramatically. And many powerful Army commanders like Ponce have become enthusiastic advocates for "civic action" campaigns.

But some peasants are not convinced the Army has changed. At a recent civic-action day in Conton El Brazo, in Usulután Province, an Army officer danced with a peasant woman as other rural farmers were handed free medicine. One group of bystanders said they didn't think the army's goodwill was more than a one-time affair.

Other Army tactics—including so-called "dirty tricks" to ferret out guerrilla sympathizers—have tended to create more fear than sympathy. And according to human rights monitors, Army abuses have slowly risen this year.

The most striking example was the September massacre of 10 unarmed peasants in the hamlet of San Francisco. An Army battalion marched into town, rounded up 40 residents, and read off a list of names.

Rosa Emilia Rivas was one of those called—and the only one not killed. "They blindfolded me, tied my hands behind my back, and said I had collaborated with subversives," she said the next day. The soldiers decided they had made a mistake and let her go. But the 10 other suspected rebel sympathizers—seven men, three women—were forced to walk down a steep ravine. Villagers said they heard two loud grenade blasts and several rounds of rifle fire.

The Army, which has appointed a special commission to investigate, officially states that the peasants died in a frantic guerrilla ambush. But a separate investigation showed that seven were shot in the back of the head at extremely close range.

Such an incident recalls the dark days of the early 1980's, casting a shadow over the Army's civic-action campaign.

Citing evidence that the Army high command is rattled by this case, some foreign diplomats and Salvadoran analysts suggest that the killings may reveal a fundamental split in the military. The fault line, they say, runs between senior officers who have fully embraced the US counterinsurgency strategy and younger officers tired of bowing to American demands and who favor a more aggressive military strategy.

In a secret document before the San Francisco killings, a group of senior officers indirectly accused the right-wing Nationalist Republican Alliance (ARENA) of meddling with the younger officers "with the sole purpose of creating an internal crisis in our armed forces."

The disgruntled senior officers also criticized the all-too-rapid rise of one particular military graduating class—that of 1966. Known as the *tandona*, or the "big class," this conservative group of colonels was promoted en masse to top command positions in July.

Several of the class—including its cunning leader, Colonel Ponce—were in security units accused of harboring death squads in the early 1980s. Today, those same officers speak fervently of their commitment to the concepts of democracy and human rights.

But even as they mouth the words of U.S. strategy, members of Ponce's powerful wing of the *tandona* express dissatisfaction with two things: the civilian government's inability to meet people's needs; and the "slow-motion Vietnam" produced by the U.S. strategy of low-intensity conflict.

"We have to seek our own conception of the war," Col. Juan Orlando Zepeda says. "The war may be low-intensity for the United States. . . . But for us, this is total conflict."

Some U.S. officials worry that the aggressive *tandoma* colonels will be less willing to listen to U.S. direction. It could reach a point, they say, where the U.S. is paying for the war, but not controlling it.

Hiding Out With Marx and M-16s

Las Vueltas, El Salvador.—Deep in the heart of the war zone in northern El Salvador, an 18-year-old guerrilla helps guard the only safe road into this remote mountain village. In his left hand, he holds a weather-beaten copy of Mikhail Gorbachev's address to the 1986 Soviet party congress. With his right hand, he fiddles with the barrel of his U.S.-made M-16 rifle.

The jarring juxtaposition of American equipment and Soviet ideology cuts to the heart of a rebel movement influenced by outside powers but rooted in internal conflict.

In late 1980, five Marxist rebel factions united under the banner of the Farabundo Marti National Liberation Front (FMLN). They took their name and their fight for economic justice from a Salvadoran peasant leader who was executed when the Army crushed a rural uprising in 1932.

The FMLN, besides demanding a share of power in the government, calls for a radical restructuring of society that would stress state-run social programs and virtually eliminate the private sector. The five groups range from moderate communists who emphasize political organizing to hard-line Marxists focused on armed struggle.

The Reagan administration sees the rebels as evidence of Soviet aggression. According to U.S. intelligence sources, Cuba and Nicaragua funneled arms to the FMLN before its failed offensive in January 1981. But U.S. Senate committees and Salvadoran military analysts say that since then, there has only been slim evidence of small, irregular shipments from Nicaragua.

The communist bloc still gives the rebels cash to buy arms, leftist political leaders say. Nicaragua and Cuba offer strategic advice, communications posts, and safe havens.

But even the Salvadoran military says the FMLN is largely self-sufficient, with an arsenal of homemade weapons and a sophisticated network of rural support.

By 1983, the FMLN controlled nearly one-third of the country with more than 10,000 troops. But the United States-backed Army's rapid increase in air power that year caused heavy rebel casualties, forcing the FMLN to divide into smaller units and rely more heavily on land mines and sabotage. Partly because of these unpopular tactics, the rebels have not attracted much new political support, diplomats and rebel political leaders say.

Led by hard-line commander JoaquinVillalobos, the guerrillas are now trying to exploit the unstable political and economic situation with an energetic new campaign called "Death to Reagan Policy."

For Army troops fighting along El Salvador's mountainous spine, the FMLN remains an elusive, persistent force. "They're much more dedicated than we are," says a young Army lieutenant, looking out into the misty rain in guerrilla territory. "They don't think about visiting their families, going to the beach, or going to church."

[From the Christian Science Monitor, Oct. 21, 1988]

Part 13.—Papering Over the Economic Divide

(By Brook Larner)

Santa Teresa, El Salvador.—Just 10 yards from a muddy stream where peasants fill their water jugs here, there stands a stark monument to the unkept promises of the Salvadoran government: a concrete well with shiny faucets.

Today, the slab of concrete looks less like a water project than a tomb. Nearly six months after the shell was built with funds from the United States Agency for International Development (AID), the project still doesn't work. One look in back explains why: The tubing has not been delivered.

Like this half-finished project, the government of José Napoleón Duarte began with great expectations but has failed to deliver.

When Mr. Duarte was elected President in 1984, U.S. policymakers and most Salvadoran citizens looked to him to rein in the brutal military, bring an end to the war, establish a genuine democracy, and—with the help of a massive influx of US money—resolve the country's enormous social and economic problems.

None of those goals were fully achieved. And for most Salvadorans, none were more crucial than tackling the economic difficulties, which in many ways are a fundamental cause of the war. Between 1979 and 1983, everyone from wealthy coffee growers to struggling construction workers experienced one of the worst depressions in Salvadoran history, with growth dropping by 23 percent.

But the expectations were unrealistic. The most densely populated country in the hemisphere, El Salvador also has one of the widest gaps between rich and poor.

It would have required a gargantuan effort, even in a political vacuum, to meet the vast needs of the poor while keeping the privileged private sector happy and productive. But with strong resistance from the economic elite on one side and demands from the poorer classes for dramatic change on the other, Duarte faced a nearly impossible task.

Even with $2 billion in American economic aid since 1980, the populist President has been unable to do more than plug the holes created by the destructive war.

ECONOMY LEAKING, NOT SUNK

U.S. aid has kept the economic ship of state from sinking. Some sectors, in fact, have benefited enormously from the distortions created by the aid, but according to a range of Salvadoran economists and U.S. officials, the economy as a whole is leaking badly, mainly because of inexperience, corruption, and lack of a single vision of what economic revitalization means.

Such a vision has been particularly elusive in El Salvador, where the age-old chasm between a tiny but powerful wealthy class and the masses of peasants and workers still persists. Duarte has been caught in the middle, trying to push for reforms that promote economic justice without destroying the confidence of the country's largest investors.

In 1984, in order to buid a consensus in the U.S. Congress and undercut guerrilla support, even President Reagan went along with Duarte's reform program. Duarte tried to extend the land reform program and state control of banks and export trade, with the goals of broadening access to bank credit and creating profits for the state rather than the wealthy oligarchy.

"Land reform knocked the feet out from under the guerrillas," says one U.S. official, commenting on the reform first carried out by a moderate civilian-milliltary junta in 1980. "If the government hadn't taken those actions, there would be 50,000 rebels instead of 5,000."

The land redistribution, initially projected to benefit between one-half and two-thirds of the rural poor, ended up affecting only 20 percent. By the end of Duarte's first year, it had completely staffed in the face of powerful coffee growers—and the American Embassy.

The Reagan administration, viewing the Marxist guerrillas more as an externally generated threat than the result of economic injustices, began switching its aid from land reform to support for the private sector—mainly light industry and nontraditional agriculture.

Just as the administration tried to create a political center around Duarte, it sought to create a new business sector apart from the oligarchy that would revitalize the economy and be a base of support for U.S. policies.

But in early 1986, the United States pushed the Salvadoran President to adopt austerity measures that have drawn salvos from all sides.

Hoping to wean El Salvador from its growing dependency on U.S. aid, the Reagan administration dissuaded Duarte from pursuing public-sector programs that would have created jobs and bolstered his political base among the lower classes. At the same time, the government's clampdown on bank credit—as well as the private sector's distrust of Duarte's reformist attitudes—discouraged businessmen from investing.

The right lambastes Duarte for neglecting the country's real economic engine—traditional growers of coffee and sugar—and for basing his decisions more on short-term political crises than long-term economic independence. The left accuses him of abandoning his social base and pandering to the private sector, particularly companies producing nontraditional exports.

Meanwhile, most Salvadorans have not seen a cent of U.S. money. All they know is that real wages have gone down by a third since the war began. Underemployment has soared to more than 50 percent. And the countryside, the original focus of the U.S. pacification effort, remains as backward as it was decades ago, before the first peasant uprisings.

SURREAL SIGNS OF WELL-BEING

But out on the bustling streets of San Salvador, there are some surreal signs of economic health. A shiny Mitsubishi jeep with tinted windows wheels into the long line at the McDonald's drive-thru, where the golden arches are flanked by two guards with M 16 rifles.

Not far away, construction workers put the finishing touches on a gleaming new Pizza Hut. Up the road at the exclusive Club Campestre, where the parking lot is dotted with BMWs and Mercedeses, a group of businessmen arrives to have lunch overlooking a plush golf course.

At night, when the thud of bomb blasts occasionally wafts down from the fighting on a nearby volcano, the fashionable sons and daughters of the oligarchy—known as "garks"—check their guns at the door before crowding onto the dance floor at a glimmering nightclub named Mario's.

It seems that for some, things are going very well indeed.

But in many ways, El Salvador is floating on U.S. aid. Or, as some say, it has become addicted to massive amounts of dollars. It's not just the government, although the aid now nearly equals the national budget and actually pays the salaries of most of the public administration and the Army.

It's also the private sector. "They've gotten used to [both] U.S. aid and the relatively high walls of protection," a U.S. official says. Even though most businessmen disparage Duarte's model of a state-regulated economy, the official adds that "in some ways, free enterprise is the last thing they want."

Of the more than $3 billion the U.S. has funneled into El Salvador since 1980, about $550 million (17 percent) has gone into direct development assistance to help redress the inequalities that fuel the guerrilla war. More than $850 million (26 percent) has gone directly to the war effort.

But the United States has sent much more ($1.1 billion, or 33 percent) to the central bank in direct cash transfers, which sustain the government by providing balance-of-payments assistance. The transfusion creates economic distortions and buoys the exchange rate, keeping it steady at five colones to the dollar.

The overall result: Inflation has been nearly cut in half (to 18 percent) since 1986, and economic growth (2.6 percent in 1987) is outpacing population growth for the first time in more than a decade. The construction and service sectors are thriving, and the U.S.'s new target, nontraditional exports, is showing steady growth.

But in the process, El Salvador has become hugely dependent on the influx of American funds.

"Without American aid, this country would come to a complete stop," says development consultant Ricardo Stein.

"Everybody recognizes that we're hooked, but nobody wants to go through the withdrawal pains," he explains.

COUNTRYSIDE ABANDONED

Pain—not of withdrawal but of neglect—has always been felt in places like Santa Teresa, where the beauty of towering volcanoes and rolling farmlands cannot disguise the daily struggle for survival.

Here, next to the unfinished water project, 60 percent of the people do not have access to drinkable water, government figures say.

Here, not far from the country's rich coffee plantations, wages are so low that the government says it takes seven average salaries to meet a family's basic nutritional needs. About 27 percent of rural adults are without employment; three of every five families cannot adequately feed themselves.

The distribution of wealth in El Salvador remains among the worst in Latin America. Yet the government now spends virtually nothing on land reform, and only 30 percent of its development programs are aimed at the rural areas where the majority of the population still lives.

The flow of U.S. development funds has now slowed to a trickle. In March government officials and foreign advisers say, AID severely tightened procedures for using development aid in response to a prominent corruption case involving $2 million in American funds. The U.S. action means the Salvadoran government must provide more extensive accounting of how funds are spent.

"For a system accustomed to spend freely, this restriction was like slamming on the brakes," a foreign development adviser says. It "put the institution in crisis. There was no management to handle it."

As a result, the Salvadoran government spent less than 20 percent of its allocated budget in the first half of the year, advisers say. And of that, 90 percent was directed to urban projects, leaving rural areas virtually abandoned.

Many rural families are sustained by money sent home by some of the half million Salvadorans who have fled to the United States. Indeed, the estimated $400 million in annual remittances represents the country's second-largest source of income after coffee.

But numbering poverty remains the rule. "If we had a time machine and could go back 60 years to before the first peasant revolt, much of the countryside would look the same," muses a Salvadoran expert in rural development. "The same huts, the same food, the same services, the same struggle.

BEST WISHES FOR TRENT LOTT

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. THOMAS of California. Mr. Speaker, I want to join in wishing our colleague, Mississippi's TRENT LOTT, best wishes as he prepares to leave the body in which he has served since the 93d Congress. He's done fine work as a Member of this body.

TRENT's service on the House Committee on Rules and as House Republican whip made him influential in the development of all kinds of legislation of national importance. Whether the subject is taxes, defense, the budget process, or social policy, it is difficult to think of a point where TRENT LOTT was not involved in trying to improve legislation for the benefit of the country. He has clearly demonstrated his skills as a master of the legislative process while serving as a source of valuable advice and counsel to many of us.

Even though his responsibilities on the Committee on Rules and Republican whip kept him extremely busy, TRENT never failed to make sure that the interests of people all over Mississippi were fairly considered by the House. He understands what it means to represent people during the complex process of legislating, and he knows how to persuade people to see his point of view. TRENT'S influence on this body and the work it has done has been tremendous, and all of us will miss his contribution to the work of the House of Representatives.

IT WAS YOU WHO DID IT!

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. KEMP. Mr. Speaker, I believe that we should always look back and learn the lesson of history I therefore introduce into the RECORD the following chapter, "It Was You Who Did It!," from the book "The Prague Spring: A Mixed Legacy" published by Freedom House.

IT WAS YOU WHO DID IT!

(By Antonin J. Liehm)

At the beginning of 1988—on the occasion of the 20th anniversary of the beginning of the Prague Spring—the Communist party of Czechoslovakia took notice of the occasion—negatively. It declared in its daily, *Rude pravo*, that the process of democratizing the economic and political system in Czechoslovakia (which the Communist party is prepared to initiate after twenty years of so-called normalization) will have nothing in common with the process that occurred in Czechoslovakia during the first eight months of 1968. *Rude pravo* also declared that Gorbachev's reforms in the Soviet Union have little in common with the 1968 Czechoslovak process.

Several days later, an extensive interview with Alexander Dubcek appeared in *l'Unita*, the most important press organ of the Italian Communist party. In that interview, the general secretary of the Czechoslovak Communist party at the time of the Prague Spring points to a remarkable similarity between the basic tendencies and objectives of "Gorbachevism" and the tendencies of the Prague Spring. Dubcek pleads for the rehabilitation of 1968 and a return to its ideas and practices.

After the twenty years that have elapsed since 1968, it is possible to reflect on the current Czechoslovak reality as more than debris and burned-out land left behind by the Soviet invasion.

OPENING THE DOORS FOR STALIN—1938

The history of 1968 and of modern Czechoslovakia began with the final disintegration of the Peace of Versailles in Munich in September 1938. At the time, a well-armed and modestly fortified country was ready—in full armor and with the enthusiasm of its populace—to defend its borders. It was only half a year after its strategic siege had been basically completed by the "anchluss" of Austria. Czechoslovakia was ready, with the help of allies, not only to call Hitler's bluff, but also, if necessary, to take up the unequal fight which it most probably would have lost at great expense. But such a fight would have determined quite a different course for the coming conflict—by sacrificing Czechosolvakia and Europe as they existed after World War I, it would have postponed the ensuing war by at least a year.

It was in 1938—and not at Yalta or in 1948—that the doors to the heart of Europe were opened for Stalin, and the first chapter of Europe's division was written. Foundations of the future world divided between two superpowers were laid. As an ultimate result of that process, Central and Eastern Europe came under Soviet bondage and became a part of the Soviet empire. Especially when the course of the war and the situation on the war fronts are taken into account it becomes clear that nothing could have been changed about that fact by Yalta or various episodes in later developments. The map of Europe and the ratio of forces were determined for a long historical period when Stalin's armies—as a result of the policy of appeasement and Munich—finally stood in Berlin, Warsaw, Prague, Budapest and Vienna. Today, everyone realizes that a basic change in this situation could be brought about only through developments inside the blocs themselves and not through outside intervention.

The significance of the Prague Spring, and of its crushing by Soviet tanks, must be understood from this perspective. The Czechoslovak attempt to reform "real socialism" was an attempt at a constructive answer to the collapse of the Stalinist system in its entirety. It was an attempt to create a model of a renewed, permanently self-reforming civil society. This attempt could have eventually amounted to a gradual transformation of the Soviet empire into a commonwealth of nations, one that would have been based on mutual advantages, especially economic, for example, a huge market, and not on military and police coercion. In the aftermath of World War II, such an attempt could have been realized first only in a country with a deep, more than one-hundred-year-old tradition of civil society, and with an equally long tradition of democratic socialism. And it could have had happened only in a country that—despite the difficult experience of the post-war developments—was spared by history from direct contact with Russian imperialism; in a nation where there was still a desire for friendship and sincere cooperation with the biggest Slavic nation. And the reform was possible only in a country that belonged, before World War II, among the most advanced industrial countries in Europe, a country with a deep tradition of technological skill and industrial organization, and a high level of general education and culture. It could have happened only in a country that, on the one hand, was deeply Western, and, on the other hand, without historically caused prejudice against the European East and its superpower.

The entire course of the first eight months of 1968 showed that the possibility for real reform did actually exist. Despite the great openness that accompanied this period, and despite the absolute disappearance of the official censorship—indeed amidst a real practical self-management of the news media—the entire process of the social reform unfolded in a calm and orderly manner, with increasing participation of the citizenry. There was real hope that the period of social and economic stagnation would end, and that—without changes in the geopolitical situation in Europe—a process of gradual recovery of the whole eastern part of Europe would begin. Such a process could be accompanied by a recovery of good mutual relations between the countries of this region, and perhaps even between the two parts of the divided Europe and the world. This possibility—without being given a real chance—was destroyed by the Soviet tanks during the night of 21 August 1968. I am deeply convinced that this night was a tragedy not only for Czechoslovakia but, above all, for the Soviet Union. The Soviet Union eliminated the possibility of creating a reform model that would have been constructed on foundations much more suitable for reforms than those that could have been provided by Soviet society—then or today. The possibility for reform was eliminated in the only advanced country of the Soviet bloc, a country that was not hostile to the Soviet Union.

"DUBCEKISM" AND "GORBACHEVISM"

In contrast to the January 1988 analysis in *Rude pravo*, I would say that there is a deep similarity between the philosophies of "Dubcekism" and "Gorbachevism." However, there is also a big difference: in Czechoslovkia this philosophy was applied to a society that, despite the thirty years since September of 1938, immediately began to behave as a mature, orderly and active civil society, fully aware of its possibilities and limitations. The Soviet Union does not have such a tradition. The basic difference between Gorbachevism and Dubcekism therefore is that Gorbachevism does not and cannot depend on the civil society. It relies above all on reforms ordered and enforced from above, reforms that are stimulated and controlled by the bureaucracies and the police. The current leadership of the Communist party of Czechoslovakia envisions the reforms—should it actually be forced to initiate them—in the same way. Unfortunately, what may amount to a degree of progress and enlightened rule in Russia will become mere "steel lungs" in Czechoslovakia, "lungs" that will prolong a dangerous and explosive situation that was begun in the August of 1968.

Unfortunately, not even Dubcek's *l'Unita* analysis is quite correct. The process of liquidation of the once advanced and prosperous democratic Czechoslovak society, which was slowed gradually in the 1960s and disrupted in 1968, has continued for the last twenty years in a most primitive and brutal fashion. Although the standard of living in Czechoslovakia is still higher than that in the USSR and other Communist countries, with the exception of the GDR, Czechoslovak workers are worse off than workers in all the European countries whose standard of living in 1938 was comparable to that of Czechoslovakia. The middle class is even worse off. Only farmers are relatively prosperous. Even so their production cannot match the agricultural production of the West.

As a result of shortages in the economy and the rule of unchecked police and bureaucratic despotism, corruption has spread to a degree never previously seen in Czechoslovak society. Citizens show no interest in public matters. Society has been fully atomized. Ties between individuals and society have disappeared. The level of education has fallen sharply. Twenty years of the cultural policy of "burned land" have transformed one of the main traditional European cultural centers into a cultural wasteland, where only few oases are kept alive—with incredible difficulties. Not only have civil and socialist traditions been forgotten, but the younger generation has never learned them. A balanced and, on the whole, friendly relationship with Russia and then with the USSR has changed into one of distaste, resistance and, often, open hatred.

The idea that it is possible to return to the concepts of 1968 under such circumstances seems to me illusory. A certain autonomy of the civil society, the source of its self-discipline, which Czechoslovakia reestablished during the 1960s, has been destroyed. And unless the autonomy of the civil society is renewed, no attempt at reform stands a chance.

Unfortunately, today an exhausted, tired and apathetic Czechoslovakia society does not have the energy for such a renewal. Since it is the Soviet Union that bears the full responsibility for this situation, it is necessary to turn toward Moscow, toward the new Soviet leadership, and all those in the Soviet Union who support the leadership's attempts at a new policy, and ask them: "What have you done and what will you do to correct, at least partially, the crime committed in your name in August 1968?"

"It was you who did it," a Spanish philosopher said to general Franco, looking over the terrible destruction of his country. "It was you who did it," should be repeated again and again to those who speak from Moscow of a new approach to the world and its problems. It was you who did it, and not the Czechoslovakia government put in power by you, a government that—because of its policies—has never achieved legitimacy, not even the degree of legitimacy attained by Janos Kadar in the years that followed the Hungarian uprising of 1956. It was you who did it, and the situation in today's Czechoslovakia is the direct result of your work. Until you remedy—step by step—what you committed, the world will look at the debris of Czechoslovakia and will not believe anything that you today declare and promise.

Every reasonable person in Czechoslovakia supports Gorbachev's policy today because its success could mean a new future for the nations of the Soviet empire. Nobody demands that the USSR again "clean up house" in Czechoslovakia; such an act would amount to the repetition of the old policy, only played to a new tune. However, until Moscow distances itself from what happened on 21 August 1968; until the books banned in Czechoslovakia are published at least in Moscow; until the films banned in Czechoslovakia are played there; until they write in Moscow that the inspiration for the Soviet perestroika comes from the economists of the Prague Spring; until it is said publicly that the Czechoslovakia attempt at the renewal of civil society was the only possible direction for reform, and that accusations leveled against that experiment remain a lie, until then it will be necessary to repeat to those in Moscow: "It was you who did it!"

PERSONAL EXPLANATION

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. FAZIO. Mr. Speaker, I was unable to be here on Wednesday and Thursday as I was in my district on official business.

Had I been here I would have voted "aye" on: Rollcall Nos. 449, 450, 451, 452, 453, 454, and 455.

A TRIBUTE TO STATE SENATOR JOHN F. PARKER

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. CONTE. Mr. Speaker, a legend is retiring from Massachusetts politics. At the end of this legislative session, State senator and minority leader John F. Parker will retire from a 50-year career in public service to the people of the Commonwealth. John Parker will be sorely missed at the statehouse, but his straightforward style and unmatched sense of humor will always be remembered.

He worked and lived by this quote from Clarence Darrow: "If you loose your power to laugh, you loose your power to think." In his book "The Fun and Laughter of Politics," Senator Parker elaborated by writing "[l]aughter is nature's defense against the world's burdens. Public men and women have found it the best medicine they know, better by far than roots, herbs, pills and nostrums."

John Parker is a serious man, with strong convictions but he didn't take himself too seriously. To illustrate this trait, the senator often tells this anecdote. "Almost all men in politics and government seek relief from the strain of public office. Laughter has often provided that needed relief. Ben 'meat axe' Hardin, a Kentucky senator of long ago, once said in reference to the need for laughter, 'If this senate was made up of nothing but solemn asses, this government would fall apart in the mouth.' " It was this hearty and realistic approach to life that guided John Parker through his 50 years in public life.

Senator Parker began his distinguished career in public service at the age of 27, when he was elected to the Taunton, Massachusetts School Committee. He then served as mayor of Taunton before being elected to the Massachusetts State Senate in 1953. It was during those early years in the senate that I first came to appreciate the wit and wisdom of John Parker.

As colleagues in the senate, we began our legislative service with optimism and with a sense of pride in our work for the people. The Republicans had control of the senate back then, and both John and I were mavericks in a sense. We were determined to represent our districts first, and we were willing to take tough stands regardless of political expediency or party pressures. Party line and politics took a back seat to what was best for our districts and for the Commonwealth. The late Congressman Joe Martin, the former Speaker of the House and Republican leader, recognized this talent in John Parker, and always said that John was the man to succeed him in the House of Representatives. It's a loss to the Nation that he never had that opportunity to serve in Congress.

Instead, the Commonwealth of Massachusetts was the beneficiary of John Parker's service as he carried this sense of duty throughout his career in the Senate. After serving as chairman of the Republican State Committee for a time in the 1960's, he was honored by his colleagues in the Senate and elected Republican floor leader. He has held that position for the last 22 years, and during this service in the Massachusetts General Court, John Parker earned a reputation for leadership, hard work and a memorable speaking style. Senator Parker is a much sought after dinner speaker who used this talent to make people laugh and more importantly to get his message across.

Even with a serious message, John always kept things in perspective, as this excerpt from his book illustrates:

> Every politician has four after-dinner speeches. First is the speech he prepares in advance. That one is pretty good. Second is the speech he really makes. Third is the speech he delivers to his wife on the way home, which is a beauty and the best of all. Fourth is the speech the newspapers next morning says he delivered, which bears no resemblance to any of the others.

This anecdote and many other stories were preserved in two books that he wrote: "The Fun and Laughter of Politics" and "If Elected, I Promise . . .". John is a master story teller, with an encyclopedia of political anecdotes, and the retelling of one of these gems is an appropirate conclusion to this tribute.

It is a story about an old friend of ours and Republican colleague from Massachusetts politics, John Volpe, the former Secretary of Transportation, Governor of Massachusetts and Ambassador to Italy. As Senator Parker recalls it, "John A. Volpe was one of the best handshake campaigners in Massachusetts history. His staff boasted that Volpe could shake hands like an automatic machine.

"A confident and relentless campaigner with class, style and a great statewide image, Volpe always figured that everyone knew him, until one day he approached a local merchant in a small town."

Moving in on the merchant with a broad smile and a big handshake, Volpe said: "Haven't I met you someplace before?"

"You could have," said the unimpressed merchant. "I meet a lot of people and damned if I can remember them all."

These stories and many others will make John Parker unforgettable, even on his retirement from public life. Senator Parker is a gentle man, a dedicated public servant, a good friend to me and many others and above all a great American.

Mr. Speaker, on the occasion of Senator Parker's retirement, I extend to him my warmest congratulations and admiration for a model career in public service.

CONGRATULATIONS TO THE WORLD CHAMPION LOS ANGELES DODGERS

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DIXON. Mr. Speaker, the California World Series ended in game five, with the Dodgers clinching the magic victory over the all powerful Oakland Athletics at the Oakland Alameda County Coliseum. They did it in the fifth game, and with a streak of pitching brilliance, amazing plays and a surprising display of power that was never matched.

Hardly anyone gave the team in blue a chance to win, except those of us who are true-blue Dodgers fans. The Dodgers had only won 94 regular season games and were up against the Oakland A's with a 104 regular season winning record. However, they were a team destined to win on fastballs, forkballs, sinkers, sliders, and just plain hustle. All of this in the face of mounting injuries to key players.

The Dodgers' road to victory was not an easy one. They stunned the far more gifted New York Mets. In the seventh game of the National League Championship Series, played in Los Angeles at Dodgers Stadium, they snatched the National League pennant that the media had all but awarded to the New York Mets.

The Dodgers' legendary 21 man-roster team played with courage, spirit and a quest to win. Four of the key players were injured—Mike Marshall, catcher Mike Scioscia, Kirk Gibson, and John Tudor. But with each injury, the team seemed to gain new strength. The awesome, dazzling, right-handed pitcher Orel Hershiser came to the mound and demobilized the A's. He clearly was the "most valuable player." But there were others like Mickey Hatcher who played the best baseball of his life by driving in five runs; Mike Davis who shook off a season-long slump just in time to slug a two-run homer; and injured Kirk Gibson who hobbled into the first game in the bottom of the ninth inning to seal a come-from-behind victory by hitting one of the most dramatic game-ending homeruns in World Series history.

Some believed the Dodgers could not win the championship against the most talented team in the American League. But, the Dodgers team took to the field and demonstrated true grit to not only beat the A's, but also beat the insurmountable odds in a stunning victory that will be remembered for years to come. They are the "Team of Destiny."

The Dodgers are now baseballs only team to win two championships in the 1980's. This is the team's sixth World Series title, the second in Manager Tom Lasorda's career with the Dodgers.

A championship team is the reflection of an outstanding organization comprised of the coaches, managers, players and fans—and all are to be congratulated. Los Angeles Manager Lasorda inspired each player and made them believe in themselves. He used their individual talent to mold a winning team. I also congratulate Dodgers' owner Peter O'Malley, who is always willing to obtain the best talent and also announcer Vin Scully whose commentary and knowledgeable insight once again reminded us ot why he is in the Hall of Fame.

I thank both of California's world class baseball teams, the Los Angeles Dodgers and the Oakland Athletics, for providing baseball fans around the world with a great championship series.

Today we honor an outstanding group of sportsmen whose relentless determination and unyielding spirit have brought the World Series trophy home to Los Angeles.

AFRICAN METHODIST EPISCOPAL CHURCH—BICENTENNIAL CELEBRATION

HON. FLOYD H. FLAKE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. FLAKE. Mr. Speaker, I rise today to bring to the attention of this Congress the accomplishments of the African Methodist Episcopal Church, which recently concluded the celebration of its bicentennial.

The historically black church in America is one of the most unique institutions within the body of the Protestant church. Its beginnings can be traced to the era when blacks were denied their freedom and were an enslaved people hoping for the day when they would be free. From their proud tradition and heritage of nobility and aristocracy, Africans were brought to America on slave ships and forced to become the tillers of soil, laborers in the fields, and maids in the homes of their white masters and mistresses.

The fact that these African people were able to survive cultural shock, alienation, hostility and change in status and stature bespeaks a remarkable resiliency and survival instinct on their part. They survived because of an ability to create an informal network supposedly social in nature, but in reality spiritually and religiously oriented. They learned to "sing the Lord's song in a strange land," and communicate messages of hope to their enslaved brothers and sisters. Thus these African people set in motion the foundation for what has emerged as the black church.

It is the black church which then and now addresses the psychological, emotional, and spiritual needs of its people, thus providing the necessary support system for survival. It is the spiritual nature of blacks, derived from their religious experience, which gave them hope that eventually they would escape the oppressive yoke of slavery and replace it with the sweet taste of freedom. Often times this quest for freedom was couched in the language of what we now define as the Negro spiritual. Freedom songs which used spiritual language to connote a message exemplify the intense desire of a people to be free. Songs such as "Steal Away Home," "I Ain't Got Long To Stay Here," and "Before I Be a Slave I'll Be Buried in My Grave" gives clear indication of the intensity with which black people felt the need to be free.

Freedom meant either dying and going to heaven, where all of God's children were free, or traveling the dangerous underground railroads with the hope of eventually winding up North where blacks were supposedly free. It did not take long to discover that the religious practices in what was supposed to be free society did not allow blacks to worship in the same manner as others. Most often blacks were relegated to the balconies of the mainline churches.

It is out of this restrictive, segregated worship setting that Richard Allen, who had purchased his freedom from his Delaware slave master, seized the moment to strike a blow against religious bigotry by leading a group of black worshippers out of the balcony of St. George's Methodist Church in Philadelphia onto the main floor for worship. He and his followers were forcefully removed from the sanctuary and thrown into the streets. He decided to create a worship setting where people of African descent could freely express their religious beliefs. This event in 1787 marks the founding of the African Methodist Episcopal Church.

The African Methodist Episcopal Church has just concluded its bicentennial celebration, which represents the culmination of a remarkable 200-year journey filled with numerous achievements. It is a testimony to the commitment and dedication of the founders and followers of the denomination that it has survived these 200 years. From such humble beginnings the African Methodist Episcopal Church now has a recorded membership of over 2 million, with churches in North America, the Caribbean, Africa, and Europe.

The legacy of Richard Allen, who was the first denominational bishop, continues into the third century under the leadership of the following bishops: John Hurst Adams, Richard Allen Hildebrand, Samuel Solomon Morris, Frederick Hilborn Talbot, Hamel Hartford Brookins, Vinton Randolph Anderson, Frederick Calhoun James, Frank Madison Reid, Jr., Frank Curtis Cummings, Philip Robert Cousin, Donald G.K. Ming, Rembert Edward Stokes, Cornelius E. Thomas, J. Haskell Mayo, Harold B. Senatle, Robert Lee Pruitt, Henry A. Belin, Jr., Vernon R. Byrd, John R. Bryant, Robert Thomas, and Richard Allen Chappelle, Sr. Retired bishops who share this legacy are: Decatur Ward Nichols, H. Thomas Primm, Ernest Lawrence Hickman, Harrison J. Bryant, Harold I. Beardin, Hubert N. Robinson, and Henry Wendell Murph.

I ask the Members of this body in recognizing the glorious past and promising future of the African Methodist Episcopal Church to join me in commending the bicentennial commission which was chaired by Bishop Vinton R. Anderson and whose membership consisted of the following persons: Bishops John Hurst Adams, Rembert E. Stokes, Harold I. Bearden, Henry W. Murph, John R. Bryant, Richard Allen Chappelle, Sr. General officers: Dr. Joseph McKinney, Dr. Benjamin Bruce, Dr. Kathryn M. Brown, Dr. Henderson Davis, Dr. Dennis Dickerson, Dr. A. Lee Henderson, Dr. Joseph L. Joiner, Dr. Wilhelmina Lawrence, Dr. Jayme C. Williams, Ph.D., Mrs. Johanna Green, and Rev. O. Urcille Ifill, Sr. Other members: Mrs. Vivienne Anderson, Rev. Taylor Thompson, Mrs. Rogenia B. Alexander, Mabel Holmes, Reverend Reginald Jackson, Miss Glenell Lee, Dr. Larry Murphy, Ph.D., Rev. Richard Morris, Dr. D. Yvonne Walker Taylor, Miss Misbrew Times, and Mr. J.D. Williams.

With its theme "A Liberating and Reconciling People," the African Methodist Episcopal Church concludes its bicentennial celebration as it moves with vision and holy boldness into the third proud century of its denomination.

Mr. Speaker, as an ordained minister in the African Methodist Episcopal Church and the first member of the denomination to serve in the House of Representatives in over 100 years, I am proud that my colleagues are able to join with me in this well-deserved commendation.

MINORITY DIPLOMATS

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DYMALLY. Mr. Speaker, I wish to bring to your attention and that of my colleagues in the House, a situation which has persisted in the U.S. Foreign Service, despite efforts by the Congressional Black Caucus and other Members of this House.

This situation is the continuation of race and sex discrimination at the Department of State and the slow implementation of affirmative action in the Foreign Service ranks.

In 1980, there were 12 black senior Foreign Service officers; currently there are only 6. Today also, we find only one Hispanic senior officer and no native American or Asian-American senior officers.

The recent efforts by Secretary Shultz to order improvements in the Foreign Service's Equal Opportunity Program are commendable. However, they are being made against the backdrop of an administration which has made it clear that its priorities do not include a battle against race and sex discrimination.

I recently read an eloquent article on this issue by a former officer of the U.S. Information Agency. I would like to share it with my colleagues:

SO FEW MINORITY DIPLOMATS

(By Norris D. Garnett)

"They say he has a chip on his shoulder." "They say she is too sensitive about women's rights." "They say he/she is too parochial." I don't know how many times in my 30-some years in the U.S. Foreign Service I heard those or similar code words, used to justify why a black, a female or another minority officer didn't get a good assignment, didn't get promoted or didn't get ahead in his or her career.

No one can say that the U.S. diplomatic service is still the exclusive purview of the eastern-seaboard Ivy League establishment and the southern aristocracy. That restrictive men's club was broken up by the Kennedy and Johnson administrations, and progress was continued under Presidents Nixon, Ford and Carter. Ending race and sex discrimination, however, has not been a high priority of the Reagan administration, and consequently affirmative action in the Foreign Service has stagnated if not regressed.

This is readily apparent when one looks at the present statistics in my former agency, the U.S. Information Agency. In 1979, there were two black career ministers (the highest career rank possible) in the USIA. Today there are none. In 1980, there wre 12 black senior Foreign Service officers; currently there are only six. There were one native American, one Asian-American and two Hispanic senior officers in 1980; today we find only one Hispanic and no native American or Asian-American senior officer on the rolls. And the USIA recently lost a class action case concerning discrimination against females.

We know from the recent class action suit brought against the State Department by black Foreign Service officers that the situation there is, if anything, worse. Today there are only six black ambassadors out of 150 worldwide—there were 12 in 1979—and of 635 officers in the senior Foreign Service only nine are black. The number of blacks entering the Foreign Service has dropped from a high of 18 percent in 1978 to 4.3 percent in 1986.

It is doubtful that the strongly worded cable sent out by Secretary of State George Shultz in 1986 to all U.S. diplomatic posts ordering improvements in the Foreign Service's equal opportunity program will do much to improve the situation. In my own experience, such well-intentioned directives are generally ignored in practice. All the top level can do is set the tone, and the impression coming out of the White House and the Justice Department these days is that the battle against racial and sex discrimination has already been won. In such an atmosphere, an ambassador, an undersecretary for management, a director of personnel is not likely to take the policy directive very seriously.

The question is often asked: Why, after all the progress in civil rights, does our Foreign Service remain such a hard nut to crack? Some observers point to the tradition of wealth and class in the diplomatic service. Others believe that because many of the white males now directing our foreign affairs establishment were overseas during the civil rights battles of the '60s, they missed out on the positive changes in American society brought about by that struggle. I suspect the real reasons are far simpler even if more difficult to admit.

In the first place, a small majority of our white male Foreign Service officers believe that blacks and other minorities do not deserve to be in the Foreign Service because they didn't go through the same difficult examination system to enter. Even though a substantial number of minority Foreign Service officers did in fact enter the service via the same exam, and even though the courts have ruled that such standardized tests are culturally biased anyway, these white males sincerely believe that they themselves have been discriminated against. And since these same officers control assignments and work performance evaluations, they have a considerable impact on promotions.

While promotion boards by law now must have "adequate" representation of women and minorities, this doesn't address the problem of biased performance evaluations. These, too, can no longer make any reference to race, sex, religion or marital status; however, certain code words and phrases easily identify race and sex to the white males on the board.

Second, a significant minority of white male Foreign Service officers still reason that since the diplomatic corps of most industrialized countries represent the upper crust, it is impossible for minority officers, coming as they do from disadvantaged backgrounds, to deal with these diplomats on an equal basis. Similarly, they argue—an Indira Gandhi or a Margaret Thatcher notwithstanding—that the vast majority of heads of state and others in power are men and no female officer can really deal with these people on an equal footing.

Given the personnel makeup of our present Foreign Service establishment, I frankly do not see an end to racial and sexual discrimination in the near future, unless an administration is willing to break up the infrastructure of our foreign affairs agencies. And I suspect that discrimination is far too subtle and the bureaucracy far too entrenched for this to happen. As for the long run, well, none of us can stay around forever, even entrenched, chauvinistic bureaucrats.

INTRODUCING A RESOLUTION IN THE U.S. HOUSE OF REPRESENTATIVES CALLING FOR A STUDY OF THE SAFETY OF RONGELAP

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DE LUGO. Mr. Speaker, today I am cosponsoring a resolution which calls upon the Departments of Energy and Interior to implement section 103(i)(2) of the Compact of Free Association Act of 1985, Public Law 22-239. This law requires a comprehensive and independent radiation study of Rongelap Atoll to be undertaken as soon as possible.

Time does not permit consideration of the legislation in the remaining hours of the 100th Congress. However, given the importance of this matter, the resolution is being introduced so that it can be the subject of an Insular and International Affairs Subcommittee hearing later this year.

When Congress considered the Compact of Free Association with the Marshall Islands, serious questions were raised about the safety and habitability of Rongelap Atoll. In particular, an Energy Department study, published in 1982, on radiation in the Northern Marshall Islands indicated high levels of radiation contamination throughout Rongelap Atoll as of 1978.

The revelation in Energy's study greatly alarmed the Rongelap people. While Energy publicly assured the Rongelap people that the lands of their atoll were safe, and even administration representatives testified before the Interior and Insular Affairs Committee that indeed Rongelap was safe, the Rongelap people did not believe them.

As a result, the Congress insisted on language in the compact mandating a two-step review process. The first step review would examine the 1982 energy radiation study. If deficiencies were found, then a second, more comprehensive study would be undertaken.

As required by the compact, the Government of the Marshall Islands contracted for the "Phase 1" study in August 1987. The final report of the Rongelap Reassessment Project (phase 1) was submitted to the Congress in July 1988.

The Rongelap reassessment project, headed up by Dr. Henry I. Kohn, was statutorily required to examine the data contained in the DOE's 1982 radiation study and determine whether or not it was adequate. Congress also further directed that a determination be made regarding whether or not the conclusions in the 1982 DOE study were "fully supported" by the data in that report.

Both questions were answered in the negative. The study provision in Public Law 99-239 also required that "if the party reviewing the data concludes that such conclusions as to habitability are fully supported by adequate data, the report to the President * * * and the Congress shall so state." Such required certification is not provided to the President and the Congress in Dr. Kohn's report.

As a result, it was decided that a sense of Congress resolution would be introduced regarding radiation problems at Rongelap Atoll. The resolution states the intent of Congress that because the Rongelap reassessment project required by the Compact of Free Association did not find that the 1982 Department of Energy radiation study was adequate for determination that Rongelap was safe, further study should be conducted as already authorized in the compact.

Chairman UDALL, my colleague Congressman GEORGE MILLER and I feel very strongly that there were enough questions raised by the review done pursuant to Public Law 99-239 to justify further study.

In the 1940's and 1950's the United States felt that it was essential to use for nuclear testing land belonging to these people for whom we had a trust responsibility. This action imposes on the United States an obligation to make absolutely certain that the land is safe before we insist that the people live on that land and to make it safe again if it is not. There is no assurance now that Rongelap is safe and there is a lot of evidence to suggest that it may not be safe in some important respects.

This is a serious problem which should be faced squarely and not defensively.

I, therefore, plan for the subcommittee to conduct a hearing on the problem now that this resolution is introduced.

The Rongelap people strongly support the resolution and have enthusiastically agreed to a hearing to determine what further action needs to be taken in order to proceed with the "Phase 2" comprehensive survey.

We bear an obligation to understand the sense of fear and level of anger that overwhelmed the Rongelap people following publication of the DOE radiation study in 1982. In August 1983, the Marshall Islands Nitijela unanimously adopted Resolution 25 calling for the Rongelap people to be relocated by the U.S. Government as a result of disclosures about radiation contamination in the DOE study.

A delegation from Rongelap appeared before the Interior and Insular Affairs Committee in May 1984, detailing those fears during our deliberations on the Compact of Free Association for the Marshall Islands. Since the U.S. Government did not repond to their concerns or request for relocation, they made their own arrangements to move themselves.

In May 1985, the Rongelap people, believing their lands and food poisoned, evacuted their historical homeland and now temporarily live on another island (Majato in the Kwajalein Atoll) in self-imposed exile.

Their current living conditions in Mejato have been described to us as being very bad. There is no infrastructure on the island aside from the housing the people brought with them and a dispensary built with funds from the United States. The nearest island where food and other supplies can be purchased is Ebeye, which is about 8 hours by small boat.

It now appears from the Rongelap reassessment project report that the decision to evacuate Rongelap was justified.

I believe we have a moral responsibility to the Rongelap people to take action on this matter as expeditiously as possible and I consider this a high priority for the next Congress. I will expect no less from the next administration.

Later this year, the Insular and International Affairs Subcommittee will hold a hearing on the Rongelap situation. At that hearing, with all the appropriate witnesses present, the subcommittee will review the reassessment project's final report, including its findings and conclusions. It will also examine the DOE 1982 radiation study.

Hopefully, we will emerge from that hearing armed with the information, conclusions and commitment necessary to come up with the funding for "Phase 2" of Public Law 99-239.

The 1982 DOE study examined 14 atolls in the northern Marshalls, including the entirety of Rongelap Atoll. The Congress, in the compact for the Marshalls, limited the phase 1 review to Rongelap Island, as it was the island of primary residence. The resolution to be considered calls for Rongelap Atoll to be fully examined in the comprehensive independent phase 2 study.

Life to the people of the Marshalls is not confined to one island, but rather to the series of small islands that make up the atoll. Traditional food gathering, residence and fishing have taken place throughout Rongelap Atoll. If the Rongelap people are to return to Rongelap Atoll, then they are entitled to the use of the entire atoll. We have an obligation to fully disclose the entire atoll's status and condition to the Rongelap people.

One additional issue needs to be addressed at this time. In the Rongelap reassessment project final report, Dr. Kohn concluded that Rongelap Island was safe now for adults, but reserved judgment with respect to the Rongelap children. Since submission of the final report to Congress, Dr. Kohn modified this recommendation. On October 3, in a letter to Senator Jeton Anjain, the very dedicated Senator who represents Rongelap in the Marshall Islands Nitijela, Dr. Kohn says that a long list of medical and environmental studies must first be initiated and completed prior to resettlement. This is a significant change from the final report.

It is more than 34 years since the thermonuclear test Bravo contaminated Rongelap. It is more than 3 years since the Rongelap people fled their homeland in search of safety. There is an undeniable urgency to this matter.

For the edification of my colleagues, I include in the CONGRESSIONAL RECORD a copy of a letter dated August 1, 1988, that Congressman MILLER and I sent to the Secretary of the Interior, and a copy of a letter from Senator Jeton Anjain and Mayor Willie Mwekto of Rongelap to my subcommittee.

COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, August 11, 1988.

Hon. DONALD P. HODEL,
Secretary, Department of the Interior, Washington, DC.

DEAR MR. SECRETARY: A short time ago, the Committee on Interior and Insular Affairs received the Final Report, dated July 22, 1988, of the Rongelap Reassessment Project, prepared by Dr. Henry I. Kohn.

This project was authorized by Congress in the Compact of Free Association (P.L. 99-239, Section 103(i)). In that Act, the Project was established to determine "whether the data cited in support of conclusions as to habitability of Rongelap . . . are accurate and whether such conclusions are fully supported by the data" in the Department of Energy (DOE) 1982 report entitled, "The Meaning of Radiation for Those Atolls in the Northern Part of the Marshall Islands That Were Surveyed in 1978."

Several years ago, the Rongelap Atoll leaders came before Congress and sought a reassessment of the DOE report and a determination regarding the safety of their atoll.

The Interior Committee staff has been reviewing the Rongelap Reassessment Project Final Report. It's clear that the policy issues raised by the report cannot be fully reviewed without additional information and added clarification on these matters. We are concerned that the Final Report fails to address adequately a number of fundamental issues raised by the Congress in the Compact.

The Interior Committee noted in its Report on the Compact that the Rongelap people are in danger of becoming "Pacific Nomads." They evacuated Rongelap out of fear for the health and safety of their citizens. They are anxious to know if their homeland is, in fact, safe. The process to resolve fully these questions has been initiated, but is far from complete.

Attached to this letter is a detailed list of questions regarding the Final Report and its recommendations and conclusions. We would appreciate your timely response to these questions. We have limited this initial set of questions to matters pertaining to the safety and habitability of Rongelap. We anticipate additional questions at a later date.

Thank you for your assistance in this matter.

Sincerely yours,

RON DE LUGO,
Chairman.
GEORGE MILLER,
Member of Congress.

QUESTIONS SUBMITTED TO THE DEPARTMENTS OF ENERGY AND INTERIOR REGARDING THE RONGELAP REASSESSMENT PROJECT FINAL REPORT

(1) The Rongelap reassessment project final report repeatedly references and discusses the terms, "safe for habitation." However, at no place in the Report are these terms defined for purposes and/or application in this Report.

(a) Provide the definition of "safe for habitation" as used in this Report.

(b) Define "habitability" as it would apply to Rongelap Island and also Rongelap Atoll.

(2) During this review, the Rongelap people learned, for the first time, that some of their citizens possibly had been exposed to plutonium, possibly in large doses. The final report begins to address this question and the final report states, on page 77, that "Some 270 samples of urine have been analyzed [which indicated a large range of plutonium excretion]. Owing to a reorganization at Brookhaven, the work for this project was stopped (no funds), and the results were neither tabulated nor analyzed."

This appears to be a serious breach of Brookhaven's clinical responsibilities to the Rongelap people as described by Dr. William H. Adams, Director, Marshall Islands Medical Program, Brookhaven National Laboratory in Note 4 of the final report. Additional information is therefore required about this matter.

(a) Provide the name of the medical ship and the date these samples were taken.

(b) When were the urine samples in question first obtained by Brookhaven National Laboratory?

(c) When did the Brookhaven National Laboratory reorganizationa occur?

(d) How long has this work on the project been halted? Is it more than 24 months?

(e) What was it about the Brookhaven reorganization that caused a delay in tabulating and analyzing the plutonium data from urine samples of the Rongelapese?

(f) Were the Rongelap people ever notified that a delay was occurring?

(g) Did Brookhaven, DOE, or anyone else inform those individuals from Rongelap with specific high readings of plutonium of their individual circumstances?

(h) If individual Rongelap citizens had high plutonium readings, and were not informed, what is the explanation for withholding this information.

(3) In the review, did the Rongelap reassessment project find any evidence or otherwise determine that any other blood, urine or other medical samples obtained from the Rongelap people by DOE were neither tabulated nor analyzed? If so, please describe the situation.

(4) Congress, mandating this study, in the Compact of Free Association (Section 103(i)2 of P.L. 99-239) stated that the purpose of the review was to establish whether the data cited in support of DOE's conclusions as to the habitability of Rongelap were adequate and whether such conclusions were fully supported by the data cited in that report.

The final report concludes, in at least in two instances, that the DOE-1982 dose calculations data and conclusions were incorrect, and therefore understated. Dose, as I understand it, is one of the critical aspects of assessing habitability.

The final report, at page 40, states, "DOE-1982 stated that the diet on which its reported doses were based consisted only of local food from Rongelap Island. That statement is incorrect." The final report states that if the diet were of local food only, "the doses would be higher." Having declared that 1982 DOE Radiation Study contains this potentially significant error, the final report does not indicate the extent of the error.

(a) With respect to the conclusion that "the doses would be higher," what should the correct figure, or range of figures, be in the DOE-1982 Report for Rongelap (local food only)? Provide both the correct figures and the percentage of error.

(b) What would the correct figure, or range, be for Rongelap Island, if as DOE-1982 stated, only local food from that island is consumed? Provide both the correct figure and the percentage of error.

(c) Similarly, what would the correct figure, or range, be for the islands other than Rongelap Island in Rongelap Atoll?

(d) Was DOE aware of this error?

(e) Did DOE inform the Rongelap Reassessment Project of this error, or did the Project discover the error during its investigation?

(f) Do any of the corrected figures exceed the U.S. standard?

(5) Further, with regard to the primary conclusion, that Rongelap "Island" is safe for habitation, and final report also concludes (both in the Abstract at page 3 and in the Recommendations at page 44), that a portion of Rongelap "Island" may require "potassium-salt treatment of the soil and soil removal . . ."

I'm unable, however, to find any discussion of this matter anywhere in the final report. In other words, a conclusion and recommendation are provided that are not discussed in the final report.

(a) How can on one hand, it be determined that Rongelap Island is safe for habitation and on the other, suggest a portion of the same Island is sufficiently contaminated as to require either potassium-salt treatment or scraping and soil removal?

(b) What is the precise location or area of Rongelap Island that is sufficiently contaminated as to warrant cleanup? Include a map indicating the specific areas of contamination.

(c) Identify and describe the nature of the contaminant and the level of contamination in area(s) on Rongelap Island.

(6) The Rongelap reassessment project final report concludes that "I recommend no food gathering on islands north of Borukka and Eniaetok." However, elsewhere in the final report, it is stated that the review was limited to Rongelap "Island," and not the other 50 or 60 islands in Rongelap Atoll.

(a) Did DOE, in their 1982 Report, take samples and readings from the northern islands of the Rongelap Atoll?

(b) Did the Project gather samples, take readings, or otherwise inspect the so-called "northern islands" of Rongelap Atoll?

(c) If the Project didn't take samples, readings, or inspect these northern islands in Rongelap Atoll, how did the Project conduct a review of them?

(d) If samples weren't taken and inspections weren't made, what is the basis for this conclusion?

(e) What is the level of radiation contamination on the northern islands and please identify the contaminant(s)?

(f) Would the level of contamination exceed the U.S. Federal dose standard if the people lived on and consumed food from these islands?

(g) Is this condition permanent, and if not, when can the Rongelap people anticipate or expect that food gathering will be safe, and therefore permissible?

(h) If the review was limited to Rongelap "Island," why were samples taken and analyzed from Ailinginae Atoll (to the South of Rongelap Atoll), but not the northern islands of Rongelap Atoll?

(7) The primary conclusion of the final report, as I review it, is that Rongelap "Island" is safe for habitation provided the previous diet is maintained and extended.

(a) Is the "previous diet" referenced a "local food only" diet or a diet based on the USDA Food Assistance Program?

(b) The final report provides no indication how long such a diet must be maintained. Assuming the previous diet is the "type B" diet, the USDA Food Assistance Program based diet, for how many years will this assistance be required?

(c) Are the circumstances such that USDA Food Assistance Program will no longer be needed at some point in the future? Two years, five years, ten years, longer?

(d) And further assuming the "previous diet" is the USDA Food Assistance Program, is it recommended that this program-based diet be maintained in perpetuity?

(8) Regarding the USDA Food Assistance Program:

(a) Did the Project review the USDA Food Assistance Program?

(b) Is the diet from these foods adequate?

(c) Are the ship deliveries timely and reliable?

(d) Is the USDA food assistance provided consistent with U.S. nutrition standards?

(e) Did the Reassessment Project conclude that the program is adequate and dependable?

(f) Did the Project discover any problems associated with the USDA Food Assistance Program?

(g) Did the Project make any recommendations for improving the program?

(9) Did the Rongelap reassessment project find any evidence of chromosomal damage to the citizens of Rongelap?

(a) If so, what is the nature of that evidence? Please describe it.

(b) What kinds of medical, health, and safety problems should be anticipated in the future?

(c) Do the Rongelap people face prospective problems in future generations?

(10) The Rongelap reassessment project final report is inconclusive regarding infants and small children. According to the Final Report, "Rongelap Island is safe for 'adults';" that the radiation "dose to infants and small children is another potential cause for concern;" and finally, "until we have a more extensive appraisal of what the infant and small child diet is, it would be wise to withhold final judgement." Congress is unable to formulate policy or make clear judgement on the habitability of Rongelap based on these conflicting statements. Further explanation is required.

(a) Is it safe for the Rongelap infants and children to return to Rongelap Atoll at this time?

(b) Does the final report advocate that Rongelap adults return without their children?

(c) In light of confusion and uncertainty advanced in the final report, just precisely what is recommended with respect to infants and children, and pursuant to what timetable?

(d) Should the Rongelap people return to Rongelap Atoll or not?

(e) Can it be stated without reservation and is it concluded that, in fact, it is safe for all the Rongelap citizens to return to their homeland?

(f) How long do you estimate it will take for these recommended determinations to be made, as outlined in the final report?

(11) From the review, what kinds of future medical, health and safety problems will the Rongelap people likely encounter from the exposure to radiation?

(12) At the very beginning of the final report, it is stated that "Rongelap is safe for habitation." However, the very last recommendation then states, "the fact that Rongelap "appears" suitable for resettlement . . ."

(a) Why does it only "appear" that Rongelap is suitable for resettlement?

(b) What is the difference between "safe for habitation" and "appears suitable for settlement?"

(c) Why the declaration in one instance, but uncertainty and doubt in another?

(13) Finally, let me ask a speculative question. If Rongelap Atoll were a city, located in the United States—say in Contra Costa County, California—and subject to a nuclear accident resulting in radiation contamination similar to that experienced on Rongelap, would U.S. health and safety standards tolerate a conclusion today that, "Rongelap Atoll 'City' is safe for habitation?"

RONGELAP ATOLL LOCAL GOVERNMENT,
Republic of the Marshall Islands,
September 22, 1988.

Hon. RON DE LUGO,
Chairman, Subcommittee on Insular and International Affairs, Washington, DC.

DEAR CHAIRMAN DE LUGO: The Rongelap Atoll Local Government has reviewed the Rongelap Reassessment Project Final Report. It is now time to proceed with the "Phase 2" independent study as set forth in section 103(i) of the Compact of Free Association.

A "Preliminary" version of the Report was submitted to Congress last April. At that time, the Rongelap Atoll Local Government presented testimony to the Interior Appropriations Committee based on the interim report which concluded that the data in the 1982 DOE Radiation Report in the Northern Marshalls, and Rongelap Atoll, contained significant errors, omissions and discrepancies. As a result, we concluded that the comprehensive, independent study of Rongelap, as set forth in the Compact, was required.

The Final Report was provided to us in early August. It has been reviewed by the Rongelap people in Mejato.

In addition, we have reviewed the comprehensive and detailed questions you and Mr. Miller have asked the Departments of Energy and Interior. We have also been provided a copy of Dr. Kohn's responses to those questions along with other correspondence from him about the Report (in which he modifies the report).

The Rongelap Atoll Local Government concludes that the Department of Energy's 1982 Radiation Report, with respect to Rongelap Atoll, is wrong for the following primary reasons:

DOE data is inadequate (in numerous instances);

DOE conclusions as to the safety of Rongelap, based on that data are inaccurate and misleading;

DOE data contains numerous errors;

DOE data is replete with omissions, and in particular, fails to include critical information about exposure to plutonium;

DOE understated the radiation exposure and dose for the Rongelap people;

DOE data contains significant discrepancies;

DOE is silent regarding the health risks to Rongelap infants and children; and

In general, DOE failed to disclose the full nature of radiation contamination by the Rongelap people.

The Rongelap Reassessment Project Final Report declared DOE's 1982 data sampling was "meager" and concluded in other instances that DOE's Brookhaven National Laboratory had failed to tabulate or analyze urine samples containing a wide range of plutonium excretion. These are among the most obvious problems. There are many others.

In authorizing a review of the DOE 1982 Study, the Congress mandated in the Compact that the review shall establish whether the data cited in support of the habitability of Rongelap Island was accurate. That question must be answered in the negative.

The Congress also directed that a determination be made regarding whether or not the conclusions in the 1982 DOE Study "are fully supported" by the data in that report. That question must be answered in the negative.

The Congress further directed that "if the party reviewing the data concludes that such conclusions as to habitability are fully supported by adequate data, the report to the President . . . and the Congress shall so state. The statutory requirement that an affirmative declaration be made was not provided by the Rongelap Reassessment Project. There is no such finding.

Instead, the Final Report effectively alters the congressional mandate in the Compact and instead, makes a different and "conditional" finding. The Final Report concludes that Rongelap Island is conditionally safe, but then limits that finding exclusively to adults.

The Final Report also concludes that the Northern Islands of Rongelap Atoll are "forbidden territory" and therefore off limits.

The Project concludes that its report is not the final word on the subject. A lengthy list of studies are recommended, including various medical reviews of the Rongelap people as well as studies of the land and food supply. Attached to this letter is a listing of those studies.

When the Final Report was presented to the Rongelap people in Mejato a few weeks ago, they were particularly disturbed by the recommendation that whole-body counting be initiated once again. It was their belief that whole-body counting would be primarily used to determine that radiation poisoning had once again invaded their bodies. Instead, our people believed that the emphasis should be on prevention and clean-up, not measuring the poison after it had once again entered our bodies.

As the Committee knows, the DOE 1982 Radiation Report caused fear to sweep through the people of Rongelap. Our legislature, the Nitijela, unanimously adopted a resolution asking the U.S. Government to remove us from Rongelap. Instead, we were told it was safe. Facing mounting fear and indescribable anxiety, the Rongelap people evacuated Rongelap Atoll in 1985. That action was, and remains, most controversial. Today, we live in exile because of fear. The Rongelap Reassessment Project Final Report confirms that our decision to evacuate in 1985 was justified.

It is the desire of the Rongelap people to return to their native homeland on Rongelap Atoll, but only if it is safe. Since our exile, we have taken a number of affirmative steps (a) to determine the true nature of radiation contamination to the atoll and to the people; and (b) initiate steps to resolve these problems. This Committee's statutory directive in the Compact to review the 1982 DOE study was the first important step.

Last year, the Rongelap Council contracted with Holmes and Narver, an engineering firm with radiation clean-up expertise, to prepare a comprehensive rehabilitiation and resettlement plan for Rongelap. It was completed last April and submitted to you at that time. According to these radiation clean-up experts, the earliest our people could resettle back on Rongelap, if it can be made safe, in 1993.

The comprehensive study of Rongelap could be undertaken and completed within this time-frame.

Finally, during our review of the Final Report, we also examined various drafts of the report and the comments submitted by some of the consultants. Comments submitted by Dr. William Bair, provided to us only a few weeks ago, are significant.

Dr. Blair authored the DOE's 1982 Radiation Report. Commenting on one of the very first drafts of the report last February, Blair refutes the assumption (in the draft) that the DOE Report, in 1982, declared Rongelap "safe." According to Bair, the Report said no such thing. Instead, Bair writes:

It was not the book's [Doe 1982] purpose to draw conclusions about the safety of the atolls. That properly is a judgement to be made by others. Moreover, there is no statement in the book about Rongelap being safe.

Five and a half years after publication of the DOE 1982 Radiation Report, its primary author now quietly makes a declaration of staggering proportions. It speaks for itself.

Finally, Mr. Chairman, let us tell you that when we read the 1982 study, the fear we felt was for the children of Rongelap. It was for the children of today and the children of tomorrow.

It is not time to proceed with the "Phase 2" comprehensive and independent study of Rongelap Atoll.

We thank you for your expressions of concern in the past and we now seek your leadership, guidance and assistance in this important matter.

Sincerely,

JETON ANJAIN,
Senator
WILLIE MWEKTO,
Mayor.

RONGELAP REASSESSMENT PROJECT—RECOMMENDED STUDIES

The following is a list of the studies recommended by the Rongelap Reassessment Project Final Report which are found in four separate sections of the Final Report.

(1) Abstract (page 3). "The matter [plutonium in the urine] is a potential great concern and should be studied. . ."

(2) Abstract (page 3). "The doses to infants and small children is another potential cause of concern. This study should be continued."

(3) Abstract (page 3). "The whole-body counting for cesium should be resumed. . ."

(4) Abstract (page 3). "Planning for resettlement should consider the possible use of potassium-salt treatment of the soil. . ."

(5) Abstract (page 3). ["Planning for resettlement should consider] . . . soil removal as studied at Bikini."

(6) 4.4 Infant Dosage (page 38). "The study [children's dietary studies conducted by Peace Corps volunteers] is still going on, and it is hoped that more information will be available by October."

(7) 4.5 Dose Summary; (b) Transuranics (page 41). "The Brookhaven dose estimates vary significantly. . . Obviously, something is radically wrong, technically or physiologically. . . It is therefore essential. . . that the problem be studied immediately.

(8) 5.2 Recommendations (page 44). "Reinstitute whole-body counting for cesium-137. . ."

(9) 5.2 Recommendations (page 44). "Study the plutonium excretion in urine now. . ."

(10) 5.2 Recommendations (page 44). "Extend the study of infant diets and those of small children."

(11) 5.2 Recommendations (page 44). "Develop a plan to control contamination. . ."

(12) 5.2 Recommendations (page 44). "The prelude to such planning would include contamination surveys on islands north of Borukka and Eniawtok."

In a letter to Chairman de Lugo and Congressman Miller, Dr. Kohn amends the Final Report with the added recommendation for a study of chromosomal issues.

Response to de Lugo-Miller question #9 (page 4, August 30 letter from Dr. Kohn to Chairman de Lugo) which asked if the Project found any evidence of chromosomal damage to Rongelap citizens, Dr. Kohn states, "This result (discussing chromosomal damages reported earlier) does not make sense radiologically and the matter should be reinvestigated."

VINDICATION FOR FRANK BOURGIN, MINNESOTA SCHOLAR WHO WAS AHEAD OF HIS TIME

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. OBERSTAR. Mr. Speaker, often we are too absorbed with the assumptions of the present to recognize the truth when it runs counter to the conventional wisdom. Such was the problem faced by the political scientists on the University of Chicago faculty in 1942 when they were presented with a doctoral thesis entitled "Affirmative Government in the Early American Economy." The work was written by a 32-year-old Ph.D. candidate, Frank P. Bourgin, a merchant's son from Ely, MN.

Written during the New Deal years, Mr. Bourgin's thesis refuted the generally accepted view that President Roosevelt's activist economic programs were unprecedented in the American system. The University rejected this thesis and denied Mr. Bourgin the degree he had so dearly wanted and had worked so hard to earn.

It was only after reading Arthur Schlesinger's "Cycles of American History" that Mr. Bourgin realized his 45-year-old theory of affirmative government in our country's early economy had become accepted by scholars and historians of high repute.

Mr. Bourgin, with the help of Mr. Schlesinger, was able to convince the present faculty of the University of Chicago that he was unjustly denied his doctoral degree because he was ahead of his time. The university—to its credit—agreed, and last week, at the University of Chicago's spring commencement, 77-year-old Frank P. Bourgin received his degree, 45 years late.

The story of Frank Bourgin is told in the accompanying articles from the New York Times and the Washington Post. I submit them to my colleagues for the lessons they teach about perseverance, courage of conviction, and the problems that occur when foresight runs opposite the assumptions of the day.

[From the N.Y. Times, April 23, 1988]

AFTER 45 YEARS, VINDICATION FOR SCHOLAR

(By Linda Greenhouse)

WASHINGTON, April 21.—For more than four decades, his Ph.D. dissertation remained locked in a steel box, the bitter legacy of an academic future that had died when a faculty committee at the University of Chicago rejected the manuscript.

But Frank P. Bourgin's dream of someday receiving his Ph.D. in political science did not die. It haunted him, as he raised a family and made his living in business and in the Federal bureaucracy. Each time the Bourgin family moved, the dissertation in the steel box went along.

And now, in an unlikely ending to years of frustration, Mr. Bourgin is about to be recognized as a scholar who was ahead of his time. After taking a new look at the 45-year-old dissertation, the political science faculty decided that the department had erred when it rejected the paper. Later this spring, the university will award Mr. Bourgin his Ph.D.

"It's really a crazy story," said Mr. Bourgin, now 77 years old, physically disabled but mentally as engaged by ideas as he was as a young graduate student studying the country's early economic history.

His thesis, written during the New Deal, refuted a then-common notion that President Franklin D. Roosevelt's social programs departed from the laissez-faire principles of the United States Government in its early days. On the contrary, Mr. Bourgin wrote in his dissertation now titled "Affirmative Government in the Early American Economy," the Constitution's framers were committed to using Government powers to develop the country's resources—a theory since upheld by other historians.

The outcome of Mr. Bourgin's story is a testament to one man's stubborn faith in himself. The national celebration of the Constitution's bicentennial last year inspired him to make a second effort to get his dissertation accepted. Mr. Bourgin sent a summary to Arthur Schlesinger Jr., the historian, who has praised the work as pioneering and who enthusiastically urged Chicago's political science department to take a fresh look at it.

RARE REVERSAL OF ERROR

The result also testifies to a great institution's willingness to rectify a long-ago error. Neither Mr. Schlesinger nor other scholars who helped bring about the reappraisal, including C. Herman Pritchett of the University of California, a retired chairman of the Chicago political science department, could recall such a dramatic reversal of academic fortune.

"Frank Bourgin has realized the ultimate fantasy," said Gary Orfield, a political science professor at Chicago who served on the three-member committee that favorably reviewed Mr. Bourgin's dissertation after the department reopened the case. "The world is full of former graduate students who have failed to get their Ph.D's. For most of them, it's the first major effort that was not successful, and it's on their mind the rest of their lives. He's done a fine piece of work, and I'm delighted."

"We're not just handing out a degree," said Professor Joseph Cropsey, the political science department's director of graduate studies and another of Mr. Bourgin's readers. "He earned it."

Befitting its reputation as one of the most austere and intellectually rigorous institutions of American higher education, the University of Chicago is not planning to make a fuss over Mr. Bourgin beyond giving him extra tickets to the June convocation so his wife, children and grandchildren can join him.

"A Ph.D. from the University of Chicago is special for anyone," said William Harms, a university press spokesman. "But it is extra special for him."

STUDY OF FOUNDING FATHERS

The essence of Mr. Bourgin's 617-page dissertation is a refutation of a long-held belief about how the Founding Fathers viewed the Federal Government's relationship to the economy. In the days of the New Deal, when Mr. Bourgin was researching the political and economic history of the country's first 40 years, conventional wisdom was that President Roosevelt's commitment to economic planning represented a sharp break from the laissez-faire spirit that had guided the men who wrote the Constitution and led the new nation.

After studying the Constitutional debates and the economic policies implemented by such figures as Thomas Jefferson and Alexander Hamilton, Mr. Bourgin concluded that far from being disciples of the laissez-faire theorist Adam Smith, the Founding Fathers were determined to use the power of the National Government to develop the country's resources through public works, transportation, science and other areas.

Mr. Bourgin's interpretation is now widely accepted by historians. Mr. Schlesinger reached much the same conclusion in his recent book, "Cycles of American History." After reading that book last year, Mr. Bourgin sent Mr. Schlesinger a summary of his dissertation.

Mr. Schlesinger, who is the Albert Schweitzer Professor of the Humanities in the City University of New York's Graduate Center, wrote back to say that he found the work "pathbreaking." He told Mr. Bourgin that he was "a true pioneer in the reconstruction of the early economic policy of the republic."

Mr. Schlesinger wrote to the Chicago department, urging a new look at the dissertation. In an interview this week, he said that Mr. Bourgin had produced "a strikingly original piece of work." He added: "The University of Chicago did him a great injustice, and I'm glad it's being remedied."

No one seems to know exactly what went wrong in 1942, when Mr. Bourgin's manuscript was rejected. Dr. Pritchett was listed as a member of Mr. Bourgin's original faculty review committee, but he said in a telephone interview from his office in Santa Barbara, Calif., that he had no memory of ever having seen the document then. When he read it this time, after Mr. Bourgin sent it to him, he too, urged a reappraisal.

What appears most likely is that the dissertation fell through the cracks following the retirement of Mr. Bourgin's mentor and dissertation adviser, Charles E. Merriam, and amid the distractions of World War II.

By the time the faculty committee rejected the dissertation, Mr. Bourgin was no longer in residence as a graduate student. With a wife and baby to support, he had taken a job with the Chicago office of the Quartermaster general. He was told that he would have a chance at getting his Ph.D. if he again became a full-time student and worked at revising his manuscript, but that was a financial impossibility.

In the years that followed, Mr. Bourgin manufactured lighting fixtures, owned a chain of men's clothing stores in northern Minnesota, served on a local school board and became a Federal civil servant. He became Midwest regional director for the Federal Office of Emergency Planning, supervising a five-state region. It was a comfortable life, but the manuscript in the steel box gnawed at him.

"It feels like a resurrection," he said.

[From the Washington Post, May 28, 1988]

Vindication Not Just Academic After 43 Years—Maryland Man Belatedly Gets a Ph.D

(By Amy Goldstein)

Nearly a half-century ago, Frank P. Bourgin was forced to relinquish his plans for an academic career when his mentors at the University of Chicago told him his doctoral thesis on the roots of the New Deal wasn't good enough for a degree.

Now at the age of 77, Bourgin has received an uncommonly personal lesson in revisionist history.

In a rare occurrence, spurred by the intervention of the noted historian Arthur Schlesinger Jr., the university has belatedly decided it made a mistake.

The political science department re-read his dissertation and concluded that Bourgin, who retired five years ago from an episodic career in business and the federal government, deserved a PhD.

And so in two weeks, the Chevy Chase resident will travel to the Chicago campus for the first time in 43 years. He will don a maroon robe with velvet bands and a black doctoral hood, ride into the Rockefeller Chapel on the motorized scooter he relies on to get around and, at last, collect his degree.

It will be a moment to savor for Bougin, whose activities are now limited by the after-effects of polio to reading and a daily swim. But the real joy, he said, has already come.

It is "the satisfaction, the vindication, the fact I am somebody," he said in an interview. "I feel I am a different person than I was a year ago. A PhD counts for something."

The Bourgin affair, as the Chicago faculty have dubbed it, attests to this man's relentless faith in the worth of his ideas. It attests, too, to a willingness by a rigorous university to look into its past and admit that perhaps it had been wrong.

"I don't think anything like this has ever happened before," said Gary Orfield, one of the three Chicago political scientists who reevaluated Bourgin's thesis last year.

"Imagine if something had been on your mind for 40 years and it gets worked out," said Orfield, who said he plans to break his habit of missing commencements so that he can watch Bourgin graduate June 10. "It's a very happy story."

The story begins in the heart of the Depression when Bourgin, a merchant's son from the tiny town of Ely, Minn., decided he could never make a living as a lawyer and found another field instead. "I ate and slept political science," he said. "I expected to get a PhD and go on teaching college."

The central idea of his 624-page dissertaton contradicted the prevailing 19th- and early 20th-century view among historians that Thomas Jefferson and other framers of the Constitution had favored a laissez-faire government that promoted "uncontaminated free enterprise."

Bourgin found that Jefferson's land-settlement policies and his plan to build a network of canals, for instance, reflected an activist vision of government similar to that of Roosevelt.

"I feel I had something very important to say that had never been said," Bourgin recalled. "To me, this was dynamite in terms of undermining the kind of claims the conservatives have had on our Constitution for 200 years . . . It made Jefferson something of a New Dealer."

But when he submitted his dissertation in 1945, the political science department returned it, admonishing him that it needed more work. They suggested he return to school full time—something he could not afford with a wife and year-old daughter to support.

"I was crushed. I felt defeated, frustrated," he said. "I saw that I was licked." And he put his thesis away in a locked black box.

For a time, he owned a lighting fixture company in Chicago. There were 16 years running a men's clothing store in northern Minnesota, and another seven as regional director in Michigan for a federal office of emergency planning. In 1970, he and his family settled in Chevy Chase, when he took a job as a disaster analyst for the Federal Emergency Management Agency.

Yet throughout his career, his frustration with his failed dissertation lingered. "In government, you'd meet some jerk with a PhD, and he was a somebody and I was a nobody."

Two years ago, as the bicentennial of the Constitution approached, he decided to reopen the black box. He found the paper clips rusty, the paper yellowed and the type faded. But the ideas, he sensed, were still fresh.

"I said, 'Damn it, I was right from the beginning!' "

Bourgin distilled his work into a 22-page synopsis, which he sent out for reviews. He mailed copies to U.S. senators, to leading political journalists and to Daniel Boorstin, then-librarian of Congress.

Among the recipients was Alan Saunders, a political scientist who had been Bourgin's mentor as an undergraduate at the University of Minnesota. Now 90 and living in Hawaii, Saunders replied to Bourgin, pointing out that his ideas resembled those in a chapter of a new book by Schlesinger, "The Cycles of American History."

Buoyed by the news, Bourgin fired off a copy of his synopsis to Schlesinger, an FDR historian and the Albert Schweitzer Professor of the Humanities at the City University of New York. And a year ago, Bourgin's fingers trembled as he read the reply: ". . . belated congratulations on your pathbreaking work of nearly half a century ago."

Schlesinger also wrote to Chicago's political science department, urging it to reconsider Bourgin's degree.

In an interview, Schlesinger said he had never before made such a request. But, he said, "It seemed to me interesting work . . . It was a mystery to me why the things was rejected. I thought an injustice had been done, and it was not too late to rectify it."

The department agreed to reread the thesis and rejected it at first. But after Bourgin made some changes, the three-member committee decided in February that it was acceptable.

"It is at least as good as many dissertations that merited the degree," said Joseph

Cropsey, distinguished service professor of political science who was one of the readers.

He and Orfield said it was too long, and tended to be repetitive. "It could benefit from some good editing," Orfield said. But he added, "It had something important to say then, and it does now."

In offering Bourgin the degree, the university made certain accommodations. It waived his tuition and the oral exam required of doctoral candidates. And to permit his children and grandchildren to attend the ceremony the department appealed all the way to the central administration to secure for him "an absolutely incredible, unheard of number" of scarce commencement tickets, Cropsey said.

Bourgin has hired a literary agent to try to get his dissertation published. He'd love to lecture on his ideas, if anyone asks.

And he teases his wife, Dorothy, although he doesn't really mean it, that he will launch his belated academic career. "My next book," he said, "is going to be called 'Sunrise at 77.' "

HEALTH CARE FOR AMERICA ACT

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. TAUKE. Mr. Speaker, when the 101st Congress convenes, I intend to introduce comprehensive legislation to assist all Americans to obtain health care, to provide long-term care, and to increase the equity and efficiency of the health care delivery system.

I describe my proposed Health Care For America Act today because I actively solicit the ideas and suggestions of others who are interested in joining in this effort. I intend to bring this proposal to the U.S. Commission on Comprehensive Health Care, of which I am a member, for consideration.

The Health Care of America Act is three pronged: It fills gaps in coverage; it makes the Government's assistance in obtaining health care coverage rational and equitable; and it improves the efficiency and quality of the health care delivery system.

My proposal will provide new benefits for millions of Americans. At the same time, it will equalize Government assistance and concentrate governmental funding on those who most need it.

The Federal Government now helps Americans obtain health insurance in a variety of ways. It provides Medicare benefits. It shares with the States assistance to Medicaid beneficiaries, but under a variety of systems. The eligibility standards and coverage vary from State to State. A person in one State will receive better coverage than a person in another State with the same income, and the Federal Government provides more money to the one than to the other. The Federal Government also provides assistance to those whose health insurance is provided by their employers; the value of the insurance which would otherwise be taxable wages to the employee is tax free. Employees in the higher tax bracket receive more benefit than those in the lower bracket. No assistance is given to those whose employers do not provide insurance for them, although the tax law recently was changed to permit, until 1990, self-employed workers to deduct 25 percent of the cost of purchasing insurance.

With the exception of Medicaid, the Government's assistance is not tied to need. Some receive assistance they do not need; many others, who need it most, receive no assistance. While the Government helps with tax benefits those who are employed and whose employers provide insurance, it provides little or no assistance to those who must purchase their own insurance and need assistance the most.

The Health Care For America Act would rationalize and expand the Government's assistance. It would provide assistance to all Americans, without regard to eligibility categories, and ensure that those who most need assistance receive the most.

EXPANDED COVERAGE

The act would fill the two major gaps in coverage.

1. Assistance to the uninsured

It is estimated that 37 million Americans now have no health insurance. Some health care policymakers have proposed that employers be required by law to provide health insurance to their employees. This is the wrong route to the right result. It is critical that all Americans be able to obtain health insurance, but it does not follow from that that every employer should be required by Federal law to provide it.

Mandated benefits would reduce employment, particularly for lower paid workers, who most need assistance in obtaining health insurance. It has been estimated that mandating that employers provide health insurance for all employees who work more than 17½ hours per week would raise the real wages of the lowest paid workers by more than 30 percent. Many small businesses could not bear this added cost. A mandated benefits requirement would lower employment, deprive small businesses of their livelihood, and increase the concentration of American business.

A requirement that employers provide health insurance would impose a de facto tax on employers—a head tax on labor. That is a bad jobs policy. Moreover, this head tax on labor would be regressive. A company would be required to incur this expense regardless of whether or not it was making a profit.

There are other drawbacks to the mandated benefits approach. It fails to provide insurance when it is most needed. The smallest employers would be exempted from the requirements, and their workers would receive no benefits. Some temporary and part-time employees would not be covered. Requiring employers to provide coverage does not help a person who loses his or her job or is between jobs, when, of course, the coverage is most needed.

Under my proposal the Federal Government would provide assistance directly to each American. In this way everyone would have the ability to obtain insurance. The assistance would not depend upon the number of hours as employee worked or who the employer is. The cost would be spread broadly through the tax system and avoid the heavy burden on small business. At the same time, the role of the employer in providing health insurance would be maintained. Employers could, and I expect most would, provide additional coverage to their employees. The decision on whether a company provided additional wages, health insurance, or other benefits would not be skewed by tax incentives, as is the case presently, but on the basis of what employees want. All workers would have basic coverage, while additional employee benefits would continue to be determined by collective bargaining or other expressions of employee choice.

2. Long Term Care

Last year Congress passed an extension of Medicare benefits which, although entitled the Medicare Catastrophic Coverage Act, does not provide, except for 150 days in a skilled nursing facility, coverage for what is truly the catastrophic expense; namely, long term care. The elderly and their families are afraid that they will have to enter a nursing home and be forced to spend all of their savings until they reach the Medicaid eligibility level in order to pay for nursing home care. They need, and my bill will provide, assistance to those who need it to obtain nursing home or home health care without forcing them to exhaust their assets and become Medicaid recipients. It would cover the elderly and also the rest of the population, who may need long-term care but who rarely think of that possibility.

In order to be economically feasible, the cost of long-term care cannot be borne only by those who are immediately at risk for it. Yet the nature of this coverage has impeded the development of a private market that could spread the cost. If young people purchase long-term insurance, they are almost certain not to receive the benefit for many years. Consequently they typically do not purchase the coverage. Insurance companies similarly are reluctant to offer the product because the long period between the purchase and the use of the policy increases the uncertainty of what the coverage will cost, and thus their risk. Accordingly, there is little private insurance for long term care, and what has been developed is mainly marketed to those who are soon to be at the most risk. It is therefore expensive for the elderly to obtain.

I believe a broad private market should be encouraged and fostered. The impediments to the development of a private market should be identified, and to the extent possible, removed. Until enough companies provide coverage that meet peoples' need, however, it appears that the Government is the best mechanism for funding long term care coverage; it can spread the risk over the entire population and assure the young, who are asked to contribute today, that there will be coverage when they need it.

REFORM OF THE HEALTH CARE SYSTEM

I believe that it is harmful, both to the beneficiary and to the taxpayer, to expand coverage without reforming the system that provides the care. The health care system as now structured is largely exempt from the salutary discipline of economic competition among those who provide health care. Hospitals and physicians compete in terms of quality, but not price.

The lack of economic constraints results from the way the system is structured. Patients have little incentive to factor cost into their health care purchasing decisions and are provided no systematic way to express a choice. Most care is paid for by third-party payers—insurance companies, Medicare and other Government programs. Patients, who are the ones who ultimately must choose how care is delivered, are not concerned about, and may even not know, the cost of much of the care they received, particularly hospital care. The mechanisms are not in place for them to make informed choices.

Employers are attempting to introduce cost-saving mechanisms by entering into arrangements with health maintenance organizations, preferred provider organizations, and other plans which have a financial incentive to negotiate with hospitals and doctors, as companies offering traditional indemnity insurance have not. The effectiveness of these efforts, however, is reduced by the fact that the employees often do not have an economic stake in their health care decisions and by the fact that the Medicare reimbursement system impedes the development of competitive arrangements.

The system must be changed, and providers forced to compete, in order to avoid waste in the short term, and to protect the quality of health care and access to it over the long run.

If competitive efficiencies are not introduced, the governmental control of the system which already has developed to compensate for the absence of competition will be further tightened: the Government will determine which hospital can buy what equipment, who can be admitted into the hospital, how much hospitals and physicians are paid, what procedures they can perform under what circumstances, and indeed how they are to be performed. Too intrusive a role by the Government will destroy the diversity, vitality, and creativity of the health care system—and its concern for the well-being of the individual patient which we now enjoy. The quality of health care provided in the country will degenerate.

Already, Government measures intended to compensate for the lack of competition are threatening quality of care, and access to it.

The Federal Government, faced with its budget crisis, has imposed a variety of regulatory measures to reduce its expenditures. It has set in place stringent regulatory controls to determine who can be admitted into a hospital. Those programs threaten to deny access to care to people who need it.

Medicare pays for most inpatient hospital care provided to the elderly by paying hospitals a predetermined set amount. However, this prospective payment system [PPS] does not involve the Medicare beneficiary in choosing hospital care on the basis of cost, as well as quality. The hospital feels the effects of the reduced Government reimbursement, but the patient does not and has no incentive to choose the less expensive over the higher cost hospital.

The PPS system is little more than a price-setting mechanism on hospitals. But like all price controls over any period of time, it creates shortages and anomalies. The payment set by the Government is not necessarily the right amount. PPS demonstrates the drawbacks of an administered price system.

The PPS system does not recognize the differences in health care costs between various regions, or the difference in the severity of illnesses of patients. Worse, the amount that is set by the Government for payment seems more often to be based on what the Government needs for its budgetary purposes than what is a fair payment. It is unfairly benefitting some hospitals, which have the right DRG's, and which are located in the right areas. It is providing too little reimbursement to many others, not because they are less efficient but because of the mix of patients they care for, the services they provide, and the area in which they are located.

An increasing number of hospitals are losing money when they care for Medicare patients. This reduces their ability to provide free care to the indigent and needed community services. The ability of hospitals to purchase and deliver the newest techniques is reduced. Quality of care is threatened.

The PPS system is not the long-term answer to how to fund assistance to Medicare beneficiaries. It will become increasingly arbitrary, and efforts to compensate for its effects will only create new anomalies and unfairness. Because it threatens the financial viability of many hospitals, the need to find a new way of providing Government assistance will shortly become apparent.

My proposal will provide a unified reimbursement system for all Americans, replacing the current patchwork of reimbursement systems. My proposal will permit all Americans, rather than the Government, to choose how they wish their health care delivered and how much resources are allocated to it. And it will give them the means to choose their health coverage and the incentive to do so in a cost-conscious way. This will force insurance plans to compete for their business, and this in turn will force hospitals, physicians, and other health care providers to compete against each other in terms of efficiency and quality. Consumers will determine which plans and which providers are meeting their needs for quality care, efficiently delivered.

My bill will introduce the incentives and set the parameters necessary to create a competitive system, without predetermining how it will operate. My proposal will not specify how an insurance plan would have to be structured or how it would pay hospitals, physicians, and other providers. It could be an indemnity insurance plan, a health maintenance or preferred provider organization, or any of a variety of new forms that are likely to develop in a competitive market. The plan could pay physicians on a fee-for-service basis or relative value scales, or it could capitate physicians in whole or in part. It could employ physicians. Similarly, hospitals could be reimbursed on a cost basis, charge basis, or they could be capitated in whole or in part. They could be paid on the basis of a DRG system, like the current Medicare prospective payment system, or even could be paid on a more global standard, one that is based not on inputs—particular services—but on outputs—patient health. Insurance plans and providers throughout the country would work out the most effective payment systems, guided and controlled by consumers' decisions rather than by inflexible requirements dictated from Washington.

DESCRIPTION OF PROPOSAL

A brief description of how my proposal would work follows.

1. Government Assistance

The Federal Government would entitle all legal residents to a health care contribution. The contribution would be paid to qualified health plan of their choice, an insurance plan which has been certified by the Department of Health and Human Services as meeting Federal standards governing coverage, quality of care, financial viability, and other requirements.

2. The Plans

A plan would have to provide all acute health care, including prescription drugs, well baby care, and rehabilitation care, to its members. For Medicare beneficiaries coverage would have to be at least as extensive as that currently provided. A plan could provide additional benefits if it wished to do so, depending on consumer demand. Plans would have an incentive to provide home health care where that is less expensive than hospitalization and medically justified.

Each plan would be required to set its premium in an area on the basis of each of its members' risk category: age, sex, family size, and so forth. There would be a limit on the amount of out-of-pocket expenditures that a plan could require—$2,000 for an individual and $5,000 for a family—and a separate limit for drugs—$250 for each individual and $1,000 for a family. It could provide more extensive coverage if it decided to do so, and a member chose such a Plan.

In order to qualify for receipt of the Federal health care contribution, the plan would have to meet certain operational requirements. It would have to agree to enroll all individuals who apply and pay its premiums. It could not select members on the basis of risk or health status. Plans would have to enroll members during a common period, in order to enhance customers' ability to shop among competing plans. Plans would have to meet financial viability standards set by the Department of Health and Human Services and make a contribution to a Health Benefits Assurance Fund designed to ensure members' continued coverage in case any plan failed to meet its commitments.

3. Amount of the Health Care Contribution

The amount of the health care contribution and the plans' premiums would depend upon the risk category in which an individual falls. Older people and larger families would receive greater assistance. This would remove any incentive for plans to try to avoid enrolling high risk members.

The amount of the contribution would be tied to the amount charged by plans in a particular area, in order to account for differences in the cost of care in different geographic areas. After an initial transition year, the basic health care contribution would be the average of the premiums of qualified health plans in each area for members within a particular risk category. The basic contribution would be adjusted to reflect income; the poor would receive the basic amount, plus an additional amount to cover out-of-pocket expenditures they would otherwise have to be paid; those with higher incomes would receive on a progressive basis less than the basic contribution.

Medicaid beneficiaries would be included in the system on the same basis as other Americans. Medicaid currently does not provide adequate coverage to the poor or adequate payment to providers, reducing the poor's ability to obtain what care is covered. My proposal would provide Medicaid beneficiaries with the assistance necessary to purchase the same health insurance that all other Americans choose on average. In place of the present categorical eligibility and state-by-state variations in eligibility, the proposal would provide for uniform eligibility across the country based on income. Rather than a red line of eligibility or noneligibility, there would be a spectrum. The amount of the health care contribution would vary by income.

4. Long Term Care

The Health Care For America Act would also provide assistance to all Americans in obtaining long-term care—nursing home care or home health care as needed. After a beneficiary had exhausted a deductible each year of $2,000, the Government would pay for long-term care an amount based upon the average amount now being spent in each area, adjusted for inflation and severity of care need. The Government would pay a percentage of that average cost, ranging from 100 percent for the poor to lower amounts for those who could afford to pay. Spousal and family impoverishment protections would be provided to ensure that couples and families are not forced into poverty by long-term care costs for their loved ones.

Impediments to the development of a private market would be identified and reduced. Pilot projects demonstrating various ways to providing long term care through private plans would be encouraged. Beneficiaries could choose whether they wanted to have the Government's assistance used for private plans, or continue under the government's program.

5. Funding

The program would be funded by a combination of measures.

The current hospital insurance portion of FICA would be redirected into a special account to be used to pay health care contributions.

States would be required to contribute 20 percent of the cost of health care contributions for Medicaid beneficiaries in the state.

The tax exclusion for employer contributions for health insurance would be repealed. This is necessary to avoid duplicate benefits from the Government, to provide equity between those whose employers provide health care and those whose employers do not, and to avoid skewing by favorable tax treatment the question of whether compensation is paid in the form of wages or health insurance.

The long-term care component would be financed by a surcharge payable by a qualified health plan for each beneficiary using the health care contribution toward the premium of an acute care plan. This will distribute the cost of long-term care across the population.

Any additional amounts necessary would be funded out of general revenues. In this way the country could make a conscious decision each year of how much tax revenues it wished to devote to health care.

6. Other provisions

State laws which impede competition would be preempted as they applied to qualified health plans and to providers serving members of the plans, so they would not interfere with Federal regulation of the plans. This includes rate review laws, health planning/certificate of need requirements, and laws which would require plans to provide specified coverage.

The proposal requires the Department of Health and Human Services to review for accuracy the advertising of plans and to stop any untruthful advertisements.

The proposal provides funding in each area for advocacy and education groups to assist beneficiaries in selecting among plans and in obtaining benefits to which they are entitled. Any disputes over required coverage would be settled by arbitration with the plan.

CIVIL RICO: VITAL TOOL IN THE WAR AGAINST WHITE COLLAR CRIME AND FRAUD

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. CONYERS. Mr. Speaker, as this Congress comes to a close, it is important to remember what happened with reference to the attempts to strengthen and weaken the civil racketeering law, the Racketeer Influenced and Corrupt Organizations Act [RICO].

The Subcommittee on Criminal Justice, which I am privileged to chair, held hearings on RICO reform over the past 2 years. A broad consensus on what course of action we should follow emerged in the hearings.

Most of the witnesses agreed that we must preserve and strengthen RICO on the criminal side, since it has proven to be a crucial legal weapon in efforts to curtail sophisticated forms of crime, including organized, white-collar, and violent group crime.

On the other hand, witnesses, who generally reflected the views of segments of the business community, urged us to narrow RICO on the civil side. They focused their attention on RICO's private treble damage enforcement mechanism. They suggested that RICO gave rise to various litigation abuses, especially in the fraud area.

Other witnesses, who generally reflected the views of consumer groups, urged us to strengthen civil RICO. They pointed to pressing problems of contract procurement fraud, fraud on Wall Street, insurance fraud, and bank and thrift failures brought about by fraudulent financial practices. They argued that the commonly used fraud laws in these areas were not working as the $200 billion annual fraud bill suggests.

On May 25, 1988, the Senate Judiciary Committee reported to the full Senate S. 1523, a reform measure sponsored by Senator HOWARD METZENBAUM. On June 20, 1988, Congressman DON EDWARDS and I introduced H.R. 4920, which took as its point of departure the general approach of the Senate bill, but nevertheless contained important differences.

Broadly, both the Senate and the House bills would strengthen RICO in a number of ways. For example, new predicate offenses in the area of violence would be added to RICO; penalties would be raised for RICO offenses where death results; and civil recovery under RICO would be authorized for personal injuries caused by RICO violations that include crimes of violence.

At the same time, both the Senate and House bill recognize the need to guard against the abuse of RICO, particularly in private litigation. Each of the bills sharply restricts the use of the "racketeer" label. In addition, the bills set heighten pleading standards for RICO litigation, and they generally reduce the measure of recovery from treble to actual damages in private litigation not involving crimes of violence.

One of the principal differences between S. 1523 and H.R. 4920, however, is the scope of the exception that each would authorize for the recovery of up to double punitive damages in specified classes of cases. The exception in the Senate measure is confined to a limited number of consumer and insider trading suits.

H.R. 4920, in contrast, would include among those who could obtain this heightened measure of recovery certain other especially vulnerable classes of victims in our society. H.R. 4920 would authorize double punitive damages for victims that are welfare and pension funds, small businesses, exempt organizations; that is, charities, schools, and so forth, defense contractors, and financial institutions, that is, banks, credit unions, and insurance companies, and so forth.

Unlike the Senate measure, H.R. 4920 would also circumscribe the potential misuse of RICO in the labor area by sharply restricting its use in private litigation by employers or unions in the context of labor disputes.

The most significant difference between the Senate and House bill, however, is the special exemption given by the Senate bill to the securities and commodities industries and its provisions making a reduction of the measures of damages retroactive to pending civil suits.

Mr. Speaker, in light of the current scandals on Wall Street, I believe that it is wholly unjustifiable to treat securities or commodities fraud in any fashion different from, say, insurance or bank fraud. I see no valid reason why aggravated patterns of criminal behavior in the securities or commodities industries do not merit RICO's enhanced sanctions. I see no ground, in short, for a double standard.

Similarly, I believe that it would be profoundly unwise, wholly inappropriate, and constitute both a troubling and unseemly precedent to make RICO reform retroactive so as to restrict the measure of recovery in pending cases.

I see no reason to give the likes of Boesky or Butcher in their stock fraud or bank fraud activities a special bill of relief. Congress sits to legislate, not settle pending litigation.

Indeed, the Department of Justice testified before the subcommittee against making RICO reform legislation retroactive, and the National Association of Insurance Commissioners recently passed a resolution condemning precisely this feature of the Senate legislation. The judgment of the commissioners—which I share—is that insurance fraud is a problem too pressing on our Nation to roll back remedies against it, particularly retroactively.

Mr. Speaker, the extensive negotiations to resolve the fundamental differences between the Senate and House measures regrettably did not prove fruitful. We tried in good faith to resolve our differences, but we failed. We came close, but in the end, we could not agree. But nothing is so pressing about RICO reform that we should not wait until the 101st Congress to finish our work.

Indeed, we reached tentative agreement on a number of features of a possible bill. If progress could be made on the issue of special treatment for special interests and retroactivity, I am sure that we could bring to the floor of the House a bill that would be, not only principled, but also satisfactory to all.

Mr. Speaker, I ask unanimous consent that the following material be printed in the RECORD at this point.

First, an editorial of the New York Times of October 6, 1988.

Second, an op-ed piece from the New York Times of December 27, 1987.

Third, a resolution of the National Association of Insurance Commissioners.

[From the New York Times, Oct. 6, 1988]

SAVE RICO FROM REFORM

RICO, the 1970 Racketeer Influenced Corrupt Organizations law, gave organized crime's victims a way to sue for civil redress. The idea was to motivate an army of victims to bring individual lawsuits, with the promise of triple damages. The law has turned out to work better for people with complaints about consumer and conventional business fraud. That has prompted businesses to lobby Congress for relief. These "reformers" would reduce most damage awards to actual money losses, carve out new exemptions for securities and commodities frauds and make these changes retroactive, invalidating suits now in the courts.

The existing RICO law doesn't lack problems. A useful cosmetic fix would remove the "racketeering" label from litigation not based on mob-type violence. Courts are already limiting the law by making it harder to base Federal RICO suits on a few illegal acts rather than a genuine pattern of illegality.

But there's no need for more drastic change. Reducing damages would reduce deterrence. It makes no sense to exempt commodities and securities frauds when these seem rampant. Above all, retroactive relief is unfair. By going along with it, Congress would turn itself into a partial substitute for impartial courts.

[From the New York Times, Oct. 6, 1988]

DON'T WATER DOWN THE ANTIFRAUD LAW

(By John Conyers, Jr.)

WASHINGTON. The most infamous and significant insider-trading case in the nation's history was concluded when Federal District Judge Morris E. Lasker sentenced Ivan S. Boesky to three years in jail for conspiracy to file false trading records. The prosecutor spoke at sentencing of "rampant criminal misconduct" that appears to have involved not only Mr. Boesky but at least five major brokerage houses. But something was conspicuously absent from the criminal sentence: a significant fine commensurate with the crime.

The judge's rationale for not imposing a fine was to make available Mr. Boesky's assets to private plaintiffs victimized by his criminal schemes. Regrettably, that sensible approach will soon be impossible if the securities industry succeeds in its efforts to convince Congress to water down the antifraud law under which many of Mr. Boesky's victims are suing.

The securities and financial lobbies are making a top priority of legislation that would drastically reduce the financial liability of inside traders and other crooks and cheats under the civil provisions of the Racketeer Influenced and Corrupt Organization Act, known as Rico.

Rico is especially important to victims because it allows for triple damages—a tough provision needed to return monies defrauded and to deter the criminal misconduct of which the Boesky prosecutor spoke.

The securities lobby, rather than acknowledging a real and fundamental problem on Wall Street, thumbs its nose at measures to make the industry accountable. It is seeking a bill that would modify Rico so that victims of securities fraud could recover only actual damages, instead of triple damages, and that would bar any Rico suits by victims of insider trading. Both provisions would be retroactive. Mr. Boesky's lawyer could not have crafted a better bill.

Rico was enacted in 1970 to give public prosecutors a way to deal with the scope of organized and white-collar crime. The financial lobbies now argue that the law should be limited and that Congress's intent was to get at organized-crime figures (those whose names end in vowels). But victims care little whether their life savings are stolen by mobsters wearing black shirts and white ties or stock brokers in Brooks Brothers suits and white collars, and Congress expressly rejected any such limitation.

White-collar criminals cost the nation nearly $200 billion annually, nearly as much as drug traffickers. Consider bank fraud and its effects as another graphic example of what that means: About half of the recent bank failures and one-quarter of the thrift failures—each running at post-Depression highs—involved criminal activity by insiders, few of whom, according to a Congressional survey, were adequately punished.

Following the stock market collapse in October, which revealed some questionable practices by aggressive brokers, we need more accountability, not less. Small investors seem to have been hit the hardest. The North American Securities Administrators Association told a Congressional committee the other day that its analysis showed an average loss to individuals of $170,000, a figure far beyond many initial capital investments.

Especially important, said the association, was the inadequate supervision of greedy brokers, who sought higher commissions from unsophisticated investors, advising them to open high-risk option accounts, conducting unauthorized trading on their behalf and failing to disclose many of the risks of their trading strategies.

Rico does need reform but not the type or extent that Mr. Boesky's lobbyists seek. Rather than being abridged, the law should be extended to such areas as bank fraud, racial and ethnic violence and toxic waste. Fine-tuning the requirements needed to bring a suit could adequately distinguished frivolous suits from meritorious claims and hold accountable not only drug dealers but also crooked stock brokers.

No segment of society merits special treatment, certainly not retroactive relief from present civil liability. As the Boesky scandal and the stock market crash demonstrate so amply, we need laws that will take the measure not only of organized but also of white-collar crime.

RESOLUTION IN OPPOSITION TO PENDING FEDERAL LEGISLATION TO AMEND THE RACKETEER INFLUENCED AND CORRUPT ORGANIZATION ACT

Whereas, the United States Congress may soon consider amendments to the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. 1964 ("RICO"); and

Whereas, state insurance departments have found the federal civil RICO statute one of the most effective enforcement tools to combat insurance fraud; and

Whereas, is passed, such legislation may prevent state insurance departments from bringing treble damage civil RICO lawsuits under the federal statute; and

Whereas, if passed, such legislation may apply retroactively to ongoing lawsuits brought under the direction of many of the state departments. The results is that it may be difficult, if not impossible, to recover treble damages in pending federal civil RICO actions involving the following states: Illinois, North Carolina, Texas, Tennessee, Rhode Island, New York and Iowa; and

Whereas, if passed such legislation may create procedural roadblocks so that the filing of a civil RICO lawsuit by anyone against a regulated entity—such as an insurance company—would not be practical. Now, therefore, be it

Resolved, That the National Association of Insurance Commissioners believes that the effect of current proposals would be to protect the insurance industry and others involved with the industry from any civil RICO liability and interfere with the right of state regulators to bring civil RICO lawsuits against those who would commit insurance fraud upon the public. Be it further

Resolved, That the National Association of Insurance Commissioners opposes this legislation or similar legislation.

A TRIBUTE TO ATTORNEY GENERAL J. JOSEPH CURRAN, JR., AND ELANE STEIN

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MFUME. Mr. Speaker, I rise in tribute of two distinguished citizens of the State of Maryland, who have dedicated many years of their professional lives to enhance the quality of their community, the city of Baltimore, and their State. The individuals to whom I refer are Maryland Attorney General J. Joseph Curran, Jr., and WBAL radio personality Elane Stein. Thus it is both fitting and proper that on October 30, 1988, the Harford County Senior Citizens Center will pause to honor them for their exemplary work and dedication to people.

Mr. Speaker, Attorney General J. Joseph Curran has been active in Maryland's political arena for 30 years. Mr. Curran entered the Maryland House of Delegates in 1958, while still a student at the University of Maryland Law School. Attorney General Curran was elected in 1962 to the State senate where he served on the Judicial Proceedings Committee. Mr. Curran later became the chairman of this committee, serving in this capacity for 16 stellar years.

While a member of the Maryland General Assembly, Mr. Curran lead the fight for many significant pieces of legislation which included the creation of the court of special appeals and the district court system. Joseph Curran consistently supported measures to augment Maryland's courts and the department of corrections. He persistently fought for tougher drunk driving laws, and equal rights for all Maryland citizens. Joe first sponsored the legislation to establish the Maryland Higher Education Loan Program while he was a member of the house of delegates. Later as a leader in the State senate, he saw this proposal reach fruition and pass into law.

In 1982 J. Joseph Curran became Maryland's third Lieutenant Governor. As Lieutenant Governor, he served on numerous State task forces and committees. Mr. Curran continued to work unceasingly in criminal justice matters, and with the department of economic and community development, where he assisted in the efforts to bring new industry and jobs to the State of Maryland. In 1986, Joe was elected Maryland's attorney general and has served his State with much distinction. J. Joseph Curran is one of the nicest and most effective leaders our State had produced, and I am happy to call him by friend.

Mr. Speaker, those of us who live and work in Baltimore, have come to love and admire Elane Stein also for her commitment to broadcast journalism and her advocacy in behalf of the visual and performing arts. Ms. Stein has earned the respect of individuals from all walks of life. A native Baltimorean, Ms. Stein spent 2 years in Europe as a producer for Voice of America. Later, she was the founder and director of a nonprofit art gallery which successfully launched the career of many talented Maryland artists.

Ms. Stein's work has brought her in contact with almost every celebrity who has visited Baltimore. Elane Stein remains actively involved in many cultural and community service projects, even as she produces and hosts her own radio broadcasts 21 times per week. Additionally, Elane is also a regular guest on Maryland Public Television's "Weekend Alive" and WJZ's "Square Off." All this, from a woman who devotedly serves as both a WBAL radio host and the station's public service director.

Mr. Speaker, Elane Stein has truly earned the title of "Baltimore's First Lady of Broadcasting." In recognition of her many years of outstanding and professional dedication to the people of Maryland, I am very proud to have such an enlightened and knowledgeable personality on the airwaves of Baltimore. Best wishes, Elane for many more years to come, and thank you for a charismatic and energetic style of broadcast journalism, that serves as a benchmark for others to emulate.

In closing Mr. Speaker, the State of Maryland has been blessed throughout her rich history with citizens of the caliber of J. Joseph Curran and Elane Stein, who have unselfishly dedicated their professional careers to making our State a better place for all who live there.

COMMEMORATION OF JONESTOWN

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. MORELLA. Mr. Speaker, November 18, 1988, marks the 10th anniversary of the tragic events at Jonestown, Guyana, including the death of Congressman Leo J. Ryan of California. Those Members of Congress who served with Leo Ryan will remember him as a public servant of unusual conviction, dedication and courage. In fact, he lost his life in the fulfillment of his congressional duties while leading a congressional investigation of the People's Temple settlement.

To commemorate this 10th anniversary of the tragedy in Guyana, there will be a candlelight interfaith ceremony on Sunday, November 13, 1988, at 4 p.m. at the Jefferson Memorial to honor the memory of the 913 men, women and children who died at Jonestown, Guyana. It is my hope that this event and other commemorative ceremonies will also lead us to learn the lessons from this tragedy. Jim Jones' People's Temple was a destructive cult which attacked members' fundamental human rights. Mr. Speaker, as our Nation continues to celebrate the anniversary of the U.S. Constitution, I urge my colleagues to join with me in a commemoration of Jonestown and to renew our commitment to the freedoms contained in our Bill of Rights so that events like Jonestown will not be repeated.

SUPPORT OF BILL TO PROVIDE REASONABLE FEES AND COSTS TO JUDGE ALCEE HASTINGS IN CONNECTION WITH HIS DEFENSE DURING THE IMPEACHMENT PROCEEDINGS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. CONYERS. Mr. Speaker, today I have introduced legislation which would reimburse Judge Alcee L. Hastings for reasonable and necessary legal expenses incurred in connection with his defense in the impeachment proceedings presently pending before the Senate.

On August 3, 1988, Judge Hastings was impeached by the House of Representatives by an overwhelming margin. As chairman of the Subcommittee on Criminal Justice of the Committee on the Judiciary, to which the impeachment inquiry was referred, I heard firsthand the evidence against Judge Hastings, and came to the conclusion that impeachment was warranted. Notwithstanding this view, however, I also have concluded that this relief is warranted for Judge Hastings as a public servant of limited resources in his defense of an impeachment proceeding.

The general rule in American jurisprudence is that in both criminal and civil proceedings, the parties bear their own legal expenses. Exceptions have been created for indigent parties in the criminal process and for prevailing parties in a few areas of the civil law. At this time, Judge Hastings is neither indigent nor a prevailing party. However, the unique circumstances of his impeachment inquiry justify a further exception to this rule.

First, Judge Hastings has had to bear the expenses of multiple investigations and trials, first in the criminal courts, then in the judiciary, and now in the Congress. Although I believe that these various investigations were all appropriate and warranted, the fact remains that his limited resources have been depleted by this extended process. Second, because of the enormous importance to the nation of determining whether a Federal judge is fit to remain in office, considerable public resources have been committed to the investigation and prosecution of Judge Hastings. Neither he nor any other public official could expect to garner comparable sums in his defense. Third, whether or not Judge Hastings ultimately prevails by an acquittal in the Senate should not be the test of his entitlement to reasonable legal fees and expenses. It is his ability to hire counsel when an impeachment inquiry is first initiated, before he knows the outcome of the process, which is important.

At this point, the impeachment proceedings are not yet completed. The Senate has determined that it has the authority to defer the trail until the next Congress. Since, the full extent of the reasonable fees and expenses which will be incurred by Judge Hastings is not yet known. Accordingly, my proposed legislation leaves the amount to be awarded blank, to be determined when the impeachment process is finished.

THE PASSAGE OF THE NATIONAL POLICY ON TECHNOLOGY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. MORELLA. Mr. Speaker, countless hours of research, many interviews and hearings, and most significantly, a great deal of thought, has gone into writing the "National Policy of Technology." I want to first thank both the chairman, BUDDY MACKAY, who overcame many other commitments of his time to lead us in this effort, his surrogate, GEORGE BROWN, who stepped in whenever necessary with his leadership, and the ranking minority member, RON PACKARD, who has freely contributed his experience and advice to this enormous effort. In addition, Ron Williams has headed up a superb staff, and it has been an honor, as well as a pleasure, for me to serve on the task force.

I want to express my full support for the document that was just approved by the Committee on Science, Space, and Technology. During its production, I had an opportunity to add to the formulation of two sections, with the help of several Marylanders who have the knowledge and expertise to keep me informed.

In the first draft, there was no effort to address the problem of future management practices that would help our industries and businesses to be more competitive in the 21st century. Fortunately, we have recently established at the University of Maryland a Center for the Study of Future Management, under the leadership of Dean Milton A. Grodsky. I am serving as a member of their board of visitors and enlisted their help in addressing this issue in the report. As a result, one of the six recommendations is the establishment of a National Institute of Manufacturing, Engineering, and Management.

Second, a company in my district, Fusion Systems Corp., brought to my attention an ongoing problem they were experiencing with patents on their products which were in conflict with the Japanese system. With their assistance, and on the basis of a Senate hearing on the topic, a section was added called "Protecting Patent Rights Abroad." Although no solution is suggested, the section should be the catalyst to initiate a study next year.

In addition, I want to recognize the contribution of Dr. Donald Johnson from the National Institute of Standards and Technology [NIST] in Gaithersburg, MD. Dr. Johnson served as an active member of the task force advisory committee, and I know that his technical expertise with technology transfer was of inestimable value.

Sometimes we forget to acknowledge a job well done. The National Policy on Technology is a timely report, and will be a significant contribution toward keeping America on the leading edge. Congratulations to all who contributed to its completion.

REFLECTIONS OF A FRESHMAN DEMOCRAT

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MFUME. Mr. Speaker, 2 years ago, the citizens of Maryland's Seventh Congressional District went to the polls and delivered unto me, the privilege of representing them in the historic 100th Congress.

Today, as I stand in this great Chamber, and before this distinguished body, I am reminded of how we have grown in two short centuries, from a small band of impoverished colonies, to become the strongest, the wealthiest, and the most influential nation on the face of the Earth.

Yet even before the Nation was born, it comprised the moral principles and the moral claims articulated in the Declaration of Independence, the preamble to the Constitution, and in all of the other pronouncements that it issued to justify its revolution against tyranny, by having subjected human beings, my ancestors, to a bondage of the flesh, as well as a bondage of the spirit. The enslavement of the African, the annexation of the Hispanic and the destruction of the Indian, challenges each succeeding generation to do even more, in making real the basic tenet of "government of the people, by the people and for the people." These are the words and principles which first moved me to public service some 9 years ago, and to fight unceasingly for the justice and democracy that I so dearly cherish.

Hence, while I take great pride in America the beautiful, I realize that the best America is still yet to come. And so, I urge my colleagues to join me today in not just pledging allegiance, but in also pledging a commitment; to work diligently to break down the evil barriers of race, prejudice, ignorance, and fear; to bridge the historic chasm between the haves and the have nots; to harness the wisdom of our elderly and to encourage the genius of our youth.

Ostensibly, every American shares the same hopes and aspirations for their families. They want access to a decent education, good jobs, affordable housing, day care for children, protection from criminals, a stable economic environment, a strong defense, affordable health care and protection from disease. These are issues that transcend color, ethnic origin, religion, creed, and gender.

Twenty-five years ago, Dr. Martin Luther King, Jr., led blacks and whites, Jews and gentiles, old and young, and the rich and poor, as soldiers in the "great march on Washington." The civil rights era of that day not only elevated the struggle of African Americans, but all minorities, seeking first-class citizenship, and the promise of life, liberty and the pursuit of happiness. It opened a door too long closed, and it allowed for many of us the opportunity to at long last walk through.

Two years ago it was my distinct honor to be the first American ever elected to the Congress with an African surname; along with the first black Congressman from the State of Mississippi since reconstruction, and the first American Indian to have ever been elected to this body. There have been other gains of noteworthy significance by racial and ethnic minorities in every facet of American life, and, they were made possible in part by the leaders of that era, who made their bodies bridges, that we might run across.

Yet despite a quarter of century of change, many signs now point to a growing social disparity among the races, as stark and as severe, as before the civil rights movement. And, in many instances, Mr. Speaker, the parallels are frightening.

Economic gaps between black and white families ae widening rather than narrowing, and are significantly greater than they were in the 1970's. The income of the typical black family today equals 56 percent of the typical white family income, a lower percentage than in any years since the late 1960's.

The poverty rate has risen dramatically among those of my race without a college education. And, not only have black poverty rates risen, but those households that are poor, have fallen even deeper into poverty.

Infant mortality rates in our Nation are far higher than those in many industrialized nations, and acts of racial hatred and anti-semitism are on the rise.

Consequently, we are called as a nation to do more, and to be more. Not just at home but also abroad. The nations of the free world still look to America as the arsenal of democracy; the defender and protector of the rights of man, and of human liberty.

We must therefore accept, that the wretched system of apartheid in South Africa, religious conflicts in the Middle East, war in Central America, Soviet repression of refuseniks, and famine in Africa and Asia, all have a direct relationship to America's precepts and canons of democracy. Accordingly they challenge us, as the leader of the free world, to be even stronger in our national resolve.

In closing Mr. Speaker, on this the last day of the 100th Congress, let me say to you and remind others, that I have not given upon the American idea or on the American possibility, and I urge others not to give up also. For I am convinced that this Nation stands before the world as perhaps the last expression of a possibility of man, devising a social order, where justice is the supreme ruler and law is but its instrument; where freedom is the dominant creed and order is but its principle; where equality is the common practice, and fraternity the common human condition.

Thus, Mr. Speaker, I thank God, for allowing me the opportunity to participate as a Member of this Congress in the process of governing our Nation, and I thank dearly the people of Baltimore and the State of Maryland for the privilege to serve.

ANDREA LLOYD, GOLD MEDAL WINNER

HON. STEVEN D. SYMMS

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Friday, October 21, 1988

● Mr. SYMMS. Mr. President, recently Andrea Lloyd from Moscow, ID, helped the U.S. Women's basketball team capture the hearts and imagination of the United States.

Andrea Lloyd is a fine role model for our young people. Her grace and ability under pressure was a pleasure to watch. She helped our United States team overpower and outrun the Soviet team, and contributed greatly in the impressive United States win over the Yugoslavians to win the Gold Medal.

Mr. President, all Idahoans are very proud of Andrea Lloyd. I wish Andrea all the best in her future endeavors.

[From the Idahonian/Daily News, Oct. 4, 1988]

MOSCOW IS PROUD OF ANDREA LLOYD

(By Kenton Bird)

The Palouse has been home to Olympic athletes before. They usually have been track or field stars from other countries who have passed through the Washington State University or University of Idaho.

In Andrea Lloyd, however, the region has a homegrown celebrity, someone in whom Moscow and Pullman can take personal pride. As a high school basketball player, she fired jump shots and grabbed rebounds in a good share of the area's high school gyms. And after being a part of her team's gold medal-winning effort in the Olympics in South Korea, it was to Moscow that Lloyd came home this week.

Because there are few post-Olympic opportunities in this country for the best female U.S. players, Lloyd plans to play for the next seven months in Italy. Her Moscow fans may have to wait until the 1992 Olympics to see her compete again with athletes of comparable ability.

Lloyd's local admirers will have one last chance to see and congratulate her before she leaves for Italy. Mayor Gary Scott proclaimed today as Andrea Lloyd Day in Moscow. A ceremony will begin at 7 p.m. in East City Park. It will be a splendid opportunity for the Palouse to say hail and farewell.

Moscow's "Star Catcher" Honored

(By Tony Semerad)

Andrea Lloyd, former Moscow High School basketball star and Olympic gold medalist, was presented with a key to the city by Mayor Gary Scott during a ceremony in her honor Tuesday night at Moscow's East City Park.

Dressed in a red, white and blue jump suit and wearing her medal, Lloyd received kudos from Scott, her former Moscow High coach Jennifer Barrett, and Moscow school superintendent Alethia Fasolino. A crowd of about 120 well-wishers attended the ceremony.

"In all her achievements, Andrea Lloyd has brought great credit to herself and reflected honor on her home town of Moscow, our school system and our people," Scott told the audience clustered cozily around the park stage. "I hereby proclaim Tuesday, Oct. 4 as Andrea Lloyd Day in Moscow."

Fasolino praised Lloyd as an shining example to Moscow students.

"She's been a model for them," the superintendent said. "I know that they, too, will remember her honor for many, many years. Andrea, we try to teach our students to reach for the stars. And you caught one. Congratulations. We're very, very proud of you."

Barrett poked fun at her former student, who played for the U.S. women's basketball squad in the 1988 Olympic Games in Seoul, South Korea. And Lloyd, a 1983 graduate, poked back.

"What? You're not going to make me do sprints or anything like that?" the 6-foot-2 Lloyd asked Barrett. "When I'm traveling, people ask me where I'm from and I say Moscow. They say, 'Where's that?' and I say, 'in northern Idaho.' And they ask if that's at the end of the earth. And I tell them, 'No, but you can see it from there.'"

Lloyd, who scored four points in the American 77-70 victory over Yugoslavia in the Olympic final to win the gold medal, clarified remarks she made earlier in the week about the alleged steroid use of Ben Johnson, the Canadian sprinter who has been barred for life from international sports.

"I meant what I said that people shouldn't be that hard on him," Lloyd said. "If he did use steroids, he did make a mistake. I don't think that's right that he used them. I'm just saying that you can't condemn him for the rest of his life, just because he did that. I don't think drugs are OK at anytime, for anything."

Lloyd fielded questions from the audience on her future plans and signed autographs for her young and old admirers.

"You can't rely on your physical skills," Lloyd said. "That's something that I've learned because I don't have anywhere to go right now after I've finished playing basketball . . . So I would say, rely on your mind and get the most out of that. Be thankful for what you can do . . ."●

OPPOSITION TO FINAL WELFARE REFORM BILL

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. HAWKINS. Mr. Speaker, for the record, I would like to once again clarify why I voted "no" on the recently passed Family Support Act of 1988.

The most bothersome aspect about the so-called welfare reform finds the fault in the individual victims, not in the system itself. People want to work, at decent wages. They want to be educated and they want to be trained. Given these opportunities and the necessary supportive services, people need not be compelled to do what they are willing and anxious to do.

Welfare reform may be "an idea whose time has come," but in the most inhospitable time of budget constraints. The welfare reform compromise cuts funding to half the level of the House-passed bill: From $7 billion to $3.3 billion. The AFDC benefit increases, which would have helped to alleviate poverty, were deleted in the conference committee deliberation despite the fact that the average AFDC benefits have declined, in real terms, by 33 percent since 1970.

Funding for the "reform" is totally inadequate, thus ensuring less intensive education and training services, poor child care, and no actual job creation to provide decent jobs except through displacement of nonwelfare individuals already in the labor market.

Quality, accessible, and affordable child care can be a great incentive for parents to work. Studies have shown that lack of child care is a key barrier to employment for AFDC mothers: 90 percent have children under age 12 and more than half have children younger than age 6.

In low-income families, whether headed by one parent or two, child care is critical. At current costs, they cannot hope to become self-sufficient and still bear the bills associated with affordable child care. The national average yearly cost for quality child care is $3,000. The welfare bill, unfortunately, sets limits on reimbursement for child care expenses which may be less than the national average. The new mandates in the welfare bill will mean that hundreds of thousands of children will be thrust into a child care system which is already overburdened. Consequently, children in welfare families may be relegated to inferior care of a custodial nature not intended to improve their own chances of success.

The original House bill provided for $150 million per year of additional funds to enhance child care resources. States would have been provided grants to establish and renovate child care centers and family day care homes, as well as to provide training for day care providers. Unfortunately, this important provision was a victim of the cost-cutting efforts in the final conference negotiations.

The major source of direct Federal assistance for child care is the title XX Social Services Block Grants. Yet, in real terms, title XX funding has been cut by 50 percent in 10 years—$2.1 billion, down from $4.2 billion. Instead of meeting this funding shortfall, "welfare reform" sought to patch up the welfare system in an uncoordinated, ad hoc fashion.

In addition to child care concerns, the welfare conference agreement failed to deal effectively with "workfare"—the requirement that individuals work off their benefits. Currently, workfare is optional and very few States have chosen to operate it statewide. The new mandate would make workfare much more attractive to States and individuals can be required to stay on workfare indefinitely. Studies have shown that workfare is not cost effective and provides no long term benefits. The General Accounting Office's January 1987 report on welfare and work indicates that relatively few participants in welfare work programs receive services designed to improve their employability: Only 2.3 percent received vocational skills training.

The welfare reform compromise also failed to require equal pay for equal work. This provision is unfair and demeaning to individuals who already have many strikes against them.

The transitional medical and child care provisions, under the conference agreement, will be terminated in 1998. These sunset provisions constitute a real gamble that these necessary services will be reauthorized in future years. The new JOBS participation requirement will continue beyond 1998. Therefore, people on welfare could be left with no care for their children and no medical assistance while participating in the mandatory JOBS program.

The Family Support Act of 1988 is no panacea for poor people. Economic conditions in the next several years will be the true determinant of how successful we are in our efforts to reform the current welfare system.

By failing to offer the opportunities contained in the original House bill, we will continue to risk breeding poverty and welfare faster than the new welfare system can handle. Welfare dependency will be perpetrated because we have left its sources untouched. The children in welfare families will be the ones who will suffer most.

Attached to this statement is a listing of the organizations which opposed the conference report, as well as a statement from Representative MATSUI—a member of the Public Assistance Subcommittee who has been intensively involved in welfare reform issues over the past 2 years. Mr. MATSUI's concerns succinctly echo many of the problems which I have outlined above.

Organizations Opposed to Welfare Reform Conference Agreement

AFL-CIO.
AFSCME.
Americans for Democratic Action (ADA).

Bread for the World.
Child Welfare League.
Children's Defense Fund.
Church Women United.
Coalition for the Homeless.
Coalition on Human Needs.
Communications Workers of America.
Food Research and Action Center (FRAC).
Friends Committee on National Legislation.
Full Employment Action Counsel.
Interfaith Action Council.
League of Women Voters.
National Council of Churches.
National Council of La Raza.
National Puerto Rican Coalition.
National Organization of Women.
National Urban League.
United Church of Christ.
U.S. Catholic Conference.
Wider Opportunities for Women.

Statement by Hon. Robert T. Matsui on H.R. 1720, the Family Support Act of 1988

Mr. Speaker, today the House of Representatives will vote to approve the House-Senate conference agreement and report on H.R. 1720, The Family Support Act of 1988. For the record, the following organizations are opposed to the conference agreement:

AFSCME.
AFL-CIO.
Bread for the World.
California Rural Legal Assistance.
Children's Defense Fund.
Church Women United.
Coalition of California Welfare Rights Organizations.
Coalition on Human Needs.
Food Research and Action Council.
Friends Committee on National Legislation.
Full Employment Action Council.
Interfaith Action for Economic Justice.
League of Women Voters of the United States.
National Coalition for the Homeless.
National Council of Churches.
National Council of Churches.
National Council of La Raza.
National Organization for Women.
National Urban League.
NETWORK: Catholic Social Justice Lobby.
United States Catholic Conference.
Western Center on Law and Poverty.
Wider Opportunities for Women.

This list of opposing organizations includes many well-respected advocates for low income families and children. Perhaps Democrats should be asking their friends the truly important question regarding this bill. That question is not about politics, it is a very simple inquiry: Will this bill help poor families?

My colleagues from the Ways and Means Committee have described many of the beneficial aspects of the conference agreement on H.R. 1720. I believe, as they do, that the transitional childcare and medical benefits, the child support enforcement provisions and other elements of the bill are measures which move the Aid to Families of Dependent Children (AFDC) program in a positive direction. However, if you look at the bill as an entire package of "reform", this legislation is a step backward for state welfare programs striving to help recipients gain financial independence. If the Democrats can call this bill "Welfare Reform", then they should also label the Tax Technical Corrections Act "Tax Reform".

The House-Senate welfare reform agreement fails to accomplish the critical original goal of the Subcommittee on Public Assistance and Unemployment Compensation when we first addressed welfare reform. It does not create a welfare program which ensures that low income families will have available to them the resources they need to develop economic independence. The agreement imposes extremely high participation rates on AFDC-UP families, thereby diverting scarce resources from education and training for young single parents who are most likely to become long-term AFDC recipients. It forces States to spread limited resources so thin that no individual receives the kind of intensive help necessary to break the cycle of poverty.

By FY 1997, states must have at least one parent in 75 percent of their AFDC-UP families participating each month in a workfare program. This unlimited time on "Make-work" does not give the AFDC-UP population skills or experience to help them move into the workforce. It simply forces this group, who tend to move quickly off the welfare roles on their own, to earn their benefits at degrading tasks or at substandard wage levels. Rather than instill a sense of pride in the welfare recipient, month after month on workfare undetermines it.

In addition to the AFDC-UP unrealistic participation rates, by FY 1995, 20 percent of AFDC single parents must be participating each month in the JOBS program activities. Again, arbitrary quotas that fail to take into account individual State and county welfare loads will prevent the targeting of resources to those AFDC recipients who will remain long-term dependents without intensive education and training. Targeted intensive education and training programs are cost-effective. Sufficient investment in individuals will move long-term, costly welfare recipients off the roles. The 20% participation requirement prevents effective targeting of intensive education and training.

The agreement allows individuals assigned to "CWEP" or workfare to work off their benefits at minimum wage for nine months no matter what the nature of the work they are assigned to do. The prevailing wages for a particular job, say a secretarial position, could be $10 an hour but a welfare recipient would only be valued at $3.35. The rhetoric of the Democratic party of "a fair wage for a hard day's work" does not seem to extend to the poorest in our nation.

What benefit increases did we gain in exchange for these workfare requirements? The agreement fails to mandate full-year AFDC-UP coverage in all states by a date certain. States currently without UP programs will be required to offer an AFDC-UP program but only for 6 months out of a year. The poor two-parent unemployed family will find their cash assistance arbitrarily cut off after 6 months regardless of the circumstances, such as severe economic conditions in their home town, unless that family breaks up. Family stability is discouraged and long-term welfare dependence may well be the result. Even this minimal 6 month AFDC-UP mandate will sunset in FY 1999.

I sincerely hope that as the provisions of the Family Support Act are implemented, we continue to monitor the impact of these changes on state welfare programs and welfare families. I ask that my colleagues remain open-minded and flexible as we continue to examine welfare in this country. We must continue to reform the welfare system so that people are treated with respect and given a real opportunity to become financially self-sufficient.

TRIBUTE TO HON. DELBERT L. LATTA OF OHIO

SPEECH OF

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 5, 1988

Mr. MAZZOLI. Mr. Speaker, I want to join with our colleagues in saluting Del Latta, of Ohio's Fifth Congressional District, who is retiring after 30 years of distinguished service in the House of Representatives.

Del's career in the House will always be noted for the leadership role he has played in legislative efforts—or more accurately, battles—to rein in Federal spending. As testament to his ability and respect among his Republican peers, Del has served as the ranking member of the Budget Committee since its inception in 1975.

More times than not the struggle over budget priorities yields little glory for its participants, but through the years Congressman Latta has been "tough in the trenches", earning deserved recognition with passage in 1981 of the historic Gramm-Latta budget package, and for his efforts on subsequent plans.

The House will surely miss Del Latta's 30 years of experience. And, the Ohio congressional delegation will lose its leader and dean. But, I know that everyone wishes Del a most enjoyable retirement and every hope that the years ahead will bring good health and happiness to him and his family.

THE BUDGET PROCESS—EDUCATION'S NEMESIS?

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. MORELLA. Mr. Speaker, I submit for the Record an article written by Mr. Roy Millenson and Mrs. Susan Frost, "The Budget Process—Education's Nemesis?", published in the September/October CEF newsletter, by the Committee for Education Funding, the Umbrella Group for National Education Interest Groups.

I believe that Mr. Millenson and Mrs. Frost have presented an accurate portrayal of our troubled budget process, which has indeed resulted in the erosion of funding for education and a number of other vital domestic priorities. Budget process reform must be a priority for the 101st Congress, and I urge my colleages to keep this thoughtful analysis in mind as we consider reform measures next year.

Mr. Millenson, a retired Senate staffer, is a consultant in Washington. Mrs. Frost is executive director of the Committee for Education Funding.

THE BUDGET PROCESS—EDUCATION'S NEMISIS?

(By Roy H. Millenson and Susan Frost)

It would appear that education funding is a prisoner held captive by the budget process. Public and political support for education funding is frustrated and becomes weakened and dissipated after the lengthy and tiring journey over the obstacle course of authorizations which are too often enacted at the 11th hour, delayed budget resolutions, 302(b) allocations, late appropriations, successive continuing resolutions, Gramm-Rudman-Hollings variations, omnibus bills, and impoundments. The process and the time consumed not only erode funding amounts but also erode effectiveness of the beneficiary programs as Federal, state and local administrators are frustrated in their efforts to plan properly and use funds most effectively.

The budget process is ailing. In only two of the years since budget reform became law in 1974 have all the appropriation bills been enacted by the beginning of the new fiscal year and only two other years were more than half the appropriation bills enacted in time. In this decade alone, continuing resolutions have been late in four years, with resultant shut-downs in government operations, extra costs and dislocated program plans. In four of the years since 1974 there were omnibus bills covering all Federal agencies, including the now-famous FY 1988 2,100-page measure which was enacted three months into the fiscal year. Also in four years we have seen five continuing resolutions; in fact in only one year, FY 1979, has there been only one continuing resolution. And, on top of all this we are burdened with a seemingly unmanageable deficit.

Let's look at just three of the specific areas where the education community has an interest:

1. Nothing is final:

The Congressional Budget Resolution is not binding. Thus, while a budget resolution amount does not assure favorable funding, the unfavorable figure in the resolution can be an excuse for inadequate funding.

To confuse things even more, there have been times when the House had one set of figures and the Senate another and they could not agree in conference before the appropriation bills were considered. To add to the uncertainty, it is not uncommon for budget resolution provisions to be waived.

Even after the budget resolution is adopted, 302(b) allocations have been made and the appropriations bill is passed, the game is not over. Gramm-Rudman-Hollngs may be brought into play resulting in across-the-board reductions. Such reductions are given the fine-sounding name of "sequestrations".

Is the net sequestered amount secure? Not so fast. The Administration can still impound the funds either through deferral (postponing the expenditure for a period not later than the end of the fiscal year) or rescission (canceling the appropriation). While a rescission requires Congressional approval, there is no Congressional appeal from a deferral; since the Supreme Court's 1983 Chaddha decision the deferral must stand.

2. 302(b) allocations vs the budget resolution:

Sec. 302. (b) of the 1974 Congressional Budget Act provides that each subcommittee of the House and Senate Appropriations Committees will receive an allocation governing how much may be included in the bills they report. Sounds simple enough. But for two years in a row now, the Senate Appropraitions Committee 302(b) allocation to its Labor-HHS-Education subcommitee has been significantly below the level assumed in the Congressional Budget Resolution which had been approved by both the House and Senate. How can this happen?

Although the budget resolution is designed to set spending priorities that are agreed to by a majority of House and Senate members, the Appropriations Committees can choose whether or not to follow the budget's guidelines for discretionary spending in making its allocations to its subcommittees. The allocation decision requires only a majority vote by the members of the full committee. Appropriations Committees are then required to mark up their bills within their allocations. Thus, a simple majority vote of the members of the full Appropriations Committee overrules a majority vote of both the House and Senate on the budget resolution. And in the Senate this committee decision can only be overturned by a 60% vote waiving a point of order for consideration of a subcommittee bill that exceeds its appropriation allocation.

In summary, the Senate Appropriations Committee 302(b) allocation decision is the most important determiner of the Senate's discretionary budget priorities and can only be overturned by a supermajority of the full Senate.

3. Plus equals minus:

When the Labor-HHS-Education Appropriations bill was before the Senate on July 27, as the Digest in the CONGRESSIONAL RECORD shows, three amendments were adopted increasing funding for education programs. What the Digest does not indicate is that these amendments resulted in funds being deducted from other education programs. While the election year air rings with talk of cutting defense or other spending and allocating the money to education, the fact is that when the Labor-HHS-Education bill came to the floor, the money in amendments to increase an education item necessarily came from another education item. That was the rule of the game, where education (like health and other social programs) is tied to a Procrustean bed.

Comptroller General Charles A. Bowsher put his finger on it when he observed that House and Senate procedures "have simply become burdened of late by excessive layering and duplication on budget-related matters." As also happens with human illnesses, the nostrums offered may achieve some of the desired ends but also cause unforeseen side effects. Example: Gramm-Rudman-Hollings.

A budget process that is supposed to bring government closer to the people has moved government further away from the citizenry because of its increasing complexity and uncertainty. This has resulted in a greater reliance on organizations which must maintain offices and representatives in Washington. We might well use this period when we mark the Constitution's bicentennial for reflecting on whether the funding process as now practiced truly reflects the intentions of our nation's founders.

LOUISVILLE FIREFIGHTERS RECEIVE MEDALS OF COMMENDABLE VALOR

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MAZZOLI. Mr. Speaker, we are always talking about heroes. Let me take this moment to introduce real live heroes who live and work in my congressional district of Louisville, KY.

Clifford Meredith has served his community as a firefighter with the city of Louisville Fire Department for 13 years. He recently was awarded the Medal of Commendable Valor for heroism. He received this award for forcing his way into a house thick with smoke and flames to search for its two occupants.

Risking his own life to save others, however, is nothing new for firefighter Meredith. He has done so on other occasions. Just the other day before he was to receive the medal of commendable valor, he helped rescue a woman who had jumped from the Clark Bridge into the Ohio River.

The other heroes are Sgt. John E. Jutz, a 19-year veteran of firefighting, and firefighter Richard L. Haines, who has been with the fire department for 3 years. These two valiant men also received medals of commendable valor for their rescue of an unconscious 86-year-old man from his burning apartment.

We, in Louisville, are proud to have men and women of this caliber in the service of our community as firefighters. They are, indeed, heroes to us all.

SENATOR STENNIS: ONE OF THE GREAT LEADERS OF OUR TIME

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MONTGOMERY. Mr. Speaker, in the last minute rush to pass legislation in this 100th Congress, I want to take this time to pay a final tribute to one of the most distinguished men ever to have served our great country. His name is JOHN C. STENNIS of Mississippi and he is retiring at the end of this session.

Back in November 1987, when Senator STENNIS announced his plans to retire, I said he was one of the greatest statesmen this country has ever produced. That was not political rhetoric. I sincerely believe that JOHN C. STENNIS will be remembered as one of the finest leaders in the 200-plus years of our Republic.

He came to Washington in 1947 and has served with eight Presidents. His counsel and advice were sought by all eight Commanders in Chief, Democrat and Republican. Senator STENNIS was chairman of the Appropriations Committee and in the past was chairman of the Armed Services Committee. He was third in line of succession to the Presidency.

I represent De Kalb, MS, which is Senator STENNIS' hometown. I have been his Congressman for the past 22 years. I have counted on his advice over those years and I plan to continue to do so as he returns to Mississippi in retirement.

He liked to say that all he wanted to do was "plow a straight row" for his beloved Mississippi constituents. I think we all would agree that he did that quite well over the past 41 years.

Senator STENNIS has been the voice of reason and common sense in Washington through some very tough times in our Nation's history. He has also been through some tough times of his own. But he has persevered and come back as strong as ever.

He has been one of the very best and I am proud to have had the chance to work with him.

MERITS OF THE TAXPAYERS' BILL OF RIGHTS

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. PICKLE. Mr. Speaker, I am pleased to rise today to report that the bill before you includes important and long-awaited protections for all taxpayers. I believe these new protections will significantly improve the Federal tax system, and, that they are truly worthy of being called the taxpayers' bill of rights.

I strongly support these provisions because it is vital that all taxpayers receive fair treatment from the Internal Revenue Service. In recent years, as the Federal budget deficit has grown, the IRS has been under increasing pressure from the Congress and the administration to step up its tax collection efforts. This pressure is understandable. Simple fairness dictates that all taxpayers must pay their taxes and accept their share of the tax burden.

Our Federal tax system is based on taxpayers' willingness to voluntarily comply with our tax laws. Therefore, for this system to work, taxpayers and the IRS must be willing to work together in order to resolve those disputes which inevitably arise. I am satisfied that the taxpayers safeguards included in this bill will protect the legitimate interests of taxpayers who are honestly attempting to meet their tax obligations, while, at the same time, allowing the IRS to continue its efforts to vigorously enforce our tax laws. This bill is not anti-IRS, it is protaxpayer, and for that reason I think it is a good bill.

Finally, I am particularly pleased that many of the taxpayer protections which my House colleagues and I introduced in our own bill last year have been included in this legislation. I believe that this taxpayer bill of rights should receive the wholehearted and bipartisan support of the Congress and the country. I urge my colleagues on both sides of the aisle to support this bill.

THE SEVEN BLUNDERS OF THE THRIFT REGULATORY WORLD

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. LEACH of Iowa. Mr. Speaker, the time has come for Congress to cease mincing words about savings and loan problems. The dilemma we are confronted with is of our own making. Too loose laws have led to too loose regulation which in turn has led to too loose banking practices. The overleveraging of other people's money by high-flying thrifts has put taxpayers on the line for billions of dollars of liabilities developed outside the normal budgetary process. Multibillion-dollar obligations have been made by politicians refusing to stand up to special interest concerns and made larger by regulators preferring to buy time rather than spread ill winds through an industry strewn with ill will.

The statistics speak for themselves. A $1.3 trillion industry has a negligible capital base, negligible insurance fund, and negligible disincentive to take risks with taxpayer dollars. If the first quarter of 1988 is a guide, the industry is losing money at a $15 billion annual clip. The weak are getting weaker, with Congress facing the prospect of the largest private sector bail out in the history of the Republic.

Commentators like to suggest that regional problems—that is, a weak economy in the oil patch and on the farm—precipitated the savings and loan problem. Actually, there are more human culprits than abstract rationales. The root cause of the thrift problem is greed, the regulator—sanctioned capacity of high flyers to attract and overleverage other people's money because of receipt of Federal or State charters to take deposits backed by Federal insurance.

The quid pro quo—prudential investment and lending practices—has been ignored by a significant element of the industry because regulators followed the pandering exhortations of legislators at both the State and Federal level who have given too much power to too few to exercise too wantonly.

A classic example of egregious thrift power is the regulatory rule that allows savings and loans, but not banks, to put 300 percent of their capital in direct investments. Alleged representatives of the little guy have encouraged thrift investors to use Government insured deposits to speculate in real estate or the stock market rather than home loans.

If executive branch scandals—some have gone so far as to suggest the presence of a sleaze factor—may partisanly be ascribed to Republicans, thrift conflicts of interest can just as fairly be considered disproportionately Democratic. Such is the case because over the years in a battle for powers between savings and loan interests and commercial banks, thrift executives chose up sides with the Democrats, presumably on the assumption that bankers historically identified with the Republican Party. Just as large banks have come over time to be regulated less firmly than small ones, thrifts used their legislative power base within the dominant political party at both the State and Federal level to see to it that they would not become as forcefully regulated as commercial banks. Compounding the problem of weak regulation and a weak capital base in the thrift industry is the epidemic of greed that seems to exist within a number of overextended institutions in growth States. Thrift managers who are in a negative net worth situation understand that they have nothing to lose as they pay premiums to attract deposits insured by others. Hence, there is every incentive—through dividends, salaries, and perks—to live high on the hog today and make risk investments in the hope of striking gold tomorrow. Without stern regulatory oversight, imprudent circumstances are likely to breed more imprudent decisions.

The quandary regulators confront is the problem of how to rein in overextended institutions when their primary resource is an overextended insurance fund. Ingeniously, the short-term answer appears to be a Government-backed Ponzi scheme: the issuance of Federal guarantees and long-term capital notes on a fund backed, in theory, by the Treasury. The undeniable effect of such guarantees and note issuances is taxpayer accountability for the printing press of a runaway Federal regulatory agency. But incredulously few in this conservative administration are crying foul; and few in this liberal Congress are prepared to act. No one desires to bite the bullet just now. Apparently the administration and Congress simply want to get out of town on election eve before the horses are out of the barn and a stampede commences.

The only way it can do this is to give license to the licentious. Even though well capitalized and well managed thrift institutions have had record profits in recent years. The "Dr. Jekyll" third of the industry is so poorly managed that losses not only exceed the deposit insurance fund for thrifts but for banks as well. These losses are almost certainly likely to multiply unless regulators learn just to say "no." Otherwise, a $50 billion headache today could become to $100 billion migraine tomorrow.

The best antidote to public bailouts of individual institutions is the simple requirement that they be adequately capitalized and responsibly regulated.

Unless enormous real capital infusions are made by private sector investors, the only prudent regulatory guidance to the industry should be to shrink. As a representative of individual taxpayers and of an institution with primary responsibility for Federal spending decisions, my strongest admonition to regulators is to shut down the presses. Under today's circumstances where an industry is under water as extensively as this one, schemes that provide paper certificates to induce barely solvent thrifts to take over insolvent institutions stretch the constitutional and legal prerogatives of regulators.

What is needed is a new macro-economic approach to pruning back, rather than the current micro-management largess implied in certificated gift-giving. Failure of institutions to comply with growth restraints should lead to immediate removal of key officers and directors.

If thrift industry extravagances continue to be countenanced, the country and the financial community have to be prepared for the greatest jolt in public confidence since the depression. A run up of interest rates sparked either by Congress' inability to constrain the deficit or inflationary policies at the Federal Reserve Board could all too easily spark a run down in thrift industry spreads and assets. A cascade of thrift failures could have an avalanche effect on the economy leading to recession or, quite possibly, depression.

Of all the policy scandals of this Congress, failure to come to grips with the pressure group syndrome that precipitated the thrift problem ranks second only to failure to discipline the Federal deficit. Despite the implications of interference with a free market, there is no substitute for pruduent laws and regulations of financial institutions when the economy as a whole can be so dramatically affected by the decisions of a few.

In this context it is appropriate that the seven blunders of the thrift regulatory world be examined and, hopefully, corrected.

1. ALLOWING DIRECT INVESTMENTS FOR THRIFTS

Presently, the Federal Home Loan Bank Board allows thrifts to take equity positions in real estate deals, play the commodity markets, invest in junk bonds and make other kinds of direct investments. Meanwhile, Federal regulators for banks prohibit their institutions from making any direct investment, with incidental exceptions. This discrepancy between the powers of the two principal financial industries is ironic in that the weaker is given a speculative green light while the stronger is more responsibly curbed. This discrepancy in regulation is no doubt one of the major reasons why the thrift industry is in such comparably desperate shape.

Studies done by the Banking Board itself conclude that most of the nontraditional investment powers, including the authority to make direct investments, have proven to be neither superior in return to traditional mortgage lending, nor do they appear to offer significant diversification benefits. One Bank Board study completed in the fall of 1986 found that a grossly disportionate percentage of thrifts with high levels of direct investment have become FSLIC problems cases, and those institutions making disproportionate direct investments have created disproportionate liabilities for the FSLIC. Still other studies have shown that it costs FSLIC more, whenever it must liquidate direct investments compared to traditional investments. The insurance corporation, for instance, pays 60 to 85 cents on the dollar on liquidated direct investments, in contrast with about 20 cents on the dollar for more traditional investments.

Aside from the cost of FSLIC of allowing direct investments, there are other fundamental philosophic concerns:

First. Should deposit insurance be authorized to advance speculative investments?

Second. Should thrift owners be given a competitive investment advantage over real estate developers and other entrepeneurs?

Third. Should thrifts be given a competitive "powers" advantage over commercial banks?

The common sense answers to these questions would appear to be: "no," "no," "no."

2. ALLOWING THE GROWTH OF INSOLVENT THRIFTS

Insolvent thrifts are bleeding the industry dry with their predatory pricing for deposits and their investments in risky ventures. Given their broke status, they have every incentive to take risks with insured funds on the assumption that it's—heads they win if a risky investment pays off, and tails the taxpayer loses, if it doesn't.

In California, for instance, the thrift deposit base now exceeds that of the banking industry even though the capital base of many California savings and loans is negligible. Loose regulations stimulated excessive competitive leverage. If an individual or group, for instance, can put together $10 million today, it is possible to obtain a bank charter in California with regulators allowing $150 million in deposits. With the same $10 million, a savings and loan can be chartered and allowed $2 billion in deposits—with the taxpayer potentially on the line if imprudent loans or spending practices develop.

Accordingly, for a number of years I have been pressing to require the Federal Home Loan Bank Board prescribe regulations to constrain the growth and reduce the size of undercapitalized thrifts.

While Congress to its embarrasment has opted for a legislative status quo, the Bank Board, finally got the message and agreed last month to promulgate growth guidelines on the assets of troubled thrifts. While the Board's plan is not as comprehensive as is warranted, it represents the first significant departure from the growth-in-excess-of inflation mandate Chairman Wall has hitherto been pushing for the industry. An industry which is losing $1 million an hour simply cannot be expected to grow its way to prosperity.

3. REGULATORY SPINELESSNESS—THE LINCOLN AND FCA CASES

Not only has the Bank Board been tardy, if not lax, in issuing appropriate regulatory guidelines, it has also capitulated to political pressures in removing thrift problem cases from the jurisdiction of regulators who attempt to crack down on speculative practices. In the case of Lincoln, the Board in an unprecedented step removed an institution from the regulatory jurisdiction of the San Francisco District, because that district objected to Lincoln's untraditional lending schemes. Just as Members of Congress should not be able to use the Federal Home Loan Bank Board as a Santa Claus for friends, thrift owners should not be allowed to use their institutions as private piggy banks.

In the case of FCA, the Board reportedly intends to grant a Federal charter, not out of a desire to apply standards stricter than California's historically loose ones, but because California's State regulator objected to granting extraordinary powers to FCA, including investment banking tie-ins which amount to illegal affiliate transactions under both Federal and State law. Not only is the banking industry now allowed such tie-ins, but the various committees of Congress in their futile efforts to craft expanded powers for the banking industry this year went to explicit lengths to preclude the very kinds of conflicts the Bank Board is endorsing in the FCA deal.

The Bank Board, under previous leadership, erred grievously in allowing developers like Keating at Lincoln to use thrifts to advance their own leveraged development projects. Today, Lincoln is growing at a billion-dollar-a-year clip and FSLIC is left to hold the bag on projects like the $300 million Phoenician Hotel if the investment doesn't pan out.

Under Danny Wall, a number of new dubious dimensions have been added to Bank Board precedent making. Takeover artists are being lured into the thrift industry, and in the case of the Bass family interest, given a nine-figure advantage over traditional competition in the leveraged buyout game.

In addition to the taxpayer being put on the line for billions of dollars of questionable Federal agency notes and guarantees, FSLIC already has precipitated a Federal bailout by arranging for acquirers to apply S&L tax losses against other corporate profits and then transferring part of such tax savings to FSLIC. If, for instance, the Bass proposal stands, Treasury will be deprived of significant revenue, with 25 percent being kept by the Bass family and 75 percent being given to FSLIC. A deprivation of Treasury resources, with a partial transfer to FSLIC, amounts to the same thing as a direct Treasury appropriation to the insurance fund and has the effect of slanting the bidding process to non-financial-community corporate interests.

4. SINGLE SOURCE BIDDING

The FCA bidding process is anathema to good government. The Bank Board has given carte blanche to one bidder to negotiate a multibillion-dollar deal. Because other bidders have been shut out, Bass family interests have been given the opportunity to have cast an investment minnow and land a blue whale of a deal.

In separating out a "good" bank from a "bad" one, Bass interests have all the upside profit potential contained in the obtaining for free of quality assets while managing for a fee—that is, guaranteed profit—weaker ones. Such an arrangement leaves the Bank Board liable for all the weak assets and puts Bass in an insider position at a later time to purchase discounted assets at favorable prices. The arrangement also provides for the establishment of a merchant bank, which is neither a subsidiary of the "good" or "bad" bank. This merchant bank is authorized a $1.5 billion line of credit at a highly preferential rate—equivalent to a home mortgage rate for what could in essence be a low quality junk bond. Exempted from normal supervisory controls except in certain cosmetic contingencies, this merchant bank breaches a half-century of regulatory precedents.

Extraordinarily, a previous bidder was eliminated despite having committed more capital and having demanded no merchant bank risk. Whatever the merits of the contrasting bid that once was on the table and the allegations of FSLIC numbers "gaming" in favor of Bass, two facts stand out: the granting of negotiating exclusivity to Bass family interests prevented competition that could have reduced FSLIC costs; the "good" bank—"bad" bank arrangement leaves FSLIC totally vulnerable to bearing the costs of resolution of weak assets and leaves federal insurers with a much more difficult job of selling off these assets in the future becuase no quid pro quo advantages will accrue to a purchaser and outsiders will not find as attractive the assets of the "bad" bank that the Bass interests will run as insiders.

5. PUTTING OF PROBLEMS THAT SHOULD BE RESOLVED TODAY

With unexamined confidence the Bank Board asserts that deal making is cheaper than instution closing. A close look at the Southwest Plan leads one to doubt this premise.

Under the Southwest plan incentives are actually built in for acquirors of failed thrifts to manage assets poorly. Because there is full loss coverage on bad assets for 10 years, acquirors have no incentive to incur asset management and work-out expenses. In addition, the yield maintenance assistance is generous, if not rich. It typically begins at Texas cost of funds plus 275 basis points, declining over 10 years to 175 basis points. Given that well run thrifts holds their overhead expenses to approximately 100 basis points, a nice profit is guaranteed, particularly on nonearning assets for which the yield subsidy is paid on the original book value.

These deals are not real resolutions of the problems. They are risk-free for the acquirors, but risk-incurring for the FSLIC.

Acquirors candidly acknowledge that they do these deals because:

First, they make a risk-free profit by simply holding assets; even the risk of FSLIC defaulting on its obligation to them can be transferred to the Dallas FHLB by using the bad assets as collateral for loans;

Second, they have a very cheap "call" option on Texas real estate; and

Third, they can typically earn back their entire—minimal—capital contribution within the first few years of the 10-year contract.

It is increasingly clear that FSLIC has seriously underestimated the size of the problem in Texas and overestimated the amount of funds it will have to work with over the next 10 years. The chances of a near-term default by FSLIC on its obligations cannot be dismissed.

The future supervisory risk is also significant. The FSLIC forbearances from normal rules for acquirors—that is, reduced capital requirements and special accounting and regulatory privileges—effectively bind the hands of future Bank Boards. Since minimal real capital is asked to be invested, incentives are built in for acquirors to take undue risks, pay high salaries, and advance extravagent perks.

The problems in Texas spin off to the entire Federal Home Loan Bank system because each of the 12 Federal Home Loan Banks has "joint and several" liability on their consolidated obligations. The liabilities caused by the provision of loans against artificially inflated collateral may expose the country to the excesses of one over-banked, under-regulated State where the oil-based economy shows few signs of emerging from the doldrums. It also causes the FSLIC-assisted part of the industry to grow exactly where shrinkage would appear most in order. Liquidation may imply greater short-term infusions of real capital, but far smaller long-term liabilities for the taxpayer.

6. ACCOUNTING GIMMICKRY

In virtually all recent FSLIC-assisted deals, FSLIC has agreed—because of its capital loss and yield maintenance coverage on bad assets—to allow the acquiror to restore bad assets to their original book value. These write-ups capriciously increase the reported capital of the whole industry. For example, a Federal Home Loan Bank Board press release stated that the industry's regulatory capital rose sharply by $5.8 billion in August. In fact, the capital of the industry continued to fall. The $8 billion in assistance given by FSLIC in August—almost none of which was in cash—implies a $2.2 billion loss rather than gain of capital.

Stated simply, as FSLIC promises to provide cash it doesn't have, it writes up the reported capital of the thrift industry by the same amount. Americans are increasingly seeking more corporal punishment for a variety of crimes and mischief. While stocks and pillories are outdated, a public spanking of Bank Board economists would appear in order.

7. A ROSE MAY BE A ROSE, BUT FSLIC IS NOT CONGRESS

As of this date, FSLIC has issued nearly $13 billion in promissory notes to shore up the balance sheets of failed institutions and almost $8 billion in assistance guarantees, which are open-ended commitments to protect acquirors of failed thrifts from certain losses entailed in their operation. Whether the full faith and credit of the Congress stands behind these commitments is statutorily unclear. What is clear is that Bank Board accountability for note and guarantee issuances cannot responsibly exceed noncongressionally derived resources available to it. To the extent they do, the Bank Board presumes to take on constitutional authority reserved for Congress. The American people can accept the principle of protecting depositors, but not institutions. If there is no confidence Government is working to restrain excesses, the chances that representatives of the public will be forthcoming to the FSLIC plight lessen significantly.

Under the circumstances the case for folding or merging Federal Home Loan Bank regulation with that applicable to the banking industry is compelling. It may be unfair to allow FSLIC to tap the larger FDIC resource base, but the sterner standards applied to banking should be transferred to thrifts, with regulatory responsibility shifted to the FDIC, Comptroller or a new financial community regulatory body. The put-off-problems-til-tomorrow panacea has failed. The problem of over-leveraged capital in the thrift industry can no longer be dealt with by stringing out the due date. Tomorrow has arrived; the wolf is at the door. The time to face up to reality is here, not by choice, but by necessity.

TRIBUTE TO ZACHARY FISHER

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ACKERMAN. Mr. Speaker, today I rise to extend heartfelt appreciation and gratitude to a wonderful person and great American, Zachary Fisher. He has devoted tremendous energy and countless hours to various philanthropies, and has been a tireless champion of veterans and members of the Armed Forces.

An example of Zachary's commitment to America's service people is Fleet Week '88, held in April in the greater New York City area. The event brought thousands of service people from the Coast Guard, Marine Corps and merchant marine together so that they could be honored by the surrounding community for their contributions to the defense of our country.

Mr. Speaker, Zachary Fisher was motivated to organize Fleet Week '88 because he wanted to show our service people how much their bravery and selflessness are appreciated by the American public.

Fleet Week '88 began with a glorious parade of 30 vessels led by the battleship *Iowa*. Many private boats joined in the festivities which made the flotilla even more impressive.

Over the course of the special week many events were held to encourage service people and civilians to socialize with each other.

Organizations and groups from around New York City rallied around Zachary Fisher to help make Fleet Week '88 a memorable one. Events were held at Yankee Stadium and the USS *Intrepid*. The week ended with celebratory ball, "Anchors Aweigh," at the Waldorf Astoria.

I commend Zachary Fisher for his unwavering commitment to our servicepeople. He is a true patriot.

Mr. Speaker, I ask my colleagues to join me in thanking Zachary Fisher for his selfless work to improve the apppreciation the American people have for their brave service people.

COMPACT OF FREE ASSOCIATION IMPLEMENTATION ACT

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DE LUGO. Mr. Speaker, in addition to the statement I inserted into the RECORD explaining the status of House Joint Resolution 597, which would have authorized a compact of free association with Palau to be put into effect subject to certain conditions, I want to make these remarks a part of the RECORD.

In that statement—which was included in the RECORD of October 21 on page E3702—I noted that a compromise had finally been reached that should settle this matter; explained that this final compromise had been reached too late to pass the 100th Congress; and expressed the hope that the administration would follow through on the commitments which made this final compromise possible. I also said that I would include in the RECORD a detailed explanation related to this final compromise.

Essentially, it involves the executive branch taking actions to implement all of the requirements of the House-passed version of House Joint Resolution 597 and the deletion of those requirements from the legislation. This would enable those of us who sponsored the provisions in the House-passed resolution to agree to support legislation which would not include them, such as has been favored by some Members of the other body.

I would like to include in the RECORD at this point some of the information related to this matter that I said I would submit. Specifically, the information includes a section-by-section analysis of the House resolution—which, under the compromise, the administration would implement without being required to do so.

SECTION-BY-SECTION ANALYSIS

Section 1 would designate the resolution's short title as the Palau Compact of Free Association Implementation Act.

Section 2 would authorize the Compact to be put into effect (1) if it is approved by a 75 percent vote in Palau—or a lesser percentage of Palau's constitution is amended to lower the requirement—and (2) 30 days after the President has notified the Committees on Interior and Insular Affairs and Foreign Affairs of the House and the Committee on Energy and Natural Resources of the Senate of his intent to implement the Compact.

Section 3(a) would require the Secretary of the Interior to assist Palau in developing regulations for spending Compact assistance.

Section 3(b) would authorize the President to negotiate an agreement with Palau in consultation with the Congress providing that Palau will develop plans to implement U.S. audit recommendations, or in the alternative, that Palau inform the U.S. of its objections to implementing the recommendations. Notification would have to be made within 120 days of when the recommendations are made. This provision would also require the Secretary of the Interior to provide Palau with assistance to implement U.S. audit recommendations.

The consultation with the Congress which would be required by this section and the other provisions of the resolution requiring such agreements is intended to respect the prerogatives of the President. It is also intended, though, to ensure that a serious effort is made by the Executive to try to avoid entry into agreements which contradict the will of the Congress.

The term "consultation" would not require constant contacts between agreement negotiators and Members. It would, however, require good faith efforts to clear major issues prior to agreement on them.

Contacts should be made with the staffs of the three committees of the Congress with jurisdiction over this legislation regarding the substance of the agreements. These contracts should be made before, during (to the extent feasible), and after negotiations. Committee observation of important negotiations should be possible.

Section 4(a) would authorize the President to negotiate an agreement with Palau in consultation with the Congress providing that the U.S. will provide Palau with assistance for enforcement of its narcotics and other laws and prevention and treatment of narcotics and other substance abuse.

Section 4(b) would require this agreement to specifically describe the technical assistance, training, and equipment to be provided for law enforcement.

Section 4(c) would require the agreement to provide Palau with specific financial assistance for narcotics and other law enforcement and for prevention and treatment of narcotics and other substance abuse. At least $400,000 would be required to be provided Palau each year in years two through six of free association for this purpose.

These funds would be able to be spent according to a plan developed by Palau and approved by the Secretary of Interior, in consultation with the Attorney General and the Secretaries of Health and Human Services, State, and Education. The requirement for federal approval would be included to ensure that funds are planned to be spent effectively. It would not enable agencies to prevent spending of this assistance for reasons not consistent with the intent of this legislation.

Section 4(d) would authorize grants to Palau of $400,000 per year for the first 15 years of the Compact for the purposes of the agreement required by this section.

Section 4(e) would require the agreement to provide that Palau authorizes U.S. law enforcement officers to investigate in Palau in cooperation with Palauan law enforcement agencies. This authority would only apply to those federal laws which apply in Palau under the Compact or the U.S. laws approving it.

Section 5(a) would authorize the President to negotiate an agreement with Palau in consultation with the Congress providing that the U.S. will assist Palau in implementing its public auditor and special prosecutor laws and that Palau will implement those laws at least as long as the U.S. provides this assistance.

Section 5(b) would require that the agreement provide that Palau agrees to spend not less than $100,000 annually each for the auditor and prosecutor offices in addition to the assistance this section would require the U.S. to provide for the offices.

Section 5(c) would require the agreement to provide that the U.S. will provide technical assistance to the public auditor and special prosecutor on a nonreimbursable basis.

To ensure that requests for such assistance cannot be blocked for political reasons, this assistance would be able to be requested by the auditor or prosector as well as by the government of Palau itself.

At a minimum, the technical assistance that the U.S. must provide will include an auditor or accountant for the office of public auditor and an attorney or investigator for the office of special prosecutor.

The intent is to ensure that federal agencies do whatever is needed to cooperate with Palauan auditor and prosecutor investigations. This may include providing additional personnel, equipment, or other resources. It may include collaborative or complementary investigations.

Section 5(d) would require that the agreement commit the U.S. to providing Palau with at least $300,000 annually for the public auditor and special prosecutor offices for at least the first five years of free association. $100,000 of those amounts would be required to be spent annually on each office. The additional $100,000 per year would be required to be divided between the two offices by Palau.

When combined with the at least $100,000 annually that this section would require that Palau commit to providing, this provision would ensure that each office has a budget that Palauan officials agree is needed for effective operation.

Section 5(f) would require the President of take action in the event that Palau does not maintain public auditor and special prosecutor offices as it would commit to under this section.

The President would initially have to take the Conference and Dispute Resolution steps outlined in the Compact. These involve: the two governments conferring; referral to arbitration if the dispute is not resolved within 90 days; the naming of three arbitrators within a total of 45 days; and an arbitration decision within 30 days, unless a longer period is mutually agreed to.

The President would have to take further actions if Palau did not implement its public auditor and special prosecutor laws after an arbitration panel determined that it was not doing so. For 180 days, he would have the latitude to determine what actions should be taken to obtain compliance by Palau.

If the still has been unsuccessful in obtaining compliance after this period, the President would be required to either withhold funds or suspend the guarantee of assistance this legislation and the Compact would provide Palau.

Suspending the guarantee would not necessarily prevent funding from being provided. But it would prevent Palau from having the recourse to the U.S. Court of Claims to compel the U.S. to provide guaranteed funds that the Compact would provide.

Section 6 would amend Section 104(e) of Public Law 99-658, the Act which approved the Compact subject to the condition that another law be enacted to approve the Compact's effectiveness.

The existing law unsuccessfully sought to apply the immunity from suits in U.S. courts that Palau would have under the Compact to litigation against Palau for payment for power facilities constructed by a now-defunct British firm, International Power Systems Company (IPSECO).

This provision would repeal the apparently unconstitutional retroactive application of immunity. It would also, however, prevent the use of Compact or other U.S. assistance to satisfy the $46 million debt to the banks which guaranteed the purchase loan with two exceptions.

One exception is that Palau would be authorized to use Compact funds for capital improvements and energy needs (other than the one-quarter of the energy funds that are reserved for areas not served by the IPSECO plant) to pay the debt.

Compact Section 212(b) provides that Palau will receive $36 million, adjusted for inflation, for capital improvements at the beginning of free association. This amount is now estimated to be about $46 million.

Compact Section 211(b) provides that Palau will receive $2 million per year, adjusted for inflation, in years two through fifteen of free association for energy needs. This amount, is estimated to be about $27 million, not including the one-quarter of the funds reserved for the energy needs of areas not served by the IPSECO plant.

The other exception would apply if Palau and the banks finalize a preliminary settlement of the $46 million debt for $32 million. In this event, all of the energy funds that Palau is to receive under the Compact would be provided Palau at the beginning of fiscal year 1990. Palau could then use $28 million of these "accelerated" energy funds and $4 million of the capital improvements funds to satisfy the debt.

The acceleration would provide Palau with an estimated $37 million for energy needs in fiscal year 1990. The approximately $9 million difference between this amount and the $28 million which would be used for the IPSECO plant debt would have to be used to meet Palau's other energy needs.

Section 7 would authorize the President to negotiate an agreement with Palau in consultation with the Congress under which Palau would agree to submit information that was omitted from its development plan to the U.S.

An Administration task force identified three deficiencies in the plan. One was that it did not cover the first five years of the Compact. The second was that it did not list the public sector projects to be financed with U.S. assistance in priority order. The third was that it did not specifically describe the private sector projects to be financed with U.S. assistance.

To this list, we would add a fourth deficiency: it does not outline how existing capital improvement debt—nearing $100 million between Palau's central and state governments—would be paid.

Section 8(a) would require the U.S. to provide Palau with the amount of up to $5 million for medical facilities that is matched by Palau. These funds would have to be provided in fiscal year 1990. This provision would also require approval of Palau's plans for a new hospital by the Secretary of the Interior in consultation with the Secretary of Health and Human Services.

Section 8(b) would require the U.S. to settle the still outstanding medical referral debts of the Federated States of Micronesia, the Marshall Islands, and Palau to both public and private institutions. These debts would have to be settled through the respective effective dates of the Compacts. This provision would enable the U.S. to settle these debts by the payment of funds to the governments or to the creditors, or through inter-agency transactions in the case of debts owed to federal hospitals.

The essential requirement of this provision is that the approximately $7.6 million in outstanding debts—or whatever is still owned if it is actually another amount—must finally be paid.

Section 9 would require the President to certify that the audits of Compacts assistance conducted by Executive Branch agencies meet the requirements of the law. The intent of this requirement is to ensure that a federal official is fully responsible for determining whether Compact assistance has been spent properly.

Section 10(a) would recognize that the government of Palau will be bound by its constitution to provide fair payment for private land that the U.S. might require Palau to provide for military purposes under the Compact.

Section 10(b) would require the President to enter into agreements with Palau regarding financial assistance to that government in Palau determines that it does not have the funds it needs to acquire land for U.S. military use under the Compact.

Section 10(c) woud require the financial assistance that the U.S. would provide Palau under subsection (b) to be based on independently verified appraisals of land value, other actual costs, or other indications of fair value.

Section 10(d) would authorize the President to extend the 60 day period that Palau has to make land available to the U.S. under the Compact. When read in conjunction with other provisions of this section, this is intended to provide Palau with whatever time whatsoever it needs to obtain land for U.S. military use.

The provisions of this section should provide assurance to the people of Palau that in authorizing the Compact to be implemented, the U.S. intends that their land will not be taken or used unless they receive fair compensation for it.

Section 11 would require the U.S. to provide Palau with $800,000 to renovate or replace its jail.

Section 12 would require the Interior Department to assign at least one professional in Palau and another professional to serve both in the Federated States and the Marshalls.

The intent is that these officers—hopefully augmented by other staff if needed—would be individuals that would have the capability to provide the assistance intended by the Compact Act. This means that they should be able to provide technical assistance and recruit other agency program personnel who can be rotated in and out of the freely associated states, according to need.

Overseers of local governments and middlemen are not needed in the freely associated states. But persons knowledgeable about federal pergrams, economic development, financial management and professionals who possess others skills useful to the freely associated states are needed.

Section 13 would require the Secretary of the Interior to provide Palau with the amount of funds needed for a seventh referendum on the Compact and other appropriate costs related to the change in the political relationship between the U.S. and Palau.

Up to $200,000 would be authorized. This amount is based on our estimates of the cost of a referendum and other necessary expenses, including the costs to Palau of U.S. deliberations on the Compact. These latter costs would include, for example, the participation of Palau officials in meetings with U.S. officials, including hearings. They would also include the costs of unbiased public education on the effective changes to the Compact which would be made by this legislation.

The intent of this provision is that Interior provide funds for Compact consideration in addition to those to be provided for trusteeship administration.

Section 14 would require the President to negotiate an agreement with Palau to provide for the assistance to be provided Palau under Sections 8 for medical facilities and medical referral debts, 11 for detention facilities, and 13 for Compact referendum and other costs. The agreement would have to be negotiated in consultation with Congress.

The purposes of this agreement are to provide further assurance that the assistance promised by this legislation will be provided and to detail how it will be provided. Reasonable requirements that would not contradict congressional intent could be included in the agreement.

Section 15 would authorize Palau to spend assistance provided it by the U.S. for one year in a subsequent year. It parallels a provision of the Compact with the Federated States and the Marshalls that was inexplicably omitted from the Compact with Palau.

This section would also apply the Compact's guarantee that most of the assistance it promises will actually be provided to $9.3 million of the additional assistance that this resolution would provide Palau.

Section 236 of the Compact provides that Palau may try to enforce the guarantee in the U.S. Court of Claims if the U.S. fails to provide guaranteed assistance. It applies to most of the estimated $460 million, adjusted for inflation, to be provided Palau under the Compact.

The additional $9.3 million to be guaranteed Palau by virtue of this provision of the legislation includes: $2 million for narcotics and other substance abuse prevention and treatment and for narcotics and other law enforcement; $1.5 million for the offices of public auditor and special prosecutor; $5 million for medical facilities; and $800,000 for detention facilities.

Section 16 would provide that the authority that the President would be granted under Section 2 to implement the Compact will not take effect until 30 days after the Congress has the opportunity to review the agreements that the President would be required to conclude with Palau under this resolution.

The agreements involved are on: Palau's response to U.S. audit recommendations; law endorsement assistance and cooperation; implementing Palau's auditor and special prosecutor laws; Palau's development plan; and assistance for medical facilities and debts, detention facilities and Compact approval costs.

The 30 day review required for these agreements is intended to give Congress time to ensure that the agreements are consistent with the intent of this resolution. It would enable Congress to take action if any requirements of this legislation were not being met by the President.

This section would also not permit any subsequently agreed upon changes to the agreements to take effect until 30 days after they have been submitted to Congress. This will provide assurance that Congress has time to act if subsequent agreements are made that would in any way change the requirements of this legislation.

Finally, this section would require congressional approval for any change to the agreement entered into under the Compact which would require the U.S. to construct a 53 mile road on Babelthaup Island.

Section 17 would amend Public Law 99-658 (the law which approved the Compact on the condition that the U.S. enact another law approving the Compact) to delay the phase-down of federal programs that would be discontinued under free association. The delay would be from fiscal year 1987 to the first fiscal year after the Compact is implemented. This amendment is consistent with the intent of the original law.

THE CRIME OF GENOCIDE: OUR FIGHT CONTINUES

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MAZZOLI. Mr. Speaker, one of the most significant achievements of this historic 100th Congress has been passage of the Genocide Convention Implementation Act of 1988.

Approval of this legislation by the House and Senate—and with the President's signature to become law—removes the final obstacle to ratification of the U.S. Convention on the Prevention and Punishment of the Crime of Genocide. This concludes an effort of some 40 years in the making since President Truman signed the Genocide Convention back in 1948.

Fulfilling its constitutional duty to advise and consent, the Senate attached several conditions to its approval of the genocide treaty, including that domestic legislation be enacted which criminalizes the act of genocide. This implementing legislation establishes in Federal law that genocide is a crime and provides specific penalties for those who would commit acts of violence against groups of people distinguishable by their race, religion, nationality, or ethnic background.

The United States now joins the community of nations—almost 100 signatories—in establishing in U.S. law a firm commitment to human rights around the world.

The irony of the situation should not be lost on us. That the United States, a nation of immigrants with the broadest of ethnic heritage represented in its people and the leader for human rights to the oppressed around the world, should take so long in its ratification. As chairman of the House Immigration Subcommittee, I have been proud and honored to have been responsible for seeing this important legislation moved toward enactment.

If we are to observe history and to learn anything from our actions about how to make a better, more humane world for all peoples, then it is an appropriate occasion for us to pause and reflect on a time of uncertainty and turmoil in our not to distant past.

This November 9 marks the 50th anniversary of the "Kristallnacht"—the "Night of Broken Glass"—when Jewish people, their homes, synagogues, and businesses across Germany and Austria became the object of murderous attacks. This set in motion a policy of oppression, calculated and systematic, foreshadowing one of the darkest periods in human history and ending in the terrible consequences of the Holocaust.

I am pleased that the Congress of the United States has chosen not to forget the events of those dark days in Europe by its passage of House Joint Resolution 654, designating the week of November 4-10, 1988, as the "Week of Remembrance of Kristallnacht." It signals that our work continues to fight the forces of bigotry and genocide wherever they may arise.

It must be our duty to make clear to future generations that such attacks against mankind have no place in a civilized world. And, we must resolve that such crimes against man anywhere on the face of the Earth can never occur again.

THE ENDURING STRENGTH OF THE WAR POWERS RESOLUTION

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. FASCELL. Mr. Speaker, we have come to the end of one of the most controversial periods in the 15-year history of the War Powers Resolution. For 15 months, from May 1987 to August 1988, a major, escalated deployment of U.S. Armed Forces occurred in the Persian Gulf. It was generally believed that U.S. forces had been introduced into situations where imminent involvement in hostilities was clearly indicated by the circumstances and on occasion were engaged in hostilities.

Those are the familiar words of section 4(a)(1) of the War Powers Resolution, which requires the President to submit a report to the Congress about any such event. Despite the obvious level of hostilities in the Persian Gulf, the President refused to characterize the reports he submitted to the Congress as ones which would invoke the requirements of that law. Many Members of Congress grew impatient not only with the President, but also with the sometimes frustrating character of the law. Consequently, the War Powers Resolution came under siege in the White House, in the Congress, and even in Federal court.

Since late August, a cease-fire has held in the Persian Gulf. The administration now plans gradually to de-escalate our military presence there. This is an appropriate time to reflect on the War Powers Resolution and the impact it had both on U.S. military commitments in the Persian Gulf and on political and legal developments in Washington.

In the Persian Gulf itself, the influence of the War Powers Resolution was evident. The deployment of U.S. naval assets was structured so as to achieve the primary objective—protection for 11 reflagged Kuwaiti oil tankers—in a manner which minimized exposure to hostilities or situations where hostilities were imminent. As the deployment expanded and the hostilities intensified, it became apparent that the military rules of engagement would have to be carefully structured in consultation with the Congress. Although such consultation was insufficient in the early months of the Persian Gulf operation, it improved considerably by late 1987 and early 1988.

During the Persian Gulf operation U.S. Armed Forces did not prolong hostilities beyond appropriate self-defense measures, including well-targeted retaliatory attacks on Iranian military targets. While the downing of a civilian Iranian airliner on July 3, 1988, by the U.S.S. *Vincinnes* was a tragedy and deeply regrettable, it was an act of self-defense, not aggression.

From my perspective the War Powers Resolution contributed to a policy of prudent restraint professionally undertaken by our Armed Forces. Within 48 hours after every major military incident in the Persian Gulf, the President submitted a war powers report to the Speaker of the House of Representatives and the President Pro Tempore of the Senate, as required by section 4 of the War Powers Resolution. All of these reports referenced the War Powers Resolution and all but one stated that the report was "consistent with the War Powers Resolution." The President admittedly sought to avoid triggering the requirements of section 5 with this gambit.

In the Congress, a number of legislative initiatives were launched focussing on the reflagging operation and on invocation of the War Powers Resolution. Legislation was introduced in the House of Representatives which would have invoked the provisions of the War Powers Resolution in response to U.S. military activity in the Persian Gulf. These bills, referred to the Committee on Foreign Affairs, included House Joint Resolution 296 and House Joint Resolution 310 [Mr. DEFAZIO], House Joint Resolution 387 [Mr. SOLARZ], and House Joint Resolution 295 [Mr. GONZALES]. Although these bills generated considerable discussion, none of them attracted the level of support which would be required to proceed to markup and floor consideration.

In the Senate, there were several attempts to invoke the War Powers Resolution, but each failed after long debate. Senate Joint Resolution 194, which passed the Senate (54 to 44) on October 21, 1987, did not invoke the War Powers Resolution, but would have required a comprehensive report from the President within 30 days of enactment that reviewed U.S. policy and commitments in the Persian Gulf, and would have facilitated congressional consideration of authorizing legislation within 60 days after the report is submitted.

No agreement emerged from the debates in either body that would have moved the Congress toward explicit invocation of the War Powers Resolution. Nonetheless, the House of Representatives and the Senate attempted to fulfill their constitutional roles. In the absence of a formal section 4(a)(1) report from the President, both bodies sent clear signals of caution to the President regarding the character of the Persian Gulf operation and held out the probability that the War Powers Resolution would be invoked if the situation in the Persian Gulf worsened.

It is important to recognize that the War Powers Resolution was not diminished following Congress' choice not to invoke it. On the contrary, the Congress reacted with considerable strength to fill a vacuum left by the President's unwillingness to confirm his own compliance with the law. The fact that a consensus emerged from that debate to allow the Persian Gulf operation to proceed under strict congressional oversight was no defeat for the War Powers Resolution. It reflected the reality of the situation; namely, Presidential denial of the reporting requirement and congressional acquiescence to the overall policy.

In the Federal courts, the lawsuit brought by 110 Members of Congress with the guidance of the Democratic Study Group was a good faith effort to compel executive compliance with the law. In Lowry, et al. versus Reagan, the plaintiffs pleaded common sense: That in the Persian Gulf there were hostilities and situations where imminent involvement in hostilities was clearly indicated by the circumstances, that U.S. Armed Forces had been introduced into those hostilities and situations, and that the President was obligated to report such facts to the Congress pursuant to the War Powers Resolution.

When examined in conjunction with the totality of cases which have centered on the War Powers Resolution, the U.S. District Court and U.S. Court of Appeals decisions in Lowry reaffirmed many of the original premises of the War Powers Resolution, the most important being the coparticipation of the Congress and the President in the warmaking process. It is erroneous and self-defeating for proponents of the War Powers Resolution to interpret the dismissal in the Lowry case, or any previous war powers case, as an indictment of the law itself.

First, the constitutionality of the War Powers Resolution has never been at issue before the courts. Second, the courts have never been seized with the merits of a dispute over enforcement of the War Powers Resolution. Rather, jurisdictional issues have dominated each case, especially Lowry. Third, no court has ever ruled that the President may ignore the reporting requirement of section 4 of the

War Powers Resolution. Fourth, the courts have recognized the role of the Congress in enforcing the War Powers Resolution. In some respects, the courts have encouraged the Congress to enforce the War Powers Resolution through the legislative process. The War Powers Resolution is not intended to give one Member of Congress the power to force the President's hand, but it was intended to give the Congress that power.

Fifth, the courts have clarified the limits of their own power to intervene in the exercise of war powers. They have explored, to an important degree, the circumstances under which the courts could be seized with a war powers case. The judicial decisions, especially in Lowry, may frustrate some advocates of the War Powers Resolution, but the precedents they set should not be overstated. Those decisions distance the courts from war powers adjudication, but the courts have not abandoned such adjudication. They have simply held that these are executive-legislative struggles which, in the last resort under certain circumstances, could find their proper place in the courts. And that is exactly as it should be.

Sixth, the U.S. Court of Appeals decision in Lowry must be properly understood. It did not uphold the reasoning of U.S. District Court Judge Revercomb, who dismissed the case last year on grounds associated with the political question doctrine and the equitable discretion doctrine. Rather, the U.S. Court of Appeals dismissed the case for two very different and commonsense reasons.

The court first ruled that the issue of involvement in present or imminent hostilities presents a nonjusticiable political question. This appears similar to Judge Revercomb's reliance on the political question doctrine. But there is an important distinction in the court of appeals' order. The court held that what is beyond judicial competence, and therefore nonjusticiable, in an assessment of the stability of the cease-fire in the Iran-Iraq war, an assessment that would require an inquiry into the likely intentions of the Iranian and Iraqi Governments. The court had no way of determining whether the cease-fire would collapse, and therefore had no way of determining whether hostilities were imminent. Thus, it could not determine whether a section 4(a)(1) report was required. The court explicity expressed no view as to the justiciability of other claims under section 4(a)(1) of the War Powers Resolution. The court dealt exclusively with the situation as it existed after the cease-fire, and thus avoided embroiling itself in the original controversy over judicial inquiry into the existence of hostilities.

The second ground for dismissal by the court of appeals was the court's determination that the original claim—for submission of a section 4(a)(1) report—was moot. The court ruled that the "warmaking process" had been completed, and that there was no need for the information required in a section 4(a)(1) report. Although the court stated that such information would be needed for Congress' "effective coparticipation in the warmaking process," the appellant Members of Congress suffered no "present injury" because the warmaking process had ended. The court concluded that the appellant Members of Congress would have to "demonstrate that hostilities are currently present or imminent" in order to assert continuing injury, and that that "demonstration cannot be made."

The dismissal order of the U.S. Court of Appeals in Lowry thus does not impair the integrity of the War Powers Resolution. The court did not rule that a section 4(a)(1) report would not be required if U.S. Armed Forces are introduced into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances. Nor did the court endorse Presidential non-compliance with the War Powers Resolution. The dismissal order does remind all of us, however, that the courts are not well-suited to grapple with the ebb and flow of military conflict. As the court itself pointed out, it is the executive and legislative branches which are coparticipants in the warmaking process.

The War Powers Resolution remains a worthy vehicle for this coparticipation in the warmaking process. It is a living document whose importance in the conduct of U.S. foreign policy cannot be dismissed, discounted, or denied. Its elegant simplicity restores the constitutional balance that was created between the President and the Congress on questions of peace and war, and affirms, in the words of the U.S. Court of Appeals, our "coparticipation in the warmaking process".

The real issue is one of attitude and commitment to the principles of the Constitution. One critical way to enhance the coparticipatory process is through improved consultation between the President and the Congress. Since the beginning of the Persian Gulf operation, I have been calling for the creation of a leadership consultative group consisting of senior Members from both the House and the Senate. The group would hold regular closed meetings with senior policy decisionmakers within the executive branch to consult on major foreign policy and national security issues. The group also would be available for consultation mandated by the War Powers Resolution. That remains an objective I plan to pursue with the next administration.

The Committee on Foreign Affairs recently held hearings on the War Powers Resolution. I came away from those hearings convinced that the ultimate viability of the War Powers Resolution depends on the practical compliance of the law by the President. That means submitting section 4(a)(1) reports when they are clearly required by the facts, consulting closely with the leadership of the Congress, and taking the initiative by bringing the issue to a timely vote in the Congress. The alternative is the endless debates we experienced during the Persian Gulf operation and the kind of legislation which the executive branch seeks to avoid. We survived the Persian Gulf operation, but it was not the way foreign policy should be managed in this Government. We can and must do better in the future.

SENATE AMENDMENT TO THE HOUSE AMENDMENT TO S. 11

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MONTGOMERY. Mr. Speaker, on October 18, 1988, the Senate amended the Veterans Judicial Review Act which the House had passed on October 3, 1988. Unfortunately, due to errors in the printing of the Senate amendments in the October 18 CONGRESSIONAL RECORD, the full text of the Senate amendments, which represented the compromise agreement between the House and Senate, was not printed. To compound the problem, when the House adopted the compromise agreement the following day, the CONGRESSIONAL RECORD of October 19 erroneously printed the House amendments twice, and failed once again to print the full text of the compromise agreement. Since there was so much interest in this legislation, I am inserting the full text of the compromise agreement of the Veterans' Judicial Review Act, Division A of S. 11, for the benefit of all those who are interested in this important legislation.

SENATE AMENDMENT TO THE HOUSE AMENDMENT TO S. 11

In lieu of the matter proposed to be inserted by the House amendment to the text of S. 11, insert the following:

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Judicial Review Act".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—ADJUDICATIVE AND RULEMAKING AUTHORITY OF THE VETERANS' ADMINISTRATION

SEC. 101. DECISIONS BY ADMINISTRATOR.

(a) MATTERS TO BE DECIDED BY ADMINISTRATOR.—Subsection (a) of section 211 is amended to read as follows:

"(a)(1) The Administrator shall decide all questions of law and fact necessary to a decision by the Administrator under a law that affects the provision of benefits by the Administrator to veterans or the dependents or survivors of veterans. Subject to paragraph (2) of this subsection, the decision of the Administrator as to any such question shall be final and conclusive and may not be reviewed by any other official or by any court, whether by an action in the nature of mandamus or otherwise.

"(2) The second sentence of paragraph (1) of this subsection does not apply to—

"(A) matters subject to section 223 of this title;

"(B) matters covered by sections 775 and 784 of this title;

"(C) matters arising under chapter 37 of this title; and

"(D) matters covered by chapter 72 of this title.".

(b) CONFORMING AMENDMENT.—Section 4004(a) is amended by striking out "All questions on claims involving benefits under laws administered by the Veterans' Administration" and inserting in lieu thereof "All questions in a matter which under section 211(a) of this title is subject to decision by the Administrator".

SEC. 102. VETERANS' ADMINISTRATION RULEMAKING.

(a) APA PROCEDURES.—(1) Chapter 3 is amended by inserting after section 222 the following new section:

"§ 223. Rulemaking: procedures and judicial review

"(a) In applying section 552(a)(1) of title 5 to the Veterans' Administration, the Administrator shall ensure that subparagraphs (C), (D), and (E) of the section are complied with, particularly with respect to opinions and interpretations of the General Counsel.

"(b) The provisions of section 553 of title 5 shall apply, without regard to subsection (a)(2) of that section, to matters relating to loans, grants, or benefits under a law administered by the Administrator.

"(c) An action of the Administrator to which section 552(a)(1) of 553 of title 5 (or both) refers (other than an action relating to the adoption or revision of the schedule of ratings for disabilities adopted under section 355 of this title) is subject to judicial review. Such review shall be in accordance with chapter 7 of title 5 and may be sought only in the United States Court of Appeals for the Federal Circuit. However, if such review is sought in connection with an appeal brought under the provisions of chapter 72 of this title, the provisions of that chapter shall apply rather than the provisions of chapter 7 of title 5.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 222 the following new item:

"223. Rulemaking: procedures and judicial review.".

(b) REPORT ON IMPLEMENTATION.—Not later than May 1, 1989, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the implementation of section 223(a) of title 38, United States Code, as added by subsection (a)(1). Such report shall set forth the actions the Administrator is taking to ensure that such section is carried out.

SEC. 103. VETERANS' ADMINISTRATION ADJUDICATION PROCEDURES.

(a) IN GENERAL.—(1) Chapter 51 is amended by adding at the end of subchapter I the following new section:

"§ 3007. Burden of proof; benefit of the doubt

"(a) Except when otherwise provided by the Administrator in accordance with the provisions of this title, a person who submits a claim for benefits under a law administered by the Veterans' Administration shall have the burden of submitting evidence sufficient to justify a belief by a fair and impartial individual that the claim is well grounded. The Administrator shall assist such a claimant in developing the facts pertinent to the claim. Such assistance shall include requesting information as described in section 3006 of this title.

"(b) When, after consideration of all evidence and material of record in a case before the Veterans' Administration with respect to benefits under laws administered by the Veterans' Administration, there is an approximate balance of positive and negative evidence regarding the merits of an issue material to the determination of the matter, the benefit of the doubt in resolving each such issue shall be given to the claimant. Nothing in this subsection shall be construed as shifting from the claimant to the Administrator the burden specified in subsection (a) of this section.

"§ 3008. Reopening disallowed claims

"If new and material evidence is presented or secured with respect to a claim which has been disallowed, the Administrator shall reopen the claim and review the former disposition of the claim.".

"§ 3009. Independent medical opinions

"(a) When, in the judgment of the Administrator, expert medical opinion, in addition to that available within the Veterans' Administration, is warranted by the medical complexity or controversy involved in a case being considered by the Veterans' Administration, the Administrator may secure an advisory medical opinion from one or more independent medical experts who are not employees of the Veterans' Administration.

"(b) The Administrator shall make necessary arrangements with recognized medical schools, universities, or clinics to furnish such advisory medical opinions. Any such arrangement shall provide that the actual selection of the expert or experts to give the advisory opinion in an individual case shall be made by an appropriate official of such institution.

"(c) The Administrator shall furnish a claimant with notice that an advisory medical opinion has been requested under this setion with respect to the claimant's case and shall furnish the claimant with a copy of such opinion when it is received by the Administrator.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 3006 the following new items:

"3007. Burden of proof; benefit of the doubt.

"3008. Reopening disallowed claims.

"3009. Independent medical opinions.".

(b) CONFORMING AMENDMENTS.—Section 4009 is amended—

(1) in subsection (a), by striking out "is authorized to" and inserting in lieu thereof "may";

(2) in subsection (b)—

(A) by striking out "Such arrangement will" and inserting in lieu thereof "Any such arrangement shall"; and

(B) by striking out "any individual case will" and inserting in lieu thereof "an individual case shall"; and

(3) by adding at the end the following new subsection:

"(c) The Board shall furnish a claimant with notice that an advisory medical opinion has been requested under this section with respect to the claimant's case and shall furnish the claimant with a copy of such opinion when it is received by the Board.".

(c) TECHNICAL AMENDMENTS.—(1) The items relating to chapter 51 in the table of chapters before part I, and in the table of chapters at the beginning of part IV, are amended by striking out "Applications" and inserting in lieu thereof "Claims".

(2) The heading of chapter 51 is amended to read as follows:

"CHAPTER 51—CLAIMS, EFFECTIVE DATES, AND PAYMENTS".

(3) The item relating to subchapter I in the table of sections at the beginning of chapter 51 is amended by striking out "APPLICATIONS" and inserting in lieu thereof "CLAIMS".

(4) The heading of subchapter I of chapter 51 is amended to read as follows:

"SUBCHAPTER I—CLAIMS".

SEC. 104. ATTORNEYS FEES.

(a) REVISION OF ATTORNEY FEE LIMITATION.—Section 3404 of title 38, United States Code, is amended by striking out subsection (c) and inserting in lieu thereof the following:

"(c)(1) In connection with a proceeding before the Veterans' Administration with respect to benefits under laws administered by the Veterans' Administration, a fee may not be charged, allowed, or paid for services of agents and attorneys with respect to services provided before the date on which the Board of Veterans' Appeals first makes a final decision in the case. Such a fee may be charged, allowed, or paid in the case of services provided after such date only if an agent or attorney is retained with respect to such case before the end of the one-year period beginning on that date. The limitation in the preceding sentence does not apply to services provided with respect to proceedings before a court.

"(2) A person who, acting as agent or attorney in a case referred to in paragraph (1) of this subsection, represents a person before the Veterans' Administration or the Board of Veterans' Appeals after the Board first makes a final decision in the case shall file a copy of any fee agreement between them with the Board at such time as may be specified by the Board. The Board, upon its own motion or the request of either party, may review such a fee agreement and may order a reduction in the fee called for in the agreement if the Board finds that the fee is excessive or unreasonable. A finding or order of the Board under the preceding sentence may be reviewed by the United States Court of Veterans Appeals under section 4063(d) of this title.

"(d)(1) When a claimant and an attorney have entered into a fee agreement described in paragraph (2) of this subsection, the total fee payable to the attorney may not exceed 20 percent of the total amount of any past-due benefits awarded on the basis of the claim.

"(2)(A) A fee agreement referred to in paragraph (1) of this subsection is one under which (i) the amount of the fee payable to the attorney is to be paid to the attorney by the Administrator directly from any past-due benefits awarded on the basis of the claim, and (ii) the amount of the fee is contingent on whether or not the matter is resolved in a manner favorable to the claimant.

"(B) For purposes of subparagraph (A) of this paragraph, a claim shall be considered to have been resolved in a manner favorable to the claimant if all or any part of the relief sought is granted.

"(3) To the extent that past-due benefits are awarded in any proceeding before the Administrator, the Board of Veterans' Appeals, or the United States Court of Veterans Appeals, the Administrator may direct that payment of any attorneys' fee under a fee arrangement described in paragraph (1) of this subsection be made out of such past-due benefits. In no event may the Administrator withhold for the purpose of such payment any portion of benefits payable for a period after the date of the final decision of the Administrator, the Board of Veterans' Appeals, or Court of Veterans Appeals making (or ordering the making of) the award.".

(b) VIOLATION TO BE A MISDEMEANOR.—Section 3405 of such title is amended by striking out "shall be fined not more than

$500 or imprisoned at hard labor for not more than two years, or both" and inserting in lieu thereof "shall be fined as provided in title 18, or imprisoned not more than one year, or both".

TITLE II—BOARD OF VETERANS' APPEALS

SEC. 201. APPOINTMENT AND REMOVAL OF THE CHAIRMAN AND MEMBERS.

(a) IN GENERAL.—Subsection (b) of section 4001 is amended to read as follows:

"(b)(1) The Chairman shall be appointed by the President, by and with the advice and consent of the Senate, for a term of six years. The Chairman may be removed by the President for misconduct, inefficiency, neglect of duty, or engaging in the practice of law or for physical or mental disability which, in the opinion of the President, prevents the proper execution of the Chairman's duties. The Chairman may not be removed from office by the President on any other grounds. Any such removal may only be made after notice and opportunity for hearing.

"(2)(A) The other members of the Board (including the Vice Chairman) shall be appointed by the Administrator, with the approval of the President, based upon recommendations of the Chairman. Each such member shall be appointed for a term of nine years.

"(B) A member of the Board (other than the Chairman) may be removed by the Administrator upon the recommendation of the Chairman. In the case of a removal that would be covered by section 7521 of title 5 in the case of an administrative law judge, a removal of a member of the Board under this paragraph shall be carried out subject to the same requirements as apply to removal of an administrative law judge under that section. Section 554(a)(2) of title 5 shall not apply to a removal action under this subparagraph. In such a removal action, a member shall have the rights set out in section 7513(b) of such title.

"(3) Members (including the Chairman) may be appointed under this subsection to more than one term.

"(4) The Administrator shall designate one member of the Board as Vice Chairman. The Vice Chairman shall perform such functions as the Chairman may specify. Such member shall serve as Vice Chairman at the pleasure of the Administrator.".

(b) SALARY OF CHAIRMAN.—(1) Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Chairman, Board of Veterans' Appeals.".

(2) The amendment made by paragraph (1) shall take effect when the President first appoints an individual as Chairman of the Board of Veterans' Appeals under section 4001(b)(1) of title 38, United States Code (as amended by subsection (a)).

(c) TRANSITION TO NEW BOARD.—(1) Appointments of members of the Board of Veterans' Appeals under subsection (b)(2) of section 4001 of title 38, United States Code (as amended by subsection (a)), may not be made until a Chairman is appointed under subsection (b)(1) of that section.

(2) An individual who is serving as a member of the Board on the date of the enactment of this Act may continue to serve as a member until the earlier of—

(A) the date on which the individual's successor (as designated by the Administrator) is appointed under subsection (b)(2) of that section, or

(B) the end of the 180-day period beginning on the day after the date on which the Chairman is appointed under subsection (b)(1) of such section.

(d) INITIAL TERMS OF OFFICE.—Notwithstanding the second sentence of section 4001(b)(2) of title 38, United States Code (as amended by subsection (a)), specifying the term for which members of the Board of Veterans' Appeals shall be appointed, of the members first appointed under that section—

(A) 22 shall be appointed for a term of three years;

(B) 22 shall be appointed for a term of six years; and

(C) 22 shall be appointed for a term of nine years, as determined by the Administrator at the time of the initial appointments.

SEC. 202. DETERMINATIONS BY THE BOARD.

(a) MAJORITY VOTE IN SECTIONS.—Section 4003 is amended to read as follows:

"§ 4003. Determinations by the Board

"(a) Decisions by a section of the Board shall be made by a majority of the members of the section. The decision of the section is final unless the Chairman orders reconsideration of the case.

"(b) If the Chairman orders reconsideration in a case, the case shall upon reconsideration be heard by an expanded section of the Board. When a case is heard by an expanded section of the Board after such a motion for reconsideration, the decision of a majority of the members of the expanded section shall constitute the final decision of the Board.

"(c) Notwithstanding subsections (a) and (b) of this section, the Board on its own motion may correct an obvious error in the record.".

(b) RESOURCES TO DISPOSE OF APPEALS IN A TIMELY MANNER.—Section 4001(a) is amended—

(1) by inserting "and" after "Vice Chairman,";

(2) by striking out "necessary, and" and inserting in lieu thereof "necessary in order to conduct hearings and dispose of appeals properly before the Board in a timely manner. The Board shall have"; and

(3) by adding at the end the following new sentence: "The Board shall have sufficient personnel under the preceding sentence to enable the Board to conduct hearings and consider and dispose of appeals properly before the Board in a timely manner.".

SEC. 203. DECISIONS OF THE BOARD.

(a) DECISIONS BASED ON THE RECORD.—Section 4004(a) is amended by adding at the end the following new sentences: "The Board shall decide any such appeal only after affording the claimant an opportunity for a hearing. Decisions of the Board shall be based on the entire record in the proceeding and upon consideration of all evidence and material of record and applicable provisions of law and regulation.".

(b) CONFORMING AMENDMENT.—Section 4005(d)(5) is amended by striking out "will base its decision on the entire record and".

SEC. 204. REOPENING OF DISALLOWED CLAIMS.

Subsection (b) of section 4004 is amended to read as follows:

"(b) Except as provided in section 3008 of this title, when a claim is disallowed by the Board, the claim may not thereafter be reopened and allowed and a claim based upon the same factual basis may not be considered.".

SEC. 205. NOTICE AND CONTENT OF DECISIONS.

Section 4004 is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d) Each decision of the Board shall include—

"(1) a written statement of the Board's findings and conclusions, and the reasons or bases for those findings and conclusions, on all material issues of fact and law presented on the record; and

"(2) an order granting appropriate relief or denying relief.

"(e) After reaching a decision in a case, the Board shall promptly mail a copy of its written decision to the claimant and the claimant's authorized representative (if any) at the last known address of the claimant and at the last known address of such representative (if any).".

SEC. 206. STATEMENT OF THE CASE.

(a) MATTERS TO BE INCLUDED.—Paragraph (1) of section 4005(d) is amended in the second sentence by striking out "will prepare" and all that follows and inserting in lieu thereof the following: "shall prepare a statement of the case. A statement of the case shall include the following:

"(A) A summary of the evidence in the case pertinent to the issue or issues with which disagreement has been expressed.

"(B) A citation to pertinent laws and regulations and a discussion of how such laws and regulations affect agency's decisions.

"(C) The decisions on each issue and a summary of the reasons for such decisions.".

(b) PROHIBITION AGAINST PRESUMPTION OF AGREEMENT.—Paragraph (4) of such section is amended to read as follows:

"(4) The claimant in any case may not be presumed to agree with any statement of fact contained in the statement of the case to which the claimant does not specifically express agreement.".

SEC. 207. TRAVELING SECTIONS OF THE BOARD.

(a) IN GENERAL.—Chapter 71 is further amended by adding at the end the following new section:

§ 4010. Traveling sections

"A claimant may request a hearing before a traveling section of the Board. Any such hearing shall be scheduled for hearing before such a section within the area served by a regional office of the Veterans' Administration in the order in which the requests for hearing are received by the Veterans' Administration with respect to hearings in that area.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"4010. Traveling sections.".

SEC. 208. ANNUAL REPORT ON BOARD ACTIVITIES AND RESOURCES.

Section 4001 is amended by adding at the end the following new subsection:

"(d)(1) After the end of each fiscal year, the Chairman shall prepare a report on the activities of the Board during that fiscal year and the projected activities of the Board for the fiscal year during which the report is prepared and the next fiscal year. Such report shall be included in the documents providing detailed information on the budget for the Veterans' Administration that the Administrator submits to the Congress in conjunction with the President's budget submission for any fiscal year pursuant to section 1105 of title 31.

"(2) Each such report shall include, with respect to the preceding fiscal year, information specifying—

"(A) the number of cases appealed to the Board during that year;

"(B) the number of cases pending before the Board at the beginning and at the end of that year;

"(C) the number of such cases which were filed during each of the 36 months preceding the current fiscal year;

"(D) the average length of time a case was before the Board between the time of the filing of an appeal and the disposition during the preceding fiscal year; and

(E) the number of members of the Board at the end of the year and the number of professional, administrative, clerical, stenographic, and other personnel employed by the Board at the end of the preceding fiscal year.

"(3) The projections in each such report for the current fiscal year and for the next fiscal year shall include (for each such year)—

"(A) an estimate of the number of cases to be appealed to the Board; and

"(B) an evaluation of the ability of the Board (based on existing and projected personnel levels) to ensure timely disposition of such appeals as required by section 4003(d) of this title.".

SEC. 209. LIMITATIONS OF AWARDING PERFORMANCE INCENTIVES TO BOARD MEMBERS.

Section 4001 (as amended by section 208) is further amended by adding at the end the following new subsection:

"(e) A performance incentive that is authorized by law for officers and employees of the Federal Government may be awarded to a member of the Board (including any temporary or acting member) by reason of that member's service on the Board only if the Chairman of the Board determines that such member should be awarded that incentive. A determination by the Chairman for such purpose shall be made taking into consideration the quality of performance of the Board member.".

TITLE III—UNITED STATES COURT OF VETERANS APPEALS

SEC. 301. UNITED STATES COURT OF VETERANS APPEALS.

(a) ESTABLISHMENT OF COURT.—Part V is amended by inserting after chapter 71 the following new chapter:

"CHAPTER 72—UNITED STATES COURT OF VETERANS APPEALS

"Subchapter I—Organization and Jurisdiction

"Sec.
"4051. Status.
"4052. Jurisdiction; finality of decisions.
"4053. Composition.
"4054. Organization.
"4055. Offices.
"4056. Times and places of sessions.

"Subchapter II—Procedure

"4061. Scope of review.
"4062. Fee for filing appeals.
"4063. Representation of parties; fee agreements.
"4064. Rules of practice and procedure.
"4065. Contempt authority; assistance to the Court.
"4066. Notice of appeal.
"4067. Decisions.
"4068. Availability of proceedings.
"4069. Publication of decisions.

"Subchapter III—Miscellaneous Provisions

"4081. Employees.
"4082. Budget and expenditures.
"4083. Disposition of fees.
"4084. Fee for transcript of record.
"4085. Practice fee.

"Subchapter IV—Decisions and Review

"4091. Date when United States Court of Veterans Appeals decision becomes final.
"4092. Review by United States Court of Appeals for the Federal Circuit.

"Subchapter I—Organization and Jurisdiction

"§ 4051. Status

"There is hereby established under Article I of the Constitution of the United States, a court of record to be known as the United States Court of Veterans Appeals.

"§ 4052. Jurisdiction; finality of decisions

"(a) The Court of Veterans Appeals shall have exclusive jurisdiction to review decisions of the Board of Veterans' Appeals. The Administrator may not seek review of any such decision. The Court shall have power to affirm, modify, or reverse a decision of the Board or remand the matter, as appropriate.

"(b) Review in the Court shall be on the record of proceedings before the Administrator and the Board. The extent of the review shall be limited to the scope provided in section 4061 of this title. The Court may not review the schedule of ratings for disabilities adopted under section 355 of this title or any action of the Administrator in adopting or revising the schedule.

"(c) Decisions by the Court are subject to review as provided in section 4092 of this title.

"§ 4053. Composition

"(a) The Court of Veterans Appeals shall be composed of a chief judge and at least two and not more than six associate judges.

"(b) The judges of the Court shall be appointed by the President, by and with the advice and consent of the Senate, solely on the grounds of fitness to perform the duties of the office. A person may not be appointed to the Court who is not a member in good standing of the bar of a Federal court or of the highest court of a State. Not more than the number equal to the next whole number greater than one-half of the number of judges of the Court may be members of the same political party.

"(c) The term of office of the judges of the Court of Veterans Appeals shall be 15 years.

"(d) The chief judge is the head of the Court.

"(e)(1) The chief judge of the Court shall receive a salary at the same rate as is received by judges of the United States Courts of Appeals.

"(2) Each judge of the Court, other than the chief judge, shall receive a salary at the same rate as is received by judges of the United States district courts.

"(f)(1) A judge of the Court may be removed from office by the President on grounds of misconduct, neglect of duty, engaging in the practice of law, or physical or mental disability which, in the opinion of the President, prevents the proper execution of the judge's duties. A judge of the Court may not be removed from office by the President on any other ground.

"(2) Before a judge may be removed from office under this subsection, the judge shall be provided with a full specification of the reasons for the removal and an opportunity to be removed.

"§ 4054. Organization

"(a) The Court of Veterans Appeals shall have a seal which shall be judicially noticed.

"(b) The Court may hear cases by judges sitting alone or in panels, as determined pursuant to procedures established by the Court. Any such panel shall have not less than three judges. The Court shall establish procedures for the assignment of the judges of the Court to such panels and for the designation of the chief of each such panel.

"(c)(1) A majority of the judges of the Court shall constitute a quorum for the transaction of the business of the Court. A vacancy in the Court shall not impair the powers or affect the duties of the Court or of the remaining judges of the Court.

"(2) A majority of the judges of a panel of the Court shall constitute a quorum for the transaction of the business of the panel. A vacancy in a panel of the Court shall not impair the powers or affect the duties of the panel or of the remaining judges of the panel.

"§ 4055. Offices

"The principal office of the Court of Veterans Appeals shall be in the District of Columbia, but the Court may sit at any place within the United States.

"§ 4056. Times and places of sessions

"The times and places of sessions of the Court of Veterans Appeals shall be prescribed by the chief judge

"Subchapter II—Procedure

"4061. Scope of review

"(a) In any action brought under this chapter, the Court of Veterans Appeals, to the extent necessary to its decision and when presented, shall—

"(1) decide all relevant questions of law, interpret constitutional, statutory, and regulatory provisions, and determine the meaning or applicability of the terms of an action of the Administrator;

"(2) compel action of the Administrator unlawfully withheld;

"(3) hold unlawful and set aside decisions, findings (other than those described in clause (4) of this subsection), conclusions, rules, and regulations issued or adopted by the Administrator, the Board of Veterans' Appeals, or the Chairman of the Board found to be—

"(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

"(B) contrary to constitutional right, power, privilege, or immunity,

"(C) in excess of statutory jurisdiction, authority, or limitations, or in violation of a statutory right; or

"(D) without observance of procedure required by law; and

"(4) in the case of a finding of material fact made in reaching a decision in a case before the Veterans' Administration with respect to benefits under laws administered by the Veterans' Administration, hold unlawful and set aside such finding if the finding is clearly erroneous.

"(b) In making the determinations under subsection (a) of this section, the Court shall take due account of the rule of prejudicial error.

"(c) In no event shall findings of fact made by the Administrator or the Board of Veterans' Appeals be subject to trial de novo by the court.

"(d) When a final decision of the Board of Veterans' Appeals is adverse to a party and the sole stated basis for such decision is the failure of the party to comply with any applicable regulation prescribed by the Administrator, the Court shall reveiw only questions raised as to compliance with and the validity of the regulation.

"§ 4062. Fee for filing appeals

"(a) The Court of Veterans Appeals may impose a fee of not more than $50 for the filing of any appeal with the Court. The Court shall establish procedures under which such a fee may be waived in the case of an appeal filed by or on behalf of a person who demonstrates that the requirement that such fee be paid will impose a hardship on that person. A decision as to such a waiver is final and may not be reviewed in any other court.

"(b) The Court may from time to time adjust the maximum amount permitted for a fee imposed under subsection (a) of this section based upon inflation and similar fees charged by other courts established under Article I of the Constitution.

"§ 4063. Representation of parties; fee agreements

"(a) The Administrator shall be represented before the Court of Veterans Appeals by the General Counsel of the Veterans' Administration.

"(b) Representation of appellants shall be in accordance with the rules of practice prescribed by the Court under section 4064 of this title. In addition to members of the bar admitted to practice before the Court in accordance with such rules of practice, the Court may allow other persons to practice before the Court who meet standards of proficiency prescribed in such rules of practice.

"(c) A person who represents an appellant before the Court shall file a copy of any fee agreement between the appellant and that person with the Court at the time the appeal is filed. The Court, on its own motion or the motion of any party, may review such a fee agreement.

"(d) In reviewing a fee agreement under subsection (c) of this section or under section 3404(c)(2) of this title, the Court may affirm the finding or order of the Board and may order a reduction in the fee called for in the agreement if it finds that the fee is excessive or unreasonable. An order of the Court under this subsection is final and may not be reviewed in any other court.

"§ 4064. Rules of practice and procedure

"(a) The proceedings of the Court of Veterans Appeals shall be conducted in accordance with such rules of practice and procedure as the Court prescribes.

"(b) The mailing of a pleading, decision, order, notice, or process in respect of proceedings before the Court shall be held sufficient service of such pleading, decision, order, notice, or process if it is properly addressed to the address furnished by the appellant on the notice of appeal filed under section 4066 of this title.

"§ 4065. Contempt authority; assistance to the Court

"(a) The Court shall have power to punish by fine or imprisonment such contempt of its authority as—

"(1) misbehavior of any person in its presence or so near thereto as to obstruct the administration of justice;

"(2) misbehavior of any of its officers in their official transactions; or

"(3) disobedience or resistance to its lawful writ, process, order, rule, decree, or command.

"(b) The Court shall have such assistance in the carrying out of its lawful writ, process, order, rule, decree, or command as is available to a court of the United States. The United States marshal for a district in which the Court is sitting shall, if requested by the chief judge of the Court, attend any session of the Court in that district.

§ 4066. Notice of appeal

"(a) In order to obtain review by the Court of Veterans Appeals of a final decision of the Board of Veterans' Appeals, a person adversely affected by that action must file a notice of appeal with the Court. Any such notice must be filed within 120 days after the date on which notice of the decision is mailed pursuant to section 4004(e) of this title.

"(b) The appellant shall also furnish the Administrator with a copy of such notice, but a failure to do so shall not constitute a failure of timely compliance with subsection (a) of this section.

§ 4067. Decisions

"(a) A decision upon a proceeding before the Court of Veterans Appeals shall be made as quickly as practicable. In a case heard by a panel of the Court, the decision shall be made by a majority vote of the panel in accordance with the rules of the Court. The decision of the judge or panel hearing the case so made shall be the decision of the Court except as provided in subsection (d) of this section.

"(b) The Court shall include in its decision a statement of its conclusions of law and determinations as to factual matters.

"(c) A judge or panel shall make a determination upon any proceeding before the Court, and any motion in connection with such a proceeding, that is assigned to the judge or panel. The judge or panel shall make a report of any such determination which constitutes the judge or panel's final disposition of the proceeding.

"(d)(1) In the case of a proceeding determined by a single judge of the Court, the decision of the judge shall become the decision of the Court unless before the end of the 30-day period beginning on the date of the decision by the judge the Court, upon the motion of either party or on its own initiative, directs that the decision be reviewed by a panel of the Court. In such a case, the decision of the judge initially deciding the case shall not be a part of the record.

"(2) In the case of a proceeding determined by a panel of the Court, the decision of the panel shall become the decision of the Court unless before the end of the 30-day period beginning on the date of the decision by the panel the Court, upon the motion of either party or on its own initiative, directs that the decision be reviewed by an expanded panel of the Court (or the Court en banc). In such a case, the decision of the panel initially deciding the case shall not be a part of the record.

"(e) The Court shall designate in its decision in any case those specific records of the Government on which it relied (if any) in making its decision. The Administrator shall preserve records so designated for not less than the period of time designated by the administrator of the National Archives and Records Administration.

§ 4068. Availability of proceedings

"(a) Except as provided in subsection (b) of this section, all decisions of the Court of Veterans Appeals and all briefs, motions, documents, and exhibits received by the Court (including a transcript of the stenographic report of the hearings) shall be public records open to the inspection of the public.

"(b)(1) The Court may make any provision which is necessary to prevent the disclosure of confidential information, including a provision that any such document or information be placed under seal to be opened only as directed by the Court.

"(2) After the decision of the Court in a proceeding becomes final, the Court shall permit the withdrawal by the party entitled thereto of originals of books, documents, and records, and of models, diagrams, and other exhibits, submitted to the Court before the Court may, on its own motion, make such other disposition thereof as it considers advisable.

"§ 4069. Publication of decisions

"(a) The Court of Veterans Appeals shall provide for the publication of decisions of the Court in such form and manner as may be best adapted for public information and use. The Court may make such exceptions, or may authorize the chief judge to make such exceptions, to the requirement for publication in the preceding sentence as may be appropriate.

"(b) Such authorized publication shall be competent evidence of the decisions of the Court of Veterans Appeals therein contained in all courts of the United States and of the several States without any further proof or authentication thereof.

"(c) Such publications shall be subject to sale in the same manner and upon the same terms as other public documents.

"Subchapter III—Miscellaneous Provisions

"§ 4081. Employees

"The Court of Veterans Appeals may appoint such employees as may be necessary to execute the functions vested in the Court. Such appointments shall be made in accordance with the provisions of title 5 governing appointment in the competitive service, except that the Court may classify such positions based upon the classification of comparable positions in the judicial branch. The basic pay of such employees shall be fixed in accordance with subchapter III of chapter 53 of title 5.

"§ 4082. Budget and expenditures

"(a) The budget of the Court of Veterans Appeals as submitted by the Court for inclusion in the budget of the President for any fiscal year shall be included in that budget without review within the executive branch.

"(b) The Court may make such expenditures (including expenditures for personal services and rent at the seat of Government and elsewhere, and for law books, books of reference, ands periodicals) as may be necessary to execute efficiently the functions vested in the Court.

"(c) All expenditures of the Court shall be allowed and paid upon presentation of itemized vouchers signed by the certifying officer designated by the chief judge. Except as provided in section 4085 of this title, all such expenditures shall be paid out of moneys appropriated for purposes of the Court.

"§ 4083. Disposition of fees

"Except for amounts received pursuant to section 4085 of this title, all fees received by the Court of Veterans Appeals shall be covered into the Treasury as miscellaneous receipts.

"§ 4084. Fee for transcript of record

"The Court of Veterans Appeals may fix a fee, not in excess of the fee authorized by law to be charged and collected therefor by the Clerks of the district courts, for comparing, or for preparing and comparing, a transcript of the record of any proceeding before the Court, or for copying and record, entry, or other paper and the comparison and certification thereof.

"§ 4085. Practice fee

"(a) The Court of Veterans Appeals may impose a periodic registration fee on persons admitted to practice before the Court. The frequency and amount of such fee shall be determined by the Court, except that such amount may not exceed $30 per year.

"(b) Amounts received by the Court under subsection (a) of this section shall be available to the Court for the purpose of (1) employing independent counsel to pursue disciplinary matters, and (2) defraying administrative costs for the implementation of the standards of proficiency prescribed for practice before the Court.

"Subchapter IV—Decisions and Review

"§ 4091. Date when United States Court of Veterans Appeals decision becomes final

"(a) A decision of the United States Court of Veterans Appeals shall become final upon the expiration of the time allowed for filing, under section 4092 of this title, a notice of appeal from such decision, if no such notice is duly filed within such time. If such a notice is filed within such time, such a decision shall become final—

"(1) upon the expiration of the time allowed for filing a petition for certiorari with the Supreme Court of the United States, if the decision of the Court of Veterans Appeals is affirmed or the appeal is dismissed by the United States Court of Appeals for the Federal Circuit and no petition for certiorari is duly filed;

"(2) upon the denial of a petition for certiorari, if the decision of the Court of Veterans Appeals is affirmed or the appeal is dismissed by the United States Court of Appeals for the Federal Circuit; or

"(3) upon the expiration of 30 days from the date of issuance of the mandate of the Supreme Court, if that Court directs that the decision of the Court of Veterans Appeals be affirmed or the appeal dismissed.

"(b)(1) If the Supreme Court directs that the decision of the Court of Veterans Appeals be modified or reversed, the decision of the Court of Veterans Appeals rendered in accordance with the mandate of the Supreme Court shall become final upon the expiration of 30 days from the time it was rendered, unless within such 30 days either the Administrator or the petitioner has instituted proceedings to have such decision corrected to accord with the mandate, in which event the decision of the Court of Veterans Appeals shall become final when so corrected.

"(2) If the decision of the Court of Veterans Appeals is modified or reversed by the United States Court of Appeals for the Federal Circuit and if—

"(A) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed, or

"(B) the petition for certiorari has been denied, or

"(C) the decision of the United States Court of Appeals for the Federal Circuit has been affirmed by the Supreme Court,

then the decision of the Court of Veterans Appeals rendered in accordance with the mandate of the United States Court of Appeals for the Federal Circuit shall become final upon the expiration of 30 days from the time such decision of the Court of Veterans Appeals was rendered, unless within such 30 days either the Administrator or the petitioner has instituted proceedings to have such decision corrected so that it will accord with the mandate, in which event the decision of the Court of Veterans Appeals shall become final when so corrected.

"(c) If the Supreme Court orders a rehearing, or if the case is remanded by the United States Court of Appeals for the Federal Circuit to the Court of Veterans Appeals for a rehearing, and if—

"(1) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed, or

"(2) the petition for certiorari has been denied, or

"(3) the decision of the United States Court of Appeals for the Federal Circuit has been affirmed by the Supreme Court,

then the decision of the Court of Veterans Appeals rendered upon such rehearing shall become final in the same manner as though no prior decision of the Court of Veterans Appeals had been rendered.

"(d) As used in this section, the term 'mandate', in case a mandate has been recalled before the expiration of 30 days from the date of issuance thereof, means the final mandate.

"§ 4092. Review by United States Court of Appeals for the Federal Circuit

"(a) After a decision of the United States Court of Veterans Appeals is entered in a case, any party to the case may obtain a review of the decision with respect to the validity of any statute or regulation (other than a refusal to review the schedule of ratings for disabilities adopted under section 355 of this title) or any interpretation thereof (other than a determination as to a factual matter) that was relied on by the Court in making the decision. Such a review shall be obtained by filing a notice of appeal with the Court of Veterans Appeals within the time and in the manner prescribed for appeal to United States courts of appeals from United States district courts.

"(b)(1) When a judge or panel of the Court of Veterans Appeals, in making an order not otherwise appealable under this section, determines that a controlling question of law is involved with respect to which there is a substantial ground for difference of opinion and that there is in fact a disagreement between the appellant and the Administrator with respect to that question of law and that the ultimate termination of the case may be materially advanced by the immediate consideration of that question, the judge or panel shall notify the chief judge of that determination. Upon receiving such notification, the chief judge shall certify that such a question is presented, and any party to the case may then petition the Court of Appeals for the Federal Circuit to decide the question. That court may permit an interlocutory appeal to be taken on that question if such a petition is filed with it within 10 days after the certification by the chief judge of the Court of Veterans Appeals. Neither the application for, nor the granting of, an appeal under this paragraph shall stay proceedings in the Court of Veterans Appeals, unless a stay is ordered by a judge of the Court of Veterans Appeals or by the Court of Appeals for the Federal Circuit.

"(2) For purposes of subsections (d) and (e) of this section, an order described in this paragraph shall be treated as a decision of the Court of Veterans Appeals.

"(c) The United States Courts of Appeals for the Federal Circuit shall have exclusive jurisdiction to review and decide any challenge to the validity of any statute or regulation or any interpretation thereof brought under this section, and to interpret constitutional and statutory provisions, to the extent presented and necessary to a decision. The judgment of such court shall be final subject to review by the Supreme Court upon certiorari, in the manner provided in section 1254 of title 28.

"(d)(1) The Court of Appeals for the Federal Circuit shall decide all relevant questions of law, including interpreting constitutional and statutory provisions. The court shall hold unlawful and set aside any statute or regulation or any interpretation thereof (other than a determination as to a factual matter) that was relied upon in the decision of the Court of Veterans Appeals that the Court of Appeals for the Federal Circuit finds to be—

"(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

"(B) contrary to constitutional right, power, privilege, or immunity;

"(C) in excess of statutory jurisdiction, authority, or limitations, or in violation of a statutory right; or

"(D) without observance of procedure required by law.

"(2) Except to the extent that an appeal under this chapter presents a constitutional issue, the Court of Appeals may not review (A) a challenge to a factual determination, or (B) a challenge to a law or regulation as applied to the facts of a particular case.

"(e)(1) Upon such review, the Court of Appeals for the Federal Circuit shall have power to affirm or, if the decision of the Court of Veterans Appeals is not in accordance with law, to modify or reverse the decision of the Court of Veterans Appeals or to remand the matter, as appropriate.

"(2) Rules for review of decisions of the Court of Veterans Appeals shall be those prescribed by the Supreme Court under section 2072 of title 28.".

(b) CLERICAL AMENDMENTS.—The tables of chapters before part I and at the beginning of part V are each amended by inserting after the item relating to chapter 71 the following new item:

"72. Court of Veterans Appeals .... 4051".

SEC. 302. INITIAL APPOINTMENT OF JUDGES TO COURT OF VETERANS APPEALS.

(a) CHIEF JUDGE TO BE APPOINTED FIRST.—The President may not appoint an individual to be an associate judge of the United States Court of Veterans Appeals under section 4053(b) of title 38, United States Code, as added by section 301, until the chief judge of such Court has been appointed. The President shall, during the period beginning on January 21, 1989, and ending April 1, 1989, nominate an individual for appointment to the position of chief judge of such Court.

(b) JUDGES.—Subject to subsection (a), judges of the Court of Veterans Appeals may be appointed after February 1, 1989.

SEC. 303. FACILITY FOR PRINCIPAL OFFICE OF COURT.

In the implementation of section 4055 of title 38, United States Code (as added by section 301), the principal office of the Court of Veterans Appeals shall initially be located, if practicable, in a facility existing on the date of the enactment of this Act, as determined by the Administrative Office of the United States Courts, would facilitate maximum efficiency and economy in the operation of the Court. The Administrative Office of the United States Courts shall take into consideration the convenience of the location of such facility to needed library sources, clerical and administrative support equipment and personnel, and other resources available for shared use by the Courts and other courts or agencies of the Federal Government.

TITLE IV—EFFECTIVE DATES AND APPLICABILITY

SEC. 401. EFFECTIVE DATES.

(a) General Effective Date.—Except as otherwise provided in this section, this Act (and the amendments made by this Act) shall take effect on September 1, 1989.

(b) Effective Date for Certain Transition Provisions.—The amendment made by section 201(a) shall take effect on February 1, 1989.

(c) Date of Enactment.—Section 201 (other than subsection (a)), 208, 209, 302, and 303, and the amendments made by those sections, shall take effect on the date of the enactment of this Act.

(d) Board of Veterans' Appeals.—Sections 202 through 207 shall take effect on January 1, 1989.

(d) Commencement of Operation of Court of Veterans Appeals.—Notwithstanding subsection (a), the United States Court of Appeals established pursuant to chapter 72 of title 38, United States Code (as added by section 301) shall not begin to operate until at least three judges have been appointed to the court.

SEC. 402. APPLICABILITY TO CASES AFTER DATE OF ENACTMENT.

Chapter 72 of title 38, United States Code, as added by section 301, shall apply with respect to any case in which a notice of disagreement is filed under section 4005 of title 38, United States Code, on or after the date of enactment of this Act.

SEC. 403. APPLICABILITY TO ATTORNEYS FEES.

The amendment to section 3404(c) of title 38, United States Code, made by section 104(a) shall apply only with respect to services of agents and attorneys in cases in which a notice of disagreement is filed with the Veterans' Administration on or after the date of the enactment of this Act.

CHILD PROTECTION AND OBSCENITY ENFORCEMENT ACT OF 1988 (H.R. 5210)

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. HUGHES. Mr. Speaker, as part of the Anti-Drug Abuse Act of 1988, I am delighted to report that Congress passed the Child Protection and Obscenity Enforcement Act of 1988.

As chairman of the Subcommittee on Crime, I originally introduced this bill with Bill McCollum, the ranking Republican member of ths Subcommittee on Crime as the principal cosponsor, as H.R. 3889, on February 2, 1988. This bill is probably the most significant assault upon obscenity in decades. This important measure builds upon the work of the Subcommittee on Crime in the last two Congresses which enacted two bills to attack child pornography—measures which have already resulted in an increase of more than 600 percent in prosecutions of child pornographers.

This year our Subcommittee on Crime held three exhaustive hearings on the bill, taking testimony from dozens of witnesses. We received testimony from the following witnesses: Dr. Jerry Kirk, president, National Coalition Against Pornography, Cincinnati, OH; Dr. Larry Baker, executive director/treasurer, Christian Life Commission, Southern Baptist Convention, Nashville, TN; Elder John Carmack, area president, North America—North East, Church of Jesus Christ of Latter Day Saints, Salt Lake City, UT; Bishop George McKinney, Church of God in Christ, Archdiocese for Southern California, Second Jurisdiction, San Diego, CA; Father Bruce Ritter, president, *Covenant House*, New York, NY; Barry W. Lynn, legislative counsel, American Civil Liberties Union, Washington, DC; Guy E. Moman, Jr., chairman, Council for Periodical Distributors Associations, Tuscaloosa, AL; Michael Bamberger, general counsel, Media Coalition, New York, NY; Representative Bill Green (New York); Representative Robert K. Dornan (California); Representative Thomas J. Ridge (Pennsylvania); Representative Joseph J. DioGuardi (New York); Mr. Brent D. Ward, U.S. attorney for the district of Utah; Mr. H. Robert Showers, executive director, National Obscenity Enforcement Unit, Criminal Division, U.S. Department of Justice; Mr. Jack E. Swagerty, Assistant Chief Postal Inspector for Criminal Investigations, Postal Inspection Service, U.S. Postal Service; Mr. George Davis, assistant general counsel, U.S. Postal Service; Mr. Dan Milhalko, Program Manager for Prohibited Mailing, Postal Inspection Service, U.S. Postal Service; Ms. Patrice Scully, Regional Counsel (Chicago), U.S. Customs Service; Mr. John Sullivan, director, Child Pornography and Protection Unit, U.S. Customs Service; Prof. Frederick Schauer, University of Michigan School of Law, Ann Arbor, MI; Prof. Martin Redish, Northwestern University School of Law, Chicago, IL; Linda Steinman, attorney at law, Weil, Gotshal and Manges, New York, NY, counsel, the Association of American Publishers; James Schmidt, chairman, Committee on Intellectual Freedom, American Library Association; Carla Cohen, proprietor, Politics and Prose bookstore, Member, American Booksellers Association, Washington, DC; and Alan E. Sears, Legal Counsel, Citizens for Decency through Law, Inc., Phoenix, AZ.

The Subcommittee on Crime then held two meetings to mark up the bill in which we extensively discussed what ought to be included in a reported bill, and the areas of disagreement. In the 8 years I have served as chairman of the Subcommittee on Crime, it has been the practice of the subcommittee to legislate by consensus—to report legislation only when through discussion, give and take, and compromise, we arrive at agreement on provisions which all or nearly all Members can support.

Regarding H.R. 3889, almost immediately we reached consensus on the provisions regarding title I (now chapter I), relating to the sexual exploitation of children and the provisions of title II relating to forfeiture in such cases. We were unable to agree on title II provisions relating to adult obscenity.

I am very pleased however that Bill McCollum and I were able to develop a bill for inclusion in the drug bill that met with the approval of the bipartisan leadership of the House and Senate, and with the near unanimous approval of our colleagues when the bill was passed by Congress, October 22, 1988 as Title VII, Subtitle N, of H.R. 5210. I want to commend Bill McCollum for his leadership in this area. He pointed out the need to concentrate Federal resources at those who mastermind the distribution of obscenity and the need for a statute that specifically targets those who specifically traffic in obscenity. I also want to commend him for agreeing to drop the civil forfeiture provisions of the original bill, which because of the absence of the safeguards of the criminal law, created great fear of unjust application among those who are in the legitimate industry of distributing books, records and videotapes. The forfeiture area was one of the issues of greatest concern to those in first amendment protected businesses, and Bill McCollum's leadership helped us to strike a good compromise at literally, the eleventh hour.

Because final agreement between Bill McCollum and myself was not reached on the most controversial provisions of the antipornography provisions until just a couple of hours before the measure went to the floor, we were unable to prepare a detailed analysis for inclusion in the Record of October 21, 1988.

Thus, as the principal architect of the compromise bill adopted by the Congress, I have developed the following explanation and section-by-section analysis to guide the public, the Department of Justice and the courts in the enforcement of the new provisions.

Section-by-Section Analysis

Section 7501—Short Title

CHAPTER I—CHILD PORNOGRAPHY

Section 7511—Amendments to existing child pornography offenses

Subsection (a) This subsection adds to the jurisdictional circumstances of the offense prohibiting advertising with respect to child pornography (18 U.S.C. 2251(c)) created by P.L. 99-628 (the Child Sexual Abuse and Pornography Act of 1986) by adding after "interstate or foreign commerce" the words *"by any means including by computer"*.

Subsection (b) This subsection amends 18 U.S.C. 2252(a) to prohibit the transportation of shipment in interstate or foreign commerce *by means of computer* of visual depictions of child pornography. The subsection also prohibits the receipt or distribution of any visual depiction of child pornography *by means of a computer* in interstate or foreign commerce, or the reproduction for distribution by computer.

Subsection (c) This subsection defines "computer" to have the same meaning as the term "computer" in the Computer Fraud statute. The term "computer" means "an electronic, magnetic, optical, electrochemical, or other high speed data processing device performing logical, arithmetic, or storage functions, and includes any data storage facility or communications facility directly related to or operating in conjunction with such device but such term does not include an automated typewriter or typesetter, a portable automated typewriter or typesetter, a portable hand held calculator, or other similar device" (18 U.S.C. 1030(e)(1)).

Section 7512—Selling or buying of children

This section creates new offenses of "Selling or buying of children," a new section 2251A of title 18, United States Code.

Subsection (a) of the new offense would prohibit a parent, legal guardian, or other person having custody or control of a minor to sell or otherwise transfer custody of a minor either:

(1) with the knowledge that as a consequence of the sale or transfer the minor will engage in, or assist another to engage in, sexually explicit conduct[1] for the purpose of producing a visual depiction; or

(2) with intent to promote the engaging or the assisting in the engaging in by the minor in sexually explicit conduct for the purpose of producing a visual depiction.

This offense would carry imprisonment of not less than 20 years and up to life imprisonment.

Similarly, whoever "purchases or otherwise obtains custody or control of a minor" with such knowledge would violate subsection (b) of the new 18 U.S.C. 2251A.

Subsection (c) sets forth three jurisdictional circumstances for the new offenses:

(1) In the course of conduct described, the minor or the actor traveled in or was transported in interstate or foreign commerce.

(2) Any offer described in the offense was communicated or transported in interstate or foreign commerce (including by computer) or by mail.

(3) The conduct took place in any territory or possession of the United States.

The term "custody or control" is defined to include temporary supervision over or responsibility for a minor whether legally or illegally obtained.

Section 7513—Record keeping requirements

This section adds a provision (18 U.S.C. 2257) to the child pornography chapter to require pornographers to keep "individually identifiable records" of persons depicted in pornography (called "performers" in the bill) to make it easier to prosecute producers of pornography who use performers who are under age 18.

Subsection (a) of new 18 U.S.C. 2257 provides that *persons who produce* any book, magazine, periodical, film, videotape or other matter which contains one or more depictions of "actual sexually explicit conduct" (using the definition in the child pornography law, 18 U.S.C. 2256(2)[2]) and which is produced with materials which have been shipped in interstate or foreign commerce, which is shipped in interstate or foreign commerce, or which is intended for shipment or transportation in such commerce, *must keep records on every performer portrayed in the visual depiction.*

Subsection (b) of new 18 U.S.C. 2257 requires the producers of these materials (which include film laboratories, publishers, etc.) to ascertain by *examining identification documents* the name and date of birth of the performers, ascertain any other name ever used by the performer, and *record the information* as prescribed by the Attorney General's regulations.

Subsection (c) of new 18 U.S.C. 2257 requires that the records *shall be maintained* at the producer's place of business *for inspection by the Attorney General.*

Subsection (d)(1) provides that information required to be kept in these records shall not be used as evidence against any person with respect to any violation of law, except a prosecution for furnishing false information.

However subsection (d)(3)(A), provides that in a prosecution for producing child pornography, *failure to create records for every performer, failure to examine identification documents, failure to obtain all professional names, or failure to keep the required records raises a rebuttable presumption that the performer depicted was a minor.*

Subsection (e) requires that producers of sexually explicit depictions affix to every copy of such depictions a statement describing where the records of all performers in the depiction are located. In the case of an organization, the name of the person responsible for maintaining the records shall be included. In a prosecution under 18 U.S.C. 2251 or 2252 that the material is a depiction of a minor in engaging in sexually explicit conduct, proof that the statement is not affixed raises a rebuttable presumption that the person depicted is a minor (new subsection (d)(3)(B) or subsection (e)(3)).

Subsection (f) authorizes the Attorney General to issue regulations to carry out the section.

Subsection (g) defines the term "actual sexually explicit conduct" as actual but not simulated conduct as defined in subparagraphs (A) through (E) of 18 U.S.C. 2256(2)[3], the term "identification document" to have the same meaning as defined in 18 U.S.C. 1028(d), the term "produces" (which includes duplication, reproduction, and reissuing of any material), and defines the term "performer."

The Attorney General is directed to prepare regulations implementing this section within 90 days of enactment. The section takes effect 180 days after enactment (the date H.R. 5210 is signed by President Reagan) except for the subsection requiring affixing a statement concerning the location of the records of performer's ages, etc., which takes effect 270 days after enactment.

Section 7514—RICO amendment

This section amends the definition of "*racketeering activity*" in the RICO (Racketeering Influenced and Corrupt Organizations) chapter of the criminal code (18 U.S.C. 1961(1)) *to include* any act which is indictable under sections 2251 and 2252 of title 18, United States Code, relating to the *sexual exploitation of children.* This means that the full panoply of legal tools provided for racketeering prosecutions can be utilized in sexual exploitation of children cases provided the criteria for a RICO offense exist.

CHAPTER II—OBSCENITY

Section 7521—Engaging in the business of selling or transferring obscene matter

Subsection (a) is a new provision developed in the conference to focus on major smut peddlers, those who are engaged in the business of distributing obscene matter. It adds a new section 1466 of title 18, U.S.C. proscribing *engaging in the business of selling or transferring obscene matter by the receipt or possession with intent to distribute obscene material* which has been shipped in interstate or foreign commerce. The penalty is a maximum imprisonment of up to five years, and felony level fines of up to $250,000 for an individual and up to $1,000,000 for an organization. This new offense requires, first that the circumstance be proven that the defendant is in the business of selling or transferring obscene matter. Second, the government then must prove that the defendant knowingly received or possessed, with intent to distribute, obscene matter that has been shipped or transported in interstate or foreign commerce.

Under present federal obscenity laws (18 U.S.C. sections 1461, 1462, 1465), it is an offense to use the mail or interstate commerce to transport obscene material. The proposed new section will make prosecution against those persons whose business is the trafficking of obscenity easier by proscribing the receipt or possession, with intent to sell or distribute, of obscene material which *has been shipped* in interstate commerce, without having to prove that such person was actually involved in the shipment.

Subsection (b) of the new offense defines the term "engaged in the business" of selling or transferring obscene matter to mean one who sells or transfers or offers to sell or transfer obscene matter who devotes time, attention, or labor to such activities, as a regular course of trade or business, with the objective or earning a profit, although it is not necessary that the person make a profit or that the selling or transferring or offering to sell or transfer such material be the person's sole or principal business or source of income. This definition is taken from the definition of "engaged in the business" used in the 1986 amendments to the Gun Control Act (18 U.S.C. 921((a) (21) (C) and (22), (S.49 and S. 2414; P.L. 99-308 (May 19, 1986) and P.L. 99-360 (July 8, 1986)). Under this definition a legitimate bookseller, record or video dealer might make an occasional transfer or sale of something not yet determined to be obscene and not be "engaged in the business" unless a regular course of trade or business in obscene matter is shown. The last part of the reservation regarding the circumstance that it is not necessary that the business of selling obscene matter "be the person's sole or principal business or source of income" is designed to recognize that persons engaged in the business may have other substantial sources of income. For example, the organized criminal organizations involved in the production and distribution of obscenity frequently have substantial sources of income from narcotics trafficking, prostitution, gambling, hijacking, loan sharking, labor racketeering, extortion, arson, bankruptcy fraud and other lucrative cirminal activities. Such persons would be prosecutable under this section even if the obscenity business were not the sole or principal source of income.

This offense is different from the approach in the original amendment to H.R. 5210 passed by the Senate (October 14, 1988) in that it does not place in jeopardy the vast majority of publishers and manufacturers, wholesalers and retailers who provide American citizens with the wide variety of books, magazines, records and video products which enrich American life and culture, some of which contain sexually explicit material, but which have not been found to be obscene and are protected by the First Amendment. In developing this approach of focusing upon those engaged primarily in the obscenity business, it was intended to avoid deterring those who distribute protected material to the public, and to draft the offense in a limited fashion so that the severe penalties which can be imposed upon those in the obscenity business are not to be imposed upon those who are legitimate retailers or publishers who might possess on a single occasion items in inventory that are subsequently adjudged obscene.

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[1] The term "sexually explicit conduct" means "actual or simulated—(A) sexual intercourse, including genital-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex; (B) bestiality; (C) masturbation; (D) sadistic or masochistic abuse; or (E) lascivious exhibition of the genitals or pubic area of any person . . ." (18 U.S.C. 2256(2)).

[2] Ibid.

[3] See footnote 1, *supra.*

Subsection (b) also provides a rebuttable persumption to facilitate the prosecution of those who are actually traffickers in obscene material. The presumption is necessary so that a trafficker in obscene material does not avoid prosecution simply because in a particular case the evidence adduced to prove that the trafficker was engaged in the business of selling or transferring obscene matter was that the defendant trafficked in a relatively small number of obscene items. This supports the reason for the creation of this new offense which is to attack the traffickers in obscene material. The presumption is to be applied in the context of the overall definition of "engaged in the business". The presumption is that a person who offers for sale or transfer, at one time, two or more obscene publications, two or more obscene articles or a combined total of five or more such publications and articles is "engaged in the business" of transferring or selling obscene matter. The defendant could rebut this presumption by evidence that the articles or publication were offered for sale or transfer in the course of carrying on the defendant's general trade or business in lawful books, magazines, audio or video products, and that he did not, in the regular course of business, devote time, attention or labor to the selling of obscenity. Similarly, an individual who sells at cost two obscene publications to a friend could rebut the presumption by showing that he engaged in no transactions in obscene matter which were aimed at profit making. However, a person who in fact is engaged in sale for profit and who meets the definition of "engaged in the business'" cannot escape prosecution merely by showing that the particular sale or sales with which he is charged were on a not-for-profit basis.

Subsection (b) of the bill is a clerical amendment.

Subsection (c) amends 18 U.S.C. 1465, relating to transportation of obscene matters for sale or distribution, to expand the prohibition to add the knowing *travel in interstate or foreign commerce, or use of a facility or means of interstate commerce, for the purpose of transporting obscene material in interstate or foreign commerce.* The phrase, "for the purpose of transporting," is intended to limit prosecutions based on the use of facility or means of interstate commerce to those facilities or means directly involved in the transportation of the obscene material.

Subsection (d) creates a new section 1469 of title 18 which would provide a number of presumptions for all prosecutions relating to obscene material under chapter 71 of title 18. First, proof (by circumstantial or direct evidence) that the matter was produced or manufactured in one state and subsequently located in another state raises the *rebuttable presumption that the matter was transported, shipped or carried in interstate commerce.* A second, similar presumption is created for foreign commerce. Subsection (e) is a related clerical amendment.

Section 7522—Forfeiture in obscenity cases

Subsection (a) of the bill adds a new section to chapter 71, relating to obscenity, section 1467, relating to criminal forfeiture. A provision relating to civil forfeiture of obscenity was not adopted because it did not require convictions in order to be operative. Subsection (b) of the bill is a technical amendment. Subsection (c) of the bill replaces the two current sections in chapter 110 of title 18 U.S.C. (relating to sexual exploitation of children), section 2253, relating to criminal forfeiture, and section 2254, relating to civil forfeiture, with expanded and clarified new procedures.

Subsection (a) of the new 18 U.S.C. 1467 provides that a person who is convicted of a offense regarding obscene material under chapter 71, United States Code, shall forfeit to the United States such person's interest in—

(1) any obscene material produced, transported, mailed, shipped, or received in violation of chapter 71;

(2) any property, real or personal, constituting or traceable to gross profits or other proceeds obtained from a violation of chapter 71; and

(3) any property, real or personal, used or intended to be used to commit or promote the commission of such offense, *if the court in its discretion so determines, taking into consideration the nature, scope, and proportionality of the use of the property in the offense.*

This is an important change from H.R. 3889 as introduced. Forfeiture of the obscene material and profits derived therefrom are subject to mandatory forfeiture. Property used in the production, transportation or distribution of obscene material is only forfeitable in the discretion of the sentencing court after the court takes into consideration the ratio of the use of the property in the commission of the offense to the use of the property for other purposes, including in connection with the production, transportation or distribution of materials which are protected under the First Amendment. In other words, if the court determines to order any forfeiture at all under this paragraph, in addition to considering the scope and nature of the use of a particular item of property in the offense, it is limited to that production of the use of the property in the commission of the offense, as distinguished from all other uses.

The other provisions of criminal forfeiture are borrowed from the criminal forfeiture provisions of section 413 of the Controlled Substances Act (21 U.S.C. 853).

Subsection (b) is the so-called "relation-back doctrine." The title in the forfeitable property passes to the United States at the time of the commission of the offense. This doctrine is limited however against transfers of property to third parties to protect bona fide purchasers for value who at the time they receive the property are "reasonably without cause to believe that the property was subject to forfeiture." The burden is upon the transferee to establish such lack of cause to so believe.

Subsection (c) permits the United States to obtain restraining orders or injunctions or to take other action to preserve forfeitable property.

Subsection (d) permits the government to obtain from a court a warrant to seize property that is subject to forfeiture if it finds that an order which could be issued under subsection (c) is insufficient to assure the availability of property for forfeiture.

Subsection (e) requires that if the court finds beyond a reasonable doubt that the property in question is subject to forfeiture, property described in subsection (a)(1) and (a)(2) be forfeited, but that with respect to property used or intended to be used to commit or promote the commission of the offense (subsection (a)(3)), the court after finding beyond a reasonable doubt that the property is subject to forfeiture, shall further exercise its discretion whether and to what extent to forfeit the property.

Subsection (f) provides for the execution of orders of forfeiture.

Subsection (g) provides for the disposition of the property.

Subsection (h) provides various authorities for the Attorney General concerning the forfeited property and to grant petitions for mitigation and remission of forfeiture, to pay rewards to informants.

Subsection (i) bars intervention in criminal trials or appeals or bringing actions against the United States by person with interests in property subject to forfeiture.

Subsection (j) provides that the United States District Courts have jurisdiction to enter orders regarding property subject to forfeiture without regard to the location of the property.

Subsection (k) permits the use of depositions to facilitate the identification, location and disposition of property subject to forfeiture.

Subsection (l) provides procedures for the protection of the interests in the property held by third parties by requiring notice and the opportunity to file necessary petitions.

Subsection (m) provides that the forfeiture section be "liberally construed".

Subsection (n) provides that if property subject to forfeiture cannot be forfeited for a specified reason, then other property may be substituted.

Subsection (c) of the bill replaces 18 U.S.C. 2253 and 2254 in chapter 110, sexual exploitation of children, with stronger and more detailed procedures for the forfeiture of property from persons convicted of child pornography offenses (18 U.S.C. 2253, Criminal Forfeiture), and forfeiture of depictions of child pornography and derivative property (18 U.S.C. 2254, Civil Forfeiture).

The Criminal Forfeiture provisions are similar to those in obscenity offenses without the exception regarding judicial discretion and the application of proportionality. The civil forfeiture provisions mainly track the civil forfeiture provisions of section 511 of the Controlled Substances Act (21 U.S.C. 881). The Congress recognizes the legitimacy of civil forfeiture in this area since, unlike the obscenity area, there is no need for a judicial determination of obscenity, *New York* v. *Ferber,* 102 S.Ct. 3348 (1982) and P.L. 98-292. The provisions of Service Postal Inspection Service and the Secretary of the Treasury in the investigation and forfeiture of child pornography and related property.

Subsection (e) revises section 305 of the Tariff Act of 1930 (19 U.S.C. 1305), relating to the prohibition on importing immoral articles, which now requires the seizure of obscene matters upon its appearance at any Customs office, to permit the *delay of forfeiture to permit the continuance of a criminal investigation.*

Section 7523—Cable television obscenity

Subsection (a) creates a new offense in chapter 71 of title 18, U.S.C., relating to obscenity, to *prohibit uttering obscene language or distributing obscene matter by cable or subscription television* (18 U.S.C. 1468). State regulation of obscene matter distributed by cable or subscription television is not preempted.

Currently obscene *television broadcasting* is prohibited under 18 U.S.C. 1464 proscribing obscene "radio communication". Cable television is transmitted by wire, not radio waves, and thus is generally not covered by the existing law. A violation would carry a maximum of two years in prison and felony level fines. The term "distribute" means "to send, transmit, retransmit, telecast, broadcast, or cablecast, including by wire microwave, or satellite, or to produce or provide material for such distribution."

Section 7524—Communications Act amendment

This section is a "Dial-A-Porn" amendment. The 1983 effort to regulate or ban "dial-a-porn" concentrated on prohibiting access of minors to such material (P.L. 98-214, section 8; 47 U.S.C. 223(b)). The FCC has attempted (over the past four years and in the face of three court challenges) to develop regulations for telephone companies that would restrict minors from accessing dial-a-porn by:

(1) setting certain hours in which the dial-a-porn messages could not be made available to the public (which was rejected by the U.S. Court of Appeals for the Second Circuit);

(2) limiting access to those who have a credit card (accepted by the court);

(3) adopting a system of customer access codes (accepted by the court);

(4) allowing the customer to block the making of dial-a-porn calls from his or her telephones (remanded by the court for further revision and consideration of the potential costs and their just allocation);

(5) requiring the "scrambling" of dial-a-porn message and providing adult dial-a-porn customers with de-scrambling devices (under court review).

This section *rewrites the 1983 amendment to the Communications Act of 1934 (47 U.S.C. 223(b)) by:*

(1) eliminating the distinction between minors and adults in dial-a-porn, i.e., communication for commercial purposes;

(2) retaining the proscription of obscene communications by telephone generally in section 223(a) which is a misdemeanor;

(3) proscribing obscene communications by telephone "for commercial purposes" as a felony; and

(4) proscribing non-obscene but "indecent" communications "for commercial purposes" to any person as a misdemeanor.

The provision eliminates the former statutory defense to a prosecution involving an indecent communication that the defendant restricted access to the indecent communication to persons 18 years of age or older in accordance with FCC regulations (former 47 U.S.C. 223(b)(2)). The provision also eliminates a civil fine provision in the prior law (former 47 U.S.C. 223(b)(4). The provision also eliminates the Attorney General's injunctive powers under the prior law.

The first new offense creates a felony for whoever knowingly, in the District of Columbia or in interstate or foreign communication, by means of telephone, makes (directly or by recording device) any *obscene* communication for commercial purposes to any person, regardless of whether the maker of such communication placed the call; or knowingly permits any telephone facility under such person's control to used for an activity prohibited by this offense. This felony can be punished by imprisonment of not more than two years.

The second new offense creates a misdemeanor for whoever knowingly, in the District of Columbia or in interstate or foreign communication, by means of telephone, makes (directly or by recording device) any *indecent* communication for commercial purposes to any person, regardless of whether the maker of such communication placed the call; or knowingly permits any telephone facility under such person's control to used for an activity prohibited by this offense. This misdemeanor can be punished by imprisonment of not more than six months.

Section 7525—Possession with intent to sell and sale of Obscene Matters in Federal jurisdiction or on Federal Property

This section creates a new offense in chapter 71 of title 18, relating to obscenity, of *possession with intent to sell and sale of obscene matter on Federal property,* 18 U.S.C. 1460.

Subsection (a) of the new offense provides that whoever, in the special maritime and territorial jurisdiction of the United States (defined in 18 U.S.C. 7 to include vessels on the high seas, aircraft and spacecraft in flight, and certain lands of the United States), or any land or building owned, leased or used by or under the control of the Government of the United States, or in the Indian country (defined in 18 U.S.C. 1151), knowingly sells, or possesses with intent to sell, an obscene visual depiction or a visual depiction of child pornography shall be imprisoned for not more than 2 years or subject to felony-level fines.

ARMS CONTROL AND INTERNATIONAL SECURITY ACTIVITIES OF THE COMMITTEE ON FOREIGN AFFAIRS DURING THE 100TH CONGRESS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. FASCELL. Mr. Speaker, during the 100th Congress, the Committee on Foreign Affairs, primarily through the Subcommittee on Arms Control, International Security and Science, considered a wide range of arms control and international security issues. Recognizing the high public interest in these issues, I would like to report to my colleagues in the House and to the American people on the efforts of the subcommittee and the committee in support of a comprehensive arms control policy that has enhanced our country's national security.

The activities of the Subcommittee on Arms Control, International Security and Science during the 100th Congress were guided by its broad and varied jurisdictional reponsibilities as reflected in the committee rules for the 100th Congress.

To deal with national security and scientific developments affecting foreign policy; strategic planning and agreements; war powers and executive agreements legislation; Arms Control and Disarmament Agency and all aspects of arms control and disarmament with particular emphasis on the investigation and evaluation of arms control and disarmament proposals and concepts; security aspects of nuclear technology and materials; international terrorism with special focus on the U.S. Government's policies and programs for combating international terrorist movements and actions; oversight of all military aspects of foreign policy and foreign intelligence; and oversight of State and Defense Department activities involving arms transfers, arms export licenses, administration of security assistance, arms sales, foreign military training and advisory programs, and conventional arms control.

The following overview of the subcommittee's activities during the 100th Congress addresses major international issues ranging from strategic, nuclear testing, chemical, biological and conventional arms control, to war powers and the Persian Gulf, to international terrorism, to international security and scientific issues, to conventional arms sales around the world, to nuclear and chemical nonproliferation issues, and to international security assistance and military training programs worldwide. A listing of key activities and publications during the 100th Congress by the Subcommittee on Arms Control, International Security and Science follows my remarks.

ARMS CONTROL POLICY ISSUES

During the 100th Congress, the Committee on Foreign Affairs in general, and the Subcommittee on Arms Control, International Security and Science in particular, acted to reaffirm arms control as an integral part of our country's national security policy by carrying out its oversight responsibility in a number of arms control areas, including: the Intermediate-Range Nuclear Forces Treaty, the Geneva Arms Control Talks, strategic arms reductions, the ABM Treaty, the strategic defense initiative [SDI], nuclear testing, the SALT II Treaty and antisatellite [ASAT] weapons, and chemical and biological weapons bans.

Several days of hearings were conducted on the implications of the INF Treaty for U.S. arms control and national security policy. The committee examined the contributions of the Treaty to U.S. national security interests, European reactions to the INF Treaty, implications of the treaty on conventional defense spending and arms control, verification provisions of the treaty, and their adequacy and possible applications to other agreements, including an agreement on strategic offensive nuclear weapons.

These hearings resulted in committee action and subsequent floor approval of legislation recommending approval of the INF Treaty as well as calling for a number of actions to be taken with respect to the ongoing negotiation of a 50-percent reduction in the strategic offensive nuclear arsenals of the two superpowers.

In addition, the Arms Control Subcommittee conducted numerous hearings and briefings on strategic nuclear issues. Particular focus was given to the Geneva arms control talks and the relationship between reductions in strategic offensive weapons and space defenses.

Through regularized briefings before the committee and the House observers to the Geneva arms control talks, administration officials and U.S. negotiators reported on the status of the talks, the outcome of the various meetings between Secretary of State Shultz and Soviet Foreign Minister Shevardnadze, and the four summits between President Reagan and General Secretary Gorbachev.

During the 101st Congress, the subcommittee will closely examine the details of a prospective 50 percent strategic reductions agreement, including: the interpretation of the ABM Treaty that will guide the United States-Soviet nonwithdrawal period from the ABM Treaty, sublimits on ICBM's and SLBM's, efforts to distinguish future conventionally armed cruise missiles from nuclear-armed cruise missiles, and mobile missile verification issues.

During the 100th Congress, the Arms Control Subcommittee continued to conduct hearings and briefings as part of its ongoing evaluation of the administration's SDI program which is designed to go beyond research. This effort goes back to 1983 when the subcommittee was the first in the Congress to examine in detail the administration's SDI program resulting in the following conclusions which were reaffirmed during the 100th Congress. Such an SDI program: First, is excessively costly; second, is technically unworkable; third, will have a negative impact on arms control; fourth, will result in a dual arms race; and fifth, would strain U.S. relations with our allies.

The subcommittee was also the first in the Congress to examine the administration's unilateral reinterpretation of the ABM Treaty beginning in 1985 which resulted in the Congress requiring the President to adhere to the traditional interpretation of the ABM Treaty in the 100th Congress.

In the next Congress, the subcommittee will continue to support adherence by both the United States and the Soviet Union to an agreed upon common interpretation of the ABM Treaty and will work to strengthen the treaty which has proven to be an effective inhibitor to expanding the United States-Soviet arms race in strategic defenses and space-based systems.

During the Reagan administration, the subject of nuclear testing has never ceased to arouse controversy and the subcommittee analysis of this issue was no exception.

In recent years, the subcommittee has followed this issue closely, from the passage of House Joint Resolution 3 in February 1986, calling for ratification of the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty and negotiations on a comprehensive test ban treaty, to the House-passed prohibition on nuclear testing above 1 kiloton—contingent upon Soviet acceptance of stringent verification measures—to the Natural Resources Defense Council's [NRDC] establishment of seismic monitoring stations on Soviet territory, to the President's eventual agreement to engage in nuclear testing discussions between United States and Soviet technical experts in July 1986, to the United States-Soviet joint vertification experiments, and finally to the nuclear testing talks underway today in Geneva.

In the next Congress, it is my hope that the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty—signed in 1974 and 1976 respectively—will be ratified. The subcommittee will continue to examine nuclear testing issues with a focus on how best to move from the 150 kiloton limit on testing to lower levels of testing, culminating in a negotiated comprehensive test ban agreement. This goal—a comprehensive test ban—has been an arms control policy espoused by every President since Eisenhower. In my view, uncontrolled nuclear testing simply fuels the arms race. We not only need negotiated reductions in our strategic nuclear arsenals, but we also need a negotiated halt to testing.

During the 100th Congress, the subcommittee continued to support a halt to the F-15 antisatellite [ASAT] weapons testing program and continued adherence to the SALT II limits for as long as the Soviets continue adherence to those limits. U.S. national security interests now and into the future are best served by maintaining arms control limitations on Soviet offensive strategic systems through continuation of the existing arms control regime until there is a more stable regime to replace it—a position that has been adopted by both Presidential candidates.

During the 100th Congress, the subcommittee also examined arms control compliance in general and Soviet compliance with arms control agreements in particular. In addition to administration witnesses, the subcommittee heard from several of the authors of a study on Soviet compliance prepared by the Stanford University's Center for International Security and Arms Control.

Their expert testimony, based on a 400-page report conducted over an 18-month period concluded that the Soviet Union is in compliance with arms control agreements, with the exception of the Krasnoyarsk radar. This radar is a violation of the ABM Treaty and it is my hope that the Soviets will take the necessary actions to resolve this compliance concern.

The Stanford study further noted that a perceived compliance crisis has been created, in part, by the Reagan administration's exaggeration of the military significance of alleged Soviet violations. The Soviets have also contributed to a perceived compliance crisis by stretching the terms of agreements and responding to United States concerns in a nonconstructive manner.

Hopefully the Standing Consultative Commission [SCC]—which has a proven record of resolving compliance concerns under past administrations—will be better utilized by both superpowers in the months ahead.

In the 101st Congress, the subcommittee will continue to monitor compliance concerns and ways to improve the compliance resolution process.

Chemical and biological weapons have also been major arms control policy concerns of the Subcommittee on Arms Control during the 100th Congress.

Joined by Representative JOHN PORTER of Illinois, I led a sustained bipartisan effort in Congress to develop a comprehensive chemical arms control approach that would ban the production and usage of chemical weapons resulting in their ultimate elimination from world arsenals. While opposing the Department of Defense's binary chemical weapons production program, I have, at the same time, supported the multilateral negotiations on chemical weapons in Geneva, recommended improving chemical weapons defenses as the best deterrent to chemical weapons use, and urged that we keep our currently deployed chemical weapons deterrent force in Europe until a chemical weapons agreement with the Soviet Union is negotiated.

Reflecting abhorrence over the use of nerve gas, the House of Representatives adopted committee-passed legislation that condemned the Iraqi use of lethal chemical weapons and approved sanctions against Iraq to enhance cessation of its use. Unfortunately, legislative adjournment precluded its final passage by the Senate.

Congressional bipartisan opposition to binary chemical weapons production has been based on a variety of sound arms control, foreign policy, and national defense reasons. The Arms Control Subcommittee has commissioned a number of important studies and reports detailing the many flaws of the binary nerve gas program. One such report from the Congressional Research Service describes the risks of chemical weapons proliferation posed by binary nerve gas production; others from the General Accounting Office have documented in detail the persistent developmental and operational testing flaws of the Bigeye binary nerve gas bomb; and another from the GAO documented the illegal lobbying activities of the President's Chemical Warfare Review Commission.

Bipartisan congressional opposition to the production of binary nerve gas weapons has been successful in delaying and actually eliminating hundreds of millions of dollars that would have otherwise been spent on this flawed program. Despite years of persistent DOD requests for Bigeye bomb production, there will not be any production until 1990 at the earliest, and even then it must pass a rigorous clearance and justification process which DOD itself acknowledges it cannot currently satisfy.

The Subcommittee on Arms Control will continue to carefully oversee all future plans for the binary chemical production program and continue to support a successful conclusion in 1989 to the chemical weapons negotiations in Geneva that would negate any interest in pursuing binary chemical arms control production here in the United States. It is critical that a comprehensive chemical weapons agreement banning stockpiling and production be reached before the tragedy of chemical weapons use, so graphically demonstrated by the Iraqi nerve gas attacks against the Kurdish people, is not repeated elsewhere.

In response to Department of Defense plans to embark on an upgrade of the U.S. biological research testing program, the Subcommittee on Arms Control was joined by two other subcommittees from the Committees on Armed Services and Interior to conduct a joint three-subcommittee hearing to focus not only on the arms control concerns raised by such a perceived shift in policy but also to examine the safety, public health, and environmental issues related to such testing.

During the subcommittee's hearing on biological research testing, a number of key observations and recommendations were made which should be given careful consideration by both the executive branch and Congress in 1989. For example, it would seem only logical that no biological weapons research needs to be secret, if our biological research testing program is purely defensive in nature. Openness would show that our purposes are totally defensive. Also, we should seriously consider making our biological research program civilian in nature, if there is no offensive element to its purpose. Expert testimony also indicated that biological threats might be so inherently numerous, especially when genetically engineered, that any effective defense might simply prove to be futile. Simulants rather than virulent agents may be just as effective in defensive research. Therefore, one must ask, why are we taking the risks of doing defensive research with virulent agents? Finally, it was recommended that an oversight commission—provided that it have the necessary independence to avoid political and bureaucratic pressures—be established to assure that any and all research in this area be as safe and peaceful in intent as possible.

As a result of public concern and congressional interest as expressed in the unusual joint three subcommittee hearing, the Department of Defense subsequently decided to delay an upgrade of the biological testing facility at Dugway, UT. The subcommittee will monitor future plans at Dugway and other facilities to make certain that the arms control, safety, and public health concerns are adequately addressed in any biological research program. Our purpose is to preserve the official U.S. position that we do not possess or plan to possess or produce biological weapons.

The signing of the INF Treaty focused heightened congressional attention on the need to address current imbalances between NATO and the Warsaw Pact in the conventional military sphere.

This same point was made by Secretary of Defense Carlucci in his January 1988 report to Congress entitled "Support of NATO Policy in the 1990's" in which he underscored the necessity of addressing the most critical deficiencies in NATO's conventional force posture including areas related to reinforcement, Follow-on Force Attack [FOFA] and counter air missions.

Accordingly, the subcommittee scheduled to follow up to its July 1987 hearing with Gen. Bernard Rogers on the overall aspects of European security, new weapons technologies available to the United States and NATO, and the implications of the INF Treaty upon the application and deployment of these technologies in the future. That hearing was held jointly with the Commission on Security and Cooperation in Europe during the summer of 1988.

On behalf of the State Department, Ambassador Ridgway stressed continued U.S. commitment to asymmetrical reductions in NATO/Warsaw Pact military deployments from the Atlantic to the Urals while emphasizing that any conventional arms control regime remain autonomous from the Conference on Security and Cooperation in Europe.

While the policy objectives outlined by both Ambassador Ridgway and the Carlucci report seem reasonable, it remains to be seen how effective the new conventional stability talks [CST] will be in reaching those objectives. The Arms Control Subcommittee will continue its examination of the relationship between the CSCE and the CST. In other words, what will be the nature of the relationship between establishing a more equitable balance in conventional military forces and conventional armaments reductions with efforts to improve human rights. This effort will also include an examination of the viability of a long-term U.S. and NATO strategy that relies upon clear and conventional force modernization while at the same time calling for asymmetrical reductions in NATO/Warsaw Pact conventional military forces.

ARMS CONTROL AND DISARMAMENT AGENCY [ACDA]

As part of its jurisdiction over the Arms Control and Disarmament Agency [ACDA], the Subcommittee on Arms Control remains committed to developing a vibrant, independent, and effective arms control agency. This commitment was demonstrated during the 100th Congress in the enactment of a 2-year authorization bill for ACDA that enabled the agency to engage in a wide array of arms control activities including an external research program to examine existent and alternative verification techniques and technologies that could be used to enhance compliance with arms control agreements.

Despite these commitments, however, ACDA has been hampered to a certain extent in recent years from carrying out its important arms control missions due to the development of lax security procedures within the agency. Recognizing the need to restore stringent security procedures in ACDA, the subcommittee authorized the establishment of an independent Inspector General at ACDA and initiated appropriate General Accounting Office investigations into ACDA security programs, practices, and procedures. In addition the subcommittee instructed the Department of State inspector general, who now also serves as ACDA's inspector general, to conduct a survey of ACDA security programs, practices and procedures.

These investigations identified a number of security problems which, if seriously addressed by ACDA, would restore proper security practices to the high levels necessary for this small but important agency to fulfill its arms control mandate. Under the subcommittee's direction, the new Director at ACDA, Gen. William F. Burns, has already initiated a variety of reform measures to rectify the security problems that he inherited.

In the future, the subcommittee will continue its efforts to maintain the independent integrity of ACDA as the primary agency of the U.S. Government in arms control policy formulation and implementation. This can best be accomplished by the subcommittee providing ACDA with sufficient funding to meet its wide range of arms control responsibilities coupled with the Agency's restoration of the highest security standards. Taken together, these steps will enhance the likelihood of ACDA maintaining a strong and independent voice for arms control.

ONSITE INSPECTION AGENCY

The Onsite Inspection Agency [OSIA] was established by the INF Treaty and is tasked with implementing the verification provisions of the INF Treaty.

The experience of implementing the verification provisions of the INF Treaty will be an important guide for determining what verification provisions will be necessary in a future strategic arms reductions agreement. Logically, OSIA could become the likely agency responsible for implementing the vrification provisions of a future strategic arms reductions treaty as well as a nuclear testing treaty and a chemical weapons agreement.

The Foreign Affairs Committee and this subcommittee will take the lead in the House in overseeing OSIA in the 101st Congress. In legislation passed in 1988, the Congress required reports from the Director of ACDA, the Secretary of State, the Secretary of Defense, and the Director of the Central Intelligence Agency on their agencies' respective responsibilities for monitoring and verifying arms control agreements, as well as their OSIA-related responsibilities.

In particular, the reports are to describe each agency's responsibilities for: First, monitoring and verifying activities carried out with respect to the INF Treaty; second, evaluating the effectiveness with which these functions have been implemented; and third, recommending any future organizational or policy changes that may be necessary in view of the experience of implementing the INF Treaty.

The Congress also required that any authorization of appropriations for the Onsite Inspection Agency, shall be submitted as a separate activity so that the relevant committees of jurisdiction can exercise their oversight responsibilities.

The Arms Control and Disarmament Act established the Arms Control and Disarmament Agency which is within the jurisdiction of the Foreign Affairs Committee. The agency is charged with the formulation and implementation of United States arms control and disarmament policy in a manner which will promote the national security. As defined in the act, the terms "arms control" and "disarmament" mean the identification, verification, inspection, limitation, control, reduction, or elimination, of armed forces and armaments of all kinds under international agreement to establish an effective system of international controls * * *. The Activities described above are clearly within the realm of the Onsite Inspection Agency's arms control functions and as such are under the Foreign Affairs Committee's jurisdiction and its Subcommittee on Arms Control.

NUCLEAR RISK REDUCTION CENTERS AND CRISIS MANAGEMENT

Avoiding the outbreak of an accidental nuclear war and developing enhanced communication between the United States and the Soviet Union during times of crisis has become a growing arms control priority. As such, the Committee on Foreign Affairs has been interested in reducing the risks of nuclear war and for creating an institution dedicated solely to this end since 1980.

Since 1983, the Congress has voted on a number of occasions to support the establishment of Nuclear Risk Reduction Centers [NRRC's]. Congressional action and interest resulted in the administration negotiating an agreement with the Soviet Union to establish NRRC's on September 15, 1987.

The purpose of the NRRC's is to reduce the risk of a United States-Soviet conflict—primarily a nuclear conflict—arising from accidents, misinterpretation, or miscalculation. In addition, the NRRC's will exchange on a government-to-government basis, information and notifications of military activities required under existing and future arms control agreements. In this regard, the NRRC's are utilized by the Onsite Inspection Agency for INF Treaty verification purposes, that is, providing and receiving required updates of information and data exchanges, required notifications of inspections, and providing and receiving compliance-related information.

In the 101st Congress, the subcommittee will exercise its oversight of the NRRC's with a particular focus on whether or not the role of the NRRC's should be expanded to include establishment of joint United States and Soviet manned centers and whether or not the United States NRRC should have responsibility for coordinating U.S. nuclear risk reduction efforts.

WAR POWERS

The escalation of U.S. military activity in the Persian Gulf in 1987 and 1988 dominated the subcommittee's oversight of war powers. On May 17, 1987, the U.S.S. *Stark* was attacked in the Persian Gulf with the tragic loss of 37 American servicemen.

Two days after the *Stark* tragedy, the Committee on Foreign Affairs launched a series of six hearings to examine the situation in the Persian Gulf. Senior witnesses from the administration included Richard W. Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs; Edward P. Djerejian, Principal Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs; Secretary of Defense Caspar W. Weinberger; Adm. William J. Crowe, Jr., Chairman of the Joint Chiefs of Staff; and Michael H. Armacost, Under Secretary of State for Political Affairs.

These witnesses testified that the administration did not believe that anything had occurred in the Persian Gulf which would require application of sections 4(a)(1) and 5(b) of the War Powers Resolution. Those provisions require the President to report to the Congress 48 hours after the introduction of U.S. troops into hostilities or imminent involvement in hostilities. Congress then has 60 to 90 days to approve such a deployment or the deployment must cease. Some Members of Congress believed that those provisions of the War Powers Resolution were applicable with respect to the naval escort operation and U.S. military activities in the Persian Gulf and so testified at the hearings.

Legislation was introduced in the House of Representatives which would have invoked the provisions of the War Powers Resolution in response to U.S. military activity in the Persian Gulf. While these measures generated considerable discussion, none of them attracted the level of support which would be required to proceed to markup and floor consideration.

Despite the refusal of the administration to formally submit reports pursuant to section 4(a)(1) of the War Powers Resolution, the Speaker of the House of Representatives received war powers reports from the President in a timely fashion following various separate military incidents in the Persian Gulf which referenced the War Powers Resolution. Subsequently, the subcommittee published a revised edition—May 1988—of a compendium of relevant documents, correspondence and reports relating to the War Powers Resolution.

The August 1988 cease-fire in the Iran-Iraq war appeared to bring this chapter in the 15-year history of the War Powers Resolution to a close. The escalated deployment and military engagement of U.S. Armed Forces in the Persian Gulf from mid-1987 to mid-1988 clearly was reportable under section 4(a)(1) of the War Powers Resolution, a fact which the administration attempted to finesse with submission of war powers reports "consistent with" but not "pursuant to" that section of the law. It took several months before the administration started to take seriously its obligation to consult with the Congress as required by section 3 of the War Powers Resolution. The subcommttee maintained constant oversight of such reporting and consultation requirements.

The tensions which developed between the executive and legislative branches over the Persian Gulf deployment prompted the subcommittee to conduct a review of the War Powers Resolution. The subcommittee held two hearings in August and September 1988 to review the origins and applications of the War Powers Resolution.

These hearings reaffirmed my view that the War Powers Resolution is a living document fundamental to the conduct of U.S. foreign policy which cannot be dismissed, discounted, or denied. Its elegant simplicity restores the constitutional balance that was created between the President and Congress on questions of peace and war, and affirms our mutual partnership in such matters.

Under present circumstances, the need is not necessarily for Congress to amend the War Powers Resolution but rather for the executive branch to comply more fully with the spirit and letter of its provisions. I reach this conclusion fully recognizing that the President's noncompliance with the formal reporting requirement of section 4(a)(1) impaired the enforcement of the law. But in fact the President did submit reports following military incidents, did restrain the use of U.S. Armed Forces in the Persian Gulf in accordance with the general sentiment prevailing in the Congress, and eventually did consult with the Congress more fully and frequently than in the early stages of the Persian Gulf crisis. In short, the President's actions were significantly influenced by the War Powers Resolution.

Because I believe it is critical for us to restore and sustain a national security and foreign policy that has bipartisan support from Congress, I have proposed the establishment of a Leadership Consultative Group to serve as a structure for executive branch consultations with Congress on national security issues that impact on Congress' constitutionally granted foreign policy and national security obligations and rights. That remains an objective I plan to pursue in the next Congress and with the new administration.

ANTITERRORISM EFFORTS

The congressional investigations into the Iran-Contra affair in 1987 prompted two members of the subcommittee, Mr. BERMAN and Mr. HYDE, to review the antiterrorism provisions of various Federal laws. What they found were conflicting standards which could lead to legal misinterpretations in the making and conduct of U.S. antiterrorism policy. They also concluded that certain antiterrorism provisions could be strengthened.

On November 18, 1987, Mr. BERMAN, Mr. HYDE, Mr. HAMILTON, and I introduced H.R. 3651, the Antiterrorism and Arms Export Amendments Act of 1988. The purpose of H.R. 3651 was to amend the Arms Export Control Act, the Foreign Assistance Act of 1961, the Export Administration Act of 1979 and the Hostage Act of 1868 to achieve the following major objectives:

First, to clarify and strengthen the prohibition on the export of defense articles and services to countries which the Secretary of State has determined repeatedly provide support for acts of international terrorism, including the introduction of criminal and civil penalties for violations of the prohibitions;

Second, to establish uniform standards in these laws for the designation of a country as one whose government repeatedly provides support for acts of international terrorism and for the President's authority to waive statutory prohibitions or to rescind the Secretary of State's determination;

Third, to require validated licenses for the export of any good or technology which could significantly contribute to the military potential of a terrorist country or could enhance that country's ability to support international terrorism;

Fourth, to require quarterly reports from the executive branch listing all Presidential consents to transfers of defense articles and services—exceeding $1 million in value—to third countries and listing interagency transfers of defense articles and services which will be disposed of outside the United States, but excluding those used solely in connection with intelligence activities;

Fifth, to prohibit the taking of any action to release hostages under the Hostage Act of 1868 which otherwise would be prohibited by law; and

Sixth, to clearly distinguish between the authority to transfer defense articles and services to a terrorist country as part of an intelligence activity and the prohibition on overt exports of such articles and services.

H.R. 3651 represented a considerable effort to achieve the above-stated objectives during the 100th Congress. Over the course of 5 months, the subcommittee—together with the Subcommittees on International Operations and International Economic Policy and Trade—solicited views from the House Permanent Select Committee on Intelligence, from representatives from the State Department, Commerce Department, Defense Department, and the Central Intelligence Agency, and from representatives of the private sector. Numerous changes were agreed to as a solid bipartisan draft emerged from these discussions.

On March 17, 1988, the three subcommittees held a joint hearing on antiterrorism policy and arms export controls to consider H.R. 3651. Testimony was received from executive branch witnesses and the private sector. On April 19, 1988, the full committee met and approved an amendment in the nature of a substitute to H.R. 3651 offered by Mr. BERMAN and Mr. HYDE. H.R. 3651 unanimously passed the House of Representatives by voice vote on May 24, 1988.

On September 13, 1988, Senators KERRY, LAUTENBERG, and LUGAR introduced S. 2776 which was identical to H.R. 3651. The Senate Foreign Relations Committee held a hearing on S. 2776 on October 7, 1988, at which Mr. BERMAN and Mr. HYDE testified along with witnesses from the State Department, who supported the bill. On October 20, 1988, the House of Representatives unanimously approved the Antiterrorism and Arms Export Amendments Act of 1988 as part of larger legislation dealing with various foreign policy issues. Unfortunately, the Senate failed to complete action on this legislation in the 100th Congress even though the measure enjoyed wide bipartisan support in Congress and the support of the administration.

It is my hope that the 101st Congress will favorably act on this measure, thereby enhancing understanding and adherence to our antiterrorism efforts.

CONVENTIONAL ARMS SALES AND TECHNOLOGY TRANSFER ISSUES

A primary area of the subcommittee's jurisdicton remains the oversight of U.S. conventional weapons sales and technology transfers. During the 100th Congress, the subcommittee was confronted with a number of controversial military arms sales. These included proposals to: First, coproduce the M-1 main battle tank with Egypt; second, sell the AEGIS naval air defense system to Japan; third, sell F-18 C/D fighter aircraft to Kuwait; and fourth authorize the sale of three United States satellities to two foreign consortia for launch on board the People's Republic of China's long march launch vehicle.

In each of the major proposals listed above, the subcommittee engaged in extensive consultations with representatives from the administration. These consultatons involved staff and Member briefings, and in the cases of the AEGIS, F-18, and satellite sales, resulted in joint hearings by the Arms Control Subcommittee and other relevant subcommittees of the Committee on Foreign Affairs.

As for the AEGIS sale, the subcommittee received assurances from the administration regarding United States-Japanese discussions which resulted in a division of labor between the United States and Japan with respect to each nation's military role in defending the Northwestern Pacific. These discussions led to a Japanese decision within the limits of its constitution to defend its own territory, the sea and sky lanes around its territory, and the Northwest Pacific sealanes to a distance of 1,000 miles. In this regard, the sale of the AEGIS system augments Japan's abilities to respond, in conjunction with the United States, to the significant military capabilities of the Soviet Union in the Northwestern Pacific during a period of crisis or confrontation. In this manner, the AEGIS sale contributed to more balanced United States-Japanese military burdensharing and interoperability.

In the case of the F-18 C/D sale to Kuwait, while approving the sale, the subcommittee received Kuwaiti assurances with respect to basing, refueling, retransfer of aircraft and munitions, and security and accountability of these aircraft. In addition, the subcommittee negotiated a change from the original administration proposal that resulted in the transfer of less sophisticated air-to-ground missiles to Kuwait.

The case of the sale of three U.S. satellites to two foreign consortia for launch on board the People's Republic of China's long march launch vehicle raised serious subcommittee concerns over the administration's efforts to seek congressional approval for an agreement that had yet to be negotiated. Such an effort represented an unprecedented attempt to alter the reporting procedures for 30-day congressional review of commercial arms sales mandated by section 36(c) of the Arms Export Control Act.

These concerns were raised with representatives from the administration during both staff and Member level briefings and hearings. The administration pledged further consultations with the concerned subcommittees as each set of negotiations with the People's Republic of China were concluded. This consultative process permits continued congressional oversight of this proposal in the future, and underscores congressional interest in maintaining a viable U.S. commercial launch industry.

The subcommittee also continued its active oversight of other issues associated with technology transfers during the 100th Congress. In this regard, the subcommittee examined proposals to transfer United States plutonium to Japan and that of United States nuclear nonproliferation policies worldwide.

In addition, the subcommittee initiated an examination of the missile technology control regime [MTCR]—a new area of technology transfers policy with significant arms control and national security implications.

At present the MTCR is a technology control regime adopted in common between the United States and its major allies to prevent Third World access to those technologies that would provide them a ballistic missile production capability in excess of 300 kilometers in range and 500 kilograms in payload. To date, key shortcomings to the MTCR include: First, lack of Soviet or Chinese participation in the MTCR; second, the regime's limited scope in addressing only relevant technologies but not human abilities; and third, the lack of an effective enforcement mechanism within the MTCR.

In the upcoming Congress, the subcommittee will: Explore the possibilities of bringing more supplier states into the regime; examine the establishment of an international MTCR enforcement agency; review legislation aimed at enhancing and strengthening the MTCR's effectiveness; and consider those avenues that currently exist within the framework of the MTCR that could be used to strengthen the present nuclear nonproliferation regime and enhance the achievement of a treaty to ban all chemical weapons.

CONCLUSION

This report has demonstrated that the activities and achievements of the Subcommittee on Arms Control International Security, and Science during the 100th Congress were substantial. In a variety of areas, the subcommittee made a significant contribution to the advancement of bipartisan arms control and national security objectives. We were able to maintain the mandate of the American people for tangible progress in arms control and encourage the executive branch to do the same. This mandate clearly helped in forging a bipartisan, national consensus which led to the successful negotiation, ratification and implementation of the INF Treaty. The subcommittee's investigative efforts with respect to the counterproductive and wasteful binary chemical weapons program helped save the taxpayers millions of dollars and prevented a wrongheaded policy with respect to chemical weapons deployment to go forward.

Furthermore, the subcommittee's oversight hearings on the administration's efforts to unilaterally reinterpret the ABM Treaty led to congressional action which has refocused the SDI program toward measured, necessary strategic defense research and away from initiating a strategic defensive arms race that would have resulted in reduced U.S. security. The common sense approach of preserving past arms control successes like the ABM Treaty and the SALT agreements while seeking more comprehensive strategic arms control agreements has also been an important part of the subcommittee's approach to arms control issues. Finally, the subcommittee has been active in reshaping various aspects of conventional arms export policy so as to enable such exports to advance critical U.S. foreign policy interests abroad.

Continued success in addressing these many and important arms control and international security issues confronting the Committee on Foreign Affairs and its Subcommittee on Arms Control, International Security and Science will demand the active involvement of the new President and his advisors. On my part, I pledge to continue my efforts in support of a bipartisan arms control and national security policy that earns the support of our friends, commands the respect of our adversaries, and promotes the well-being and security of the American people.

LIST OF KEY ACTIVITIES AND PUBLICATIONS BY THE SUBCOMMITTEE ON ARMS CONTROL, INTERNATIONAL SECURITY AND SCIENCE DURING THE 100TH CONGRESS

Status of the Geneva Arms Control Talks, Remarks by Chairman Dante B. Fascell, Congressional Record, June 9, 1987, p. E2295; August 6, 1987, p. E3312; Oct. 21, 1987, p. E4088; March 3, 1988, p. E522; Oct. 6, 1988, p. E3282.

"The Reykjavik Talks: Promise or Peril," (Subcommittee report) (January 1987).

"Reaction to the Reykjavik Proposals" (January 1987 hearing).

"Review of the ABM Treaty Interpretation Dispute and SDI," (February 1987 hearing).

"Foreign Assistance Legislation for Fiscal Years 1988-89 (Part 2)," (March 1987).

"Soviet Compliance with Arms Control Agreements" (March 1987 hearing).

"Overview of the Situation in the Persian Gulf" (Joint hearing with Europe and the Middle East Subcommittee) (May and June 1987 hearings).

"Verifying Arms Control Agreements: The Soviet View" (Subcommittee report, May 1987).

"Arms Control and Disarmament Agency Authorization for Fiscal Years 1988-89" (June 1987 hearing).

"European Security, New Technologies, and a Possible INF Agreement" (Joint hearing with Europe and the Middle East Subcommittee) (July 1987 hearing).

"The Intermediate-Range Nuclear Forces (INF) Treaty and Its Implications for U.S. Arms Control Policy" (March 1988 hearings).

"Overview of U.S. Arms Control Policy" (July 1987 hearing).

"Biological Warfare Testing" (Subcommittee hearing May 1988).

"Seismic Verification of Nuclear Testing Treaties" (OTA report requested by subcommittee, May 1988).

"The War Powers Resolution: Relevant Documents, Correspondence, Report" (Subcomittee print, May 1988).

"U.S. Arms Control Policy: Nuclear Testing" (Subcommittee hearing, June 1988).

"Sale of the AEGIS Weapon System to Japan" (Joint hearing with Asia and Pacific Affairs) (June 1988).

"Proposed Arms Sales to Kuwait" (Joint with Europe and the Middle East) (July 1988).

"The War Powers Resolution: 15 Years of Experience" (Congressional Research Service report done at Subcommittee request, August 1988).

"War Powers: Origins and Purposes" (Subcommittee hearings, August and September 1988).

"Proposed sale and Launch of U.S. Satellites on Chinese (Joint hearing with Asia and Pacific Affairs" (September 1988).

TRIBUTE TO LEGAL COUNSEL FOR THE ELDERLY

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ROYBAL. Mr. Speaker, many older Americans are forced to fend for themselves when a legal problem arises—whether it involves litigation, understanding the technicalities of programs to serve them, or just planning their personal affairs.

Fortunately, there are legal services programs to assist elderly persons, primarily under the direction of the Legal Services Corporation and the Older Americans Act. One excellent example is the American Association of Retired Persons' Legal Counsel for the Elderly Program, which was first formed in 1975.

Legal Counsel for the Elderly has already helped more than 100,000 senior citizens on a wide range of issues, including Social Security, Supplemental Security Income, landlord-tenant disputes, guardianships, and many others. The program is widely respected not only in the Washington, DC area, but also nationwide.

Legal Counsel for the Elderly has been in the forefront in developing innovative concepts. The volunteer lawyers program has deceived wide acclaim in the Nation's Capital. This activity has delivered competent and highly professional legal services to older persons with limited means. The volunteer program has also made excellent use of retired or semiretired attorneys who have found this service to be especially rewarding.

The "legal services hot line" is a relatively new concept, which provides a quick and efficient means to respond to less complex legal questions for senior citizens. It has enabled legal services attorneys to focus more attention on time consuming and complex legal issues.

Recently, Legal Counsel for the Elderly won a precedent-setting case in having a receiver appointed for an unlicensed boarding house to provide better care for older persons who were former mental patients. Also, the Washington Post carried two articles describing some of the extraordinary work by Legal Counsel for the Elderly. Mr. Speaker, through these recent events and my remarks today, it is my hope that my colleagues will take special notice of the excellent services that Legal Counsel for the Elderly provides for Older Americans.

A CONGRESSIONAL SALUTE TO GATX CORP. AND GATX TERMINALS CORP.

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to GATX Corp. and GATX Terminals Corp. which will be honored by the Harbor Association of Industry and Commerce's 10th Annual "Salute to Industry" Award Banquet to be held in Long Beach, CA, on November 18, 1988. This occasion gives me the opportunity to recognize this corporation for its outstanding service and significant economic contribution to the South Bay Area.

The GATX Corp., headquartered in Chicago, was started in the Chicago stockyards in 1898 by Max Epstein. The company was started from $1,000 Max had earned as a commission for selling 20 refrigerator railcars and a mortgage on an additional 28 refrigerator cars. It has since grown into a major NYSE company with 1987 gross income of $574 million. Originally named The Atlantic Seaboard Despatch, the company name was changed to the German American Car Co. in 1902, the General American Tank Car Co. in 1916, and General American Transportation Corp. in 1933. In 1975, the name GATX Corp. was adopted, with the "X" being derived from the designation made by railroad companies for privately owned cars.

A number of subsidiary companies of the multimillion-dollar GATX Corp. have been established. These include; the General American Transportation Corp., the leading lessor of railroad tank cars; GATX Financial Services, a major lessor of commercial jet aircraft, rail equipment, and marine equipment; the American Steamship Co., operating the largest and most modern fleet of self-unloading vessels on the Great Lakes; and the GATX Terminals Corp., also headquartered in Chicago.

The GATX Terminals Corp., a major economic force in Southern California, operates the largest network of bulk liquid storage terminals in North America via 14 domestic terminals and 9 international terminals. In the Los Angeles area alone, GATX Terminals employs 150 personnel in operations in three marine terminals located in the Port of Los Angeles, a major terminal located in the city of Carson, and in my district, a regional office located in Long Beach.

In the Port of Los Angeles' fiscal year 1987, GATX Terminals moved an estimated 47.8 million barrels of throughput across the wharfs and paid the port an estimated $3.7 million in land leases and wharfage payments. Needless to say, GATX Terminals is a close friend and good customer of the Port. In addition, GATX Terminals has an annual payroll of $3.8 million in the Los Angeles area, and pays an estimated $700,000 in annual taxes to the city of Los angeles.

The numerous contributions that GATX Terminals Corp. has made to the country in general and the South Bay Area in particular could not have been possible were it not for the effective direction of corporate President Robert E. Claypoole. His outstanding leadership capabilities are rooted in an impressive education, including both a Bachelors and Master's Degree from Cornell University as well as two and a half decades of dedicated service to the GATX Terminals Corp. In recognition of his outstanding commitment he was promoted to president in 1980. In addition to his dedication to GATX, Bob and his wife, Nancy, are also the proud parents of six children, Patricia, Catherine, Kimberly, Christine, Robert, and Michael. The phenomenal reputation of Robert Claypoole as president is characteristic of the corporation which he represents.

In Long Beach, the western regional office of GATX Terminals has been under the guidance of Mr. David E. Wright, who became vice president in 1986. Born March 2, 1945 in Cheyenne Wyoming, he graduated from the University of Wyoming with a B.S. in Electrical Engineering in 1967, and received his master's in business management from the same institution in 1969. Prior to receiving his job at the western regional office of GATX Terminals, Wright spent almost two decades at various posts within the petroleum industry, including two previous management positions with GATX Terminals in Carson, CA. The strong leadership skills displayed by Mr. Wright are undoubtedly a major contributor to the success of the corporation.

Mr. Speaker, GATX Terminals Corp. boasts of a "business objective to provide responsive, cost effective, error-free, quality service to its customers. Its employees will work with its clients and each other to establish mutually accepted external and internal operating standards and will not only meet them, but consistently improve upon them." As the Representative of a major area of operation for this corporation, I can attest to the accomplishment of this objective.

My wife, Lee, joins me in extending our congratulations to GATX Terminals Corp. for being honored at the Harbor Association of Industry and Commerce's 10th Annual "Salute to Industry" Award Banquet. It is a congratulations long over due. We wish the entire corporation, the corporate president, Mr. Robert Claypoole, the western regional vice president, Mr. David Wright, their families and the employees of this fine company our very best wishes in the years to come.

AT THE UNITED NATIONS, REFORM HAS A LONG WAY TO GO

HON. PATRICK L. SWINDALL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SWINDALL. Mr. Speaker, the United Nations continues to waste millions of American taxpayer dollars. Many believe the United Nations has sufficiently reformed itself to merit full U.S. funding. However, the widely respected Heritage Foundation has recently pointed out how this reform effort has a long way to go. Therefore, the need to maintain the pressure of U.S. withholdings is as important as ever. The Backgrounder appears below:

AT THE UNITED NATIONS, REFORM HAS A LONG WAY TO GO

INTRODUCTION

The United Nations has been earning public relations dividends from its high visibility role in recent attempts to negotiate agreements among belligerent states. Some say, for example, that the U.N. finally has become what its founders envisioned in 1945. The biggest dividend has been the September 13 announcement by Ronald Reagan that the United States will resume full funding of the U.N. This decision reflects the Reagan Administration's conclusion that the U.N. has begun to reform, as demanded by the U.S. Congress. While this is true, the reform has only begun. As such, the Congress should continue to demand that the U.N. continue its reform to earn full U.S. financial backing, using the leverage of withholding funding until U.N. performance matches U.N. promise.

This year, the U.S tab for the U.N. system will exceed $800 million—about one-quarter of the total U.N. system budget. Of this, $144 million will be given as part of the mandatory assessed U.S. contribution to the U.S. regular budget, most of which funds the Secretariat and General Assembly. The remainder of the U.S. contribution to the U.N. system, over $650 million, pays for "humanitarian" U.N. agencies, largely in the form of voluntary contributions. The general feeling in the U.S. remains one of cautious optimism as reflected in the actions of the Congress, which continues to demand that the U.N. become less of a "dangerous place" to U.S. interests.

Three Areas of Reform.

Congressional concerns about the U.N. are forcefully expressed in the Foreign Relations Authorization Act for Fiscal Year 1988 and 1989. The Act requires that the U.N. make progress in three specific areas of reform before the full appropriated amount of the U.S.'s assessed contribution to the U.N. can be paid.

The first U.N. reform sought by Congress is a 15 percent cut in U.N. Secretariat personnel. U.N. Secretary-General Javier Perez de Cuellar has submitted plans to eliminate 1,465 staff positions by December 31, 1989. This reduction from the current level of 11,422 is approximately 12.8 percent. In his proposed budget outline for the biennium 1990-1991, the Secretary-General incorporates these staff cuts with an estimated $177.5 million reduction in that budget.

Fixed-term Soviet staffers

The second reform sought by Congress is that no more than half of U.N. Secretariat staffers from any one country be on fixed-term contracts, revocable at any time by the home government. This reform is crucial to ensuring compliance with Articles 100 and 101 of the U.N. Charter, which stipulate that U.N. staff should be "exclusively international" and "shall not seek or receive instructions from any government or from any authority external to the Organization." This can be achieved by having Secretariat employees hired as careerists for indefinite, rather than fixed terms. Although other countries practice "secondment" of their nationals working for the U.N., almost all of the Soviet and Soviet-bloc nationals at the U.N. work on a temporary basis—or, as it is called, "seconded"—under fixed-term contracts, making them responsive to Moscow, not to the U.N. So far, the U.N. has made little progress in cutting the number of "seconded" staffers. In a hearing on September 23, 1988, before the House Foreign Affairs Committee Subcommittee on Human Rights and International Organizations and Subcommittee on International Operations, Assistant Secretary of State for International Organization Affairs Richard S. Williamson testified that the Soviets were "planning" to allow between three and six of its 184 nationals employed in the Secretariat to accept permanent contracts with the U.N.

The third reform sought by Congress is that a consensus based decision-making process for adoption of the U.N. budget "be implemented and its results respected by the General Assembly." By this provision, Congress intends to make the U.N. more responsive to its major contributors, since consensus decision-making effectively would give the U.S. a veto. Under the present system, the U.S. contributes around one-quarter of the U.N. regular budget, but has no more say on how that money is spent than a country that contributes the minimum .01 percent of the U.N. regular budget. This lack of accountability has contributed largely to the profligate waste for which the U.N. has become famous.[1]

THE U.N. RESPONSE

The General Assembly passed a resolution in December 1986 which changed the budget approval process and calls for consensus decision-making, but only at the recommendation stage of the budgeting cycle. Under this new budget approval process, the Secretary-General provides the Committee for Program and Coordination (CPC) with a preliminary budget outline during the non-budget year of the U.N.'s biennial budget cycle. The CPC then is asked to make a consensus recommendation to the General Assembly on the outline. This is not required, however, merely encouraged. The General Assembly in turn provides the Secretary-General with binding recommendations on the preparation of the final budget. The Secretary-General prepares the final budget, which, after review by the CPC, is sent to the General Assembly for final adoption. The problem is that consensus is only recommended, and only within the CPC. The General Assembly can do as it sees fit before adopting the final budget. In effect, the U.S. voice in U.N. budget-making is no stronger than it has been.

Scratching the surface

U.N. movement in the three areas of concern identified by Congress is modestly encouraging. Much, however, remains to be done. Talk that the U.N. finally has turned the corner is premature. These developments merely scratch the surface of the serious problems of the U.N. from a U.S. perspective.

The 15 percent reduction in the Secretariat staff has not yet been achieved. The 12.8 percent reduction proposed by Secretary General Perez de Cuellar is the first step toward this end, but this must be incorporated in the 1990-1991 budget which will not be adopted until the end of the 44th General Assembly in 1989. The possibility always remains that the General Assembly will alter the Secretary-General's budget outline.

The Soviet Union still has 100 percent of its nationals employed at the U.N. Secretariat on fixed-term contracts. Even with the small number which Moscow promises to allow to accept permanent contracts, that will leave, at best, 97 percent of the Soviets at the U.N. on fixed-term contracts. There is no indication that the Soviets or their Eastern bloc allies have any intention of continuing these reductions down to the 50 percent limitation any time soon.

General Assembly control

Even the weak consensus decision-making procedure on the budget has not been tested yet. The CPC reached a consensus on the Secretary-General's preliminary budget outline for the 1990-1991 biennium this September 19. The General Assembly, which in the reform resolution (41/213) is still granted total control over the final budget with no pretense of consensus, has not approved this outline. In addition, the General Assembly, as typically has happened, can add on to the final budget. It can do this as late as the second year of a budget cycle.

Since the fulfillment of even these reforms remains in jeopardy, the U.S. must remain vigilant and insist that the U.N. follow through on its minimal, though not negligible, beginnings of reform. Should the General Assembly refuse to adopt an acceptable budget or the Soviet Union stall the progress toward a 50 percent limitation on secondment, then the U.S. will have no other choice but to resume its policy of withholding part of its annual assessed contribution to the U.N. However, if these efforts are successful, the reform movement cannot be abandoned. Instead, the success should serve as a catalyst for continued improvement, perhaps ultimately resulting in an organization capable of achieving the goals embodied in the U.N. Charter.

INCREASING THE U.N.'S EFFICIENCY

In addition to those reforms addressed by Congress which are just getting underway, the U.S. should pursue more managerial changes to improve the efficiency of the U.N. In one promising development, the Secretary General has proposed a contingency fund equaling 0.75 percent of the total U.N. administrative budget. This contingency fund, long sought by the U.S., is designed to limit add-ons to the regular budget. However, as it exists now, this fund contains a loophole. It would not cover expenditures "arising from the impact of extraordinary expenses as well as fluctuations in rates of exchange and inflation." One example could be unforeseen peacekeeping costs. But "extraordinary expense" is ambiguously defined and conceivably may encompass anything the General Assembly wishes. The U.S. must follow through on this initiative and close this loophole. A separate peacekeeping contingency fund would be a simple way of providing for necessary peacekeeping start-up costs.

In addition to this, the State Department's Bureau for International Organization Affairs (IO) should begin a comprehensive series of audits of the U.N. and its specialized agencies. The U.S. Office of Management and Budget (OMB) can provide technical support to IO. Surprisingly, this kind of scrutiny almost never is applied when determining the level of funding for U.N. activities. In additon to conducting audits to determine managerial efficiency, IO should also perform cost-benefit analyses to determine if the results of particular programs are worth the amount of money being spent. Ideally, the U.N. Secretariat would perform these tasks, but it is unlikely that the U.N. will undertake rigorous monitoring of its own performance.

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[1] See, for example, Thomas E.L. Dewey, "The Charade of United Nations Reform," Heritage Foundation *Backgrounder* No. 624, December 31, 1987.

Enormous Redundancy

One thing that would become obvious through this kind of analysis is the enormous redundancy and overlap of responsibilities throughout the U.N. system. Example: About half a dozen U.N. offices and agencies, ranging from the economic and Social Council to the Food and Agriculture Organization, are working on schemes to regulate multinational corporations.

A number of other U.N. organizations, meanwhile, dabble in development issues even though they were created for other specifically defined purposes. The World Intellectual Property Organization (WIPO) is an example of this. Created to promote the international protection of patents and copyrights, WIPO frequently tries to undermine patents in the name of promoting development in the Third World, by giving national governments of developing countries the right to essentially eliminate existing patent protection for multinational corporations under certain circumstances.

By simply insisting that every program or agency be restricted to the tasks for which it was created, the U.N. could eliminate much of the existing overlap. With the elimination of superfluous organizations, this would reduce the cost of operations and could improve the efficiency of the entire system by allowing each agency or program to focus on a single issue for which it alone is responsible and has demonstrated expertise.

HOW THE U.N. FLOUTS ITS CHARTER

Management and budget are not the only U.N. areas needing reform. The U.S. must forcefully push the U.N. toward strict adherence to the Charter and to the broader liberal democratic ideals upon which the Charter is based.

There has been a tendency for the U.N., and particularly the General Assembly, to ignore major provisions of its own charter and rules of procedure.

Supporting Terrorists

Typical of this is U.N. support for so-called national liberation movements. The very notion of endorsing and providing aid to promote armed struggle against a U.N.-member country is in direct violation of the U.N. Charter. Article 1 of the Charter states that it shall "take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means . . . adjustment or settlement of international disputes or situations. . . ." The U.N.'s funding of the South West African People's Organization (SWAPO), Palestine Liberation Organization (PLO), and the African National Congress (ANC), all of which engage in aggressive, violent tactics and reject peaceful methods for solving disputes, is clearly illegal under the terms of the Charter.

SWAPO, a Marxist guerrilla group that claims to represent the people of South West Africa, otherwise known as Namibia, has received U.N., funds since 1975 and will receive $3.8 million in grants for 1988 and 1989. SWAPO enjoys official observer status at the U.N. and maintains an official mission in New York at a cost of $420,000 per year out of the U.N. regular budget. The U.N. has also supported the ANC, a Soviet-backed terrorist organization, with its recognition and financial assistance since 1976. It too has observer status at most U.N. agencies and is given around $170,000 per year for its offices in New York.

Education for Terrorists

In addition to direct grants, a plethora of U.N. programs provide assistance to these "national liberation movements." The United Nations Development Program (UNDP) funds farm projects for SWAPO in Angola and Tanzania and for the ANC in Tanzania. Through the United Nations Educational, Scientific and Cultural organization (UNESCO), UNDP will spend over $1 million "in favour of ANC" and over $2 million in favour of SWAPO" for "educational projects" in 1987-1991. Total expenditure by UNESCO in collaboration with UNDP for "educational projects" benefitting "national liberation movements" for this period will come to $7,034,000.

The United Nations High Commissioner for Refugees (UNHCR) provides substantial assistance to both SWAPO and the ANC. For 1987-1988, for example, SWAPO will receive $2,012,000 for agriculture equipment for its Viana Reception Centre in Angola. UNHCR funds for the ANC's Malange farm project in Angola, Dakawa Centre and Bagamoyo farm in Tanzania will total $1,214,000 for 1987-1988. It also is providing $360,955 for an ANC farm near Lusaka and SWAPO's Nyango farm in Zambia.

Another terrorist group, the PLO, has had permanent observer status at the U.N. since 1974. In its 1980 political platform, the PLO declared its goals to be "the liberation of Palestine, a full and complete liberation: the annihilation of the Zionist entity in all of its economic, political, military and cultural manifestations . . . and the establishment of an independent democratic Palestine which would rule the entire land of Palestine." The U.S. Congress has identified the PLO as a terrorist organization and ordered the closure of the PLO information Office in Washington, DC., in the Anti-Terrorism Act of 1987.

At about the same time as the PLO obtained observer status, General Assembly Resolution 3236 (XXIX) was adopted instructing the Secretariat to promote the PLO goals adopted by the General Assembly. Not only is the Charter violated on the grounds that the U.N. has bestowed legitimacy on a group that seeks the destruction of another member state, Israel, it also violates the requirement for maintaining an "exclusively international" Secretariat staff. The PLO is not a nation, yet it has the privilege of full membership status in the U.N. Economic and Social Council's (ECOSOC) Commission for Western Asia. It has even chaired the Commission in the past. While there are no specific line item expenditures budgeted directly to the PLO, its agenda is supported through a host of U.N. programs and committees.

The most important benefit that SWAPO, the ANC, and the PLO get from the U.N. is not however, financial assistance, but the aura of international legitimacy. This legitimacy works not only to enhance various terrorist organizations, but also to undermine any serious international effort to eradicate terrorism.

Excluding South Africa

The most flagrant case of the U.N. violating its own Charter is the illegal exclusion of the Republic of South Africa from the General Assembly. As a U.N. member, South Africa is entitled to participate in the General Assembly according to Article 9 of the U.N. Charter on which the universality provision is based. In article 5, the Security Council is given sole authority for initiating suspension from the exercise of the rights and privileges of membership. Article 2 states that "nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter." These important safeguards were—and continue to be—disregarded by the General Assembly.

The first attempt to exclude South Africa came in 1970 in a Somali initiative to challenge the credentials of the South African delegation based on claims of the illegitimacy of their government. The Credentials Committee, which reviews all delegates' credentials for each General Assembly session, rejected this challenged.

General Assembly Violation

In plenary, the General Assembly then amended the Credentials Committee's report to delete the acceptance of the South African delegation, despite a ruling by the U.N.'s own Legal Counsel stating that such a move would be a clear violation of the Charter. Only the intervention of the President of the General Assembly, Norway's Edvard Hambro, prevented the illegal exclusion of South Africa from General Assembly deliberations. Hambro ruled that the General Assembly's resolution could not prevent South Africa from exercising its full rights and privileges as a member of the U.N.

The "Hambro ruling" guided the actions of future General Assembly Presidents in this matter until 1974, when Abdelaziz Bouteflika of Algeria sat in the President's seat. A radical Third World leader, he ignored precedent and allowed South Africa to be denied participation in the work of the General Assembly. All subsequent attempts on the part of South Africa to regain its rights have failed.

Regardless of the member states' positions concerning South Africa's domestic policy of apartheid, the U.N. should never, even for the most moral" reasons, abandon its Charter. The objections of the Netherlands, Canada, Great Britain, West Germany, the U.S., and many others shocked by its dangerous precedent have been forthright, but unsuccessful. However, many members still fail to appreciate adherence to the Charter as one of the major factors bearing on the U.N.'s legitimacy.

Undercutting the Security Council

The primacy of the Security Council is one of the main tenents of the U.N. Charter. Despite this, the General Assembly often encroaches on the authority of the Security Council, as it did in the South African case.

It also does so by routinely ignoring Article 12 of the Charter. This states that "While the Security Council is exercising in respect of any dispute or situation the functions assigned to it in the present Charter, the General Assembly shall not make any recommendation with regard to that dispute or situation unless the Security Council so requests." In other words, the General Assembly may not pass any resolution on a subject being considered by the Security Council, unless the Security Council seeks the General Assembly's advice.

An example of the General Assembly's violation of Article 12 was its creation of the Council for Namibia in 1967 at a time when the South West Africa/Namibia situation was on the agenda of the Security Council. In fact, the General Assembly illegally assumed responsibility for Namibia and turned over its administration to the Council for Namibia. Udner the Charter, the Council for Namibia should not exist and, as such, has no authority to administer the trusteeship of Namibia.

Human Rights Double Standard

In addition to insisting on strict adherence to the letter of the Charter, the U.S. also should press for the revival of the liberal democratic principles upon which the U.N. was founded. One of the fundamental ideals embodied in the Charter is the "universal respect for, and observance of, human rights and fundamental freedoms for all. . . ." Failure by the U.N. to apply consistant and equal standards for determining human rights abuses is a serious problem which destroys its credibility as a promoter of individual liberties.

For most of its existence, the U.N. has refused to expose, or even mention the possibility of, major human rights violations in the Soviet bloc. Recently, the U.N. Human Rights Commission finally agreed to conduct an investigation of the human rights situation in Cuba. It took the Reagan Administration two years to get the Commission to look into alleged human rights violations in Cuba.

Yet, even as the Human Rights Commission was investigating Cuba, an accredited journalist at the U.N. in Geneva, Eliana Bocca, requested "technical support" from the U.N. Department of Information to do a TV program on the Commission's activities in Cuba. The response by Director of Information Therese Gastaut typifies the refusal of the U.N. system to probe human rights abuses to communist countries. She said, "It is not possible . . . because those Cubans [the ones Ms. Bocca would be interviewing] will be speaking against Castro."

Combating Free Enterprise

The U.N. has a similar bias in its prescriptions for improving the economic well being of less developed countries. A free enterprise approach to economic development seems to be equated reflexively with "colonialism" and some unproven "dependency theory"—namely that "rich" countries can only be rich because "poor" countries are poor and are kept that way. Centralized statist approaches, despite increasing evidence of the bankruptcy of these models, by contrast, continue to be the preferred method utilized by U.N. development schemes.

Through excessive international regulatory efforts, collectivist agricultural policies, and an emphasis on resource distribution rather than growth, the U.N. has failed to promote "higher standards of living, full employment, and conditions of economic and social progress and development," a duty given the U.N. by Article 55 of the Charter. Despite this, U.N. agencies continue to rely on nonmarket approaches to development that almost always drive developing nations deeper into poverty.

From Labor to Infant Formula

The list of restrictive regulatory measures crafted by the U.N. is lengthy. They include: the Multinational Corporation Code, Restrictive Business Practices Code, Tripartite Declaration on Labor, Convention on Termination of Employment, Tripartite Declaration of Principles Concerning Multinational Enteprises and Social Policy, Infant Formula Code, Essential Drug Program, Pharmaceutical Code, Transfer of Technology Code, and the New World Information Order.

These schemes emanate from almost every agency associated with the U.N., but especially those associated with the General Assembly and the Economic and Social Council (ECOSOC). Such agencies include: U.N. Conference on Trade and Development (UNCTAD), U.N. Development Program (UNDP), U.N. Environment Program (UNEP), U.N. Institute for Training and Research (UNITAR), Law of the Sea Preparatory Committee (LOS PrepCom), Committees on Science and Technology for Development, and the Centre on Transnational Corporations (CTC).

Despite some improvement in recent years, the August 12, 1988 update of UNDP activities still shows substantial reliance on government administration of development projects. For example, Nigeria will receive $1,249,820 from UNDP for "improving its capacity for agricultural planning." UNDP will also support the Vietnamese government's "effort to . . . create improved fertilizer handling and distribution system" with $1.4 million and will provide another $1.4 for fertilizer. The disastrous results of Vietnamese agricultural policies are well documented.

The U.N. Conference on Trade and Development (UNCTAD) is another agency that consistently promotes nonmarket and antimarket "solutions" to problems in the developing world. UNCTAD continues to call for: increased regulation of business practices, transfer to technology, and multinational corporations; international taxation schemes; commodity price regulations; and expanded tariff preferences for developing countries.

The developing countries within UNCTAD, which constitute a majority bloc, blame their poor enconomic performance on external barriers to increased trade and development in their countries. Rather than looking to the growing number of development success stories, like the newly industrialized countries of South East Asia, they insist on clinging to failed Marxist policies.

TOWARD SERIOUS REFORM

Until the U.N. begins to respect the letter and principle of its Charter, it can not be said that it has been reformed in any meaningful sense. Serious reform will only be achieved when the U.N.:

Expels and condemns all terrorist organizations posing as legitimate representatives of their people and begins to address the threat posed by terrorism.

Restores the primacy of the Security Council. First, it must adhere to Article 12 of the Charter which prohibits the General Assembly from making recommendations on issues being discussed by the Security Council. Second, it must restore Articles 5 and 6 regarding the Security Council's authority over questions of participation in the General Assembly.

Applies an unbiased standard in determining human rights violations.

Recognizes that the existence of civil liberties is a necessary, albeit insufficient, precondition for achieving all of the lofty goals emobodied in the U.N. Charter.

Utilizes a free-enterprise, market approach to development in order to fulfill the mandate for promoting higher standards of living, full employment, and conditions of economic and social progress. The failed socialist policies of the past are no longer justifiable in light of the increasing evidence of success demonstrated by free market economics.

CONCLUSION

The United Nations' early steps toward reform, taken in response to U.S. financial pressure, are encouraging, but they are not enough. There remains a long way to go. Still to be achieved are additional reductions in the Secretariat staff and in the numbers of Soviet and East bloc nationals "seconded" to the U.N. The consensus decision-making procedure for the budget has yet to be tested and could be scuttled by the General Assembly. And sweeping managerial changes are needed to improve U.N. efficiency and eliminate wasteful and redundant programs. The next Congress and Administration, therefore, must be willing to use financial leverage and should not hesitate to withhold a portion of the U.S. assessed contribution to ensure that serious reform continues.

In those programs supported through voluntary contributions, the U.S., as the major voluntary donor to the U.N., has the capacity to insure that such programs are run in compliance with the spirit of the Charter. The U.S. should be prepared to use this leverage when an agency or program is operating otherwise.

The next Congress and Administration should press for still more reforms that will make the U.N. less dangerous to U.S. interests. Such reforms include ending the human rights double standard, promoting free market incentives and reducing state controls to stimulate economic development, and eliminating all funding for so-called national liberation movements.

Finally, the U.S. must insist constantly and unwaveringly that the U.N., especially the General Assembly, abide by its Charter and rules of procedure. If it refuses, the U.S. should used whatever means necessary, including refusing to participate in General Assembly sessions and withholding the U.S. portion of the cost of conducting the General Assembly, to see that it does.

THE ALCOHOL WARNING LABEL ACT OF 1988

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. CONYERS. Mr. Speaker, as the House sponsor of the Alcohol Warning Label Act of 1988, I want to take this opportunity to discuss the intent of this bill, so that the courts will have clear guidance in construing the legislation as the authors specifically intended.

The Alcohol Warning Label Act of 1988 requires alcoholic beverage containers to carry a warning label addressing two health hazards—drinking during pregnancy and driving under the influence of alcohol—and pointing out that alcohol consumption can have other harmful effects as well. The act also precludes States from imposing labelling requirements in addition to those required by this Federal law. This provision, which is typically referred to as a preemption clause, was included in the act for purposes of establishing a floor for safe conduct; it should not be construed by State or Federal courts as a ceiling for or a limit on safe conduct in the absence of a clear statement of congressional intent. Most importantly, it should not be seen as reflecting any intent to prevent the States from compensating alcohol victims and encouraging the manufacturers to adopt more adequate warnings through traditional product liability litigation and remedies.

Tort remedies to compensate for personal injuries are traditionally and properly considered to be the province of State regulation. Thus, Federal law does not supersede the historic police powers of the States unless this is clearly the intent of Congress. In other words, the courts should not trample on the police powers of the States unless Congress explicitly states that a given State action is expressly preempted, compliance with both Federal and State law would be impossible, or State law stands as an obstacle to accomplishing Congress' purposes. (See, *Ferebee* v. *Chevron Chemical Co.* 736 F.2d 1529 (D.C. Cir., 1984)).

None of those three requirements exist under this act. First, this act contains no provision that precludes State damages actions; it merely prevents States from directly ordering changes in alcohol warning labels. Clearly, State courts can allow plaintiffs to be compensated for personal injuries that result from a failure to provide consumers with an adequate warning as to the hazards of alcohol consumption.

Second, compliance with both Federal and State law under this act is not unduly burdensome. Alcohol producers can either follow the label required under this act and at the same time pay damages to successful tort plaintiffs, or the producers can petition for more comprehensive alcohol warning labels. In either case, alcohol producers are not subjected to State and Federal requirements that cannot be reconciled.

Third, State tort damages actions would not hinder the accomplishment of Congress' purposes. The act is a regulatory law aimed at warning citizens about the hazards of alcohol use, not a blanket immunization against personal injury suits. Thus, courts should continue to permit personal injury suits based on failure to warn theories; whether or not the warnings contained in this act provide an adequate warning for a given risk should be left as a question of fact to be resolved by the trier of fact. Because none of these three conditions is met, courts should not dismiss suits brought under State tort law simply because the requirements of the act are met.

Courts should interpret this statute as one which establishes minimum regulatory objectives in the area of alcohol warning labels. A State court may rule that this act's label is inadequate under State law, even though the labels meet Federal requirements, if the trier of fact decides that the label fails to warn against the foreseeable, significant risk. It need not be assumed that the company can be held liable for failure to warn only if the State could have required a company to alter its warning.

In addition, while the act does not allow States directly to impose additional labeling requirements, the act clearly allows States to impose more stringent constraints on the use of alcohol. A State can control the use of alcohol for compensatory reasons by holding alcohol producers liable for injuries that could have been prevented by a more adequate label.

Thus this section does not preempt State or local laws regulating alcoholic beverages through means other than warnings on beverage container labels and packages. Nor does it affect the liability at common law or State statutory law of manufacturers, distributors, or sellers of alcoholic beverages to any other person for any health effects associated with alcohol consumption.

While the warnings required in this act represent a beginning, they are not adequate to convey sufficient information about the health risks they list, much less those not mentioned. Clearly, warning labels cannot be considered adequate for health hazards that they do not specify. To hold that the act provides otherwise would be to subvert the intent of Congress and to defeat the purpose or warning labels.

In conclusion, the preemption provision of this bill does not preempt any State tort or common law remedies for personal injury or property damage based on a failure to warn theory, or any other theory cognizable under State law. Furthermore, the bill does not prevent manufacturers, distributors, or sellers of alcoholic beverages from voluntarily using more stringent warnings in their labeling for whatever reason, including their concern for consumers' welfare or their desire to satisfy State tort or common law standards. In these two respects, this bill should be construed to impose only Federal minimum standards of alcoholic beverage container labeling with respect to health concerns.

NATIONAL DAY OF EXCELLENCE IN HONOR OF THE CREW OF THE SPACE SHUTTLE CHALLENGER

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. KOLBE. Mr. Speaker, January 28, 1989, will provide this country the opportunity to appropriately recall the sacrifice of the crew of the space shuttle *Challenger* and to honor the dedication and commitment to the pursuit of excellence exemplified by those seven American heroes.

House Joint Resolution 477, proclaims January 28 a "National Day of Excellence" in honor of the *Challenger* crew who gave their lives while striving for an excellence of technology, of goal, and of personal achievement.

It should, most emphatically, not be a holiday. On the contrary, it should be a day when Americans rededicate themselves to the simple, but sometimes forgotten, pursuit of excellence, performing their work with the greatest pride and success that is possible. In lieu of a passive or static event, this tribute will provide an opportunity for all of us to participate, and to be made better by virtue of our participation. It is to be a time to focus our attention on the rewards and, yes, the risks of extending our reach beyond the familiar and mediocre toward new knowledge, toward new insights, and toward a final embrace of the ideal of excellence pursued so fervently by the crew of the *Challenger*.

It is to be a day when the best cars roll off the assembly line, when educators teach their best lessons, and when the best national ideals are born; a time set aside to excel in each of our endeavors. Each year we should see product labels marked "Manufactured January 28" and know, this is America's finest.

The vision of a National Day of Excellence was first proposed by Ed McDonald, a Tucson schoolteacher of handicapped children. Since our original discussions, House Joint Resolution 477 has been endorsed by educational organizations, city governments, and aerospace organizations.

I commend the National Space Society, the National Education Foundation, NASA, the Young Astronauts Council, the Air Force Association, the Boeing Corp., the White House Office of Science and Technology Policy, the Center for Space and Advanced Technology, the U.S. Department of Commerce, the U.S. Department of Education and many, many other groups and individuals who have supported the idea of a National Day of Excellence.

Passage of this bill marks the third annual observance of the National Day of Excellence. This has become not only a recognition of those brave astronauts who perished in the shuttle explosion, but an effort to recognize excellence in the workplace and the enhancement of the American competitive spirit.

House Joint Resolution 477, reads as follows:

H.J. Res. 477

Whereas on January 28, 1989, the seven crew members of the space shuttle Challenger, Commander Francis R. Scobee, Pilot Michael J. Smith, Mission Specialist Ellison S. Onizucka, Mission Specialist Ronald E. McNair, Mission Specialist Judith Resnik, Payload Specialist Gregory Jarvis, Teacher-Observer S. Christa McAuliffe, were killed in a tragic explosion shortly after liftoff;

Whereas each of the crew members of the Challenger was a true Amerian hero who represented the best and brightest that our nation has to offer;

Whereas the crew of the Challenger gave their lives while striving for an excellence of technology, of goal, and of personal achievement which fills all Americans with a sense of pride in their fellow human beings and countrymen;

Whereas the most appropriate tribute we could pay the crew of the Challenger is a national day when Americans would dedicate themselves in all their endeavors to the pursuit of excellence which makes our country great;

Whereas the American spirit is most responsive to a living tribute in which all citizens can participate and be enriched by such participation; and

Whereas this is a day for which our national character cries out: Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 28, 1989, is designed as a "National Day of Excellence". The President is authorized and requested to issue a proclamation calling on the people of the United States to observe such a day—

(1) by resolving that in the course of their regular activities that they pursue the spirit of excellence represented by the crew of the space shuttle Challenger; and

(2) with appropriate ceremonies and activities.

PALAU COMPACT OF FREE ASSOCIATION IMPLEMENTATION ACT

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. DE LUGO. Mr. Speaker, early this morning, I inserted a statement into the RECORD explaining the status of House Joint Resolution 597, which would have authorized a Compact of Free Association with Palau to be put into effect subject to certain conditions.

In that statement (which was included in the RECORD of October 21 on page E3702), I noted that a compromise has finally been reached that should settle this matter; explained that this final compromise has been reached too late to pass the 100th Congress; and expressed the hope that the Administration would follow through on the commitments which made this final compromise possible. I also said that I would include in the RECORD a detailed explanation related to this final compromise.

Essentially, it involves the executive branch taking actions to implement all of the requirements of the House passed version of House Joint Resolution 597 and the deletion of those requirements from the legislation. This would enable those of us who sponsored the provisions in the House passed resolution to agree to support legislation which would not include them, such as has been favored by some Members of the other body.

I would like to include in the RECORD at this point some of the information related to this matter that I said I would submit. Specifically, the information includes a section-by-section analysis of a compromise proposal agreed upon by Members of this House on October 21, which incorporated provisions of the House resolution and the Senate amendment. This proposal was superseded by the final compromise with the other body that I have explained.

Although this proposal was not agreed to by representatives of the other body as a final compromise, it is included in the RECORD for purposes of legislative history. This is because it represents the extent of compromises on this issue that sponsors of House Joint Resolution 597 could agree to in the absence of the final compromise committed to October 22.

SECTION-BY-SECTION ANALYSIS

Section 101 would designate the resolution's short title as the Palau Compact of Free Association Implementation Act.

Section 102 would authorize the Compact to be put into effect (1) if it is approved in a referendum in Palau by the percentage of votes required by Palau's constitution and (2) 30 days after the President has notified the congressional committees of this intent to implement the Compact.

The intent is that there be no effort to implement the Compact without 75 percent approval in Palau unless that requirement is properly changed by the people of Palau.

Section 103 would require the Secretary of the Interior to assist Palau in developing regulations for spending Compact assistance.

It would also authorize the President to negotiate an agreement with Palau in providing that Palau will develop plans to implement U.S. audit recommendations, or in the alternative, that Palau inform the U.S. of its objections to implementing the recommendations.

Finally, it would authorize the agreement to require the Secretary to provide Palau with assistance to implement U.S. audit recommendations. It does not require the Secretary to provide this assistance because Administration officials have assured us that assistance will be provided without such a requirement.

Section 104 would authorize the President to negotiate an agreement with Palau providing that the U.S. will provide Palau with assistance for enforcement of its narcotics and other laws and prevention and treatment of narcotics and other substance abuse.

It would require this agreement to specifically describe the technical assistance, training, and equipment to be provided for law enforcement.

It would also require the agreement to commit the U.S. to providing Palau with at least $400,000 each year in years two through six of free association for this purpose.

This assistance could be spent according to a plan developed by Palau and approved by the National Drug Policy Board. The requirement for federal approval is not intended to enable agencies to prevent spending for reasons not consistent with the intent of this legislation.

Finally, it would require the agreement to provide that Palau authorize U.S. law enforcement officers to investigate in Palau in cooperation with Palauan law enforcement agencies. This authority would only apply to those federal laws which apply in Palau under the Compact or the U.S. laws approving it. In addition, the agreement *may* also include authority for Palau to request U.S. law enforcement agencies to conduct investigations consistent with the plan.

The U.S. or Palau would also be authorized to agree to commit resources in addition to those specified in the plan. The plan would recommend priority use for additional resources if such resources are made available.

The intent recognizes that the Administration will not be able to anticipate all of the assistance that Palau will need in the future to address these problems. However, it expects some specifics before the Compact is implemented.

Section 105 would authorize the President to negotiate an agreement with Palau providing that the U.S. will assist Palau in implementing its public auditor and special prosecutor laws and that Palau will implement those laws at least as long as the U.S. provides this assistance.

It would also require that the agreement provide that Palau agrees to provide the offices with adequate funding in addition to that which the U.S. would provide. At present, this amount is estimated to be about $100,000 per year for each office.

Further, this section would require the agreement to provide that the U.S. will provide technical assistance to the public auditor and special prosecutor on a nonreimbursable basis. At a minimum, the technical assistance would include an auditor or accountant for the office of public auditor and an attorney or investigator for the office of special prosecutor.

To ensure that requests for assistance cannot be blocked for political reasons, it would be able to be requested by the auditor or prosecutor as well as by the government of Palau itself.

The intent is to ensure that federal agencies do whatever is needed to cooperate with Palauan auditor and prosecutor investigations. This might also include providing additional personnel, equipment, or other resources. It might also include collaborative or complementary investigations.

This section would also require that the agreement commit to providing Palau with at least $300,000 annually for the public auditor and special prosecutor offices for at least the first five years of free association. $100,000 of these amounts would be required to be spent annually on each office. The additional $100,000 per year would be required to be divided between the two offices by Palau.

Finally, it would require the President to take action in the event that Palau does not maintain public auditor and special prosecutor offices.

The President would initially have to take the Conference and Dispute Resolution steps outlined in the Compact. He would have to take further actions if Palau did not implement its public auditor and special prosecutor laws after the Conference and Dispute Resolution procedures determined that it should.

For 180 days, the President would have the latitude to determine what actions should be taken. After this period, he would be required to either withhold funds or suspend the commitment assistance this legislation and the Compact would provide Palau.

Suspending the commitment would not necessarily prevent funding from being provided. But it would prevent Palau from having the recourse to the U.S. Court of Claims to compel the U.S. to provide committed funds that the Compact would provide.

Section 106 would amend Section 104(e) of Public Law 99-658, (the Act which approved the Compact subject to the condition that another law be enacted to approve its effectiveness), to repeal a provision that sought to apply the immunity from suits in U.S. courts that Palau would have under the Conpact to litigation against Palau for payment for power facilities constructed by a now-defunct British firm, International Power Systems Company (IPSECO). It would also prevent the use of Compact or other U.S. assistance to satisfy the debt with one exception

The exception is that Palau would be authorized to use Compact funds for capital improvements and energy needs (other than the one-quarter of the energy funds that are reserved for areas not served by the IPSECO plant) to pay the debt. [Compact Section 212(b) provides that Palau will receive $36 million, adjusted for inflation, for capital improvements at the beginning of free association. This amount is now estimated to be about $46 million. Compact Section 211(b) provides that Palau will receive $2 million per year, adjusted for inflation, in years two through fifteen of free association for energy needs. This amount, is estimated to be about $27 million, not including the one-quarter of the funds reserved for the energy needs of areas not served by the IPSECO plant.]

The intent that these funds could only be used to pay the debt if Palau desires to use them and makes such a decision by local law.

Because of the large amounts of Compact assistance that this exception would make available to pay the debt, we would not expect—or advise—Palau to approve the Compact unless the settlement anticipated and made possible by Section 115 were finalized.

Section 107 would authorize the President to negotiate an agreement with Palau under which Palau would agree to submit information that was omitted from its development plan.

This information would adapt the plan to the first five years of free association, would list all infrastructure projects to be financed with U.S. assistance, prioritize infrastructure projects and private sector projects to be financed with U.S. assistance and outline how Palau national and state infrastructure debts would be met.

Section 108 would authorize the President to negotiate an agreement with Palau that would require the U.S. to provide Palau with the amount up to $5 million for medical facilities in fiscal year 1990 that is matched by Palau. It would require approval of Palau's plans for a new hospital by the Secretary of the Interior in cooperation with the Public Health Service and submission of the plans to congressional committees.

This section would also require the U.S. to settle the still outstanding medical referral debts of the Federated States of Micronesia, the Marshall Islands, and Palau to both public and private institutions through the respective effective dates of the Compacts. The U.S. would be able to settle these debts by the payment of funds to the governments or to the creditors, or through interagency transactions in the case of debts owed to federal hospitals. The requirement is that the approximately $7.6 million in outstanding debts—or whatever is still owed if it is actually another amount—must finally be paid.

Section 109 would require Executive Branch agencies to certify that the required audits of Compact assistance meet the statutory requirements for such audits. The intent to ensure that a federal official is fully responsible for determining whether Compact assistance has been spent properly.

Section 110 would recognize that the government of Palau will be bound by its constitution to provide fair payment for private land that the U.S. might require Palau to provide for military purposes under the Compact.

It would also require the President to enter into agreements with Palau regarding financial assistance to Palau if Palau determines that it does not have the funds it needs to acquire land for U.S. military use under the Compact.

Further, it would require this financial assistance to be based on independently verified appraisals of land value, other actual costs, or other indications of fair value.

Finally, it would authorize the President to extend the 60 day period that Palau has to make land available to the U.S. under the Compact. When read in conjunction with other provisions of this section, this is intended to provide Palau with whatever time whatsoever it needs to obtain land for U.S. military use.

The provisions are intended to provide assurance to the people of Palau that in entering into the Compact, the U.S. commits that their land will not be taken or used unless they receive fair compensation for it.

Section 111 would authorize the President to negotiate an agreement with Palau providing that the U.S. will provide Palau with $800,000 to renovate or replace its jail. The agreement would also require Palau to submit a plan for the improvement of prison facilities to congressional committees.

Section 112 would require the Secretary of the Interior to station at least one professional in each Palau, the Federated States of Micronesia, and the Marshall Islands to coordinate federal programs and provide technical assistance. It would also provide that these persons, who would work out of the U.S. offices in the freely associated states, would have to be selected after consultation with other agencies. Finally, it would authorize such sums as many be necessary for these personnel.

The intent is that the required field officers—hopefully augmented by other staff if needed—would be individuals that would have the capability to provide the assistance intended by the Compact Acts. This means that they should be able to provide technical assistance and recruit other agency program personnel who can be rotated in and out of the freely associated states, according to need.

Section 113 would authorize the spending provided for in the legislation. There was no similar section in either the House resolution or the Senate amendment and, therefore, the other provisions of the substitute are renumbered in sequence accordingly.

The authorization supersedes provisions for funding included in Section 115 of the House resolution and in various sections of the Senate amendment. These provisions are described in the following.

The House resolution would apply Compact Section 236 to $9.3 million of the assistance that it—and this resolution—would provide Palau. Section 236 provides a full faith and credit commitment that assistance promised Palau by the Compact will actually be provided. (It provides that Palau may try to enforce the commitment in the U.S. Court of Claims if the U.S. fails to provide the assistance and applies to most of the estimated $460 million, adjusted for inflation, to be provided Palau under the Compact.)

The additional assistance to be provided Palau under the resolution includes: $2 million for narcotics and other substance abuse prevention and treatment and for narcotics and other law enforcement; $1.5 million for the offices of public auditor and special prosecutor; $5 million (or as much as is matched by Palau) for medical facilities; and $800,000 for detention facilities.

These amounts were reduced from the approximately $30 million proposed in the introduced resolution. The reduction was the result of a compromise with the Administration and other Members. The amounts were reduced as much as they can responsibly be reduced and as much as can be agreed to by both Palau's leaders and sponsors of House Joint Resolution 597.

As little as $300,000 of these amounts would have to be provided Palau in fiscal year 1989. The required payments of the $9.3 million would be made over the first six years of free association.

The Senate amendment does not include specific amounts or a commitment that funds will actually be provided.

The authorization proposed in this section is a major concession to the other body, some members of which have objected to providing Palau with a full faith and credit commitment of assistance beyond that specified in the Compact itself.

They have insisted that the appropriations process have an opportunity to provide the assistance that the House resolution would require be provided Palau. They have asked us—and more importantly, the people of Palau—to trust their good faith commitment to provide this assistance upon appropriate justification for it.

This section would enable them to use the appropriations process, as they have asked, to provide the required assistance to Palau.

Although this section would not apply a full faith and credit commitment to the $9.3 million, the specific sections regarding this assistance do provide commitments that the funding will be provided. This compromise was made possible by the understanding that the Executive Branch would assume such obligations without being required to do so by statute.

Additionally, although the compromise includes many of the terms and conditions for spending the assistance—such as providing plans and justifications—that were proposed by members of the other body, it is not intended to enable agencies to use these terms and conditions as a reason for not providing the assistance.

We have agreed to this compromise with confidence in the good faith commitment of members of the other body, representatives of the Administration, and the distinguished chairman of the Interior Appropriations Committee, the gentlemen from Illinois, Sid Yates, to ensure that the assistance this resolution specifies for Palau will actually be provided.

Chairman Yates and the members of the other body involved have been among the members of Congress most sensitive to insular needs and most effective at meeting them. I am sure that when they ask us to remove the full faith and credit commitment which 406 Members of this House voted to apply, this assistance will be provided.

One of the members of the other body opposed the full faith and credit commitment because he was concerned that the amounts over the six fiscal years involved would be scored against discretionary Interior Department appropriations and, thus, reduce the amount of funds available to address other needs.

The Administration has responded to his concerns by telling us that Office of Management and Budget has committed that the budget ceilings for the Interior Department will be increased to accommodate the additional spending that this legislation will require.

Section 114 would require the Secretary of the Interior to provide Palau with the amount of funds needed for a seventh referendum on the Compact and other appropriate costs related to approval of the Compact. It is intended that the costs associated with the approval of the Compact include not only the actual costs of the referendum but for education and other related expenses as well, including the costs of communicating with U.S. government officials on the approval.

Up to $200,000 would be authorized, including the costs to Palau of U.S. deliberations on the Compact. The intent is that the Interior Department provides funds in addition to those to be provided for trusteeship administration.

Section 115 would approve agreements with the Federated States of Micronesia and the Marshall Islands and a similar still-to-be-negotiated agreement with Palau. The agreements would change the required U.S. representation in the freely associated states specified in the law which approved the Compact with the Federated States and the Marshall Islands and the law which conditionally approved the Compact with Palau.

It would also approve an agreement that would extend the applicability to the freely associated states of the essential air service program until October 1, 1998.

It is not intended that the change in U.S. representation in the freely associated states will diminish the jurisdiction of the Interior and Insular Affairs Committee regarding the representatives or any matter concerning the freely associated states.

This section would also authorize the President to negotiate an agreement with Palau under which the U.S. would commit to providing Palau in the first year of free association the $28 million, adjusted for inflation, that Compact Section 211(b) provides that Palau will be provided in years two through fifteen of free association. The inflation adjustment is understood to be about $9 million.

This provision provides a means of settling the IPSECO debt far more preferably than that contained in Section 106, which originated in a Senate amendment. Under this provision, a former president of Palau was prepared to pay the banks involved up to an estimated $66 million. This is an unconscionable amount for facilities worth perhaps a third as much and acquired under questionable circumstances that require further investigation.

The agreement required by this provision would require Palau to pay the U.S. for the net economic costs of "accelerating" Section 211(b) assistance before the sixteenth year of free association. The payment would be automatically paid from Compact Section 211(f) funds, under which $70 million would be provided Palau, if Palau has not paid the U.S. for this cost by the sixteenth year of the Compact.

The payment was proposed by a member of the other body. The anticipated amount is understood to be approximately $9 million.

It is intended to be calculated by the Department of State using Federal Financing Bank loan rates that may be used for very similiar circumstances, if any, minus the inflation factor. Palau should not have to pay more than the amount that is understood now.

The purpose of the acceleration is to enable Palau to satisfy the $46 million debt for the power facilities purchased from IPSECO for $32 million pursuant to the preliminary settlement reached between Palau and the banks which guaranteed the debt. The additional amounts to be provided Palau under this section are intended to be used to electrify areas of Palau not served by the IPSECO plant.

Section 116 would authorize Palau to spend assistance provided it by the U.S. for one year in a subsequent year. This flexibility is intended to ensure that Palau does not lose the use of U.S. assistance because of a failure to expend it in any particular year.

Section 117 would provide that the authority that the President would be granted under Section 102 to implement the Compact will not take effect until 30 days after the Congress has the opportunity to review the agreements that the President would be required to conclude with Palau under this resolution.

The agreements involved regard: Palau's response to U.S. audit recommendations; law enforcement assistance and cooperation; implementing Palau's public auditor and special prosecutor laws; Palau's development plan; and assistance for medical facilities and debts, detention facilities and Compact approval costs.

The 30 day review required for these agreements is intended to give Congress time to ensure that the agreements are consistent with the intent of this resolution. It would enable Congress to take action if any requirements of this legislation are not being met by the President.

This section would also not permit any subsequently agreed upon changes to the agreements to take effect until 30 days after they have been submitted to Congress. This would provide assurance that Congress has time to act if subsequent agreements are made that would in any way change the requirements of this legislation.

Finally, this section would require congressional approval for any change to the agreement already entered into under the Compact which would require the U.S. to construct a 53 mile road on Babelthaup Island.

Section 118 would amend Public Law 99-658 (the law which approved the Compact on the condition that the U.S. enact another law approving the Compact) to delay the phase-down of federal programs that would be discontinued under free association. The delay would be from fiscal year 1987 to the first fiscal year after the Compact is implemented.

1989, A YEAR FOR CHEMICAL WEAPONS ELIMINATION NOT PRODUCTION

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. FASCELL. Mr. Speaker, Iraqi use of chemical weapons against its own Kurdish population and against Iran, new chemical weapons production capabilities in Libya, and reports of more widespread chemical weapons proliferation must prompt our Government to give this issue a higher priority than it has received in the past 8 years and to take action to assure success in 1989 at the multilateral chemical weapons negotiations in Geneva. A new administration in 1989 would also be well advised to reject this past administration's push to produce new binary nerve gas weapons. Little if any new chemical weapons production has begun due to Congress' persistent opposition to production based on well documented foreign policy, arms control, and technical problems that have plagued the binary production program as proposed by the Pentagon.

The need to act decisively in 1989 for chemical weapons elimination not production becomes more and more obvious as the number of nations possessing chemical weapons grows, as use of chemical weapons risks teaching the wrong lesson—that there may be some political or military advantage to be gained by using chemical weapons—and as our own country and others edge closer to the production of chemical weapons, all of which are onerous signs against a multilateral chemical weapons arms control regime. The momentum for new and more sophisticated weapons systems is always there. In the field of chemical weapons there will be funding proposals for chemical multiple-launch rocket systems and chemical-tipped cruise missiles in the near future. An effective and verifiable ban on chemical weapons production and use in 1989 would save us from spending billions of dollars on chemical weapons systems that are unnecessary and counterproductive to longstanding United States and world efforts to avoid returning to the days of chemical weapons use during World War I.

The multilateral chemical weapons negotiations in Geneva are slowly but surely producing a treaty with a very substantive inspection and verification regime to stop the proliferation, production, and use of chemical weapons. A treaty is expected to be ready for signing in 1989 and then the work will begin by the original signatory nations to try to make the treaty universal. The treaty will give those original signatory nations the necessary instrument to encourage all nations to join thereby implementing perhaps the only effective way of stopping the dangerous proliferation of chemical weapons not only to nations that do not yet possess them but to terrorist groups.

There are positive signs from the negotiations in Geneva and elsewhere concerning chemical weapons. The September 29, 1988 address to the United Nations by French President Francois Mitterand represents one of the most recent positive signs. In the past France has not been generally supportive of any negotiation which might possibly seek to limit French inventories of chemical arms. Now, however, President Mitterand has agreed to host an international conference on chemical weapons, and announced that France would no longer insist on its right to produce new chemical weapons while other nations reduce their stockpiles under the treaty being drafted in Geneva, and would support U.N. efforts to embargo any nation using chemical weapons. This is the type of political will and action that is necessary to stimulate progress in Geneva negotiations and ultimately produce an effective chemical weapons ban.

For the past 8 years Congress and the administration have been at odds over a chemical weapons arms control strategy. In 1989 a new administration and a new Congress will have an opportunity to implement a comprehensive and unified arms control strategy on chemical weapons. This can be done by taking concrete actions to arrest the proliferation of chemical weapons, by saving billions of dollars in halting production of new binary weapons, and by stimulating progress at Geneva in the multilateral chemical weapons negotiations. A coherent and reasonable arms control policy on chemical weapons can set a positive course in 1989 which should help avoid very troublesome problems in the future regarding chemical weapons. The objective for such a chemical weapons arms control strategy should be to strengthen our national defense, stimulate progress toward a chemical arms control agreement, and eliminate wasteful spending on weapons systems that either don't work or don't have any justifiable role in our country's defense.

One of our primary concerns should be to make absolutely sure that no more money is wasted on a weapons program, the Bigeye binary nerve gas bomb, that seems to remain doomed to failure. In 1988 the Congress was asked to authorize almost one-fourth of a billion dollars for Bigeye bomb production money when even the Secretary of Defense admitted that it was not yet reliable. In a February 18, 1988 letter by Secretary of Defense Carlucci to Chairman LES ASPIN of the House Armed Services Committee, Secretary Carlucci admitted that the Bigeye bomb was not "mature" and had not yet met the reliability standard. Fortunately the House and the Senate decided not to produce such a questionable weapon system and strict limitations were drafted to assure that there would be no low-rate initial production and no full-scale production until the Bigeye bomb proves itself to be production-worthy both to the General Accounting Office (GAO) and the Pentagon's Office of Operational Test and Evaluation. Funds, both prior-year funds released by a presidential certification and a small amount of fiscal year 1989 funds, can be used only for purposes related to the continued testing program for the Bigeye bomb. Low-rate initial production and final assembly are specifically prohibited before positive certifications by the GAO and DOD's Office of Operational Test and Evaluation. A firm line has been drawn between testing and production of the Bigeye bomb for at least the next 2 years, thereby giving us an opportunity to negotiate a mutual chemical weapons productive ban.

In November 1985, President Reagan and Soviet leader Gorbachev pledged to work for a worldwide ban on chemical weapons. Consistent reports of progress toward a worldwide ban on chemical weapons have been received from the 40-nation U.N. Disarmament Conference negotiation in Geneva. During this past year the Soviet Union has been active on the chemical weapons issued and there have been some public Soviet concessions which could be quite significant once they are negotiated into a treaty. During this past year the Soviet Union and the United States have exchanged visits to their chemical weapons facilities. The exchange of these expert delegations represents an important confidence-building measure which should help improve the prospects for an agreement next year in Geneva.

Furthermore, the Soviet Union has announced that it had halted production of chemical weapons and begun building an incinerator to destroy its present chemical weapons stocks. The Soviets also agreed to "on-site" and "quick-challenge" inspections. They have also presented some new ideas on the question of chemical weapons data exchange. These new chemical arms control positions by the Soviets must, of course, be translated into the necessary written provisions in an arms control agreement. While an adequate verification regime remains a difficult problem to negotiate, the above-mentioned Soviet concessions do set the stage for an agreement next year.

Our key allies have been working hard for an agreement on chemical weapons at the negotiations. These include the British, the Germans, and most recently the French as reflected in President Mitterand's September 29, 1988 call for the elimination of all chemical weapons. It is definitely time for a new administration in the United States in 1989 to complement these efforts. For example, a moratorium on all new binary chemical weapons production is one such step. We would, of course, expect that such a moratorium would only last as long as we have no evidence proving renewed Soviet production of chemical weapons.

These are the elements which form, in my mind, the type of realistic, viable, and effective arms control policy for a chemical weapons ban that a new administration could adopt with broad bipartisan congressional approval. Our efforts should be based on using the arms control process to eliminate Soviet and American chemical weapons as part of a global ban rather than taunting the Soviets back into a chemical weapons arms race with our new production of binary nerve gas weapons. Such efforts would also complement U.S. sanctions against countries that use chemical weapons and would be one of the most meaningful deterrents against chemical weapons proliferation.

CONGRATULATIONS TO OAKLAND ZOO

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. STARK. Mr. Speaker, I would like to join with others in the San Francisco Bay area in congratulating the Oakland Zoo, and its director, Joel Parrott, for recent dramatic improvements in the quality and attractiveness of the zoo.

The institution is becoming a world-class operation, and the new recognition of its efforts should help ensure a stable and lasting revenue base.

Congratulations to Director Parrott and all the staff at the Oakland Zoo for their hard work and a job well-done.

Following is a recent article from the Oakland Tribune describing the great progress made at the zoo.

"NEW" OAKLAND ZOO REAPS HIGH PRAISE

(By Bill Snyder)

The Oakland Zoo, once considered one of the worst in the country, has "been transformed" and now meets stringent professional standards, according to a private agency that evaluates North American zoos.

In a glowing, five-page report, the American Association of Zoological Parks and Aquariums awarded the 60-acre zoo full accreditation, a status held by 137 of the nation's approximately 500 menageries.

The report pointed to new exhibits, an educational program and improved management that "have transformed an old outdated zoo into an aesthetically pleasing facility."

Being accredited, said Joel Parrott, the zoo's director, will allow the zoo to:

Participate in rare animal breeding programs.

Have a more effective fundraising effort.

Recruit professionals who would be unwilling to work in a "second-rate" institution.

But most importantly, he said, the accreditation ends an era that began in 1983 when the Humane Society rated the zoo one of the 10 worst in the United States.

At that time, Robert Wagner, executive director of the zoological association, visited the Oakland Zoo and said: "Some of the things I saw there frightened me. They frightened me to death."

Since then, the zoo has demolished many of the old, prisonlike animal quarters and replaced them with well-lighted, spacious facilities that are better for the animals and more pleasing to the public.

Last March, the zoo opened its new chimpanzee exhibit, a landscaped, 4,000-square-foot "habitat," replacing a small, concrete enclosure at a cost of $205,000.

Other improvements include new baboon and ocelot exhibits, the hiring of an education director, and construction of a new animal hospital.

The accreditation report did raise a number of criticisms, including the relatively low $14,000 annual salary paid to zookeepers and "the small and unsafe elephant exhibit."

Construction of the new, $300,000 elephant barn is expected to start in February, said Parrott.

Many of the new exhibits were paid for by private donors, and the zoo's improvement does not mean that the additional $400,000 in annual funding approved by the state Legislature last month is not needed, said Parrott.

The allocation, which shifts funds that would have gone to the East Bay Regional Park District and to Eastbay courts, apparently ended the argument about whether the zoo, which attracts 320,000 visitors a year, is Oakland's responsibility or a regional institution.

Parrott said the current budget—when added to the hoped for level of private contributions—will allow Oakland to run a high-quality zoo.

"There is no point in having a rotten zoo. It's bad for the public and bad for the animal" he said.

Eric Mills, coordinator of Action for Animals and a longtime critic of the zoo, said the accreditation is well-deserved.

"There isn't any doubt that it has improved."

But he added: "When the best zoo in the world (the San Diego Zoo) is still beating elephants with ax handles, all zoos have to raise their standards."

CLIFFORD (CASEY) IRELAND

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. WYLIE. Mr. Speaker, on October 11, 1988, Clifford (Casey) Ireland, the former minority staff director of the Subcommittee on Housing and Community Development, died. Known to all of us as Casey, he served on the minority staff of our Housing Subcommittee from 1963 until early 1974 when he retired.

Casey's ties to the Congress go back a long way. His father served in the House of Representatives during the latter part of World War I and into the early 1920's, representing the district that is now so ably represented by the distinguished minority leader of the House, Bob Michel. After graduating from the University of Illinois, Casey served in the Army in the Pacific during World War II where he rose to the rank of lieutenant colonel, continuing his Army service during the Korean war. A journalist by training, Casey served as press assistant to our late colleague from Wisconsin, Vernon W. Thompson, and served in the public information office of the Public Housing Administration which was then part of the predecessor agency to HUD, the Housing and Home Finance Agency.

Casey Ireland was a very able staff assistant who brought humor and good cheer to members of our committee and to the staffs of the offices and committees with whom he worked.

I extend, on behalf of my colleagues of the Subcommittee on Housing and Community Development, my sympathies to his widow, Lucille, and his two children, Terrence and Maureen, and his five grandchildren.

[From the Washington Post, Oct. 14, 1988]

Clifford (Casey) Ireland, Legislative Assistant

Clifford (Casey) Ireland, 79, a retired legislative assistant to Rep. William B. Widnall (R-N.J.), died of pneumonia Oct. 11 at the Powhatan Nursing Home in Falls Church. He lived in Arlington.

Mr. Ireland was a public relations officer for the Republican Party in Wisconsin before moving to the Washington area in 1953. For the next eight years, he was the executive assistant to Charles E. Slusser, the D.C. public housing commissioner.

From 1961 to 1963, Mr. Ireland was an assistant to Rep. Vernon W. Thomson (R-Wis.). In 1963 he joined the staff of Rep. Widnall, who was the ranking Republican member of the housing subcommittee of the House Committee on Banking and Currency. Mr. Ireland retired in 1973.

A native of Washburn, Ill., Mr. Ireland graduated from the University of Illinois and studied law at Kent College in Chicago. During World War II, he served in the Army in the Pacific and was promoted to the rank of lieutenant colonel. During the Korean War, he served in the Army in Chicago.

He had been a member of the National Press Club, the Capitol Hill Club and the American Legion.

Survivors include his wife, Lucille T. Ireland of Arlington; two children, C. Terrence Ireland of Silver Spring and Maureen I. Coyne of Memphis; a sister, Pat Martin of Canton, Ill., and four grandchildren.

CLARIFICATION OF THE INTENT OF S. 795, SAN LUIS REY INDIAN WATER RIGHTS SETTLEMENT ACT

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. PACKARD. Mr. Speaker, on October 20, 1988, this body agreed to the Senate amendments to S. 795, the San Luis Rey Indian Water Rights Settlement bill. I applaud my colleagues for that unanimous action.

As various parties have reviewed the bill, an area of needed clarification has arisen. The bill authorizes and directs the Secretary of the Interior to develop and deliver water to the settlement parties in cooperation with non-Federal water user organizations in southern California. It is likely that the delivered water will be mixed with waters delivered from the Colorado River under contracts made with the Secretary pursuant to the Boulder Canyon Project Act. Some have suggested that the transport of water for the settlement in conjunction with Boulder Canyon Project Act water might subject cooperating non-Federal entities or the settlement parties to provisions of the Reclamation Reform Act of 1982. Such a result would be ludicrous and would be inconsistent with the Reclamation Reform Act of 1982 [RRA] and the legislative history of the San Luis Rey Indian Water Rights Settlement bill.

Although the bill we have forwarded to the President is silent on the subject of applicability of the RRA to the development and delivery of water for the settlement, that silence should not be misconstrued. Both the Imperial Irrigation District and the Metropolitan Water District of Southern California and it's member agencies previously were exempted from applicability of the RRA through acts of the Congress. In addition, the RRA does not apply to Indian tribes by its own terms and it would be superfluous to include a specific exemption in S. 795 for the La Jolla, Rincon, San Pasqual, Pauma and Pala Bands of Mission Indians. In fact, if such an exemption had been included in title I of S. 795, someone could infer that the RRA generally applies to Indian tribes in the absence of a specific exemption. Obviously we didn't want that result as making tribes subject to the RRA is an action that would require careful deliberation by the Congress.

Both the House and Senate considered this issue during deliberations on S. 795. The Senate originally passed S. 795 on December 20, 1988, and included in section 11(c) an explicit waiver of the applicability of other law. As described in the first two full paragraphs on page 8 of Senate Report No. 100–47, this provision was included to protect participating non-Indian entities; an exemption for the bands being superfluous. During the June 3, 1988, markup session before the Water and Power Resources Subcommittee of the House Interior and Insular Affairs Committee, Congressmen Miller and Levine discussed this issue. The consensus was that the RRA would not apply to entities participating in the settlement.

Thus, although title II of S. 795, at section 209, includes specific language which protects the historical RRA exemption of those involved in the lining of the All American Canal and those using the saved water, no such language was thought necessary or desirable in title I. All supplemental water provided pursuant to title I will either be used by the Indians themselves or it will be used by Escondido and Vista as part of the negotiated settlement with the Indian bands. In either case, because Indians are not subject to the RRA, those entities involved in the development, delivery and use of water pursuant to title I of S. 795 will not be subject to provisions of the RRA.

Mr. Speaker, I make these remarks to clarify why I was persuaded that explicit language on the applicability of the RRA should not be included in title I of S. 795. Again I wish to thank my colleagues for their assistance and unanimous support in passing S. 795.

BASE CLOSURE LEGISLATION

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ASPIN. Mr. Speaker, with congressional action on the base closure legislation now complete, I want to express my hopes and fears for this process.

We all know that the time is long overdue to close some excess capacity within our domestic base structure. Both the Congress and the Pentagon have been delinquent in making and implementing such proposals. The last formal proposal to close bases was submitted by the executive branch almost 10 years ago. This period of inactivity is due, in part, to the roadblocks the Congress put in the way of previous closure proposals.

The process established in this year's legislation provides the first real opportunity to grapple with this problem. If it proceeds in an effective and credible manner, this model may be used for a base initiative in the future or even for some other thorny issues.

The key in my mind, Mr. Speaker, is that the process must be credible. The Commission's procedures for considering closure candidates must be, and appear to be, completely impartial and nonpartisan. The Commission must exercise its own judgment on these matters and not just accept a recipe prepared by Defense Department cooks. The Commission's members are certainly well qualified to perform this role and I have great confidence they will perform creditably.

With 2 months remaining on the Commission's calendar, there are two concerns weighing on my mind. One deals with the Commission staff, the other with the Commission report. Both deal with my overriding concern for credibility.

First, I have a concern about the way the Commission has been staffed. This task would not be easy for people who had been working on the base structure for their whole careers let alone individuals brought in from other areas to complete this work in 9 months. I am also concerned that the choice for staff director could pose a challenge to the credibility of the final product. I think the selection of someone with no background in military matters and who has a partisan political background poses a problem for a Commission of this character in which the effort to eliminate even the appearance of a partisan slant has been one of the principal elements leading to its creation.

I am not suggesting that any member of the staff is incompetent or guided by base motives. I am not seeking to give critics a hammer with which to hit the Commission's final report. But I do not want the Commission to hand out hammers either. And I am saying that the composition of the staff is critical not only to the balance of the final product but also to the appearance of balance.

This does not mean that any member of the staff need be fired. The concern I have could be addressed in less drastic ways. For example, a staff member with a clearly partisan background could be balanced with the addition of another staff member with a similar background, albeit from the other party. But I do not wish to make predictions. The Commission has its own resources for coping with this problem.

I believe this cautionary note is needed to lessen the likelihood early next year that the Commission's work could be undercut by allegations that the Commission staff lacked independence from DOD or placed a partisan spin on the output.

My second concern, Mr. Speaker, also relates to credibility.

The Commission has only 2 months remaining on its mandate. It faces a major task. Its final product will, by definition, come under attack. Its report will be read widely and every sentence will be perused by mayors, editors, and community activists. That report, therefore, must be written with clarity and precision and without jargon or bureacratese.

The manner in which the Commission determined what installations should be closed or realigned must be explained and justified coherently. When an installation is earmarked for closure, the Commission should explain not only the negative points leading to that decision, but also the positive points about that base and the reasons the Commission did not feel the positive points prevailed.

None of this is easy. But all of it is essential to foster credibility.

I hope the Commission will take these thoughts in the spirit in which they are offered—as an effort to improve the final product by which the Commission's work will be judged. As codrafter of this legislation along with SAM NUNN, and as one who has piloted this legislation through the rocks and shoals of the House, I have a deep personal interest in seeing that the Commission report is not only first-rate but also widely perceived to be first-rate.

S. 1081—THE NATIONAL NUTRITION MONITORING AND RELATED RESEARCH ACT OF 1988

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mrs. SMITH of Nebraska. Mr. Speaker, enactment of S. 1081, the National Nutrition Monitoring and Related Research Act of 1988, would be a victory for Nebraskans as well as all other Americans.

This bill would help assure the American consumer that all future dietary advice would be based on sound scientific evidence and that all government agencies and institutes would "speak with one voice."

This bill was passed by the House 311 to 84 on October 12 and by the Senate by a voice vote on October 18. Under this law, the U.S. Department of Agriculture and the Department of Health and Human Services would be required to review and coordinate any dietary guidance issued to the public by Government agencies.

If the President signs this bill all appropriate and affected Government entities would need to make sure that any dietary advice and nutritional statements have sound scientific evidence to back the statements before being released.

In addition to establishing a coordinated National Nutrition Monitoring and Related Research Program, the legislation would establish a comprehensive plan to determine the nutrition and dietary status of the U.S. population and the nutritional quality of the U.S. food supply.

This bill has three titles, as follows:

Title I establishes the 10-year coordinated National Nutrition Monitoring and Related Research Program to be implemented by the Secretaries of Health and Human Services and Agriculture.

It also requires an Interagency Board for Nutrition Monitoring and Related Research be established to help facilitate the implementation of the program, and then to have the Secretaries appoint an Administrator of Nutrition Monitoring and Related Research to coordinate the program.

The title requires the Secretaries to: First establish matching grants programs for specified nutritional and dietary purposes; and second, submit a biennial report to the President for transmittal to the Congress.

The comprehensive national nutrition monitoring and related research plan as implemented must:

First, assess and report on the U.S. nutritional and dietary trends;

Second, sample representative groups of low-income populations and assess and report on food and household expenditures;

Third, sponsor and conduct nutritional and related research;

Fourth, develop and update a national dietary and nutritional status data bank;

Fifth, assist State and local agencies in developing procedures and networks for nutrition monitoring and surveillance; and

Sixth, focus the activities of Federal agencies.

The research plan must also allocate the project functions and activities among the various Federal agencies and offices involved.

The comprehensive plan must be completed and fully implemented before the end of the ninth fiscal year following the fiscal year in which the final comprehensive plan is submitted.

Title II establishes a nine-member National Nutrition Monitoring Advisory Council to: First provide scientific and technical advice on the development and implementation of all components of the coordinated program and the comprehensive plan; second, evaluate the program and plan; and third, submit an annual report to the Secretaries.

Title III directs the Secretaries to publish and review dietary guidelines for the general public by the start of 1990 and then every 5 years.

I understand that the administration is concerned about the additional money needed to fund the grants and that the additional advisory boards would reduce the efficiency of the current nutritional work being done unless Congress provides funds for both additional personnel and for the grants.

A veto would be a terrible setback to American farmers who have suffered unnecessarily and unfairly at the hands of a well-intentioned but often inept system with inadequate and unworkable safeguards.

This bill has broad support, including the support of 45 very divergent organizations from the American Dietetic Association to the American Farm Bureau, from the Society for Nutrition Education to the National Cattlemen's Association.

While we must keep in mind that the reasons for supporting S. 1081 by these groups are sometimes at cross purposes, a form of this bill has passed the House three times before. The measure has been carefully amended each time to address many of the concerns of the various organizations supporting S. 1081.

The most important item in S. 1081 that must be implemented, however, is the careful review of dietary guidance publications. Government agencies must not issue dietary guidance based on old and inaccurate data or report conflicting findings that confuse and create misconceptions for health-conscious Americans on the healthfulness of various foods.

For example, the Food and Drug Administration published in 1987 "Planning for A Healthy Heart" which on pages 2 and 3 recommended to the reader that they should choose tuna or chicken salad instead of processed meats. Unless a consumer is very careful and either prepares the tuna or chicken salad with low-fat mayonnaise or other salad dressing, the differences between the two are almost nonexistent.

An early draft of the National Cancer Institutes [NCI] pamphlet entitled "A Guide to Food Choices" did not use the most accurate and current data available.

Fortunately, the U.S. Department of Agriculture reviewed the draft by accident and furnished the NCI with the up-to-date correct information, which was then incorporated in the final version of the pamplet.

A problem associated with having several agencies putting out dietary recommendations with no central or coordinated review process is the possibility of using inaccurate data that does not reflect the current nutritional content of foods.

For example, if an agency were to use the nutritional information on pork from 25 or more years ago, the recommendations would not reflect the dramatic differences in swine carcass composition. With current breeding and feeding practices a pig today is approximately 50 percent leaner than his ancestor of the early 1960's.

In fact, research conducted in the late 1960's indicated that a pig's fat type could be altered by feeding it soybean oil, corn oil, or safflower oil.

In other words, the fat deposited by the pig would reflect the characteristics of the type of feed it was fed, yielding a pig high in polyunsaturated fats.

Unfortunately, processing problems and the economics associated with the diet needed to bring about such carcass composition changes are not yet practical.

The current research being conducted by animal scientist with growth hormones means, however, that tomorrow's livestock could yield more meat and less fat, while maintaining most if not all the flavor and tenderness characteristics enjoyed by today's consumers. An additional benefit is that the beef, pork, and lamb producer could put this animal on the menu at a relatively lower cost of production.

Another example of the need for careful review of dietary recommendations occurred in 1984. A doctoral student at Berkley used a grant from the National Institutes of Health to conduct research for a pamphlet of dietary recommendations for distribution in grocery stores.

In conducting his research as part of his dissertation the student had used untrimmed, outdated hanging carcass data as the foundation for his dietary recommendations.

His improperly based calculations showed that beef was high in fat and cholesterol and had been sent to a public relations company to produce the pamphlet.

The material was already at the printer when the National Cattlemen's Association discovered the project and determined it had not yet been reviewed by the Department of Health and Human Services or the U.S. Department of Agriculture.

Only by luck and by going to the Reagan reelection campaign was the National Cattlemen's Association able to get the publication stopped. The NIH had to be informed that the project was not using the latest and most accurate nutrient composition of beef.

The nutrition education module entitled "Eating Well" developed by the Education Development Center and funded by the Centers for Disease Control gives an unjustified negative view of meat in the diet.

"Eating Well" suggests that red meat be replaced as a source of protein by other foods. The module does not consider the nutrient density when comparing fat content of foods and does not mention nutritional deficiencies like anemia.

Perhaps the most glaring fault in using the module as an educational tool is that it fails to stress the universally sound principles of variety and moderation in the diet, as recommended in the Dietary Guidelines for Americans issued jointly by the USDA and the HHS.

Fortunately, the last couple of years have shown the positive results of review by the USDA and HHS of dietary guidance information proposed to be released by the NIH. The USDA reviewed the National Cancer Institutes, "Diet, Nutrition, and Cancer Prevention, the Good News" published in 1986 and made several recommended changes, most of which were incorporated in the final version.

The NCI often tries to make specific numerical or quantitative statements on the types of food that need to be eaten instead of using qualitative statements on the general kinds of food that should be included in the diet.

The first statement that the USDA recommended being changed indicated that sugary foods are often high in fat. This is not necessarily true when one considers that soft drinks are the major source of sugar in the American diet.

The second recommended change involved the category for changing the diet. Frequently the recommended diets were calorie restrictive in nature, which is not what everyone needs. Many Americans need a diet that emphasizes maintaining the appropriate weight for your height and bone structure, which would be your lean weight at age 25.

Other recommended changes involved the use of out-of-date or inaccurate numbers in the various tables. On the table for grams of fat contained in foods, the following foods had inappropriate grams listed: beef, pork, chicken, avacado, and oils. These were corrected.

In the category of foods that should be eaten more or less often the original version failed to mention the availability of lower fat hotdogs and luncheon meats; gave a partial list of vegetables in certain categories as such cruciferous vegetables as broccoli, brussels sprouts, and cauliflower; and suggested that only whole grain bread was low in fat when white bread is nearly identical.

In a joint National Heart, Lung, and Blood Institute and the National Cancer Institute publication entitled "Eating for Life," published in 1987 and reviewed twice by the USDA, some similar recommendations for changes were made and accepted.

Often the definition or lists of items needed to be more accurate and complete in order to help a person formulate his or her most appropriate diet. When originally written the publication recommended eating low fat meat but failed to add that that meant meat trimmed of fat.

The statement recommending the use of only so called polyunsaturated vegetable oils did not emphasize that the important thing to look for is the level of polyunsaturated fats contained in the oil, not that saturated fat be totally absent which is not very often the case.

Americans know food plays an important role in health, but to adequately adjust an individual's diet, complete and accurate data and information is absolutely essential. I am hopeful that S. 1081 will be so effective that inaccurate dietary guidance statements will no longer be published.

Americans have a right to expect accurate information in the publications put out by the various Government agencies. We must avoid crying wolf or damaging any agricultural commodity simply because of an oversight or the use of an inadequately defined statement.

H.R. 1580

HON. PATRICK L. SWINDALL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SWINDALL. Mr. Speaker, I rise today to express my opposition to H.R. 1580, the so-called Anti-Apartheid Act Amendments of 1988.

I had wanted to offer an amendment to H.R. 1580, but the Rules Committee chose to deny me the opportunity to offer my amendment. My amendment was clear and straightforward. It had two simple sections. First, my amendment required the Comptroller General of the United States, through the General Accounting Office, to conduct or contract out a survey of nonwhite South African opinion concerning United States economic sanctions against South Africa. The obvious purpose was to determine whether nonwhite South Africans favor or oppose such sanctions.

Second, under my amendment, if the Comptroller General determined that a majority of nonwhite South Africans oppose United States economic sanctions against South Africa, the economic sanctions in H.R. 1580 would cease to be in effect.

What could make more sense than that? My amendment simply posed the question: Why take actions toward the South African economy with which the oppressed in South Africa completely disagree? Despite the simplicity and good sense embodied in my amendment, the Rules Committee chose not to allow my amendment to come to the floor. This was yet another example in the 100th Congress of how the majority in the House forces its will upon the minority, in violation of the principle of free and fair and open debate of the important issues before us.

The respected South African Institute of Race Relations revealed last year that, in 13 opinion surveys taken over the past 4 years by a variety of private research institutes and newspapers, a majority of South African blacks opposed sanctions and disinvestment, mostly by a margin of 3 or 4 to 1. More recently, in the most comprehensive survey of South African black opinion ever taken, the nonpartisan Investment Resource Responsibility Center concluded in June 1988 that a majority of urban black South Africans do not support economic sanctions against South Africa.

These surveys point to the utter irresponsibility Congress bears when it passes so-called antiapartheid legislation which the victims of apartheid themselves do not support. Those who claim that blacks in South Africa are willing to suffer the consequences of American sanctions are either unaware or blind to the reality in South Africa today.

Finally, Mr. Speaker, I would point out that there is a precedent for my amendment. In

1985, when the House considered the Anti-Apartheid Act of 1985, the Rules Committee specifically granted permission to Representative DAN BURTON (R–IN) to offer an amendment similar to mine. The only difference is that Representative BURTON'S amendment contained a requirement that the Secretary of State—instead of the General Accounting Office—perform a survey of nonwhite South African opinions toward the prohibition of new United States investments in South Africa.

My disapproval of H.R. 1580, however, lies not only in the actions of the Rules Committee in bringing the bill to floor, but in the substance of the bill itself.

I view South Africa's racist system of apartheid as an affront to human dignity. Apartheid is a hideous, humiliating form of government. It stands in direct contrast to the values of human liberty which all Americans cherish. The United States must continue to clearly and categorically express our abhorrence of South Africa's apartheid system and put the greatest possible pressure on the South African Government to dismantle this brutal system and allow all of its citizens to live their lives free and in peace through the creation of a representative, constitutional form of government.

Too often in the debate over South Africa, proponents of sanctions only speak of the necessity of ending apartheid. Often overlooked is the importance of creating the conditions for self-determination in South Africa. As former Ambassador Alan Keyes once stated, "Apartheid is the evil against which we fight, but we do not fight evil merely for the sake of evil. We oppose evil for the sake of present and future good."' In other words, in efforts to end apartheid, the United States has a responsibility to build the foundations for democracy in a post-apartheid South Africa. The United States must resist measures that encourage violence and could lead to an even greater tyranny than apartheid. For this reason, I voted against H.R. 1580.

In considering H.R. 1580, it is important to draw on the lessons of the past 2 years. In 1986, Congress voted to override President Reagan's veto of the Comprehensive Anti-Apartheid Act [CAAA]. Much has occurred since that time, none of which encourages me to believe that renewed sanctions are a solution to South Africa's crisis.

First, South Africa has taken a dramatic turn to the political right. The major opposition party in parliament, the liberal Progressive Federal Party, has been replaced by the extremist Conservative Party, which favors repeal of the political reforms by the ruling National Party. In response, the Government has halted its reform efforts, banned political and religious activities, and extended the state of emergency. The Southern African Catholic Bishop's Conference states that sanctions have "clearly had a totally counterproductive effect on government thinking [and have] consolidated the Government in its retreat from meaningful, and indeed, any reform." Unfortunately, sanctions have produced the exact outcome which proponents of sanctions sought to prevent—rightwing extremists are stronger and those who favor political reforms away from apartheid are weaker.

Beyond the political impact of the 1986 sanctions lies the economic destruction wreaked upon South Africa's black population. While the departure of American firms from South Africa has had little impact on the overall economy, disinvestment has had grim consequences for black workers and communities. Most profoundly impacted have been the coal and agricultural industries, both of which have experienced sharp falloffs of exports and rising unemployment. Moreover, a study commissioned by South Africa's largest black trade union estimates that new sanctions could put 2 million more blacks out of work over the next decade. Since each worker supports an average of five persons, 10 million blacks could lose their primary means of support. This may account for the fact that thirteen recent opinion surveys indicated that a majority of blacks oppose sanctions and disinvestment.

Mangosuthu Buthelezi, chief of the 6 million Zulu nation, notes that:

> Black South Africans have to seek to bring about radical change in such a way that we do not destroy the foundations of the future. To greatly exacerbate unemployment and greatly increase the already horrendous backlog in housing, education, health and welfare services, would be unforgivable. Millions of black South Africans already live in dire squalor in squatter areas and in shanty-towns. Jobs make the difference between hunger and starvation and between life and death. For Americans to hurt the growth rate of the South African economy through boycotts, sanctions, and disinvestment would show a callous disregard for ordinary people, suffering terribly under circumstances that they did not create, and would be a gross violation of any respect Americans may have for the principle that people should be free to exercise their rights to oppose oppression in the way they choose.

Moreover, the Washington Post observed in 1985—before the passage of any U.S. sanctions that:

> There is a serious, respectable, nonracist case against sanctions. It is that the country's economy is the most effective engine of social transformation, compelling whites to grant blacks precisely the training and education, the livelihood, and personal rewards, the choices of where to live and work, the associations and organizations, the sense of their own power and community, that apartheid would deny them.

By slowing down the economic engine of change in South Africa, H.R. 1580 will extend apartheid's life.

Therefore, Mr. Speaker, I believe it would be utterly hypocritical and illogical if H.R. 1580 were to become law despite opposition from those it is aimed at freeing; namely, nonwhite South Africans. In approving H.R. 1580, the House passed an ill-conceived, nefarious piece of legislation in the name of condemning apartheid in South Africa. For Congress, however, morality is cheap when someone else pays the cost.

The sad truth is that there is no instant method to eradicate apartheid. Despite the international clamor for sanctions, the most fundamental aspects of apartheid remain. However, Americans can facilitate the movement toward a representative government there. Helen Suzman, the longest serving Member of Parliament in South Africa and a lifelong opponent of apartheid, has said that, "the most effective instrument for change is economic expansion within the country." Economic growth, says Suzman, has compelled the Government to abolish the pass laws, recognize black trade unions, open central business districts to all races, end the reservation of skilled jobs to whites, and make property available to blacks in the townships.

In contrast, by forcing out United States firms that contribute heavily to black development, H.R. 1580 would slow down the economic engine of change in South Africa and frustrate blacks' ability to bring about political change. For this reason, I voted for an alternative to H.R. 1580 offered by Representative BURTON which would authorize housing loan guarantees for disadvantaged South Africans and provide major expansions of black economic, educational and legal aid. This "black empowerment" approach would build on the $210 million spent in the last eight years by American businesses in South Africa on black education, job training, health care, and private enterprise programs. Unfortunately, the House defeated the Burton substitute.

America's goal should be to help black South Africans gain more economic opportunities, as a means of gaining political power and forcing reforms to take place. South Africa's economy relies heavily on both black workers and consumers. While the black majority holds only 2 percent of the country's assets, blacks comprise 52 percent of the total purchasing power and over 70 percent of the skilled work force. This strength was demonstrated on June 6 when over one million black workers staged a 3-day national strike to protest restrictions on unions and anti-apartheid organizations. Beyond labor strikes, consumer boycotts are another way blacks can use their power to force political change. Of course, if blacks are out of work—as thousands are as a result of U.S. sanctions—they cannot strike or effectively boycott. By increasing black unemployment, H.R. 1580 would thus directly undermine black efforts to end apartheid.

In sum, I believe the United States should increase our investement in South Africa to strengthen blacks' ability to fight apartheid. At the same time, the United States should increase diplomatic pressure on South Africa to legalize nonviolent political and religious movements, release the Nation's political prisoners, and accelerate negotiations with government opponents to build a political system where the rights of majorities and minorities are protected by law. Only this combination of economic and diplomatic pressures can lead to a peaceful end to apartheid and the creation of a truly free, prosperous society.

GEORGE BUSH MEETS THE 10-TON TRUCK FROM WISCONSIN

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. ASPIN. Mr. Speaker, in the last Presidential campaign debate, GEORGE BUSH was asked to name three weapons he would cut from the budget to help bring it into balance. The Vice President replied:

"If I knew of three weapons systems that I thought were purely waste and weren't protected by the Congress, they wouldn't be in the budget. But you want one now? I'll give you one. That HEMTT, that heavy truck. That costs, what is it $850 million—and the Pentagon didn't request it. And yet a Member of Congress, a very powerful one, put it in the budget."

That Member of Congress is me. And that HEMTT is the heavy expanded mobility tactical truck, a mighty mouthful describing what we mere mortals call a 10-ton truck. The Vice President was rehashing a news story published last spring.

Given the profusion of misinformation and partial truths going the rounds, I think it might be useful at this point to look at the facts. There are four key points.

First, it is completely accurate that the Congress, on the recommendation of the House Armed Services Committee, which I chair, last year directed the Army to buy more trucks than it requested—and those trucks have been made for many years in Oshkosh, WI.

It is also true that the Congress, on the recommendation of my committee, last year directed the Army to buy more Abrams tanks, Blackhawk helicopters, Apache helicopters, and AHIP helicopters than it requested. None of those prime contracts went to Wisconsin. But the Vice President did not mention them.

In fact, the policy issue involved in the helicopters and the trucks was the same. The Army wished to shut down the production lines for the 10-ton trucks and the three types of helicopters and count on yet-to-be-developed new trucks and helicopters. The Army was, quite simply, betting on the come. Congress wasn't willing to make policy based on paper promises of a fancy, ultrasophisticated 21st century truck and a fancy, ultrasophisticated 21st century chopper.

That was last year. Almost every year the Congress disagrees with some of the priorities of an administration and changes them. The Constitution empowers the Congress to set priorities. This year, for example, we told the services to spend less on the MX missile than the administration wished, less on SDI, more on the National Guard and Reserves, and—again—more on Army tanks, trucks, and helicopters. The administration requested, and the Congress approved, a total of $299.5 billion for defense. But within that, the Congress shifted $5 billion to programs the Congress thought deserved a higher priority. Of that $5 billion, $239 million or about 5 percent was related to 10-ton trucks.

Second, while Congress directed the Army to buy more trucks than it requested, we did not order it to buy more than it needed. This canard is a misrepresentation of the facts of immense proportions. The current "Army acquisition objective," or requirement for 10-ton trucks, is more than 16,000. The services, however, rarely buy the full AAO. Instead they set a lower figure, based on the size of the budget and their own service priorities.

In 1986, for example, that "procurement objective" for 10-ton trucks was 12,628. In 1987, however, the Army looked at the declining budget and revised its procurement objective to 10,829. It was that reduction—that change in priorities—that the Congress disagreed with. Instead, last year we told the Army to buy 13,275 trucks, about 2,500 above last year's procurement objective.

This year, the Army has revised its procurement objective yet again. It now says it wants to buy 13,587 10-ton trucks. In other words, despite the assertions that Congress has "forced" the Army to buy trucks it neither needs nor wants, Congress actually told the Army to buy 312 fewer trucks than it now wants and thousands fewer than it says it can use—that is, the acquisition objective.

This welter of numbers can be very confusing. Suffice it to say that the Army's procurement objective is a moving target and that the number adopted by Congress is not out of line with the Army's own numbers. The assertion made in one newspaper article that the Army has no idea what to do with all the trucks Congress told it to buy and may ship the "excess" off to Salvador is little more than idiotic given the Army's own calculations of its needs.

In the standard response the Army is sending to those who inquire about the truck issue, the service itself states that "the Army does have a vaild requirement for a larger number of vehicles," and that the volume of trucks approved by Congress "will be used to fill valid Army requirements and to reduce existing shortfalls." So much for the suggestion that "excess" trucks might be given to El Salvador.

Third, the Army has objected viscerally that Congress has directed the Navy to select the successor to the current 10-ton truck. Some newspaper articles have ridiculed that idea. Here's the history on that.

Last year, Congress—with my support—directed that the Under Secretary of Defense for Acquisition [USDA], rather than an Army contract officer, determine who should get the contract for the successor to the 10-ton truck. I did that because there is so much bad blood between the Army and Oshkosh—bad blood that I felt might bias the Army's decision against Oshkosh.

I should add that this proposal also ordered that the 10-ton successor be determined specifically by open competition. I did not bias the system toward Oshkosh. And I did not want the Army to bias it away from Oshkosh.

Early this year, I received a telephone call from William H. Taft IV, the Deputy Secretary of Defense and No. 2 official in the Pentagon. Will told me he didn't think it was a good idea for the USDA to make this decision. For one thing, he felt the USDA's job was to deal with acquisition policies, rather than individual programs. Perhaps more importantly, the incumbent USDA came to the Government from GM and would face a conflict of interest if GM entered the truck competition.

I agreed with Will and asked him who he thought would be an appropriate decision-maker in place of the Army. Will suggested the Navy. Based on that suggestion, I introduced legislation to that effect. That legislation has now been approved.

As with all legislative proposals, the Pentagon was asked for its written position, and it gave a written response that interposed no objection. The Army may oppose the idea, but the Army's superiors have another opinion.

Fourth, the suggestion that these trucks would never have been bought had it not been for my pressure doesn't stand up against the record.

In the last year's budget cycle, this committee first prepared a defense authorization bill totaling $306 billion. That bill included the controversial additional increment of trucks. Later, the House Armed Services Committee was directed to redraft the defense budget at $289 billion. I proposed $17 billion in cuts to meet that new total, including a smaller truck buy. In April, the Procurement Subcommittee voted against my recommendation on a 12-to-6 rollcall vote. So, as you can see, the committee is an even bigger proponent of the 10-ton truck program than I am. Furthermore, while Oshkosh is in Wisconsin, it is not in my congressional district. It's about 75 miles away and employs no one in my congressional district.

Finally, I note that this contract was not issued to the Oshkosh Truck Corp. by me. It was issued by the Reagan-Bush administration in 1981, just a few months after it took office—and 4 years before I became chairman of the House Armed Services Committee.

FRED THOMAS, JR., HONORED BY THE CARNEGIE HERO FUND COMMISSION

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to a young man of exceptional courage, Fred A. Thomas, Jr., of Wilkes-Barre, PA. Fred is this year's youngest recipient of the Carnegie Medal, a medal awarded by the Carnegie Hero Fund Commission to recognize individuals who perform outstanding acts of selfless heroism in the United States and Canada.

In order to receive a Carnegie Medal, there must be conclusive evidence that the person performing a heroic act voluntarily risked his or her life in saving or attempting to save the life of another person, or voluntarily sacrificed himself in a heroic manner for the benefit of others.

On October 26, 1987, Fred rescued Christopher J. Toole, 3, from a fire in the toddler's home. Christopher was inside his family's apartment when leaking natural gas ignited in the kitchen. Flames spread to the walls and ceiling. A resident of the same building, Fred, a 16-year-old high school student, entered the apartment through the burning kitchen and led Christopher's mother and two brothers outside. There, he learned that Christopher was still in the apartment. Fred reentered through the burning kitchen, went upstairs, and searched for Christopher, finding him in a bedroom. By then, dense smoke had filled the apartment, and visibility was severely limited. Fred took Christopher downstairs and outside to safety.

Mr. Speaker, I am proud and honored to draw your attention to this young hero today.

We in northeastern Pennsylvania are fortunate to have Fred Thomas, Jr., as our neighbor; and little Christopher Toole is alive today as a result of Fred's courageous and selfless efforts.

RETIREMENT OF REAR ADM. H.D. CAMPBELL

HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. COMBEST. Mr. Speaker, I would like to take this opportunity to offer a tribute to Rear Adm. H. Don Campbell, the Judge Advocate General of the Navy, who retires this month after an illustrious career of 26 years of service to his country.

A native of west Texas, Don Campbell was born in Plainview, TX, and graduated from nearby Tulia High School, where he was an honor student and member of the football team. He holds a bachelors degree from McMurry College, a juris doctorate from Southern Methodist University, and an LL.M. in international law from George Washington University. He was commissioned a law specialist in the Navy after completing Officer Candidate School at Newport, RI, in March 1963.

Upon receiving his commission, Rear Admiral Campbell served as appellate counsel at the Navy Court of Military Review during 1963 and 1964, followed by 1 year with the Third Marine Division in Okinawa and Vietnam as law specialist and chief defense counsel. In 1966 and 1967, Rear Admiral Campbell served as deputy station legal officer, NAS Corpus Christi, and was selected for postgraduate study in international law (1967-68). After receiving his masters degree in international law, Rear Admiral Campbell had a brief tour as staff judge advocate for the commander, Submarine Flotilla Two, before serving from 1970-73 as the executive assistant to the judge advocate general of the Navy. In 1973, Rear Admiral Campbell was assigned as executive officer, Naval Legal Service Office, Norfolk, where he served 2 years, followed by a 2-year assignment as force judge advocate, Commander Naval Surface Force, Atlantic. In 1977, he was ordered to Washington, DC, to serve on the Naval Ship Procurement Process Study Team, which conducted a high-level study commissioned to resolve Navy claims problems in ship acquisitions. Subsequently Rear Admiral Campbell served as Special Assistant (Legal) to the Assistant and Naval Aide to the Assistant Secretary of the Navy for Shipbuilding and Logistics.

In 1982, Rear Admiral Campbell was reassigned to the Office of the Judge Advocate General where he served as deputy assistant judge advocate general (administrative law) until May 1984. From May through September 1984, he served as assistant judge advocate general (civil law) and commanding officer, Naval Civil Law Support Activity. In September 1984, Rear Admiral Campbell was assigned as assistant judge advocate general (operations and management) and was selected for promotion to the rank of rear admiral (lower half). He served additional duty from October 1984 until disestablishment in April 1985 as inspector general, Naval Material Command, and from April 1985 until October 1986 as inspector general, Naval Systems Command.

Rear Admiral Campbell was promoted to his present grade in 1986 and assumed the position of judge advocate general of the Navy and commander, Naval Legal Service Command.

Rear Admiral Campbell's personal decorations include the Legion of Merit (two awards), Meritorious Service Medial, and the Navy Commendation Medal (three awards, one with Combat "V").

He is past president of the Pentagon Chapter of the Federal Bar Association and is active in church and local civic affairs. He has two children, a son, Lex, and a daughter, Amber.

On behalf of this body, I wish to express appreciation to Rear Admiral Campbell and recognize his many years of devoted service to the Navy and to our country. I also extend my best wishes to his children, Lex and Amber, and my honors to the memory of his wife, Marty, for their loyalty and willingness to make sacrifices as devoted members of a career Navy family.

QUESTIONS ABOUT THE UNITED NATIONS

HON. PATRICK L. SWINDALL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. SWINDALL. Mr. Speaker, at a Foreign Affairs Subcommittee hearing on September 27 about recent events in the United Nations, there were two essential questions. First, can the United Nations be reformed? Second, does anyone really care?

I asked the first question because, based on the standards set by Congress last year, the United Nations clearly has not reformed itself.

The second question is relevant because of a tragic event which occurred in September. I'm not talking about President Reagan's decision to restore full U.S. funding to the United Nations, though that decision itself was a disastrous mistake in judgment which will have a profound impact on the U.S. effort to reform the United Nations. What I'm talking about instead is the constitutional consequences of the President's decision to certify to Congress that the U.N. has made enough progress to warrant the release of $44 million more from the U.S. taxpayers.

For the past several years, by overwhelming majorities in both Chambers, Congress has intentionally withheld millions in U.N. payments because many of the U.N.'s programs and hiring practices have been bloated with waste, hostile toward the United States, and inconsistent with the U.N. Charter itself. Congress and the American people have demanded that there be real, substantive changes in U.N. administrative and budgetary operations. Yet the White House determination came prior to such fundamental changes. The truth of the matter is that the President's determination flies in the face of clearly expressed, bipartisan congressional intent that the resumption of full U.S. funding of the U.N.'s massive bureaucracies be contingent on systemic and irreversible reforms. As such, the administration's action is premature and irresponsible at best, illegal and fraudulent at worst.

As the certification process has become rhetorical, instead of being based on substantive proof of change, the administration is crippling the balance of power in our Republic's Government. If the law is ignored, the legislative branch becomes ineffective and the American people are rendered voiceless.

To ensure that financial and management reforms take place and to reassert congressional leverage over this process, I introduced a joint resolution with Senator HELMS to withhold 20 percent of the fiscal 1988 funds appropriated by the U.S. to the United Nations—approximately $28.8 million. I introduced this resolution because, though there has been a reduction in the number of U.N. Secretariat personnel, and while the United Nations and some member nations have committed themselves to making more changes, the U.N.'s most wasteful budget and management practices continue. So do violations of the U.N. charter itself.

The revised Kassebaum-Solomon amendment conditions 60 percent of our contribution on three very specific benchmarks for measuring reform. None of these has been met or even closely approached.

The law's first condition is that "the consensus based decisionmaking procedure established by General Assembly Resolution 41/213 is being implemented and its results respected by the General Assembly." But the consensus process for adopting the U.N.'s biennial administrative budget has never been fully tested. The first attempt, in late 1987, ended in chaos with the United Nations continuing to vote on its budget as it always has—by majority rule of the world's tiniest nations, who pay the United Nations practically nothing. The second attempt is barely underway, as meetings continue among members of the U.N.'s Committee on Program and Coordination. Obviously it remains to be seen whether the United States will have any more input over the U.N. budget than when the 1987 U.N. reform law was passed. But today, the fact remains that the U.N. continues to bill the U.S. taxpayers for at least 25 percent of its costs, which last year meant contributing over $800 million.

The law's second condition is that "progress is being made toward the 50-percent limitation on seconded employees of the Secretariat" as called for by the United Nation's group of 18 experts. Yet, the deliberate Soviet abuse of the independence of the United Nations career staff through secondment continues unabated. According to an April 1988 report to Congress from the State Department, 99.7 percent of all Soviet-bloc personnel remain under short-term contracts, in blatant violation of article 100 of the charter. I fail to see any progress here either.

The law's third and final condition is "the 15-percent reduction in the staff of the Secretariat is being implemented and equitably applied among the nationals on such staff."

While the United Nations boasts a 12-percent "vacancy" rate, these reductions have primarily been the result of attrition and, more importantly, the posts themselves have not been eliminated—only the employees. The United Nations could easily refill these posts, especially when the President decides to turn the spigot of U.S. dollars back on.

I am fearful that Secretary General Perez de Cuellar will repeat his scandalous decision in May 1987, when he violated the United Nation's employee hiring freeze and allowed the Soviet Union and its allies to bring 104 new employees into the Secretariat. Congress was shocked by this outrageous act. We knew that many of these new employees are intelligence officers taking orders directly from Moscow. For this reason, the House and Senate passed a resolution of mine condemning the hiring freeze exceptions and asking the President to withhold all United States assessed contributions to ensure compliance with the freeze. Unfortunately, this resolution went unheeded in New York and no change was made in the hiring of these new Soviet-bloc employees. So, once again, the United Nations and the Soviet Union have gotten away with murder—with the United States footing the bill.

With the United Nations making no true progress toward meeting the law's three conditions, I do not understand why the administration and many Members of Congress seem to have given up on reform. The pressure to pay our bills seems to have risen as the United Nations has become reacquainted with its role as an instrument for peace. I'm obviously pleased that the United Nations has facilitated the end of several conflicts in recent months. In so doing, it is finally beginning to fulfill its primary function under the charter. It deserves our support for these efforts. But as Ambassador Williamson noted in a speech last week, "We must not allow the present euphoria felt in some quarters to blind us to the political realities which are intertwined within the multilateral arena."

U.S. payments to the United Nations have never been linked to the success of U.N. peacekeeping operations. The law speaks only of reform in the United Nations budget and hiring practices. From the onset of the so-called U.N. funding crisis, United Nations and State Department bureaucrats have attempted to confuse legislatively mandated U.S. withholdings with the United Nation's peacemaking and peacekeeping roles. They have attempted to conceal the fact that peacekeeping operations are primarily funded separately from the regular U.N. budget. United States arrearages have scarcely had any impact on the United Nation's role in ending conflicts in Afghanistan, the Persian Gulf, and Africa. The United Nations own budget allocations indicate that barely 3 percent of U.S. nonpayments can be attributed to peacekeeping operations. Therefore, U.S. arrearages have had a negligible effect on the United Nations ability to make or keep peace.

Strong leadership by President Reagan and leading Senate and House Members, combined with the leverage of U.S. withholdings, gave momentum to the U.N. reform process. Selective U.S. funding began to distinguish useful U.N. programs—those consistent with American interests and the mandates of the U.N. Charter—from those that are driven by outright hostility toward the United States and toward the principles of open societies, human rights, and free markets.

President Reagan's decision severely dilutes that strong, principled initiative. The collapse of leadership from the U.S. mission to the United Nation and the State Department, combined with the restoration of full U.S. payments to the United Nations, greatly undermines the entire reform process. Any meaningful process of U.N. reform must focus on the substance of useless or even counterproductive U.N. programs and change them once and for all. With no fundamental change in U.N. operations, the American taxpayers are wondering why the Reagan administration has chosen to retreat and shovel out hundreds of millions of dollars to the United Nations despite the organization's failure to reform itself. Unless and until steps are taken to address the United Nations serious structural problems, I can assure you that Congress will seek to strengthen the U.N. reform law and use the power of the purse to reject efforts to pay for the United Nations wasteful programs and its Soviet-bloc spy apparatus.

It is ironic that, those Members of Congress and the Reagan administration who favor the restoration of full U.S. funding to the United Nations out of concern for the organization's survival, are unwilling to recognize the fact that the U.N. has not met the reform goals of its own group of 18 experts or those written into U.S. law. If the United States would resist the clamor for full funding, the pressure for reform would ultimately compel the United Nations to genuinely change its ways. In so doing, the United States will be helping the United Nations reestablish some of its much compromised integrity. Such a development should be welcomed by all those concerned with the United Nations's success, reputation, and survival.

IN RECOGNITION OF CAPT. WILLIAM N. SHANNON, SUPPLY CORPS, U.S. NAVY

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. MAVROULES. Mr. Speaker, I would like to take this opportunity to honor and recognize Capt. William N. Shannon, Supply Corps, U.S. Navy.

On August 29, Captain Shannon retired after 26 years of outstanding service to the Navy and the Nation. A distinguished professional, his Navy career has included tours afloat in the U.S.S. *"Mispillion"* and as a plankowner in the precommissioning crew of the U.S.S. *Nassau;* overseas with the military advisory and assistance group to the Venezuelan Navy, and in Sasebo, Japan on the staff of the 7th Fleet Commander. In this country, his superior service included duty on the staff of the Atlantic Fleet Commander, the San Francisco Naval Shipyard, the Electronics Supply Office in Great Lakes, IL; and at the Naval Supply Systems Command Headquarters in Washington DC. In his most recent assignment, Captain Shannon has commanded the Defense Contract Administration Management Area, Boston. In this capacity, he has provided superb support to my office and to many of the constituent firms located in the area.

A man of Captain Shannon's talent and integrity is rare indeed. While his exemplary service will be genuinely missed, it gives me great pleasure today to recognize him before my colleagues and to wish him "fair winds and following seas" as he ends a long and distinguished career in the U.S. Naval Service.

TRIBUTE TO JAMES L. McCORMICK

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 21, 1988

Mr. PORTER. Mr. Speaker, Household Finance is losing an outstanding advocate when James L. McCormick retires the end of this year. Thirty-four years ago Jim joined Household and has held various positions in the public relations department. In 1978 he was promoted to senior vice president, government and public affairs. It has been my personal pleasure to have known and worked with Jim during almost half of this time when I was first elected to the Illinois General Assembly in 1972 until my fifth term in the Congress. He has always proven a credible and knowledgeable proponent of his firm and industry and all of us who have had the pleasure of working with him will miss him.

A native of Arkansas City, KS, Jim has been active in business and civic affairs in Chicago. He is a former member and past president of the Chicago Area Public Affairs Group. He is past chairman of the Better Business Bureau of Chicago and Northern Illinois, Inc., and presently serves on the executive committee and is a board member of the Council of Better Business Bureaus.

I wish Jim and his wife, Rosalee, much happiness in this new phase of their lives.